

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Governance Report on University Residence Systems
Date: March 3, 2003

Recommended Actions:

1. Receive a summary report on the university residence systems including the five-year plans for FY 2004 through FY 2008.
 2. Consider the universities' academic year 2003-2004 proposed rate increases for a combined double occupancy residence hall room and full board plan of \$5,701 at SUI, \$5,740 at ISU, and \$4,918 at UNI.
 3. Consider the universities' academic year 2003-2004 proposed rates for all residence halls, board options, apartments, and miscellaneous residence charges as provided in detail with each university attachment.
 4. Consider the universities' preliminary FY 2004 residence system budgets, which are subject to further review and action when the Board approves the final FY 2004 institutional budgets in July.
 5. Approve the transfer of \$2.0 million from the UNI Residence System (Dormitory) Surplus Fund to the Improvement Fund.
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Executive Summary:

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.

Rate Notification	To increase room and board charges, the Board of Regents is required by <u>Iowa Code</u> §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 April.
Budget Timeline	In accordance with the Board's budgeting process, the Board considers budgets more than once. The residence system budgets are given preliminary consideration in March, before final approval in July.

FY 2002 ANNUAL
REPORT
HIGHLIGHTS

In October 2002, the Board received the FY 2002 Annual Residence System report as part of the Comprehensive Fiscal Report. The following table provides key residence system data for FY 2002. These data form the foundation for the discussion of proposed rates and budgets.

**Residence System Data
FY 2002**

		SUI	ISU	UNI
Student Statistics Fall 2001	Enrollment	28,768	27,823	14,070
	Occupancy			
	Residence Halls / Apartments	5,663	8,959	4,613
	Occupancy as % of Enrollment	19.7%	32.2%	32.8%
Financial (millions)	Gross Revenues	\$32.9	\$49.5	\$24.8
	Operating Expenses	22.9	35.0	19.2
	Debt Service & Mandatory Transfers	5.5	8.3	3.1
	Net Revenues	4.4	6.3	2.4
	Outstanding Bonds (principal)	44.0	114.2	30.0
	Voluntary Reserves	11.3	14.6	7.9
	% of Gross Revenues	34.3%	29.5%	31.9%
Facilities (millions)	Building Replacement Value	\$411.2	\$547.6	\$256.7
	Plant improvement, maintenance repair expenditures	5.1		3.7
	% of replacement value	1.2%	3.0%	1.4%

FIVE-YEAR PLANS FY
2004 - FY 2008

The University Residence Systems have historically provided Ten-Year Plans. It was determined that Five-Year Plans would provide better, more accurate data and be consistent with the other Board planning documents such as the Five-Year Capital Improvement Plans.

Five-year enrollment and occupancy projections indicate a steady demand for Regent residence system housing. This demand forms the basis for residence system financial forecasts.

The following table contains current and projected occupancies.

	FY 2003 (Fall 2002)	FY 2004 (Fall 2003)	FY 2008 (Fall 2007)
University of Iowa			
Occupancy	6,302	6,283	6,318
% Capacity	100.7%	100.0%	100.0%
Iowa State University			
Occupancy	8,907	8,722	8,185
% Capacity	89.2%	93.5%	93.2%
University of Northern Iowa			
Occupancy	4,484	4,363	4,493
% Capacity	84.8%	82.5%	85.0%

The University of Iowa is in the early planning and design phase of a new residence hall and community center. The University reports that to finance the construction and maintain the required debt service ratios, significant rate increases above inflationary cost increases will be necessary in the next several years. Projected pricing of the new residence hall and overall residence system rate increase implications will be presented to the Board when it is asked to approve the project.

Iowa State University is proposing a change to its Master Plan. Union Drive Suite Building 3, originally scheduled to open in Fall 2005, is being postponed for at least two years. The University is proposing to use bond proceeds of \$8.6 million toward the renovation of Buchanan Hall. (see B.C. 6 - Bond Issuance Schedule for the months of April and May)

The Residence Systems continue to address fire safety and deferred maintenance issues.

PROPOSED RATES
2003-2004

The universities proposed rate increases for 2003-2004 for a double occupancy room with full board are as follows:

Double Occupancy Room with Full Board

	2002 - 2003	2003 - 2004	\$
	<u>Rate</u>	<u>Proposed Rate</u>	<u>Increase</u>
SUI	\$5,255	\$5,701	\$446
ISU	\$5,020	\$5,740	\$720 *
UNI	\$4,640	\$4,918	\$278

* The significant increase is due to a change in board plans.

The significant increase at ISU is the result of changes to the board plans and is described in that section.

These rates are effective beginning with the 2003-2004 academic year.

Current double occupancy room and full board rates compared to peer institutions are the second lowest at SUI, and fourth lowest at ISU and UNI.

Room Options

Each 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

	2003 - 2004	2003 - 2004	\$
	Lowest	Highest	Range
	<u>Proposed Rate</u>	<u>Proposed Rate</u>	<u>Increase</u>
SUI	\$2,229	\$6,413	\$200 - \$577
ISU	\$2,592	\$6,024	\$0 - \$357 *
UNI	\$2,350	\$4,578	\$90 - \$245

*Includes Frederiksen Court

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 changes have been made or are currently underway to facilities to provide market place dining. Each university is also in some stage of combining food service operations of the residence system and student union.

ISU is proposing significant changes to meal plans for the 2003-2004 academic year, providing more opportunities for students to eat and therefore, the University believes that students may not purchase the full board plan. However, the full board plan has been provided for comparison with past rates. The University states that the students are supportive of the proposed plan.

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

Residence System Board Rates			
	2003 - 2004 Lowest <u>Proposed Rate</u>	2003 - 2004 Highest <u>Proposed Rate</u>	\$ Range <u>Increase</u>
SUI	\$2,425	\$2,630	\$165 - \$170
ISU	\$2,300	\$3,200	\$310 - \$502
UNI	\$2,188	\$3,300	\$138 - \$147

Total Student Increase

When combining the tuition and fee increases previously approved for 2003-2004 with the proposed residence system increases based on double occupancy and full board, the total incremental cost increase to an undergraduate student would be \$1,248 at SUI, \$1,638 at ISU, and \$1,077 at UNI

FY 2003 AND PRELIMINARY FY 2004 BUDGET

Each University has provided revised FY 2003 estimates and proposed FY 2004 budgets as illustrated in the table on page 9.

At the conclusion of FY 2004, voluntary reserves, which are used for repairs and capital improvements, are estimated to be \$9.3 million at SUI, \$11.0 million at ISU, and \$5.7 million at UNI.

RESIDENCE SYSTEM FUND TRANSFER

The bond resolution covenants of the University of Northern Iowa Residence System (Dormitory) Revenue Bonds allow for the transfer of net revenues of the Dormitory System from the Surplus Fund to the Improvement Fund upon approval of the Board of Regents.

Monies must first be transferred to the Improvement Fund before they can be expended for improvements to residential and dining facilities.

The University of Northern Iowa requests the transfer of \$2.0 million from the Surplus Fund to the Improvement Fund.

Strategic Plan:

The Board's strategic plan, Key Result Area 4 on accountability, requires the Board to exercise effective stewardship of institutional resources including facilities, in order to maintain the confidence and support of the public in the utilization of existing financial resources.

The covenants for bonds issued for new construction and renovations of residence systems require the Board and the institutions to keep the facilities in good repair, working order, and operating condition. 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.

The residence systems are self-supporting operations and do not receive state-appropriated funds for operations or capital improvements. The FY 2003 combined estimate of gross revenues is approximately \$113 million.

The residence systems collectively maintain and operate a total of 6.9 million square feet of facilities. The replacement value of these facilities totals \$1.2 billion.

The residence systems collectively house approximately 19,000 students.

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, require bond financing to renovate or replace the aging facilities.

Facilities / Bonding

In the past five calendar years, bonding activity for residence system facilities has increased significantly and more activity is planned for 2003 as illustrated in the following table.

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

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>Planned 2003</u>
SUI	---	\$10.0	\$16.0	\$13.7	---	25.0
ISU	\$14.0	34.3	9.5	21.7	\$15.0	30.5
UNI	---	7.0	14.0	---	---	9.2

Iowa State University has modified its proposed plan for bonding. Union Drive Suite Building 3, originally scheduled to open in Fall 2005, is being postponed for at least two years. The University is proposing to use bond proceeds of \$8.6 million toward the renovation of Buchanan Hall. (see B.C. 6) This is included in the \$30.5 million planned for 2003, pending Board approval.

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.

Analysis:

FIVE-YEAR PLANS
FY 2004 - FY 2008

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, housing design capacity, housing occupancy, and occupancy ratios for the five-year period.

FIVE YEAR PROJECTED ENROLLMENT, HOUSING CAPACITY, AND OCCUPANCY
Academic Year

	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
University of Iowa					
Enrollment (Headcount)	30,169	29,969	29,939	29,885	29,811
Current Operating Capacity*	6,284	6,284	6,284	6,319	6,319
Total Occupancy*	6,283	6,283	6,283	6,318	6,318
Occupancy Ratio**	100.0%	100.0%	100.0%	100.0%	100.0%
Occupancy as % of Enrollment	20.8%	21.0%	21.0%	21.1%	21.2%
Iowa State University					
Enrollment (Headcount)	27,736	27,728	27,614	27,530	27,485
Current Operating Capacity*	9,326	9,492	9,492	9,492	8,779
Total Occupancy*	8,722	8,690	8,654	8,633	8,185
Occupancy Ratio**	93.5%	91.6%	91.2%	91.0%	93.2%
Occupancy as % of Enrollment	31.4%	31.3%	31.3%	31.4%	29.8%
University of Northern Iowa					
Enrollment (Headcount)	13,709	13,537	13,432	13,480	13,570
Current Operating Capacity*	5,286	5,286	5,286	5,286	5,286
Total Occupancy*	4,363	4,379	4,392	4,403	4,493
Occupancy Ratio**	82.5%	82.8%	83.1%	83.3%	85.0%
Occupancy as % of Enrollment	31.8%	32.3%	32.7%	32.7%	33.1%

* 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 13, ISU – page 20, and UNI – page 28). Five-year estimates are stated in 2002-2003 dollars. No attempt has been made to estimate the effects of inflation.

PROPOSED RATES
2003-2004

Each of the Regent universities has proposed rate increases for residence hall room and board, and student apartment rent, for the 2003-2004 academic year. The following table shows the proposed double occupancy rooms with full board rates.

Residence Hall Rates
Double Occupancy Rooms with Full Board

	2002 - 2003 <u>Rate</u>	2003 - 2004 <u>Proposed Rate</u>	\$ <u>Increase</u>
University of Iowa	\$5,255	\$5,701	\$446
Iowa State University	\$5,020	\$5,740	\$720
University of Northern Iowa	\$4,640	\$4,918	\$278

In January 2003, ISU combined the operation and management of all food service venues on campus, including operations in the Memorial Union into a single operation under the Department of Residence - Campus Dining Services. With this change, ISU is proposing to expand dining services to provide its students more flexibility, variety and value. The University believes this flexibility may cause students to purchase less than the full board plan.

The changes that are proposed by ISU include:

- Offering meal distribution by the week, instead of by the day, giving students more opportunities to eat the meals in the plan that they select. Currently, students may select the 20-meal plan because the incremental cost is insignificant and not eat all of the meals. ISU data show that students only eat 53% of the 20-meal plan.
- Expanding the number of locations that students can redeem the "meal" portion of the plans at several "all-you-can-eat" facilities including the new Union Drive Marketplace in the Union Drive Community Center currently under construction.
- Including increased Dining Dollar\$ in all meal plans which students will be able to use at any of the retail dining centers including the new Clyde's Sports Club in the Union Drive Community Center.

UNI is proposing to add new meal plans to give students more flexibility to choose a plan that meets their needs.

The following table shows the average increase in apartment rates. Apartment rates are effective June 1, 2003 at SUI, and July 1, 2003 at ISU and UNI.

2003 - 2004	
Proposed Apartment Rates	
	<u>Average Increase</u>
University of Iowa	5.5%
Iowa State University	5.0%
University of Northern Iowa	6.5%

The following table shows the total incremental cost to undergraduate resident students.

Incremental Costs to Undergraduate Resident Students

	<u>Tuition & Fees 2003-2004</u>	<u>Proposed Residence System 2003-04</u>	<u>Total Incremental Costs</u>
University of Iowa	\$802	\$446	\$1,248
Iowa State University	918	720	1,638
University of Northern Iowa	799	278	1,077

The proposed residence system rate increases with double occupancy and full board, when combined with the tuition and fee increases approved in Fall 2002, result in total incremental increases to an undergraduate resident student for double occupancy and full board of \$1,248 at SUI, \$1,638 at ISU, and \$1,077 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 – page 14, ISU – pages 21-23, and UNI – pages 29-31).

FY 2003 AND
PRELIMINARY
FY 2004 BUDGET

The preliminary FY 2004 budget proposals contain current FY 2003 Board approved revenue and expenditure detail and revised estimates for FY 2003.

Gross revenues for FY 2004 at all three universities are expected to increase from the revised FY 2003 estimates, while net revenues are expected to decrease.

Debt service and mandatory transfers at SUI and ISU for FY 2004 are expected to increase due to the issuance of new bonds and increased debt service payments for bonds issued.

Detailed budgets for the individual universities are provided in each University attachment. (SUI – page 15, ISU – page 24, and UNI – page 32).

PRELIMINARY BUDGETS SUMMARY

	(1)	(2)	(3)	(4)	(5)	(6)
	Prior Year Actual FY 2002	Current Year Approved FY 2003	Current Year Revised Estimates FY 2003	Next Year Preliminary FY 2004	\$ Change (4) - (3)	% Change (5) / (3)
<i>University of Iowa</i>						
Gross Revenue	\$32,863,821	\$35,091,333	\$35,035,937	\$37,898,146	\$2,862,209	8.2%
Expenditures for Operations	\$22,996,769	\$25,558,541	\$25,463,714	\$28,325,943	\$2,862,229	11.2%
Debt Service & Mand. Transfers	\$5,533,974	\$5,749,070	\$5,749,070	\$5,889,435	\$140,365	2.4%
Net Revenue*	\$4,333,078	\$3,783,722	\$3,823,153	\$3,682,768	(\$140,385)	(3.7)%
Net Revenue as % of Gross Rev.	13.2%	10.8%	10.9%	9.7%	(1.2)%	
<i>Iowa State University</i>						
Gross Revenue	\$50,941,980	\$53,008,168	\$54,157,456	\$61,939,432	\$7,781,976	14.4%
Expenditures for Operations	\$34,939,813	\$36,826,574	\$37,967,132	\$46,197,540	\$8,230,408	21.7%
Debt Service & Mand. Transfers	\$8,273,015	\$9,219,365	\$9,651,644	\$11,454,660	\$1,803,016	18.7%
Net Revenue*	\$7,729,152	\$6,962,229	\$6,538,680	\$4,287,232	(\$2,251,448)	(34.4)%
Net Revenue as % of Gross Rev.	15.2%	13.1%	12.1%	6.9%	(5.2)%	
<i>University of Northern Iowa</i>						
Gross Revenue	\$24,817,829	\$24,487,852	\$23,633,986	\$24,348,684	\$714,698	3.0%
Expenditures for Operations	\$19,282,151	\$19,456,780	\$18,202,589	\$19,585,391	\$1,382,802	7.6%
Debt Service & Mand. Transfers	\$3,141,508	\$3,263,978	\$3,230,722	\$3,142,103	(\$88,619)	(2.7)%
Net Revenue*	\$2,394,170	\$1,767,094	\$2,200,675	\$1,621,190	(\$579,485)	(26.3)%
Net Revenue as % of Gross Rev.	9.6%	7.2%	9.3%	6.7%	(3.2)%	

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


Deb A. Hendrickson

Approved: 
Gregory S. Nichols

UNIVERSITY OF IOWA

FIVE-YEAR PLAN FY 2004 – FY 2008	The University of Iowa's five-year plan provides enrollment and occupancy projections, significant policy and program considerations, plans for renovation of facilities, and financial forecasts. (Summary on page 13).
Enrollment / Occupancy Projections	The enrollment projections, prepared by the University in the fall of each year, serve as the basis for estimating future occupancy. The most recent data for FY 2004 projects an entering first year class of 4,382 students, an increase of 198 students. If these projections are accurate, demand for residence hall space may exceed capacity, both permanent and temporary. Some applicants may not be housed. The University is projecting occupancy for residence halls to be at 100.0% and apartments at 99.9% through FY 2008.
Policy / Program Considerations	The University is planning to combine the residence system and union 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. Full implementation of the blended food service is expected by the beginning of FY 2005. A financial arrangement is being developed to maintain the financial integrity of both the Department of Residence and the Iowa Memorial Union.
Renovation / New Construction of Facilities	<p>The University of Iowa is continuing to upgrade and maintain residence system facilities by spending adequate resources for major repairs, replacements, and renovations.</p> <p>The five-year plan includes the completion of the Burge Hall food service and lobby renovations, continued fire safety upgrades and Mayflower renovations.</p> <p>Requests for semi-private rooms with bath have increased every year. If the University is to be successful and meet the changing student demand, the University believes construction of a new residence hall offering rooms of this type is necessary.</p> <p>The University is in the early planning and design phase of a new residence hall and community center, including a retail food court on the west side of campus. Based upon preliminary planning, the proposed new residence hall would house approximately 520 students in semi-private rooms with baths and shared living rooms. Preliminary cost estimates for the residence hall portion of the project range from \$38 - \$48 million.</p> <p>The University plans to take Slater Hall off-line for major renovations once the new residence hall is operational. To finance the construction and maintain the required debt service ratios, the University expects significant rate increases above inflationary cost increases will be necessary in the next several years. The University will bring to the Board more specific information as this project develops over the next several months.</p>
Financial Forecasts	The Department plans to use proceeds from new revenue bonds totaling a minimum of \$50.5 million over the next five years, beginning with a \$25.0 million issue in September 2003 (included on the Board's bond issuance schedule for calendar year 2003). Expenditures for capital renewals from voluntary reserves will total \$21.9 million during the next five years.

Maintaining reserves necessary to fund capital renewals at the planned level, as well as funding the new debt service, will require future rate increases in excess of inflationary cost increases each year. Five-year estimates are stated in FY 2003 dollars. No attempt has been made to estimate the effects of inflation.

PROPOSED
 RESIDENCE
 RATES
 2003 - 2004

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 1999	\$3,988	\$163	4.3%
FY 2000	4,188	200	5.0%
FY 2001	4,398	210	5.0%
FY 2002	4,671	273	6.2%
FY 2003	5,255	584	12.5%
FY 2004 Proposed Rate	\$5,701	\$446	8.5%

The proposed rate increases are calculated based on estimated operating cost increases, the proposed infrastructure improvements, and the debt service requirements. The major factors leading to this year's rate increases are salary and fringe benefit cost increases, utility cost increases, and larger debt service requirements.

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.

	Residence Hall Room Rates		
	2003 - 2004 Lowest <u>Proposed Rate</u>	2003 - 2004 Highest <u>Proposed Rate</u>	\$ Range <u>Increase</u>
SUI	\$2,229	\$6,413	\$200 - \$577

Board Options

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

	Residence System Board Rates		
	2003 - 2004 Lowest <u>Proposed Rate</u>	2003 - 2004 Highest <u>Proposed Rate</u>	\$ Range <u>Increase</u>
SUI	\$2,425	\$2,630	\$165 - \$170

Proposed increases for apartments average 5.5%.

The entire schedule of proposed rate increases for residence hall room and board and student apartment rents for the 2003-2004 academic year is identified on page 14.

Student
Notification

The Department will make a formal presentation of the proposed rate increases to the Associated Residence Halls (ARH), the residence hall student government, during one of the regularly scheduled meetings prior to the March Board of Regents meeting.

Apartment tenants will receive rate information by mail prior to a town meeting where they will have the opportunity to comment on rate increases before the March Board meeting.

FY 2003
ESTIMATE AND
PRELIMINARY
FY 2004
BUDGET

The following table identifies key elements of the original FY 2003 budget, the revised FY 2003 estimates, and the preliminary FY 2004 budget. For further detail including FY 2002 actual revenue and expenditure detail, see page 15.

UNIVERSITY OF IOWA			
Residence System Preliminary Budget 2003-2004			
	Approved Budget FY 2003	Revised Estimate FY 2003	Proposed Budget FY 2004
Gross Revenue	\$35,091,333	\$35,035,937	\$37,898,146
Expenditures for Operations	\$25,558,541	\$25,463,714	\$28,325,943
Debt Service & Mand. Transfers	<u>\$5,749,070</u>	<u>\$5,749,070</u>	<u>\$5,889,435</u>
Net Revenue	\$3,783,722	\$3,823,153	\$3,682,768
Net Revenue as % of Gross Rev.	10.8%	10.9%	9.7%

FY 2003

FY 2003 revised net revenue, after debt service and mandatory transfers, is estimated to be \$3.8 million, or 10.9% of gross revenue and \$39,000 higher than the Board approved budget. Voluntary reserves, which are used for repairs and capital improvements are expected to be \$9.9 million as of June 30, 2003.

FY 2004

The FY 2004 budgeted revenues assume an increase of 23 students (0.4%) in occupancy and the approval of the proposed rate increases. The \$37.9 million in gross revenues represent an increase of 8.2% over the revised FY 2003 budget.

The FY 2004 preliminary budget is subject to further review and action when the Board approves the final FY 2004 institutional restricted fund budgets in July.

The University of Iowa
Residence System Rates--Proposed Rate Schedule

	Present Rates	Proposed Rates	Increase	
			Amount	Percent
Residence Halls Academic Year 2003-04				
Basic Room Rates (per person)				
Single	\$ 3,346	\$ 3,677	\$ 331	9.89%
Double	2,795	3,071	276	9.87%
Triple	2,354	2,587	233	9.90%
Multiple	2,029	2,229	200	9.86%
Additional Rate Per Room For:				
Rooms with airconditioning	\$ 473	\$ 520	\$ 47	9.94%
Rooms with private bath	1,607	1,766	159	9.89%
Rooms with kitchen units	410	450	40	9.76%
Suites	1,133	1,245	112	9.89%
Temporary Housing (per person)				
(daily rate)	\$ 5	\$ 5	-	-
Board Rates **				
Full Board (20 meals per week)	\$ 2,460	\$ 2,630	\$ 170	6.91%
Any 14 meals per week	2,360	2,530	170	7.20%
Any 10 meals per week	2,260	2,425	165	7.30%
** All board rates include \$200 (\$100 per semester) Hawkeye Dollars				
Linen Rates				
Linen and Bedding	\$ 57.50	\$ 75.00	\$ 17.50	30.4%
Linen only	50.00	65.00	15.00	30.0%
Residence Halls Summer Session 2004				
Basic Room Rates (per person)				
Single	\$ 809	\$ 889	\$ 80	9.89%
Double	676	743	67	9.91%
Triple	570	626	56	9.82%
Multiple	491	540	49	9.98%
Additional Rate Per Room For:				
Rooms with airconditioning	\$ 473	\$ 520	\$ 47	9.94%
Rooms with private bath	390	428	38	9.74%
Rooms with kitchen units	99	108	9	9.09%
Board Rates (7-day plans)				
Full Board (20 meals per week)	\$ 610	\$ 653	\$ 43	7.05%
Any 14 meals per week	583	625	42	7.20%
Any 10 meals per week	556	595	39	7.01%
University Apartments (effective 6/1/2003)				
Hawkeye Court				
1 Bedroom	\$ 373	\$ 400	\$ 27	7.24%
2 Bedroom	423	445	22	5.20%
Hawkeye Drive				
2 Bedroom	\$ 512	\$ 535	\$ 23	4.49%
Staff & Faculty (Additional)	20	25	5	25.0%
Application processing fee	20	20	0	0%

The University of Iowa
Residence System Preliminary Budget 2003-04

	Actual 2001-02	Board Approved Budget 2002-03	Revised Estimate 2002-03	Proposed Budget 2003-04
OPERATIONS (Modified Cash Basis)				
Revenues	\$ 32,863,821	\$ 35,091,333	\$ 35,035,937	\$ 37,898,146
Expenditures for Operations	22,996,769	25,558,541	25,463,714	28,325,943
Net Revenues	<u>9,867,052</u>	<u>9,532,792</u>	<u>9,572,223</u>	<u>9,572,203</u>
% of Revenues	30.0%	27.2%	27.3%	25.3%
Debt Service (due July 1)	4,933,974	5,149,070	5,149,070	5,289,435
Mandatory Transfers	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>
Net After Debt Service & Mandatory Transfers	<u>\$ 4,333,078</u>	<u>\$ 3,783,722</u>	<u>\$ 3,823,153</u>	<u>\$ 3,682,768</u>
% of Revenues	13.2%	10.8%	10.9%	9.7%
University Overhead Payment From Surplus	\$ 272,028	\$ 371,652	\$ 371,652	\$ 394,168
CASH AND INVESTMENT BALANCES (June 30)				
Revenue Fund	\$ 318,162	\$	\$	\$
Operation & Maintenance Fund	621,692	1,000,000	1,000,000	1,000,000
Improvement Fund	6,041,746	3,013,000	3,442,000	4,813,000
Surplus Fund	4,295,480	5,913,193	4,413,829	3,489,429
Subtotal--Voluntary Reserves	<u>11,277,080</u>	<u>9,926,193</u>	<u>8,855,829</u>	<u>9,302,429</u>
Sinking Fund	4,146,640	4,099,535	4,099,535	4,308,734
Bond Reserve Fund	5,271,473	5,271,473	5,271,473	6,250,655
Bond Construction Fund	3,884,055	0	0	12,000,000
Subtotal--Mandatory Reserves	<u>13,302,168</u>	<u>9,371,008</u>	<u>9,371,008</u>	<u>22,559,389</u>
Total Cash Balances (June 30)	<u>\$ 24,579,248</u>	<u>\$ 19,297,201</u>	<u>\$ 18,226,837</u>	<u>\$ 31,861,818</u>
REVENUES AND EXPENDITURES DETAIL				
Revenues				
Contracts	\$ 28,901,648	\$ 31,441,070	\$ 31,066,836	\$ 33,816,783
Interest	1,066,260	787,210	853,045	811,036
Other Income	2,895,913	2,863,053	3,116,056	3,270,327
Total Revenues	<u>\$ 32,863,821</u>	<u>\$ 35,091,333</u>	<u>\$ 35,035,937</u>	<u>\$ 37,898,146</u>
Expenditures for Operations				
Salaries, Wages & Benefits	8,882,943	10,300,448	9,877,916	11,777,052
Cost of Food or Goods Sold	2,651,084	2,719,342	2,690,024	2,896,368
Other Operating Expense	4,843,623	5,669,492	5,681,411	5,985,192
Utilities	3,640,107	3,783,307	3,908,361	4,100,227
Repairs & Maintenance	2,979,012	3,085,952	3,306,002	3,567,104
Total Expenditures	<u>\$ 22,996,769</u>	<u>\$ 25,558,541</u>	<u>\$ 25,463,714</u>	<u>\$ 28,325,943</u>

IOWA STATE UNIVERSITY

FIVE-YEAR PLAN
FY 2004 – FY
2008

Iowa State University's five-year plan provides enrollment and occupancy projections, significant policy and program considerations, plans for renovation of facilities, and financial forecasts. (Summary on page 20).

Enrollment /
Occupancy
Projections

The enrollment projections, prepared by the University in the fall of each year, serve as the basis for estimating future occupancy. The University is projecting occupancy to be in the 91% - 93% range of design capacity. The capacity fluctuates slightly as new facilities come on-line and old ones are demolished.

Policy /
Program
Considerations

In response to market research, ISU has created three distinct neighborhood types:

- Single student neighborhoods designed to meet the needs of younger single students;
- Single student neighborhoods designed to meet the needs of older single students; and
- Student family neighborhoods.

These neighborhoods differ in several important aspects, including location, unit type, staff levels, policies, expectations for involvement, and program goals.

Fresh Start Program

This program continues to successfully integrate first-year students into the campus. Program results include improved academic performance, better retention, and increased confidence in academic ability. In Fall 2003, Fresh Start will be offered in all Union Drive residence halls and Maple Hall in Richardson Court.

New Room Assignment Priority

Historically, returning residents were given first priority for room assignments to all rooms available. A new assignment priority guarantees freshmen a room assignment in Union Drive or Richardson Court, insuring that new freshmen, the students most vulnerable in terms of academic success, live in neighborhoods designed with their unique needs in mind. Returning students can also request a room assignment in these neighborhoods or other locations designed specifically for them: Buchanan Hall, Wallace Hall, Wilson Hall, and Frederiksen Court.

New Residence Dining Program

The Residence System master plan study revealed that students were not satisfied with the current dining program. Students desired convenience store and grocery options, more noon dining options on central campus, extended and late night options, a meal plan perceived as more fair, and the ability to use their meal plan in any campus dining facility. To respond to these and other campus dining needs, the University merged all dining operations into a single department. The University reports the initial student reaction to the new program concepts has been very positive.

Renovation /
 New
 Construction of
 Facilities

Iowa State University is continuing to upgrade and maintain the residence system facilities by spending adequate resources for major repairs, replacements, and renovations.

ISU's Residence System master plan that was first approved by the Board in July 1998 and later updated in July 2000 includes new construction, renovation, and demolition of certain system facilities. All projects are subject to approval of the Board and the availability of sufficient funds. Project order may be altered due to facilities issues that emerge.

Fire safety projects are identified and prioritized in cooperation with the State Fire Marshal's office.

Financial
 Forecasts

The Department plans to use proceeds from new revenue bonds totaling a minimum of \$30.5 million over the next five years. The Department is also proposing a change to its plan for bonding. Union Drive Suite Building 3, originally scheduled to open in Fall 2005, is being postponed for at least two years and ISU is proposing to use bond proceeds of \$8.6 million toward the renovation of Buchanan Hall.

Five-year estimates are stated in FY 2003 dollars. No attempt has been made to estimate the effects of inflation.

PROPOSED
 RESIDENCE
 RATES
 2003 - 2004

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 Full Board	Dollar Increase	Percent Increase
FY 1999	\$3,958	\$311	8.5%
FY 2000	4,171	213	5.4%
FY 2001	4,432	261	6.3%
FY 2002	4,666	234	5.3%
FY 2003	5,020	354	7.6%
FY 2004 Proposed Rate	\$5,740	\$720	14.3%

ISU's increase is predominantly the result of a \$502 increase in the board plan due to the significant changes in the dining plans. ISU believes that some students will eat the same number of meals that they currently do but purchase less than the full board plan.

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			
	2003 - 2004 Lowest <u>Proposed Rate</u>	2003 - 2004 Highest <u>Proposed Rate</u>	\$ Range <u>Increase</u>
ISU	\$2,592	\$6,024	\$0 - \$357 *

*Includes Frederiksen Court

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

Residence System Board Rates			
	2003 - 2004 Lowest <u>Proposed Rate</u>	2003 - 2004 Highest <u>Proposed Rate</u>	\$ Range <u>Increase</u>
ISU	\$2,300	\$3,200	\$310 - \$502

Proposed increases for apartments average 5.0%.

The entire schedule of proposed rate increases for residence hall room and board and student apartment rents for the 2003-2004 academic year is identified on pages 21-23.

Student Notification The University presented the rate proposals to the student residence association /councils (Inter Residence Hall Association - IRHA, Frederiksen Court Council - FCC, and University Family Housing Council - UFHC) in late January and early February.

- IRHA unanimously passed a resolution to support the recommended room rate increases and meal plans. The students were pleased with the proposed meal program and decided to dissolve the ISU Dining Committee.
- FCC, by a vote of 4-3, chose not to support the proposed increases. Residents of Frederiksen Court are not subject to mandatory meal plans.
- UFHC voted unanimously to support the rate increase proposal. Residents of University Family Housing are not subject to mandatory meal plans.

FY 2003
ESTIMATE AND
PRELIMINARY
FY 2004
BUDGET

The following table identifies key elements of the original FY 2003 budget, the revised FY 2003 estimates, and the preliminary FY 2004 budget. For further detail including FY 2002 actual revenue and expenditure detail, see page 24.

IOWA STATE UNIVERSITY
Residence System Preliminary Budget 2003-2004

	Approved Budget FY 2003	Revised Estimate FY 2003	Proposed Budget FY 2004
Gross Revenue	\$53,008,169	\$54,157,456	\$61,939,432
Expenditures for Operations	\$36,826,574	\$37,967,132	\$46,197,540
Debt Service & Mand. Transfers	\$9,219,365	\$9,651,644	\$11,454,660
Net Revenue	\$6,962,230	\$6,538,680	\$4,287,232
Net Revenue as % of Gross Rev.	13.1%	12.1%	6.9%

FY 2003 FY 2003 revised net revenue, after debt service and mandatory transfers, is estimated to be \$6.5 million, or 12.1% of gross revenue. Voluntary reserves, which are used for repairs and capital improvements are expected to be \$14.5 million as of June 30, 2003.

FY 2004 The FY 2004 budgeted revenues assume a decrease of 202 students (-2.4%) in occupancy and the approval of the proposed rate increases. The \$61.9 million in gross revenues represent an increase of 14.4% over the revised FY 2003 budget. This increase results from: 1) combining food services of the Department of Residence and Memorial Union into a single operation included in the Residence System budget; and 2) the proposed rate increases.

Effective January 1, 2003, the operation and management of all food service venues on the Iowa State University campus have been merged into a single operation - Campus Dining Services. The merger effectively places management responsibility for food operations previously located in the Memorial Union (MU) under the Department of Residence (DOR). These food operations include retail, catering and vending operation that serve all campus constituents and are not directly related to traditional DOR board plans and the associated venues serving residential students. The merger is intended to provide management efficiencies that will better service the campus. With this merger and the addition of new facilities such as the Union Drive Community Center and Hazel's Kitchen at Reiman Gardens, the Residence System has significantly expanded opportunities for students.

The decrease in net revenue as a percent of gross revenue is the result of the expanded dining including the Memorial Union and increased debt service of the Residence System.

The FY 2004 preliminary budget is subject to further review and action when the Board approves the final FY 2004 institutional restricted fund budgets in July.

IOWA STATE UNIVERSITY PROPOSED RESIDENCE SYSTEM RATES Academic Year 2003-2004

Room, Suite & Apartment Rates Only

Lower Division Neighborhood		Present Rate	Proposed Rate	\$ Inc	% Inc
Dormitories	Double - Knapp	\$2,592	\$2,592	\$0	0.00%
	Double - Standard	\$2,822	\$3,040	\$218	7.75%
	Double - Maple	\$3,196	\$3,444	\$248	7.75%
	Single - Knapp	\$3,358	\$3,358	\$0	0.00%
	Single - Standard	\$3,658	\$3,940	\$282	7.75%
	Super Single - Knapp	\$3,642	\$3,642	\$0	0.00%
	Super Single - Standard	\$3,966	\$4,272	\$306	7.75%
	Super Single - Maple	\$4,340	\$4,676	\$336	7.75%
	Suites	Suite Triple - Maple	\$3,346	\$3,604	\$258
Suite Double - Union Drive		\$3,966	\$4,272	\$306	7.75%
Suite Single - Union Drive			\$5,506		
Super Suite - Union Drive			\$6,024		
 Upper Division Neighborhood					
Dormitories	Super Single - Wallace Wilson	\$3,970	\$3,970	\$0	0.00%
	Single - Wallace Wilson	\$3,694	\$3,694	\$0	0.00%
Suites	Single - Buchanan		\$4,788		
	Double-Buchanan		\$4,164		
Frederiksen Court	12 month contract				
	2 Bedroom Apartment Shared	\$4,140	\$4,264	\$124	3.00%
	4 Bedroom Apartment Single	\$4,680	\$4,820	\$140	3.00%
	4 Bedroom Apartment Plus	\$5,100	\$5,253	\$153	3.00%
	2 Bedroom Apartment Super Single	\$5,792	\$5,966	\$174	3.00%
	9 month contract				
	2 Bedroom Apartment Shared	\$3,229	\$3,326	\$97	3.00%
	4 Bedroom Apartment Single	\$3,826	\$4,056	\$230	6.00%
	4 Bedroom Apartment Plus	\$4,170	\$4,420	\$250	6.00%
	2 Bedroom Apartment Super Single	\$4,604	\$4,961	\$357	7.75%
	3 month contract (Summer only)				
	2 Bedroom Apartment Shared	\$1,076	\$1,118	\$42	4.00%
	4 Bedroom Apartment Single	\$1,275	\$1,326	\$51	4.00%
	4 Bedroom Apartment Plus	\$1,390	\$1,446	\$56	4.00%
	2 Bedroom Apartment Super Single	\$1,535	\$1,596	\$61	4.00%
	 Optional Dormitory Room Alternatives - Individual				
	Add-on for Semester Break Housing		\$208	\$224	\$16
	Add-on for Air-conditioning for Acad. Year	\$68	\$75	\$ 7	10.00%
Application Processing Fee			\$10		

NOTE: Rates listed for Wallace, Wilson and Knapp Halls include Winter Break housing at no additional charge.

**IOWA STATE UNIVERSITY PROPOSED RESIDENCE SYSTEM RATES (cont.)
University Family and Older Single Student Housing**

				\$ Inc.	% Inc
<i>Schilletter Village</i>	Students – Standard	\$499	\$524	\$25	5.0%
	Students – Large	\$509	\$534	\$25	5.0%
	Staff	\$651	\$684	\$33	5.0%
	Renovated	\$520	\$546	\$26	5.0%
<i>Mortenson Road</i>	Students	\$462	\$485	\$23	5.0%
<i>University Village (2 Bedroom)</i>	Students – Standard	\$482	\$506	\$24	5.0%
	Students – Large	\$492	\$517	\$25	5.0%
	Students One Level	\$462	\$485	\$23	5.0%
	Staff	\$630	\$662	\$32	5.0%
<i>University Village (1 Bedroom)</i>	Students	\$431	\$453	\$22	5.0%
	Staff	\$630	\$662	\$32	5.0%

Board and Meal Plans Only

	<i>Present Rate</i>	<i>Proposed Rate</i>	\$ Inc	% Inc
Board Plans: Available to all students				
Premium Cy Plan with \$200 Dining Dollar\$ <i>No current comparison</i>	NA	\$3,200	NA	NA
Cyclone 17 Plus \$300 Dining Dollar\$ <i>Current 20 Meal Plan with \$100 Dining Dollar\$</i>	NA \$2,198	\$2,700	\$502	22.8%
Cyclone 14 Plus \$300 Dining Dollar\$ <i>Current 14 Meal Plan with \$100 Dining Dollar\$</i>	NA \$2,146	\$2,600	\$454	21.2%
Cyclone 10 Plus \$150 Dining Dollar\$ <i>Current 10 Meal Plan with \$100 Dining Dollar\$</i>	NA \$2,050	\$2,360	\$310	15.1%
Cyclone 7 Plus \$600 Dining Dollar\$ <i>No current comparison</i>	NA	\$2,300	NA	

Note: The reader should be aware of the plan differences when making price comparisons between the Current 20 & Proposed 17, the Current 14 and Proposed 14, and the Current 10 and Proposed 10 plans. Please see Attachment A for details.

Block Meal Plans Plus: Available To Wallace/Wilson, Frederiksen Court, and UFH residents and all non-residents

100 Meal Block Plan Plus 900 (<i>Issued 50 meals/\$450 per semester</i>)	NA	\$1,550	NA	NA
150 Meal Block Plan Plus 600 (<i>Issued 75 meals/\$300 per semester</i>)	NA	\$1,550	NA	NA
200 Meal Block Plan Plus 300 (<i>Issued 100 meals/\$150 per semester</i>)	NA	\$1,550	NA	NA

No current comparison to these Block Meal Plan Plus

Block Meal Plans: Available to Frederiksen Court and UFH Residents and all non-residents

10 Meal Block Plan	NA	\$63	NA	NA
20 Meal Block Plan	NA	\$119	NA	NA
30 Meal Block Plan	NA	\$173	NA	NA
40 Meal Block Plan	NA	\$225	NA	NA

No current comparison to these Block Meal Plan

IOWA STATE UNIVERSITY PROPOSED RESIDENCE SYSTEM RATES (cont.)
Dining Dollar Meal Plans: Available to Frederiksen Court and UFH Residents and all non-residents

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

Current Dining Dollar Plans sold on a dollar for dollar basis

Summer Session 2002

Room Plans Only	Double – Standard	\$728	\$764	\$36	5.0%
	Super Single – Standard	\$1,009	\$1,059	\$50	5.0%
	Single – Standard	\$917	\$963	\$46	5.0%
Board Plans Only	Premium Cy Plan Plus 50		\$780		
	Cyclone 17 Plus 75		\$659		
	Cyclone 14 Plus 75		\$634		
	Cyclone 10 Plus 40		\$578		
	Cyclone 7 Plus 150		\$564		

NOTE: Summer session board plans are pro-rated based upon the academic year rates proposed above.

**Iowa State University
Residence System Preliminary Budget Proposal 2003-2004**

	Actual 2001-2002	Revised Budget 2002-2003	Forecast 2002-2003	Proposed Budget 2003-2004
<u>OPERATIONS (Modified Accrual Basis)</u>				
Revenue	\$50,941,980	\$53,008,169	\$54,157,456	\$61,939,432
Expenditures for Operations	34,939,813	36,826,574	37,967,132	46,197,540
Net Operating Revenue	16,002,168	16,181,594	16,190,324	15,741,892
% of Revenues	31.4%	30.5%	29.9%	25.4%
Debt Service (due July 1)	\$7,773,015	\$8,719,365	\$9,151,644	\$10,954,660
Mandatory Transfers	500,000	500,000	500,000	\$500,000
Net after Debt Service and Mandatory Transfers	\$7,729,153	\$6,962,230	\$6,538,680	\$4,287,233
% of Revenues	15.2%	13.1%	12.1%	6.9%
University Overhead Payment from Surplus	\$749,478	\$749,478	\$749,478	\$764,468
% of Expenditures	2.1%	2.0%	2.0%	1.7%
University Scholarship Fund	\$360,000	\$360,000	\$360,000	\$360,000
% of Revenues	0.7%	0.7%	0.7%	0.6%
REVENUE AND EXPENDITURE DETAIL				\$ 3,162,765
Revenues				
Contracts	\$ 43,779,743	\$ 47,743,237	\$ 45,858,736	\$ 47,646,907
Interest	1,895,705	1,544,838	1,916,248	\$ 1,952,124
Other Income	5,266,532	3,720,093	6,382,472	\$ 12,340,401
Total	<u>\$ 50,941,980</u>	<u>\$ 53,008,169</u>	<u>\$ 54,157,456</u>	<u>\$ 61,939,432</u>
Expenditures				
Salaries	\$ 18,510,373	\$ 19,021,029	\$ 19,530,758	\$ 23,599,103
Cost of Food	4,017,598	4,581,023	4,332,225	\$ 7,362,268
Other Operating	7,280,535	6,997,886	8,024,560	\$ 8,933,426
Utilities	4,124,150	4,842,649	4,785,260	\$ 4,895,934
Repairs	1,007,156	1,383,987	1,294,330	\$ 1,406,809
Total	<u>\$ 34,939,813</u>	<u>\$ 36,826,574</u>	<u>\$ 37,967,132</u>	<u>\$ 46,197,540</u>
Total Staff FTE		644	649	703
CASH AND INVESTMENT BALANCES (JUNE 30)				
Revenue Fund	-	-	-	-
Operation and Maint Fund	-	-	-	-
Improvement Fund	\$ 127	-	-	-
Surplus fund	14,648,633	3,654,099	14,490,437	10,967,541
Subtotal--Voluntary reserve Balances	14,648,760	3,654,099	14,490,437	10,967,541
Sinking fund	5,353,362	8,719,365	9,151,644	10,954,660
Bond Reserve Fund	9,444,159	9,450,675	11,467,620	11,467,620
Construction Fund	14,170,430	1,661,111	25,513,717	2,493,847
Subtotal--Mandatory Reserve Balances	28,967,951	19,831,151	46,132,981	24,916,127
Total--All Reserve Balances June 30	43,616,711	23,485,250	60,623,418	35,883,668

Footnote:

Other income includes Memorial Union.

UNIVERSITY OF NORTHERN IOWA

FIVE-YEAR PLAN FY 2004 – FY 2008	The University of Northern Iowa's five-year plan provides enrollment and occupancy projections, significant policy and program considerations, plans for renovation of facilities, and financial forecasts. (Summary on page 28).
Enrollment / Occupancy Projections	The enrollment projections, prepared by the University in the fall of each year, serve as the basis for estimating future occupancy. The University is projecting residence system occupancy to remain relatively stable at a range of 4,000 in the fall of 2003 to 4,130 in the fall of 2007. Apartment occupancy is projected to be at capacity of 363.
Policy / Program Considerations	<p>Policies and procedures are continually under review to enable the department to respond to the dynamic populations and maintain fiscal viability. Examples of important changes for this year include:</p> <ul style="list-style-type: none">• Increase in the prepayment amount at the time of contracting;• A new application processing fee;• Graduated cancellation and refund schedule and amounts; and• Earlier opportunities for current students to contract and secure assignments. <p>Future discussions will include changes in the design capacity of the system to reflect the typical uses of the space.</p>
Renovation of Facilities	<p>The University of Northern Iowa is continuing to upgrade and maintain the residence system facilities by spending adequate resources for major repairs, replacements, and renovations.</p> <p>The five-year plan includes the completion of Towers Center Improvement Project and miscellaneous deferred maintenance and fire safety upgrades issues. The Commons Dining Renovation listed on past reports, has been delayed.</p>
Financial Forecasts	<p>With the exception of the Towers Center Improvement Project, deferred maintenance and facility improvements will be accomplished as part of regular repairs and maintenance to be funded by the improvement fund.</p> <p>Five-year estimates are stated in FY 2003 dollars. No attempt has been made to estimate the effects of inflation.</p>

PROPOSED
 RESIDENCE
 RATES
 2003 - 2004

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 1999	\$3,624	\$180	5.2%
FY 2000	3,914	290	8.0%
FY 2001	4,149	235	6.0%
FY 2002	4,398	249	6.0%
FY 2003	4,640	242	5.5%
FY 2004 Proposed Rate	\$4,918	\$278	6.0%

The proposed rate increases are calculated based on estimated operating cost increases, the proposed infrastructure improvements, and the debt service requirements. The major factors leading to this year's rate increases are the slight decline in residence hall occupancy, long range Ethernet addition, food costs, and Campbell Dining reopening.

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 from the standard double occupancy room to single suites.

	Residence Hall Room Rates		
	2003 - 2004 Lowest <u>Proposed Rate</u>	2003 - 2004 Highest <u>Proposed Rate</u>	\$ Range <u>Increase</u>
UNI	\$2,350	\$4,578	\$90 - \$245

Board Options

The University of Northern Iowa has added some new meal plans for the 2003-2004 academic year to give students more flexibility to choose a plan that meets their needs. The following table identifies the proposed range of rates for board plans.

	Residence System Board Rates		
	2003 - 2004 Lowest <u>Proposed Rate</u>	2003 - 2004 Highest <u>Proposed Rate</u>	\$ Range <u>Increase</u>
UNI	\$2,188	\$3,300	\$138 - \$147

Proposed increases for apartments average 6.5%.

The entire schedule of proposed rate increases for residence hall room and board and student apartment rents for the 2003-2004 academic year is identified on pages 29-31.

Student Notification Residence hall student leaders were informed of the planning involved with the 2004 budget and preliminary rates including the range of rate increases being considered.

FY 2003 ESTIMATE AND PRELIMINARY FY 2004 BUDGET The following table identifies key elements of the original FY 2003 budget, the revised FY 2003 estimates, and the preliminary FY 2004 budget. For further detail including FY 2002 actual revenue and expenditure detail, see page 32.

UNIVERSITY OF NORTHERN IOWA
Residence System Preliminary Budget 2003-2004

	Approved Budget FY 2003	Revised Estimate FY 2003	Proposed Budget FY 2004
Gross Revenue	\$24,487,852	\$23,633,986	\$24,348,684
Expenditures for Operations	\$19,456,780	\$18,202,589	\$19,585,391
Debt Service & Mand. Transfers	\$3,263,978	\$3,230,722	\$3,142,103
Net Revenue	\$1,767,094	\$2,200,675	\$1,621,190
Net Revenue as % of Gross Rev.	7.2%	9.3%	6.7%

FY 2003 FY 2003 gross revenue is expected to be less than budget due to fewer residents than predicted and reductions in miscellaneous income. Expenses were reduced largely through staff reductions, cost of food, and utilities. FY 2003 revised net revenue, after debt service and mandatory transfers, is estimated to be \$2.2 million, or 9.3% of gross revenue.

Voluntary reserves, which are used for repairs and capital improvements are expected to be \$7.1 million as of June 30, 2003.

FY 2004 The FY 2004 budgeted revenues assume a decrease of 121 students (-2.9%) in occupancy and the approval of the proposed rate increases. The \$24.3 million in gross revenues represent an increase of 3.0% over the revised FY 2003 budget.

The FY 2004 preliminary budget is subject to further review and action when the Board approves the final FY 2004 institutional restricted fund budgets.

**UNIVERSITY OF NORTHERN IOWA
PROPOSED RESIDENCE HALL AND MEAL RATES FOR
FY 2004**

ROOM AND FULL BOARD	Current Rate	Proposed Rate	Dollar Increase	Percent Increase
<u>ACADEMIC YEAR</u>				
Double Occupancy				
Residence Hall (w/o air)	\$4,640.00	\$4,918.00	\$278.00	5.99%
Bartlett Hall (air)	\$4,713.00	\$4,996.00	\$283.00	6.00%
Physical Single				
Residence Hall (w/o air)	\$5,340.00	\$5,718.00	\$378.00	7.08%
Bartlett Hall (air)	\$5,413.00	\$5,796.00	\$383.00	7.08%
Double as Single				
Residence Hall (w/o air)	\$5,640.00	\$6,018.00	\$378.00	6.70%
Bartlett Hall (air)	\$5,713.00	\$6,096.00	\$383.00	6.70%
<u>SUMMER 8 WEEK RATES</u>				
Double Occupancy				
Residence Hall (w/o air)	\$1,160.00	\$1,249.00	\$89.00	7.67%
Bartlett Hall (air)	\$1,211.50	\$1,301.25	\$89.75	7.41%
Physical Single				
Residence Hall (w/o air)	\$1,335.00	\$1,449.00	\$114.00	8.54%
Bartlett Hall (air)	\$1,386.25	\$1,501.25	\$115.00	8.30%
Double as Single				
Residence Hall (w/o air)	\$1,410.00	\$1,524.00	\$114.00	8.09%
Bartlett Hall (air)	\$1,461.25	\$1,576.25	\$115.00	7.87%
<u>SUMMER PER WEEK RATES</u>				
Double Occupancy				
Residence Hall (w/o air)	\$145.00	\$156.13	\$11.13	7.67%
Bartlett Hall (air)	\$151.44	\$162.66	\$11.22	7.41%
Physical Single				
Residence Hall (w/o air)	\$166.88	\$181.13	\$14.25	8.54%
Bartlett Hall (air)	\$173.28	\$187.66	\$14.38	8.30%
Double as Single				
Residence Hall (w/o air)	\$176.25	\$190.50	\$14.25	8.09%
Bartlett Hall (air)	\$182.66	\$197.03	\$14.38	7.87%
<u>ROOM OPTION ONLY</u>				
Bartlett Hall – Academic Year				
Double Occupancy	\$2,205.00	\$2,350.00	\$145.00	6.58%
Physical Single	\$2,905.00	\$3,150.00	\$245.00	8.43%
Double as Single	\$3,205.00	\$3,450.00	\$245.00	7.64%

	Current Rate	Proposed Rate	Dollar Increase	Percent Increase
ROTH Academic Year – Double Occupancy				
8 Person Suite	\$2,441.00	\$2,531.00	\$90.00	3.69%
6 Person Apartment	\$2,900.00	\$3,000.00	\$100.00	3.45%
4 Person Apartment	\$2,900.00	\$3,000.00	\$100.00	3.45%
2 Person Apartment	\$3,355.00	\$3,480.00	\$125.00	3.73%
ROTH Academic Year – Single Occupancy				
8 Person Suite	\$3,241.00	\$3,366.00	\$125.00	3.86%
6 Person Apartment	\$3,823.00	\$3,973.00	\$150.00	3.92%
4 Person Apartment	\$3,823.00	\$3,973.00	\$150.00	3.92%
2 Person Apartment	\$4,408.00	\$4,578.00	\$170.00	3.86%
Bartlett Hall – 8 Week Summer Session				
Double Occupancy	\$584.00	\$620.25	\$36.25	6.21%
Physical Single	\$759.25	\$820.50	\$61.25	8.07%
Double as Single	\$834.25	\$895.50	\$61.25	7.34%
ROTH-8 Wk Summer Session Double Occupancy				
8 Person Suite	\$610.25	\$632.75	\$22.50	3.69%
6 Person Apartment	\$725.00	\$750.00	\$25.00	3.45%
4 Person Apartment	\$725.00	\$750.00	\$25.00	3.45%
2 Person Apartment	\$838.75	\$870.00	\$31.25	3.73%
ROTH-8 Wk Summer Session Single Occupancy				
8 Person Suite	\$810.25	\$841.50	\$31.25	3.86%
6 Person Apartment	\$955.75	\$993.25	\$37.50	3.92%
4 Person Apartment	\$955.75	\$993.25	\$37.50	3.92%
2 Person Apartment	\$1,102.00	\$1,144.50	\$42.50	3.86%
Bartlett Hall Summer Session/per week				
Double Occupancy	\$73.06	\$77.53	\$4.47	6.12%
Physical Single	\$94.91	\$102.56	\$7.65	8.06%
Double as Single	\$104.28	\$111.94	\$7.66	7.34%
ROTH Summer Session Double Occupancy/per wk				
8 Person Suite	\$76.28	\$79.09	\$2.81	3.69%
6 Person Apartment	\$90.63	\$93.75	\$3.13	3.45%
4 Person Apartment	\$90.63	\$93.75	\$3.13	3.45%
2 Person Apartment	\$104.84	\$108.75	\$3.91	3.73%
ROTH Summer Session Single Occupancy/per wk				
8 Person Suite	\$101.28	\$105.19	\$3.91	3.86%
6 Person Apartment	\$119.47	\$124.16	\$4.69	3.92%
4 Person Apartment	\$119.47	\$124.16	\$4.69	3.92%
2 Person Apartment	\$137.75	\$143.06	\$5.31	3.86%
Application Processing Fee		\$25.00	\$25.00	new

<u>MEAL PLANS</u>				
Academic Year				
Option 1 – 19 Meals (\$100 Dining Dollars)	\$2,508.00	\$2,646.00	\$138.00	5.50%
Option 2 – 14 Meals (\$200 Dining Dollars)	\$2,445.00	\$2,592.00	\$147.00	6.01%
Option 3 – 10 Meals (\$150 Dining Dollars)	\$2,188.00	\$2,188.00	\$0.00	0.00%
Option 4* – Premium (\$500 Dining Dollars)		\$3,300.00		
Option 5* – 19 Plus (\$300 Dining Dollars)		\$2,870.00		
Option 6* – 14 Plus (\$400 Dining Dollars)		\$2,816.00		
Option 7* – 10 Plus (\$250 Dining Dollars)		\$2,304.00		
Summer 8 Week Rate				
Option 2 – 14 MEALS	\$611.25	\$681.00	\$69.75	11.41%
Option 3 – 10 MEALS	\$547.00	\$547.00	\$0.00	0.00%
Summer Per Week Rate				
Option 2 – 14 MEALS	\$72.75	\$85.13	\$8.72	11.41%
Option 3 – 10 MEALS	\$68.38	\$68.38	\$0.00	0.00%
* New Meal Plan Options				

**PROPOSED APARTMENT HOUSING RATES FOR FY 2004
EFFECTIVE JULY 1, 2003**

HILLSIDE COURTS	Current Monthly Rate	Proposed Monthly Rate	Dollar Increase	Percent Increase
One bedroom (1972) air conditioned	\$300.00	\$319.50	\$19.50	6.50%
Two bedroom (1972) window air	\$370.00	\$394.00	\$24.00	6.49%
Two bedroom (1972) central air	\$386.00	\$411.00	\$25.00	6.48%
Two bedroom, two story (1972) air conditioned	\$435.00	\$463.00	\$28.00	6.44%
Four bedroom central air	\$635.00	\$676.00	\$41.00	6.46%
JENNINGS DRIVE				
Two bedroom (1978) air conditioned	\$425.00	\$452.00	\$27.00	6.35%
COLLEGE COURTS				
Two bedroom (1956 & 1958) no air conditioning	\$330.00	\$351.00	\$21.00	6.36%

**UNIVERSITY OF NORTHERN IOWA
Residence System Preliminary Budget
2003-04**

	Actual 2001-02	Approved Budget 2002-03	Revised Estimate 2002-03	Proposed Budget 2003-04
OPERATIONS (Accrual Basis)				
Revenues	\$ 24,817,829	24,487,852	23,633,986	24,348,684
Expenditures for Operations	19,282,151	19,456,780	18,202,589	19,585,391
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Net Revenues	5,535,678	5,031,072	5,431,397	4,763,293
% of Revenues	22.3%	20.5%	23.0%	19.6%
Debt Service (due July 1)	2,811,508	2,933,978	2,900,722	2,812,103
Mandatory Transfers	330,000	330,000	330,000	330,000
Net after Debt Service and Mandatory Transfers	\$ 2,394,170	1,767,094	2,200,675	1,621,190
% of Revenues	9.6%	7.2%	9.3%	6.7%
University Overhead Payment from Surplus	612,234	636,291	585,065	619,635
% of Expenditures	3.2%	3.3%	3.2%	3.2%
CASH AND INVESTMENT BALANCES (June 30)				
Revenue Fund	(106,532)	-	-	-
Operation and Maintenance Fund Improvement Fund	(54,275)	(106,532)	-	-
Surplus Fund	1,130,615	57,147	654,836	306,836
	5,921,466	5,675,464	6,430,544	5,432,099
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Subtotal - Voluntary Reserve Balances	6,891,274	5,626,079	7,085,380	5,738,935
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Sinking Fund	-	1,068,657	-	-
Bond Reserve Fund	2,815,710	3,383,303	3,347,123	3,347,123
Construction Fund	22,112	7,216,496	7,628,407	1,494,407
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Subtotal - Mandatory Reserve Balances	2,837,822	11,668,456	10,975,530	4,841,530
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TOTAL - All Reserve Balances (June 30)	9,729,096	17,294,535	18,060,910	10,580,465
REVENUES AND EXPENDITURES DETAIL				
Revenues				
Contracts	19,969,109	19,995,169	19,544,929	20,122,682
Interest	794,666	625,000	556,372	525,000
Other Income	4,054,054	3,867,683	3,532,685	3,701,002
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TOTAL	24,817,829	24,487,852	23,633,986	24,348,684
Expenditures				
Salaries, Wages & Benefits (1)	10,974,197	11,830,311	10,690,735	11,157,727
Cost of Food or Goods Sold	3,151,150	3,082,204	2,850,748	3,228,227
Other Operating Expense	2,927,295	2,198,952	2,520,009	2,897,078
Utilities	1,403,772	1,434,596	1,373,272	1,479,310
Repairs & Maintenance (1)	825,737	910,717	767,825	823,049
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TOTAL	19,282,151	19,456,780	18,202,589	19,585,391
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TOTAL STAFF FTE - October	462	454	443	442

(1) Excludes amounts for repair and maintenance supplied by Residence System staff.
Staff maintenance costs for the respective years are: \$653,013; \$637,254; \$655,685

(2) As a docket item to the Board, we will make a special request for an allocation
of funds from the Surplus Fund to the Improvement Fund.