

ACAP
10-11-12
Agenda Item 8.a.

Clemson University

College of Business and Behavioral Science

Requesting Program Modification

Relocation of the Following Programs from Clemson at the Falls to Greenville One

- Master of Business Administration
- Master of Science in Management
- Master of Science in Marketing

Date of Submission: August 15, 2012

James F. Barker, President

Program Content:

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Revised September 7, 2012

Classification

Program Title:

- Traditional Full and Part time Masters of Business Administration, Masters of Business Administration with concentration in Entrepreneurship,
- Masters of Marketing and
- Masters of Management.

Implementation Date: Upon above of SC CHE and completion of the building and lease agreement

Academic Unit: College of Business and Behavioral Science

Designation: MBA, MS Management, MS Marketing

Current CIP Code: MBA (CIP 520201), MS Management (CIP 520205), MS Marketing (CIP 521499)

Program Modification: Relocation from Clemson at the Falls to Greenville One

Site: Greenville One, 1 N. Main Street, Greenville SC 29601

Supplemental Palmetto Fellows or LIFE Scholarship awards: None

Delivery mode: Traditional Classroom

Justification

The move of graduate business academic programs in the College of Business and Behavioral Science to Greenville One is required in order to support the continued growth of the programs currently offered at Clemson at the Falls (CATF) and to support new programmatic offerings. Additionally the new facility will offer an opportunity for unique collaborative space and enhanced educational classroom facilities required in the graduate business program competitive landscape. Smart classrooms, case rooms, conference rooms, student lounge and Innovative Community space will allow us to strengthen our programs. In addition we are operating at capacity during most evenings and are having difficulty managing the demand that continues to expand. The new location at Greenville One offers 7 additional classrooms beyond the 5 that we currently utilize at a per square foot cost significantly lower than that required at Clemson at the Falls.

The programs relocation will strengthen opportunities and expanded relationships to other academic programs in the institution. Students enrolled in non-business degree programs take classes in management, marketing, and administration at CATF. During the 2011-12 academic year, 277 credit hours were taken at CATF by Clemson students enrolled in other Clemson degree programs. The relocation will provide space to promote an increase in enrollment in these courses.

In addition to the degree programs identified in this program modification, the masters in professional accountancy and the masters in real estate development will be relocated to Greenville One. The Center for Corporate Learning, the Small Business Development Center, the Spiro Institute for Entrepreneurial Leadership, and the Richard R. Pennell Center for Real Estate Development will also be relocated to this facility. The Innovative Community design (housing Corporate Learning, Spiro, SBDC and dedicated classrooms) will allow us to strengthen our programs. Graduate students and center and institute partners will have increased opportunities to gain more “hands-on” experience by studying in the Greenville Business District and working more closely with Greenville-based firms.

Enrollment

The following projected enrollment numbers are all inclusive of three programs (*MBA, MS Management, and MS Marketing*) to be offered at Greenville One location. Numbers reflect a predicted five percent growth in part time Traditional MBA, one percent growth in full time Traditional MBA, a thirty student cap for MBA with concentration in Entrepreneurship and Innovation, one student annual growth in MS Marketing and a five student annual growth in MS Management.

ESTIMATED NEW ENROLLMENT						
YEAR	FALL		SPRING		SUMMER	
	Headcount	Credit Hours	Headcount	Credit Hours	Headcount	Credit Hours
2013 – 14	126	1012	61	418	41	395
2014 – 15	137	1112	63	434	47	459
2015 – 16	147	1215	66	452	48	464
2016 – 17	158	1318	69	470	49	469

2017 – 18	163	1351	72	489	49	475
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Curriculum

No changes are proposed in the degree programs, each will continue to be taught using traditional teaching methodology. The curriculum provides students with the background they will need to succeed in management, marketing, finance/accounting and business administration. The curricula are designed to foster optimal student-teacher interaction and to facilitate learning through a variety of applied and traditional methods. The new location will enhance the teaching methodology by providing business suited classrooms and space that enrich student learning. The relationships between the degree programs are improved by the collaborative use of space in the Greenville One facilities.

Faculty

Currently all MBA programs are taught by faculty assigned by the departments of Marketing, Management, Accounting/Finance, and Real Estate Development as well as adjunct instructors. Due to projected growth of the MBA program we anticipate the need for additional sections in the next five years with two sections being added in 2014 and one additional section in the 3 years following. While no new faculty lines are needed, there is a cost for the additional sections. The cost of the sections has been built into the estimated cost tables.

Physical Plant

The programs will be relocated into the Greenville One space acquired by the Clemson University Real Estate Foundation. Graduate programs in the College of Business and Behavioral Science including MBA, Master of Management, Master of Accountancy and Centers and Institutes associated with these graduate programs will occupy the majority of the space with the Masters in Real Estate Development. All the programs will share classroom space, common student and reception areas, offices, and studio rooms.

Greenville One's four floors were conceived with specific functional attributes defining the general use of each level. A quick review of the initial design philosophy for each floor is offered below:

- Fifth floor – Supports external programs and special events. It has an indoor and outdoor reception area capable of hosting 200+ guests, a 200-seat auditorium, a flexible meeting room holding up to 125 people and space for break-out sessions. Additionally, it will contain video capture rooms designed to support practice rooms and the Center for Corporate Learning's growing customized sales training programs. The space has not

been designed as traditional classroom space; however, its use to support graduate education is feasible in special circumstances.

- Sixth floor – Supports educational classroom space. It is connected to the fifth floor and provides convenient access to the lobby areas of the floor below and a view of the outside patio. The sixth floor should provide unique collaborative opportunities for the community and the support units residing at Greenville One.
- Seventh floor – Houses all of the support units that engage regularly with the community and benefit from a physical proximity next to each other. The MRED program and the College of Business and Behavior Science’s Spiro Institute, Small Business Development Center, and the Center for Corporate Learning offices are located here. CURF was originally envisioned as occupying some space here, or it might be more appropriate for another center or institute that has strong community relationships. The floor also has a second Harvard style case study room and additional classroom space.
- Eighth floor – Contains the administrative offices required to operate Greenville One, including Director of Operations/Associate Dean of CBBS, MBA offices, and educational program offices (Marketing, Management, Accounting, and Real Estate Development). Faculty and other program administration offices are designed as shared space to optimize utilization. The eighth and seventh floors are linked by staircase that creates easy access to the units below.

Equipment

Clemson University will provide sufficient equipment and furnishings to support the program’s relocation. Faculty and staff shall use computers currently in their possession. To enhance learning outcomes for the program, some of the classrooms shall have a Socratic plan with elevated tier seating and advanced media technology allowing for enhanced presentations. To accommodate distance learning from the main campus, live streaming of selected courses and lectures shall require advanced projection and recording technology. Classroom, office and common area furnishings shall be in the overall Greenville One relocation budget.

Library Resources

This proposal does not impact the library’s ability to support the program and do not anticipate new acquisitions. The resources that have been provided for all off-site teaching locations will remain during the move from Clemson at the Falls to Greenville One.

Accreditation, Approval, Licensure, or Certification

The program modification does not result in any changes to professional accreditations or approvals. There is also no change to graduate licensure.

Estimated Cost

A five year planning horizon required several cost assumptions. Program administration cost is assumed flat. Faculty salaries estimate sections added years 2-5. The programs currently contract with the departments to cover faculty salaries when they are assigned to courses in

Greenville. Facilities costs assume shared responsibility with non-Business and Behavioral Science college units requiring 10,000 square feet.

Tuition estimates are based on projected marginal growth over the next five years for MS Marketing and Management degrees. The bulk of the increase in demand for classes will come from growth of the MBA program. Consequently we are estimating the revenue growth for all programs to be 5% a year for the next 5 years. In estimating tuition increase it is assumed that all program tuition dollars will grow by 5% a year in the next 5 years excluding growth in the MBA in Entrepreneurship and Innovation concentration. That program is estimated to reach 25 students in the first year growing to 30 students from years 2 through 5.

ESTIMATED COSTS BY YEAR						
CATEGORY	1st	2nd	3rd	4th	5th	TOTALS
Program Administration	401,228.32	401,228.32	401,228.32	401,228.32	401,228.32	2,006,141.61
Faculty Salaries	1,312,371.04	1,332,371.04	1,342,371.04	1,352,371.04	1,362,371.04	6,701,855.18
Graduate Assistants	-	-	-	-	-	-
Clerical/Support Personnel	86,934.00	86,934.00	86,934.00	86,934.00	86,934.00	434,670.00
Supplies and Materials	24,650.65	24,650.65	24,650.65	24,650.65	24,650.65	123,253.25
Library Resources	-	-	-	-	-	-
Equipment	13,137.56	13,137.56	13,137.56	13,137.56	13,137.56	65,687.80
Facilities	919,598.88	928,003.82	936,576.85	945,321.35	954,240.73	4,683,741.62
Other (printing, student travel, advertising, events, Univ. fee)	518,373.40	549,199.64	566,604.69	584,879.99	604,069.06	2,823,126.79
TOTALS	3,276,293.85	3,335,525.02	3,371,503.11	3,408,522.91	3,446,631.36	16,838,476.25
SOURCES OF FINANCING BY YEAR						
Tuition Funding	4,027,747.81	4,336,010.20	4,510,060.71	4,692,813.74	4,884,704.43	22,451,336.88
Program-Specific Fees	107,795.00	114,271.95	118,439.87	122,808.23	127,386.97	590,702.02
State Funding*	-	-	-	-	-	-
Reallocation of Existing Funds**	1,012,425.04	1,012,425.04	1,012,425.04	1,012,425.04	1,012,425.04	5,062,125.18
Federal Funding	-	-	-	-	-	-
Other Funding (Specify)	-	-	-	-	-	-
TOTALS						

	5,147,967.84	5,462,707.18	5,640,925.61	5,828,047.01	6,024,516.43	28,104,164.07
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Institutional Approval

Provost: July 9, 2012

President: July 9, 2012

Board of Trustees: July 19, 2012