

**New Program Proposal**  
**Master of Business Administration with a Concentration in Accounting**  
**Coastal Carolina University**

**Summary**

Coastal Carolina University requests approval to offer a program leading to the Master of Business Administration degree with a concentration in Accounting, to be implemented in Fall 2006. This program will replace a similar program offered by Winthrop University since 1994 via distance education on the Coastal Carolina campus.

The proposal was approved by the Coastal Carolina University Board of Trustees on May 6, 2005, and submitted for Commission review on August 12, 2005. At the Advisory Committee on Academic Programs (ACAP), both when the program summary was presented and again at the meeting of September 29, 2005, an issue of need was raised repeatedly by several institutional representatives. The program proposal was approved unanimously, but only after considerable discussion about this issue. The Coastal representative stated that from the institution's viewpoint there are two very important needs driving the program. First, the local business community has indicated that it wants a local program, traditionally-delivered as opposed to distance-delivered, which can allow persons employed in the Grand Strand and elsewhere to obtain an M.B.A. without having to move elsewhere. Secondly, the Coastal representative said that the program is being requested by persons who need an accounting specialization in the M.B.A. in order to gain eligibility for taking the C.P.A. examination. After considerable discussion on this point and some discussion on the ability to find competent faculty to teach in the program, the proposal was voted upon favorably by the Advisory Committee on Academic Programs at its meeting on September 29, 2005, with USC-Columbia opposing on behalf of its distance-delivered PMBA program.

According to the proposal, the purpose of the program is to prepare graduates for significant careers in business; to fill increased demand by employers in the Grand Strand area for such graduates; and to provide accounting students with the preparation needed for eligibility to take the CPA examination. The program will include an Accounting concentration to meet the needs of students pursuing the CPA designation. The program is consistent with CCU's efforts to provide a range of masters-level degree programs which reflect the need for increasingly sophisticated educational opportunities given the dynamic growth of the region served by the institution. Letters of support from major area employers and a Coastal-sponsored series of interviews with employers in 2004 underscore the need for the program. In addition, a survey of undergraduate student interest in the

proposed MBA showed over 60% of respondents (N=285) answered ‘yes’ when asked if they would be interested in earning an MBA from Coastal Carolina University after completing their undergraduate studies in business.

The proposal states that in response to documented needs of local businesses, the program has been designed as an applied program emphasizing the service sector and the finance and accounting functions in business. It will provide a solid foundation in analytical and “soft” management skills. It will accommodate part-time students who need to work while they study. A professional M.B.A. offered by USC-Columbia via distance education and delivered at twenty sites throughout the state, including Myrtle Beach, reaches a different clientele. At the time that the Winthrop program was approved, the USC-Columbia professional M.B.A. was evaluated as not suitable for the clientele that the Winthrop program would serve (i.e., the same clientele to be served by the proposed Coastal program), because the USC-Columbia program: 1) requires prior work experience in business for admission to it; 2) has a lock-step curriculum through which only cohorts of students pass; and 3) requires monthly trips to Columbia.

The curriculum for the general MBA program will require 36 credit hours of study. Of these, 27 credit hours are in core and required courses, three credit hours are in an MBA elective, and six credit hours are in applied research courses. The accounting concentration, also a 36 credit hour program, will require 18 credit hours in core MBA requirements, three credit hours in an MBA elective, 12 credit hours in accounting requirements, and three credit hours in an accounting elective. The proposal lists 17 new courses which will be added to the catalog in order to offer this program.

The Citadel, Clemson University, Francis Marion University, University of South Carolina–Columbia, and Winthrop University all offer MBA degrees, as do the private institutions Bob Jones University, Charleston Southern University, Claflin University, and Southern Wesleyan University. Webster University, a St. Louis-based institution licensed by CHE to offer academic programs in South Carolina, offers MBA classes on Saturday and Sunday at its Myrtle Beach site. Of these universities, only Webster, The Citadel, Francis Marion University, and Charleston Southern University are located in the eastern part of the state. To attend classes at any of these institutions with the exception of Webster University/Myrtle Beach represents a significant expenditure of time from the Myrtle Beach area. As discussed above, the USC-Columbia professional M.B.A. is designed to serve a very specific segment of the Myrtle Beach area potential clientele.

The proposal’s enrollment figures are based on an assumed enrollment of 60% part-time and 40% full-time students. The proposal estimates that there will be 20 headcount (14 FTE) students in the first year, 38 (26.5 FTE) in the second, 51 (35.5 FTE) in the third,

59 (41.5 FTE) in the fourth, and 63 (44 FTE) in the fifth year. These students will come primarily from new graduates of CCU and employees of local businesses.

The program will require two new faculty members (.33 FTE) in its first two years. They will be required to hold a terminal degree, show evidence of promising research, and have a strong commitment to teaching and research. The total faculty after the fifth year will be 10 headcount faculty (3.96 FTE). One of these will be hired in the first year (.33 FTE), and one (.33 FTE) in the second. In addition, one administrative person (.25 FTE) will be hired in the first year. No new staff will be hired in the first five years of the program.

The Wall College of Business Administration is fully accredited by the Association to Advance Collegiate Schools of Business (AACSB) International. The proposed MBA will comply with AACSB standards that seek to ensure quality and promote excellence and continuous improvement in business education.

The proposed program will not require additional physical plant space over the next five years. An Internet server will be required to support requirements of Database Management and E-commerce courses. The proposal indicates that the related holdings in the Kimbel Library do not match those of its peers, in this case The Citadel and Winthrop University. CCU has budgeted \$32,500 over the first five years of the proposed program to increase its related library holdings.

New costs for the program are estimated to begin at \$100,000 in year one and include program administration (\$7,500), faculty salaries (\$81,000), library resources (\$6,500), and equipment (\$5,000). Estimated costs increase to \$181,930 in the second year, with the primary increase being in faculty salaries (\$164,430). By the fifth year, the annual costs are \$194,667 and include program administration (\$7,500), faculty salaries (\$179,667), library resources (\$6,500), and equipment (\$1,000). The total estimated new cost is \$850,414 for the program's first five years. Revenues will be generated through the Mission Resource Requirement and tuition.

Shown below are the estimated Mission Resource Requirement (MRR) costs to the state and new costs not funded by the MRR associated with implementation of the proposed program for its first five years. Also shown are the estimated revenues projected under the MRR and the Resource Allocation Plan as well as student tuition.

Year	Estimated MRR Cost for Proposed Program	Extraordinary (Non-MRR) Costs for Proposed Program	Total Costs	State Appropriation	Tuition	Total Revenue
Year 1	\$187,670		<b>\$187,670</b>	\$0	\$92,736	<b>\$92,736</b>
Year 2	\$355,233		<b>\$355,233</b>	59,694	\$176,193	<b>\$235,887</b>
Year 3	\$475,878		<b>\$475,878</b>	112,722	\$235,809	<b>\$348,531</b>
Year 4	\$556,308		<b>\$556,308</b>	151,097	\$275,553	<b>\$426,650</b>
Year 5	\$589,820		<b>\$589,820</b>	176,680	\$292,113	<b>\$468,793</b>

These data demonstrate that if Coastal Carolina University can meet the projected student enrollments and contain costs as they are shown in the proposal, the program will not be able to cover new costs with revenues it generates by the fifth year of its implementation. However, Coastal Carolina University is committed to offering the program and takes the position that all costs of the program will be covered by resources of the institution.

In summary, Coastal Carolina University is proposing a program leading to the Master of Business Administration degree, to begin in the Fall of 2006. The program will prepare graduates to work in varied business settings and, for those in the accounting concentration, for the CPA exam. The program has strong support from the business community and from enrolled undergraduate Business majors at the institution. The program will replace an existing program delivered via distance education by Winthrop University, which has already begun to phase out by discontinuing acceptance of new students.

### **Recommendation**

The Committee on Academic Affairs and Licensing recommends that the Commission approve the program leading to the M.B.A. degree in Business with a concentration in Accounting at Coastal Carolina University, to be implemented in Fall 2006, provided that no “unique cost” or other special state funding be required or requested and provided further that the M.B.A. program delivered by Winthrop to Coastal be discontinued.