

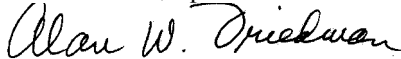
REQUEST TO CREATE A TRANSCRIPT-RECOGNIZED RISK MANAGEMENT CERTIFICATE IN THE MCCOMBS SCHOOL OF BUSINESS CHAPTER IN THE *UNDERGRADUATE CATALOG, 2018-2020*

Dean Jay C. Hartzell in the McCombs School of Business has filed with the Secretary of the Faculty Council the following proposal to create a transcript-recognized Risk Management Certificate in the McCombs School of Business chapter in the *Undergraduate Catalog, 2018-2020*. On November 14, 2016, the Undergraduate Program Committee approved the proposal. On April 26, 2017, the college faculty and dean approved the proposal. The secretary has classified this proposal as legislation of *general* interest to more than one college or school.

The Committee on Undergraduate Degree Program Review recommended approval of the certificate on March 29, 2017, and forwarded it to the Office of the General Faculty. The Faculty Council has the authority to approve this legislation on behalf of the General Faculty. The authority to grant final approval on this legislation resides with the Provost on behalf of the President.

If no objection is filed with the Office of the General Faculty by the date specified below, the legislation will be held to have been approved by the Faculty Council. If an objection is filed within the prescribed period, the legislation will be presented to the Faculty Council at its next meeting. The objection, with reasons, must be signed by a member of the Faculty Council.

To be counted, a protest must be received in the Office of the General Faculty by May 15, 2017.



Alan W. Friedman, Secretary of the General Faculty and Faculty Council
The University of Texas at Austin

Arthur J. Thaman and Wilhelmina Doré Thaman Professor of English and Comparative Literature

REQUEST TO CREATE A TRANSCRIPT-RECOGNIZED RISK MANAGEMENT CERTIFICATE IN THE MCCOMBS SCHOOL OF BUSINESS CHAPTER IN THE *UNDERGRADUATE CATALOG, 2018-2020*

Type of Proposal New Certificate Program (requiring THECB notification only)
 Change an Existing Certificate Program
 Delete a Program

Proposed classification Exclusive General Major

1. IF THE ANSWER TO ANY OF THE FOLLOWING QUESTIONS IS YES, THE COLLEGE MUST CONSULT LINDA DICKENS, DIRECTOR OF ACCREDITATION AND ASSESSMENT, TO DETERMINE IF SACSCOC APPROVAL IS REQUIRED.

- Is this a new transcript-recognized certificate program? Yes No
- Is this a request to delete an existing transcript-recognized certificate program? Yes No
- Does the certificate offer courses that will be taught off campus? Yes No
- Will courses in this program be delivered electronically? Yes No
- Will courses be developed specifically for the new certificate? Yes No

2. THIS PROPOSAL INVOLVES (Please check all that apply)

- Courses in other colleges Courses in proposer's college that are frequently taken by students in other colleges Flags
- Course in the core curriculum Change in course sequencing for an existing program Courses that have to be added to the inventory
- Change in admission requirements (external or internal) Requirements not explicit in the catalog language (e.g., lists of acceptable courses maintained by department office)

3. SCOPE OF PROPOSED CHANGE

- a. Does this proposal impact other colleges/schools? Yes No
If yes, then how? We anticipate that students from other colleges, particularly Actuarial Science students from Natural Sciences, will be interested in this certificate. In addition, some elective course options in the certificate are from outside the McCombs School of Business.
- b. Do you anticipate a net change in the number of students in your college? Yes No
If yes, how many more (or fewer) students do you expect?
- c. Do you anticipate a net increase (or decrease) in the number of students from outside of your college taking classes in your college? Yes No
If yes, please indicate the number of students and/or class seats involved. An estimated increase of ten students per year. Likely most or all, at least at first, will be from Actuarial Science.
- d. Do you anticipate a net increase (or decrease) in the number of students from your college taking courses in other colleges? Yes No
If yes, please indicate the number of students and/or class seats involved. Negligible; all business students take two ECO courses and an LEB course, which will satisfy the electives.

If 3 a, b, c, or d was answered with yes, please answer the following questions. If the proposal has potential budgetary impacts for another college/school, such as requiring new sections or a non-negligible increase in the number of seats offered, at least one contact must be at the college-level.

How many students do you expect to be impacted? Forty students a year; thirty Actuarial Science and ten College of Business students

Impacted schools must be contacted and their response(s) included:

Person communicated with: Mark Maxwell, Actuarial Studies Program Director, Department of Mathematics, College of Natural Sciences

Date of communication: April 3 and June 20, 2016, and other times

Response: Does not impact the Actuarial Science program in terms of additional demands as students from math might take an additional McCombs course already offered. Any actuarial science course is an appropriate elective for RM Certificate students who have the prerequisites for the ACF class.

The Actuarial Science Director and College are interested in sending students to the RM Certificate Program as many already take the classes. Likewise, the RM Certificate Program will approve any Actuarial Science course as an elective class for the RM Certificate. Risk Management and Actuarial Science are very closely linked in industry, and RM is a major employer for Actuarial Science students.

Dr. Maxwell is extremely positive and reciprocally supportive, and will serve on the advisory board for the certificate.

Person communicated with: David Vandebout, Associate Dean for Undergraduate Education, College of Natural Sciences

Date of communication: June 29, 2016

Response: "I think this looks like a good proposal. In speaking with Mark Maxwell it doesn't seem like it will place any burden on the Actuarial program and actuarial students would be able to easily pursue the certificate without affecting their timely graduation. I have no other questions or objections."

Person communicated with: Madeline Maxwell, Director of the Center for Dispute Resolution, Professor in Communication Studies, College of Communications

Date of communication: April 19 and May 5, 2016

Response: Dr. Maxwell is interested in working with students from the RM Certificate Program and any students are welcome to take CMS 354, CMS 371K when there are spaces available.

The RM Certificate Program will require no specific elective courses that require special arrangements for a student to enter the class. Students must have the prerequisites and be able to enroll when there are seats available.

4. **Official Certificate Name:** Undergraduate Certificate: Risk Management Certificate
5. **Proposed Implementation Date:** Fall 2018
6. **CIP Code** (administrative unit awarding the certificate): 52.1304 Business – Actuarial Science; Field of Study R M
7. **Statement of Objective:** To prepare students to meet successfully the current and existing risk challenges of the business environment. The RM Certificate Program strives to make students aware of the need for risk management irrespective of their professional focus and help them to know how to prepare their business environment to protect itself from risks that may occur.
8. **Number of Students Expected to Receive the Certificate Each Semester:** Twenty students

9. Number of Hours Required for Completion: Eighteen (18) hours

10. List Faculty on the Certificate Program Faculty Committee.

Name of Faculty Member	College/Department	Title at UT Austin	Highest Degree and Awarding Institution
Patrick Brockett (chair)*	Business / Information, Risk & Operations Management	Professor	Ph.D., University of California at Irvine
Linda Golden*	Business / Marketing	Professor	Ph.D., University of Florida; J.D. University of Texas at Austin
Laura Starks*	Business / Finance	Associate Dean for Research, Professor	Ph.D., University of Texas at Austin
William Cunningham*	Business / Marketing	Professor	Ph.D., Michigan State University
Mark Maxwell	Natural Sciences / Mathematics	Clinical Professor	Ph.D., Oregon State University
Christopher McClellan	Business / Information, Risk & Operations Management	Lecturer	J.D., University of Texas at Austin

11. Academic Course Requirements: Use this table to identify the courses that qualify for this certificate program.

Course Abbreviation and Number	Course Title	SCH
R M 357E or URB 351.6	<i>Introduction to Risk Management</i> or <i>Introduction to Risk Management</i> (these two classes are “same-as,” home is RM)	3
R M 377 or R M 369K	<i>Property-Liability Risk Management and Planning</i> or <i>Managing Employee Risks and Benefits</i> Note: whichever course is not used to satisfy the required course, can be used to satisfy an elective course	3
ACC 310F or #ACC 311 or #ACC 311H	<i>Foundations of Accounting</i> (for non-business students participating in the certificate) or <i>Fundamentals of Financial Accounting</i> (#prerequisite: Twenty-four semester hours of college credit.) (for business students participating in the certificate) or <i>Fundamentals of Financial Accounting: Honors</i> (#prerequisite: Twenty-four semester hours of college credit, Management Information Systems 301 or its equivalent, and credit or registration for Business Administration 324 or 324H.) (for business honors students participating in the certificate)	3
#FIN 320F or	<i>Foundations of Finance</i> (#prerequisite: Upper-division standing) (for non-business students participating in the certificate) or	3

#FIN 357 or #FIN 357H	<i>Business Finance</i> (#prerequisite: Statistics 309 or 309H, and credit or registration for the following: Accounting 312 or 312H, and Business Administration 324 or 324H) (for business students participating in the certificate) or <i>Business Finance: Honors</i> (#prerequisite: Economics 304K and 304L, and credit or registration for Accounting 312 or 312H, Business Administration 324 or 324H, and Statistics 371H or 375H) (for business honors students participating in the certificate)	
<i>Two of the following courses; only one can be a business course. Students must be able to enroll in these through their majors.</i>		<i>6 (3 each course)</i>
#ACF 329 or M 329F	<i>Theory of Interest</i> (#prerequisite: Mathematics 408D, 308L, 408L, or 408S with a grade of at least C-) <i>Theory of Interest</i> (#prerequisite: Mathematics 408D, 308L, 408L, or 408S with a grade of at least C-)	3
#ACF 3 hrs	Any three hours lower- or upper-division Actuarial Foundations (#prerequisite: Varies with course)	3
#CMS 354	<i>Conflict Resolution</i> (#prerequisite: Upper-division standing) (Can be taken second summer only as open enrollment is only available then; web-based)	3
CMS 371K	<i>Practicum in Conflict Mediation</i>	3
#ECO 3 hrs	Any three hours lower- or upper-division Economics (#prerequisite: Varies with course)	3
#FIN 377.2	<i>Financial Risk Management</i> (#prerequisite: Finance 367 or 367Q)	3
#LEB 3 ADV	Any three hours upper-division Legal Environment of Business (#prerequisite: Varies with course)	3
#M 339D	<i>Introduction to Financial Mathematics for Actuaries</i> (#prerequisite: Actuarial Foundations 329 or Mathematics 329F; and Mathematics 362K with a grade of at least C-)	3
#M 339J	<i>Probability Models with Actuarial Applications</i> (#prerequisite: Mathematics 358K or 378K with a grade of at least C-)	3
#M 339U	<i>Actuarial Contingent Payments I</i> (#prerequisite: Mathematics 362K with a grade of at least C-; credit with a grade of at least C- or registration for Actuarial Foundations 329 or Mathematics 329F; and credit with a grade of at least C- or registration for Mathematics 340L or 341)	3
#M 339V	<i>Actuarial Contingent Payments II</i> (#prerequisite: Actuarial Foundations 329 or Mathematics 329F, and M 339U with a grade of at least C- in each)	3
#M 339W	<i>Financial Mathematics for Actuarial Applications</i> (#prerequisite: Mathematics 339D with a grade of at least C-)	3
#M 349P	<i>Actuarial Statistical Estimates</i> (#prerequisite: Mathematics 339J, and 341 or 340L, with a grade of at least C- in each)	3
*#MKT 3xx	<i>Reputational Risk and Crisis Management</i> (#prerequisite: will be determined fall 2017)	3

12. Other Certificate Requirements: Students must satisfy the courses used to fulfill certificate requirements on the letter-grade basis, and earn a combined grade point average of at least 2.00 in these courses.

13. Give a Detailed Rationale for Change(s): Creation of new certificate, as indicated in statement of objective.

14. College/School Approval Process:

Approver: Undergraduate Program Committee
 Title: faculty representatives from each McCombs Department, and student representatives
 Date: November 14, 2016

Approver: Faculty of the McCombs School of Business
 Title: Dean and all faculty of all McCombs Departments and programs
 Date: pending in April 26, 2017

PROPOSED NEW CATALOG TEXT

Catalog language; section *Catalogs > Undergraduate > Red McCombs School of Business > Minors and Certificate Programs > immediately after Real Estate Certificate*

Risk Management Certificate (RMC)

The business world is increasingly faced with risks from cyber-risk to health care fraud to terrorism, identity theft and financial risks from longevity of life. These risks all have financial consequences that are recurring or crisis. The management of risk is increasingly important in the USA and worldwide. For-Profit and Not-for-Profit enterprises (from charities to government) find themselves confronting risks and the resulting financial consequences daily. Business managers from all areas of expertise need to be prepared to prevent and address risks to survive—the ultimate goal of most all enterprises.

The Risk Management Certificate provides a student with a tool kit for contemplating, identifying, prioritizing, and formulating approaches to manage varying types of risks inevitably faced. The RM Certificate allows for six hours of free electives (inside or outside of McCombs) as there are many types of risk a particular student might be faced with (e.g., *financial crisis risk, natural disasters* (from hurricanes, tsunami to volcanos and fires), *cyber risk* (from identify theft, fraud, mobile commerce risks to phishing and hacking, etc.), *risk of political and other crises disrupting supply chains, terrorism and the reality that all enterprises operate in an increasingly vulnerable and connected infrastructure*. Indeed, as an example, over 90% of the Fortune 500 companies have created an insurance company subsidiary designed to help them manage their risks internally (a captive insurer). This allows for both some degree of managerial control and risk transfer to protect the firm. Companies need increasing active risk management expertise to survive.

Who Should Consider The Risk Management Certificate (RMC)?

The Risk Management Certificate is designed for both business and non-business majors who expect to be in a management position, including entrepreneurs. Examples include all Business majors who plan to pursue an entry-level job in supply chain, finance, manufacturing, insurance, management information systems, marketing or other business functions. Non-business majors can be students in liberal arts, economics, actuarial science, petroleum engineering, retailing, communications, health care or students from any other discipline who want to understand the impact of risk and the management of risk for their future employer.

Risk Management Certificate Application and Coursework Requirements

The Risk Management Certificate Program is both structured and flexible to allow the student to pursue interests in discipline-specific risks as well as general risks that any enterprise might face. Admission to the program requires upper-division standing and a 2.5 GPA, and is based on students' overall academic record. Students must apply to receive the RM Certificate at least one full semester prior to anticipated graduation.

Registration in courses does not require admission to the Risk Management Certificate Program.

At least half of the required certificate coursework (nine hours) must be completed in residence at The University of Texas at Austin. Students must contact the certificate office to request the certificate the semester before they will complete the program; by April 1 for fall, by November 1 for spring or summer. This timing facilitates the student's ability to have a semester prior to graduation to complete necessary coursework. Students have up to one year after graduation to complete the certificate program for transcript purposes, and must have applied as per dates above. A maximum of nine hours of certificate coursework may be taken after the student has earned the undergraduate degree.

To receive the Risk Management Certificate students must comply with University Rules and Regulations and RMC Program requirements regarding satisfactorily completed coursework and degree completion.

Required Coursework for the RMC

The RMC requires eighteen semester hours of coursework as described below. Twelve hours are business coursework: six hours of risk management, three hours of accounting and three hours of finance. An additional six elective hours relevant to risk management are selected by the student, with a maximum of 3 hours allowed from the McCombs School of Business.

Required courses:

1. RM 357E Introduction to Risk Management, or URB 351.6 Introduction to Risk Management
2. RM 377 Property-Liability Risk Management and Planning, or RM 369K Managing Employee Risks and Benefits (offered in alternating Fall semesters)
3. Accounting 310F Foundations of Accounting (for non-business students), or Accounting 311 Fundamentals of Financial Accounting, or 311H Fundamentals of Financial Accounting-Honors
4. Finance 320F Foundations of Finance (for non-business students), or Finance 357 Business Finance, or 357H Business Finance-Honors

Elective courses:

Choose two of the following courses; no more than one can be a course offered by the McCombs School of Business. Risk Management Certificate students must be able to enroll in an elective through their majors and have the required prerequisites - the RMC Program cannot grant or request exceptions to restricted courses, or to prerequisites for elective courses.

1. RM 377 Property-Liability Risk Management and Planning, or RM 369K Managing Employee Risks and Benefits (whichever was not used to fulfill the certificate requirement above)
2. ACF 329 Theory of Interest or M 329F Theory of Interest
3. Any three hours lower- or upper-division Actuarial Foundations (ACF)
4. CMS 354 Conflict Resolution (Can be taken second summer only as open enrollment is only available then – web-based course)
5. CMS 371K Practicum in Conflict Mediation (If student can access via open enrollment as majors have preference)
6. Any three hours lower- or upper-division Economics (ECO)
7. FIN 377.2 Financial Risk Management
8. Any three hours upper-division Legal Environment of Business (LEB)
9. M 339D Introduction to Financial Mathematics for Actuaries
10. M 339J Probability Models with Actuarial Applications
11. M 339U Actuarial Contingent Payments I
12. M 339V Actuarial Contingent Payments II
13. M 339W Financial Mathematics for Actuarial Applications
14. M 349P Actuarial Statistical Estimates

15. MKT 3xx Reputational Risk and Crisis Management

Other courses may be considered for substitution, as approved by the Risk Management Certificate Program. Courses dealing with conflict resolution, health management, health infrastructure, public policy, governmental regulation, risk management, or security are likely candidates.

The student must satisfy the courses used to fulfill certificate requirements on the letter-grade basis. He or she must earn a combined grade point average of at least 2.00 in these courses.

Please contact _____ (staff administrator) or Dr. Patrick L. Brockett, Director of the Risk Management Certificate Program, for additional questions and further information.