**Definition of Professional Masters Program**

The characteristics of a Professional Masters program at Purdue as outlined below provide a general framework for defining these degree programs. Within this definition, it is expected that the professional masters programs will incorporate variations and features unique to each program’s curriculum and target student population. Professional masters programs would not be considered appropriate for those entering research careers whether in academia, industry, or government. A given program would not be both a professional masters and preparation for a research career.

**General Characteristics of a Professional Masters Program:**

1. A terminal masters degree with no thesis and no path forward to the Ph.D.
2. Designed specifically to prepare university graduates for a career in industry and government, or to broaden the prospects of university graduates with careers in progress.
3. Incorporates a professional skills and competencies component (management, supervision, leadership, entrepreneurship, etc.).
4. A full time program of one to two years in length; programs may allow part-time students.
5. Instruction is primarily residential, i.e. at least 51% occurs on campus.
6. Demonstrates clear articulation between the professional masters program and other masters degrees and concentrations with the department.
7. Priced to include regular Board of Trustees (BOT) approved tuition and fees plus a market based fee increment; market based increment established through a rate approval process.
8. Receives a return of a portion of the tuition and fee revenue to the academic unit based upon an established distribution model.

Because of the many unique features that may be considered in the design of professional masters programs, units are encouraged to consult with the Graduate School on any questions related to a proposed program.

**Professional Masters Students**

Graduate students in professional masters programs are subject to the Policies and Procedures for Administering Graduate Student Programs at [http://www.gradschool.purdue.edu/faculty/publications.cfm](http://www.gradschool.purdue.edu/faculty/publications.cfm). In addition, graduate students are admitted to and enrolled in a selected professional masters program and are subject to the specific requirements of the professional masters program. Students enrolled in a professional masters program are not eligible to pursue another graduate degree while pursuing the professional masters degree.

Students enrolled in a professional masters program will not be eligible for graduate staff employment or any fee remissions associated with graduate assistantships. Professional masters students are not
eligible for graduate tuition scholarships. Admittance letters should clearly state this point. An audit report will be established to identify professional masters students who have been placed on graduate appointment. Such an occurrence will be communicated to the college/school and Graduate School for handling.

**Resident Enrollments**

As Purdue is a state supported land grant institution, it is important that the University develops programs that are supportive of the state economy and accessible to Indiana residents. When departments perform their market analysis for professional masters programs, they will discover both geographic and content specific market niches. Some niches may be significantly focused on the state and regional audience (i.e. a weekend masters program or a program for the orthopedic industry); other programs may have a much smaller intake of Indiana residents (i.e. a program in developmental agriculture delivered in part abroad with an international university partner); while a third program may have fairly uniform global interest across many regions and markets (i.e. a degree in information security). Because of these potential market niches, it is recognized that the disciplines of some professional masters programs may have limited interest to students from Indiana. All programs, however, will be open to Indiana residents and units should target those applicants who are qualified.

**Academic Review and Approval Process**

Professional masters programs are governed by the Graduate School and must follow the procedures set forth in the *Policies and Procedures for Administering Graduate Student Programs* at [http://www.gradschool.purdue.edu/faculty/publications.cfm](http://www.gradschool.purdue.edu/faculty/publications.cfm). Specific approval is required to establish a professional masters program. Departments may submit a request for a new degree program or for a current degree with a new concentration as discussed below.

**New Degree Program:** To establish a professional masters program as a new degree program, departments will need to review and follow the procedures for establishing a new degree program as outlined in Section One-F in the *Policies and Procedures for Administering Graduate Student Programs* at [http://www.gradschool.purdue.edu/faculty/publications.cfm](http://www.gradschool.purdue.edu/faculty/publications.cfm).

**Current Degree Program with New Specialization/Concentration:** To establish a professional masters program as a new concentration for an established masters degree program, departments will need to review and follow the procedures for completing Graduate School Form 25 at [http://www.gradschool.purdue.edu/downloads/GS_Form25.pdf](http://www.gradschool.purdue.edu/downloads/GS_Form25.pdf)

**Process Review Committee**

It is anticipated that some professional masters programs will include unique program features that will require special consideration of the processes supporting the programs. Unique features, for example, may include partnerships with other institutions; programs with multi-site residences including foreign countries; or internship semesters with or without credit. Unique program components may raise questions about how to manage the processes related to fee assessment and collection; registration and student status; credit assignment; awarding of degrees; rate structure for fees; financial aid; and others.
In order to address these issues prior to the program need for these support processes, a Process Review Committee will be established to consider the implementation of programs with unique components. The committee will include representation from the Graduate School, Purdue Extended Campus, Marketing and Media, the Office of the Provost, the Offices of the Bursar, Registrar and Financial Aid, and the academic unit sponsoring the program (both programmatic and business office). The University’s Global Support Specialist (Comptroller unit) and representation from International Programs will participate when foreign institutions or experiences are involved. Others will be asked to participate on an as needed basis.

When professional masters programs are first presented to the Graduate School for consideration, proposals that include international components or other unique features as determined by the Graduate School will be referred to the Committee for review and resolution of process issues. The Process Review Committee will not advise on academic issues or make any academic programmatic recommendations. The Committee will be convened by the Graduate School representative to the Committee when a review is required.

**Program Pricing**

**New Degree Programs and Current Degree Programs with New Specialization/Concentration:** Tuition and fees for professional masters programs will include two primary components: 1) regular BOT approved tuition and fee rates and 2) a market based increment. Regular BOT approved fees, i.e. general service fee, nonresident tuition, graduate differential fee (if applicable), and pass-through fees (technology fee, R&R fee, student wellness fee, other miscellaneous and incidental fees) will be augmented with a professional masters fee that adjusts the overall fee to a market based level. Fees for professional masters programs will not be approved at rates less than the BOT established tuition and fee rates for regular graduate programs. All new professional masters programs will be established using the new pricing and revenue sharing models outlined in these Guidelines.

It is possible that the distance learning fee rate/revenue distribution model is better fitted to cover costs associated with non-residential semesters in the case of some ‘blended’ programs, which offer both residential and distance learning components. In these instances, colleges/schools shall provide fee rate approval support documentation clearly detailing the rate model, student fees, and revenue distribution applicable for each specific semester. The college/school establishing the program shall publish fee rate information to prospective and admitted students outlining fees for each individual semester. If a college/school should attempt to average blended rate models to derive a single cohort rate to be used throughout the program, the college/school shall provide further support within their rate approval documentation, illustrating how fees and revenue distribution are weighted.

**Conversion of Existing Masters Programs to Professional Masters Programs:** Conversion of existing masters programs to professional masters programs will be reviewed by sponsoring academic units to determine if the program should continue as a currently established masters program or if the program will convert to a professional masters program including the new pricing and revenue sharing models. Existing masters programs will be grandfathered under the current model if the units determine this is the preferred approach. Current masters programs that transition to a professional masters program will follow the same academic and rate approval processes as new professional masters programs.
Revenue Sharing

Fee revenue will be distributed across university units as outlined below:

- Pass-through fees (technology fee, R&R fee, student wellness fee, other miscellaneous and incidental fees) will follow the current distribution process to directly support the purpose of these fees.
- Fee revenue from the general service fee, non-resident tuition, differential fee, and the professional masters fee will be distributed 70% to the college/school; 5% to a central fellowship endowment; and 25% to the central university budget.
- When a professional masters program replaces an existing program, an adjustment for foregone revenue will be required prior to the distribution above.
- Fee revenue available for distribution will reflect actual revenue received, i.e. net of refunds due to attrition or unrealized revenue due to non-payment.

This distribution model will be reviewed within three years to assess if this approach is sound.

**College/School:** The 70% distribution to the college or school is expected to cover all direct costs of offering the program including instructional salaries and fringe benefits. If the curriculum of the program impacts instructional costs in other disciplines, this should also be addressed. As the professional masters programs have market based fees, it is anticipated that these programs will generate revenue in excess of departmental costs. If revenue exceeds departmental costs, the excess revenue will remain within the college/school for expenditure as determined by the college/school. If revenues do not fully offset departmental costs, it will be the responsibility of the college/school to absorb those costs.

**Fellowship Endowment:** A distribution of 5% will provide a stream of revenue for growth in the fellowship endowment. The Graduate School will allocate these resources consistent with graduate education initiatives of the strategic plan.

**Central University Budget:** The 25% distribution to the central university budget will fund the standard PEC per credit hour charges assessed to each professional masters program; additional central staffing and related costs associated with supporting growth in professional masters programs; and centrally funded instructional infrastructure costs. In addition, this will replace the standard recovery by PEC for the university at 12% of revenue.

Because professional masters program offerings represent non-traditional coursework which cannot be easily automated, individual monitoring is often necessary in order to administer such programs centrally. Staffing levels in centralized support units will be reviewed on an ongoing basis and may be adjusted based on consideration of the impact of new program development, student enrollment, and course offerings.

**Revenue Adjustments:** If a professional masters program replaces an existing program, a review of current fee revenue to the university will be required and an adjustment will be made for the amount of the current fee revenue prior to the distribution. For current masters programs, fee revenue flows to the university general fund, while the professional masters model distributes a portion of fees to the
unit. The revenue adjustment assures that the university general fund maintains its current revenue base. The revenue adjustment should be documented in the rate approval process.

**Purdue Extended Campus (PEC) Support**

**Standard PEC Services:** The PEC charges that will be funded through the central university 25% revenue share will support the standard PEC services of registration, financial management and reporting, revenue distribution, and coordination services. These charges are intended to provide a cost recovery mechanism for PEC services and to allow increases in support staff and services as the number and size of professional masters programs increases. Separate accounts will be established in PEC for each program; costs booked within PEC will be assessed to the revenue distribution share of the sponsoring unit.

**Market Analysis:** Market data is critical to establishing the professional masters program fee and will be required for the rate approval. PEC currently contracts with Eduventures for market analysis services. All units proposing a professional masters program will have access to this service at no additional charge to the unit or to the professional masters program.

If the unit proposes to utilize the **Advance on Revenue** option addressed below, a valid third party analysis, preferably using Eduventures through PEC, will be required. While an external market analysis is preferable, units are allowed to perform their own analysis. Attachment A provides a list of issues that the analysis should address. In these cases, any costs for the market analysis will be the responsibility of the unit.

A market analysis will not be required for professional masters programs implemented in FY12-13 or current masters programs converted to professional masters programs in FY12-13 since rates will be based upon established Board of Trustee fees. In future years, a market analysis will be required to determine if a professional masters fee should be added to the current program fee.

**Non-Traditional Costs:** While instructional costs and departmental support expenses will be charged to accounts within the academic unit, any non-traditional expenses will be recorded within the PEC account structure. Non-traditional expenses include costs typically not supported on general funds. Overload payments will not be processed through PEC.

**Purdue Marketing & Media Support**

**Marketing Services:** M&M, working in conjunction with PEC, has the capability to assist units in identifying potential clientele and in promoting their professional masters programs to this audience. While some programs currently exist with a built-in customer base, other units may require this type of strategic marketing assistance as well as creative assistance. Units are encouraged to use these services when the expertise is not available within their college/school. A separate fee at the existing hourly rate will be charged for M&M marketing services. This fee can be budgeted in the cost plan for the professional masters program.

All marketing materials should be reviewed by the Graduate School in advance of release to the public. This will assure that the degree is appropriately stated to meet the guidelines of the Indiana
Commission for Higher Education. Academic units developing their own marketing materials must also ensure their materials are in brand and the Graduate School review occurs.

**Tuition and Fees**

**Programs Implemented FY12-13:** As Board of Trustees approved rates have been established for FY12-13, fees for programs that will begin in FY12-13 will be assessed at these current rates. Programs that begin in FY12-13 and extend beyond one year will continue at the FY12-13 rate plus BOT approved inflationary increases until the program is completed. Distribution of revenue for those fees assessed through programs implemented in FY12-13 will be based upon the professional masters revenue sharing model described above.

**Programs Implemented FY13-14 and Beyond:** The Fee Schedule submitted to the Board of Trustees for FY13-14 and FY14-15 will include a provision for assessing a market based increment for each professional masters program. The provision will allow a separate and distinct increment for each program based on current market data and approved through the rate process outlined below.

**Fee Assessment:** All new professional masters programs will be assessed fees based upon the pricing established above. Fee invoices will be delivered at least one month prior to the program start date, due on the first day of classes of the academic term, consistent with traditional campus timelines where possible.

Students sponsored by a third party will receive a deferment of fees based upon their submission of a tuition payment agreement by the sponsor prior to the due date for fees. Sponsors will be billed within the term of enrollment, (generally within the first eight weeks of classes for a sixteen week term). Students will be responsible for fees based upon non-payment of sponsored accounts. Non pass-through fees will be billed as a single line item described as “Prof Masters – xxxx” (“Prof Masters – Acctng”, for example); students who are aware of any specific descriptor required by a sponsor should notify the Bursar’s Office as early as possible.

Financial aid will be applied to student accounts consistent with federal Title IV guidelines no earlier than 10 days prior to the first day of classes; students will receive credit balances within 14 days from the date of application of financial aid funds to their account.

Fee remissions will not be applicable for professional masters programs. A Purdue scholarship fund may be established by the college/school/department hosting the program, in order to support continued learning and development. Revenue from professional masters programs may be used to offset the cost of scholarships. Scholarship funds will be awarded at the discretion of the college/school/department towards eligible student accounts. Students enrolled in a professional masters program will not be eligible for graduate assistantships or fee remissions associated with graduate staff appointments or for graduate tuition scholarships.

In the case that a student enrolls in a program which provides an undergraduate degree en-route to a professional masters degree, (a “3+2” program, for example), the student’s primary curriculum, as identified by the college/school, shall drive the assessment of fees and related revenue sharing. To facilitate the appropriate assessment, a college/school will notify the Bursar’s Office and the Purdue
Extended Campus business office when students in such programs have advanced from the undergraduate level to the professional degree level. In general, this transition should be based upon the completion of undergraduate degree requirements, or based upon a preponderance of graduate coursework remaining to meet degree requirements.

These programs will have the same revenue adjustment requirements as all professional masters programs that shift regular enrollments to professional masters programs (see Revenue Adjustments under Revenue Sharing section above).

Refund of fees will follow the institutional fee refund policy found at http://www.purdue.edu/bursar/refunds.html. Consistent with that policy, technology, course fees, and repair and rehabilitation fees are considered to be non-refundable. Other fees and expenses, including general service fees, non-resident tuition, and the market based increment for the professional masters program would be considered refundable.

**Professional Masters Fee Approval Process: See Attachment B**

A Purdue rate request must be prepared for all new degree programs, existing degrees with new specializations or concentrations, and existing degrees based on the guidelines in Attachment B. An annual budget review via a rate request is required of all existing degrees. Below is a list of the key items that need to be addressed in the rate request (complete list in Attachment B):

- Market analysis
- Present and proposed rates (not less than BOT approved rates for regular graduate programs)
  - Resident and nonresident rates
  - Academic year and summer rates
- Projected revenue
- Estimated expenses
- Enrollments and growth plan
- Advance on revenue option - optional
- Potential loss of existing fee revenue

**New Degree Program:** In addition to the rate request, new degree programs also require Indiana Commission of Higher Education approval and will follow the preparation and approval guidelines documented in Attachment B.

**Current Degree Program with New Specialization/Concentration:** Existing degree programs with a new specialization/concentration require approval by the Graduate School. Rate requests are required with the initial implementation and must be updated each year. Graduate School review of the rate request is required with the initial program approval only. Copies of annual rate approvals should be distributed to the Graduate School.

**Advance on Revenue Option**

A fund will be established by the Provost that will allow units to request an advance on future revenues for program start-up costs. This fund will be available to units where limited resources impact their
ability to develop and advance a professional masters program. It is not anticipated that all programs will require this assistance. The following criteria will be important considerations for funding approval:

- High promise for success based on third market analysis
- First professional masters program developed by the unit
- Financial need

Up to $100,000 per program can be requested for these initial start-up expenses. Repayment will be made within four years typically at the rate of 20% in year 2; 40% in year 3; and 40% in year 4. No repayment will be required in the first year of the program. The advance amount will normally not exceed $100,000 or the total projected net revenue for the first four years, whichever is less. If the professional masters program is not able to generate sufficient revenue to meet the repayment arrangement, the college/school/department hosting the program will be responsible for any shortfalls.

If the advance on revenue option is needed, the request should be submitted with the professional masters proposal for fiscal review and rate approval. The amount of the advance and repayment schedule should be outlined in the financial plan of the rate request, in addition to addressing the criteria noted above. Approval of the rate request for the professional masters program will include a decision on the request for advance on revenue option if it has been proposed. Any request outside of these guidelines will require an additional review and approval by the Office of the Provost.

Questions

The following offices should be contacted for assistance in the process of establishing and managing professional masters programs:

- Graduate School, Programs Office
- Office of the Registrar
- Purdue Extended Campus, Director of Marketing
- Purdue Extended Campus, Business Office
- Office of the Bursar
- Director of Financial Affairs for College/School

Academic Issues
Academic Infrastructure
Market Analysis
Account Management and Reporting
Fees and Refunds
Rate Approval Process
PROFESSIONAL MASTERS PROGRAMS
MARKET ANALYSIS

While an external market analysis for a new professional masters degree is preferable, units are allowed to perform their own analysis. A complete analysis would include discussion of the following:

**What is the proposed program?** What is the focus or specialization of the program?

**Fit with the University and Department** – How does the program fit with the mission of the university? Does the university have a recognized competence in this area, or will new faculty capabilities need to be acquired? How will the program be distinctive or differentiated from competitors?

**The target student market for the program** – What are the demographic characteristics of the target student population (age, geographic scope, prior preparation, current employment or pre-employment)? What is the size of the target population and anticipated growth in the pool?

**What is the value proposition for the degree** – What are the employment prospects for graduates of the program? What is the anticipated salary for graduates? What are the anticipated trends in these factors? What opportunities await students who complete the degree? Will students be prepared for new careers or certifications?

**Characteristics of peer institutions and programs** – Is there existing competition delivering the degree? Who are they? What, if anything, makes their programs distinctive? If they are traditional institutions, are they peer or aspirant schools? What are the program sizes? What are the current enrollments and trends in enrollment? What is the format of the delivery model? What markets have these programs targeted? What are the prices and trends for pricing of these programs? Is the significant financial aid provided? If this is truly a unique, ground breaking degree, who would be the likely competitors if a market is established? Will the degree be easily copied?

**Program content, delivery, and cost structure** – What courses and experiences will make up the proposed degree? How will the content be delivered and where? What costs will need to be incurred in development of the program? What is the five year cost structure of delivery? What support infrastructure will be needed outside of instructional cost?

It is expected the analysis will be supported with references to third party data from appropriate sources like peer institutions, library data sets, governmental or foundation reports, employment or census data.
PROFESSIONAL MASTERS PROGRAMS
Preparation, Review and Approval
Required Financial Reports to Establish/Renew a Degree Program

Purdue Rate Request (New Degree, New Specialization of an Existing Degree, and Existing Degree Programs):

College/school requests a market analysis (currently contracted with Eduventures through PEC). If a unit requests an Advance on Revenue, the preferable third party market analysis is through Eduventures. In all other cases, alternate market data can be used if provided from a reputable source. In these cases, any costs will be the responsibility of the unit.

College/school prepares rate request and 5 year net income and enrollment projections.

The rate request will cover the following items:

- Department
- Effective date
- Purpose/services
- Present and proposed rates (includes peer analysis)
- Budget explanation
- Five year revenue and expenditure budget, net income and enrollment projections, along with the projected attrition rate
- Potential loss of existing fee revenue
- Income collection/billing
- Income disposition
- Refund policy - Should follow existing Purdue University guidelines located on the Bursar website:  http://www.purdue.edu/business/bursar/refunds.html
- Advance on revenue (optional)
- Any previous approval (if existing)
- Approvals (required signatures):
  - Existing degree: Department Head and Dean of College/School; Associate Dean and Dean of Purdue Extended Campus; Senior Director of Business Management
  - New degree or new specialization of an existing degree (additional signatures): Dean of Graduate School; Executive Vice President for Academic Affairs and Provost (or delegate – Vice Provost for Undergraduate Academic Affairs); and Sr. VP for Business Services and Assistant Treasurer (or delegate – Senior Director of Business Management).

Each college/school is required to submit an annual budget review to PEC (updated rate request).
Indiana Commission for Higher Education New Degree Proposals (Enrollment and Budget Data):

College/school completes the required Commission documentation (current guidelines include tables with enrollment data and budgeted revenue and expenditure data):

- Developing New Academic Program Proposals based on the guidelines, policies, and procedures established by the Indiana Commission for Higher Education, and
- In addition, for a blended degree, the forms for Proposing Degree Programs to be delivered via Distance Technology based on the Policy on Delivering Degree Programs through Distance Education Technology.

Review Process for Rate Requests - New Degree, New Specialization of Existing Degree, and Existing Degree Programs:

On Campus or Blended – Approvals for New Degree, New Specialization of Existing Degree, and Existing Degree Programs (1)

- College/School
- Purdue Extended Campus
- Director of Business Management (delegate)

Additional signatures required for New Degree Programs and New Specialization of Existing Degree (On Campus or Blended)

- Dean of Graduate School
- Executive Vice President for Academic Affairs and Provost (or delegate – Vice Provost for Undergraduate Academic Affairs)
- Sr. VP for Business Services and Assistant Treasurer (or delegate – Senior Director of Business Management)

Review Process for Indiana Commission for Higher Education New Degree Programs Proposals:

New Degree Programs (proposals are completed and routed for review and approval):

On Campus (or Blended) – Review and Approvals

- College/School
- Graduate School
- Budget and Fiscal Planning
- Executive Vice President for Academic Affairs and Provost
- Board of Trustees
- Indiana Commission for Higher Education

(1) Programs Implemented FY 2013: As Board of Trustees approved rates have been established for FY 2013, fees for programs that will begin in FY 2013 will be assessed at these current rates. Programs that begin in FY 2013 and extend beyond one year will continue at the FY 2013 rate plus approved inflationary increases until the program is completed. For Blended Degrees, see memo – Delegation of Authority to Establish Distance Learning Rates – dated 12/10/10).