

BOARD OF HIGHER EDUCATION
REQUEST FOR COMMITTEE AND BOARD ACTION

COMMITTEE: Fiscal Affairs and Administrative Policy **NO.:** FAAP 13-37
COMMITTEE DATE: March 5, 2013
BOARD DATE: March 12, 2013

APPROVAL OF FISCAL YEAR 2014 MSCBA RENT CERTIFICATE

MOVED: The Board of Higher Education hereby approves the attached Fiscal Year 2014 residence hall rent schedules, effective July 1, 2013, provided that any subsequent increase in the rent schedules shall be subject to the approval of the Board of Higher Education.

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 Nelson, Deputy Commissioner of Administration and Finance

ATTACHMENT:

FY2014 Residence Hall Rent Schedules

VOTE OF THE
MASSACHUSETTS STATE COLLEGE BUILDING AUTHORITY
APPROVING THE
ACADEMIC YEAR 2013/2014
CERTIFICATE OF PROJECTED RENTS, REVENUES AND EXPENSES FOR THE
STATE UNIVERSITY RESIDENCE HALLS

VOTED:

The Massachusetts State College Building Authority (the "Authority") hereby approves the Certificate of Projected Rents, Revenues and Expenses for the State University Residence Halls for Academic Year 2013/2014, attached hereto, and authorizes Edward H. Adelman, Executive Director, to transmit the certificate to the Commonwealth's Board of Higher Education.

Approved in Public Meeting of the Authority
November 27, 2012

ACADEMIC YEAR 2013/2014
CERTIFICATE OF PROJECTED RENTS, REVENUES AND EXPENSES FOR THE
STATE UNIVERSITY RESIDENCE HALLS

In accordance with the provisions of the Contract for Financial Assistance, Management and Services and pursuant to Section 1-9 of Ch. 703 of 1963 as amended, the Massachusetts State College Building Authority hereby submits its Certificate of Projected Rents, Revenues and Expenses for the State University Residence Halls for the Academic Year 2013/2014 (Fiscal Year 2014). The Authority hereby informs the Board of Higher Education that the proposed rents produce revenue sufficient to pay Authority expenses, including maintenance, repair, operations, debt service, reserves, and administration, and recommend approval accordingly.

2013/2014 Rent Recommendations

Student rents fund all costs of operating the residence halls (operations and general maintenance) 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.

In addition, in the current fiscal year, \$2,000,000 of revenue goes towards the Housing Grant Program which redistributes money to students in financial need. In FY12, approximately 10% of the students in residence received grant awards averaging \$1,232/year (approximately 20% of the average housing cost). For FY14, the annual distribution will remain at \$2,000,000 and is expected to continue at that level.

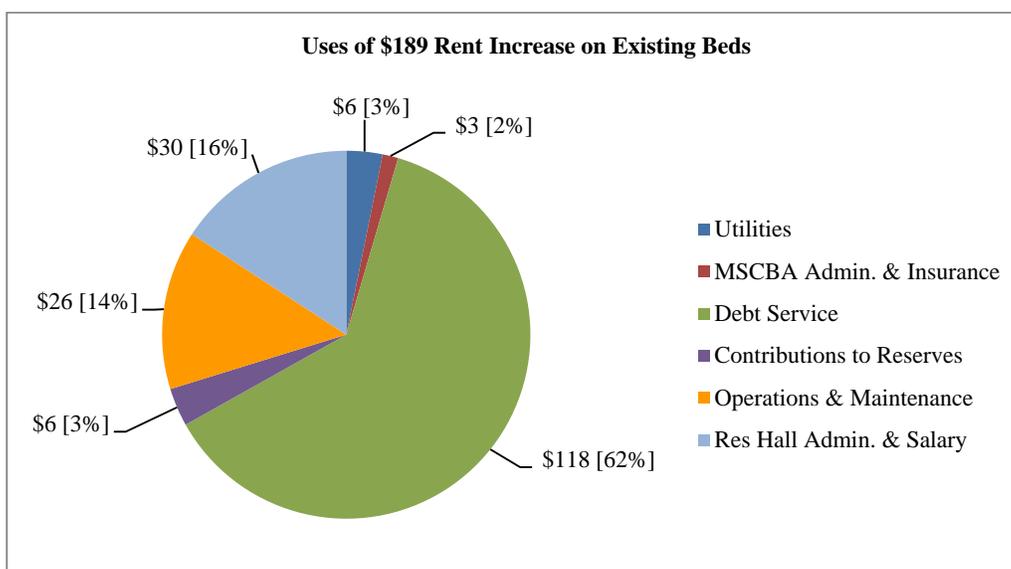
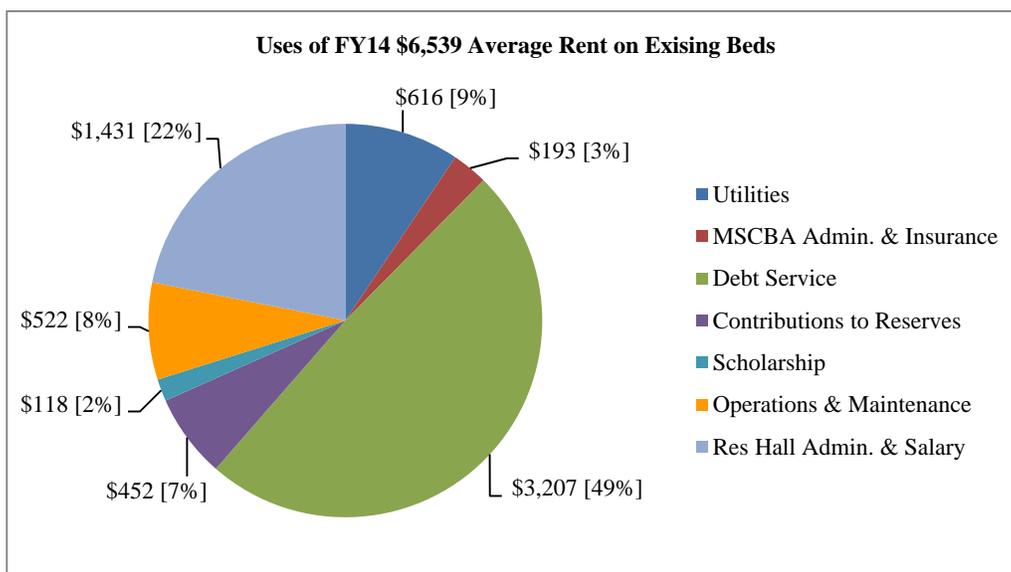
The rent certificate attached to this document recommends residence hall rent increases that average \$189 per academic year per student. With this increase, the average rent for existing beds will be \$6,539 per academic year.

This rent proposal represents a 2.9% increase on existing beds (for increases in the costs of operations, utilities, reserves, and debt service for repair projects). The chart below displays the six-year trend.

Average Rent Increase on Existing Beds

2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014
6.0%	5.3%	3.5%	2.8%	2.3%	2.9%

The charts on the following page illustrate the uses of the recommended rent and the uses for the increase on existing beds.



Projected Revenues and Expenses

Total Authority revenues for the 2013/2014 academic year are projected at approximately \$90.6 million and expenditures at \$90.5 million, yielding a net gain of approximately \$0.1 million or 0.1% of revenues. Any balance at the end of the year is deposited to reserves. Table 1, 2013/2014 PROJECTED MSCBA REVENUES AND EXPENDITURES and Table 2, MSCBA OPERATING BUDGET, identify all categories of Authority projected revenues and expenses.

Table 3, 2013/2014 PROJECTED RESIDENCE HALL TOTAL REVENUES AND EXPENDITURES, shows the consolidated residence hall operating budgets. The budget includes total revenue of \$111 million and total expenditures of \$109 million, yielding an annual gain of approximately \$1.2 million and a fund balance of \$20.4 million. The proposed budget for 2013/2014 results in a residence hall trust fund balance of 18% of total income. Compared to the budget for the prior year, 2013/2014 average operating expenses increased from \$10.60 to \$11.80 per gross square foot.

Table 4, 2013/2014 MSCBA RENT SCHEDULE, includes the Design Occupancy data for each residence hall and FY13 approved rent and FY14 proposed rent. Table 5, 2013/2014 MSCBA NON-RESIDENTIAL PROJECTS, identifies debt service for all non-residential projects. This packet concludes with the Authority’s Annual Policy Supplement.

	FY13 Approved	FY14 Proposed	\$ diff	% diff
REVENUES				
Building Revenues	\$70,174,084	\$80,008,042	9,833,958	14%
Residence Halls - System	\$30,951,695	\$31,311,328	359,633	1%
Residence Halls - Campus	\$28,015,488	\$32,972,193	4,956,706	18%
Non Residence Halls	\$11,206,902	\$15,724,521	4,517,619	40%
Investment Earnings	\$2,736,911	\$2,845,520	108,609	4%
94A Section 10, Principal, Interest	\$75,250	\$75,250	-	0%
03A Debt Service Reserve Fund	\$349,847	\$349,847	-	0%
03A Debt Service Deposit	\$281	\$0	(281)	(100%)
03B Debt Service Reserve Fund	\$249,038	\$249,038	-	0%
03B Debt Service Deposit	\$287	\$287	0	0%
04A Debt Service Reserve Fund	\$124,888	\$124,888	-	0%
04A Debt Service Deposit	\$181	\$107	(74)	(41%)
05A Debt Service Reserve Fund	\$139,387	\$139,387	-	0%
05A Debt Service Deposit	\$7,000	\$7,000	-	0%
06A Debt Service Reserve Fund	\$290,212	\$290,212	-	0%
06A Debt Service Deposit	\$354	\$232	(123)	(35%)
08A Debt Service Reserve Fund	\$445,078	\$445,078	-	0%
08A Debt Service Deposit	\$315	\$316	1	0%
09A Debt Service Reserve Fund	\$256,348	\$256,348	-	0%
09A Debt Service Deposit	\$441	\$447	5	1%
09B Debt Service Reserve Fund	\$292,143	\$292,143	-	0%
09B Debt Service Deposit	\$281	\$270	(11)	(4%)
09C Debt Service Reserve Fund	\$212,690	\$212,690	-	0%
09C Debt Service Deposit	\$209	\$209	-	0%
10A Debt Service Reserve Fund	\$56,617	\$56,617	-	0%
10A Debt Service Deposit	\$113	\$112	(0)	(0%)
10B Debt Service Reserve Fund	\$235,653	\$235,653	-	0%
10B Debt Service Deposit	\$161	\$161	-	0%
11A Debt Service Deposit	\$139	\$248	109	78%
12A Debt Service Deposit	\$0	\$474	474	n/a
12B Debt Service Deposit	\$0	\$383	383	n/a
12C Debt Service Reserve Fund	\$0	\$107,570	107,570	n/a
12C Debt Service Deposit	\$0	\$555	555	n/a
Capital Commitments	\$11,326,673	\$7,762,740	(3,563,933)	(31%)
Build America Bond Subsidy	\$2,360,990	\$2,360,990	-	0%
HUD Grant for Debt Service	\$58,414	\$0	(58,414)	(100%)
Capitalized Interest	\$8,046,482	\$4,524,531	(3,521,951)	(44%)
Bond Funds for PM salary & expense	\$860,787	\$877,219	16,432	2%
TOTAL REVENUES	\$84,237,668	\$90,616,302	6,378,634	8%
EXPENDITURES				
Operating Expenses	\$4,133,442	\$4,254,831	121,388	3%
Authority Operating Expenses	\$2,427,203	\$2,510,384	83,181	3%
Property and Liability Insurance	\$706,239	\$744,447	38,207	5%
Operating Reserve	\$1,000,000	\$1,000,000	-	0%
Debt Service	73,043,170	\$79,614,177	6,571,007	9%
94A Principal	\$6,345,000	\$6,825,000	480,000	8%
94A Interest	\$987,750	\$511,875	(475,875)	(48%)
03A Principal	\$1,945,000	\$0	(1,945,000)	(100%)
03A Interest	\$3,177,583	\$0	(3,177,583)	(100%)
03B Principal	\$1,480,000	\$1,560,000	80,000	5%
03B Interest	\$3,749,350	\$3,671,650	(77,700)	(2%)
04A Principal	\$1,800,000	\$1,865,000	65,000	4%
04A Interest	\$1,502,963	\$93,250	(1,409,713)	(94%)
04B Principal	\$0	\$0	-	n/a
04B Interest	\$1,014,770	\$1,014,770	-	0%
05A Principal	\$1,560,000	\$1,635,000	75,000	5%
05A Interest	\$1,229,719	\$276,800	(952,919)	(77%)
06A Principal	\$2,055,000	\$2,210,000	155,000	8%
06A Interest	\$4,410,400	\$2,015,900	(2,394,500)	(54%)
08A Principal	\$1,250,000	\$1,310,000	60,000	5%
08A Interest	\$4,502,025	\$4,464,525	(37,500)	(1%)
09A Principal	\$1,585,000	\$1,740,000	155,000	10%
09A Interest	\$6,468,319	\$6,412,844	(55,475)	(1%)
09B Principal	\$1,300,000	\$1,140,000	(160,000)	(12%)
09B Interest	\$3,828,200	\$3,789,200	(39,000)	(1%)
09C Principal	\$0	\$0	-	n/a
09C Interest	\$3,813,931	\$3,813,931	-	0%
10A Principal	\$1,610,000	\$1,655,000	45,000	3%
10A Interest	\$444,150	\$395,850	(48,300)	(11%)
10B Principal	\$0	\$0	-	n/a
10B Interest	\$2,931,757	\$2,931,757	-	0%
11A Principal	\$0	\$1,985,000	1,985,000	n/a
11A Interest	\$2,538,900	\$2,538,900	-	0%
12A Principal	\$625,000	\$1,305,000	680,000	109%
12A Interest	\$10,888,355	\$7,337,025	(3,551,330)	(33%)
12B Principal	\$0	\$0	-	n/a
12B Interest	\$0	\$6,995,850	6,995,850	n/a
12C Principal	\$0	\$1,250,000	1,250,000	n/a
12C Interest	\$0	\$8,870,051	8,870,051	n/a
Reserve Deposits	\$6,333,411	\$6,631,426	298,014	5%
System Capital Improvement Reserve	\$5,000,000	\$4,978,692	(21,308)	(0%)
Campus Project Capital Reserve	\$933,411	\$1,252,734	319,322	34%
Multipurpose Reserve	\$400,000	\$400,000	-	0%
TOTAL EXPENDITURES	\$83,510,024	\$90,500,433	6,990,410	8%
GAIN/LOSS	\$727,645	\$115,869		
Gain (Loss) / Revenues	0.9%	0.1%		
Debt Service/Expenditures	87.5%	88.0%		
Principal/Debt Service	28.7%	25.0%		

MSCBA OPERATING BUDGET - FY12 ACTUAL, FY13 BUDGET, FY14 PROPOSED

CATEGORY	FY12 Actual	FY13 Budget	FY14 Proposed	\$ Change FY13-FY14	% Change FY13-FY14
AUTHORITY OPERATING					
SALARY & TAXES	782,347	799,525	810,336	10,812	1%
RETIREMENT PLAN CONTRIBUTION	114,599	117,982	119,423	1,441	1%
MEDICAL & DENTAL INSURANCE	53,972	73,185	75,156	1,971	3%
CONSULTANTS					
CONSULTANT FEES	8,263	17,000	15,000	(2,000)	(12%)
CONTRACT SERVICES	45,388	58,100	59,000	900	2%
TRUSTEE FEES	38,650	41,525	55,000	13,475	32%
LEGAL & ACCOUNTING					
LEGAL	68,937	101,350	101,350	0	0%
ACCOUNTING	96,238	91,000	95,500	4,500	5%
OCCUPANCY EXPENSE					
RENT AND UTILITIES	154,875	160,288	173,840	13,552	8%
AUTHORITY ADMIN EXPENSE					
AUTHORITY EXPENSE	60,623	55,400	55,400	0	0%
OFFICE SUPPLIES	10,964	12,900	13,200	300	2%
PRINTING & PUBLICATIONS, DUES	392	3,760	4,060	300	8%
TELEPHONE/DATA SVCS.	27,824	25,000	40,600	15,600	62%
OFFICE EQUIPMENT (COMPUTER/furn.)	7,043	9,400	15,300	5,900	63%
Total OPERATING BUDGET	\$1,470,114	\$1,566,415	\$1,633,165	\$66,750	4%
Operating Expenses & Other					
CAPITAL FUNDED					
SALARY	630,674	620,974	628,635	7,661	1%
RETIREMENT PLAN CONTRIBUTION	93,015	99,012	100,014	1,001	1%
MEDICAL & DENTAL INSURANCE	52,771	65,801	73,571	7,770	12%
CAP FUNDED ADMIN EXPENSE	68,341	75,000	75,000	0	0%
Total Capital Funded	844,800	860,787	877,219	16,431	2%
Operating Budget Net of Capital Reimbursements	\$2,314,914	\$2,427,203	\$2,510,384	\$83,182	3%

	FY12	FY13	FY14	\$ change	% change
	<u>Actual</u>	<u>Budget</u>	<u>Proposed</u>	<u>FY13/14</u>	<u>FY13/14</u>
OPENING FUND BALANCE JULY 1	\$17,352,579	\$18,717,421	\$19,154,044		
<u>Income</u>					
Academic Year Revenue	\$89,931,029	\$97,504,568	\$105,947,254	\$8,442,686	8.7%
Summer Rental and Conference	\$1,568,220	\$1,605,873	\$1,945,853	\$339,980	21.2%
University Support	\$1,012,500	\$900,000	\$950,000	\$50,000	5.6%
Other Income*	<u>\$1,459,791</u>	<u>\$1,938,412</u>	<u>\$2,185,695</u>	<u>\$247,283</u>	<u>12.8%</u>
Total Income	\$93,971,541	\$101,948,853	\$111,028,802	\$9,079,949	8.9%
<u>Disbursements</u>					
<i>Building Expenses</i>					
Salary & Benefits	\$20,260,059	\$21,625,543	\$23,063,657	\$1,438,114	6.7%
Operations & Maintenance	\$7,065,173	\$7,574,894	\$8,815,208	\$1,240,314	16.4%
Energy/Sewer & Water	\$8,876,134	\$10,129,046	\$10,410,923	\$281,877	2.8%
Administrative & Technology	<u>\$742,923</u>	<u>\$1,131,564</u>	<u>\$1,139,100</u>	<u>\$7,536</u>	<u>0.7%</u>
Total Building Expenses	\$36,944,289	\$40,461,047	\$43,428,888	\$2,967,841	7.3%
<i>MSCBA Debt Service Payments</i>					
System Assessment	\$17,072,230	\$17,180,865	\$17,320,636	\$139,772	0.8%
System Repair Assessment	\$11,843,113	\$13,770,830	\$13,990,692	\$219,862	1.6%
Campus Assessment	<u>\$23,821,469</u>	<u>\$28,015,488</u>	<u>\$32,972,193</u>	<u>\$4,956,706</u>	<u>17.7%</u>
Total MSCBA Payments	\$52,736,811	\$58,967,183	\$64,283,522	\$5,316,339	9.0%
Housing Grant Program	\$1,792,564	\$2,000,000	\$2,000,000	\$0	0%
Other Disbursements	<u>\$1,133,035</u>	<u>\$84,000</u>	<u>\$75,000</u>	<u>(\$9,000)</u>	<u>-11%</u>
Subtotal Other Costs	\$2,925,599	\$2,084,000	\$2,075,000	(\$9,000)	-0.4%
Total Disbursements	\$92,606,699	\$101,512,230	\$109,787,410	\$8,275,180	8.2%
NET GAIN (LOSS)	\$1,364,842	\$436,623	\$1,241,392		
NET GAIN (LOSS) / TOTAL INCOME	1.5%	0.4%	1.1%		
ENDING FUND BALANCE as of June 30	\$18,717,421	\$19,154,044	\$20,395,436		
FUND BALANCE / TOTAL INCOME	19.9%	18.8%	18.4%		
DESIGN OCCUPANCY - TOTAL	14,311	14,922	15,768	846	
SYSTEM BEDS	10,418	10,495	10,449	(46)	
CAMPUS BEDS	3,893	4,427	5,319	892	

System beds: all buildings constructed prior to 2000

Campus beds: new residence halls and residence hall expansions since 2000

Large increases in revenue and expenses due to new residence halls coming online

*Other Income: laundry, interest, room damage assessment, space leases

UNIVERSITY	Design Occupancy		Annual Rent	
	System	Campus	FY13	FY14
BRIDGEWATER STATE UNIVERSITY	3,281			
	<u>1,804</u>	<u>1,477</u>		
Great Hill Apartments	194	-	\$7,460	\$7,740
Miles-Dinardo Hall	401	-	\$6,560	\$6,810
Pope Hall	186	-	\$6,300	\$6,540
Scott Hall	152	-	\$6,300	\$6,540
Shea/Durgin Hall	640	-	\$6,300	\$6,540
Woodward Hall	231	-	\$6,300	\$6,540
East Hall - Singles	-	164	\$7,170	\$7,440
East Hall - Doubles	-	136	\$6,610	\$6,860
Crimson Hall - Singles	-	100	\$7,460	\$7,740
Crimson Hall - Doubles	-	308	\$6,950	\$7,140
Pope & Scott Addition	-	269	\$6,300	\$6,540
Weygand Hall - Singles	-	108	\$0	\$7,610
Weygand Hall - Doubles	-	392	\$0	\$7,140
FITCHBURG STATE UNIVERSITY	1,565			
	<u>1,433</u>	<u>132</u>		
Apartments	189	-	\$5,820	\$5,970
Aubuchon Hall	316	-	\$5,360	\$5,570
Herlihy Hall	148	-	\$5,100	\$5,230
Mara Village	328	-	\$5,430	\$5,570
Russell Towers	452	-	\$5,360	\$5,490
Cedar Street House	-	28	\$5,870	\$6,020
Mara Village Expansion - Singles	-	4	\$6,420	\$6,580
Mara Village Expansion - Doubles	-	100	\$5,430	\$5,570
FRAMINGHAM STATE UNIVERSITY	1,893			
	<u>1,483</u>	<u>410</u>		
Corinne Hall Towers	504	-	\$5,885	\$6,085
Horace Mann Hall	109	-	\$5,885	\$6,085
Larned Hall	353	-	\$5,885	\$6,085
Linsley Hall - Traditional	77	-	\$5,885	\$6,085
Linsley Hall - Suites	80	-	\$6,885	\$7,085
O'Connor Hall	241	-	\$5,885	\$6,085
Peirce Hall	119	-	\$5,885	\$6,085
North Hall - Singles	-	211	\$8,630	\$8,830
North Hall - Doubles	-	199	\$7,630	\$7,830
MASSACHUSETTS COLLEGE OF ART	923			
	<u>120</u>	<u>803</u>		
Smith Hall	120	-	\$7,876	\$8,030
Artists' Residence - Singles	-	174	\$11,000	\$11,220
Artists' Residence - Doubles	-	136	\$10,000	\$10,200
Treehouse Residence - Singles	-	24	\$11,000	\$11,220
Treehouse Residence - Doubles	-	160	\$10,000	\$10,200
Treehouse Residence - Triples	-	48	\$8,250	\$8,415
Treehouse Residence - Premiums	-	261	\$12,315	\$12,315
MASSACHUSETTS COLLEGE OF LIBERAL ARTS	1,039			
	<u>1,039</u>	<u>0</u>		
Berkshire Towers	312	-	\$4,940	\$5,060
Flagg Townhouses	491	-	\$5,140	\$5,260
Hoosac Hall	236	-	\$4,740	\$4,860
MASSACHUSETTS MARITIME ACADEMY	1,134			
	<u>951</u>	<u>183</u>		
Companies 1-6	951	-	\$5,470	\$5,910
Companies 1-2 Expansion	-	168	\$5,470	\$5,910
Beachmoor	-	15	\$5,470	\$5,910
SALEM STATE UNIVERSITY	1,942			
	<u>965</u>	<u>977</u>		
Bates Apartments	354	-	\$7,630	\$7,800
Bowditch Hall	282	-	\$6,570	\$6,700
Peabody Hall	329	-	\$6,570	\$6,700
Atlantic Hall - Singles	-	164	\$9,320	\$9,500
Atlantic Hall - Doubles	-	288	\$8,320	\$8,500
Marsh Hall - Doubles	-	525	\$7,520	\$7,600
WESTFIELD STATE UNIVERSITY	2,814			
	<u>2,002</u>	<u>812</u>		
Apartments	276	-	\$6,350	\$6,860
Courtney Hall	450	-	\$4,950	\$5,250
Davis Hall	306	-	\$4,950	\$5,250
Dickinson Hall	306	-	\$4,950	\$5,250
Lammers Hall	309	-	\$4,950	\$5,250
Scanlon Hall	355	-	\$4,950	\$5,250
New Hall - Singles*	-	173	\$7,350	\$7,950
New Hall - Doubles*	-	230	\$6,600	\$6,950
University Hall - Singles *	-	47	\$0	\$7,500
University Hall - Doubles *	-	362	\$0	\$6,500
WORCESTER STATE UNIVERSITY	1,177			
	<u>652</u>	<u>525</u>		
Chandler Village	420	-	\$7,030	\$7,210
Dowden Hall	232	-	\$6,750	\$6,920
Dowden Hall Expansion	-	177	\$6,750	\$6,920
Wasylean Hall - Singles	-	120	\$7,800	\$7,980
Wasylean Hall - Doubles	-	228	\$7,400	\$7,580
TOTAL DESIGN OCCUPANCY	15,768			
	10,449	5,319		

NON-RESIDENTIAL PROJECTS¹			
BRIDGEWATER STATE UNIVERSITY		MASSACHUSETTS COLLEGE OF LIBERAL ARTS	
East Campus Commons ²	\$695,967	Tennis Courts	\$15,899
Parking Facility	\$92,571	Ashland Property Acquisition	\$77,642
Swenson Athletic	\$352,917	Amsler Athletic	\$35,292
East Parking Garage ²	\$755,287	Athletic Facility ³	\$57,212
Rondileau Student Center ³	\$665,486	Student Center ³	\$16,627
		Parking Facility ³	\$18,162
FITCHBURG STATE UNIVERSITY		MASSACHUSETTS MARITIME ACADEMY	
Athletic Fields	\$292,534	Student Center ³	\$223,484
Holmes Dining	\$232,157	Parking Facility ³	\$369,185
Hammond Center	\$1,618,047		
Hammond Center (12C) ³	\$815,846	SALEM STATE UNIVERSITY	
Parking Facility ³	\$186,922	Central Campus Parking Lot	\$153,993
FRAMINGHAM STATE UNIVERSITY		O'Keefe Center	\$237,327
Union Street Parking Lot ²	\$245,539	Athletic Fields	\$256,572
Larned Hall Parking Lot and Athletic Fields	\$131,360	Marsh Hall Dining ²	\$298,072
McCarthy College Center	\$747,381	O'Keefe Fitness Center	\$1,046,341
Parking Deck	\$454,525	WESTFIELD STATE UNIVERSITY	
Land Acquisition	\$53,197	Tim and Jeanne Center	\$309,219
Hemenway Science Center	\$403,724	Ely Wellness Center	\$655,600
Parking Facility ³	\$961,513	WORCESTER STATE UNIVERSITY	
Dining Facility ³	\$176,910	Parking Garage ²	\$665,603
MASSACHUSETTS COLLEGE OF ART & DESIGN		Athletic ³	\$915,412
Kennedy Dining Hall	\$963,839	Parking ³	\$306,906
Design Center	\$220,250		

¹Debt Service for Non-Residential Campus Projects²Campus Project owned by the Authority; includes assessments for insurance and contributions to capital reserves³Estimated debt service 2012C

ANNUAL POLICY SUPPLEMENT

The following are the Policy Supplements to the 2013/2014 State University Residence Hall Rent Schedule:

1. That the Contract for Financial Assistance, Management and Services, dated February 1, 2003, as amended through January 4, 2012, is made between The Commonwealth of Massachusetts (the "Commonwealth"), acting by and through the Board of Higher Education (the "Board") established under Chapter 15A of the General Laws of the Commonwealth, and the Massachusetts State College Building Authority (the "Authority"), a body politic and corporate and public instrumentality of the Commonwealth established under Chapter 703 of the Acts of 1963 of the Commonwealth (as amended, the "Act"), which contract governs the financial relationship between the Authority and the Universities.
2. That rent revenues must be sufficient to pay: the cost of maintaining, repairing and operating Authority projects; the principal of and interest on bonds issued to finance or refinance such projects; the current operating and administrative expenses of the Authority; and to create and fund reserves for these purposes. Further, consistent with the foregoing requirements, there should be a reasonable uniformity in charges for like accommodations.
3. That residence hall occupancy agreements issued in the fall semester normally shall be written for an entire academic year. The MSCBA shall be given the opportunity to participate in the review of waivers requested by students who intend to remain enrolled at the institution.
4. That occupancy for System beds shall be calculated on an institution basis (i.e., not by individual buildings). Occupancy calculations for combined Campus/System projects shall be calculated as if residents are equally distributed throughout all beds in the complex.
5. That those universities with building occupancies of over 100% of design occupancy verify conformance with the applicable building code relative to life safety and sanitation requirements and make any necessary adjustments to either the building or number of residents. The MSCBA will assist with architectural and code consultants when requested.
6. That the maximum semester rent assessment made by the Authority of the Universities be no more than 100% of total residence hall design occupancy at each University. That the minimum semester rent assessment for System beds be no less than 87% of design occupancy for System projects at that University.
7. That rent increases on existing beds to support future debt service costs for a new capacity or renovation project shall be limited to the residence halls at the University where the project is located.
8. That rent rates shall be adjusted in instances where actual occupancy differs from the design occupancy of a certain room. For example, there shall be a premium rent charged of no less than 150% when one student occupies a double room. There shall be an appropriate discount to the normal rent when there is an increase in the original occupancy of a room (such as three students assigned to a double room).
9. That any changes in use, treatment, or configuration of residence hall space must be reviewed with the Authority. In the event that a University converts residence hall space to other uses and

pays rent to the MSCBA in lieu of debt service for such use, the number of beds converted to other uses shall reduce the design occupancy. Rent payments in lieu of student occupancy shall be sufficient to cover MSCBA system-wide costs reasonably allocated to the building.

10. That the MSCBA recommends that the nine state universities adopt and publish written policies regarding restrictions on student-owned upholstered furniture, microwave ovens, refrigerators, and other electrical appliances/equipment.
11. That the Authority shall be notified in a timely manner of incidents in its facilities that may result in a property or liability insurance claim.
12. That the Authority will prepare assessment notices for payment to the Bond Trustee before October 10, 2013 and April 10, 2014 as required by the Trust Agreements.

**Approved at a Meeting of the Massachusetts
State College Building Authority held on
November 27, 2012**

Kenneth Wissman

Secretary/Treasurer