Research Funds Cut by Budget

By Vipul Bhushan

Graduate student admissions will decline over the next decade as a result of anticipated changes in the way graduate tuition will be billed, according to a recently released report of the Committee on Indirect Cost and Graduate Student Tuition.

The changes will directly affect the cost accounting associated with research assistants, who now account for over 40 percent of the over 5,000-person graduate student body.

Under the current rules, an indirect cost charge is levied against all research sponsored by outside sources. The portion of such grants earmarked for salaries, including RA stipends, is also charged for the employee benefits pool. In turn, funds are taken from this pool to pay the RAs’ tuition to the Institute. This is the only employee benefit RAs receive.

Under the new Office of Management and Budget rules, RA tuition would be charged directly to the research grants. Tuition would therefore not be subject to indirect cost charges on EB pool levies. RA stipends would be only subject to indirect cost charges.

The new regulations are expected to take effect in July 1998. MIT applies these federal rules in corporate-sponsored research as well, according to Frank E. Perkins ’55, dean of the graduate school. Because RA tuition will not be charged to the EB pool, the overall EB rate will go down.

Under the new rules payment of RA tuition will be redistributed, making RA stipends more expensive to many research groups. The effect will be most pronounced in small research groups with many RAs, which receive more in tuition assistance than they contribute to the EB pool.

Large research groups with relatively fewer RAs will feel the cost of research decrease as their savings from reduced EB pool contributions outweigh the extra tuition payments they will have to make.

“During the EB pool is an accounting mechanism to funnel money to the Institute, which is thus used to offset graduate studies,” said Anand Mehta G, Graduate Student Council representative to the Faculty Policy Committee.

According to the report, one significant and direct consequence will be to remove $13 million that Lincoln Laboratories contributes to the EB pool. This has been used to support on-campus graduate student tuition.

There has also been much debate about whether to charge graduate students the same tuition as undergraduates, and whether RAs should be billed for tuition at all, according to James J. Culliton, vice president for financial operations. But killing them helps Institute financing, he said.

Small groups disadvantaged

The report recommends increasing the fraction of tuition charged to research grants from the current 40 percent to 55 percent. The other 45 percent of tuition would be made up by a $13.5 million infusion from Institute general funds.

The number of RAs would also decrease by 10 percent. In all, this would increase the cost of hiring a research assistant from $9,300 to $9,700.

Perkins said that research groups might respond in different ways to the rule changes, and some might hire more post-doctoral fellows at the expense of RAs. MIT has made a concerted effort to keep the cost of postdoctoral fellows lower than the cost of RAs.

Culliton envisioned no major impact on teaching assistants, since they are funded differently through department budgets.

The changes in the size of the graduate school are not a concern by themselves, Perkins said. However, it may become a concern “if it shrinks because of declining support or accounting rules.”

The number of graduate students at the Institute has fluctuated in the past and has grown substantially from 3,328 in 1973, when loose departmental quotas were lifted, Perkins said. There are currently 5,278 graduate students.

GSC Vice President Christopher M. Winters praised the effort recommendations made in the report. First was a suggestion to reexamine existing agreements which have exempted many funds and research units from indirect cost contributions.

Second was a recommendation that MIT explore the possibility of procuring Lincoln Laboratory support for on-campus RAs whose research is consistent with Lincoln’s efforts. This would recover some of the costs.

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Provost Mark S. Wrighton said those accounting changes were “a non-issue for graduate students in the short run.” The drop in the number of students “won’t be precipitous, nor will it be driven by central policy,” Wrighton said.

Graduate students echoed this sentiment. “I need not be concerned,” said Ulrich Knirsch G, although “we should be represented by the Council of graduate students in 10 years.”

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