

FINANCE AND RESOURCE MANAGEMENT COMMITTEE

September 31, 2021

Background

Traditionally, the Board of Visitors approves of the upcoming academic year’s tuition and fee rates at the spring Board meeting. This includes the setting of Board (dining) plan rates. The initial rates for the 2021-22 academic year were approved in March 2021.

Since the passage of these initial rates, market pressure on wages impacting the workforce of the university, the region, and the nation have become acute, resulting in significant difficulty in recruiting and retaining employees in entry-level positions across campus, especially in dining services. These jobs are essential to the continued operation of campus dining programs which the university is contractually obligated to provide to meal plan holders. Dining has the largest number of impacted positions.

In early September, the university approved an increase to entry wage levels for Dining Service employees from \$10.50 to \$15.00 per hour for hourly wage and an increase from \$11.25 to \$15.25 per hour for salaried employees. These significant and unanticipated cost increases of \$5.4 million require revisions to menu prices in the university’s dining halls. In order to maintain the purchasing power of students’ meal plans and ensure a structurally aligned budget, an increase to the spring semester Board rates is recommended.

Proposed Board Rate Adjustment

Students living on-campus currently have a choice of three types of flexible meal plans. The Flex Plan operates like a debit account with a designated amount for the purchase of food in the dining facilities. Students may deposit cash to their Flex accounts to increase their balance during the year. Consistent with the purchasing power of traditional meal plans, the intent of annual rate changes for the Flex Plans is to hold overall purchasing power constant from year to year.

A 9.1 percent increase is proposed for board fees, effective starting with the spring 2022 semester, to cover the market adjustment for compensation rates. The proposed spring board rates by meal plan program are listed below, and will serve as the basis for the annual base rates moving forward:

	Spring 2021-2022 Board Rates		Change	
	Approved	Proposed	\$	%
Major Flex Plan	\$2,063	\$2,250	\$187	9.1%
Mega Flex Plan	2,213	2,414	201	9.1%
Premium Flex Plan	2,368	2,583	215	9.1%

RECOMMENDATION:

That the Board of Visitors approve the recommended meal plan rates effective Spring 2022.

November 8, 2021