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### Introduction

The concept of a Professional Master’s Program (PMP) at Purdue was initiated to stimulate development of new, terminal master’s degree programs that are focused on advanced credentialing for working professionals.  As such, these degrees have a practitioner, rather than research, focus.  They are typically distinct from traditional and primarily residential learning activities in that they address working professionals who may never come to campus.

The continuing and distance arena at Purdue University is defined by [Policy V.B.4](https://www.purdue.edu/policies/governance/vb4.html). Academic governance and oversight of all graduate education is the purview of the Graduate School (See [Policies and Procedures for Administering Graduate Student Programs](https://catalog.purdue.edu/content.php?catoid=13&navoid=16349))

There are two types of PMPs offered:

Professional Master’s Degree – Residential (PMP-R) is a program for which at least 75%\* of the content is delivered in a traditional, on-campus or face-to-face format.

Professional Master’s Degree – Digital (PMP-D) is a program for which at least 75%\* of the content is delivered in a nontraditional, digital or online format.

Note: Hybrid programs, where between 25%-75% of the content is delivered in a traditional, on-campus, or face-to-face format will utilize the PMP-R structure.

The process for developing a new PMP involves working with both Purdue Online and the Graduate School. Units interested in developing a new PMP are encouraged to involve both units as early in the process as possible. It should be noted that PMP’s as defined in this document are fee-based programs. Purdue University also permits professional degrees to exist under the tuition-based financial model but they follow the traditional degree approval process. Units desiring a tuition-based professional degree should contact the Graduate Programs Office in the Graduate School.

**Definition of Professional Master’s Program (PMP)**

The characteristics of a Professional Master’s Program (PMP) at Purdue, as outlined below, provide a general framework for defining these degree programs.  Within this definition, it is expected that each program will incorporate variations and features unique to its curriculum and target student population.  In general, these PMPs would not be considered appropriate preparation for those entering research careers whether in academia, industry, or government. Although some doctoral granting programs may accept some of the course credits from a PMP, it is not the preferred pathway for a student that may have an interest in pursuing a PhD at some time in the future.

**General Characteristics of a Professional Master’s Program:**

1. Typically, a terminal, non-thesis master’s degree.
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 or competencies component (such as management, supervision, leadership, or entrepreneurship).
4. A full-time, fee-based, self-supporting program typically of one to two years in length; programs may allow part-time students.
5. Students enrolled in a PMP program will not be eligible for graduate staff employment or any fee remissions associated with graduate assistantships. Additionally, PMP students are not eligible for Graduate School administered fellowships.
6. Instruction may be digital/online or residential/campus, depending on the program.
7. Demonstrates clear differentiation between the PMP and other master’s degrees and concentrations within a department and the university.
8. Priced to include at least regular resident Board of Trustees (BOT) approved tuition and fees plus a market-based fee increment; market-based increments are established through a market analysis and rate approval process.
9. 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 PMPs, units are encouraged to consult with their academic unit, the Graduate School and with Purdue Online on any questions related to a proposed program*.

### **Developing a Professional Master’s Program**

The process for developing a PMP (Distance and Residential) involves three primary components: 1) conducting market analysis to evaluate demand and pricing 2) creating a financial model to assess viability 3) developing an academic proposal. The general timeline for a PMP-D is below. Units wanting to propose a PMP-R should contact the Graduate Programs Office in the Graduate School for proposal assistance. Click [here](https://www.purdue.edu/innovativelearning/developing-courses/launch-process/) for an overview of the PMP-D Launch Process.



**Market Research**

Market analysis can be conducted by the academic unit. For PMP-D programs, it is more commonly done by Purdue Online in collaboration with faculty. The market analysis should be included in the rate request and materials submitted to the Graduate School for program approval.  It should be noted that this analysis will take time and is a primary reason for making sure all parties, i.e. faculty, business office, Purdue Online, are aware of the proposal at the time it is initiated. It should achieve the following:

1. Assess demand by examining skill gaps, prospective employer values, and labor market demands in the profession.
2. Examine the competitive landscape by evaluating similar programs already available (from other universities, professional organizations, MOOC providers, etc.) Review learning objectives, curriculum, time-to-completion, cost, rankings and other factors that may influence prospective students’ decisions.
3. Compare pricing and determine a pricing structure based on existing programs in the market.
4. Project enrollment using conferral data and related resources.

**Proposed Tuition and Financial Model**

Tuition and fees for new PMP and current PMP offerings with new concentrations include two primary components:  1) regular Board of Trustee (BOT) approved tuition and fee rates, and 2) a market-based increment.

Regular BOT approved fees, as well as other miscellaneous and incidental fees are outlined on the following pages (refer to Table 3 on page 8). These will be augmented with a Professional Master’s Fee that adjusts the overall fee to a market-based level.

The market analysis is required to determine if a PMP market fee adjustment should be added to the current program fee.  Market data is critical to establishing the PMP fee and will be required for the rate approval. The market analysis may determine the PMP market fee adjustment should be zero.

To determine if the proposed offering is viable, a financial model is developed that includes the five-year revenue and expenditure budget, net income and enrollment projections, along with the projected attrition rate. The model will cover all revenue and expenses, including but not limited to tuition and fees, instructional costs, instructional design costs, and marketing expenses.

**Table 1: Revenue and Expenses associated with Professional Master’s Programs**

|  |  |
| --- | --- |
| Revenue | Expenses  |
| Tuition (from students or corporate clients)  | Course Design and Development * Instructional costs
* Instructional Design
 |
|  | Course Delivery* Instructional costs
 |
|  | Infrastructure Expenses * Third-Party Costs
* Student Services
* Marketing
* Recruiting
 |
|  | Fees * Refer to Table 3
 |

**Academic Review and Approval Processes**

Graduate School approval is required to establish a Professional Master’s Program (PMP). All proposers are encouraged to contact the Graduate Programs Office in the Graduate School to help expedite the process. PMPs are governed by the Graduate School and must follow the procedures set forth in the *Policies and Procedures for Administering Graduate Student Programs* at <https://catalog.purdue.edu/content.php?catoid=13&navoid=15977> .

**New Degree Program or New Online Option to an Existing Graduate Degree:**To establish a PMP as a new degree program, departments will need to review and follow the procedures as outlined in Section I.F.1 in the *Policies and Procedures for Administering Graduate Student Programs* linked above.

Once necessary approvals are given at the department and college levels, a proposal can be submitted to the Graduate School. Upon passage by the Graduate Council and additional reviews (e.g., fees, graduate enrollment, graduate admissions, and graduate records), the proposal is forwarded to the Provost’s Office for review and recommendation to the Board of Trustees. New degree programs and new online options for existing graduate degree programs are then forwarded to the Indiana Commission for Higher Education (ICHE) for action and the Higher Learning Commission is informed of the new offerings.

***Current Degree Program with New Concentration:*** Existing degree programs with a new concentration require approval by the Graduate School.

Procedures are outlined in the Policies and Procedures for Administering Graduate Student Programs Section I.H. and completing Graduate School Form 25, found at: [*http://www.purdue.edu/gradschool/faculty/forms.html*](http://www.purdue.edu/gradschool/faculty/forms.html).

**Process Review Committee**

It is anticipated that some Professional Master’s programs will include unique program features that will require special consideration. 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. A Process Review Committee will be established to consider the implementation of programs with unique components.The Graduate School can provide additional information on this process.

**Rate Request**

A Purdue rate request must be prepared for all new degree programs, existing degrees with new concentrations, and existing degrees. An annual budget review via a rate request is required of all existing degrees. The initial rate request for a program must be reviewed and recommended for approval by the Graduate School (and Purdue Online for PMP-D programs); annual updates need to include a distribution to the Graduate School following approval (and Purdue Online for PMP-D programs). Initial and renewal rate requests will be prepared and submitted jointly by the Assistant Directors of Financial Affairs of Purdue Online and the sponsoring academic unit. The Senior Director, Finance Executive Offices will provide final approval of the initial and renewal rate requests. The rate request should address:

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

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, the Bursar’s Office, the Division of Financial Aid, and Purdue Online (for PMP-D programs).

### **Professional Master’s Degree Students – Policies and Procedures**

PMP graduate students are subject to the *Policies and Procedures for Administering Graduate Student Programs* at <https://catalog.purdue.edu/content.php?catoid=13&navoid=15977>.

In addition, they are admitted to and enrolled in a selected PMP and are subject to the specific requirements of that PMP as defined by the program’s academic unit (defined as college, school or department).

**Dual Degrees**

PMP students are not eligible to pursue another graduate or undergraduate degree while pursuing the professional master’s degree.

In the case that a student enrolls in a program that provides an undergraduate degree en route to a PMP, (a combined degree program, for example), the student’s primary curriculum, as identified by the academic unit, shall drive the assessment of fees and related revenue sharing.  To facilitate the appropriate assessment, an academic unit will notify the Bursar’s Office, the Purdue Online Business Office, and the Graduate School when students in such programs have advanced to the professional degree level.

These programs will have the same foregone revenue adjustment requirements as all PMPs that shift regular enrollments to PMP-R (see *Foregone Revenue Adjustments* under PMP-R Revenue Sharing section below).

**Financial Aid and Remissions**

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.

***Graduate Staff Remissions/Graduate School Administered Fellowships/Staff Fee Remissions****:* Students enrolled in a PMP are not be eligible for graduate staff employment or any fee remissions associated with graduate assistantships. Professional master’s students are not eligible for Graduate School administered fellowships. Staff fee remissions are not available to Purdue staff in PMP programs. Admittance letters should clearly state these points.

For information about establishing Purdue scholarships, billing third party scholarships and supporting fellowships, contact the [Office of the Bursar](https://www.purdue.edu/bursar/index.php).

**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 PMPs, they will discover both geographic and content specific market niches. Some niches may be significantly focused on the state and regional audience (e.g., a weekend master’s program or a program for the orthopedic industry); other programs may have a much smaller intake of Indiana residents (e.g., 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 (e.g., a degree in information security).

Because of potential market niches, it is recognized that the disciplines of some PMPs 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.

### **Program Pricing, Fees, and Revenue Sharing**

***Program Pricing:***  The following table shows the minimum components that must be factored into the pricing (the price of each PMP program must be at least as much as the required components listed in the table below):

**Table 2:**

|  |  |  |
| --- | --- | --- |
| **Tuition and Fees**  | **PMP-R**  | **PMP-D**  |
| General Service Fee | Yes  | Yes  |
| Technology Fee  | Yes  | Yes  |
| Repair & Rehabilitation Fee  | Yes  | Yes  |
| Digital Education Fee  | No  | Yes  |
| Student Fitness & Wellness Fee  | Yes  | No  |
| Student Activity Fee  | Yes  | No  |
| Differential Fees (if applicable)  | Yes  | Yes  |
| Non-resident Tuition  | Yes  | Not required, but non-resident rate must exceed resident rate (per the Indiana Commission for Higher Education)  |
| Proctoring Fee  | Optional  | Optional  |
| Market Fee Adjustment  | Optional  | Optional  |

Fees for PMPs will not be approved at rates less than the BOT established tuition and fee rates for regular resident graduate programs.  All new PMPs will be established using the new pricing and revenue sharing models outlined in this Professional Master’s Guidelines document.

***Disposition of Revenue:***  The following table shows how the revenue will be allocated after the total price is collected from the student:

**Table 3:**

|  |  |  |
| --- | --- | --- |
|   | **PMP-R**  | **PMP-D**  |
| Total Revenue (price paid by student)  | Collected by Bursar  | Collected by Bursar  |
| Less: Technology Fee  | Allocated to Institutional Fund  | Allocated to Institutional Fund  |
| Less: Repair & Rehabilitation Fee  | Allocated to Institutional Fund  | Allocated to Institutional Fund  |
| Less: Digital Education Fee  | Does not apply  | Allocated to Purdue Online |
| Less: Reinvestment Fee | Does not apply | Allocated to Purdue Online |
| Less: Differential Fees (if applicable) | Allocated to the Unit | Allocated to the Unit |
| Less: Student Fitness & Wellness Fee  | Allocated to Institutional Fund  | Does not apply  |
| Less: Student Activity Fee  | Allocated to Institutional Fund  | Does not apply  |
| Total Revenue Less Fees = Net Revenue.  Net Revenue Distribution.  | 70% to College/Unit Funds 25% to Institutional Fund 5% to the Provost’s Office  | 90% to College/Unit Funds (if an external partner is used, funds for the partner comes out of this portion) 10% to Institutional Fund  |

***Academic Unit:***The distribution to the college, school, or department is expected to cover all direct costs of offering the program including instructional salaries and fringe benefits, direct student support, and external partner fees (if applicable).  If the curriculum of the program impacts instructional costs in other disciplines, this should also be addressed.  As the PMPs 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 academic unit for expenditure as determined by the academic unit.  If revenues do not fully offset departmental costs, it will be the responsibility of the academic unit to absorb those costs.

***Institutional Fund:***The distribution to the Institutional Fund will fund additional central staffing and related costs associated with supporting growth in PMPs, and centrally funded instructional infrastructure costs.

Because PMP offerings can require unique processing requirements by central offices, 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.

***PMP-R Foregone Revenue Adjustments:***If a new PMP-R competes with an existing traditional program, or replaces an existing program, an adjustment will be made for the amount of the foregone fee revenue (i.e., current fee revenue from the existing program prior to conversion to a PMP-R) prior to the professional master’s revenue distribution.  For current undergraduate and master’s programs, fee revenue flows to the university general fund, while the PMP model distributes a portion of fee revenue to the academic unit.  The foregone revenue adjustment assures that the university general fund maintains its current revenue base.  The foregone revenue adjustment should be documented in the rate approval process. Contact the Office of the Provost for more information.

***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 Purdue Online account structure.  Non-traditional expenses include costs typically not supported on general funds.

**Digital Education Fee (for PMP-D programs only)**

The Digital Education Fee Funds robust, scalable campus-wide support infrastructure for professional, continuing and online offerings. Purdue Online provides multiple services to the academic community, including an initial consultation, market analysis and financial modeling for proposed programs at no cost. They also offer additional premium fee-based services, including instructional design, marketing, operations management and student support.

### **Resources**

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

Academic Approvals/Issues Graduate Programs Office

Academic Infrastructure Office of the Registrar

Access and Compliance Purdue Online

Account Management/Reporting Purdue Online, Business Office

Developing PMPs Graduate Programs Office & Purdue Online

Fees and Refunds Office of the Bursar

Market Analysis Purdue Online

Rate Approval Process Business Office (in Your College/School/Department)