March 29, 2004

MEMORANDUM

TO: Mark H. Gromko
FROM: Mark F. Asman, Interim Chair, AMIS Department
RE: Program Review Committee Report

A. Factual errors in the report:

1. **Report Statement—p. 2:** “In Fall 2002, the Department had 14 tenured or tenure-track faculty; it had four other full-time faculty, three of whom were temporary appointments.”

   Correct Statement: In Fall 2002, the Department had 14 tenured or tenure-track faculty, it had six other full-time faculty, five of whom were temporary appointments.

2. **Report Statement—p. 2:** “To sit for the CPA exam, by state law the student must have completed 150 semester hours of credit, effectively mandating a Masters’ degree for these students.”

   Correct Statement: To sit for the CPA exam, by state law the student must have completed 150 semester hours of credit. State law does not require a Masters’ degree. **CPA candidates may choose to complete CPA examination requirements by taking additional course work either within the construct of an undergraduate degree program or as non-degree students at various institutions.**

3. **Report Statement—p. 2:** “The Department had 38 graduate assistants and 4 staff members in 2002.”

   Correct Statement: The Department had 34 graduate assistants and 2 staff members in 2002. **Two of the graduate assistants resigned before the year was over and 8 others were assigned to other units in the College of Business. The Department has never had 4 staff members at any point in time. Thus, the amount of staff time is less than reported and the number of graduate assistants who actually work for the Department is less than stated.**

4. **Report Statement—p. 3:** “Recruiting to the accounting area is facilitated by the fact that students coming to business have some idea of what accounting is and what the job prospects are.”
coming to business believe they have some idea of what accounting is and what the job prospects are. In fact, the beliefs held by most entering freshman are not correct either as to professional accounting careers or job prospects. As a consequence, recruitment of students interested in accounting as opposed to bookkeeping is difficult and many students enter accounting who are not qualified intellectually to complete the specialization leading to a very high drop out rate.

Completeness and Adequacy of Self-Study. ...Specifically, there was not enough information to assess...

It seems obvious that the external review team did not read the combined and complete College of Business and Department AACSB self-study reports. Data with respect to program quality, placement, assessment and curriculum changes, and reward structures were set out in great detail in these reports. These reports were, as stated in the program review, integral to the program review process and data therein was included in the BGSU program review by reference. Apparent failure to read and assimilate the materials contained in the extensive AACSB self-study reports cast doubt on the value of the external review teams contributions to the BGSU program review effort.

C. Comments on Program Review Committee Findings and Recommendations

1. Planning for faculty replacements.

Comments made with respect to faculty replacement reflect the PRC’s lack of understanding how replacement decisions are made in the Department. In fact, historically, all replacements are comprehensively considered. The Department has never followed the practice implied of replacing faculty who leave with faculty in the same specialized area (e.g. tax for tax) unless the specialized area emerges as the number one need after considering all instructional areas. Thus, the suggestion that the process needs to be more comprehensive in scope is not applicable and no change from current practice is needed.

The suggestion made that the Department present a mission and plan for hiring to the Dean for his approval by the end of Fall semester 2003 is not feasible or possible. Personnel decisions in the College of Business are not bilateral negotiations between the Dean and a Department. The personnel processes of the College require that all new or replacement positions be submitted by all College units and considered simultaneously by the College Council of Chairs (The CBA’s Budget Committee) during Spring semester each year.

While the Department endorses the goal of endowed chairs and professorships, the reality is that only limited opportunities exist for such support. Business firms do not provide such support in general. Individuals do either acting on their own or through firms where the individual has substantial influence. The number of individuals capable of such contributions is extremely small. Further, efforts in this area are made more difficult since the Office of Development has raised the minimum contribution required to establish either endowed professorships or chairs. The bottom line is that BGSU cannot rely on this kind of support for funding faculty lines in the College of Business or the Department.

2. Workload policy.

Congratulations to the PRC. The Committee seems to comprehend the problems associated with workload policy issues. However, the suggestion that a workload policy be unilaterally presented to the Dean by December 2003 makes no sense in the context of the earlier discussion and admonition on page 9 that “...any changes must take place within the context of the College as a whole, rather than for any individual department.”
3. **Faculty research productivity.**

In part, the problem of research productivity is in the process of self-correction. One of the underlying facts that drove down research productivity was the loss of a number of senior faculty in the past few years due to either early retirement options or greater opportunities elsewhere. It is significant that the Department has hired eight new assistant professors and 1 new associate professor in the last 4 years. Research productivity has already begun to rise with these new faculty and the overall picture is much stronger already than the historical reviews indicated. The fact is that the Department has only one full-professor and five associate professors at present. The one full-professor continues to produce an active research stream as do two of the associates. One additional associate professor has recently restarted his research stream leaving only two associates that are not productive in research.

Other research activities such as symposia, etc., while desirable, would require administrative efforts that would need to be added to someone’s existing workload. Additional workload requirements imposed on top of already heavy teaching loads and other mandated work does not seem feasible.

4. **Reassigning time from teaching to administration.**

All administrative assignments were reviewed by the faculty during Spring semester so this recommendation has already been satisfied. With only 2 staff (rather than the 4 reported in the PRC report), increasing staff workloads is not possible. Further, we do not understand the recommendation that dollars from graduate fees be used to support staff since currently the Department does not receive any dollars from graduate assistant fees. In fact, the University taxes the Department approximately $1,000 for every privately funded graduate assistantship so while the Department receives no fees, it is taxed for its efforts.

5. **Assessment.**

Program assessment for the BSBA program is expected to remain a College item since the program is a College program—not a Department program. Master of Accountancy assessment efforts are already well under way and are continuous in nature. The real assessment for any program is whether or not its graduates are in demand. The evidence is clear. MAcc students are among the most highly sought after students at BGSU. Further, program assessment for both the BSBA specialization in accounting and the MAcc program relative to program goals were specifically addressed on pages 45-48 of the AACSB Departmental self-study. We see no need to institute new programs at this time and, even if we did, the Department does not have the resources to launch this effort given its current work loads. Demographic data indicate that enrollment growth should be expected between now and 2009 as the high school cohort becomes larger each year. Historical data suggests that when jobs are not plentiful as is currently the case, students are more attracted to curriculum options that hold more job promise such as those offered by the Department. As noted by the PRC, current resource constraints coupled with rising salaries for those with Ph.Ds. in business will make it difficult for the University to add resources to the Department. One cannot expect increases in service activities from a faculty already under considerable pressure in both the instructional and research dimensions of the traditional academic triad of teaching, research, and service.
6. **Diversity.**

As the PRC recognized, the responsibility for student recruitment for the BSBA program falls primarily on the College. Given its success at the graduate level, it would seem reasonable that the Department could provide leadership to the College at the undergraduate level with respect to diversity. However, the recruiting market for graduate students is not the same as the recruiting market for undergraduates. The Department does not have any special expertise with respect to diversity within business at the undergraduate level. Given the centralized recruitment practices of the University, unless changes are made to increase diversity enrollments overall, diversity will continue to be a problematic area.

7. **Entrance requirements for the Master of Accountancy.**

The Department is considering its admission policies for the Master of Accountancy. Credentials for the class of 2004 exceed those of prior classes. Admissions criteria will be a continuous review item for the Department but the desire for an absolute standard must be balanced against the desire for a mix of domestic, international, and minority students. Studies of GMAT scores as predictors of success are not encouraging. Most studies report that the GMAT is not a good predictor of success with respect to entering graduate students. However, so long as BGSU continues to require some admission test score, the GMAT will continue to be required for MAcc admission. Admission to the program is predicted to become more competitive as the number of applicants increases relative to the fixed program size of 50-55.

8. **Stipends for Master of Accountancy students.**

“...the PRC finds it reasonable that companies who hire them should increase their participation in the financing of the program.” This statement by the PRC clearly reflects a lack of understanding the relationship between employers and the university. Employers whether in accounting, education, or elsewhere do not, as a general practice, pay for students’ education prior to employment. Accounting firms are not an exception to this rule. The only reason that outside funds have been provided by one firm is in response to the diversity initiatives of the Department. And this firm has indicated that future support is very much in question. Firm donations cannot be tied to specific students without violating federal rules with respect to charitable contributions to the BGSU Foundation. Fees paid directly to the bursar or reimbursed to employees for undertaking educational efforts do not provide graduate assistantships for full-time non-employee students.

The Department is at a further loss in understanding why any unit would be motivated to seek additional outside graduate assistant funding under the policy suggested by the PRC that would reduce University funding one position for each outside GA obtained. Even if firms were willing to commit substantive funds to the MAcc program, the University provides a negative incentive for obtaining these funds. As mentioned in number 4 above (reassigning time from teaching to administration), currently the University provides a disincentive for such funding by taxing the Department approximately $1,000 for each graduate assistant stipend provided by private money. This $1,000 is in addition to the graduate assistant stipend itself. Thus, currently the University receives the state subsidy for the graduate student at no out-of-pocket cost and charges an extra $1,000 to the Department. The fee waivers provided by the University as a part of the package do not cost the University anything out-of-pocket since the students are simply included in courses that would be offered without the graduate assistantships. It is unreasonable to treat private money funding for graduate assistantships as if it the source were grants such as those of the National Science Foundation. It is unrealistic to expect private donors to provide the out-of-pocket cost of a GA, an additional University tax of $1,000 plus an additional overhead amount that would be retained by the unit. Until the University replaces the current system that penalizes departments through taxation for obtaining outside private GA funding with a system providing appropriate revenue incentives, any expectation for departments to increase outside private funding efforts as suggested by the PRC is a non-starter.
9. **Size of the Master of Accountancy Program.**

The Department agrees with the findings of the PRC and has no plans to increase enrollment in the MAcc beyond the current level of 50-55 students unless the University and/or College of Business decides that they wish a larger class of MAcc students and provide the necessary support resources (both faculty and staff) commensurate with any growth expectation.

10. **Connecting assessment to curriculum review.**

The PRC appears to believe that curriculum review is a stop and start process that a department should undertake from time to time. The Department believes that curriculum review is an ongoing process that is continuous in nature and is never completed. In fact, each year some part of either the graduate program or undergraduate program is under review because of observations from stakeholders (faculty, employers, students) that a review is needed. Currently the systems track in the MAcc program is undergoing an intensive review effort and it is anticipated that the undergraduate specialization in MIS will be undergoing an intensive review during 2003-04. All of these review efforts involve benchmarking programs against competing schools, against employer expectations as determined from subjecting the program to outside review, and against outcome expectations as established by the University, College, and Department. Most of these review efforts are undertaken by ad hoc committees of concerned faculty. Evidence of accomplishment and effectiveness of these review efforts is reflected in the number of curricular changes made from 1997-2003–nine major changes in the BSBA program in accounting, 17 major changes in the graduate programs in accounting, the institution of a new specialization in Information Systems Audit and Control, and 2 major changes in the MIS program.

11. **Unit Plans.**

As stated by the PRC, "...in the absence of a well articulated college plan, the Department is at loose ends.” Subunit plans in the absence of higher order plans do not make a lot of sense. The PRC acknowledges this maxim with their observation above.

Even if the College of Business had a well developed strategic plan, units within the College of Business would not be in a position to develop independent plans given the totally unified nature of the BSBA program in the College and the shared approach to resource allocation decisions used by the College. As stated earlier, resource allocation decisions are not made in the College through bilateral unit/dean negotiation. Given the above, it does not seem desirable to us to spend precious faculty time developing an independent seven-year plan that neither has an anchor point at the College level nor fits the programmatic, governance or resource allocation practices of the College.