

VII. STANDING COMMITTEES**A. Academic and Student Affairs Committee**

In Joint Session With

B. Finance, Audit and Facilities Committee**2010–11 Residence Hall, Single Student Apartment and Family Housing Rental Rate Adjustments****RECOMMENDED ACTION:**

It is the recommendation of the administration and the Finance, Audit and Facilities Committee that the Board of Regents approve the proposed 2010–11 rental and dining rates for the residence halls, single student apartments and family housing, collectively termed the Housing and Dining System, making the proposed rates effective July 1, 2010.

The proposed residence hall room and dining rates for 2010–11 represent a net increase of 5.14 percent (\$342), from \$6,654 in 2009–10 to \$6,996 in 2010–11, for those with the most common room type and typical dining plan (a double room with the Bronze dining plan). The proposed rates compare favorably with those of other higher education institutions, which were surveyed in February 2010 (attachment 1).

BACKGROUND:**1. Room Rates**

The proposed room rates reflect an increase of 6.4 percent for residence halls and single student apartments and 2.1 percent for family housing. For the residence halls, the rate for a double room represents an increase of \$288 for the academic year (attachment 2). For the single student apartment academic year contract, the increase is \$372 for the academic year and \$42 per month for month-to-month single student apartment contracts (attachment 3). For family housing, the increase ranges from \$15–19 per month, depending on unit size and location. A breakdown of the room rate increases are shown on the next page, along with further discussion of the line items in Sections A and B.

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	Residence Halls	Single Student Apartments	Family Housing
A1. Operational Increases	1.23%	1.23%	1.0%
A2. Utilities—Power, Waste, Water	.93%	.93%	.93%
A3. Utilities—Cable TV, Data Services, Telephone	2.24%	2.24%	.17%
B. Housing Master Plan (approved March 2008)	<u>2.0%</u>	<u>2.0%</u>	<u>0%</u>
Total Room Rate Increase	6.4%	6.4%	2.1%

The policy of maintaining Family Housing rates below those of the private market is adhered to in this recommendation (attachment 4).

A1, A2 & A3. Operational Increases and Utilities

The Department of Housing & Food Services (HFS) anticipates a 2.16 percent increase in normal operating expenses, not including communication and data, during fiscal year 2010–11. This anticipated increase is higher than the projected 1.9 percent increase given in the Seattle Consumer Price Index (CPI) for 2011 (*Washington Economic and Revenue Forecast*, November 2009, Office of the Forecast Council), for the reasons cited below.

Compensation requirements including mandated step increases for contract classified staff, estimated benefit load changes and room and board compensation changes are covered in this proposal. Minimal increases have been included for contractual increases in supplies and services.

The portion of the rate increase associated with power, water and waste was based on utility forecasts from the UW Power Plant, UW Recycling and Solid Waste, and the city of Seattle.

The 2.24 percent increase for utilities associated with data, telephone and cable TV services is a one-time change reflecting the changes in rate

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structure and increases in estimated monthly rates for services provided by UW Technology. Their mandate to fully recover costs has resulted in rate estimates associated with student use that include a doubling of network data charges per student room port and an 89 percent increase per port for cable TV. The modification in rate structure and rates for the delivery of data and voice services to administrative offices is changing from a per telephone port basis to a per capita basis. This change in methodology results in increased costs to HFS due to the ratio of telephones to employees; many in HFS do not use telephones in performing their job duties, and therefore network and information technology costs were exempt under the previous system.

B. Housing Master Plan

In March 2008, the Regents approved an annual 2 percent increase for the Housing Master Plan. The 2 percent increase in rates reflects the annual rate increase needed in order to sustain the new debt load that will be incurred in developing new student housing. The 2 percent increase will be reviewed in later phases of the Housing Master Plan and will be discontinued when rates are sufficient to sustain the debt load in accordance with ILP requirements.

2. Dining Rates

All dining plan rates will increase by 2.5 percent. For the Bronze plan, the rate represents an increase of \$54 for the academic year (attachment 2). For all other dining plans, the rates represent an increase from \$66–\$129 for the academic year. A breakdown of the dining rate increases is shown below, along with further discussion of the line items in Sections A and B.

Dining Rate Increase Breakdown

A1. Operational Increases	.50%
A2. Utilities—Data, Telephone	.56%
B. Cost of Food	<u>1.44%</u>
Total Dining Program Level Increase	2.5%

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A1 & A2. Operational Increases and Utilities

Operational costs for food services are based on increases for supplies and services associated with the Consumer Price Index (CPI) and data-related utilities. As with housing rates, compensation requirements other than salary increases are covered in this proposal. Due to the UW Technology per capita rate structure for administrative data services, Dining Services will experience a significant increase related to food service workers who previously would not have had data costs associated with them.

B. Cost of Food

The U.S. Department of Agriculture forecasts an increase of between 2.5–3.5 percent for the cost of food in the upcoming year, which translates to a 1.44 percent increase in the dining plan rates. Considering cost of food increases in setting dining plan rates allows Housing & Food Services to maintain the current relationship of rates to the buying power of the plan levels.

3. Reserve Requirements/Debt Service Coverage Ratios

The recommended rates will allow the Housing and Dining System to remain financially stable and meet its bond obligations. Under provisions of the bond resolution, the System must maintain a ratio of net revenues to annual debt service of at least 1.25:1. Based on the proposed rate schedules and anticipated expenditures, coverage for the System for 2010–11 would exceed this threshold.

The recommended rates provide increasing reserve balances for the Housing Master Plan. The Credit Analysis for Phase 1 of the Housing Master Plan calls for the Housing and Dining System to achieve a fund balance of \$15.2 million on June 30, 2011, \$3 million of which is necessary to maintain balances required by the bond resolutions. The budget supported by the proposed rates allows HFS to achieve this fund balance.

4. Consultation with Students

On February 2, 2010, the operating budget and the need for adjustments to

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housing and dining rates were discussed with the budget subcommittee of the Residence Hall Student Association (RHSA). On February 3, the housing and dining rates were discussed with the Residence Hall General Council. Letters detailing the rate proposal were sent to all residence hall students on February 3.

On February 8, the proposal was discussed at Hall Council meetings with HFS staff available at all meetings to answer questions.

On February 3, letters were sent to all residents of single student apartments informing them of the proposed rate changes and inviting them to community meetings on February 10.

On February 3, letters were sent to all family housing apartment residents informing them of the proposed rates and inviting them to community meetings on February 10, 2010.

REVIEWS AND APPROVALS:

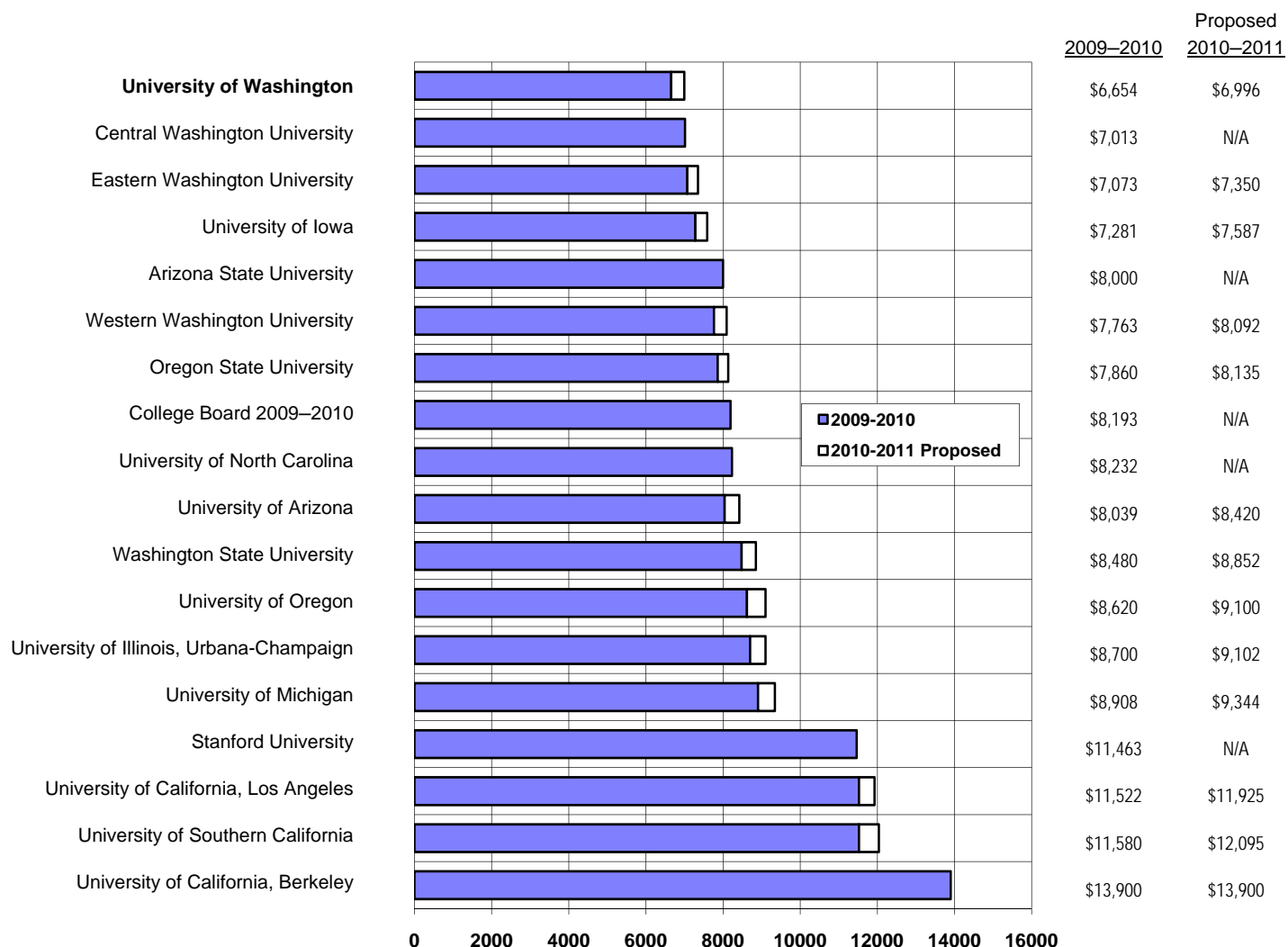
On February 10, 2010, RHSA voted to endorse the rate proposal. These proposed adjustments have also been discussed with the presidents of the UW Graduate and Professional Student Senate and the Associated Students of the UW. The Vice President and Vice Provost for Student Life has reviewed and approved this recommendation.

Attachments

1. Room and Board Rates of Comparable Universities, February 2010 Survey
2. Proposed 2010–11 Residence Hall Academic Year Rates
3. Proposed Monthly 2010–11 Single Student Apartment Rental Rates
4. Proposed Monthly 2010–11 Family Housing Apartment Rental Rates

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ROOM AND BOARD RATES OF COMPARABLE UNIVERSITIES



For comparative purposes, room costs for the schools named above are shown at the double room rate. Board plans vary widely in cost, depending on the types of programs offered. The board costs shown above reflect fixed meal plans ranging from 9 to 16 meals per week (or an equivalent level on a point system), unless a higher minimum meal plan is required. The amount of board included for the University of Washington is the Bronze dining plan—\$2,196 for 2010–2011.

* Trends in College Pricing 2009, College Board

N/A: Not available at time of survey.

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**PROPOSED 2010–11 RESIDENCE HALL ACADEMIC YEAR RATES
INCLUDING DINING ALTERNATIVES**

	ROOM TYPE ¹		
	Triple ²	Double	Single
Academic Year Room Rate	\$3,846	\$4,800	\$5,898
Husky Card Deposit ³	105	105	105
Bronze Dining Deposit	2,196	2,196	2,196
Total Room, Husky Card and Bronze Dining Deposit	6,147	7,101	8,199
Silver Dining Deposit	2,676	2,676	2,676
Total Room, Husky Card and Silver Dining Deposit	6,627	7,581	8,679
Gold Dining Deposit	3,264	3,264	3,264
Total Room, Husky Card and Gold Dining Deposit	7,215	8,169	9,267
Purple Dining Deposit	5,310	5,310	5,310
Total Room, Husky Card and Purple Dining Deposit	9,261	10,215	11,313

¹ Over 90 percent of residence hall rooms are included in these room types. Other limited room types are available such as super singles and apartment space that has been converted for use in the residence hall system.

² A triple is a room built to accommodate two residents, which has been retrofitted to accommodate a third resident.

³ A \$105 Husky Card deposit is required of all residents and is completely refundable if not used.

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PROPOSED MONTHLY 2010–11 SINGLE STUDENT APARTMENT RENTAL RATES

Stevens Court A–D Academic Year Contract	Current Rate	Proposed Rate 2010–11
	\$5,811	\$6,183
Stevens Court Buildings J and M Month-to-Month Contract	Current Rate	Proposed Rate 2010–11
Four Bedroom	\$661	\$703

ATTACHMENT 3

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**PROPOSED MONTHLY 2010–11 FAMILY HOUSING
APARTMENT RENTAL RATES**

Unit	Current Rate	Proposed Rate 2010–11	Private Market Rent 2009 ¹	Percentage Below Market
Laurel/Blakeley				
Two Bedroom	819	836	1,336	37%
Three Bedroom	901	920	No similar product	31% below 2BR rate
Stevens Court Addition				
One Bedroom	791	807	1,034	22%
Small One Bedroom	708	723	1,034	30%

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1. Source for private market rent: *Apartment Insights Washington*, Fourth Quarter, 2009. Average rents for Capitol Hill and University/North Area.