**WESTERN WASHINGTON UNIVERSITY**

**ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

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**TO:** Members of the Board of Trustees

**FROM:** President Sabah Randhawa on behalf ofVice President’sNameand Title

**DATE:** Meeting Month, Day, Year

**SUBJECT: Title of Agenda Item (bolded)**

**PURPOSE:** Action Item

**Purpose of Submittal:**

*(Simple statement stating the purpose of the action item)*

To obtain approval from the Board for increases in rates for Housing and Dining room and board for 2015-2016.

**Proposed Motion:**

*(Legal wording for the requested action. This is what the Trustees will say in the meeting to approve request.)*

MOVED, that the Board of Trustees of Western Washington University, upon recommendation of the President, approve the Housing and Dining rates as proposed in the attached. The 2015-2016 proposed rates call for a 3.0 percent increase in residence hall and Birnam Wood apartment rental rates.

**Points to Consider:**

*(Brief main points of information on the subject, enough for the Trustees to understand the request.)*

* The rate increase addresses modest inflation and capital plan expenditures, and supports initiatives to improve student academic success and enhance residential services.
* The proposed 3.0% rate increase allows investment for scheduled renovations; is in the rate increase range of 3.5% – 5% projected in the 10-year capital plan; and is sensitive to students’ total WWU cost.
* The current long-term capital plan, shared at the Trustee’s December 2014 meeting, was based on the approximate rate increases shown below. Capital plan revisions and adjustments to inflation estimates may result in changes to these estimates.

Year FY12 FY13 FY14 FY15 FY16

*Estimated* *4.75% 4.75% 3.50% 4.25% 3.50%*

Actual/*proposed* 4.00% 3.00% 3.00% 4.00% *3.00%*

Year FY17 FY18 FY19 FY20 FY21

*Estimated 4.00% 4.00% 4.00% 4.00% 4.00%*

**Supporting Information:**

*(Brief additional background information on the subject, enough for the Trustees to understand the request.)*

* Housing and Dining Proposed Rates (copy of document shared with student groups)

# Introduction

The attached budget, rates and supporting documentation represents the recommendations for fiscal year 2015-16. Draft materials were presented to the Residence Hall Association and Associated Students’ Board of Directors. Subsequent minor edits have corrected figures in one table and added some explanatory text.

Summary

The department’s leadership has made every effort to account for the potential impact on the System, and the proposed rate increase has been thoughtfully considered relative to the total cost for students to attend Western. Each operating line item in the budget has been reviewed to ensure that revenue opportunities are examined and costs are managed carefully. This budget and rate proposal responsibly responds to inflationary pressures, maintains the core functions of Western’s quality residential program, and adds some components to increase student satisfaction and success. As with every year, a major influence for planning came from the University’s Strategic Plan along with the standards and expectations outlined in the Principles for the Housing & Dining System. This recommended budget meets those standards and ensures that management attends to the necessary reserve fund balances, planned major maintenance, debt service coverage, and capital planning. The figures and explanatory text reflect student input from surveys and committees as well as the most recent projections for revenue and expenditures.

The Capital Plan

The Enrollment and Student Services Housing & Dining Capital Plan addresses the long term financial strength of the System and ensures that the System’s facilities meet Western’s enrollment plan, meet or exceed the Board of Trustees fiscal principles, invests in infrastructure to ensure longevity, health and safety, and responds to changing student needs and expectations. Projects planned for fiscal year 2016 include the completion of the two-phase Nash fire sprinkler and seismic project, and the Kappa fire sprinkler and renovation project. Capital projects planned over the following 10 years include room and bathroom renovations, building envelope upgrades, upgrades to radiant heat systems, and new furnishings. Management continues to evaluate adding additional housing depending on the demand.

Why is a Housing Rate Increase Needed?

The proposed rates represent the System’s continued efforts to provide a quality program at an affordable cost. The attached documents review the impacts of the additional costs to the system, and the results of the responses to those impacts. The increase addresses external rate pressures such as inflationary and recharge rate increases, and continues transfers to the System’s capital plan that support the System’s ongoing investment in renovations. Enhancements for 2016 include the addition of tutoring services in housing and dining facilities, adding expanded food options and increasing dining hours, increased internet bandwidth, and improved mail package delivery. The System’s staff continue to look for efficient operating methods and ways to bring services to students. State funds are not used to support the Housing & Dining System.

Proposed Rate Increase:

1. The proposed Residence Hall and Birnam Wood rate increase is 3%.
2. The budget and rate materials presented below show that the System can support its 2015-16 programs with a rate increase of 3% based on our current understanding of expected inflationary pressures.
3. The 3% increase is consistent with the long range financing plan presented to the Board of Trustees which projects annual increases for the System in the 3.5% - 5% range over a ten year period. The projects in the long range financing plan are not affected by this slight reduction.

Impact of the Rate Increases

1. Residence Halls: At a 3% increase, a double room w/125 Meal Plan increases $43/month or $386 for the school year.
2. Birnam Wood: With 4 residents per unit: 3% increases the rent $10.62/month or $96 for the school year.