

SOUTH DAKOTA BOARD OF REGENTS

Committee on Academic and Student Affairs

AGENDA ITEM: III – C

DATE: October 8-9, 2014

**SUBJECT: New Site Request: NSU B.S in Accounting and B.S. in Professional
Accountancy, Online**

Northern State University (NSU) requests authority to deliver the B.S in Accounting (120 credit hours) and the B.S. in Professional Accountancy (150 credit hours) online. The additional credits in the B.S. in Professional Accountancy meet state educational requirements for the CPA examination (SDCL 36-20B-15). NSU states moving the program to online distance delivery will increase student access to the degrees.

Online delivery of programs supports system strategic goals (Policy 1:21):

- Increase participation rates; increase number of graduates
- Offer programs off-campus and online
- Contribute to workforce development

Within the Regental System, Dakota State University (DSU) has authorization to deliver a B.B.A. in Accounting and a B.S. Professional Accountancy (June 2013) and the University of South Dakota (USD) has authorization to offer a Master of Public Accounting online (October 2011). NSU and DSU collaborated in structuring the course delivery schedule for the undergraduate programs to ensure students have ample access to courses needed to complete degrees.

NSU is not requesting new state resources to deliver the program.

RECOMMENDED ACTION OF THE EXECUTIVE DIRECTOR

Approve NSU's request to offer the B.S. in Accounting and B.S. in Professional Accountancy through online distance delivery as described in Attachment I.

South Dakota Board of Regents
New Site: Request to Offer an Existing Degree Program

| | |
|---------------------------------------|--|
| University | Northern State University |
| Degree(s) and Program | B.S. in Accounting and B.S. in Professional Accountancy |
| New Site(s) | Internet |
| Proposed Implementation (term) | Fall 2014 |

University Approval

To the Board and the Executive Director: I certify that I have read this request, that I believe it to be accurate, and that it has been evaluated and approved as provided by university policy.



3/24/14

 President of the University

 Date

After approval by the President, a signed copy of the proposal should be transmitted to the Executive Director. Only after Executive Director review should the proposal be posted on the university web site and the Board staff and the other universities notified of the URL.

1. What is the need for this program in this site (these sites)? What is the expected demand for graduates in the site(s)?

Northern State University is requesting permission to deliver its B.S. in Accounting and its B.S. in Professional Accountancy via distance (Internet). Both of these degree programs provide students with a strong academic background in business and accounting.

The B.S. in Accounting requires 120 credits to graduate; the B.S. in Professional Accountancy requires 150 credits to graduate. As required by state law, individuals who want to sit for the CPA exam must have successfully completed an undergraduate degree in accounting plus an additional 30 hours of college credit as the first step in eligibility for the exam:

SDCL: 36-20B-15. Education requirements. The education requirement for a certificate, which shall be met before one hundred days after an applicant sits for the examination prescribed in this chapter, is at least one hundred fifty semester hours of college education, including graduation from an accredited college or university with a baccalaureate or a graduate degree in accounting, or the satisfactory completion of a course of study which the board has determined to be substantially the equivalent of an accounting degree, including related courses in other areas of business administration. Such courses of study may be in a college or university, recognized by the board.

Students choose between the B.S. degree in Accounting and the B.S. degree in Professional Accountancy based on their career goals. Graduates of the B.S. in Accounting program generally

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find employment in the accounting departments of larger businesses. Graduates of the B.S. in Professional Accountancy program generally find employment in professional accounting firms.

- Employers of recent NSU graduates with the B.S. degree in Accounting include: Education Assistance Corporation; Liberty Federal Savings Bank; People’s Bank of Commerce (Cambridge, MN); Reynolds Group; Ramada Convention Center; Cargill; S.D. Wheat Growers; State of South Dakota; Sanford Health; Avera St. Luke’s; Malloy, Montague, Karnowski, Radosevich & Co. (Minneapolis, MN); Quam & Bergland Accounting Firm; SD Dept. of Legislative Audit; SD Dept. of Revenue & Regulation; Wells Fargo Bank; Guthmiller Accounting, LTD; WW Weispfenning CPA's; Deloitte & Touche (Kansas City, MO).
- Employers of recent NSU graduates with the B.S. in Professional Accountancy include: Eide Bailly LLP; Hopfinger and Merriman Accounting Firm; Schwan Financial Group; Cahill Schaeffbauer & Associates; Tieceo Accounting (Portland, OR); Anton, Collins, & Mitchell (Denver, CO); Meidinger and Associates; Guthmiller Accounting, LTD; Cascade County Grants Compliance Officer (Great Falls, MT); Richardson Law Firm; Guzman & Gray (Long Beach, CA); Larson Allen, auditor (Austin, MN); SD Dept of Legislative Audit; Schwan Food Company tax accountant (Marshall, MN); U.S. Post Office; Henry Scholten & Company, LLP; Cahill, Schaeffbauer & Schmidt Accounting Firm; Dakota Banks, Inc. (Internal Auditor); RAM Enterprises; SD Dept. of Revenue & Regulation; Daktronics, Inc.

Moving the program to distance delivery will provide greater access to students outside the Aberdeen area and will contribute to workforce development. Program delivery has been developed in collaboration with Dakota State University, to ensure that students can complete the Accounting program requirements within a 4-year period and the Professional Accountancy requirements within a 5-year period.

Internet delivery supports NSU’s Strategic Priority #1, to “recruit, retain, challenge, and graduate citizens with the highest capacity to enrich their communities through their professional lives and civic engagement” and Objective 5 within that goal, to “double the number of course offerings delivered in on-line, alternate schedule, and workshop format.” It also supports these SDBOR strategic goals (SDBOR Policy 1:21):

- Economic Development and Quality of Life: Contribute to workforce development and quality of life by expanding academic programs to meet our future workforce needs, offering off-campus and online programs, and creating corporate training partnerships.
- Educational Attainment Goal: Increase participation rates; increase retention rates; increase number of graduates.

The South Dakota Department of Labor and Regulation’s estimates and projections for accounting occupations are provided below. As the “Percent Change” column indicates, job demand is increasing in these professions – in some areas as much as 20%; in other areas, as little as 6%. But, overall, it appears as though at least moderate job growth is expected in this career field in South Dakota.

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**South Dakota Occupational Projections, 2010-2020
Selected Occupations**

| SOC* Code | Occupational Title | 2010 Base Number of Jobs | 2020 Projected Number of Jobs | Percent Change | Total Average Annual Demand |
|--------------|--|-----------------------------------|--|-------------------|--------------------------------------|
| 132011 | Accountants and Auditors | 4,295 | 4,705 | 9.5% | 133 |
| 433031 | Bookkeeping, Accounting, and Auditing Clerks | 10,335 | 11,205 | 8.4% | 201 |
| 132051 | Financial Analyst | 505 | 590 | 16.8% | 19 |
| 131111 | Management Analyst | 2,010 | 2,275 | 13.2% | 59 |
| 113031 | Financial Manager | 740 | 775 | 4.7% | 17 |

Source: SD DLR Labor Market Information Center web site, Accessed March 2014

http://dol.sd.gov/lmic/occupation_projections.aspx

*Standard Occupational Classification (SOC), U.S. Bureau of Labor Statistics. <http://www.bls.gov/soc>

2. Is any regental university authorized to offer a similar program at the new site(s)? Is any non-system institution offering a similar program at the new site(s)? If either answer is “yes,” identify the institution(s) and program(s) and explain why authorization is requested.

Dakota State University recently received BOR approval to offer its B.B.A. in Accounting and its B.S. in Professional Accountancy online (*Minutes, 2013 June, pp. 1689 & 1951-1959*). The University of South Dakota is authorized to offer its Master of Public Accountancy online (*Minutes, 2011 October, pp. 2775 & 3084-3092*).

Within the region, Globe University, Colorado Technical University and University of Phoenix currently offer the B.B.A. in accounting online. None of those universities are based in South Dakota. As a consequence, they cannot provide the kind of access to SD employers that NSU’s program can provide.

3. Are students expected to be new to the university or redirected from other programs or both? Complete the table and explain how the estimates were developed. How will the new site(s) affect enrollments in other campus and off-campus programs in the regental system?

Students will be primarily new to the university, with a small number redirected from NSU’s face-to-face accounting programs. Approximately 50 students were enrolled in NSU’s Accounting program on campus in Fall 2012 and another 50 students were enrolled in NSU’s Professional Accounting program on campus in Fall 2012. It is not expected that the distance-delivered program will have much impact on the campus enrollments. Non-traditional students, particularly, like the flexibility of online programs, which allows them to continue to live and work anywhere in the state while they’re completing their degree. It is also expected that distance delivery will enhance the enrollments in these on-campus degree programs, since distance delivery makes it easier to complete the degree program.

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| B.S. in Accounting | Fiscal Years* | | | |
|---|---------------|------|------|------|
| Internet Delivery | 1st | 2nd | 3rd | 4th |
| Estimated | FY15 | FY16 | FY17 | FY18 |
| New to the university | 7 | 12 | 12 | 12 |
| Redirected from other programs | 5 | 0 | 0 | 0 |
| Continuing students | 0 | 12 | 24 | 36 |
| = Total in the program at the site | 12 | 24 | 36 | 48 |
| Credit hours, majors in program courses** | 0 | 0 | 144 | 324 |
| Graduates | | | | 12 |

* Do not include current year. ** This is the total number of credit hours generated from the required courses in the major. Twelve (12) credits in year three and fifteen (15) credits in year four.

| B.S. in Professional Accountancy | Fiscal Years* | | | |
|---|---------------|------|------|------|
| Internet Delivery | 1st | 2nd | 3rd | 4th |
| Estimated | FY15 | FY16 | FY17 | FY18 |
| New to the university | 7 | 12 | 12 | 12 |
| Redirected from other programs | 5 | 0 | 0 | 0 |
| Continuing students | 0 | 12 | 24 | 36 |
| = Total in the program at the site | 12 | 24 | 36 | 48 |
| Credit hours, majors in program courses** | 0 | 0 | 216 | 432 |
| Graduates | | | | |

* Do not include current year. ** This is the total number of credit hours generated from the required courses in the major. Eighteen (18) credits in year three, Eighteen (18) credits in year four, and eighteen (18) credits in year five. (Because this is a 150-credit program, we do not expect any graduates until the 5th year.)

4. Complete the table and explain any special circumstances. Attach a copy of the program as it appears in the current catalog. If any program modifications are requested, attach that form. Explain how the new courses will be delivered. Attach the new course request forms.

The curriculum for the degree programs, as they appear in the current catalog, is provided in Appendix A. That table also includes a summary of the major-specific courses that are currently offered via Internet by Northern State University and by the other regental institutions.

A course delivery schedule has been developed by NSU, along with Dakota State University, to ensure that students have sufficient opportunities to complete the required degree program courses within a 4 or 5-year time period. (As indicated in Item 1 above, the B.S. in Professional Accountancy requires 150 credits for graduation, which extends the time needed to complete the degree.)

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| B.S. in Accounting | Credit hours | Credit hours currently available from this university via Internet | Credit hours currently available from other universities via Internet | Credit hours that need to be developed for distance delivery by this university |
|--|--------------|--|---|---|
| System General Education Requirements | 30 | 30 | 30 | 0 |
| Institutional Graduation Requirements | 11 | 11 | 0 | 0 |
| <i>Subtotal, General Education Requirements</i> | 41 | | | |
| Business Core | 46 | 46 | 42 | 0 |
| Major Requirements | 27 | 21 | 15 | 6* |
| <i>Subtotal, Major Requirements</i> | 73 | | | |
| Free Electives | 6 | 6 | 6 | 0 |
| <i>Total, Degree Requirements</i> | 120 | 114 | 93 | 6* |

* Two courses (ACCT 450 and ACCT 480) will be developed for distance delivery over the next two to three years. All of the Business core courses and the elective courses are already delivered online.

| B.S. in Professional Accountancy | Credit hours | Credit hours currently available from this university via Internet | Credit hours currently available from other universities via Internet | Credit hours that need to be developed for distance delivery by this university |
|--|--------------|--|---|---|
| System General Education Requirements | 30 | 30 | 30 | 0 |
| Institutional Graduation Requirements | 11 | 11 | 0 | 0 |
| <i>Subtotal, General Education Requirements</i> | 41 | | | |
| Business Core | 46 | 46 | 42 | 0 |
| Accounting Requirements | 54 | 45 | 39 | 9* |
| <i>Subtotal, Major Requirements</i> | 100 | | | |
| Free Electives | 9 | 9 | 9 | 0 |
| <i>Total, Degree Requirements</i> | 150 | 141 | 120 | 9* |

* Three courses (ACCT 450, ACCT 451, and ACCT 480) will be developed for distance delivery over the next two to three years. All of the Business core courses and the elective courses are already delivered online.

5. How will you provide student services comparable to those available for students on the main campus?

Because NSU has other distance-delivered programs, many of our student services are already available via distance (library, D2L training, etc.). Advising of accounting majors will be provided by university faculty via email, telephone or live chat.

6. Is this program accredited by a specialized accrediting body? If so, address any program accreditation issues and costs related to offering the program at the new site(s).

NSU is currently seeking accreditation by the Accreditation Council for Business Schools and Programs (ACBSP). The addition of another delivery point should not create any issues or additional costs.

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7. Does the University request any exceptions to Board policy for delivery at the new site(s)? Explain requests for exceptions to Board policy. If no exceptions are requested, enter "None."

None.

8. Costs, Budget & Resources Related to New Courses at the Site: Explain the amount and source(s) of any one-time and continuing investments in personnel, professional development, release time, instructional technology and software, other O&M, facilities, student services, etc needed to implement the program at the new site(s).

A site budget is not provided because nearly all the program requirements are already available via Internet, either from NSU or from one of the other regental institutions. (See the table included in Question 4 above and the information provided in Appendix A.)

As a consequence, delivery of the two programs by Internet does not create significant course development or program delivery costs for the university. All the courses in the business core have already been converted to online delivery to satisfy requirements of existing online programs. An NSU faculty member will be paid a \$2,100 stipend (per course) to convert the remaining required three accounting courses to online format. The stipend will be paid with self-support funds generated from the online delivery of the courses in the major. There should be no additional costs to the university resulting from approval of this request to deliver the accounting programs via the Internet.

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| APPENDIX A B.S. in Accounting Northern State University Catalog, Year 2013-14 | | | Distance Delivery | |
|---|----------------------------------|---|----------------------|---------------|
| System General Education Requirements | | | 30 | B, D, N, S, U |
| Institutional Graduation Requirements | | | 11 | N |
| Business Core | | | 46 | N |
| ACCT 210 | Principles of Accounting I | 3 | | B, D, N, S, U |
| ACCT 211 | Principles of Accounting II | 3 | | B, D, N, S, U |
| BADM 220 | Business Statistics | 3 | | D, N, U |
| BADM 244 | Business Communications | 3 | | N |
| BADM 284 | Career Planning | 1 | | N |
| BADM 310 | Business Finance | 3 | | B, D, N, S, U |
| BADM 350 | Legal Environment of Business | 3 | | B, D, N, S, U |
| BADM 360 | Organization and Management | 3 | | B, D, N, S |
| BADM 370 | Marketing | 3 | | B, D, N, U |
| BADM 457 | Business Ethics | 3 | | B, N |
| BADM 482 | Business Policy and Strategy | 3 | | B, D, N, U |
| ECON 201 | Principles of Microeconomics | 3 | | B, D, N, S, U |
| ECON 202 | Principles of Macroeconomics | 3 | | B, D, N, S, U |
| MIS 205 | Advanced Computer Applications | 3 | | B, N |
| MIS 325 | Management Information Systems | 3 | | B, N |
| Choose one: | ECON 301 or ECON 302 or ECON 303 | 3 | | N, S |
| Accounting Major | | | 27 | |
| ACCT 310 | Intermediate Accounting I | 3 | | N |
| ACCT 311 | Intermediate Accounting II | 3 | | N |
| ACCT 320 | Cost Accounting | 3 | | D, N |
| ACCT 430 | Income Tax Accounting | 3 | | D, N |
| ACCT 450 | Auditing | 3 | | D, N* |
| ACCT 470 | Non-Profit Accounting | 3 | | B, N |
| ACCT 480 | Advanced Accounting | 3 | | N* |
| BADM 351 | Business Law | 3 | | B, N, S |
| Choose one: | ACCT 431 or ACCT 440 | 3 | | N |
| Electives | | | 6 | B, D, N, S, U |
| Total Major | | | 120 | |

B – Black Hills State University
N – Northern State University
S – South Dakota State University

D – Dakota State University
T – SD School of Mines and Technology
U – University of South Dakota

*ACCT 450 and ACCT 480 will be converted to online format over the next two to three years.

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| APPENDIX A B.S. in Professional Accountancy Northern State University Catalog, Year 2013-14 | | | Distance Delivery |
|---|----------------------------------|-----|----------------------|
| System General Education Requirements | | 30 | B, D, N, S, U |
| Institutional Graduation Requirements | | 11 | N |
| Business Core | | 46 | N |
| ACCT 210 | Principles of Accounting I | 3 | B, D, N, S, U |
| ACCT 211 | Principles of Accounting II | 3 | B, D, N, S, U |
| BADM 220 | Business Statistics | 3 | D, N, U |
| BADM 244 | Business Communications | 3 | N |
| BADM 284 | Career Planning | 1 | N |
| BADM 310 | Business Finance | 3 | B, D, N, S, U |
| BADM 350 | Legal Environment of Business | 3 | B, D, N, S, U |
| BADM 360 | Organization and Management | 3 | B, D, N, S |
| BADM 370 | Marketing | 3 | B, D, N, U |
| BADM 457 | Business Ethics | 3 | B, N |
| BADM 482 | Business Policy and Strategy | 3 | B, D, N, U |
| ECON 201 | Principles of Microeconomics | 3 | B, D, N, S, U |
| ECON 202 | Principles of Macroeconomics | 3 | B, D, N, S, U |
| MIS 205 | Advanced Computer Applications | 3 | B, N |
| MIS 325 | Management Information Systems | 3 | B, N |
| Choose one: | ECON 301 or ECON 302 or ECON 303 | 3 | N, S |
| Accounting Major | | 54 | |
| ACCT 310 | Intermediate Accounting I | 3 | N |
| ACCT 311 | Intermediate Accounting II | 3 | N |
| ACCT 320 | Cost Accounting | 3 | D, N |
| ACCT 360 | Accounting Systems | 3 | D, N |
| ACCT 430 | Income Tax Accounting | 3 | D, N |
| ACCT 431 | Advanced Income Tax | 3 | D, N |
| ACCT 440 | Accounting Theory | 3 | N |
| ACCT 450 | Auditing | 3 | D, N* |
| ACCT 451 | Internal Auditing | 3 | N* |
| ACCT 470 | Non-Profit Accounting | 3 | B, N |
| ACCT 480 | Advanced Accounting | 3 | N* |
| BADM 351 | Business Law | 3 | B, N, S |
| Approved Electives | | 18 | B, D, N, S, U |
| General Electives | | 9 | B, D, N, S, U |
| Total Major | | 150 | |

B – Black Hills State University
N – Northern State University
S – South Dakota State University

D – Dakota State University
T – SD School of Mines and Technology
U – University of South Dakota

*ACCT 450, ACCT 452, and ACCT 480 will be converted to online format over the next two to three years.

As indicated in Item 1 above, the B.S. in Professional Accountancy requires 150 credits to graduate, making students eligible to sit for the CPA exam. (South Dakota Board of Accountancy, *SDCL 36-20B-15*)