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BILL HASLAM  
Governor

MEMORANDUM

TO: David Gregory  
Acting Chancellor, Tennessee Board of Regents

FROM: Russ Deaton *RD*

SUBJECT: Approval of the Tennessee Technological University  
Letter of Application to Plan the Master of Accountancy Program

DATE: May 17, 2016

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In accordance with THEC policies, colleges and universities are required to submit Letters of Application for authorization to proceed with developing proposals for new academic programs and units. The THEC financial projection form for the proposed program must accompany the letter of intent to plan. Upon THEC approval to proceed with developing proposals, institutions should do so in a manner consistent with THEC policies and criteria.

Programs must document relevance to institution's mission, provide enrollment, graduation and financial projections, describe the anticipated evaluation process, document employer and student demand, and certify that the proposed program will not duplicate existing offerings at other Tennessee public institutions. The proposal must ensure faculty sufficiency, existence of student support resources, and adequacy of library, space, equipment, and technology.

I approve Tennessee Technological University to plan the Master of Accountancy. It is understood that the proposed program will be in accord with the mission at TTU and will meet the *Master Plan for Tennessee Postsecondary Education 2015-25* degree completion and workforce development objectives, and will be implemented with existing funds.

The Letter of Application projects implementation of an approved program in August 2017. Please be advised that the Letter of Application itself will be posted on the THEC website for public disclosure.

cc: Dr. Tristan Denley, TBR  
Dr. Philip Oldham, TTU  
Dr. Baham Ghorashi, TTU  
Betty Dandridge Johnson, THEC



**TENNESSEE BOARD OF REGENTS**  
**Academic Proposal Form for All New Programs**

**COVER PAGE**

*This form is submitted with all proposals requiring Board approval to the TBR Vice Chancellor for Academic Affairs. The COVER PAGE may be submitted as a PDF. All other forms should be submitted as MSWord documents.*

*Please remember to submit only one proposal with related support documents per e-mail.*

**Sponsoring Institution(s):** Tennessee Tech University

**Proposal Statement:** To establish an online Master of Accountancy program

**Degree Designation [or] Type of Certificate:**

MACC in Master of Accountancy  
Formal Degree Abbreviation Title of Proposed Program to be established or impacted

**Concentrations:** (if applicable) N/A

**Anticipated Delivery Site(s):** Online

**Proposed CIP Code:** 52.0301

**Proposed Implementation Date:** Fall 2017

**Cooperative/Collaborative Partners:** N/A

For more information contact: Dr. Richard Rand / 931-372-3358  
Name Telephone

**Institutional Approval:**  / 4/6/2016  
Signature of President (required) Date

*The Cover Page documents the President's support and that the proposal has been reviewed and approved through the established institutional processes. Collaborative programs require the President's signature from all participating institutions.*



**Letter of Application for All New Degrees Programs  
with/without Concentrations, Certificates, Duplications of  
Existing Community College Programs, Collaborative/Joint  
Programs**

*Refer to TBR Policy 2:01:01:00, TBR Guideline A-010, and THEC Policy A1:0 and A1:1 before developing a Letter of Application.*

**INSTRUCTIONS:** Please respond to each question. If the question is not applicable, please use “NA” **and** include a brief explanation of why the question is not applicable to the proposed action. The form will expand to allow space as needed and must be **submitted to the TBR Vice Chancellor for Academic Affairs and the Vice Chancellor for Community Colleges as designated in A-010.**

**SECTION I. INTRODUCTION**

**DATE OF SUBMISSION:**

**INSTITUTION(S):** Tennessee Technological University

**TITLE OF PROGRAM:** Master of Accountancy  
**CIP and SOC CODES:** 52.0301

**CONCENTRATIONS:** N/A.

**PROJECTED DATE FOR SUBMISSION OF IMPLEMENTATION PORTFOLIO:**

Summer 2016

**TARGET DATE FOR BOARD APPROVAL:** December 2016

**PROPOSED DATE OF PROGRAM IMPLEMENTATION:** Fall 2017

**A. PURPOSE:**

TTU’s Mission states that “the University provides strong programs in the arts and sciences, **business**, education, agriculture and human ecology, nursing, music, art, and interdisciplinary studies.” It goes on to say that TTU “is committed to the life-long success of students in its undergraduate, **master’s**, specialist, and doctoral granting programs through **high-quality instruction and learning experiences.**”

The College of Business Mission Statement states that it “provides an educational foundation that enables its students to become **successful, ethical organization and business leaders**, [and] serves the region, state, community, University and business disciplines through outreach activities.” The College of Business Mission Statement also states that “we believe teaching, research, and service are interdependent and synergistic, and that the spirit of discovery and pursuit of knowledge underlie our educational focus and guide our service activities.”

The development of the MAcc specifically addresses the purposes defined in our Departmental Mission Statement. Our goal is “to prepare students for careers in professional **accounting** and business careers and to enhance opportunities for our students to become **successful and ethical professionals**.” Toward that end, we strive to provide students access to advanced knowledge in the field of accounting and we emphasize the importance of life-long learning and continuing professional development.

The purposes of the MAcc Program at TTU include delivery of: (1) strong, masters-level education that provides accounting students with advanced academic knowledge, requisite professional skills, and a relevant, high-quality pathway to the profession and associated certifications”, (2) high-quality programing that facilitates students’ development and growth as successful, ethical business leaders, (3) appropriate graduate-level degree programing to meet the needs of aspiring professional accountants and their prospective employers that is not currently available to TTU accounting graduates, and (4) using online and associated technologies to increase Tennesseans’ access to graduate accounting education.

## **B. INSTITUTIONAL PRIORITY**

Since 2000, to help students meet the educational requirements of the State Board of Accountancy, the Department has offered an accounting concentration within the Master of Business Administration (MBA) degree at TTU. The Accounting Concentration requires 12 hours of accounting as part of the 30 hours required for the MBA degree. While effective as a concentration within the MBA, more direct program support is needed for students seeking to pursue a more specialized career in accounting and/or complete the educational requirements for the CPA Exam.

TTU’s accounting program is accredited by the Association to Advance Collegiate Schools of Business (AACSB). However, our accounting accreditation is not being fully leveraged to serve aspiring accountants and their employers.

Worldwide, 746 business schools hold AACSB accreditation. Of those, 182 hold separate accounting accreditation (which is currently the only level of specialized accreditation offered by the AACSB). At present, TTU is one of only 14 institutions globally (and the only one in Tennessee), that hold AACSB accounting accreditation without an associated master’s degree. This is a group that is shrinking in size due to the changing nature and increasing educational requirements of the profession. The proposed

program will leverage our status as an AACSB-accredited accounting institution and provide students, professionals, and companies across our region and state with a highly-accessible graduate accounting program offered in an online environment.

This proposal is concomitant with the College and University commitment to the development and growth of new graduate programs. It is also consistent with the University's recent move to a higher Carnegie classification level as a Doctoral University. In addition to being part of the College of Business Strategic Plan, the proposed MAcc is specifically listed among new graduate initiatives for Tennessee Tech (Priority 8 of the University Flight Plan updated 7/29/2015).

**C: NEED:**

The undergraduate accounting major at TTU has a reputation for outstanding undergraduate education and success. The quality of the program and its faculty are evidenced by our status as an AACSB accounting-accredited institution. Accounting students traditionally maintain the highest GPA of any major in the College and have historically been awarded more scholarships from the Tennessee Society of Certified Public Accountants (TSCPA) than any other program in Tennessee. In 2015, all 29 applicants from TTU received TSCPA scholarships.

The State Board of Accountancy, through its mandate from the Tennessee State Legislature and under the authority of Tennessee's Accountancy Statute (TCA 62-1), has imposed strict educational requirements for candidates to sit for the Certified Public Accountant (CPA) Exam. Tennessee requires candidates to have:

- A baccalaureate degree,
- 150 semester hours of education, including,
- 24 hours of business courses, and
- 30 hours of accounting, 24 of which must be at the upper division.

A Bachelor of Science in Business Administration with a major in accounting at TTU consists of 120 semester hours of course work including 42 semester hours of business coursework and 27 semester hours of accounting coursework. TTU students earning an undergraduate degree with a major in accounting typically do not have the requisite hours to sit for the CPA Exam – the primary avenue of entry into the public accounting profession. Those students who accumulate the requisite hours at TTU at the undergraduate level are often in direct competition in the job market with graduates of accounting master's-level programs.

Typically, students will pursue graduate education to complete the 150-hour requirement to sit for the CPA Exam. Due to the practical relevance of the advanced content, the Master of Accountancy is often the pathway of choice to complete the requisite credit hours to take the CPA Exam. While students in the MBA program are able to select

some electives in accounting, internally conducted surveys of students, advisory board members and accounting professionals indicate that the majority of students and external stakeholders believe that the Master of Accountancy is a more appropriate path of graduate study than an MBA.

Since TTU's undergraduate accounting program is accredited by the AACSB, adding a Master of Accountancy to TTU's portfolio will provide students access to a high quality graduate-level accounting program and further enhance the strong reputation of excellence associated with TTU's graduate offerings. As previously noted, only 14 of the 182 AACSB accredited accounting programs do not offer an accompanying graduate-level accounting degree. As educational needs and professional requirements continue to increase, the latter distinction, currently shared by TTU, is not a positive one.

With respect to other available options, approximately 32 of the 169 students in the MBA program in 2015/2016 were enrolled in the accounting concentration. Although MBA enrollment has increased recently, the number of students identifying with the accounting concentration has declined since the program enrollment reached its peak of 71 students in 2009. There has been a corresponding decline in the number of credit hours taught in the accounting concentration (from a high of 342 SCH annually in 2009 to 219 SCH in 2015). At the same time, the undergraduate demand for accounting SCH has increased from 4,455 SCH in 2009 to 4,974 SCH in 2015). So, while the attractiveness of accounting as a discipline of study has increased, the attractiveness of the graduate concentration option offered by TTU to prepare students for a career in public accounting has declined. This suggests that the accounting concentration does not fully satisfy student and market expectations for entry into the field of professional accounting – particularly as related to the CPA pathway.

A recent survey of accounting students at TTU indicated 72 percent of the respondents believe that the MAcc would be the most beneficial degree for someone planning a career in professional accounting. In addition, 50 percent of the undergraduate students surveyed indicated they would choose the MAcc, if one were available. Importantly, of the undergraduates currently planning on enrolling in a graduate program at another institution, 45 percent indicated they would remain at TTU, if the MAcc was available. Finally, over 55 percent of Fall 2015 MBA graduates who completed the accounting concentration indicated they would have preferred a MAcc.

The United States Department of Labor Bureau of Labor Statistics projects a “faster than average” 11 percent growth in the accounting sector during the next 10 years . . . translating to 142,400 new jobs between 2014 and 2024. Those jobs currently have a median annual wage of \$65,940. In addition, the state of Tennessee has identified the Business Financial Management and Accounting Pathway (FIELD 4.2) to be an Under-Supplied Path [*Academic Program Supply and Occupational Demand Projections: 2008-2018, Tennessee Higher Education Commission, April 2011* <http://thec.ppr.tn.gov/THECSIS/CBERTHECReports/PDFS/MPlan%20supply%20and%20demand%20study%2004-2011.pdf>] with a supply-to-demand ratio of only 60%,

indicating a shortage of qualified individuals and suggesting an area of opportunity, that corresponds to the findings of the US Department of Labor Bureau of Labor Statistics.

The 2015 AICPA Trends Report

(<https://www.aicpa.org/InterestAreas/AccountingEducation/NewsAndPublications/DownloadableDocuments/2015-TrendsReport.pdf>) indicates that MBA programs with an accounting focus are facing a steeply downward trend nationally, with a nearly 40% decline in 2014 alone (2015 numbers are not currently available). This mirrors the recent trend at TTU, and is likely to continue. Master's in Accounting programs meanwhile are growing and have more than 10 times the enrollment in accounting-concentrations embedded within MBA programs nationally (enrollment of 39,641 for MAcc programs vs enrollment of 3,107 for MBA Accounting programs). The Trends Report also indicates that demand for accounting graduates is strong. The report indicates that in 2015, 91 percent of firms intended to either increase their hiring or hire the same number of qualified accountants as in the previous year. Further, most of the firms that intend to increase their hiring have current employment of 49 CPA's or fewer, which is the demographic that recruits most of the students who attend TTU.

The following state-supported institutions in Tennessee currently offer an on-ground MAcc or a Master of Science (MS) in Accounting:

- East Tennessee State University
- Middle Tennessee State University
- University of Memphis (MS)
- University of Tennessee, Chattanooga
- University of Tennessee, Knoxville

Other than Middle Tennessee State University at the western edge of middle Tennessee, no Master of Accounting program exists between Nashville and Knoxville. This 190-mile long and largely rural Upper Cumberland region in which TTU is located has been defined by THEC as an underserved population.

In addition, none of the existing MAcc programs in Tennessee offer a significant portion of their degree online. The market for MAcc students, including college graduates with fulltime employment, who wish to complete the majority of their work online is currently not served by the Tennessee Higher Education Commission (THEC) – either through the Tennessee Board of Regents (TBR) or University of Tennessee (UT) System institutions. As seen by the success and growth of online MBA programs in Tennessee, many Tennesseans desire a path to a degree that does not require them to move their domicile near a physical campus location. Tennesseans who desire to earn a MAcc online must currently seek out-of-state options, often paying much higher tuition. Finally, there are currently no other outstanding/active applications for new MAcc degrees under review by THEC or TBR.

The faculty at TTU plan to leverage the nearly 15 years of online experience and tradition of TTU's Distance MBA program to deliver a high-quality and relevant MAcc Program.

In addition to increasing the earnings potential of often underserved and rural populations, the proposed program will contribute to the intellectual capital and economic development of our state

Based on the success of TTU's online MBA program and our historically strong undergraduate accounting program, the MAcc is sustainable in terms of human, technological, and financial resources. As indicated above, accounting is a growth industry. At TTU, enrollment in the accounting major, which now stands at 167 students, has grown 44% over a 10-year period.

The program will be revenue neutral (breakeven), having no net cost to the University, with as few as 12 full-time and 6 part-time students (i.e. an average FTE of 15 students). However, further analysis (Appendix A) indicates that at our expected enrollment numbers, the program will generate net revenues in excess of \$650,000 over the first 5 years. Based on the history of enrollment and graduation from the MBA Program and the MBA Accounting Concentration (See Chart 1 and Chart 2), we believe that an enrollment target of 25 full-time and 10 part-time students is both achievable and sustainable. Enrollments could exceed these targets with careful efficient management of the part-time cohort's program of study. Current graduation rates from the Accounting Concentration indicate an average of 23 graduates per year for the past 5 years. Migration of those students to the MAcc creates a sustainable and viable base for the success of the new degree program.

Chart 1

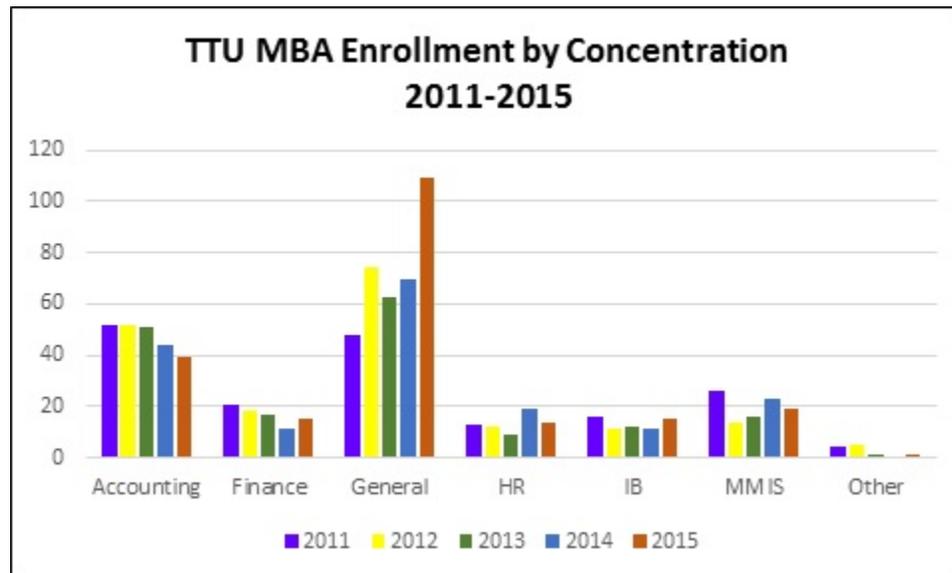
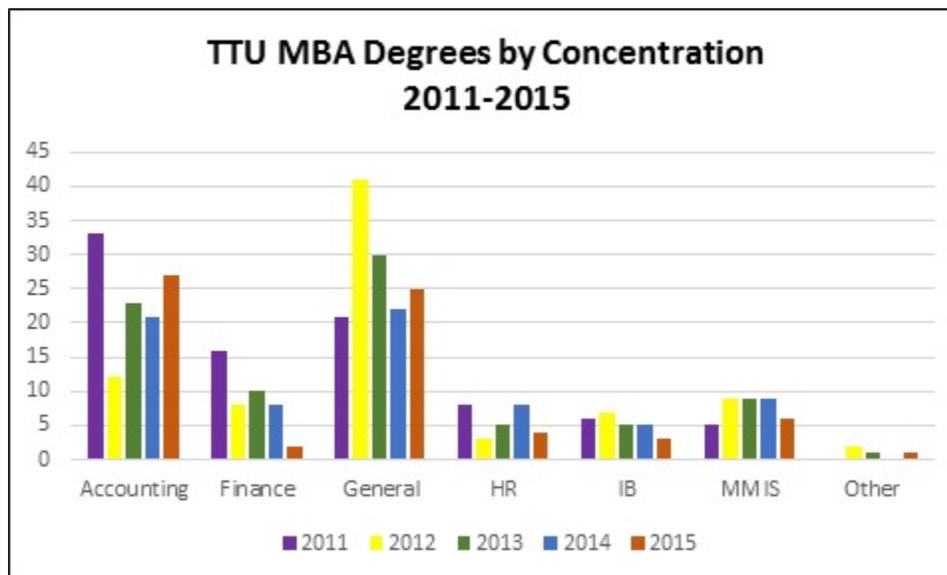


Chart 2



See Appendix B for letters of support from stakeholders.

#### **D. IMPACT:**

The MAcc will provide immediate positive impact to TTU and the students it serves in several important ways:

- The MAcc will make online graduate education available to students in Tennessee for the first time, filling a need not currently filled by any other state University;
- The MAcc includes curricular components that will increase the pass rate on the CPA Exam, which is a pre-requisite to a successful career in professional accounting. Currently, TTU's CPA Exam pass rate stands at 49.2%, which is only .2% above the state average, and ranks 4<sup>th</sup> among all state-supported schools and 13<sup>th</sup> among all schools reporting in Tennessee. We allowed accounting students in the MBA program to take ACCT 6900 during the past two summers to test the effectiveness of part of the MAcc curriculum. The pass rate for those students has been above 70%, a significant improvement. Combined with the rest of the MAcc curriculum, MAcc students should experience a CPA Exam pass rate rivaling the highest in the state. The ACCT 6900 experience will be improved and will be implemented as four 1-hour courses in the MAcc distributed over a

nine-month period. These four courses are tentatively represented in the proposed curriculum as ACCT 6231 (Fall Term), ACCT 6232 and ACCT 6233 (Spring Term), and ACCT 6234 (Summer Term);

- The MAcc is a more appropriate degree than the present accounting concentration in the MBA program. The degree is both more recognizable in the job market and provides a specific skill set appropriate for a career in professional accounting. The job opportunities available to accounting students completing their graduate business education at TTU should expand almost immediately;
- The program will generate positive net revenues for the College and the Department of Accounting Business Law. Not only will the program revenues be sufficient to support the addition of a critically needed faculty member, but the revenues will also be sufficient to support other needs related to AACSB accreditation and student experiential activities.

It is likely that there will be some movement of students from the MBA to the MAcc. Early in the program's life, we estimate up to 15 total students (10 FTE students), who would have otherwise chosen the TTU MBA Accounting Concentration, will choose the MAcc. The impact on the MBA should decline over time as the MAcc gains awareness across our target markets and the number of students from outside TTU rises in relation to our own students in the program. Further, we believe that the addition of the MAcc to our existing AACSB accounting accreditation, will raise the market awareness of our MBA, attracting more students to both TTU's MBA program and our undergraduate program, further mitigating any short-term impact on the MBA.

An analysis of the direct cost associated with the migration of students from the MBA Accounting Concentration to the MAcc can be seen in Table 1 below. Note that the Accounting Concentration will not continue after the implementation of the Master of Accountancy. Students enrolling in the MBA Accounting Concentration for Fall 2016 are being told to expect the Accounting Concentration to no longer be available after Summer 2018. Students in the MBA Program who have an accounting background or who wish to pursue additional accounting coursework at the graduate level will be allowed to enroll in Master of Accountancy core courses, as long as there are seats available and they have met the pre-requisite requirements. In addition, MBA students will also be allowed to take 5000-level versions of the 4000-level electives available at the undergraduate level.

**Table 1**

	Year 1	Year 2	Year 3	Year 4	Year 5
<b><u>ACCT CONCENTRATION REVENUE LOST</u></b>					
# of FTE Students lost to the MACC	10	8	8	6	6
ACCT SCH per MBA Acct	-	-	-	-	-
MBA SCH Lost per FTE Student	12	12	12	12	12
Revenue per SCH	\$ 564	\$ 592	\$ 622	\$ 653	\$ 686
MBA ACCT Track Revenue Lost	\$ 67,680	\$ 56,851	\$ 59,694	\$ 47,009	\$ 49,359

It is anticipated that most students who are not admitted to the MAcc will choose the MBA. The current plan is that any student not accepted to the MAcc will automatically be referred to the MBA program for consideration.

While the loss of revenue in year one appears significant at first glance, it should be viewed against the backdrop of currently declining enrollment in the MBA Accounting Concentration resulting from a perception that the concentration adds considerable difficulty to a course of study without adding significant returns in the marketplace. In addition, the total net return to the University is still significantly positive over the first five years of the program, totaling nearly \$650,000.

**E. DIVERSITY STATEMENT:**

In concert with both the University and the College of Business, the Department of Accounting and Business Law at TTU fully supports the idea of diversity. We believe that it is important to reflect the diversity of our society, both in our student body and our faculty. To that end, we strive to recruit and retain qualified diversity students to our undergraduate and graduate programs. As stated earlier, we believe that the creation of an online MAcc will make preparation for a career in accounting available to currently underserved populations in Tennessee, including both economically disadvantaged and racially underserved populations. Student candidates in those underserved groups will be able to continue their education without the need to geographically relocate to a college campus, which can disrupt families and interrupt career opportunities. In addition, we plan to continue our efforts to recruit qualified diversity candidates for faculty positions. Currently, our faculty include three female faculty members. While the Department currently does not employ other minority faculty, we are very hopeful to be able to attract such candidates to TTU with the addition of our MAcc.

We have always welcomed and encouraged students from diverse backgrounds, and will continue to do so. In addition, we will move forward with plans to raise funds for an endowed diversity scholarship for the MAcc program. The Endowed Diversity Scholarship is an idea whose purpose is to encourage and assist increased diversity among our student population at TTU. While the specific plan for raising funds is not yet finalized, the timing of the effort to raise funds for this endeavor will be coordinated with the TTU Office of Advancement and the College of Business Diversity Committee.

## **F. PLANS FOR ACCREDITATION:**

The College of Business' undergraduate and graduate programs are currently accredited by AACSB International, the leading accrediting body for business schools. The Department of Accounting and Business Law currently holds AACSB accreditation for its undergraduate program. If approved, the new MAcc will expand the scope of the Department's prestigious accounting accreditation to both the undergraduate and graduate levels.

AACSB Accreditation is granted to programs in Business and in Accounting with renewal every five years after a Continuous Improvement Review (CIR). Accreditation is granted based on the programs that existed during the previous 5-year cycle. In our case, our cycle runs from Fall 2011 through Spring 2016. AACSB does not require us to report changes in our program to the AACSB during the review cycle. However, we are required to include those changes in the report that is submitted prior to the next review.

Our next review will be in February 2017, with the report being due in Fall 2016 to the AACSB. The Master of Accountancy will not actually begin until one year into our next review cycle. However, in accordance with requests from our CIR Team, we will be providing relevant information regarding the new program in our Fall 2016 report. Since the new program will not yet have begun, there will be no data to report regarding Assurance of Learning or other student outcomes. The report will include a review of the proposed curriculum, an analysis of faculty sufficiency, an assessment of financial viability and available resources, our Mission Statement and Strategic Plan, and information about relevant policies and processes. Preliminary and informal communications with our CIR Team indicate no potential problems with respect to accreditation of the program.

AACSB Accreditation attaches to the program. Regardless if we have one degree in accounting or multiple degrees in accounting, there is no marginal cost associated with AACSB accreditation when we add the Master of Accountancy.

## **G. IDENTIFY ANY LOW PRODUCING PROGRAMS AT YOUR INSTITUTION(S) BASED ON THEC ANNUAL PROGRAM PRODUCTIVITY REPORT(S):**

In the Academic program Review from THEC dated January 29, 2015 ([https://www.tn.gov/assets/entities/thec/attachments/Academic\\_program\\_Inventory\\_Low\\_Producing.pdf](https://www.tn.gov/assets/entities/thec/attachments/Academic_program_Inventory_Low_Producing.pdf)), there were four undergraduate and three graduate programs identified at TTU as Under-Performing. The undergraduate programs with their 5-year average number of graduates are:

- Physics – 3.6
- Economics – 4.2
- International Business & Culture – 7.8
- Mathematics – 9.4

The graduate programs with their 5-year average number of graduates are:

- Chemical Engineering – 3.8
- Computer Science – 2.6
- Mathematics – 4.2

**H. LIST ALL NEWLY APPROVED AND ESTABLISHED PROGRAMS INCLUDING CERTIFICATES OFFERED THROUGH ANY PUBLIC INSTITUTION IN TENNESSEE INCLUDING THE TENNESSEE COLLEGES OF TECHNOLOGY AT THE SAME LEVEL (WITHIN THE SAME OR SIMILAR CIP**

**[[HTTP://NCES.ED.GOV/IPEDS/CIPCODE/SEARCHRESULTS.ASPX?Y=55&CA=2](http://nces.ed.gov/ipeds/cipcode/searchresults.aspx?Y=55&CA=2)] AND SOC CLASSIFICATIONS**

**[[HTTP://WWW.BLS.GOV/OES/CURRENT/OES\\_STRU.HTM](http://www.bls.gov/oes/current/oes_stru.htm)]). A CIP TO SOC AND SOC TO CIP CROSSWALK IS AVAILABLE AT**

**[HTTP://NCES.ED.GOV/IPEDS/CIPCODE/RESOURCES.ASPX?Y=55](http://nces.ed.gov/ipeds/cipcode/resources.aspx?Y=55). THE THEC WEB-BASED INVENTORY AND PROGRAM PRODUCTIVITY ANALYSIS FOR STATE INSTITUTIONS ARE AVAILABLE AT:**

**[HTTP://TENNESSEE.GOV/THEC/DIVISIONS/ACADEMICAFFAIRS/AA\\_MAIN.HTML](http://tennessee.gov/theac/divisions/academicaffairs/aa_main.html).**

There are no new approved programs offering master degrees in accounting in Tennessee. The current Master of Accounting programs that are offered at public institutions in Tennessee are:

- East Tennessee State University – Master of Accountancy (MAcc), concentrations in Taxation and Audit
- Middle Tennessee State University – Master of Accountancy (MAcc)
- University of Memphis – Master of Science in Accountancy (MS), concentrations in Accounting, Taxation, and Health Care Accounting
- University of Tennessee, Chattanooga – Master of Accounting (MAcc)
- University of Tennessee, Knoxville – Master of Accounting (MAcc), concentrations in Taxation and Audit & Controls

**I. IDENTIFY ANY LOW PRODUCING PROGRAMS IN THE SAME OR SIMILAR CIP/SOC CODES IN ANY PUBLIC INSTITUTION IN TENNESSEE BASED ON THE CURRENT THEC LISTING OF PROGRAMS FAILING TO MEET ENROLLMENT OR GRADUATION BENCHMARKS AS POSTED ON THE THEC WEBSITE BASED ON THEC ANNUAL PROGRAM PRODUCTIVITY**

**REPORT(S) AT THE TIME OF SUBMISSION OF THE LETTER OF APPLICATION:**

None of the programs offering Master degrees in accounting at public institutions in Tennessee have failed to meet benchmarks, or are identified as “low producing programs”.

**SECTION II: ARTICULATIONS, COLLABORATIONS AND DUPLICATIONS INCLUDING INTERDISCIPLINARY PROPOSALS**

**A. If a similar program to the one proposed already exists at other institution(s) in the state, describe any opportunities for collaboration with other institutions that have been or will be pursued.**

NA. There are no similar online programs offered at institutions in Tennessee.

**B. For any proposed articulated or collaborative program(s):**

- a. Which institution(s) will have a degree-granting authority?**
- b. Which institution(s) will have the authority for faculty hiring, course assignment, systematic evaluation, and reappointment decisions?**
- c. What agreements exist to ensure that faculty from all participating institutions will be involved in decisions about the curriculum, admissions standards, exit requirements?**
- d. Which institution(s) will be responsible for academic and student-support services, e.g., registration, advising, library, academic assistance, financial aid, etc.?**
- e. What agreements exist to ensure that the academic calendars of the participating institutions have been aligned as needed?**
- f. In addition to the information provided by each participating institution regarding Financial Projections, please address the following items:**
  - How will tuition rates be determined if they differ among the institutions?**
  - Has a formal agreement been developed regarding cost-sharing policies? If yes, please include it as part of the Letter of Application. If no, please summarize the current understanding between all parties and the plans for developing a formal agreement.**
  - What arrangements, if any, have been made for exchange of money between participating institutions?**
  - Provide Financial Projections (using the THEC Financial Projection form) for each institution involved PLUS an aggregate form representing all financial projections for proposed programs involving multiple institutions.**

- **If one institution wishes to discontinue the program, what agreements exist for terminating the offering?**
- **Specify any other issues and how they are proposed to be addressed.**

NA. There are no programs in Tennessee which would be appropriate for a collaborative program.

**C. If the proposed program is currently available through the Academic Common Market (ACM) ([http://www.sreb.org/page/1304/academic\\_common\\_market.html](http://www.sreb.org/page/1304/academic_common_market.html)), explain why the need for the requested program/course development cannot be better met through collaboration or in the case of universities, the ACM.**

The only program listed in the Academic Common Market that is similar to the proposed TTU MAcc is the Master of Accounting in Forensic Accounting at Florida Atlantic University. The Master of Accounting in Forensic Accounting at Florida Atlantic is a highly specialized program that does not provide students a general pathway to a career in professional accounting. In addition, the program at Florida Atlantic University does not provide students a pathway to successful completion of the CPA Exam, which is the premier professional certification exam for a career in professional accounting. We believe that Tennessee residents are best served by programs available in their own state. Currently, there is no other program available to Tennessee residents that combines online course delivery with face-to-face networking and learning opportunities and that is delivered by faculty who understand the needs of the market for accounting professionals in Tennessee through an AACSB accredited program.

**D. If a 100% online program is being proposed:**

1. **If the institution(s) is (are) authorized to offer the same program as a ground program, will the existing program be maintained in addition to on-line delivery? Review the State Authorization Reciprocity Agreement (<http://www.wiche.edu/sara>) for additional requirements if the program will be advertised as open to residents outside of Tennessee.**

The MAcc will be delivered as an online program with limited face-to-face interaction. While the coursework will be online, there is a provision in the program for two residency experiences. These residency experiences will be required components of the program. Students will attend two live weekend sessions that will include group project work, group presentations, seminars and networking opportunities. While no grades will be assigned as a result of these two weekend experiences, each participant will receive a written evaluation of their performance during the engagement activities conducted during that time. The residency experiences will also provide vital “touch points” in the program that will allow students and faculty to communicate in a one-on-one exchange of

thoughts and ideas related to the program and course materials.

The program will be open to students in Tennessee and to students located outside of Tennessee in states that are parties to the SARA.

**2. Specify whether**

**ROCC (Regents Online Campus Collaborative)\* credit**

**ROCE (Regents Online Continuing Education & Workforce Development)\*\* noncredit**

**Other Institutional Collaborative or Industry-Institutional Partnerships**

**Length of Agreement:**

**Open-ended or limited (provide start and end dates)**

NA. The TTU MAcc will not allow collaborative credit from the above programs.

**3. Check all institutions and organizations that will participate in the collaborative:**

**Universities:**  APSU  ETSU  MTSU  TSU  TTU  UOM

**Community Colleges:**  CLSCC  COSCC  CSTCC  DSCC

JSCC  MSCC  NSCC  NSTCC  PSTCC

RSCC  STCC  VSCC  WSCC

NA. There is no collaborative component to the TTU MAcc.

**4. List any other support agencies including clinical affiliations, government, health and Business that will participate and provide evidence in portfolio per THEC 1.1.20K:**

NA. There are not affiliations that will provide support to the program.

**5. List any international collaborations which will be pursued and provide documentation of interest by the international partner institution(s), if available.**

NA. There are no international collaborations associated with the TTU MAcc.

***\*For Doctoral programs, provide letters from presidents of Tennessee institutions offering same or similar CIP doctoral programs within the same broad geographic service area certifying that the doctoral program will not be perceived as duplicative.***

***\*For Technical Certificates, provide documentation of notification to Tennessee Technology Centers within the service area.***

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### SECTION III: PROGRAM STRUCTURE

#### A. Residency requirements (in keeping with SACSCOC requirements):

NA. There are no residency requirements for the coursework in the TTU MAcc. There will be two residency experiences of two days each which will be required for all participants in the program.

#### B. Macromajors or Academic Foci:

<i>ACADEMIC FOCI</i>	<i>Check all applicable</i>
<i>Arts</i>	
<i>Business</i>	X
<i>Education</i>	
<i>Health Sciences</i>	
<i>Humanities</i>	
<i>Social Sciences</i>	
<i>STEM</i>	
<i>Applied Science and Technology</i>	
General Education	

#### C. CURRICULUM:

The proposed program requires completion of 30 Semester Credit Hours (SCH) distributed as follows (IF more than 120 SCH provide justification per THEC 1.0.60A):

##### 1. General Education (Undergraduate only):

<u>Rubric/Number</u>	<u>Course Title</u>	<u>SCH</u>
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NA. The TTU MAcc is a graduate program, not an undergraduate program.

##### 2. Major Field Core (courses required of ALL students in a program)

<u>Rubric/Number</u>	<u>Course Title</u>	<u>SCH</u>
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##### FALL TERM

ACCT 6210	Tax Research & Strategy 1	03
ACCT 6220	Auditing	03
ACCT 6231	Professional Preparation 1	01
ACCT 6240	Ethics & Prof Code of Conduct	01
ACCT 6251	Accounting Colloquium 1	01

**SPRING TERM**

ACCT 6260	Tax Research & Strategy 2	03
ACCT 6270	Advanced Financial Accounting	03
ACCT 6232	Professional Preparation 2	01
ACCT 6233	Professional Preparation 3	01
ACCT 6252	Accounting Colloquium 2	01

**SUMMER TERM**

ACCT 6280	Governmental & Healthcare ACCT	03
ACCT 6290	Essential Technology for Accountants	02
ACCT 6234	Professional Preparation 4	<u>01</u>

Total Major Field Hours 24

Note: Students electing the 2-year pathway will take 6 hours in Fall, 6 hours in Spring, and 3 hours in Summer. Advising will be appropriate to insure that students in the 2-year cohort follow the same pathway. Students who encounter hardships that require deviation from the cohort pathways can apply for exceptions on a case-by-case basis.

- 3. Concentrations(s): (Identify and list courses for each concentration separately; undergraduate concentrations must be at least 15 SCH; graduate concentrations at least 12 SCH.)**

<u>Rubric/Number</u>	<u>Course Title</u>	<u>SCH</u>
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NA. There is no concentration identified for the MAcc.

- 4. Electives: (May be guided or general electives; Include descriptions, prerequisites, or restrictions that may apply.)**

<u>Rubric/Number</u>	<u>Course Title</u>	<u>SCH</u>
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Note: The MAcc will require students to complete 6 hours of non-accounting electives. Many students will likely choose to take electives offered in the MBA program. However, we encourage students to take electives that appeal to their interests or that may be specific to their needs. For example, a MAcc student currently employed in the healthcare industry may want to take electives in healthcare management. The electives the student takes can be online or on campus, and one of those electives may be taken from another school. Students who have already earned graduate credit at other institutions that has not been counted toward another degree may request credit for those courses for purposes

of meeting the elective requirements of the MAcc. Such requests will be evaluated by the graduate faculty in the Department of Accounting.

**FALL TERM**

General Graduate Elective      Various      03

**SPRING TERM**

General Graduate Elective      Various      03

**5. Other credits (If applicable, describe requirements for thesis, dissertation, clinical experience, internship, portfolio or other capstone experience.)**

<b><u>Rubric/Number</u></b>	<b><u>Course Title</u></b>	<b><u>SCH</u></b>
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The MAcc will be delivered as an online program with limited face-to-face interaction. While the coursework will be online, there is a provision in the program for two residency experiences. These residency experiences will be required components of the program. Students will attend two live weekend sessions that will include group project work, group presentations, seminars and networking opportunities. While no grades will be assigned as a result of these two weekend experiences, each participant will receive a written evaluation of their performance during the engagement activities conducted during that time. The residency experiences will also provide vital “touch points” in the program that will allow students and faculty to communicate in a one-on-one exchange of thoughts and ideas related to the program and course materials.

**6. Number of NEW courses (include newly developed yet never taught courses):  
13 with 24 SCH**

For this program, there will be 14 new course designations created to accommodate the defined curriculum. Note that in addition to creating these new course designations for the Master of Accountancy, we will be concurrently deleting four courses from the current accounting concentration in the MBA program (ACCT 6110, ACCT 6250, ACCT 6310, and ACCT 6620). Students who choose the TTU MBA pathway will still have the option to take up to 9 hours of graduate accounting electives.

**FALL TERM**

ACCT 6210	Tax Research & Strategy 1 <i>This course will be a new course, but has as its foundation, a current MBA accounting concentration elective (ACCT 6310) which is being</i>	03
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*re-engineered and moved to the MAcc as a core course.*

ACCT 6220	Auditing <i>This course will be a new course, but has as its foundation, a current MBA accounting concentration elective (ACCT 6620) which is being re-engineered and moved to the MAcc as a core course.</i>	03
ACCT 6231	Professional Preparation 1*	01
ACCT 6240	Ethics & Prof Code of Conduct <i>The CPA Professional Code of Conduct is central to the work of a professional accountant. It guides the professional accountant's work efforts and establishes the ethical context for their conduct.</i>	01
ACCT 6251	Accounting Colloquium 1**	01
<b><u>SPRING TERM</u></b>		
ACCT 6260	Tax Research & Strategy 2 <i>This course will be a new course, but has as its foundation, an upper division accounting elective (ACCT 4340) which is being re-engineered and moved to the MAcc as a core course.</i>	03
ACCT 6270	Advanced Financial Accounting <i>This course will be a new course, but has as its foundation, an upper division accounting elective (ACCT 4410) which is being re-engineered and moved to the MAcc as a core course.</i>	03
ACCT 6232	Professional Preparation 2*	01
ACCT 6233	Professional Preparation 3*	01
ACCT 6252	Accounting Colloquium 2**	01

**SUMMER TERM**

ACCT 6280	Governmental & Healthcare ACCT <i>This course is currently taught as ACCT 6250 in the MBA program. It is being re-numbered and moved to the MAcc as a core course.</i>	03
ACCT 6290	Essential Technology for Accountants <i>Increasingly, accountants are expected to demonstrate a high level of competency in the application of technology. This course will focus on providing those specific field competencies.</i>	02
ACCT 6234	Professional Preparation 4*	<u>01</u>
Total Major Field Hours		24

*\*Students will take the Becker CPA Exam Review for the Professional Preparation courses. The course is presented by Becker CPA Review and includes live instruction. A faculty member will oversee and administer the course. While the use of a professional exam preparation course may seem unconventional, it is consistent with other universities in Tennessee, including the University of Tennessee at Knoxville and TBR schools (Middle Tennessee State University and University of Memphis), as well as Vanderbilt University and Belmont University. The practice is accepted in practice and does not jeopardize accreditation. In addition, the National Association of State Boards of Accountancy counts such courses taken through an accredited university for purposes of the 150-hour requirement to sit for the CPA Exam.*

*\*\* Near the end of each semester, students will be required to attend a residency weekend at TTU with other MAcc students. The weekend will feature lectures from guest speakers, student presentations, and group project sessions. We believe that these face-to-face interactions are critical to both professional networking and to being able to adequately assess student readiness for a career in professional accounting.*

7. **Number of SCH anticipated from transfer, articulation, PLA and other sources per THEC 1.06.0) (specify source):** 0

8. **For Universities only: Indicate all Tennessee Transfer Pathways (TTP) acceptable for entry into the proposed program per THEC 1.0.60:**

TTP	Yes	No
Accounting	X	
Agriculture-AGBUS		X
Agriculture-Animal Science		X
Agriculture-Plant and Soil Science		X
Art (Studio)		X
Biology		X
Business Administration		X
Chemistry		X
Civil Engineering		X
Computer Science		X
Criminal Justice		X
Economics-Business		X
Economics-Liberal Arts		X
Electrical Engineering		X
English		X
Exercise Science		X
Foreign Language		X
Geography		X
History		X
Information Systems		X
Kinesiology		X
Mathematics		X
Mass Communication		X
Mechanical Engineering		X
Music		X
Physics		X
Political Science		X
Pre-Health (Pre-Dental, Vet, Med, OPT, Pharm)		X
PreK-12		X
Pre-Nursing		X
Pre-Occupational Therapy		X
Pre-Physical Therapy		X
Psychology		X
Social Work		X
Sociology		X
Speech Communication		X
Theatre Arts		X

Generally, while candidates for the MAcc will be required to hold an undergraduate degree with a major in accounting, the Tennessee Transfer Pathways is not applicable for the MAcc.

#### **SECTION IV: STUDENT ENROLLMENT PROJECTIONS**

**Estimate the unduplicated annual full-time, part-time and FTE enrollments and number of graduates for the first five years of program operation. Include anticipated international enrollment if used as a primary recruiting tool. If the proposed program involves more than one institution, provide aggregated as well as disaggregated data for all institutions.**

**Complete a minimum of 3 years projection for certificates and associate degrees, 5 years projection for undergraduate and masters degrees and 7 years for doctoral degrees.**

<b>Year (specify Term &amp; AY start)</b>	<b>Full-Time Headcount</b>	<b>Part-time Headcount</b>	<b>International Headcount Anticipated</b>	<b>Total Year Headcount</b>	<b>FTE</b>	<b>Graduates</b>
1	15	10	0	25	20	12
2	23	10	0	33	28	26
3	23	10	0	33	28	26
4	25	10	0	35	30	28
5	25	10	0	35	30	28

- A. Explain the basic assumptions including attrition rate used in estimating the size of the proposed program by benchmark against other comparable programs in the discipline and institution to establish a baseline for your projected enrollments. Assumptions should be related to the evidence of need and to other supportive data.**

The MAcc will be established with two options, a 1-year track and a 2-year track. Due to the importance of completing the degree in a timely fashion and time limits established by the Tennessee Society of CPA's for completing the CPA Exam, it is important that the discipline of either a 1-year or 2-year timeline be imposed on applicants. The disciplined time-line will also contribute to lowering the attrition rate and increasing the likelihood of graduation.

The expected enrollment numbers and graduation numbers are based on the belief (supported by expressed demand from students) that the program will enroll approximately 60 percent full time and 40 percent part time students initially. In years 2-5, we are estimating 60

percent full time and 40 percent part time mix. In addition, a 20 percent rate of attrition (failure to complete the program) will be experienced. We also are predicting 3 out-of-state students in years 2 and 3 and 5 out-of-state students in years 4 and 5, along with an assumption that these will be full time students. Again based on inquiries and experience with the Distance MBA program, we believe these estimates to be both realistic and sustainable.

**B. Describe the recruitment plan for both domestic and international enrollment if anticipated. Please note: programs may not be advertised prior to final approval through the THEC commission meeting per the THEC Policy 1.0.60.B**

The program will seek to enroll a cohort of 30-35 students annually. Marketing will be targeted on two groups; those students graduating with an undergraduate business degree with a major in accounting desiring to continue their education in a MAcc program and those potential students currently in the work-place who desire to continue/complete their education by completing a MAcc.

TTU's accounting undergraduates will constitute a sizable portion of the cohort. In addition, we believe the program will appeal to students who wish to pursue the MAcc, but who are unable to locate to Cookeville. Evidence from TTU's current Distance MBA program and from the online undergraduate accounting offerings at TTU indicates that there is a relatively high demand for online education in the area of accounting.

The marketing efforts will focus on the target groups identified above, and will emphasize the relative affordability, convenience, and quality of the online portion of our program. TTU's reputation for high quality accounting education should be an advantage in marketing efforts. Specific marketing efforts will include direct mailings, a custom webpage (developed by iCube), targeted radio advertising (primarily NPR), and print advertising in outlets such as the Tennessee CPA Journal.

## **SECTION V: RESOURCES**

**A. Provide the most recent accreditation report/audits for any existing offerings within the same division/department/college which speaks to need or resource allocations.**

NA. The most recent AACSB Accreditation letter is attached (See Appendix C) and indicates no current unmet resource needs that would conflict with plans to implement a Master of Accountancy at TTU.

**B. List any requirement for needed resources support along with any industry contributions.**

We believe that the program will be self-supporting. A detailed analysis, after accounting for the addition of one new faculty member, a part-time administrative assistant, and other important costs, indicates that the program will produce positive net revenues in the first year of approximately \$20,000. All subsequent years will also show positive cash flow. The

estimated cumulative positive return to the University over the first five years of the program, after adjusting for revenues that “shift” from the MBA to the MAcc will be approximately \$650,000. We believe the positive cash flow is sustainable given the current resources available, the strong historical demand for graduate-level accounting education, and the projections for industry growth for the next 10 years.

**C. Cite the THEC annual degree productivity data where funds may be redirected from closed low-producing programs (THEC A1:1.2OP) of relevant.**

NA. There are no “closed” low-producing programs from which funds may be redirected to the MAcc.

**D. Faculty: Describe the strengths of the existing faculty in credentials and available FTE (state number of full- and part-time faculty). Estimate additional FTE (specify number of full-time and part-time faculty) needed to support the program. If faculty are drawn from multiple departments or are committed to teach in multiple programs, identify which faculty and the percentage of their time dedicated to each program.**

Currently, the Department of Accounting is staffed by 7 full-time PhD faculty and 1 full-time lecturer (see Table 2 below). Our current faculty are highly qualified and have the breadth of experience to effectively staff the MAcc. However, implementation will require the hiring of one additional PhD-qualified accounting faculty member. However, the cost of that faculty member will be covered by the revenues generated by the MAcc (see Section VI, A).

Inclusive of the MAcc, the Department expects to have demand for 71 sections of undergraduate and graduate accounting courses each academic year. Current faculty resources will allow the Department to cover 48 of those sections each year, without assigning overloads. The 23 “uncovered” sections will be covered as follows:

- 3 sections of ACCT 6010 (an MBA core course) will be covered by faculty overload assignments.
- 7 MAcc-related sections (some of which are 1-hour courses) will be covered by faculty overload assignments.
- 1 MAcc-related course (1 credit hour) will be assigned to adjunct faculty.
- 6 undergraduate sections will be assigned to adjuncts.
- 6 sections (both graduate and undergraduate) will be assigned to a new PhD-qualified faculty member.

Table 2 - Department of Accounting and Business Law Faculty Resources

Faculty Name	Rank	Tenure	Area of Teaching	Professional Certification	Employment Status	% Assignments
Dr. Richard Rand	Professor	Yes	Financial Accounting, Fraud Auditing	CPA	Full-Time	50% UG, 25% MBA, 25% MAcc
Dr. Dan Fesler	Professor	Yes	Financial Accounting, Mgmt Decision Making	CPA	Full-Time	75% UG, 25% MBA
Dr. Rob Seay	Professor	Yes	Auditing, Financial Accounting	CPA	Full-Time	85% UG, 15% MAcc
Dr. Beth Howard	Associate Professor	Yes	Taxation, Financial Accounting	CPA	Full-Time	85% UG, 15% MAcc
Dr. Ann Davis	Assistant Professor	No	Financial Accounting, Taxation	CPA	Full-Time	85% UG, 15% MAcc
Dr. Rob Wilbanks	Assistant Professor	No	Cost Accounting, Gov't Accounting, Financial Accounting	CPA	Full-Time	100% UG
Dr. Steve Garner	Assistant Professor	No	Cost Accounting, Financial Accounting	None (working on CPA)	Full-Time	83% UG, 17% MBA
Leigh Waggoner	Lecturer	Yes	Managerial Accounting	CPA	Full-Time	100% UG

#### E. Administrative/organizational structure and personnel

The College of Business graduate programs are staffed by a full-time Director and assistant. Both of these resources are permanent existing positions within the College of Business.

The Graduate Director will handle much of the administrative responsibilities associated with the MAcc. However, a MAcc Coordinator will be assigned within the Department who will be responsible for working with departmental colleagues to handle curricular changes, programmatic issues, and other tasks appropriately addressed within the Department of Accounting. These duties will be performed by an existing member of the Accounting faculty. Other existing administrative resources and organizational structures are sufficient to support the program at this time.

**F. Clerical and Support Personnel, available and needed**

Currently, the College of Business employs a full-time administrative assistant in the Graduate Office. In addition, to cover additional administrative support necessitated by the implementation of a new master-level degree program, the budget (see Section VI, A) provides for a part-time administrative staff member. The cost of that part-time staff member will be covered by sufficient revenues from the MAcc program.

**G. Describe existing library and information technology resources to be available to support the projected program.**

Current student, faculty, and technology-related resources are adequate to support the new Master of Accountancy program. With a focus on leveraging technology, College and University strategic priorities have recently provided a new Center for Teaching and Learning Excellence and an associated fulltime director. In addition, the University is completing a search for an Associate Vice President to head the Office of Distance and Digital Education. In addition to these resources, the College's new iCube lecture capture studio will provide excellent support for the development, implementation, and delivery of online content. TTU's IT resources are also sufficient to meet program needs.

**H. Describe Student Advisement Support. If the proposed program is part of a collaboration or articulation agreement, how will student advising be coordinated by all participating institutions to facilitate progression and completion across all participating institutions.**

The MAcc will enroll an annual cohort of approximately 30 to 35 students. Students will be required to complete the program within 24 months. Further, the coursework will be sequential and the pathways defined, leaving little variation in the program of study. Student academic advising will take place within the Department of Accounting and Business Law and will be supported by the Department Chair, Internal MAcc Coordinator, and Graduate Director.

**I. Describe existing and anticipated instructional facilities & instructional equipment to support the proposed program.**

The MAcc will not require any new instructional facilities or instructional equipment to support the proposed program. The Department of Accounting will use existing competencies and equipment.

**SECTION VI: FINANCIAL PROJECTIONS**

**A. Use the THEC Financial Projections Form (FP) to provide revenues and expenditures for the proposed program. If the proposed program involved more than one institution, provide a separate excel FP Form for each institution as well as an aggregate for the combined financial projections. Submit as an Appendix the THEC Financial Projection Form.**

See Appendix A

- B. If reallocation is used, provide a rationale and source for reallocation of budgeted funds. Cite THEC annual degree productivity data where funds may be redirected from closed/ low producing programs (A1:1.2OP), if relevant.**

There currently are no closed or low-producing programs from which funds will be reallocated.

- C. List for each institution involved:**

**1. All active Letters of Application**

- a. MS in Human Ecology, Dec. 17, 2014
- b. DNP in Health Professions, Jan. 26, 2015
- c. BS in Vehicle Engineering, Dec. 11, 2015

**2. Approved programs not meeting benchmarks**

- a. BS in Environmental Studies & Sustainability – 3 yr., Fall 2012
- b. PSM in Environmental Informatics – 2 yr., Fall 2013

**3. Low producing programs at all levels**

- a. Physics (BS)
- b. Economics (BS)
- c. International Business & Culture (BS)
- d. Mathematics (BS)
- e. Chemical Engineering (MS)
- f. Computer Science (MS)
- g. Mathematics (MS)

**4. programs terminated within the last 12 months**

No programs were terminated at TTU within the 12 months prior to the most recently available THEC Academic Program Review dated January 29, 2015.

Appendix A  
THEC Financial Projections Form

(See attached Excel Spreadsheet)

Appendix B  
Letters of Support from Stakeholders



January 27, 2016

Tennessee Board of Regents  
1415 Murfreesboro Road, Suite 350  
Nashville, TN 37217-2833

To Whom It May Concern:

Tennessee Technological University (TTU) has a long history of producing high quality accounting students in Tennessee. As the premier professional association for certified public accountants in Tennessee, the Tennessee Society of Certified Public Accountants (TSCPA) has had the opportunity to witness the high number of graduates from TTU's accounting program who have gone on to be leaders in the profession.

The accounting profession is strong and is growing at a record pace. The public values the CPA credential, and since 2006 we have seen the rate of accounting related bachelors and master's degrees awarded steadily increase. According to the U.S. Bureau of Labor Statistics, there will be 1,442,200 accountants and auditors by 2022, an increase of 13% from 2012. The accounting profession has continually outpaced other professions and more than 90% of CPA firms expect to continue hiring at record levels. With the increased demand for qualified accounting professionals, comes the need for high quality accounting programs that prepare students to sit for the Certified Public Accountant examination and enter the work force as well-rounded business professionals.

Currently, all U.S. jurisdictions excluding the U.S. Virgin Islands, require at least 150 semester hours of education in order to be licensed as a CPA. In Tennessee, the 150 hours must include at least thirty (30) semester or forty-five (45) quarter hours of accounting education. Masters of Accountancy (MAcc) programs provide an ideal pathway for those accounting graduates pursuing the CPA license to obtain the most relevant education to prepare them for the CPA exam and their career as a licensed professional. Macc programs provide students with more technical accounting skills than other advanced business degrees; however MAcc programs recognize that accounting is the language of business and therefore provide a solid curriculum of general business skills as well.

TSCPA works closely with Dr. Richard Rand, Chair of the TTU Department of Accounting, and his faculty, and we believe that they are well positioned to develop an exceptional MAcc program that will benefit the accounting profession in Tennessee.

Sincerely,

B. Bradford Floyd, CAE  
President/CEO



February 16, 2016

To Whom It May Concern:

I am writing you today to offer my full support to Tennessee Technological University in their development of a Master of Accountancy program. In my professional career, I have worked as both a career counselor and program director for the Master of Accountancy program at Vanderbilt University and am currently an account manager covering middle and east Tennessee for Becker Professional Education (Becker CPA Exam Review).

According to the AICPA, 75% of CPAs will be retiring in the next 15 years. The Bureau of Labor Statistics states that employment of accountants and auditors will grow faster through 2022 than the average for all occupation and the best prospects are for those "who have a professional certification, such as a CPA". It is my personal experience that students with a MAcc degree and CPA have many more job opportunities compared to their peers. I have worked with several universities that offer a CPA preparatory class for credit in their MAcc program and the pass rates of these students are significantly higher than those that wait to take the CPA exam after college. These students also receive better job opportunities as a result of having passed the CPA exam.

Tennessee Technological University will be providing a well-designed program that will be in great demand and will provide students with the fundamental skills and training necessary to pass the CPA exam and be prepared for professional careers in accounting.

Best,

*Amy Johnson*

Amy Johnson  
Becker Professional Education  
Account Manager – Middle and East Tennessee  
[ajohnson@becker.com](mailto:ajohnson@becker.com)  
615-482-2659



1725 SHEPHERD ROAD / CHATTANOOGA, TN 37421 / 423-899-5898 / FAX 423-899-4456

**TO:** Tennessee Board of Regents

**CC:** Dr. Richard Rand, Chair  
Department of Accounting and Business Law

**FROM:** Dena Fairley, CPA, MBA   
Director of Internal Audit  
Astec Industries, Inc.

**DATE:** October 19, 2015

**SUBJECT:** Letter of Support for TTU Master of Accountancy

I currently serve as the Director of Internal Audit for Astec Industries, Inc., a medium size company publicly traded on the Nasdaq. I have worked 20 years in the Accounting industry and over that time have seen the Accounting profession evolve as to the expectations of new hires. When I entered the Accounting workforce 20 years ago, an accounting degree with a strong GPA was ample to land an Accounting graduate at a public accounting firm or a top notch Accounting position in industry. Now, employers expect new hires to be armed with a MAcc and/or CPA certification and experience (internship) when they begin their adventures as a newly hired Accountant. Tennessee Tech University's (TTU) program provides a unique opportunity for students pursuing their MAcc as well as employers desiring to hire Accountants with deep skill sets and experience.

**TTU's MAcc Program Value for Students and Employers**

TTU's MAcc program offers a unique opportunity for students to obtain their MAcc while also working to gain valuable experience. Since TTU's MAcc program will be online, students have the flexibility to work full-time while obtaining their master's degree. TTU MAcc students will have the ability to work full-time in large markets such as Nashville, Knoxville, Chattanooga or even Atlanta. No other institutions in Tennessee offer an online MAcc program, so this program would fulfill an unmet need for those desiring to pursue their MAcc but unable to due to time and travel limitations. Offering this type of program would allow Astec, as well as other companies and public accounting firms, to hire degreed Accountants that are also working towards their MAcc and CPA certification. The MAcc program will offer needed skill sets in today's job market. Partner this valuable knowledge with the CPA Exam aspect of the program and the student obtains a cutting edge in the job market.

### **Market Demands**

The State of Tennessee has identified the Business Financial Management and Accounting Pathway (FIELD 4.2) to be an under-supplied path [*Academic Program Supply and Occupational Demand Projections: 2008-2018, Tennessee Higher Education Commission, April 2011.*]. According to that study, the supply-to-demand ratio for accounting is .87, leaving an average annual graduate deficit of 184 candidates – making this the fourth most under-supplied path identified in the THEC study. Also, Appendix 6 of the THEC Study reports that, for the period 2008-2018, the Business Financial Management and Accounting Pathway is expected to produce an annual average of 1,263 graduates who meet the minimum criteria for the pathway. At the same time, the study projects an average annual demand for such graduates of 2,107, a Supply-to-Demand Ratio of 0.60.

The findings from the THEC are consistent with recent reports published by staffing firm, Brilliant. According to the *Brilliant Q3 2015 Accounting, Finance, and IT Hiring Forecast*, produced in conjunction with Dr. Richard Curtin, Director, Surveys of Consumers at the University of Michigan (Ann Arbor), a large number of US companies have reported an increased number of open accounting, finance, and IT positions – especially in corporate accounting and IT administration. The Brilliant Q4 Report indicates that hiring plans continue to strengthen for Accounting and Finance positions while easing for IT positions.

In summary, TTU's hybrid MAcc program would provide a valuable opportunity for Accounting graduates desiring to pursue a MAcc as well as employers seeking graduates with deep skill sets. TTU's hybrid program fills an unmet need as no other Tennessee institutions offer an online MAcc program. The demand for skilled Accounting graduates continues to grow in the Tennessee market, and providing a flexible opportunity for obtaining a MAcc would help fulfill market demands.

September 29, 2015

Dear Tennessee Board of Regents,

I am writing this letter in support of Tennessee Technological University's proposed Master of Accountancy program. As a recruiter for the Tennessee Department of Audit, I travel extensively throughout Tennessee, Kentucky, and Alabama to interview qualified individuals for our entry-level Legislative Auditor I position. Legislative Auditors audit federal and state government programs administered throughout state government. We are external auditors and operate much like a CPA firm, so we require CPA-eligibility for new hires. A Master of Accountancy program helps accounting students reach their CPA-eligibility with courses that are relevant to our mission of auditing government programs and making Tennessee work better for citizens. CPA eligibility requires achieving 150 semester hours with 30 of those being in accounting coursework. Since most four year degrees are a 120 hour requirement, many students at schools that don't offer a MACC will double-major in finance or another subject that is not relevant or focused on acquiring additional accounting knowledge.

A Master of Accountancy program strengthens a student's credentials because advanced courses offered at the graduate level often explore areas of interest such as Governmental and Not-For-Profit Accounting and Fraud Auditing. Advanced external and internal auditing courses at the graduate level offer students the opportunity to go beyond learning the principles of external auditing that is taken in the undergraduate programs. Graduate classes give students more of a real-life learning experience since they often have to work on projects and papers designed to encourage them to investigate and learn from an experience, rather than memorize and reprocess material learned through a textbook.

Tennessee Technological University has a distinct advantage in being the only four year university in its geographic area that would offer a MACC program. The current option for students in the Cookeville area to achieve CPA-eligibility at Tennessee Tech is graduating with an MBA. Many of those MBA prospects would be a better hire in an accounting job if they graduated with a MACC. As indicated in Appendix 6 of the THEC study, there is a huge demand for accounting majors, and the more options students have to achieve what employers need only improves a university's reputation.

In summary, I would encourage you to approve Tennessee Technological University's proposal to implement a Master of Accountancy program. Offering students the option to become professionally ready and prepared before they enter the work force is a win-win situation for the student, the employer, and the citizens of the State of Tennessee.

Sincerely,

Clare Tucker, CPA, CGFM, CFE  
Legislative Audit Manager  
Department of Audit

KNOXVILLE OFFICE:  
315 NORTH CEDAR BLUFF ROAD – SUITE 200  
KNOXVILLE, TENNESSEE 37923  
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February 22, 2016

Tennessee Tech University  
Dr. Richard Rand, Department Chair  
Department of Accounting  
Cookeville, Tennessee

Dear Dr. Rand:

I would like to commend you and the University for the tremendous efforts that you have put forth in pursuing approval to start a Master of Accountancy program at Tech. Speaking as a proud graduate from Tech in 1976 and now as a partner at Pugh CPAs, I can assure you that the MAAC is a level of achievement that our firm seeks in the students that we hire in today's competitive environment. Adding this level of competency to your graduates not only adds value to what they have to offer prospective employers, but gives them an edge in acquiring the skills necessary to master the rigorous standards required to achieve success on the CPA exam. In our pursuit of the best and brightest students to hire at our Firm, it is evident that students who have a MAAC have a definite competitive edge when competing in today's strong Accounting job market.

Tennessee Tech is always on our list of schools from which we seek students to interview and hire each year. We are proud to have many of your former students working in our firm and achieving success in the highly competitive and demanding world of public accounting. It is very clear that adding the MAAC degree to your program would give future graduates a jump start to achieving great success, both in the accounting profession and in the business world overall.

I wish you success in this most worthy endeavor.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Larry Elmore', written over a light blue horizontal line.

Larry Elmore, CPA  
Vice President



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February 22, 2016

To: Tennessee Board of Regents

Re: Tennessee Technological University's proposed Master of Accountancy program

To whom it may concern,

Please accept my letter in support of the proposed Master of Accountancy (MAcc) program at Tennessee Tech University (TTU). TTU's proposed hybrid format leverages TTU's experience in the online learning space, and fills a need for access through a non-traditional medium for working professionals seeking a quality education from a respected public institution.

TTU was the first public university in the state of Tennessee to offer a 100% online Master of Business Administration (MBA) degree. Since that time in 2002, TTU has gained a wealth of experience in the area of online education. TTU's ability to provide a high quality online MAcc program is evidenced by technical resources available to them through iCube. Their continued commitment to excellence in online education is evidenced by the creation of the Associate Vice President of Teaching and Learning; a position which is scheduled to be filled next year.

The addition of a MAcc degree option among currently available online MBA degree options will benefit both students and employers. Newly passed state legislation adds all county, municipal, and metropolitan governments in Tennessee to the list of entities required to establish internal controls to ensure compliance with applicable law, prevent waste, and ensure operations are properly recorded. This requirement further deepens the needs of employers to hire individuals with advanced degrees or certifications specific to the field of accounting as evidence of an employee's potential to meet the professional standards of the position.

Many working professionals that are candidates for the Certified Public Accounting (CPA) exam are seeking flexible education options to meet the 150 hour requirement needed to sit for the CPA exam. Currently, many of these candidates are choosing MBA programs over MAcc programs due to the accessibility of the programs. TTU's hybrid MAcc program offers candidates an opportunity to earn an advanced degree in accounting, while also better preparing candidates for the CPA exam through a program concentrated in matters and principals of accounting.

Increased access through TTU's hybrid model MAcc degree program to an accounting education offering comparable subject matter and rigor to other similar programs will allow students the flexibility to balance work and education in pursuit of an advanced accounting degree; and will increase the pool of qualified employees for employers.

I pray the Board of Regents will also recognize the benefit and potential offered by a TTU MAcc program, and will support TTU in their application.

Sincerely,



Brian Covington, MAcc  
Accounting Supervisor, Nashville Electric Service  
1214 Church Street, Nashville, TN 37246  
(615) 747-3457



Nashville | 615-377-4600 | LBMC.com  
5250 Virginia Way | Brentwood, TN 37027

February 22, 2016

Dr. Philip Oldham, President  
Tennessee Tech University  
1 William L Jones Dr  
Cookeville, TN 38505

Dear Dr. Philip Oldham, President,

LBMC is a professional services firm employing over 500 people across our three offices in Tennessee. We are very fortunate to see a thriving job market in Nashville, Knoxville and Chattanooga. We see steady growth in our service lines as well in our employment opportunities. Each year we participate in recruiting activities on campuses within Tennessee and our surrounding states to identify both intern and full-time candidates to join our firm in the departments of audit, tax, information security and internal finance.

As we work through our strategic workforce planning, we see an increased need for entry level accountants, who begin their employment with LBMC as CPA eligible. We often find that the employees who come into LBMC with their Master of Accountancy have completely (or partially) passed sections of the CPA exam. When reviewing resumes, meeting with candidates and making final employment selections, we place a significant weight on those candidates who hold a Master of Accountancy.

As the #2 Accounting Firm in Nashville as ranked by The Nashville Business Journal in 2015 and 2016, we would continue to offer support to the faculty and students attending TTU while seeing tremendous value in the Master of Accountancy program. The value will not only be seen on campus by the students who choose accounting as their profession, but also for the public accounting industry and the businesses employing the graduates of TTU.

Warm regards,

A handwritten signature in blue ink that reads 'Timothy C. Sturm'.

Timothy Sturm, Partner

Appendix C  
2012 AACSB Accreditation Letter



May 8, 2012

James Jordan-Wagner  
Dean  
Tennessee Technological University  
College of Business  
Johnson Hall, Room 101  
Peachtree Street, PO Box 5025  
Cookeville, TN 38505-0001

Via Email: [jordanwagner@mttech.edu](mailto:jordanwagner@mttech.edu)

Robert D. Fesler  
Chair, Accounting Department  
Tennessee Technological University  
College of Business  
Johnson Hall, Room 101  
Peachtree Street, PO Box 5025  
Cookeville, TN 38505-0001

Via Email: [dfesler@mttech.edu](mailto:dfesler@mttech.edu)

Dear Dean Jordan-Wagner and Dr. Fesler:

It is my pleasure to inform you that the Peer Review Team recommendation to extend maintenance of accreditation for the undergraduate degree program in Accounting offered by the College of Business is concurred with by the Accounting Accreditation Committee and ratified by the Board of Directors. Congratulations to you, the faculty, the students, the staff, and all supporters of your school and its Accounting Programs.

One purpose of peer review is to stimulate further continuous improvement of quality programs. As noted in the team report, your School is to be commended on the following strengths and effective practices:

1. There is a very high (up to 75%) involvement of faculty in AOL processes.
2. Faculty members have a real appreciation for upper administrative leadership effectiveness and response to budget cuts.
3. The Accounting Department is active in Continuing Education. Six yearly events that average more than 40 participants each are offered on the TTU campus every year.
4. These events are considered highly productive in promoting strong alumni relations and in promoting the Accounting Department throughout the Upper Cumberland area. TTU's Beta Alpha Psi Chapter has been recognized every year throughout the 2007-2011 cycle as "superior." In fact, superior status has been achieved 14 years in a row.
5. In addition, it is expected that TTU's Beta Alpha Psi Chapter will continue to achieve "superior" status throughout the foreseeable future.

Additionally, in the interest of continuous improvement, Tennessee Technological University should closely monitor the following item, as identified within the Peer Review Team Report, and incorporate them in your ongoing strategic planning initiatives:

The Association to Advance Collegiate Schools of Business

777 South Harbour Island Blvd  
Suite 750  
Tampa, Florida 33602-5730 USA

813-769-8500 Tel  
813-769-8559 Fax  
[www.aacsb.edu](http://www.aacsb.edu)

**THEC Financial Estimate Form  
Tennessee Technological University  
Master of Accountancy**

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>I. EXPENDITURES</b>					
A. One-time Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
B. Recurring Expenditures					
Personnel					
Administration					
Director	-	-	-	-	-
Benefits	-	-	-	-	-
Faculty					
Salary - New Faculty	130,000	131,950	133,929	135,938	137,977
Benefits	45,500	46,183	46,875	47,578	48,292
Faculty					
Salary - Faculty Overloads	45,000	45,675	46,360	47,056	47,761
Benefits	7,875	7,993	8,113	8,235	8,358
Support					
Salary - Secretary	12,000	12,180	12,363	12,548	12,736
Benefits	4,200	4,263	4,327	4,392	4,458
Graduate Assistants					
Salary - Stipends	34,940	36,632	38,409	40,274	42,233
Benefits	-	-	-	-	-
C. Operating Expenditures					
Travel	-	-	-	-	-
Printing	-	-	-	-	-
Federal Grants/Private Grants	-	-	-	-	-
Accounting Residency Experiences	21,300	22,520	24,350	24,350	24,350
Marketing	15,105	15,105	15,105	15,105	15,105
On-Line Testing	9,000	9,720	10,800	10,800	10,800
On-Campus Orientation	3,750	3,900	4,125	4,125	4,125
<b>Total Expenditures</b>	<b>\$ 328,670</b>	<b>\$ 336,121</b>	<b>\$ 344,756</b>	<b>\$ 350,401</b>	<b>\$ 356,196</b>
<b>II. REVENUES</b>					
Tuition and Fees <sup>1</sup>	\$ 380,700	\$ 496,289	\$ 560,957	\$ 589,005	\$ 595,275
Institutional Reallocations <sup>2</sup>	\$ (52,030)	\$ (160,168)	\$ (216,201)	\$ (238,604)	\$ (239,079)
Federal Grants <sup>3</sup>	\$ -	\$ -	\$ -	\$ -	\$ -
Private Grants or Gifts <sup>4</sup>	\$ -	\$ -	\$ -	\$ -	\$ -
Other <sup>5</sup>	-	-	-	-	-
<b>BALANCE BUDGET LINE</b>	<b>\$ 328,670</b>	<b>\$ 336,121</b>	<b>\$ 344,756</b>	<b>\$ 350,401</b>	<b>\$ 356,196</b>

1. Tuition and Fees are based on University rates per the Bursars office and are calculated based on the number of graduate credit hours expected to be taken by in-state students and out-of-state students in the MAcc. Allowances have been made for full-time and part-time student loads. In addition a 10% attrition rate was factored in to account for students who may drop out of the program.

2. Not applicable

3. Not applicable

4. Not applicable

5. Not applicable