



# Dynamic and Representative Government

Good local government is vital to the success of our region, especially because of the Commonwealth's long history of local control. In other parts of the country, counties or regional entities play a major role in governance. In Massachusetts, however, it's our 351 cities and towns that raise revenue, set the rules for development, run public education systems, handle public health and safety, and in some cases provide affordable housing.

Our close-to-the ground governance structure gives people reasonably good access to their elected representatives, and those representatives are accountable through the ballot box.

The system has some serious limitations, too. People of color are underrepresented as elected and appointed officials and as municipal employees. There are financial limitations as well, with Proposition 2 ½ restricting local ability to raise taxes. That combined with limited local aid from the Commonwealth constrains municipal budgets and makes it difficult to invest in needed projects and hire staff to achieve community and regional goals.

Further, even the best-functioning local governments are not equipped to solve problems like climate, housing, segregation, and economic development. These challenges simply function on greater geographic scales. And sometimes local priorities, such as the desire to limit additional residential construction, can actually run counter to regional priorities, which include making housing available and affordable to all.

## Vision

- ▶ **We imagine** a future where all governments are forward-looking, collaborative, able to adapt to changing circumstances, and inclusive. Creative partnerships are formed across governments and with non-governmental institutions to address our region's challenges. Local, regional, and state governments make the investments needed and are able to manage our vital assets such as transportation, water and wastewater, and parks. And governments provide a meaningful opportunity for their residents to participate and share in decision-making.
- ▶ **In 2050**, local governments work together, often across municipal lines. Elected leadership and staff reflect the region's diversity. Everyone can participate in government and take part in decision-making. Municipalities and regional entities are structured, sized, and have the capacity to address significant land use, mobility, and sustainability challenges effectively.

They have the financial resources to address both our regional and local needs and the flexibility to raise the funds they need to accomplish that goal. Governments and health, educational, social service, and commercial enterprises act as partners, systematically supporting the region's residents. The Commonwealth provides the guidance, incentives, and support needed to achieve the goals of the region and its local communities. All levels of government work together to make Metro Boston one of the healthiest, best educated, most equitable and resilient regions in the world.

## How We Got Here

Some of our local governments were established over 400 years ago, setting the fundamental organization and governance models that continue to the current day. There is great variability in the size of our localities and their governments, ranging from cities with thousands of employees to small towns – and even a number of large ones – with few professional staff members and a high reliance on volunteers for decision-making, policy-setting, and much more.

As a home rule state, Massachusetts grants to municipalities powers that elsewhere fall to counties or regional authorities. Our 351 cities and towns enjoy wide latitude in governing what happens within their borders, and they provide a host of services and functions. Municipal governments are answerable only to local residents: regional concerns usually take the back seat.

The state does retain jurisdiction over some areas of governance. Among them is the function of raising revenue. The Commonwealth severely constrains municipalities' ability to raise additional revenues unless approved through state legislative action.

To somewhat address these constraints, the state provides municipalities local aid funding to help fund general operations, schools, and roads. These payments occur on an annual basis and steer greater amounts to fiscally challenged, less wealthy cities. Local aid is entirely dependent on state revenues, however, and it has in the past been cut back during hard economic times, precisely when it is needed most. Many of our revenue-generating mechanisms, like the local property tax and the state sales tax, are regressive in nature, resulting in lower-income residents and workers paying a higher percentage of their income in local and state taxes.

Greater Boston is home to some of the world's best endowed universities and medical institutions. Although they benefit from their non-profit status, they are governed by boards that have little in the way of public or community representation. One promising model is the increasing use of Community Advisory Boards by hospitals. There is great potential to significantly expand municipal collaboration and partnerships with the non-profit and business sectors to address long-standing challenges. However, municipalities have limited ability to encourage institutions to contribute financially or programmatically to improve their host communities, other than accepting voluntary payments in lieu of taxes (PILOT) and community service offerings.

Representation and participation in government has never been equal by race, gender, or economic status. In not-so-distant days, BIPOC and women were intentionally excluded from civic life and voting, denied the rights and privileges enjoyed by White men. While legal barriers to participation have been overturned, our elected and appointed leadership in state, regional, and local governments still fail to reflect the diversity of our region.<sup>1</sup> There are signs that diversity amongst elected officials is beginning to increase, yet barriers such as money in politics, the advantages of incumbency, distrust of government, and continuing racism, sexism, and economic insecurity continue to prove high bars to greater diversity in leadership positions.

## Challenges

Local government can lack the time, focus, staff, capacity, and resources to identify and address regional needs, and public decision-making is spread across various levels of government, often for reasons more historical than practical.

This was particularly evident during the pandemic. Although local leaders communicated and collaborated more closely than ever before, they didn't have a mechanism to create a tailored approach to regional circumstances. The result was a COVID response that was partly an inconsistent patchwork of local approaches and partly a blanket of policies standardized for the entire state, whether appropriate for all areas or not.

In absence of strong county authority, the region's municipalities rely heavily on state government and regional agencies such as the MBTA and MWRA for critical resources and programs. Sometimes, however, such entities lack meaningful local representation. They have no direct accountability to voters.

In addition to greater representation and collaboration across levels of governmental jurisdictions, creative problem-solving and partnerships are needed among municipalities and with the private and non-profit sectors. Having the staff, capacity, and ability to convene and work across sectors and jurisdictions is a major challenge for local government. Such work competes with usual job duties and local time-sensitive issues.

Access to reliable data is another challenge. Data collection, standards, and ownership vary widely depending on the source, making it difficult to understand problems fully or to track progress towards solutions. Regional Planning Agencies (RPAs), if adequately resourced and staffed, could help to fill many of these data needs.

Municipalities are funded through a variety of sources, but the largest and growing source for most is the property tax. Some communities rely on residential property taxes for nearly 95 percent of their revenues. Others have large commercial and industrial tax bases, while some cities rely on annual appropriations of state aid in large measures. This dependence on property taxes fuels some of the glaring disparities in school district quality.

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<sup>1</sup> <https://www.wbur.org/news/2019/11/13/elected-officials-diversity-report>

Proposition 2 ½ restricts the growth in annual property tax levies, while at the same time, fixed costs such as medical, retirement, and infrastructure maintenance eat up an increasing share of local spending. In order to meet these needs without expanding reliance on the property tax, the Commonwealth should authorize new techniques to allow localities to generate needed tax revenue, preferably in a progressive manner.

Despite the pandemic, most municipal budgets are looking solid in the short term due to federal stimulus and less dire economic impacts than early estimates contemplated. However, we cannot allow rosy short-term forecasts to mask longer-term threats and unmet investment needs that are likely ahead. Negative impacts from climate change, an uncertain commercial property market, and unpredictable long-term levels of federal support all point to the need for new tools enabling local government to raise sufficient revenue using more equitable and predictable mechanisms to meet our long-term local and regional needs.

Another challenge is increasing the representation and participation of all residents in the processes of local governance. People of color are under-represented as elected and appointed officials and our research has found that municipal employees are older and Whiter than regional averages.<sup>2</sup> There are a variety of reasons for this lack of diversity, including the segregation of our region, historically racist hiring practices, and civil service constraints. Meanwhile, serving in government can be a thankless job, limiting the appeal for some. As the Baby Boomers begin retiring over the next decade, attracting new employees and volunteers, and especially BIPOC candidates, will be critical to building the capacity and effectiveness of the next generation of governments.

## Recommendations

Our recommendations for strengthening our local and regional governments include greater collaboration and representation across governments and with institutional and private sector partners. We would like to see more flexibility and joint decision-making to raise funds from regional sources to address regional challenges. And by making government more accessible and a more rewarding experience, new generations of workers and volunteers of all backgrounds will be more likely to work for and participate in their municipal and regional governments.

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<sup>2</sup> <https://www.mapc.org/planning101/the-diversity-deficit-mapc-releases-new-research-on-greater-boston-municipal-employee-diversity/>