

## VII. STANDING COMMITTEES

### A. Academic and Student Affairs Committee

#### 2005–06 Residence Hall, Single-Student Apartment and Family Housing Rental Rate Adjustments

##### RECOMMENDED ACTION:

It is the recommendation of the administration and the Academic and Student Affairs Committee that the Board of Regents approve the proposed 2005-06 rental rates, presented in Attachments I, II and III, for the residence halls, single-student apartments and family housing, collectively termed the Housing and Dining System, making them effective July 1, 2005.

##### BACKGROUND:

The proposed rates reflect an increase of 3.7 percent for the residence halls, 3.7 percent for single-student apartments, and 1.7 percent for family housing. For the residence halls, the rate for a double room represents an increase of \$132 for the academic year. For single-student apartments, the increases range from \$20 to \$29 per month, depending on unit size. For family housing, the increases range from \$11 to \$13 per month, depending on unit size and location.

The rates are reflective of increases in normal operating expenses and long-term facility needs. For the residence halls and single-student apartments, the rates also include an adjustment to service debt incurred to carry out certain improvements in Haggett and Terry Halls.

The policy of maintaining family-housing rates below those of the private market is adhered to in this recommendation (Attachment III). Moreover, the proposed residence-hall rates compare favorably with those of other institutions of higher education surveyed in February 2005 (Attachment IV).

#### 1. OPERATIONAL INCREASES:

The Department of Housing and Food Services (HFS) anticipates a 3.8-percent increase in normal operating expenses during fiscal year 2005-06. This anticipated increase is higher than the projected 1.7-percent increase in the Seattle Consumer Price Index (CPI) for 2006 (*Washington Economic and Revenue Forecast*, November 2004, Office of the Forecast Council), for the reasons cited below.

Utility costs are expected to increase by 5.4 percent during the next year. Electricity rates are projected to hold steady, and water and sewer rates are projected to grow by 3.5 percent. The rate for student telephone services is

## VII. STANDING COMMITTEES

### A. Academic and Student Affairs Committee

#### 2005–06 Residence Hall, Single-Student Apartment and Family Housing Rental Rate Adjustments (continued - page 2)

projected to increase by 5 percent. In October 2004, the rate charged for steam heat increased 20 percent. As a result, the budget for steam heat must be increased by 18.5 percent.

Overall, salaries and benefits are budgeted to rise 3.2 percent, allowing for an increase in the minimum wage from \$7.16 to \$7.35 per hour on January 1, 2005, and an increase in the minimum wage on January 1, 2006, estimated at 2 percent. The budget also allows for a 3.2 percent cost-of-living increase and regular, incremental increases for classified and contract staff, and a salary increase of 2 percent for professional staff beginning July 1, 2005.

#### 2. HAGGETT AND TERRY HALL IMPROVEMENTS:

Fire-safety and other improvements were completed in Haggett Hall during the summer of 2003. A renovation of the Terry Café was completed for autumn 2004. The projects together cost approximately \$11.5 million. On February 20, 2004, the Board of Regents approved the issuance of Housing and Dining System Revenue Bonds to pay for the projects.

Two years ago, the Board of Regents adopted a recommended three-year plan to raise rates to a level sufficient to cover the debt service on the projects. The plan calls for rate increases of 2 percent each year for three years, beyond any yearly increases required for normal operations. The proposed rates include the third and last of the three annual 2-percent adjustments.

#### 3. DEBT SERVICE COVERAGE RATIOS:

The recommended rates would allow the Housing and Dining System to remain financially strong 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 2005-06 would be 1.98:1, providing reserve balances for the major repairs and improvements discussed in Section 4 of this document.

## VII. STANDING COMMITTEES

### A. Academic and Student Affairs Committee

#### 2005–06 Residence Hall, Single-Student Apartment and Family Housing Rental Rate Adjustments (continued - page 3)

#### 4. RESERVE REQUIREMENTS:

In 1999, HFS adopted a long-range capital improvement plan. The plan is updated annually and allocates funds for necessary and ongoing facility improvements. Capital projects scheduled for the current fiscal year include \$3.5 million in routine repair and replacement expenditures. Repair and replacement activities include replacing student room furniture in Mercer Hall, replacing mattresses in Terry and Mercer Halls, replacing public-area carpet in Terry and Lander Halls, and design work for fire-safety improvements in Stevens Court.

Capital projects scheduled for fiscal year 2005-06 total \$4.0 million and include replacing carpeting and vinyl at Laurel and Blakeley Villages, replacing lounge furniture in Hansee Hall, replacing the heating system in Stevens Court and fire safety improvements in Stevens Court.

The long-range financial plan calls for the Housing and Dining System to have a fund balance of \$4.9 million on June 30, 2006—\$3 million of which is to maintain balances required by the bond resolutions.

#### 5. DINING PROGRAMS:

Students living in the residence halls participate in the A La Carde<sup>TM</sup> Plus dining program. Under the program, a portion of each student's room and board payment is deposited in a debit-card account at one of five participation levels: Minimum, Light, Basic, Preferred, and Premium. The student uses a debit card to purchase food at University Food Services locations throughout the campus. At the end of the year, any unused balance on the account above the Minimum contribution level is returned to the student.

Each of the participation levels will undergo a 1.7 percent inflationary increase to help offset the rising costs of food and labor. The Minimum contribution level will increase from \$1,608 to \$1,635, the Light contribution level will increase from \$1,968 to \$2,001, the Basic contribution level will increase from \$2,502 to \$2,544, the Preferred contribution level will increase from \$3,039 to \$3,090, and the Premium contribution level will increase from \$4,590 to \$4,668.

## VII. STANDING COMMITTEES

### A. Academic and Student Affairs Committee

#### 2005–06 Residence Hall, Single-Student Apartment and Family Housing Rental Rate Adjustments (continued - page 4)

#### 6. CONSULTATION WITH STUDENTS AND OTHERS:

On February 3, 2005, the operating budget and the need for adjustments to housing and dining rates were discussed with the budget subcommittee of the Residence Hall Student Association (RHSA). Letters detailing the proposal were sent to all residence-hall students on February 11. On February 22, the proposal was endorsed by the full RHSA.

On February 11, letters were sent to all residents of family housing and single-student apartments informing them of the proposed rate changes and inviting them to community meetings to discuss the recommendation. On February 23, community meetings were held to answer questions regarding the rates.

These proposed adjustments have been discussed with the presidents of the GPSS and the ASUW.

The Vice President for Student Affairs has reviewed and approved this recommendation.

#### ATTACHMENTS:

- I. Proposed 2005-06 Residence Hall Academic Year Rates, Including Dining Alternatives
- II. Proposed Monthly 2005-06 Single-Student Apartment Rental Rates
- III. Proposed Monthly 2005-06 Family Housing Apartment Rental Rates
- IV. Room and Board Rates of Comparable Universities, February 2005 Survey

UNIVERSITY OF WASHINGTON  
Department of Housing and Food Services

**PROPOSED 2005-06 RESIDENCE HALL ACADEMIC YEAR RATES  
INCLUDING DINING ALTERNATIVES**

	<u>ROOM TYPE</u>		
<b>Dining Plan Required<sup>1</sup></b>	<u>TRIPLE<sup>2</sup></u>	<u>DOUBLE</u>	<u>SINGLE</u>
Academic Year Room Rate	2,964	3,696	4,542
Husky Card Deposit <sup>3</sup>	60	60	60
Minimum Dining Deposit <sup>4</sup>	<u>1,635</u>	<u>1,635</u>	<u>1,635</u>
Total Room, Husky Card and Minimum Dining Deposit	4,659	5,391	6,237
Light Dining Deposit	<u>2,001</u>	<u>2,001</u>	<u>2,001</u>
Total Room, Husky Card and Light Dining Deposit	5,025	5,757	6,603
Basic Dining Deposit <sup>5</sup>	<u>2,544</u>	<u>2,544</u>	<u>2,544</u>
Total Room, Husky Card and Basic Dining Deposit	5,568	6,300	7,146
Preferred Dining Deposit	<u>3,090</u>	<u>3,090</u>	<u>3,090</u>
Total Room, Husky Card and Preferred Dining Deposit	6,114	6,846	7,692
Premium Dining Deposit	<u>4,668</u>	<u>4,668</u>	<u>4,668</u>
Total Room, Husky Card and Premium Dining Deposit	7,692	8,424	9,270

### Dining Plan Optional

A limited number of spaces in the residence halls are available for this program. Higher room rates support amenities such as microwave ovens, refrigerators and a community kitchen. The \$114 minimum dining deposit is completely refundable if not used.

	<u>ROOM TYPE</u>	
	<u>DOUBLE</u>	<u>SINGLE</u>
Academic Year Room Rate	4,041	4,983
Husky Card Deposit <sup>3</sup>	60	60
Dining Deposit	<u>114</u>	<u>114</u>
Total Room, Husky Card and Minimum Dining Deposit	4,215	5,157

<sup>1</sup> All residents receive a refund of any unused balance above \$1,635 at the end of the year.

<sup>2</sup> A triple is a room built to accommodate two residents, but which has been retrofitted to accommodate a third resident.

<sup>3</sup> A \$60 Husky Card deposit is required of all residents and is completely refundable if not used.

<sup>4</sup> Offered only to continuing students.

<sup>5</sup> The minimum level required for new residents during their first quarter of occupancy.

UNIVERSITY OF WASHINGTON  
Department of Housing and Food Services

**PROPOSED MONTHLY 2005-06 SINGLE-STUDENT APARTMENT RENTAL RATES**

Unit	Current Rate	Proposed Rate 2005-06
Multi-Bedroom, Single Student	529	549
Studio, Disabled Single Student	544	564
Two-Bedroom, Disabled Student with Attendant	791	820

UNIVERSITY OF WASHINGTON  
Department of Housing and Food Services

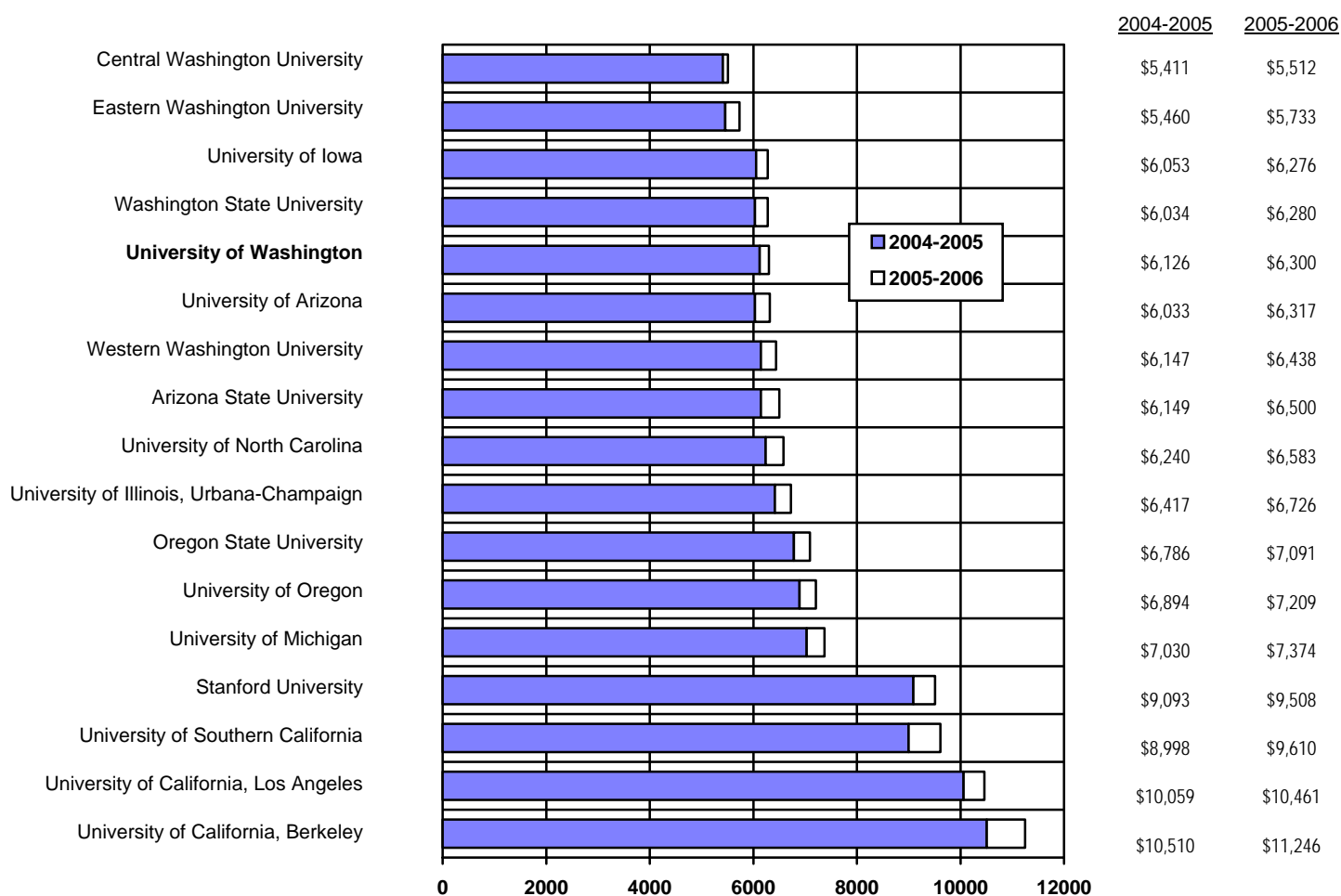
**PROPOSED MONTHLY 2005-06 FAMILY HOUSING  
APARTMENT RENTAL RATES**

Unit	Current Rate	Proposed Rate 2005-06	Private Market Rent 2003	Percentage Below Market
Laurel/Blakeley <sup>1</sup>				
Two-Bedroom	722	734	1,090	33
Three-Bedroom	793	806	1,260	36
Stevens Court Addition <sup>1</sup>				
Small One-Bedroom	623	634	1,050	40
One-Bedroom	696	708	1,050	33

- 
1. Source for private market rent: *Rent Survey of Blakeley Village & Laurel Village* and *Rent Study of Stevens Court & Stevens Court Addition*, by KVA Kidder Mathews Valuation Advisory Services for the University of Washington, December 2003.

UNIVERSITY OF WASHINGTON  
Department of Housing and Food Services

**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 Basic Dining Plan --\$2,544 for 2005-2006.