

**New Program Proposal  
Master of Business Administration  
College of Charleston**

**Summary**

The College of Charleston requests approval to offer a program leading to the Master of Business Administration degree. The degree will be offered on-campus during the day through traditional instruction and will be implemented in Summer 2010.

The Program Planning Summary was submitted to the Commission on September 1, 2009, and reviewed and voted upon favorably by the Advisory Committee on Academic Programs (ACAP) on October 8, 2009. At this meeting, the representative from The Citadel endorsed the proposed program, and the representatives from The Citadel and the College of Charleston stated that there would be on-going collaboration between the Schools of Business of the two institutions. The College of Charleston's Board of Trustees approved the proposal on February 2, 2010, and the proposal was received by the Commission on February 4, 2010. The full proposal was reviewed and voted upon favorably without substantive comment by the Committee on Academic Affairs and Licensing (CAAL) on April 1, 2010.

According to the proposal, the purpose of the proposed program is to provide a 36 credit hour program leading to the M.B.A., to be completed in a single three-semester academic year (i.e., accelerated) and focused primarily on College of Charleston graduates. The proposed program is presented as a response to national, state, and local demands. On the national level the proposal provides evidence that the growth in accelerated M.B.A. programs outpaces that of traditional M.B.A. programs. In the state, the number of Graduate Management Admission Test (GMAT) scores reported has increased, with more scores sent from South Carolina to other states (increased by 376) and more received from other states (increased by 256). Within the institution, surveys have indicated a strong interest by students in pursuing a 36 credit hour M.B.A. if one were offered by the institution. In one survey of students enrolled in College of Charleston courses offered to business majors and "pre-business" students, 646 of 1691 (38%) indicated that they had an interest in enrolling in the proposed M.B.A. program following completion of their undergraduate degrees. The institution also stated that the presence of Boeing Aircraft in the Charleston employment market would increase the attractiveness of the proposed program.

In response to staff communications with the institution, the institution provided additional information on the employment outlook for graduates of the proposed program. The institution stated that a Graduate Management Admission Council (GMAC) 2009 survey of corporate recruiters indicated that 80% of them stated that in 2010 their companies would either increase hiring of M.B.A. graduates (35%) or maintain it at the current level (45%). Additionally, a 2008 survey of members of the Charleston Metro Chamber of Commerce indicated that there were moderate to extreme shortages in the employment category of Business and Financial Occupations. The institution emphasized that it is committed to hiring a full-time placement coordinator and developing regional internships for the students in the proposed program.

There are numerous M.B.A. degree programs in the state. USC, Clemson, The Citadel, Coastal, Francis Marion, SC State, and Winthrop all offer the M.B.A. as either two-year full-time

programs (USC, Clemson, Coastal, Winthrop), part-time programs (all), distance-education programs (USC) or an Executive M.B.A. (USC, Winthrop). In addition, seven independent institutions in the state offer the M.B.A. Degree. The proposal states that only the proposed program is an accelerated degree and that it uniquely requires study abroad as part of the program.

The development of the proposed program has included a lengthy period of consultation and negotiation between the College and The Citadel in order to avoid duplication and unhealthy competition with The Citadel's part-time evening M.B.A. program. This process, which began in January 2009, has involved the Provosts and Business School deans of both institutions and staff from the Commission. The end result of this process is a Memorandum of Understanding (MOU) between the two institutions which clearly describes relative areas of responsibility, the student makeup of the programs, admissions standards, tuition costs, program length, and transfer policies (Attachment 1). In addition, the MOU provides for a Joint Business Advisory Council to be formed by the two institutions upon Commission approval of the proposed program. The terms of the MOU require that any changes must be approved by both institutions and the Commission.

The proposal states that there will be 30 new students (45 FTE) in the proposed program's first year, increasing to 40 students (60 FTE) in the second year, and further increasing to 70 students (105 FTE) by the fifth year of the program. These FTEs exceed the headcount of students majoring in the program because of the number of credit hours (9) required to be taken in the summer semester. Institution staff has indicated both in the negotiation meetings with The Citadel and subsequently in conversation with Commission staff that total enrollment in the program will not exceed 100 students in any cohort at the College of Charleston campus. The institution does intend to offer the program internationally, which is recognized in the proposal and the MOU. International students are not counted in calculations of state costs, revenues, or program productivity. If enrollment and program completion projections are met, the proposed program will meet the Commission's productivity standards.

Admission to the proposed program will require a bachelor's degree with a minimum of a 3.0 Grade Point Average on a 4.0 scale and a minimum GMAT of 510. The proposal further states that the average of GMAT scores for students in the program will be 550. Students without an undergraduate business degree will be required to complete a non-credit six-week "boot camp" prior to beginning the program. By agreement with The Citadel, admissions criteria for the proposed program will be higher than those for The Citadel's part-time evening M.B.A. program.

Tuition for the proposed program will be set at \$22,900 for the first five years of the program. This is, again, by agreement with The Citadel and set to maintain a premium tuition rate above the tuition of The Citadel's evening M.B.A. program. According to the proposal, the tuition as set will cover all costs of implementing the proposed program.

The curriculum for the proposed program will consist of a total of 36 credit hours and include a non-credit three-week study abroad and a capstone course. Students in the proposed program will proceed as a cohort through the core curriculum (27 credit hours). An additional six credit hours of electives will be required in the summer session, as will the non-credit study abroad and the required capstone course (3 credit hours). By agreement with The Citadel, students must maintain full-time status and complete the program in one academic year, to

include summer sessions. Students unable to do so will be encouraged to transfer to The Citadel's evening M.B.A. program.

In order to support the proposed program, thirteen new courses will be added to the college catalog. The new courses are: Law of Corporate Governance, Accounting Issues for the Business Manager, Managing and Leading in Organizations, Creativity and Innovation, Operations Management, International Financial Markets and Risk Management, Financial Modeling, Advanced Corporate Finance, The Global Economy, Global Enterprise, Consumer Marketing Strategy, Marketing Research and Analysis for Decision Making, and Integrated Capstone.

Faculty for the proposed program will be drawn from existing faculty currently teaching in the School of Business (10 headcount, 2.0 FTE), the hire of two new faculty (1.0 FTE) in the first year, and the hire of one additional faculty (.5 FTE) in each of the following three years of implementation, for a total of 15 faculty members (6.0 FTE). New faculty hires and any adjunct faculty used in support of the proposed program will be required to meet faculty standards for SACS and Association to Advance Collegiate Schools of Business (AACSB) accreditation. In addition to the five new faculty (4.0 FTE), two new administrators (2.0 FTE) and one new staff member (1.0 FTE) will be added. The new staff member will be the Placement/Recruiting Coordinator.

The proposal states that existing classroom space will be adequate until anticipated growth requires additional space in the third year of implementation. The institution states that it will either renovate space on the campus to meet the need or rent space as necessary. The program will also require additional equipment in the form of computers and office equipment for new faculty and staff and video conferencing equipment and facilities in the second year of implementation.

According to the proposal, the institution's library resources are adequate to support the proposed program, with over 51,300 business-related monographs, 3,600 related journal subscriptions, and access to electronic resources through subscriptions and PASCAL. Additional databases will be purchased as needed, as will software needed for implementation.

College of Charleston business programs are accredited by the AACSB. Upon approval of the proposed program, it will be considered as accredited by AACSB.

New costs and financing identified by the institution for the proposed program are shown below.

<b>ESTIMATED NEW COSTS BY YEAR</b>						
<b>CATEGORY</b>	<b>1st</b>	<b>2nd</b>	<b>3rd</b>	<b>4th</b>	<b>5th</b>	<b>TOTALS</b>
Program Administration	\$93,000	\$169,000	\$174,070	\$179,292	\$184,670	\$800,032
Faculty Salaries	\$312,000	\$312,000	\$481,200	\$655,270	\$834,562	\$2,595,032
Graduate Assistants	\$55,800	\$55,800	\$74,400	\$93,000	\$111,600	\$390,600
Clerical/Support Personnel	\$12,000	\$90,000	\$92,340	\$94,750	\$98,653	\$387,743
Supplies and Materials	\$25,000	\$30,000	\$30,000	\$30,000	\$35,000	\$150,000
Library Resources	0	0	0	0	0	0
Equipment	\$8,000	\$49,000	\$49,000	\$8,000	\$8,000	\$122,000
Facilities	0	0	\$5,000	\$7,500	\$10,000	\$22,500
Other (Identify)	\$103,000	\$165,000	\$197,000	\$229,000	\$261,000	\$955,000
<b>TOTALS</b>	<b>\$608,800</b>	<b>\$870,800</b>	<b>\$1,103,010</b>	<b>\$1,296,812</b>	<b>\$1,543,485</b>	<b>\$5,422,907</b>
<b>SOURCES OF FINANCING BY YEAR</b>						
Estimated FTE Revenue Generated from the State	0	0	0	0	0	0
Tuition Funding (New students only)	\$687,000	\$916,000	\$1,145,000	\$1,374,000	\$1,603,000	\$5,725,000
Other State Funding (Legislative Appropriation)	0	0	0	0	0	0
Reallocation of Existing Funds	0	0	0	0	0	0
Federal Funding	0	0	0	0	0	0
Other Funding	0	0	0	0	0	0
<b>TOTALS</b>	<b>\$687,000</b>	<b>\$916,000</b>	<b>\$1,145,000</b>	<b>\$1,374,000</b>	<b>\$1,603,000</b>	<b>\$5,725,000</b>

“Other” costs include software and databases, travel and events, scholarships/competitions, faculty technology training, “boot camp” expenses, and publications.

These data show that if the institution meets the projected student enrollments and contains costs as they are shown in the proposal, the proposed program will be able to cover costs beginning in the first year of implementation and thereafter.

In summary, the College of Charleston proposes to offer a program of study leading to the Master of Business Administration in order to meet the existing and projected local and state need for graduates with advanced degrees in business. The program will be a full-time 36 credit hour accelerated program and will include required foreign study. The program will have its tuition set at a premium and will cover all costs of implementation and delivery through tuition. In order to prevent duplication, the College of Charleston and The Citadel have signed an MOU which covers areas such as audience, format, tuition, admissions requirements, and transfer.

### **Recommendation**

The Committee on Academic Affairs and Licensing commends favorably to the Commission the program leading to the Master of Business Administration degree at the College of Charleston, to be implemented in Summer 2010, provided that no “unique cost” or other special state funding be required or requested and provided further that the College of Charleston adhere to the Memorandum of Understanding with The Citadel signed February 15, 2010, and that any changes to this Memorandum of Understanding be submitted to the Commission for approval.

## **MEMORANDUM OF UNDERSTANDING**

College of Charleston's Proposed MBA and The Citadel MBA Program Agreement and  
Creation of a Joint Business Advisory Council (JBAC)

**WHEREAS**, The Citadel currently offers a Master's in Business Administration Program in a part-time format, and

**WHEREAS**, The College of Charleston has submitted a proposal to the Commission on Higher Education to offer a Master's in Business Administration in an accelerated, full-time format, and

**WHEREAS**, The Commission on Higher Education has regulatory authority over the introduction of new programs by institutions of higher education in South Carolina, and

**WHEREAS**, The Citadel and the College of Charleston desire to enter into an agreement to define the rights and responsibilities associated with the College of Charleston's introduction of a full-time Master's in Business Administration program,

**NOW, THEREFORE**, the Parties, intending to be bound thereby, agree as follows:

### **1.0 APPLICABLE LAWS**

This Memorandum of Understanding shall be governed and construed in accordance with laws of South Carolina. During the performance of this MOU, The College of Charleston and The Citadel shall promptly comply with all applicable federal, state, and local executive orders, laws, and regulations, to include the Commission for Higher Education and their policies and procedures.

### **2.0 THE AGREEMENT**

- 2.1** The College of Charleston and The Citadel agree that the College of Charleston's proposed MBA program will be a full-time, daytime MBA program delivered in the traditional manner that is intended not to compete directly with The Citadel's part-time evening MBA program. This restriction applies only within South Carolina and in no way precludes the College of Charleston from offering its MBA degree overseas in other formats. Furthermore, the College of Charleston MBA program will be selective, with admission standards (as specified in the program proposal) higher than the Citadel's current admission requirements, and cohort based, seeking primarily to provide College of Charleston undergraduate business (and other) students the opportunity to complete a fast-track MBA degree in one full academic year (to include the summer term). Should a College of Charleston MBA student decide to pursue a part-time MBA degree rather than the full-time MBA, he or she will be discharged, but encouraged to consider The Citadel's MBA program. The Citadel agrees to accept transfer credits for such students in good academic standing in accordance with an articulation agreement prepared by the JBAC and consistent with AACSB and SACS. The

College of Charleston agrees to require a differential tuition that will be higher than the equivalent tuition for The Citadel MBA degree program.

- 2.2** The Citadel and the College of Charleston agree to create a Joint Business Advisory Council (JBAC) that will further appropriate collaboration and cooperation between the Business Schools of the two institutions, to better serve the Lowcountry and to foster economic growth and development. This cooperation will include discussion of the future development of new projects and degree programs where there is sufficient demand for such degrees and programs. This Council will be established immediately upon the signing of this MOU and will continue to function as long as the MOU is in effect. Membership on the JBAC should be equal in number from each institution and should include representation from the respective School's Advisory Boards. This Council is not intended to restrict either institution from pursuing its own initiatives, but to create an ongoing framework for cooperation where deemed appropriate by the institutions. The Council will create its own operating procedures, subject to the approval of the Provosts and Presidents of both The Citadel and the College of Charleston. The Provosts of the College of Charleston and The Citadel will be responsible for the establishment and maintenance of the JBAC working through their respective business school deans.

### **3.0 CANCELLATION OF MOU**

This MOU may only be cancelled upon the prior written consent of both the College of Charleston and The Citadel and the consent of the SC Commission for Higher Education. Such cancelation shall be effective at such time as The Citadel and the College of Charleston may mutually agree, but shall not be effective before approval by the Commission. Unless one party is in material breach of this MOU, under no circumstances may one of the institutions unilaterally cancel this MOU. In the event of a claimed breach by a party, the party claiming the breach shall provide notice to the other party of the grounds for the claim and both parties shall engage in good faith negotiations to resolve the matter. If such matter cannot be resolved within 30 calendar days, the party claiming the breach shall seek the assistance of the SC Commission on Higher Education to mediate the matter in dispute.

### **4.0 AMENDMENTS**

This MOU may be amended at any time upon the mutual written agreement of The Citadel and the College of Charleston. In such an event, a copy of the amendment shall be promptly provided to the SC Commission on Higher Education.

**IN WITNESS WHEREOF**, the Parties, intending to be legally bound thereby, have executed this **MEMORANDUM OF UNDERSTANDING** on the date indicated below under their respective signatures.

For The Citadel



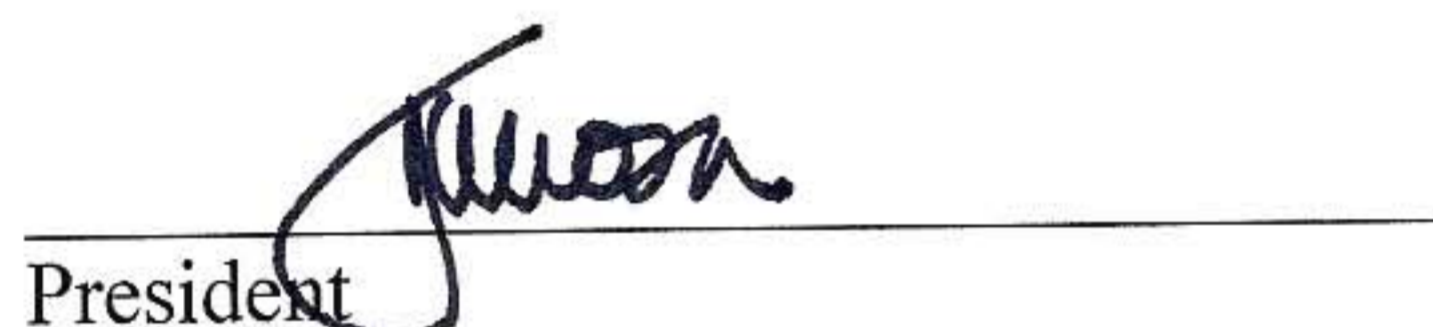
Dean, School of Business Administration

Date: 12 Feb. 2010



Provost

Date: 12 Feb 2010



President

Date: 12 Feb 2010

Executive Director, SC CHE

Date: \_\_\_\_\_

For the College of Charleston



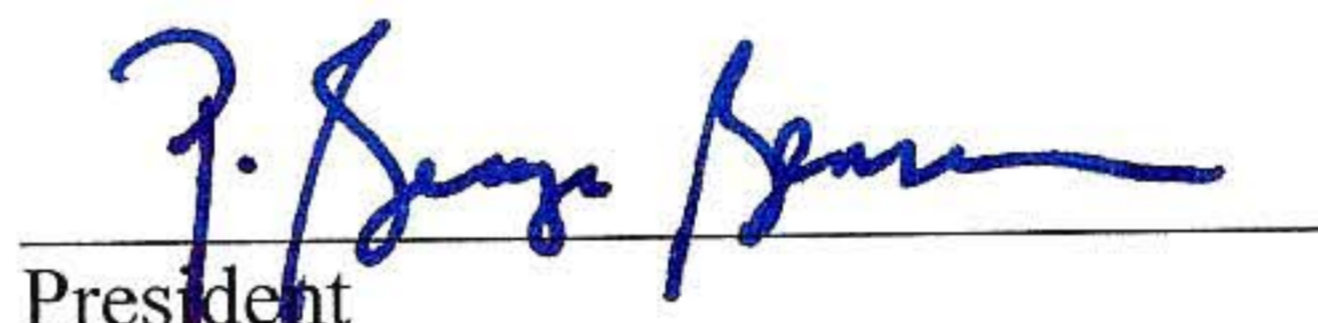
Dean, School of Business

Date: 2/15/10



Provost

Date: 15/Feb 2010



President

Date: 2-15-2010