

**MEMORANDUM**

**To:** Board of Regents

**From:** Board Office

**Subject:** Drake University Comments on UNI Master of Accounting Program in Des Moines

**Date:** February 12, 2001

**Recommended Actions:**

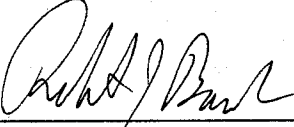
1. Receive the report from Drake University regarding the Master of Accounting program offered by the University of Northern Iowa in Des Moines.
2. Request that the Regent university members of the Des Moines Higher Education Center work with the other members of the Center to establish a review/coordination process for new programs to be offered in the Center.

**Executive Summary:**

At the December meeting of the Iowa Coordinating Council for Post High School Education (ICCPHSE), the University of Northern Iowa proposed a Masters of Accounting program to be offered at the Des Moines Higher Education Center. During the discussion regarding this proposed program, Drake University raised several concerns regarding the proposed UNI program. While the program was officially received by the ICCPHSE, Drake University was asked to use the ICCPHSE new program policy which allows institutions with a concern about a proposed new program to prepare a letter containing its concerns. This letter would then be forwarded by the ICCPHSE to the governing board of the institution proposing the program. In this instance, the Board of Regents is the recipient of the letter of concerns. According to ICCPHSE policy the Board needs to consider the concerns raised but no other action is required.

The Board Office believes that the Des Moines Higher Education Center should develop a process of review for offering new programs at the Center that would preclude disagreements such as this one going to the ICCPHSE in the future.

Attached is a copy of the letter of concern from Drake University (Attachment A) and a response from the University of Northern Iowa (Attachment B).

  
\_\_\_\_\_  
Robert J. Barak

Approved:

  
\_\_\_\_\_  
Frank J. Stork

h/aa/docket/2001/feb/GD5

JAN 18 2001

BOARD OF REGENTS  
STATE OF IOWA

ICCPHSE\CORRESPONDENCE\BA01161

January 16, 2001

COLLEGE OF BUSINESS AND PUBLIC ADMINISTRATION  
OFFICE OF THE DEAN

Mr. Robert Barak  
Director, Academic Affairs/Research  
Board of Regents  
100 Court Avenue  
Suite 203  
Des Moines, Iowa 50319

Dear Mr. Barak:

I am writing at the request of Fred Moore, the 2000-2001 Chairperson of the Iowa Coordinating Council for Post-High School Education (ICCPHSE). At the December 6 meeting, I spoke in opposition to the intent of the University of Northern Iowa (UNI) to offer its Master in Accounting in Des Moines.

Following a lengthy discussion by the Council it was resolved that the ICCPHSE's authority under its new guidelines is limited to receiving reports describing plans by an institution to offer new educational programming. If an entity is opposed to the educational programming, a dissenting position paper may be filed with the report. Although this is a change in procedure, it is my understanding that the mission of ICCPHSE continues to be insuring that the proposed programming will not result in a wasteful duplication of existing educational programming and that sufficient student demand exists.

At the meeting I explained the proposed programming will in fact be a wasteful duplication of a program that exists at Drake and that there is no indication of student demand for the UNI program. The points I made are summarized below. Thank you.

**Background.**

Many accounting programs are initiating or expanding their graduate programs in accounting. The impetus has been a recent change by the accounting profession in the pre-conditions to receive a Certified Public Accounting (CPA) certificate. More than 44 of the 54 jurisdictions awarding a CPA certificate have mandated that candidates for the certificate must have 150 college credits. For most students this is equivalent to a fifth year of college work. The 150-hour requirement went into effect in Iowa on January 1, 2001.

In many parts of the country, schools have found it necessary to implement a graduate program, if one did not already exist. Those schools that did not have a graduate program have in general suffered a significant decline in the number of students willing to enroll in accounting. The reason has been the student's reluctance to attend school for five years and only receive a bachelor's degree. Consequently, schools have attempted to make the requirement less burdensome on the student by awarding a masters degree for the fifth year, assuming the course work justifies it.

#### **Reasons for opposing the program in Des Moines**

Drake understands the motivation for UNI to offer a masters degree in accounting. However, Drake is opposed to extending the program to Des Moines for two reasons.

##### *Duplication of existing program.*

Drake University has a Master of Accounting that it offers in Des Moines. There are a number of similarities between this program and the one proposed by UNI. The two programs are compared in Table 1.

	Drake University	UNI
Program Length	30 hours	30 hours
Accounting course work required	15 hours	15 hours
Accounting courses that are available to students	10	10
Number of similar accounting courses from those available	6	6

Table 1. Similarities between the masters programs at Drake and UNI.

As illustrated in the table and by reading the catalog copy, students are not going to be choosing between two significantly different educational experiences. Instead, students will be picking one over the other. The proposed program duplicates the existing program without enriching the educational opportunities in the community. Even if the proposed program is delivered via the Iowa Communication's Network, only the mode of access will change, the approach and content of the programs will be similar.

*Failure to do a market assessment.*

No effort was made to assess the market for the program. Overall the number of students pursuing accounting degrees is much smaller than a few years ago. A recent study\* (Albrecht & Sack, 2000) found the percentage of college students majoring in accounting has dropped from 4 to 2 percent between 1990 and 2000. The same study reported the percentage of high school students planning to major in accounting fell from 2 to 1 percent between 1990 and 2000. The number of students pursuing a master's degree has remained constant, about 6,000.

These statistics suggest the pool of candidates will remain small and possibility decline. There is no reason to expect that the Des Moines marketplace will be any different. The consequence is that the two programs will be chasing the same students and there is a real possibility that neither program will be economically viable.

In summary, the rationale for starting a Master of Accounting is logical. It is necessary to preserve interest in the undergraduate program and make a graduate program available that will be sought after by some students. However, extending the program to Des Moines duplicates resources already in place and has not been justified on the basis of need. In fact, its existence in Des Moines is likely to undercut the economical viability of Drake and UNI's programs in Des Moines.

Sincerely,

A handwritten signature in cursive script, appearing to read "Antone F. Alber (For)".

Antone F. Alber, Ph.D.  
Dean

- c. President David Maxwell  
Provost Ron Troyer  
Pat Heaston, Director, School of Accounting

Albrecht, W. S. & Sack, Robert. J. (2000). Accounting Education: Charting the Course through a Perilous Future, American Accounting Association.



February 8, 2001

Mr. Robert Barak, Director  
Academic Affairs/Research  
Board of Regents  
100 Court Avenue  
Suite 203  
Des Moines, IA 50319

Dear Mr. Barak:

I have been asked to respond to the January 16, 2001 letter you received from Dr. Antone F. Alber, Dean, College of Business and Public Administration at Drake University. I am pleased to have the opportunity to provide this response.

The Iowa Board of Regents and the Iowa Coordinating Council for Post-High School Education have approved the request of the University of Northern Iowa to offer the Master of Accounting at the Des Moines Higher Education Center. UNI is a member of this Center. One of the consent docket items on the November 15-16, 2000 agenda, that the Board office recommended to the Board of Regents for approval was:

Receive the informational report on the University of Northern Iowa's Master of Accounting (MAcc) program to be offered in Des Moines.

The minutes of the meeting indicate that Regent Lande moved to approve the consent docket as presented. Regent Kennedy seconded the motion. This motion carried unanimously. See Appendix A.

The ICCPHSE approved the UNI request to offer the Master of Accounting off-campus in Des Moines at its December 6, 2000 meeting. A copy of Roger H. Foelske's letter to President Robert Koob dated December 26, 2000 reports that the Council "received and acted upon your institution's request to implement the following program:"

**Master of Accounting (MAcc) (Off-Campus: Des Moines)**

The letter continues that "(t)he Council identified no issues or concerns and approved the program as presented." See Appendix B.

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Because the Master of Accounting program has been approved by ICCPHSE as well as the Board of Regents, the objections raised by Dean Alber in his January 16, 2001 letter are untimely and after-the-fact. Drake University was informed of UNI's plans for the MAcc program throughout the approval process. For example, on September 20, 2000, I wrote Dr. Patrick Heaston, Director, School of Accounting, Drake University. See Appendix C. Drake University could have requested an opportunity to express its concerns at the November 15-16, 2000 Board of Regents meeting. I am not aware that Drake University raised any concern at that time.

Dean Alber's January 16, 2001 letter does contain some factual misstatements. One example is: "(n)o effort was made to assess the market for the program." That is an erroneous statement. In October, 2000 UNI sent a letter to the approximately 650 UNI Accounting alumni that live in the metropolitan Des Moines area indicating that the Department of Accounting planned to offer the MAcc in Des Moines. See Appendix D. Before contacting CPA firms, we wanted to have the approval of both the Board of Regents and the ICCPHSE. Thus, we waited until both of these approvals had been obtained (December 2000). A letter (see Appendix E) along with MAcc brochures then was sent to accounting firms to communicate our plans for the MAcc at the Des Moines Higher Education Center. Although the response was not as great as we would have liked, it did reveal that there was interest in the program and the Department decided to proceed.

Dean Alber further asserts that UNI offering the program in Des Moines "will in fact be a wasteful duplication." Our understanding is that the citizens of Iowa constructed the Iowa Communications Network so that universities would be able to offer their programs in order to meet citizens' needs. In addition, for several years, UNI faculty have been encouraged to view "Iowa as our campus."

Dean Alber cites the Albrecht and Sack study on accounting education. This study was conducted to understand what had happened in the last decade regarding accounting education. Dean Alber quotes the study in such a manner as to imply that one simply can extrapolate from what happened between 1990 and 2000 into what will happen in the future. Developments and trends are rarely so simple that a linear extension of past trends can provide an accurate forecast. On January 1, 2001, when the 150-hour requirement became effective in Iowa, the landscape for becoming an Iowa CPA changed. This new requirement will result in a significant increase in the demand for quality graduate accounting education in Iowa as well as nationally.

The UNI Department of Accounting acted in good faith in obtaining all necessary approvals to utilize the ICN and support the Des Moines Higher Education Center. The MAcc is offered in Des Moines to meet the educational needs of practicing accountants in the metropolitan area.

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Because the MAcc courses are going to be offered in Cedar Falls, it certainly is cost effective to use the ICN to enable accounting professionals to acquire the graduate accounting education they desire.

Hopefully, now that the time line has been documented and the reasons stated for offering the program in Des Moines, this can bring to closure the discussion of the UNI MAcc program being offered at the Des Moines Higher Education Center.

Sincerely,



Gerald Smith  
Professor and Head

c: Willis R. Greer, Jr., Dean, CBA  
Aaron Pololefsky, Provost  
Patricia Geaedelmann, Executive Assistant to the President  
James Bodensteiner, Interim Dean, Continuing Education Credit Programs

Attachments

## BOARD OF REGENTS MINUTES

GENERAL  
November 15-16, 2000

President Newlin suggested that the February Board of Regents meeting would be a good opportunity for Professor Andreasen to speak to the Board. President Coleman said she would make those arrangements.

**APPROVAL OF MINUTES OF BOARD MEETING OF OCTOBER 18-19, 2000.** The Board Office recommended the Board approve the minutes.

President Newlin asked if there were additions or corrections to the minutes. There were none.

**ACTION:** President Newlin stated the Board approved the minutes of the October 18-19, 2000, meeting, as written, by general consent.

**CONSENT ITEMS.** The Board Office recommended the Board approve the consent docket, as follows:

Approve the institutional and Board Office personnel transactions;

Approve the Board meetings schedule;

Receive the informational report on the University of Northern Iowa's Master of Accounting (Macc) program to be offered in Des Moines;

Refer Iowa State University's proposal for a new B.A. program in Classical Studies to the Board Office and the Interinstitutional Committee on Educational Coordination for review and recommendation; and

Refer Iowa State University's proposal for a new B.S. program in Technical Communication to the Board Office and the Interinstitutional Committee on Educational Coordination for review and recommendation.

**MOTION:** Regent Lande moved to approve the consent docket, as presented. Regent Kennedy seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

**INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION. (a)**  
Approval of Creation of Department of Neurosurgery in the College of Medicine, University of Iowa. The Board Office recommended the Board approve the University of Iowa's proposal to create a Department of Neurosurgery within the College of Medicine, effective immediately.

# IOWA COORDINATING COUNCIL FOR POST-HIGH SCHOOL EDUCATION

100 Court Avenue, Suite 203  
Des Moines, IA 50319  
(515) 281-3934

December 26, 2000

Dr. Robert D. Koob, President  
University of Northern Iowa Department of Education  
244 Gilchrist Hall  
Cedar Falls, Iowa 50614

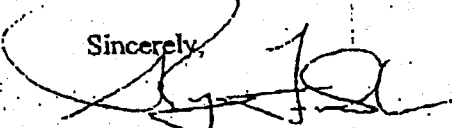
Dear Dr. Koob:

On December 6, 2000, the Iowa Coordinating Council for Post-High School Education received and acted upon your institution's request to implement the following program:

- **Master of Accounting (MAcc) (Off-Campus: Des Moines)**

The Council identified no issues or concerns and approved the program as presented. Please call my office at 515/281-8260 if additional information or clarification is needed regarding the Council's action.

Sincerely,



Roger H. Foelske  
ICCPHSE Recording Secretary  
515/281-4700

RHF/sew

cc: Robert Barak  
Jim Bodensteiner  
John Hartung  
Fred Moore  
Robert Paxton  
Susan Spivey

A Cooperative Association with representatives from  
Iowa Independent Colleges & Universities — Area Community Colleges and Vocational Schools  
Public Universities — Specialized and Career Schools  
Educational Radio — Iowa Public Television — Iowa College Aid Commission



September 20, 2000

Dr. Patrick H. Heaston, Director  
School of Accounting  
Drake University  
Des Moines, IA 50311-4505

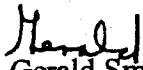
Dear Pat:

As you are aware, UNI was approved to offer a Master of Accounting degree effective with the Fall 2000 semester. This degree program has been implemented.

UNI is planning to assess the demand for its MAcc program in the Des Moines area. Courses would be offered in conjunction with the Des Moines Higher Education Center. Our next step is to secure the approval of the Iowa Coordinating Council for Post-High School Education. If there is sufficient interest we plan to offer a course in the Spring 2001 semester.

Please contact me if you have any questions about this notification.

Sincerely,

  
Gerald Smith  
Professor and Head

com/Heaston-Drake



TO: UNI Accounting Alumni

FROM: Gerald Smith *GS*  
Professor and Head

DATE: October 24, 2000

SUBJECT: UNI's Master of Accounting (MAcc) Program

As you probably know, January 1, 2001 is the effective date in Iowa for the 150-hour requirement to become a CPA. To facilitate current Accounting majors and Accounting alumni in meeting this requirement, the Department has developed a Master of Accounting (MAcc) degree. The Department began offering this program on campus beginning with the Fall 2000 semester.

Because there are a number of UNI Accounting alumni in the greater Des Moines area, UNI is considering offering the courses needed to complete the MAcc program over the Iowa Communications Network (ICN). The ICN is an interactive television system with live two-way video and audio.

If sufficient interest exists, the MAcc program would be offered over a three-year period beginning in January 2001. Classes would be held each Wednesday evening for a three-hour block during the Spring and Fall semesters plus another course would be offered in the evening during the summer. A UNI professor would teach to a student group on the Cedar Falls campus as well as to a group in Des Moines.

Offering the MAcc program in Des Moines is subject to a sufficient number of interested students to justify the program over the ICN. In addition, it is also subject to the approval of the Iowa Coordinating Council for Post-High School Education. Approval currently is being sought and we are optimistic that we will receive final approval.

A copy of the MAcc degree brochure is enclosed. This brochure covers the admission and program requirements as well as the graduate Accounting courses, features of the program and the Accounting faculty. It is a 30 credit-hour program. If you have an Accounting colleague who might be interested in this information, please share it!

If you think this MAcc program might interest you, please complete and return the enclosed form by November 17. You will be notified by December 15 whether UNI will offer the program.

If graduate accounting education is in your future, please seriously consider UNI's MAcc program.



TO: Council Bluffs, Davenport, Des Moines and Sioux City Area CPA firms

FROM: Gerald Smith *GS*  
Professor and Head

DATE: December 15, 2000

SUBJECT: UNI's Master of Accounting (MAcc) Program

As you know, January 1, 2001 is the effective date in Iowa for the 150-hour requirement to become a CPA. To facilitate current Accounting majors and Accounting graduates in meeting this requirement, the Department has developed a Master of Accounting (MAcc) degree. The Department began offering this program on campus beginning with the Fall 2000 semester.

Because there are a number of UNI Accounting alumni across the state, UNI is offering graduate courses over the Iowa Communications Network (ICN). The ICN is an interactive television system with live two-way video and audio. These graduate courses count toward a MAcc degree for students who elect that option.

Classes will be held each Wednesday evening for a three-hour block during the Spring and Fall semesters. A UNI professor will teach the class to a student group on the Cedar Falls campus as well as to the ICN group.

Information regarding the Spring 2001 course (Advanced Tax Topics) is enclosed. If anyone at your firm is interested in taking this course, please give them the enclosed enrollment form to complete. After Continuing Education receives the enrollment form, they will receive a textbook order form and any other needed information.

A copy of the MAcc degree brochure also is enclosed. This brochure covers the admission and program requirements as well as the graduate Accounting courses, features of the program and information about the Accounting faculty. It is a 30-credit-hour program.

If you have an Accounting colleague who might be interested in this information, please share it!

Enclosures