

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Governance Report on University Residence Systems
Date: March 2, 2005

Recommended Actions:

1. Receive a summary report on the university residence systems including the five-year plans for FY 2006 through FY 2010.
 2. Consider the universities' academic year 2005-2006 proposed rates for all residence halls, board options, apartments, and miscellaneous residence charges as detailed in the tables with each University attachment. (SUI – pages 18-19, ISU – pages 28-30, UNI – pages 37-38)
 3. Consider the universities' preliminary FY 2006 residence system budgets, which are subject to further review and action when the Board approves the final FY 2006 institutional budgets.
-

Executive Summary:

The Residence System governance report includes three major components:

- Residence systems capital and financial plans for the next five years (FY 2006 – FY 2010)
- Proposed rate increases for academic year 2005-2006
- Preliminary residence system budgets for FY 2006

Residence systems, which include dining services, are operated by each of the Regent universities as part of their educational responsibilities. The residence systems improve the quality of students' university experiences through broad-based programs focused on educational, social, cultural, and recreational interests.

The residence systems are self-supporting operations and do not receive state-appropriated funds for operations or capital improvements.

Timeline

In March, the Board receives the report and gives preliminary consideration to proposed rates and budgets.

In May, the Board will be requested to approve rate increases. This process allows the Board to give notice to students as required by law.

In the summer, the Board will be requested to approve the final resident system budgets.

FIVE-YEAR PLANS FY 2006 - FY 2010

Five-year enrollment and occupancy projections form the basis for residence system financial forecasts.

The following table contains current and projected residence system occupancies including both residence halls and apartments.

	FY 2005 (Fall 2004)	FY 2006 (Fall 2005)	FY 2007 (Fall 2006)	FY 2008 (Fall 2007)	FY 2009 (Fall 2008)	FY 2010 (Fall 2009)
SUI						
Occupancy	6,257	6,205	6,203	6,203	6,189	6,189
% Capacity	100.6%	99.9%	99.9%	99.9%	99.9%	99.9%
ISU						
Occupancy	7,962	7,756	7,707	7,722	7,780	7,780
% Capacity	92.0%	95.1%	94.5%	94.7%	95.4%	95.4%
UNI						
Occupancy	4,092	4,024	4,071	4,110	4,173	4,206
% Capacity	78.5%	80.4%	81.4%	82.1%	83.4%	84.1%

CHALLENGES

Both Iowa State University and the University of Northern Iowa residence systems continue to face fiscal challenges. Lower residence system occupancy has resulted from lower university enrollments and students choosing off-campus housing.

Both systems have bonded indebtedness that requires certain financial tests to be met. The universities have taken actions to address these challenges and specifically to meet the requirements of the bond covenants.

Iowa State University

The Department of Residence has plans to reduce expenses. This includes the closing of Wallace and Wilson Hall and the Wallace Wilson Dining Center; staff reductions and reorganization in the facilities group; and staff reductions and reorganization in the Residence Life program.

The Department has increased efforts to raise student awareness of the benefits of on-campus living. The Department has improved information sharing with enrollment services and departmental and college administrative staff.

The Department is actively addressing declining apartment occupancy in Schilleter and University Village by proposing no rate increase for FY 2006, offering this setting to single students that have turned 21, permitting mixed-gender housing, and planning increased capital re-investment.

University of Northern Iowa

The Department of Residence has seen several years of lower occupancy and is expecting FY 2006 occupancy to be reduced by an additional 68 students. The decrease in occupancy is the result of the projected decrease in university enrollment.

Current year occupancy is slightly higher than budget. The University believes that is the result of the 2-Year Advantage Plan and its relationship with the local community college. The residence system housed 97 community college students in fall 2004.

Last year Standard & Poor's Ratings Services (S&P) lowered its rating on the University of Northern Iowa's outstanding dormitory revenue bonds to 'BBB+' from 'A-' with a negative outlook reflecting the financial effect of several years of competition from private, off-campus housing and reduced freshman enrollment (the primary users of university housing)..

FACILITY PLANS

The University of Iowa plans to present the Department of Residence Service master plan renovations later this year. The construction of a new residence hall and community center on the west side of campus was included in previous Five-Year Plan. The University has deferred this project and is reassessing in the master planning process now underway. The five-year plan also includes continued fire safety upgrades, Mayflower renovations, and restroom renovations in Burge, Rienow, Daum, and Stanley Halls.

Iowa State University's Residence System master plan, first presented to the Board in July 1998 and updated in July 2000 included new construction, renovation, and demolition of certain system facilities. All new construction and renovation projects in the original master plan have been completed with the exception of construction of Union Drive Suite 3 which has been postponed indefinitely. The demolition of Helser South Hall and the 1927 section of Friley Hall have also been postponed indefinitely.

While the estimates for the demolition of Knapp and Storms Halls are much higher than originally anticipated, the University plans to proceed with the demolitions this summer as directed by the Board.

The University of Northern Iowa is in the process of upgrading Shull Hall to create a single occupancy residence hall for upperclass students.

The Department of Residence is currently reviewing a ten year schedule to address renovations and deferred maintenance. A residence facilities master plan will be finalized later this year. A more detailed discussion, including project schedules and pro formas, will be shared with the Board and Board Office as appropriate.

The Residence systems at all of the universities continue to address fire safety and deferred maintenance issues.

PROPOSED RATES 2005-2006

Historically, the Board has used the double occupancy room with full board as a comparative measure. While the universities currently offer many other options, this information provides a means to compare increases at the institutions and maintain a historical context. The universities proposed rate increases for 2005-2006 for a double

occupancy room with full board are as follows:

Double Occupancy Room with Full Board

	2004 - 2005	2005 - 2006	\$	%
	<u>Rate</u>	<u>Proposed Rate</u>	<u>Increase</u>	<u>Increase</u>
SUI	\$5,882	\$6,073	\$191	3.2%
ISU	\$5,958	\$6,133	\$175	2.9%
UNI	\$5,261	\$5,519	\$258	4.9%

Room Options

Each university offers a variety of room and board options to meet the needs of its students. The following table identifies the current and proposed range of rates for 2005-2006 room options. The range is significant because it includes all residence hall room types from the standard double occupancy room to single suites.

The University of Iowa is proposing a \$345 shift from board plans to residence hall rates which are reflected in the significant increases in the table below. The University believes the adjustment is necessary to maintain the appropriate balance between residence hall rates and board plans.

Residence Hall Room Rates

	2004-2005		2005-2006		\$ Range Increase**
	Lowest Rate	Highest Rate	Lowest Proposed Rate	Highest Proposed Rate	
SUI	\$2,313	\$6,849	\$2,802	\$7,583	\$489 - \$734
ISU*	\$3,168	\$5,918	\$3,231	\$6,155	\$63 - \$237
UNI	\$2,431	\$4,898	\$2,576	\$5,188	\$145 - \$290

*Includes Frederiksen Court Apartments

**Range represents increases in facilities that will be operational during 2005-2006

Board Options

All three Regent universities are continuing the process of changing from traditional meal plans to plans with greater flexibility. The intent is to provide students with more opportunities to use the board plans and greater variety within the plans. In addition, significant facility changes have been made to provide market place dining. Each university is also in some stage of combining food service operations of its residence system and student union.

The following table identifies the proposed range of rates for board plans.

Residence System Board Rates

	2004-2005		2005-2006		\$ Range Increase*
	Lowest Rate	Highest Rate	Lowest Proposed Rate	Highest Proposed Rate	
SUI	\$2,425	\$2,695	\$1,155	\$2,350	\$(345)
ISU	\$2,364	\$3,312	\$2,459	\$3,444	\$95 - \$132
UNI	\$2,300	\$3,540	\$2,400	\$3,690	\$100 - \$150

*Range represents increases in available meal plans during 2005-2006

Total Student Increase

When combining the tuition and fee increases previously approved for the 2005-2006 academic year with the proposed residence system increases based on double occupancy and full board, the total incremental cost increase to an undergraduate student would be \$407 (3.6%) at SUI, \$383 (3.4%) at ISU, and \$473 (4.4%) at UNI.

FY 2005 ESTIMATES
AND PRELIMINARY
FY 2006 BUDGETS

Each university has provided revised FY 2005 estimates and proposed FY 2006 budgets as illustrated in the table below and in greater detail in the table on page 11.

At the conclusion of FY 2006, voluntary reserves, which are used for repairs and capital improvements, are estimated to be \$9.9 million at SUI, \$2.1 million at ISU, and \$2.9 million at UNI.

PRELIMINARY BUDGETS SUMMARY

	Current Year Approved FY 2005	Current Year Revised Estimates FY 2005	Next Year Preliminary FY 2006
<i>University of Iowa</i>			
Gross Revenue	\$38,852,574	\$38,855,381	\$40,427,958
<i>Iowa State University</i>			
Gross Revenue	\$57,961,397	\$57,235,867	\$57,766,598
<i>University of Northern Iowa</i>			
Gross Revenue	\$24,163,706	\$24,278,581	\$25,179,395

Strategic Plan:

The Board's strategic plan has as one of its priorities that the Board will demonstrate public accountability and effective stewardship of resources. One strategic planning objective specifically addresses ensuring compliance with Board policies through responsible oversight of operations.

Each residence system, which is a self-supporting entity, is expected to operate its system on a revenue-producing basis, and use and apply its resources appropriately.

Background:

Each university's Department of Residence has many responsibilities, including managing residence hall and apartment utilization as well as summer conference housing; providing social, cultural, and educational programs such as learning communities and student councils; and providing dining services including catering, convenience stores, nutrition education, athletic department support, and child care support.

Each residence systems are self-supporting operations and do not receive state-appropriated funds for operations or capital improvements.

Comparative
Statistics

The following table provides key residence system data for FY 2004 that highlights the differences among the university residence systems.

**Residence System Data
FY 2004**

		SUI	ISU	UNI
Enrollment and Occupancy Statistics Fall 2003	Enrollment	29,745	27,380	13,441
	Occupancy			
	Residence Halls / Apartments	6,263	8,422	4,179
	Occupancy as % of Enrollment	21.1%	30.8%	31.1%
	Operating Capacity			
	Residence Halls / Apartments	6,215	9,362	5,286
	Capacity as % of Enrollment	20.9%	34.2%	39.3%
Financial (millions)	Gross Revenues	\$37.7	\$56.1	\$23.7
	Operating Expenses	26.9	42.8	18.9
	Debt Service & Mandatory Transfers	5.6	10.1	3.1
	Net Revenues	5.2	3.2	1.7
	Overhead Paid to the University	0.4	1.0	0.6
	Overhead as % of Expenditures	1.4%	2.3%	3.2%
	Outstanding Bonds (principal)	63.7	134.8	36.9
	Voluntary Reserves	13.5	10.3	5.1
% of Gross Revenues	35.8%	18.3%	21.6%	
Facilities (millions)	Gross Square Footage	2.2	3.4	1.5
	Building Replacement Value	\$427.6	\$643.	\$283.6
	Plant improvement, maintenance repair expenditures	18.4	4	3.7
	% of replacement value	4.3%	2.6	1.3%
			0.4%	

In 1998, the Board requested that the universities place greater emphasis on long-term planning for significant renovations and capital replacement of the aging residence system facilities. The universities have completed more comprehensive plans and, as a result, have used bond financing to renovate or replace the aging facilities.

Facilities / Bonding In the past several years, bonding activity for residence system facilities increased significantly as evidenced in the following table. No bonds are scheduled to be sold for the residence systems in calendar year 2005.

**Bonding Activity for Residence Hall Facilities by Calendar Year
(Millions)**

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
SUI	\$10.0	\$16.0	\$13.7	\$ ---	\$25.0	\$ ---
ISU	\$34.3	9.5	21.7	15.0	30.9	---
UNI	7.0	14.0	---	---	9.2	---

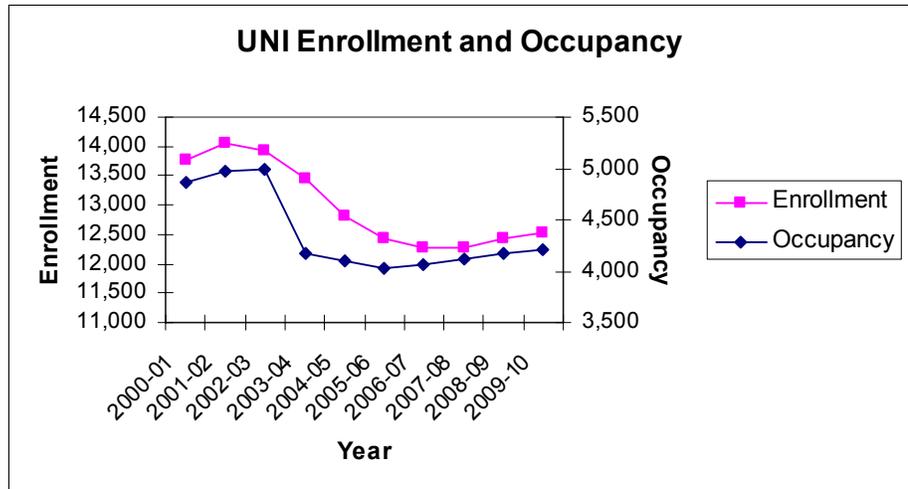
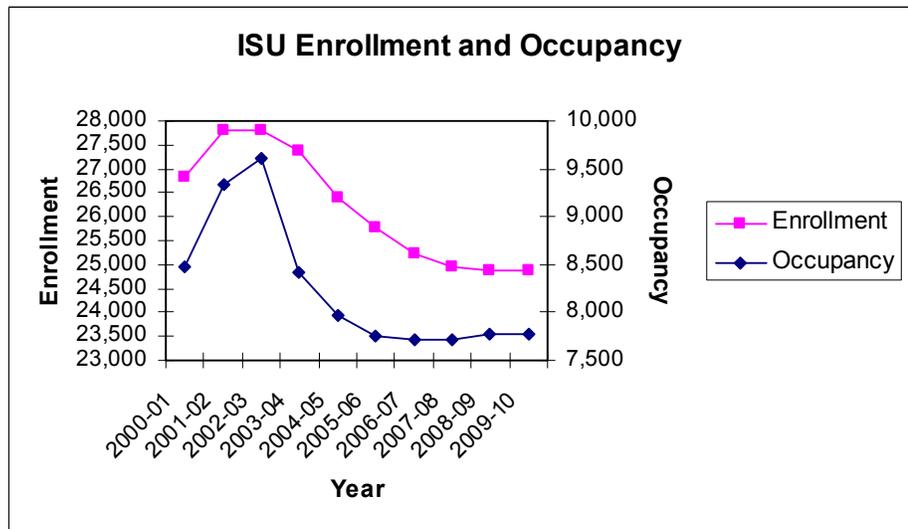
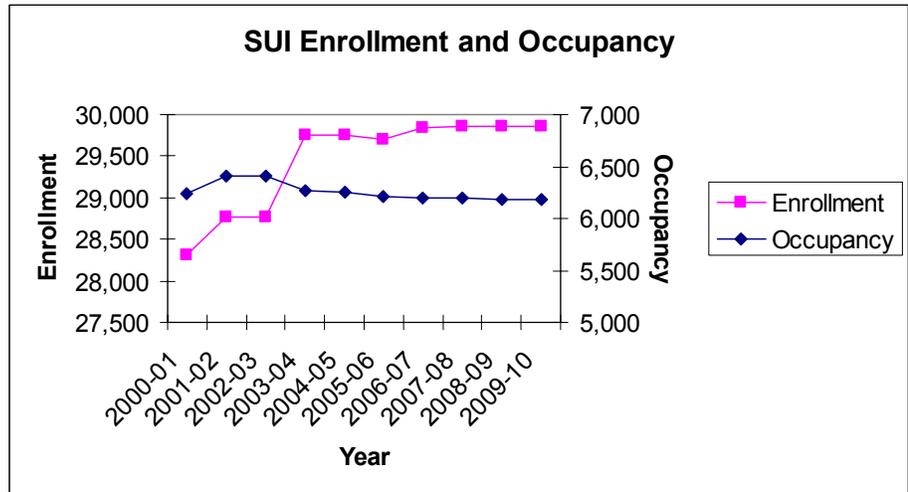
The bond covenants require that certain financial tests be met prior to the sale of any dormitory bonds. These tests are intended to insure the financial viability of the system. Tests must be met after the bonds are sold to provide security to the bondholders.

Rate Notification To increase room and board charges, the Board of Regents is required by Iowa Code §262.9 (18) to take action no sooner than 30 days after notification of the proposed increase to presiding officers of each student government organization at each affected institution. The Board gives preliminary consideration to the residence system rates in March with final approval scheduled for May.

Analysis:

Historical Enrollment / Occupancy

The following graphs show ten years of enrollment and occupancy in the residence system for each of the Regent universities. The first four years represent actual data and the remaining six years represent forecasted data.



FIVE-YEAR PLANS
FY 2006 - FY 2010

Five-year plans prepared by the universities include enrollment and occupancy projections, capital renewal plans, and financial forecasts.

The following information presents projected trends in total enrollment, current housing operating capacity, housing occupancy, and occupancy ratios for the five-year period.

FIVE YEAR PROJECTED ENROLLMENT, HOUSING CAPACITY, AND OCCUPANCY

	Academic Year				
	2005-06	2006-07	2007-08	2008-09	2009-10
University of Iowa					
Enrollment (Headcount)	29,705	29,838	29,861	29,860	29,854
Operating Capacity*	6,214	6,212	6,212	6,198	6,198
Total Occupancy*	6,205	6,203	6,203	6,189	6,189
Occupancy Ratio**	99.9%	99.9%	99.9%	99.9%	99.9%
Occupancy as % of Enrollment	20.9%	20.8%	20.8%	20.7%	20.7%
Iowa State University					
Enrollment (Headcount)	25,773	25,240	24,940	24,886	24,891
Operating Capacity*	8,158	8,158	8,158	8,158	8,158
Total Occupancy*	7,756	7,707	7,722	7,780	7,780
Occupancy Ratio**	95.1%	94.5%	94.7%	95.4%	95.4%
Occupancy as % of Enrollment	30.1%	30.5%	31.0%	31.3%	31.3%
University of Northern Iowa					
Enrollment (Headcount)	12,440	12,278	12,281	12,416	12,536
Operating Capacity*	5,004	5,004	5,004	5,004	5,004
Total Occupancy*	4,024	4,071	4,110	4,173	4,206
Occupancy Ratio**	80.4%	81.4%	82.1%	83.4%	84.1%
Occupancy as % of Enrollment	32.3%	33.2%	33.5%	33.6%	33.6%

* Includes residence halls and apartments.

** Percent of capacity.

Enrollment projections and financial information for the three Regent universities are presented in greater detail in the five-year plan summaries for the individual institutions (SUI – page 17, ISU – page 27, and UNI – page 35). Five-year estimates are stated in 2004-2005 dollars. No attempt has been made to estimate the effects of inflation.

PROPOSED RATES
2005-2006

Each of the Regent universities has proposed rate increases for residence hall room and board, and student apartment rent, for the 2005-2006 academic year. The following table shows the proposed rates for double occupancy rooms with full board.

**RESIDENCE HALL RATES
DOUBLE OCCUPANCY ROOMS WITH FULL BOARD**

	2004 - 2005 <u>Rate</u>	2005 - 2006 <u>Proposed Rate</u>	\$ <u>Increase</u>	% <u>Increase</u>
University of Iowa	\$5,882	\$6,073	\$191	3.2%
Iowa State University	\$5,958	\$6,133	\$175	2.9%
University of Northern Iowa	\$5,261	\$5,519	\$258	4.9%

Previously, the double occupancy rooms with full board in ISU's Richardson Court and Union Drive neighborhoods were priced the same. ISU is proposing a \$175 (2.9%) increase for the Richardson Court neighborhood and a \$238 (4.0%) increase for the Union Drive neighborhood.

The following table shows the average increase in apartment rates. Apartment rates are effective June 1, 2005 at SUI, May 12, 2005 at ISU and July 1, 2005 at UNI.

**2005 - 2006
PROPOSED APARTMENT RATES**

	<u>Average Increase</u>
University of Iowa	2.0%
Iowa State University	0.0%
University of Northern Iowa	5.5%

The following table shows the total incremental cost to undergraduate resident students for the 2005-2006 academic year.

Incremental Costs to Undergraduate Resident Students

	<u>Tuition & Fees 2005-2006</u>	<u>Proposed Residence System 2005-2006</u>	<u>Total Incremental Costs</u>	<u>% Increase</u>
University of Iowa	\$216	\$191	\$407	3.6%
Iowa State University	208	175	383	3.4%
University of Northern Iowa	215	258	473	4.4%

The proposed residence system rate increases with double occupancy and full board, when combined with the tuition and fee increases approved by the Board, result in total incremental increases to an undergraduate resident student of \$407 (3.6%) at SUI, \$383 (3.4%) at ISU, and \$473 (4.4%) at UNI.

This incremental cost may vary depending on the room and dining options selected by the student.

Proposed rate increases for all residence hall, board options, and apartment units of the individual universities are provided in detail with each university attachment. (SUI – pages 18-19, ISU – pages 28-30, and

FY 2005 AND
PRELIMINARY
FY 2006 BUDGET

The preliminary FY 2006 budget proposals contain current FY 2005 Board approved revenue and expenditure detail and revised estimates for FY 2005.

FY 2006 gross revenues at all three universities are expected to increase from the revised FY 2005 estimates, while net revenues are expected to increase at SUI and ISU and decrease UNI. These revenues are based on occupancy projections and the proposed rate increases.

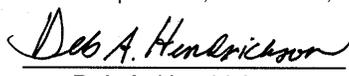
Debt service and mandatory transfers at UNI for FY 2006 are expected to increase due to increased debt service payments for bonds previously issued.

Detailed budgets for the individual universities are provided in each university attachment. (SUI – page 20, ISU – page 31, and UNI – page 39).

PRELIMINARY BUDGETS SUMMARY

	(1)	(2)	(3)	(4)	(5)	(6)
	Prior Year Actual FY 2004	Current Year Approved FY 2005	Current Year Revised Estimates FY 2005	Next Year Preliminary FY 2006	\$ Change (4) - (3)	% Change (5) / (3)
<i>University of Iowa</i>						
Gross Revenue	\$37,759,658	\$38,852,574	\$38,855,381	\$40,427,958	\$1,572,577	4.0%
Expenditures for Operations	26,907,055	28,276,547	27,836,187	29,327,766	1,491,579	5.4%
Debt Service & Mand. Transfers	5,640,259	6,624,733	6,624,733	6,629,008	4,275	0.1%
Net Revenue*	5,212,344	3,951,294	4,394,461	4,471,184	76,723	1.7%
Net Revenue as % of Gross Rev.	13.8%	10.2%	11.3%	11.1%	(0.3)%	
<i>Iowa State University</i>						
Gross Revenue	\$56,123,907	\$57,961,397	\$57,235,867	\$57,766,598	\$530,731	0.9%
Expenditures for Operations	\$42,801,491	\$44,006,524	\$43,173,312	\$42,400,467	(\$772,845)	(1.8)%
Debt Service & Mand. Transfers	\$10,149,041	\$10,567,310	\$10,567,310	\$10,560,770	(\$6,540)	(0.1)%
Net Revenue*	\$3,173,375	\$3,387,563	\$3,495,245	\$4,805,361	\$1,310,116	37.5%
Net Revenue as % of Gross Rev.	5.7%	5.8%	6.1%	8.3%	2.2%	
<i>University of Northern Iowa</i>						
Gross Revenue	\$23,774,707	\$24,163,706	\$24,278,581	\$25,179,395	\$900,814	3.7%
Expenditures for Operations	\$18,945,474	\$19,587,965	\$19,583,834	\$20,654,482	\$1,070,648	5.5%
Debt Service & Mand. Transfers	\$3,142,104	\$3,339,341	\$3,339,341	\$3,633,392	\$294,051	8.8%
Net Revenue*	\$1,687,129	\$1,236,400	\$1,355,406	\$891,521	(\$463,885)	(34.2)%
Net Revenue as % of Gross Rev.	7.1%	5.1%	5.6%	3.5%	(2.0)%	

* After expenditures for operations, debt service, and mandatory transfers.


Deb A. Hendrickson

Approved: 
Gregory S. Nichols

UNIVERSITY OF IOWA

**FIVE-YEAR PLAN
FY 2006 – FY
2010** The University of Iowa’s five-year plan provides an overview of enrollment and occupancy projections, significant policy and program considerations, plans for new construction and renovation of facilities, and financial forecasts. (Summary on page 17).

**Enrollment /
Occupancy
Projections** The enrollment projections, prepared by the University in the fall of each year, serve as the basis for estimating future occupancy.

Enrollment

- The University is projecting enrollment to decrease by 40 (-0.1%) students from 2004-05 to 2005-06, increase by 133 (0.4%) students in 2006-07, and then increase by 16 (0.1%) students in 2009-10.

Occupancy

- The University expects residence system occupancy to decline by 52 (-0.8%) students in the fall of 2005 and then decrease by an additional 16 (-0.3%) students by fall 2009.
 - Residence hall occupancy continues to be strong at 100.0% of capacity.
 - Apartment occupancy is projected to remain near capacity at 98.7%.

FIVE YEAR PROJECTED ENROLLMENT, HOUSING CAPACITY, AND OCCUPANCY

	Academic Year						
	Actual 2003-04	Budget 2004-05	2005-06	2006-07	Forecast 2007-08	2008-09	2009-10
University of Iowa							
Enrollment (Headcount)	29,745	29,745	29,705	29,838	29,861	29,860	29,854
Operating Capacity*	6,215	6,218	6,214	6,212	6,212	6,198	6,198
Total Occupancy*	6,263	6,257	6,205	6,203	6,203	6,189	6,189
Occupancy Ratio**	100.8%	100.6%	99.9%	99.9%	99.9%	99.9%	99.9%
Occupancy as % of Enrollment	21.1%	21.0%	20.9%	20.8%	20.8%	20.7%	20.7%

* Includes residence halls and apartments.

** Percent of capacity.

**Policy /
Program
Considerations** Dining Services
The University is planning to combine the contract and retail dining operations into a single coordinated administrative unit to better utilize resources, consolidate key production and administrative functions, and eliminate duplication of efforts. A financial arrangement is being developed to maintain the financial integrity of both the Department of Residence Services and the Iowa Memorial Union. Plans for the consolidation are being developed consistent with the bond covenants of both enterprises. Implementation of this blended food service is expected to be phased in beginning in fall 2005.

Meal Plan Requirements

Beginning with the fall semester 2005, the University plans to require all new freshmen to have a meal plan. A new 5-Meals-Per-Week plan will be available as the minimum requirement for the first-year residents residing in Mayflower, Parklawn, and rooms with individual kitchens. These residents will also be able to select, as an alternative, one of the three primary meal plans available to all residence hall students.

Currently, students who live in Mayflower and Parklawn Halls, as well as students who live in residence hall rooms with self-contained kitchens, are exempt from participating in a required meal plan.

The Associated Residence Halls (ARH) Executive Board has endorsed the required meal plan for all new freshmen. In addition, the University conducted a focus group of students living in the suites at Mayflower and Parklawn and the students fully supported the proposal.

The additional board contracts will not require any additional staffing in the current residence system dining facilities and will allow the University to keep the FY 2006 room and board rate increase at a lower level than would otherwise be required.

Shifting Portion of Board Rates to Room Rates

Current rates for the mandatory meal plan portion of the room and board rates have risen to a level where, when calculated on a per-meal basis, costs are disproportionate in comparison to prices charged to non-contract customers. Overall, food service revenues and room revenues are contributing the proper combined net revenues to the department, but the University believes the split between room and board is not equitable. It appears that the revenues from dining operations are subsidizing the residence hall housing operations.

In order to allow the department to reduce the per meal cost to students for each board plan and provide a competitive base rate for the new 5 meal plan, the University proposes to reduce all existing board plans by \$345, and transferring that amount to the base room rate.

University Apartments

In spring 2004, the University conducted a feasibility study to determine its ability to build new apartments to replace the current Hawkeye Drive and Hawkeye Court apartments. The preliminary analysis concluded that it would be impossible for the project of 350 to 700 apartments to be self-supporting while keeping rates below market and meeting bond coverage requirements.

The net revenues currently being used to fund the debt service payments will be invested into higher levels of upkeep for current apartment units and reserved for another potential project in the next 6-8 years. In the meantime, Residence Services will perform the necessary maintenance to keep the apartments functional, and will take those that cannot be fixed offline. Consequently, rate increases for University Apartments will be limited to the cost of ongoing operations and maintenance to provide safe and healthy residences, as well as the costs associated with any additional services and amenities provided to apartment tenants.

Renovation /

The University of Iowa continues to upgrade and maintain residence system

AGENDA ITEM 5

Attachment A

University of Iowa

Page 13

Construction of Facilities facilities by spending adequate resources for major repairs, replacements, and renovations.

Over the past several years, capital spending for replacement and repair projects has averaged \$5 to \$5.5 million each year. To keep up with the necessary replacements and repairs, the University identified a need to increase the amount spent annually on such projects by an average of \$1.5 million per year for each of the next three fiscal years

The five-year plan includes continued fire safety upgrades, Mayflower renovations, and restroom renovations in Burge, Rienow, Daum, and Stanley Halls.

The University has included in previous Five-Year Plans, the construction of a new residence hall and community center on the west side of campus. The Program Statement for the project was approved by the Board in September of 2003. The University has deferred this project and is reassessing in the master planning process now underway.

Construction of a new residence hall serves many purposes. It allows the University to better meet the demands of today's students for semi-private rooms with baths and shared living spaces. A new residence hall also provides the University with the flexibility to renovate other buildings without limiting the capacity of the system, and to eliminate triple rooms from the system.

The Department's Five-Year Plan includes the use of revenue bonds to finance several of the larger capital projects.

- Phased bonding over two years is planned for the construction of a new residence hall. A preliminary estimate includes bonding of \$20 - \$21 million each in the fall of 2007 and spring of 2009.
- Bonding of \$12 million is included in the fall of 2009 for major renovations of Slater Hall.

Financial Forecasts Expenditures for capital renewals from voluntary reserves are estimated to total \$31.0 million during the next five years. Maintaining reserves necessary to fund capital renewals will require future rate increases each year in excess of inflationary cost increases.

PROPOSED RESIDENCE RATES 2005 - 2006

The following table shows the University's rate increases for the past five years, as well as the proposed rates for double occupancy residence hall rooms with full board contracts.

	Double Occupancy Room and Full Board	Dollar Increase	Percent Increase
FY 2001	\$4,398	\$210	5.0%
FY 2002	4,671	273	6.2%
FY 2003	5,255	584	12.5%

FY 2004	5,701	446	8.5%
FY 2005	5,882	181	3.2%
FY 2006 Proposed Rate	\$6,073	\$191	3.2%

Room Options The University of Iowa offers a variety of room and board options to meet the varied needs of the students. The following table identifies the proposed range of rates for housing. The range is significant because it includes all room types from the standard double occupancy room to single suites. The proposed rates include the shift of \$345 from board rates to room rates described earlier in this memorandum.

University of Iowa			
Residence Hall Room Rates			
	<u>Lowest</u>	<u>Highest</u>	<u>\$ Range</u>
	<u>Proposed Rate</u>	<u>Proposed Rate</u>	<u>Increase</u>
2004-2005	\$2,313	\$6,849	\$84 - \$436
2005-2006	\$2,802	\$7,583	\$489 - \$734

Board Options The following table identifies the proposed range of rates for board plans.

University of Iowa			
Residence System Board Rates			
	<u>Lowest</u>	<u>Highest</u>	<u>\$ Range</u>
	<u>Proposed Rate</u>	<u>Proposed Rate</u>	<u>Increase</u>
2004-2005	\$2,425	\$2,695	\$0 - \$65
2005-2006	\$1,155	\$2,350	\$(345)

Proposed increases for apartments average 2.0%.

The entire schedule of proposed rate increases for residence hall room and board and student apartment rents for the 2005-2006 academic year is identified on page18-19.

Student Notification The Department presented the proposed budget, rate increases including the \$345 shift from board to room rates, and creation of the five meal plan to the general assembly of the Associated Residence Halls. No concerns were expressed. In addition, the University conducted a focus group of students living in the suites at Mayflower and Parklawn and the students fully supported the proposal.

FY 2005 ESTIMATE AND PRELIMINARY FY 2006 BUDGET The following table identifies key elements of the original FY 2005 budget, the revised FY 2005 estimates, and the preliminary FY 2006 budget. For further detail including FY 2004 actual revenue and expenditure detail, see page 20.

UNIVERSITY OF IOWA
Residence System Preliminary Budget 2005-2006

	Approved Budget FY 2005	Revised Estimate FY 2005	Proposed Budget FY 2006
Gross Revenue	\$38,852,574	\$38,855,381	\$40,427,958
Expenditures for Operations	\$28,276,547	\$27,836,187	\$29,327,766
Debt Service & Mand. Transfers	\$6,624,733	\$6,624,733	\$6,629,008
Net Revenue	\$3,951,294	\$4,394,461	\$4,471,184
Net Revenue as % of Gross Rev.	10.2%	11.3%	11.1%

FY 2005 FY 2005 revised net revenue, after debt service and mandatory transfers, is estimated to be \$4.4 million, or 11.3% of gross revenue and \$443,167 higher than the Board approved budget. Voluntary reserves, which are used for repairs and capital improvements are expected to be \$12.2 million as of June 30, 2005.

FY 2006 The FY 2006 budgeted revenues assume a decrease of 52 students (0.8%) in occupancy and the approval of the proposed rate increases. The \$40.4 million in gross revenues represent a 4.1% increase over the FY 2005 budget.

The FY 2006 preliminary budget is subject to further review and action when the Board approves the final FY 2006 institutional restricted fund budgets, currently scheduled for June.

The University of Iowa
 Department of Residence Services
 Ten-Year Planning Indicators (2004-2005 Dollars with 000's Omitted)

INDICATORS	Actual	Estimated	Planned - Constant Dollars				
	<u>FY 04</u>	<u>FY 05</u>	<u>FY 06</u>	<u>FY 07</u>	<u>FY 08</u>	<u>FY 09</u>	<u>FY 10</u>
1 - ENROLLMENT & OCCUPANCY							
(a) Fall Enrollment Head Count	29,745	29,745	29,705	29,838	29,861	29,860	29,854
Residence Hall Housing							
(b) Current Operating Capacity (# of beds)	5,521	5,524	5,520	5,518	5,518	5,504	5,504
(c) Occupancy	5,571	5,572	5,520	5,518	5,518	5,504	5,504
(d) Occupancy Ratio	100.9%	100.9%	100.0%	100.0%	100.0%	100.0%	100.0%
Apartment Housing							
(e) Current Operating Capacity (Units)	694	694	694	694	694	694	694
(f) Units Occupied	692	685	685	685	685	685	685
(g) Occupancy Ratio	99.7%	98.7%	98.7%	98.7%	98.7%	98.7%	98.7%
2 - CAPITAL IMPROVEMENTS & REPAIRS							
(a) Improvements from Bond Proceeds	\$ 21,199	\$ 1,775	\$ -	\$ -	\$ 15,000	\$ 15,000	\$ 15,000
(b) Improvements from Voluntary Reserves	3,914	5,998	6,971	6,875	6,830	5,073	5,373
(c) Repairs from Current Revenues	3,226	3,219	3,333	3,333	3,333	3,333	3,333
(d) Gross Square Feet Maintained (000's)	2,239	2,239	2,239	2,239	2,239	2,239	2,239
3 - OPERATING REVENUES & EXPENDITURES							
(a) Total Revenues	\$ 37,760	\$ 38,855	\$ 40,428	\$ 40,862	\$ 40,829	\$ 40,767	\$ 44,542
(b) Less Expenditures (Excluding Univ overhead)	26,907	27,836	29,327	29,302	29,302	29,294	29,694
(c) Net Operating Revenues	10,853	11,019	11,101	11,560	11,527	11,473	14,848
(d) Less Mandatory Transfers	600	600	600	600	600	600	600
(e) Less Debt Service	5,004	6,025	6,029	5,998	4,968	6,344	8,633
(f) Net to Voluntary Reserves	\$ 5,249	\$ 4,394	\$ 4,472	\$ 4,962	\$ 5,959	\$ 4,529	\$ 5,615
4 - VOLUNTARY (UNRESTRICTED) RESERVES							
(a) Beginning Balance	\$ 1,159	\$ 13,533	\$ 12,157	\$ 9,859	\$ 8,147	\$ 8,645	\$ 8,302
(b) Add Mandatory Transfers from (3d)	600	600	600	600	600	600	600
(c) Add Net to Voluntary Reserves from (3f)	5,249	4,394	4,472	4,962	5,959	4,529	5,615
(d) Less Improvements (2b) & Other Costs	(6,525)	6,370	7,370	7,274	6,061	5,472	5,777
(e) Year-End Balance	\$ 13,533	\$ 12,157	\$ 9,859	\$ 8,147	\$ 8,645	\$ 8,302	\$ 8,740

**The University of Iowa
Residence System Rates--Proposed Rate Schedule for 2005-06**

	Current (2004-05) Rates	Proposed (2005-06) Rates	Proposed Rate Increase	
			Amount	Percent
Residence Halls Academic Year 2005-06				
Basic Room Rates (per person)				
Single	\$3,996	\$4,576	\$580	14.5%
Double	3,187	3,723	536	16.8%
Triple	2,685	3,194	509	19.0%
Multiple	2,313	2,802	489	21.1%
Double as Single	4,462	5,067	605	13.6%
Additional Rate Per Room For:				
Rooms with airconditioning	542	571	29	5.4%
Rooms with private bath	1,842	1,942	100	5.4%
Rooms with kitchen units	469	494	25	5.3%
Suites	1,299	1,369	70	5.4%
Board Rates **				
Full Board (20 meals per week)	\$2,695	\$2,350	(345)	-12.8%
Any 14 meals per week	2,595	2,250	(345)	-13.3%
Any 10 meals per week	2,425	2,080	(345)	-14.2%
Any 5 meals per week	n/a	1,155	n/a	n/a
** All board rates include \$200 (\$100 per semester) Hawkeye Dollars				
Linen Rates				
Linen and Bedding	\$75	\$75	-	0.0%
Linen only	65	65	-	0.0%
Temporary Housing (daily rate)	\$5	\$5	-	0.0%
Residence Halls Summer Session 2006				
Basic Room Rates (per person)				
Single	\$999	\$1,144	\$145	14.5%
Double	797	931	134	16.8%
Triple	671	799	128	19.1%
Multiple	578	701	123	21.3%
Double as Single	1,116	1,267	151	13.5%
Additional Rate Per Room For:				
Rooms with airconditioning	542	571	29	5.4%
Rooms with private bath	461	486	25	5.4%
Rooms with kitchen units	117	124	7	6.0%
Suites	325	342	17	5.2%
Board Rates				
Full Board (20 meals per week)	\$674	\$588	(86)	-12.8%
Any 14 meals per week	649	563	(86)	-13.3%
Any 10 meals per week	606	520	(86)	-14.2%
Any 5 meals per week	n/a	290	n/a	n/a

	Current (2004-05) Rates	Proposed (2005-06) Rates	Proposed Rate Increase	
			Amount	Percent
University Apartments (effective 6/1/2005)				
Hawkeye Court				
1 Bedroom	\$400	\$408	\$8	2.0%
2 Bedroom	445	454	9	2.0%
Hawkeye Drive				
2 Bedroom	535	545	10	1.9%
Staff & Faculty (Additional)	25	25	-	0.0%

**The University of Iowa
Residence System Preliminary Budget 2005-06**

	Actual 2003-04	Board Approved Budget 2004-05	Revised Estimate 2004-05	Proposed Budget 2005-06
OPERATIONS (Modified Cash Basis)				
Revenues	\$ 37,759,658	\$ 38,852,574	\$ 38,855,381	\$ 40,427,958
Expenditures for Operations	26,907,055	28,276,547	27,836,187	29,327,766
Net Revenues	10,852,603	10,576,027	11,019,194	11,100,192
% of Revenues	28.7%	27.2%	28.4%	27.5%
Debt Service (due July 1)	5,040,259	6,024,733	6,024,733	6,029,008
Mandatory Transfers	600,000	600,000	600,000	600,000
Net After Debt Service & Mandatory Transfers	<u>\$ 5,212,344</u>	<u>\$ 3,951,294</u>	<u>\$ 4,394,461</u>	<u>\$ 4,471,184</u>
% of Revenues	13.8%	10.2%	11.3%	11.1%
University Overhead Payment From Surplus	\$ 373,032	\$ 372,456	\$ 372,456	\$ 399,108
FUND BALANCES (June 30)				
Revenue Fund				
Operation & Maintenance Fund	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Improvement Fund	4,834,808	5,516,000	6,971,000	6,875,000
Surplus Fund	7,698,632	6,276,343	4,186,591	1,983,667
Subtotal--Voluntary Reserves	<u>13,533,440</u>	<u>12,792,343</u>	<u>12,157,591</u>	<u>9,858,667</u>
Sinking Fund	0	0	0	0
Bond Reserve Fund	6,348,855	6,348,855	6,348,855	6,348,855
Bond Construction Fund	1,775,076	0	0	0
Subtotal--Mandatory Reserves	<u>8,123,931</u>	<u>6,348,855</u>	<u>6,348,855</u>	<u>6,348,855</u>
Total Fund Balances (June 30)	<u><u>\$ 21,657,371</u></u>	<u><u>\$ 19,141,198</u></u>	<u><u>\$ 18,506,446</u></u>	<u><u>\$ 16,207,522</u></u>
REVENUES AND EXPENDITURES DETAIL				
Revenues				
Contracts	\$ 33,640,537	\$ 34,573,836	\$ 34,806,347	\$ 36,361,604
Interest	603,974	885,861	644,120	601,809
Other Income	3,515,147	3,392,877	3,404,914	3,464,545
Total Revenues	<u>\$ 37,759,658</u>	<u>\$ 38,852,574</u>	<u>\$ 38,855,381</u>	<u>\$ 40,427,958</u>
Expenditures for Operations				
Salaries, Wages & Benefits	10,541,528	10,988,666	10,783,111	11,494,589
Cost of Food or Goods Sold	3,091,619	3,523,816	3,403,511	3,724,190
Other Operating Expense	5,889,275	5,933,648	5,942,413	6,126,680
Utilities	4,158,170	4,343,638	4,488,574	4,648,826
Repairs & Maintenance	3,226,463	3,486,779	3,218,578	3,333,481
Total Expenditures	<u>\$ 26,907,055</u>	<u>\$ 28,276,547</u>	<u>\$ 27,836,187</u>	<u>\$ 29,327,766</u>
Departmental Permanent FTE's	270.0	272.0	272.0	275.0

IOWA STATE UNIVERSITY

FIVE-YEAR PLAN Iowa State University's five-year plan provides enrollment and occupancy
FY 2006 – FY projections, significant policy and program considerations, facility changes,
2010 and financial forecasts. (Summary on page 27).

Enrollment / The enrollment projections, prepared by the University in the fall of each year,
Occupancy serve as the basis for estimating future occupancy.
Projections

Enrollment

- The University is projecting enrollment to decline by 607 (-2.3%) students from 2004-05 to 2005-06 and then continue to decline by an additional 882 (-3.4%) students by 2009-10.

Occupancy

- The University expects residence system occupancy to decline by 206 (-2.6%) students in the fall of 2005 from 2004, decline slightly in fall 2006 and then increase each year through fall 2009.
 - Residence hall occupancy is projected to decline by 239 students in the fall of 2005 from 2004 and continue to decline by an additional 46 students by 2010.
 - Apartment occupancy is projected to increase by 33 students in the fall of 2005 from 2004 and continue to increase by an additional 70 students by 2010.

FIVE YEAR PROJECTED ENROLLMENT, HOUSING CAPACITY, AND OCCUPANCY

	Academic Year						
	Actual	Budget	Forecast				
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Iowa State University							
Enrollment (Headcount)	27,380	26,380	25,773	25,240	24,940	24,886	24,891
Operating Capacity*	9,362	8,654	8,158	8,158	8,158	8,158	8,158
Total Occupancy*	8,422	7,962	7,756	7,707	7,722	7,780	7,780
Occupancy Ratio**	90.0%	92.0%	95.1%	94.5%	94.7%	95.4%	95.4%
Occupancy as % of Enrollment	30.8%	30.2%	30.1%	30.5%	31.0%	31.3%	31.3%

* Includes residence halls and apartments.

** Percent of capacity.

Policy / Enrollment declines in recent years, together with projections of further
Program declines in enrollment at ISU, have necessitated several changes for the
Considerations Department of Residence. The Department has taken, or plans to take, the following actions:

Housing Operations

FY 2005 Housing contracts that were lower than expected in the current year required the department to implement a cost reduction plan. Reduced salary and wage expenditures provide the major portion of savings; other reductions occurred in communications and systems, contracts and services, and human resource support.

FY 2006 In December 2004, the Department announced a major cost

reduction plan that identified permanent reduction of over \$2.4 million in operating expenses for FY 2006. This includes savings from the closure of Wallace and Wilson halls of \$1.1 million; Residence Life group reorganization of \$306,000; and the facility group reorganization of \$631,000.

The FY 2006 reduction plan re-aligns operating expenses to projected enrollment, strengthening bond debt ratio measurements, and making available additional resources for capital re-investment.

Residence Hall Academic Support Programs

The feasibility of continuing certain, otherwise successful, academic support programs was reviewed. To meet required financial goals; the following decisions were made:

- The Academic Services unit will be eliminated, however, support for Residential Learning Communities will continue.
- The position for the Residential Minority Student Program will be eliminated; research and assessment positions will no longer be funded; and the staff position providing direction for Student Leadership Development has been eliminated.
- Residence Hall Desk hours have been reduced; students have fewer hours to access services at the desks.
- The Fresh Start Program initiated in Maple Hall Fall 1999, although successful at integrating first-year students into the University, will no longer continue in its present form. The student staff position of Academic Resource Coordinator will be eliminated.

Dining

In November 2002, the Board approved establishment of a self liquidating Memorial Union Facility and delegated to Iowa State University the responsibility for managing and operating the Memorial Union.

In January 2003, the University placed food service venues previously managed by the Memorial Union under ISU Dining within the Department of Residence. The merger was meant to provide meal plan portability for students and to better serve the entire campus population; it was not intended to provide additional net revenues to secure the debt of the Dormitory (Residence) System as defined in the bond covenants, and is, therefore, tracked separately in the financial statements.

The food service venues include the food court in the Memorial Union, catering in the Memorial Union and Scheman Center, vending, and Café venues located in various campus buildings. While the Memorial Union is a bonded enterprise, it receives revenue from ISU Dining for the food venues in the Memorial Union. The Residence System is a bonded enterprise and has dining revenues from the board plans and venues existing prior to the merger. The dining venues that were taken over in January 2003 from the Memorial Union were set up separately; the Union receives rent from the venues. However, the Residence System is responsible for managing them so they

are included in the financials contained within this report.

There have been challenges with these venues since the merger:

- Increased annual costs – primarily salaries and wages and university overhead – resulted from transferring operations to the University.
- Significant start up costs - for the purchase of existing inventory, to upgrade the technology environment, and to bring small wares inventory to an appropriate level.
- Worsening financial climate - the revenue base in these venues had been eroding for several years prior to the merger.

Since the merger, ISU Dining has implemented several strategies to improve the financial performance of these venues by:

- Reducing staff by 6.25 FTE;
- Reducing food cost;
- Strengthening the sagging revenue base;
- Opening four popular cafés; and
- Substituting three new venues in the Memorial Union Food Courts.

After paying all operational expenses, university commissions, and overhead costs, however, this set of venues still does not produce a positive net revenues.

The non-bonded dining entity currently owes the Department of Residence \$1.45 million; this includes \$447,108 from the partial year of FY 2003, \$1,007,276 from FY 2004. Current projections indicate an additional \$606,178 will be required for FY 2005.

ISU Dining is engaged in a comprehensive review of all operations. After completion of the review, the University plans to present the results to the Board, including a plan for paying back the borrowed funds, as part of the annual budget presentation in June.

In the dining venues that are included as part of the Dormitory System bonded enterprise, the University has made the following decisions to reduce costs:

FY 2005 Operating hours at Clyde's Sports bar and Hawthorn Market and Café were reduced

Weekend operations were suspended at Oak/Elm Dining Center

FY 2006 Wallace Wilson Dining Center will be closed.

Facility
Changes

Iowa State University is continuing to upgrade and maintain the residence system facilities including fire safety projects that are identified and prioritized in cooperation with the State Fire Marshal's office.

ISU's Residence System master plan that was first presented to the Board in July 1998 and later updated in July 2000 included new construction,

renovation, and demolition of certain system facilities. All new construction and renovation projects in the original master plan have been completed with the exception of Union Drive Suite 3 which has been postponed indefinitely. The demolition of Helser South Hall and the 1927 section of Friley Hall have also been postponed indefinitely.

While the estimates for the demolition of Knapp and Storms Halls are much higher than originally anticipated, the University plans to proceed with the demolitions this summer as directed by the Board.

The market for Schilletter and University Village, formerly known as University Family Housing, softened materially during FY 2005. The University believes that unless action is taken this trend will continue, jeopardizing the financial health of the entire Residence System. The Department proposes the following capital investments:

FY 2005 Replace the community center that was converted in July 2002 by the University to a child-care center. Residents have repeatedly stressed the importance of a community center.

Roof and boiler replacement at both properties.

FY 2006 A test project replacing siding, windows, and installation of air conditioning in certain buildings at Schilletter Village; it will be replicated dependent upon customer reception and funds availability.

Financial Forecasts

The Residence System is facing challenges with lower occupancy that has resulted from lower university enrollment and students choosing off-campus housing. The system has bonded indebtedness that requires certain financial tests to be met. The University has taken actions to address these challenges and specifically meet the requirements of the bond covenants.

PROPOSED RESIDENCE RATES 2005 - 2006

The following table shows the University's rate increases for the past five years as well as the current proposed rates for double occupancy residence hall rooms with full board contracts. ISU's FY 2004 increase was due primarily to a \$502 increase in the board plan resulting from significant changes in the dining options.

	Double Occupancy Full Board	Dollar Increase	Percent Increase
FY 2001	\$4,432	\$261	6.3%
FY 2002	4,666	234	5.3%
FY 2003	5,020	354	7.6%
FY 2004	5,740	720	14.3%
FY 2005	5,958	218	3.8%
FY 2006 Proposed Rate	\$6,133	\$175	2.9%

Room Options

Iowa State University offers a variety of room and board options to meet the varied needs of the students. The following table identifies the proposed range of rates for housing. The range is significant because it includes all room types from the standard double occupancy room to single suites.

Residence Hall Room Rates

Iowa State University			
	<u>Lowest Proposed Rate</u>	<u>Highest Proposed Rate</u>	<u>\$ Range Increase</u>
2004-05	\$3,168	\$5,918	\$128 - \$230 *
2005-06	\$3,231	\$6,155	\$63 - \$237 *

*Includes Frederiksen Court

The Department is proposing no increase for students living in Schilletter and University Villages given the local apartment market.

Board Options The following table identifies the proposed range of rates for board plans.

Residence System Board Rates Iowa State University			
	<u>Lowest Proposed Rate</u>	<u>Highest Proposed Rate</u>	<u>\$ Range Increase</u>
2004-05	\$2,364	\$3,312	\$64 - \$112
2005-06	\$2,459	\$3,444	\$95 - \$132

The entire schedule of proposed rate increases for residence hall room and board and student apartment rents for the 2005-2006 academic year is identified on pages 28-30.

Student Notification The Department of Residence has presented the rate proposals to the student housing associations and all proposals received student support.

FY 2005 ESTIMATE AND PRELIMINARY FY 2006 BUDGET The following table identifies key elements of the original FY 2005 budget, the revised FY 2005 estimates, and the preliminary FY 2006 budget. For further detail including FY 2004 actual revenues and expenditures, see page 31.

IOWA STATE UNIVERSITY Residence System Preliminary Budget 2005-2006			
	<u>Approved Budget FY 2005</u>	<u>Revised Estimate FY 2005</u>	<u>Proposed Budget FY 2006</u>
Gross Revenue	\$57,961,397	\$57,235,867	\$57,766,598
Expenditures for Operations	\$44,006,524	\$43,173,312	\$42,400,467
Debt Service & Mand. Transfers	\$10,567,310	\$10,567,310	\$10,560,770
Net Revenue	\$3,387,563	\$3,495,245	\$4,805,361
Net Revenue as % of Gross Rev.	5.8%	6.1%	8.3%

FY 2005 FY 2005 revised net revenue, after debt service and mandatory transfers, is estimated to be \$3.5 million, or 6.1% of gross revenue and \$107,682 higher than the Board approved budget. Voluntary reserves, which are used for repairs and capital improvements are expected to be \$3.8 million as of June 30, 2005.

FY 2006 The FY 2006 budgeted revenues assume a decrease of 206 students (2.6%) in occupancy and the approval of the proposed rate increases. The

\$57.8 million in gross revenues represent a 0.9% increase over the revised estimate for FY 2005.

If the revenue and expenses from the dining venue that is not subject to Residence System bond requirements were removed from the numbers above, the net revenue as a percent of gross revenue would increase to 9.5%.

The FY 2006 preliminary budget is subject to further review and action when the Board approves the final FY 2006 institutional restricted fund budgets in the summer.

IOWA STATE UNIVERSITY, DEPARTMENT OF RESIDENCE and ISU DINING

Indicators		Actual 2003-04	Estimated 2004-05	Planned - Constant Dollars				
				Proposed 2005-06	2006-07	2007-08	2008-09	2009-10
1. ENROLLMENT AND OCCUPANCY								
(a) Fall Enrollment Head Count	H.C.	27,380	26,380	25,773	25,240	24,940	24,886	24,891
Residence Hall Housing								
(b) Original Design Capacity	Beds	7,602	7,899	6,739	6,739	6,739	6,739	6,739
(c) Current Operating Capacity	Beds	6,632	5,928	5,432	5,432	5,432	5,432	5,432
(d) Beds Occupied	H.C.	5,796	5,522	5,283	5,199	5,179	5,237	5,237
(e) Occupancy Ratio (d/c)	%	87.4%	93.2%	97.3%	95.7%	95.3%	96.4%	96.4%
Apartment Housing								
(f) Original Design Capacity	Units	2,752	2,752	2,752	2,752	2,752	2,752	2,752
(g) Current Operating Capacity	Units	2,730	2,726	2,726	2,726	2,726	2,726	2,726
(h) Student Occupancy	H.C.	2,580	2,421	2,454	2,489	2,524	2,524	2,524
(i) Non-Student Occupancy	H.C.	46	19	19	19	19	19	19
(j) Units occupied	Units	2,626	2,440	2,473	2,508	2,543	2,543	2,543
(k) Occupancy Ratio (j/f)	%	96.2%	89.5%	90.7%	92.0%	93.3%	93.3%	93.3%
2. CAPITAL IMPROVEMENTS & REPAIRS								
(a) New Construction from Bonds or Loans	\$	0	0	0	0	0	0	0
(b) Improvements from Voluntary Reserves	\$	6,110,080	11,521,920	5,942,185	2,629,202	3,749,979	1,973,898	2,302,854
(c) Repairs from Current Revenues	\$	1,444,268	1,492,472	1,839,529	1,839,516	1,839,516	1,839,516	1,839,516
(d) Change in Operating Capacity	Beds-Units	0	(708)	(496)	0	0	0	0
(e) Gross Square Feet Maintained(000's)	GSF	3,428,924	3,428,924	3,428,924	3,221,368	3,221,368	3,221,368	3,221,368
3. OPERATING REVENUES & EXPENDITURES								
(a) Total Revenues	\$	56,123,907	57,235,867	57,766,598	57,910,380	56,766,658	58,327,801	57,293,140
(b) Less Expenditures (Exclude Univ OH)		42,801,491	43,173,312	42,400,467	42,501,412	42,093,617	42,487,956	42,157,968
(c) Net Operating Revenues (a-b)		13,322,416	14,062,556	15,366,131	15,408,967	14,673,040	15,839,845	15,135,173
(d) Less Mandatory Transfers		500,000	500,000	500,000	500,000	500,000	500,000	500,000
(e) Less Debt Service		9,649,041	10,067,310	10,060,770	10,064,137	10,069,305	10,078,113	10,082,593
(f) Less Voluntary Transfers		940,693	1,306,256	929,982	1,160,678	1,351,073	1,622,354	1,846,676
(g) Net to Voluntary Reserves	\$	2,232,682	2,188,989	3,875,379	3,684,152	2,752,663	3,639,378	2,705,904
4. VOLUNTARY UNRESTRICTED RESERVES								
(a) Beginning Balance	\$	18,305,879	9,981,391	3,653,236	2,086,430	3,641,380	3,144,064	5,309,545
(b) Add Mandatory Transfers from (3d)		500,000	500,000	500,000	500,000	500,000	500,000	500,000
(c) Add Net to Voluntary Reserves (3g)		2,232,682	2,188,989	3,875,379	3,684,152	2,752,663	3,639,378	2,705,904
(d) Add Transfer from Plant & other revenues		(4,947,090)	2,504,775	0	0	0	0	0
(e) Less Improvements (2.b) & other costs		6,110,080	11,521,920	5,942,185	2,629,202	3,749,979	1,973,898	2,302,854
(f) Year-End Balance	\$	9,981,391	1,148,460	2,086,430	3,641,380	3,144,064	5,309,545	6,212,596

IOWA STATE UNIVERSITY:

PROPOSED RESIDENCE SYSTEM RATES

Rate schedule to be effective May 12, 2005

Academic Year 2005-2006

Undergraduate Residence Room and Board

Room and Board Combined

	Present Rate	Proposed Rate	\$ Increase	% Increase
Double - Richardson Court				
Premium Cy Plan 200	\$6,480	\$6,675	\$195	3.0%
Cyclone 17 Plus 300	\$5,958	\$6,133	\$175	2.9%
Cyclone 14 Plus 300	\$5,854	\$6,024	\$170	2.9%
Cyclone 10 Plus 150	\$5,610	\$5,771	\$161	2.9%
Cyclone 7 Plus 600	\$5,532	\$5,690	\$158	2.9%
Double - Union Drive				
Premium Cy Plan 200	\$6,480	\$6,738	\$258	4.0%
Cyclone 17 Plus 300	\$5,958	\$6,196	\$238	4.0%
Cyclone 14 Plus 300	\$5,854	\$6,087	\$233	4.0%
Cyclone 10 Plus 150	\$5,610	\$5,834	\$224	4.0%
Cyclone 7 Plus 600	\$5,532	\$5,753	\$221	4.0%
Double - Maple				
Premium Cy Plan 200	\$6,898	\$7,173	\$275	4.0%
Cyclone 17 Plus 300	\$6,376	\$6,631	\$255	4.0%
Cyclone 14 Plus 300	\$6,272	\$6,522	\$250	4.0%
Cyclone 10 Plus 150	\$6,028	\$6,269	\$241	4.0%
Cyclone 7 Plus 600	\$5,950	\$6,188	\$238	4.0%
Suite - Maple				
Premium Cy Plan 200	\$7,064	\$7,346	\$282	4.0%
Cyclone 17 Plus 300	\$6,542	\$6,804	\$262	4.0%
Cyclone 14 Plus 300	\$6,438	\$6,695	\$257	4.0%
Cyclone 10 Plus 150	\$6,194	\$6,442	\$248	4.0%
Cyclone 7 Plus 600	\$6,116	\$6,361	\$245	4.0%
Suite Double - Union Drive				
Premium Cy Plan 200	\$7,766	\$8,076	\$310	4.0%
Cyclone 17 Plus 300	\$7,244	\$7,534	\$290	4.0%
Cyclone 14 Plus 300	\$7,140	\$7,425	\$285	4.0%
Cyclone 10 Plus 150	\$6,896	\$7,172	\$276	4.0%
Cyclone 7 Plus 600	\$6,818	\$7,091	\$273	4.0%

Board and Meal Plans Only

Board Plans	(Available to system residents and all non-	Present Rate	Proposed Rate	\$ Increase	% Increase
Premium Cy Plan 200		\$3,312	\$3,444	\$132	4.0%
Cyclone 17 Plus 300		\$2,790	\$2,902	\$112	4.0%
Cyclone 14 Plus 300		\$2,686	\$2,793	\$107	4.0%
Cyclone 10 Plus 150		\$2,442	\$2,540	\$98	4.0%
Cyclone 7 Plus 600		\$2,364	\$2,459	\$95	4.0%
Block Meal Plans Plus (Available To Buchanan Hall, Frederiksen Court, and SUV residents and all non-residents)					
100 Meal Block Plan Plus 900		\$1,574	\$1,637	\$63	4.0%
150 Meal Block Plan Plus 600		\$1,586	\$1,637	\$51	3.2%
200 Meal Block Plan Plus 300		\$1,596	\$1,637	\$41	2.6%
Block Meal Plans (Available to Frederiksen Court and SUV Residents and all non-residents)					
10 Meal Block Plan		\$65	\$68	\$3	4.0%
20 Meal Block Plan		\$123	\$128	\$5	4.0%
30 Meal Block Plan		\$179	\$186	\$7	4.0%
40 Meal Block Plan		\$233	\$242	\$9	4.0%

Dining Dollars

\$10-\$190 Dining Dollars	Face Value
\$200-390 Dining Dollars	5.00% Discount from Face Value
\$400-590 Dining Dollars	7.50% Discount from Face Value
\$600 Plus Dining Dollars	10.00% Discount from Face Value

** All Plus plans include an amount of Dining Dollars, as indicated in plan name.*

Undergraduate Rooms, Suites & Apartments

Lower Division Neighborhood	Present Rate	Proposed Rate	\$ Increase	% Increase
<i>Dormitories</i>				
Double - Richardson Court	\$3,168	\$3,231	\$63	2.0%
Double - Union Drive	\$3,168	\$3,294	\$126	4.0%
Double - Maple	\$3,586	\$3,729	\$143	4.0%
Double - Suite Buildings	\$4,454	\$4,632	\$178	4.0%
Single - Richardson Court	\$4,110	\$4,192	\$82	2.0%
Single - Union Drive	\$4,110	\$4,274	\$164	4.0%
Super Single - Richardson Court	\$4,446	\$4,535	\$89	2.0%
Super Single - Union Drive	\$4,446	\$4,624	\$178	4.0%
Super Single - Maple	\$4,864	\$5,059	\$195	4.0%
<i>Suites</i>				
Suite Triple - Maple	\$3,752	\$3,902	\$150	4.0%
Suite Double - Union Drive	\$4,454	\$4,632	\$178	4.0%
Suite Single - Union Drive	\$5,736	\$5,965	\$229	4.0%
Super Suite - Union Drive	\$5,918	\$6,155	\$237	4.0%
Upper Division Neighborhood				
<i>Suites</i>				
<i>12 month contract</i>				
Single - Buchanan		\$5,590		N/A
Double-Buchanan		\$4,860		N/A
Super Single - Buchanan		\$5,780		N/A
<i>9 month contract</i>				
Single - Buchanan	\$4,802	\$4,850	\$48	1.0%
Double-Buchanan	\$4,178	\$4,220	\$42	1.0%
Super Single - Buchanan	\$4,964	\$5,014	\$50	1.0%
<i>3 month contract (Summer only)</i>				
Single - Buchanan	\$1,601	\$1,537	-\$64	-4.0%
Double-Buchanan	\$1,393	\$1,337	-\$56	-4.0%
Super Single - Buchanan	\$1,655	\$1,589	-\$66	-4.0%
<i>Frederiksen Court Apartments</i>				
<i>12 month contract</i>				
2 Bedroom Apartment Shared	\$4,278	\$4,038	-\$240	-5.6%
4 Bedroom Apartment Single	\$4,930	\$5,068	\$138	2.8%
2 Bedroom Apartment Super Single	\$6,098	\$6,196	\$98	1.6%
<i>9 month contract</i>				
2 Bedroom Apartment Shared	\$3,438	\$3,507	\$69	2.0%
4 Bedroom Apartment Single	\$4,230	\$4,399	\$169	4.0%
2 Bedroom Apartment Super Single	\$5,170	\$5,377	\$207	4.0%
<i>3 month contract (Summer only)</i>				
2 Bedroom Apartment Shared	\$1,154	\$1,110	-\$44	-3.8%
4 Bedroom Apartment Single	\$1,366	\$1,393	\$27	2.0%
2 Bedroom Apartment Super Single	\$1,642	\$1,703	\$61	3.7%
<i>* Meal plans are offered, but not required, at Frederiksen Court Apartments.</i>				
Optional Dormitory Room Alternatives - Individual				
Add-on for Semester Break Housing	\$240	\$250	\$10	4.0%
Add-on for Air-conditioning for Acad. Year	\$82	\$85	\$3	4.0%

Summer Session 2005

Undergraduate Dormitory Room and Board

Room and Board Combined

	Present Rate	Proposed Rate	\$ Increase	% Increase
Double - Standard with Cyclone 17 Plus 75	\$1,444	\$1,444	\$0	0.0%
Single - Standard with Cyclone 17 Plus 75	\$1,643	\$1,643	\$0	0.0%
Super Single - Standard with Cyclone 17 Plus 75	\$1,739	\$1,739	\$0	0.0%
Board Plans Only				
Premium Cy Plan Plus 50	\$806	\$838	\$32	4.0%
Cyclone 17 Plus 75	\$680	\$707	\$27	4.0%
Cyclone 14 Plus 75	\$654	\$680	\$26	4.0%
Cyclone 10 Plus 40	\$598	\$622	\$24	4.0%
Cyclone 7 Plus 150	\$580	\$603	\$23	4.0%
Room Plans Only				
Double - Standard	\$764	\$795	\$31	4.0%
Single - Standard	\$963	\$1,002	\$39	4.0%
Super Single - Standard	\$1,059	\$1,101	\$42	4.0%

Family and Older Single Student Housing

Schilletter Village

Students - Standard	\$519	\$519	\$0	0.0%
Students - Large	\$529	\$529	\$0	0.0%
Staff	\$679	\$679	\$0	0.0%
Renovated	\$541	\$541	\$0	0.0%

Mortenson Road

Students	\$485	\$485	\$0	0.0%
----------	-------	-------	-----	------

University Village (2 Bedroom)

Students - Standard	\$511	\$511	\$0	0.0%
Students - Large	\$522	\$522	\$0	0.0%
Students One Level	\$490	\$490	\$0	0.0%
Staff	\$670	\$670	\$0	0.0%

University Village (1 Bedroom)

Students	\$457	\$457	\$0	0.0%
Staff	\$670	\$670	\$0	0.0%

* Meal plans are offered, but not required, at Schilletter & University Villages - SUV (formerly University Family Housing, or UFH)

**Iowa State University
Residence System Preliminary Budget Proposal 2004-2005**

	DoR & ISU Dining Actual 2003-2004	DoR & ISU Dining Revised Budget 2004-2005	DoR & ISU Dining Forecast 2004-2005	DoR & ISU Dining Prelim Budget 2005-2006
<u>OPERATIONS (Modified Accrual Basis)</u>				
Revenue	\$56,123,907	\$57,961,397	\$57,235,867	\$57,766,598
Expenditures for Operations	42,801,491	44,006,524	43,173,312	42,400,467
Net Operating Revenue	13,322,416	13,954,874	14,062,556	15,366,131
% of Revenues	23.7%	24.1%	24.6%	26.6%
Debt Service (due July 1)	\$9,649,041	\$10,067,310	\$10,067,310	\$10,060,770
Mandatory Transfers	500,000	500,000	500,000	500,000
Net after Debt Service and Mandatory Transfers	\$3,173,375	\$3,387,564	\$3,495,245	\$4,805,361
% of Revenues	5.7%	5.8%	6.1%	8.3%
University Overhead Payment from Surplus	\$1,003,834	\$1,309,554	\$1,046,966	\$1,055,671
% of Expenditures	2.3%	3.0%	2.4%	2.5%
University Scholarship Fund	\$0	\$360,000	\$360,000	\$0
% of Revenues	0.0%	0.6%	0.6%	0.0%

REVENUE AND EXPENDITURE DETAIL

Revenues				
Contracts	\$43,538,958	\$45,189,836	\$43,566,186	\$44,036,784
Interest	1,052,204	761,662	820,691	644,802
Other Income	11,532,745	12,009,900	12,848,991	13,085,011
Total	\$56,123,907	\$57,961,397	\$57,235,867	\$57,766,598

Expenditures				
Salaries	\$22,387,667	\$23,068,204	\$22,031,985	\$21,231,021
Cost of Food	6,781,038	6,266,847	6,497,035	6,261,877
Other Operating	7,548,992	8,279,028	7,971,665	8,222,112
Utilities	4,639,527	4,950,220	5,180,155	4,845,928
Repairs	1,444,268	1,442,225	1,492,472	1,839,529
Total	\$42,801,491	\$44,006,524	\$43,173,312	\$42,400,467

Total Staff FTE - October	704	751	757	719
---------------------------	-----	-----	-----	-----

CASH AND INVESTMENT BALANCES (JUNE 30)

Revenue Fund				
Operation and Maint Fund				
Improvement Fund				
Surplus fund	\$10,257,922	\$2,209,612	\$3,829,056	\$2,136,562
Subtotal--Voluntary reserve Balances	\$10,257,922	\$2,209,612	\$3,829,056	\$2,136,562
Sinking fund	5,933,991	10,067,310	5,933,991	5,933,991
Bond Reserve Fund	10,202,658	10,214,055	10,214,055	10,060,770
Construction Fund	4,192,646	0	0	0
Subtotal--Mandatory Reserve Balances	\$20,329,295	\$20,281,365	\$16,148,046	\$15,994,761
Total--All Reserve Balances June 30	\$30,587,217	\$22,490,977	\$19,977,102	\$18,131,323

UNIVERSITY OF NORTHERN IOWA

FIVE-YEAR PLAN The University of Northern Iowa's five-year plan provides enrollment and
FY 2006 – FY occupancy projections, financial forecasts, significant policy and program
2010 considerations, and plans for the renovation of facilities. (Summary on page 35).

Enrollment / The enrollment projections, prepared by the University in the fall of each year,
Occupancy serve as the basis for estimating future occupancy.
Projections

Enrollment

- The University is projecting enrollment to decline by 384 (-3%) students from 2004-05 to 2005-06, decline further by 162 (1.3%) students in 2006-07, and then increase by 258 (2.1%) students in 2009-10.

Occupancy

- The University expects residence system occupancy to decline by 68 (-1.7%) in the fall of 2005 from the fall of 2004 and then increase each year through fall 2009.
 - Residence hall occupancy accounts for the entire changes.
 - Apartment occupancy is projected to remain near capacity at 98.1%.

FIVE YEAR PROJECTED ENROLLMENT, HOUSING CAPACITY, AND OCCUPANCY

	Academic Year					
	Budget 2004-05	2005-06	2006-07	Forecast		
	2007-08	2008-09	2009-10			
University of Northern Iowa						
Enrollment (Headcount)	12,824	12,440	12,278	12,281	12,416	12,536
Operating Capacity*	5,215	5,004	5,004	5,004	5,004	5,004
Total Occupancy*	4,092	4,024	4,071	4,110	4,173	4,206
Occupancy Ratio**	78.5%	80.4%	81.4%	82.1%	83.4%	84.1%
Occupancy as % of Enrollment	31.9%	32.3%	33.2%	33.5%	33.6%	33.6%

* Includes residence halls and apartments.

** Percent of capacity.

Financial The Residence System continues to face challenges with several years of
Forecasts lower occupancy resulting from lower University enrollments and students choosing to live off campus. The System has bonded indebtedness that requires certain financial tests to be met. The University has taken actions to address these challenges and specifically meet the requirements of the bond covenants. The University will need to continue monitoring closely the financial status of the Residence System to ensure that the provisions of the bond covenants continue to be met.

Policy /
Program
Considerations

Two-Year Advantage Plan

In July 2003, the Board approved a pilot program at UNI titled "Two-Year Advantage. This plan allows students who choose to live on campus in the residence halls to commit to a two-year contract. The University proposed this pilot program as a means to address significantly declining occupancy.

This program keeps residence system housing and dining rates at the same level in the second year of the two year contract for students who choose this option.

The initial pilot program is being administered over a three-year period beginning with the fall semester of 2003 and continuing through the 2005-06 academic year.

The 2-Year Advantage Plan continues to be successful. The percent of students returning to the halls has increased as a result of this program which has allowed for smaller rate increases for all residents.

- The first year of the program, 2003-04, there were 457 participants and the second year, 2004-05, there were 590 participants.
- Based on early contracts for 2005-06, participation is expected to increase.

UNI would like to continue this program and plans to request approval from the Board with the rate increases at the May meeting.

Contract Cancellation Terms and Practices

The universities have cancellation fees when a student cancels a contract. UNI is proposing to increase its cancellation from 30% to 40% of the contract amount. The cancellation fee will apply to both room and board since they are both part of one contract.

Renovation of
Facilities

The University is in the process of upgrading Shull Hall to create a single occupancy residence hall environment to cater to upperclass students. The projects previously approved by the Board for Shull Hall are moving forward. Shull Hall is closed this year. The renovations are scheduled to be complete in time for occupancy in Fall 2005.

The Department of Residence is currently reviewing a ten year schedule to address renovations and deferred maintenance. The University plans to finalize a residence facilities master plan later this calendar year. A more detailed discussion, including project schedules and pro formas, will be shared with the Board and Board Office once it is complete.

PROPOSED
RESIDENCE
RATES
2005 - 2006

The following table shows the University's rate increases for the past five years as well as the current proposed rates for double occupancy residence hall rooms with full board contracts.

	Double Occupancy Room and Full Board	Dollar Increase	Percent Increase
FY 2001	4,149	235	6.0%
FY 2002	4,398	249	6.0%
FY 2003	4,640	242	5.5%
FY 2004	4,918	278	6.0%
FY 2005	5,261	343	7.0%
FY 2006 Proposed Rate	\$5,519	\$258	4.9%

Once enrollment and occupancy projections are determined, the proposed rate increases are calculated based on estimated operating cost increases, the proposed infrastructure improvements, and the debt service requirements. The following inflationary adjustments were used in establishing the proposed rate increases:

- Food at 2.7%
- Fringe Benefits at 7.0%
- P & S Salaries at 4.0%
- Merit Salaries at 5.0%
- Utilities at 3.5%
- Repairs and Maintenance at 4.0%
- Supplies at 2.0%

In addition to inflationary increases, the re-opening of Shull Hall will increase operating costs. However, programmatic changes in Shull will allow for reduced staffing compared to when the hall was previously utilized.

Room Options The University of Northern Iowa offers a variety of room and board options to meet the varied needs of the students. The following table identifies the proposed range of rates for housing. The range is significant because it includes all room types.

	Residence Hall Room Rates		
	2005 - 2006 Lowest <u>Proposed Rate</u>	2005 - 2006 Highest <u>Proposed Rate</u>	\$ Range <u>Increase</u>
UNI	\$2,576	\$5,188	\$145 - \$290

Board Options The following table identifies the proposed range of rates for board plans.

	Residence System Board Rates		
	2005 - 2006 Lowest <u>Proposed Rate</u>	2005 - 2006 Highest <u>Proposed Rate</u>	\$ Range <u>Increase</u>
UNI	\$2,400	\$3,690	\$100 - \$150

Proposed increases for apartments as a weighted average is 5.5% with a range from 4.7% - 5.9%. The University has more two bedroom apartments with central air conditioning than other types of units.

The entire schedule of proposed rate increases for residence hall room and board and student apartment rents for the 2005-2006 academic year is identified on pages 37-38.

Student Notification

The rate increases were shared as a potential range of 4.9% - 5.2% with the presidents of each residence hall. The students were supportive that the rate increase was lower than prior years.

FY 2005 ESTIMATE AND PRELIMINARY FY 2006 BUDGET

The following table identifies key elements of the original FY 2005 budget, the revised FY 2005 estimates, and the preliminary FY 2006 budget. For further detail including FY 2004 actual revenue and expenditure detail, see page 39.

UNIVERSITY OF NORTHERN IOWA
Residence System Preliminary Budget 2005-2006

	Approved Budget FY 2005	Revised Estimate FY 2005	Proposed Budget FY 2006
Gross Revenue	\$24,163,706	\$24,278,581	\$25,179,395
Expenditures for Operations	\$19,587,965	\$19,583,834	\$20,654,482
Debt Service & Mand. Transfers	\$3,339,341	\$3,339,341	\$3,633,392
Net Revenue	\$1,236,400	\$1,355,406	\$891,521
Net Revenue as % of Gross Rev.	5.1%	5.6%	3.5%

FY 2005

FY 2005 gross revenue is expected to be slightly more than budget. FY 2005 revised net revenue, after debt service and mandatory transfers, is estimated to be \$1.4 million, or 5.6% of gross revenue.

Voluntary reserves, which are used for repairs and capital improvements are expected to be \$4.9 million as of June 30, 2005.

FY 2006

The FY 2006 budgeted revenues assume a decrease of 68 students in occupancy and the approval of the proposed rate increases. The decrease in occupancy is the result of the projected decrease in enrollment. The budget assumes that occupancy as a percent of enrollment will continue to increase.

Current year occupancies are slightly higher than budget. The University believes that is the result of the 2-Year Advantage Plan and its relationship with the local community college.

- The residence system housed 32 community college students in fall 2002, 59 in fall 2003, and 97 in fall 2004.

The \$25.2 million in gross revenues represent an increase of 4.2% over the FY 2005 budget.

The FY 2006 preliminary budget is subject to further review and action when the Board approves the final FY 2006 institutional restricted fund budgets currently scheduled for June 2005.

			Planned - Constant Dollars						
			Actual	Estimated	Proposed	2006-07	2007-08	2008-09	2009-10
			2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
1 - ENROLLMENT AND OCCUPANCY									
(a) Fall Enrollment Head Count			13441	12824	12440	12278	12281	12416	12536
Residence Hall Housing									
(b) Operating Capacity			Beds 4923	4852	4641	4641	4641	4641	4641
(c) Occupancy			H.C. 3818	3736	3668	3715	3754	3817	3850
(d) Occupancy Ratio (c/b)			% 77.6%	77.0%	79.0%	80.0%	80.9%	82.2%	83.0%
Apartment Housing									
(e) Operating Capacity			Units 363	363	363	363	363	363	363
(f) Occupancy			H.C. 361	356	356	356	356	356	356
(g) Occupancy Ratio (f/e)			% 99.4%	98.1%	98.1%	98.1%	98.1%	98.1%	98.1%
2 - CAPITAL IMPROVEMENTS & REPAIRS									
(a) Construction from Bonds or Loans			\$ 1,107	1,698	-	2,904	2,374	3,133	-
(b) Improvements from Voluntary Reserves			2,893	1,291	2,562	900	1,278	1,200	1,200
(c) Repairs from Current Revenues			767	767	850	893	893	893	893
(d) Change in Operating Capacity			Beds -	(71)	(211)	-	-	-	-
(e) Gross Square Feet Maintained(000's)			1,456	1,456	1,456	1,456	1,456	1,456	1,456
3 - OPERATING REVENUES & EXPENDITURES									
(a) Total Revenues			\$ 23,775	24,279	25,179	25,502	25,769	26,202	26,428
(b) Less Expenditures (Exclude Univ overhead)			18,945	19,583	20,654	20,919	21,138	21,493	21,679
(c) Net Operating Revenues (a-b)			5,430	4,696	4,525	4,583	4,631	4,709	4,750
(d) Less Mandatory Transfers			330	330	330	330	330	330	330
(e) Less Debt Service			2,812	3,009	3,303	3,291	3,290	3,891	3,887
(f) Add Rate Adj. to Maintain Reserves*			-	-	-	225	456	698	943
(g) Net to Voluntary Reserves			\$ 2,199	1,357	892	1,187	1,467	1,186	1,475
4 - VOLUNTARY UNRESTRICTED RESERVES									
(a) Beginning Balance			\$ 6,575	5,132	4,906	2,920	2,883	2,744	2,392
(b) Add Mandatory Transfers from (3d)			330	330	330	330	330	330	330
(c) Add Net to Voluntary Reserves (3g)			2,199	1,357	892	1,187	1,467	1,186	1,475
(d) Add Transfer from Plant & other revenues			37	-	-	-	-	-	-
(e) Less Improvements (2.b) & other costs			4,009	1,913	3,208	1,553	1,936	1,867	1,872
(f) Year-End Balance			\$ 5,132	4,906	2,920	2,883	2,744	2,392	2,325

**Proposed UNI Residence Rates
Academic Year 2005-2006**

Room and Board Combined

	2004 - 2005	2005 - 2006	\$	%
Double Room	Rate	Proposed Rate (a)	Increase	Increase
Premium Plan (b)	\$5,971	\$6,266	\$295	4.94%
19 Plus / week (b)	\$5,501	\$5,776	\$275	5.00%
Any 19 / week (b) - Full Board	\$5,261	\$5,519	\$258	4.90%
14 Plus / week (b)	\$5,471	\$5,738	\$267	4.88%
Any 14 / week (b)	\$5,206	\$5,466	\$260	4.99%
Any 150 / semester	\$5,131	\$5,361	\$230	4.48%
150 Basic / semester	\$4,531	\$4,761	\$230	5.08%
Any 125 / semester	\$4,411	\$4,676	\$265	6.01%
			<u>\$14526</u>	
10 Plus / week	\$4,846	\$4,991 <u>\$5,106</u>	<u>0</u>	2.99% <u>5.37%</u>
Any 10 / week	\$4,731	\$4,976	\$245	5.18%
Bartlett Hall additional charge	\$85	\$89	\$4	4.71%
Single room additional charge	\$800	\$800	\$0	0.00%
Double room contracted as a single room additional charge	\$1,100	\$1,100	\$0	0.00%
ROTH (Room only option)				
8 Person Suite Double	\$2,710	\$2,870	\$160	5.90%
8 Person Suite Single	\$3,602	\$3,815	\$213	5.91%
6 Person Apt. Double	\$3,210	\$3,400	\$190	5.92%
6 Person Apt. Single	\$4,250	\$4,502	\$252	5.93%
4 Person Apt. Double	\$3,210	\$3,400	\$190	5.92%
4 Person Apt. Single	\$4,250	\$4,502	\$252	5.93%
2 Person Apt. Double	\$3,725	\$3,946	\$221	5.93%
2 Person Apt. Single	\$4,898	\$5,188	\$290	5.92%

(a) Students participating in the 2-Year Advantage Plan will continue to pay 2004-2005 rates.

(b) Plans available to freshmen.

**Proposed UNI Residence Rates (cont.)
Academic Year 2005-2006**

	2004 - 2005	2005 - 2006	\$	%
	Rate	Proposed Rate (a)	Increase	Increase
Meal Plans for Off-Campus Students				
Any 10 / week	\$2,300	\$2,400	\$100	4.35%
Any 7 / week	\$1,700	\$1,820	\$120	7.06%
Any 5 / week	\$1,325	\$1,390	\$65	4.91%
Any 5 / week (breakfast and lunch)	\$1,050	\$1,098	\$48	4.57%
Any 150 / semester	\$2,700	\$2,785	\$85	3.15%
Any 125 / semester	\$1,980	\$2,100	\$120	6.06%
Any 50 / semester	\$760	\$800	\$40	5.26%
Summer 2005 room only - weekly rates				
Bartlett Hall				
Double	\$82.96	\$87.88	\$4.92	5.93%
Single	\$108.74	\$113.64	\$4.90	4.51%
Double as single	\$118.37	\$123.22	\$4.85	4.10%
ROTH				
8 Person Suite Double	\$84.63	\$89.64	\$5.01	5.92%
8 Person Suite Single	\$112.55	\$119.23	\$6.68	5.94%
6 Person Apt. Double	\$100.31	\$106.26	\$5.95	5.93%
6 Person Apt. Single	\$132.85	\$140.73	\$7.88	5.93%
4 Person Apt. Double	\$100.31	\$106.26	\$5.95	5.93%
4 Person Apt. Single	\$132.85	\$140.73	\$7.88	5.93%
2 Person Apt. Double	\$119.78	\$126.88	\$7.10	5.93%
2 Person Apt. Single	\$153.07	\$162.15	\$9.08	5.93%
University Apartments (effective July 1, 2005)				
One Bedroom	\$330.00	\$349.50	\$19.50	5.91%
Two Bedroom/Window Air	\$405.00	\$429.00	\$24.00	5.93%
Two Bedroom/Central Air	\$430.00	\$450.00	\$20.00	4.65%
Four Bedroom/Central Air	\$720.00	\$762.50	\$42.50	5.90%
Townhouse	\$480.00	\$508.50	\$28.50	5.94%
Jennings Dr.	\$470.00	\$498.00	\$28.00	5.96%
College Courts	\$375.00	\$397.25	\$22.25	5.93%

UNIVERSITY OF NORTHERN IOWA
Residence System Preliminary Budget
2005 – 2006

	Actual 2003-04	Approved Budget 2004-05	Revised Estimate 2004-05	Proposed Budget 2005-06
OPERATIONS (Accrual Basis)				
Revenues	\$ 23,774,707	24,163,706	24,278,581	25,179,395
Expenditures for Operations	18,945,474	19,587,965	19,583,834	20,654,482
Net Revenues	4,829,233	4,575,741	4,694,747	4,524,913
% of Revenues	20.3%	18.9%	19.3%	18.0%
Debt Service (due July 1)	2,812,104	3,009,341	3,009,341	3,303,392
Mandatory Transfers	330,000	330,000	330,000	330,000
Net after Debt Service and Mandatory Transfers	\$ 1,687,129	1,236,400	1,355,406	891,521
% of Revenues	7.1%	5.1%	5.6%	3.5%
University Overhead Payment from Surplus	612,234	619,699	619,596	646,362
% of Expenditures	3.2%	3.2%	3.2%	3.1%
FUND BALANCES (June 30)				
Revenue Fund	-	-	-	-
Operation and Maintenance Fund	568,004	-	-	-
Improvement Fund	807,740	575,018	1,446,740	114,740
Surplus Fund	3,755,921	3,644,656	3,459,735	2,804,894
Subtotal - Voluntary Reserve Balances	5,131,665	4,219,674	4,906,475	2,919,634
Sinking Fund	-	-	-	-
Bond Reserve Fund	3,347,123	3,878,536	3,347,123	3,347,123
Construction Fund	798,033	-	-	-
Subtotal - Mandatory Reserve Balances	4,145,156	3,878,536	3,347,123	3,347,123
TOTAL - All Reserve Balances (June 30)	9,276,821	8,098,210	8,253,598	6,266,757
REVENUES AND EXPENDITURES DETAIL				
Revenues				
Contracts	19,336,098	19,767,206	20,233,159	21,048,196
Interest	78,586	425,000	100,000	100,000
Other Income	4,360,023	3,971,500	3,945,422	4,031,199
TOTAL	23,774,707	24,163,706	24,278,581	25,179,395
Expenditures				
Salaries, Wages & Benefits	10,788,428	11,514,391	11,179,599	11,773,826
Cost of Food or Goods Sold	3,200,191	3,209,965	3,319,192	3,477,019
Other Operating Expense	2,594,854	2,568,835	2,674,120	2,879,581
Utilities	1,424,892	1,501,592	1,560,731	1,630,985
Repairs & Maintenance	937,109	793,182	850,192	893,071
TOTAL	18,945,474	19,587,965	19,583,834	20,654,482
Total Staff FTE – October	453	450	453	456