

Making an impact

EVERY TIME OUR magazine comes out, I wonder what kind of impact it will have. I know I'm interested in the issues we're covering, but will others find them compelling?

We received a positive answer to that question recently with the release of Gov. Deval Patrick's fiscal 2010 budget proposal. It contains two provisions that were a direct outgrowth of work done by *CommonWealth* magazine and MassINC.

One initiative would require the state to set aside any capital gains tax revenue above a certain level and place it in a "rainy day" fund. Research conducted by Cameron Huff and Dana Ansel for MassINC (see "Point of Reckoning," *Considered Opinion*, *CW*, Spring '08) found that Massachusetts has become very dependent on capital gains tax revenues, but those revenues are subject to swings up and down depending on the state of the national economy.

Huff and Ansel had a simple recommendation: Smooth out the gyrations by setting aside a portion of the capital gains tax revenues that come in during the good times and using it in the bad times. Unfortunately for Massachusetts, the proposal is moving forward at a time when the state is caught in one of those sharp downward swings, so there's no cushion to soften the blow now.

The governor's other budget proposal would require state agencies to disclose who is receiving a new breed of tax credit that can be sold and converted into cash—and also require the recipients of these tax credits to disclose how many jobs they created in Massachusetts and what those jobs paid.

The information is badly needed to determine whether the tax credits are worth their cost to the state. As *CommonWealth* has reported over the past year (see "Subsidizing the Stars," *CW*, Spring '08), there is very little follow-up by state government on the hundreds of millions of dollars in tax credits issued each year.

For example, we know the film tax credit is attracting movie productions to Massachusetts because we keep seeing stars like Bruce Willis, Kate Hudson, and Jennifer Garner pass through town. But we don't know what the

payoff is for the state, or whether \$20 million spent on film tax credits is a better use of state money than \$20 million spent on education or local aid.

Judging from Alison Lobron's Conversation with Hollywood producer Lynda Obst in this issue, the data we need to evaluate the state's film tax credit won't be given up voluntarily. Obst declined to say how many tax credits she received from the state when she filmed *This Side of the Truth* in Lowell last year or how much cash those credits netted her. She did acknowledge, however, that the film tax credit was the biggest piece of the puzzle when choosing to do her film here. She also said only a third of the film's jobs went to Massachusetts residents, exactly the type of news that would be invaluable to policymakers as they weigh the pros and cons of tax credits.

It's gratifying to see some of our articles and research having an impact on Beacon Hill, and we hope that trend continues with the stories in this issue. For example, Michael Jonas's article on the top-down management of the Massachusetts House underscores the lack of political competition in Massachusetts, a dominant theme of our last issue and the focus of a panel discussion last month featuring Harvard-Pilgrim CEO Charles Baker, Boston City Councilor Sam Yoon, and state Sen. Sonia Chang-Diaz.

This spring's *CommonWealth* raises a host of new issues. The cover story on special education, written by Jack Sullivan and me, represents the magazine's first foray into investigative journalism. It details how special education's soaring price tag is eating away at the foundation of our state's education system.

Elsewhere in the magazine, Gabrielle Gurley reports on a high-stakes bid to cut the state's electricity usage, Colman Herman details the unresponsiveness of some state and local agencies to constituent emails, and Lobron explores the wisdom of blending work and study at college.

I'm happy to see our stories effecting change on Beacon Hill, but I also want to know how our reporting affects you. I welcome your reactions and your suggestions.



BRUCE MOHL

A mandate for change is a mandate for smart.

The world is ready for change – that much is clear.

For leaders of all kinds, this moment presents a rare opportunity. Our planet is not just getting smaller and flatter. It is also becoming smarter. And that means we have the potential to change the way the world literally works.

Computational power is now being put into things we wouldn't recognize as computers – cars, appliances, cameras, roadways...even pharmaceuticals and livestock. We are interconnecting all of this through the Internet, which has come of age. And we are applying powerful new systems and sophisticated analytics to turn oceans of data into insight, knowledge and intelligence.

Consider the changes already under way.

Smart traffic systems are helping to reduce gridlock by 20%, cutting pollution and increasing ridership on public transit.

Smart food systems based on RFID technology embedded into supply chains are monitoring meat, poultry and other items from the farm to the supermarket shelf.

Smart healthcare systems are helping to lower the cost of therapy by as much as 90%.

Police departments are correlating street-level information from myriad observations and devices to identify crime patterns – helping prevent crime, rather than simply punishing it.

The list is long, and the transformation is just beginning. Its benefits will be reaped not only by large enterprises, but also by mid-sized and small companies – the engines of economic growth everywhere – and by individuals and communities around the world.

Imagine how a smarter planet will transform *all* the things we seek. The ways we pursue economic growth, societal progress, environmental sustainability and cures for disease. The way we interact with each other and with the world.

The opportunity is before us, and the moment will not last forever. Will we seize it? As we look to stimulate our economies and rebuild our infrastructure, will we simply repair what's broken? Or will we prepare for a smarter future?

Join us at ibm.com/think

