

**UNIVERSITY:** Northern Arizona University

***SPECIAL PROGRAM FEES  
FEE REQUEST***

**College/School:** W.A. Franke College of Business

**Departments:** Accounting, Economics, Business Administration, Computer Information Systems, Finance, Management and Marketing

**Program:** Master's in Business Administration

**Is this a graduate or an undergraduate program fee?**

GRADUATE PROGRAM

UNDERGRADUATE PROGRAM

**Is this a new fee or an increase to an existing fee?**

NEW FEE

EXISTING FEE  Current Fee: \$ \$3,500 (for program) Requested Fee: \$7,000 (for program)

**BACKGROUND:** *Include information concerning the establishment of the fee, history of increases (if any), references to policy, and the campus review/approval process.*

Degrees in business prepare the graduate to work in a variety of settings or attend graduate school. The master's in business administration is a one-year, intensive program which provides the graduate with technical competence, a broad understanding of issues within the business arena and skills in critical thinking and oral and written communications.

This fee is expected to bring in about \$200,000 per year (\$100,000 more than current revenues) and will be allocated to improving student services (career development, communications), developing experiential learning experience for students and scholarships.

**DISCUSSION:**

This request is consistent with ABOR Policy 4-104, "Procedure for Setting and Distributing Tuition and Fees".

1. **Quality of the Student Experience.** Northern Arizona University supplies a high-quality, hands-on and IT-intensive education to business students. In addition, we provide support services (advising, career counseling, IT support) at a much higher level than is typical of other disciplines. Our students benefit significantly from this extra service and attention. However, there is a cost (both financial and human) to providing this supplement to their classroom education. A fee is needed to ensure that we can continue to provide the staff-intensive services that distinguish the business school experience for its students.

2. **Access and Affordability.** 17% of the gross fee receipts will be set aside for student scholarships. This will be a supplement to other scholarship funds available to business students.
  
3. **Cost of Instruction** – Several factors make delivering business programs more expensive than delivering a typical campus program:
  - a. Business is one of the most IT-intensive disciplines on campus. Students must have access to current hardware and software in order to compete successfully for jobs after graduation.
  - b. Business faculty members are paid salaries that are significantly higher than any other campus discipline. There is fierce national competition for new business doctoral graduates, who can easily make \$75,000-90,000. Tenure-eligible and tenured faculty in Business average \$97,000 as opposed to \$68,500 for the campus in general.
  - c. Accreditation requirements mandate that equipment and teaching methods be continually upgraded, and dictate the professional and academic qualifications of faculty.
  
4. **Market Pricing** At first glance, it would appear that, with the increased fee, Northern Arizona University’s program is more expensive than any of its peers. However, because NAU’s program can be completed in an intensive 10 months as opposed to the traditional two years, it is actually more economical for students.

<b>Institution</b>	<b>Resident Tuition and Fees</b>
Northern Arizona University w/fee	\$13,031
Ohio University Main Campus	\$9,444
U of Alabama	\$9,375
Bowling Green State University - Main Campus	\$8,620
Western Michigan University	\$7,957
University of Maine	\$7,822
Kent State University - main campus	\$7,596
Southern Illinois University Carbondale	\$7,501
George Mason University	\$7,364
University of Akron Main campus	\$7,156
Northern Illinois University	\$6,592
Georgia State University	\$6,396
Old Dominion University	\$6,322
University of North Carolina at Greensboro	\$5,594
Wichita State University	\$4,616
University of Nevada-Las Vegas	\$4,574

5. **Benefits to the entire university** Like other institutions, Northern Arizona University is struggling with declining resources. . Expanded outreach by the business school will enhance the reputation of NAU. As our students participate in experiential learning opportunities and academic competitions and internships in the region and across the country, and as our Career Development Office facilitates increased exposure of our students and graduates more people will become aware of NAU and the quality of our programs. Increased exposure of potential employers and other stakeholders to NAU students and graduates will help the University to recruit students, faculty and staff. Improved student recruiting by the business school and NAU will enhance NAU's tuition revenue.
6. **Student Consultation and Support** Business has had focus groups and information sessions with current graduate students to explain the benefits and the opportunities for financial assistance for those who qualify for need.
7. **Increased earning potential of program graduates.** SimplyHired.com indicates that average salaries in Arizona for positions which require an MBA are \$75,000 compared to \$46,000 for all jobs requiring a master's degree.
8. **Accountability** . Northern Arizona University will use standard university methods and processes to ensure funds are spent for appropriate purposes.

**RECOMMENDATION:**

Northern Arizona University recommends approval of an increase in the for the MBA program in the W.A. Franke College of Business from \$3,500 to \$7,000.