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To: Mr. Frederick W. Obear

From: Norton C. Seeber
Dean of Economics and Management Norton C. Seeber/H.A.S.

Subject: Annual Report of the School of Economics and Management

For the 1974 version of the Annual Report of the School of Economics and Management, the format of past years, using historical and projected data on a Fall term basis, will be used. Some additional information will be presented on a fiscal-year basis. I believe that, in the longer term, the latter is likely to be more informative and should lead to more effective budgeting, provided such a format could be instituted.

For brevity, certain items have been selected for emphasis. These relate to enrollments, projections, staff, and some projected and speculative thoughts regarding program development, including the MBO draft statement.

Enrollments

Table 1 indicates that enrollments for the Fall 1973 term increased to a total of 560 equivalent FYES--527 undergraduates and 33 at the graduate level. On a fiscal-year basis, the total is 589 FYES--549.8 undergraduates and 39.2 graduates. Fall-to-Fall enrollments increased 44 percent from 1972 to 1973. More realistically, enrollments for the fiscal year 1973-74 were 38 percent over 1972-73, with the latter year 28 percent over 1971-72. Incidentally, the graduate figure, while lower than the initial projection of 50 FYES for fiscal 1973-74, is close, and could have been increased had adequate resources been available sufficiently early.

Projections

Table 1 gives projections for the next several years, with an expected Fall 1974 enrollment of about 670 FYES equivalent, an increment of 20 percent over Fall 1973. The total year figure should be somewhat larger because of expected increased evening and graduate enrollments during the year. Realistically, however, the number of sections we are going to be able to offer will probably limit full-year growth to approximately 20 percent. This total year figure is, incidentally, somewhat less than the number implied by preregistration figures, but is certainly significant, especially in view of our slow starts on various programs due to faculty shortages (see Programmatic Activities below). We have adjusted the 1974-75 graduate figure downward from 75 to 65, though it is quite possible that, with adequate assistance and some advertising, we may beat that number. Our new graduate brochure, now in the bid process, should assist us in meeting graduate targets more readily than heretofore. Incidentally, I hope we are out of the pure numbers game at this point and that we can concentrate on substantial growth with quality in order to insure long-term viability of our School and the University.

Staff

During academic 1973-74, the SEM added four new faculty: Professor Richard Steers, Professor Douglas Gregory, and Instructor Socrates Tountas and Professor Andrew Stedry on a visiting basis. Professor Lon Polk was on unpaid leave, so the net addition was three. For 1974-75, we have appointed Assistant Professors Eugene Stone (organizational behavior) and Kenneth Moberg (economics and management science, especially finance); Instructors Socrates Tountas (economics) and Diane Herker (accounting); and Associate Professor Alan Weinstein from Carnegie-Mellon (organizational behavior, human resources management, and executive development programs). Also, we have appointed Professor Andrew Stedry again on a visiting basis. We shall undoubtedly add more staff before the Fall, but these people are likely to be in the part-time category, since it is so late in the year.

We have also had some faculty losses. Lon Polk, on leave for 1973-74, will not return. William Cron and Kenneth Young will be leaving the faculty for posts elsewhere. With these departures and excluding part-timers for either year, we now have a net addition of two people, far fewer than required to insure success for our programs. The table tells the story and is relatively self-explanatory.

The secretarial staff was increased by one person--Deena Haghparast--during the year, making a total of three secretaries for the faculty, plus Ms. Colling, the dean's secretary. For the coming year, we will have about 22 equivalent faculty, plus the work of the dean's office. The present faculty is highly productive, and the newcomers are without exception proven academic producers. Secretarial loads are extraordinary, to the point where we are presently unable to provide adequate assistance for research papers. With the new people coming in the Fall, the problem will be even more severe. (I refer you to the Report of the Select Committee to Evaluate the Dean which pointed out this difficulty quite succinctly.) It is obvious that we need to add a secretary to work primarily on manuscripts in order to allow faculty research productivity to continue. In addition, Ms. Colling's work load, involving budget, travel, and appointments, as well as my work, has become so heavy that she is in dire need of help. Therefore, I request that a person be added to take responsibility for tasks relating to purely administrative chores involving budget, travel, and the graduate program. Such a person could also assist the general secretarial staff. However, the growing work load involving budget, travel, and the graduate program will quickly outrun our abilities to provide adequate service, I fear.

I believe it is obvious, as indicated in Table 1, that, with an adequate system of budgeting, preferably on a fiscal-year basis, the SEM will generate sufficient revenues to allow us to handle staffing and support problems. I urge that an effort be made as soon as possible to move to such a system. As I indicated last year, the SEM does not object to subsidizing the rest of the academic grove; we only ask that the subsidy be an equitable one. At present levels, it is not.

Programmatic Activities

Both day and evening programs continue to grow at rapid rates. Growth will not proceed as rapidly as might otherwise be the case if we had sufficient staff for the Fall, though, as indicated above, the increments should be substantial. Additional programmatic offerings will make growth easier. We shall introduce concentrations in several areas in the Fall, the most noteworthy being in accounting and finance and in human resources management, including personnel. (This program should in no way be confused with the School of Education's HRD program. This is an entirely different program. It appeals to a different clientele and will output students for quite different types of jobs. Perhaps we need to get together with the HRD people and others to make clear these distinctions.) Other concentrations, including marketing and public-sector management, proceed apace. And I can only expect that the community college 2-plus-2 programs envisioned by the "Career Studies" task force will increase our enrollments. I must say our main concern at the moment is to preserve quality along with increased quantity, and I believe that you will concur in this concern.

Looking somewhat further ahead, the programs mentioned last year in conjunction with area studies, modern languages, and political science are moving ahead slowly. We are also now engaged in a thorough review of the M.S.M. program, having completed one full cycle. We will explore alternative variations on this theme, including a possible future evening version of the program, assuming that quality considerations and resources allow. We have started discussions of the possibility of developing a Ph.D., and will continue to explore this possibility. The nature of such a program is indicated slightly in our MBO, and this will be elaborated as our investigations proceed.

Incidentally, you might note that we expect to level off with total enrollments approximating 1000 FYES. Our projections are based partly on expected size of the University and on known demographic factors. We further expect that for demographic reasons over the longer term, regular undergraduate enrollments will begin to decline and that part-time, evening, and especially graduate enrollments will become a greater proportion of our total effort. I would be happy to discuss with you the bases for these projections and the appropriateness of them in light of overall University goals and activities.

I believe that the SEM is now "arriving" as a real force in the world of management education, as well as in economics. Goals that seemed "pie in the sky" three or four years ago have become a reality. With continued hard work and "a little bit o' luck," our future should prove as exciting as our recent past. (Aside to the faculty and staff: good work folks! Thanks <u>to</u> all of you and <u>for</u> all of you. If it weren't so trite, I'd be tempted to say "Excelsior!")

NCS/sc

Table 1

Projections on FYES, Faculty, and Budget, Based on Fall Enrollments Only

School of Economics and Management

1970-1978

	1970(a)	1971(a)	1972(a)	1973(a)	1974(e)	1975(e)	1976(e)	1977(e)	1978(e)
Undergraduate FYES	258	323	376	527	605	680	730	740	740
Graduate FYES	--	5	14	33	65	130	200	280	340
Total FYES	258	328	390	560	670	810	930	1,020	1,080
Total Percent Increase, FYES	27%	25%	19%	44%	20%	21%	15%	10%	6%
Faculty Required (At 22-1 Ratio)			19	25	30	37	42	46	49
Assumed Average Faculty Salary (Including Fringes)						20,900	22,200	23,700	25,300
Total Faculty Cost					409,572	773,300	932,400	1,090,000	1,151,500
Secretarial					48,000	56,000	59,600	73,200	78,000
Supplies & Services, etc.					59,484	107,809	128,960	151,216	159,835
TOTAL COSTS					517,056	937,109	1,120,960	1,314,416	1,389,335
Estimated Revenue, FYES (FYES x $/FYES x .55)					810,700	1,024,650	1,227,600	1,402,500	1,544,400
Net Return to University					293,644	87,541	106,640	88,084	155,045

Notes:

1. (a) indicates actual data.

2. (e) indicates estimates.

3. In estimating average salary figures, an approximate 6.5 percent growth in average wage cost per year is used starting with the actual 1973-74 average as the base.

4. In estimating revenues, a total revenue per FYES (state support plus tuition) of $2,200 is assumed for 1974, with this figure increasing by $100 increments each year thereafter. Estimated revenues to the School of Economics and Management are then computed by assuming a 45 percent overhead figure, with the remaining 55 percent available for instructional costs.

5. No provision has been made for graduate assistants, fellowships, etc. In part, these are replacements for faculty dollars; in part, funds for these purposes might become available in consequence of the "surplus" returned to the University.

6. Beginning with 1975, faculty costs are estimated on the assumption that the full complement of staff required for the programs of the School are recruited in anticipation of the load. If, as usually occurs, we recruit in arrears, costs decline thereby. However, it is to be hoped that this situation will be recognized by the University and remedied.

5/21/74 – Spring '74 – actual
2/27/74 H.A.S.

School of Econ & Mgmt

	Fiscal Year $	Spring Summer Salary $	Total		CREDITS	FYES	$/FYES	F-W FTE	Sp-Summer FTE	Total FTE		FYES/FTE	F-W FYES/FTE
73-74	415,049	37,684	452,733	UG	17,043	549.8		19.89	2.21	22.10		26.09	26.12
				G	940	39.2							
				TOT	17,983	589.0							
												(6÷10)	other page ÷8
					(1÷5)	F-W $/CR	23.08						
					(1÷6)	Fall-Winter $	704.67						
					(3÷6)	Total $	768.65						
72-73	326,450	17,582	344,032	UG	12,773	412.0		15.40	1.13	16.53		25.82	25.14
				G	356	14.8							
				TOT	13,129	426.8							
						F-W $/CR	24.86						
						Fall-Winter $	764.88						
						Total $	806.07						
71-72	266,969	21,915	288,884	UG	10,196	328.9		12.53	1.67	14.20		23.41	23.26
				G	84	3.5							
				TOT	10,280	332.4							
						F-W $/CR	25.97						
						Fall-Winter $	803.16						
						Total $	869.09						

School of Econ & Mgmt

2/27/74 M.U.O.

		SUMMER CREDITS	SUMMER FYES	FALL CREDITS	FALL FYES	WINTER CREDITS	WINTER FYES	SPRING CREDITS	SPRING FYES	TOTAL YR. CREDITS	TOTAL YR. FYES	TOTAL FEW CREDITS	TOTAL FEW FYES
1973-74													
	UG	662	21.35	8172	263.6	6971	224.9	1,238	39.9	17043	549.8	15143	488.5
	G	60	2.5	396	16.5	348	14.5	136	5.7	940	39.2	744	31.0
	TOT	722	23.85	8568	280.1	7319	239.4	1,374	55.6	17983	589.0	15887	519.5
% Δ TOTAL		70.3	74.3	45.5	46.2	21.6	22.4	23.0	28.1	37.0	38.0	33.4	34.2

		SUMMER CREDITS	SUMMER FYES	FALL CREDITS	FALL FYES	WINTER CREDITS	WINTER FYES	SPRING CREDITS	SPRING FYES	TOTAL YR. CREDITS	TOTAL YR. FYES	TOTAL FEW CREDITS	TOTAL FEW FYES
1972-73													
	UG	424	13.68	5717	184.4	5863	189.1	769	24.8	12773	412.0	11580	373.5
	G	0	0	172	7.2	156	6.5	28	1.2	356	14.8	328	13.7
	TOT	424	13.68	5889	191.6	6019	195.6	797	26.0	13129	426.8	11908	387.2
% Δ TOTAL		-18.5	-18.4	22.4	23.0	43.4	44.2	6.0	7.0	27.7	28.4	32.2	33.0

		SUMMER CREDITS	SUMMER FYES	FALL CREDITS	FALL FYES	WINTER CREDITS	WINTER FYES	SPRING CREDITS	SPRING FYES	TOTAL YR. CREDITS	TOTAL YR. FYES	TOTAL FEW CREDITS	TOTAL FEW FYES
1971-72													
	UG	520	16.77	4751	153.3	4173	134.6	752	24.3	10196	328.9	8924	287.9
	G	0	0	60	2.5	24	1	0	0	84	3.5	84	3.5
	TOT	520	16.77	4811	155.8	4197	135.6	752	24.3	10280	332.4	9008	291.4

Fall 1970 – 3987 credits
257.2 FYES