MIT suffers shortfall; covers same easily

By Paul Schindler

MIT has not recently run up a deficit. The Institute will probably suffer from an $8.1 million "total need for unrestricted funds," a $5.1 million "total excess of derived resources," and a $1.7 million "operating deficit" for the Fiscal Year 1974, which ended last June 30.

The numbers do not mean that MIT can't pay its bills; they may well have a lot to do with the $200 annual tuition increase being used by the MIT administration for the $8.50 tool.

The $1.7 million will come from "interest earning funds now functioning as endowment," according to Chancellor Paul E. Gray '54. The annual tuition increases are based on current predictions for the future rate of inflation.

This year's tuition was originally set to be $1300, but announcement of that was delayed, and then the decision was made to go to $3350 based on inflation and energy costs. In the past, tuition for the '7X-7Y school year was announced in August of '7X-1. Last year it was announced in October, and this year Dr Gray says, it will probably be announced in November.

In spite of nailing budget cuts, which totaled $2 million in FY '74 and about $800,000 this year (FY '75), the expense side of the educational budget continues to grow (the cuts are calculated "real," automatic and merit salary increases) faster than the income side.

This year, it is also supplementing a budget which is usually kept separate: student financial aid. Along with the capital budget, fiscal is normally not part of MIT's operational budget, but this year $130,000 went to keep the equity level (the minimum needed level a student must have before MIT offers anything other than loans) at $1750.

Gray said "This amount is likely to grow if we want to keep competitive with other schools." He added, "we will probably try to hold the level at $1750 again next year, but no decision will be made until next spring. It will depend on competing demands and the unrestricted fund situation."

That support is by no means the most significant problem; other major factors are housing, dining and MIT Press deficits (all three are supposed to break even), general inflation, and energy inflation in particular. Lower energy costs are a major factor in the reduction this spring of $1.1 million of "total need for unrestricted funds" to $8.1 million.

This year's single largest budget-buster is singular—it is a $3.5 million under-recovery of overhead costs due to the "disinvestment" last year of the Charles Stark Draper Laboratories, Inc. By agreement with the federal government, MIT fixed its overhead rate in advance, at a rate subsequently far outstripped by inflation.

Even if it were for the overhead problem (a one year aberration), there is still the systemic problem of cost growth versus income growth. Inflation and salary increases mean an annual growth of $2.2 million in the budget just to stand still. Presuming $200 annual tuition increases, and 5% increases in research and endowment income, new income could be about $1.1 million, leaving a $1 million widening of the gap per year. At the current 5% return on endowment, this could be met by $200 million per year in new endowment. One obvious conclusion is that MIT is drastically underendowed.

Since no one is offering $20 million in endowment this year, how are the non-deficits met? (Please turn to page 4)

GREEK FOOD AT ITS BEST
The Parthenon Restaurant
Authentic Greek Restaurant
Moderest prices, superb European wines
Menu includes: Lamb, fish, chicken, rice, alphabet sauce, variety of soups and salads.
244 Mass Ave, in Cambridge. Phone 491-9992.

Where to eat at MIT
THERE ARE SIX DINING SERVICE FACILITIES ON CAMPUS
On West Campus, in the Student Center (Stratton Building, W20)

Lobdell Dining Hall
on the second floor, across the lobby from the R/O Center

Breakfast 7:30 to 10:00
Lunch 11:00 to 2:00
Dinner 5:00 to 7:00

Breakfast 8:00 to 10:00
Lunch 11:00 to 2:00
Dinner 5:00 to 7:00

Breakfast 9:00 to 11:00
Lunch 11:00 to 2:00
Dinner 5:00 to 7:00

On Saturday and Sunday, the Lobdell grill will be open from 2:00 to 5:00 for grill orders and sandwiches. Twenty Chimneys will open at 7:00pm.

Twentv Chimneys
on the third floor, above Lobdell.

fountain and grill serving bar-be-que chicken, half-pound chopped steak, Weiner Schnitzel, sirloin strip steaks, and French fried比特 of side, as well as California burgers, french fries, sandwiches, and desserts.

Lobdell Dining Hall
in the Student Center on West Campus.

Breakfast 7:30 to 10:00
Lunch 11:00 to 2:00
Dinner 5:00 to 7:00

Pritchett Lounge
on the second floor, above Mans Hall

on the first floor, opposite the Great Hall

School Year Hours, effective September 7:
Monday thru Friday
School Year Hours, effective September 7:
Monday thru Friday
Saturday

School Year Hours, effective September 7:
Monday thru Friday
Saturday

For the convenience of West Campus residents, in two of the West Campus dormitories

Residence Dining Halls
Baker House Dining Hall
MacGregor House Dining Hall

Breakfast 7:30 to 9:30
Continental Breakfast 9:30 to 10:00
Dinner 5:00 to 6:30

The Three Options of Board Plans
** 15 meal plan (breakfast, lunch, dinner) Monday thru Friday **
** 19 meal plan (breakfast, lunch, dinner) Monday thru Friday plus breakfast or dinner Saturday & Sunday (at Lobdell only) **
** One-third meal plan (25 breakfasts, 25 lunches, 25 dinners) any time during fall term **

You may sign up for one of these three option at any of the dining facilities, and you may take any meal in your contract at any of the four main dining halls (Lobdell, Mans, Baker, MacGregor).

If you have any questions, call the Dining Service at x3-2718 or x3-5173.