



Managing for the Long Term

An Interview with The Honorable Dannel P. Malloy, Governor, State of Connecticut

EDITORS' NOTE *Dannel Patrick Malloy graduated Magna Cum Laude from Boston College and continued on to Boston College Law School. Governor Malloy became a prosecutor in Brooklyn, New York, serving for four years as an Assistant District Attorney. Returning to the city of Stamford, he served on the Boards of Finance and Education before running for Mayor in 1995 and winning in a landslide victory. Governor Malloy was Stamford's longest serving Mayor, covering a 14-year period from 1995 to 2009. On November 2, 2010, Dannel Malloy was elected the 88th Governor of the State of Connecticut and the first governor to have been elected under the state's clean elections program. Governor Malloy is a former trustee of The United States Conference of Mayors, a former President of the Connecticut Council of Municipalities, and a former member of the Stamford Cultural Development Organization.*



The Hon. Dannel P. Malloy

With the fiscal pressures on all U.S. States, how is Connecticut positioned today?

We've been focused on fiscal responsibility, which means we had to begin the process of undoing years of mistakes that were made and decisions that deferred leadership.

We continue in some sense to have a crisis and we have done things that some people don't necessarily fully understand. Our renegotiation with our employees will lead to billions of dollars in savings over the next 20 years. Our commitment to Generally Accepted Accounting Principles will ensure that future leaders of the State of Connecticut do not make the mistakes that were made in the past. Beginning the process of appropriately funding our pension deficit will save us an additional \$5 billion.

We're making smarter decisions than the State has demonstrated an ability to make in the past. Now we pivot to job creation and retention, and concentrating on our strengths while addressing our weaknesses. Then we turn to education reform, which we're in the midst of now. In the relatively short span of a year and a half, we will have taken on three of the biggest challenges that our State has been facing for the past 20 years.

Is it challenging to change people's mindset when things have been done a certain way for a long time?

That is the biggest challenge I face. People will give lip service to wanting or accepting change but they will fight you to the death to keep it from happening.

What efforts are you making on education reform and why hasn't there been more of a nationwide impact on this issue?

Connecticut, in particular, operates schools on a 150-year-old model. In some rare cases, we have created schools on a different model but then refuse to replicate it. We know what works in education reform and in driving higher performance in urban environments; we just lack the will to make the systemic changes required. That's the battle I'm facing now.

Are the issues needed to create true reform in health care being addressed and what more should be done?

Health care is also a model that goes back 100 years in the U.S. and has been slow to adapt. But now the absolute pressure of the financial requirements are causing changes to happen more rapidly.

There are states doing a better job and states doing a worse job. In some areas, we're doing a better job and are preparing for health care reform as it is currently packaged. But change has to come; we cannot afford as a state government to do things the same way we've always done them. There are folks in federal government that want to shift additional costs to state governments, which are less able to absorb them. That will see us joining a race to the bottom and not being able to provide the level of service that the American people want us to provide.

What advantages does Connecticut offer and why is it an attractive place for companies to come?

Connecticut has a great location, between Boston and New York, and is on the Boston to Washington transit route. We have one of the most highly trained and educated workforces in America; and we continue to have strength in precision manufacturing and financial services, including traditional lines of insurance, as well as health insurance companies, which are evolving into technology companies. We're also making massive investments in bioscience at the University of Connecticut – matching those investments



that are being made by Yale – so we predict that Connecticut will play a larger role in bioscience and life sciences as we continue to make those investments.

We are committed to reinventing ourselves – looking at and playing off of our strengths but not ignoring our weaknesses, many of which have suffered from a lack of investment in intellectual infrastructure and in physical infrastructure for an extended period of time.

You have been successful in bringing people together for action. Why has this been such a challenge for Washington?

The problem with Washington is everyone is managing for short-term results, and the problem with Connecticut over the past 16 years has also been that everyone was managing for short-term results, as well as personal popularity.

I manage for the long term; the rest will take care of itself. You have limited time to be a leader and should exercise that leadership to the greatest extent to make the changes necessary to allow your corporation, your community or your state to sustain itself.

Do you worry that talent coming out of school isn't going to enter public service?

My fear is that we shape leadership based on the current experiences in Washington, so we call people to public service who think that replicating that behavior makes sense – it doesn't.

The idea that we're going to manage for results every two years based on who can control Congress or every four years based on who can be President makes no sense.

There is nothing noble about what is going on. And there is nothing far-reaching or long term that is going on in Washington now.

But if we continue to grow a class of public servants who believe that's normal or appropriate, then Democracy in the U.S. is in trouble.

Are you looking toward the future or are you primarily concerned with the present?

I focus on tomorrow by what I can get done today; that's the fiduciary responsibility I owe my citizens. Anybody can be popular and manage for results on a 30-day to one-year basis. But it is costly if you decide that being personally popular is more important than the welfare of the next generation and I will not do that. ●

The Connecticut State Capitol building in Hartford, Connecticut