

President's Report

Graduate School of Banking & Prochnow Educational Foundation

June 2024

Current, New or Revised Educational Program Updates

Residential Schools:

Enrollment for this year's schools is mixed. Even with a proven marketing plan and great support from GSB's sponsoring associations, the incoming freshmen class is falling short of budgeted goals. While we anticipated a bit of a decline from last year and reduced the budget from 190 to 175 anticipated incoming freshmen, it's looking more like this number will be closer to 150 as we're currently approaching 140 with a looming June 15th deadline. We have a nice sized senior class of 174 (started with 196) and a junior class of 144 (started with 169). In conversations with other graduate banking school directors, enrollment for everyone is down this year with the most common reason being the economic uncertainties and tighter margins of the student's sponsoring bank who is then asking their prospective student to wait until 2025 to enroll. We continue to receive a high level of interest in the 25-month program which is encouraging but, unfortunately, they're not turning into applications for 2024.

On the bright side, enrollment in the GSB specialty schools has been very strong this year. Our three spring specialty schools did well with two selling out and having a waitlist. The Financial Managers School this fall is already at capacity with a waitlist and applications continue to come in for the fall IT Security and Strategic Marketing School. The diversification of GSB educational programs pays dividends not only by bringing multiple audiences and expanding GSB's outreach, but also financially in our diversified revenue streams.

Current enrollment as of May 31 for each program is:

	<u>5/31/24</u>	<u>Budget</u>	<u>5/31/23</u>
Graduate School Freshmen	136	190	162
HR School (spring)	60	40	54
Bank Technology Management School (spring)	60	40	52
Digital Banking School (spring)	27	40	43
Bank Technology Security School (fall)	10	35	17
Financial Managers School (fall)	73 (max 65)	45	65
Strategic Marketing School (fall)	11	30	10

State-by-state enrollment reports for each program are posted on the board resource site so you can see how your state is doing for each program compared to previous years.

Online Seminars:

The GSB Online Seminar Series revenue is down 23% compared to last year's outstanding year and is more in line with results of previous years. As of May 31 total OLS revenue is \$265K with a goal of \$350K for the remainder of FY24 which is still achievable. We value the marketing support from the approximately 30 state associations around the country that promote the GSB Online Seminar Series to their members along with GSB's specialty schools. Our faculty continue to pull together great topics and content and we're also looking for possible additions and/or virtual workshops that can be added throughout the year.

GSB & PEF FY2024 Financials

As of 5/31/24, the combined cash and investment accounts balance for GSB and PEF was \$11.5 million. This is up \$838k from last year primarily due to the year-over-year increase in PEF portfolio assets combined with GSB's cash reserves. Current abbreviated financials of the School and Foundation through a little more than half of the fiscal year (as of 5/31/24) are included on the board meeting resource site and will be reviewed by the Finance & Audit Committee and presented to the full board at our upcoming meeting. We've also included GSB and PEF financial forecasts thru FY26 on the board site along with an overview of the GSB and PEF financial history given the number of newer Trustees on the board.

GSB Constituent Meetings in Madison – August Session

GSB staff looks forward to hosting two of our primary constituent groups in Madison again this year. This is a great way for some of our key constituents to network with each other, attend classes, and connect with students from their respective state.

Banker Advisory Board Meeting: August 7-9

Education Directors Forum: Flexible schedule in 2024

We look forward to welcoming both key constituent groups to the 2024 GSB session. This year we're giving the education directors from GSB's sponsoring associations the flexibility to attend any portion of the school when it works best for them rather than having a dedicated meeting date. We ask each Trustee to encourage staff from their education department to attend this year's session so they can see GSB "in action" along with observing faculty and classes on topics that could also be beneficial in their home state.

UW Partnership

The GSB relationship with UW remains strong with ongoing meetings to touch base on current programs and opportunities going forward. One item that came up in the most recent meeting is the opportunity for GSB graduates to receive advanced placement into the Wisconsin School of Business Professional MBA program. As you're probably aware, GSB has similar relationships with UMass-Amherst and University of Nebraska-Lincoln but not with our host university which is why this is such an exciting opportunity with a lot of potential for both GSB and UW. The UW Professional MBA is a set of 6 badges that students earn as they go through the various segments of the program. There's a possibility that GSB graduates could automatically earn 2 badges based on their completion of GSB. UW is in the process of hiring a new Associate Dean to oversee this program and hopes to have them on board this summer so we can resume discussions. Vallabh Sambamurthy, Dean of the UW School of Business and GSB Trustee, will be joining us for our meeting to provide an update on this new opportunity.

FiSim & FiSim Lite Update

The FiSim faculty were in Madison for 2-1/2 days to review the most recent update and enhancements to the FiSim model that will be used at the 2024 session. A lot of very positive feedback from the FiSim faculty with improved financial and regulator reports along with significant enhancements to the M&A portion of the model and the overall M&A experience during the second week at GSB. The M&A portion of the FiSim model is unique to GSB and a real gamechanger in the bank management simulation arena.

As for FiSim lite, the FiSim faculty leadership along with Rose Oswald Poels, Larry Dukes from Aurum, myself, Paul Katz and a representative from Abrigo, had a separate meeting to discuss the current status and next steps. The FiSim Lite model is completed with all of the functionality built in that was requested for this intermediate model. Thorough testing has been done by the software developers with the final testing coming up in August with the GSB Banker Advisory Board when they're in Madison along with the possibility of utilizing some of Abrigo's software model developers also testing the functionality. We're on schedule to have the first version of the FiSim Lite model completed by the end of this year as anticipated. The group also discussed marketing opportunities and priorities for FiSim Lite with key audiences being prospective bank targets around the country, state association schools and colleges/universities. Pricing and marketing for the initial release are under discussion with GSB staff, the software management company and Abrigo. We also plan to update the education directors of GSB's sponsoring associations on the most recent developments since the Education Directors Forum last August. While we're very happy to be this close to releasing FiSim Lite, it's still important to note that the early release to primary target audiences will initially be done slowly and methodically since this is a major transition for those already using another platform.