

## MES Academic Budget Request Narrative

### June 7, 2012

Based on the 2010-2011 Revenue Cost Analysis Summary created by Walter Nieimic, I have put together a similar summary for 2011-12 and 2012-13. I also corrected the original summary, as it subtracted waivers from our operating fee revenue that are not ours (they were all undergrad waivers) and included a .25 FTE faculty that does not exist. With the correction, you can see that for 11-12, MES ran at less than 1% loss in revenue (as opposed to the 12% originally assumed). Because of an increase in enrollment for both 11-12 and 12-13, and a reduction in costs due to having two temporary faculty instead of only one, our profit goes up considerably. For this summary, I assumed our waivers would be the same for 2012-13 as they were for 11-12, that we would have more nonresident tuition revenue, and that our costs would include org codes 25101 and 25102 at their base budgets. Faculty salaries had to be estimated. As nonresident tuition increases and faculty costs decrease, our profit doubles between 11-12 and 12-13. Because of this clear increase, MES has put together two budget requests (MES academic and MES support) that will enable us to run the program effectively and efficiently, while also maximizing our profits and providing a solid, rigorous academic program.

### MES 12-13 Revenue Cost Analysis Summary

<u>Revenue</u>	2010-11	2011-12	2012-13 (EST.)
Total Operating Fee Revenue	\$ 584,380.94	\$ 701,468.40	\$ 788,246.13
total Waivers	\$ 59,668.49	\$ 87,492.56	\$ 88,000.00
Net Revenue	<b>\$ 524,712.45</b>	<b>\$ 613,975.84</b>	<b>\$ 700,246.13</b>

<u>Revenue Increase</u>	FY12 v. FY 11	FY 13 v. FY 12
Total increase/(decrease) over previous year	\$ 89,263.39	\$ 86,270.29
% increase/(decrease) over previous year	17.01%	14%

<u>Cost-Profit</u>	2010-11	2011-12 (EST.)	2012-13 (EST.)
Total Direct Cost	\$ 529,087.00	\$ 546,564.00	\$ 552,665.50
Profit/(Loss) - cost/net revenue	\$ (4,374.55)	\$ 67,411.84	\$ 147,580.63
Profit/(Loss) as % of Operating Revenue	-0.75%	9.61%	18.72%
Profit/(Loss) as a % of Net Revenue	-0.83%	10.98%	21.08%