

DIFFERENTIAL TUITION REQUEST

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

Circle one: Graduate Undergraduate

Circle one: Upper Division Lower Division Both

New

.....
(Proposed)

.....
(Effective Date)

Existing

\$600.....
(Current)

\$900.....
(Proposed)

Spring 2010.....
(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

Rationale for Request

The original Eller Undergraduate Professional Differential Tuition has assisted the Eller College of Management and the University of Arizona in establishing a very well-respected undergraduate business degree program. As the business environment changes and evolves a business program has to change and evolve to remain competitive. Significant additional costs are associated with any meaningful response to these changes. The increment in fees will greatly assist in The Eller College’s ability to continue to deliver top quality competitive undergraduate business education, especially in terms of additional faculty and staff resources, as well as infrastructure and technology enhancements.

Compliance with Board Guidelines

Quality of Student Experience: Differential tuition revenues have contributed to significant improvements in the quality of education and experiences for students in the undergraduate programs. New undergraduate curricula, better services, faculty retention and recruitment, investments in facilities, and new information technology have contributed to our strong reputation. An increase in the Eller Undergraduate Differential tuition will provide better and more targeted support of these areas and provide a significant enhancement in the undergraduate experience.

Access and Affordability: Per university policy, we will continue to set-aside 14% of the program fee for need based financial aid. Traditional funding models involving loans, scholarships and other financial aid remain available to the student.

Cost of Instruction: Students in undergraduate business programs have high expectations for academic content, real world exposure, career services and placement opportunities. Market salaries for business school faculty are significantly (more than 50%) higher than the University of Arizona average, and continue to increase. The increase to differential tuition will help hire and retain undergraduate focused faculty.

Increased Earnings Potential of Program Graduates: According to a recent salary survey from the National Association of Colleges and Employers (NACE) business majors' starting salaries show strong increases out-pacing even Engineering majors. Graduates of Eller Undergraduate Majors are competitive with those of peer institutions.

Student Consultation

Student leadership in the Eller College of Management has uniformly approved of prior differential tuition increases, as they understand the added value they receive from the additional resources. We meet with undergraduate student leaders annually to report out on the use of fees. We met with student leadership on February 21, 2014 for this annual report and to review the proposed fee increase and use of the fee. The students were fully supportive.

MARKET PRICING (~200)

Even with an increase in differential tuition, from \$1,200 per academic year to \$1,800 per academic year as reflected below, the University of Arizona would remain more affordable against peer institutions. The change, for both resident and non-resident tuition involves only an upward movement of one place.

Resident		Non-Resident	
Peer	Total	Peer	Total
U Illinois-Urbana Champaign	\$ 16,556	University of California Berkeley	\$ 37,864
U Minnesota-Twin Cities	\$ 16,619	U Texas-Austin	\$ 35,380
Pennsylvania State U	\$ 16,444	Michigan State U	\$ 33,094
University of California Berkeley	\$ 14,986	U Illinois-Urbana Champaign	\$ 30,698
Michigan State U	\$ 13,211	U Florida	\$ 30,232
The University of Arizona	\$ 11,835	Pennsylvania State U	\$ 28,746
U Wisconsin-Madison	\$ 11,385	U Iowa	\$ 28,837
U Texas-Austin	\$ 11,184	U North Carolina-Chapel Hill	\$ 28,442
U Iowa	\$ 10,655	The University of Arizona	\$ 28,031
Ohio State U	\$ 10,037	U Wisconsin-Madison	\$ 27,634
Texas A&M U	\$ 9,331	U Maryland-College Park	\$ 27,288
U Maryland-College Park	\$ 8,908	Texas A&M U	\$ 25,861
U Florida	\$ 8,881	Ohio State U	\$ 25,445
University of Washington	\$ 8,242	U Minnesota-Twin Cities	\$ 21,869
U North Carolina-Chapel Hill	\$ 7,690	University of Washington	\$ 19,944

ACCOUNTABILITY

Financial Aid Set-Aside Amount: 14 %

Proposed Annual Revenue

Differential Tuition	\$	1,800
Number of Students	#	1480
Total Revenue	=	\$2,664,000

Proposed Annual Expenditures

Financial Aid Set Aside (14%)	\$	372,960
Institutional Allocation of Cost (10%)	\$	266,400
Institutional and faculty expenditures	\$	1,114,752
Support Staff Expense	\$	689,888
Operating Expenses	\$	220,000
Total Program Costs	=	2,664,000