



President Eileen McAnneny's Remarks
83rd Annual Meeting of the Massachusetts Taxpayers Foundation

Thanks Tom. Good Afternoon. It is wonderful to see so many members, colleagues and friends. Last year, I pledged to “honor tradition while embracing change.” I am pleased to report that I did both. Chairman Samoluk has highlighted how the Foundation honored the MTF tradition of publishing insightful analysis to effectuate change, so I will not reiterate those accomplishments.

Instead, I would like to take a moment to focus on the latter part of the phrase about “embracing change.” While keeping the core mission intact, we have modified almost every aspect of MTF over the past 14 months as promised. Let me share some of the ways we have changed.

First, MTF completed a major renovation of our office space that came in on budget and almost on time. This transformation of our physical space enables us to better engage with all of our stakeholders. Whether it is hosting legislative staff for a lunch and learn series; the media for a press briefing on our latest report; or all of you for a policy discussion - our new office equips us to serve you better. This renovation also provides the Foundation with a new revenue stream as the office has been configured to sublease some of the space.

I want to thank Rick Lord and Associated Industries of MA for generously lending us space during the renovation.

Please be on the lookout for an invitation to the Open House.

(2) Our new Communication strategy makes better use of the data-dense reports we are known for, in recognition of the changing media world. With the help of Jonah Media, our PR consultant, we are employing social media to communicate to a broader and more diverse audience; hosting



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events to showcase our work; and delivering concise and more timely analyses in recognition of the shorter news cycle – all while tweeting about it and continuing our more traditional work.

(3) Thanks to our new technology made possible by an in-kind contribution from Microsoft, and our migration to the cloud, we can work anywhere and everywhere. This flexibility is critical for a small staff such as ours and greatly improves our efficiency.

(4) Our human capital is the Foundation's greatest strength. Since the last annual meeting Doug Howgate has joined us as our Director of Research and Policy. His experience as the former Senate budget director has proven invaluable and he hasn't missed a beat. No task is too big or too small for Doug and he performs both with equal rigor. Andrea D'Attilio was my first new hire when I came onboard and one of my better decisions. She is my right hand. Andrea serves as the office manager, project manager, human resource manager, accountant manager and every other manager that an office needs to run smoothly. She handles this multitude of responsibilities competently and calmly. Rounding out the team is Andy Bagley, our Vice President of Research and Policy, and the most seasoned member of our staff having been with the Foundation for the past 8 years. His insight, scope of knowledge, breadth of experience and even disposition have been a steadying force in this period of transition and he contributes greatly to the Foundation's body of research.

The productivity and teamwork of the staff surpasses my expectations each and every day. I want to take a moment to publicly acknowledge how grateful I am for them. Will the staff please stand to be recognized.



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All of these improvements have shored up the Foundation – and position us for growth. But we are not changing simply because of new leadership – although that is a natural time to rethink things. We are changing because as H.G. Wells said, “adapt or perish, now as ever, is Nature’s inexorable imperative.”

As a hub of innovation, Massachusetts is a very different place than it was a decade ago. The makeup of our economy continues to evolve; the number of research and business membership organizations proliferates; and the next generation of civic leaders (millennials) interacts with government and society in novel ways. All of these shifts requires us to adapt. And we are. MTF is refining our core mission, revamping some of our processes and reconnecting with all of you.

So if I had to characterize 2016 thus far, I would describe it as the year of engagement. You, are members, are the foundation of the Foundation and we want our connection to be rock-solid. We have taken some important initial steps to date, such as the more frequent hosting of membership calls and webinars on policy topics like MassHealth and the Budget, and will continue to do so - both to impart the findings of our research and to elicit a dialogue with all of you.

We will also take more significant steps in the coming months. To that end, I am pleased to announce that we will begin a strategic planning process in the weeks ahead. When we reach out to you for your feedback and your suggestions, please be responsive, candid and thoughtful. This will help the Foundation to emerge as a stronger, more focused entity.

What will never change, though, is the creditable research we provide on the most important challenges facing the Commonwealth. I will outline for you now only those projects we will focus



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on over the next year because as Winston Churchill said “It is a mistake to try to look too far ahead. The chain of destiny can only be grasped one link at a time.”

On transportation finance, our influential work continues. Tom mentioned our legislative success advocating for adoption of the fiscal and management control board and suspension of the Pacheco law— two vitally important actions to the T’s turnaround. Let me explain why we pushed so hard for these reforms. The Foundation has documented that if the MBTA cannot get its fiscal house in order, particularly with respect to its operating budget, there are real consequences. Not only will we have a dysfunctional public transportation system, the state will have an increasingly difficult time balancing its budget as the additional assistance provided to the T grows ever larger. MTF meets regularly with the T’s management, with the Control Board and with other stakeholders to impress upon them the importance of getting it right and the need to take bold moves. We have provided support through public testimony, press conferences and meetings with Board members for the difficult and often unpopular decisions that the Control Board has had to make and will continue to make. With many improvements to the T’s operations now underway, the Foundation will provide a status report of where things stand and then pivot to the capital side of the equation.

We are hosting a Forum on June 16 to kick-off this year long conversation on how to ensure that capital investments in the MBTA and transportation are addressed. In recognition of the central role MTF is playing in improving transportation, Governor Baker and Secretary Pollack have agreed to participate in this forum.



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They and others will outline the current status of our transportation system, where we want to go and how we get there. A flyer is in your materials and I would urge you to participate in this important conversation.

MTF will then develop a roadmap for transforming the MBTA and our roads and bridges into the world-class transportation system we all want. We will do this by examining how much capital it will take, how to better leverage existing capital, and by identifying revenue sources to plug in the gap current revenue streams should fall short.

Transportation is not the only spending area where there are numerous unmet capital needs. Thus, the Foundation will focus its attention on capital spending more broadly. Our first report, due out next week, will be a primer on the capital budget process, followed by a series of reports on three discreet spending areas – transportation, water and sewer infrastructure, and information technology for state government.

On tax issues, the Foundation has already begun its efforts in opposition to the so called millionaire's tax ballot initiative. We have voiced our concerns at the public hearing and, with like-minded groups, are developing both legal and advocacy strategies for defeating this measure.

We also created our tax thought leadership group to discuss ways to improve the Commonwealth's tax code and better position the state for growth. All are welcome to participate in this proactive approach to tax policy. The estate tax will be one area to which we suggest major changes and those discussions are already underway.



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For the first time, we are delving into the mechanics of MassHealth –the state’s \$14 billion dollar Medicaid program. With 30% of the population now enrolled and a cost trend that far outpaces general inflation, it is imperative that taxpayers have a better understanding of how MassHealth works, its impact on the state budget and what other states are doing to control spending in this area. Our first foray - very well-received - was an analysis of MassHealth spending in the Governor’s proposed FY17 budget. Look for more reports on this topic.

Let me sum up by saying a recurring theme for MTF’s analyses in the next 12 months will be how well government uses data in its decision-making. In this age of big data and data analytics, we need to bring some of the tools employed in the private sector to bear on public spending. Whether it be for operating money, capital investment, targeted incentives for economic development or spending on entitlement programs - the Commonwealth must become more transparent about what it spends money on; more accountable for how it was spent and better at using best practices for delivering services. That is why we are engaging with Pew Charitable Trust and the MacArthur Foundation on their Results First initiative, which is designed to help states achieve these goals.

To close, the Foundation’s agenda is robust, the work is challenging and our responsibilities are numerous. We wouldn’t have it any other way. Thank you all for providing the financial support and continued engagement that makes it possible.



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