

[MARCH 3, 1969]

MEMORANDUM

To: The Faculty and the Student Body
From: The President of the College
Subject: Alternative Budgetary Options and Their Consequences

This memorandum is intended to provide the faculty and student body with the factual background necessary to advise with me concerning the budget for 1969-70 which I must recommend to the board of trustees at their meeting on April 17-18, 1969. It is obvious from this document and otherwise, that I have opinions on most of the options I discuss. (How could anyone live with these problems daily, as I do, and not have such opinions?) I have reached no fixed decisions about these options, however, and I look forward to discussing them with the faculty and student body before doing so.

INTRODUCTION

Until 1947-1948, Bennington College operated with virtually no deficit after annual gifts, this coming year, unless substantial adjustments are made in our budget, we face approximately a \$225,000 operating deficit.* See attached "Comparison of 1968-69 and 1969-70 Operating Budgets". We could possibly survive with such a deficit next year; we could not survive and maintain our quality over any period of time with such a deficit, however. We must face up to making the necessary budgetary adjustments now.

Before entering into a discussion of the available options, we must ask why a deficit has arisen at all. At the outset, we should note that Bennington is not unique in respect to this problem. All colleges and universities in the country face it, even those most heavily endowed. (See, "The Federal Financing of Higher Education", American Association of Universities, 1968; "The Finance of Higher Education", Bowen, H. R., Carnegie Commission on Higher Education, 1968; "The Economics of the Major Private Universities", Bowen, W. G., Carnegie Commission on Higher Education, 1968,) One of the chief reasons higher education is in

*"Operating deficit" is used here to mean the excess of expense over income, treating annual gifts and annual return on endowment as income.

trouble is simple to state: Faculty salaries have been going up for at least two decades as a result of the increased value placed by society on higher education and on teaching and research skills. But the capacity of faculty to teach more students effectively has not risen. This means the cost of each course hour taught to each student has necessarily risen. So too have other salary costs and other costs, generally, risen. If tuition and fees, had risen at the same rate as the cost of education there would be no problem. But actually, whereas the cost of education has risen at a rate between 5 percent to 7 percent a year nationally for some time, tuition has risen hardly 2 percent to 3 percent a year. The difference in these rates of increase explains the plight of our colleges, explains why McGeorge Bundy has recently said, "we (meaning American Colleges and Universities, generally) are faced with imminent bankruptcy."

This analysis of the national picture is directly applicable to Bennington. In 1959, Dean Pearson, in his "Financial Study of Bennington College, 1936-1959", concluded, "inflation is the culprit which has robbed the Bennington financial plan of its efficacy - inflation and the uniquely high cost of instruction per student inherent in the Bennington plan of education." The statement remains true today. What makes the present situation more pressing than it was in 1959 is that (1) the discrepancies between income and expense have grown markedly since then and (2) the funds - the 25th Anniversary Fund and the Ford Accomplishment Grant - which Dean Pearson alluded to then as reserves to make up operating deficit will have been exhausted by the 1968-69 budgetary deficit.

I COUNSELING OPTION:

A. Proposal:

Increase the number of students taught by limiting counseling which presently constitutes approximately one third of a faculty member's teaching obligation.

B. Budgetary Advantage:

Any limitation of faculty time expended in counseling would allow alternative uses of that time in extra courses taught and allow an increase in the student-faculty ratio, producing more income, without increasing faculty work-load or increasing class size. (See my attached analysis, "Comparative Use of Faculty Effort", December 2, 1968)

C. Educational Disadvantages:

Although there is some dispute over whether counseling is necessary or significant for every student and over whether the theoretical virtues of counseling are achieved in practice, there is no doubt that a substantial amount of the counseling done in the College is exceedingly effective educationally. There is no doubt as well that counseling is a very distinctive aspect of the Bennington scheme of things and, as such, attracts students to us. Thus, the abandonment of counseling would threaten to weaken our educational scheme to some extent and might conceivably weaken our recruitment of students.

D. Educational Advantages:

There is at least some reason to believe that some counseling is counter-productive in that it fosters forms of dependency. There is also some reason to believe that counseling is less necessary, effective and significant in junior year and, possibly, the sophomore year than in the freshman year and the senior year. Finally, there is good reason to believe that a significant number of faculty members do not regard counseling as an effective use of their ability and, for this or for one of a number of other reasons do not counsel well. Under these circumstances, a plan which preserves many of the strengths of counseling by using the most effective counselors at the most effective times, while putting time which is presently not well spent by students and faculty to better use could offer significant educational advantages. In other words, a reform of counseling which makes more productive educational

use of some of the faculty time which is now absorbed in ineffectual counseling would be educationally advantageous.

II STUDENT COURSE LOAD OPTION:

A. Proposal:

Decrease the number of courses a student is required to take in his junior and senior years, possibly his sophomore year as well, from 4 to 3 maintaining a 4 course freshman program.

B. Budgetary Advantage:

The obvious financial advantage of reducing the number of courses to be required for attaining the undergraduate degree is that it would tend to reduce class size, if the size of the student body and faculty were kept constant, or, in the alternative, it would tend to allow class size to remain at current levels while increasing the size of the student body - producing more income - and maintaining the current size of the faculty.

C. Educational Disadvantages:

Reducing the number of courses required for graduation would tend to produce somewhat more specialization of academic accomplishment and also tend to narrow the variety of educational choices or courses a student would ordinarily pursue. A reasonable and significant argument could be directed against both of these consequences.

D. Educational Advantages:

There is some evidence that students' efforts, especially in the upper class years, are too dispersed to allow the achievement of maximum educational values. Studying 4 courses is not necessarily of more educational value than studying 3 courses more intensively. In fact, a good deal of the college's curricular thinking, as expressed in the nature of individual courses taught and the range of courses available, for instance, is founded on the proposition that we seek intensive exposure in limited areas instead of more comprehensive but less intensive

exposure. This same theory underlies our belief that a major goal of undergraduate education is the attainment of a sense of method and of intellectual discipline, rather than a prescribed body of substantive knowledge. (The educational argument for a 3 course upperclass program is set forth in detail in Chapter II of the "Golden Book") In large measure, the advantages of the 3 course program depend, however, on substituting a conference schedule for each student in the 3 course program for the existing upperclass counseling system. (See the attached memo on "Comparative Use of Faculty Effort" for a description of such a program.)

III FACULTY SALARY OPTION:

A. Proposal:

The argument is sometimes advanced that we should reduce budgetary deficits by reducing faculty salaries or, at least, by further limiting salary increases.

B. Educational Advantages:

Were we to maintain salary levels at current levels, there are, indeed two advantages which might be gained. Conceivably, some faculty members might "rise to the occasion" and feel a special sense of purpose and an extra measure of devotion as a result of accepting an act of sacrifice on behalf of the College. Savings by this means would also make it possible to reduce the pressure for other changes, say in counseling, which to some represent serious weakening of the College's program.

C. Educational Disadvantages:

Our salaries are already substantially below the levels of institutions of comparable quality at the middle range of our faculty scale and are even less competitive at the upper level of the scale. Moreover, the salary scale at other comparable institutions is rising 5 - 6-1/2 percent a year. I am of the opinion that any budget policy which widens the

existing discrepancy threatens one of the College's greatest assets, the vitality of our faculty.

Results would be felt immediately in terms of demoralization and impaired recruitment capacity. In the long run, the calibre of our faculty would markedly deteriorate. If a choice has to be made between preserving counseling in its present form or maintaining a 4 course program, and keeping faculty salaries at a competitive level, the educational advantages seem all in favor of the latter alternative.

IV TUITION OPTION:

A. Proposal:

The College should undertake to raise tuition annually so as to bring it much closer to the true operating cost of education than it presently is, while raising financial assistance so as to maintain approximately the same "social mix" as we presently have.

B. The History of Bennington Tuition Policy:

At the outset, it was the policy of the College to charge the full cost of education; even financial aid was to be mostly financed out of student fees. (See Pearson, "A Financial Study of Bennington College, 1936-1959.) In 1958, the College undertook a new tuition policy, charging students all costs of education, except the cost of financial aid, which was to be raised by annual gifts and out of annual income from endowment (See Stewart, "The Bennington College Experiment with Cost of Education Tuition", 1960). Currently as the figures below will show, the College seems to have abandoned both of these policies.

C. Budgetary Considerations:

1. We are currently charging approximately \$896 less in fees than our educational and room and board costs per student and this is expected to rise to \$1,076 next year.*

* Operating costs are here taken to include the sum budgeted for financial aid.

2. Currently, our income from endowment and annual giving is some \$677 per student, or a total of \$340,000 and this is expected to remain approximately the same next year.
3. A profile of our current freshman class, based on each student's estimate of her family's income shows that more than 60 percent of the class reported family incomes of \$20,000 and above, and 30 percent incomes of \$30,000 and above. There is reason to believe this is an accurate reflection of the whole student body.
4. If we raised tuition by \$700 for this group of students from high income families, and were called upon to give \$700 more in financial aid to the other 40 percent of our students (actually past experience shows that only approximately three-quarters of such a tuition rise is called upon to be absorbed in increased financial aid, on the average) we would increase our income by \$210,000, an amount approximating our projected deficit of \$225,000 for 1969-70.

C. Discussion:

One very important consideration in deciding tuition policy for next year is that our current applicants have been recruited with the use of a catalog which announces no tuition rise. Moreover, our present policy is that current students can expect not more than one tuition rise during their college career. The next scheduled tuition rise under this policy is for academic year 1970-71.

These factors do not affect future tuition policy, however. It seems abundantly clear that the current tuition policy, in which tuition runs some 82 percent or less of educational and room and board costs and in which tuition rises approximately at the rate of 3 percent a year, while educational costs rise at a rate of 6 to 6-1/2 percent a year, is productive of gross budgetary deficits without producing compensating educational values in terms of "social mix" in our student body. Those

who gain most by the policy are those least in need, the 60 percent of families with incomes of \$20,000 or more a year.

Currently, approximately 10 percent of our students come from families with incomes under \$8,000 and another 19 percent are enrolled whose families have incomes under \$15,000. My estimate is that this group comprises, for the most part, the approximately 30 percent of students to whom financial aid is currently awarded.

I suggest that, given our endowment and the current extraordinary financial pressures we are under, unless we receive a foundation grant or government assistance for this special purpose, it would be unwise to attempt to increase the numbers of students from families with incomes under \$15,000. But, we can increase tuition markedly, over the long run, without decreasing the percentage of our students with family incomes under \$15,000. This can be done by annually readjusting our fees to approximately something near say 90 - 95 percent of the true operating cost of our education, less our expected gift and endowment income. Annual gifts and endowment income could then be expected to support the current level of financial assistance.

To be sure, there is a risk in this: some of our "better" students - i.e., our more academically accomplished ones - may refuse to pay higher fees than "our competition" charges. Our past experience with large tuition rises somewhat dispels this fear, however. Moreover, if our faculty begin to teach more students (see "Option I", above) the annual tuition rise necessary would not seem to threaten greatly the quality of our student body. This prediction is somewhat reinforced by the fact we experienced about a 15 percent rise in admission applications last year and a 30 percent rise this year. Even if some deterioration does arise, however, it could be expected, within limits, to be less dangerous to the integrity of the College than a deterioration in the

quality of the faculty which is threatened by continuing budgetary deficits.

V "HIGH COST" PROGRAMS OPTION:

A. Proposal:

Some people have suggested that the way out of our budgetary distress is to eliminate or markedly curtail our high cost programs, those in music, or in the other performing arts or in science.

B. Budgetary Considerations:

Visual Arts, Social Science, Literature and Language all operate at an instructional cost of approximately \$300 per student course taught, while Science, Dance and Drama operate at approximately double that cost and Music at approximately three times that cost. Means could be devised to reduce markedly the "high cost" of these programs, thereby reducing the budgetary deficit.

C. Other Considerations:

It is simplistic in the extreme, it seems to me, to suppose that we could reduce markedly our budgetary outlay in the "high cost" fields without causing a marked deterioration in the whole of our educational system. In the first place, one important reason we attract good students in "low cost" fields is that we offer the "high cost" programs; without them we would be, for many students, "just like any other college." It is, in other words, precisely because we have the kind of collegiate ambience provided by strong programs in the performing arts that we attract many of our best students in other fields. In the second place, aside from recruitment, the performing arts serve the community in vital ways. They make it a more significant, a more stimulating place in which to study and live. Thus, no cut-back in the "high cost" performing arts would really save us anything; in fact, it would cost us dearly in terms of the integrity of our system as a whole. Finally, it must be said that the work we do in the

performing arts represents some of the most imaginative and successful teaching in these fields anywhere in the country. To curtail it would be a grave loss, not only to ourselves and our students, but to higher education generally.

VI EXPANSION OPTION:

A. Proposal:

It has sometimes been suggested that expansion of the student body, in itself and without other structural adjustments, would solve our financial distress.

B. Budgetary Considerations:

1. It is clear beyond doubt that an expansion of our student body undertaken while maintaining the current student-faculty ratio would increase, rather than decrease, our overall deficit. In fact, increased deficits during the past three years are to be accounted for, in large measure, by reason of the fact we increased enrollment considerably, while substantially maintaining our teaching ratio. This is so because maintenance of the ratio means that instructional cost per student would remain substantially the same and since we already run at a deficit per student at current instructional costs, the larger number of students would mean a greater total deficit.

It should be noted, however, that increase in the size of the student body, while maintaining the present student - faculty ratio, probably would, at certain levels of total student enrollment, reduce administrative and room and board costs per student. The total of such savings can be expected to be minor in relation to the increased total instructional costs, however. Therefore, the net effect of expansion is a rise in overall deficit. Thus, at best, any sizeable expansion might reduce the deficit per student slightly, but it would increase the overall deficit if student-faculty ratio remains constant.

2. The only way expansion of student body can produce any reduction in the total deficit is if the student-faculty ratio is changed to reduce the instructional cost per student.

C. Educational Considerations:

I have no doubt that any increase in the size of the student body produces subtle though important changes in the character of the educational system, changes in the students' experience of our educational life, and that these changes are destructive to some degree of significant educational values. But endangering these values must be weighed in the context of the values to be gained by the expansion. The chief among these is a faculty of a size and quality that can teach the range of subjects a contemporary college finds it necessary to teach, and that can also teach these with the degree of expertise and sophistication required by the development of contemporary knowledge.

Thus, the increase in the size of the student body is seen as an expedient undertaken to be able to afford the minimum size faculty capable of performing the College's educational mission. In this regard our current view is that the "critical faculty mass" necessary is 60-65. Our projection of the optimal size of the student body must, to some degree, be calculated in terms of the number of students our faculty can teach effectively, and the level of tuition - in the sense of the percentage of operating costs covered by tuition - which our students can be called upon to bear.

VII ABANDONMENT OF OUR BUILDING PROGRAM:

A. Proposal:

Some have proposed that the money presently being put into new plant be put instead into endowment and operating expense so as to relieve our financial plight.

B. Financial Considerations:

The money we have thus far raised for plant expansion cannot, consistent

with ethics and law, be used for any other purposes. Moreover, it is the near universal opinion of people who have had experience in fund raising that the same person who would give a major gift for a building would not give the same gift to cover operating expenses; it is not even as easy to raise endowment, the income of which would be used to cover current operating deficit, as it is to raise money for "bricks and mortar."

C. Educational Considerations:

The plain educational fact is that our buildings are needed to house our educational program. Without them, we could not reduce our current overcrowding, provide facilities in science, the arts and the theatre, which have long been felt necessary, and we could not maintain the vitality of our educational program.

VIII NEW INCOME FROM FOUNDATIONS AND GOVERNMENT SOURCES:

We are presently making every effort to solicit such funds and we shall continue to do so. Unrealistic expectations must be avoided, however. Most foundation and government money is now going into urban oriented programs or programs which envisage large scale enlargement of the student body. Moreover, rarely does a foundation or the government provide money to fund an existing educational program, however excellent. Generally, such money is granted only to new programs; it simply is not designed to relieve operating deficit generated by existing programs. Thus, although we can and should look to these sources to undertake new programs, income from them simply cannot be expected to relieve our current budgetary distress. In fact, such grants for new programs almost inevitably increase the overall deficit since the grant never quite covers the cost of the new program.

IX INCREASED INCOME FROM ENDOWMENT:

As in the case of foundation and government giving, we are presently involved in intensive solicitation of endowment. Unfortunately, however, it is the

experience of almost all colleges which conduct capital campaigns that their annual gifts suffer during the years they ask people for capital gifts. Over the long run, of course, this loss in annual gifts is more than compensated for by the increased endowment realized.

We have had some considerable success in raising endowment thus far in our campaign. And, although capital funds raised to date this academic year are far lower than we would like, we still hope and expect to have raised some \$5,000,000 in endowment by the end of 1969-70. It should be recognized, however, that the income from such endowment would not itself be sufficient to cover our projected budgetary deficits without other substantial sources of income and reduction of expense. (See attached "Operating Budget Projection for 1969-70, 1975-76, 1980-81.")

X OTHER OPERATIONAL SAVINGS:

The cost of the maintenance of our physical plant, of room and board and of administrative functions comprises the bulk of our non-instructional expenses. After careful study of these costs I am satisfied that they are as low as can reasonably be expected.

The cost of general administration (including salaries) currently runs some 18.5 percent of our total expense. This figure shows a reduction of 2 percent in the last two years. The fact is, however, that the demands on administrative time can be expected to grow rather than decrease. Moreover, administrative salaries, like the salaries of faculty and of maintenance and clerical staff must continue to grow in order to reflect the general inflationary trend of recent times. The same is true of other administrative costs like supplies, travel, telephone expenses, etc.

The same tendency of rising costs is true in plant maintenance and room and board costs. Compared to other institutions, our costs are low in these areas. But in view of rising wage scales which must be met to give our employees a just wage, and in view of competition for the same services, we

cannot expect these costs to do anything but grow in the coming years. This is especially so when account is taken of the fact that we have an aging existing physical plant which requires increasing rather than decreasing maintenance, and that we will soon be adding significantly to the square footage of our plant.

In one sense, it is "easiest" to cut costs of maintenance because some of the slippage is not detected easily or at an early date. Moreover, there is no powerful constituency which protects the integrity of the plant, comparable to that which protects the educational program or the faculty. But I am convinced that any marked decrease in level of expenditures on plant maintenance would be folly, folly many colleges and universities have undertaken until, years later, they awakened to it and found such "savings" cost more in the long run.

Thus, it is my judgment that we cannot look for any appreciable savings in general administration, maintenance or room and board costs. This does not mean further economies of operation should not be sought or that they are completely insignificant; in fact, every member of the college community should feel under the necessity to actively seek such economies. Let no one be fooled into believing that the search for such economies in administration and plant operation can obviate the necessity for some far more radical budgetary strategy, however.

CONCLUDING OBSERVATIONS:

Expense and Income Considerations:

1. The projected deficit in 1969-70, after gifts and income from endowment, is approximately \$225,000.
2. Last year we dipped into capital reserves in an amount of \$209,000 and the year before that we did so in an amount of \$129,000. This year we will probably be forced to encroach on capital to an amount of \$150,000. Our 25th Anniversary Fund and our Ford Accomplishment Grant, the two

reserves available for funding deficit, will have almost been exhausted by the end of this year as a consequence of these over expenditures.

3. The net income to be derived from the addition of 50 students at current tuition rates and without enlarging the faculty is approximately \$120,000.
4. A rise of tuition next year of \$100 would yield approximately \$45,000 for a student body which remained at the same size as it is presently; at the present level of the student body it would take a tuition rise of more than \$600 - \$700 per student to meet next years projected deficit.
4. If it were at all possible, a 5 percent reduction in the cost of plant maintenance would yield approximately \$12,000; the same cut in administrative costs, if it were possible, would yield \$19,000 and a 5 percent cut in room and board costs, if possible, would yield \$28,000.

Next Year and Thereafter:

The immediate question which must be answered before the preliminary budget is submitted to the Board of Trustees in April is how to avoid budgeting approximately \$225,000 in deficit next year. Since the faculty budget had to be submitted in January, a decision was made to budget faculty salary increases of approximately 6 percent. This is the only option considered above which is no longer available for next year. Thereafter, any option could conceivably produce the results sought. It must be remembered, however, that, if the imbalance between income and expense in the future behaves as it has in the past, the problem will grow increasingly severe. (See attached "Operating Budget Projections, 1969-70, 1975-76, 1980-81.")

The Nature of the Choice of Options: Underlying much of the agony of choice are wistful memories or thoughts of by-gone days when there were no deficits. Why can't we simply return to those "good old days"? The primary answer, it seems to me, is that the inflation of salary and other costs cannot be turned back. Even had we not expanded our faculty and student body, we would still be facing major deficits, though they would not be quite as

large. But, in that case, we would not have had the advantage of a more diverse and stronger faculty; nor would we have had the advantage of the more diverse student body which we presently have.

And then the question is asked, "why can't we at least stay the way we are"? The answer here is that "the way we are" currently costs far more than current income or anticipated increases in endowment income and annual gifts provides and the imbalance is already critical and promises to grow worse. Staying "the way we are" would, it seems to me, inevitably mean, over a period of time, much lower faculty salaries and much higher tuition costs. In other words, "staying the way we are;" itself involves educational choices which are liable to be disasterous, a faculty which grows increasingly weak and a student body which grows increasingly upper-class, homogenous and less able.

Our answer, it seems to me is to change by adopting some combination of the options set forth above; choosing what may perhaps be a course which no one is quite happy with, but which represents the least of the possible educational evils.

Bennington College
March 3, 1969

COMPARATIVE USE OF FACULTY EFFORT

AT DIFFERENT STUDENT BODY LEVELS WITH VARYING ARRANGEMENTS OF COURSE, COUNSELING AND CONFERENCING SCHEDULES

- Assumptions: 1. A constant faculty of 60 each teaching two courses, unless otherwise indicated.
 2. The student body has 36% freshmen, 27% sophomores, 17% juniors and 20% seniors these representing averages for the preceding four years.
 3. A counseling or tutorial relationship involves a 1 to 1 relationship of faculty to student for 1 hour a week.
 4. A 3 course program (or a 2 course program and tutorial in the senior year) involves regularly scheduled course hours as well as a scheduled conference in each course.
 5. A conference involves a 1 to 1 relationship of faculty to student for 1/2 hour every third week for each student in a 3 course or 2 course and tutorial program.
 6. Where sophomore class is given the option to counsel, one half will exercise it.

I 500 Student Body			II 550 Student Body			III 600 Student Body		
4 course program each year; 1 to 1 counseling or tutorial each year (the present system)			Freshman counseling, sophomore option, no junior counseling, senior tutorial; 4 course program in freshman & sophomore year, 3 course conference program in junior & senior year			Freshman counseling, sophomore option, no junior counseling, senior tutorial; 4 course program in freshman & sophomore year, 3 course conference program in junior & senior year.		
Counseling Places	Course Places		Counseling Places	Course Places	Conference Places	Counseling Places	Course Places	Conference Places
Fresh.	180	720	Fresh.	198	792	Fresh.	216	864
Soph	135	540	Soph.	75	596	Soph.	81	648
Jr.	85	340	Jr.	0	282	Jr.	0	306
Sr.	100	300	Sr.	110	220	Sr.	120	240
	<u>500</u>	<u>1,900</u>		<u>383</u>	<u>1,890</u>		<u>417</u>	<u>2,058</u>
Av. counseling time = 8.3 hrs.			Av. counseling time = 6.4 hrs.			Av. counseling time = 7.0 hrs.		
Av. class size = 15.8			Av. conference time = 1.4 hrs.			Av. conference time = 1.5 hrs.		
Av. class size = 15.8			Av. class size = 15.7			Av. class size = 17		
Same as Above			Freshman counseling, no sophomore or junior counseling, senior tutorial; 4 course freshman program, 3 course conference program in other years.			Freshman counseling, no sophomore or junior counseling, senior tutorial; 4 course freshman program, 3 course conference program in other years		
Counseling Places	Course Places		Counseling Places	Course Places	Conference Places	Counseling Places	Course Places	Conference Places
Fresh.	198	792	Fresh.	198	792	Fresh.	216	864
Soph.	0	447	Soph.	0	447	Soph.	0	486
Jr.	0	282	Jr.	0	282	Jr.	0	306
Sr.	110	220	Sr.	110	220	Sr.	120	240
	<u>308</u>	<u>1,741</u>		<u>308</u>	<u>949</u>		<u>336</u>	<u>1,032</u>
Av. counseling time = 8.3 hrs.			Av. counseling time = 5.1 hrs.			Av. counseling time = 5.6 hrs.		
Av. class size = 15.8			Av. conference time = 2.7 hrs.			Av. conference time = 2.8 hrs.		
Av. class size = 15.8			Av. class size = 14.5			Av. class size = 15.8		

Bennington College February 1969
 Operating Budget Projection for 1969-70, 1975-76, and 1980-81 (note 1)

	<u>Budget</u> <u>1969-70</u>	<u>Budget</u> <u>1975-76</u>	<u>Budget</u> <u>1980-81</u>
<u>EXPENSE</u> (note 2)			
Educational and general expense			
Administrative and general	\$ 467,430	654,350	883,350
Instructional, including faculty fringe benefits	929,170	1,297,400	1,751,450
Library	80,700	104,900	131,100
Operation and maintenance of physical plant	<u>253,100</u>	<u>338,300</u>	<u>439,800</u>
Total educational and general	\$1,730,400	2,394,950	3,205,700
Auxiliary enterprises			
Dining halls and student houses	\$ 567,800	905,500	1,222,500
Faculty housing	<u>47,500</u>	<u>66,500</u>	<u>89,700</u>
Total auxiliary enterprises	\$ 615,300	972,000	1,312,200
 Total expense	 \$2,345,700	 3,366,950	 4,517,900
 <u>INCOME</u>			
All student fees, after financial aid credit (note 3)	\$1,634,845	2,329,100	2,694,300
Auxiliary enterprises (rentals, snack bar, summer groups)	123,380	148,000	174,300
Other income (nursery school, health service, transcripts, etc.)	<u>20,000</u>	<u>25,000</u>	<u>32,500</u>
Total income, before investment income and gifts	\$1,778,225	2,502,100	2,901,100
 Deficit, before investment income and gifts	 \$ 567,475	 864,850	 1,616,800
 Investment income, at 5% on invested funds	 \$ 141,000	 500,000	 750,000
Gifts reasonably anticipated towards deficit	200,000	350,000	500,000
 Operating deficit, after investment income and gifts	 \$ 226,475	 14,850	 366,800

Notes underlying this projection:

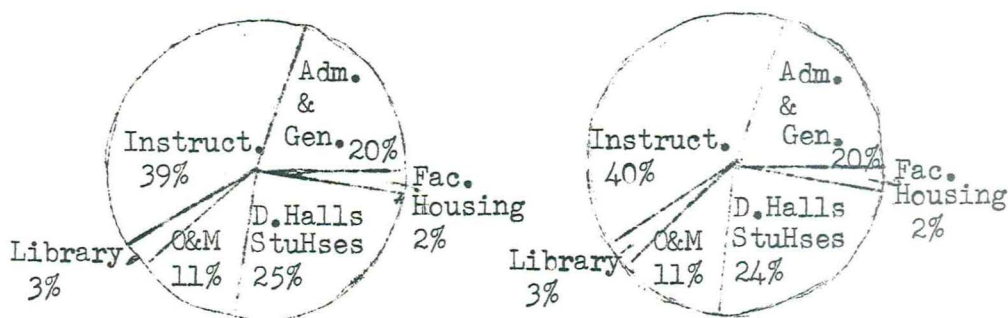
1. This Projection is drawn for the most part by extrapolating current trends in income and expense and is not to be taken as a statement of administration policy in regard to any of the items concerned.
2. Expenditures will increase at an annual average rate of 6-7% from 1969-70 to 1980-81 in all classifications except for auxiliary enterprises which will increase an additional 20% between 1969-70 and 1975-76 with the increase in the student body. No provision has been made for the repayment of loans for the building program.
3. The student body will total 600 by 1975-76 and not be increased thereafter. Student fees will increase at the present rate of \$400 every three years rather than at an accelerated rate. The total fee will be \$4,650 in 1975-76, \$5,450 in 1980-81.

Bennington College

February 1969

Comparison of 1968-69 and 1969-70 Operating Budgets

	Budget 1968-69	Budget 1969-70
<u>EXPENSE</u>		
Educational and general expense		
Administrative and general	\$ 448,246	\$ 467,430
Instructional, including faculty fringe benefits	884,224	929,170
Library	77,700	80,700
Operation and maintenance of physical plant	239,177	253,100
Total educational and general	<u>\$1,649,347</u>	<u>1,730,400</u>
Auxiliary enterprises		
Dining halls and student houses	\$ 558,051	567,800
Faculty housing	47,313	47,500
Total auxiliary enterprises	<u>\$ 605,364</u>	<u>615,300</u>
Total expense	<u>\$2,254,711</u>	<u>2,345,700</u>



<u>INCOME</u>		
All student fees, after financial aid credit	\$1,639,350	1,634,845
Auxiliary enterprises, (rentals, snack bar, summer groups)	108,380	123,380
Other income (nursery school, health service, transcripts, etc.)	<u>17,500</u>	<u>20,000</u>
Total income, before investment income and gifts	<u>\$1,765,230</u>	<u>1,778,225</u>
Deficit, before investment income and gifts	\$ 489,481	567,475
Investment income, at 5% on invested funds	\$ 140,000	141,000
Gifts reasonably anticipated towards deficit	200,000	200,000
Operating deficit, after investment income and gifts	<u>\$ 149,481</u>	<u>226,475</u>

