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News Release

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MTF Report: Removing Barriers to Educational Excellence at the University of Massachusetts

In a major report released today, the Massachusetts Taxpayers Foundation called on state leaders to remove a series of financial and bureaucratic obstacles to educational excellence at the University of Massachusetts.

The report identified longstanding statutory barriers to the university's success—in two major categories—that can be addressed at no cost to the Commonwealth:

- Inflexible funding mechanisms that prevent UMass from making the best use of the revenues it collects.
- Management constraints that impose cumbersome central controls on capital construction and leasing and outdated strictures on faculty assignments.

Massachusetts is one of only two states that require their public universities to deposit tuition revenue in the state treasury rather than retaining those funds for educational purposes, creating a disincentive to attract students and faculty. At the same time, the statutory mandate that UMass building projects be managed by the Commonwealth's central construction agency has produced long delays—a decade or more in some cases—and a severe backlog of critical maintenance and repairs across the university.

The report, entitled *The University of Massachusetts: Removing Barriers to Educational Excellence at the State's Public Research University*, concluded, "In the best of fiscal times, these provisions are overly burdensome; in the era of prolonged financial distress that is now upon the state, they cripple the university's efforts to compete for research dollars, business and government partnerships, and top faculty. Remarkably, while these bureaucratic barriers are enormously costly in terms of lost opportunities, they can be addressed without adding a single dollar to the university's appropriation."

The report documents in depth the crucial connection between the education that can be offered at a research university like the University of Massachusetts and the state's long-term growth and prosperity. For many residents of Massachusetts, UMass offers the only affordable and practical means to achieve such an education. UMass educates more Massachusetts residents than any other university, but has sustained cuts in state support of approximately 25 percent over the past three years.

“Removing the obstacles to educational excellence that the state imposes on UMass is critical to the future of our knowledge-based economy—and can be accomplished with no added burden on the taxpayer,” said MTF President Michael J. Widmer.

To address the identified problems, the report makes a series of recommendations to enhance the university’s flexibility in both funding and management. For greater funding flexibility, the report recommends that the state give UMass:

- the authority to retain 100 percent of its tuition revenues and be able to expend them without state appropriation. By including an offsetting reduction in the university’s appropriation, the proposal would have little or no cost impact on the state budget.
- the full authority to set tuition by university trustees, who already have the ability to set student fees.
- the authority to carry over into the next fiscal year any portion of its appropriations that are not spent in a given fiscal year and to spend those funds without further state approval.

For greater management flexibility, the report recommends that:

- the responsibility for managing UMass construction projects built with state funds be transferred from the state’s Division of Capital Asset Management to the University of Massachusetts Building Authority, which already manages UMass projects built with non-governmental funds.
- UMass be given permanent authority to sign leases without further state government approval.
- the statutory distinctions between day and night classes that limit the assignment of faculty be eliminated.

The Massachusetts Taxpayers Foundation is an independent, nonprofit organization that conducts research on state and local taxes, government spending, and the economy. Founded in 1932, MTF ranks among the largest and most effective organizations of its kind in the country. The Foundation has won eight prestigious national awards in recent years for its work on business costs, capital spending, state finances, MBTA restructuring, state government reform, and health care.

The Taxpayers Foundation expresses its appreciation to Blue Cross Blue Shield of Massachusetts, Goodwin Procter LLP, and The Savings Bank Life Insurance Company of Massachusetts for their generous support of this report.
