

# Patrick Administration Commitment to Communities

Since taking office in 2007, the Patrick Administration has made an unprecedented commitment to building strong partnerships with cities and towns to Massachusetts' 351 cities and towns, including providing the tools and resources to support municipalities in managing through the fiscal crisis and beyond, with the overarching goal of preserving local services for residents and taxpayers, and stretching every taxpayer dollar as far as possible.

Working together, the Patrick Administration and municipalities have:

- Created a process for cities and towns to continue to provide quality health care for workers while ensuring meaningful savings for communities, which has saved 204 communities and school districts more than \$200 million to date.
- Made the pension system more sustainable and creditable for the long term, which will generate an estimated \$2 billion in pension funding savings over 30 years for cities and towns, moved under-performing local pension systems to the state system, and gave municipalities the authority to extend their funding schedules, worth up to \$200 million in budget relief in the first year alone.
- Made investments in local roads, rails, bridges, broadband expansion, public and affordable housing in cities and towns across Massachusetts.
- Eliminated the tax exemption on telephone poles and wires, generating potential for \$26 million in new property tax revenues annually for cities and towns across Massachusetts.
- Gave municipalities the option to raise local meals and hotel taxes, with potential to generate over \$200 million in new local revenue statewide each year.
- Continually supported our public schools through Chapter 70 funding, at \$4.171 billion in FY13, the highest level of K-12 education funding in the history of the Commonwealth.

## **Open Dialogue with Cities and Towns**

Since 2007, the Governor and Lieutenant Governor have visited local leaders across the state from North Adams to Cape Cod.

For many communities, these visits were the first by any Governor or Lieutenant Governor in recent memory. The meetings have proven successful in engaging local officials on a range of important issues that affect cities and towns and strengthening the partnership between communities and state government. These conversations in communities and regions across the state have led to significant policy initiatives for communities including the Municipal Partnership Act I and II legislation and regionalization incentive programs.

## **Landmark Health Care Reform – Municipal Health Care**

In keeping with Governor Patrick's commitment to provide cities and towns with cost-saving tools to help them deliver critical local services, the landmark municipal health care reform law the Governor proposed in his FY12 budget and supported by the Legislature has delivered significant savings to municipalities without sacrificing a meaningful role for organized labor in the process.

Municipal health insurance reform is the most powerful tool to benefit cities and towns in decades. The results of first year of reform demonstrate that the law is a major success in every corner of Massachusetts, saving taxpayers millions of dollars, preserving essential local services, and protecting the jobs of teachers, police officers, firefighters and key employees across the state.

More than 204 communities and school districts across the Commonwealth have collectively saved more than \$200 million in health insurance premiums to date as a result of the landmark municipal health care reform law enacted in July 2011, far exceeding all anticipated savings estimates.

The FY12 budget signed by the Governor also reduced municipal health benefit costs by requiring that local governments transfer Medicare-eligible retired employees into Medicare as their primary source of health insurance, saving an estimated \$100 million if municipalities move both eligible retired teachers and municipal employees into Medicare. (The state already required this of their employees.) Previously, municipalities had the option of moving eligible retirees to Medicare, but a significant fraction of cities and towns had not done so, leaving retirees in the community's health plan, at considerable and unnecessary expense to local taxpayers.

## **Pension Reform**

Since taking office in 2007, Governor Patrick has proposed and signed into law three separate pension reform bills to help curb abuses, make the system more fair and equitable for taxpayers and all state workers, and more sustainable and creditable and restore the public's trust in state and municipal retirement systems. These pension reform measures are another way in which the Administration is working to help cities and towns achieve real, meaningful savings. They will generate over \$5 billion in pension funding savings over 30 years, including an estimated \$2 billion for cities and towns.

## **Innovation for our Communities**

The Patrick Administration is committed to helping municipalities find new and more efficient ways to deliver local services, much as we are doing at the state level to change the way government does business.

In 2010, the 19-member Regionalization Advisory Commission, chaired by Lieutenant Governor Tim Murray, recommended the development of several tools to assist our municipal partners in meeting this challenge.

Out of this Commission, the Patrick Administration proposed and the Legislature supported a new annual Community Innovation Challenge (CIC) Grant program. The CIC Grant Program invests in and incentivizes innovation among local governments through community collaborations, regionalization, and other reforms and efficiencies to maintain critical local services and stretch every taxpayer dollar as far as possible.

Since its launch in November 2011 the CIC program has provided over \$6 million in grants to nearly 200 communities for initiatives to improve municipal performance management, modernize technology, implement energy efficiencies, consolidate regional schools and enhance regional service delivery.

### **Citizens Connect Smartphone Application**

Funded through the CIC Grant Program and led by the City of Boston, this project adapts the Citizens Connect Smart App used by Boston into a tool for municipalities of any size and implemented this tool in more than 50 municipalities of all sizes across the state at no initial cost as part of a pilot program. Citizens Connect is the City of Boston's award-winning effort to empower residents to be the City's "eyes and ears." Residents can alert the City of Boston to neighborhood issues such as potholes, damaged signs, and graffiti using a smart phone app that identifies the location of the issue and alerts the City of the complaint.

The Administration is committed to providing communities with tools and resources to improve the delivery of services our citizens want, and this project demonstrated how we are creating innovative ways to empower the people of Massachusetts to build stronger and safer communities.

### **Investing in Education**

The Patrick Administration has continually invested in education in order to create opportunity across the Commonwealth and to keep the Massachusetts economy growing.

Since taking office, Governor Patrick has increased the K-12 Chapter 70 aid to cities and towns by \$445 million, the highest levels in the history of the Commonwealth. In FY14, Governor Patrick proposed a \$225 million increase in Chapter 70 aid.

Maintaining a strong investment in education is a crucial component of the Patrick-Murray Administration's efforts to close the achievement gap and to make Massachusetts a national leader in educational achievement.

In May of 2013, the Patrick-Administration announced the 25 recipients of \$1.1 million in Vocational School Equipment grants to benefit Massachusetts vocational schools. This program provides grant funding to qualifying institutions to purchase necessary equipment to prepare their students for the modern workforce. The 25 recipients of FY 2013 Vocational School Equipment grants include 184 cities and towns across Massachusetts. The recipients reflect geographic diversity across the Commonwealth, including several Gateway Cities.

Through this grant program and in partnership with many private sector matches, we will help improve the tools and resources that are valuable to the students' learning experience and preparedness in gaining 21st century job skills.

### **New Local Revenues**

Since taking office, the Patrick Administration has proposed reasonable, responsible strategies for helping cities and towns address fiscal challenges on the local level.

Through the FY10 budget process, Governor Patrick proposed and signed into law a provision eliminating the exemption on telephone poles and wires, generating \$26 million in new local property tax revenue annually for communities.

In 2010, Governor Patrick signed into law a local option meals tax of 0.75. 172 cities and towns have adopted the local option meals tax, with revenues for those cities and towns totaling more than \$230 million to date.

Also, in 2010, the Governor proposed and signed into law an increased local option room occupancy tax of additional 2%. To date, 101 cities and towns have adopted the increase. Since 2008, over \$660 million in total local room tax revenue has been generated for cities and towns.

### **Investments in Infrastructure and Economic Development**

The Patrick Administration has made unprecedented investments in Chapter 90 for cities and towns. Since taking office in 2007, our Administration has invested a total of \$255 million in annual increases to Chapter 90.

In addition, since taking office in 2007, the Patrick Administration has increased the level of State capital investments in the Commonwealth's infrastructure by about 200% over the Romney Administration in a fiscally responsible, targeted and transparent manner.

Under this Administration, the Commonwealth's capital funding level for community investments has increased by \$69 million (35%) to \$265 million, providing historic levels of investment in infrastructure projects including municipal grant programs, municipal roads and bridges, seaports, municipal libraries, water infrastructure, public housing, economic development, and more.

Through the Commonwealth's commitment of \$31.2 million in capital funding, Massachusetts has leveraged over \$83 million in federal stimulus funding for broadband infrastructure and improvement projects to connect homes, businesses and community anchor institutions in more than 120 towns in the western, north central, and Cape Cod regions.

Each year, the Patrick Administration works closely with cities and towns to spur economic development. Whether through targeted tax credits through the Economic Development Incentive program, Gateway Plus Action Grants for planning and development assistance, or MORE grants, Growth District funds, Public Work Economic Development (PWED), and Community Development Action Grants, the Administration recognizes the need to invest in cities and towns, knowing that our communities remain the economic engines for the Commonwealth.

In particular, the Patrick Administration has supported the 24 Gateway communities, plus an additional two more that came on line in early 2013, with more than \$1 billion in funding for education, parks, housing and other development initiatives. Our Administration has made it a priority to provide

critical funding to these cities and towns through grant programs, like the Executive Office for Housing and Economic Development's MassWorks and Economic Development Incentive Programs.

### **Municipal Finance**

Proposed and signed into law tools allowing enhanced flexibility and improved processes in municipal finance, including increased borrowing flexibility that allows communities to finance capital projects in a more rational, cost-effective way, extending municipal lease term limits, eliminating fees for State House Notes borrowing program, streamlining process by which assessors can grant abatements, and providing procedures for municipalities to enforce fines imposed for violations of housing, sanitary, or municipal snow and ice removal requirements

### **Municipal Performance Management**

The Patrick Administration has implemented a program to enhance performance management, accountability and transparency for local governments, just as the Administration implemented performance management for the state. This initiative is overseen by municipal leaders and administration officials with the support of the Collins Center for Public Management at University of Massachusetts, Boston.

### **One-Stop Grant Index for Municipalities**

The Administration now offers a new one-stop listing of state grant programs for cities and towns. Municipal officials seeking opportunities for state resources to support local initiatives will be able to find these resources without needing to search state agency by state agency.

### **Municipal Procurement Reform and Purchasing Assistance**

The Operational Services Division (OSD) now assists municipalities with large procurements, eliminating the need for individual bidding processes, and providing long-term, competitive contracts, thus saving taxpayer dollars while obtaining the best goods and services possible.

Enacted legislation that increased efficiency in municipal procurement processes through increased thresholds for municipal procurements and construction payment bonds, allowing use of reverse auctions to provide a method of acquiring best pricing from qualified bidders while providing environmental and financial benefits, and allowing for greater flexibility for municipalities and bidders. Provided for use of reverse auctions to provide a method of acquiring best pricing from qualified bidders while providing environmental and financial benefits, and allowing for greater flexibility for municipalities and bidders.

Purchasing assistance for municipalities through statewide contracts which specifically assist municipalities by achieving aggregated savings on large procurements, eliminating the need for individual bidding processes, and providing long-term, competitive contracts never before managed on a statewide level. Identifying common needs and aggregating purchasing power at a statewide level is becoming increasingly attractive to our cities and towns based on the need to save taxpayer dollars while obtaining the best goods and services possible.

### **Regionalization**

Proposed and signed into law tools to encourage and facilitate regionalization of municipal services including elimination of collective bargaining requirement for joining a regional entity, expanded collective purchasing opportunities, mutual aid agreements, shared superintendents, and joint

assessing services. Created the Regionalization Advisory Commission, which examined opportunities for communities to achieve cost savings, efficiencies and improve services.

### **Statewide Mutual Aid**

Cities, towns and other governmental units in Massachusetts can now join a statewide mutual aid agreement to provide police, fire, emergency medical, and other public safety assistance to other municipalities.

### **State Support for Municipal IT Challenges**

The Administration now partners with local governments to address local government information technology (IT) challenges, by leveraging existing state resources needed by communities, as well as sharing expertise. Activities include:

- Developing a series of IT models for the benefit of local governments, based upon successful IT-focused CIC Grant projects;
- Promoting the Springfield Data Center (SDC) to municipalities;
- Establishing a State-Local IT Committee to develop working relationships and identify new opportunities; and
- Developing and marketing an IT “toolkit” of services that the state can provide to municipalities.
- The state’s MassGIS mapping and planning service now provide online tools for cities and towns, eliminating the burden on cities and towns to purchase and manage their own local systems.