

## **Address by Representative Stephen Kulik to the Faculty Senate November 14, 2002**

Good afternoon. I think I was last with you sometime last winter, and at that time I was the bearer of a lot of gloom and doom from Beacon Hill. At this point, that hasn't changed a great deal, so I'll take a few minutes to talk about the budget picture from here forward, the election impact and how that might affect us on this campus in the coming months.

The budget picture does continue to be pretty grim. Right now, most outside experts predict that we're going to have a \$1.5-2 billion deficit as we go into Fiscal '04, the budget that we begin working on in earnest in January. Governor-elect Romney will be filing his budget proposal, then the House will begin working on its own version of the budget. In addition to working on that grim prospect, we're also looking at a possible \$150-200 million in budget shortfall in this fiscal year, where we've just already had \$200 million in cuts under the Governor's executive authority. Those cuts, just a few weeks ago, impacted higher education and this campus as you all know. And this is all in the context of our having passed the '03 budget using a very substantial portion of our budget reserves, the so-called "Rainy Day Fund," making significant budget reductions and spending cuts, and also passing a revenue package, a tax package worth \$1.1 billion. So, you get this feeling that we've made a lot of hard choices already in fiscal '03, and it hasn't moved us forward at all. It's almost like we're standing still or sinking a little bit further. It's frustrating for us as it's frustrating for you. The structural deficit that we're facing of about \$1.5-2 billion is very real. It's bound to continue not only in Fiscal '04, but probably into the following fiscal year as well. Most people think we're looking at probably 18 months of difficult times, if not a full two years before the state revenue picture turns around and we can begin to restore some of the investments that we've had to cut.

All of this happens in the context of our having a new Governor-elect. Governor Romney was elected on the promise that he would cut \$1 billion out of our budget of \$23 billion; that he would do that without new taxes and without cutting "essential services." It's an enormous challenge--one that may be impossible, but I think it's incumbent upon us as a legislature to hear his proposals, to consider them very seriously, and to adopt any good proposals that he puts forward that we may have missed. But the rub of this, of course, is what does he consider to be essential services? We don't know if he considers public higher education to be essential, or if he's going to pursue further cuts to higher education. We do know a little something about some of his thoughts about higher education. It was never much of an issue in the campaign. I don't think we ever really heard the candidates discussing public higher education, its role in the economy and educating our citizens.

One can get a glimpse of Governor-elect Romney's thinking by going to his campaign website. He has a PowerPoint presentation there. I'll highlight a few things that might give us a clue as to where he might be going when he really gets to propose serious proposals regarding public higher education. First, he says he'd like to remove patronage and politics from the higher ed. system. He'd like to end patronage-based tuition waivers. If any of you have children at UMass, that might apply to you. He'd like to adhere to need-based financial assistance. He'd like to consolidate higher education subsidy into a single line item, ending political micro management. That one I find really interesting, because I would think that doing so would only increase political micro management and give less autonomy to the campuses up and down the system, whether at the community, state, or university level. He'd like to restructure the financial relationship between the Commonwealth and higher education, including 100% retention of fees and tuition. Tuition retention is certainly a long-standing debate that has been on this campus for

a long time and throughout the higher education world. In my knowledge of the issue here is that tuition retention, if we were to have it on this campus, would essentially be a wash with the fringe benefits paid by employees. But what's the flip side of that proposal? Is the University then going to be responsible for the fringe benefits for all of its employees? He's not specific about that, but it appears that he may put that issue on the table. He also wants to prioritize capital and spending based on student enrollment. He wants to centralize administration and common functions and create a seamless admission and financial aid process but retain differentiated admissions standards. I think he's looking at that as a way to save some money throughout the system from community colleges to the University. He wants to create an integrated public higher education system out of the current hodgepodge with clear and distinct missions for community colleges, state colleges, and the UMass system. He wants to increase collaboration and sharing among campuses. He wants to link curriculums to articulated regional economic needs, something that's been very much a focus on this campus for many years. We all know that this is the economic engine of the Pioneer Valley, and probably even a wider area than that, with greater potential to be even more of one. He wants to develop new private and public partnerships with key local employers. He wants to create a cabinet-level position of Secretary of Education to coordinate all state education spending under one direct report to the Governor, and improve clear accountability to the Governor and to Massachusetts' voters. That leaves open a question about the Board of Higher Education, governance on campuses, governance through Boards of Trustees and so forth. So, this list raises a lot more questions than it delivers answers. We'll just have to guess at what some of the specifics might be until the Governor, at that time when he's sworn in in January, will be filing his budget in late January. Some of these proposals may see some specificity at that time, but until then we can only guess what he means by some of these things. Some may have the potential to be positive for this campus and for the system, and some may be detrimental. I'm sure folks on this campus won't be shy about weighing in on any of those proposals.

Most of all though, throughout this discussion, it's very clear that Massachusetts will be operating in a climate of no new revenues, and probable cuts in all discretionary budget areas. Last time there were areas of the budget that were held rather harmless--local aid, K-12 education--but I think there is consensus on Beacon Hill that that will simply not be possible. If there are cuts of \$1 billion, it's going to have to be much more broad based, and will probably affect every area of the budget. Again, we await Governor-elect Romney's definition of what essential services are, and we have to hope that this University and public higher ed. is considered essential in his view.

This pretty grim financial outlook is one of the reasons that I've been very pleased to hear what Chancellor Lombardi has been saying since he arrived about his commitment to substantial outside fundraising and broadening UMass' financial base, both for operating and for capital expenditures. But it's very important, from my perspective as a legislator, that whatever success the University achieves in that area not be allowed to supplant the state appropriation. This should be supplemental to state appropriation. We can't be having you all go out and improve the University through private fundraising and then only find yourself penalized with the reduced state appropriation. That will be tempting for some legislators to see it that way, perhaps even for the Governor to see it that way, and it will be our job, those of us who are advocates for the University, to see that it doesn't happen.

Of course, while the budget will dominate once again, there are a few other bills of interest to you. I'm going to be refiling a couple of bills that deal with credible service for

faculty. They've been around before, they've made some advancement, but they've never made it to the Governor's desk. One is credible service for sabbatical leave. These are bills that the MTA has worked with me on. The other is credible service for special awards and fellowships. If one were to leave campus for a fellowship, right now your benefits in the pension system do not continue either under the sabbatical or under a fellowship leave of absence. This would allow you to continue to pay into the system so you don't lose credible service time toward retirement. One of those bills made it as far as Senate Ways and Means last year, and the other one was put into a study. It's my hope that given the rest of the financial climate, we might be able to move these forward, because they're actually of little or no cost to the Commonwealth because individuals would continue to be paying into the Retirement system. The other bill that I'm going to be filing would call for the creation of the study commission to look at the composition and the appointment process of the Board of Trustees of the University. I know there's been some publicity about this issue in the last few weeks after the Governor's latest appointments, and it has prompted me to begin to look at some other states and what kinds of models for Trustee selection are used there. They're all over the map. Some are popularly elected, some serve shorter terms, some have geographic balance; it's a wide range across the country. It seems to me that it's time that a commission, involving people in the higher ed. community as well as legislators who are interested in the subject, take a serious look at whether what we have today functions well, represents the people of the Commonwealth and all the diverse views that are out there, and how it compares with other states in terms of effectiveness and geographic and institutional balance. I'll be filing that bill, and I hope that study commission is created and can report back to the legislature in the next session and perhaps lead to specific legislation in the future if any changes are recommended.

Let me just say a final word about the contracts. I know very well how hard, how difficult this has been for all of you; for every employee on this campus and throughout higher education. With all that I've said about the budget crisis, it's realistic to say that it's hard to be optimistic about resolution of this issue in the short term. It's hard to see the time when we'll be able to fund this. But, my feeling about Governor Romney coming in, is that it's probably unlikely that he's going to make any sort of a commitment to funding these contracts because he doesn't own them. They're not his. They are commitments that were made by a previous governor who he was instrumental in having move on out of office. The easiest thing in the world for him to say is probably, "not my problem." He may surprise us and say the right thing, which is that it would be unprecedented to continue to break properly ratified contracts and not fully fund them. They should be fully funded. But we'll have to wait and see what he has to say about that. I would really urge all of you and all of your colleagues and labor throughout the system to continue your advocacy, to keep the public pressure on--on us as legislators, on new incoming administration. Keep making the public aware of this issue, because it really is an unprecedented move, and I think it's a real black mark on the Commonwealth as an employer not to be treating its employees fairly. No matter what our fiscal crisis is, you need to find the money to do this as soon as possible. I'm committed to that. I know that all of my colleagues who represent this area are, as well as a number of other people. There aren't, I think, a great majority of us yet, but that's why it's important for you to keep up your advocacy and your contact with legislators. And encourage, whenever you can, your students who come from all corners of Massachusetts to continue to talk with their own legislators as well about this issue.