



To: Higher Education Committee  
From: John L. D'Agati *John L. D'Agati*  
Subject: Permission to Operate: Olivet University  
Date: October 29, 2012

Authorizations:

*John B. ...*

**SUMMARY**

**Issue for Decision**

Should the Board of Regents grant Olivet University permission to operate in New York State and to offer seven specific courses from its Master of Business Administration (M.B.A.) degree program at a facility at Six Barclay Street in New York City?

**Reason(s) for Consideration**

Required by State statute and State regulation.

**Proposed Handling**

The question will come before the Higher Education Committee at its November 2012 meeting, where it will be voted on and action taken. It will then come before the full Board at its November 2012 meeting for final action.

**Background Information**

Olivet University is a private Christian institution in the Presbyterian tradition, located in San Francisco, California. Olivet has applied to the Board of Regents for permission to operate in New York State. Education Law §224(1)(a) and §3.56 of the Regents Rules prohibit any operation by out-of-state higher education institutions in New York without prior permission of the Board.

Olivet seeks authorization to offer seven courses from its Master of Business Administration (M.B.A.) program at a leased facility in New York City. These are Business Strategy, Leadership, Marketing Management, Ministry Practicum for

Capstone I, Ministry Practicum for Capstone II, Introduction to Translation and Interpretation, and Specialized Language Workshops. The first three courses are part of the University's Business core curriculum for the M.B.A. degree. The Capstone courses are part of a required project done in concert with an Olivet affiliate company or organization. The final two are electives. The M.B.A., of which these seven courses will be a part, includes a Professional core of 40 quarter credits (10 courses), 12 quarter credits of Theology (3 courses), 10 quarter credits of Ministry Practicum (3 courses) and 8 quarter credits of open electives (2 courses).

Olivet began as a small Bible college in 1992 and now has seven individual college divisions organized under Olivet University. It occupies a 40,000 square foot main campus building in San Francisco. The program areas are theology, music, journalism, art and design, technology, business and language education. The University's mission is to train men and women as Biblical scholars and leaders, and to equip them with practical skills related to ministry. Olivet states that its planned operation in New York City fits with the University's strategic goal of enhancing interaction with its affiliate ministries.

Olivet University believes that its proposed limited course offering would not be in direct competition with M.B.A. programs in the New York City region since none of the institutions offering them shares Olivet's distinctiveness as a Christian institution in the Presbyterian tradition.

Olivet states that the courses proposed to be offered in Manhattan will have the same content as those delivered at the main campus, and the credits will all apply to its M.B.A. program. The instructional delivery methods used at the New York City facility will consist of lecture and laboratory instruction. Olivet University also offers a wide variety of courses on-line through its San Francisco campus. Any on-line courses that students in New York enroll in on an individual basis will continue to be coordinated and administered through the main campus in San Francisco.

Enrollment projections for the Manhattan location are 15 students in the first year and 40 by the third year. Initial enrollment is expected to draw from students in New York City currently taking on-line courses from Olivet.

The University has hired one full-time faculty member as the academic director for the New York location. He has a doctoral degree and a background in applying new technologies to business ventures. The University proposes to hire one full-time academic administrator. Qualifications for teaching translation and language-related M.B.A elective courses include professional experience as a translator and at least a master's degree. Additional adjunct faculty, three or more, will be hired as needed.

Olivet University's leased facility occupies part of an office building located at 6 Barclay Street in lower Manhattan. Faculty would be available for student advisement at this location. In addition, Olivet's financial and other student support services would be available to all students online.

Olivet University states that it has an extensive collection of educational resources available in the University Library system online and in print. Olivet's facility in Manhattan has its own collection of print resources onsite which will support its curricular offerings. Books are loaned throughout the University's library system.

To assess likely demand and need, the University conducted surveys of church members, campus ministry students, on-line business students, and alumni residing in New York. These showed a strong interest in the opportunity to take courses in Manhattan, according to the University. The University has also secured letters from ministry leaders in the New York City area expressing confidence that the courses will help meet their workforce needs. Supporters also include growing digital media companies developed by Olivet graduates.

Olivet University reports that over 90 percent of members of its 2010 graduating class were employed as of December 2011, with 80 percent employed by an affiliate ministry in the field of preparation.

Projections of national, State, and local labor market needs in the areas of ministry and business estimate the following growth rates. On the national level, the 2010-2011 edition of the "Occupational Outlook Handbook" projects a 7 to 13 percent growth for clergy and a 12 percent increase in the demand for managers. The New York State Department of Labor's current "Labor Statistics" publication projects a "very favorable" outlook for both clergy and managers statewide. For the New York City area, the same publication projects a "favorable" outlook for some management positions and a "very favorable" one for others.

Consistent with its master planning process, the Department conducted a canvass of all degree-granting institutions in the New York City region. The Department received responses from four institutions. Two institutions responded that they had no comment and one responded they would not be affected by the proposed offerings. The fourth institution withdrew an objection after communication from Olivet satisfactorily resolved concerns.

### Recommendation

It is recommended that the Board of Regents grant permission to Olivet University to operate in New York State and offer seven courses from its Master of Business Administration (M.B.A.) program.

This approval will be effective for a three-year period beginning on November 5, 2012 and ending on November 30, 2015.