

VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

2007-08 Residence Hall, Single-Student Apartment and Family Housing Rental Rate AdjustmentsRECOMMENDED ACTION:

It is the recommendation of the administration and the Academic and Student Affairs Committee that the Board of Regents approve the proposed 2007-08 rental rates, presented in Attachments I-V, for the residence halls, single-student apartments and family housing, collectively termed the Housing and Dining System, making them effective July 1, 2007.

BACKGROUND:

The proposed residence hall room and board rates for 2007-08 represent a net increase of 1.3 percent (\$87)—from \$6,501 in 2006-07 to \$6,588 in 2007-08—for those with the most common room type and typical dining plan; i.e., a double room with the silver dining plan. The proposed rates compare favorably with those of other institutions of higher education surveyed in February 2007 (Attachment I). For the majority of residence hall students, increases in room rates will be offset by proposed changes in the Dining Program (Attachment II). The proposed changes are further described in the Dining Programs Section.

1. ROOM RATES:

The proposed room rates reflect an increase of 5 percent for the residence halls, 4.5 percent for single-student apartments, and 3.1 percent for family housing. For the residence halls, the rate for a double room represents an increase of \$195 for the academic year. For single-student apartments, the increase is \$26 per month (Attachment III). For family housing, the increase ranges from \$13 to \$26 per month, depending on unit size and location. A breakdown of the room rate increases is shown below, along with further discussion of the line items in Sections A, B and C.

	Residence Halls	Single-Student Apartments	Family Housing
A. Operational Increases	4.3%	4.3%	4.3%
• Utilities Savings	-1.2%	-1.2%	-1.2%
B. Residential Life Program	0.9%	0.4%	0%
Enhancements			
C. Facilities Improvements & Reserve Requirements	1.0%	1.0%	0%
Net Room Rate Increase	5.0%*	4.5%	3.1%

* For the majority of residence hall students, increases in room rates will be offset by proposed changes in the Dining Program.

The policy of maintaining family housing rates below those of the private market is adhered to in this recommendation (Attachment IV).

STANDING COMMITTEES

A. Academic and Student Affairs Committee

2007-08 Residence Hall, Single-Student Apartment and Family Housing Rental Rate Adjustments (continued p. 2)

A. OPERATIONAL INCREASES:

The Department of Housing and Food Services (HFS) anticipates a 4.3 percent increase in normal operating expenses during fiscal year 2007-08. This anticipated increase is higher than the projected 3.1 percent increase in the Seattle Consumer Price Index (CPI) for 2007 (*Washington Economic and Revenue Forecast*, November 2006, Office of the Forecast Council), for the reasons cited below.

Overall, salaries and benefits are budgeted to rise by 3.2 percent and accommodate the January 1, 2007 minimum wage increase. The budget also allows for a 3.2 percent cost-of-living increase, regular, incremental pay 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 3.2 percent for professional staff beginning July 1, 2007. Also included in the 4.3 percent increase in operating expenses is an increase of .5 percent to cover general maintenance to the halls and .6 percent to cover credit card processing fees.

A 1.2 percent decrease in utilities offsets the increase.

B. RESIDENTIAL LIFE PROGRAM ENHANCEMENTS:

To fund improvements in the Residential Life program, the proposed residence hall rates include a .9 percent increase, and single-student apartment rates include a .4 percent increase.

The increases will allow for supporting and realigning the Residential Life program with the Provost's initiative to improve the undergraduate experience. Specifically it will address the expansion of leadership programming, as well as an enhancement of programs that link academics to the residential experience, such as the addition of two academically-oriented residential communities. For the 2007-08 academic year, Pre-Health and Business Communities will be added to the existing options of Honors and Engineering Communities.

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

C. FACILITIES IMPROVEMENTS/RESERVE REQUIREMENTS:

In 1999, HFS established a long-range capital plan to maintain existing facilities. An additional 1 percent increase is included in rates for residence halls and single-student apartments to address increased needs for facility improvements. Recently, HFS initiated a strategic planning process to provide broader direction for housing improvements over the next 10-15 years.

Current capital projects scheduled for fiscal year 2007-08 total \$4.1 million and include painting and replacing carpeting and upholstery at Stevens Court, masonry repairs in the

STANDING COMMITTEES

A. Academic and Student Affairs Committee

2007-08 Residence Hall, Single-Student Apartment and Family Housing Rental Rate Adjustments (continued p. 3)

bathrooms in Haggett Hall, replacing student room furniture in one wing in Hansee Hall, and mattress replacement in Lander Hall.

The long-range financial plan calls for the Housing and Dining System to have a fund balance of \$5.7 million on June 30, 2008—\$3 million of which is to maintain balances required by the bond resolutions.

2. 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 2007-08 would be 1.99:1, providing reserve balances for the major repairs and improvements discussed in Section 1C of this document.

3. DINING PROGRAMS:

Students living in the residence halls participate in the Resident Dining Program. Under the program, a portion of each student's room and board payment is deposited in a debit-card account. The amount of the dining deposit is based on pre-defined levels which the student selects at the time of application and may change from quarter to quarter according to his or her needs. The student uses a debit card, drawing on that account to purchase food at dining locations throughout the campus.

HFS supports the University by meeting students' dining needs. The goals of the Resident Dining Program include delivering varied food choices, affordable pricing and continuous dining from early morning through late night. The current debit program has two weaknesses in its ability to deliver on these goals and maintain financial stability for the Department: the minimum deposit is too low, and unused dining deposit dollars over the minimum are refunded at the end of the school year.

In order to improve our ability to deliver on the aforementioned goals and provide for immediate and ongoing financial stability, as well as consistency of service, two changes are proposed: eliminating the current lowest dining deposit level for incoming students and eliminating the refund for all students. Elimination of the refund has been tested during summer quarter for the last three years.

These changes would allow us to reduce the initial deposit amount for the majority of students who participate in the Resident Dining Program, rather than raising dining levels to meet annual increases in costs. The initial deposit amount would be reduced by approximately 4 percent for two of the four dining plan levels, which affects between 70 and 80 percent of the students in the program. The dining deposit for the proposed lowest plan level would remain the same. The current lowest plan level would be offered

STANDING COMMITTEES

A. Academic and Student Affairs Committee

2007-08 Residence Hall, Single-Student Apartment and Family Housing Rental Rate Adjustments (continued p. 4)

to returning students only for 2007-08 and would incur a 5 percent increase (Attachment V).

With these modifications, Dining Services will be offering more food choices, including healthy, vegetarian, vegan and traditional fare. There will be increased support of sustainable practices, including selection and use of organic, natural and local products, biodegradable and compostable products, and green cleaning products. The dining program changes, combined with the enhanced offerings, are intended to more closely align dining deposit levels with purchases. The changes will also allow HFS to capture additional dollars to cover the costs associated with operating overhead.

4. CONSULTATION WITH STUDENTS AND OTHERS:

On January 31, 2007, 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). On February 1, the rate and meal plans were discussed with the Residence Hall Council. Letters detailing the rate proposal were sent to all residence hall students on February 3. On February 5 and 12, the proposal was discussed at Hall Council meetings, with HFS staff available at all meetings to answer questions. On February 15, 2007, RHSA voted to endorse the rate proposal.

On February 3, letters were sent to all residents of single-student apartments informing them of the proposed rate changes and inviting them to the Residence Hall Council meetings described above.

On February 15, letters were sent to all family housing apartment residents informing them of the proposed rates and inviting them to community meetings on February 20.

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

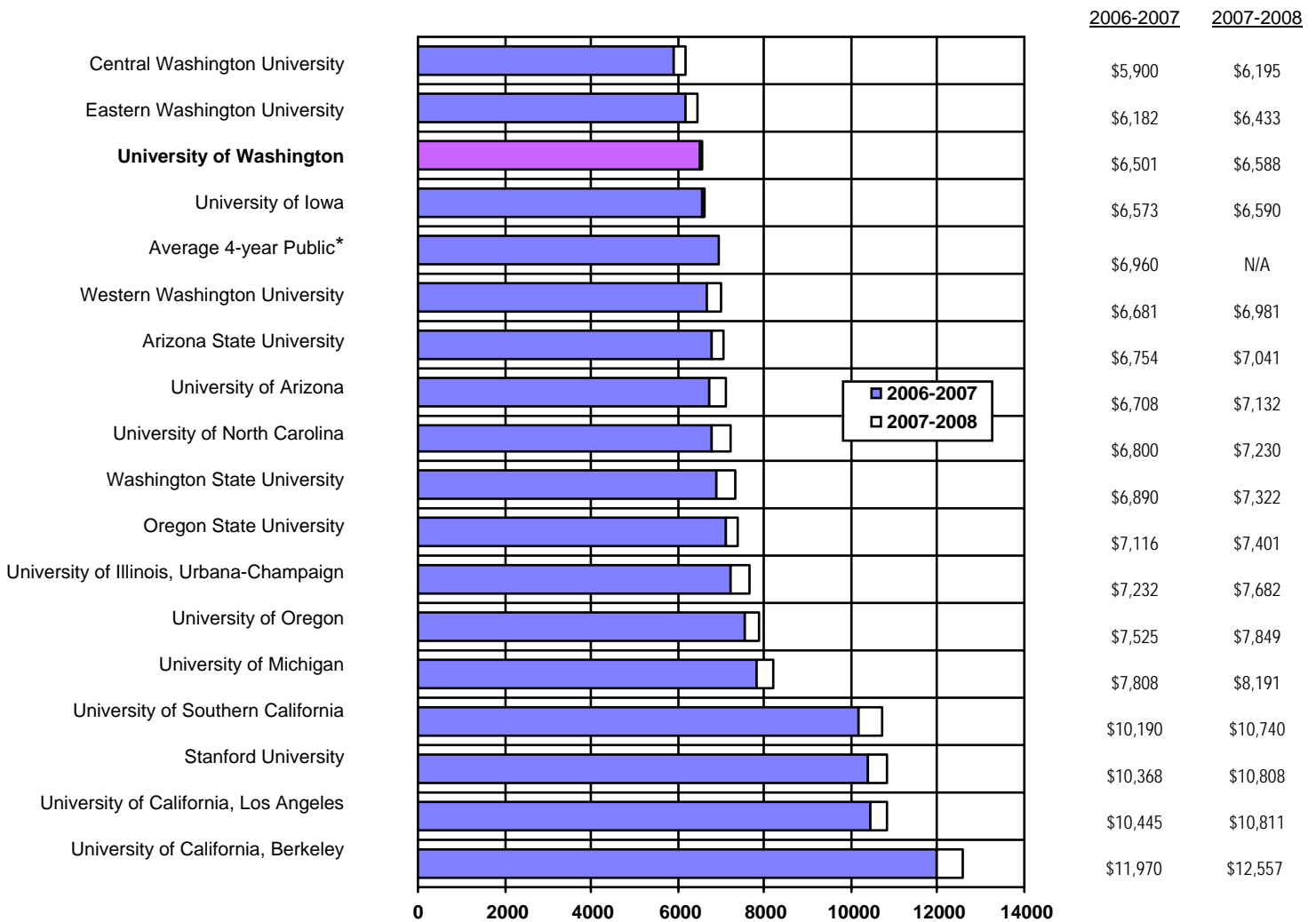
The Vice Provost for Student Life has reviewed and approved this recommendation.

ATTACHMENTS:

- I. Room and Board Rates of Comparable Universities, February 2007 Survey
- II. Proposed 2007-08 Residence Hall Academic Year Rates, Including Dining Alternatives
- III. Proposed Monthly 2007-08 Single-Student Apartment Rental Rates
- IV. Proposed Monthly 2007-08 Family Housing Apartment Rental Rates
- V. Proposed 2007-08 Dining Plan Changes

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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 Silver Dining Plan - \$2,511 for 2007-2008.

*Trends in College Pricing 2006, College Board

N/A: Not available at time of survey

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Department of Housing and Food Services

**PROPOSED 2007-08 RESIDENCE HALL ACADEMIC YEAR RATES
INCLUDING DINING ALTERNATIVES**

	<u>ROOM TYPE</u>		
	<u>TRIPLE¹</u>	<u>DOUBLE</u>	<u>SINGLE</u>
Dining Plan Required			
Academic Year Room Rate	3,267	4,077	5,010
Husky Card Deposit ²	90	90	90
Minimum Dining Deposit ³	<u>1,785</u>	<u>1,785</u>	<u>1,785</u>
Total Room, Husky Card and Minimum Dining Deposit	5,142	5,952	6,885
Bronze Dining Deposit	<u>2,061</u>	<u>2,061</u>	<u>2,061</u>
Total Room, Husky Card and Light Dining Deposit	5,418	6,228	7,161
Silver Dining Deposit ⁴	<u>2,511</u>	<u>2,511</u>	<u>2,511</u>
Total Room, Husky Card and Basic Dining Deposit	5,868	6,678	7,611
Gold Dining Deposit	<u>3,060</u>	<u>3,060</u>	<u>3,060</u>
Total Room, Husky Card and Preferred Dining Deposit	6,417	7,227	8,160
Purple Dining Deposit	<u>5,031</u>	<u>5,031</u>	<u>5,031</u>
Total Room, Husky Card and Premium Dining Deposit	8,388	9,198	10,131

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 \$201 minimum dining deposit is completely nonrefundable if not used.

	<u>ROOM TYPE</u>	
	<u>DOUBLE</u>	<u>SINGLE</u>
Academic Year Room Rate	4,455	5,493
Husky Card Deposit ²	90	90
Dining Deposit	<u>201</u>	<u>201</u>
Total Room, Husky Card and Dining Deposit	4,746	5,784

¹ A triple is a room built to accommodate two residents, but which has been retrofitted to accommodate a third resident.

² A \$90 Husky Card deposit is required of all residents and is completely refundable if not used.

³ Offered only to returning students for 2007-08.

⁴ The minimum level required for new residents during their first quarter of occupancy.

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Department of Housing and Food Services

PROPOSED MONTHLY 2007-08 SINGLE-STUDENT APARTMENT RENTAL RATES

Unit	Current Rate	Proposed Rate 2007-08
Multi-Bedroom, Single Student	571	597

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Department of Housing and Food Services

**PROPOSED MONTHLY 2007-08 FAMILY HOUSING
APARTMENT RENTAL RATES**

Unit	Current Rate	Proposed Rate 2007-08	Private Market Rent 2003	Percentage Below Market
Laurel/Blakeley ¹				
Two-Bedroom	750	773	1,090	29
Three-Bedroom	824	850	1,260	33
Stevens Court Addition ¹				
Small One-Bedroom	648	668	1,050	36
One-Bedroom	724	746	1,050	29

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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. Private market rates have not been adjusted for inflation of the past four years.

UNIVERSITY OF WASHINGTON
Department of Housing and Food Services

PROPOSED 2007-08 DINING PLAN CHANGES

Dining Deposit Levels	Current Dining Deposit Levels 2006-07	Proposed Dining Deposit Levels 2007-08	Increase/ (Decrease)
Purple (Premium)	\$4,947	\$5,031	\$84
Gold (Preferred)	\$3,183	\$ 3,060	\$ (123)
Silver (Basic)	\$2,619	\$2,511	\$ (108)
Bronze (Light)	\$2,061	\$2,061	\$ 0
Minimum*	\$1,701	\$1,785	\$84

*Available only to returning students