

BOARD OF HIGHER EDUCATION
REQUEST FOR COMMITTEE AND BOARD ACTION

COMMITTEE: Academic Affairs

NO.: AAC 11-26

COMMITTEE DATE: April 26, 2011

BOARD DATE: May 3, 2011

MOVED: The Board of Higher Education hereby approves the expedited application of **Bridgewater State University** to award the **Master of Science in Accountancy**.

One year after graduating the first class, 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

April 2011

Bridgewater State University

Master of Science in Accountancy

INTENT

Bridgewater State University (BSU) has submitted an expedited proposal to offer the Master of Science in Accountancy (MSA). The intent of the proposed MSA program is to prepare individuals for management level careers in accounting. The highly focused program will prepare graduates with technical accounting skills and managerial problem solving abilities. The MSA is designed to prepare students to fulfill the Commonwealth of Massachusetts' Board of Public Accountancy's requirements for sitting for the CPA exam, providing that appropriate coursework is completed.

The program will be targeted to working professionals. BSU anticipates that a large number of applicants will be individuals who are changing careers, often times due to layoffs or due to structural changes in the economy. The program is designed so that applicants who have earned undergraduate degrees in non-business disciplines may earn the MSA by completing a series of mandatory prerequisites covering topics in accounting, finance and business. In addition to imparting technical accounting skills, the program will also stress ethics, writing across the curriculum and problem solving skills, reflecting the changing roles of accountants and CPAs within organizations.

Bridgewater State University currently offers an MS in Management with an Accounting Concentration and a Graduate Certificate in Accounting. The accounting concentration will be phased out pending BHE approval of the proposed MSA. While the accounting concentration has grown each year to the point whereby it is approximately one-half of the total business graduate program population, a stand-alone MSA has become necessary due to changing state Board of Accountancy rules, demands of regional employers for more accounting graduates and student preferences for a more specialized and relevant curriculum. BSU anticipates that most students in the current Graduate Certificate in Accounting will choose to pursue the proposed MSA.

The proposed program builds on a strong accounting culture at Bridgewater State University. BSU accounting students have won more state-wide awards in the Massachusetts Society of CPAs writing competition than any other institution, public or private, winning 35 out of a possible 48 awards, including 12 first-place entries over a fifteen year span. And recently, BSU graduates with advanced degrees had the highest percentage passing rate on all CPA exam parts of all Massachusetts public colleges and universities (NASBA, National Association of State Boards of Accountancy).

The proposal has obtained all necessary governance approvals on campus and was approved by the institution's Board of Trustees on March 3, 2011. The letter of intent was circulated on March 19, 2011. No responses were received.

MISSION

The proposed MSA program is consistent with the mission of Bridgewater State University, “to educate the residents of southeastern Massachusetts and the Commonwealth, and to use its intellectual, scientific and technological resources to support and advance the economic and cultural life of the region and the state.” The proposed program links to a mission priority identified in the University’s strategic plan: to establish regional leadership preparing students for challenging and emerging careers. In addition, it aligns with the College of Business mission priority to offer “learning experiences that prepare students to contribute in a dynamic, global, and diverse business environment.” By giving students the skills and knowledge they need to succeed and advance in their professional careers, the program will contribute to regional and state workforce development.

The College of Business has submitted its application for AACSB accreditation. AACSB International-The Association to Advance Collegiate Schools of Business is an association of educational institutions, businesses, and other organizations devoted to the advancement of management education. It also is the premier accrediting agency of collegiate business schools and accounting programs worldwide. The AACSB Accreditation Standards are used as the basis to evaluate a business school’s mission, operations, faculty qualifications and contributions, programs, and other critical areas. AACSB accreditation ensures external stakeholders that the business school is providing a top-quality education. The review process for AACSB accreditation takes approximately five years.

NEED AND DEMAND

According to the Bureau of Labor Statistics, demand for accountants is expected to grow by 22% in the United States from 2008 to 2018; this is a faster than average rate of growth. According to the BLS, this demand will be driven by increased financial regulation, a more complex legal environment and higher demand for accountability among corporate investors¹. The BLS also projects that the best job opportunities will be for accountants and auditors who have an accounting degree and CPA license.

Responses to the National Association of Colleges and Employers’ *Winter 2011 Salary Survey* indicate private (first) and public (third) accounting positions make up two of the top three spots on the list of top jobs for 2010-11 graduates²

The demand for accountants and auditors in Massachusetts is expected to grow faster than the average for all occupations through 2014. The Massachusetts Department of Labor includes accountants and auditors in its list of high-demand, high-wage, and high-skill occupations. Corporations will continue to place emphasis on developing, improving and maintaining up-to-date financial records to facilitate business decisions and make operations more efficient. With 75% of the AICPA membership destined to retire by 2020, accounting recruiters worry that

¹ <http://www.bls.gov/oco/ocos001.htm>

² http://www.nacweb.org/Press/Releases/Top_Jobs_for_the_College_Class_of_2011.aspx

supply is not meeting demand³. (It is expected that over 10,000 job openings for accountants and auditors will exist in Massachusetts, through 2014⁴).

The requirements of Sarbanes-Oxley legislation have resulted in an increased demand for auditors and accountants while the 150-hour education rule mandated by state boards of accountancy has resulted in effectively *decreasing* the supply of available, qualified graduates. This dynamic is expected to continue well into the foreseeable future. According to the Bridgewater State University Office of Career Planning, the demand from regional employers for accounting recruits far exceeds the supply of the existing programs accounting graduates.

Bridgewater State University currently offers an MS in Management with an Accounting Concentration and a Graduate Certificate in Accounting program. Enrollment in these programs for the academic years 2005 – 2009 are detailed below:

	2005	2006	2007	2008	2009
MS in Management with Accounting Concentration	22	27	28	26	28
Graduate Certificate in Accounting	10	14	20	22	27

In May 2007, Bridgewater State College (now University) conducted a survey of graduate and undergraduate students at the College as well as human resource professionals and prospective students not currently enrolled at the College. Enrolled students in Auditing indicated a strong preference towards an MSA degree with over 50% of surveyed students indicating a very strong preference.

Bridgewater State University anticipates that enrollment in the proposed program will exceed enrollment in the current MS in Management with Accounting Concentration, based on the national enrollment trends, population trends, industry trends, the geographic accessibility of Bridgewater State University, program affordability and perceived program quality. Additionally, based on anecdotal evidence in discussions with students, BSU believes that most of the currently-enrolled Accounting Graduate Certificate students will shift over to the MSA degree since for most Certificate students, the differential number of courses to earn the MSA is approximately three courses. Currently, many Accounting Graduate Certificate students already possess recent MBAs.

ACADEMIC AND RELATED MATTERS

Admission Requirements

Applicants for the MSA program must meet the following admissions criteria:

- i. Complete, official transcript(s) documenting the award of a bachelor's degree and any graduate courses taken or degrees held.
- ii. Three letters of recommendation, at least one each from academic and professional references, submitted on graduate-school reference forms.

³ “Accounting firms go head to head for scarce talent”, Boston Business Journal September 7, 2007

⁴ Commonwealth of Massachusetts Employment Projections 2004-2014, Massachusetts Department of Workforce Development

- iii. A resume which demonstrates the applicant's potential for leadership and academic achievements as evidenced by activities during his or her professional career or undergraduate business studies.
- iv. Official copy of scores from the Graduate Management Admissions Test (GMAT) taken within the last five years, indicating an acceptable score. (Applicants to the MSA degree program who meet certain provisions will be considered for admission without submitting a GMAT score.)
- v. Applicants for whom English is a second language will be required to submit an official copy of results from the TOEFL (Test of English as a Foreign Language) or IELTS (International English Language Testing System), unless they have at least two years experience in an American college or university. Students taking the TOEFL must receive a total score of 213 from a computer-based test, 550 from a paper-based test, or 79-80 on the internet-based test. Students taking the IELTS must receive a total score of 6/6.5.

Admission to the MSA program will be competitive. A student's application will be evaluated holistically, with all parts of the application assessed to determine whether the student has the potential to be academically successful in the program.

Students who do not meet admissions criteria can be admitted conditionally to the MSA program and may take no more than two graduate business courses. The student's advisor will approve the selection of the two graduate courses. After the program prerequisites and these two courses are completed with a grade of B or better, conditional candidates will be moved to full admission status.

Not more than six graduate credits, taken either prior to or after acceptance, can be transferred from other graduate schools.

A typical part-time student will complete the MSA in three years. However, the availability of summer courses could reduce this time for some students to as little as two years, depending upon advanced standing status involving previously completed coursework. Other students may take one course per semester or less, extending their time to completion to four to five years. The average completion time for *part-time* students is estimated to fall in the 18-36 month range if students take advantage of summer courses.

Projected Enrollment

PROGRAM ENROLLMENT PROJECTION

	Year 1	Year 2	Year 3	Year 4	Year 5
New Admits	20	22	24	30	30
Graduates	-	-	18	20	20
Total Enrollment	20	40	44	50	55

(End of Year Attrition)	2	2	4	5	5
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Curriculum (Attachment A)

The proposed MSA will require completion of 30 credit hours. This includes 8 requires courses and two electives. Students are also required to have completed eight prerequisites courses, which may be waived by previous academic work.

The University expects that the majority of prospective students for whom the MSA is appropriate would have one of two backgrounds: an undergraduate degree in a business area other than accounting, or an undergraduate degree in a non-business related area. In the first instance, this student would typically be required to take a minimum of 10 courses (30 credits). This student would have completed the material covered in the foundation courses through their undergraduate work. In the second scenario, a student without a business degree would typically be required to take as many as 18 courses (54 credits). These would include the foundation, core and elective courses.

The proposed MSA is designed to prepare students to fulfill the Commonwealth of Massachusetts’ Board of Public Accountancy’s requirements for sitting for the CPA exam, providing that appropriate coursework is completed.

Student Learning Outcomes

The learning outcomes that students are expected to meet within the MSA program are the following:

- Learning Goal 1: Graduates will be competent in and able to apply the basic technical and institutional knowledge of the discipline of accounting.
- Learning Goal 2: Graduates will understand the conceptual foundations of accounting and be able to engage in rigorous critical thinking.
- Learning Goal 3: Graduates will demonstrate competence in general communication skills and analytical reasoning.
- Learning Goal 4: Graduates will understand the ethical responsibilities of an accounting professional.

Program Goals and Objectives

Goal	Measurable Objective	Strategy for Achievement	Timetable
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Goal	Measurable Objective	Strategy for Achievement	Timetable
<p>Address the need in Southeastern Massachusetts for individuals prepared as Certified Public Accountants and accounting professionals.</p>	<p>Enroll 20 students per year to our Accounting graduate program.</p> <p>Graduate 80% of enrolled students within 3 years, provided all program and college requirements are satisfactorily completed.</p> <p>Expect that over 90% of graduates will find employment in Eastern Massachusetts.</p>	<p>Develop applicant pool through cooperative efforts with our institution's new College of Graduate Studies.</p> <p>Track program retention rates. Advise students accordingly. Develop class schedules to allow for reasonable program completion timeframes.</p> <p>Work with institution's career planning and placement office to determine outcome.</p>	<p>Fall 2011-ongoing.</p> <p>Fall 2011-ongoing</p> <p>Fall 2011-ongoing</p>
<p>Ensure that programmatic quality and academic rigor are maintained.</p>	<p>Review programs and courses through Department Curriculum Committee.</p> <p>Maintain sufficiently rigorous admission standards.</p> <p>Monitor capstone course to ascertain students' level of knowledge and retention.</p> <p>Students will continue to pass Uniform CPA exams in excess of state and national pass rates.</p> <p>Ensure that all faculty who instruct in graduate program are terminally qualified in accordance with college rules.</p> <p>Evaluate faculty in accordance with MSCA agreement.</p>	<p>Periodically review affected courses and recommend program changes as appropriate.</p> <p>Graduate Coordinator and Departmental Admissions Committee will approve applicants who meet college and program admission standards.</p> <p>This assessment will be accomplished through exams, cases, written assignments, presentations and other measurements of performance.</p> <p>Periodically review NASBA Candidate Performance on the CPA exam statistics.</p> <p>Hire only faculty who possess appropriate graduate degrees and professional certifications. Approve appointments to the graduate faculty after consulting with Department Graduate Committee, College Dean and Dean of the Graduate College.</p> <p>Faculty evaluations will be administered through the DGCE.</p>	<p>Fall 2011-ongoing</p> <p>Ongoing</p> <p>Fall 2011 and ongoing.</p> <p>Ongoing</p> <p>Each semester and three year appointment cycle.</p> <p>Each semester</p>

Goal	Measurable Objective	Strategy for Achievement	Timetable
Ensure that knowledge and skills imparted through the program meet the educational standards of the Massachusetts Board of Accountancy and needs of our region's employers.	Establish curriculum to meet content areas and specific hour designations as required by Massachusetts state statute.	Periodically review established regulations.	Annually
	Establish an "Accounting & Finance Advisory Board" consisting of alumni, faculty and employers.	Periodic meetings.	Annually and as needed.
	Utilize existing College of Business Advisory Board.	Periodic meetings	Semi-annually
Apply to the Massachusetts Board of Accountancy for Option-One 150-hour education compliancy.	Submit completed application to Massachusetts Board of Accountancy.	Pending approval of proposed MSA degree by State Department of Higher Education, a proposal will be developed for Option-One consideration in accordance with established Massachusetts Board of Accountancy regulations.	Spring 2012

RESOURCES

Faculty and Staff

Graduate programs at BSU are administered through the appointment of a graduate coordinator for each academic program, in accord with standard University practice. The graduate coordinator, to be selected from faculty in the Accounting and Finance department, will advise students, monitor students' progress, and recommend course scheduling. The coordinator will also oversee the continuous development of outcomes and an outcomes assessment plan. At the institutional level, the College of Graduate Studies is responsible for promoting the program as well as carrying out administrative duties pertaining to admission. Admission decisions are made collaboratively by members of the Accounting and Finance departmental graduate committee.

The curriculum will be taught by current members of the full-time faculty from the Departments of Management, Accounting and Finance, and Economics. As enrollments and revenues grow in future years and justify the need for additional faculty, the University is prepared to fund full-time faculty qualified to teach in the MSA program.

Facilities/Library Resources

Classes will take place in a recently renovated, modern facility on Bridgewater's campus. Harrington Hall incorporates electronic classrooms, computer labs, and a wireless environment to support learning experiences. In addition to traditional classroom space, Harrington Hall offers a professionally equipped focus group research room for students to engage in and observe real world marketing research

The Teaching and Technology Center (TTC) supports faculty in the use of technology to enhance teaching and learning at BSU. IT Support Services provides technology support for faculty, staff and students. The department provides technical support for computer labs, classrooms, faculty and administration offices, student technology workshops, notebook computing centers, call center operations, audiovisual equipment, and conferences and events that are held on the campus.

The Maxwell Library will support the program resource requirements in terms of materials, electronic databases, and interdisciplinary data bases. The proposed budget includes funding for boosting the book collection in year 1 and adding online database subscriptions in subsequent years. The Library also maintains consortia agreements with regional colleges for access to their materials and catalogs, including electronic resources. The University is committed to providing future resources which are necessary to support the MBA program.

Fiscal (Attachment B)

The institution submitted a four-year budget for the proposed program.

EVALUATION

Two external reviewers reviewed the MSA proposal and submitted a report to the University in February 2009. The reviewers were Dr. Irvin W. Morgan Jr., McCallum Graduate School of Business, Assistant Professor of Finance, Bentley University and John W. Rogers, Dean, School of Business Administration, American International College.

In summary, the evaluators expressed support for the program and provided suggestions regarding curriculum coverage, potential programmatic redundancy with the institution's current Master of Science in Management and program delivery system. Specifically, adequacy of coverage of ethics and emerging accounting trends, such as International Financial Reporting Standards (IFRS) was addressed. A reviewers recommended discrete courses for these topics.

Institutional Response

The institution responded substantively to all of the evaluators concerns. Specially, the University recognizes that due to the importance of ethics, it incorporated content coverage through multiple courses rather than just one course. Regarding, IFRS coverage (and other emerging topics), the University will incorporate coverage in a special topics course and a required seminar course. The University does not consider program redundancy to be an issue as the existing MSM (Master of Science in Management) with Accounting Concentration will be phased out. Students currently enrolled in the MSM with Accounting Concentration will either choose the proposed MSA or a proposed MBA with Accounting Concentration depending upon highest degree attained and undergraduate major. Regarding an evaluator's suggestion that an online delivery format be considered for the proposed MSA, the University has intentionally moved slowly and deliberately in ensuring that any hybrid online offerings are sufficiently rigorous, ensuring academic integrity and quality between any potential online offering and on-the-ground courses.

STAFF ANALYSIS AND RECOMMENDATION

Department staff has thoroughly evaluated all materials submitted by Bridgewater State University. Recommendation is for approval of the institution's application to offer the Master of Science in Accountancy.

One year after graduating the first class, 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: Graduate Program Curriculum Outline

Major Required (Core) Courses (Total courses required = 8)		
Course Number	Course Title	Credit Hours
ACFI 530	Accounting Analysis for Decision Making	3
ACFI 560	Advanced Accounting	3
ACFI 566	Federal Taxation	3
ACFI 570	Financial Information Systems and Control	3
ACFI 592	Advanced Financial Reporting	3
ACFI 593	Financial Statement Analysis	3
ACFI 595	Accounting Seminar	3
	Required auditing elective (select <i>one</i> of the following two courses)	3
ACFI 545	Auditing <i>or</i>	
ACFI-546	Internal Audit and Control	
	Subtotal # Core Credits Required	24
Concentration Course Choices (Total courses required = 0) (attach list as needed)		
	Subtotal # Concentration Credits Required	
Other/Elective Course Choices (Total courses required = (2) (attach list as needed)		
ACFI 506	Legal and Regulatory Environments	3
ACFI 567	Corporate Taxation	3
ACFI 580	Special Topics in Accounting	3
ACFI 545	Auditing*	3
ACFI 546	Internal Audit and Control*	3
	*may be selected as an <i>elective</i> , providing course was not selected to fulfill a core requirement.	
	Subtotal # Elective Credits Required	6
Curriculum Summary		
Total number of courses required for the program		10
Total credit hours required for program		30
FOUNDATION COURSES (may be waived by undergraduate and/or graduate equivalents)		
1. Foundations of Economics (ECON 500)		
2. Foundations of Business Statistics (ECON 501)		
3. Business Law I (ACFI 305)		
4. Foundations of Corporate Finance (ACFI 501)		
5. Foundations of Management (MGMT 509)		
6. Financial Accounting (ACFI 200)		
7. Intermediate Accounting I (ACFI 340)		
8. Intermediate Accounting II (ACFI 341)		

ATTACHMENT B: BUDGET

NEW ACADEMIC PROGRAM BUDGET

One Time/ Start Up Costs		Annual Expenses			
	Cost Categories	Year 1	Year 2	Year 3	Year 4
	Full Time Faculty (Salary & Fringe)	\$28,600	\$ 58,630	\$ 60,096	\$ 73,918
	Part Time/Adjunct Faculty (Salary & Fringe)	\$ 4,000	\$ 12,300	\$ 16,810	\$ 17,230
	Staff	\$ -	\$ -	\$ -	\$ -
	General Administrative Costs	\$ 5,000	\$ 5,150	\$ 5,305	\$ 5,464
	Instructional Materials, Library Acquisitions	\$15,000	\$ 15,450	\$ 15,914	\$ 16,391
	Facilities/Space/Equi pment	\$ -	\$ -	\$ -	\$ -
	Field & Clinical Resources	\$ -	\$ -	\$ -	\$ -
	Marketing	\$10,000	\$ 10,300	\$ 10,609	\$ 10,927
	TOTALS	\$62,600	\$101,830	\$ 108,734	\$ 123,930
One Time/Start-Up Support		Annual Income			
	Revenue Sources	Year 1	Year 2	Year 3	Year 4
	Grants				
	Tuition	\$21,000	\$ 42,000	\$ 46,200	\$ 52,500
	Fees	\$75,165	\$150,330	\$ 165,363	\$ 187,913
	TOTALS	\$96,165	\$192,330	\$ 211,563	\$ 240,413
	Projected Net Revenue	\$ 33,565	\$ 90,500	\$ 102,829	\$ 116,483