

## VII. STANDING COMMITTEES

### A. Academic and Student Affairs Committee

#### 2006-07 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 2006-07 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, 2006.

##### BACKGROUND:

The proposed rates reflect an increase of 5 percent for the residence halls, 4 percent for single-student apartments, and 2.2 percent for family housing. For the residence halls, the rate for a double room represents an increase of \$186 for the academic year. For single-student apartments, the increases range from \$22 to \$33 per month, depending on unit size. For family housing, the increases range from \$14 to \$18 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, the rates also include an adjustment to fund certain enhancements in the residential life program.

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 2006 (Attachment IV).

### 1. OPERATIONAL INCREASES:

The Department of Housing and Food Services (HFS) anticipates a 3.7-percent increase in normal operating expenses during fiscal year 2006-07. This anticipated increase is higher than the projected 2.2-percent increase in the Seattle Consumer Price Index (CPI) for 2007 (*Washington Economic and Revenue Forecast*, November 2005, Office of the Forecast Council), for the reasons cited below.

Overall, salaries and benefits are budgeted to rise 5.2 percent, allowing for an increase in the minimum wage from \$7.35 to \$7.63 per hour on January 1, 2005, and

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an increase in the minimum wage on January 1, 2006, estimated at 2 percent. The budget also allows for a 1.6 percent cost-of-living increase and regular, incremental increases for classified and contract staff, an additional step at the top of the range for all staff covered by the Federation contract, and a salary increase of 2 percent for professional staff beginning July 1, 2006.

### 2. RESIDENTIAL LIFE PROGRAM IMPROVEMENTS

The 5 percent increase to the residence hall room rates includes 1 percent to fund improvements in the residential life program.

It has become apparent that the current staffing level in residential life is inadequate to provide the service levels and opportunities the residents require. Thus, two professional positions will be added to the staff for 2006-07. These positions will provide programming support and facilitate leadership opportunities for the residents.

The addition of these positions will also allow the expansion of the interest house program with the addition of several academically oriented interest houses. For the 2006–2007 academic year the current Honors House will be doubled in size, an Engineering House will be added, and the International House's link to academic programs will be strengthened.

These improvements were developed in consultation with the residents and have been endorsed by the Residence Hall Student Association.

### 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 2006-07 would be 1.99:1, providing reserve balances for the major repairs and improvements discussed in Section 4 of this document.

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#### 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 fiscal year 2006-07 total \$4.1 million and include replacing carpeting, upholstery and mattresses at Stevens Court, masonry repairs in the bathrooms in McMahon Hall and elevator repair in Haggett Hall.

The long-range financial plan calls for the Housing and Dining System to have a fund balance of \$6.1 million on June 30, 2007—\$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.

The Minimum participation level will increase 4 percent and the Light, Basic and Preferred participation levels will undergo a 3-percent inflationary increase to help offset the rising costs of food and labor. The Premium participation level will increase 6 percent. The Minimum contribution level will increase from \$1,635 to \$1,701, the Light contribution level will increase from \$2,001 to \$2,061, the Basic contribution level will increase from \$2,544 to \$2,619, the Preferred contribution level will increase from \$3,090 to \$3,183, and the Premium contribution level will increase from \$4,668 to \$4,947.

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

On February 21, 2006, 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 a rate proposal were sent to all residence-hall students on February 22. On February 28, the proposal was discussed with the full RHSA. After that discussion, certain modifications to the proposal were made. On March 7, 2006, RHSA voted to endorse the rate proposal.

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On February 22, 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 March 1, 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 Acting Vice President for Student Affairs has reviewed and approved this recommendation.

#### ATTACHMENTS:

- I. Proposed 2006-07 Residence Hall Academic Year Rates, Including Dining Alternatives
- II. Proposed Monthly 2006-07 Single-Student Apartment Rental Rates
- III. Proposed Monthly 2006-07 Family Housing Apartment Rental Rates
- IV. Room and Board Rates of Comparable Universities, February 2006 Survey

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**PROPOSED 2006-07 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	3,111	3,882	4,770
Husky Card Deposit <sup>3</sup>	60	60	60
Minimum Dining Deposit <sup>4</sup>	<u>1,701</u>	<u>1,701</u>	<u>1,701</u>
Total Room, Husky Card and Minimum Dining Deposit	4,872	5,643	6,531
Light Dining Deposit	<u>2,061</u>	<u>2,061</u>	<u>2,061</u>
Total Room, Husky Card and Light Dining Deposit	5,232	6,003	6,891
Basic Dining Deposit <sup>5</sup>	<u>2,619</u>	<u>2,619</u>	<u>2,619</u>
Total Room, Husky Card and Basic Dining Deposit	5,790	6,561	7,449
Preferred Dining Deposit	<u>3,183</u>	<u>3,183</u>	<u>3,183</u>
Total Room, Husky Card and Preferred Dining Deposit	6,354	7,125	8,013
Premium Dining Deposit	<u>4,947</u>	<u>4,947</u>	<u>4,947</u>
Total Room, Husky Card and Premium Dining Deposit	8,118	8,889	9,777

### 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 \$117 minimum dining deposit is completely refundable if not used.

	<u>ROOM TYPE</u>	
	<u>DOUBLE</u>	<u>SINGLE</u>
Academic Year Room Rate	4,242	5,232
Husky Card Deposit <sup>3</sup>	60	60
Dining Deposit	<u>117</u>	<u>117</u>
Total Room, Husky Card and Dining Deposit	4,419	5,409

<sup>1</sup> All residents receive a refund of any unused balance above \$1,701 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.

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**PROPOSED MONTHLY 2006-07 SINGLE-STUDENT APARTMENT RENTAL RATES**

Unit	Current Rate	Proposed Rate 2006-07
Multi-Bedroom, Single Student	549	571
Studio, Disabled Single Student	564	587
Two-Bedroom, Disabled Student with Attendant	820	853

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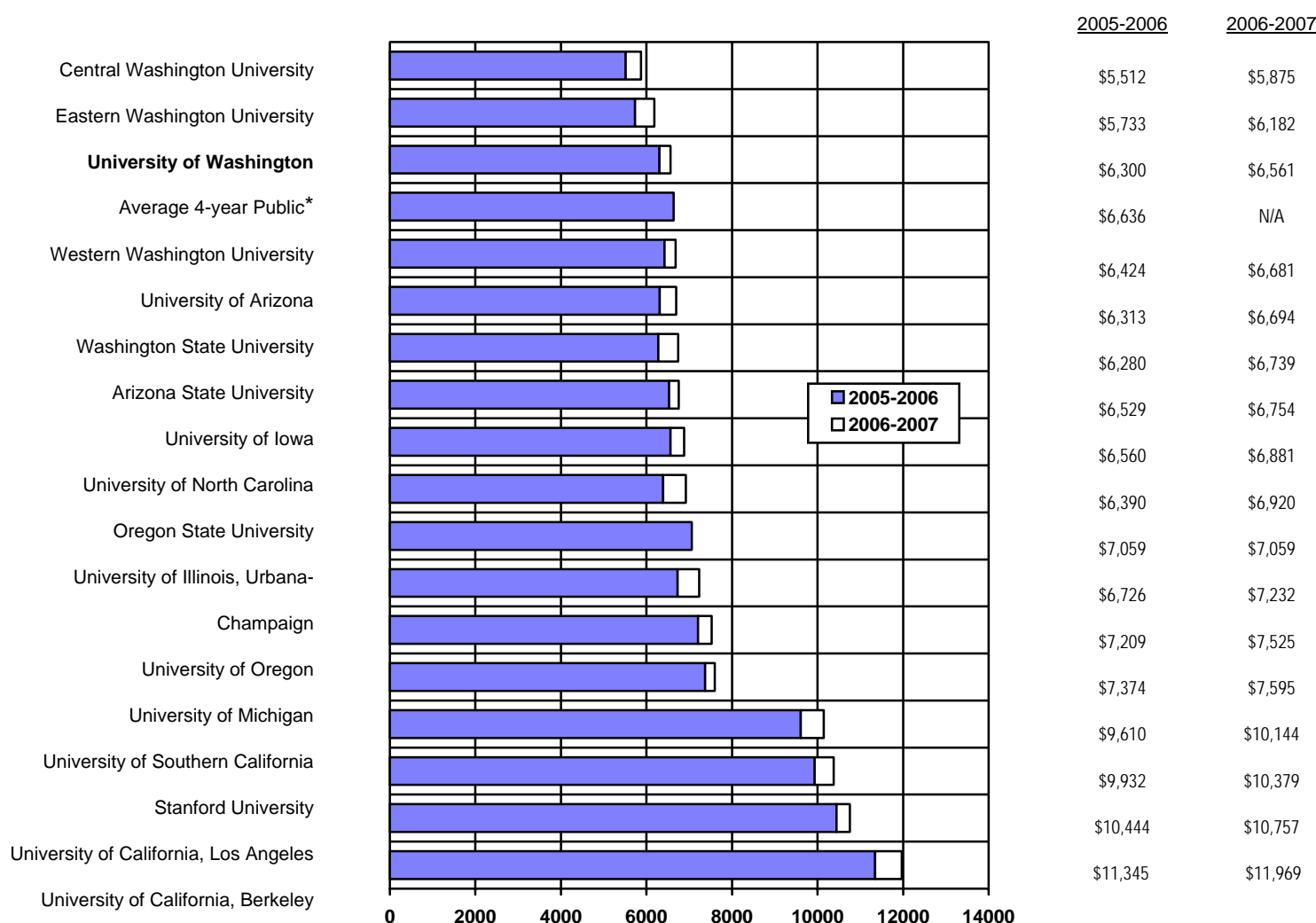
**PROPOSED MONTHLY 2006-07 FAMILY HOUSING  
APARTMENT RENTAL RATES**

Unit	Current Rate	Proposed Rate 2006-07	Private Market Rent 2003	Percentage Below Market
Laurel/Blakeley <sup>1</sup>				
Two-Bedroom	734	750	1,090	31
Three-Bedroom	806	824	1,260	35
Stevens Court Addition <sup>1</sup>				
Small One-Bedroom	634	648	1,050	38
One-Bedroom	708	724	1,050	31

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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.

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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 Basic Dining Plan --\$2,646 for 2006-2007.

\*Trends in College Pricing 2005, College Board