

Agenda Item No.

**AGENDA ITEM BRIEFING**

**Submitted by:** George C. Wright, President  
Prairie View A&M University

**Subject:** Authorization to Offer the MBA via a Web-based Delivery System

**Proposed Board Action:**

Authorizes Prairie View A&M University to offer the MBA via a web-based delivery system effective Fall 2008.

**Background Information:**

The Masters of Business Administration (MBA) is an existing graduate degree program offered by the Prairie View A&M University College of Business. Given the spread of technology and the higher price of gasoline, PVAMU feels there is a substantial demand in Houston and across Texas for this program amongst busy professionals who do not have time to take the program in the traditional face-to-face mode. PVAMU is requesting approval of the MBA via a web-based delivery system effective Fall 2008.

Offering an online capability will allow students desiring a masters degree in business that opportunity when they are unable to come to campus for time or resource constraints. The expansion from on-campus only to Internet delivery permits PVAMU to further expand access to the citizens of Texas to a high-quality, cost-effective graduate business administration program.

The attached Executive Summary provides the educational objectives of the program, an explanation of how the College is currently offering quality online courses, faculty background and experience, information on targeted audience and projected enrollments, and outlines the anticipated costs and sources of funding to offer the program in the online format. Additionally, PVAMU affirms that the program will conform to the THECB *Principles of Good Practice for Academic Degree and Certificate Programs and Credit Courses Offered Electronically and a Certification Form is included with the Executive Summary attachment.*

Per THECB rules, Texas public institutions must first obtain approval from their governing board and subsequently notify the THECB prior to offering graduate degree programs by distance education. PVAMU requests authorization from the Board of Regents to deliver the existing MBA degree via the web-based delivery system effective with the fall semester 2008.

**A&M System Funding or Other Financial Implications:**

The projected five year costs of delivering the program are estimated to be around \$700,000, mostly salary costs of a new faculty position to support enrollment growth. (This position will occur when enrollment expectations exceed 50 students.) This expense will be adequately covered by higher state appropriations (formula funding) and existing fees (estimated to be \$760,000). Funding sources include existing graduate incremental tuition, university distance education fee, and tuition based on formula funding from increased enrollment growth and SCH generation.

Agenda Item No.

**PRAIRIE VIEW A&M UNIVERSITY**

Office of the President

April 9, 2008

Members, Board of Regents  
The Texas A&M University System

Subject: Authorization to Offer the MBA via a Web-based Delivery System

I recommend adoption of the following minute order:

**“Having complied with all of the requirements of the Texas Higher Education Coordinating Board, Prairie View A&M University is hereby authorized to offer the Master of Business Administration (MBA) via a web-based delivery system, effective Fall 2008.**

**The Board of Regents finds that the program offerings authorized by this minute order are within the role and scope and capacity of the institution and will benefit students.”**

Respectfully submitted,

George C. Wright, President

**Approval Recommended:**

**Approved for Legal Sufficiency:**

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Michael D. McKinney  
Chancellor

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Jay Kimbrough  
Deputy Chancellor and General Counsel

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Frank B. Ashley III  
Vice Chancellor for Academic Affairs

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B. J. Crain  
Associate Vice Chancellor for Budgets and Accounting

Prairie View A&M University  
College of Business

**Proposal to offer the MBA Delivered via the Internet  
EXECUTIVE SUMMARY**

Prairie View A&M University requests expanded authority to offer the Master of Business Administration (MBA) via web-based delivery system. Internet based computer mediated instruction will be used. The College of Business (COB) currently offers the MBA program to on-campus students. The primary objectives of the degree delivered online include: 1) To provide a degree program that is accessible, satisfying and meets the educational needs of professionals in the business community in the Greater Houston region and Texas; 2) To create and nurture a high quality learning environment that encourages the discovery, integration and application of management principles and scholarship; 3) To advance management education that is ethical and oriented globally through a nationally accredited program and assessment of learning; 4) To provide administrative support that complements the on-campus services and procedures of the Graduate School at PVAMU.

Over the past six years, the MBA program has steadily grown in enrollment from 100 students to over 160 students. Academically qualified faculty members with doctoral degrees from some of the best graduate programs in the country teach students using a variety of pedagogical methods. Almost all faculty members use technology in the classroom and the Web CT platform. Some of the courses are already taught online, and others in hybrid mode. Widespread availability of high speed Internet connection provides continuous access

Offering an online capability will allow students desiring a masters degree that opportunity when they are unable to come to campus. The expansion from on-campus only to Internet delivery permits PVAMU to further expand access to the citizens of Texas to a high-quality, cost-effective graduate business administration program.

Recruiting busy professionals with undergraduate degrees in business or in other areas who live in the Greater Houston area are the target audience for this online program. The competition for this segment of adult student population is growing with for-profit players like University of Phoenix and others offering online MBA programs in Houston. PVAMU's MBA has a distinct edge over these players. Not only is the COB accredited with AACSB International, the gold standard for business school accreditation, the PVAMU program is also priced reasonably. The total cost of a PVAMU program (in-state tuition is approximately \$9,900) is significantly below the cost of similar programs in Houston. The COB presently has a faculty body sufficient to handle additional teaching in the online MBA program. However, a new faculty position will be added when the enrollment exceeds 50 students. Since, this is an existing program the same high quality curriculum will be used.

Initial one-time costs for the program are estimated to be below \$50,000, including costs of course development, and software. These investments will allow the COB faculty to develop for online instruction twelve graduate (required and elective) courses. The recurrent annual costs that include personnel (student support) and bandwidth usage are estimated to be in the \$8,000 range. The projected five year costs of delivering the program are estimated to be around \$700,000, mostly salary costs of a new faculty position to support enrollment growth. On the revenue side, this

expense will be adequately covered by higher state appropriations (formula funding) and existing fees (estimated to be \$760,000). Funding sources include existing graduate incremental tuition, university distance education fee, and tuition based on formula funding from increased enrollment growth and SCH generation.

Features of the online program include:

- Extending current web-based course offerings
- Requiring modest additional funding in the short-run
- Expanding access to higher education to a new market segment
- Building on an established base of students, many already taking online courses
- Assisting faculty with one-on-one course design, development and delivery
- Adding a projected 1,800 semester credit hours of graduate enrollment annually to PVAMU, helping to meet enrollment goals established by *Closing the Gaps* and PV's *Academic Development Initiative*.

### **DISTANCE EDUCATION CERTIFICATION OF COMPLAINE STATEMENT**

Prairie View A&M University certifies that the Master of Business Administration degree to be delivered electronically via the Internet (the Online MBA) meets the standards and criteria established in *Chapter 4, Subchapter E* of the rules and regulations of the Texas Higher Education Coordinating Board. Those standards include:

1. Instruction must meet the quality standards that an institution requires of similar instruction offered on-campus to regularly enrolled students.
2. Courses that offer either regular college credit or Continuing Education Units must do so in accordance with the standards of the Commission on Colleges of the Southern Association of Colleges and Schools.
3. Students must satisfy the same requirements for admission to the institution, to the program of which the course is a part, and to the class/section itself, as are required of on-campus students.
4. Faculty must be selected and evaluated by the same standards, review, and approval procedures used by the institution to select and evaluate faculty responsible for on-campus instruction. Institutions must provide training and support to enhance the added skills required of faculty teaching classes via instructional telecommunications.
5. The instructor of record must participate in the delivery of instruction and evaluation of student progress.
6. The graduate faculty of the institution must approve providers of graduate-level instruction.
7. All instruction must be administered under the authority of the same office or person administering the corresponding on-campus instruction. The supervision, monitoring, and evaluation processes for instructors must be comparable to those for on-campus students.
8. Students must be provided academic support services including academic advising, counseling, library and other learning resources, tutoring services, and financial aid that are comparable to those available for on-campus students.
9. Facilities (other than homes as instructional telecommunications reception sites) must be adequate for the purpose of delivering instruction that is comparable in quality to on-campus instruction.