

MEAL PLAN FEE INCREASE

Several changes to the current meal plan structure for residential students are being made, and Board approval is sought for a 2.8% meal plan rate increase. The new meal plans are designed to respond to student requests for greater flexibility and to maintain Shepherd's competitive position within the region with respect to student services. With these plans, Dining Services will continue to be a strong supporter of the University's mission, particularly in terms of recruitment and retention efforts. The objective of the new plans is to continue to improve student satisfaction and to do everything possible to preserve historic occupancy rates in the traditional residence halls after the opening of Shepherd University's on-campus apartments.

Dining Services will continue to offer a 19 meal/week plan to residential students. The 5 and 10 meal plans will be eliminated. Additionally, a 15 meal/week plan will be offered with \$125 "dining dollars" to students who have successfully earned credit hours in excess of 25 and a 12 meals/week plan with \$250 "dining dollars" for students who have successfully earned credit hours in excess of 57. The "dining dollars" may be spent only at Dining Service locations (Dining Hall, Ram's Den, and Fireside Bistro). Each plan will include eight additional "guest" meals that students may use in the Dining Hall.

It is recommended that the price of the 19, 15, and 12 meal plans be set at 2.8% above the current price of the 19 meal plan. This adjustment is needed to cover partially next year's operational costs, which include projected increases in food and employee salaries and benefits. The 2.8% rate increase, assuming historic occupancy levels (97% in fall, 95% in spring), will likely yield a \$29,000 reduction in bottom line revenue. However, this conservative rate increase will allow Shepherd to remain competitive, achieving the primary objective of maintaining maximum occupancy in the traditional residence halls. If higher board rate increases resulted in decreased occupancy of as little as 5% (49 students), then revenue would be reduced by over \$100,000.

The following resolution is recommended for adoption by the Board:

RESOLVED, That the Board of Governors approves for FY07 a meal plan fee increase of 2.8% above the current 19 meal plan rate.

Summary of Proposed Board Rate Increases for FY07

Dining Services Proposed Meal Plans	FY06 Actual Cost	FY07 Cost with 2.8% Increase	FY06 vs 07 Difference
19 meals/wk	\$1,458	\$1,499	\$41
15 meal/wk + \$125 dine \$'s	N/A	\$1,499	N/A
12 meals/wk + \$250 dine \$'s	N/A	\$1,499	N/A

Board Rate Comparison Between Shepherd University and Regional Peer Universities

Based on Projected Board Rate Increases for FY07

Institution (Rate Increase)	19 Meals (Current)	19 Meals (Projected)	DB\$	Meal Transfer	Total Meals (w/guests)	Contract	Value% vs. SU
Shepherd University (2.8%)	\$1,458	\$1,499	\$0	yes	312	self-op	100%
Fairmont State (4%)	\$1,402	\$1,458	\$0	no	304	Alladin	100%
Frostburg State (5%)	\$1,494	\$1,569	\$100	yes	314	Sodexhc	97%
James Madison (4%)	\$1,547	\$1,609	\$150	no	304	Aramark	100%
Salisbury (1.5%)	\$1,599	\$1,623	\$0	no	308	self-op	110%
Shippensburg (3.5%)	\$1,210	\$1,252	\$150	no	304	Sodexhc	76%
Towson (3%)	\$1,560	\$1,607	\$50	yes	304	Chartwells	107%
West Virginia University (4%)	\$1,497	\$1,557	\$50	no	304	self-op	103%

* Shepherd Board Rate increase of 2.8%

* Projected rate increases for peers are based on a combination of telephone interviews and averaging of increases implemented in recent ye

* Note: Shippensburg housing rate of \$1,645 is \$93 more than Shepherd (6% higher). Factoring in housing the room & board rate of Shippensburg 87% of Shepherd.

Institution	14/15 Meals (Current)	14/15 Meals (Projected)	DB\$	Meal Transfer	Total Meals (w/guests)	Contract	Value % vs. SU
Shepherd University (15)	\$1,458	\$1,499	\$125	yes	248	self-op	100%
Fairmont State (15)	\$1,274	\$1,327	\$0	no	240	Alladin	100%
Frostburg State (14)	\$1,414	\$1,485	\$100	yes	224	Sodexho	112%
James Madison (14)	\$1,423	\$1,480	\$250	no	224	Aramark	101%
Salisbury (no 14/15 plan)	N/A	N/A	N/A	no	N/A	self-op	N/A
Shippensburg (15)	\$1,078	\$1,116	\$150	no	240	Sodexho	73%
Towson (14)	\$1,473	\$1,517	\$50	yes	224	Chartwells	119%
West Virginia University (15)	\$1,398	\$1,454	\$50	no	240	self-op	106%

* Used same board rate increase percentages as above.

Institution	10/12 Meals (Current)	10/12 Meals (Projected)	DB\$	Meal Transfer	Total Meals (w/guests)	Contract	Value % vs. SU
Shepherd University (12)	\$1,458	\$1,499	\$250	yes	200	self-op	100%
Fairmont State (no 10/12 plan)	N/A	N/A	N/A	no	N/A	Alladin	N/A
Frostburg State (12)	\$1,534	\$1,611	\$250	yes	192	Aramark	114%
James Madison (11)	\$1,492	\$1,552	\$400	no	176	Aramark	109%
Salisbury (12)	\$1,585	\$1,609	\$250	no	192	self-op	114%
Shippensburg (10)	\$848	\$878	\$150	no	160	Sodexho	76%
Towson (10)	\$1,329	\$1,369	\$50	yes	160	Chartwells	133%
West Virginia University (10)	\$1,261	\$1,311	\$50	no	160	self-op	127%

* Used same board rate increase percentages as above.