

PROGRAM FEE REQUEST

University: **University of Arizona**
 Department: **Planning**

College/School: **Architecture, Planning & Landscape Architecture**
 Program: **Master of Real Estate Development**

Graduate Undergraduate Upper Division Lower Division Both Date

<p>New <u>\$N/A</u> <u>Fall 2016</u> (Proposed) (Effective Date)</p> <p>Existing <u>\$4,450</u> <u>\$41,000 fixed</u> <u>2011</u> (Proposed) (Current) (Year Approved)</p>	<p>Proposed fee to be applied as: <input checked="" type="checkbox"/> Per Term <input type="checkbox"/> Per Unit, Total of ___ Units per Program</p> <p>Proposed fee to be applied: <input checked="" type="checkbox"/> Fall <input checked="" type="checkbox"/> Spring <input type="checkbox"/> Summer <input type="checkbox"/> Winter</p> <p>Submitted: 12/16/15</p>
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Rationale for Request (~100 words)

The School requests an MRED program fee modification from a \$41,000 fixed fee for the program to \$4,450 program fee plus base graduate tuition and mandatory fees and modest increase for the full 24 month program of \$916. The program fee adds to the quality of the student experience by providing low student-faculty ratios and, offering instruction in expensive software programs such as GIS, ARGUS, and COSTAR. In addition, the program fee supports the purchase of real estate case studies, students' membership in professional real estate organizations, and conference registration fees.

Graduate education in Real Estate Development leads to enhanced employment possibilities and higher earning potential. MRED's unique curriculum, high quality learning experience, and direct access of graduates to the real estate industry will provide a basis for employment opportunities and earning potential that justifies the program fee. The median salary for real estate development managers is \$95,000, and the median salary for a commercial real estate executive is \$208,394.

The MRED program will accommodate students in financial need by offering students RCU waivers and graduate assistantships on a case-by-case basis. MRED will also have Program Fee set aside funds for student financial aid.

Compliance with Board Guidelines (~250 words)

This request complies with the following ABOR Guidelines:

The program fee adds to the quality of the student experience by providing students with low student-faculty ratios, access to distinguished faculty and real estate professionals, the inclusion of real estate case studies into their curriculum, and access to the latest real estate software.

Student access and affordability will be addressed by offering students RCU waivers and graduate assistantships for qualified students demonstrating financial need.

The cost of instruction for the MRED program is higher than the average university expenditures due to low student-faculty ratios, the relative high cost of salaries for faculty and staff from the financial, marketing, real estate, and design disciplines, the inclusion of research-based case studies into the curriculum, and the cost of instructional technology and software such as ARGUS, COSTAR, MLS, etc

After surveying the cost of tuition plus program fees for eight MRED programs in similar Universities throughout the country, the resident graduate tuition, mandatory fees, and the program fee total of \$41,916 places the University of Arizona's MRED program in the middle in terms of total cost. In the post great-recession real estate world, jobs in the real estate field are very competitive. Having a Master's Degree in Real Estate Development helps separate these MRED students from their competition in obtaining attractive real estate positions.

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Student Consultation (~100 words)

MRED Program Coordinator, Adam Boudreaux, met with two thirds of current MRED students who will be affected by the program fee. All of the students Adam spoke with supported the decision to modify the MRED program fee/base tuition as long as they will receive the same high quality education that they have received during their time in the program. None of the students with whom Adam met, voiced any concerns about the change in the MRED program fee structure.

MARKET PRICING (~200) for the total program

Peer Institutions	Program Type	Duration	Resident Tuition + Fees	Non-resident Tuition + Fees
**Cornell U.	Full-Time	24-month	\$97,800	\$97,800
**U. So. California	Full-Time	12-month	\$82,050	\$82,050
**MIT	Full-Time	12-month	\$67,958	\$67,958
*Clemson U.	Full-Time	18-month	\$55,000	\$55,000
U. Arizona	Full-Time	24-month	\$41,896	\$78,568
*Arizona State U.	Full-Time	9-month	\$35,900	\$52,000
*U. Washington	Full-Time	18-month	\$29,935	\$61,035
*U. Maryland	Full-Time	21-month	\$27,801	\$37,701
*Texas A&M	Full-Time	16-month	\$21,389	\$36,870

*University of Arizona Peer, **Private Institution

The cost break down is: \$5,520 base graduate tuition, \$504 mandatory fees, and \$4,450 program fee each semester or \$20,958 annually. The total program cost for eight MRED programs at peer Universities, the modification of the MRED program fee structure and total program cost for residents, places the University of Arizona's in the middle of our peer programs. The non-resident tuition is in the top half of the Universities surveyed. It is anticipated that non-resident tuition can be offset by using RCU waivers and the program fee set-aside fund for students with financial need. Graduate Education in Real Estate Development leads to enhanced employment possibilities and higher earning potential. MRED's unique curriculum, high quality learning experience, and direct access of graduates to the real estate industry will provide a basis for employment opportunities and earning potential that justifies the program fee.

ACCOUNTABILITY

Financial Aid Set-Aside Amount: 14%

Proposed Annual Revenue

Annual Program Fee Amount	\$	8,900
Number of Students Enrolled Annually	#	20
Total Annual Revenue	=	\$178,000

Proposed Annual Expenditures

Financial Aid Set Aside (14%)	\$	24,920
Institutional and Advising Personnel	\$	55,631
Support Staff Expense	\$	27,950
Total Operating Expenses	\$	69,499
Total Program Costs	=	\$178,000