

BOARD OF REGENTS
BRIEFING PAPER

1. Agenda Item Title: Differential Fee and Special Fee Proposal for the
Executive MBA Program

Meeting Date: March 6-7, 2014

2. BACKGROUND & POLICY CONTEXT OF ISSUE:

UNLV President Don Snyder requests approval of differential fees for the Executive MBA program effective Fall 2015. Pursuant to the new differential program fee requirements, UNLV offers the following:

The proposed differential fees will impact special course fees associated with this program, restructuring the Executive MBA program fee, as outlined on the proposed fee schedule attached hereto.

The Executive MBA program has elements of high cost and high demand. A summary of the relative costs and other required Board responses is included in the attached information.

3. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:

UNLV requests approval of differential and special program fees for UNLV's Executive MBA program effective Fall 2015.

4. IMPETUS (WHY NOW?):

The Lee Business School is requesting differential fees at this time to make this program a state-supported program and more integrated into the other programs offered by the School.

5. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:

- The Executive MBA program is both high cost and high demand.

6. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:

- The Executive MBA program is currently self-supporting and this proposal does not change total fees paid by the student.

7. ALTERNATIVE(S) TO WHAT IS BEING REQUESTED/RECOMMENDED:

- Do not approve differential fees and keep the Executive MBA program self-supporting.

8. COMPLIANCE WITH BOARD POLICY:

X Consistent With Current Board Policy: Title # 4 Chapter # 17 Section # 24

Amends Current Board Policy: Title # _____ Chapter # _____ Section # _____

X Amends Current Procedures & Guidelines Manual: Chapter #7 Section #9 and Chapter # 7 Section # 10

Other: _____

X Fiscal Impact: Yes ___ No X

The proposed fees do not represent any change to the current total fees paid by the students for the program. This is a proposed change to the current fee structure that would make this program a state-supported program.



EMBA Differential Fee Proposal

I. Justification for Differential Tuition:

When the Lee Business School Executive MBA (EMBA) program was created in 2002, differential tuition was not an available option. The EMBA program is currently a board approved self-supporting program with program fees of \$42,000 for the entire five semester program (2 summer semesters, 2 fall semesters, and 1 spring semester). The proposed change from the current fee structure would make this program a state-supported program and help to make it more integrated into the other programs offered by the Lee Business School. The proposed fees listed below do not represent any change to the current total fees paid by the students for the program. The EMBA program currently requires that a student complete 43 credits which is used in the table below to calculate the Per Student fees. The proposed fee breakdown is as follows:

Type Fee	Per Credit Fee	Per Semester Fee	Amount	Total for Program
Per Credit Registration Fee *	\$ 264.00		43 Credits	\$ 11,352
Differential Fee	\$ 236.00		43 Credits	\$ 10,148
Executive MBA Program Fee		\$ 4,100.00	5 Semesters	\$ 20,500
Total Fees for EMBA Program				\$ 42,000

* This is the board approved registration fee for graduate courses.

The Evening MBA program at UNLV already has differential fees of \$100 per credit associated with it based on approval by the Board that went into effect January 2012. The two programs, and thus the costs associated with them, differ in a number of respects.

First they have very different goals. The evening MBA is a part-time program intended to give students the technical skills necessary to be successful in their first managerial job. Students take courses designed to give them a comprehensive view of the business enterprise. The EMBA is a full-time program and is designed for people who are already in managerial positions. EMBA students have a deep understanding of a particular business function, but are looking to broaden their knowledge base as a way of moving up the organization into positions with cross-functional responsibilities. The EMBA is more strategic than operational and seeks to make students leaders in their organizations and knowledgeable consumers of the various types of business information that come across their desk.

The different goals draw different kinds of students. The MBA students tend to be younger, typically between 25 and 35 years of age. They are generally working professionals. The EMBA students are 30 to 45 years of age. They hold supervisory positions, have some responsibility over budget and have at least five years of professional experience.

EMBA Differential Fee Proposal

Students also experience the two programs very differently. MBA students take two to four courses per semester during the evenings and complete their degree in two to four years as their schedule permits. There are typically about 60 students in a class. EMBA students go through the program in a cohort of about 20. They take all of their courses in a specific sequence every other Friday and Saturday from 8:30 am to 5:30 pm and complete the program in 18 months.

Understanding that students in the EMBA program are busy professionals, textbooks, breakfast and lunch (on class days), parking passes, and graduation details are handled by the EMBA staff so the students need only focus on their education. Also, the EMBA program depends a great deal on group projects and class discussion.

Finally, the EMBA's capstone course is an international seminar; there is no international component associated with the Evening MBA. At the end of the EMBA, students visit an emerging economy and participate in presentations from the US Embassy and US Commercial Services; tour local and regional businesses; and visit historical and cultural sites.

II. Student Involvement:

On Friday October 11, 2013 Lee Business School Dean, Brent Hathaway, and EMBA Director, Nikkole McCartin, met with EMBA Cohort 12 to discuss the proposed change. Sixteen students belong to this group. Because the overall tuition amount is not being altered, the group had little objection to the proposal. One student, a veteran, did raise a concern about GI Bill funds not paying for certain "fees," which after a conversation with UNLV Veteran Services, appears not to be an issue. Per Director of Veteran Services, Ross Bryant, post-9/11 GI bill funds cover everything except non-resident tuition.

III. Special Course Fees:

The currently approved program fee for the self-supported EMBA program is \$8,400.00 per semester or \$42,000 for the entire program. Under this proposal, the program fee would change to \$4,100 per semester or \$20,500 for the entire program with the difference being made up by Per Credit Registration fees and a Per Credit Differential Fee of \$236.00 for a total program cost to the student of \$42,000.

IV. High Demand Programs:

Program Enrollments

The EMBA seats once a year in the summer. The program is 18 months long, therefore during the summer and fall semesters two cohorts are in session. The chart on the next page shows enrollment numbers per semester for the past five years:

EMBA Differential Fee Proposal

	2008-09	2009-10	2010-11	2011-12	2012-13
Headcount					
Summer	29	34	34	35	40
Fall	31	34	34	34	39
Spring	14	18	17	18	21
Semester Credit Hours (SCH)					
Summer	116	176	186	227	250
Fall	310	334	342	306	351
Spring	192	216	204	216	252
Total SCH	618	726	732	749	853

Program Demand

Over the last four years interest in the Executive MBA program has grown. EMBA leadership maintains a detailed database on each inquiry that comes into the office via phone, online, or in-person request. The following chart illustrates those inquiries made during each cohort's recruitment period:

EMBA Program Inquiries			
Cohort 10	Cohort 11	Cohort 12	Cohort 13*
98	148	209	86

**Through October 15, 2013*

Because the EMBA has specific admissions requirements including minimum work and management experience; corporate sponsorship; commitment to the 18-month schedule; and the ability to work in a cohesive, cohort-oriented environment, all interested candidates are pre-screened and vetted by EMBA leadership. Only those candidates who are determined to meet all the admissions criteria are encouraged to apply for the program.

The following chart summarizes application and enrollment data for the last five years:

Student Admissions					
	Number of Applicants	Number Admitted	Percent applicants admitted	Number enrolled	Percent of applicants enrolled
2013 – Cohort 12	20	18	90%	16	80%
2012 – Cohort 11	25	23	92%	22	88%
2011 – Cohort 10	21	21	100%	18	86%
2010 – Cohort 9	18	17	94%	16*	89%
2009 – Cohort 8	20	19	95%	18	90%

**One student enrolled in the 2010 cohort was first accepted and began the program with the 2009 cohort; she finished with the 2010 cohort, thus bringing the total 2010 enrollment number up to 17.*



EMBA Differential Fee Proposal

Number of applicants that can be admitted in any semester:

The maximum number of students accepted per cohort is 24. Students are accepted annually in the summer.

Executive MBA Program Demand

Demand for the EMBA has been robust since its inception in 2002. Historically the total number of students per cohort has averaged 17. Due to a consistent and concentrated recruiting effort over the last 15 months, EMBA leadership expects the next cohort, scheduled to begin in June 2014, to consist of at least 20 enrolled students. One factor that contributes to the high demand of the program is that other regional EMBA programs have a higher tuition/fee structure than UNLV. The following chart compares regional EMBA programs length and cost:

EMBA Comparison		
SCHOOL	PROGRAM LENGTH	PROGRAM COST
University of California Los Angeles	22 months	\$136,038
University of Southern California	24 months	\$123,000
Thunderbird (Online Program)	21 months	\$91,500
Arizona State University	24 months	\$78,000
Brigham Young University	24 months	\$45,000
UNLV EMBA	18 months	\$42,000
University of Nevada Reno (Online program)	24 months	\$24,000

EMBA students are Las Vegas area business leaders, small business owners and entrepreneurs. They hold mid- to upper-management positions in a wide range of industries. MGM Resorts International, Bank of America, NV Energy, IGT and Las Vegas Sands Corporation are local organizations that have sent the most students to the program over the last five years. Approximately 25% of each cohort is comprised of executives from the hospitality and gaming industry, although their particular functions vary widely. Usually, each cohort has one to two students commuting from neighboring states. Admission into the program requires a signed "Corporate Sponsorship Agreement" from the student's employer acknowledging the EMBA's schedule and the company's commitment to allow the student to participate. Very often while still in the program, students are offered promotions and new opportunities within their organizations. After graduation, 30%-40% of students make a transition either within their organization or to a new company at a higher leadership levels.



EMBA Differential Fee Proposal

V. High Cost Programs:

Program Budget History

Below is a five-year summary Program of the EMBA budgets:

	FY 10	FY 11	FY 12	FY 13	FY 14
Expense Budget					
Voluntary Transfers Out	12,000	13,000	7,000	22,000	29,000
Professional Salaries	380,236	401,400	370,875	574,596	551,080
Graduate Salaries	11,364	23,375	2,500	2,500	-
Classified Salaries	39,229	-	-	-	-
Wages	2,000	1,500	1,000	-	-
Fringe Benefits	63,078	63,706	68,409	77,784	76,163
Non-Grant Out of State Travel	11,300	11,000	5,000	7,000	-
General Operations	283,090	346,270	265,893	342,434	307,128
Total Expense Budget	802,297	860,251	720,677	1,026,314	963,371
Revenue Budget					
Reserves	555,711	370,220	812,574	747,931	436,201
Tuition and Fees Unrestricted	610,000	643,999	894,800	902,400	710,800
Balance Forward	192,297	216,252	(174,123)	123,914	252,571
Total Revenue Budget	1,358,008	1,230,471	1,533,251	1,774,245	1,399,572

The information in the table below compares the average cost per Annual Average FTE student for the differential fee program to the average cost per AAFTE student for the entire institution. The information presented for the EMBA program represents cost per student for the entire 18-month program.

	Cost per AAFTE	Program Cost rank at UNLV
Institutional Average	\$12,338	
EMBA	\$42,000	1st

vi. Projected Revenues and Expenditures:

	Total	Program	Financial Aid	Dept / Course Fee	Total
Executive MBA Differential Fee	\$ 201,308	\$ 171,112	\$ 30,196	\$ -	\$ 201,308
Executive MBA Program Fee	\$ 410,000	\$ 410,000	\$ -	\$ -	\$ 410,000
Total	\$ 611,308	\$ 581,112	\$ 30,196	\$ -	\$ 611,308



EMBA Differential Fee Proposal

Summary of Use of Projected Differential Fee and Executive MBA Program Fee Funds Noted Above

Expenditure Area	Budgeted	Account
Graduate Student EMBA Financial Aid	\$ 30,196	Differential
EMBA program professional staff salaries and fringe benefits	\$ 192,000	Program
EMBA program faculty salaries	\$ 93,712	Differential
Operating Supplies	\$ 10,650	Differential
Personnel Training/Conferences, Institutional memberships	\$ 7,100	Program
Student Parking Fees	\$ 3,550	Program
All student course materials including text books, cases, course packs, simulations and logoed items	\$ 73,000	Differential
Student tutors	\$ 8,000	Program
Computer software		
Breakfast, lunch, and refreshments for students on class days	\$ 42,000	Program
International Seminar expenses for students and program leadership including all travel, lodging, activities, many meals and other miscellaneous travel costs including visas and travel insurance	\$ 80,000	Program
Graduation expenses, including dinner	\$ 9,000	Program
EMBA alumni events	\$ 4,500	Program
EMBA alumni and student directory	\$ 1,000	Program
Program advertising and recruitment expenses	\$ 49,500	Program
Career services including executive coaching	\$ 5,000	Program
EMBA Cohort Photography	\$ 1,100	Program
Total	\$ 611,308	

Distribution of Differential Fees – Effective Summer 2015

	Graduate	Generated Fees
Graduate Financial Aid	15% of Differential Fee	\$ 30,444
Non-Consumable Course Fee Offset	0% of Differential Fee	\$ 0
Program Expenditures	85% of Differential Fee	\$172,516

EMBA Differential Fee Proposal

VII. Proposed Fee:

a. The recruiting period has already begun for the next cohort (cohort 13), which begins in Summer 2014. There are a number of candidates from the prospective student pool who are from out-of-state and have been told that the total cost of tuition is \$42,000. If the differential fee structure began for this cohort, those out-of-state candidates would then be responsible for an additional \$21,000 in out-of-state fees, something that was not part of the original discussion of the program costs. Therefore, the differential fees will go into effect for Cohort 14, beginning Summer 2015.

b. Differential fees apply to courses as designated below:

Discipline	Course Prefix	Course Level	Amount (per credit hour)
Executive MBA	EMBA	700 and above	\$236.00

c. Executive MBA Program Fee

The proposed fee for the Executive MBA Program Fee is \$4,100 per semester.

It is the policy of the Board of Regents that Student Fees exist only in cases of additional administrative or other service costs incurred by the institution for a necessary student activity or requirement that are not specific to one course or type of course. Student fees may be assessed to provide services to the students for (a) special events or activities, (b) special services provided by the institution, (c) third party pass-through charges, special general instructional requirements.

The uses of the Executive MBA Program Fee are listed below (budget information is combined with differential fee and presented above):

- Professional staff and fringe benefits for the management and coordination of the EMBA program
- Personnel Training/Conferences
- International Seminar expenses for students and program leadership including all travel, lodging, activities, many meals and other miscellaneous travel costs including visas and travel insurance
- Career services including executive coaching
- EMBA Cohort Photography
- Program advertising and recruitment expenses
- EMBA alumni events
- EMBA alumni and student directory
- Breakfast, lunch, and refreshments for students on class days
- Computer software
- Student tutors
- All student course materials including text books, cases, course packs, simulations, and logoed items
- Student parking fees

PROPOSED REVISIONS – PROCEDURES & GUIDELINES MANUAL
CHAPTER 7, SECTION 9
DIFFERENTIAL PROGRAM FEES

Additions appear in *boldface italics*; deletions are [~~stricken~~ and bracketed]

Section 9. Differential Program Fees

Program	Course Prefix	Course Level	Amount	Effective Date
University of Nevada Las Vegas				
Architecture	AAD, AAE, ABS, AAL, LAND, AAI, AAP	300-400	\$156.75/credit	Spring 2012
Architecture	AAE, AAD	500-700	\$239.50/credit	Spring 2012
Business	MBA, FIN, MKT, MGT	500-700	\$100.00/credit	Spring 2012
<i>Executive MBA</i>	<i>EMBA</i>	<i>700</i>	<i>\$236/credit</i>	<i>Fall 2015</i>
Nursing	NURS	300-400	\$156.75/credit	Spring 2012
Nursing	NURS	500-700	\$239.50/credit	Spring 2012
Physical Therapy	DPT	500-700	\$239.50/credit	Spring 2012
Social Work	SW	700	\$125.00/credit	Fall 2012
Urban Leadership	UBL	700	\$150.00/credit	Fall 2012
Engineering	CEE, CEM, CPE, CS, EE, EGG, ME	300-400	\$40.00/credit	Fall 2014
Engineering	CEE, CEM, CS, ECG, ME	600-700	\$20.00/credit	Fall 2014
Graphic Design and Media	GRC	300-400	\$156.75/credit	Fall 2014
University of Nevada, Reno				
Business	ACC, BADM, BUS, ENT, GAM, FIN, IS, MGT, MKT	600-700	\$100.00/credit	Fall 2011
Engineering	BME, ENGR, CHE, CEE, CPE, CS, EE, GE, ME, MINE, MSE	300-400	\$42.50/credit	Fall 2012*
Engineering	BME, ENGR, CHE, CEE, CPE, CS, EE, GE, ME, MINE, MSE	300-400	\$85.00/credit	Fall 2013*
Engineering	BME, ENGR, CHE, CEE, CPE, CS, EE, GE, ME, MINE, MSE	600-700	\$50.00/credit	Fall 2012*
Engineering	BME, ENGR, CHE, CEE, CPE, CS, EE, GE, ME, MINE, MSE	600-700	\$100.00/credit	Fall 2013*
Nursing	NURS	300-400**	\$156.75/credit	Spring 2014
Nursing	NURS	500-700***	\$239.50/credit	Spring 2014
Nevada State College				
Nursing-Accelerated Track Only	NURS	300-400	\$113.25/credit	Fall 2012

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*Phase in of per credit fee over three years.

**Does not include NURS 300, which is a required pre-requisite course for the nursing program.

***Does not include NURS 700-level courses required for the Doctor of Nursing Practice Program curriculum.

Program	Course Prefix	Course Level	Amount	Effective Date
Nevada State College				
Nursing-Accelerated Track Only	NURS	300-400	\$113.25/credit	Fall 2012
Truckee Meadows Community College				
Nursing	NURS****	100-200	\$60.00/credit	Fall 2014

****All NURS courses excluding NURS 130 (CAN) and NURS 140 (Medical Terminology).

(Added 12/10; A. 4/11, 12/11, 11/12, 6/13, 12/13)

PROPOSED REVISIONS – PROCEDURES & GUIDELINES MANUAL
CHAPTER 7, SECTION 10 (in part) UNLV – Executive MBA Special Course
Fees

Additions appear in *boldface italics*; deletions are [~~stricken~~ and bracketed]

Section 10. Student Fees

A. STANDARD STUDENT FEES

The following student fees have been reviewed and approved by the Board of Regents.

<u>Description</u>	<u>UNLV</u>	<u>UNR</u>	<u>NSC</u>	<u>CSN</u>	<u>GBC</u>	<u>TMCC</u>	<u>WNC</u>
U.S. Citizen	40	40	20	N/A	N/A	N/A	N/A
F-1 Visa	75	75	75	N/A	N/A	N/A	N/A
Non-Degree Student	30	N/A	N/A	N/A	N/A	N/A	N/A
Dissertation Fee	N/A	95	N/A	N/A	N/A	N/A	N/A
Executive MHA Program Fee	510.00/cr.	N/A	N/A	N/A	N/A	N/A	N/A
<i>Executive MBA Program Fee</i>	<i>4,100.00/sem</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
GPSA Graduate Special Fee	18	N/A	N/A	N/A	N/A	N/A	N/A
Graduate Orientation and Professional Development Fee	35	N/A	N/A	N/A	N/A	N/A	N/A
Graduation, Diploma or Certificate Fee, all programs	75	66	20	N/A	20	N/A	25
Identification Card	N/A	11	5	2	N/A	N/A	N/A
Identification Card Replacement	20	N/A	5	2	N/A	N/A	N/A