Good afternoon. I understand that you heard from Senator Rosenberg recently on all of the good details of this remarkable bill that he has been working on. The main piece of it is $400 million which will be pumped into the public higher education system over the next seven years. I think the timing is right for this bill to pass. It may not be exactly the way it is written right now but it has gotten a favorable report from the Joint Committee on Higher Education and is now in the Senate Ways and Means Committee. It will come out of there pretty much intact. It also adds $100 million over the next ten years to the endowment incentive program, so that there is a state match for the money that people give. That seems to make a demonstrable difference to donors who want to give a lot of money to the University to know that the state is also backing them up. Then there will be $15 million for professorships at this campus in science and technology. This is matching funds, also. For those of you who are not in science and technology, this means that there will be more money for you. There also is the provision in this for tuition retention. The tuition has historically gone back into the general fund. In this bill, it says that the tuition money can remain on the campus so that the campus will have more control over that, instead of just having control over fees, which is the way it is now. That is why the fees have gone up so much in the past few years.

Some of you may be wondering about the contracts. I cannot say that we have passed a bill to fund them. I can say that we will do that. I know that there are a number of you who doubted that this third installment would ever happen. The Governor signed this contract and the way things work is that the Governor takes a long time to sign it and then he signs it. He then sends it to the House Ways and Means Committee, which takes a long time to pay any attention to it. We only have about 14 weeks left, I think, in our session before we finish up formal sessions. We are almost over this two-year session. We will be passing a deficiency budget. There are a number of collective bargaining agreements and contracts that need to be funded. We will be doing that in the near future. That is what the Chair of the Ways and Means Committee told me this morning. I said, “What is ‘near’?” He said, “I don’t know.” It will be done and for me that is really the good news because I also had some doubts about whether this third installment would happen. If it had not happened, it would be a terrible new precedent. They are going to be funded. That is the good news.

The legislature, over these past few months, has had a hard time dealing with more than one thing at a time. Sometimes, we are good at balancing a number of balls in the air. This time, the House and the Senate have been in convulsions over a change in the health care bill. A great logjam apparently was just broken. Both the Senate President and the House Speaker are Italian Americans from the North End in Boston. They have known each other for years and have been good friends. Somehow, negotiations really broke down, which has always baffled me a little bit. Neither of the two of them wants to run for higher office. Neither of them wants to be Governor or run for Congress or for the Senate. If that were the case, you could understand why one would want his bill over the other person’s bill. If we pass something that is good, everybody would take credit for it. It just seems pretty sensible to me that everybody should be working in the same direction, on the same page. Of course, it is never quite that simple. There has been a great deal of disagreement about how this bill should be structured. We will come up with something that is probably okay. It will not be great. The more that we have been waiting to see what happens with this and watching all of the other problems that we see, it is clearer and clearer to me that what we need is universal health care. This system is completely broken. There are way too many vested interests that are involved. The insurance lobby is incredibly strong in Massachusetts. In Connecticut, apparently, the insurance lobby is the strongest, but in Massachusetts they are plenty strong. There was an oversight hearing earlier this week on children’s mental health which is just in a shambles. We do a shameful job of mental health services for children and adults in this state, even though we have the third highest per-capita income of any state in the country. This country is the richest country in the history of the world. There are no excuses for this. We have plenty of money; it is just how we decide to spend it. One of the physicians who spoke said that he had practiced in Norway and in Finland. Children get fabulous mental health care there. They get what they need and everybody understands that it is in the country’s best interest to do this. It is just common sense that this is what you do. We are not even close to that point yet, I am sorry to say. We were supposed to be voting on the health care bill today, but they are not ready. We will probably do it next week. We will do it, I think, as soon as we possibly can so that all of us will not really have time to find out exactly what is in it. It will be lengthy and it is in the leadership’s interest, I think, for us to know as little about it as possible, since almost every single provision is so contentious.

One of the things that the Governor talks about, and that some other groups are talking about, is that we need to lower the personal income tax rate from 5.3%, which it is right now, to 5%. I think for the Governor to be calling for that is irresponsible in the extreme. Over the last four years or so, we cut taxes by almost $4 billion. We lost $4 billion worth of permanent tax revenue. We are now gradually starting to come back up again so the tax revenues are approaching something that is normal. To talk about reducing the tax rate and to bring it to 5% from 5.3% would be a loss of about $610 million. We cannot possibly afford to lose that. All of you who pay any attention to K-12 education know that superintendents are wildly desperate because they are afraid that they are going to have to be cutting all kinds of things. My legislative aid went with a
friend to the superintendents’ meeting in Newton last night. In Newton, the superintendent is talking about cutting out art and music in the public schools. We can surely do better than that. The idea of decreasing our tax revenues makes no sense at all and, if you hear any of your friends or neighbors or relatives talking about what a good idea it would be to bring down the tax rate, please enlighten them.

The mood in the House is pretty good. Some of us had expected a little bit more. The temperature and the climate are much more open and much better than it was for eight years under Tom Finneran. That is a huge relief for just about everybody, so I am happy to report on that. That is probably all I will tell you about. I will answer any questions that you have about the University or anything else.