

**DATE:** January 25, 2019

**SUBJECT:** New Academic Program  
Middle Tennessee State University  
Tourism and Hospitality Management, Bachelor of Science  
(CIP 52.0901 – Hospitality Administration/Management, General)

**ACTION RECOMMENDED:** Approval

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**PROGRAM DESCRIPTION**

Middle Tennessee State University proposes a Bachelor of Science (BS) in Tourism and Hospitality Management. The proposed program is a collaborative degree offering between the College of Behavioral and Health Sciences and the Jennings A. Jones College of Business. The degree will prepare students for careers in the tourism industry via an industry-informed curriculum, adherence to accreditation standards, and experiential learning opportunities including internships and field experiences. Students will be prepared for jobs in areas such as travel and tourism, hotel and resort management, and special event planning.

**INSTITUTIONAL GOVERNING BOARD APPROVAL**

The proposed Tourism and Hospitality Management BS program was approved by the Middle Tennessee State University Board of Trustees on December 11, 2018.

**PROPOSED IMPLEMENTATION DATE**

Fall 2019

**RELEVANCE TO INSTITUTIONAL MISSION AND STRATEGIC PLAN**

The proposed Tourism and Hospitality Management degree supports Middle Tennessee State University’s goal of advancing “quality through excellence in teaching, scholarship and service and the celebration of MTSU’s strengths”. Developing new coursework, while incorporating existing courses from established programs, will challenge students in the classroom, offer opportunities to participate in undergraduate research, and engage in field-based learning.

This degree also aligns with the State Master Plan to increase the educational attainment levels of Tennesseans; and address the state’s economic development, workforce development, and research needs through the focus on tourism and hospitality, one of Tennessee’s largest economic sectors.

## **CURRICULUM**

The proposed BS in Tourism and Hospitality Management will consist of 120 credit hours, which include 52 semester credit hours within the major. Students will have the option of declaring a specialization in Tourism Management, Hospitality Management, or Event Planning. Students are also required to complete a 15-18 credit minor in either Business Administration or Entrepreneurship. The curriculum will be aligned with 21 Tennessee Transfer Pathways.

## **PROGRAM PRODUCTIVITY**

The program will offer coursework year-round and students may enroll full-time or part-time. The program projects attrition rates to be 10 percent each year. Projected enrollment and graduation rates for the first five years are as follows:

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Enrollment</b>	12	24	36	48	60
<b>Graduates</b>	--	--	2	5	10

## **PROGRAM DUPLICATION**

The University of Memphis and UT Knoxville both offer similar undergraduate programs and average 30 to 50 graduates per year. Tennessee State University and Christian Brothers University both offer a concentration in Hospitality and Resort Management within the Business Administration undergraduate program.

## **EXTERNAL JUDGEMENT**

An external review of the proposed program was conducted during an institutional site visit on June 13, 2018. Dr. Mechelle N. Best, Associate Professor and Department Chair at California State University Northridge, served as the external reviewer. She strongly recommended approval and stated "MTSU is well-poised to assist [contributing to the hospitality and tourism workforce]...and with its institutional resources is more than ready to do so." Additionally, Dr. Best indicated that "there are opportunities for the program to distinguish itself, given the state's significant music industry, world renowned music festivals and the fact that it is home to the most visited natural park in the country. Capitalizing on these attributes could help to build a world class [tourism and hospitality management] program that is distinctive enough to attract students."

## **STUDENT DEMAND**

Student interest was assessed based on current MTSU students as well as feeder institutions, national trends, and other academic programs present in Tennessee. Evidence of a significant interest in the program was reflected from a survey of currently enrolled MTSU students. Based on a sample of close to 150 students, 53 percent indicated a strong interest in the proposed major. Additional potential student demand will be available from five of the 13 community colleges that offer certificate and associate degree programs in tourism.

### **OPPORTUNITIES FOR PROGRAM GRADUATES**

The Tennessee Department of Labor and Workforce Development rates all major occupational clusters in this sector as “very good” to “excellent” in their 2014-2024 forecasts. In the hotel sector alone, it is projected that 2,600 jobs will be added within the Nashville area simply from completion of the hotels currently under planning or construction. National data from the U.S. Bureau of Labor Statistics projects between five and eleven percent growth in jobs associated with hospitality and tourism between 2016 and 2026.

### **INSTITUTIONAL CAPACITY TO DELIVER THE PROGRAM**

The proposed Tourism and Hospitality Management degree will be housed in the Department of Health and Human Performance within the College of Behavioral and Health Sciences. To meet projected demand, MTSU plans to recruit and hire two additional full-time, tenure-track faculty members, with the first to begin in year two of implementation and the other to start in fall 2022. Due to the existence of programs with similar content in the Department of Health and Human Performance and the Jones College of Business, the library and information technology resources are adequate for this type of program.

In addition to these new faculty positions, funds for adjunct faculty have been budgeted and will be drawn from area business and industry organizations to provide for specialized expertise. The program will be supported through tuition and fees as well as institutional reallocations from the Academic Affairs division during the planning year to cover marketing expenses. Attachment A outlines the five year budget for the proposed Tourism and Hospitality Management program.

### **ASSESSMENT AND POST-APPROVAL MONITORING**

An annual performance review of the proposed program will be conducted for the first five years following program approval. The review will be based on benchmarks established in the approved proposal. The benchmarks include, but are not limited to, enrollment and graduation, program cost, progress toward accreditation, and other metrics set by the institution and THEC staff. The monitoring period may be extended if additional time is needed to achieve the benchmarks. If benchmarks are not met, the Commission may recommend that the institutional governing board terminate the program.

**Tennessee Higher Education Commission  
Attachment A: THEC Financial Projections  
Middle Tennessee State University  
B.S. in Tourism and Hospitality Management**

Seven-year projections are required for doctoral programs.  
Five-year projections are required for baccalaureate and Master's degree programs  
Three-year projections are required for associate degrees and undergraduate certificates.  
Projections should include cost of living increases per year.

	Planning Year	Year 1	Year 2	Year 3	Year 4	Year 5
<b>I. Expenditures</b>						
<b>A. One-time Expenditures</b>						
New/Renovated Space		\$ -	\$ -	\$ -	\$ -	\$ -
Equipment		-	-	-	-	-
Library		-	-	-	-	-
Consultants		-	-	-	-	-
Travel		-	-	-	-	-
Other	\$ 5,000					
<b>Sub-Total One-time</b>	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -
<b>B. Recurring Expenditures</b>						
<b>Personnel</b>						
<b>Administration</b>						
Salary		\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200
Benefits						
<b>Sub-Total Administration</b>		\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200
<b>Faculty</b>						
Salary		\$ 60,000	\$ 74,400	\$ 80,454	\$ 143,164	\$ 147,081
Benefits		19,800	20,394	21,006	43,086	43,379
<b>Sub-Total Faculty</b>		\$ 79,800	\$ 94,794	\$ 101,460	\$ 186,250	\$ 190,460
<b>Support Staff</b>						
Salary (adjunct)						
Benefits		-	-	-	-	-
<b>Sub-Total Support Staff</b>		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Graduate Assistants</b>						
Salary						
Benefits		-	-	-	-	-
Tuition and Fees* (See Below)		-	-	-	-	-
<b>Sub-Total Graduate Assistants</b>		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Operating</b>						
Travel		\$ 2,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
Printing		750	750	750	750	750
Equipment						
Other		11,000	11,000	14,500	15,000	15,000
<b>Sub-Total Operating</b>		\$ 14,250	\$ 13,250	\$ 16,750	\$ 17,250	\$ 17,250
<b>Total Recurring</b>		\$ 98,250	\$ 112,244	\$ 122,410	\$ 207,700	\$ 211,910
<b>TOTAL EXPENDITURES (A + B)</b>		\$ 98,250	\$ 112,244	\$ 122,410	\$ 207,700	\$ 211,910

**\*If tuition and fees for Graduate Assistants are included, please provide the following information.**

Base Tuition and Fees Rate  
 Number of Graduate Assistants

	Planning Year	Year 1	Year 2	Year 3	Year 4	Year 5
<b>II. Revenue</b>						
Tuition and Fees <sup>1</sup>		\$100,584	\$206,976	\$319,968	\$439,296	\$564,960
Institutional Reallocations <sup>2</sup>	5,000	(2,334)	(94,732)	(197,558)	(231,596)	(353,050)
Federal Grants <sup>3</sup>		-	-	-	-	-
Private Grants or Gifts <sup>4</sup>		-	-	-	-	-
Other <sup>5</sup>		-	-	-	-	-
<b>BALANCED BUDGET LINE</b>	<b>\$5,000</b>	<b>\$ 98,250</b>	<b>\$ 112,244</b>	<b>\$ 122,410</b>	<b>\$ 207,700</b>	<b>\$ 211,910</b>

**Notes:**

**(1) In what year is tuition and fee revenue expected to be generated and explain any differential fees. Tuition and fees include maintenance fees, out-of-state tuition, and any applicable earmarked fees for the program.**

Year 1 (2019) tuition is estimated at \$381 per credit hour. Tuition in subsequent years has a 3% inflation factor.  
 Year 1: 10 students x 12 hours x 2 semesters x \$381 = \$91,440 + 2 students x 6 credits x 2 semesters x \$381 = \$9,144 (Total = \$100,584).  
 Year 2: 20 students x 12 hours x 2 semesters x \$392 = \$188,160 + 4 students x 6 credits x 2 semesters x \$392 = \$18,816 (Total = \$206,976).  
 Year 3: 30 students x 12 hours x 2 semesters x \$404 = \$290,880 + 6 students x 6 credits x 2 semesters x \$404 = \$29,088 (Total = \$319,968).  
 Year 4: 40 students x 12 hours x 2 semesters x \$416 = \$399,360 + 8 students x 6 credits x 2 semesters x \$416 = \$39,936 (Total = \$439,296).  
 Year 5: 50 students x 12 hours x 2 semesters x \$428 = \$513,600 + 10 students x 6 credits x 2 semesters x \$428 = \$51,360 (Total = \$564,960).

**(2) Please identify the source(s) of the institutional reallocations, and grant matching requirements if applicable.**

Marketing expenses in the planning year will be covered through reallocation within Academic Affairs. There are no other reallocations.

**(3) Please provide the source(s) of the Federal Grant including the granting department and CFDA(Catalog of Federal Domestic Assistance) number.**

No Federal grants are used to fund this degree.

**(4) Please provide the name of the organization(s) or individual(s) providing grant(s) or gift(s).**

No external grants or gifts are used to fund this degree.

**(5) Please provide information regarding other sources of the funding.**

With the exception of the planning year, this degree is funded entirely through tuition revenue.

**NOTE:**

One-time expenses (Other) includes costs associated with program implementation (e.g., promotion/advertising expenses).  
 Recurring expenses (Other) includes \$7,000 for direct expenses (e.g., library subscriptions, instructional materials, faculty development, etc.) in years 1-2 and \$10,500 in years 3 - 5. Beginning in year one, \$1,500 is included for faculty development, (increasing to \$2,000 in year 4).  
 Beginning in year one, \$2,500 in recurring funds is also budgeted to support student recruitment.  
 Recurring expenses (Other) also includes indirect expenses associated with student support (e.g., academic advising, financial aid, Registrar, etc.) and academic program delivery (Instructional technology and classroom support, utilities, etc.). This amount increases as enrollment increases in order to support additional students and classes.

Tuition revenue in excess of direct & indirect program costs is included in Institutional Reallocation to support other programs.