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FINANCING HAMPSHIRE COLLEGE

By education and the arts we mean something more than better school buildings, higher teachers' salaries, and more scholarships for the intelligent. We mean a reorientation of our ideals and tastes, the strenuous stretching of mental and artistic talent, the exaltation of excellence above social approval, and of mental achievement above quick material success. We mean, in short, new standards of respect and reward for intellect and culture. And we mean more stable financing for basic research, more concern for advancing knowledge for its own sake. We mean cooperation with other communities of scholars and creative thinkers . . . in order that our pursuit of truth may be an adventure we share with all mankind. And we mean that the pursuit of truth in itself is the highest activity of man.

Here, then, in all its ramifications of expense, of standards, content and opportunity is a top priority for a great new America and a national purpose few would dispute.

ADLAI STEVENSON
The National Purpose

MONEY DOES NOT MAKE a good college, but it is difficult to make a good college without money, and lots of it. Lack of money is one of the major obstacles to starting a new college; achieving quality in any educational enterprise, new or old, requires truly *adequate* financing. More new colleges are being started in this decade than at any time

in our American history. All will have moments of anxiety about money. The publicly or church-supported may find nearly enough funds to realize many of their dreams, and a few of the new private colleges will. But the majority of the private endeavors will be sustained more by the parsimony and hope of their founders than by an abundance of funds. Founded on a few thousand or a few hundred thousand dollars, their programs will be under-financed, forcing compromise to the point where the thick broth of intellectual ferment becomes a water-thin gruel. In these cases the "educational" leadership of the college must devote the majority of its harried existence to searching for the funds to simply keep the place alive, knowing that "only keeping alive" spells academic oblivion.

Although nearly \$1.5 billion in philanthropic support was given to higher education in 1965, according to estimates of the Council for Financial Aid to Education, the majority of these funds went to established institutions, making the "rich" richer, and dramatically verifying the old fund-raising rule that it is easier to raise money to reward a performance than to resolve a problem.

This is not to suggest that any American college or university is over-financed. The leading institutions are struggling, too, and their leadership is vitally important to new institutions, to education in the large, and to America. But this support alone does not broaden or diversify educational opportunity in the ways that new institutions must and can, if supported.

The new branches of the public universities—particularly in California, Illinois and New York, where an integrated program of higher education at public expense has been carefully developed and where there is a long tradition and long experience with public higher education—are in a highly advantageous position vis-à-vis the private institutions. The legislatures in recent years have taken a rather expansive and generous view of the needs of education and as a result a number of spectacular new campuses have been approved and constructed. Examples are the University of Illinois at Chicago; the University of New York at Stony Brook and Albany; and the University of California at Irvine and Santa Cruz.

However, new university branches don't assure a future for higher education that will satisfy all the students, all the teachers, the parents or educators. Although new, well-financed and staffed with talented

teachers and researchers, these institutions, for the most part, are still bound by the dictates of legislatures dealing with the hard facts of public higher education in an egalitarian society. Despite some valiant efforts to the contrary, they are, as Allan Cartter points out about Santa Cruz, "being permitted only that degree of deviation from the University pattern that can be shoe-horned into the standard budgetary formula." *

So the opportunity is left for the private colleges, and particularly the new private colleges, with their disestablishmentarian views, to achieve a new kind of academic community, one that throws the balance of concern toward consideration of problems—social, intellectual, moral and spiritual—that affect society en masse but will be solved through exertion of educated, concerned, thoughtful and intelligent leadership. And, to go back to financing, only if the private institutions seize that opportunity, will the never-ceasing quest for capital funds be fulfilled, and, by the by, will the inevitable price differential between private and public institutions be justified.

Whether this College, Hampshire College, justifies its own ambitions regarding the task of higher education, is what this document is about. The specific plans the College has for financing these ambitions is what follows here.

1. CURRENT OPERATIONS

Although there are interrelationships and interdependencies at many points, it is convenient to think about the financial fortune of a new college by discussing separately *current* and *capital* funds.

Hampshire College has the great good fortune of starting life with a \$6,000,000 nest egg, the gift of Harold F. Johnson, to be expended without restriction to get the College started. The advantages of having a relatively large initial sum are several. It has enabled the purchase of a large, scenic and well located site. It has provided adequate salaries to attract an able staff. It has allowed for the retention of professional consultants to help plan early phases of the College's development. Most of all, it is enough money to help make Hampshire College a credible

* *Pricing Problems for Higher Education*, Allan M. Cartter, former Vice-President, American Council on Education. Paper prepared for the College Scholarship Service Colloquium on the Economic Aspects of Higher Education, May 23, 1966, Lake Geneva, Wisconsin.

idea, sufficiently real to merit the interest of a distinguished board of trustees, and to bring inquiries from prospective faculty and staff members, students, architects, designers, reporters, building contractors and others from all over the country.

The \$6,000,000 is expected to be enough to underwrite the developmental expenses of the College until income from student fees is received in the opening year, to make up the operating deficits projected for the first two years of operation after classes begin, and to contribute approximately \$2,500,000 to the capital funds needed to build the campus. A summary of these projections is included as Exhibit I at the close of this chapter.

Mr. Johnson's gift is not an endowment. Most new colleges have little prospect of raising enough money to meet all their obligations and have an endowment fund, too.* Hampshire College has no illusions for itself on that score, and, in fact, intends to make a virtue out of the necessity of operating primarily on income from tuition and fees, by attempting to illustrate that the cost (in an institutional sense) of education can be reduced without sacrificing quality. The original 1958 New College Committee was charged with drawing a plan which would provide "education of the highest quality at a minimum cost per student." Much of the spirit of that statement permeates the thinking about Hampshire.

The knottiest problem in planning the ongoing operation of Hampshire College is how to have a large enough faculty to make the educational program possible, and to pay them well without making exorbitant charges for tuition and fees. Since the early 1960's faculty salaries have shown the most dramatic increases among the various items in the educational budget. The increased salaries have been reflected by increased tuition charges, which are generally related to the cost of teaching or "instruction." Instruction represents as much as fifty per cent of the educational and general budget for many colleges. Therefore, a change in the salary level or a change in the number of faculty members exerts great leverage on the total budget.

* The average endowment income for all private colleges is about \$150 per student per annum. Distribution is heavily in favor of a few institutions. In 1963, twenty-six of sixty-five endowment funds studied by the Boston Fund over a ten-year period held 82.5 per cent of the total funds.

It has been assumed that faculty salaries at Hampshire College would be competitive with the salaries of our institutional partners in the Connecticut Valley. It has been assumed, also, that high-quality education could be achieved in circumstances such as Hampshire's (where cooperative programs are available), with an over-all ratio of teaching faculty to students 1:16. A student body of 1440, then, would mean a teaching faculty of about 90. Even at this relatively (conventionally) high ratio, it is exceedingly difficult to operate successfully, in a financial sense, without the benefit of endowment income.

Tuition and fee charges at the better-known colleges and universities have been rising about \$100 per year, on the average, in the last ten years. Announcements by colleges about future levels indicate that the \$100 annual average increase will continue at least early into the 1970's. The increases have raised many difficult questions among parents of students and among educators, particularly in the private colleges. Among these are the following:

How high can student charges go before a major shift in demand occurs between public and private institutions?

If there is a shift in demand, will the character of the undergraduate body change, erasing the efforts the elite private schools have made to democratize?

Are the large scholarship grants characteristic of the well financed private colleges vestigial remnants of a Puritan ethic, with the maintenance of middle-class living standards for the family of the recipient the main result?

In an attempt to shed light on some of these and similar questions, Allan M. Cartter, in a recent paper entitled *Pricing Problems for Higher Education*, discusses realistically many of the apprehensions and misunderstandings about tuition charges. The gist of Mr. Cartter's statement is:

The real costs of higher education have not risen drastically in the last thirty years. Most of the significant rise has been a result of increases in faculty salaries since 1960.

Tuition charges have increased rapidly in the last ten years, reflecting the increases in faculty salaries.

There are nearly twice as many students from relatively affluent families (\$10,000 family incomes, 1964 dollars) compared with the number of places in colleges as there were twenty-five years ago.

Financing a college education, despite increasing real costs, is easier than ever because of a diversity of funding programs, increasing attention to the need, and a striving by the colleges to achieve social and economic diversity through generous scholarship programs.

The ratio of private to public education costs continues to change in favor of the public institutions, meaning a greater challenge to the private colleges to account for their higher charges in terms of qualitative contributions to their students and to the progress of education in the broad sense.

Mr. Cartter's contributions to clear thinking about college pricing are many. Of special concern to Hampshire College and, most likely, to any new college, is his analysis of the change in the real cost of higher education and his conclusion that the change is relatively modest. While that is reassuring to a prospective purchaser of educational services, it is not the whole answer for a new college, simply because "price" and "cost" are not equatable in the mysterious economics of private higher education. The "price" to matriculate at Harvard College, or any of dozens of the excellent institutions, is not reflective of the "cost." Although the price at Harvard may be little different from a hundred other colleges, the expenditure per student by institutions varies a great deal. The difference, of course, is endowment income. Although the real cost, in Mr. Cartter's analysis, has not increased astronomically, the effect of other income, which has increased in many institutions, has not been considered.

Mr. Cartter, therefore, both encourages and discourages the Hampshire planners. He encourages in the assertion that tuition charges can still go up (at least in theory) because America's families have the wherewithal; he discourages in not considering (rightly, for his purposes) the role that rising endowment incomes have had in helping disguise the real change in the cost of higher education.

As indicated in the budget projections (included as Exhibit II at the close of this chapter), Hampshire College proposes student charges in 1969 of \$3300, increasing in 1971 to \$3500. At these levels, the College

can "make it" financially. Given the present assumptions, the prices appear to be realistic.

In support of this conclusion, Mr. Cartter's paper is helpful. Further substantiation is available through an examination of the tuition levels of other colleges and universities, many of which are charging in the \$3000 range in the fall of 1966. There is no obvious reason to expect the roughly \$100 average increase in charges to be reversed or to stop. Hence the projection to \$3300 by 1969 and \$3500 by 1971 follows.

As an unendowed institution determined to compete in the arena of high faculty salaries (a necessary commitment to quality) Hampshire College will be challenged, budget projections or not, to demonstrate how an institution reliant solely on student fees for income, can expect to achieve quality on a par with the richly endowed institutions. Also, Hampshire will surely be challenged to differentiate itself sufficiently from good public institutions to justify its existence at the highest permissible level of tuition charges.

In planning, Hampshire has chosen to answer these challenges, in part, by saying that with a smaller than usual faculty, a cooperative opportunity within a complex of institutions, and a new and organized vision, education of quality and distinction can be achieved. The budget (included at the close of this chapter) prepared for the first four years of Hampshire's operation reflects these assumptions.

As one of the elements in its new design for undergraduate education, Hampshire College proposes a major departure in scholarship philosophy. Unlike many of the established colleges, Hampshire starts life free from the inheritance of a scholarship program with taproots in the 19th century. Then, the absence of great public institutions prompted generous benefactors to provide endowment funds to the private colleges to aid the pious and indigent young men and women whose talents would otherwise be wasted. The growth of the low (or no) tuition public institutions in this century lessened the need for private colleges to fulfill a public responsibility to educate a broad spectrum of American youth.

With that, the old argument for scholarship aid was no longer strong enough to justify such major expenditures of funds. A new form of the old rationalization was found in the argument that scholarship aid was necessary to insure a diversified (and thus democratized) student body.

Diversity of student population has become one of the ten commandments of the admission policy of most private colleges, and adherence to that commandment is assured, in turn, by the existence of endowed scholarship funds.

Hampshire College believes that there is a certain amount of speciousness to the present-day argument; that, in fact, much of the money that is dispensed in the name of diversity and democratization is, in fact, subsidy to families that could afford to pay full tuition and fees if the colleges offered them no alternative. In that sense, scholarship funds have been diverted from their original purpose.

Large sums from private sources to endow scholarship funds are likely to be less available in the future, partly because of federal and foundation support on a current basis, and partly because of the needs of the institutions themselves for funds for faculty salaries and for buildings.

The major departure that Hampshire College will make in the early identification and encouragement of young people with great promise and impoverished families was discussed in some detail in Chapter VII. Radically early identification and long-term encouragement of the kind described in that chapter have not been undertaken hitherto by American colleges. In academic 1966-67 Hampshire will identify fourteen* boys and girls now in the fifth grade with the intention of guaranteeing them full scholarships, provided the conditions discussed in Chapter VII are met, for 1974-1975 and their college years thereafter. A similar group will be identified in 1967-68, and in subsequent years. If attrition reduced the annual group to ten students, by 1977-78 Hampshire would have 40 such students in residence under full scholarship, and the number would stay constant thereafter. Aside from early identification and long-term encouragement, the principal point of the College's policy on scholarships would be to give *full* scholarships only, and then only to students of great promise and profound need. Pursuing this point prior to the academic year 1974-75, when the first "early identification" students will arrive, Hampshire plans to give full scholarships to ten new students of great need and promise in each academic year from 1969-70 to 1973-74.

* Without solid data from which to project, an attrition rate of over 28% is assumed, with perhaps ten of these students actually enrolling at Hampshire at the end of high school.

These will be students identified by more usual procedures in the last year or two of their secondary school years. Scholarships for these students will be \$3600 per year during 1969-71 and \$3800 per year during 1971-73.* Scholarships for these students will be drawn from private funds, as things appear now. In addition to these *total* scholarships, there will be federal scholarship monies, loans, and work opportunities for other students.

Hampshire College regards its proposed departure in the scholarship aid program as a significant way to unburden the operating budget and as an expression of convictions the Hampshire College administration holds about current scholarship practices and the potential opportunities for creative deployment of limited funds within a college budget. Through its proposed scholarship aid program, Hampshire College will demonstrate the value of combining the early identification of talent with a long-term full scholarship commitment based on great need. As a program, the idea is readily transferable to other institutions. Therefore, it has the potential of multiplying its impact manyfold, should its merit be demonstrated.

2. CAPITAL FUNDING

Plans for the Hampshire College campus and physical plant will be developed to express, support, complement, and reinforce the organized vision that is the College. This new approximation, which is expressed in the preceding eight chapters, is the basis on which physical planning will proceed. Henceforth academic and physical planning will tend to merge as one intermingling stream, occasionally being separated for administrative convenience, but generally working together to achieve an integrated and harmonious whole which will become Hampshire College.

Mr. Hugh Stubbins, as architect, and Mr. Hideo Sasaki, as master planner, are now actively engaged in the basic design of the campus and its buildings, assisted by their separate organizations. In addition, as noted earlier, Mr. Pietro Belluschi counsels the College trustees and administration on architectural matters as needed. The capital projections at the close of this chapter were constructed prior to the time these

*Tuition and fees plus an average amount of \$300 for travel and incidentals.

experts entered into a full engagement with the College. In consequence, these capital projections are at present to be regarded only as useful but very general approximations, designed to serve as starting points for intensive and comprehensive planning.

Exhibit III summarizes the translation of the modular approach to a Hampshire College campus design (from Chapter VII) into the spaces needed to properly house the functions of the College and then, in Exhibit IV, expresses these needs in dollar terms. Recognizing the provisional nature of these specific expressions of Hampshire's goals, and acknowledging that analysis and planning are in an early state, it nonetheless appears likely that Hampshire College will need funds on the order of \$29,000,000 to plan and build a campus for 1440 students.

3. THE SOURCES OF FUNDS

The best estimates that can be made at this time of the money needed to pay the day-to-day expenses of the development of Hampshire College (aside from capital costs) are subject to many imponderables. The rate at which a staff will be developed depends less on a plan than on finding, recruiting and appointing the right people. It took six months to enlist a president and a year had to pass from the time the search began until he could assume leadership of the College. The contractual nature of academic commitments means that as much time or more could elapse before a dean and other key academic leaders are appointed.

Having acknowledged the imponderables which accompany recruiting first-rate leadership, estimates of the operating cost for the next three years (1966-67, 1967-68, 1968-69), the ones until the College has income of its own, have been made on the basis of the expected staffing and expenses *necessary* to prepare for opening the College in 1969.

If these calculations are reasonable, the \$6,000,000 gift from Harold F. Johnson will, by June 30, 1972, have paid for operating expenses in full until July 1, 1969, will have covered the operating deficits (as reflected in the budget) for the first three years of operation, and will have contributed \$2,500,000 to the capital resources of the College, presumably toward development of the campus and plant.

Additional sources from which Hampshire expects to obtain funds are the Housing and Home Finance Agency (for loans for dormitories

and dining halls), and the Higher Education Facilities Commission (for grants for some academic facilities). Eligibility for such funds depends, in part, on an accreditation qualification for which Hampshire College is not eligible under the present rules of the New England Association of Colleges and Secondary Schools. Hampshire is working with the Association to effect a modification of the rules. (For an elaboration of the accreditation problem, please see Appendix materials.)

The combination of Mr. Johnson's contribution and expectations of federal funds provides a sum of \$14,000,000, leaving \$15,000,000 to be raised from private sources (Exhibit V).

The private sources of funds for Hampshire College are not yet apparent. A systematic and comprehensive analysis of the possibilities has just started. It is expected, however, that a campaign to raise money shall be undertaken.

To solicit from the alumni of the supporting institutions would be robbing Peter to pay Paul (and might cause some hat-shuffling among the Hampshire College board of trustees!). With the exception of Mr. Johnson, who has made the College a possibility with his unusually bold and generous act, the trustees are men of relatively modest circumstances, and multiple charitable responsibilities. No doubt they will support Hampshire College, but they will not contribute \$15,000,000.

Clearly, then, in addition to federal support, Hampshire College will turn to private foundations, to corporations, and to individual donors who may become excited enough by the vigor of a new venture to want to brave participation in a perilous journey in the hope its rewards may be as large as the promise it holds.

4. THE VALLEY CENTER FOR EDUCATIONAL COOPERATION

Central to Hampshire's redefinition of undergraduate education is the issue of unlimited demand and limited resources. Hampshire's proposal to help define, clarify, communicate and resolve this issue is, in part, a separately financed, housed, administered and governed organization to be called the Valley Center for Cooperative Development in Education. The aims of the Center, which have already been defined elsewhere in this document, are to encourage, stimulate, and facilitate cooperation

among educational institutions in the Connecticut Valley to help the limited resources better meet the unlimited demand. At first, such co-operation would be mostly among the five colleges. Ultimately it could draw on and contribute to all educational institutions in the Connecticut Valley from Springfield to Greenfield.

Implementation of the Valley Center proposal will require imagination and enough funds to assure that strong and independent leadership can be enlisted and can work with effect. An estimated operating budget and an approximation of the capital funds needed to bring the Valley Center to vigorous fulfillment are included at the close of this chapter as Exhibit VI. The projections are for a ten-year period.

Hampshire College, the dreamchild, is coming to life. In the next ten years Hampshire College will grow into a strong young institution, contributing to and benefitting from the cooperative efforts among the five institutions, working through the Connecticut Valley Center, and establishing further their association as a unique and significant enterprise in education.

EXHIBIT I

HAMPSHIRE COLLEGE

**Allocation of Initial Financing
Balance Available for Capital Purposes**

Initial Funding (H. F. Johnson Gift)		\$6,000,000
Expended through June 30, 1966	\$ 356,000	
Balance July 1, 1966		5,644,000
Less estimated expenditures July 1, 1966- June 30, 1967 for current operations	190,000	
Balance July 1, 1967		5,454,000
Less estimated expenditures July 1, 1967- June 30, 1968 for current operations	500,000	
Balance July 1, 1968		4,954,000
Less estimated expenditures July 1, 1968- June 30, 1969 for current operations	1,000,000	
Balance July 1, 1969		3,954,000
Less estimated operating deficits (as reflected in budget)		
1969-70	\$ 899,400	
1970-71	511,200	
		1,410,600
Available for capital purposes		\$2,543,400

EXHIBIT II

HAMPSHIRE COLLEGE

Proposed Operating Budget
1969-70 through 1972-73
Notes and Assumptions

The following notes and assumptions apply to the proposed budget:

- Economy*—The United States will continue at its present level of prosperity, making affordable to an increasing number of American families the charges necessary to support private college education.
- College population*—An increasing proportion of the eligible age group will go to college; at least 5% of the group will prefer a high-quality, independent private college, thereby continuing the present high proportion of applications to acceptances.
- Interest rates*—Will continue high, making feasible short-term investments as indicated.
- Number of students enrolled:*

1969-70	360
1970-71	720
1971-72	1080
1972-73	1440

Except in the graduation fee, loss of income from student attrition has not been considered.

- Student Aid*—An average number of ten students from each class will receive full scholarship support plus a modest allowance for travel to and from home and for incidental expenses. Loans and jobs as shown.

	Scholarships	Loans	Jobs
1969-70	\$ 36,000	\$20,000	\$30,500
1970-71	72,000	40,000	33,500
1971-72	114,000	60,000	41,500
1972-73	152,000	80,000	50,000

6. *Comprehensive fee*

The breakdown of the comprehensive fee is as follows:

	1969-71	1971-73
Tuition	\$2200	\$2400
Activity fee	100	100
Board	600	600
Room	400	400
Total	\$3300	\$3500

- Faculty-student ratio*—Eventually a ratio of 16 to 1, counting teaching faculty only. The ratio will not be developed lineally, however:

	# faculty
1969-70	42
1970-71	60
1971-72	78
1972-73	90

8. *Faculty salaries*

Average salary	Professor	Assoc. Prof.	Asst. Prof.	Instructor
1969-70	\$19,500	\$14,700	\$11,500	\$ 9,500
1970-71	20,500	15,500	12,100	10,000
1971-72	21,500	16,250	12,700	10,500
1972-73	22,500	17,000	13,300	11,000

Aggregate salary costs are based on distribution of faculty by rank as follows:

Professor	20%
Assoc. Prof.	25%
Asst. Prof.	35%
Instructor	20%

Average faculty salaries by year are:

1969-70	\$13,500
1970-71	14,200
1971-72	14,900
1972-73	15,600

- Social Security*—Premiums calculated at rate of 4.9% on maximum salary or wage payments of \$6600 per year.

10. Total salary payments on which 5% increases were calculated:

	Payments	Increase	
		For year	Cumulative*
1969-70	\$1,169,500	—	—
1970-71	1,424,100	\$ 58,500	\$ 58,500
1971-72	1,711,300	74,129	132,600
1972-73	1,914,400	92,200	224,800

*As reflected in budget.

11. *TIAA-CREF—Annuity premium payments*—On the basis of 10% of annual salary to be paid by the College, covering all faculty and officers above the rank of instructor at time of appointment, and all other employees after attaining age 30 and a minimum of three years of service. Immediate coverage of any individual who is already a participant at time of appointment.
12. *Other fringe benefits*—Sums included for moving allowances for new faculty and administrative officers, tuition grants for faculty children attending college elsewhere, major medical and group life insurance.

The College will own housing and will subsidize its operation in the amount of \$500 per unit per year. College housing to be occupied as follows:

1969-70	15	@	\$500	\$ 7,500
1970-71	20	@	500	10,000
1971-72	30	@	500	15,000
1972-73	40	@	500	20,000

13. *Interchange courses*—Hampshire College students to be eligible for interchange courses at other institutions in the Valley. Estimate each student will take one semester course each year at one of the other campuses. Tuition costs would be:

	Annual	
	Semester course enrollments	Tuition costs*
1969-70	360	\$ 54,000
1970-71	720	108,000
1971-72	1080	162,000
1972-73	1440	216,000

*@ \$150 per semester four credit hour course interchange charge established among four colleges.

14. *Business office*—The business office will operate with a minimum of personnel. It is expected that the rapid mechanization and automation of accounting functions will make practicable the purchase of such services from one of the other colleges. The office would also aim at cooperative enterprise in purchasing, auditing and staff personnel procurement. Funds are provided under general institutional expense.

15. *Health services*—Health services will be purchased from local doctors. The College will not appoint a full-time staff physician.

HAMPSHIRE COLLEGE
Budget Summary

	1969-70 (360)	1970-71 (720)	1971-72 (1080)	1972-73 (1440)
I. Estimated Income				
Student fees:				
Comprehensive fee	1,188,000	2,376,000	3,780,000	5,040,000
Comprehensive fee	15,000	15,000	15,000	15,000
Application fee	1,000	2,000	3,000	4,000
Graduation fee				
Miscellaneous fees				
Total Student Fees	<u>1,204,000</u>	<u>2,393,000</u>	<u>3,798,000</u>	<u>5,062,250</u>
Interest Earned - General Funds	6,500	12,000	17,000	22,000
Total Income	<u>1,210,500</u>	<u>2,405,000</u>	<u>3,815,000</u>	<u>5,084,250</u>
	1969-70 (360)	1970-71 (720)	1971-72 (1080)	1972-73 (1440)
II. Estimated Expenses				
Educational & General	207,100	207,100	207,400	207,400
General Administration	159,900	172,000	184,100	204,600
Student Services	38,700	38,900	38,900	40,000
External Relations/Fund-raising	67,500	72,500	79,500	86,500
General Institutional	153,700	198,700	242,200	288,400
Staff Benefits	791,000	1,096,600	1,441,800	1,693,000
Instruction	106,000	114,000	121,000	128,000
Library	226,000	238,000	255,000	257,000
Building & Grounds		58,500	132,600	224,800
Salary Increases (Cumulative)				
Total Educational & General	<u>1,749,900</u>	<u>2,196,200</u>	<u>2,702,500</u>	<u>3,129,700</u>
Auxiliary Enterprises	324,000	648,000	972,000	1,296,600
Scholarship Aid	36,000	72,000	114,000	152,000
Total Expense	<u>2,109,900</u>	<u>2,916,200</u>	<u>3,788,500</u>	<u>4,577,700</u>
Estimated Balance (Deficit)	<u>(899,400)</u>	<u>(511,200)</u>	<u>(28,500)</u>	<u>506,550</u>

FINANCING

HAMPSHIRE COLLEGE

EXHIBIT III

HAMPSHIRE COLLEGE
Gross Square Footage
Covered Space

Houses	4 x 129,435	517,740
Library		61,500
Administration-Service		8,865
Humanities		18,735
Languages		18,105
Natural Sciences		40,095
Social Sciences		6,600
Health Services		6,000
College Center		32,775
Indoor Athletic		32,700
Maintenance, Storage		10,000
		<u>753,115 square feet</u>

Note: A detailed breakdown of space by facility is included in the Appendix material.

EXHIBIT IV
HAMPSHIRE COLLEGE
Cost Summary

Houses	\$13,144,120.
Library	2,029,500.
Administration/Services	239,355.
Humanities Wing	468,375.
Languages Wing	633,375.
Natural Sciences Wing	2,004,750.
Social Sciences Wing	178,200.
Health Services	162,000.
College Center (additional)	1,048,800.
Recreational & Athletic	1,316,600.
Maintenance, Storage	220,000.
Site Development	785,000.
Other Capital Outlay	1,100,000.
Additional Land Purchase	200,000.
	<u>\$23,530,075.</u>
Professional Fees (10% of buildings, site development)	2,223,000.
TOTAL	<u>\$25,753,075.</u>
Contingency	500,000.
Allowance for increase in costs (10%)	2,625,300.
GRAND TOTAL	<u>\$28,878,375.</u>

EXHIBIT V
HAMPSHIRE COLLEGE
Capital Financing
1967-72

Estimate of total capital funds required:

1. Physical Plant	\$21,445,075.	
2. Land Acquisition (additional)	200,000.	
3. Site Improvement	785,000.	
4. Other Capital Outlay	1,100,000.	
5. Professional Fees	2,223,000.	
6. Contingency Fund	500,000.	
7. Allowance for Cost Increases (10%)	<u>2,625,300.</u>	\$28,878,375.

Estimate of total capital funds available:

1. Balance of Initial Fund	\$ 2,543,400.	
2. Federal Loans and Grants		
a. H.U.D. (Dormitories, Dining Halls)	10,400,000.	
b. H.E.F.C. (Other Facilities)	<u>1,000,000.</u>	<u>13,943,400.</u>
Leaving to be raised:		\$14,934,975.

EXHIBIT VI

The Valley Center for Cooperation in Education Financial Needs Ten Years: 1967-76 Capital Funds Needed

1. Design and construction of physical facilities \$ 500,000.

Current Funds Needed 1967-76

Table with 3 columns: Description, Per Year, Ten-Year Total. Rows include grants to five colleges, cooperative projects, research and development, and administration and general.

Total—Capital and Current Funds 9,500,000. \$10,000,000.

EXHIBIT VII

HAMPSHIRE COLLEGE Total Capital and Current Funds Required for Hampshire College and Valley Center — 1966-67 to 1975-76

A successful demonstration of the results attainable through a cooperative enterprise of the kind proposed in this working paper is based on the simultaneous planning, building and funding of Hampshire College and the Connecticut Valley Center for Cooperative Development in Education. A summary estimate of the total resources needed for the demonstration follows.

Table with 5 columns: Year, Hampshire College Capital, Hampshire College Current, Valley Center Capital, Valley Center Current, Total. Rows show annual funding needs from 1966-67 to 1975-76, and grand totals for both institutions.