## **SENATE . . . . . . . . . . . . . . . No. 2115**

Message from His Excellency the Governor relative to the general concerns of the Commonwealth

## The Commonwealth of Massachusetts



## OFFICE OF THE GOVERNOR COMMONWEALTH OF MASSACHUSETTS

STATE HOUSE · BOSTON, MA 02133

KARYN POLITO LIEUTENANT GOVERNOR

January 21, 2016

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Mr. Speaker. Mr. President. Members of the House and Senate. Fellow Constitutional Officers. And Members of the Governor's Council.

Mr. Chief Justice and Members of the Judiciary. Members of the Cabinet and my Administration.

Senators Warren and Markey. Members of Congress. Sheriffs. District Attorneys. Mayors. Distinguished Local Officials. Reverend Clergy. Distinguished Guests. And fellow Citizens.

I want to begin by expressing my gratitude to some special people. For the support and encouragement they've extended to Karyn and me over the past year.

To my cabinet and staff – for their willingness to serve & their collaborative brilliance. Thank you.

To the thousands of front line employees in state and local government, who make a real difference every day in the lives of our citizens. Thank you.

To the people I've met – and maybe even taken a selfie with – thank you for sharing your stories. Your dreams. Your passion. And your encouragement.

We are joined tonight by Corporal John Dawson's parents and Gunnery Sergeant Tom Sullivan's parents. Last year both lost their sons in service to our country.

Every man and woman who serves in combat is special. And their families serve right alongside them.

Your presence reminds us what service, sacrifice and loss is really all about.

We are who we are, as a Commonwealth and a country, because of families like yours. I know I speak for everyone here tonight and across the Commonwealth when I say thank you and God Bless.

To the Speaker, Senate President and the members of the legislature. Thank you for putting partisanship aside and for engaging with us in good faith and good humor as we work to solve some very challenging problems.

Dad, you and Mom – and my brothers Joth and Sandy – made me who I am today. Thank you.

To my wife Lauren and our children Charlie, AJ and Caroline, thank you for your support and love. I couldn't do any of this without you.

I still believe that the 40,000 voters who put Karyn and me over the top in 2014 were actually people who voted for Lauren.

If I had to sum up the past year in office in one phrase, it would be the following: Don't be surprised when you get surprised.

Stuff just happens. Some good. Some bad.

Twelve days after we took office we determined there was a \$765 million budget deficit to deal with. Thankfully it was 40 degrees out and winter was almost over.

Six days after that it started to snow. And nine feet of Snowmaggedon later we had a transit system in serious trouble and a new term I'd never heard before: Snow Farm.

Welcome to your new job Governor, where your time may or may not involve the things you thought you'd be working on.

With respect to the T, some say in the Chinese language the word crisis is composed of two characters. One representing danger, and the other, opportunity.

The T's failures last winter became a crisis, and I am proud to say that by working together we found and seized opportunity.

We passed meaningful reforms, including the creation of a Fiscal and Management Control Board.

Today, for the first time ever, we are having a transparent and reality based discussion about how to improve the performance of this vital transportation system.

Turning around a system with the troubles and problems the T has won't be easy or quick, and there will be some missteps along the way, but we are determined to do it.

A million people ride the system every day - to get to work, school, the grocery store and then back home. They need the T to work - and work well.

That's why we are working to double the capital investment in the system's core infrastructure to \$1 billion every year.

And it's why \$90 million was invested on strategies and equipment that will allow the T to battle the curveballs thrown by Mother Nature.

And to the taxpayers who may never ride the T but who write a \$1 billion check to the system every year. I say you deserve to know that your support is delivering a reliable, affordable, transparent and efficient service.

But 2015 wasn't all surprises caused by Mother Nature.

At this time last year our Constituent Services office was taking 500 calls a week from people who couldn't get through to the Health Connector.

For more than two years, getting and keeping health insurance had been a complete disaster for hundreds of thousands of Massachusetts's citizens.

Many ended up on MassHealth, and the state had no ability to determine whether or not they were actually eligible. This jeopardized hundreds of millions of dollars of federal reimbursements.

Fixing the Connector was a top priority, and today open enrollment is mostly complete. More than a million people were redetermined for MassHealth eligibility. The federal government has recognized our work, and Constituent Services has received virtually no calls.

We were all aware of the systemic problems at the Department of Children and Families, which put Massachusetts at the bottom of most national rankings of child welfare agencies. The problems were laid out in great detail by the Child Welfare League of America's report in 2014.

The report's author, Linda Spears, is now Commissioner of DCF, and thanks to her leadership – along with Secretary Marylou Sudders – we are making progress.

They're developing intake, investigation, supervisory, foster care and in-home service reforms, some of which haven't been updated in years, and some of which never existed at all.

Thank you Commissioner Spears for your leadership.

This is all being done in partnership with SEIU Local 509 leadership, which represents DCF social workers. These workers often haven't had the playbook or support from the top to do their work – and do it well.

Thank you Peter MacKinnon and all our social workers for your work.

The children served by DCF are just like everybody else's kids. Except they're among the most vulnerable.

They need the support, love and sense of security most other kids have, because when you're a kid there's nothing more important than all of that.

Over at the Registry of Motor Vehicles, long waits in long lines have been a frustrating, costly and unacceptable experience for everyone, and if you get paid by the hour, there's been lost wages and lost time.

I never expected we'd fix this quickly, because it didn't get this way overnight.

But creating a more customer friendly Registry has been a big deal for us.

And while I'll spare you a detailed explanation of queuing theory, it's helped us essentially eliminate the 'hidden wait' to get in the door and is allowing nearly three-quarters of customers to get in-and-out in 30 minutes or less.

And we're just getting started.

Working collaboratively with the Legislature, we've closed more than \$1 billion in budget deficits without raising fees or taxes.

Instead we tightened our belts, got creative and reduced spending, taking what was an unsustainable path and setting a healthy, responsible course.

Working together, we've made investments in school aid and local aid. No longer will Beacon Hill balance its budget on the backs of local communities.

We focused on transportation, investing \$300 million in Chapter 90 funding in hundreds of local road and bridge projects across the Commonwealth.

We increased the investment made in higher education.

We invested \$37 million in climate change and energy resiliency projects.

We boosted support for the MassWorks economic development program by \$10 million and launched a \$3 million grant program as part of our Urban Agenda.

These projects breathe new life into downtowns, setting up communities for success.

We've signed Community Compact agreements with more than 100 communities across Massachusetts, building on best practices and successful reforms.

And in cooperation with public sector unions we've reduced our own headcount by more than 2,000, making state government more efficient without skipping a beat.

But much more remains to be done, and together we're poised to make progress on a number of issues.

The first is energy.

Over the next few years, the region stands to lose about 10,000 megawatts of power as older generation plants come off line.

That represents enough energy to supply Maine, Vermont, New Hampshire and Rhode Island combined.

Meeting our future energy needs requires cooperation with the other New England states because the region's energy infrastructure and supply is closely linked.

Our administration has outlined ambitious goals to reduce carbon emissions, and we have a plan to meet those goals, through a diversified, sustainable and affordable approach.

But meeting our energy needs with renewable resources requires us to act now.

Massachusetts leads the nation in energy efficiency, but that will never be enough.

We have a growing solar industry which we should continue to support, but not at prices two to three times more than every other option.

Cost competitive wind options are already available to us, and if advances in off shore wind technology bring a competitive price, then we should embrace them too.

But if we're serious about reducing our carbon footprint while maintaining a reliable energy grid and improving our competitive position, then we must significantly increase the supply of clean and affordable hydropower.

Governors across New England – Democrats and Republicans – have made clear to me that they're ready to go. They're waiting on us.

And solutions will take time to implement.

I urge the legislature to move on this now.

The second is the epidemic of opioid and heroin abuse.

The statistics are terrifying. Four people are dying a day in Massachusetts.

Prescribers in this state wrote more than four million opioid prescriptions for 200 million pain pills in 2014. These numbers have been climbing for a decade.

The rise in opioid and heroin addiction deaths has traveled hand in hand with the growth in prescriptions.

This is a real human tragedy. Moms, dads, brothers, sisters and friends all tell hauntingly similar stories.

It starts small, fill this prescription or try this pill. But once someone gets too close to the flame, everything changes. It becomes the only thing that matters.

People under the spell of opioids and heroin will do anything to get their next hit. Families and friendships are torn apart. Trust vanishes. Patience is overwhelmed. Tragedy is always inches away, and more often than not it comes to stay, because people die.

You all know I'm a health care guy, and I'll stand with my former colleagues when their clinical judgment is being improperly maligned. But not this time.

Prescribers in Massachusetts – and across this country – are far too casual about the addictive consequences of these medications.

Parents, teachers and coaches don't know enough about opioids to protect their kids.

And kids are mostly completely in the dark about what's at stake when someone says: try this.

We're close on legislation to enhance prevention and education efforts, to build on our intervention work, and to strengthen our treatment and recovery programs.

Breaking the back of this beast will take time, creativity and a willingness to be disruptive.

We must be thoughtful. We must be bold.

Let's get this done, and let's not rest until we do.

I also you urge to be bold on K-12 education.

For some, expanding the availability of public charter schools is controversial.

But giving parents in underperforming districts more opportunity to choose a better school is nothing less than any of us would demand for our own children.

More than 40,000 kids – most from communities of color – are excelling in public charter schools.

However, 37,000 more – mostly the neighbors of those kids – remain on a waiting list. Their parents struggle to understand why they don't deserve the same education their neighbors' kids get.

They cry when they talk to me about the hopes and dreams they have for their children, and as a parent, I feel their pain.

Parents want their kids to have a shot - a better shot than the one they had. And they see it - right in front of them - but they can't make it happen.

These are families that can't afford to move, and they can't afford to send their kids to private schools. This is their chance – and it's a good one.

In Massachusetts, we're home to some of the highest performing public schools in the country, many of which are public charter schools serving low-income families in communities of color.

Students attending the Brooke Charter Schools in Roslindale, Mattapan and East Boston had higher scores on the English and Math PARRC Exams than those in Carlisle, Belmont, Sudbury, Sharon, Concord, Wayland, Weston and Newton.

In fact, they had higher scores than students from every K-8 school in Massachusetts.

We are willing to discuss. We are willing hear both sides.

But a state that places such high value on education should not place arbitrary limits on high-quality schools. And it should not sit idly by while so many parents feel the pain of missed opportunity for their children.

I urge you to lift the cap on public charter schools.

I get that energy, opioids and education are challenging and complex issues, but we can successfully take them on.

Over the past year we worked together to increase the Earned Income Tax Credit for 400,000 low income families.

Executed an Early Retirement Program that will save \$125 million every year.

Enacted dramatic reforms at the MBTA.

Solved two major budget deficits – without raising taxes or fees.

And provided a \$28 million down payment to enhance education, prevention and treatment services to beat down our opioid epidemic.

And today, with your help, we are all delivering on a promise that has eluded state leaders for more than 30 years.

We will no longer send women – who were involuntarily committed because of a substance abuse disorder – to MCI Framingham.

Instead, they will access medical care at Shattuck and Taunton State Hospitals.

And later this month we'll file a budget for Fiscal Year 2017.

In keeping with our previous efforts, it will increase local and education aid; continue our generous support for public transportation; and offer a number of important reforms in the way we operate.

It will add money to the Stabilization Fund, and it won't raise taxes or fees.

The people of this state live within their means, and we should too.

We'll also be filing legislation that makes a modest adjustment to the film tax credit.

We respect the legislature's desire to retain the credit. Message delivered.

But we believe it would be more cost effective to return to its original structure.

The savings from this adjustment will be directed to creating more affordable housing and an improved tax climate for Massachusetts businesses that sell products and services in other states.

In addition, too many jobs – good paying jobs that people can build a life and a career with – are going unfilled.

That is why our economic development bill will invest \$75 million dollars in our career and technical schools.

Our proposal will make it possible for these schools to build more partnerships with local businesses and higher education institutions, and serve more students.

These schools are a pathway to a bright future. The skills they teach are widely in demand, and many of them are already well plugged into the job creators in their communities.

In an age when too many people are struggling to find work that pays well, these schools have so much to offer, and we should help them make that happen.

As the administration ends its first year in office, some have lamented how boring we are. I'll admit: that makes me smile.

No fights. No yelling. No partisan scrums.

I had a basketball coach in high school who was fond of saying: Don't confuse effort with results. Work hard, but work smart.

Too often in government, we confuse how much money we spend on something, or how much we talk about it, with whether or not we're achieving any positive results.

The guy who became the receiver of the Lawrence school system four years ago isn't a big talker. He's a doer.

Jeff Riley cut his central office budget by 30 percent and put the money he saved back into the classroom

He renegotiated the collective bargaining agreement to lengthen the school day and focus more on student performance, and he brought the charter schools and traditional schools together – to focus on the kids.

He didn't get any more money. He just did the work.

It's an amazing story – the teachers, the kids and the entire community – are writing in Lawrence. Thank you, Jeff, for everything you and your team are doing.

The reality is that citizens care about what we say. But what they really care about is what we do, and what they see in their own daily lives.

If they have a good job.

Their schools work.

Their local community is safe and thriving.

And they can pay their bills.

Then they feel pretty good about where they are – and where they're going.

The reverse is also true.

If they can't find or keep a job – or get to one.

If their kids attend an underperforming school.

If they cannot afford to pay their bills.

If their streets are not safe and their downtown is a wasteland, then no amount of good intentions – or We're Number One talk – is going to mean anything to them.

That's the reason the Baker-Polito team is so focused on the blocking and tackling of government. It's where we can have the most impact on peoples' everyday lives, and it's what people care about most.

All of us here get that campaigns are competitions, but governing is about the work. When Karyn and I talked about a bipartisan approach to governing, we meant it.

When we talked about building strong communities and rebuilding the relationship between state government and cities and towns, we meant it.

And when we talk about focusing on what works and what doesn't, and doing more of the former and less of the latter, we mean that too.

Every day the people expect their state government to work. They work hard. They have to sweat the details, and they have to perform. So should we.

I have a plaque on my desk which contains the piece of scripture I brought to the interfaith service held just before we took office.

It says: Do nothing out of selfish ambition or vain conceit. Rather, in humility, value others above yourselves. Not looking to your own interests, but each of you to the interests of others.

We live in a glorious place. Karyn and I both say it all the time, and we marvel at the collective spirit, intelligence and drive of the people of this great state.

They are the reason Massachusetts is truly a leader in so many fields.

Just last week GE – one of the world's largest and most respected technology and advanced manufacturing companies – decided to relocate its headquarters in Boston.

The competition was stiff. Everybody wanted GE as part of their innovation economy.

We were successful for a couple of reasons.

First, there wasn't an inch of daylight between the Republican Governor and Democrat Mayor, and the folks at GE could see we were in this together.

Second – and more importantly – they saw who the people of Massachusetts are, what we do, and how the ecosystem we've developed can help propel GE into the future.

Massachusetts didn't get here overnight. We got here over time. We looked at the big picture and crushed the details.

For decades, the people of this state have set the bar high and followed through.

Because of all of that, I can stand here tonight and say with certainty that the state of our Commonwealth is strong.

But we have work to do. We always will. As my Dad always says: Success is never final.

But I believe we have the will to collaborate. The shared sense of purpose. The deep belief that we can and should always do better, and the relentless spirit that says we must.

God Bless The Commonwealth of Massachusetts.

And God Bless the United States of America.

Respectfully submitted,

Charles D. Baker, *Governor*