

# New Program Request Form for Bachelor's and Master's Degrees

**Directions:** An institution shall use this form to propose a new bachelor's or master's degree program. In completing the form, the institution should refer to the document *Standards for Bachelor's and Master's Programs*, which prescribes specific requirements for new degree programs. Note: This form requires signatures of (1) the Chief Executive Officer, certifying adequacy of funding for the new program; (2) a member of the Board of Regents (or designee), certifying Board approval, and (3) if applicable, a member of the Board of regents or (designee), certifying that criteria have been met for staff-level approval. Note: An institution which does not have preliminary authority for the proposed program share submit a separate request for preliminary authority. That request shall address criteria set in Coordinating Board rules Section 5.24 (a).

**Information:** Contact the Division of Academic Affairs and Research at 512/427-6200 for more information.

## Administrative Information

1. **Institution:** Sam Houston State University
2. **Program Name** – Master of Science (MS) with a major in Accounting
3. **Proposed CIP Code:** 52.0301.00
4. **Brief Program Description** – Describe the program and the educational objectives:

Currently students wishing to pursue graduate accounting course work at SHSU can do so by selecting a graduate accounting concentration (12 hours) as part of a “five-year accounting MBA” (a thirty-hour MBA containing a 12-hour concentration in accounting) or as part of a “five-year accounting MS in Finance” (a thirty-hour MS in finance containing a 12-hour concentration in accounting). The MS in Accounting would provide a full program of graduate level accounting course work (rather than only a concentration) that better prepares the graduate for the increased requirements of the Uniform CPA Examination and also provides a more rigorous preparation for entry into the accounting profession.

The Master of Science in Accounting (MS) replaces the existing “five-year accounting MBA” and the existing “five-year accounting MS in Finance.” Neither the existing conventional MBA nor the MS in Finance will be affected. The graduate coursework in accounting will increase from 12 hours in the five-year MBA or MS in Finance program to 24 hours in the MS in Accounting. This increased course work is necessary to better prepare students who are meeting the 150-hour requirement in order to be qualified to sit for the Uniform CPA Examination. This change brings our program into line with the majority of other university accounting programs in Texas.

The 120-hour bachelor's degree requirement makes it very difficult to qualify to take the CPA Exam with only a bachelor's degree. The MS in Accounting will support the Department of Accounting's compliance with the 120-hour requirement for bachelor's degrees while still allowing students to qualify to take the Uniform CPA Examination (150-hours).

The MS in Accounting will also better prepare students who choose to pursue the goal of

professional accountancy. Three accounting courses now offered as electives at the undergraduate level will be upgraded to graduate level courses. All three of these courses are directly linked to the content of the Uniform CPA Examination and are currently taken at the undergraduate level by students desiring to qualify for that examination. These additional nine graduate accounting hours will supplement existing graduate accounting hours to better prepare our students for the demands of the Uniform CPA Examination and the practice of professional accounting.

Currently a large number of both business entities and accounting firms actively recruit accounting majors at SHSU on a continuing basis. Generally the business entities seek graduates with 18 to 24 hours of undergraduate accounting. The accounting firms seek graduates that meet the 36-accounting-hour and 150-total-hour requirements to sit for the Uniform CPA Examination. In some cases students meet these increased hour requirements by taking additional undergraduate courses in accounting and other disciplines. In other cases students meet these requirements by pursuing the currently existing MBA with an accounting concentration (12 graduate hours of accounting). The proposed MS in Accounting will provide a more discipline-related and rigorous program that will better prepare students for successful completion of the CPA Examination. Students that do not wish to pursue careers in public accounting will still be in the position to meet the expectations of the non-public accounting business entities that recruit on our campus.

The present five-year MBA with an accounting concentration, given the required prerequisites, is primarily intended for recent graduates of SHSU with a BBA in Accounting. The MS in Accounting will accept graduates from any accredited university who hold a bachelor's degree in accounting and meet the entrance requirements. This broader admission focus and the expanded graduate offerings will allow for an increased pool of potential students. In addition, the MS in Accounting will make it possible for students to obtain the 18 graduate hours necessary to teach accounting in community colleges.

5. Administrative Unit – The Department of Accounting within the College of Business Administration

6. Proposed Implementation Date – Fall, 2008

7. Contact Person –

Name: Ross Quarles

Title: Professor and Chair, Department of Accounting, SHSU

E-mail: rquarles@shsu.edu

Phone: 936-294-1258

## Program Information

### I. Need

*Note: Complete I.A and I.B only if preliminary authority for the program was granted more than four years ago. This includes programs for which the institution was granted broad preliminary authority for the discipline.*

- A. Job Market Need – Provide short- and long-term evidence of the need for graduates in the job market.

In 2002, Congress passed the Sarbanes-Oxley Act to tighten accounting standards and strengthen financial reporting requirements for public companies. As a result, the demand for accountants has greatly increased. According to the National Association of Colleges and Employers, there has been a 10 percent to 20 percent increase in the number of accounting jobs. This increase in demand has resulted in a shortage of accountants and resulted in accounting being the most in-demand profession (“From Boring to the Big Time” by Rosemary Barnes in the San Antonio Express-News, May 21, 2005).

In the short-term, this trend is exacerbated by the potential upcoming retirement of large numbers of baby boomers and the previously low enrollment in university accounting programs (Robert Half International “Next Generation Accountant”). In 1991, 60,000 students graduated with accounting degrees. By 2000, that number had decreased to about 45,000 (AICPA “The Supply of Accounting Graduates and the Demand for Public Accounting Recruits—2005”).

The demand for accountants should continue well into the future. According to the *Occupational Outlook Handbook* (U.S. Department of Labor’s Bureau of Labor Statistics), employment of accountants and auditors is expected to grow faster than the average for all occupations through the year 2014. Furthermore, the demand for accountants is less cyclical than many professions. According to Sarah Seals, spokeswoman for the Texas State Society of Certified Public Accountants, “In general, the services that a CPA can provide are essential whether the economy is going strongly or not as well” (quoted in “Demand for Accounting Graduates Increasing” by Erin Lehr in the Daily Texan, March 21, 2006).

- B. Student Demand – Provide short- and long-term evidence of demand for the program.

Texas and most other states require candidates qualifying to sit for the Uniform CPA Examination to have successfully completed 150 semester-hours. The rule limiting Texas state universities’ undergraduate programs to 120 hours, coupled with Texas Education Code 54.068 (restricting the

number of hours undergraduate Texas residents may attempt while paying in-state tuition), combine to make it very difficult for Texas residents to fulfill the requirements to sit for the CPA exam with only an undergraduate degree. Consequently, students wishing to meet the requirements to sit for the CPA exam increasingly find a graduate degree like the Master of Science in Accounting to be the best option. In addition, the number of new Master degree graduates hired by public accounting firms increased 33% in 2004 compared to a 13% increase for Bachelor degree graduates (AICPA "The Supply of Accounting Graduates and the Demand for Public Accounting Recruits—2005").

Overall enrollment in US accounting programs during the four year period from 2000 to 2004 increased by 19 percent. During that same period, enrollment in accounting master's degree programs increased 115%. A 2005 survey of universities by the American Institute of CPAs, found that 72 percent expected enrollment in their accounting master's program would increase. Only 2 percent believed that it would decrease. ("The Supply of Accounting Graduates and the Demand for Public Accounting Recruits—2005").

- C. Enrollment Projections – Use this table to show the estimated cumulative headcount and full-time student equivalent (FTSE) enrollment for the first five years of the program. (*Include majors only and consider attrition and graduation.*)

<b>YEAR</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Headcount</b>	15	20	25	30	30
<b>FTSE</b>	15	20	25	30	30

Currently approximately 15 students enroll each year in the existing five-year MBA accounting concentration program. This forms the basis for the first year projection for the proposed MS in Accounting. The proposed MS can be completed in one year thus generally eliminating carryover from one year to the next. The increases in the projected enrollment over the ensuing four years is based on increases in enrollment driven by two assumptions: (1) that students who currently qualify to sit for the CPA Examination by taking undergraduate courses above those required for the undergraduate degree will enroll in the more accounting-focused MS program to be better prepared to sit for the examination and (2) allowing students from other universities that have undergraduate accounting degrees to enroll in the MS program will attract additional students.

**II. Quality**

- A. Degree Requirements – Use this table to show the degree requirements of the program. *(Modify the table as needed; if necessary, replicate the table for more than one option.)*

Category	Semester Credit Hours	Clock Hours
General Education Core Curriculum <i>(bachelor's degree only)</i>	n/a	
Required Courses	21	
Prescribed Electives	3	
Free Electives	6	
Other <i>(Specify, e.g., internships, clinical work)</i>	0	0
TOTAL	30	

- B. Curriculum – Use these tables to identify the required courses and prescribed electives of the program. Note with an asterisk (\*) courses that would be added if the program is approved. *(Add and delete rows as needed. If applicable, replicate the tables for different tracks/options.)*

Prefix and Number	Required Courses	SCH
ACC 533	Financial Statement Analysis	3
ACC 568**	Governmental and Not-For-Profit Accounting	3
ACC 580	Advanced Topics in Financial Reporting	3
ACC 581	Advanced Auditing Theory and Practice	3
ACC 582	Information Systems Auditing and Assurance	3
ACC 584**	Corporate and Pass Through Entity Taxation	3
ACC 586**	Professional Ethics and Responsibilities	3

\*\* Existing undergraduate elective course to be enhanced and moved from the undergraduate curriculum to graduate curriculum. The increased complexity of accounting, auditing, and taxation regulations coupled with the demands of the accounting profession and CPA examination make these electives more appropriate for graduate study.

Moving these elective courses from undergraduate to graduate status will not have a negative impact on the undergraduate accounting bachelor's degree program. Students graduating from the undergraduate program are recruited by business and industry organizations that require 24 hours of accounting.

The undergraduate program, after this change, will require 27 hours of accounting course work. Even after the reduction in undergraduate courses due to moving these elective courses from undergraduate to graduate status, undergraduate students will have the option of taking up to 9 hours of undergraduate accounting electives above the 27 required accounting hours. Students that choose to pursue the MS in Accounting will meet the expectations of public accounting firms of 36 hours of accounting through the more rigorous graduate level course work in that program. This change will result in a bachelors program that addresses the needs and demands of non-public accounting business and industrial firms that recruit bachelor's degree accounting graduates. This will also result in a more rigorous graduate level program that meets the expectations of public accounting firms of 36 hours of accounting.

Furthermore, the undergraduate degree in accounting currently requires 128 hours. As the undergraduate degree is revised to meet the legislature's 120-hour mandate, undergraduate accounting students will require fewer accounting elective courses.

<b>Prefix and Number</b>	<b>Prescribed Elective Courses***</b>	<b>SCH</b>
ACC 569	Managerial Accounting Applications	3
ACC 587	Estate Planning, Trusts, and Nonprofits	3
ACC 595	ERP Business Process Integration	3
FIN 531	Introduction to Institutions, Investments, and Managerial Finance	3

\*\*\* Students enrolled in the MS in Accounting program must take at least one of these courses.

- C. Faculty – Use these tables to provide information about Core and Support faculty. Add an asterisk (\*) before the name of the individual who will have direct administrative responsibilities for the program. *(Add and delete rows as needed.)*

Note: all faculty members listed as Core and as Support are currently classified as graduate faculty and teach or have taught at the graduate level.

<b>Name of Core Faculty and Faculty Rank</b>	<b>Highest Degree and Awarding Institution</b>	<b>Courses Assigned in Program</b>	<b>% Time Assigned To Program</b>
* Quarles, Ross Professor and Chair	PhD. Accounting, University of North Texas, CPA	ACC 581, ACC 595	100%
Ketchand, Alice Professor	PhD. Accounting, University of Houston, CPA	ACC 568, ACC 580	50%
Klett, Taylor Associate Professor	JD University of Houston, CPA	ACC 584, ACC 586, ACC 587	50%
Ashorn, Leroy Professor and Associate Dean	PhD. Accounting, University of Arkansas	ACC 533, FIN 531	50%

<b>Name of Support Faculty and Faculty Rank</b>	<b>Highest Degree and Awarding Institution</b>	<b>Courses Assigned in Program</b>	<b>% Time Assigned To Program</b>
Ameen, Elsie Associate Professor	PhD. Accounting, University of South Carolina, CPA	ACC 580	16%
Daigle, Ronny Assistant Professor	PhD. Accounting, Texas Tech University, CPA	ACC 581, ACC 582	16%
Morris, Philip Associate Professor	PhD. Accounting, Texas Tech University, CPA, CFE	ACC 569, ACC 582	33%
Sale, Martha Assistant Professor	DBA. Accounting, Louisiana Tech, CPA	ACC 569	16%
Strawser, Jeff Associate Professor	PhD. Accounting, Texas A&M University	ACC 580, ACC 569	16%

- D. Library – Provide the library director’s assessment of library resources necessary for the program. Describe plans to build the library holdings to support the program.

Current library holding are sufficient to support this program. See Director of Library Services letter attached as the last item in this package.

- E. Facilities and Equipment – Describe the availability and adequacy of facilities and equipment to support the program. Describe plans for facility and equipment improvements/additions.

No new or additional facilities or equipment will be required for this program.

All existing accounting classrooms are equipped with computer projection technology and are connected to the SHSU computer system. The Dow Technology Demonstration Center contains 25 personal computers that are connected to a 4-terabyte datacenter. This datacenter contains numerous software applications that are useful for accounting students including electronic versions of the AICPA Professional Standards, Financial Accounting Research System (FARS), Government Accounting Research System (GARS), fully-functioning versions of Oracle and SAP, as well as Microsoft Office products and Internet connection. In addition, the Department of Accounting possesses 36 wireless-enabled laptop computers and 2 mobile carts for transporting those laptops. All accounting classrooms are wirelessly connected to the datacenter allowing students to use the laptops in any classroom to access the software and computer applications that reside in the datacenter.

- F. Accreditation – If the discipline has a national accrediting body, describe plans to obtain accreditation or provide a rationale for not pursuing accreditation.

The College of Business Administration is accredited by the AACSB. The reaffirmation of that accreditation will take place in 2010. The MS program will be included as part of that reaffirmation process.

### III. Costs and Funding

Five-Year Costs and Funding Sources - Use this table to show five-year costs and sources of funding for the program.

Given that all courses in this proposed program currently exist and are being offered on a regular basis (either as graduate courses or as undergraduate elective courses that will be enhanced and moved to graduate status) no additional faculty or other resources will be required to support this new program. The faculty that will teach the added graduate courses are currently teaching the courses that will move from the undergraduate to the graduate level. Furthermore, the increased number of students (discussed in section I C "Enrollment Projections") can be absorbed into both the sections of existing graduate courses and into the sections of the new graduate course that will be created. This will result in no increase in the total number of sections offered and therefore no additional costs.

As discussed in section I C (page 4 of this proposal), most of the growth in the enrollment projections come from students who currently qualify to sit for the CPA examination by taking undergraduate courses. Therefore, these students are not new to the institution and will not result in New Formula Funding. However, it is anticipated that a few students who have undergraduate accounting degrees from other universities will be attracted to the proposed MS in Accounting. It is estimated that 2 new outside students will enroll in the MS in Accounting program in year 3, and 3 new outside students will enroll in each of years 4 and 5. Consequently, the Anticipated New Formula Funding for this program is \$52,821.60 (\$220.09 per credit hour X 30 credit hours X 8 students).

Five-Year Costs		Five-Year Funding	
Personnel <sup>1</sup>	\$0	Reallocated Funds	\$0
Facilities and Equipment	\$0	Anticipated New Formula Funding <sup>3</sup>	\$52,821.60
Library, Supplies, and Materials	\$0	Special Item Funding	\$0
Other <sup>2</sup>	\$0	Other <sup>4</sup>	\$0
<b>Total Costs</b>	<b>\$0</b>	<b>Total Funding</b>	<b>\$52,821.60</b>

1. Report costs for new faculty hires, graduate assistants, and technical support personnel. For new faculty, prorate individual salaries as a percentage of the time assigned to the program. If existing faculty will contribute to program, include costs necessary to maintain existing programs (e.g., cost of adjunct to cover courses previously taught by faculty who would teach in new program).
2. Specify other costs here (e.g., administrative costs, travel).
3. Indicate formula funding for students new to the institution because of the program; formula funding should be included only for years three through five of the program and should reflect enrollment projections for years three through five.
4. Report other sources of funding here. In-hand grants, "likely" future grants, and designated tuition and fees can be included.

## Signature Page

1. Adequacy of Funding – The chief executive officer shall sign the following statement:

*I certify that the institution has adequate funds to cover the costs of the new program. Furthermore, the new program will not reduce the effectiveness or quality of existing programs at the institution.*

---

Chief Executive Officer

Date

2. Board of Regents Approval – A member of the Board of Regents or designee shall sign the following statement:

*On behalf of the Board of Regents, I certify that the Board of Regents has approved the program.*

---

Board of Regents (Designee)

Date of Approval

3. Board of Regents Certification of Criteria for Commissioner of Assistant Commissioner Approval – For a program to be approved by the Commissioner or the Assistant Commissioner for Academic Affairs and Research, the Board of Regents or designee must certify that the new program meets the eight criteria under TAC Section 5.50 (b): The criteria stipulate that the program shall:

- (1) be within the institution's current Table of Programs;
- (2) have a curriculum, faculty, resources, support services, and other components of a degree program that are comparable to those of high quality programs in the same or similar disciplines at other institutions;
- (3) have sufficient clinical or in-service sites, if applicable, to support the program;
- (4) be consistent with the standards of the Commission of Colleges of the Southern Association of Colleges and Schools and, if applicable, with the standards or discipline-specific accrediting agencies and licensing agencies;
- (5) attract students on a long-term basis and produce graduates who would have opportunities for employment; or the program is appropriate for the development of a well-rounded array of basic baccalaureate degree programs at the institution;
- (6) not unnecessarily duplicate existing programs at other institutions;
- (7) not be dependent on future Special Item funding
- (8) have new five-year costs that would not exceed \$2 million.

*On behalf of the Board of Regents, I certify that the new program meets the criteria specified under TAC Section 5.50 (b).*

---

Board of Regents (Designee)

Date

