

MEMORANDUM

To: Alison Power; Dean of the Graduate School

From: Cathy Dove, Associate Dean, Johnson Graduate School of Management
L. Joseph Thomas, Associate Dean, Johnson Graduate School of Management
David Funk, Director, Program in Real Estate

Cc: Jerry Hass, Professor, Johnson Graduate School of Management

Date: 8-6-06

Re: Two-year joint MBA and MPS/RE Degree

The purpose of this memorandum is to confirm approval to proceed with establishment and announcement of a joint two-year joint MBA and MPS/RE degree program.

The objective of establishing the two-year MBA and MPS/RE program is to enhance the attractiveness of the Johnson Graduate School of Business and the Program in Real Estate to good students with career interests in real estate and provide an alternative program structure to the existing three-year joint MBA/MPS in real estate. Note that while it is assumed the majority of prospective students would choose the two-year (five semester) option, applicants that want an additional summer internship or more coursework may prefer the three year program (six semester), and this proposal is not intended to be a replacement.

Many business schools have a real estate department and support courses of study in real estate as part of their general MBA curriculum offerings. Providing an additional dual degree program would provide more focus on the opportunities available at Cornell for students with real estate interests and attract better students to both the MBA and MPSRE degree programs. In particular, it would provide the opportunity for real estate-focused MBA students to broaden their knowledge base, including design and development, marketing, construction planning and operations, property and asset management, and sustainable development.

The MPSRE, while only about a decade into its existence, is making steady progress as a world-class program, and competes favorably with several other well-established programs for students. Many students with career interests in real estate choose schools which provide real estate training within an MBA program. Others have MBA aspirations and are initially attracted to the dual program currently in place at Cornell, but find the 3 year duration of the program too onerous in terms of out-of-pocket and opportunity costs.

The two-year MBA/MPS-RE is proposed as a minimum 79 credit hour program with the dual degree students in this track joining the Johnson School Twelve Month Option (TMO) students in the summer of the first year to take several core MBA courses, followed by four semesters of course work.

The TMO program admits students who have advanced (masters or PhD) scientific or technical degrees and, as such, are thought to have very good quantitative skills. Students enter the program with 15 credits of advanced standing in recognition of their previous graduate degree, take six core courses during the 10 week summer term, and then take two full semesters of courses to complete their degree over a twelve month period. TMOs take a one-week "refresher" program and then are expected to exempt out of the MBA-core Statistics course. A total of 60 credit hours are required in the regular TMO program, which includes 20 credit hours of required core courses and 40 credit hours electives, 15 of which are advanced standing credits or can be taken outside the Johnson School (presumably more via appeal to the JS Academic Standards Committee). The following table shows the MBA TMO credit hour distribution:

MBA Twelve-Month Option (TMO)		Credit
Advanced Standing Credit		15
Summer I		
	Financial Accounting	2.5
	Managerial Finance	2.5
	Managing Operations	2.5
	Marketing Management	2.5
	Microeconomics for management	2.5
	Strategy	2.5
	Statistics refresher (One Week)	2.5
	Leadership Development	1.5
Fall I		
	Managing/Leading Organizations	2.5
	Elective	3
	Elective	3
	Elective	3
	Elective	3
Spring I		
	Elective	3
	Elective	3
	Elective	3
	Elective	1.5
	Elective	1
Total		60

The current MPS degree in Real Estate requires 62 credit hours, which includes 37 credit hours required core courses and 23 credit hours electives, with the 23 credit hours including at least 5 from an approved list of "leadership and management" courses, 10-12 credits in an approved concentration, and the remaining 8-10 credits as electives subject to advisor's approval. Included in the electives are three courses/5.5 credits – Hospitality Real Estate Finance, GIS Applications, and Communication in Real Estate – that are strongly recommended and enroll the majority of MPS/RE students. The following table shows the MPS/RE credit hour distribution:

<u>MPS/RE Curriculum</u>		
		Credits
Fall I		
	Core	
CEE 595	Construction Planning and Operations	3
CRP 532	Real Estate Development Process	3
CRP 537	Real Estate Seminar Series	0.5
HADM 620	Principles of Real Estate	3
NCC 556	Managerial Finance	3
HADM 621	Hospitality RE Finance ELECTIVE	3
CRP 629	GIS Applications in RE ELECTIVE	1
Spring I		
CRP 537	Real Estate Seminar Series	0.5
CRP 556	Design in Real Estate Development	3
CRP 657	Real Estate Law	3
CRP 658	Residential Development	4
HADM 628	Real Estate Finance & Investments	3
CRP 529.99	Communication in RE ELECTIVE	1.5
Fall II		
CRP 533	Real Estate Marketing & Management	3
CRP 537	Real Estate Seminar Series	0.5
	Elective	3
	Mngt. & Leadership Requirement	3
	Elective	3
	Elective	3
Spring II		
CRP 537	Real Estate Seminar Series	0.5
CRP 655	Real Estate Project Workshop	4
CRP 659	Real Estate Trans & Deal Structuring	3
	Mngt. & Leadership Requirement	2
	Elective	4
	Elective	1.5
Total		62

The following table shows the new two-year MBA/MPS-RE credit hour distribution:

MBA/MPS-RE Joint Degree

		Credits	RE Core	JGSM Course	Elective
Summer I					
	Financial Accounting			2.5	
	Managerial Finance			2.5	
	Managing Operations			2.5	
	Marketing Management			2.5	
	Microeconomics for management			2.5	
	Strategy			2.5	
	Statistics refresher (One Week)			2.5	
	Leadership Development			1.5	
Fall I	15				
	Managing/Leading Organizations			2.5	
CEE 595	Construction Planning and Operations	3			
CRP 532	Real Estate Development Process	3			
CRP 537	Real Estate Seminar Series	0.5			
HADM620	Principles of Real Estate	3			
	Elective			3	
Spring I	14.5				
CRP 537	Real Estate Seminar Series	0.5			
CRP 556	Design in Real Estate Development	3			
CRP 657	Real Estate Law	3			
CRP 658	Residential Development	4			
HADM628	Real Estate Finance & Investments	3			
	Elective			1	
Fall II	15.5				
CRP 533	Real Estate Marketing & Management	3			
CRP 537	Real Estate Seminar Series	0.5			
	Elective			3	
	Elective			3	
	Elective			3	
	Elective			3	
Spring II	13.5				
CRP 537	Real Estate Seminar Series	0.5			
CRP 655	Real Estate Project Workshop	4			
CRP 659	Real Estate Transactions & Deal Structuring	3			
	Elective			3	
	Elective			3	
	Elective			1.5	
		34		45	
		Total Minimum Requirement	79		

The program structure would recognize the eventual award of the MPS in Real Estate as the student's advanced degree and thereby grant 15 credit hours towards the 45 credits earned within the five semester program to total the 60 credits required for graduation for the MBA. During the five semesters the student would also complete the core coursework in the MPS/RE program, which totals 37 credits. (Note that the 3 credit hour Managerial Finance is part of the MPS/RE core but for purposes here is included in the JGSM credit column). The leadership and management requirement within the MPS/RE is fulfilled through the 45 credits earned through JGSM coursework. Students must complete a concentration as any other real estate MPS student, and a student must utilize JGSM coursework and/or other courses to meet the 10-12 credit hour requirement. In circumstances where a student needs an additional course or course(s) that are not available in the JGSM in order to complete his or her concentration then the student may appeal to the JS Academic Standards Committee for flexibility in fulfilling the JGSM elective requirements with coursework outside of the Johnson School.

The five semester program structure would extend the total time commitment beyond the normal MBA by only three months and yet provide a substantial opportunity to take coursework that satisfies both programs and provide for a summer internship (especially important for students using the MBA/MPSRE to change their career orientation).

It is understood that students would have to be admitted separately into both programs, and particular emphasis in the admissions process placed on assessing the quantitative abilities necessary to keep up with the compressed core course teaching in the summer of the first year. Students would also have to have taken some prior statistics coursework so as to be able to pass the exemption exam in Statistics.

Students would register and pay tuition as Johnson School students in semesters 1, 4 and 5, while in semester 2 and 3 would be registered with the Program in Real Estate. An affirmative field vote from the Real Estate Field Faculty on August 14, 2006 enabled the Program to change the number of required registration units in the field of Real Estate from three (our current requirement for award of the MPS/RE) to two for purposes of this program.