

August 12, 2016

Dear Members of the Senate Educational Policy Committee,

I am writing to offer an update on the proposed online delivery of our department's existing Master of Science in Accountancy (MSA) program. As required by the Senate's Standing Rule 13, with this letter I am informing you that in adding this online option to our MSA program, we intend to increase program enrollment by more than 25% per year over each of the next two years.

Background

The Department of Accountancy at the University of Illinois at Urbana-Champaign has consistently ranked among the top accountancy schools in the United States. Both the *Public Accounting Report* and *Accounting Degree Review* have rated the Illinois graduate accounting program as one of the top accountancy master's programs in the United States.

Our MSA degree has, for many years, been offered in a one-year residential (face-to-face) format, beginning in June of each year with Summer Session II. This program enrolls both students with limited prior accounting education as well as students with undergraduate degrees in accounting. In Summer 2016 the MSA had 154 students enrolled. Our MSA program prepares students for success in accounting careers and provides the academic prerequisites for candidates who wish to take the United States Uniform Certified Public Accountant (CPA) exam.

The MSA Online

We now plan to offer the same MSA degree in an online format, with the first online cohort beginning in May 2017. Degree requirements and the content of each course will be the same for the face-to-face and online forms of the program. While the residential MSA is a one-year program, the online format will offer greater flexibility: online MSA students will be able to complete the 32 credit hours of coursework required for the degree on either a one-year or a two-year plan.

The online form of the MSA will utilize the Coursera MOOC platform to assist with content delivery and marketing. Some portion of the content of each course will be available as a non-credit MOOC, though only registered U of I students will have access to the full course content and full interactions with U of I faculty and teaching staff. We expect that this strategy, combined with Coursera's marketing reach, will allow us to achieve our enrollment goals while maintaining our current high standards for admission to the program.

Student demand for training in accountancy is large and growing. Research conducted by the American Institute of Certified Public Accountants (AICPA) highlights the potential demand for graduate accounting education. Specifically, the AICPA's *2015 Trends Report* indicates:

1. Enrollment in accounting programs overall (from the bachelors to the graduate level) reached record highs with approximately 253,000 students enrolled at all levels; the growth is almost entirely at the master's level.
2. Universities are optimistic about the growth of the profession as 70 percent of master's of accounting programs expect enrollment to be the same or higher over the previous year.

Moreover, interviews with human resource professionals from top accounting firms and other corporations, conducted by Coursera, determined that:

1. Prospective employers would be willing to hire graduates of a high-quality online master's in accounting program, as firms already are expanding their search for talent in a tight labor market in which competition among employers is rapidly increasing, and
2. These prospective employers are not aware of any strong sourcing pipeline from currently available online programs.

Thus, there is a strong need for this program. A high-quality degree from a top accountancy program, offered at a competitive price, should be a very attractive option for many prospective students.

The online version of the MSA will be a self-supporting program that does not rely on state funds. All required courses will be taught by Department of Accountancy faculty, as will some elective courses. MSA students will also be able to take some iMBA courses to satisfy elective course requirements. MSA students will not take courses outside of the College of Business.

We currently have a top ranked accountancy program, but maintaining this ranking requires vigilant attention to visibility and resources. We need to capitalize on this opportunity created by strong demand for accountancy to further establish the University of Illinois as a leader in this field.

Faculty Involvement and Shared Governance

Department of Accountancy faculty have been integrally involved in the design and approval of this degree program, and many will be involved in teaching courses in the program. The program was discussed at a Department faculty meeting and has been approved by both the Department Advisory Committee and the College of Business Educational Policy Committee.

The online MSA will employ a bi-annual assurance-of-learning process and use student exit surveys to gather data on learning outcomes for the program. This is the same approach we use with our on-campus MSA program. Data gathered from this process is shared with our Department Advisory Board (consisting of public accounting partners and C-suite executives from the industry) from whom we solicit input. After receiving this input, the MSA Curriculum Committee (composed of department faculty) meets to determine what changes (if any) should be made to the curriculum and other aspects of the program every other year.

Enrollment Plans

Although it is difficult to precisely estimate the demand for this program, we have a goal of enrolling 100 new students in the online MSA for May 2017. Subsequent cohorts will begin once per year, in May. We expect that expansion will create capacity beyond the initial 100 student cohort target, and the Department of Accountancy will closely monitor the experience of students to ensure the academic rigor of our MSA program is maintained.

As Head of the Department of Accountancy and Dean of the College of Business, we will work in close collaboration with faculty and staff to ensure this program grows responsibly, making strategic investments in scaling to create reputational and financial capital for the University of Illinois. Accountancy remains committed to maintaining the university's very high admissions standards and will use this program to continue enhancing our global reputation.

Thank you for your continued support as we invest in this opportunity.

Sincerely,



Jon S. Davis
R.C. Evans Endowed Chair in Business
Head, Department of Accountancy



Jeffrey R. Brown
Lakonishok Professor of Business
Dean, College of Business

UNIVERSITY OF ILLINOIS
AT URBANA - CHAMPAIGN

Graduate College
204 Coble Hall
801 South Wright Street
Champaign, IL 61820-6210



August 22, 2016

Professor Jon Davis
Department Head
Department of Accountancy

Dear Professor Davis,

The Graduate College has received and reviewed the following proposal from the College of Business on Saturday, August 20, 2016:

"Online Master of Science in Accountancy"

The proposal meets standards and criteria set forth by the Graduate College policy for the off-campus/online delivery of graduate degree programs. Please note as described in the Graduate College policy:

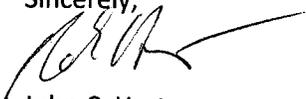
"The Illinois Board of Higher Education and the Higher Learning Commission (the organization that accredits the campus) have complex rules controlling the offering of courses, certificate, and degree programs off-campus or online. Please consult the web site www.provost.illinois.edu/programs/cps/establishcurricula.html to see what type of approvals may be necessary."

<http://www.grad.illinois.edu/gradhandbook/3/chapter5>

We are pleased to approve this program to be offered as described in the proposal. The online MS in Accountancy degree program has been approved as a self-supporting degree program as the current on-campus MS in Accountancy is an existing approved cost-recovery program.

We now forward the proposal to the Office of the Provost for their review and creation of the program code needed to offer this program.

Sincerely,



John C. Hart
Executive Associate Dean
Graduate College

cc: Kathy Martensen
Allison McKinney
Amy Edwards

Proposal to the Graduate College
Prepared June 7, 2016

I. PROGRAM IDENTIFICATION

1. Name of department: Department of Accountancy
2. Degree program: Online Master of Science in Accountancy
3. Program's common name: Online Master of Science in Accountancy
4. Delivery mode/technology: Online to expand the traditional on-campus version of the degree program
5. Proposed starting date: May 2017

II. PROGRAM PURPOSE

1. **Program objectives:** The Department of Accountancy intends to expand its Masters of Science in Accountancy (MSA) degree to an online platform. Courses in the online format will use Coursera MOOC video lessons for lecture delivery and utilize a platform that is currently being customized for the iMBA program to manage assignments, exams, projects, office hours and other synchronous interactions with students. As with the iMBA program, the video lessons may be available to all Coursera learners, however the customized platform will restrict access of the full instructional content to registered for-credit students only.
2. **Educational needs (and how assessed [3]):** Currently, the Accountancy Department offers no degree programs using an online format. The department is consistently recognized as one of the top three accounting programs in the country, but access to our curriculum and notable faculty is limited to students who can engage in a residential, face-to-face program. Research conducted by the American Institute of Certified Public Accountants (AICPA) highlights the potential demand for graduate accounting education. Specifically, the AICPA's 2015 Trends Report indicates:
 1. Enrollment in accounting programs overall (from the bachelors to the graduate level) reached record highs with approximately 253,000 students enrolled at all levels; the growth is almost entirely at the masters' level.
 2. Universities are optimistic about the growth of the profession as 70 percent of masters' of accounting programs expect enrollment to be the same or higher over the previous year.

Moreover, the platform provider, Coursera, conducted interviews with human resource professionals from top accounting firms and other corporations to

determine whether graduates of online accounting programs at top universities would be attractive to prospective employers. Two insights stood out:

1. Prospective employers would be willing to hire graduates of a high-quality online masters in accounting program, as firms already are expanding their search for talent in a tight labor market in which competition among employers is rapidly increasing, and
2. These prospective employers are not aware of any strong sourcing pipeline from currently available online programs.

With evidence of strong demand for graduate accounting education from students, along with a willingness among prospective employers to hire online accounting graduates, we feel expanding the delivery of our MSA to an online platform leverages our unique position in the accounting education market to meet a real need.

4. ***Clientele served:*** Beyond the financial viability and opportunity afforded by adding our MSA to an online platform, we also recognize our mission as a department and as part of the University. As the cost of education for prospective students continues to rise while state support diminishes, our classes, like those from other units across campus, have seen a shrinking proportion of domestic students. The trend of shrinking domestic student representation is especially acute to those students from higher risk backgrounds. With few options to manage this growing trend, we believe offering our MSA using the online platform represents one mechanism to provide greater access and affordability to prospective students for whom a full-time residential program is not a practical option.
5. ***Expected enrollment (and ideal capacity [6]):*** Because the online MSA is not a new program, but an expansion of an existing program, our initial estimate of the enrollment increase due to the additional platform is 100 students per cohort. Cohorts will begin yearly. We expect that expansion will create capacity beyond the initial 100 additional student cohort target, and the Accountancy department will closely monitor the experience of students to ensure the academic rigor of our traditional MSA program is retained.
7. ***Program alignment with teaching, research and service missions:*** The Illinois Department of Accountancy's mission is global: we seek to lead the world in accountancy education and thought. The online expansion of our MSA program provide an opportunity to enhance the global reputation of faculty, who will be the face of the program. Moreover, the expansion represents a new delivery of a high quality accounting degree, and we seek to set the standard for online accounting education while offering access to an

educational opportunity that may have been historically unattainable to many populations, both in the United States and around the world.

III. RELATIONSHIP WITH EXISTING PROGRAM:

1. **Similar program offerings (also [2]):** Because the online MSA represents an expansion of an existing program, each course offered by the MSA program will contain the same content, whether it is delivered using the online platform or in the traditional classroom format. A typical MOOC consists of lecture videos organized into short lessons, with embedded practice questions, end of topic quizzes, free response activities and project assignments. Our MSA courses offered online will expand these elements to include: synchronous lessons, live office hours, and program-wide events that coincide with similar programming available to MSA students receiving instruction in the traditional classroom format.

Similar to the University of Illinois iMBA program, the flexibility of online delivery will allow MSA students to complete the program within either a full-time or a part-time course plan. For example, students would be able to utilize a one-year or two-year plan, based on the student's ability to commit to completing either four courses or two courses each semester.

There are no similar programs offered in the same geographic location and/or online by other Urbana-Champaign units or other University of Illinois campuses.

3. **Benefits of new program to existing programs:** We believe MSA students who receive instruction through our traditional format will benefit from our expansion. Initially, the videos used in the online formatted courses can be an added resource available to traditional format students. However, as more online content is developed, we expect traditional format students to have access to digital electives and courses on specialized topics that may not be economically viable to provide outside the online space. Thus, we envision our online expansion to benefit all of our MSA students (and possibly students in other Masters programs).

IV. FACULTY:

1. **Informing faculty about the purpose and design of the program:** Faculty have been integrally involved in the design and approval of this degree program, and many will be involved in teaching courses in the program. In addition, the program was discussed at a Department faculty meeting and discussed and approved by the Department Advisory Committee.
2. **Support for course development and delivery/advising:** Utilizing the infrastructure already in place for the iMBA minimizes the risk typically

associated with adding online offerings of coursework. Because the expansion of the MSA program to an online platform has the full support of the Business School Dean and the campus' Center for Innovation, Teaching and Learning (CITL), producing the videos for the online classes is scheduled to commence immediately and should require little in the way of resources from other units on campus. As the online program expands our existing program, advisors for the traditional MSA will be utilized initially, with additional advisors being acquired as needed. This additional staff will be supported by revenue generated from the expansion.

3. ***Maintaining the engagement of faculty:*** The proposed online MSA will employ a bi-annual assurance of learning process and student exit surveys to gather data on learning outcomes for the program. We use an identical approach with our on-campus MSA degree. Data gathered from this process is shared with our Department Advisory Board (consisting of public accounting partners and C-suite executives from a variety of companies) from who we solicit input. After receiving this input, the MSA curriculum committee (composed of department faculty) meets to determine what changes (if any) should be made to the curriculum and other aspects of the program every other year.
4. ***Program instructors:*** Appendix A indicates the anticipated instructors for courses within the online program.
5. ***Use of adjunct faculty members as instructors in the program:*** There may be reasons to seek out adjunct instructors in the future for developing future electives or to cover specialized topics. However, in making preliminary plans for the program, we intend to rely on our current faculty.

V. STUDENT ADMISSION

1. ***Will students be admitted as non-degree or degree-seeking students?:*** We will admit both degree-seeking and non-degree students. Non-degree students may include those who wish to demonstrate their academic readiness to pursue the degree, and those who wish to try out a course and see whether their schedules will allow them to do it. CITL will manage non-degree admissions for the MSA.
2. ***Criteria and standards for admission to the program that are in addition to Graduate College minimums.*** In addition to the Graduate College minimums, the online MSA program will require completion of the GMAT exam, TOEFL or IELTS exam (while we don't currently use the Graduate College waiver policy for the English exams, we may be changing to adoption of the Graduate College policy), and evidence of knowledge in each of the following areas: financial accounting, statistics, finance, economics, and management. For the latter requirements we will accept either college

course credit or a certificate of completion from a known MOOC provider (e.g., Udacity, EdX, or Coursera).

3. ***How will the potential for graduate study of applicants to the program for whom intervening years since undergraduate degree may have meant a considerable increase in knowledge, motivation, maturity, the development of specific career goals, commitment to a profession, and even a distinguished record in that profession? We will consider all parts of the application (including reference letters, interviews, work history, other relevant activities and evidence of communication ability) and are prepared to write a letter of justification for admission to the Graduate College if an individual's work record and career goals indicate likelihood of success in this graduate degree program.***

VI. CURRICULUM

1. ***Requirements for the degree program (also 2, 3 and 5):*** As mentioned previously, the curriculum for the MSA program offered online will be the same as that required of students completing the traditional delivery of the MSA program. As a reference, we summarize the course plan below.

Required Courses (or substitute graduate accountancy courses approved by a program adviser)	Required Hours
ACCY 501 Accounting Analysis I Uses of accounting information; collection, processing, and communication of accounting information; measurement of assets, liabilities, equity, and income; and accounting system design. <i>Offered in Summer. Semester course. Required.</i>	4
ACCY 502 Accounting Analysis II In-depth study of accounting valuation processes, accounting income measurement, and special reporting problems of multiple-entity organizations. <i>Offered in Fall. Semester course. Required.</i>	4
ACCY 503 Managerial Accounting Introduction to management accounting as part of the firm's information system, in terms of modern cost accounting and budgetary systems for planning and controlling business operations. <i>Semester course. Offered in Summer. Required.</i>	4
ACCY 504 Auditing Introduction to conceptual and applied material in the field of auditing. Emphasizes the audit process, reporting, and professional responsibilities. <i>Offered in Spring. Semester course. Required.</i>	4
ACCY 505 Federal Taxation Introduction to historical and conceptual as well as applied material in the	4

accounting area of federal taxation; emphasizes the provisions of the tax law relevant to accounting measurement methods. <i>Offered in Fall. Semester course. Required.</i>	
Or substitute graduate accountancy courses approved by a program advisor	
Graduate Electives with at least 4 hours credit in a non-accountancy graduate course	12
Total Hours	32

4. **Special accreditation issues related to program:** The Department of Accountancy is accredited by the Association for Advancement of Collegiate Schools of Business (AACSB). We have reviewed the accreditation standards in the context of online delivery of our MSA degree. We do not anticipate additional accreditation issues.
5. **Specific course offering information:** See 1, above.
6. **Course variation:** The primary variations in course delivery will be that online offerings of the course be available for students to access with greater flexibility. Utilizing the iMBA model of partnering with Coursera, students will be able to access portions of the course asynchronously, allowing students to some flexibility in meeting the learning schedule of their courses. Our on-campus MSA program has a highly diverse student population from a variety of countries and diverse levels of experience. We expect similar diversity of students in the online MSA, and our curriculum will reflect that (with slightly more emphasis on international reporting regulations). Recognizing that our online student population will likely also have a considerable diversity of experience, we will also leverage features of the Coursera platform at allow peer-to-peer interaction between students to enhance learning.
7. **Mode of Delivery:** Courses in the online MSA program with include both asynchronous videos that students will access online at their convenience, and synchronous “live” events that students will be required to join digitally. All access of the online course will come via a customized platform developed by Coursera for the iMBA program.
8. **Minimum and optimum times for completing:** This is a 32-hour degree. We anticipate most students will complete the degree within two years, but recognize that the nontraditional nature of the online student may extend the completion time to up to 5 years.

9. ***Expected duration to online offering:*** We do not expect the program to be temporary, but rather an ongoing mode of delivering our well-established MSA program.

VII. ADVISING

1. We will replicate our current advising model, which combines full-time academic advisors with referrals as needed to full-time faculty. Advising staff use telephone, e-mail, instant messaging, social media and computer conferencing.

VIII. ACADEMIC SUPPORT

1. ***Technologies used to deliver online program:*** The program will utilize a customized platform developed by Coursera for the iMBA program.
2. ***Availability of technology to students:*** With the technology developed by Coursera, our partnership with Coursera will allow students to take the MOOC portion of our online courses by signing up as “learners” on the Coursera website. For the asynchronous elements of the courses, students need no additional technology beyond access to a computer and internet access. For synchronous elements of the courses, students may benefit from a computer camera, but it will not be required.
3. ***Requirements of library resources:*** We do not anticipate significant requirements for library resources at this time. If needed, all for-credit Illinois registered students have access to the University of Illinois online library gateway.

IX. PROGRAM ADMINISTRATION

1. ***Prospective students understand program objectives and policies:*** A Director of Student Support will be the initial point of contact for students in the program, as well as a liaison to other campus entities (e.g., CITL, Coursera, central campus). The director’s responsibility will be to communicate directly with prospective and current students regarding the particulars of the program’s structure and policies.
2. ***Other units involved in supporting the program:*** The Department of Accountancy, the College of Business, the Graduate College, and CITL will encompass the entities supporting the program.
3. ***Specific approvals needed to offer the program out-of-state:*** No additional approvals are needed.

4. **Marketing the program:** Marketing the program will greatly benefit from the partnership with Coursera as Coursera invests in marketing courses offered on its platform. Beyond the efforts of Coursera, we anticipate that External Communications within the College of Business will lead some marketing and public relations efforts. The MSA will also be included in CITL's Illinois Online marketing campaigns.
5. **Obligations to students if program discontinued:** If it is determined that the online delivery of the MSA should be discontinued, currently enrolled students would be notified of the timeline for final offerings of courses, with time to allow students a final opportunity to complete the program.
6. **Ensuring students meet academic and departmental requirements:** The Director of Student Support will be charged with ensuring students meet all necessary requirements, with assistance from program advisors.
7. **Accommodating accessibility for special needs students:** We will consult with the director of the iMBA program and CITL's accessibility experts who work closely with Disability Resources & Educational Services to ensure that course materials meet Illinois' world-leading guidelines for accessibility by special needs students.
8. **Involvement of CITL:** CITL will be directly involved in managing the course offerings, course production, and serving as a liaison to Coursera, our platform provider.

X. RESOURCE IMPLICATIONS

1. **Availability and sources of resources to support the program:** Funds are available to support the program. The faculty, staff, courses and technical infrastructure needed to launch and offer the program are already in place. That said, we do plan to hire an additional instructional designer to supplement existing resources that we will be using that are associated with the College of Business iMBA program.
2. **Adequacy of staffing to support the program:** We have the necessary recruiting, advising, career services, admissions, student records, instructional technology and information technology staff to support this program. Incremental resources required as a result of program growth will be supported by tuition generated from the program.
3. **Need for new faculty and TA hires to support the program:** The courses to be offered will be taught by current faculty. If enrollments warrant faculty expansion, we will seek permission to hire additional faculty. Through our current experience with the iMBA degree, we have experience ensuring that the needed level of TA support for the online courses will be met.

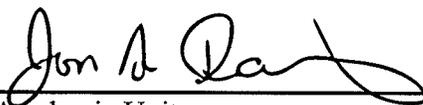
4. **Budget for marketing for the program:** We will integrate marketing for the new program into the College's communication plan for the year, with reallocation of funds from channels where we are already known to channels relevant to the focus of the online version of the degree (e.g., practicing business professionals)
5. **Will request be made to have program approved to be self-supporting?:** We expect that the program will be self-supporting, consistent with the model used for the iMBA degree. The program will be self-supporting as the current MSA program is an approved Cost Recovery program.
6. **What tuition model/rate will be used?:** The online MSA will be priced at \$475 per credit hour.
7. **Future plans for program (growth expectations):** We expect to grow for some period of time until we reach a level that reflects market demand. That said, growth will be limited by our ability to maintain delivery of a quality program.
8. **Impact of planned growth on resource needs:** We expect online MSA students to be "net new" students, bringing new tuition income to the College of Business and Department of Accountancy. We will use this tuition income to sustain growth of the program in the future. Once started, the program will be self-supporting and require no additional resources. Initially, aside from employment of a new curriculum designer, we will use existing faculty and existing online resources (with some service-in-excess payments). Subsequent operation and expansion will be supported by tuition revenue.

XI. PROGRAM EVALUATION

1. **Monitoring and evaluation of program quality:** We will use the same systems and processes that we currently have in place for the on-campus MSA degree. All courses will be evaluated by students with ICES Online. Additional data will be collected using several instruments used in the Department of Accountancy to measure achievement learning objectives in the MSA program. We will also employ analytics provided by Coursera. The data will be used to identify areas where improvement is needed. Placement and student satisfaction surveys will enable us to track employment outcomes (when relevant) and overall satisfaction with the degree.
2. **Periodic evaluation of continued need for program and resources needed to support program:** We will track enrollment and degree completion.
3. **Evaluation of student satisfaction, curricula and faculty:** See (XI)1, above.

Appendix A: Likely instructors for the online MSA program

Proposed Instructors	Course
Greg Davis	ACCY 501
Rachel Schwartz	ACCY 502
One of the current instructors in ACCY 302, 304 or 503	ACCY 503
One of the current instructors in ACCY 504 or 415	ACCY 504
Petro Lisowsky	ACCY 505
Michael Kustanovich	ACCY 593AT
Jon Davis	ACCY 451
Various	iMBA Elective


 Academic Unit _____ Date _____
 08/20/16
 College _____ Date _____
 8/23/16
 Graduate College _____ Date _____
 Wilky L. Dress 8/26/16
 Provost's Office _____ Date _____