

How is Hiring Michael Dugan a Good Deal?

With Michael Dugan coming to USM's b-school (from the University of Alabama) this fall as its new *Horne LLP Distinguished Professor of Accounting*, many in the USM community are wondering what he will be teaching in fall 2010. A 27-May-2010 check of data available from the USM Registrar shows that only two sections of a single accounting course look to be options for School of Accountancy director Skip Hughes to consider in assigning Dugan's teaching load.

Table 1 – Options for Fall 2010 Teaching for Dugan

Course	Days & Times	Enrollment	Cap
ACC 401	TR, 11-12:15	23	35
ACC 401	TR, 1-2:15	30	35

According to Table 1 above, it appears as though Dugan will have one preparation, with two course sections, this fall (2010). And, these course sections cover only 70 students (210 student credit hours) at the upper end; as of this report, there are only 53 enrollees (159 student credit hours). Given these numbers, and using USM's new 2010-11 tuition fee schedule for in-state students, Dugan's tuition production for fall 2010 will range from \$36,252 to \$47,880. Using \$150,000 as Dugan's salary, which some sources say is a conservative figure, and an accompanying \$37,500 for fringes, it will cost USM about \$93,750 to employ Dugan during fall 2010. This number, when combined with those above, produces a fall 2010 *loss* from employing Dugan of at least **\$45,870**. If currently enrolled numbers are used, that fall 2010 *loss* could be as large as **\$57,498**. Given Dugan's expected salary, it is next to impossible to construct *any teaching assignment* that would produce something other than a negative return to hiring the former University of Alabama accountant. To break even, Dugan would have to teach about 140 students during fall 2010. As it stands, it appears as though the most he will instruct is only 70.