

## PROGRAM FEE REQUEST

University: **University of Arizona** College/School: **Eller College of Management**

Department: **All** Program: **All Masters Programs Delivered by Eller College of Management**

Circle one: **Graduate**

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### New

.....  
(Proposed) (Effective Date)

### Existing

..... \$5,750 2012  
(Proposed) (Current) (Year Approved)

**Program will be offered through:**  Main Campus  Outreach College  Both

**Proposed fee to be applied as:**  Per Term  Per Session/Module  Per Unit

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### Rationale for Request

The purpose of this request is to clarify that students in all Eller campus-based masters programs will be charged this program fee. As of spring 2014, these masters programs include **Full-time MBA, and Masters of Accounting, Management, MIS and Finance**. New masters programs may be added in the future to meet market demands, and the same fee will be charged to students in the new programs. Professional masters programs are critical contributors to Arizona's and the nation's economic development, and the University of Arizona is at the forefront of delivery in this area. This program fee funding is used to continuously improve and successfully compete in this professional education space, enhancing the programs through increased services, including admissions, career advising, career fairs and experiential learning opportunities; investments in facilities and technology; investments in faculty recruitment and retention; and scholarships.

### Compliance with Board Guidelines

Quality of Student Experience: Fee revenues have contributed to significant improvements in the quality of education and experiences for students in these programs. New curricula, better services, faculty retention and recruitment, investments in facilities, and new information technology have contributed to our strong reputation. Additional support will assist the Eller College to continue innovating and improving its programs.

Access and Affordability: Per university policy, we will continue to set-aside 14% of the program fee for need-based financial aid. Employed students sometimes have employer-reimbursement programs. For example, some students in the Master of Accounting program have job offers with employers, and some of these employers provide tuition grants or "forgivable" loans, contingent on the student earning their master's degree. Finally, many students have other scholarship and financial aid options available.

Cost of Instruction: Students in professional management programs have extraordinarily high expectations for level of career and placement services, information technology, and quality of faculty. Market salaries for business school faculty are significantly (more than 50%) higher than the University of Arizona average, and continue to increase. The fees help with faculty recruitment and retention.

Increased Earnings Potential of Program Graduates: Employment opportunities are very strong for these programs, and starting salaries for graduates of the Eller MBA and other professional masters programs are competitive with those of peer institutions. The average annual starting salary for MBA graduates from May 2013 was approximately \$82,000. Employment in the Masters of Accounting and Masters in MIS is close to 100% by graduation.

## Student Consultation

Student leadership associations in the Eller College of Management have uniformly approved of prior program fee increases, as they understand the added value they receive from the additional resources. We meet with graduate student leaders annually to report out on the use of fees. We have met with graduate student leadership on this program fee increase, and they have approved it.

## MARKET PRICING

Current rate: As of Fall 2014 –\$5,750 / semester as previously approved by ABOR.

Dual Degree clause: Students enrolled in more than one Eller masters program will be charged only one fee per term, as they share a common core curriculum.

Market Pricing: The MBA and other professional masters programs are in high demand, and will be priced significantly below most of and will remain affordable relative to our peer public institutions. The following chart shows the total cost compared to current rates at peer institutions:

Resident		Tuition & Fees	Non-Resident		Tuition & Fees
1	UCLA	47,007	1	U Florida	62,291
2	U Maryland-College Park	40,961	2	UNC- Chapel Hill	56,656
3	UNC- Chapel Hill	40,096	3	UCLA	53,419
4	U Minnesota-Twin Cities	37,191	4	U Texas-Austin	49,809
5	UC-Davis	37,178	5	UC-Davis	49,668
6	U Texas-Austin	33,964	6	U Maryland-College Park	48,397
7	U Washington	29,532	7	U Minnesota-Twin Cities	48,177
8	Ohio State U	29,262	8	Ohio State U	47,279
9	Michigan State U	27,735	9	Michigan State U	43,998
	<b>Peer Median-Resident</b>	<b>27,735</b>		<b>Peer Median- Non-Resident</b>	<b>43,998</b>
10	U Florida	26,810	10	U Washington	42,972
11	Texas A&M	24,766	11	<b>The University of Arizona</b>	<b>37,896</b>
12	U Illinois-Urbana Champaign	23,952	12	Texas A&M	37,764
13	ASU	23,274	13	Penn State	36,606
14	Penn State	22,858	14	U Iowa	36,020
15	<b>The University of Arizona</b>	<b>22,024</b>	15	U Illinois-Urbana Champaign	34,152
16	U Iowa	19,631	16	ASU	32,120
17	U Wisconsin-Madison	14,600	17	U Wisconsin-Madison	28,364

## ACCOUNTABILITY

**Financial Aid Set-Aside Amount: 14%**

### Proposed Annual Revenue

Program Fee (Annual = \$5,750 / semester x 2 semesters)	\$	\$11,500
Number of Students	#	300
<b>Total Revenue</b>	=	<b>\$3,450,000</b>

### Proposed Annual Expenditures

Financial Aid Set Aside (14%)	\$	483,000
Institutional Administrative charge (10%)	\$	345,000
Institutional and Advising Personnel	\$	2,070,000
Support Staff Expense	\$	184,000
Operating Expenses	\$	368,000
<b>Total Program Costs</b>	=	<b>\$3,450,000</b>