

BOARD OF HIGHER EDUCATION

REQUEST FOR COMMITTEE AND BOARD ACTION

COMMITTEE: Fiscal Affairs and Administrative Policy **NO.:** FAAP 15-29

COMMITTEE DATE: March 3, 2015

BOARD DATE: March 10, 2015

APPROVAL OF FISCAL YEAR 2015 MSCBA RENT CERTIFICATE

MOVED:

The Board of Higher Education hereby approves the attached Fiscal Year 2016 Schedule of Proposed Rents and Operating Budget for the Authority and State University Residence Halls, effective July 1, 2015, provided that any increase in the rent schedule shall be subject to the approval of the Board of Higher Education.

The rent proposal attached to this document recommends a schedule of residence hall rents, which average \$6,969 per academic year.

This rent recommendation represents a 3.0% increase (\$206) for increases the costs of operations, utilities, reserves, and debt service for repair project on existing beds. Existing beds (15,905) do not include new capacity to come online in fiscal year 2016: 350 beds at Salem State.

Further, the proposed rent schedule includes \$2 two million of revenue to fund the Housing Grant Program, which redistributes money to students in financial need. In fiscal year 2014, approximately 10% of the students in residence facilities received grant awards averaging \$1,262 per year (approximately 1 of the average housing cost).

Student rents fund all costs of operating the residence halls (maintenance, staffing, and utilities) as well as the Authority's obligations (debt service for capital projects, insurance expense, contributions to reserves, and Authority operating expenses). There are no Commonwealth appropriations for Authority residence hall projects.

Authority: Massachusetts General Laws Chapters 73 and 15A, section 9; Section 1-9 of Ch. 703 of the Acts of 1963, as amended; and the *Contract for Financial Assistance, Management and Services*, dated February 1, 2003, made between the Commonwealth of Massachusetts, acting by and through the Board of Higher Education and the Massachusetts State College Building Authority.

Contact: Sean P. Nelson, Deputy Commissioner of Administration and Finance