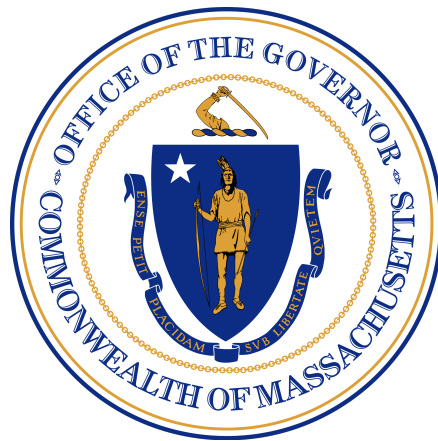


BAKER – POLITO TRANSITION COMMITTEE

# FINDINGS AND RECOMMENDATIONS



FEBRUARY 4, 2015

BOSTON, MASSACHUSETTS



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# Executive Summary

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## Background

The Baker-Polito Transition Committee established five policy advisory groups under the leadership of Lt. Governor-Elect Karyn Polito, focused on the following themes that were central to the 2014 campaign:

- Economic Growth & Jobs
- A Great Education for Every Child
- A Healthcare System that Works
- Safer, Stronger Communities
- A Better State Government We Can Be Proud Of

Each advisory group was co-chaired by at least two leaders with deep experience and credibility in their respective fields, supported by a bi-partisan and inclusive membership with equally impressive credentials. Over 200 committee members were asked to submit written input for their respective advisory groups, which served as the basis for in-person discussions at 10 meetings held throughout the Commonwealth. The lively dialogue at these sessions, including numerous small-group discussions on specific issue areas, produced a concrete set of findings that will be shared with the incoming administration.

Given the diversity of the participants and the limited time between Election Day and Inauguration Day, not all of the recommendations from these advisory groups reflect the views of all the participants. Rather than seek formal approvals from committee members, the co-chairs and transition staff sought to fairly represent the discussions from the in-person meetings, supplemented by written feedback on initial drafts. We believe the final reports reflect a reasonable consensus within each group, but we acknowledge that not every member will support every statement.

As volunteer advisors, committee members are also aware that their collective suggestions reflect just one perspective for the Governor, Lt. Governor and their Cabinet to consider as they develop their governing agenda. Nevertheless, the



richness of the deliberations and the ideas they produced will make an important contribution to the policies and practices of the new administration. In particular, even though each advisory group was focused on a different issue area, there are some common themes that cut across them all, which together can serve as a framework to guide the work of the next four years.

## **Making the Whole Greater than the Sum of the Parts**

A central finding of each advisory group is that government is too fragmented to deliver on its promises, either to beneficiaries or taxpayers. Although there is undoubtedly room for consolidation of programs and agencies, committee members are in agreement that smarter management can yield significant improvement, both in terms of better outcomes and lower costs. Programs and funding streams tend to be narrowly defined, leading to inefficiencies and needless duplication. More important, since most of the challenges we face have interconnected and varied causes, solutions have to be flexible enough to fit specific circumstances. Disconnected piecemeal programs just can't get the job done.

Solving this problem is not straightforward, but the advisory groups are all in agreement that the new administration needs to make a priority of finding ways to integrate overlapping state initiatives in order to create greater leverage from available resources and empower front-line decision makers to develop customized solutions.

### **PROPOSALS FOR EARLY ACTION:**

**Economic Growth & Jobs:** Through a public-private competitive grant process, select one-to-two regions to pilot a more highly integrated public higher education system, focused on meeting local workforce needs.

**Healthcare:** Appoint and empower a cross-agency taskforce representing government, community, business and healthcare to assess and address the opiate crisis.



**Safer, Stronger Communities:** Designate a senior point person within the administration to coordinate policy and implementation in critical areas where interagency alignment is essential (e.g., homelessness, drug abuse and recovery, urban agenda).

An essential pre-requisite for effectively coordinating separate programs and agencies is an information system that enables record-sharing across multiple platforms, with as much open-source data as possible to provide policy makers, programmers and end-users with the information they need to build new tools, respond to unique customer requirements, and make effective decisions. Today, however, there are too many platforms and databases that are inadequate, incompatible and inaccessible. As a result, even when there is the will to collaborate, the limitations of the state's information systems often get in the way. The advisory groups recommend a variety of initial steps to improve the integration of the state's data systems and processes in order to enable more effective and efficient service delivery in several key areas where shared information can add significant value.

#### PROPOSALS FOR EARLY ACTION:

**Healthcare:** Create a consumer-friendly health information platform, using existing data sources and incorporating links to health plan and provider portals, possibly through a privately funded X-Prize-like challenge.

**Healthcare:** Conduct an inventory of what data the state already collects and begin releasing de-identified raw data as soon as possible.

**Safer, Stronger Communities:** Working with an outside partner (e.g., MIT or MassChallenge) sponsor a series of Hack-a-thons, where personnel from state agencies come together with private-sector programmers to create technology solutions for pressing problems.

**Better Government:** Create a Predictive Analytics unit to integrate and interpret separate streams of state data with a goal of identifying opportunities for enhanced customer service and more effective operations. This unit should



also work with outside research partners to identify key use cases that will drive transformative solutions.

Although the administrative siloes in state government present a barrier to cross-agency alignment, the problem is compounded by the even deeper divide between state and local government. Local government is where the rubber meets the road when it comes to delivering basic services. Nevertheless, local governments often lack the capacity or resources to address their biggest problems on their own. Equally important, the many jurisdictions within the Commonwealth present often insuperable challenges for entrepreneurs trying to start or grow a business.

The Baker-Polito administration has already committed to protecting local aid from further cuts and ensuring that cities and towns share in any future revenue gains the state enjoys. The advisory groups also recommend the development of a new partnership between state and local government, whereby the state offers more flexible grant funding with fewer strings attached in exchange for more coordinated, locally-based, program implementation that embraces reform and heightens accountability for results. Not all communities will be willing or able to take on this new responsibility. Instead of lowering expectations to increase participation, however, the advisory groups recommend that the Commonwealth concentrate more of its resources in those places where the opportunity for transformative change is greatest.

## PROPOSALS FOR EARLY ACTION:

**Economic Growth & Jobs:** Through a competitive process, establish one-to-two Economic Opportunity Zones, anchored in the distinctive assets of the local economy and supported by a state-local partnership to concentrate resources and tax incentives, while streamlining the regulatory/ permitting process.

**Safer, Stronger Communities:** Convene "summit" of state officials, Mayors, non-profit leaders, business representatives, and philanthropic funders to identify the most challenging barriers to collaboration and to learn about



best demonstrated practice (e.g., Working Cities Challenge, Promise Neighborhoods, STRIVE).

**Education:** Redefine the relationship between the state and districts to focus less on compliance and inputs, and more on quality (with autonomy for districts and schools to attain student outcomes).

## Valuing Results over Compliance

Underlying all of these recommendations is the need for a stronger focus on holding public agencies and service providers responsible for producing positive outcomes, rather than simply complying with regulations and restrictive grant conditions. Committee members recommend a systematic review of existing regulations, to streamline and simplify them and to bring them in line with national norms. At the same time, the advisory groups urge the new administration to clearly articulate high-level objectives for each agency and policy area, along with meaningful metrics for assessing progress against those goals. Doing so would allow policy makers and front-line workers to shift their focus from managing process to delivering results. Equally important, it would help a diverse set of organizations to coalesce around a common purpose, improving mission alignment and enabling greater collaboration. In the same spirit, committee members recommend investing in what works, by concentrating more resources in scalable solutions and organizations that are producing outstanding results.

## PROPOSALS FOR EARLY ACTION:

**Economic Growth & Jobs:** Communicate clear economic development objectives for the state as a whole and for each region.

**Economic Growth & Jobs:** Using new authority vested in the Governor under the federal Workforce Investment Opportunity Act allocate more resources for pay-for-performance approaches, where providers will be paid only if they achieve high-bar outcomes.



**Safer, Stronger Communities:** Form a public-private task force to develop a proposal for reducing regulation of human services providers and enabling more flexible use of public resources.

**Safer, Stronger Communities:** Take an R&D approach to evaluating program impact by designing a small number of pilot experiments (see MIT Poverty Action Lab).

**Better Government:** Direct all secretariats to develop a small set of metrics that reflect their core mission and major priorities and publish a dashboard to provide the public with real-time progress updates.

**Better Government:** Launch a comprehensive StateStat program based out of the Governor's office that integrates the key metrics from each agency.

**Better Government:** Put a freeze on all regulations currently in process and appoint a Blue Ribbon Commission on regulatory reform.

**Education:** Begin a process, through the State Board of Higher Education, to shift toward outcomes-based regulation of teacher training programs.

**Education:** Expand the capacity of vocational schools – especially regional vocational schools – that have excess demand, serve areas of educational need, and deliver strong academic and career placement outcomes.

**Education:** Building on proven models such as Success Boston, the state should fund case management supports that assist high-risk students—especially young men of color and first generation college students – in getting to and through college.

**Education:** Prioritize the development and approval of high-quality charter models that seek to enroll the highest-need students.





## Encouraging Innovation and Customer Service

Focusing on outcomes rather than compliance also creates more opportunity for innovation, which committee members believe needs to be a higher priority over the next four years. Not only should public employees and private providers be given more freedom to make decisions and pursue alternative approaches to their work, but the state should actively encourage the development of new tools and service models that can dramatically improve outcomes and reduce costs. The advisory groups further recommend that innovation initiatives include a special focus on increasing citizen engagement and personalizing service to meet the unique needs of individuals.

### PROPOSALS FOR EARLY ACTION:

**Healthcare:** Identify and test consumer incentive programs such as “shared savings” programs if consumers choose lower cost options (pilot with the State’s own employees) and/or seek input from employers or others who have had success with consumer engagement.

**Better Government:** Elevate and strengthen the role of the state’s Government Innovation Office.

**Better Government:** Make greater/better use of social media, including Citizens Feedback Interface App (e.g., YELP, Net Promoter Score ratings).

**Education:** Pool public and private investment capital in an education R&D fund.

**Education:** Pilot a three-year degree program with multiple institutions to test the viability of this potential pathway for students who need to enter the workforce faster.



## Economic Growth and Jobs

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In many respects, the Massachusetts economy is the envy of the country and the world. We are a global center for life-sciences, high-technology, financial services and clean energy. Our research universities and teaching hospitals are economic engines that continue to attract talent from all over the world, driving innovation and entrepreneurship. Our public school system leads the nation.

Despite the Commonwealth's many assets, we also have numerous serious challenges. Massachusetts is one of the most expensive places in the country to live and do business. Our regulatory environment is complex and burdensome. Access to investment capital is concentrated in a few industries and not broadly distributed. The manufacturing sector is struggling. Even though global energy prices are dropping, local electricity rates are spiking due to inadequate delivery infrastructure. The state's aging transportation system requires substantial investment. The mismatch and disconnect between the state's workforce needs and our education and training system results in thousands of job vacancies that can't be filled. The bottom line is that our economic success is uneven, with certain sectors and regions thriving, while others struggle.

Building a strong, growing economy that creates good jobs across our entire state must be the chief goal of the new administration. With that foundation, we will have the resources and capacity to meet all of our other challenges. Without it, we will be able to accomplish little else. To take advantage of Massachusetts' strengths and address its weaknesses, the advisory group on Economic Growth and Jobs focused on the following cross-cutting themes:

- Encouraging Entrepreneurship
- Supporting Small Business & Manufacturing
- Strengthening Infrastructure
- Workforce Development
- Spreading Success



## Encouraging Entrepreneurship

Given our existing position as a national leader in entrepreneurship, the advisory group recommends the Governor raise the bar by committing to make Massachusetts the “start-up capital of the world.” As a first step in that direction, committee members recommend a top-to-bottom review of the state’s business climate, including state and local regulations and tax policies, in order to benchmark the Commonwealth’s competitiveness, not just with neighboring states, but with our national and international rivals.

Entrepreneurship begins with talent, both in terms of the entrepreneurs themselves and the human capital they need to launch and grow successful businesses. Massachusetts is fortunate to be a magnet for entrepreneurial talent, but we’re not as good at developing and keeping talented people who are already here. The advisory group believes that the new administration must make a priority of strengthening the state’s public education system, especially with respect to vocational-technical programs and STEM fields more broadly. Similarly, we must develop stronger incentives and supports for graduates of our leading research universities to put down roots and start businesses in Massachusetts. At the same time, committee members recommend the Commonwealth do more to facilitate the flow of investment capital and other resources to emerging industries and regions – especially in and around Gateway Cities – that are poised for growth, but undercapitalized.

### PROPOSALS FOR EARLY ACTION:

Benchmark Massachusetts against neighboring states and our primary competitors, with respect to the key conditions that drive business formation.

Establish a task force of investors, entrepreneurs and state and local policy leaders to develop proposals for sustaining and broadening the flow of capital to early-stage ventures, including consideration of an investment tax credit for angel investors.

Create a network of the incubators currently operated by the UMASS campuses and establish or strengthen their relationships with privately run incubators/accelerators.



Develop incentives for the state's top graduates in high-need technical fields to stay in Massachusetts.

Encourage employers to offer more flexible work hours, especially for parents who are returning to the workforce.

Increase internship and co-op programs at both the high school and college level.

Bring Massachusetts regulatory requirements in line with federal standards.

### Supporting Small Business & Manufacturing

Small business and manufacturing firms are especially vulnerable to over-regulation, bureaucratic inefficiency, disparities in the capital markets, and skill gaps in the workforce. To expand opportunities for growth in this vital segment of the Massachusetts economy, the advisory group recommends that the new administration proactively address these obstacles by reducing burdensome regulations, tightening coordination between state and local governments, aligning workforce and economic development programs, and leveraging the state's resources.

### PROPOSALS FOR EARLY ACTION:

Evaluate the feasibility of a state-sponsored bond program for advanced manufacturing to encourage innovation and job growth.

Commit to making Massachusetts the most customer-friendly state government in the country.

Negotiate state-local agreements with the Commonwealth's major cities/regions to consolidate resources, reduce duplication and simplify permitting.



Strengthen and broaden partnerships between manufacturers and local vocational-technical high schools and public colleges.

Use flexible federal dollars under the Workforce Investment and Opportunity Act to increase investment in scalable job training and placement programs with a proven record of success.

Accelerate the development of state-owned land for housing and commercial development.

In exchange for more flexible state block grants and targeted tax incentives, work with cities and towns to develop and implement an expedited permitting process that mirrors the scope and intent the Fort Devens Enterprise Commission.

## Strengthening Infrastructure

Perhaps the most important thing government can do to enable economic growth and create jobs is to maintain high-quality and reliable infrastructure affecting transportation, energy, broadband and housing. Meeting the needs of businesses and workers requires more than investment, it requires coherent regional strategies and plans involving state and local government, along with private sector partners, that maximize the long-term economic impact of infrastructure projects. It further requires a more effective and efficient approach to enabling commercial and residential real estate development. Regional infrastructure plans will sometimes need to stretch beyond the borders of the Commonwealth, especially with regard to increasing access to affordable electricity.

## PROPOSALS FOR EARLY ACTION:

Convene a Northeast energy summit to identify collaborative strategies for reducing electricity costs.



Reassess current transportation master plan relative to regional economic development goals, especially in and around Gateway Cities.

Negotiate state-local agreements with the Commonwealth's major cities/regions to consolidate resources, reduce duplication and simplify permitting.

Assess the risks to public and private infrastructure from major natural disasters.

## Workforce Development

Massachusetts' economy depends on the skills and talents of its people. Even though our public education system is ranked number one in the United States, and Massachusetts leads the country in terms of adults with college and graduate degrees, we continue to have significant shortages in skilled labor, especially in the manufacturing sector, and too many of our citizens lack the skills they need to succeed in our globalized economy. Committee members believe that addressing these gaps and challenges will require deeper levels of regional collaboration within our public education system and between schools and businesses. In addition, state resources should be reallocated towards successful, scalable, job training and placement programs, especially those that serve unemployed adults and disconnected youth. The new administration should also work to reduce barriers and disincentives to entry for people who are either unemployed or out of the workforce.

### PROPOSALS FOR EARLY ACTION:

Through a public-private competitive grant process, select 1-2 regions to pilot a more highly-integrated public higher education system, focused on meeting local workforce needs.

Organize the community colleges as an integrated system, with increased on-line learning options.

Ensure that credits earned at any community college campus are transferable to any other campus in the public higher education system.



Using new authority vested in the Governor under the federal Workforce Investment and Opportunity Act allocate more resources for pay-for-performance approaches, where providers will be paid only if they achieve high bar outcomes

Improve access and affordability of public transportation, especially in and around Gateway Cities

Encourage more flexible work hours, especially for parents returning to the workforce.

Enact entitlement reform to strengthen Temporary Assistance for Need Families (TANF) work requirements and encourage unemployed workers to accelerate their job search (e.g., pay unemployment benefits up-front in a lump sum to encourage a faster return to work).

## Spreading Success

As important as the Boston metropolitan area is to the vibrancy of our statewide economy, it is clear that too many cities and towns are being left behind. Committee members agree that there is tremendous opportunity for economic growth throughout the Commonwealth, but it will not happen without customized and coherent regional strategies, complemented by concerted action from state and local government. The advisory group believes further that the Commonwealth's diverse regional economies need to focus on developing and promoting their distinctive assets, rather than simply trying to replicate the successes of Greater Boston. Equally important, the state should take full advantage of its own regional assets (e.g., real estate and colleges) to facilitate and accelerate local economic development. More broadly, the state must minimize the bureaucratic and tax burden it places on business development and growth, especially in communities that are struggling to attract private investment and willing to streamline their local regulatory and permitting processes.



## PROPOSALS FOR EARLY ACTION:

Communicate clear economic development objectives for the state as a whole and each region.

Commission a review of quasi-public economic development agencies to improve alignment and/or encourage consolidation.

Establish regional regulatory ombudsmen for both state and local government, with a focus on small business and new business formation.

Develop customized state-local agreements to streamline state requirements, increase local capacity, and encourage management reforms.

Through a competitive process, establish 1-2 Economic Opportunity Zones, anchored in the distinctive assets of the local economy and supported by a state-local partnership to concentrate resources and tax incentives, while streamlining the regulatory/ permitting process.

Pursue public-private partnerships to accelerate the development of student housing and downtown campuses, aligned with local economic development needs.





## A Great Education for Every Child

Massachusetts is rightly recognized as a national leader in education, from early childhood through higher education. Student achievement levels through grades K-12 are consistently #1 or #2 in the nation in both reading and math, as measured by national assessments. In early education, both the number and percentage of programs accredited by the NAEYC – a national benchmark of quality – are higher than any other state. In higher education, Massachusetts is home to many of the country's most respected universities, and boasts the highest share of adults with a bachelor's degree in the nation.

On the basis of this record, no state in the country is better-positioned to reach the vision Governor Baker declared in his campaign: a great school for every child.

Yet in our work as a committee, we considered the challenges that stand in the way of achieving that vision for all students, from pre-K through college graduation. Access to high-quality early care and education is limited, especially for low-income children who stand to benefit the most. Our elementary and secondary schools are plagued by achievement gaps on the basis of ethnicity and income that have remained stubbornly large over the past decade. Numerous communities – especially in urban areas – continue to face schools with chronically poor performance. High school graduates are often unprepared for college-level coursework, such that nearly two-thirds of students in community colleges and 40% of students in four-year public universities require academic remediation upon enrolling. Almost half of all students at four-year universities do not graduate within six years, and only 16% of community college students complete an associate's degree within three years.

In light of these facts, we cannot be complacent with Massachusetts' performance versus other states; we can and must do better to secure a stronger future for our state.

Our committee's charge was to outline a path toward a stronger education system for Massachusetts, with an emphasis on prioritizing focus and effort amongst the many worthy efforts one could pursue. In the end, we oriented our



work around four goals, which every sector –early care, K-12, and higher ed, district and charter, public and private – has a stake in achieving:

1. ***Increase college completion***, because we recognize that a college degree is a gateway to success in life for the vast majority of citizens in our modern, knowledge-driven economy.

## PROPOSALS FOR EARLY ACTION:

Conduct an independent evaluation of PARCC and MCAS to determine which assessment system is best aligned with a true college readiness standard.

Give high schools a larger stake in reducing the need for remediation:

- Test students' need for remediation within the high school years
- Provide remediation before graduation so that tuition dollars are not lost on non-credit bearing coursework

Enable all HS students an opportunity to take classes that earn college credit, with the cost paid for by the state or district.

Building on proven models such as Success Boston, the state should fund case management supports that assist high-risk students – especially young men of color and first generation college students – in getting to and through college, including a focus on financial planning to minimize the risk of a student not completing college and having significant loan debt without a degree.

Support better matching of students, especially low-income students, to college:

- Support high-achieving, low-income students applying to selective schools
- Create and/or widely publicize a report that identifies colleges with the highest and lowest success rates for high need subgroups

Recognizing that affordability is a barrier to many students, support regional efforts of K-12, community colleges, and universities in developing pathways



that reduce time to graduation and total cost for students (e.g. a 3-year bachelor's degree).

Pursue changes to data, accountability, and funding systems that increase the focus on college completion across K-12 and higher education:

- K-12: Create accountability for college readiness outcomes (vs. grade-level proficiency, only)
- Higher ed: Report graduation metrics for each campus and connect performance to funding increases
- Support funding models across both K-12 and higher ed that reward performance, adjusted for student need

Use the bully pulpit to reinforce the importance of high-quality early education to child development and long-term educational and life outcomes.

Focus early education investment on areas and populations with the highest potential for impact:

- Reduce income-eligible waitlists for subsidized early education and care
- Focus on Gateway Cities to increase the number of seats and improve the quality of the teacher workforce, especially where high-quality providers already exist and local elementary schools are committed to meaningful reform and improvement

2. *Connect school to work*, both because relevance to careers boosts student engagement, and because our education system is not producing enough students with the right skills to meet the needs of the state economy as it grows and evolves.

## PROPOSALS FOR EARLY ACTION:

Launch a public-private partnership, funded jointly by corporate partners, that is prepared to invest in evidence-based opportunities for career education.

Convene regional stakeholders – from K-12, higher education, and the private sector – to conduct a needs analysis for each part of the state:



- Define and quantify labor market needs in different industries and roles
- Evaluate the capacity and quality of existing programs, in K-12 and higher education, to meet those needs
- Identify and prioritize opportunities for investment

Set clear goals for STEM exposure across the PreK-12 system:

- Ensure that, regardless of any change to standards and assessments, elementary and middle schools maintain or increase time related to STEM
- Work to better align HS STEM curricula with university expectations

Connect the public and private sector to expand STEM options for students:

- Expand STEM programs with demonstrated success, possibly by re-invigorating the @Scale program of the state's STEM Advisory Council
- Increase opportunities to learn coding through school-based programs
- Create partnerships for teams of educators to visit leading technology and innovation organizations in the state

Expand the capacity of vocational schools – especially regional vocational schools – that have excess demand, serve areas of educational need, and deliver strong academic and career placement outcomes.

Based on findings of regional needs analysis (mentioned above), invest to bring all vocational schools up to a level of quality that makes them relevant and effective options for students seeking a high-quality career.

Create a competency-based higher education system where students are rewarded for demonstrated mastery of skills; define competencies, linked to career goals, in partnership with industry.

Push to expand co-op programs as an option for post-secondary students:

- Develop industry-aligned programs modeled on successful examples in the field today (e.g. MA Clean Energy Center, MA Life Sciences Center)
- Use public-private fund to pay for co-ops in small and mid-size employers

Pilot a three-year degree program with multiple institutions, to test the viability of this potential pathway for students who need to enter the workforce faster.



3. *Foster innovation and choice*, because innovators across the sector are already showing what's possible, including in some of the highest-need areas of the state.

#### PROPOSALS FOR EARLY ACTION:

Grant flexibility for districts to adopt autonomies for schools at Level 3 and 4, so that it is not just failure that gives schools the freedom they need to improve.

Redefine the relationship between the state and districts to focus less on compliance and inputs, and more on quality (with autonomy for districts and schools to attain student outcomes). As a start, conduct a thorough audit of existing state initiatives and regulations, with the goal of reducing the burden on schools and freeing up leaders to focus on innovation and achievement.

Continue to support legislation that would allow an increase in the number of charter schools (Commonwealth and Horace Mann) and Innovation Schools, with a focus on cities where a majority of schools are not performing at a high level, and on the expansion of operators that have shown results in an urban setting.

Direct the focus of policy efforts toward two goals that level the playing field:

- Enable and encourage charter schools to share equal responsibility for all students (e.g. SPED, ELL, mid-year arrivals) as their market share grows
- Flexibility for districts to take advantage of policies that have been central to charter success (extended learning time, mutual consent hiring, etc.)

Support local collaboration efforts (e.g. ongoing work in Boston), where charter and district leaders are working on innovative solutions to issues such as student enrollment, and promoting best practices that can be replicated in all schools.

Prioritize the development and approval of high-quality restart and charter models that seek to enroll the highest-need students.



Launch a formal study on the Lawrence takeover and related school-level efforts (e.g. Unlocking Potential, Orchard Gardens), and use their experience to as a model to define the level of autonomy in future district transformation efforts.

Identify and prioritize other cities for a district-wide transformation.

At the same time, develop an exit strategy for Lawrence that prepares it to maintain momentum as it approaches the point of exiting receivership and readying to take a new level of responsibility and leadership for its schools.

Pool public and private investment in an education R&D fund to catalyze innovation, with robust evaluation and a competitive grant model .

Invest in cohorts of school leaders who seek to develop or transform their schools into new models with technology and personalization at the core, and work to spread these leaders across cities.

4. *Ensure great teachers and leaders*, because we need to attract, develop, support, and retain more great teachers and school leaders if we are going to improve outcomes for students.

#### PROPOSALS FOR EARLY ACTION:

Develop a competitive grant program that can invest to expand alternative and/or emerging high-quality preparation models (e.g. MATCH Teacher Residency program, Boston Teacher Residency), as well as stimulate the development of new models.

Use creative incentives – for example, loan forgiveness, tuition reimbursement, or subsidized housing – to make the teacher population, especially in urban areas, reflective of the student population. Similar incentives could be considered to increase the number of teachers in STEM or other shortage areas.

Incentivize and reward districts, especially urban districts, that design new career paths and compensation systems to retain, improve, and elevate senior



teachers, and also attract larger numbers of high-quality diverse applicants and applicants in high-need subject areas.

Accelerate and deepen the process that has already begun to shift toward outcomes-based regulation of teacher training programs:

- Commit to an accountability system for teacher training programs, based on the rate at which their graduates are placed into teaching roles, stay in those roles, and deliver strong outcomes for students
- Improve reporting, identify appropriate rewards and consequences, and broadly disseminate results

Restructure licensure to align with demonstrated classroom readiness.

Consider launching a task force of effective K-12 teachers, principals, and superintendents who would be charged with examining current reforms and state-led initiatives and identifying opportunities to streamline.

With respect to teacher evaluation, build on the tool and data efforts that have taken place already by shifting to a greater focus on how that data is used effectively (e.g. training leaders on coaching teachers, providing feedback, etc.).

Above and beyond the priorities within any of the four goals defined above, our report suggests several cross-cutting themes that could characterize the administration's approach across its education agenda:

- ***More accountability and autonomy to achieve outcomes, less regulation of inputs and governance:*** Consistently, committee members saw opportunities to redefine the relationship between the state and local educators, including districts, schools, and teachers. The state's posture should be one of a setting a high bar for quality and defining relevant outcomes measures for different parts of the system, rather than mandating inputs and creating compliance processes that limit the freedom of local leaders. Processes that have been based around inputs should evolve to be more outcome-driven wherever possible (e.g. potential changes to teacher licensure). Similarly, state policy should be agnostic as to the governance of individual schools so long as they are producing strong outcomes for



students – favoring neither districts nor charter schools, and actively supporting new models (e.g., Horace Mann charters, charter-led school restarts) that create opportunities for further innovation.

- ***Breaking down a siloed system through the power of a regional approach:*** A consistent theme throughout our discussions was the opportunity to enable greater communication and coordination across all stakeholders in the education landscape: PreK-12, higher education, funders, and employers, among others. Rarely do leaders from across the P-16 system come together in an organized way to articulate an aligned set of strategies and expectations. Our group reflected that a regional approach could be uniquely effective in confronting many of the state's challenges: for example, aligning local high schools, community colleges, and four-year universities on a plan that could create a 3-year bachelor's degree pathway; or, in aligning K-12, higher education, and employers around a data-driven analysis of regional labor market needs vs. existing career education options.
- ***Focusing attention on the highest-need students and cities:*** For many of the issues that our committee discussed, high levels of state average performance mask substantial inequity both geographically and demographically. This inequity presents both a moral imperative that must be confronted, and also an opportunity to be more effective by directing investment toward cities and subgroups of students that need help the most. Committee members highlighted numerous areas ripe for a geographically-focused effort: increasing access to high-quality early education in Boston and gateway cities; creating a laser focus on specific communities with large numbers of low-performing schools; identifying another city (or cities) for a Lawrence-like transformation effort. Similarly, the achievement gap for high-need student groups – e.g. low-income students generally, and young men of color especially – should be a call to action. Our group reflected on specific investments that address these gaps – for example, case management that supports HS graduates to and through college – as well as a broader need to call attention and focus to the way in which our system is failing large groups of students.
- ***Building on pockets of success:*** For every challenge or priority listed in the pages that follow, there are organizations in the state that can serve as models for broader progress: colleges and non-profits that excel at supporting students through to graduation; public-private partnerships





offering excellent career opportunities to students; schools that are beating the odds in our highest-need neighborhoods; training programs that are building models to better prepare educators for the classroom. While the challenges the administration faces to reach its goals are daunting, the collective assets of the state's education community to address those challenges are enormous. In all of its work, the new administration should seek to invest in high-quality organizations that can scale their efforts, build on existing initiatives rather than layering on new programs, and learn from existing models rather than starting from scratch.



## A Healthcare System that Works

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Massachusetts initiated comprehensive healthcare reform in 2006, ensuring near universal access to affordable health insurance. Not only do we lead the nation in insurance coverage, but healthcare is one of the state's top industries and largest employers. Our hospitals are among the best in the nation and our academic medical centers receive more NIH research grants than those of any other state. The Commonwealth's commercial and public health insurance plans are rated among the best in the country. Nine of the ten largest biopharmaceutical companies have a significant presence in Massachusetts and the state is home to many other innovative and successful health-related companies and start-ups, as a result of our vibrant venture capital sector, world-class universities, and premier academic/research hospitals.

At the same time, Massachusetts is grappling with escalating healthcare costs, shortages in primary care providers, health and access disparities between regions and sub-groups, and a marketplace that increasingly requires individuals and purchasers of healthcare services to become more engaged consumers. Both market-driven and regulatory forces are driving the need for further transformation of the Commonwealth's healthcare ecosystem. While the challenges are great, there is also a lot that is working well, which can be scaled up or improved upon.

With this backdrop, the Healthcare advisory group focused on four major cross cutting themes: improving the coordination of care; confronting unique challenges of managing the care of high-need populations, beginning with the worsening opiate addiction crisis; increasing cost and performance transparency; and implementing market-based reforms.

### Coordinated Care

Individual health needs are always unique and frequently complex, crossing numerous dimensions of practice, both within and beyond medical care. Although our current healthcare system is adept at dealing with specific, discrete illnesses, it is less successful in coordinating treatment across multiple domains. Patients are typically left to themselves to navigate the often complex and



confusing world of primary care physicians, specialists, surgeons, social workers and insurers. Too often, the result is inadequate and expensive care. The organizational and operational siloes that plague healthcare are exacerbated by rigid and outdated regulatory, data, and finance systems, which focus on the delivery of specific services, rather than patient outcomes. Equally important, even though the Commonwealth is fortunate to have an abundance of healthcare resources, there continue to be critical gaps in service, especially outside the Boston metropolitan area and in certain high-demand, high-impact specialties.

A core challenge to the state's healthcare industry is improving the coordination of care across a broad continuum of services in order to increase access, improve health status and reduce costs. The Healthcare advisory group recommends that the new administration redesign the payment system so that it provides incentives for coordinated care, focusing more resources on primary care, prevention and early intervention. Committee members also propose targeted initiatives to improve the interoperability of existing information systems and the harmonization of data, which are critical to informing both treatment and management decisions. Finally, the participants urge the new administration to address regulations that inhibit innovation and discourage efficiency and collaboration.

#### **PROPOSALS FOR EARLY ACTION:**

Continue promote the use of Massachusetts Health Information Highway (The Hlway) and explore partnership opportunities for how The Hlway can reduce the costs of adopting technology.

Assess the timeliness and quality of Center for Health Information and Analysis (CHIA) data and the All Payer Claims Database (APCD).

Identify and map existing primary care physician gaps. Focus on the counties that have the largest PCP shortages and access issues and develop strategies for closing the gaps.

Re-balance the licensure restrictions on "scope of practice" and allow advanced practice practitioners to practice to the level of their license.



Engage public health departments and public school systems to create more targeted early intervention programs.

Work with local community health care systems to identify and promote examples of effective partnerships across the care continuum with hospitals and health care providers, local public health departments and community and social service providers.

Continue to build upon Chapter 224 requirements to shift from fee-for service to alternative provider payment models (APMs) to encourage and reward providers for coordinating and driving patient-centered care. Promote examples of programs that demonstrate value through higher quality patient care, enhanced integration, and lower costs.

Support public-private grant/incentive programs to challenge medical colleges and universities and major provider systems to create or expand programs that target specific specialties and incent new providers & health professionals to remain in Massachusetts after completing their training.

Align incentives across the industry (payers and providers), related to clinical outcomes, cost reduction and quality improvement measures.

Collaborate with the Gateway Cities to tap underutilized resources from across the state.

Assess the MassHealth (Medicaid) program structure and current reimbursement model.

Re-evaluate current determination of need (DON) regulations.

Direct state agencies to identify and remove redundant regulations, while reducing the complexity and duplication of reporting requirements.



## High-Need Populations & the Opiate Addiction Crisis

Coordinating care is especially important to the state's most vulnerable populations, who are most at risk for serious and chronic health conditions and who often lack the resources to effectively navigate the healthcare system on their own. Of particular concern in the Commonwealth today are low-income families who are not proficient in English, returning soldiers who are suffering psychological or behavioral disorders, and the growing number of people who have become addicted to opiates.

To provide more effective care for these high-need groups, the advisory group believes the state's healthcare system must do a better job of identifying critical gaps and shortages, especially of primary care physicians and community-based healthcare and social service providers. Committee members recommend that the new administration address regulatory and payment rules that restrict the flexible use of funds to respond to each individual patient's unique needs, specifically with regard to crossing the boundaries between medical, behavioral and social services. At the same time, the Commonwealth should create incentives for serving the highest need populations and expanding those existing programs that are already demonstrating success by providing more fully integrated services, especially in the area of substance abuse.

### PROPOSALS FOR EARLY ACTION:

Advocate for replicating successful school-based models for increasing access to integrated health services (see Codman Square Health Center – satellite clinic at TechBoston Academy).

Expand proven models such as Patient Centered Medical Home (PCMH) with integrated behavioral health services.

Leverage the alternative payment methodologies (APMs) and value-based payment models (VBP) to incent payers and providers. Analyze and report on the use and effectiveness of APMs and VBPs, starting with the Group Insurance Commission (GIC) and MassHealth populations.



Align and coordinate quality measures across MassHealth programs to reduce administrative burdens.

Continue the work of the Health Policy Commission's Community Health Care Investment and Consumer Involvement Committee and proposed programs for 2015. Promote the results of the Community Hospital Acceleration, Revitalization, & Transformation (CHART) Investment Program.

Focus efforts to work with hospitals and community providers to solve the psychiatric emergency room boarding crisis.

Evaluate health plan benefits and products across all payers (public and private), including limited or select network products, to understand access and coverage issues.

Pursue federal funds (Medicaid State Plan Amendments for health homes & Excellence Act).

Share current CHIA data with payers, providers, public health and market-at-large to better target primary care and behavioral health/substance abuse integration efforts and identity service gaps.

Continue to work on enhancements to the state's Prescription Monitoring Program.

Appoint and empower a cross-agency taskforce representing government, community, business and healthcare to assess and address the opiate crisis; target solutions for specific populations as appropriate (e.g., veterans).

Evaluate opiate marketing and prescription practices and recommend appropriate actions.

Develop incentives for repurposing excess capacity in existing facilities towards behavioral health/ substance abuse patients.

Set tone re: recovery orientation (change language to eliminate the stigma).



Evaluate whether access problems related to behavioral health and addiction services are due to insufficient resources, insurance barriers or reimbursement issues.

Incent and adequately reimburse providers who serve vulnerable, low-income populations.

Engage the industry to actively promote availability of more community-based resources to assist consumers (care navigators, health coaches, community health and social workers).

Leverage advanced practice practitioners such as nurse practitioners and physician assistants in primary care and community health settings to increase access and enhance the coordination of care.

Work with high schools, colleges, universities and allied health professional programs to encourage more minorities and multi-lingual individuals to choose careers in healthcare, in order to increase the state's capacity to provide care that is culturally and linguistically appropriate.

Create work-based internship programs between targeted healthcare entities and local public schools and colleges.

Charter the housing, health and humans services sectors to collaborate on the connection between housing and healthcare.

Appoint a healthcare workforce commission to encourage innovation, identify barriers including disparities in cultural competency, diversity and language skills, and make recommendations to the administration.

## Cost and Performance Transparency

The high cost of healthcare is unsustainable in terms of the strain it places on both family budgets and state finances. Although several reforms have been put in place to directly control costs and improve incentives for efficiency, the



irrationality and gross disparities in healthcare pricing makes it almost impossible to change the long-term cost curve. The same procedure or treatment, provided to similar patients in neighboring hospitals can sometimes vary in cost by 300 percent or more. Dramatic differences like this might be justified if there were equivalent differences in quality and outcomes, but the fact is there is not enough reliable, publicly available performance data to justify such claims. The advisory group recommends the development of more integrated and accessible data systems to allow for greater sharing of information across a diverse set of providers, in order to reduce costs and improve client outcomes.

Massachusetts hospitals and healthcare providers are generating a wealth of data about both cost and outcomes. Unfortunately, those data are not easily accessible and are often locked in incompatible systems and databases that prevent integration. Equally important, even when data are available, they are often out-of-date or highly suspect due to inconsistent self-reporting methods. Access to harmonized data alone will not be sufficient to control costs; consumers (both individuals and employers) must be able to use this information to drive their own decision-making. Currently available data are generally not provided to consumers in a convenient form and most individuals and employers lack the knowledge, skill or incentive to use such data to change their behavior. The advisory group urges the Baker-Polito administration to forge public-private partnerships to develop and promote new initiatives to empower individuals and employers to become more fully engaged in managing their own healthcare budgets.

#### **PROPOSALS FOR EARLY ACTION:**

Analyze the top 50-100 procedures/treatments and build out a comprehensive and accurate database on costs and outcomes.

Continue to build upon current Chapter 224 Legislation and promote to consumers and the marketplace the efforts of both payers and providers to provide cost information to their members/patients on medical services or procedures (for payers based on the benefit plan the member has). Evaluate "consumer-friendliness" of this information and report results for useful feedback and iteration.





Issue a challenge to the private sector (similar to the X-Prize) to fund and create a consumer-friendly transparency web portal. Provide access to easy-to-understand, actionable information about cost and quality. Use existing data sources and incorporate links to health plan and provider portals.

Evaluate the Health Care Cost Institute's free online tool to provide consumers, employers and regulators access to consistent information about price and quality.

As part of APMs, require providers to support consumer/patient engagement and promote the use of provider or payer programs that have demonstrated positive outcomes to improve health across a population.

Launch a professionally designed public/private education campaign by first providing basic information to help consumers engage more effectively in their own healthcare, focusing on: defining key terms, explaining plan/payment alternatives, promoting healthy behaviors, and encouraging better self-management of medical conditions.

Identify and test consumer incentive programs such as "shared savings" programs if consumers choose lower cost options (pilot with the state's own employees) and/or seek input from employers or others who have had success with consumer engagement (be mindful of the definitions used).

## Market-Based Reforms

At its core, healthcare reform in Massachusetts was designed to create a more effective and efficient marketplace that would expand consumer choice and unleash competitive forces that would contain costs and encourage innovation. In practice, however, the opposite has too often been true. Even though the basic structure of the healthcare system has changed, as a result of revolutions in both policy and practice, many of the pre-existing programs and regulations remain much the same. As one committee member stated: "The state's healthcare regulations were designed for the way medicine was practiced 30 years ago." Regulation of both public and private health insurance plans creates



irrational and overly complex pricing systems that encourage wasteful practices and undermine quality care. The advisory group believes that a thorough review of state healthcare regulations is overdue and desperately needed.

A cornerstone of the state's health insurance system is Medicaid. The scale of this federally designed, state-operated program inevitably makes it a central part of the healthcare marketplace. Committee members agree that reforming the state's healthcare system must include significant improvements to MassHealth. Some reforms regarding the operation of MassHealth can be implemented by the Commonwealth, but changes to the existing federal waiver will undoubtedly be necessary, as well.

One theme throughout the advisory group's discussions was inadequacy of data systems and the lack of consensus on how best to measure costs, quality and outcomes in a way that is both accurate and comparable across the state's diverse healthcare market segments. Without reliable, usable and transparent data, it is impossible to fulfill the potential of the state's market-based reforms. In addition to the recommendations above, regarding improvements in the state's data infrastructure, committee members propose that the Baker-Polito administration clarify the role and structure of the Commonwealth's Center for Health Information and Analysis (CHIA) as the definitive/official source for "truthful data" on costs and outcomes.

Finally, the advisory group believes that Massachusetts, more than any other state, has a great deal of untapped potential for innovation in healthcare. Committee members recommend that the new administration allow for more flexibility in the design of benefit plans to encourage innovation and cost savings. They further propose that the state reallocate some of its investment capital to encourage risk-taking and entrepreneurship in the development of technological breakthroughs capable of transforming the medical practice.

## PROPOSALS FOR EARLY ACTION:

Conduct an inventory of what data the state already collects (e.g., from APCD, The Connector, MassHealth, GIC, CHIA, HPC, Attorney General's office) and begin releasing de-identified raw data as soon as possible.



Make the Health Level 7 standard for the transfer of clinical and administrative data mandatory to ensure greater interoperability of electronic health information systems.

Elevate the role of the state's Medicaid Director and establish a task force under his/her leadership to recommend short-term improvements and longer-term reforms, some of which may require renegotiation of the federal waiver.

Improve coordination and communication across the state's insurance programs; consider alternatives to separate, in-house back-office operations for the various health insurance programs (i.e., GIC, MassHealth, The Connector).

Provide incentives for state employees to shop for the best values under GIC-sponsored plans.

Reform scope of practice rules to allow certified practitioners to practice at the top of their licenses, so they can deliver and bill for all services for which they've been trained.

Monitor, analyze and report on the costs and benefits of hospital consolidation.

Evaluate the costs and benefits of determination of need regulations.

Appoint an innovation task force to evaluate the impact of the Life Sciences Initiative and consider lower cost alternatives, such as an Innovation Fund to stimulate technological and service delivery breakthroughs.

Increase the use of managed care under Medicaid and Medicare; promote expansion of risk-sharing arrangements and pilot new plans including those with more limited provider networks.

Monitor regulation/taxes across the industry that may prevent innovation.



## Safer, Stronger Communities

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Massachusetts is home to some of the most innovative and successful non-profit and community-based organizations in America. We are a national center of social entrepreneurship. Our education system boasts some of the country's highest performing public schools and first-rate colleges and universities. Our police are recognized as among the most effective and progressive in the country. Our healthcare system provides universal access to health insurance with world-class hospitals and community health centers. Massachusetts spends more than just a handful of states on human services, and our philanthropic community is robust and generous.

Nevertheless, for all of our strengths and assets, Massachusetts' low-income communities are struggling to create and sustain hope and opportunity. Our failure is not due to a lack of effort, but to a lack of common purpose and coordinated action. State agencies and programs are disconnected from one another. State and local governments don't work well together. Service providers compete with each other for short-term public and private resources. Data systems are inadequate and incompatible. Regulation is burdensome, with a focus on compliance rather than outcomes, dissipating resources and discouraging business formation and job growth. In sum, the whole adds up to less than the sum of the parts.

Creating safer, stronger communities requires a comprehensive investment approach. Effective stand-alone organizations and programs are necessary but not sufficient to transform struggling neighborhoods. More successful are coordinated, public-private approaches, which combine and align multiple initiatives, engaging state and local government, philanthropy, business, faith-based organizations, and social entrepreneurs around a common strategy that addresses a broad-spectrum of challenges and opportunities from public safety to housing, from youth development to economic opportunity, from education to the arts. We are already seeing how this approach can work on a small scale. Our challenge is to build on this success; not simply by increasing spending or replicating programs, but by engaging results-oriented local leadership in designing cost-effective solutions, based on proven models, which fit the unique needs and assets of their communities.



On the basis of this positive vision, the transition committee advisory group on Safer, Stronger Communities focused on four cross-cutting themes:

- Aligning Initiatives
- Allocating Resources
- Collecting Data and Evidence
- Rallying Stakeholders

## Aligning Initiatives

Along just a few miles of Blue Hill Avenue in Roxbury and Mattapan, there are hundreds of non-profit ventures and human services providers. Yet despite the concentration of people and organizations working in close proximity, serving the same neighborhoods and addressing broadly similar and overlapping problems, there is little communication and even less collaboration. To create the conditions that enable real partnership, the committee members recommend that the new administration develop clear objectives and performance metrics to align and guide the work of the state agencies, local governments, and private service providers that have a direct role in serving low-income communities. With a focus on high-level outcomes, state agencies should then move away from heavy-handed mandates and regulations, providing flexible resources that can be used to address the diverse and complex needs of each city, neighborhood and individual.

### PROPOSALS FOR EARLY ACTION:

Clearly articulate high-level interagency goals to align action across all relevant departments and programs.

Designate a senior point person within the administration to coordinate policy and implementation in critical areas where interagency alignment is essential (e.g., urban agenda, homelessness, drug abuse and recovery, inmate re-entry).



Develop a holistic strategy for job training and placement that integrates all the relevant program areas (e.g., TANF, childcare, education, career services).

Form a public-private task force to develop a proposal for reducing the regulation of providers and enabling more flexible use of public resources.

Convene a "summit" of state officials, mayors, non-profit leaders, business representatives, educators, and philanthropic funders to identify the most challenging barriers to collaboration and to learn more about best demonstrated practice from across Massachusetts and other states.

## Allocating Resources

Breaking down bureaucratic siloes and aligning the service providers on the ground must be encouraged and enabled through the strategic and coordinated allocation of public and private resources. The advisory group recommends that the new administration combine and concentrate its resources in those communities that develop compelling multi-year plans which demonstrate a strategic, results-oriented approach that incorporates all of the key stakeholders under accountable leadership. Many cities lack the capacity or expertise to do this kind of planning on their own, so the state must work collaboratively with local leadership and private partners to facilitate the planning process and spread effective strategies and practices across the Commonwealth.

In addition to providing communities with support and incentives for collective action, the administration should also use its discretionary resources to invest in scaling or replicating those organizations and programs that have a proven track record of success. State agencies should also work with private providers and entrepreneurs to develop new delivery models that enable the integration and personalization of multiple services to meet the unique needs of each individual.

## PROPOSALS FOR EARLY ACTION:

Engage an outside partner to catalog the existing state/local/philanthropic funding streams and the relevant service providers in several high-need communities, highlighting connections, redundancies and conflicts.



Build on the early success of the Federal Reserves' Working Cities Challenge, the federal Promise Neighborhoods program, and STRIVE to encourage a broad cross-section of community stakeholders to develop a common vision supported by coherent, multi-year plans, ideally including mayoral leadership.

Expand investment in programs that have strong evidence of efficacy and are capable of growth or replication.

Sponsor an X-Prize-like competition or "hack-a-thon" to develop a personalized-service model and/or a cost-effective technology solution that would enable a single point of entry.

## Collecting Data & Evidence

A critical barrier to aligning initiatives and rationally allocating resources is the absence of reliable and timely data. Throughout state government, between state and local government, and among service providers there are hundreds of different technology platforms, database systems, and software applications – most of which are incompatible with one another in ways both large and small. As a result, there is not only administrative inefficiency and duplication, but there is a lack of usable information that is essential to delivering high-quality services or measuring outcomes. The advisory group recommends that the state develop more integrated information systems with more transparent databases to enable organizations to work together more effectively and to improve client outcomes and satisfaction. Recognizing that this is a massive and long-term undertaking, committee members propose tackling just a few high-volume data collection processes first.

State agencies should also redouble their efforts to increase funding for those organizations and programs that have strong evidence of significant impact. Such an approach might include pay-for-performance contracting to provide such providers with incentives for growth and further improvement. At the same time, the administration should adopt an R&D approach to evaluating the impact of programs that are promising, but lack reliable evidence of success, to ensure



that scarce resources are not dissipated on interventions that have little or no measurable effect.

#### PROPOSALS FOR EARLY ACTION:

Work with outside research partner to develop common outcome metrics for 3-4 child welfare providers.

Pilot outcomes-based contracting with three-four providers in child welfare where other states have already tested and established this practice.

Work with an outside partner (e.g., MIT or MassChallenge) to sponsor a series of "hack-a-thons," in which personnel from state agencies come together with private-sector programmers to create technology solutions for pressing problems.

In partnership with an outside research partner (e.g., MIT's Poverty Action Lab), design and conduct a small number of pilot experiments.

#### Rallying Stakeholders

Underlying all of these recommendations is the need to create a shared sense of purpose and urgency, not only among those directly involved in the work of strengthening low-income communities, but also the broader set of stakeholders and the public at large. This task begins with leadership from the Governor in articulating a positive vision for the future and a strategy for affecting change. Candidate Baker's Urban Agenda already provides the foundation and framework for this vision. Using his convening power, the Governor should also bring people together and facilitate an on-going dialogue at the state and local levels about both policy and practice, to develop trusting relationships and lasting partnerships that can produce concerted action and generate sustained momentum.





## PROPOSALS FOR EARLY ACTION:

Issue a call to action, emphasizing the importance of widespread involvement, including service providers, volunteer organizations, community leaders, business executives, philanthropic organizations and public safety officials.

Convene an inclusive set of stakeholders at both the state and local level to begin an on-going dialogue that fosters a spirit of open communication and collaboration, leading to concrete actions to address underlying issues of distrust and anger in the aftermath of recent events in Ferguson, Missouri and Staten Island, New York.



## A Better State Government We Can Be Proud Of

Massachusetts has many strengths and assets, yet it is also at risk due to national and global competition, structural budget deficits, and the high cost of living and operating a business. In order to sustain and build on our past success, state government must operate at ever-higher levels of productivity and efficiency. Equally important, it must do a better job of flexibly responding to the individualized needs of families, employers, and communities, in order to solve complex problems, achieve ambitious goals, and save money – all in an environment of rapid and continuous technological change.

The Baker-Polito Administration has the opportunity to make state government as thrifty, hard-working and successful as the people of the Commonwealth, themselves. To accomplish this, the Better Government advisory group identified four key strategies:

- ***Restructuring state government*** to streamline processes and improve performance
- ***Using data wisely*** to enable greater transparency, better decision making, and outcomes-based accountability
- ***Creating a public sector culture of innovation***, continuous improvement, and customer service
- ***Rebuilding state-local partnerships*** to leverage resources and respond to unique community needs.

This report outlines a series of steps that can be implemented in the short term to realize these goals. Some of them require a reallocation of resources, but many do not. Rather, they require a more strategic approach to managing the state's people, programs and assets.

### **Restructuring State Government**

The growing fragmentation of state government and the disconnected management practices of each agency create unnecessary complexity, added costs, and poorer service. New initiatives and agencies have been layered on top of existing ones, often undermining their good intentions by favoring those



people and organizations that are best positioned to navigate the overlapping bureaucratic systems. Meanwhile, these narrowly defined programs and departments tend to focus on compliance over outcomes, in part because they lack the scope and flexibility to affect higher level goals.

The advisory group recommends that the new administration strengthen coordination among its cabinet agencies, especially with respect to performance-based management, capital investment, and customer service. Equally important, each agency should be required to conduct a thorough review of its existing programs and regulations, before creating new ones, with an eye towards reduction, consolidation and simplification – both within and across agencies. At the same time, committee members recommend that all agencies undertake a coordinated and continuous evaluation of web-based technologies and mobile applications to change state government’s “business model” and dramatically improve citizen engagement and satisfaction.

#### PROPOSALS FOR EARLY ACTION:

Establish a senior position within the Governor’s Office to drive and coordinate more effective and consistent management practices and shared service savings throughout the administration.

Elevate and strengthen the role of the state’s Government Innovation Office. Commission this office to work collaboratively with state agencies to analyze problems and implement innovative solutions.

Put a freeze on all regulations currently in process, appoint a Blue Ribbon Commission on regulatory reform, and conduct rigorous cost-benefit analysis of all proposed regulations.

Stop funding operating expenses and personnel with capital dollars.

Plan and deliver projects in a manner designed to reduce life-cycle costs and require all proposed capital projects to include an accounting of life-cycle costs to ensure better visibility and planning for operating and maintenance costs over time.



## Using Data Wisely

Utilizing data to make government more effective should be one of the foremost goals of the new administration. As technological advances improve our ability to collect and analyze data, managers are challenged to make efficient and effective use of increasing amounts of information. The Administration's efforts should be focused on collecting the right data – the key outcomes that matter to stakeholders; using it properly – holding managers accountable for results and empowering frontline employees; and presenting it effectively – taking a transparent approach that provides data to stakeholders (including the public) in a usable format but also gives access to as much raw information as possible. The Governor's Office should send a clear message to all managers that there will be sustained and high-level attention to data in the service of creating a more effective government.

### PROPOSALS FOR EARLY ACTION:

Direct all secretariats to develop a focused set of metrics that reflect their core mission and major priorities. Develop a public-facing dashboard to provide the public with real-time progress updates.

Create a Predictive Analytics unit to integrate and interpret separate streams of state data with a goal of identifying opportunities for enhanced customer service and more effective operations. This unit should also work with outside research partners to identify key use cases that will drive transformative solutions. It should seek to provide external researchers with access to integrated state data.

Launch a comprehensive StateStat program based out of the Governor's office that tracks key performance metrics across the administration to enable more effective coordination and oversight.



## Changing the Public Sector Culture

The culture of state government can be an impediment to the effective delivery of services. The emphasis on the state budgeting process can create an environment that focuses inputs, like dollars spent and headcounts, versus results. Part of the solution is a data-driven approach to accountability that measures meaningful outcomes, as detailed above. But another aspect of the solution is to give state employees the tools to unleash innovation.

The first step is to listen to both employees and the people they serve, by initiating feedback meetings and creating platforms to encourage and receive feedback from users. Next, we should provide state managers with greater flexibility around service delivery and be open to a variety of approaches to serving the public. In some cases that will mean using private sector as a partner. Outdated rules and practices that limit the state's flexibility in contracting should be removed. Further, innovative approaches, like Pay-For-Success, should be encouraged and broadened. Our current approach to project planning and acquisition of capital assets (both hard and IT assets) is also outdated and in need of reform. It burdens state employees with deteriorating facilities and outdated technology while shortchanging maintenance. Lastly, our current compensation system for public employees rewards length of service, but fails to provide adequate rewards for top performers. We should reform the compensation system to attract the workforce of the future.

### PROPOSALS FOR EARLY ACTION:

Conduct town hall meetings for front-line public employees to hear their perspective, including meaningful performance measures, and barriers to innovation and improvement.

Make greater/better use of social media, including Citizens Feedback Interface App (e.g., YELP, Net Promoter Score ratings), starting with the Registry of Motor Vehicles.



Take greater advantage of the Asset Management Board's authorities under Chapter 7B to enable more public-private partnerships (e.g., for construction and maintenance of mixed use public buildings).

Identify and pursue public-private projects that meet Pacheco standards for cost-savings.

Analyze existing Pay-For-Success initiatives and identify additional areas to expand these programs.

Require all proposed capital projects to include an accounting of life-cycle costs to ensure better visibility and planning for operating and maintenance costs over time.

Plan and deliver projects in a manner which reduce life cycle costs.

Adopt the American Bar Association's 2000 Model Procurement Code, tailored for Mass., to harmonize and simplify the state's various purchasing systems with those of cities and towns.

Expand cooperative purchasing across governments and make greater/smarter use of pay-for-performance contracting.

## Rebuilding State-Local Partnerships

State-municipal relations should be characterized by several major themes – predictability, communication, mutual respect, and flexible, innovative use of state funding. Municipal leaders want a state government that provides a predictable level of support and understands the challenges and constraints of municipal budgeting. Although local officials accept that state support comes with accountability, they want requirements to be clearly explained up front, focused on results, rather than process, and consistently applied across all communities. There also was a call among committee members for more contact between state and municipal officials. In particular, it was noted that the state now offers a complex series of municipal-focused programs, but it is not always clear who was responsible for each.



Finally, there was support for using state funds more strategically to encourage economic growth in municipalities. Many state agencies provide grants and/or technical assistance in an atomized fashion to communities, when targeted, bundled support would have greater impact. The MassWorks program is an important step towards addressing this goal, but more could be done. Another use of state funding could be to incentivize communities to provide a uniform or expedited permitting process at the municipal level.

### PROPOSALS FOR EARLY ACTION:

Protect municipalities from further cuts to local aid and stop imposing new unfunded mandates.

Provide incentives for municipal reforms by offering relief from state mandates, with clearly articulated and customized priorities, including education, fiscal management and permitting

Consolidate grant programs by building on the MassWorks model.

Have cabinet officers conduct a listening tour tied to major revenue streams affecting local government.

Have Governor commit to attending at least half of Local Government Advisory Council meetings.

For major cities, offer a yearly "Roundtable" meeting of all state entities active in the community on a grant and operational basis.

Appoint a state-local task force to develop a uniform permitting code for small, "neighborhood" businesses, creating fast-track permitting that allows them to open and grow.

In exchange for more flexible state block grants, work with cities and towns to develop and implement an expedited permitting process that mirrors the scope and intent of the Fort Devens Enterprise Commission.



## Acknowledgements

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