

ACTION ITEM #1
FY2011 Housing and Dining Rates
(Greg Royer)

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: FY2011 Housing and Dining Rates

PROPOSED: That the Board of Regents approve an increase in the Housing and Dining Rates not to exceed the following percentage from the FY2010 Rates.

Residence Halls: (new rates are for new residents, continued residents charged existing rates)

3.5% (\$292) of the total weighted average for room and board. (weighted average of a double room and level 2 dining plan)

Apartments:

6% of the total weighted average for apartment rates.

SUBMITTED BY: Greg Royer, Vice President for Business and Finance

SUPPORTING
INFORMATION:

The Housing and Dining System is a self-sustaining auxiliary unit which requires establishing room and board rates that are sufficient to meet bond covenants and support the University's strategic goals.

The Housing and Dining Advisory Board is comprised of student representatives from the Resident Hall Association (RHA), Associated Students of Washington State University (ASWSU), Graduate and Professional Students Association (GPSA), as well as representatives from the Budget Office, Office of Business and Finance, and the Division of Student Affairs, Equity and Diversity.

The Housing and Dining Advisory Board met throughout the fall semester to review the budget and develop the rate increase recommendations for action by the Board of Regents. The Advisory Board toured various facilities within the system and was provided notebooks containing detailed information with regard to budget, organizational charts, and system goals as it relates to the 10 year housing plan. Based upon student input, economic projections and system demands, the rate recommendations were developed. There was unanimous support from the Advisory Board. Based on Regents' approval, the new rates will begin with the start of fall semester 2010.

The Advisory Board is comprised of six student representatives* and seven administrators as outlined below.

Representative:

Rachael Fasnacht*
Drew George*
Jason McConnell*
Brenden Niedermeyer*
Tyler Perkins*
Spenser Phelan*
Terry Boston
Gary Coyle
Eleanor Finger
Barry Johnston
Michele Nowell-Smith
Matt Skinner
Bob Tattershall

Area:

RHA Representative
Student Resident Advisor
GPSA President
RHA President
Student Resident Advisor
ASWSU Representative
Administrative Services
Dining Services
Residence Life
Business and Finance
Administrative Services
Budget Office
Housing & Conference Services

Washington State University Housing and Dining

Residence Hall, Dining and Apartment Rate Proposal

2010-2011 Academic Year

Apartment Rate Proposal:

Revenue assumptions

Provide cable internet service

Expense assumptions

New cost of providing cable internet service

2.8% inflation on supplies and services

Recommended Increases:

Apartments weighted average increase

Single-student apartments increase: **6.0%**

Family housing increase: **6.0%**

Residence Hall, Dining Rate Proposal:

Residence Hall occupancy trends, Fall Census Day (10th day after classes start)

2006	4,112
2007	4,458
2008	4,647
2009	4,750
2010 (projected)	4,738

Revenue assumptions

3400 targeted Freshmen class

Refurbishment of Regents, Scott and Coman halls included in realignment of residence hall rate groupings

Expense assumptions

0% cost of living increase for employees

1.4% increase for hourly personnel due to estimated increase in minimum wage 4.0% increase in food costs

6.0% net increase in employee benefits

0.0% Utility costs

2.8% inflation on supplies and services

Add 17 (student) Residence Advisor (RAs) to Residence Life staff

Add 20 (student) Resident Technology Advisor (RTAs) – one per residence hall

Target \$2.0 million for major repairs and equipment and \$4.6m towards refurbishments

Residence Halls Room and Board

	<u>2009-2010</u>	<u>2010-2011</u>	<u>Increase</u>	<u>% Increase</u>
Weighted average residence hall double room	\$4,736	\$4,960	\$224	4.7%
Dining Plan, Level 2	<u>\$3,714</u>	<u>\$3,782</u>	<u>\$ 68</u>	<u>1.8%</u>
Total*	\$8,450	\$8,742	\$292	3.5%

* Total is the sum of weighted average double room and level 2 dining plan

Note: These are rates for new residents - continuing residents will be charged their guaranteed housing rate.

ACTION ITEM #7

Voluntary Retirement Incentive Plan (VRIP) (Joan King)

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Voluntary retirement incentive plan for eligible WSU employees who are members of a State of Washington administered retirement system

PROPOSED: That the Board of Regents approve the attached Voluntary Retirement Incentive Plan (VRIP) for eligible WSU employees who are members of a State of Washington administered retirement system (DRS Plan), and delegate authority to the President or his designee(s) to provide the incentive to WSU employees who apply and meet the eligibility requirements of the VRIP.

SUBMITTED BY: Joan King, Executive Budget Director

SUPPORTING INFORMATION: The Board of Regents has authority pursuant to RCW 28B.30.095 and RCW 28B.30.150 to govern the affairs of the university, and Section 912 of Chapter 564, Laws of 2009 (ESHB 1244) authorizes the University to offer retirement incentive programs to members of state administered retirement plans, provided the program is approved by the Office of Financial Management. Due to the continued budgetary uncertainty and projected loss of funding, adoption of such an incentive would assist the University in reducing its budget. A similar plan was offered last year to WSU employees who are members of the WSU Retirement Plan, but we were not able to offer that plan to WSU employees who are members of a state administered retirement system due to a lack of legislative authority. WSU developed and presented a retirement incentive plan to OFM pursuant to the legislative authority granted in ESHB 1244, and OFM approved that plan in late December. The details of the plan are set forth in the Attachment to this item. If approved, the University would begin offering the VRIP on February 15, 2010.

BOARD OF REGENTS

Voluntary Retirement Incentive Plan (VRIP)

Resolution #100129-376

WHEREAS, the Board of Regents of Washington State University by virtue of RCW 28B.10.528 has authority to delegate by resolution to the President of the University, or designee, powers and duties vested in or imposed upon the Board by law and to enable the President, or designee to act on behalf of the Board of Regents in matters relating to the administration and governance of the University.

RESOLVED: That the Board of Regents approve the attached Voluntary Retirement Incentive Plan (VRIP) for eligible WSU employees who are members of a State of Washington administered retirement system (DRS Plan), and delegate authority to the President or his designee(s) to provide the incentive to WSU employees who apply and meet the eligibility requirements of the VRIP.

Dated this 29th day of January, 2010.

Chair of the Board of Regents

Secretary to the Board of Regents



STATE OF WASHINGTON
OFFICE OF FINANCIAL MANAGEMENT

Insurance Building, PO Box 43113 • Olympia, Washington 98504-3113 • (360) 902-0555

December 22, 2009

Joan King
Executive Director of Planning and Budget
Washington State University
P. O. Box 641041
Pullman, Washington 99164-1041

Dear Ms. King:

Thank you for submitting a revised plan for Washington State University's participation in the Voluntary Separation, Retirement, and Downshifting Program. Your changes meet all of the conditions for approval that were previously specified. I am pleased to approve the revised plan (submitted yesterday through Mr. Larry Ganders) to take effect on December 23, 2009.

I have attached a copy of your approved plan. It indicates that you intend to offer voluntary retirement incentives of \$23,270 to eligible employees. Your agency will use expenditure savings resulting from the plan to recover the cost of these incentives by December 23, 2011. You have agreed to report to the Office of Financial Management and the Legislature on the outcome, or expected outcome, of this effort by June 30, 2011.

If you have any questions regarding the Voluntary Separation, Retirement and Downshifting Program, please contact Jane Sakson, Budget Assistant to the Governor, at (360) 902-0549.

Sincerely,

Victor A. Moore
Director

cc: Rich Heath, WSU
Theresa Elliot-Cheslek, WSU
Larry Ganders, WSU
Jane Sakson, OFM

Voluntary Retirement Incentive Program for WSU Employees in State Retirement Plans

Washington State University (WSU) submits this voluntary retirement incentive program to the Office of Financial Management for approval pursuant to the authority granted in Section 912 of Chapter 564, Laws of 2009 (ESHB 1244.)

The WSU Voluntary Retirement Incentive Program (VRIP) would be offered to all eligible WSU employees who are members of a retirement plan administered by the Department of Retirement Systems (DRS), including PERS, TRS, and LEOFF. WSU will strategically target VRIP offers to eligible DRS participants in a manner which will avoid disruption of government services. The VRIP will not be targeted to eligible DRS participants on the basis of individual or personal factors.

WSU currently has approximately 114 employees who would be eligible to participate in the VRIP. This is about 3% of WSU's non-faculty staff. WSU will retain sufficient positions, occupations and skills in order to achieve our mission and priorities. The cost of the VRIP will be offset by a reallocation of resources when vacancies created by the VRIP occur, including minimizing supervisory and overhead positions.

Basic provisions of the program are:

1. To be eligible the employee must have been employed by WSU for at least 10 years, must have been eligible for normal retirement for at least 12 months under their DRS administered plan, and must be a permanent employee.
2. Eligible employees who wish to receive the incentive payment must submit their application for retirement to DRS and apply to WSU for the incentive payment no later than (three month window period to apply.) Separation from service must be effective no later than (one month after the end of the window period.)
3. WSU will make a one-time payment of \$ 23,270 to the eligible retiring employee, which will on average, yield approximately \$18,000 of after tax benefit. Actual after tax benefit will vary based on individual tax status of the retiring employee. Participating employees may consult with their tax advisor to determine their individual after tax effect
4. An employee who accepts this incentive payment is not eligible for unemployment compensation.
5. The incentive payment is not considered income for purposes of calculating retirement benefits.
6. An employee's decision to participate in this program is entirely voluntary.
7. An employee who receives this incentive must repay the full amount of the incentive to the employee returns to service at the University or a state agency (as an employee or contractor) within five years unless, prior to hire, WSU requests and OFM authorizes it to require less than full repayment.
8. Any employee accepting an incentive payment under the VRIP must sign a form that states that the employee's decision to participate in this program is entirely voluntary and that the employee fully understands the re-employment, income, unemployment compensation, and other restrictions applicable to participation in the VRIP.

9. The expenditure savings resulting from the retirement must be identified, and the amount of the incentive payment must be recovered from the expenditure savings within the 2009-11 biennium.
10. No employee has a contractual right to an incentive offered by this program prior to acceptance and approval of an application by WSU.
11. WSU will submit the report required by Section 912 to the Legislature and OFM by June 30, 2011.

Employees who have questions about the plan may contact Lisa Gehring or Ann Monroe with Human Resource Services at 335-4521.

LHG/Dec. 21, 2009