

(b) *Operating Expenses*

For these two hypothetical schools the following annual operation and maintenance expenses are budgeted (in 1963 prices).

	Total	Personal services	Supplies and expenses	Travel
School A (64 entering students):				
Operation and maintenance of physical plant.....	\$485,940	\$161,980	\$323,960	-----
Equipment (all departments).....	60,000		60,000	-----
Total budget ¹	3,354,400	2,500,280	831,820	\$22,300
School B (96 entering students):				
Operation and maintenance of physical plant.....	581,240	193,750	387,490	-----
Equipment (all departments).....	90,000		90,000	-----
Total budget ¹	4,112,100	3,070,550	1,012,050	29,500

¹ Instruction, research, library, administrative, and supportive services.

Source: U.S. Department of Health, Education, and Welfare, Public Health Service, *Medical Education Facilities Planning Considerations and Architectural Guide*, 1964, p. 176.

2. USER CHARGES

In recent years, tuition and fees paid by medical students have amounted to less than 15 percent of the current expenditures for the operating programs of the schools. The portion of these same expenditures paid by teaching hospitals and clinics has amounted to less than 8 percent. Obviously, then, all of capital costs plus the greater part of current expenditures for the operating programs must be financed by funds received from other sources. Data currently available are inadequate for an analysis of capital financing.

C. TRENDS IN CAPITAL OUTLAY

1. ANNUAL CAPITAL OUTLAY

Available estimated construction and equipment costs for medical school projects completed during the academic years 1953-54-1964-65 are presented as follows:

[In millions of dollars]

Academic years	Total	Construction	Equipment
1953-54.....	59.7	59.7	(1)
1954-55.....	99.4	99.4	(1)
1955-56.....	65.0	65.0	(1)
1956-57.....	67.5	67.5	(1)
1957-58.....	42.0	37.5	4.5
1958-59.....	70.3	63.0	7.3
1959-60.....	94.7	82.3	12.4
1960-61.....	53.8	47.9	5.9
1961-62.....	49.1	42.4	6.7
1962-63.....	52.3	48.0	4.3
1963-64.....	101.1	89.9	11.2
1964-65.....	119.7	103.3	16.4

¹ Amounts for equipment may or may not be included with construction costs.

Source: *The Journal of the American Medical Association*, educational numbers.