

MEMORANDUM

March 14, 2017

TO: Arizona Board of Regents

FROM: Michael M. Crow

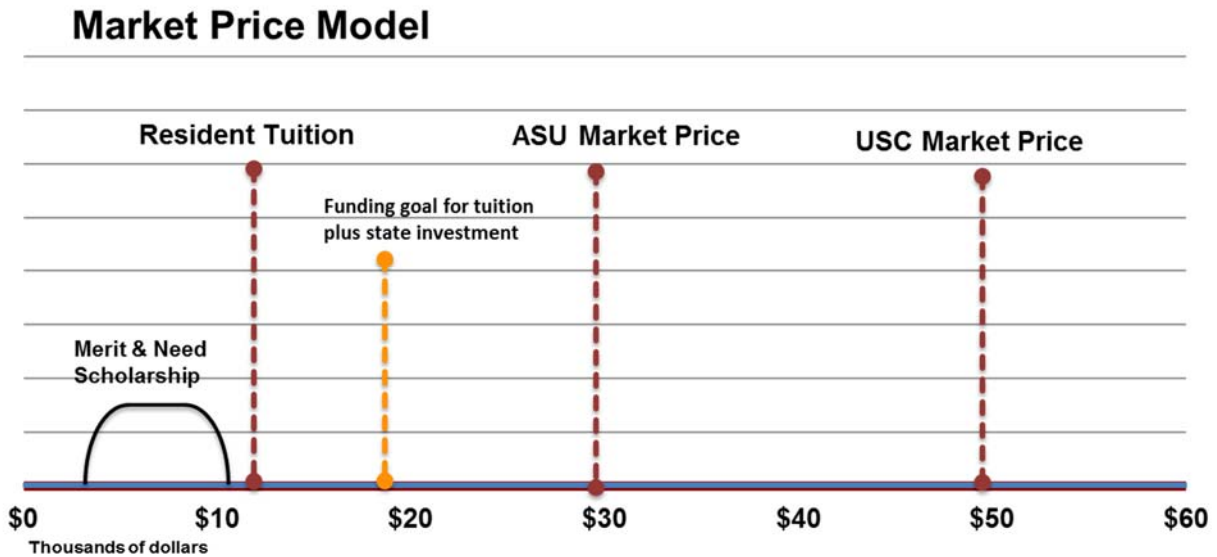
RE: Tuition/Fee Proposal for FY18

Arizona State University has been selected by U.S. News and World Report as the most innovative university in the United States for the second consecutive year, ahead of Stanford and Massachusetts Institute of Technology. The faculty, staff and students continue to advance the university in major ways as highlighted by a very small sample of exemplary achievement:

- ASU ranked in the top 10 in the U.S. for employability by the Global University Employability Survey 2016, ahead of MIT, Columbia, UCLA
- U.S. News and World Report ranks ASU's online bachelor's degree program No. 4 in the nation, ahead of Ohio State University, Pennsylvania State University and the University of Illinois.
- ASU has been selected to lead the Psyche= Mission, a \$450 million grant which will be a deep-space NASA mission.
- In February, ASU announced its 100th spinout company, Gemneo Bioscience, which will provide physicians with more optimal cancer treatments and immunotherapies to help improve cancer outcomes.
- With 43 Sun Devils currently volunteering worldwide, Arizona State University jumped nine spots this year from its 2016 ranking on the Peace Corps' Top Volunteer-Producing Colleges and Universities list, securing a spot in the top 15.
- ASU ranks eighth out of 115 universities for DARPA Young Faculty Awards ahead of Columbia and University of California-Berkeley.
- Barrett, the Honors College enrolled 6,900 students with more than 800 national scholars across all the campuses.
- Sandra Day O'Connor College of Law graduates are #1 in Arizona for state bar passage.
- ASU student athletes have an 84% graduation rate and are only second to Stanford in PAC 12 Scholar Athletes of the Year, most Academic All-

Americans since 2000, and most NCAA post graduate scholarship recipients since 2000.

The New American University will continue to offer multiple delivery systems to reach the broadest number of aspiring students and remain affordable within the higher education market. The chart below outlines the present position for ASU's market price.



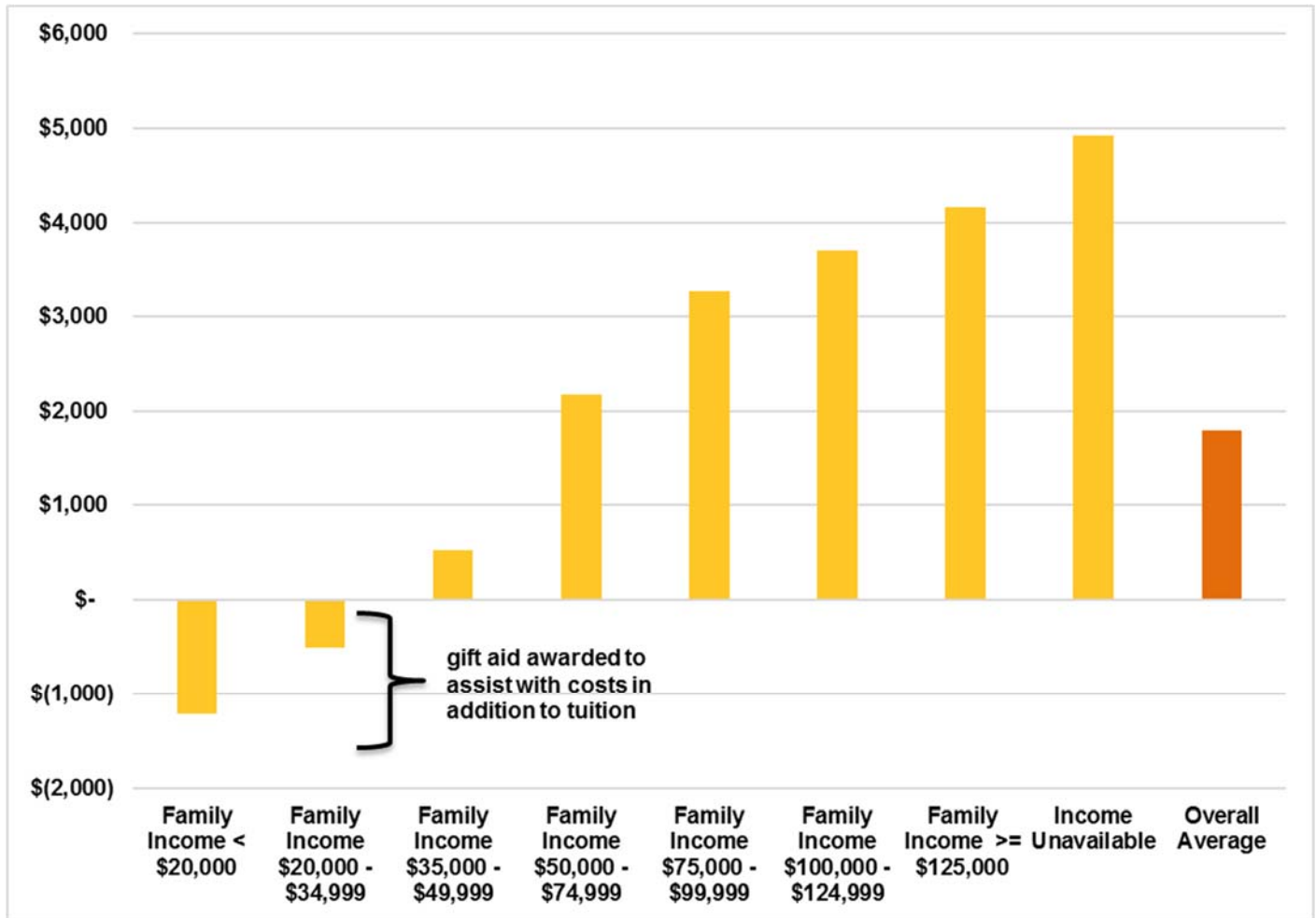
The market (measured by non-resident and international student demand) values an ASU education at approximately \$30,000 per year.

Residents receive excellent value at \$10,000 less substantial financial aid.

Building the brand quality and recognition will allow further revenue opportunities in the non-resident markets.

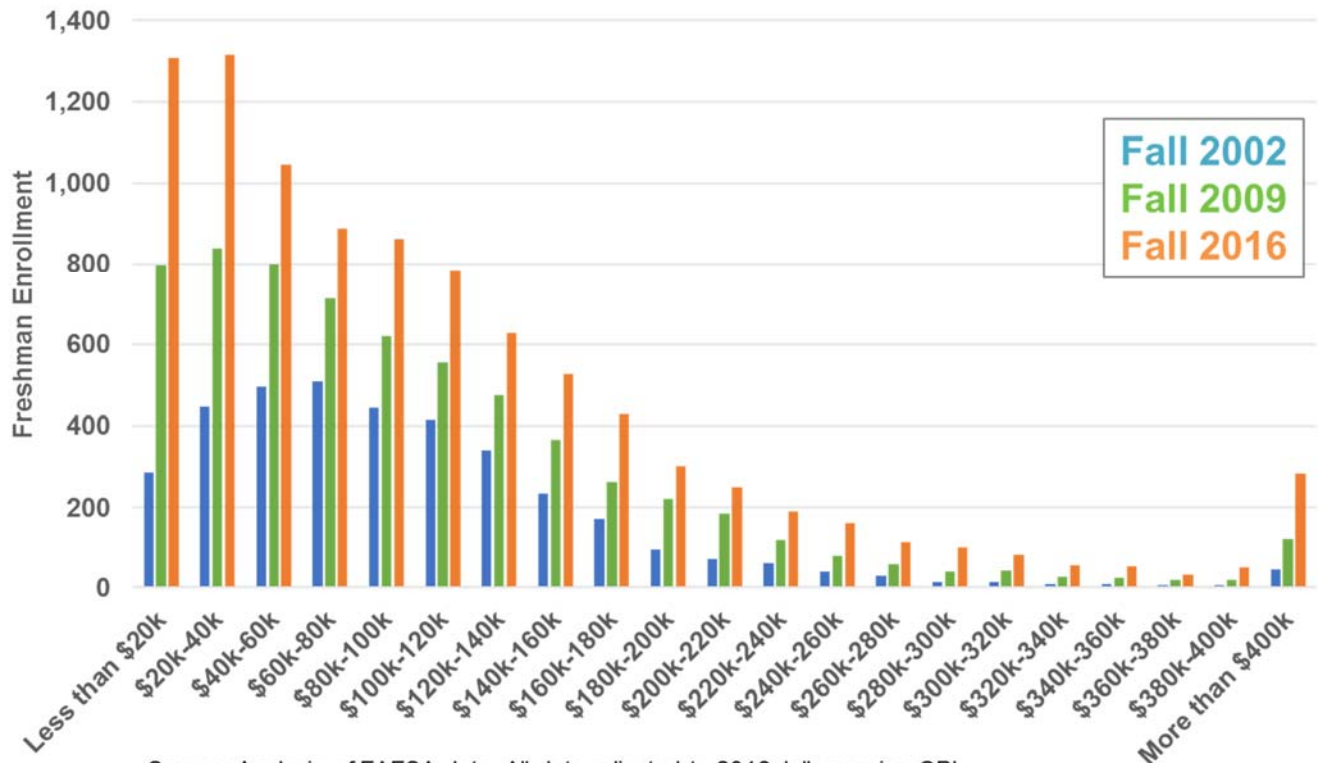
ASU also strives to match the state's diversity by expanding the admissions pipeline and investing in students through financial aid. As reflected by the chart on the next page, the institution's strong ongoing commitment to lowering the tuition price through financial aid for those who would otherwise not be able to enroll is evident. In fact, the commitment to financial aid is crucial to affordability. For those full-time Arizona residents with annual family income of \$34,999 or less, financial aid completely covers tuition allowing additional gift aid to assist with other educational costs. For those in households earning \$35,000 to \$49,999, students pay only an average of \$500 in net tuition.

**ASU Full-Time Resident Undergraduate Students
2016 Net Tuition Paid (after gift aid and tuition benefits)**



Through small tuition adjustments coupled with financial aid investments, ASU has actually increased the economic diversity of its entering class over the last fourteen years, as indicated in the following chart.

ASU First-Time Full-Time Freshmen Enrollment by Adjusted Family Income



Source: Analysis of FAFSA data. All data adjusted to 2016 dollars using CPI.
Fall 2016 data preliminary as of 1/20/17. Analysis limited to dependent students.

As we plan for the coming year, we are as determined as ever to lead nationally and internationally in both our teaching and research endeavors with the incremental infusion of tuition revenue proposed, along with other resources garnered.

For the fifth consecutive year, we are maintaining our pledge to propose a small, incremental tuition increase. For resident undergraduate students, we propose a \$150 tuition increase, a 1.5% increase. Tuition, surcharge and mandatory fees would increase from \$10,640 to \$10,792. Resident graduate students will see a \$160 increase, also a 1.5% increase, with total tuition, surcharge and mandatory fees increasing from \$11,776 to \$11,938. No change is proposed for the resident surcharge or mandatory fees. Arizona Financial Aid Trust Fees, a statutory calculation, will increase by \$2 on all tuition categories.

The tuition rates remain near the American college average for non-resident and international students. For non-resident undergraduates and graduates, the tuition increase would be \$900 and \$990, respectively. This equates to a 3.5% increase in tuition, with non-resident undergraduate tuition and mandatory fees increasing from \$26,470 to \$27,372 and non-resident graduates from \$28,882 to \$29,874.

For international undergraduate and graduate students, the proposed increase in tuition equates to 4.5%, or \$1,240 for undergraduate and \$1,350 for graduate students. Tuition

and mandatory fees for international undergraduate students will increase from \$28,270 to \$29,512 and from \$30,682 to \$32,034 for international graduate students. To provide context, ASU's international enrollment has more than doubled in the past five years with students from over 135 countries seeking undergraduate and graduate degrees. And according to the Institute of International Education (IIE), ASU is the #1 public university hosting international students for the 2015-2016 academic year.

As we discussed during ASU's annual Operational and Financial Review, we remain underfunded and yet are working to achieve state investment equivalent to 50 percent of the cost to educate a student. We also continue working hard to diversify our revenue sources while also pursuing cost containment initiatives.

The chart below summarizes the proposed tuition recommendations for all student categories.

		Current Tuition/Surcharge (FY17)	Proposed Tuition/Surcharge (FY18)	\$ Net Increase
Resident Undergraduate students	All research campuses except as noted for Polytechnic School and New College	\$9,954	\$10,104	\$150
Resident Graduate students	All research campuses	\$11,080	\$11,240	\$160
Resident Freshmen and Sophomore Majors in Polytechnic School and New College	Polytechnic and New College	\$8,986	\$9,122	\$136
Non-Resident Undergraduate students	All research campuses except as noted for Polytechnic School and New College	\$25,784	\$26,684	\$900
International Undergraduate Students	All research campuses	\$27,584	\$28,824	\$1,240

		Current Tuition/Surcharge (FY17)	Proposed Tuition/Surcharge (FY18)	\$ Net Increase
Nonresident Freshman and Sophomore Majors in Polytechnic School and New College	Polytechnic and New College	\$23,206	\$24,016	\$810
International Freshman and Sophomore Majors in Polytechnic School and New College	Polytechnic and New College	\$25,006	\$26,156	\$1,150
Non-Resident Graduate students	All research campuses	\$28,186	\$29,176	\$990
International Graduate Students	All research campuses	\$29,986	\$31,336	\$1,350
Resident Undergraduate	ASU Eastern Arizona College	\$6,086	\$6,176	\$90
Resident Undergraduate	ASU Colleges Lake Havasu City	\$6,550	\$6,646	\$96
Non-Resident Undergraduate	ASU Colleges Lake Havasu City	\$9,698	\$9,848	\$150

ASU Online base credit hour changes will increase 2% for both undergraduate and graduate students. This is in line with Board policy to set online course charges based on market and other relevant factors.

There will not be any additional increases in undergraduate differential tuition.

ASU Graduate Program Fee Proposals

College of Health Solutions

Speech & Hearing Science – Communication Sciences and Disorders Certificate

\$125/credit new program fee

The post-baccalaureate certificate in Communication Sciences and Disorders is offered by the Speech and Hearing Sciences department to provide a set of coursework that prepares students without an undergraduate degree in communication sciences and disorders to apply for graduate school in the discipline. The certificate on the student's transcript will provide a competitive advantage for students who are applying for graduate school in speech and hearing fields.

The courses that comprise the certificate are taught by departmental faculty and most are at capacity. Sections will need to be added in some courses to accommodate certificate students. Additionally, the certificate program students will require professional advising to assure they have all the prerequisite coursework for application to graduate school in communicative disorders or audiology.

MS in Biomechanics

\$1,600/semester new program fee

A fundamental component and unique feature of the MS in Biomechanics is to provide intensive, hands-on experience with gold-standard equipment and resources that are used in biomechanical assessment facilities in both academic and clinical settings. To prepare students appropriately for future employment as research or clinical associates or continued education in doctoral programs, the program resources must be enhanced beyond their current capabilities. The program fee has been designed to support the investment in these necessary pieces of equipment, as well as provide a continued revenue stream to support software upgrades and maintenance.

Mary Lou Fulton Teachers College

M.Ed., Educational Leadership

\$1,500/program (\$42/credit hour) new program fee

The M.Ed. in Educational Leadership program is delivered through of a series of hybrid format core courses, with face-to-face and online components, and an intensive internship experience. With the increased focus on the quality of hybrid programs, we have learned that there are expenses associated with quality programming that are not being addressed with current resources. We must ensure the learning experience of the master's degree students is of the highest quality, including frequent feedback and substantive support

during the internship. The primary purpose of the program fee is to provide support for faculty and internship coaches, internship coordination, hybrid course development and design, and technical expertise.

W.P. Carey School of Business

Online Master of Science in Management (MiM)

\$15,000 new program request

The Master of Science in Management (MiM) degree was first offered on-campus in fall 2012. The Graduate Programs Office of the W. P. Carey School is partnering with EdPlus and ASU Online to offer an online platform extension of the MS in Management program launching fall 2017. The MIM degree program has three distinct components that add immediate value by providing students with exposure to key business principles, exploring leadership concepts in depth and concluding with a capstone consulting project that bridges the gap between academic learning and real world business applications.

College of Liberal Arts & Sciences

Masters in Urban & Environmental Planning

\$1,000/year program fee increase

The Masters in Urban and Environmental Planning (MUEP) takes full advantage of the wide array of faculty expertise, state-of-the-art computing and studio facilities, and its location in one of the largest metropolitan areas in the country. We are seeking an increase to \$3,500 per student per year effective for the incoming class in Fall 2018. This increase is requested to address the caliber and volume of support needed by the applicant and attending body of this program, the need to dedicate both professional student services and instructional support adequate to oversee the program and to optimize the school's opportunity of retaining a solid accreditation from the Planning Accreditation Board, the program's official accreditor. The proposed program is consistent with the University's enterprise model of program development. The Board of Regents allows program fees to be approved based on market conditions. Evidence provided reflects that there is an adequate market to support these fees in comparable program settings.

College of Nursing & Health Innovation

Doctor of Nursing Practice (DNP)

\$500/semester program fee increase

The college is proposing a \$500/semester increase in the DNP program fee from \$2,000 to \$2,500 per semester. The DNP program fee was instituted nine years ago and has not been adjusted since that time. While the program fee adequately covered program

delivery costs nine years ago, the costs of the program have increased during the past decade primarily due to increasing faculty salaries, cost of maintaining state of the art simulation labs, costs associated with standardized patients, and a lowering of student faculty ratios by outside accrediting agencies and clinical sites. The proposed fee increase will allow the college to attract and maintain quality faculty, introduce standardized patients, keep the simulation lab current, and lower student faculty ratios. Nurses with the DNP credential are highly sought after and the salaries are substantial.

Ira. A. Fulton Schools of Engineering

All graduate degree and certificate programs, except:

Online: Construction Management MS, Sustainable Engineering (MSE), Electrical Engineering MSE, Industrial Engineering, Material Science and Engineering MS, Engineering M, Engineering Science MSE (Software Engineering), Nuclear Power Engineering Certificate, Lean Six Sigma Black Belt Certificate. On-Campus: PSM in Solar Energy

\$10/credit hour program fee increase

The Ira A. Fulton Schools of Engineering has an approved program fee for all graduate programs, with the exceptions listed above. Approved in 2005, the fee was established to help defray the costs of delivering programs that are substantially more expensive than costs typical for other programs across the university. The additional costs arose primarily from the laboratory intensive curriculum that requires specialized equipment reflecting current industry practices, technical staff, safety personnel, and teaching assistants to support laboratories and instruction. The increase proposed will allow us to support a wider range of experiences, services and opportunities for graduate students beyond the conventional engineering school program, greatly enhancing the quality of the student experience and earnings potential of program graduates.

New College of Interdisciplinary Arts & Sciences

Master of Science in Psychology

\$31/credit program fee

The Master of Science (M.S.) in Psychology (MSP) program is a two-year research-oriented program most appropriate for students who plan to continue on to a doctoral program or pursue careers in the professional sector addressing real world situations and solving real world problems where research methods tools such as quasi-experimentation, research instrumentation, and statistical analysis are essential. This request is to increase the program fee associated with this program from a one-time \$500 fee to a \$31 per credit fee. Effectively, this will raise the per credit hour fee from \$15.15 to \$31. This fee increase is requested to ensure students have access to research opportunities that best prepare them for success following graduation.

W.P. Carey School of Business

MS Finance

\$1,000 program fee increase

A program fee increase was last approved for the Master of Science in Finance in 2014. Since that increase, costs continue to increase for delivery of curriculum, services and materials that are essential to a high-quality educational experience. The program prepares students to excel in a highly competitive marketplace for talent with advanced knowledge of finance, with a curriculum that spans corporate finance and asset/portfolio management. The curriculum is designed to ensure that students have a solid understanding of statistics and modeling tools essential in today's financial industry. The program fee increase will support the increasing cost and ensure the program remains competitive in the market place.

MS Global Logistics

\$2,000 program fee increase

The program fee for the Master of Science in Global Logistics (MSGL) degree was approved in 2014. Since then, costs continue to increase for delivery of curriculum, services and materials that are essential to a high-quality educational experience. The program is as an accelerated, full-time program offered to students with an interest in foreign trade, global sourcing, global supply chain management, and overseas economic development. The program fee increase will support the increasing costs and ensure the program remains competitive in the market place.

Master of Science in Management (MiM)

\$2,000 program fee increase

Program Fees were first approved for the Master of Science in Management (MiM) degree in 2010. The MIM degree is an accelerated nine month degree program with three distinct components that add immediate value by providing students with exposure to key business principles, exploring leadership concepts in-depth and concluding with a capstone consulting project that bridges the gap between academic learning and real-world business application. Costs have continued to increase for delivery of services, facilities and materials that are essential to a high-quality educational experience. Accordingly, new fee adjustments are requested to maintain the level of curriculum content and delivery, technology, services, and facilities that support educational quality at the W. P. Carey School. The program fee increase will support increasing costs and ensure the program remains competitive in the market place.

MBA Online

\$1,000 program fee increase

The MBA Online program is a top ranked program. The last increase in the Online MBA program fee was approved in 2011. Since that increase, costs continue to increase for delivery of curriculum, services and materials that are essential to a high-quality educational experience. Revenues from the fees have supported improvements in quality of the MBA program of the W. P. Carey School through investments in faculty and faculty development, curriculum modernization, and enhancements to basic educational technology infrastructure. The program fee increase will support increasing costs and ensure that the program remains competitive with leading public business school online programs.

MBA Full-Time

\$2,000 program fee increase

The MBA Full-Time program is a top ranked two-year program. The last significant increase in the Full-Time MBA program fee was a \$2,000 increase approved in 2011. Since that increase, costs continue to increase for delivery of curriculum, services and materials that are essential to a high-quality educational experience. Despite the offering of the Forward Focus Scholarship program, which is currently supported by a combination of school funds and donor funding, a fee adjustment is now requested to keep the pricing of the program consistent with our peer and aspirant schools in planning for a potential future where the Forward Focus program is not available to support the entire cost of the program. The program fee increase will support the increasing costs and ensure that the program remains competitive with leading public business schools.

MBA Executive

\$3,250 program fee increase

The last significant increase in the Executive MBA program fee was approved in 2011. Since that increase, costs continue to increase for delivery of curriculum, services and materials that are essential to a high-quality educational experience. Revenues from the fees support the quality of the program through investments in faculty and faculty development, curriculum modernization, additions to the student support and career resources, and enhancements to basic educational infrastructure including classrooms and information technology. The program fee increase will support increasing costs and ensure that the program remains competitive with leading public business schools.

Master of Real Estate Development (MRED)

\$2,000 program fee increase

The Master of Real Estate Development (MRED) program is a 9 month specialized master's degree that prepares students to excel in a highly competitive marketplace for talent with advanced knowledge of real estate development, with a curriculum that spans urban economics and development principles, market analysis, master planning and design, real estate law and engineering and construction. The curriculum is a transdisciplinary partnership among four colleges, The W. P. Carey School of Business, Sandra Day O'Connor College of Law, Herberger Institute for Design and the Arts, and Del E. Webb School of Construction. The program fee increase is a response to rising costs and the competitive market place for this degree.

ASU Undergraduate Class Fee Proposals

W.P. Carey School of Business

Undergraduate Programs – DU: Immersive Entrepreneurial Experience

\$7,000 new class fee

This one semester entrepreneurial program is designed to help students successfully launch a startup business. The ASU-Draper University Entrepreneurship Incubator Program, located in San Mateo, California, introduces students to Draper University's Hero Training, team challenges, and all-star entrepreneurial speakers. Draper will provide business and engineering course content, helping students to establish a strong framework for their startup idea and prepare them to pitch it to investors in Silicon Valley. The class fees will support the students in their experience at Draper University.

Ira A. Fulton Schools of Engineering

The Polytechnic School – Flight Operations and Safety III.a 1

\$8,898 new class fee

The Polytechnic School – Flight Operations and Safety IV.a 1

\$7,855 new class fee

The Polytechnic School – Flight Operations and Safety V.a 1

\$10,740 new class fee

The Polytechnic School – Flight Operations and Safety VI.a 1

\$10,006 new class fee

The Polytechnic School – Flight Operations and Safety VII.a 1

\$10,298 new class fee

The Polytechnic School – Flight Operations and Safety VIII.a 1

\$14,670 new class fee

ASU's Aviation Program and the Pat Tillman Veterans Center have been working with the Veterans Administration (VA) to clarify the status of the use of benefits under the GI Bill for ASU's Aeronautical Management Technology (Professional Flight) BS degree. Under changes mandated by the VA, it became a requirement to define each class in terms of a discrete amount of flight and ground events, and to assign a specific number of hours and cost per hour to each event. The sum of these defined costs can then be considered the minimum fee for the particular class. Going forward, maintaining VA compliance requires the adoption of the discrete curriculum structure with a single class fee charged to a student's ASU account and payment subsequently made to the flight training provider by ASU.

If you have any questions, feel free to contact me.

Attachment