

MIT House Dining Program Working Group Findings

February 2020



Working Group Goals

The working group will advance the following goals:

- Determine meal plan attributes that balance meal swipe portability, provide value, and address the needs of undergraduates and graduate students, including those who are food insecure;
- Determine the optimum plan type: block or weekly or combination;
- Design meal plans that provide nutrition for healthy lifestyles; and
- Identify a plan structure that creates a financially sustainable dining program (i.e., propose strategies to increase voluntary meal plan sign-ups).



Current Plan Challenges & Constraints

Challenges

- **Balancing Value and Quality**
- **Breaking the Cycle of Dissatisfaction**

Constraints

- **High Operating Costs**
- **Limited Participation**
- **Proximity of Dining Options and Barriers to Quick Meal Service**



MIT House Dining Program Financial Summary

Revenues	\$9,435,320
Costs	\$11,026,396
Gap	

Expected to go up by \$1M to -\$2.6M with the opening of New Vassar and the closure of B-C.

Peer Comparison: Total Revenue	
Harvard	\$45M
Yale	\$35M
Princeton	\$29M
Stanford	\$26M



Dining Plan Structure

PLANS	ANNUAL PRICE	DINING DOLLARS (ANNUAL)	FALL COUNT/SPRING COUNTS*	TOTAL REVENUE**
Mandatory				
Any 19 per week	\$5,960	\$100	157/143	\$ 879,000
Any 14 per week	\$5,680	\$350	251/252	\$1,340,495
260 meals per semester	\$5,962	\$450	182/163	\$ 950,820
190 meals per semester	\$5,688	\$500	372/352	\$1,878,056
160 meals per semester	\$4,998	\$550	85/64	\$ 331,376
125 meals per semester	\$4,130	\$580	1010/980	\$3,532,250
Voluntary				
90 meals per semester	\$3,050	\$450	91/83	\$ 226,374
60 meals per semester	\$2,400	\$620	110/106	\$ 191,808
45 meals per semester	\$1,770	\$430	35/38	\$ 48,910
30 meals per semester	\$1,770	\$810	60/57	\$ 56,640
Total			2353/2239	\$9,435,320

Mandatory Plans

- Minimum commitment level split between First Years and Upper Level
- Students may opt-up to higher plan level
- All plans have Dining Dollar component

Voluntary Plans

- Offered to all non-dining residence hall students
- Open to undergraduate and graduate students
- All plans have Dining Dollar component



MIT House Dining Program Cost Structure

		FY2020*
Bon Appetit		
Cost of Goods		\$2,159,424
Labor		\$6,741,443
Direct Costs		\$1,093,383
	Subtotal	\$9,994,250
MIT		
Capital Reserve		\$471,786
Overhead		\$322,894
Programs		\$237,466
	Subtotal	\$1,032,146
Total		\$11,026,396

Vendor Cost for 5 Dining Halls (a 6th opening September 2020)

- Each has a full kitchen preparation capacity
- Customized offerings at each hall, each meal
- Multiple entrée stations in each
- Each serve breakfast, dinner and weekend brunch
- Maseeh's Howard Dining Hall open for lunch (M-F)
- Late-Night service available at Maseeh and Simmons
- BA staff earn a competitive living wage

MIT Costs

- Capital reserve for facilities and equipment
- Allocated Overhead for Compensation, Technology and Operating expenses.
- Programs: Community Program Meals, Guest Meals, Dining Dollar discounts.

*Projected



Proposed Phased Model Overview

- Reduce upper level plan prices by modifying dining dollar component; 5% discount provided on optional dining dollars
- Change breakfast to reflect student eating patterns
- Four year phased approach to commitment level changes:
 - Set the first year commitment at 225 meals/term (14 meals/week)
 - Reinstitute separate sophomore year commitment in September 2021
 - Raise commitment levels of juniors and seniors in 3-4 years

Year	2020-21 Plan	2021-22 Plan	2022-23 Plan	2023-24 Plan
1	225	225	225	225
2	125	190	190	190
3	125	125	160	160
4	125	125	125	160



Working Group Proposed Program Changes

Program Elements	MIT Financial Improvement	Student Budget-Sensitive	Accessibility to Food	Portable (Swipe Equivalency)	Promote Nutritious Lifestyles	Financially Sustainable
A Set the number of meals per week for 1st years at 225 (raises commitment from 190)	\$375,000		✓		✓	✓
B Lower plan price for upper level students, make dining dollars optional	\$0	✓				✓
C Price per meal equity across plans	\$0			✓		

Mandatory	Meals/Week	FY20	FY21	Difference	Cost/Meal
First Year 225	14	\$5,962	\$6,320	6.0%	\$14.04
Block 190 (optional)	12	\$5,688	\$5,499	-3.3%	\$14.47
Upper Level 125	8	\$4,130	\$3,763	-8.9%	\$15.05
Voluntary					
Block 90	6	\$3,052	\$2,836	-7.1%	\$15.76
Block 60	4	\$2,396	\$1,936	-19.2%	\$16.13

Dining Dollar Conversion	
FY20 Dining Dollars	FY20 + 6% vs. FY21 Proposed
n/a	n/a
\$ 500	(\$530)
\$ 580	(\$615)
\$ 450	(\$399)
\$ 620	(\$604)



Working Group Proposed Program Changes

	Program Elements	MIT Financial Improvement	Accessibility to Food	Portable (Swipe Equivalency)	Promote Nutritious Lifestyles	Financially Sustainable
D	Phase higher commitments for 2nd years living in dining dorms (190 Meals)	\$744,000	✓		✓	✓
E	Phase increase of commitment levels for upperlevel from 125 to 160 meals over 4 years	\$574,000	✓		✓	✓
F	Align commitment for C4YS 1st year's that opt-in (190-225)	\$120K	✓		✓	✓
G	Eliminate weekly plans	Plan Clarity		✓		
H	New Vassar to serve Brunch and Dinner Only	\$0	✓		✓	
I	Breakfast (cold) Pick 4 Options in 4 Dining Halls	\$306K	✓			✓
J	Eliminate breakfast service in 1-4 Dining Halls	\$91-\$365K	■			✓
K	Define a subsidy					
	a. Capital Expense Reserve	~\$650K				■
	b. Overhead	~\$300K				



MIT House Dining Program Working Group Findings

Additional Slides



Working Group Outreach

Meetings with 5 out of 5 dining dorm leadership teams

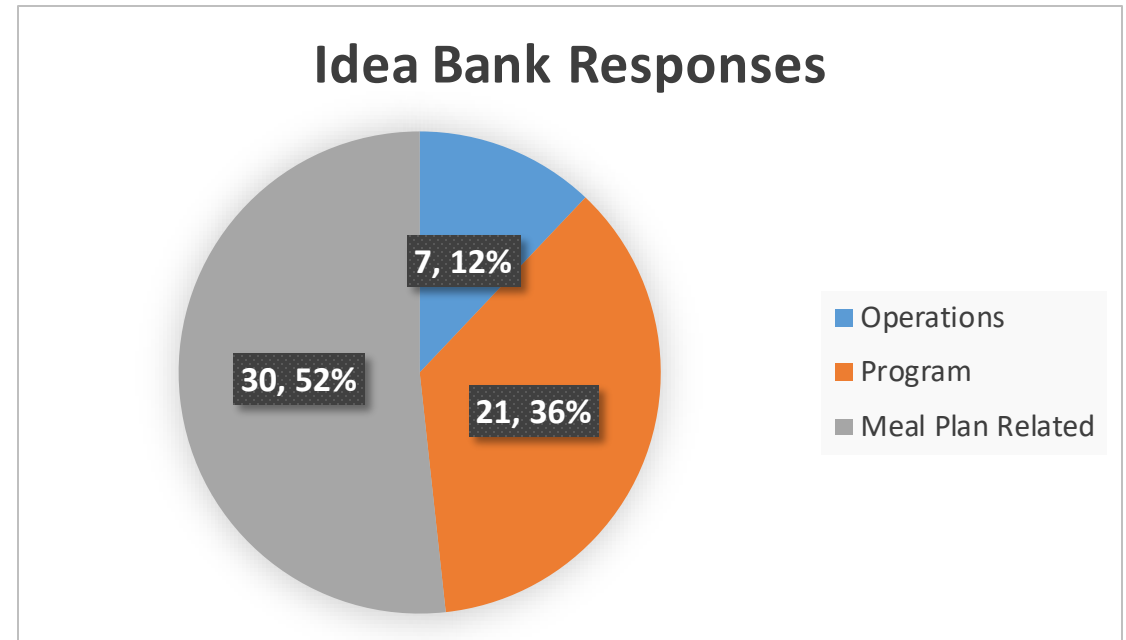
What we learned from students:

- Main concerns: costs, commitment levels
- Consistent quality across dining halls remains a problem
- Dining isn't seen as community building in all houses (especially not breakfast)
- Could look at first years and sophomores differently than juniors and seniors
- What separates dining program from other ways of getting food on campus
 - Staff interactions
 - When students realize that the staff in dining halls are being paid above the living wage, they are more accepting of the perceived high cost
 - Cost of sustainable practices
 - Communication--Students are able to reconcile costs when they are aware of what elements bring up the costs



Additional Working Group Outreach

- Presentation to House Dining Committee
- Working Group email update to meal plan holders and Heads of House sent October 30th
- November 7th Letter to the Editor in The Tech
- November 14th Tech interview with Mark Hayes
- Meetings with DormCon, UA and GSC being scheduled
- Idea Bank Opened



Meal plan commitment too high

Want plan portability

Seek greater value from plans

Seek more features- expanded hours, year-to-year rollover of dining dollars and so on



Dining Program FY20 Gap Analysis

Plans	Total Revenue**	Bon Appetit Cost	Result*
MANDATORY			
Any 19 per week	\$ 879,000	\$ 783,765	\$ 95,235
Any 14 per week	\$1,340,495	\$1,224,577	\$ 115,918
260 meals per semester	\$ 950,820	\$ 901,430	\$ 49,390
190 meals per semester	\$1,878,056	\$1,764,459	\$ 113,597
160 meals per semester	\$ 331,376	\$ 350,933	(\$ 19,557)
125 meals per semester	\$3,532,250	\$4,478,725	(\$946,475)
Voluntary			
90 meals per semester	\$ 226,374	\$ 216,630	\$ 9,744
60 meals per semester	\$ 191,808	\$ 179,280	\$ 12,528
45 meals per semester	\$ 48,910	\$ 45,479	\$ 3,431
30 meals per semester	\$ 56,640	\$ 48,970	\$ 7,670
Total	\$9,435,320	\$9,994,250	(\$558,521)

- Block 125/160 plans not priced high enough to cover vendor cost.
- Significant loss from 125 plan due to volume of students that chose the minimum requirement.
- House Dining program projected to lose \$559K before funding internal MIT costs



MIT House Dining Program Plans

