BOARD OF HIGHER EDUCATION

REQUEST FOR BOARD ACTION

NO.:	BHE 25-32
BOARD DATE:	February 18, 2024

APPROVAL OF MASSACHUSETTS STATE COLLEGE BUILDING AUTHORITY FISCAL YEAR 2026 RENT SCHEDULE AND OPERATING BUDGET

MOVED: The Board of Higher Education hereby approves the attached Massachusetts State College Building Authority Fiscal Year 2026 Schedule of Proposed Rents and Operating Budget for the Authority and State University Residence Halls, effective July 1, 2025, provided that any increase in the rent schedule shall be subject to the approval of the Board of Higher Education.

VOTED: Motion adopted by the BHE on 2/18/2025.

Authority: Massachusetts General Laws Chapter 73 App., Section 1-9 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: Matt Cole, Deputy Commissioner of Administration, Finance, and Operations

BACKGROUND

The Massachusetts State College Building Authority (MSCBA) was established under Chapter 703 of the Acts of 1963. This statute authorizes MSCBA to finance and oversee the design and construction of dormitories, dining facilities, and certain other buildings at nine state universities and 15 community colleges.

The financing and oversight are subject to written approval from the Executive Office of Administration and Finance and the Board of Higher Education. MSCBA is authorized to issue bonds and collect student rents and fees for the operation of student living facilities.

MSCBA uses its rental and fee income to service the debt it incurs to finance its projects. Rent revenues must be sufficient to pay: the cost of maintaining, repairing and operating MSCBA 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.