



UTAH SYSTEM OF
HIGHER EDUCATION

MEMORANDUM

TAB C

January 13, 2022

University of Utah – Tuition Increase

State statute and Board Policy R510, *Tuition and Fees*, require the Board to annually set USHE institutions' tuition and student fees. Traditionally, institutions submit requests to adjust tuition in the March meeting so that tuition rates may be published ahead of the coming academic year. The University of Utah requests an exception from the traditional tuition-setting process to approve a 4% tuition increase for the Professional and Online MBA programs at the David Eccles School of Business to go into effect immediately in the Spring 2022 semester. The proposed request will increase tuition for the 24-month programs from \$60,000 to \$62,400.

The School of Business indicates that the tuition increase was discussed with every prospective student during the recruitment process, where they outlined the possibility of the increase and the impact on the per unit and overall tuition rates. The School also explained the tuition increase during a calling campaign to current students explaining its necessity for student services, career services, remote experiences, and enhanced coursework. The University Board of Trustees reviewed and approved this request on December 14, 2021. The attached letter and material from the University describe the tuition increase request and provide additional detail.

Commissioner's Recommendation

The Commissioner recommends the Board carefully review the tuition increase request from the University of Utah and determine whether to authorize the increase effective immediately.

Attachment

To: Mark Winter, AVP Budget and Finance SVPAA Office
Sandy Hughes, Director Budget and Finance
From: Brad Vierig, Associate Dean, Rachel Hayes, Interim Dean
Date: December 9, 2021
Regarding: Tuition Request Professional and Online MBA Programs

The David Eccles School of Business is requesting approval of a tuition increase. Due to the impact of covid-19 (more students wanting hybrid/online courses) and changes in our economy (the recent big resignation and increased costs), we are requesting the increase go into effect in Spring 2022.

- I. **Program Description:** The Professional and Online MBA Programs at the David Eccles School of Business set tuition for the two-year programs on a per credit hour rate. This tuition increase would start at the beginning of the program for incoming Spring 2022 students and continue throughout their 24-month program. The current Professional MBA and MBA Online tuition is \$60,000 or \$1,250 per credit hour. The requested 4% increase in tuition would be \$62,400 or \$1,300 per credit hour. The last tuition increase was Fall 2020 (a 2% increase). Before 2020 tuition was not increased for three years.
- II. **Addressing Strategic Needs:** The impacts of Covid have changed the part-time MBA student needs. While we made adjustments to manage through and deliver the same quality programs during Covid, we continue to see changes within our markets and need to adapt. Covid impacted our recruitment practices, modality, technology needs, and student services. These two MBA programs have always served a unique student with demands both in the classroom and outside of the classroom and this was exacerbated during Covid. Our costs continue to increase, and we need more resources to continue to meet student demands and fulfill our mission.

To meet the demand of more flexibility, the Professional MBA program is planning to move to a hybrid model and we need more online resources. We learned through Covid that students required increased flexibility in their schedules and that students and employers are more accepting of remote learning, understanding that it is an equal form of education. This will require a big investment. We will work with faculty, instructional designers, videographers, etc. to redesign classes.

Students are increasingly engaging virtually and remotely with their academics and events. Due to Covid, we invested in classroom technology for effective remote learning in the classroom and within our learning management system. We require

additional upgrades to manage both in-person and remote learning simultaneously as well as elevating our fully online courses. In addition to the technology resources, the additional virtual needs required extra time from our Instructional Designers. To provide ongoing positive and engaging experiences both academically and socially, we must continue to invest in technology and people to create robust LMS courses, classroom spaces, and software to assist in remote and virtual engagements.

Students are requesting additional career services and support. The recent Great Recession continues to impact our students. Many students are interested in a career pivot and need additional services to assist them in making these moves. Covid also impacted students' career, with some being laid off and needing support in a job search. We know that career services and resources will continue to be an increased need for part-time MBA students as many of them are earning their MBA to advance their careers. Our career team needs more resources to continue to support ongoing student demand.

The current employment climate has forced us to examine our faculty and staff needs. With increasing demands and expectations from the students, we need to invest in faculty and staff fulfil student needs. Wages in our community continue to increase in the technology sector which is continuing to pull away our experienced team members. To remain competitive, we must continue to offer higher pay to staff and additional staff to help support recruitment and student services efforts. The growing number of students also demands the addition of classes to fulfil program requirements. We continue to add new classes, both core and elective, to meet the needs of our growing number of students. This means we have increased costs for faculty pay, instructional designers, and technology to support the academic components.

The new revenue is highly needed and will go towards new technology for remote and virtual learning, salaries for instructional designers, faculty, and staff for retention and added program needs, and increased career services and resources. There are no other funding sources for these areas. Without an increase in tuition, our program student services and high quality academics will diminish.

- III. Justification of the Proposed Tuition-Rate and Rationale:** The PMBA and MBAO tuition continues to be affordable as compared to other peer institutions. The average cost of tuition for the top 50 part-time programs is \$81,057. Even with this increase, The PMBA and MBAO tuition is 23% below our peer institutions.

The PMBA and MBAO student population is made up of working professionals. With increased wages and company educational contributions, the increase in tuition continues to be affordable. We will continue to award program scholarships

for underserved students that makes the attainment of our degree possible for these populations.

- IV. Prospective Student Support:** We have been discussing the tuition increase with prospective students and have not had any questions. In addition, while doing outreach to current students, we asked for recommendations for future students to our program. The increase in tuition was discussed and we received supportive feedback.
- V. Comparable rate structures from peer institutions.** The attached is a comparison on peer schools based on the 2021 US News and World Report rankings. The table lists the reported tuition from the institution to US News. The University of Utah compares in each area including full program tuition. As explained above, the average tuition for the top 50 part-time programs is \$81,057. Compared to this, the proposed increase in PMBA and MBAO tuition is still 23% less.



Rachel Hayes,
Interim Dean