



# Bulletin

November 24, 2003

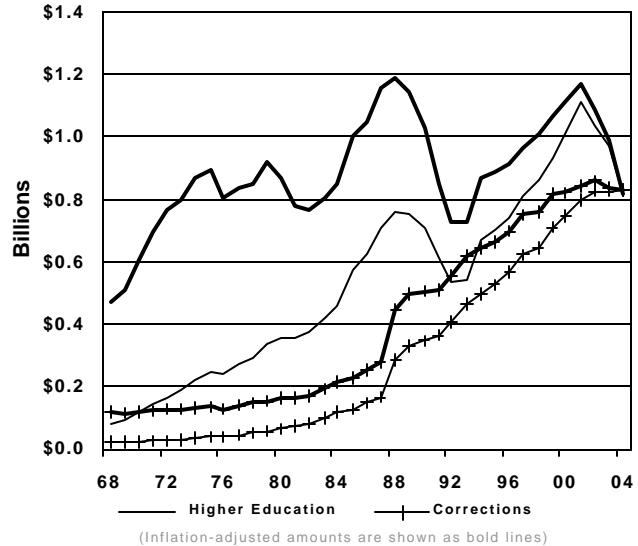
## State Spending More on Prisons than Higher Education

In a striking outcome of the deliberations on this year's budget, the state in 2004 will for the first time in decades spend more on prisons and jails than on public higher education. While this change in budgetary priorities has occurred during a severe fiscal crisis, it reflects trends in state funding for these two crucial, albeit very different, programs that stretch back for many years. For both areas, the huge structural deficit in the state budget—and the certainty of limited resources in the years ahead—raise critical questions about their future course.

Although the importance of public higher education to Massachusetts' economic future is widely recognized, state support for its 29 university and college campuses has been wildly inconsistent for decades (see Figure 1). In a financially driven pattern that was first established in the state fiscal crisis of the late 1980s, appropriations for higher education have sustained two rounds of steep cuts—\$222 million, or 29 percent, in fiscal 1988-1992 and \$293 million, or 27 percent, in 2001-2004 (see Table 1 for further detail on the most recent reductions). In each case, the cuts wiped out much of the increases of the previous decade; after adjusting for inflation, the latest cuts have reduced state support to approximately the level of thirty years ago.

At the same time, higher education spending as a percent of the total budget has dropped from 6.5 percent in 1988—the previous peak in higher education funding—to less than 3.5 percent in 2004. This year's state budget for higher education, including appropriations for the campuses and student financial aid, totals only \$816 million, compared to \$830 million for prisons and jails. In a further reflection of these trends, the state's share of

**Figure 1**  
**State Spending for**  
**Higher Education and Corrections**  
Inflation-Adjusted and Nominal



funding for the flagship University of Massachusetts—which once accounted for most of the university's expenditures—is only 23 percent today.

Despite the repeated financial shocks, higher education officials have been able to strengthen academic programs, improve accountability, and lower student costs, especially in the last decade. Unfortunately, the recent controversy over who should lead the University of Massachusetts—which dominated the 2004 budget debate—obscured not only the gains that have been made throughout the system but also the huge cuts in appropriations at every institution. The resulting disarray in the system is profound, with campuses unable to honor

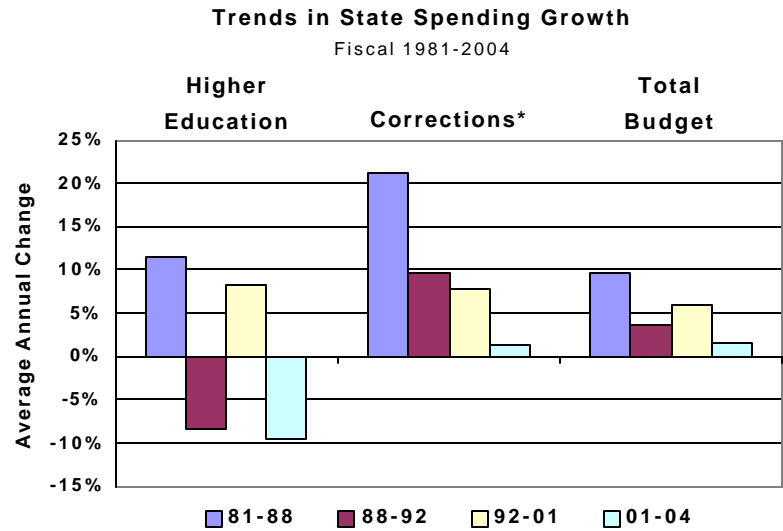
previously negotiated faculty pay increases, long overdue capital improvements put on hold, entire academic programs jeopardized by the impacts of early retirement incentives that were intended as a less painful alternative to layoffs, and tens of thousands of students and parents scrambling to deal with unexpected hikes in tuitions and fees.

To compound the problem, educational leaders make the case that they are seriously hampered in dealing with these challenges because of a host of state restrictions that lead to duplication of effort and costly delays. These procedural hurdles range from the Pacheco law's unreasonable limits on competitive procurement, to inefficient centralized purchasing requirements, and even include state-imposed obstacles to capital projects that are wholly funded with non-state resources. While the 2004 House Ways and Means budget gave partial recognition to these concerns by proposing a two-year pilot to ease the limits of the Pacheco law at the University of Massachusetts, that initiative was stricken in the budget approved by the full House.

The state's recent financial decisions on higher education, as well as the longer-term pattern of spending, raise serious doubts about the ability of even the most talented and dedicated leaders to build a first class system: one that will meet the needs of the almost one-half of college-bound Massachusetts high school graduates that attend our public institutions of higher education, and help meet the future needs of the state economy and workforce. The Governor and Legislature should engage in a serious discussion—and reach bipartisan agreement—about what resources and organizational structure will be required for the Commonwealth's university and colleges to succeed over the long term.

The state faces a far different challenge in financing its correctional system: We simply cannot afford the course of rapid expansion in prison populations—and even more rapid growth in costs—that has characterized the corrections budget for more than two decades (see Figure 1). Since the Commonwealth assumed the burgeoning costs of the county jail system in fiscal 1988—which could no longer be sustained with local assessments capped by Proposition 2½—spending growth continued to grow more rapidly than the budget as a whole, averaging 8.4 percent a year through the last fiscal crisis and all of the 1990s (see Figure 2). During that same period, the total capacity

**Figure 2**



\* Approximately six percent of average annual growth from 1981-1988 is due to impact of state assumption of \$80 million of county correction costs in 1988.

of the system more than doubled, with a more than 150 percent increase in the number of costly secure beds.

While the rate of growth in corrections spending has been held in check in recent years—averaging 1.3 percent a year from 2001 to 2004—that financial respite has been achieved in part at the expense of a 10 percent overall increase in overcrowding that has affected all parts of the system. The resulting fiscal relief will be short-lived if the state's leaders fail to address one of the underlying causes of the explosion of prison costs—a "get tough on crime" correctional philosophy that has packed the Commonwealth's penal system to the bursting point and driven an expensive, debt-financed boom in prison construction. Even with the expansions, the state's prisons and jails were still operating at 138 percent of capacity in the first quarter of 2003, only moderately less than the peak of 157 percent in 1986. (Overcrowding data are unavailable prior to 1985, the first year for which system-wide reporting was statutorily mandated.)

Across the country, both the efficacy and affordability of that correctional philosophy are being seriously questioned. In the past year, about 25 states have reportedly passed laws eliminating lengthy mandatory minimum sentences of the kind still in effect in Massachusetts. They have also restored early release for parole and authorized treatment instead of incarceration for some drug offenders. The reality of the fiscal crisis and the recognition of the limits of a strictly punitive philosophy, especially for non-violent offenders, have led governors and lawmakers to reconsider the expensive strategies of the past.

**Table 1**  
**2001-2004 State Spending for**  
**Higher Education and Corrections**  
**by Program**  
 (\$, Millions)

	2001 Spending	2004 Budget	Change	
			Amount	Percent
Higher Education				
UMASS	514.6	359.3	-155.3	-30.2
State Colleges	201.5	169.6	-32.0	-15.9
Community Colleges	248.5	192.1	-56.4	-22.7
Scholarships/ Financial Aid	117.3	85.2	-32.0	-27.3
Other	27.2	9.5	-17.8	-65.2
Total	1,109.1	815.7	-293.4	-26.5
Corrections				
Dept. of Correction	411.4	438.8	27.5	6.7
County Jails/ Sheriffs	373.7	378.5	4.8	1.3
Parole	14.2	13.1	-1.1	-8.0
Total	799.3	830.5	\$31.1	3.9

Note: Corrections amounts include expenditures from reserves for collective bargaining and county facilities. Higher education amounts include an estimated \$31.3 million of expenditures of retained tuitions authorized in the 2004 budget.

In a recent State House hearing, Secretary of Public Safety Edward Flynn signaled the Romney administration's desire to break from the state's prior correctional approach, which he characterized as both economically and socially costly. Echoing the concerns that have motivated the recent changes in other states, he emphasized the need to place inmates in an appropriate level of incarceration and better prepare prisoners for their return into society.

The Legislature could take an immediate step in this direction by adopting the sentencing guidelines recommended by the Massachusetts Sentencing Commission. These guidelines would bring order to the hodgepodge of existing sentencing statutes that give judges discretion to impose wildly disparate sentences for similar crimes, an irrational approach that has helped crowd the state's prisons with non-violent offenders while more serious crimes may result in little time served. The guidelines would help the Commonwealth restrain the growth in corrections spending while gaining greater control over the allocation of resources among correctional facilities.

The Commission, chaired by Superior Court Chief Justice Robert Mulligan, worked for over two years to develop uniform sentencing policies and the integration of intermediate sanctions into judges' rulings. Proposed in 1996 and long overdue for action, the

commission's recommendations set priorities for the type of crimes that warrant imprisonment and provide less-costly alternatives to incarceration for first time and non-violent offenders. The guidelines for minimum and maximum sentences for 1,800 crimes are based on the severity of the crime and the history of the convicted criminal. Judges who deviate from the guidelines would have to explain their reasons in writing.

There are other opportunities for legislative action as well: Both overcrowding and costs could be eased by extending parole eligibility to non-violent offenders serving mandatory minimum sentences, in particular for first-time offenses. One example of such a measure is a bill—sponsored by Senator Cynthia Creem and others and now before the Criminal Justice Committee—that would allow consideration of parole for those serving mandatory minimum sentences for drug offenses.

The 15-member "blue-ribbon" commission recently named by Governor Romney and headed by former Attorney General Scott Harshbarger to investigate systemic problems at the Department of Correction also presents a major opportunity to address other important areas—including prisoner over-classification and the role of community corrections—that have a large impact on prison costs as well as safety. Placing inmates in higher security settings than necessary not only puts those inmates at greater risk from offenders who are more violent but also adds tremendously to costs. The relative lack of less-costly alternatives—including community-based programs for first-time offenders—undoubtedly exacerbates this problem.

The commission should also examine the department's 2003 decision to close five minimum-security facilities with approximately 1,300 beds and eliminate some inmate education programs. While the closures helped reduce costs, they also increased the burden on higher security, more expensive prisons, and the cuts in prisoner education have undermined the longer-term goal of reducing recidivism.

As the recent fortunes of higher education and corrections make clear, much more will be at stake in the upcoming budget debate than simply achieving a balance between overall revenues and spending in fiscal 2005. In each area, it will be a critical time to assess the state's approach—and to make choices that look beyond the immediate crisis.