

Remarks of William E. Fulmer to the State System of Higher Education Board of Governors.

Text of Oct. 9 prepared remarks.

Thank you Mr. Chairman.

As you are aware, we have a large number of visitors here today; most importantly among them are several busloads of our students. And they are, of course, our reason for being here.

Mr. Chairman, with the current status of negotiations we are all under the microscope. I can assure you that as we are examined under that microscope we will be closely scrutinized by those who hold the largest stake in the outcome of negotiations -- our students and their families. Nor should we forget our alumni, for if the quality of our universities suffers, their degrees will be diminished. All of these folks will be fully alert to our words and our deeds. Therefore, it behooves us all to be forthright, diligent, and intelligent in our efforts to reach an accord. Toward that end I invite this Board to consider some facts and key issues in these negotiations.

We have been unable to agree upon basic facts. The Chancellor's office has continually claimed that this year's budget suffers a \$ 40,000,000 shortfall, and it was making that same claim as recently as last week. APSCUF has continually disputed this claim. I am pleased to see in today's Board report that the \$ 40 million deficit has disappeared. We are finally together on that point.

It is essential that we maintain the quality of our programs, and that we avoid the use of the simplest and most damaging method of cutting costs - enlarging class sizes. It would have taken three buses to bring Clarion's basic math class here today; nine buses to bring IUP's history class, and fifteen buses to bring Bloomsburg's psychology class. You employ the faculty for its knowledge and expertise in educating students. Listen to us on this one. We, the faculty, must have greater control over class sizes.

APSCUF has expressed its willingness to join with management in seeking means of reducing State System costs. We believe that through our joint efforts these very difficult fiscal times can be weathered successfully and a fair agreement negotiated, and these can be accomplished with no new increase in student tuition. We will work side by side with you to seek restoration of the cuts in state appropriations to recover, at a minimum, the amount afforded by the Commonwealth back in the year 2000-2001. I believe that Senators Rhodes and Hughes and Representatives Coy and Baker would be willing sponsors of such restoration, and our students would be willing soldiers in their campaign.

As these are very trying times we must all make some sacrifices. I have some suggestions: As you are aware, Mr. Chairman, the SAP administrative system has had numerous failures in implementation. Estimated expenditures of \$ 15 million/year for several years are still required for the SAP. This is too much for a failed product which, even if it was successful, is a desired managerial purchase that is nonessential to the

quality of our students' education. You have received a review of the SAP's partial implementation from East Stroudsburg's Arts and Sciences chairs. Our faculty from sister universities where partial implementations have been attempted report similar failures. Let's stop throwing our students' money away. Throw away the SAP instead.

Mr. Chairman, because Highmark Blue Shield anticipates raising its fees nearly 18% next year, we have urged your negotiations team to reopen the healthcare bidding process. We are aware of many problems with Highmark, and we know that Blue Cross as well as other carriers may want our business. Mr. Becker refused to consider a re-bidding process, and when pressed for his rationale, he alleged that Governor Rendell wants faculty to have additional co-pay of our healthcare. We find such an allegation disingenuous. We know that to the contrary of this allegation, Governor Rendell has ordered state agencies to negotiate cost reductions with suppliers. We further know that Governor Rendell would applaud creative mutual problem-solving. We believe that working together we can achieve reductions in healthcare costs without hurting our ability to recruit and retain quality faculty. We have a joint meeting tomorrow on this issue. For that I thank you.

In conclusion, APSCUF has been accused often by the Chancellor's office of not understanding "fiscal reality." I believe that is Mr. Gluck's phraseology. I want to assure you that we do, indeed, understand the requirement to make sacrifices - but quality must not be diminished. And sacrifices must be shared. The Board and the administration has some desired expenditures, including property expansions (which, incidentally, deplete the communities' tax bases), building and renovating presidents' residences, and increasing reserves, which could all be delayed without critically affecting the quality of our students' education. And clearly, the increased expenditures by the Chancellor's office - comparing last year's anticipated expenditures (\$ 5.5 million) made just 12 months ago with the actual figures submitted today (\$ 6.4 million) does raise questions. That is a 16% cost overrun. And where is "fiscal reality" in proposing for this year a 15.7% increase in salaries coupled with a 43.6% increase in benefits for her office? There are several hundred students here who await Mr. Gluck's explanation of this fiscal reality.

Mr. Chairman, we need to roll up our sleeves and get to work. A lot of people are looking at us through this microscope. And they want good results.

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