

**WESTERN WASHINGTON UNIVERSITY  
HOUSING & DINING SYSTEM  
2020-2021 PROPOSED RATES  
Information shared with Residential Student Leadership  
March 4, 2020**

**Introduction**

The attached rate increase, budget and supporting documentation represents recommendations for fiscal year 2020-21 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 responds to inflationary and recharge pressures, maintains the functions of Western's quality residential program, and helps position the System for this forthcoming plan. 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 of necessary reserve fund balances, planned major maintenance, debt service coverage, and capital planning.

**Summary:**

The recommended housing rate increase discussed with residential student advisory groups is 4%. Ongoing residential student leadership input will be incorporated into the proposed rate increase that will be presented to the Board at its April 17 meeting.

Influences on budget and rate planning:

Inflation: Several large expenditures of the System e.g. wages, benefits, food service, and certain recharges are tied to obligatory legislative, contractual, or collectively bargained requirements. Details are noted in the revenue and expenditure narrative in this presentation.

Enrollment: Very preliminary projections point to a reduction in 2020-21 enrollment which negatively impacts on-campus housing occupancy rates. Efforts are in process to make-up some of the anticipated one-year decline in new student counts with additional retuning residents and off-campus students desiring to return to campus housing to support their degree completion.

Comparative year adjustments: This budget reflects current year increases from the addition of one residence life position, the addition of a campus technology support agreement, and a correction to the calculation of estimated residential staff student wages, which, due to their timing, were not in the original comparative budget.

Program: Additions include student support for low-level case management, system developer support for the housing management software, two positions adding additional leadership in the facilities and occupancy management units, and a pilot program to increase the identification and follow-up of facility repairs. The inter-cultural peer advisor program (ICA's) piloted last year continues at full level.

The Capital Plan, System Renovations, and New Facility Planning: At this writing the final drafts of the System's long range development plan are under review by the consultant and university and will soon guide the next 20 years of facility additions and renovations for the housing & dining system. This planning will also align the System's facilities development with the University's strategic and enrollment plans. The first phase of this plan, the 400-student residence hall, is currently under construction in the Ridgeway area and will open Fall 2021 (FY2022). Expenditures for other 2020-21 projects totaling \$10 million are either already underway or are slated to begin after the halls close in June.

### **Proposed Rate Increase:**

The proposed rate increase for residential halls and apartments used for the pro-forma budget is 4.0%.

#### **Impact of the Rate Increase:**

- Residence Halls (Room & Board): At a 4.0% increase, a double room with 125 Meal Plan increases \$53/month or \$481 for the academic year.
- Birnam Wood (shared Room): a 4.0% increase equates to an increase of \$18/month or \$162 for the academic year.

### **Proposed Revenue & Expenditure Details:**

The following comments and figures pertaining to 2020-21 are in comparison to the 2019-20 proposed budget and rates presented at the April 2019 Board of Trustees meeting (see included pro-forma statement).

#### **Revenue Highlights and Assumptions**

- Overall, the System's budgeted operating revenue increase is \$942,656 or 1.8% over FY2020's proposed budgeted revenue.
- Early enrollment projections indicate a reduction in Fall 2020 WWU freshman admits; thus, openings for returning residents will be increased compared to last spring.
- Commission revenue increases per the WWU-Aramark schedule.
- Conference revenue increase is based primarily on increased bookings for Summer 2020.

## **Operating Expenditures Highlights and Assumptions**

- Budgeted Operating Expenditures are projected to increase by \$1,089,202 or 3.2%.
- Wages and Benefits decrease 18% or \$1.6 million mostly influenced by the shift of the University Residences custodial staff to a campus support model provided by WWU's campus custodial services. All current employees are retained. That shift is reflected in the Other Expenditures line item. A portion of the comparative difference shown here, due to timing of these presentations, were put into place in FY2020 but are reflected here in the FY2021 budget. Full time staff wages are increased per WWU guidance and bargaining unit agreements. Three additional FTE positions reflect needs in the facilities, occupancy management, and IT development areas.
- Dining services rates are under negotiation. The increase used here includes a residential dining rate increase per the WWU-Aramark Agreement, and costs mandated by minimum wage and leave regulations.
- Utilities: Taken together the various utility expenditures are expected to decrease \$72,000 or -2.5%. This is primarily due to reductions in expected costs for electricity and natural gas.
- Maintenance and repairs increase \$280,000 or 8.2% to reflect increased operating maintenance needs. The estimated recharge rate increase is not finalized, but this item assumes it at 4.5%.
- Other expenditures increase a net of \$1.96 million or 202% primarily due to the shift of housing custodial services to a recharged service provided by WWU's campus custodial services. Various reductions have been made to operational items including travel, training, and printing.

## **Non-Operating Expenditures Highlights and Assumptions**

- Debt service expense increases due to the principal and interest payments from the 2019 bonds which were sold in September 2019 (after the FY2020 rate proposal was presented).
- Allocations for major repairs and minor renovations decrease \$293,000 or 14% as System bond and reserve funds are used for larger projects either in process now or to begin June 2020. Transfers to the System's capital reserve fund decrease \$2.26 million or 29% primarily due to the offset of the increase in debt service payments. The balance is due to the reduction in expected revenue due to reduced occupancy..
- Overall, budgeted Non-Operating expenditures and transfers decrease \$147,000 or -1.8%.

**WESTERN WASHINGTON UNIVERSITY - HOUSING AND DINING SYSTEM  
PROPOSED OPERATIONS FOR BUDGET YEARS ENDING JUNE 30, 2020 & 2021**

**DRAFT**

	<b>DRAFT BUDGET 2019-20 As presented to BOT</b>	<b>DRAFT BUDGET 2020-21 As of 3/3/20</b>	<b>PERCENT CHANGE</b>	<b>DIFFERENCE BUDGET \$</b>
<b>REVENUES</b>				
Room and Board Payments	\$42,190,045	\$42,774,000	1.38% 2	\$583,955
Room and Board Fees and Penalties	220,500	223,500	1.36% 3	3,000
Investment Income	86,000	96,000	11.63%	10,000
Housing Rentals	142,850	145,850	2.10%	3,000
Conferences	532,099	687,099	29.13% 4	155,000
Commissions	3,115,699	3,338,800	7.16% 5	223,101
Viking Union Programs & Services	413,112	411,212	-0.46%	(1,900)
S & A Fee Distribution	1,310,477	1,310,477	0.00%	0
VU Building Fee & Multicultural Center Fee	3,250,307	3,250,307	0.00%	0
Other	44,150	10,650	-75.88% 6	(33,500)
<b>Total Revenues</b>	<b>\$51,305,239</b>	<b>\$52,247,895</b>	<b>1.84%</b>	<b>\$942,656</b>
<b>OPERATING EXPENDITURES</b>				
Salaries & Benefits	\$8,879,500	\$7,251,052	-18.34% 7	(\$1,628,448)
Food Service	14,374,015	14,647,205	1.90% 8	\$273,190
Communications	235,290	233,300	-0.85%	(\$1,990)
Electricity	830,931	772,283	-7.06% 9	(\$58,648)
Heat	1,006,624	931,680	-7.45% 9	(\$74,944)
Water/Sewer	587,985	608,280	3.45%	\$20,295
Refuse Disposal/Recycling	350,291	382,665	9.24%	\$32,374
Television Cable	134,225	143,225	6.71%	\$9,000
Maintenance & Repairs	3,406,492	3,686,392	8.22% 10	\$279,900
Operating Supplies	348,362	317,434	-8.88%	(\$30,928)
Equipment	395,794	343,744	-13.15%	(\$52,050)
Insurance	513,706	511,706	-0.39%	(\$2,000)
Rentals and Operating Leases	247,138	286,126	15.78%	\$38,988
Administrative Services Assessment (ASA)	1,771,849	2,005,284	13.17% 11	\$233,435
Student Services Support and other Recharges	562,689	650,501	15.61% 12	\$87,812
Other Expenditures	970,045	2,933,262	202.38% 13	\$1,963,217
<b>Total Operating Expenditures</b>	<b>\$34,614,936</b>	<b>\$35,704,139</b>	<b>3.15%</b>	<b>\$1,089,202</b>
<b>NON-OPERATING EXPENDITURES/TRANSFERS</b>				
Bond Debt Service	\$6,898,031	\$9,302,044	34.85% 14	\$2,404,013
R&R/ Minor Cap./Public Works Projects	2,120,000	1,826,800	-13.83% 15	(293,200)
Other Transfers	0	0	0.00%	0
Capital plan projects: Expensed or transferred	7,672,272	5,414,912	-29.42% 16	(2,257,360)
<b>Total Non-Operating Expenditures</b>	<b>\$16,690,303</b>	<b>\$16,543,756</b>	<b>-0.88%</b>	<b>(\$146,547)</b>
<b>Total Expenditures</b>	<b>\$51,305,239</b>	<b>\$52,247,895</b>	<b>1.84%</b>	<b>\$942,655</b>
<b>EXCESS (DEFICIT) OF REV OVER EXP</b>	<b>\$ (0)</b>	<b>\$ 0</b>	<b>0.00%</b>	<b>\$ (0)</b>

SEE NEXT PAGE FOR FOOTNOTE EXPLANATIONS

## FOOTNOTES TO THE ATTACHED 2020-21 HOUSING & DINING SYSTEM PROPOSED BUDGET

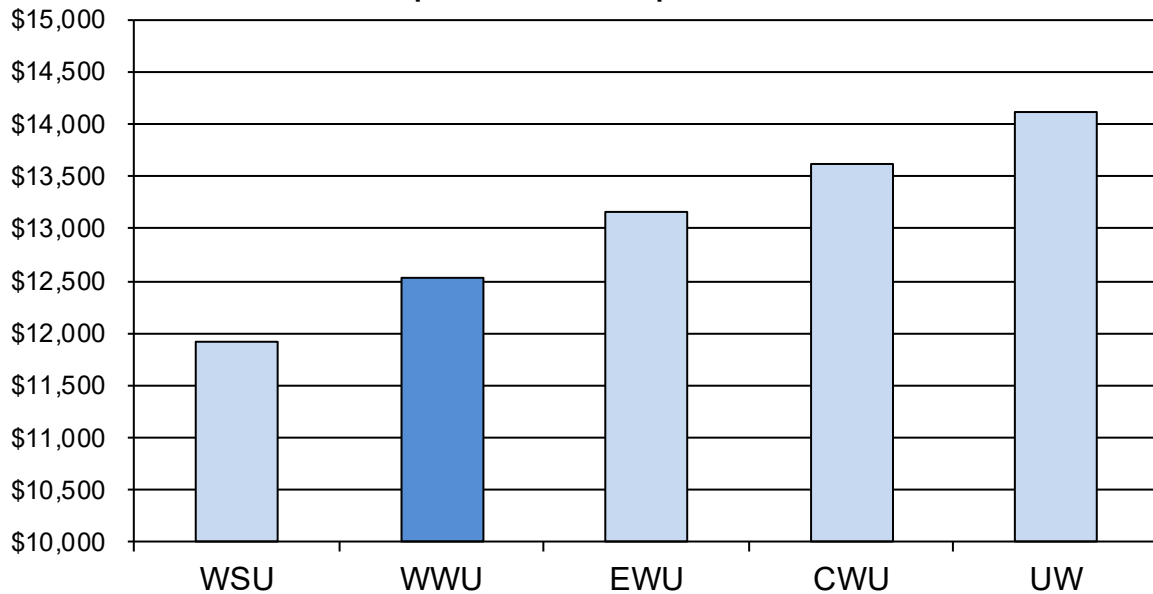
- (1) The 2019-20 Budget, as approved by the WWU Board of Trustees April 2019, is shown to compare with the 2020-21 proposed budget. After Fall 2019 opening, adjustments were made based on an analysis of opening residence hall and apartment occupancy. Those October 2019 revisions are not shown here.
- (2) Room & Board rate increase is proposed at 4.0%. Percent change shown varies primarily due to a reduction of 50 students from the Fall 2019 figure based on preliminary Fall 2020 Bellingham campus enrollment projections. Leased bed income is included in both years.
- (3) No increase in underlying fee/penalty rates. Includes revised housing application/contract cancellation fee to allow more optimization of available rooms.
- (4) Conference revenue increase due to expected booking increase and a slight increase in the room rate.
- (5) Food service commissions adjusted to reflect expected actuals.
- (6) The Viking Union Building Fee and the Multicultural Center fee are shown here. There is no increase to these two fees proposed for 2020-21.
- (7) FY2021 FTE wage increase incorporates cost of living increases at the WWU-recommended level and per bargaining unit agreements. 2.7% Minimum wage increase per state mandate. This budget recommends one new position in URES Facilities, one in Occupancy Management, and one in Technology. 2020-21 budget incorporates funding for a position hired late FY19, after that year's budget was passed. This line reflects the move of the department's custodial operation to WWU facilities management, thus changing the expense to an internal service as opposed to a direct salary expense.
- (8) The Food Service expense category includes residential dining, catering, conference dining and departmental food costs. Negotiations with the University's Dining Contractor are in process, so this budget conservatively shows a maximum amount for potential board plan price increase.
- (9) The net 2.5% (\$72,000) reduction in combined utilities primarily due to reductions in electricity and natural gas to
- (10) Increase reflects additional investment in facilities and incorporates estimated recharge rate increase from WWU
- (11) The FY2020 recharge rate for the Administrative Services Assessment (ASA) of 6.275% of adjusted revenue represents an increase of 8% over the current assessment.
- (12) Increase shown due primarily to the addition of WWU central IT support which began winter 2020. Reductions to other University Residences contributions to various departments are under review.
- (13) This category includes expenditures for: Support provided to other departments pertaining to URES programs, student activities, audit, consultants and client services, printing & copies, laundry, and other.
- (14) Increase in debt service due to the addition of the series 2019 bonds (new residence hall, Ridgeway Commons accessibility project, and BT renovation) which were sold September 2019.
- (15) Decreased allocation based on projects already in the public works pipeline, some of which will be drawing on capital plan reserves.
- (16) The "Transfer for Capital Plan Support" is an allocation representing operating, non-operating, Building Fee, and Multicultural Center fee funds placed into the System's renewal & replacement reserve fund for additions to and significant renovations of University Residences and Viking Union facilities.

**WASHINGTON PUBLIC UNIVERSITIES (with more than 2,000 on-campus beds)  
RESIDENCE HALL ROOM & BOARD PLAN COSTS  
FY2021 (as of 3/3/20)**

**Weighted Ave. Double Room Cost with Best-as-Possible Meal Plan Comparison:**

	<b>WSU</b>	<b>WWU</b>	<b>EWU</b>	<b>CWU</b>	<b>UW</b>
	Level 2	125 Block	Gold	"Large"	"Level 4"
On-Campus population	7,324	4,179	2,640	2,813	6,492 (ResHall)
Residence Hall Room Pricing Model	New/Renovated rooms priced higher	All rooms priced same	New/Renovated rooms priced higher	New/Renovated rooms priced higher	New/Renovated rooms priced higher
Live on Requirement?	First year students	None	First year students	First year students	None
Type of Meal Plan	Declining Balance	Meals & Points	Meals & Points	Declining Balance	Declining Balance
Elements of the Meal Plan	Equivalent to Approx. 14 meals/w k	Approx. 12+ meals/w k + \$580 Points	Equivalent to 2 to 3 meals per day	Equivalent to Approx. 14 meals/w k	Equivalent to 13-15 meals/w k
<b>Weighted Cost of a Double Room and Meals:</b>	<b>\$11,913</b>	<b>\$12,524</b>	<b>\$13,157</b>	<b>\$13,617</b>	<b>\$14,104</b>
Rate of Increase Over 2019-20	Proposed 1.7%	Proposed Draft: 4.0%	Per website ~ 3.4%	Approved 4%	per website 4.8%

**FY2021  
Proposed Rates Comparison**



**WESTERN WASHINGTON UNIVERSITY  
HOUSING & DINING SYSTEM**

DRAFT: For Discussion Only

**TEN YEAR HISTORY OF RESIDENCE HALL RATES**

ACADEMIC YEAR	ACADEMIC YEAR RATE with 125 BLOCK PLAN	% OF CHANGE
2011-12:	\$8,755	4.00%
2012-13	\$9,019	3.00%
2013-14	\$9,290	3.00%
2014-15	\$9,662	4.00%
2015-16	\$9,952	3.00%
2016-17	\$10,350	4.00%
2017-18	\$10,971	6.00%
2018-19	\$11,465	4.50%
2019-20	\$12,037	5.00%
2020-21	\$12,519	4.00%
10-Year Average Percentage Change		4.05%

**SAMPLE ROOM & BOARD RATES and APARTMENT RENTS FOR 2020-2021**

	2019-20 Actual	at 4% inc. 2020-21 Proposed	2020-21 Cost per Month
<b>Room &amp; Board Plans: Academic Year (@ 4% increase)</b>			
Double Room with Unlimited meal plan	\$12,507	\$13,007	\$1,445
Double Room with 125 meal plan	\$12,037	\$12,518	\$1,391
Double Room with 100 meal plan	\$11,576	\$12,039	\$1,338
Double Room w/ 80 meal plan	\$11,100	\$11,544	\$1,283
Triple Room with 125 meal plan	\$10,474	\$10,893	\$1,210
Single Room with 125 meal plan	\$13,320	\$13,853	\$1,539
<b>Birnam Wood Apartment Rents: Academic Year (4% increase)</b>			
Birnam Wood: <u>Monthly</u> rate per person per bed (Two bedrooms with 4 occupants)	\$441	\$459	\$459