

# SENATE . . . . . No. 1

Senate, January 24, 2017 -- Message from His Excellency the Governor relative to the general concerns of the Commonwealth

## The Commonwealth of Massachusetts



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To the Honorable Senate and House of Representatives,

Mr. Speaker. Mr. President. Members of the House and Senate. Distinguished elected officials and honored guests. And fellow Citizens.

About 750 days ago, Lieutenant Governor Karyn Polito and I stood right here and we pledged to work collaboratively with you and others to move this Commonwealth forward. And we have done just that.

We built a bipartisan team. Worked in partnership with the legislature. And looked for common ground.

We worked to fix state government, passed groundbreaking legislation and focused on growing our economy. And it's working.

Our economy is among the strongest in the nation.

Over the past two years we've added 120,000 jobs. Today more people are working than at any time in the past 20 years. And our welfare caseload has dropped 25 percent.

The companies of the future are moving to Massachusetts, bringing millions in private investment. While new companies are born here every day.

In fact, for the second year in a row, Bloomberg named Massachusetts the #1 state for innovation.

GE's decision to locate its world headquarters in Boston and North American Life Sciences headquarters in Marlborough was based on its belief in the talent and vision of our people.

And believe me, any discussion of GE's re-location won't be complete without noting the extraordinary work and collaboration by Boston Mayor Marty Walsh and his team.

Mr. Mayor, I look forward to working with you on the next Patriots' Super Bowl parade.

The job gains have benefitted every corner of our state.

For example, New Bedford had the steepest unemployment decline in the entire country. With an unemployment rate that has fallen from 6.5 percent to 3.7 percent in just the past year.

It's not an accident that Massachusetts is such an attractive place to do business. It's a reflection of the quality of our people and the business climate we've created.

The progress we made on energy is a perfect example.

Together, we passed landmark legislation that will reduce our carbon footprint while maintaining a competitively priced and reliable supply of energy.

And we've built on those efforts by issuing an Executive Order on Climate Change that directs state government to work with local governments, business, and non-profits to develop plans to further protect our environment and reduce greenhouse gas emissions.

Thanks to the hard work of state & local officials, teachers and parents our students are #1 in the nation in both math and reading for the sixth straight year.

Our shared commitment to funding local schools has led to an all-time high in Chapter 70 education funding, representing an increase of \$227 million over the last two years.

We've also made attending a public college more affordable. Through the Commonwealth Commitment we've created a pathway for students to secure a bachelor's degree from UMass or one of our state universities for half the price.

Brockton's own Jaclyn Bell is here tonight and she's a great example of who this program is helping.

She's 26 years old, has a two-year old daughter, and is currently a straight A student at Massasoit Community College. She said the Commonwealth Commitment 'changed her family's life.'

Jaelyn – we all look forward to watching you build on your success.

We've reviewed, updated and eliminated thousands of pages of outdated and obsolete state regulations.

Which has reduced red tape and made it easier for employers, non-profits and cities and towns to do their jobs.

We all know that High-speed internet has become central to the ways we communicate, learn and do business. But too many communities in Western Mass still don't have access to this essential service.

That's why this past May we completely overhauled the Last Mile program for our rural communities.

We started with 53 towns lacking high speed internet access.

And while there's still more work to be done, in just six months we've moved a dozen towns forward.

That's more progress on local broadband access than in the last five years.

And we've done all of that and more while closing a billion-dollar state budget gap without raising taxes.

Fiscal responsibility is challenging work. It's not the stuff that wins popularity contests.

By working together we've controlled the runaway growth in spending and nearly eliminated the structural deficit in just two years. We've reduced the state's bureaucracy, saving hundreds of millions of dollars. And we're working smarter and making state government more accountable to the people who pay the bills.

We also ended the previous practice of using rainy day funds to bailout the state budget. Instead, we invested in this fund despite lower revenue growth. And have set the Commonwealth on solid financial footing going forward.

We've proposed closing the tax loophole on Airbnb. But we will oppose any effort to pass a broad-based tax increase on the hardworking people of the Commonwealth.

We've also made real progress in supporting those who need our help.

Helping families fighting homelessness and ending the practice of putting homeless families into hotels and motels has been a priority for us.

To get there we've taken a different approach. We're working with housing authorities and other housing providers to help families avoid homelessness in the first place and relying more on permanent solutions.

In two years, the population of homeless families in hotels and motels has been reduced from more than 1,500 to fewer than 100 families today.

Two years ago the Department of Children and Families, which serves more than 50,000 at-risk kids was in crisis. Today, it's a very different place.

There are 270 more social workers on the job than there were just over one year ago. Ninety-five percent are licensed, up from 50 percent when we took office.

Caseloads are as low as they've been in decades. And long promised clinical and administrative supports are now in place.

New policies concerning investigations, home based services, supervisory practices and missing children have been collaboratively implemented with the full support of DCF's union workforce.

But when it comes to at risk kids we can never rest easy.

DCF still needs to recruit more foster homes and do a better job working with foster families.

And DCF will continue to work with the courts and legal community to reduce uncertainty for kids by shortening the time they have to wait for a permanent and loving home.

DCF Commissioner Linda Spears is with us tonight. Linda, you and your team are doing a great job. And on behalf of the families and children you serve, thank you.

As in other states, we continue dealing with the heinous crime of human trafficking.

And through compassion for these young girls and boys my wife Lauren championed bringing back the State Police anti-human trafficking unit.

For that, and so many other things she does every day I thank her tonight.

We worked together to craft legislation for Uber, Lyft and other transportation networking companies.

This legislation respects the important role of the sharing economy while benefiting hundreds-of-thousands of passengers as well as drivers here in the Commonwealth.

For example, people with disabilities often have trouble finding reliable transportation especially for unexpected trips. Making it difficult to complete their education or work full time. It's a huge problem.

The T's RIDE took advantage of our new law, to set up a pilot with Uber and Lyft to serve about 400 people with disabilities.

So far, that pilot has delivered more than 7,000 rides.

Manish Agrawal is blind and uses the RIDE. He's here with us tonight. He and his wife live in Arlington with their young daughter.

Recently, Manish had to take his daughter to the doctor unexpectedly.

He used the pilot program and called Uber instead of waiting for the RIDE. It was easy, prompt and cut his travel time in half. Thanks to this pilot program he was able to focus on the needs of his daughter instead of worrying about transportation.

Manish thanks for being here with us and sharing your story.

In fact, his story echoes those we've heard from many others. The overwhelming message from the participants couldn't be more clear –This program has changed my life.

We all know the opioid epidemic is ravaging individuals and families across the country. And while this is going to be a prolonged battle, our efforts are making a difference.

We know that four out of five heroin users first become addicted through prescription drugs. And we're seeing results from our efforts to close this front door to addiction.

For the first time, medical, dental and nursing schools are requiring students to master opioid therapy and pain management. And continuing education on these issues is now a part of our state licensing programs.

After years of increases, the number of opioids prescribed is now down by 15 percent.

Prescribers have made more than 2 million searches of the new Prescription Monitoring program.

This makes it harder for people to doctor shop for pain pills, or for pill mills to operate here in Massachusetts.

Spending on addiction services has been increased by 50 percent. Hundreds of additional treatment beds and voluntary programs have come online. Family and peer support groups have doubled and been funded across the Commonwealth. And thousands of NARCAN kits have been distributed to first responders and family members.

And our work has not gone unnoticed. An unprecedented 46 Governors have signed on to a compact to fight opioid addiction—that's based on our efforts here in Massachusetts.

Make no mistake, drug traffickers are part of the opioid epidemic. They prey on vulnerable people, selling them more and more deadly and addictive substances.

We'll also propose \$2 million to expand law enforcement's efforts to arrest and convict drug traffickers.

With your help we also ended the decades old practice of sending women, who were civilly committed due to an addiction, to Framingham State Prison.

Instead, they now enter a treatment program including the new one at Taunton State Hospital. These programs have been a game changer for many of the women they serve.

And based on this success, we'll request an increase in state funding to support treatment for men who are committed due to an addiction as well.

The MBTA's historic failure during the winter of 2015 laid bare the vital need for a complete overhaul.

But never forget the T always had the money, but it lacked the capacity to turn its resources into an action plan – to deliver the safe and reliable transportation system that our people deserve.

The Fiscal and Management Control Board, management team and staff at the T cut the MBTA's operating deficit in half. These significant savings, along with existing funds, are being used to double the T's investment in core infrastructure.

While a lot of great work has been done in the past 18 months, anyone who rides the T will correctly tell you, we still have a long way to go.

Everything that breaks is at least 50 years old. Making the investments in tracks, signals, switches, power systems and vehicles will take years, not months. But we finally have the team on the ground and the plan in place to get the job done.

And after months of discussion the MBTA reached an agreement on a new contract with its largest union, the Carmen's Union Local 589.

This is a win/win for all involved. Riders and taxpayers have a competitive contract that respects market standards. While union members have predictability and achievable ground rules for measuring performance.

Both sides could have turned this into an epic brawl. Instead, they chose to be part of the answer.

Jim O'Brien, the President of the Carmen's Union, as well as Brian Shortsleeve and Joe Aiello of the T are here with us tonight.

For their hard work, vision and leadership during these difficult and complicated times, they deserve our thanks.

And remember those toll booths we used to have on the Turnpike? Me neither.

Going live with an All Electronic Tolling system and taking down the toll booths could've been a disaster.

In fact, many predicted it would be.

But a terrific engineering and planning effort across multiple agencies made sure work was done at night and on weekends. Assuring that commuters were not delayed going to and from work.

With a shared sense of purpose we've made real progress in job creation, fiscal discipline, education, child welfare, public health, transportation, public safety, environmental and energy policy and community building during the past two years.

And because of all that, I stand here tonight and say, the state of our Commonwealth is strong.

We all know the world is becoming more and more dependent on technology. Smart buildings. Smarter machines. Robotics. Autonomous vehicles. Digital health. Precision manufacturing. And big data to name a few.

These are the platforms of the next generation of great companies and new jobs. And cyber security that moves as fast as the hackers, thieves and troublemakers is what makes this all possible.

Success in protecting databases and smart machines will ensure that people benefit from the best ideas in science, engineering and technology for decades to come.

We're already one of the 3 most important players in cyber security in the world. Businesses in Massachusetts protect proprietary information and secure smart machines and smart buildings from attack. But this industry is just taking off.

Hundreds of billions of dollars will be spent over the next decade to protect information and assets. Massachusetts' organizations should play a major role in driving these decisions.

Over the next ten months we'll bring together the best minds locally and globally to develop a blueprint for success here in Massachusetts. And we will follow it.

Our strength as a Commonwealth is based, in many ways, on our work with 351 cities and towns.

The important reforms enacted last session give local leaders new tools to better serve their constituents.

And you don't have to take my word for it. The Massachusetts Municipal Association called those changes the most significant reform of municipal governance in more than 50 years.

And thanks to the tireless work of Lieutenant Governor Polito more than 250 communities have joined with us to work on 600 best practices that will make local governments more successful.

Thank you Lieutenant Governor, for your extraordinary work on this initiative.

Looking ahead, our budget will propose more than \$130 million in new funding for cities and towns. Including increasing Chapter 70 support for K-12 education by more than \$90 million, twice the amount required under state law.

And for the first time we propose funding a down payment toward increasing state support for municipal health insurance.

Our capital program will build on our previous efforts to invest in local communities. We'll continue unprecedented levels of investment in roads, bridges, economic development and housing.

These investments help our colleagues in local government build strong communities, leverage billions of dollars in private sector investment and create jobs.

We should also be proud of our achievements in education.

But we must also recognize not every child in the Commonwealth gets to attend a first-class school. We have an obligation to every parent and child in Massachusetts. And in this effort, we must succeed.

To assist struggling schools, we'll work with Representative Peisch and Senator Lesser and their colleagues in the house and senate to create more empowerment zones.

These zones create more flexibility in schools. And allow educators to make the changes necessary to provide a better learning environment for our kids. In Springfield, this model is already making a positive difference for teachers and students.

In addition, the experience of struggling districts in Lawrence, Southbridge and Holyoke has demonstrated that state takeovers can offer significant benefits to students, parents and teachers in schools that need our support.



We encourage the Board of Elementary and Secondary Education to use this tool.

For decades, mental health advocates have urged the Commonwealth to redesign the way it serves those who are committed to Bridgewater State Hospital. Little has changed, and the results, in many cases, have been disastrous for all involved.

We propose to do two things to address this longstanding and unacceptable situation.

First, move Corrections Officers out of the hospital. And instead deploy them outside the facility to provide security.

Second, the size and scale of the clinical program offered inside the hospital will be significantly expanded. This reform will not come cheap, as spending on clinical services will increase by \$37 million. It's the right thing to do and we ask the legislature to support it.

I would also like to extend our thanks to Jon Mograss and the Massachusetts Correctional Officers Federated Union for being a true partner in our efforts to make these reforms. This wouldn't have happened without their support.

We must also think differently about how we support and engage older adults. The notion that people are fully retired at the age of 62 or 65 is inconsistent with what I see every day.

And even if some have stepped back from what they spent most of their lives doing, most still have tons of time and talent available to do something else.

Hey – I turned 60 in November. Sixty.

I remember thinking that was ancient when my dad turned sixty.

Now he's 88 and still the smartest, most informed person I know. And Dad – nobody gives better advice than you do.

There are thousands of citizens in Massachusetts who are still very much in the game in their 60s, 70s, and even 80s. And there'll be more as our population continues to age.

I'll be signing an Executive Order in the coming weeks that will establish a Council on Older Adults. It will focus on policies and programs that make it possible for even more older adults and seniors to live vibrant, purposeful lives.

Finally, too many of our returning heroes struggle to find good jobs.

Jesse Brown and Matt Mastroianni the founders of Heidrea Communications of Plymouth and Bellingham are with us tonight. Heidrea constructs, maintains and repairs cell towers, a booming business in today's wireless world.

After serving our country as United States Marines they both joined a large firm in the cell tower space. In 2007, they left the comfort of a big company to start their own.

The beginning was rocky, but today they employ 70 people. Almost half of whom are veterans like them. And their future is bright.

Like many small businesses, they want to hire and employ our veterans. We should make it easier for them to get it done.

So we'll be proposing a \$4,000 tax credit for businesses hiring and retaining an unemployed veteran.

We all wish Jesse and Matt continued success and thank them and all veterans for their service to our country.

In closing, on behalf of Lieutenant Governor Karyn Polito, our Cabinet, our team and the people of Massachusetts, I want to thank you, the legislature, for your goodwill. This may seem like a small thing. But it's not.

Too much of what passes for political dialogue these days isn't dialogue at all. It's talking points. Character assassination. And deliberate misrepresentation.

Wedge issues may be great for making headlines, but they do not move this Commonwealth forward. Success is measured by what we accomplish together.

Our obligation to the people we serve is too important to place politics and partisanship before progress and results.

The changes in Washington don't change this powerful obligation. Our jobs remain the same. That is to represent Massachusetts to Washington and not Washington to Massachusetts.

We can and do disagree.

But we listen, we learn and we make the best decisions we can.

On energy. Public records. Pay equity. Addiction. Economic development. And a host of other issues. You've compromised with one another, and with us.

Like other states, we have enormous challenges here in the Commonwealth. Issues that are destined to create difficult discussions and opportunities for conflict.

And we live in a time where what you oppose seems much more interesting than what you support. Where compromising is often viewed as an act of weakness. When, in fact, it's a sign of strength.

Our Founders worried a lot about the tyranny of the majority.

They designed our form of government to provide a loud voice for minority points of view. They hated the idea of unilateral power. And wanted to force advocates and policy makers, through structure and process, to compromise.

I'm with them. As my mom always used to say – 'You have two ears and one mouth for a reason.'

It's one thing to stand in a corner and shout insults at your opponents. It's quite another to climb into the arena and fight for common ground.

I believe it's this conversation that makes us strong.

Our economy is strong because we listen and we learn from the workers and employers who make it go.

Our communities are strong because local leaders and active citizens listen and learn from the people they serve.

And our Commonwealth is strong because we listen and we learn from one another. Knowing that our goodwill can make our disagreements a catalyst for better ideas and real results.

Our team looks forward to working with you on the challenges and opportunities of the next two years.

We will advocate. We will engage. We will learn from you and from others. And we will all be better for it.

God Bless This Commonwealth.

God Bless the United States of America.

Respectfully submitted,

Charles D. Baker,  
*Governor*