

**SOUTH DAKOTA BOARD OF REGENTS**

**Academic and Student Affairs**

**AGENDA ITEM: 7 – B (1)**

**DATE: June 26-27, 2024**

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**SUBJECT**

**New Program Request – SDSU – BA/BS in Accounting**

**CONTROLLING STATUTE, RULE, OR POLICY**

[BOR Policy 2.3.2](#) – New Programs, Program Modifications, and Inactivation/Termination

**BACKGROUND / DISCUSSION**

South Dakota State University (SDSU) requests authorization to offer a BA/BS in Accounting. The proposed program provides students with advanced training in accounting, including managerial, financial, cost, and income tax accounting. SDSU currently offers a minor in Accounting.

**IMPACT AND RECOMMENDATION**

A summary of the program proposal has been included as Attachment I. Additional information on this proposal is available from the Board office by request.

**ATTACHMENTS**

Attachment I – New Program Request Summary: SDSU – BA/BS in Accounting

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**DRAFT MOTION 20240626\_7-B(1):**

I move to authorize SDSU to offer a BA/BS in Accounting, as presented.

**Full Proposal – BA/BS Accounting  
South Dakota State University**

**BOR Recommendation:** The Board of Regents Executive Director and Academic Affairs supports the program request. This program will support students while addressing an identified workforce need in South Dakota.

**Program Description:**

The B.A. and B.S. in Accounting provide students with advanced training in accounting, including managerial, financial, cost, and income tax accounting. With a major in accounting, graduates will find careers in a variety of fields. While some accounting graduates are working as Certified Public Accountants (CPAs), some are in related fields such as auditors, financial analysts, business analysts, credit analysts, investment analysts, financial planners, bankers, loan officers, corporate finance support positions, corporate audit functions, tax examiners, tax managers, insurance underwriters, and entrepreneurs.

**Strategic Impact –**

**SDSU Strategic Impact:** The proposed B.A. and B.S. in Accounting will combine SDSU's strong accounting coursework with its existing management and economics core to allow students in the program to transcript their program in an accounting major and provide a solid foundation that will prepare students well for a variety of positions in private or public business and industry. As the state's land grant university, SDSU is strategically positioned to provide educational opportunities that will strengthen the labor force and economy of the rural areas throughout the state.

SDSU is requesting authorization to offer a major in Accounting in order to respond to critical workforce needs in the state of South Dakota. SDSU is well-positioned to fill these employment gaps without substantially restructuring or otherwise redesigning its programming. By offering a major in Accounting, SDSU will provide its students with a more comprehensive education program portfolio and credential their education accordingly, leading to enhanced professional opportunities. In addition, offering a major in accounting will clearly address the high demands of the labor market within the unique academic environment of South Dakota State University. With the recent changes to the South Dakota Advantage tuition program, the SDBOR has an opportunity to expand the availability of the Accounting major to more students that would come to South Dakota for their education from other states including Minnesota, Kansas, and Missouri.

**BOR Strategic Impact:** The proposed Accounting program supports the South Dakota Board of Regents Strategic Plan 2022-2027 Goal 3: Academic Excellence, Student Outcomes, Educational Attainment, and Goal 4: Workforce and Economic Development. In keeping with SDBOR and SDSU missions, the university seeks a student-centered option for SDSU students who wish to earn an accounting degree. The new program leverages the expertise of SDSU's faculty to respond to the workforce needs of South Dakota while maintaining academic excellence and increasing the number of accredited programs within the regental system.

**Program Summary:**

The classification of this program will be 52.0301 [Accounting]. This undergraduate program is proposed to be offered on-campus in Brookings. No new courses are requested in conjunction with this program proposal because SDSU is already authorized to offer a minor in Accounting. The Ness School of Management and Economics at SDSU is currently pursuing AACSB accreditation. The site visit is scheduled for October 2024. The addition of the Accounting program will not affect the timeline for accreditation.

### Duplication and Competition:

In October 2017, the SDBOR approved the Business Economics major at SDSU. At that time, the motion to approve the new program proposal for a B.A. and B.S. in Business Economics included limitations on SDSU offering additional programs in the field of business, including but not limited to finance, marketing, and business administration.

The Integrated Postsecondary Education Data System (IPEDS) for 2022-2023 reporting shows that South Dakota produced a total of 142 bachelor-prepared graduates in Accounting.

### Regental Universities<sup>1</sup>:

University	Bachelor's Degrees Conferred in Accounting	Total Number of Bachelor's Degrees Conferred at Each Institution
Black Hills State University	23	370
Dakota State University	9	338
Northern State University	19	285
University of South Dakota	55	1166

### Private SD Universities<sup>2</sup>:

University	Bachelor's Degrees Conferred in Accounting	Total Number of Bachelor's Degrees Conferred at Each Institution
Augustana	13	381
Dakota Wesleyan	6	149
Mount Marty	7	136
University of Sioux Falls	10	315

### Total Sum of SD Peer Findings:

University	Total Number of Bachelor's Degrees in Accounting	Total Number of Bachelor's Degrees Conferred (All Listed SD Universities)
Total	142	3140

<sup>1</sup> Integrated Postsecondary Education Data System (IPEDS) for 2022-2023

<sup>2</sup> Integrated Postsecondary Education Data System (IPEDS) for 2022-2023

The number of conferred bachelor's degrees in Accounting in SD, as reported by IPEDs, was 142 out of a total of 3140 degrees conferred by listed institutions. This is approximately 5% of the total number of bachelor's degrees awarded by the institutions offering Accounting programs.

### Competitor University Peers<sup>3</sup>:

SDSU awarded 1824 bachelor's degrees in 2022-2023. Of those, 86 were in the broad category of Business/Managerial Economics.

University	Bachelor's Degrees Conferred in Accounting	Total Number of Bachelor's Degrees Conferred at Each Institution
University of Minnesota	84	7640
North Dakota State University	43	2131
Southwest Minnesota State U.	15	425

### Workforce Outlook/State Need:

The April 2021 EMSI report commissioned by the South Dakota Board of Regents outlines a clear need for more finance and accounting education in South Dakota. When job openings are compared to the state's supply of educational program completions, the analysis reports how well SDBOR university program offerings satisfy South Dakota's workforce demand. Accountants and auditors are singled out as the single biggest need for new programs in South Dakota, appearing at the top of the list of "Programmatic Areas of Opportunity at the bachelor's degree level for SDBOR Universities"[1] In addition, accounting is listed as the #4 program in the "Top 10 Bachelor's Degree Level Programs at SDBOR Universities with a Gap" (the gap measures the projected annual job openings minus SDBOR annual completions).[2]

According to the EMSI report "Each SDBOR university should examine the occupations for institutional fit and whether an existing program can be adjusted to teach the skills related to the occupation or expand a current program training for the occupation to help meet the unmet annual need." We believe that SDSU is uniquely positioned to fill this gap as we are currently training accountants but are not recognized as such in the EMSI report because we do not have a transcribed major in accounting. (Minors and certificates were not included in the EMSI analysis.) The Ness School has the capacity and the growth potential to significantly reduce the gap in accounting workforce preparation without substantial restructuring of its program.

The US Department of Labor projects that there will be 135,000 average annual job openings for accountants in the US from 2020-2030, representing a 6.9% increase. [3]

In addition to the workforce demand demonstrated in the EMSI analysis and a significant gap in employment reported by the SD CPA society, the US Department of Labor statistics also points to a demonstrated workforce demand. Bureau of Labor Statistics data shows that accountant and auditor employment positions are projected to grow by 11% from 2020-2030 in South Dakota, and 4% nationally. [4]

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<sup>3</sup> IPEDS, 2022-2023

The median annual wage for accountants and auditors in the US was \$78,000 in May 2022.[5] Annual median wages in South Dakota were \$67,350 in 2022, according to the South Dakota Department of Labor and Regulation.[6]

- [1] Program Demand Gap Analysis: Economic Overview and Review of Academic Programs South Dakota Board of Regents, EMSI, April 2021, page 77.
- [2] EMSI, page 12
- [3] US Department of Labor Projections Central, Long-Term Projections Long-Term Occupational Projections | Projections Central, <https://www.projectionscentral.org/Projections/LongTerm> (visited December 15, 2023)
- [4] South Dakota Employment Trends: 13-2011.00 - Accountants and Auditors (onetonline.org) <https://www.onetonline.org/link/localtrends/13-2011.00?st=SD> (visited December 18, 2023)
- [5] Bureau of Labor Statistics, U.S. Department of Labor, Occupational Outlook Handbook, Accountants and Auditors, at <https://www.bls.gov/ooh/business-and-financial/accountants-and-auditors.htm> (visited October 05, 2023).
- [6] South Dakota Department of Labor and Regulation, “South Dakota High Demand & High Wage Careers – Accountants & Auditors”

### Student Learning Outcomes:

Upon completion of the Accounting major, graduates will:

1. Be able to use analytical methods to make effective decisions.
2. Be able to communicate effectively.
3. Be able to evaluate matters of ethics in the profession and the culture more broadly.
4. Have the requisite body of knowledge in management and economics.

Program graduates’ outcomes will be assessed through employment rates and post-graduate surveys.

### Projected Enrollment:

ESTIMATES	FISCAL YEARS*					
	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year
	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Students new to the university	--	22	29	35	35	35
Students from other university programs	12	7	3	2	2	2
Students off-campus or distance						
Continuing students		10	32	54	71	77
<b>Total students in the program (fall)</b>	<b>12</b>	<b>39</b>	<b>64</b>	<b>91</b>	<b>108</b>	<b>114</b>
Program credit hours (major Courses)**	192	598	1096	1810	2261	2428
Graduates				8	19	21
<i>*Do not include current fiscal year.</i>						
<i>**This is the total number of credit hours generated by students in the program in the required or elective program courses. Use the same numbers in Appendix B – Budget.</i>						

Enrollment estimates are based on:

There are currently 100 students pursuing the Accounting Minor at SDSU. The proposed B.A. and B.S. in Accounting will combine SDSU's strong accounting coursework with its existing management and economics core and provide a solid foundation that will prepare students well for a variety of positions in private or public business and industry.

SDSU anticipates there will be a mix of new enrollment and redirection from existing programs. New students will be attracted to the program by the state-of-the-art facilities and faculty resources combined with the transparency of the program. A substantial number of students currently majoring in Business Economics with a minor in Accounting would likely be redirected into the Accounting major.

**Projected Revenue/Expenses:**

<b>FINANCIAL HEALTH SUMMARY</b>						
	1st	2nd	3rd	4th	5th	6th
	FY25	FY26	FY27	FY28	FY29	FY30
<b>TUITION &amp; FEE REVENUES</b>	49,853	155,377	284,580	469,994	587,170	630,356
<b>PROGRAM EXPENSES</b>	14,250	202,801	200,301	428,797	426,547	426,547
<b>NET (T&amp;F REVENUES LESS PROGRAM EXPENSES)</b>	<b>35,603</b>	<b>(47,424)</b>	<b>84,279</b>	<b>41,197</b>	<b>160,623</b>	<b>203,809</b>
<b>OTHER SUPPORTING REVENUES</b>	-	-	-	-	-	-
<b>NET AFTER OTHER SUPPORTING REVENUES</b>	<b>35,603</b>	<b>(47,424)</b>	<b>84,279</b>	<b>41,197</b>	<b>160,623</b>	<b>203,809</b>

No new resources are requested for this program because SDSU already offers the required Accounting courses as part of their minor. That said, the Ness School expects enrollment to grow; at full implementation, they expect to have 35 new first-year students (114 total enrolled students) and would need to add two additional faculty and 0.5 FTE of an advisor. The university would need 26 new first-year students (82 total enrolled students) to break even if additional FTEs were hired. If they do not have increased enrollment, however, they will not add additional expenses.