



Vice President, Deputy CFO and Assistant Treasurer

To: Members of the Finance Committee
Mike Klipsch, Chair
Sonny Beck
Malcolm DeKryger
Shawn Taylor

Fr: Eva M. Nodine, Vice President, Deputy CFO and Assistant Treasurer

Date: September 26, 2022

Re: Approval of 2023-24 Student Housing Rates

The proposed 2023-24 student housing rates for each campus are summarized below. These rates continue to reflect the University's focus and effort to maintain student affordability.

West Lafayette

The West Lafayette campus is recommending a continuation of current University Residence Halls (URH) room and board rates for the 2023-24 year. This will be the eleventh consecutive year students on the West Lafayette campus will not see an increase in rates. Room and board rates will be lower for 2023-24 than they were in 2012-13 due to several reductions in the cost of dining plans and holding the cost of room rates flat over this period.

While room rates for URH will remain the same, the increase in student attendance and demand for URH has resulted in the continued need for university housing beyond the capacity limits of traditional residence halls. This additional capacity has been met by master leasing apartments and purchasing Aspire as summarized in Attachment A. Consistent with 2022-23, it is recommended that University Residences Boiler Apartments (URBA) be priced at market-based rates with a plan of financial breakeven after inclusion of operational costs. Through the master leases, URBA prices will remain moderately below those charged in the private market if students procured the beds directly from the landlord.

The number of beds in certain Aspire apartment configurations will be increased beginning with 2023-24. Aspire rooms will also be contracted for an 11.5-month duration consistent with the local apartment market. Other URBA location contracts will continue at a 9-month duration. These two factors widen the range of 2023-24 Aspire rates between \$8,900 to \$15,900.

For all of the beds provided by Student Life, room price points range from \$2,446 to \$9,500 for URH and from \$6,000 to \$12,480 (9-month) and \$8,900 to \$15,900 (11.5-month) for URBA based on room type and amenities. The meal plan options continue to range from \$1,898 to \$5,398 based on the number of meals per week and dining dollars provided.

Purdue Northwest

The Hammond campus provides 744 beds in two bedroom one bathroom or four bedroom two bathroom apartment-style configurations. With the proposed 3.5% rate increase, the four-bedroom units are priced

at \$6,176 (increase of \$209) and the two bedroom units are priced at \$7,189 (increase of \$243) for the academic year. Occupancy rates are improved compared to last year with increased on-campus classes and are projected to continue to be at full capacity next year. The increased revenue will be used for ongoing maintenance and support of the housing facilities due to the age and high utilization of the facilities and enhanced student programming for residents.

Purdue Fort Wayne

The Fort Wayne campus currently provides 1,204 beds for on-campus housing. The beds are a part of the one, two, three, and four bedroom apartment-style configurations. The campus housing rates were previously approved for 2022-23 and 2023-24. The approved 3.25% increase or \$200 per bed increase will be implemented as planned for 2023-24. The increased revenue will be used for ongoing maintenance and support of the housing facilities due to the age and high utilization of the facilities and enhanced student programming for residents.

Below is a chart of the regional campus housing increases over the past decade:

	PFW	PNW
FY 12-13	1.13%	2.6%
FY 13-14	0.00%	3.0%
FY 14-15	0.00%	3.0%
FY 15-16	0.30%	2.0%
FY 16-17	0.00%	0.0%
FY 17-18	0.00%	0.0%
FY 18-19	0.00%	0.0%
FY 19-20	0.00%	0.0%
FY 20-21	2.90%	2.0%
FY 21-22	0.00%	2.5%
FY 22-23	3.25%	2.0%

Rate Flexibility

As each campus prepares for the Fall 2023 semester, we are recommending flexibility in the rate setting process to help meet temporary or permanent housing needs for 2023-24. Specifically, we are recommending that if additional off-campus housing or temporary reconfiguration of existing rooms is required to meet demand, the campus may price the new options relative to the approved pricing structure taking into consideration similar amenities and costs associated with contracting or setup.

- c: Chairman Mike Berghoff
- President Mitch Daniels
- President-Elect Mung Chiang
- Treasurer, CFO Chris Ruhl
- Provost Jay Akridge
- Vice Provost for Student Life Beth McCuskey
- Vice Chancellor Steve Turner
- Vice Chancellor Glen Nakata
- General Counsel Steve Schultz
- Corporate Secretary Cindy Ream