

To: GSB Board of Directors

Fm: Paul C. Katz, President

The purpose of this memorandum is to stimulate discussion on how we can strengthen the SBA Trustee-GSB strategic partnership to our mutual benefit. As part of this discussion, I am seeking approval for a proposed SBA-GSB revenue-sharing program if we achieve incremental net growth in GSB freshman enrollment.

GSB's unique governance structure, if leveraged creatively, consistently and effectively, could provide sustainable competitive advantages. Most importantly, it should position us to excel in meeting the professional development needs of banks and bankers across our entire shared footprint.

Foundationally, there's a lot to build on within our existing framework, such as our collaboration in the following areas:

- GSB Scholarships
- Specialty Schools
- Online Seminars
- Banker Advisory Board representation
- Web Site Promotion
- Sponsorship/Speaking Opportunities

This collaboration has also produced tangible results with GSB returning \$133,211 to Trustee SBAs in the form of specialty school distributions and convention spend (FY24).

I certainly have a great deal more to learn about this partnership and the granular details of what's working well and where we might strengthen things. My preliminary conclusion is that we should be able to achieve—on balance— a higher and more consistent level of mutual support. In the coming months, I hope we can have a candid, constructive and open dialogue about our partnership.

**Recommendation:** Implement an FY25 revenue-sharing arrangement based on achieving specified targets in GSB freshman enrollment.

Specifically, if a state exceeds a 10% increase over their five-year average, GSB would dividend back 20% of year one tuition (\$5,800). Growth at 15% and above yields a 25% tuition dividend.

I further propose that the Board approves this as a one-year pilot program. Doing so would enable us to assess results and make any necessary adjustments before extending it into FY26.

Details and a state-by-state breakdown can be found in the attached document. We can certainly debate the merits of the specific proposal.

State	Enrollment by Year					Average	Increase	Count increase	Increase	Count increase	Dividend at 10% increase in counts	Dividend at 15% increase in counts
	2019	2021	2022	2023	2024		10%		15%			20%
Arkansas	0	0	1	0	1	0	0	-	0	-	\$ -	\$ -
Colorado	8	8	3	8	2	6	6	1	7	-	\$ 1,160.00	\$ -
Illinois	28	18	26	15	23	22	24	2	25	1	\$ 2,320.00	\$ 1,450.00
Indiana	7	16	12	13	12	12	13	1	14	1	\$ 1,160.00	\$ 1,450.00
Iowa	13	24	12	16	10	15	17	2	17	-	\$ 2,320.00	\$ -
Kansas	8	7	10	4	5	7	7	1	8	-	\$ 1,160.00	\$ -
Kentucky	4	4	9	6	1	5	5	-	6	1	\$ -	\$ 1,450.00
Michigan	9	14	7	15	6	10	11	1	12	1	\$ 1,160.00	\$ 1,450.00
Minnesota	22	15	21	22	14	19	21	2	22	1	\$ 2,320.00	\$ 1,450.00
Missouri	12	9	13	9	6	10	11	1	11	-	\$ 1,160.00	\$ -
Nebraska	5	6	4	2	3	4	4	-	5	1	\$ -	\$ 1,450.00
North Dakota	0	4	4	2	3	3	3	-	3	-	\$ -	\$ -
Ohio	13	12	10	11	7	11	12	1	12	1	\$ 1,160.00	\$ 1,450.00
Oklahoma	6	3	4	0	2	3	3	-	3	-	\$ -	\$ -
South Dakota	4	4	2	1	1	2	3	-	3	-	\$ -	\$ -
Texas	6	5	3	3	4	4	5	-	5	1	\$ -	\$ 1,450.00
Wisconsin	24	41	40	32	32	34	37	3	39	2	\$ 3,480.00	\$ 2,900.00
<b>Total</b>	<b>169</b>	<b>190</b>	<b>181</b>	<b>159</b>	<b>132</b>	<b>166</b>	<b>183</b>	<b>15</b>	<b>191</b>	<b>10</b>	<b>17,400.20</b>	<b>14,500.25</b>
Tuition rates with reg fee	\$ 4,675.00	\$ 5,025.00	\$ 5,225.00	\$ 5,425.00	\$ 5,650.00							
				2025 Rate	\$ 5,800.00							