

Reforms

Timeline

1. July 25, 2007: Governor Patrick signs “An Act to Reduce the Stress on Local Property Taxes Through Enhanced Pension Fund Investment” (A-2, B-414).
2. April 17, 2008: Governor Patrick signs “An Act Financing Improvements to the Commonwealth’s Transportation System,” a \$3.5 billion bond bill reforming the Massachusetts’ transportation system (A-9, B-417).
3. August 4, 2008: Governor Patrick signs “An Act Financing an Accelerated Structurally-Deficient Bridge Improvement Program,” a \$3 billion bond bill to accelerate the repair and replacement of approximately 250 to 300 bridges throughout the Commonwealth (A-14, B-205).
4. November 7, 2008: Governor Patrick signs Executive Order No. 506 “Establishing the Governor’s Task Force on Public Integrity” (A-21, B-2, recommendations B-61).
5. June 16, 2009: Governor Patrick signs “An Act Providing Responsible Reforms in the Pension System,” a landmark bill reforming the pension system in Massachusetts (A-53, B-199).
6. June 26, 2009: Governor Patrick signs “An Act Modernizing the Transportation Systems of the Commonwealth,” a bill dramatically reforming the Massachusetts transportation system (A-55, B-283).
7. July 1, 2009: Governor Patrick signs “An Act to Improve the Laws Relating to Campaign Finance, Ethics and Lobbying,” reforming ethics, lobbying and campaign finance reform in the Commonwealth (A-57, B-376).
8. June 30, 2010: Governor Patrick signs the Fiscal Year 2011 budget, which includes phase II of the Governor’s pension reform plan as well as reforms in capital gains, lobbying, and tax transparency (A-81, B-5).
9. November 30, 2010: Governor Patrick announces that, for the first time in Massachusetts history, Standard & Poor’s and Moody’s have awarded the Commonwealth’s Accelerated Bridge Program bonds triple-A credit ratings (A-87).
10. November 18, 2011: Governor Patrick signs “An Act Providing for Pension Reform and Benefit Modernization,” phase III of the Governor’s pension reform plan (A-100, B-170).
11. March 5, 2012: Governor Patrick announces the initial results of a systematic review of state regulations and new steps to streamline regulations for small businesses. After reviewing 200 regulations, the Governor approved changes to nearly 150 of them (A-104).
12. August 7, 2012: Governor Patrick signs “An Act Relative to Infrastructure Investment, Enhanced Competitiveness and Economic Growth in the Commonwealth” (A-112, B-215).
13. January 7, 2013: Governor Patrick files “An Act Modernizing Licensing Operations at the Division of Professional Licensure,” an act designed to streamline and improve the licensing process and business climate for thousands of professional licensees throughout the Commonwealth (A-117, speech A-121, B-33).

14. January 14, 2013: MassDOT announces “The Way Forward,” its 10-year \$13 billion transportation reform and investment plan to solve the Commonwealth’s transportation woes (A-123, B-437).
15. January 23, 2013: Governor Patrick files his Fiscal Year 2014 Budget proposal, which includes approximately \$1.2 billion in new revenue for transportation and infrastructure investments across the Commonwealth (A-134).
 - a. Note: Through the budgeting process, the Legislature reduced the amount of new revenue raised for transportation investment to \$500 million in FY14, increasing to \$670 million by 2017.
16. March 13, 2013: Governor Patrick files “An Act Financing Improvements to the Commonwealth’s Transportation System,” a \$13.7 billion transportation bond bill to authorize and fund his 21st Century Transportation Plan “The Way Forward” (A-143, B-13).

Ethics, Lobbying and Public Integrity

Executive Order No. 506 Establishing the Governor’s Task Force on Public Integrity (2008, B-2)¹

- Establishes the 13-member Governor’s Task Force on Public Integrity (the “Task Force”), chaired by the Chief Legal Counsel.
- The Task Force is charged with examining the existing legal and regulatory frameworks governing ethics and lobbying and make recommendations concerning any need for amendments to the current laws, regulations, investigative and enforcement mechanisms, and penalties.
- The Task Force will issue a final report presenting its assessment and recommendations to the Governor.

An Act to Improve the Laws Relating to Campaign Finance, Ethics and Lobbying (2009, B-376)²

- Prohibits public officials from accepting gifts of “substantial value” for or because of their position and bans lobbyists from giving gifts.
- Increases the maximum punishment for bribery to \$100,000 and 10 years imprisonment and increases the maximum penalties for conflict of interest law violations involving gifts and gratuities, revolving door violations and other abuses to \$10,000 and 5 years imprisonment.
- Increases the penalties for a civil violation of the conflict of interest laws and the financial disclosure law from \$2,000 per violation up to \$10,000 per violation. For bribery, the civil penalty increases to \$25,000.
- Increase the criminal penalty for violating registration-related lobbying rules to up to \$10,00 and 5 years imprisonment.
- Defines lobbying to include background work, strategizing, research and planning; expands the revolving door provision to apply to members of the

¹ Executive Order No. 506 Establishing the Governor’s Task Force on Public Integrity (B-3).

² Governor Patrick Signs Sweeping Ethics, Lobbying and Campaign Finance Reform (A-58 & A-59).

executive branch; and reduces the amount of allowable incidental lobbying from 50 hours in each 6-month reporting period to 25 hours in each 6-month reporting period.

- Increases the amount of time the Ethics Commission can proceed on an ethics violation from 3 to 5 years and makes compliance with the Ethics Commission's summons mandatory.
- Grants the Secretary of state authority to issue confidential, binding advisory opinions; subpoena powers; authority to suspend or revoke lobbyist licenses for cause; authority to impose fines; and to have the same civil enforcement over lobbying violations as the Ethics Commission has over ethics violations.
- Gives the Attorney General concurrent jurisdiction with the Ethics Commission to enforce civil violations of the conflict of interest laws and authorizes the AG to convene a statewide grand jury with jurisdiction extending throughout the Commonwealth.
- Imposes penalties for a new statutory obstruction of justice offense.
- Eliminates arrangements between state political parties and elected officials as well as bars individuals from making committee checks to themselves.
- Requires disclosure of expenditures and sources of funding for any anonymous third-party campaign mailings or ads that support or criticize a candidate or campaign.
- Increased penalties for late-filed campaign finance reports.

Pension Reform

*An Act to Reduce the Stress on Local Property Taxes Through Enhanced Pension Fund Investment (2007, B-414)*³

- Identifies and requires the state's lowest-performing pension systems to invest with the state Pension Reserve Investment Trust (PRIT). The criteria are based on the funding level and the average rate of return, as compared to PRIT, over the last 10 years.

*An Act Providing Responsible Reforms in the Pension System (2009, B-199)*⁴

- Closes the "one day, one year" loophole allowing elected officials to claim an entire year of credible service for working on day in a calendar year and removes the provision allowing officials to claim a "termination allowance based on the failure to be nominated or re-elected.
- Defines "regular compensation" to specifically exclude certain monetary benefits like housing, lodging, travel, automobile usage or annuities for the purposes of a pension benefit calculation.
- Officials and employees currently serving in a position earning \$5,000 or less in compensation will be ineligible for pension credit after their current term expires, or by July 1, 2012, whichever occurs first.
- Reforms dual-service pensions so that an individual cannot combine the compensation from two-positions to artificially increase one's pension.

³ Governor Patrick Signs Key Parts of Municipal Partnership Act into Law (A-3).

⁴ Governor Signs Landmark Pension Reform Legislation (A-53 & A-54).

- Extends the “vesting” requirement of elected officials from 6 years to 10 years.
- Eliminates a loophole that allows individuals receiving pension benefits to return to work and receive a full salary in addition to pension benefits if the individuals are classified as “consultant” or “independent contractor.”
- Allows for other reforms to increase efficiency in the retirement system, such as the direct deposit of retirement benefits.
- Eliminates the “King for a Day” provision.⁵

*Fiscal Year 2011 Budget Outside Sections 21-34 (2010, B-5)*⁶

- Imposes a cap on earnings for the purpose of calculating pension benefits.
- Requires that if a retiree worked for two different employers, both employers would share the costs for the retiree’s health insurance.
- Requires Supreme Court Justices to pay into the pension system.

An Act Providing for Pension Reform and Benefit Modernization (2011, B-170)

- Increases the retirement age for virtually all state workers and eliminates early retirement subsidies.⁷
- Increases the period for averaging earnings for purposes of calculating a member’s retirement allowance from 3 to 5 years.⁸
- Will generate over \$5 billion in pension funding savings over 30 years, including an estimated \$2 billion for cities and towns.⁹
- Introduces an anti-spiking rule limiting the annual increase in pensionable earnings to no more than 10 percent of the average pensionable earnings over the last two years.¹⁰
- The retirement allowance for new employees who serve in more than one group will be pro-rated, taking into account the number of years of service in each group.¹¹
- Includes a COLA provision that increases the base salary on which retirees receive a cost-of-living increase from \$12,000 to \$13,000.¹²
- Eliminates the right to receive a pension while receiving compensation for service as an elected official in the same position unless one year has passed from the end of the previous elected term.¹³

⁵ Pension Reform (B-60).

⁶ Ibid.

⁷ Ibid.

⁸ Ibid.

⁹ Governor Signs Pension Reform Legislation (A-102).

¹⁰ Ibid.

¹¹ Ibid.

¹² Ibid.

¹³ Ibid.

Regulatory Reform

*An Act Relative to Infrastructure Investment, Enhanced Competitiveness and Economic Growth in the Commonwealth (2012, B-215)*¹⁴

- Codifies the Patrick-Murray Administration's MassWorks program, bringing together a number of existing public infrastructure support programs under one umbrella that allows for faster decision-making, organizes regional priorities and establishes accountability to support local priorities.
- Creates a one-stop web portal for small businesses through the Massachusetts Office of Business Development.
- Empowers regions to increase economic opportunities through increasing flexibility in the 43D expedited permitting program, streamlining the District Improvement Financing Program, and creating a Local Infrastructure Development Zone Program.
- Enhances the I-Cubed Program to provide innovative financing mechanisms for infrastructure investments that would allow faster decision-making and execution, and more local control.

*General Reform (2012-present)*¹⁵

- The Patrick Administration's on-going regulatory reform efforts have included 60 state agencies, 446 sets of reviewed regulations and 286 regulations that have been amended or eliminated. Key successes include:
 - Streamlining the tax return extension process for small business to make applications easier. This reform alone will help 71,388 businesses.
 - Standardized permitting and police escort fees for oversized loads on the MassPike, which allows for freer transit of trucks while still maintaining public safety parameters.
 - Making it easier to approve requests for access to MassDOT property, including curb cuts and other construction access permits, eliminating regulatory hurdles that were slowing down progress.

*An Act Modernizing Licensing Operations at the Division of Professional Licensure [PENDING] (2013, B-33)*¹⁶

- Eliminates the Board of Registration of Barbers and the Board of Registration of Electrologists and will create a consolidated Board of Registration of Cosmetology and Barbering. Also eliminates the Board of Registration of Radio and Television Technicians.
- Eliminates some fixed-number quorum and appointment requirements for boards, which will make it easier for boards to conduct business and recruit members.
- Strikes out laws for several boards that purport to authorize the boards to hire staff and receive compensation.

¹⁴ Governor Patrick Signs Economic Development Bill Expanding Job Creation Through Innovation and Infrastructure Investments (A-113).

¹⁵ Regulatory Reform (B-168).

¹⁶ Governor Patrick Builds on Regulatory Reform Successes; Files Legislation to Improve Business Climate for Licensed Professionals (A-118).

- Eliminates a mandatory review of the Hearing Instrument Specialist Board every three years by the State Auditor.

Transportation Reform

*An Act Financing Improvements to the Commonwealth's Transportation System (2008, B-417)*¹⁷

- The \$3.5 billion bill includes \$2.4 billion in federal matching dollars for rebuilding roads and bridges over a three-year period.
- Provides \$700 million for State Improvement Plan commitments to increase transit access across eastern Massachusetts.
- Maintains 2007's increase to \$150 million per year to fund Chapter 90 transportation grants to cities and towns.
- Provides \$10 million for mass transit planning projects that support economic growth and promote geographic equity.
- Provides \$8 million, matched with \$8 million in federal funds, for the initial improvements on the Fitchburg Commuter Rail Line, delivering shorter trip times.
- Requires calculation of life-cycle costs along with design/construction costs in project planning.
- Establishes a deferred maintenance trust fund for maintenance repair.
- Directs MTA and MBTA to align retiree health insurance benefits with those of Commonwealth employees for those under age 65 retiring after 2008.
- Requires MBTA to compare costs of its current retirement plan to the cost of a plan that requires 25 years of service and minimum age of 55 to retire.
- Requires the Executive Office of Transportation and the Executive Office of Public Safety to issue regulations on the use of police details on public-works projects and to submit reports on the costs of police details on state-funded projects during the preceding 5 years.
- Requires MTA to submit reports on cost savings and the feasibility of converting 90% of cash toll lanes to FastLanes and to inventory all MTA assets.

An Act Financing an Accelerated Structurally-Deficient Bridge Improvement Program (2008, B-205)

- Provides nearly \$3 billion over eight years to accelerate the repair and replacement of approximately 250 to 300 of Massachusetts' most neglected and structurally deficient bridges.¹⁸
 - By repairing or replacing bridges sooner, the Commonwealth will save an estimated \$1.5 billion (\$1 billion in avoided cost inflation and at least an additional \$500 million in avoided deferred maintenance costs).¹⁹
- As of January 2013, the Accelerated Bridge Program has allowed MassDOT to reduce the number of structurally deficient bridges by almost 20% as well as allowed MassDOT to avoid \$72 million in annual bridge maintenance costs. By

¹⁷ Governor Patrick Announces Transportation Reform, Signs Comprehensive \$3.5 Billion Bond Bill (A-10 & A-11).

¹⁸ Governor Patrick Signs \$3 Billion Accelerated Bridge Bond Bill (A-14).

¹⁹ Ibid.

its completion in 2016, it is estimated that the program will have created or sustained nearly 160,000 private sector jobs.²⁰

- In 2010, both Standard & Poor's and Moody's assigned the Commonwealth triple-A credit ratings for the Accelerated Bridge Program financing, the highest rating ever received by Massachusetts.²¹

An Act Modernizing the Transportation Systems of the Commonwealth (2009, B-283)

- Creates the Massachusetts Department of Transportation (MassDOT) by merging the Executive Office of Transportation and Public Works (EOT) with the Massachusetts Turnpike Authority (MTA), the Massachusetts Highway Department (MHD), the Registry of Motor Vehicles (RMV), the Massachusetts Aeronautics Commission (MAC) and the Tobin Bridge.²²
 - The Massachusetts Bay Transportation Authority (MBTA) and Regional Transit Authorities (RTA) are subject to MassDOT oversight. MassDOT also assumes responsibility for many bridges and parkways formerly operated by the Department of Conservation and Recreation (DCR).
 - MassDOT is comprised of four divisions: The Highway Division, The Rail & Transit Division, The Aeronautics Division, and The Registry of Motor Vehicles Division.²³
- Achievements since reform:
 - Road and Bridge investment across the Commonwealth has almost tripled in the past seven years, from \$515 million in FY2007 to \$1.4 billion in FY2013.²⁴
 - State of good repair investment at the MBTA is anticipated to average \$594 million per year from 2013-2017, a record in absolute dollars.²⁵
 - Despite budget pressure during recessions, local road and bridge funding (the Chapter 90 program) is now at its highest level ever of \$200 million per year.²⁶
 - MassDOT has streamlined internal administrative functions, resulting in cost savings of more than \$500 million over the last three years.²⁷
 - MassDOT keeps track of its accomplishments as a part of a Transportation Finance Commission scorecard. As of 2010, MassDOT has completed 54% of the 22 Finance Commission recommendations, with another 36% of the recommendations underway.²⁸

²⁰ The Way Forward: A 21st Century Plan (B-446).

²¹ Ibid (B-447).

²² http://www.mass.gov/bb/h1/fy11h1/exec_11/hbuddevcost.htm.

²³ Ibid.

²⁴ The Way Forward: A 21st Century Plan (B-445).

²⁵ Ibid.

²⁶ The Way Forward: A 21st Century Plan (B-445).

²⁷ Ibid (B-448).

²⁸ Ibid (B-448).

- In October 2012, Standard & Poor's raised its rating on the MassDOT Metropolitan Highway System senior lien revenue bonds to A+ from A.²⁹
- The number of MBTA employees was reduced by almost 5% between 2008 and 2012.³⁰

*The Way Forward Plan [PENDING] (2013, B-437)*³¹

- Calls for an investment in transportation assets of \$5.2 billion over ten years in road and highway repair; \$3.8 billion to invest in existing transit services; and \$275 million for Registry and airport maintenance.
- Calls for \$4.4 billion over 10 years in funding for MassDOT; \$1.1 billion over 10 years for the Regional Transit Authorities; and \$3.2 billion over 10 years for the MBTA.
- Calls for \$13 billion infusion of capital investment funds to help MassDOT address a backlog of deferred maintenance and improve current assets.

*An Act Financing Improvements to the Commonwealth's Transportation System (2013, B-13)*³²

- Invests \$13.7 billion over ten years to address a backlog of deferred maintenance and strategically improve Massachusetts' transportation system. Authorizes, in total, \$19 billion of capital investment in the Commonwealth's transportation system, including:
 - \$3.4 billion to provide \$300 million annually in Chapter 90 funds, a 50 percent increase, distributed to towns and cities for local road and bridge projects.
 - \$2.4 billion for transportation construction projects over the next four years that are eligible for 82 percent federal reimbursement of costs, leaving a net state borrowing cost of \$432 million.
 - \$4.6 billion to fully fund state highway maintenance and construction, including major projects identified in the 21st Century Transportation Plan, such as the I-93/I-95 interchange and Springfield I-91 viaduct.
 - \$4.4 billion for regional rail projects identified in the Transportation Plan including Green Line expansion, South Coast Rail and South Station expansion.
 - \$3.3 billion to modernize MBTA subway and bus systems to improve service, safety and customer convenience.
 - \$604 million for regional transit to modernize bus fleets and infrastructure in regional systems statewide.
 - \$146 million for information technology projects, including the statutory requirement to implement an asset management system.

²⁹ Ibid (B-447).

³⁰ Ibid.

³¹ MassDOT Releases 21st-Century Transportation Plan (A-123 & A-124).

³² Governor Patrick Files Transportation Bond Bill to fund Critical Road, Bridge and Transit Projects (A-143 & A-144).