WESTERN WASHINGTON UNIVERSITY
ITEM SUBMITTED TO THE BOARD OF TRUSTEES

TO: Members of the Board of Trustees
FROM: President Sabah Randhawa on behalf of Vice President, Melynda Huskey
DATE: October 13, 2023
SUBJECT: Approval of Housing & Dining Rates
PURPOSE: Action Item

Purpose of Submittal:
Approval from the Board for increases in rate for Housing and Dining room and board for 2024-2025.

Proposed Motion:
MOVED, the Board of Trustees of Western Washington University, upon recommendation of the University President, approve the Housing and Dining rates as proposed. The 2024-2025 proposed rates call for:

1) 4.47% increase in the base residence hall room and board rates.
2) 4.50 % increase in Birnam Wood apartment rental rates.

Introduction:
The attached rate increase, budget, and supporting documentation represent recommendations for FY2024-25 for the Housing & Dining System [the System] which consists of University Residences, and facilities and operations of the Viking Union. This budget and rate proposal responsibly responds to inflationary pressures, maintains core functions of Western’s quality residential program, and enables the System to continue comprehensive program of facility renewals and renovations. As with every year, a major influence for planning came from the standards and expectations outlined in the Principles for the Housing & Dining system. This recommended budget meets those standards and ensures the necessary reserve fund balances, planned major maintenance, debt service coverage, and capital planning.

Management’s Comments:
Strong occupancy demand during 2023-24 means the System can continue to replenish its reserves going into 2024-25. For Fall 2023 housing anticipates opening at full capacity, leaving a few bed spaces for room transfers to address mental health and interpersonal management concerns. Operational plans for Fiscal 2024 are designed to move the System forward. For FY2025, emphasis is placed on maintaining affordability, safety, and access. With dining rates increasing 6.9%, room increases are proposed to increase between 4.47% - 4.50% to maintain an aggregate average increase of 4.47%.

Birnam Wood apartments are proposed to increase 4.5%. With the increase, the monthly rate for Birnam Wood will go from $539 to $563 per month. Even with the $24 per month increase, Birnam Wood is significantly lower than other comparable off-campus apartments in the area, which are approximately $950/mo., save utilities, based on a October 2023 review.
Budget and Rate Planning Influencers:

**Inflation:** Several large expenditure components of the System’s budget, e.g., wages, benefits, food service, and certain recharges are tied to legislative, contractual, or collectively bargained requirements. It is expected inflation rates continue to increase. Once again, the increase in inflation was 5.7% (less food and energy) from one-year earlier. Food prices increased 7.2% while the cost of food away from home (restaurant dining) increased 7.7% from one-year earlier. University Residences leadership continues to seek opportunities for cost reductions and efficiency.

**The Capital Plan and System Renovations:** The Housing & Dining Capital Plan addresses the long-term financial strength of the System and ensures the System’s facilities meet Western’s enrollment expectations and meet or exceed the Board of Trustees’ fiscal principles. It also invests in infrastructure to ensure longevity, health, and safety, and responds to changing needs and expectations, including significant and much-needed renovations. A development plan was completed in March 2020 to integrate these efforts with the University’s strategic and enrollment plans. System resource planning will ensure the number of units, condition, and appropriateness for programmatic needs are optimized.

The attached presentation to student leaders contains important additional information about the rate increase, differential pricing, and System budget planning.
Introduction

The attached rate increase, budget, and supporting material represent recommendations for FY2024-25 for the Housing & Dining System (the System) which consists of University Residences, Dining Services, and the facilities & operations components of the Viking Union. This budget and rate proposal responsibly approaches inflationary and recharge pressures, maintains the functions of Western’s quality residential program, and allows the System continue recovery from the FY2020 and 2021 financial disruptions as needed capital investments loom. This recommended budget meets those standards of necessary reserve fund balances, planned major maintenance, debt service coverage, and capital planning.

Why is a Housing Rate Increase Needed?

The proposed rates represent the System’s continued efforts to provide a quality residential experience at an affordable cost. The attached documents review the impact of additional costs on the System and responses to those impacts. The rate increase addresses external rate pressures such as inflationary and recharge rate increases and reflects continued financial positioning in response to the demands of facility renovations needed. The System’s staff continues to research efficient operating methods and ways to develop and bring relevant services to the student residential experience. State funds are not used to support the Housing & Dining System.

Programmatic & Enhancements Considerations

Student feedback is gathered through dinner dialogue with students and a “Dessert with the Director” gathering during the first ten days of October 2023. This feedback is utilized to make programmatic and enhancement investments. The programmatic enhancements are currently being processed: Enhanced Wi-Fi, access control, gender-neutral restrooms, and updated bike storage.

Planning Considerations and Assumptions:

Occupancy

University Residences plans to open at full operating occupancy assigning most rooms at designed capacity. The System plans to offer housing to 1,100 returning students for Fall quarter, to address the housing shortages in Bellingham.

Differential Pricing

For the third year, Western continues to offer tiered pricing to accommodate student needs. Sixty-five percent (65%) of residence hall beds are at the lowest price tier, 19% of spaces at the middle tier and 16% of rooms at the top-level premium tier. The differentiating criteria for premium rooms are in-suite kitchen availability and general bathroom density. Examples of top-tier rooms are in Buchanan Towers and Buchanan Towers East. Examples of middle-tier rooms are most of the rooms in Alma Clark Glass, Edens, and Higginson Hall.
Affordability & Choice
Student input provides consideration of affordable living spaces. Coming out of a pandemic and faced with historically high inflation rates, University Residences placed student affordability as the highest priority when putting together the FY2024 budget. Feedback from students consistently showed they desire more value. Late-night dining, improved accessibility, addressing health and safety concerns, are the focus for FY2024.

Proposed Rate Increases:
The proposed base rate increase for all residential hall rooms with meal plans is an aggregate of 4.47%.

- Impact of the base rate Increase: Residence Halls (Room & Board): At a 4.70% increase, a base tier triple room with 125 Meal Plan increases $66/month or $594 for the academic year.
- Weighted Meal Plan average cost increase proposed is 7.2%
- Birnam Wood (shared Room): a 4.5% increase equates to an increase of $24/month or $216 for the academic year.

WESTERN WASHINGTON UNIVERSITY – HISTORICAL DATA

<table>
<thead>
<tr>
<th>ACADEMIC YEAR</th>
<th>ACADEMIC YEAR RATE with 125 BLOCK PLAN</th>
<th>% OF CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-15</td>
<td>$9,662</td>
<td>4.00%</td>
</tr>
<tr>
<td>2015-16</td>
<td>$9,952</td>
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<tr>
<td>2016-17</td>
<td>$10,350</td>
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<tr>
<td>2017-18</td>
<td>$10,971</td>
<td>6.00%</td>
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<tr>
<td>2018-19</td>
<td>$11,465</td>
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<tr>
<td>2019-20</td>
<td>$12,037</td>
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<tr>
<td>2020-21</td>
<td>$12,519</td>
<td>4.00%</td>
</tr>
<tr>
<td>2021-22</td>
<td>$13,079</td>
<td>4.50%</td>
</tr>
<tr>
<td>2022-23</td>
<td>$13,747</td>
<td>3.55%</td>
</tr>
<tr>
<td>2023-24</td>
<td>$14,342</td>
<td>4.73%</td>
</tr>
<tr>
<td>2024-25</td>
<td>$15,016</td>
<td>4.49%</td>
</tr>
</tbody>
</table>

10-Year Average Percentage Change 4.34%
Based on the Double Room, Level 1 or Value Rooms with a 125 Meal Plan for each Academic Year.

### SAMPLE ROOM & BOARD RATES and APARTMENT RENTS FOR 2024-2025

<table>
<thead>
<tr>
<th>Room &amp; Board Plans: Academic Year</th>
<th>2023-24 Estimated</th>
<th>2024-25 Proposed</th>
<th>2024-25 Rate of Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Double Room with 125 meal plan - Level 1 or Value Rooms</td>
<td>$14,342</td>
<td>$15,016</td>
<td>4.5%</td>
</tr>
<tr>
<td>Double Room with 125 meal plan - Level 2 or Standard Rooms</td>
<td>$14,895</td>
<td>$15,613</td>
<td>4.6%</td>
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<tr>
<td>Double Room with 125 meal plan - Level 3 or Premium Rooms</td>
<td>$15,811</td>
<td>$16,563</td>
<td>4.5%</td>
</tr>
<tr>
<td>Triple Room with 125 meal plan - Level 1 or Value Rooms</td>
<td>$12,067</td>
<td>$12,661</td>
<td>4.7%</td>
</tr>
<tr>
<td>Triple Room with 125 meal plan - Level 2 or Standard Rooms</td>
<td>$12,452</td>
<td>$13,078</td>
<td>4.8%</td>
</tr>
<tr>
<td>Triple Room with 125 meal plan - Level 3 or Premium Rooms</td>
<td>$13,279</td>
<td>$13,936</td>
<td>4.7%</td>
</tr>
</tbody>
</table>

### Birnam Wood Apartment Rents: Academic Year

| Birnam Wood: Monthly rate per person per bed (Two bedrooms with 4 occupants) | $539 | $563 | 4.5% |
