



State Universities
of Massachusetts

CoP Remarks on Behalf of the State University System to the Board of Higher Education

May 9, 2023

Introduction:

Good Morning, Chairman Gabrieli, Commissioner Ortega, and members of the Board of Higher Education. On behalf of the State Universities Council of Presidents, thank you for the opportunity to provide you with an update on the Massachusetts State University System.

I would like to begin my remarks by expressing our appreciation to the Board and the Department of Higher Education for your help with transitioning students currently enrolled at Bay State College to other institutions. We know the closure of this institution was devastating news to the Bay State community, but having a plan of action that will allow current students to complete their degrees is so incredibly important. Salem State University, for example, recently executed an MOU with Bay State so that its students may easily transfer and complete their baccalaureate degree. I know our state universities welcome these students and look forward to providing them with the opportunity to continue their academic careers on our campus. Thank you for your help in making this transfer process as seamless as possible.

FY 2024 Budget

My colleagues and I express our appreciation to the members of the House of Representatives for including \$1.4 billion in funding for public higher education in their budget, which represents a 3% increase over last year's budget.

Even though our campuses work hard at keeping the cost of attendance down, we recognize that affordability is an impediment for many of our students, especially those coming from gateway cities and under-represented populations. Therefore, the Council of Presidents appreciates the fact that the House prioritized financial aid and scholarships in their budget by dedicating \$84 million of Fair Share funding to expand the MassGrant Plus program and \$50 million to support a scholarship program for public higher education students who are pursuing programs in "in-demand" professions. This increase in financial aid and scholarships will assist in covering the unmet need of our students and fulfill one of the Commonwealth's goals to break down financial barriers that make it more difficult for the neediest students to attain a baccalaureate degree.

We are also grateful that the House budget dedicated \$5 million in funding for the Public Higher Education Endowment Incentive program for state universities. This dollar-for-dollar match has been a great success in that it offers an incredible incentive for our donors and is a critical tool in our efforts to grow philanthropic giving. On this note, Salem State University just launched our Meet the Moment \$75

million comprehensive campaign last Saturday. This incentive will help us achieve the largest campaign in state university history.

At the same time, there were some shortfalls in the House budget for public higher education funding that were not carried through from the H.1 Budget recommendations. The Healey-Driscoll Administration's first budget represents the single, largest investment made in Massachusetts public higher education in decades. There is indeed a historic spending plan, and we have now turned our advocacy efforts to the Senate to implore them to carry these recommendations through the Senate budget.

The CoP had great meetings with Senate leadership about our campus budget priorities that did not make it into the House budget, including a meeting at MCLA with Senator Jo Comerford, the new Senate Chair of the Joint Committee on Higher Education. Our budget priorities remain:

- investing in our considerable infrastructure challenges.
- increasing our performance-based funding formula line item;
- Providing funding to implement the recommendations included in the Strategic Plan for Racial Equity as well as student mental health service and comprehensive student success supports; and

With quality, accessibility and affordability at the forefront of our mission, our state universities continue to offer the best value-proposition for Massachusetts residents to earn a Bachelor's or Master's level degree. Our institutions are mission driven to provide access to higher education opportunities for traditionally underserved populations. Funding these priorities is essential for us to continue this great work without further burdening our students.

Tuition Lock

I would also like to make a few comments on the tuition lock proposal. As we previously shared, the State Universities embraced the direction the Administration was taking and supported their effort to stabilize tuition and fees through a four-year price lock guarantee. However, there remain issues that would need to be resolved in order for the first ever price lock guarantee for state university students to work and to reduce risk to our institutions. This includes sufficient funding that will essentially replace student revenues with state revenues for institutional cost liabilities such as the full funding of collective bargaining agreements, financial support to cover unfunded campus employee fringe benefit obligations, and investment in capital construction and maintenance on our public higher education campuses.

Recognizing the challenges we will face with operationalizing a four-year price lock guarantee initiative, the state universities remain committed to a tuition and fee stabilization plan. That said, the State Universities Council of Presidents is advocating for the Senate to invest in a fee freeze initiative for all nine institutions for the upcoming academic year. The cost of this initiative would be \$17,000,000 in direct appropriations to our state universities.

Labor Costs

Last week, the Governor released the financial parameters for our collective bargaining negotiations, which authorize an 8% increase for all the unit members on our campuses. As you recall at the last meeting, we encouraged the state to recognize the value of our workforce by investing in our employees and providing a COLA that reflects the inflationary factors impacting our workforce. We all agree that this is a well-deserved increase. However, absorbing the costs of an 8% COLA is of great concern for

our institutions. Like all other state entities, our campuses rely on the state to cover costs of salary increase obligations. We are also actively advocating the legislature for full funding of campus fringe benefit liabilities. Underfunding labor contract cost increases and fringe benefit liabilities through a methodology that only covers a portion of those cost increases results in fee increases for our students.

Campus Infrastructure

At the same time, our campuses are in great need of infrastructure improvements. With cost escalation in construction projects and the adoption of the DHE strategic plan, the existing policies for financing campus capital projects are no longer tenable, and we are working with the Healy Administration to revisit those funding policies. At the moment, there are several projects in the pipeline that are severely underfunded due to the existing funding policies and the significant increases in the cost of construction. Our students deserve modern, safe and high-quality learning spaces, and underfunding these important capital projects puts the cost burden on the backs of our students.

Conclusion:

These three major funding needs make a “price lock” guarantee on tuition and fees particularly challenging, because these costs must be covered. We ask this board and the department to join us in our advocacy efforts to ensure that public higher education in Massachusetts has the resources we need to best serve our students while remaining affordable and accessible to the populations we serve.

Thank you for providing me with this opportunity to share this update from our state universities.

I'd be happy to answer any questions you have.