

FY 2017-18 Campus Housing Room and Board Rate Recommendations

Recommendation

It is recommended that the Board of Governors approve the FY 2018 room and board rates as shown in the tables below. In summary, the typical freshman resident room and board rate will increase 2.27% from \$9,350 in 2016-17 to \$9,562 in 2017-18. Room rates for all accommodation types are proposed to increase 5.0% including an increase of 5.0% for all apartment rentals.

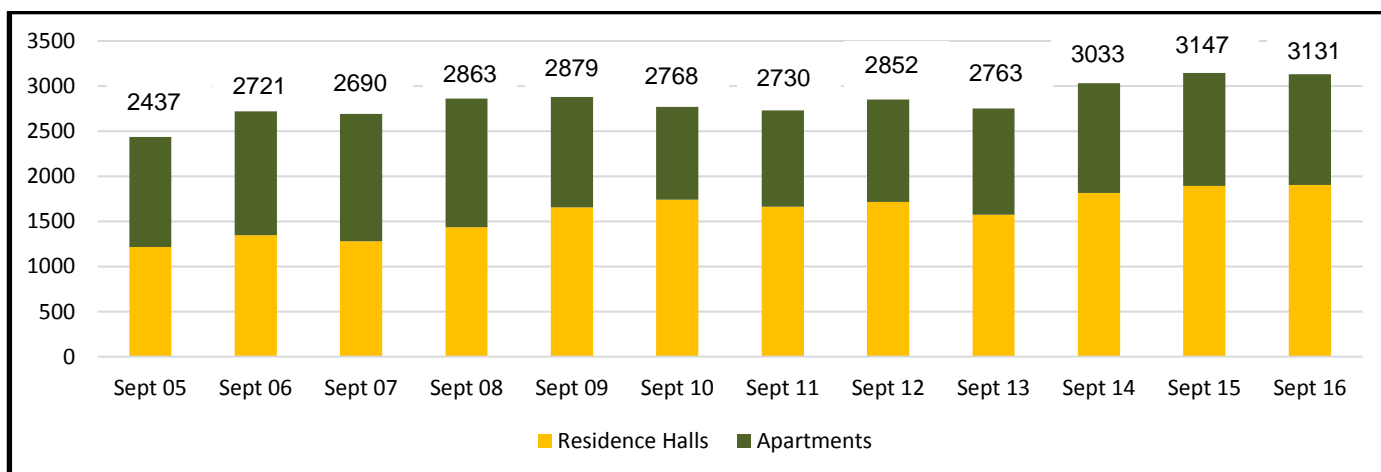
The major changes proposed as part of this room and board rate recommendation are:

- The typical freshman room and board package increase is \$212 (2.27%) to \$9,562, assuming a semi-suite room and a new Weekly 15 + \$100 meal plan option.
- The typical returning resident room and board package increase is \$450 (4.32%) to \$10,854, assuming a suite single room and a Weekly 12 + \$350 meal plan.
- The average apartment rate increase is 5.0% which equates to an increase of \$39 - \$85/month/unit depending on apartment type.
- The average meal plan increase across the Warrior Pass and Weekly plans is 3.18% which equates to an increase of \$25 - \$69/semester depending on meal plan selection.

The tables at the end of this document detail the specific rates and changes for the residence halls, apartments, and meal plans for 2017-18.

Background

Wayne State University has operated university-owned apartment housing for several decades. In 2001 the university began to build undergraduate residence halls, opening Ghafari Hall and Warrior Dining in 2002, Atchison Hall in 2003, and The Towers Residential Suites and Towers' Café in 2005. Since 2005 the average number of students (and affiliated staff, faculty and families) living on campus has been 2835, as shown by the graph below with the last two fall occupancies representing record on-campus numbers.

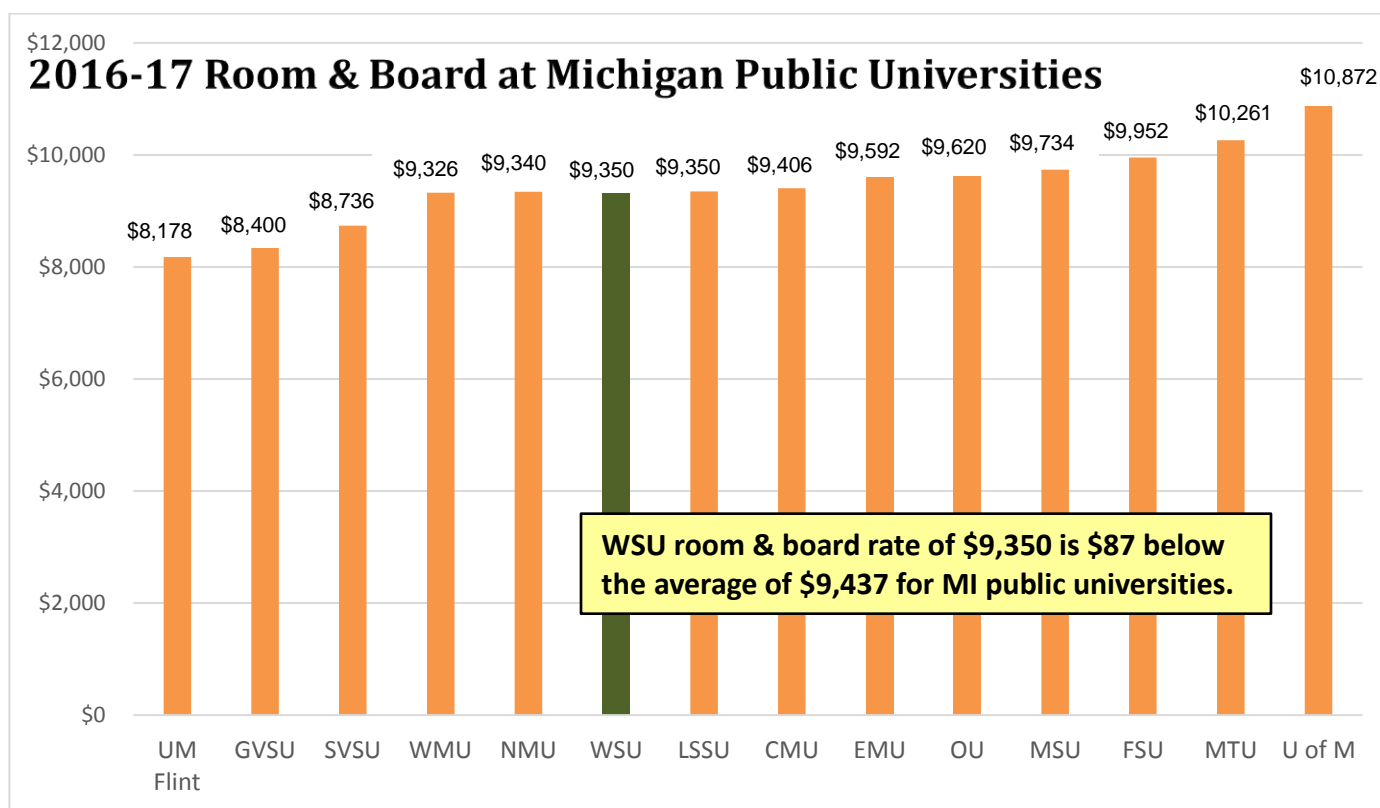


Since The Towers opened in 2005, there has also been a trend of increasing undergraduate resident numbers, and all three residence halls were full for the first time in fall 2009. In fall 2010 a new undergraduate furnished apartment option was added and expanded again in 2016. Since 2001 when the resident population was mostly graduate and professional students, the composition of the resident population has changed so

that by fall 2016, 71% of all campus residents are undergraduates. The trend over the last four years has been an increasing demand from undergraduates for apartment-style living which currently surpasses the total number of available units.

Wayne State University Freshman Room and Board Rates vs. Other Michigan Public Universities

Wayne State University campus housing has always been competitively priced relative to the local market and has also been below the average of the other Michigan public universities' campus housing since the residence halls opened in 2002. For fall 2016, our freshman room and board combined rate of \$9,350 was \$87 less than the average of those universities.



The room and board rates recommended for FY 2018 represent reasonable increases that will support the start of construction of phase 1 of the Housing Facilities Master Plan, the new 840-bed Anthony Wayne Drive Apartments which will be completed in phases in August 2018 and June 2019. July 1, 2017 is also the start of the new 40-year partnership with Corvias Campus Living as our housing facility property manager.

Proposed 2017-178 Room Rates:

		2016-17	2017-18	
Ghafari & Atchison Halls		Annual	Annual	Increase
Single Occupancy rooms with private bath		\$7,504	\$7,880	5.01%
Double Occupancy rooms with private bath		\$5,680	\$5,964	5.00%
Triple Occupancy rooms with private bath		\$4,836	\$5,080	5.05%
The Towers Residential Suites	Suite Types			
Double Occupancy room with shared bath	A	\$5,948	\$6,246	5.01%
Single Occupancy room with private bath	E and G	\$7,990	\$8,390	5.01%
Double Occupancy room within a suite	B and C	\$6,602	\$6,932	5.00%
Single Occupancy room within a regular suite	C, D and F	\$6,814	\$7,156	5.02%
Thompson Home Suites				
Single Occupancy room with shared bath			\$8,138	new
Double Occupancy room with a shared bath			\$6,090	new
Triple Occupancy room with a shared bath			\$5,250	new
Deroy Furnished Apartments				
Efficiency apartment single		\$8,560	\$8,988	5.00%
One bedroom apartment double		\$6,794	\$7,134	5.00%
Two bedroom apartment single per room		\$8,164	\$8,572	5.00%
Deroy Apartments		Monthly	Monthly	
Efficiency unfurnished		\$825	\$866	4.97%
One Bedroom unfurnished		\$908	\$953	4.96%
Two Bedroom unfurnished		\$1,070	\$1,124	5.05%
Chatsworth Apartments				
Efficiency unfurnished		\$780	\$819	5.00%
One Bedroom unfurnished		\$910	\$956	5.05%
Two Bedroom unfurnished		\$1,175	\$1,234	5.02%
University Towers				
One Bedroom unfurnished		\$1,100	\$1,155	5.00%
Two Bedroom unfurnished		\$1,264	\$1,328	5.06%
Three Bedroom unfurnished		\$1,700	\$1,785	5.00%

Proposed 2017-18 Board Plans and Rates

	16-17 Annual	17-18 Annual	Increase
Meal Plans			
Warrior Pass 50 (Unlimited + \$50/sem)	\$3,670	\$3,798	3.49%
Warrior Pass 250 (Unlimited + \$250/sem)	\$4,050	\$4,178	3.16%
Warrior Pass 400 (Unlimited + \$400/sem)	\$4,300	\$4,438	3.21%
Weekly 15 + \$100 (Fifteen Swipes/wk + \$100/sem)		\$3,598	
Weekly 12 + \$350 (Twelve Swipes/wk + \$350/sem)	\$3,590	\$3,698	3.01%
Weekly 5 + \$150 (Five Swipes/wk + \$150/sem)	\$1,660	\$1,710	3.01%
Block 15 (15 Swipes/sem)	\$110	\$110	0.00%
Block 30 (30 Swipes/sem)	\$208	\$210	0.96%
Block 45 (45 Swipes/sem)	\$308	\$310	0.65%

Any WSU community member can buy Warrior Dollars in \$50 increments.

Freshmen must select a Warrior Pass Plan or the Weekly 15 + \$100

Block plans are only for non-resident students/faculty/staff.

Housing and Residential Life Room & Board Rate Proposal for FY18



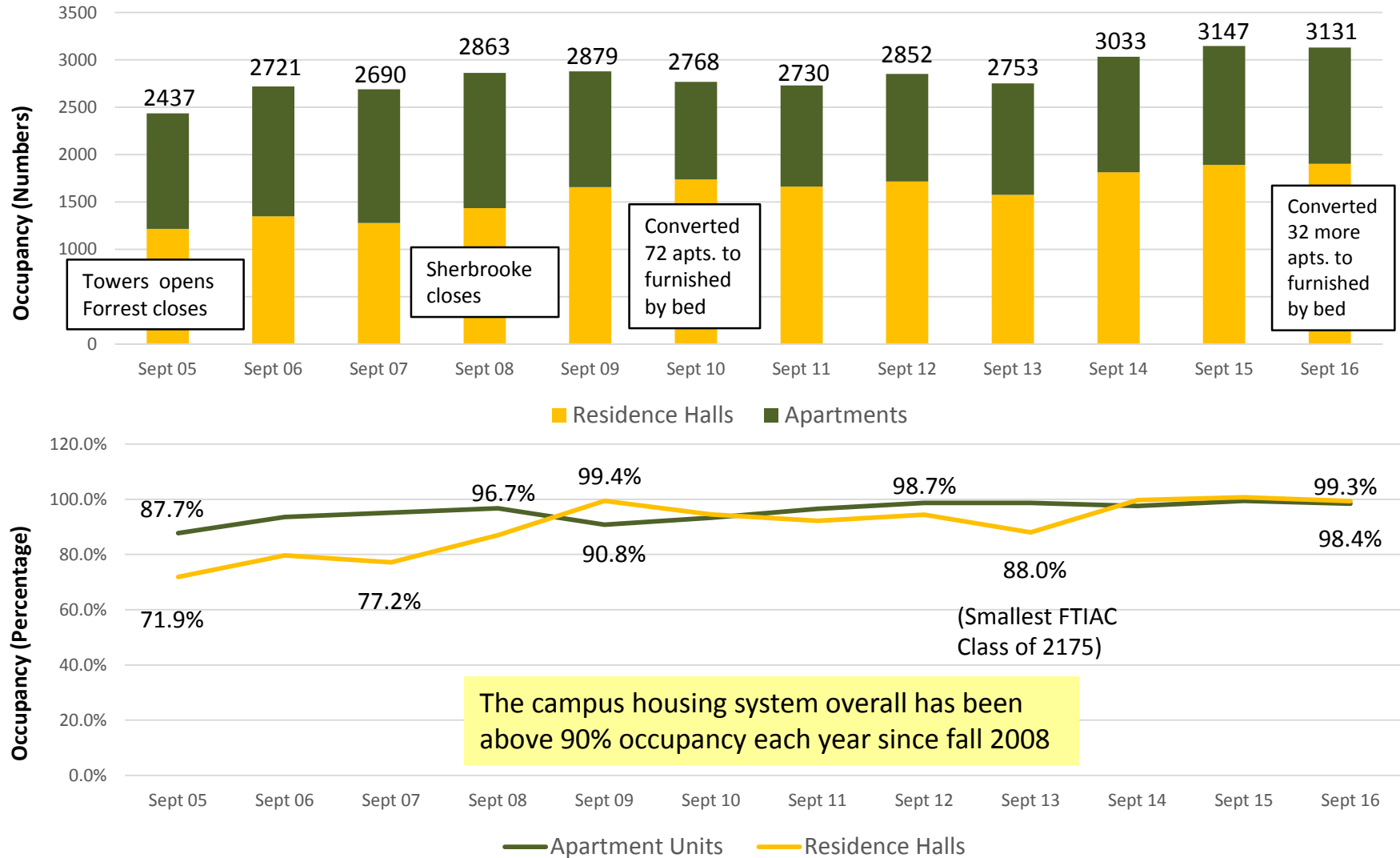
Agenda

- Review current occupancy, room and board rates, and FY17 budget
- Discuss factors affecting the room and board recommendation
- Present recommendations on room and board rates for 2017-2018 and the resulting FY18 budget projection in new housing partnership model

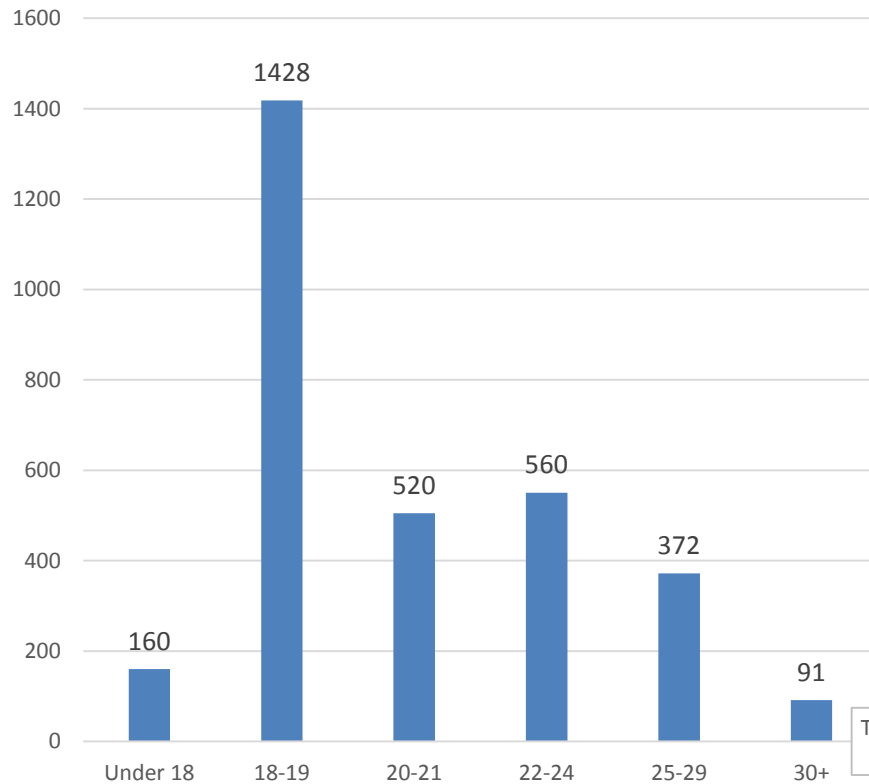
Current Occupancy, Room & Board Rates, and FY17 Budget



Campus Housing Occupancy Fall 2005 to Fall 2016

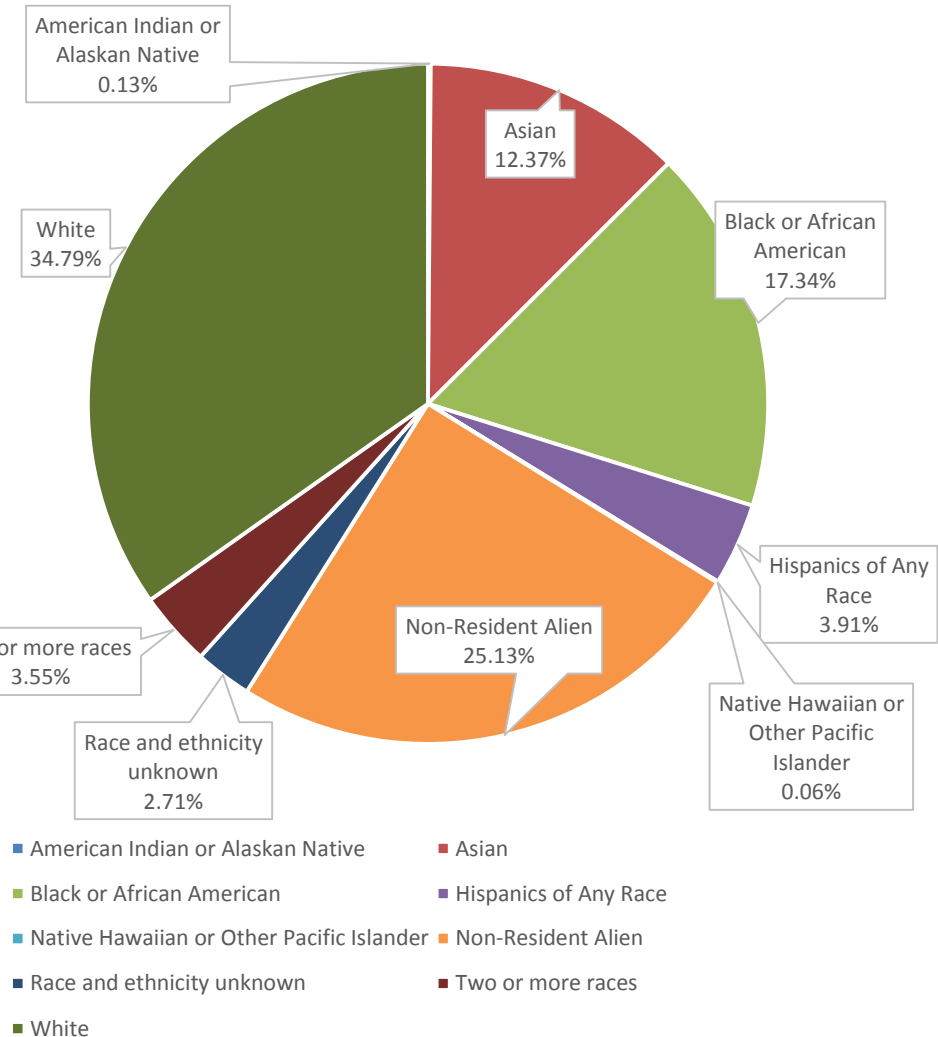


Fall 2016 All Housing Resident Ages



- 3131 campus residents at fall 2016 census day
- 83% residence hall students are 19 years old or younger
- Fall 2016 housing was 25.3% International students (792/3131)

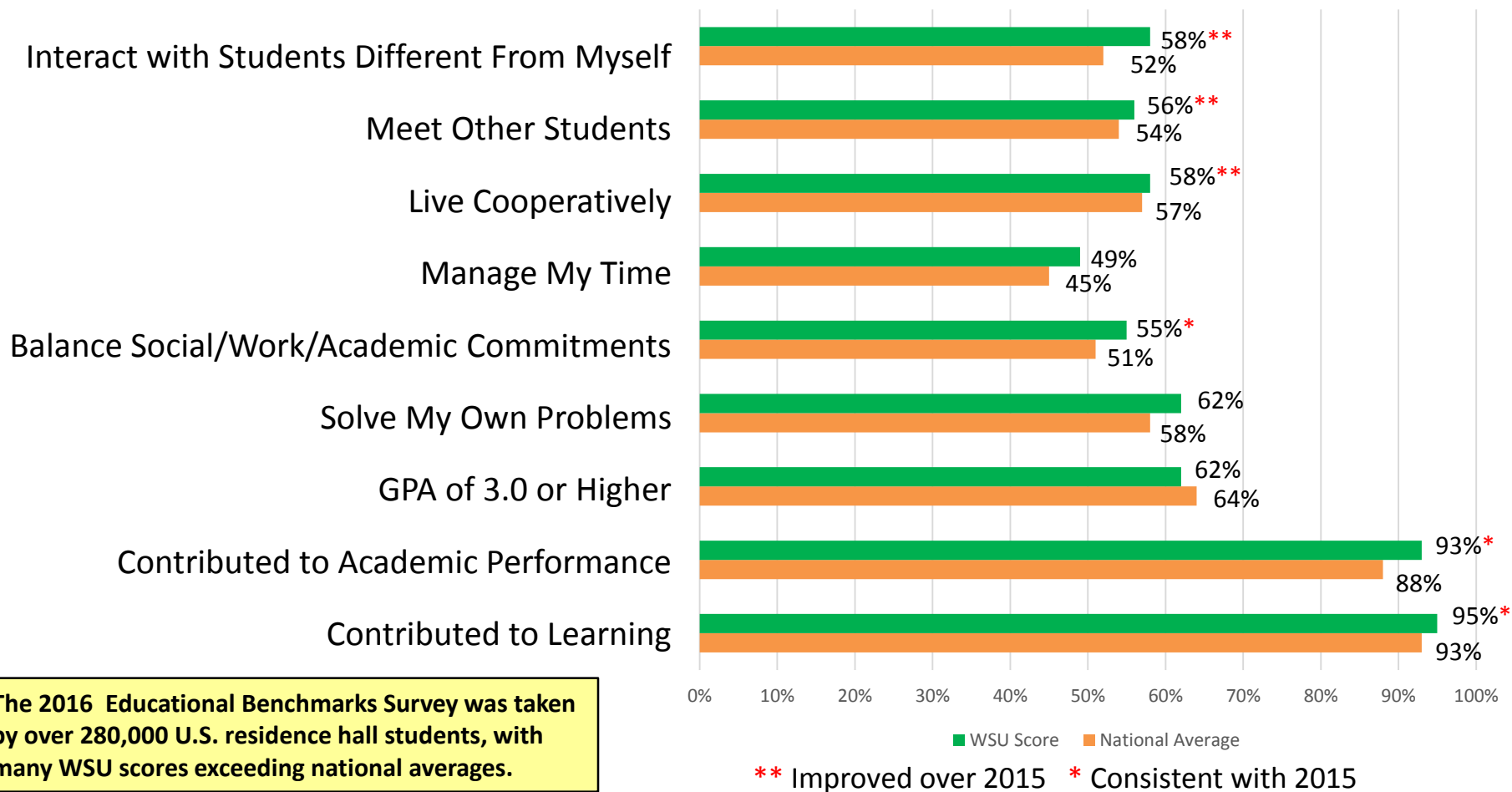
Fall 2016 All Housing Residents Race/Ethnicity



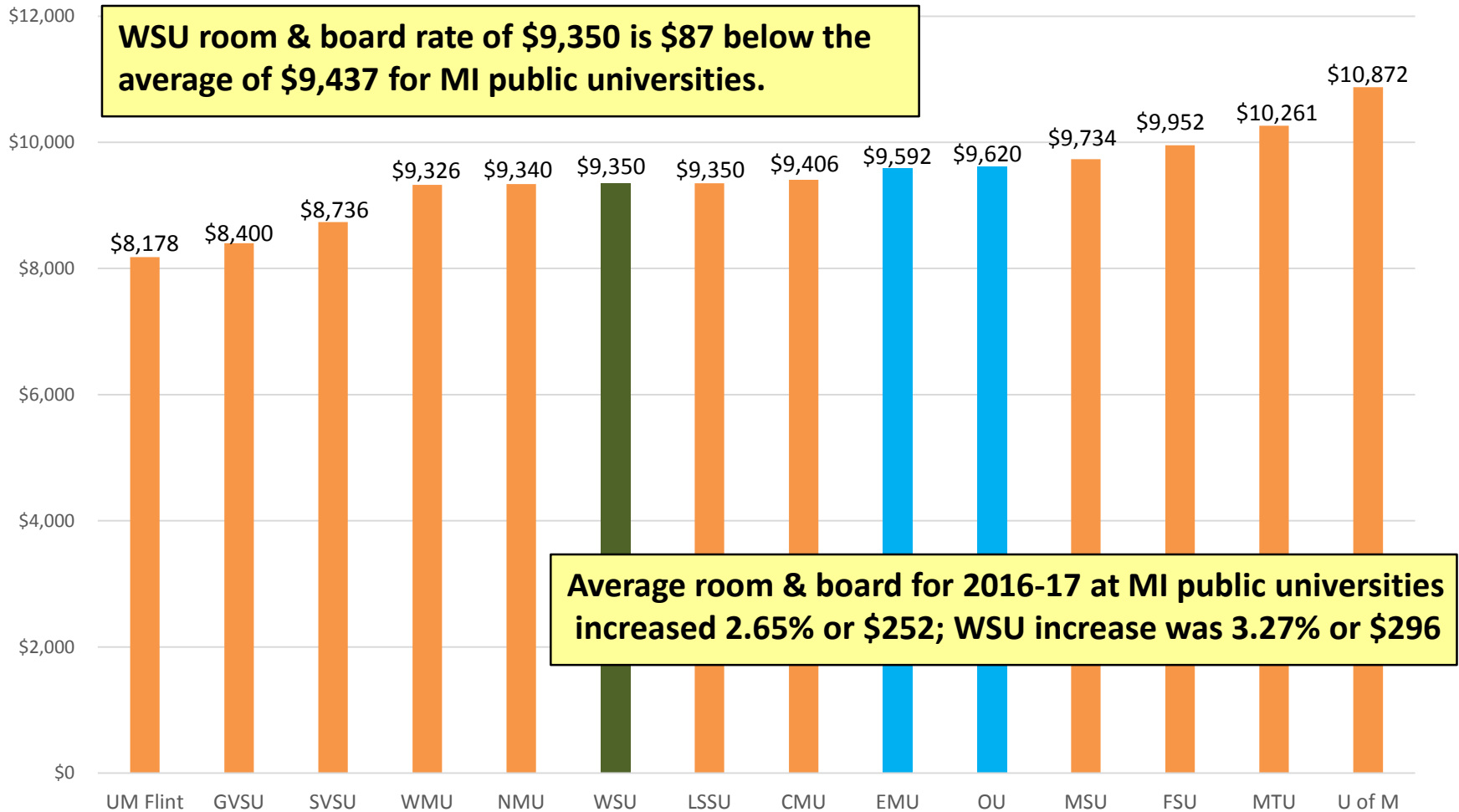
2016 National Educational Benchmarks Survey

How Campus Housing Helps Develop Skills and Academic Success

"Living in on-campus housing enhanced my ability to..."



2016-2017 Room & Board Rates of Michigan Public Universities



Housing & Residential Life 3-Year Operating Statements

	2015 Actual	2016 Actual	2017 Approved Budget	2017 Projected Budget (Partnership begins July 1, 2017)
REVENUE				
Apartment Income	(\$6,955,174)	(\$7,098,366)	(\$7,712,736)	(\$6,247,316)
Residence Hall Income	(\$10,211,256)	(\$10,451,545)	(\$10,513,042)	(\$9,096,572)
Meal Plan Income	(\$6,402,875)	(\$5,976,588)	(\$6,139,884)	(\$6,139,884)
Other Income	(\$1,679,719)	(\$1,648,856)	(\$1,546,526)	(\$1,177,105)
General Fund Subsidy	(\$1,400,000)	(\$1,270,000)	(\$1,000,000)	(\$1,000,000)
Revenue Total	(\$26,649,024)	(\$26,445,355)	(\$26,912,188)	(\$23,660,877)
Personnel	\$3,193,351	\$3,358,985	\$3,589,688	\$3,270,039
Facilities Maintenance	\$952,296	\$1,029,475	\$1,107,000	\$785,970
Utilities	\$1,653,396	\$1,876,446	\$2,077,925	\$1,287,925
Meal Plan Expense	\$4,905,023	\$4,335,433	\$4,416,656	\$4,416,656
Operating Expenses	\$2,514,735	\$3,306,519	\$2,551,888	\$2,200,852
Bad Debt	\$404,349	\$298,398	\$453,000	\$106,000
Debt Service	\$8,028,241	\$8,211,770	\$8,211,764	\$8,211,764
Projects/Transfers	\$3,684,090	\$3,538,187	\$3,648,479	\$2,504,327
Expense Total	\$25,335,482	\$25,955,213	\$26,056,400	\$22,783,533
Net Income (Loss)	\$1,313,542	\$490,142	\$855,788	\$877,344
Fund Balance	(\$5,072,387)	(\$4,582,245)	(\$3,963,460)	(\$3,704,901)

2016-17 Housing and Dining Highlights

- Certified Halal dining options introduced in Towers Café in August 2016.
- Starbucks on Anthony Wayne Drive under current renovation to be completed by May 2017.
- New C-Store being added to the Undergraduate Library also to be completed by May 2017.
- New technology was added to the One Card site which allows Warrior Dollars (dining dollars) to be purchased on line for immediate use.
- Renovation of Thompson Home, former home of the School of Social Work, currently under renovation to be completed August 2017 as a new home for a CFPCA learning community of 55 students.
- New fire alarm system installation, phase I, underway at University Towers.
- April 24, 2017 is set for the groundbreaking for the new Anthony Wayne Drive Apartments. Phase I will open August 2108 and phase II will open June 2019.

Factors Affecting the 2017-2018 Room and Board Rate Recommendation

Market Analysis

- All WSU housing voluntary, no freshman housing requirement.
- Competitive pricing based on comprehensive December 2016 Market Demand Study and annual benchmarking for Midtown Detroit and our peer universities.

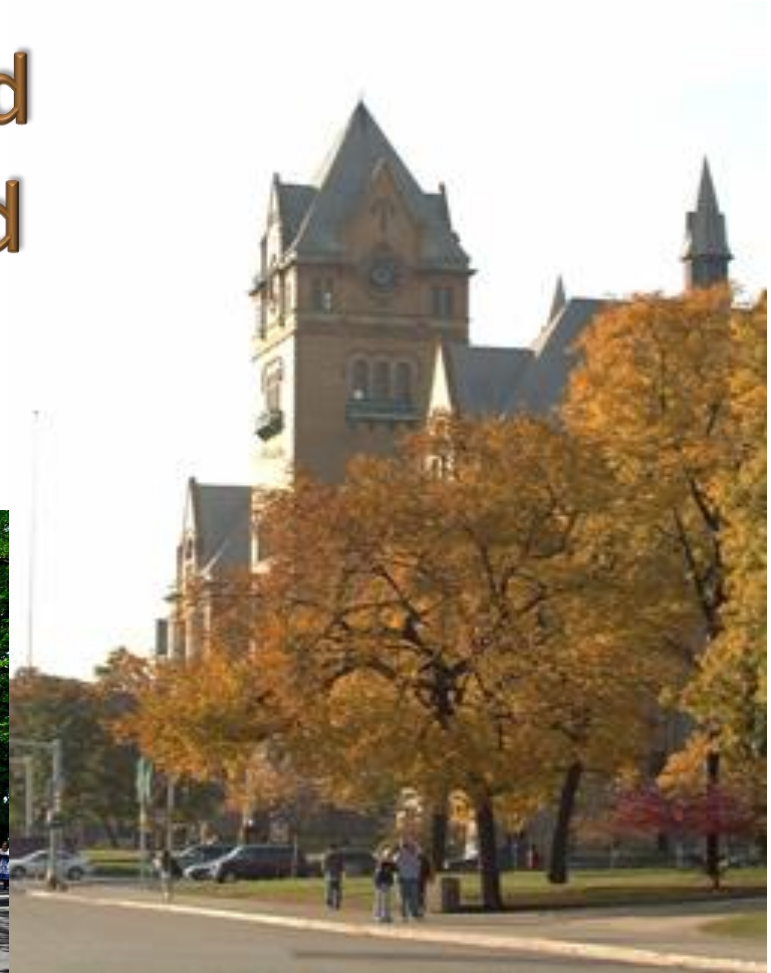
Goals of FY18 Budgets with transition to New Housing Partnership

- Implement WSU 2016-26 Housing Facilities Master Plan with start of Anthony Wayne Drive Apartments.
- Provide a robust, educational residence life and dining experience.
- Reflect elimination of both the housing \$3.7 Million deficit fund balance and the \$1 Million annual general fund subsidy.

Total Cost of Attendance/Financial Aid



2017-18 Room & Board Recommendations and FY18 Draft Budgets



Housing & Residential Life 2017 – 2018 Rate Proposal

(Three pages of detail following this slide)

- Typical freshman room and board package increase is \$212 to \$9,562 (2.27%) *based on semi-suite and new meal plan offering*
- Typical upper-class room and board package increase is \$450 to \$10,854 (4.32%) *based on suite single and Weekly 12 +\$350 meal plan*
- Typical meal plan rate increase 3.18%
- Typical apartment increase is 5.0%

Five Year Room and Board Rate History

FY13 freshman room and board = \$5088 + \$2960 = \$8048 (+3.37% over FY12 = \$262)
FY14 freshman room and board = \$5266 + \$3064 = \$8330 (+3.50% over FY13 = \$282)
FY15 freshman room and board = \$5372 + \$3390 = \$8762 (+5.19% over FY14 = \$432)
FY16 freshman room and board = \$5534 + \$3520 = \$9054 (+3.33% over FY15 = \$292)
FY17 freshman room and board = \$5680 + \$3670 = \$9350 (+3.27% over FY16 = \$296)

Housing and Residential Life Room Rate Recommendations for 2017-18

To successfully launch the new housing partnership, an additional 2% across-the-board increase is recommended in addition to the planned 3% increase in room and apartment rates. The 40-year partnership pro forma is built on an average 3% increase after 2017-18.

		2016-17	2017-18	Increase
Ghafari & Atchison Halls		Annual	Annual	
Single Occupancy rooms with private bath		\$7,504	\$7,880	5%
Double Occupancy rooms with private bath		\$5,680	\$5,964	5%
Triple Occupancy rooms with private bath		\$4,836	\$5,080	5%
The Towers Residential Suites	Suite Types			
Double Occupancy room with shared bath	A	\$5,948	\$6,246	5%
Single Occupancy room with private bath	E and G	\$7,990	\$8,390	5%
Double Occupancy room within a suite	B and C	\$6,602	\$6,932	5%
Single Occupancy room within a regular suite	C, D and F	\$6,814	\$7,156	5%
Deroy Furnished Apartments				
Efficiency apartment single		\$8,560	\$8,988	5%
One bedroom apartment double		\$6,794	\$7,134	5%
Two bedroom apartment single per room		\$8,164	\$8,572	5%
Deroy Apartments		Monthly	Monthly	
Efficiency unfurnished		\$825	\$866	5%
One Bedroom unfurnished		\$908	\$953	5%
Two Bedroom unfurnished		\$1,070	\$1,124	5%
Chatsworth Apartments				
Efficiency unfurnished		\$780	\$819	5%
One Bedroom unfurnished		\$910	\$956	5%
Two Bedroom unfurnished		\$1,175	\$1,234	5%
University Towers				
One Bedroom unfurnished		\$1,100	\$1,155	5%
Two Bedroom unfurnished		\$1,264	\$1,328	5%
Three Bedroom unfurnished		\$1,700	\$1,785	5%

Housing and Residential Life

Board Rate Recommendations for 2017-18

Meal Plans (per person)	2016-17 Annual	2017-18 Annual	Increase
Warrior Pass 50 (Unlimited + \$50/sem)	\$3,670	\$3,798	3.49%
Warrior Pass 250 (Unlimited + \$250/sem)	\$4,050	\$4,178	3.16%
Warrior Pass 400 (Unlimited + \$400/sem)	\$4,300	\$4,438	3.21%
Weekly Plans			
Weekly 15 + 100 (Fifteen Swipes/wk + \$100/sem)		\$3,598	
Weekly 12 + 350 (Twelve Swipes/wk + \$350/sem)	\$3,590	\$3,698	3.01%
Weekly 5 + \$150 (Five Swipes/wk + \$150/sem)	\$1,660	\$1,710	3.01%
Block Plans			
Block 15 (15 Swipes/sem)	\$110	\$110	0.00%
Block 30 (30 Swipes/sem)	\$208	\$210	0.96%
Block 45 (45 Swipes/sem)	\$308	\$310	0.65%

All freshmen must select a Warrior Pass Plan or the Weekly 15 + \$100.

Block Plans are only for non-resident students/faculty/staff.

Any WSU community member can buy Warrior Dollars in \$50 increments.

Cost Drivers

- Food costs projected to increase 2.5-3.0% (USDA, Dept. Labor, CPI)
- Supervisor and manager salaries increasing to remain competitive

FY18 Residential Life Fund and FY18 Residential Dining Fund Projected Operating Statements

	2017 Approved Budget	2017 Projected Budget (Partnership begins 7/1/17)	2018 New Residential Life Budget	2018 New Dining Fund Budget
REVENUE				
Apartment Income	(\$7,712,736)	(\$6,247,316)	\$0	\$0
Residence Hall Income	(\$10,513,042)	(\$9,096,572)	\$0	\$0
Partnership Residence Life Services			(\$3,414,400)	\$0
Meal Plan Income	(\$6,139,884)	(\$6,139,884)	\$0	(\$6,087,754)
General Fund Subsidy	(\$1,000,000)	(\$1,000,000)	\$0	\$0
Other Income	(\$1,546,526)	(\$1,177,105)	\$0	\$0
Revenue Total	(\$26,912,188)	(\$23,660,877)	(\$3,414,400)	(\$6,087,754)
EXPENSES				
Personnel	\$3,589,688	\$3,270,039	\$2,680,081	\$63,154
Facilities Maintenance	\$1,107,000	\$785,970	\$0	\$0
Utilities	\$2,077,925	\$1,287,925	\$0	\$0
Meal Plan Expense	\$4,416,656	\$4,416,656	\$0	\$4,404,228
Operating Expenses	\$2,551,888	\$2,200,852	\$664,093	\$52,000
Bad Debt Housing	\$313,000	\$0	\$0	\$0
Bad Debt Dining	\$140,000	\$106,000	\$0	\$106,000
Debt Service	\$8,211,764	\$8,211,764	\$0	\$0
Projects/Transfers	\$3,648,479	\$2,504,327	(\$7,537)	\$350,000
Expense Total	\$26,056,400	\$22,783,533	\$3,336,637	\$4,975,382
Net Income (Loss)	\$855,788	\$877,344	\$77,763	\$1,112,372
Fund Balance	(\$3,963,460)	(\$3,704,901)	\$77,763	\$1,112,372

In Summary

Housing & Residential Life and Dining 2017–18 Rate Proposal

- *Typical freshman room and board increase of 2.27% to \$9,562 (\$212)*
- *Typical upper-class room and board increase of 4.32% to \$10,854 (\$450)*
- *Typical meal plan rate increases of 3.18% (excluding new plan)*
- *Typical unfurnished apartment increases of 5.0%*

This room & board rates' proposal and resulting draft FY18 budgets support

- Reasonable rate increases for room and board services
- Elimination of \$1 Million general fund subsidy
- Elimination of \$3.7 Million deficit fund balance for housing system
- Start of New Housing Partnership
- Supports beginning of 2016-26 Housing Facilities Master Plan with April 24, 2017 groundbreaking for the Anthony Wayne Drive Apartments

➤ ***2017-2018 Room and Board Resolution for Adoption***