

BOARD OF HIGHER EDUCATION
REQUEST FOR COMMITTEE AND BOARD ACTION

COMMITTEE: Academic Affairs

NO.: AAC 12-16

COMMITTEE DATE: November 29, 2011

BOARD DATE: December 6, 2011

**APPLICATION OF UNIVERSITY OF MASSACHUSETTS LOWELL TO AWARD THE
MASTER OF SCIENCE IN ACCOUNTING**

MOVED: The Board of Higher Education hereby approves the application of
University of Massachusetts Lowell to award the **Master of
Science in Accounting**.

Upon graduating the first class for this program, the University shall submit to the Board a status report addressing its success in reaching program goals as stated in the application and in the areas of enrollment, curriculum, faculty resources, and program effectiveness.

Authority: Massachusetts General Laws Chapter 15A, Section 9(b)

Contact: Dr. Francesca Purcell, Associate Commissioner for Academic and P-16 Policy

BOARD OF HIGHER EDUCATION

University of Massachusetts Lowell

INTENT AND MISSION

The University of Massachusetts Lowell (UML) filed an expedited application to offer the Master of Science in Accounting (MSA). The proposed MSA intends to provide an affordable opportunity for qualified students to meet the licensing requirements to become Certified Public Accountants (CPAs) and to prepare for an accounting career in the corporate or government/non-profit environment. The primary audience for the MSA will be undergraduate accounting majors who are seeking the required thirty credits beyond the bachelor's degree in order to be licensed as a CPA, or who wish to acquire an additional academic credential in order to be more competitive in the job market. A secondary audience will be non-accounting undergraduates who, after taking prerequisite courses, would complete the MSA in preparation for an accounting career.

UML's College of Management (COM) offers undergraduate concentrations in accounting, entrepreneurship, finance, international business, management, management information systems, and marketing. At the graduate level, the College offers a traditional MBA degree with concentrations in accounting, finance, and information systems as well as an MS in Innovation and Technological Entrepreneurship. The proposed MSA degree would utilize some of the resources and curriculum of the MBA program, but would be more focused in nature. Over the last three years, the College of Management has experienced a 31 percent growth in enrollments. This program will provide additional enrollment growth and net revenue and will also align with the College's numerous international recruitment initiatives.

With respect to accreditation, the COM's undergraduate and graduate programs are accredited by the Association to Advance Collegiate Schools of Business (AACSB). The AACSB also offers specific accreditation for accounting programs and the College plans to pursue that accreditation over the next several years with a goal of achieving it by 2016.

The proposed program has been approved by the University's internal governance procedures and was approved by the University of Massachusetts Board of Trustees on May 25, 2011. The letter of intent was circulated on October 4, 2011. No responses were received.

NEED AND DEMAND

The Bureau of Labor Statistics (BLS) Occupational Outlook Handbook (2010-2011 edition) reports that employment of accountants and auditors is expected to grow by 22 percent between 2008 and 2018, or about 280,000 jobs, which is faster than the average for all occupations. In addition, the need to replace accountants and auditors who retire or change careers will produce numerous additional job openings. Finally, the BLS reports that candidates with a master's degree in accounting or equivalent can expect to be in a more competitive position within the job market.

The initial target audience for the proposed MSA at UML would be its own accounting graduates (approximately 40-50 degrees per year), many of whom, according to UML, have been inquiring about an MSA for several years, as well as those from the numerous other public and private institutions in eastern and central Massachusetts and southern New Hampshire.

Other than UMass Boston's MSA which enrolls approximately 60-75 students, UMass Lowell's MSA program would be the only MSA offered by a public institution in eastern or central Massachusetts. Among the private institutions in eastern or central Massachusetts, the MSA is offered by Babson College (approx. 35-50), Bentley University (approx. 100), Boston College (approx. 35), Northeastern University (approx. 70), and Suffolk University (approx. 100). However, there is a significant difference in cost between public and private institutions, which creates the possibility for attracting a diverse population of students from both public and private schools. According to UML, the enrollment trends for the existing programs appear to be stable or rising moderately.

ACADEMIC AND RELATED MATTERS

For undergraduate accounting majors, the MSA curriculum would consist of 10 courses (30 credits), 5 in accounting and 5 electives (2 of which are recommended to be in accounting). For undergraduate non-accounting majors, this program would be preceded by 5 undergraduate prerequisite courses (with grades of B- or better) representing key foundation material in accounting. These prerequisite course credits will not count toward the degree. (See Attachment A.)

The MSA program can be completed on a full-time or part-time basis. For a full-time student, the 10-course, 30-credit program can typically be completed in one calendar year, including four courses in the fall, four in the spring, and two in the summer. UML estimates that part-time students will graduate, on average, in three years.

The program will be a blend of on-site and online courses. During a particular semester, courses will be offered either on-site or online. UML intends to offer the entire curriculum online.

Admission

1. GPA - Minimum undergraduate GPA of 3.0 (overall); comparable Accounting GPA.
2. GMAT (500+); waivable if undergraduate GPA is at least 3.5 at an AACSB-accredited school, and upon receipt of a recommendation by a faculty member; GMAT also waivable for students in the UML Plus 1 Program with undergraduate GPA of 3.0 or greater.
3. Successful completion of all other University admissions requirements including 3 letters of recommendation and College of Management TOEFL minimums.
4. Exceptions or modifications to the above would be considered on a case-by-case basis.
5. An internship or other relevant employment in the field is strongly suggested.

Enrollment

UML anticipates that the program would begin with 20-25 full-time students in the initial semester and would grow to accommodate a new cohort of 35 or more full-time students per academic year. Additionally, UML intends to admit 10 part-time students per year.

	# of Students Year 1	# of Students Year 2	# of Students Year 3	# of Students Year 4*
New Full Time	20-25	35-40	35-40	35-40
Continuing Full Time	N/A	0	0	0
New Part Time	10	10	10	10
Continuing Part Time	N/A	10	20	20
Totals	30-35	55-60	65-70	65-70

Student Learning Outcomes

With respect to specific knowledge and skills, through a combination of required and elective courses, students who complete the MSA program will graduate with a greater degree of knowledge about mainstream areas of accounting such as financial reporting, regulatory requirements, management decision making, the international environment of accounting, taxation and the tax consequences of business transactions, accounting information systems, auditing, sustainability accounting, fraud and forensics, and current “hot-button” accounting topics dictated by the most recent pronouncements, debates, and discussions. In addition, elective courses will be available in other COM departments that will allow a student to pursue complementary topics in finance, entrepreneurship, management, MIS, etc.

In addition to offering relevant content, these courses will include assignments that will help students further develop their analytical ability, oral and written communication skills, leadership ability, spreadsheet skills, and presentation techniques.

RESOURCES AND BUDGET

Faculty and Administration

The Accounting Department currently has nine full-time tenured or tenure-track faculty members (all with terminal degrees), as well as three highly qualified (MBA/CPA) visiting professors and several adjunct instructors. As part of the overall strategic plan of the College, the department is also in the process of hiring two more full-time, tenure-track faculty members and one full-time non-tenure-track lecturer for fall 2011. In the College of Management as a whole, there are currently thirty-six tenured and tenure-track faculty, a number of whom offer electives that would be attractive to MSA students. It is therefore anticipated that the initial demands of the MSA would be met with the faculty cited above, and that the growth of the program would be accompanied by incremental tenure-track, non-tenure-track, or adjunct faculty as needed.

The COM currently has a Dean, an Associate Dean, a part-time Graduate Program Director (who is also a faculty member), a full-time IT professional, three full-time staff assistants, and several part-time and student assistants. The MSA will require an additional part-time Coordinator (e.g., a faculty member who receives a stipend). Over time, depending on the needs and growth of the program, an additional part-time Coordinator and/or staff assistant may be needed, although it is not anticipated that this will happen for several years.

Along with the new part-time MSA Coordinator, the current COM administrative staff will provide all the necessary administrative duties consistent with the College's other graduate programs. Accounting faculty will serve as an admissions committee, similar to what is done in the other COM graduate programs. All curriculum development, review, modifications, and assessments will follow existing committee structures and processes, to include the Accounting faculty and the Graduate Programs Committee.

Library and Information Technology

At UML, a significant number of online and other resources are already available and in place to serve the needs of both undergraduate and graduate students. The College of Management has two computer laboratories (a teaching lab and a general-purpose lab) for the use of its own students, and also has access to other general-purpose labs in the nearby Centers for Learning and Lydon Library.

Facilities and Equipment

All COM classrooms are technology enhanced, including a PC computer, a SMART monitor with touchscreen, a laptop A/V hookup, lecture-capture video equipment, a VCR and/or DVD player, stereo speakers, a document camera, and an Extron control panel. All of the classrooms, labs, and common areas in the College are covered by wifi.

Fiscal (Appendix B)

The MSA program will be primarily taught on campus and online by full-time tenure track faculty members with limited participation from professionally qualified adjunct faculty.

The additional program coordinator will be identified in year 1 and an additional part-time assistant, already budgeted for to assist in overall program growth, will be hired in year 3.

General and administrative costs will be \$10,000 per year and a start-up estimate of \$15,000.

Instructional materials and library acquisitions are anticipated to be \$5,000 per year. UML has already incurred significant start-up costs in research data bases.

Facilities, space and equipment are already factored into the overall enrollment management plan. Start up space costs and equipment are estimated to be \$25,000.

Marketing costs are estimated to be \$20,000 per year and \$20,000 start-up.

Stipends and travel support are already factored into the projected operating budget.

UML anticipates that the proposed MSA will be a net revenue generating academic program.

PROGRAM GOALS and EFFECTIVENESS

UML submitted the following program goals, objectives, strategies, and timelines:

Goal	Measurable Objective	Strategy for Achievement	Timetable
<p>1. To graduate well-prepared students who can augment the workforce by successfully competing for professional positions in the field of Accounting</p>	<p>1a. Recruit high-quality applicants 1b. Prepare students academically 1c. Assist students in obtaining employment 1d. Maintain student contact and monitor student progress after graduation</p>	<p>1a. Recruiting fairs; posters and flyers at colleges and professional meetings; media advertising; Web site 1b. Strong faculty and well-designed curriculum 1c. Active involvement by Career Services Office; personal contacts 1d. Newsletters, surveys, social events</p>	<p>1a. 3-6 months before admission, then ongoing 1b.-1d. Ongoing</p>
<p>2. To add to the reputation and visibility of the College of Management at UMass Lowell</p>	<p>2a. Increase number and quality of employers recruiting MSA students 2b. Attract wider and higher-quality number of faculty applicants interested in the MSA and the overall mission of the College 2c. Increase faculty participation at professional conferences 2d. Strive for more faculty/College representation in the local/national media 2e. Increase fundraising within the College of Management 2f. Host more professional conferences at UMass Lowell</p>	<p>2a. Active involvement by Career Services Office; personal contacts 2b. Advertising (Chronicle of Higher Education, Amer. Acct. Assn. Web site, etc.), professional meetings, personal contacts 2c. Encourage faculty attendance; support conference and transportation costs 2d. Active involvement by Office of Public Affairs; encourage op-ed pieces, by faculty 2e. Work with Univ. Advancement Office on leads and prospects 2f. Work with UML Inn & Conference Center, contact professional associations, etc.</p>	<p>2a.-2f. Ongoing</p>

To regularly evaluate the MSA program's effectiveness and achievement of its goals, a program assessment will be done on an annual basis. The part-time MSA Coordinator will provide an annual report to the Dean and the College's Graduate Programs Committee detailing the extent to which goals have been achieved, analyzing trends over time, and suggesting modifications (if any) to the goals or the means of measuring them. This assessment report will also include any available information on changes taking place or new features being implemented at competitor institutions.

In addition, as noted above in Section C3 (Curriculum), the COM has an active Advisory Board made up of active professionals in the business community. The MSA Coordinator will identify several members of this board, particularly those with a background in accounting, to function as a subcommittee and meet at least annually with the Coordinator and MSA faculty to evaluate the progress of the program and make suggestions for improvement. By following this schedule of systematic reviews and assessments, the College will put itself in the position of insuring the continued relevance and strength of the MSA program.

EXTERNAL REVIEW AND INSTITUTIONAL RESPONSE

External Review

The proposed MSA was reviewed by Marvin L. Bouillon, Chair, Department of Accounting, Central Washington University; and Dr. Alan Reinstein, CPA, George R. Husband Professor of Accounting, Wayne State University. The reviewers noted that the proposed program will prepare students well for the accounting profession and is "a sound program that should do well in today's competitive marketplace. The reviewers encouraged UML to continue to hire and develop research-active faculty, ensure that the program does not adversely affect the required proportion of academically qualified or professionally qualified faculty for current programs with AACSB accreditation, and to explicitly include faculty costs in the budget. The reviewers also made some suggestions regarding the curriculum and admissions requirements.

Institutional response

UML provided additional information about its faculty hiring plans and ensured that faculty resources will be available to adequately cover the MSA courses with highly qualified instructors. UML responded fully to the reviewers additional suggestions.

STAFF ANALYSIS AND RECOMMENDATION

Board staff thoroughly reviewed all documentation submitted by UML and external reviewers. Staff recommendation is for approval of the Master of Science in Accounting.

Upon graduating the first class for this program, the University shall submit to the Board a status report addressing its success in reaching program goals as stated in the application and in the areas of enrollment, curriculum, faculty resources and program effectiveness.

ATTACHMENT A: CURRICULUM OUTLINE

Major Required (Core) Courses (Total courses required = 5 (attach list as needed))		
60.601	Accounting Information for Management Decisions	3
60.640	Corporate Financial Reporting I	3
60.622	Globalization and Accounting	3
60.623	Relevant Accounting Issues	3
60.621	Tax Effects of Business Decisions	3
	SubTotal # Concentration Credits Required	15
Other/Elective Course Choices (Total courses required = 5 (attach list as needed))		
60.603	Accounting Information Systems	3
60.655	Advanced Auditing	3
60.602	Advanced Management and Sustainability Acct.	3
60.641	Corporate Financial Reporting II	3
60.645	Fraud Examination and Forensic Accounting	3
60.650	International Accounting	3
60.630	Taxation of Business Entities	3
Various	Other graduate elective areas (with approval of MSA Coordinator) in Finance, Management, Entrepreneurship, International Business, Marketing, OIS/MIS	3 each
	SubTotal # Elective Credits Required	15
Curriculum Summary		
Total number of courses required for the degree		10
Total credit hours required for degree		30
Prerequisite or Other Additional Requirements:		
<ul style="list-style-type: none"> - Students without an undergraduate degree in Accounting must complete five prerequisite courses (15 credits), not listed above, before beginning the 30-credit MSA program. - At least 2 of a student's first 4 courses must be from the five Concentration courses listed above. - It is recommended but not required that at least 2 of a student's Elective courses (listed above) be in Accounting. - See Section C3 (Curriculum) for more details. 		

ATTACHMENT B: BUDGET

MSA PROGRAM BUDGET

One Time/ Start Up Costs	Cost Categories	Annual Expenses			
		Year 1	Year 2	Year 3	Year 4
	Full Time Faculty (\$120K ave.salary x .2 load =\$24K/course)	\$144,000	\$288,000	\$288,000	\$288,000
	Part Time/Adjunct Faculty (\$6K/course)	\$12,000	\$24,000	\$36,000	\$36,000
	Staff	\$5,000	\$5,000	\$10,000	\$10,000
\$15,000	General Administrative Costs	\$10,000	\$10,000	\$10,000	\$10,000
	Instructional Materials, Library Acquisitions	\$5,000	\$5,000	\$5,000	\$5,000
\$25,000	Facilities/Space/Equipment	\$0.00	\$0.00	\$0.00	\$0.00
	Field & Clinical Resources	\$0.00	\$0.00	\$0.00	\$0.00
\$20,000	Marketing	\$20,000	\$20,000	\$20,000	\$20,000
	Other (Specify)				
\$60,000	TOTALS	\$196,000	\$352,000	\$369,000	\$369,000

One Time/Start- Up Support	Revenue Sources	Annual Income			
		Year 1	Year 2	Year 3	Year 4
	Grants				
	Tuition (Assuming 20 full time students in year 1 and 35 thereafter and 10 part time students entering each year.)	\$63,672	\$113,700	\$122,796	\$122,796
	Fees	\$335,762	\$599,575	\$647,541	\$647,541
	Departmental				
	Reallocated Funds				
	Other (specify)				
	TOTALS	\$399,434	\$713,275	\$770,337	\$770,337