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Steve Wynn
lays his cards
on the table



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SOUTH COAST RAIL GOOD FOR ENVIRONMENT

Your article in the winter issue of the normally balanced *CommonWealth* magazine (“South Coast Rail worries environmentalists”) misses the mark badly. It relies solely on two individuals who have been perennial critics of the plan and does not even attempt to include a more neutral perspective. The fact is that most environmentalists recognize the enormous benefits associated with the project and, therefore, do support it. These benefits include reduction of greenhouse gases, fewer cars on the road, targeted investment in smart growth alternatives, and effective, meaningful mitigation to reverse longstanding environmental issues.

The environmental benefits have been confirmed by six years of exhaustive analysis of every aspect of this project by the independent-minded US Army Corps of Engineers. The review by the Corps resulted in a lengthy, detailed, and favorable final environmental impact statement in September 2013. The Massachusetts Executive Office of Energy and Environmental Affairs issued its certificate of approval on November 1, 2013. It is ludicrous to claim, as the article does, that “state and federal officials have failed to provide much information on how they plan to reduce damage to wildlife and wetlands habitat...through the Hockomock Swamp.” That’s because the federal and state review did not find evidence of potential damage as the train passes through the Hockomock.

On the contrary, the Hockomock Swamp today is regularly subjected

to damage and disturbance by recreational users of this relatively unmonitored resource area. The use of all-terrain vehicles and dirt bikes through the rail bed in the swamp has been well-documented in photographs and reports. South Coast Rail’s proposed elevated trestle and numerous critter crossings will serve to protect the area’s natural resources and will discourage the current prohibited abuses of the Hockomock which contribute to resource deterioration.

Moreover, the critics are not even accurate in their description of the impacts. The tracks will be on a berm (not “just a path”) that carried trains until 1958 (not “the 1800s”) and is open (not “overgrown with trees”). And the claim that “globally rare” Atlantic White Cedars would be threatened by the project is undercut by the fact that the old rail line actually helps these trees (which are classified by NatureServe as “apparently secure”) by maintaining the hydrology on the west side of the right-of-way.

What is really disheartening to project supporters is the persistent critique of environmental aspects when there is overwhelming evidence that this project will address important 21st century challenges—climate change, urban sprawl, traffic congestion, and environmental justice. It is important that we move beyond a myopic focus and embrace the major environmental challenges that confront us as a region, Commonwealth, and nation. South Coast Rail meets those challenges.

Stephen C. Smith

*Executive Director, Southeastern
Regional Planning and Economic
Development District*

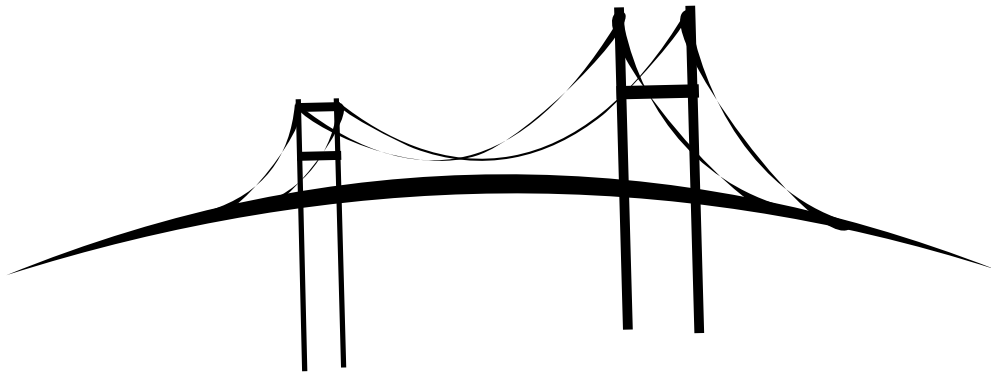


NON-LETHAL WEAPONS NEEDED

Second guessing (“Clearing the cops,” Winter ’14) the decision-making of police who fire their weapons in tense confrontations will, at best, yield questionable results. Reconstructing a fast-moving, stress-laden event to create a “true” picture is difficult, if not impossible, especially when the shooting ends in death, leaving a vital part of the story untold. Even the best-trained, best-prepared officers are human and, like the rest of us, will make mistakes, cause accidents, or render poor judgment. Basic justice says people deserve their day in court; it’s the job of police to bring them there. Tragic results can be avoided by equipping all Massachusetts law enforcement officers with non-lethal weapons, instead of guns. The non-lethal weapons are capable of immediately disabling people without killing them. If no single tool exists that is effective in all circumstances, then let’s develop it. Surely we have the ingenuity to solve this problem.

Peter Lowy

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Casino questions

THE MASSACHUSETTS GAMING Commission has a tough choice to make in awarding the Greater Boston casino license. The two finalists, Mohegan Sun and Wynn Resorts, are both strong companies, pledging to create 4,000 jobs and pump more than \$1 billion into their projects. Yet, as our Conversation package with the leaders of the two companies reveals, their proposals and operating philosophies are very different. Here are some questions to consider as decision-time nears.

Do we want someone who already knows the local market? Mohegan Sun knows Massachusetts well. Many of the customers at its Uncasville casino in Connecticut come from Massachusetts and are already familiar with how Mohegan Sun operates. Steve Wynn, by contrast, is an unknown commodity from the Las Vegas Strip. He says Mohegan Sun faces an inherent conflict building a casino in Revere just 111 miles away from its Uncasville property, particularly when there is no tax on table games in Connecticut and a 25 percent tax in Massachusetts. Mitchell Etess, his counterpart at Mohegan Sun, says he has an arrangement with his financial backer, Brigade Capital, that keeps the two operations separate. He also notes the Las Vegas tax on table games is less than half the Massachusetts rate, yet Wynn offers no assurances about not steering business to Vegas.

How important is saving a dying horse track? Mohegan Sun says its deal with Suffolk Downs will guarantee the racetrack remains open. In its 3-2 vote approving a slots license for Penn National in Plainville, the three Gaming Commission members who voted for the company felt that keeping the harness-racing track open in Plainville was the deciding factor for them. Wynn says approving a casino to save a horse track is preposterous because the racing industry is dying. "Every slot machine joint put in every track hasn't made one speck of difference," he says.

Is the goal of the state gaming law to promote gambling or tourism? Etess boasts that his Connecticut casino brought in \$911 million in gaming revenues last year, more

than any other casino in the Western Hemisphere. Wynn, by contrast, says his noncasino revenue (hotel, food, entertainment) in Las Vegas last year was \$1 billion, more than he earned from gambling. Wynn's Vegas operation has far more hotel rooms than Mohegan Sun, so the comparison isn't apples to apples, but Wynn clearly sees himself as a hotel operator who offers gambling. Etess is quite emphatic about Mohegan Sun's focus. "This isn't the Massachusetts non-gaming bill. This is the Massachusetts gaming bill," he says.

Is speed or development more important? Mohegan Sun's location in Revere is ready to go, while Wynn's land in Everett, the former site of a Monsanto chemical plant, needs to be cleaned up. Choosing Mohegan Sun would

The casino competitors have very different philosophies.

get the casino up and running faster and deliver tax revenue to the state sooner. Choosing Wynn could help transform an ugly piece of land that developers have shown no interest in and give a break to a struggling community.

Who do we want to deal with? Mohegan Sun's proposal for Revere is a team effort, with separate companies handling operations, design, retail, and restaurants. A New York hedge fund is handling the financing and Suffolk Downs will be the landlord. Wynn will own his proposed Everett casino and he and his staff will do just about everything in-house, from designing the hotel to running the restaurants and nightclubs.

Who do you trust? Wynn is telling us where the Massachusetts gaming law is deficient in several key respects and threatening to take a walk if changes aren't made. Mohegan Sun says it is fine with the law as written but wouldn't object if some changes were made. The Gaming Commission has already sided with Wynn on a tax withholding issue.

How the commission answers these questions will say a lot about what we as a state want out of a resort casino.

Bruce Mohl

BRUCE MOHL



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Here comes UMass Haverhill

Officials at the University of Massachusetts Lowell hope to open a permanent branch of their campus in downtown Haverhill with a \$2.5 million appropriation contained in a supplemental budget lawmakers approved in March.

University officials plan to use the funds to move from current leased space at Northern Essex Community College to a spot in the Gateway City's downtown, closer to highways and public transportation. About 2,000 students from the Haverhill area attend UMass Lowell.

The politics play pretty well, too. Rep. Brian Dempsey, the chairman of the powerful House Ways and Means Committee, which shepherds budget bills through the Legislature, is a UMass Lowell grad and lives in Haverhill.

Overall enrollment at UMass Lowell has increased 45 percent in the past seven years to 17,000 students, and Northern Essex has some of the largest numbers of students transferring into the university annually.

University officials have spearheaded an ambitious expansion plan to meet growing student interest. Since 2009, eight new buildings have gone up on the Lowell campus, including six brand-new ones during 2012 to 2013. UMass Lowell has become a popular option for the state's high-achieving high school graduates. The university saw record enrollment in its Honors Program this year and set up an Honors College to provide special offerings for those students. The average SAT scores for incoming freshmen have gone up 63 points and average high school GPAs are also on the upswing.

► GABRIELLE GURLEY

Can Bay State schools afford online standardized testing?

► GABRIELLE GURLEY

THIS SPRING, THERE'S a twist to the annual ritual of standardized testing. Many students will trade in pencil and paper and move into the 21st century, taking the state's new standardized test on computers.

But there are plenty of school district officials who know they are not as ready for the digital world of the 21st century as they should be. In an ongoing survey of schools, the Department of Elementary and Secondary Education estimates that about 70 percent may need computer and other device upgrades to meet the recommended technology guidelines for the test. Just to get some schools up to speed on network upgrades alone may cost about \$75 million.

Melrose, for example, spent \$40,000 last year just on computer hardware in the district. But the cost of adding the necessary bandwidth to have students take a test online while other classes and offices continue to use the Internet could run as high as \$30,000. "There is no way Melrose can afford this," says Cyndy Taymore, the Melrose superintendent.

Statewide, nearly 80,000 students at about 1,000 schools are taking a pilot version of the exam. About 700 schools are expected to take the test online; the remaining schools will use traditional pencil and paper. The new test is designed to assess the Common Core K-12 national English and math standards that the Bay State adopted in 2010. If all goes well over the next two years, all students could start taking the Partnership for Assessment of Readiness for College and Careers test, or PARCC, in 2016.

"The skepticism that you are hearing from superintendents is largely around funding and readiness. We are going to help them get there," says state Education Commissioner Mitchell Chester. "My goal is that, in the Commonwealth, we have 21st century classrooms so students and teachers are able to access the world digitally."

For most school officials, the new online standardized test is the major factor forcing them to come to grips with their deficits in technology and the money to close the gaps. Young people are digital natives; smartphones, tablets and laptops, and other electronic devices are tools that they've come to rely on. But many schools are struggling to come up with the funds to create classroom environments that have high-speed, wireless Internet access and enough computers, preferably mobile ones such as tablets, for each student.

Superintendents, who are already at work on their fiscal 2015 budgets,

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argue that there's a small window of time to gear up from pilot tests this year to having all their technology needs in place for the real thing.

"That is a pretty significant leap in what is essentially an 18-month period," says Thomas Scott, the executive director of the Massachusetts Association of School Superintendents.

Burlington is the only school district in Massachusetts and possibly the country where every student who is taking the pilot test is using some type of computer, according to a spokesman for the coalition of states coordinating test efforts nationally. Burlington spent \$1.5 million in 2010 to upgrade its Internet infrastructure for all of its municipal departments; roughly half of that money went to school networks.

Most school districts don't have that kind of money. "I estimate that we need to find \$200,000 to upgrade our computer inventory, so that we can test kids in a reasonable amount of time in a reasonably efficient way," says Jay Barry, superintendent of the Southwick-Tolland-Granville school district. "That's a lot of money for us," he adds, noting the district usually budgets up to \$80,000 for its technology needs.

Other western Massachusetts schools are literally not up to speed. Students in the Chesterfield and Goshen regional school district, a part of the Hampshire Regional School Districts, access the Internet using DSL, an antique technology by today's high-speed standards.

Increasing bandwidth—wiring all schools to provide enough capacity to transfer data at sufficient speeds to allow large numbers of students to take the test online simultaneously—is a major challenge for many schools. Parts of western Massachusetts are still waiting for super-fast connections.

Kim Florek, the technology director for the Chesterfield and Goshen district, says many of her schools rely on free cable Internet access now. She fears the schools won't be able to afford the faster Internet service when it is finally available in the area.

At press time, state lawmakers were considering an amendment to the \$1 billion technology bond bill that would establish a \$38 million grant program to help schools that do not meet the new test's network guidelines. Federal matching funds are also available for those upgrades, but municipalities also may have to chip in some funds.

As for computers and other equipment, state education officials have advised districts to look into statewide school purchasing contracts and other programs.

Rep. Paul Heroux, an Attleboro Democrat who proposed the bond bill amendment, says that districts have

some difficult decisions to make. “If the school districts and municipalities want to spend money on computers, laptops, and tablets for the PARCC tests, they have the money,” he says. “They are just going to have to make sacrifices somewhere else.”

Heaviest lobbying by health care firms

► BRUCE MOHL

HEALTH CARE FIRMS, led by hospital systems and insurance companies, spent the most money on Beacon Hill lobbying activities in 2013.

Partners HealthCare, which owns Massachusetts General Hospital and Brigham and Women’s Hospital and is in the midst of a battle with state regulators over its expansion plans, was the top dog, spending \$683,520 on lobbying.

The top six lobbying outlays all came from firms involved with health care, including Blue Cross Blue Shield of Massachusetts, the state’s largest health insurer, and Steward Health Care, a for-profit hospital system. Maximus, a Virginia company that won a big Medicaid contract last year, also broke into the top 10.

Nearly every hospital system in the state spent more than \$100,000 on lobbying, including Children’s Hospital (\$321,661), Tenet Health Care (\$239,000), UMass Memorial Health Care (\$182,652), Boston Medical Center (\$159,200), and Lahey Health (\$128,671).

According to records on file with the Secretary of State’s

office, the 10 companies or organizations that spent the most on lobbying last year shelled out just over \$5 million. That total was down from 2011, when the top 10 spent a total of \$5.5 million. In all, 123 companies spent \$100,000 or more on lobbying in 2013, for a total of nearly \$23 million.

While health care companies were the best represented among the top spenders, many other firms were active on Beacon Hill. Wynn Resorts, which is seeking approval to build a casino in Everett, spent \$430,479 on lobbying, while Sterling Suffolk Racecourse, the company pursuing a casino license in Revere, spent \$191,616. MGM Resorts, seeking a license in Springfield, spent \$150,000. KG Urban Enterprises, looking to build in New Bedford, spent \$139,800.

Keolis, the French company that won a \$2.8 billion, eight-year contract to run the MBTA’s commuter rail operations, spent \$300,000 on lobbying, beating out the \$179,000 spent by its rival, Massachusetts Bay Commuter Rail, and one of the partners of the ousted management firm, Veolia Transportation.

Most of the other companies writing big checks for lobbying on Beacon Hill had familiar names, since they tend to do business with or are heavily regulated by the state. But there were some unusual companies popping up among the leaders.

Medbox, an Arizona company that offers technology to securely dispense medications such as marijuana, spent \$144,000 on lobbying. The Boston Foundation, the philanthropic organization, spent \$241,419 on lobbying activities. Boston Beer, the maker of Samuel Adams, spent \$187,000. Two wind energy companies—First Wind of Boston and Deepwater Wind of Providence—spent \$137,226 and \$120,000, respectively. Just Energy of Chelsea, a retailer selling electricity and natural gas, spent \$120,000.

BIGGEST SPENDERS ON LOBBYING IN 2013

CLIENT	DESCRIPTION	AMOUNT
Partners HealthCare	Nonprofit health care provider	\$683,520
Massachusetts Association of Health Plans	Health plan trade association	\$640,419
Massachusetts Hospital Association	Hospital trade association	\$573,045
Blue Cross Blue Shield of Massachusetts	Private health insurance company	\$535,412
Maximus (Medical contractor)	For-profit government services provider	\$518,000
Steward Health Care	For-profit health care provider	\$515,604
Development Associates (Wynn Resorts casino)	Casino operator	\$430,479
Northeast Utilities	Electric/gas utility	\$404,770
Massachusetts Teachers Association	Public teachers union	\$380,592
Verizon Corp	Telecommunications	\$377,087

SOURCE: Massachusetts Secretary of State

Doctors bone up on medical marijuana

► GABRIELLE GURLEY

FOR DOCTORS, ACCUSTOMED to prescribing drugs only after they have been thoroughly researched and run through clinical trials, marijuana is a problem. The drug has been illegal in the United States for so long that tracking down top-notch medical research is a challenge.

Medical marijuana sales may be coming to Massachusetts, but the federal Drug Enforcement Administration still classifies marijuana as a “Schedule 1” drug, a category that includes substances the agency regards as dangerous, likely to be abused, and of no medical use. The Massachusetts Medical Society, the statewide professional association for doctors and medical students, opposed the legalization of medical marijuana and recently cautioned patients that there is “insufficient scientific information” available about the drug’s safety.

To help doctors learn about marijuana and decide which patients might benefit from the drug, Massachusetts is

the first state in the country requiring physicians to take at least a two-hour course before they can recommend the drug to their patients. (Doctors issue certificates, not prescriptions, for medical marijuana because prescriptions are used only for drugs approved by the Food and Drug Administration.)

Stephen Corn, a Harvard Medical School associate professor, offers an online education course that meets the state’s specifications. Corn, an anesthesiologist, cofounded The Answer Page, a respected medical education website, nearly two decades ago to keep the residents he mentored sharp on subjects such as anesthesia and pain control. In addition to the latest advances in certain medical fields, Corn added subject-specific crossword puzzles and quizzes to soothe the guilty consciences of people who preferred to play games in their down time instead of reading medical literature.

Corn says the eureka moment for him came when his 11-year-old son, who had been watching television news reports about medical marijuana, began asking questions about the effects of secondhand marijuana smoke and how patients might respond to the drug.

Corn and his wife, who is also a doctor, had to search hard for the answers to the questions. Corn realized then



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that doctors and other health professionals would have some of the same questions his son asked, especially since they could not rely on the Food and Drug Administration, pharmaceutical companies, or any of the other usual sources of information about new drugs.

“There aren’t that many resources for quality, unbiased research in this area,” says Corn. He says the greatest challenge for doctors is trying to decide if a patient can benefit from medical marijuana, which can be smoked, inhaled through a vaporizer, or eaten as part of cookies or candy. Without federal guidelines on daily dosages or side effects, doctors are pretty much on their own.

The Answer Page course, entitled “Medical Marijuana: Medical, Legal, Social, and Political Issues,” includes information about the marijuana plant, potential side effects, and how the drug may alleviate the symptoms of diseases such as cancer and hepatitis C and certain conditions such as chronic pain. The course also reviews the often conflicting state and federal laws dealing with medical marijuana and the FDA approval process.

Anyone can register and use the site, but doctors must pay a subscription fee to get their continuing education credits.

Corn has no plans to certify patients himself or work

with dispensaries. He plans to stick with education and is putting the finishing touches on a new course for patients and caregivers scheduled to launch in May.

The Massachusetts Medical Society co-sponsors Answer Page content and links to the medical marijuana course. Dr. Ronald Dunlap, the society president, sees no contradiction between the group’s opposition to medical marijuana and its support for the course. “Given that [medical marijuana] has been approved, we wanted to try to help the state make sure it was appropriately dispensed, that the indications for doing it were valid and consistent with the law, and that the people who were certified were knowledgeable,” Dunlap says.

The Department of Public Health’s medical marijuana program, which has no connection to the Answer Page medical marijuana course, is also working on gathering information to help educate doctors.

Dr. Al DeMaria, the medical director of the state’s program, says the department is coordinating an advisory group of local specialists in pain control, oncology, neurology, and substance abuse to wade through the available research and provide support for Bay State doctors and other health care professionals. “It’s early days,” says DeMaria, “We are making a good faith effort to identify

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sources of information.”

Some doctors are studying the drug independently. Mark Weiner, a neurologist and sleep specialist diagnosed with brain cancer in 2012, is studying the medical literature with a goal of helping doctors evaluate treatment options and identify the patients who may benefit. He also wants to visit dispensaries and learn about the plant itself. Although he suffered severe nausea during his treatment, Weiner did not want his wife out on the streets trying to find dealers, so he never used marijuana.

Weiner says Massachusetts doctors will be very cautious about recommending medical marijuana because of the legal issues involved. “Somebody is going to have to put their toe in the water first and begin to evaluate patients in this field while other doctors...are going to let time pass.”

DOCTORS SEEK ANSWERS.

The *Boston Globe* reported in March that a handful of psychiatrists, anesthesiologists, obstetrician-gynecologists, internists, and pain specialists have already set up offices to evaluate patients for marijuana use. Under state law, patients can get medical certifications from these doctors. However, all doctors must register with the state and comply

with the state’s new education requirement starting on July 1.

Medical marijuana is likely the first drug approved by state legislatures, and not the FDA, in response to public demand. None of the medical professionals interviewed for this article could name a drug that has followed a similar route to widespread medical use without first being approved by the federal government.

The only state that comes close to the Bay State education model is Arizona, which developed a voluntary five-hour continuing education course in conjunction with the University of Arizona’s College of Public Health. It is “purely a resource for doctors,” according to an Arizona Department of Health Services spokeswoman. Medical marijuana is legal in 19 other states and the District of Columbia

Dr. David Bearman of the Society of Cannabis Clinicians/American Academy of Cannabinoid Medicine, a research institute that offers a medical marijuana certification program for doctors, suggests that other states consider mandating some form of continuing medical education. “If a physician is going to be doing more than 25 recommendations per year, it should be required,” he says. **CW**

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Veterans court

Boston Municipal Court Judge Eleanor Sinnott runs a special voluntary session for vets looking to avoid jail time by complying with alternative sentences.

BY JACK SULLIVAN | PHOTOGRAPH BY JOSEPHINE CAPPUCCIO

What makes specialty courts for drugs, housing, and now veterans so effective? Well, for the veterans treatment court, which is relatively new, they realized that there were things about veterans that made it so that a court dedicated to them would be very helpful for their overall treatment and well-being. We have veteran-specific services and resources. We have a military culture where they support each other, where they help each other. That provides an environment where they can recover, they can do well, they can get back to a life where they are law-abiding citizens and productive members of society.

How does the court differ from a regular session?

It's more rigorous than most probation programs. It has at least twice-a-week drug and alcohol screening. They have to see their probation officer once a week. They get paired once a week with a mentor who is also a veteran. Then it gets stepped up. They have to abide by their treatment plan, make all of their appointments—mental health, substance abuse treatment. You'll notice we have the veterans standing against the side wall. One of the reasons we have that is because they have studies showing with PTSD [Post-Traumatic Stress Disorder], veterans will be hyperconscious of exits and people's hands because that's what they had to focus on to survive in the battlefield. You want to see the hands because that's where the weapon is and you want to know how to get in and out. They don't like people behind them. We're focused on trying to create an environment where they're most comfortable.

What makes you the person to do this? I have served in the US Navy for 10 years and in the reserves as an intelligence officer. I worked with the special operations command so I have seen the physi-

cal tolls, the mental tolls on our veterans. I am familiar with the military culture.

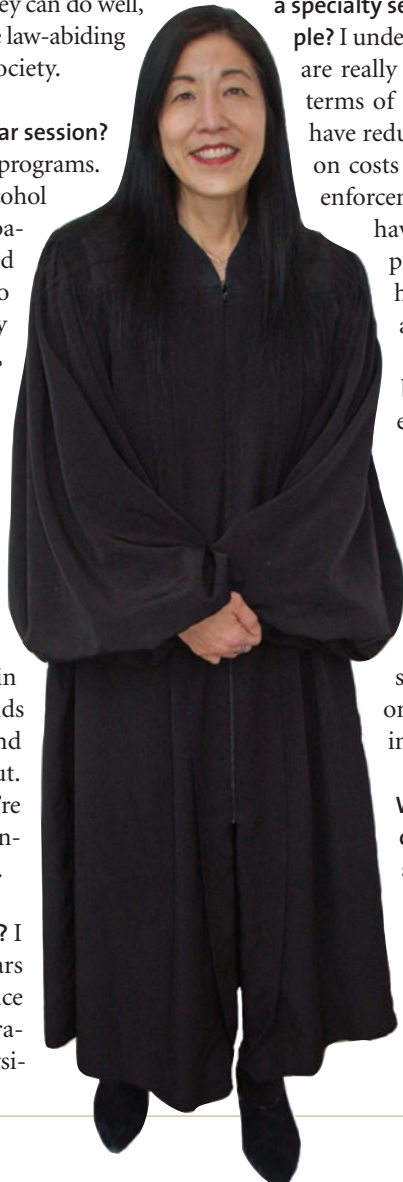
What would qualify someone to be able to enter into the veterans' session? Their mental health or substance abuse problem has to be service connected.

What about the argument that you are creating not just a specialty session but a special way of handling people? I understand that argument, but these programs are really effective. They have a very high rate in terms of reduction of recidivism, and when you have reduction in recidivism you are saving huge on costs in terms of the judicial system and law enforcement. We still have Vietnam veterans that have mental health and substance abuse problems related to their service. They have been involved in our court system and the human costs of that in terms of the disruptions to their families, not being linked up to services that they are entitled to, is at a huge cost to society.

How about the effect on you? I always say that this is the only job that I've ever had that gets harder the longer I'm in it. Everything that I'm learning from here will definitely affect the way that I am in my other sessions, as any sort of life experience tends to, especially ones where you see people that are suffering or having a really difficult time.

Why start each session with the Pledge of Allegiance? It's a patriotic group. It's something that shows respect for our country and their service.

At the end of a session, everyone recites "The Veterans Creed," which your court created. What line resonates with you? "Excuses are not in my arsenal." **CW**



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Boston's challenge for the GOP

BY STEVE KOCZELA

THE PARTISAN DIVIDE between cities and less urbanized areas is growing into one of the defining characteristics of Massachusetts politics. The suburbs are often held up as the place where elections are won or lost, but a steady long-term shift in urban voting is rendering suburban voters less able to change the outcome. Cities' relatively small geographic size belies how densely packed with votes they are. And in recent years, Democrats have been running up the score in cities by larger and larger margins, helped in part by minority populations that cluster more in cities than in suburban and rural areas.

Here in Massachusetts, the role of Boston in recent statewide elections illustrates this point—and the challenge facing the state GOP. Boston's population is growing and becoming more diverse and at the same time becoming less friendly to Republicans. The general elections so far this decade have resulted in the largest-ever Democratic blowouts in Boston, a warning sign for Republicans hoping to become competitive statewide. As Republican Charlie Baker seeks to win the corner office this fall, he and his party must work to stem the tide in Boston, or risk being swamped by it.

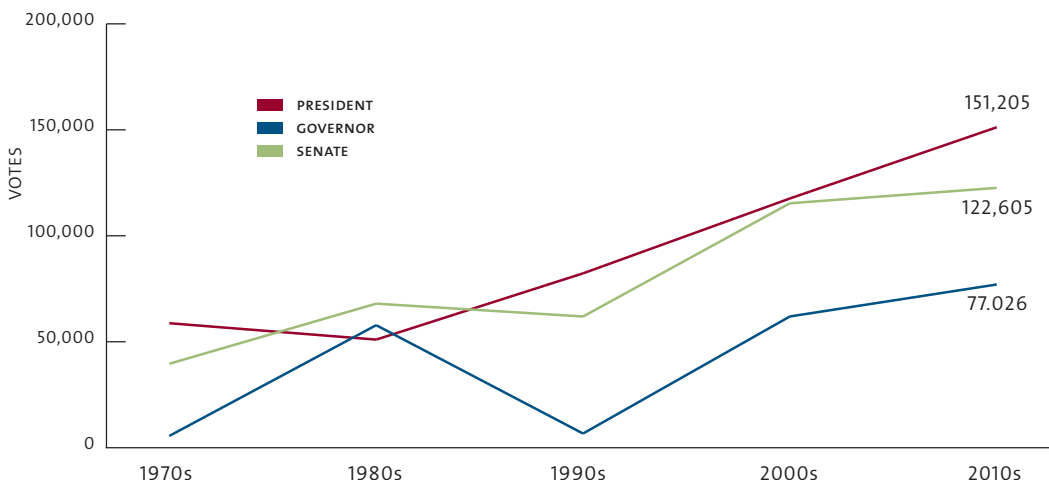
While not impossible, the challenge of winning

statewide in the face of a massive loss in Boston is considerable, and growing. That's not to say Republicans need to *win* Boston, per se. Indeed, it would require an active imagination to believe a statewide Republican candidate will win Boston anytime soon. But he or she must keep the Democratic margin within 40 percentage points or so.

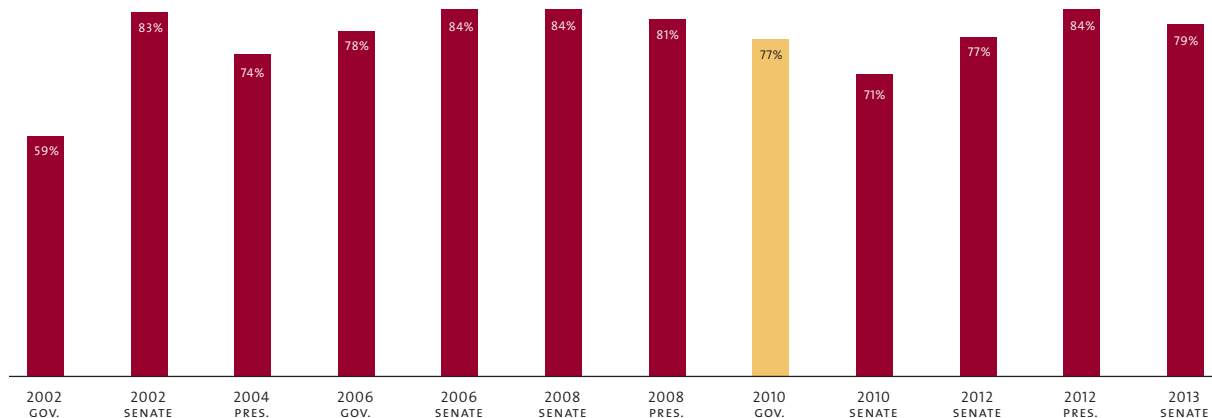
The city of Boston has only voted for three Republicans in statewide elections since 1970 and none since 1994, when incumbent Gov. Bill Weld triumphed in 345 of the state's 351 cities and towns. The margin in Boston has been greater than 40 percentage points for the Democrat in every election but two in the last decade or so: Scott Brown's Senate win in 2010 and Mitt Romney's successful gubernatorial bid in 2002.

Only losing by 40 points may seem like a modest goal, but it may be the best outcome Republicans can hope for any time soon given the changing composition of the electorate in the city and the current state of the GOP. Boston may have been long out of reach for most Republican candidates, but the situation is getting worse—and fast enough that it threatens to overwhelm the margins the GOP has generated in the red parts of the state.

AVERAGE DEMOCRATIC VICTORY MARGINS IN BOSTON, STATEWIDE GENERAL ELECTIONS SINCE 1970, BY DECADE



DEMOCRATIC VICTORY MARGINS IN BOSTON'S MAJORITY-MINORITY PRECINCTS



The challenge facing the state GOP in Boston is both demographic and political. Boston has become less and less white in recent years, first passing the threshold to become a majority-minority city in the 2000 Census. Now, the city's majority-minority precincts occupy much of the middle of the city, delivering huge margins for Democrats in recent statewide elections.

Republicans have had considerable trouble winning over voters of color in recent years all across the state. While white voters went narrowly for Scott Brown in 2012, Elizabeth Warren's overwhelming support in communities of color (86 percent among black voters) provided her entire 8-point margin of victory.

In Boston, majority-minority precincts have voted for Democrats by margins of 59 to 84 points since 2002, the earliest date for which the Secretary of the Commonwealth's website provides breakdowns at the precinct level. Majority white precincts almost all went for Democrats as well, but by considerably smaller margins, with some voting Republican. As the city becomes more diverse—and trends suggest that it will—Republicans will find themselves digging out of a deeper and deeper demographic hole.

Charlie Baker has already measured the depths of this hole once, falling to Deval Patrick in 2010 by 77 points in Boston's majority-minority precincts (yellow bar). Remarkably, Patrick's margin of victory in these precincts was below those of other candidates in recent elections. So the lack of a popular, African-American incumbent governor on the ballot will not be enough to move these neighborhoods back in the direction of Republicans.

Whether they can make inroads among minority voters is unclear. But party leaders seem acutely aware of the need to try. On the morning of the state GOP convention in March, the front-page of the *Globe* featured a story on Republican outreach efforts in minority precincts in

Boston. "It's no secret that the reason we lose on Election Day is because we lose in urban cities," state GOP chairman Kirsten Hughes told the paper. "It's not rocket science. We have to go to places we haven't typically gone."

Going to new places will mean finding a way to effectively connect with voters of color. But nonwhite voters here in Massachusetts feel a stronger connection with the Democratic Party on a variety of issues, and Massachusetts voters as a whole hold the national Republican Party in extremely low regard.

Views of the national GOP, while never strong here in recent years, have shown little evidence of recovering. In 2012, Democrats defeated both Brown and Richard Tisei in part by tying them to the national party. Nationally, views of the Republican Party have grown somewhat more positive since their nadir in 2013 as memories of the worst of the brinksmanship fades. But in Massachusetts, just a

GOP has trouble connecting with non-white voters.

quarter of voters held a favorable view of the congressional Republicans when we asked in October 2013.

The clock is ticking on the GOP to address these problems. According to the Donahue Institute at the University of Massachusetts Boston, Boston's share of the total state population will continue to grow through 2030, increasing its influence on state politics.

To be an effective statewide party, the Massachusetts GOP will need to find a way to overcome both these demographic and political challenges. Losing by 60 to 80 points among the fastest growing demographic groups in the largest population center in the state is not a recipe for success now and certainly not in the future. **CW**

Steve Koczela is the president of the MassINC Polling Group.

Doing well and good

With an unusual restructuring, a Billerica education publishing company has been able to thrive – and stay true to its mission **BY MICHAEL JONAS**

CALL IT A textbook case of serendipity.

A few years ago, Frank Ferguson, then in his early 80s, reluctantly began considering the fact that he would not be able to run Curriculum Associates forever. The Billerica-based educational publishing company he helped launch in the late 1960s was doing well. But Ferguson lamented the idea that the company might effectively die with him if it wound up acquired by some corporate behemoth, where the imperative would have been to slash costs—and jobs—and simply fold Curriculum Associates's top-selling materials into the acquiring company's own product line.

Around the same time, Rob Waldron, a restless Harvard MBA with a strong leadership record in the for-profit and nonprofit worlds, set his sights on finding his “dream job”—a CEO post that combined his business skills and a mission-driven passion for education. Waldron, who also wanted such a job to be no farther than 30 minutes from the Wayland home where he and his wife were raising their two children, knew the odds of finding that perfect fit were slim.

What happened next proved to be the answer to both men's dreams. It also stands as an unusual example of outside-of-the-box thinking in a corporate culture where that isn't common and where pursuit of short-term profits often trumps all else.

Waldron, then in his early 40s, was describing his fantasy job to a fellow member of an organization for young executives. The colleague told him there was a feisty octogenarian with an education company in Billerica whom he ought to meet. Waldron cold called Ferguson, and an unusual courtship ensued.

Ferguson says Waldron was saying all the right things about how he wanted to lead the growth of a company like Curriculum Associates, while maintaining a firm commitment to its education mission of improving schools. But Waldron's most recent business background was in the cutthroat world of private equity, exactly the business sector Ferguson was trying to avoid in planning the

firm's future.

“He says all the right words, but, you know, this guy is private equity, can't be true,” is how Ferguson recalls his thinking upon first hearing Waldron's sweet talk.

For his part, Waldron wondered whether Ferguson would actually give him the room to lead. “If a guy is 82 and hasn't given up the reins, you're like, ‘Danger, Will Robinson!’” he says.

Despite their mutual, initial reservations, the two hit it off. They explored various approaches to restructuring the company based on Ferguson's two main objectives: to see Curriculum Associates remain true to its mission of “making classrooms better places for teachers and learners,” and to have the bulk of his estate benefit the two universities where he got degrees, Iowa State and MIT, as well as several small arts organizations. After considering several options, including converting the operation to a nonprofit or an employee-owned company, they landed on the idea of placing Curriculum Associates into a perpetual trust. Upon Ferguson's death, the trust will operate the company, with the bulk of any dividends that aren't reinvested in the company to be paid each year to his nonprofit benefactors, and a smaller share going to his four children and their families.

Waldron came on board as CEO in 2008—and signed a 20-year employment agreement.

By putting the company in a trust, Ferguson was able to avoid subjecting his benefactors to the hefty estate tax they would have been subject to under a traditional inheritance. In such a circumstance, selling off the company to a big corporate player would likely have been the only way his benefactors could have generated the cash to pay off the estate tax.

“I call it ‘the gift of Frank,’” Waldron says of the unusual structure. On one hand, the gift is the money Ferguson's benefactors will receive. But company management and employees also benefit because the arrangement frees the firm from pressure from investors centered on quarterly earn-



Frank Ferguson and Rob Waldron: a serendipitous pairing.

ings. Waldron says the new corporate structure has allowed him to recruit top-notch talent by assuring them that they won't be subject to the sorts of dislocations that are increasingly common in the world of public-traded companies, where mergers and acquisitions and regular turnover of top management have become more the rule than the exception.

Waldron says his recruiting pitch is, "I am focused on the long-term, this company is not for sale or answerable to shareholders. We are only about the work."

The plan has paid off spectacularly. The company has been able to navigate the tricky transition in education publishing from print to digital products with great results, rolling out a very successful online assessment tool that allows teachers to gauge exactly the areas where individual students are thriving and where they are struggling and need special attention.

Company sales have soared from \$26 million in 2008 to \$69 million last year, and the firm has grown from 100 employees to 270.

"Their growth has been great," says Deborah Quazzo, founder and managing partner of GSV Advisors, a Chicago-based firm that tracks the education and business services sector. Quazzo agrees that a key has been the firm's ability to recruit people who understood "the destiny of the business" and who knew "they weren't going to get RIFed"

—shorthand for corporate downsizing through a "reduction in force."

If the company restructuring is unusual, so, too, in this day and age is Waldron's contract, in which he gains a stake in the company that only fully vests if he stays for its full 20-year term. He has been told he may be the first Harvard Business School graduate to ever sign such a long-term employment agreement.

"They think I'm crazy," Waldron says of the reaction of his fellow business school grads. While staying with one company for a career may have been common 40 or 50 years ago, the ethos of today's corporate captains is to

The number of employees has risen from 100 to 270.

quickly drive up earnings and cash in, while hopscotching from one company to the next.

Waldron worked for 10 years as a top executive at Kaplan, the Washington Post Co.-owned education firm. He then served for four years as CEO of the Boston-based nonprofit Jumpstart, which focuses on early childhood education.

When he left Jumpstart, he spent two years prior to arriving at Curriculum Associates at a Boston private equity firm. "They pay you ridiculous sums of money," he says. "It is very lucrative—and totally soulless." For some of

that time he served as president of a \$135 million luxury bath retailer the private equity firm acquired. “I was really miserable,” he says. “I just can’t get passionate about luxury plumbing supplies.”

Waldron, 49, says his growing aversion to traditional corporate life may have been seeded at Kaplan, where he observed the leadership style of Don Graham, then CEO of the parent Washington Post Co. Graham is well known for his principled approach to corporate decision-making. “He was a great model to me of who I want to be,” says Waldron.

“Rob comes out of a world where we have long-term plans,” says Alan Spoon, an investor at Waltham-based Polaris Partners who was president of the Washington Post Co. during that time.

Waldron thinks society goes too easy on corporate leaders, while blaming Congress and other political leaders too much for unemployment or other problems. “We don’t blame CEOs enough,” he says. “What would happen if every CEO acted with integrity and responsibility? They have so much responsibility for the livelihood of people and often so much more immediate impact than government.”

That integrity seems to come naturally to Ferguson, a down-to-earth Iowa native who favors bolo ties over

more conventional business attire. He served as president of Framingham-based Bose Corp. for seven years before taking full ownership and management control of Curriculum Associates in the mid-1970s. Immersing himself full-time since then in the company’s work to help schools has become as much a calling for Ferguson as a management responsibility.

“There were opportunities to sell the company and walk away with a lot of money—\$50 million, I don’t know, some ridiculous amount,” says Ferguson, a spry but utterly unassuming 87-year-old who now serves as the company’s board chairman. “Most people look in their wallet to find out who they are, but my life was never really about money.”

Ferguson, who lives in Lincoln with his wife Mitzi, 89, still drives to the office most days and puts in a full workday focused on various projects, including the company’s expanding overseas business.

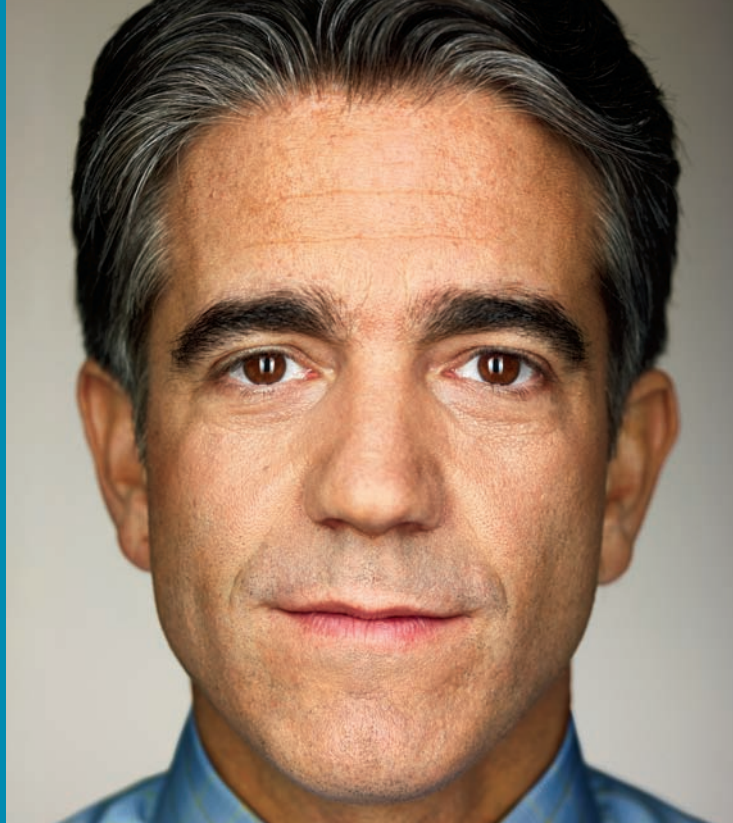
“Authentic happiness has to do with committing yourself to something that’s outside of yourself and making a difference. That, to me, is by far the most important thing in life,” he says. “So when I get up in the morning and think that something that I do today may make schools a little better place for teachers and children, I really can’t wait to get here.” **CW**

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The guiding hand

Though largely unknown outside the world of politics, Mindy Myers has helped three current New England senators win office. **BY SHAWN ZELLER**

MINDY MYERS HAS never called New England home, but she's nevertheless left her political mark on the region. The 37-year-old Washington insider has run the successful election campaigns of three sitting New England senators—Sheldon Whitehouse of Rhode Island (2006), Richard Blumenthal of Connecticut (2010), and Elizabeth Warren of Massachusetts (2012).

Myers is just as comfortable on Capitol Hill as she is out on the campaign trail. She used to work in the Washington office of former Senate Democratic Leader Tom Daschle of South Dakota, serving as an aide to Daschle's powerful chief of staff, Pete Rouse. When Whitehouse was elected, Myers became his Senate chief of staff. It's a job she now holds down for Warren, helping the first-term senator navigate the corridors of Capitol Hill.

For all her success, very few know Myers outside the world of politics. She's more comfortable in the background, leaving the spotlight to the politicians for whom she works. But back in September the spotlight fell briefly on her. After she sent out a fundraising appeal on behalf of Warren's colleague, Democratic Sen. Jeanne Shaheen of New Hampshire, Massachusetts Republicans filed an ethics complaint with the Senate alleging Myers violated rules barring Senate staff from campaigning while performing their official duties.

Warren's office says no government resources were used to make the appeal, but the incident was the first time that Myers—and not her candidate or her senator—had become the focus of the news. The Senate Ethics Committee dismissed the complaint. Myers has kept a lower profile since.

She agreed to talk with *CommonWealth*, but only on the phone and only for 25 minutes. Her answers

to questions tended to be short and to the point. She grew up in Lancaster, Pennsylvania, the daughter of a bus driver and a receptionist. She went on to American University in Washington and from there to Capitol Hill, the Clinton White House, and then back and forth between campaigns and Congress. She is a Democrat but mentions no issue or cause that particularly motivates her.

"I think my mom instilled in me a sense of fairness, that everyone deserves a fair shot," she says, by way of explaining her political persuasion. Democrats "help people like my parents who always worked hard, but didn't always have a lot."

Asked if there's any campaign philosophy that ties together her campaign victories, Myers says voters are looking for candidates who "stand up for the middle class."

Mandy Grunwald, a political ad maker known for her work for Bill Clinton, says Myers's reluctance to talk about herself is not surprising. "I don't think Mindy is someone who has a personal agenda and gets her candidate to run on it," she says. "She helps them fashion campaigns that win."

Myers has a reputation as a soft spoken and collaborative leader. "The most important thing as a manager is to assemble a strong team of people who will work together and empower them to do their jobs," she says.

Despite the reputation of campaign managers as brutal taskmasters, colleagues say Myers is the opposite. "You can be tough without being nasty. You can make tough decisions without being a jerk," says Anita Dunn, a campaign consultant who knows Myers. "You cannot do what she has done and not be a very tough person."

In her first job as a campaign manager, Myers's candidate, Whitehouse, was running in heavily

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WASHINGTON NOTEBOOK

Democratic Rhode Island. Still, he was taking on the incumbent Lincoln Chafee, the most liberal Republican in the Senate and the bearer of one of Rhode Island's most famous political names. Lincoln Chafee's father, John, was a Rhode Island senator for nearly 23 years and a governor before that. Two other ancestors had served as the state's governor and another as a senator.

Despite Chafee's moderate bona fides and his willingness to cross party lines, Whitehouse hammered him as a tool of President George W. Bush. Bush's declining popularity and the scandal-tarred Republicans in Congress were no help to Chafee and Whitehouse beat him by 7 percentage points.

The win put Myers on the map as a skilled political strategist and when Connecticut Attorney General Richard Blumenthal decided to run in 2010 to replace the retiring Christopher Dodd, the Democrats' Senate campaign committee in Washington recruited her to run the show. Again, winning as a Democrat in blue Connecticut wasn't as easy as it sounds. Blumenthal wasn't the enthusiastic campaigner Whitehouse was and he was caught, by the *New York Times*, for lying about having served in Vietnam. It was also a very bad year for Democrats, when Tea Party support helped Republicans win back control of the House. Blumenthal's Republican opponent, Linda McMahon, was also willing to tap her vast fortune to win. Blumenthal was outspent 6-1.

Myers helped Blumenthal win by focusing on his service as attorney general, where he'd developed a loyal constituency for his work protecting consumers. "When we did meetings, it seemed like the rooms were full of people he'd personally helped," she says. Blumenthal helped the Democrats retain their Senate majority by crushing McMahon by 12 percentage points.

Myers's reputation grew. "I have seen her in really difficult situations and she stays on course," says Marla Romash, a political consultant Myers hired to work on Blumenthal's campaign. "She stays cool no matter how hot it gets. Equally important, in a business ruled by strong egos, she doesn't seem to have one, and because of that, she is able to get people to do things and work together and make things happen that very few other people could."

Warren, who left Harvard to advise President Obama on financial regulation, began her Senate campaign in 2011. Myers was impressed with Warren's story and her work for Obama and reached out to her. Warren welcomed Myers aboard, saying her reputation as someone "who works tirelessly out of the spotlight while successfully navigating high-stakes campaigns to victory is well-deserved."

Again, the race wasn't as easy as it sounded. Warren had to unseat the popular Republican Scott Brown and overcome a kerfuffle about Warren's American Indian heritage, or lack thereof. Brown said Warren was dishon-

est for listing herself as a minority in a professional directory of law professors. Massachusetts had also proven unfriendly in the past to women seeking statewide office.

But Warren remained focused on her core message that Washington needs to do more to help and protect the middle class. And she used the same tactic Whitehouse had against Chafee, linking Brown to the more conservative Republicans who dominate the GOP in Washington. Warren pulled away at the end.

Her campaign colleagues say Myers, as a manager, focuses on all facets of a campaign. Some in the business believe advertising alone can carry the day, but Myers says winning candidates have to outwork their opponents in advertising as well as getting out the vote, polling, fundraising, and, increasingly, using social media. "At the end of the day, there's still nothing more important than getting a neighbor talking to a neighbor," Myers says.

In politics, there's usually a demarcation between the campaign world and the policy world. But Myers says she enjoys exercising the campaign skills she's honed on the trail in the policy world which, increasingly, is becoming an extension of the campaign. The Senate was once a more collaborative body, but as moderates have been pushed out, it's grown more partisan. Filibuster rules make it difficult for the majority to move legislation. The result, at least for the last several years, is that senators spend a good bit of their time hammering their opponents, in preparation for their next campaign.

As a senator, Whitehouse is known for his focus on the hot button issues that inspire the Democratic base—climate change legislation, campaign finance reform, or taxes on the wealthy—but have little chance of enactment so long as Republicans have heft in Washington. He has yet to claim any significant legislative victories as his own. Still, with Myers as his policy guide, Whitehouse went on to win a second term in 2012 in a landslide.

Warren is following much the same path so far, carving out a reputation as a liberal fighter popular among Democrats. Her approach, like Whitehouse's, is unlikely to make headway with her GOP colleagues on the issues she cares about. A Democratic groundswell in November could help her cause, but more likely the gridlock will continue.

Asked what Warren wants to do as a senator, Myers lists priorities that sound more like campaign themes than realistic possibilities, such as an increase in the minimum wage and expansion of Social Security, as well as some smaller initiatives that might stand a chance: more funding for scientific research and some tweaks to federal student loan rules to make them more affordable. Warren, Myers says, is likely to do better than the typical first-term senator: "I think the Senate has changed a lot. She's very well-liked and she's been received very well. Her colleagues appreciate the voice she brings." **CW**

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**THE VANQUISHED
WOULD-BE GOVERNORS**

*From left to right, starting with
top row.*

Frank Bellotti (1964, 1970, 1990)
Tim Cahill (2010)
Evelyn Murphy (1990)
Scott Harshbarger (1998)
Kerry Healey (2006)
Francis Kelly (1960)
John Francis Kennedy (1960)
Kevin White (1970)
Joe Malone (1998)
Edward McCormack (1966)
Shannon O'Brien (2002)
Robert Murphy (1960)
Robert Quinn (1974)
Tom Reilly (2006)
Joseph Ward (1960)

Harsh history lessons

Constitutional office looks like a great springboard to becoming governor, but no statewide officeholder has been elected to the state's top job in almost 60 years. Voters may be telling us something.

BY MICHAEL JONAS

IT'S HARD TO hear as the chatter bounces off the bare tile floor of the crowded VFW hall in Ipswich. The Democratic town committee is holding its annual breakfast on a sunny Saturday in early February. Local party activists have turned out in droves, and not for the chafing trays of scrambled eggs and bacon warming in its own juices. Four of the five Democratic candidates for governor are due to address the gathering.

One by one the candidates slip into the room and start mingling with the crowd. Their arrivals go largely unnoticed, except for one. When Martha Coakley walks in, a murmur ripples across the room that morphs into a round of polite applause. It's not exactly a raucous welcome, but

the two-term attorney general has what passes for star power in a contest featuring three political neophytes and one fellow state officeholder who is far better known as a party insider than for his public profile.

Coakley has the highest name recognition of any candidate in the race. Early polls show her with a huge lead in the five-way Democratic primary. And she fares the best of any Democrat in match-ups against presumed Republican nominee Charlie Baker. Throw in the state's heavy Democratic tilt in party voter registration, and Coakley might seem like the most logical bet to be the next governor.

She certainly could become just that, and she would make history in the process as the first woman ever elected



Coakley: She knows something about how tough a reach up can be.



Grossman: An insider who's working it hard.

to the state's highest office. But her election would also make history in another way, as would that of fellow Democrat Steve Grossman, the state treasurer, if he were to prevail: It has been nearly 60 years since a candidate who held any of the other statewide offices was elected governor of Massachusetts.

Dwight Eisenhower won a second term in the White House on the day former state treasurer Foster Furcolo was elected governor in 1956. Since that time, 15 current or former statewide officeholders have sought the Commonwealth's top job in 17 elections for governor. Their collective record: 0 for 17. (The tally comes with two asterisks: Frank Sargent and Paul Cellucci were both elected governor after having served as lieutenant governor, but each had already ascended to the top job when governors they served under resigned.)

Holding one of the five other statewide offices (lieutenant governor, treasurer, secretary of state, attorney general, and auditor) looks like it should be a great launching pad for a run for governor. Name recognition from appearing on the statewide ballot and relationships with elected officials and party activists would seem just the right starting place for a successful campaign. Time and again, however, the state's voters have said otherwise, showing a decided preference for political outsiders who represent a fresh face on Beacon Hill.

That's been true across party lines, whether it was

Republicans Bill Weld, with his vow to take on the Beacon Hill status quo, and Mitt Romney, with his businessman can-do profile, or Democrat Deval Patrick's grassroots call for those who have "checked out" of the political system to check back in.

There is no hex or dark spell hovering over the lower statewide offices. Nothing automatically disqualifies those holding these posts from winning the state's top job. And perhaps this will be the year the nearly six-decade streak is broken. But it is a remarkable run of electoral history, one that is especially hard to ignore in a year with two statewide officeholders in the race.

The 58-year record seems to offer some clear clues to what gets voters excited—and what can leave them cold—when it comes to filling the state's top office. As this year's race shifts into gear, that history doesn't have veto power over the outcome, but it may have a say.

TRACKING POLS

Michael Dukakis served as Massachusetts governor for 12 years, longer than anyone in state history, and he stands as one of the leading figures in modern Massachusetts politics. He was anything but an established political powerhouse, however, when he sought the governor's office in 1974. Dukakis had served six years as a reform-minded state representative from Brookline and was the nominee

for lieutenant governor on the Democrats' losing ticket in 1970. In 1974, with three terms in the 1960s as a rabble-rousing House backbencher his only credential in elected office, Dukakis took on Robert Quinn, the state's attorney general, for the Democratic nomination for governor.

He quickly found himself up against not only Quinn, but the entire Democratic establishment. "The party regulars, as such, were appalled," Dukakis says about his upstart campaign.

Under the guise of a call for party unity, Democratic leaders wanted Dukakis and Quinn to agree to a deal: The party would rally around whoever won the backing of a majority of delegates at the state convention, with the loser gracefully bowing out and agreeing not to compete in the September primary.

"I started laughing at them," says Dukakis, who quickly rejected the idea. "I said, 'you got to be kidding me.' I was under no illusions that I could win a convention against Quinn."

"They were just furious at me," he says of the party pooh-bahs. So furious, in fact, that they simply called off the convention that year. Dukakis and Quinn marched straight on to the September primary, where Dukakis rode a Watergate-inspired reform wave to victory and went on to knock off Frank Sargent, the sitting Republican governor, in the November general election.

Reflecting on the race, as well as those that came before and after it, Dukakis thinks there is no doubt about the type of candidate Massachusetts voters favor when it comes to electing governors. "We have an electorate that values independence," he says.

It is a remarkable run of electoral history that is hard to ignore, especially with two statewide officeholders in the race.

That may be the best one-word description for the quality voters have rewarded. It has found expression in various ways, including the 16-year run following Dukakis when heavily blue Massachusetts opted for Republican governors as a check on a Legislature dominated by Democrats. Other characteristics seem important as well, not least an ability to connect with voters and inspire them with a vision of where a candidate wants to lead the state. If there is one overriding pattern to governor's races, however, it is an aversion of voters to those with too close

an association with Beacon Hill.

Shannon O'Brien got a harsh lesson in that as the Democratic nominee for governor in 2002. A former legislator who had been elected state treasurer four years earlier, O'Brien had a perfectly creditable record. It even included taking on her former colleagues when lawmakers made noises about extending the time for the state to fully fund the state's pension liabilities.

But none of that could hold a candle to the ad campaign Mitt Romney rolled out as the campaign came down the homestretch. The centerpiece of Romney's message was that electing O'Brien would be putting state government in the hands of a shady Beacon Hill "gang of three." Making up the not-to-be-trusted troika of State House insiders with O'Brien were then-House speaker Tom Finneran, with whom she was friendly, and Robert Travaglini, who was in line to become Senate president and whose brother served as her top aide in the treasurer's office.

That ad was "the thing that killed me," says O'Brien, who lost the election by 5 points. "What appeals to Massachusetts voters, whether it's a Democrat or a Republican, is the person who appears to be the most independent."

Peter Ubertaccio, a political science professor at Stonehill College, says the success of the Romney attack underscores the reservoir of contempt many voters hold for state government. In short-hand talk about Massachusetts politics, he points out, "Beacon Hill" is used as an epithet.

It's a curious reality in a state that tends to show plenty of deference to incumbent officeholders. Massachusetts is hardly overrun with the sort of throw-the-bums-out attitude one might expect given the taint associated with

Beacon Hill. That paradox forms what might best be described as a split personality among the state's voters.

Robert Reich, the former Clinton administration labor secretary who ran as an "outsider" candidate for governor in 2002, says he saw that first-hand in his race, where he was quickly able to gain traction as a first-time candidate, though he ultimately finished second to O'Brien in the four-way Democratic primary. "The very culture of insider politics that dominates so much of

Massachusetts has caused voters to want something quite different in their governor," he says.

"There's a sense that the governor's office is where people who are fed up with Beacon Hill can find someone who can work on their behalf against all the entrenched power and corruption," says Ubertaccio.

Voters also seem to look to candidates for governor who they can connect with, something that seems far less important in their choices for other statewide posts.

With a PhD in economics, Evelyn Murphy says her focus

had always been “studying and looking at policy.” Murphy, who had previously served stints in state government as secretary of environmental affairs and economic affairs, was able to parlay her strengths into a winning campaign for lieutenant governor in 1986. Running for governor four years later, however, was “entirely different,” she says.

“People know you’re smart enough,” she says someone once told her. “The question is whether they like you enough.” Murphy says the schmoozing and emoting of gubernatorial campaign politics was just not her strong suit. “The intangibles were far more important running for governor than lieutenant governor,” she says.

The importance of those intangibles was not lost on Bill Weld, the Republican victor in the 1990 race. Weld and the Democratic nominee, John Silber, were both outsiders in what shaped up as a major “change” election, with voters angry at the departing Dukakis and Democratic legislators over tax increases and a state budget tattered by recession. The tie-breaker in the race, many believe, was Weld’s much more affable bearing. It compared particularly well to what seemed to be Silber’s perpetual scowl, a trait that reached a costly nadir when he lit into popular newscaster Natalie Jacobson in a television interview.

Weld says a friend once offered him advice very similar to the bit of wisdom given to Evelyn Murphy. “If you’re running for governor, you should act like you’re running for class president and not valedictorian,” says Weld. The message: You want voters to like you, not to be impressed that you’re the smartest guy in the class. It helps to project a sense of being comfortable in your own skin, a quality that Weld fairly exuded. For that, he doesn’t credit any late-night study sessions poring over Greek classics but instead his time at Harvard’s often madcap Hasty Pudding Theatricals club. “Three years of running around in women’s clothes at Hasty Pudding—that was great preparation for politics,” says Weld.

For those looking to move up from the attorney general’s office to governor, a well-worn path in recent decades, the problem is that their training is quite the opposite of what Weld picked up—or put on—at the Hasty Pudding.

“I was never standing up as attorney general to have a big yuk with you,” says former attorney general Scott Harshbarger, the Democratic nominee for governor in 1998. “I’m standing up to indict somebody, to prosecute somebody. And that’s what they see in you.”

“The public was not able to get a clear picture of here’s who I am as a person,” Harshbarger says of his campaign



Berwick: A liberal who boasts that Glenn Beck called him “the second most dangerous man in America.”

for governor. Though winning the attorney general’s office involved a big statewide effort, he calls it “spring training” compared to the governor’s race. “You know that you won statewide, you have strong policies. It all fits in your own mind,” he says. “But what you learn is you have to reintroduce yourself as a candidate for governor. I may have thought I would be a very good governor, but I just wasn’t, at that point, as good a governor’s candidate.”

Frank Bellotti, still fit and tanned at 90, served as lieutenant governor in the 1960s and attorney general in the 1970s and 80s. He fell short in three different bids for governor. “They look at you in a different light,” he says of voter attitudes toward AGs running for governor. “You’re a law enforcement guy. They may have been happy with you there. They’re not sure they’re going to be happy with you as governor.”

LOOKING TO CONNECT

As the local Democrats get ready to hear from the four candidates for governor who have traveled to Ipswich for the party breakfast, Gerry Brown, a veteran area activist, offers a view of what draws people like her into the political fray. “It’s the dream that things will be better—I think that’s what politics is,” she says. “It’s the hole-in-one,” says Brown, an avid golfer. “Every shot you think is going to be the most perfect, gorgeous shot. You get up there. ‘Well, it wasn’t what I had in mind,’ you say, as the shot veers off. But that’s why you keep going. This next one, I know, is it.” She says it’s the same with electing leaders. We’re always looking to be inspired by the promise of a hole-in-one, even if we know that the reality of governing is often incremental progress and shots that sometimes end up in the rough.

Don Berwick is the first candidate to address the crowd. A pediatrician and health policy expert who served for a

year and half as the director of the federal Centers for Medicare and Medicaid Services under President Obama, Berwick has carved out a niche as the full-throated liberal of the Democratic field. He supports a state-level single-payer health system, he's calling for dramatic changes to prison and sentencing policy, and backs the idea of a

nation. "We need a governor who fights for social justice, that fights for equality, that fights for compassion, and if I'm your governor," he says, "that'll be my fight."

At that, Gerry Brown points toward Berwick with a knowing nod. "The dream," she says.

The following week, the party began holding its caucuses, local gatherings across the state where city and town Democratic committees chose delegates to its state convention in June. Candidates need at least 15 percent of the delegate vote at the convention to appear on the September primary ballot. Berwick claims he did well enough at the caucuses to win a spot on the ballot. But Berwick and fellow first-time candidates Juliette Kayyem and health care executive Joe Avellone, who is trying to fashion a foothold as the moderate in the Democratic field, have barely registered in early polls.

"I'm not daunted by where we are at all," says Berwick. "I'm excited by it. We're following in the path of Deval Patrick and Elizabeth Warren, two very good role models, neither of whom was known when they started. I can see the pathway pretty clearly. The state has shown its openness to people who come in with other backgrounds and skills, and I think maybe especially value it."

Kayyem is also very much banking on the state's affinity for outsiders in the governor's office. She served a stint as Patrick's top homeland security advisor and was an assistant secretary in the federal homeland security department in Washington. A lawyer by training, Kayyem started her career in the US Justice Department's civil rights division in the mid-1990s under its then chief, Deval Patrick.

"I've had public roles, but this is different. It's a different animal," Kayyem says early on a Saturday in February on her way to the first round of party caucuses. She says her campaign manager "keeps texting me two words: 'Be yourself.' Which is a good thing for me, because I can't compete on another level."

Kayyem has a breezy freshness, which occasionally includes exclamations saltier than she would ever use in a public address. At 44, she is the youngest Democrat in the field, and talks about representing a new generation of leadership in the state.

Kayyem hopes her dual background in civil rights and homeland security gives her the mix of liberal credentials on social issues and experience with difficult crisis management and infrastructure challenges that voters will



Kayyem: "I am excited by people's reception to having choice in the race."

graduated income tax that would ask more of those who earn more.

When Obama chose him to run the Medicare and Medicaid office, "Glenn Beck called me the second most dangerous man in America," Berwick tells the crowd with evident pride. "He was wrong. I'm first."

Asked before the breakfast what he thinks voters are

'Three years of running around in women's clothes at Hasty Pudding—that was great preparation for politics,' says Weld.

seeking in a governor, Berwick says, "I think they're looking for someone who will name the problems, say this is serious and we have ways to get out of this, and speak truthfully about the challenges. They clearly want a sense of decisiveness, someone who can make hard decisions and show confidence. I think they're looking for genuineness."

He winds up his pitch to the Ipswich crowd by telling them Massachusetts can be a progressive "beacon" to the

respond to.

Her first stop is the Democratic ward caucus in Dorchester's Savin Hill neighborhood. "There are big names, no question about it," she says of the Democratic field as she addresses the small gathering of delegates. "For us, as Democrats, I am excited by people's reception to having choice in the race. We are Massachusetts, and we are bold and fearless. And that's what I hope from all you—to keep the process open. On the other end of this will be the strongest Democrat to face Charlie Baker."

If Avellone, Berwick, and Kayyem are each hoping to catch some of the outsider magic that propelled Deval Patrick's 2006 victory, Steve Grossman and Martha Coakley face the challenge of exploiting the advantages of their offices without hitting one of those sinkholes that have swallowed up so many statewide officeholders who have set out on this course before them.

Later in the month, it is the height of the Tuesday afternoon rush hour as Grossman's campaign policy director, Jon Ostrowsky, fights his way through Boston traffic to get his candidate to the Democratic caucus that evening in Danvers. On the way, Grossman calls three different state reps who helped him corral delegates in recent caucuses in their districts. "The fact that they're willing to help us organize is a big deal," he says after getting off the phone.

He says Coakley is the clear frontrunner, and cites her 94 percent name recognition. Grossman is counting on dogged determination and decades of contacts developed with Democratic activists across the state to counterbalance Coakley's bigger public profile. It seemed to pay off handsomely during the caucuses, from which most campaign operatives say Grossman emerged with the biggest share of delegates.

That sort of inside strength, say some in rival camps, won't mean much when voters start paying attention to the primary race in the fall. But you go with what you've got. Grossman is, in many ways, the ultimate insider. He previously served as the chairman of the state Democratic Party and as chairman of the Democratic National Committee during the Clinton administration. On the campaign trail, however, he emphasizes the family envelope and packaging business he ran for decades—a union shop where they never went to arbitration, he reminds labor-friendly Democratic audiences—and his three and a half years as treasurer and the programs he has developed to aid small businesses in the state.

Grossman seems to be of two minds on what voters want. "They definitely, I think, want to put their faith and trust into somebody who has a wealth of experience at managing complex organizations and institutions, and what I do is more closely related to what the governor does than anybody else running in the Democratic primary," he says. "I think that's clear. I just have to be able

to tell that story."

He later adds to that, recognizing that no matter how good your record, winning the governor's job involves more than showing your prowess as the state's chief bookkeeper. "Unlike any other office in the state, the governor to a large degree carries the hopes and dreams and aspirations of all the people of Massachusetts on his shoulders," says Grossman. "Not as a burden, but as an opportunity."

Grossman says he doesn't put a lot of stock in the idea that, as state treasurer, he is fighting the tide of electoral history in running for governor. "Those historical patterns are meant to be broken," he says.

REDEMPTION RUNS

Martha Coakley needs no reminder that statewide officeholders can be blindsided by exaggerated expectations of success in seeking higher office. Her loss in the 2010 US Senate race to Scott Brown was a stinging reminder of the skeptical eye Massachusetts voters can cast on well-known figures who think it is their turn to move up the ladder.

"That was as tough a loss as anybody's ever had," she says. "I recognize that a lot of people were disappointed, if not angry, about that race. So I know I have to earn everybody's vote. But that's why I said, if I'm going to do this, I will do it from the bottom up, we'll do this grassroots campaign."

Coakley and her campaign team say she is running a very different campaign this time. Like her insurgent rivals,

'I recognize that this is a different job and people want to see more of me.'

she points to the grassroots approach that helped catapult Deval Patrick and Elizabeth Warren to office, twin efforts that now constitute something of a holy grail in Democratic campaign efforts in the state. What's more, she's even hired Doug Rubin, a key strategist behind the Patrick and Warren victories, as her campaign advisor.

It may be a very different campaign than the one Coakley waged for Senate, but it is the same candidate, one who has struggled under the bright lights with the challenge that has tripped up previous attorneys general running for higher office: How do you transition from the state's top cop to a candidate with a vision for the state's future and a persona that inspires people to think you can lead the way there?

"I recognize that this is a different job and people want to see more of me," Coakley says of the need to give voters a fuller sense of who she is. One very deliberate way she is doing that is by talking about her brother's suicide 18 years ago, and trying to link it to the need to improve mental health services and remove the stigma associated with seeking them. "Being able to share that is liberating in a way," she says of the decision to tell his story on the campaign trail.

She rejects the idea that there is some sort of "curse of the AG" in seeking the governor's office, and points to the success that women AGs in particular have had in moving up to governor in other states. The last two men elected governor of New York, Elliot Spitzer and Andrew Cuomo, also moved up from the attorney general's office. Both were able to use the AG's office to build profiles as crusading champions against powerful big interests.

Coakley is doing something of the same, and she has some good issues to pound on the campaign trail. She highlights her work combating foreclosures and abuses by shady lenders as well as the successful national role her office played in challenging the federal Defense of Marriage Act, which allowed states to refuse to recognize same-sex marriages granted in other states.

Rubin, her campaign strategist, also downplays the long arc of election history working against them. "The past is interesting. It makes for good stories, but it doesn't have to be instructive about the future," he says. Harkening back to Patrick's campaign in 2006, he says, "You're talking to a guy who had to answer the question, 'There hasn't been a Democratic governor in 16 years. How can you win?'"

Coakley isn't the only one in the race for whom this represents something of a redemption run. Charlie Baker, the likely GOP nominee this fall, lost a 2010 race to Patrick in which many people said he had a nasty edge that turned voters off. Baker has rebooted his gubernatorial campaign with a different feel to it, one that he and his backers insist is not a contrived reinvention but much closer to the real Baker.

When asked about the state's long run of rejecting statewide officeholders in governor's races, Baker offers a laugh and says, "Well, that's really good news for me, I guess."

Outside of a stint on the board of selectmen in Swampscott, where he lives, Baker has never held public office. But as health and human services secretary and later the top budget official in the Weld and Cellucci administrations, Baker spent eight years at the very heart of state government.

If voters are still open to the message of a moderate Republican governor serving as a check on the Democrats who otherwise rule Beacon Hill, that will be good news for Baker. That message will play less well if Baker gets tied to the tea party currents that have pushed the Republican party to the right nationally and even in Massachusetts,

where the state GOP adopted a platform this year that runs against the grain of Baker's support for abortion rights and same-sex marriage.

Meanwhile, Democrats seem ready to pounce on his record in state government in a way designed to blunt any idea that Baker represents a fresh face on Beacon Hill. Four years ago, Patrick's campaign hammered him with charges that Baker was part of a fiscally irresponsible financing scheme for the Big Dig, an issue that Democrats may try to revive this fall.

On issues, Baker is hardly running a slash-and-burn campaign against the Beacon Hill status quo. At this stage, in fact, his message sometimes sounds remarkably similar to those coming from some of his Democratic rivals, with lots of broad—and bland—pronouncements about having every community be home to the kind of economic vitality and quality schools enjoyed by the state's better-off burghs.

One challenge Baker faces is to heed Bill Weld's advice about running for class president and not to be class valedictorian. The brainy Baker got dubbed the "smartest man in state government" during his time on Beacon Hill. His smarts will be an asset if he's in charge of state government. But getting there, as his former boss reminds, involves people liking you, not just being wowed by your policy smarts.

Posted on Baker's campaign website is a grainy homemade video someone recorded at a recent dinner for the Big Brother/Big Sister program. In it, Baker speaks movingly about his experience mentoring a boy in the program.

"I think one of the things that people look for in public leaders is some demonstrated representation that what you say is not just what you say, but in fact when the lights are off and no one's paying attention, you're actually doing some of that stuff," Baker says when asked about the video clip. Baker served as CEO of Harvard Pilgrim Health Care after leaving state government. He says a former colleague there delivered this message to him: "Charlie, everybody knows you're a really hard-headed guy. I mean you could be annoying about what you expect with respect to the people who work for you. But you're also a really big-hearted guy, and I just never thought the big-hearted guy ever showed up in the last campaign."

A VISIONARY FIXER?

"You campaign in poetry. You govern in prose," Mario Cuomo, the former New York governor, famously observed.

It describes well the dynamic facing those running for governor. It applies very little to other statewide offices, where campaigns rarely capture the public's imagination or turn on a candidate's ability to inspire. That probably goes a long way toward explaining why victory at one

level in Massachusetts politics has for so long not been the ticket to the corner office that so many have hoped for.

In electing a governor, voters are looking for a “charismatic, visionary leader, and that’s a different set of qualities than for other statewide officeholders,” says Dorie Clark, who served as a spokeswoman for Robert Reich’s 2002 gubernatorial campaign and Howard Dean’s presidential bid in 2004. “You want your treasurer to be smart, judicious, workmanlike. You want your attorney general to know the law and be a smart, careful litigator. Those things can overlap with being visionary, but they don’t always.”

Deval Patrick looms large over any current discussion of the formula for success in winning the governor’s office here. When Patrick came out of nowhere to win the 2006 election, he demonstrated just how potent a force charisma can be in a governor’s race.

By Mario Cuomo’s yardstick, Patrick would rank as a poet of the first order. When it comes to the prose of governing, however, his composition skills have been flagging badly.

The last year has seemed to bring one crisis after another involving the workings of state government. From a drug compounding scandal linked to several dozen deaths to

the broken Health Connector website and botched handling of the process for awarding medical marijuana dispensary licenses, it has felt like the wheels are coming off the Patrick bus.

His popularity remains surprisingly high despite the rash of bad turns in state government. But it is still tempting to think this may be an election where voters are more interested in a doer than a dreamer. “You wonder whether, with all the problems state government has faced, people aren’t going to look for someone who can manage this thing,” says Maurice Cunningham, a political science professor at the University of Massachusetts Boston.

With good reason, the candidates from both parties—as well as two independents who have launched longshot campaigns—have all been emphasizing their background actually running things. But they also seem to recognize that those credentials alone will not be enough.

Even the outsider candidates who are trying to take a page from his insurgent campaign playbook concede that there is no Deval Patrick in this year’s field when it comes to his ability to turn a campaign into a cause. That may give this year’s election a more prosaic feel. But it won’t stop the candidates from trying to inspire and connect with voters. And victory may still belong to whoever emerges as the most passable poet. **CW**



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In his second run for governor, Charlie Baker is focusing heavily on crossover issues that appeal to independents and Democrats.

Threading the needle

For Massachusetts Republicans, it's an increasingly narrow path to victory. The party's two best hopes for major office this fall are plotting very different paths to try to get there.

BY PAUL McMORROW | PHOTOGRAPHS BY MARK OSTOW

CHARLIE BAKER BOUNDS into the Charlestown Knights of Columbus, where the once and future savior of the Massachusetts Republican Party finds a hall stuffed full of shamrock balloons and voters clad in green sweaters. Baker has given his Friday evening over to a local Saint Patrick's Day banquet. Caterers buzz around him, carrying plastic tubs full of boiled beef, boiled carrots, boiled potatoes, and boiled cabbage. The food looks awful, but the jokes that come raining down from the podium at the front of the room are worse. It's a scene only a politician could love. Baker works the room with abandon.

"Steve-o!" Baker bellows. "Hi, buddy!" The Republican gubernatorial



Richard Tisei pitches himself as a counterweight to tea party elements in the House.

hopeful claps little old ladies on the back, trades jokes with Congressman Mike Capuano, and dances a quick jig with Deb Goldberg, who's running for state treasurer. He shakes the hand of Robert Travaglini, the former Senate president, and throws an arm around Suzanne Bump, the state auditor. He poses for pictures with anyone who will have him. He warbles along when the band plays "The Irish Rover." The evening's host, state Sen. Sal DiDomenico, congratulates Baker, the lone Republican in the room, for braving a crowd of 400 Democrats. Baker then takes the microphone and, in true Boston St. Patrick's Day fashion, delivers a series of groan-inducing jokes. He pushes back when the crowd fails to respond to one about Whitey Bulger, exclaiming, "I thought that was pretty good!"

The Charlie Baker whooping it up at the Charlestown Knights of Columbus isn't the Charlie Baker most voters remember. The old Charlie Baker, the one who lost his bid for the governor's office four years ago, often came off as bitter, angry, and thoroughly unlikeable. Baker has jet-tisoned that other guy. Now he's comfortable in his own skin. He's spending a Friday evening working over 400

Democratic voters, and he's actually enjoying himself. Which is good, because if Baker triumphs in his political turnaround efforts and captures the corner office in November, he won't have many Republicans around to keep him company.

The Massachusetts Republican Party has long been a small bunch, depending on star power.

The Massachusetts Republican Party has long been a small bunch, depending on star power to combat the organizational and numerical brawn that the party's Democratic rivals boast. But in the two decades that have passed since Baker first became a star inside Gov. Bill Weld's

State Republican Party chairman Kirsten Hughes opposed a new party platform that dives into social issues like same-sex marriage and abortion.



administration, an already uneven playing field has tilted sharply against Massachusetts Republicans.

Massachusetts Republicans' numbers are dwindling, both in the state's power structure, and in the rank-and-file party enrollment rosters. And lately, as the national Republican Party has tacked to the right, local Democrats have been making hay by ignoring whichever candidate the Massachusetts GOP throws against, them, and simply dialing up generic attacks on the Republican brand.

Baker and his 2010 running mate, Richard Tisei, are the state GOP's two brightest lights. The biggest electoral hurdle that each candidate faces is his Republican affiliation. But as Baker ramps up his second bid for the governor's office, and Tisei lines up a second run at Congress, they're taking markedly different approaches to winning in heavily Democratic Massachusetts. Baker is running a campaign that's heavy on crossover issues that don't have a Republican or Democratic solution. He's trying to win independents and Democrats to his cause by floating above his party. Tisei knows there is no avoiding the partisan divide in Congress. So he's decided to embrace the Republican label—but not the hard-right agenda that has in-

creasingly come with it. An openly gay, pro-choice Republican, he's pitching himself as the ultimate force for reforming his party from within. For each candidate it seems like a solid game plan, and probably the only one that gives them a fighting chance.

FLEETING GLORY

The Faneuil Hall crowd greeted Charlie Baker like a rock star, and Baker repaid them in kind: He extended his left arm, windmilled his right, and thrashed away at an air guitar. The moment became the defining image from Baker's 2010 gubernatorial kickoff rally. The candidate and the crowd both overflowed with energy, and optimism. Everything else that followed was a letdown.

Baker's 2010 kickoff rally at Faneuil Hall was a high water mark. Weeks earlier, many in the Faneuil Hall crowd had helped topple an entrenched Democratic political machine, and elevated an obscure state senator named Scott Brown to the US Senate. Now they looked poised to do the same for Baker.

The moment didn't last. Brown's 2010 Senate victory,

and the surge of enthusiasm for Baker that followed, looked at the time to be sea change moments in Massachusetts politics. The speed and forcefulness with which they were reversed only underscores just how bad things have gotten for the Massachusetts GOP.

The Massachusetts Republican Party has been losing strength for 60 years. Party enrollment in the modern era peaked in 1954, at 29.5 percent, and it's been ebbing ever since. (Data on party enrollment are only available going back to 1948.) Republicans now count slightly more than 11 percent of Massachusetts voters as members of their party. Democratic enrollment is also sliding downhill. But the state Democrats, unlike their Republican counterparts, still have the numbers to maintain a critical mass in state politics. Among major parties in the US, only Rhode Island's Republicans command a smaller share of their state electorate. The Massachusetts Republicans are closer in size to some third parties, like Virginia's Libertarians, than they are to other heavily outgunned major parties, like Utah's Democrats.

Republicans held the governor's office for 16 straight years, from 1991 to 2006, but haven't been very competitive otherwise. Since 1970, only one Republican politician, former state treasurer Joe Malone, has held a statewide office other than governor or lieutenant governor. Malone, of course, has been out of politics for 16 years. Republican hopefuls for attorney general haven't cracked the 40 percent mark on Election Day since 1986.

Meanwhile, Republican strength within the state Legislature has eroded greatly since 1990. Republicans hold far fewer House and Senate seats than they once did. They're running fewer competitive legislative races, and losing more of the races they do manage to make competitive. The Massachusetts Legislature is now one of the least competitive legislative branches in the country.

And while the GOP once claimed at least a slice of the state's congressional delegation, the party hasn't been able to win a US House race since 1994. The contests since that date haven't even been close: Since 1994, just three Republican congressional hopefuls have finished within five points of their Democratic opponents.

"Anytime you're a Republican in Massachusetts, it's almost as if you're involved in a David and Goliath fight," says Richard Tisei, the longtime state legislator who was Baker's running mate in 2010, and who is now making his second bid at unseating Congressman John Tierney. "You really have to thread the needle perfectly in order to win."

The erosion of the Republican base has made it more difficult for Republicans to thread that needle. The long

Republican fade has coincided with an era of sharpened local partisanship in Massachusetts (see "The Blue-Red Color Divide in Massachusetts," Winter 2014). The state now has far fewer towns that swing between the Democratic and Republican columns than it had a generation ago, and Democratic candidates have largely been the beneficiaries of this new partisanship.

Nor has the state Republican Party been able to match the organizational strength and discipline that Gov. Deval Patrick and the former Democratic Party boss, John Walsh, have instilled in their party. Patrick and Walsh have reoriented Massachusetts politics around grassroots organizing, and when the machine gets cranking, Republicans in Massachusetts don't have the bodies to match the Democrats' canvassing and turnout efforts.

The exception in this landscape was Scott Brown. The former state senator from Wrentham tapped a deep vein

Baker's demeanor and comfort with retail politics aren't the only improvements. His political instincts are sharper now.

of populist discontent when he stormed past Attorney General Martha Coakley, and into the US Senate, in 2010. But the indefatigable sense of optimism Brown's victory unleashed evaporated as Baker, the long-awaited Republican golden boy, became just one in a long line of failed Republican candidates—a losing politician who ran an uninspiring race.

When Tisei stood alongside Baker at Faneuil Hall, he'd never lost a race. He followed the 2010 letdown by coming up short two years ago in a closely fought congressional race on the North Shore. Tisei's congressional defeat came alongside Brown's drubbing at the hands of Elizabeth Warren. The loss swept Brown out of office—and eventually across the border to New Hampshire. He left Baker and Tisei behind, trying to regroup, trying to figure out just how a Republican politician competes in Massachusetts.

GOOD TIME CHARLIE

A round of beers hits the table at Charlestown's Warren Tavern as Charlie Baker is winding into his pitch on education policy. He takes a sip of Harpoon IPA, and notes that because even poorly performing school districts have

high-performing schools, it shouldn't be asking a lot for struggling schools to lean on successful ones. He has big plans for extending the school day in the state's worst-performing schools, but insists that Lawrence's state-run school receivership shows that extended days shouldn't cost much. He leads with arguments about school culture and leadership, and tries to bridge over the established fault lines of district schools versus charters, and teachers unions versus the world. He has another sip.

This is the new Charlie Baker. He's relaxed, he's likeable, he's fun to drink beer with.

This is the new Charlie Baker. He's a policy wonk, but it's awfully difficult to find sharp edges on the guy.

Political operatives on both sides of Baker's 2010 campaign panned it as gimmicky and ineffectual. He and his advisers misread Scott Brown's Senate victory as a sign that Massachusetts was full of disaffected voters driving pickup trucks. They tailored their campaign (tagline: "Had Enough?") around stoking outrage in this demographic. They were rewarded with 42 percent of the vote on Election Day. Afterwards, the people who know him best said they didn't recognize the guy they saw campaigning. Baker relayed this last point while standing on the front lawn of his Swampscott home last fall, flanked by his wife and his

dog, announcing his gubernatorial candidacy, as a campaign staffer passed out cookies to reporters.

Since his announcement last fall, Baker has gone shoe shopping with a *Globe* reporter in Framingham. He had a pint of Guinness with a writer for the alternative news-weekly *DigBoston* in Allston, where they laughed over the reporter's unexpected enjoyment of a recent Baker campaign appearance ("So everyone thought," Baker ventured, "Oh my God, he's not an asshole!"). He told a dirty limerick at South Boston's St. Patrick's Day roast. He's doing his best to show that he's not really the outraged robot who, in a notorious scene from a *Boston* magazine profile four years ago, froze up while attempting to kiss a baby, and instead gave the infant a respectful pat on the shoulder. When he stands up from his Harpoon and his education pitch, Baker meets a pair of voters, one of whom had seen him four years ago, at Red's Sandwich Shop in Salem. Baker practically slugs the woman in the shoulder as he shouts about his love for Red's: "That is a great, great place!"

"Running for office is hard," says Tisei. "It takes a while to feel comfortable. I think Charlie's there now. Last time, there were times when he wasn't himself. This time, he has the right attitude."

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People close to Baker say his demeanor and comfort with retail politics aren't the only improvements from four years ago. His political instincts are sharper now, they say. He's running a more disciplined, more focused campaign than he did against Patrick. He's shrinking the field of play, taking divisive issues from gay rights and abortion to guns and the environment off the table. He plans to take the fight to his opponents on a few issues: education, the economy, and leadership.

The Baker campaign's narrow focus hews closely to the candidate's resume. He rose to prominence as Bill Weld's health and human services secretary, and as the budget chief for Weld and Gov. Paul Cellucci. He made his private sector bones as CEO of Harvard Pilgrim Health Care, and spent the years between gubernatorial runs at the Cambridge venture capital firm General Catalyst Partners. He serves on the board of the Phoenix Charter Academy Network, a charter school operator that works with at-risk youth in Chelsea, Lawrence, and Springfield. Baker's at ease campaigning now because he's not running on tabloid outrage; he's running on policy he's spent his life developing.

It also happens that, since it's a rare candidate who builds a gubernatorial platform around mediocre schools, reduced economic opportunity, and broken budgets, Baker's Democratic rivals are also full of talk about better schools, more jobs and healthy cities and towns. Baker is setting up a fall election that's less about broad vision—since everyone's vision involves literate kids and good paychecks for an honest day's work—than it is about who can deliver on that vision.

Republicans win in Massachusetts, Baker says, by “making the case on things that people care about: jobs, the economy, schools, the achievement gap. Those aren't Democratic or Republican issues. They're a platform on which to build a great state, and a great life.”

When pressed on what makes him different from the Democratic field, Baker quickly hits familiar Massachusetts Republican talking points. He worries about the cost of running a business. He talks about taxes and the need to balance out the Democratic-dominated Legislature. He talks about putting checks on the size and scope of state government. But these points aren't anywhere near the top of his stump speech. They take work to elicit. Baker isn't campaigning as a generic Republican guy for governor. He's campaigning, first and foremost, as Charlie Baker.

“When I'm out campaigning, it's not as a Republican,” he says. “It's as me. The overarching message for us, jobs, schools, communities, it's all related. If you like what we have to say, it's a question of, do you think I can do what I'm talking about? I can work with anybody. I can get stuff done. I hope that cuts across party lines.”

PARTY DIVIDE

Richard Tisei celebrated his wedding reception at a Boston steakhouse this past February. A week after the party, Republican activists passed a party platform that sounded a dog whistle at the slice of the electorate that would revoke Tisei's marriage to his longtime partner.

Tisei is an openly gay, pro-choice, anti-tax pledge Republican, and his rematch against US Rep. John Tierney is the state GOP's best shot of ending the party's two-decade-long House shutout. Baker is a pro-gay, pro-choice Republican who speaks often of his gay, married brother. These two politicians are the state Republican Party's brightest lights, and neither one wants anything to do with conservative social causes. But a full decade after the legalization of same-sex marriage in Massachusetts, activists who control the state Republican Party apparatus are still clinging to social issues like same-sex marriage and abortion—issues that are politically toxic to most of the state's electorate, and to the politicians who will carry the Republican flag in November.

Baker and Tisei's party isn't just small and shrinking. It's also at war with itself over what it stands for.

Baker and Tisei's party isn't just small and shrinking. It's also at war with itself over what it stands for, and that war threatens to undermine the party's chances in November.

Democrats and Republicans in Massachusetts both engage in fights over policy and political philosophy. They both field candidates who disagree with planks in their party platforms. But the Massachusetts GOP stands apart for the recklessly self-destructive way its core activists have treated their party identity lately.

The new state Republican platform, overwhelmingly approved in February by the 80-member Republican State Committee, lauds “the institution of traditional marriage,” and contains tough language on abortion. The platform passed over the objections of state Republican chairwoman Kirsten Hughes, who saw its treatment of social issues as unnecessarily divisive. “I didn't want it in there, to make [the party] less welcoming to anyone,” Hughes says. The platform's plank on social issues, she adds, is “not representative of the opinion of our candidates, and it's not the opinion I have.”

It is, however, the opinion of a group of conservative

activists entrenched in the state GOP infrastructure. And as the party has shrunk, the activists who've been left behind have carried more weight, and have worked furiously to swing the party to the right. The crowd making noise over same-sex marriage and abortion is the same crowd that met Brown and Tisei's 2012 losses with complaints that their candidates were insufficiently conservative. They wanted Tisei, who lost to Tierney by one point, to act more like Bill Hudak, the Boxford activist who finished 14 points behind Tierney in 2010. They've pressed the offensive, even though the shrinking of the formal Republican Party has made it increasingly reliant on independent voters. The latest salvo, the new state platform, is already rich source material for Democratic attacks on Baker and Tisei—even though Baker and Tisei have disavowed the platform.

"The purpose of politics is to win elections and shape government through policy," says Dan Winslow, a long-time Massachusetts Republican operative, and former state judge and state representative. Conservative activists, he says, "can take principled stands, but if the majority disagrees, we end up with one-party domination. If we hang our hat on issues, not principles, that's not a strategy for long-term survival."

Gabriel Gomez, the former Navy pilot who lost a race for US Senate to Ed Markey last year, spent his campaign trying to push back against the perception that Massachusetts Republicans are dinosaurs regurgitating unpopular national Republican stances. That job becomes far more difficult, he argues, when episodes like the platform fight invite days of brutal press coverage. A platform that's famous for trading in social issues, Gomez argues, "Distracts from things we are aligned with the people of Massachusetts on. There's a fringe group of Republicans in Massachusetts who are out of tune. They're insignificant, except for the fact that they're extremely loud. They make the most noise, so they're the ones people think of when they think of Republicans in Massachusetts."

"Most people around here are fiscally conservative, but they don't like the social issues, the way the Republican Party has branded itself nationally," Tisei says. "A lot of people look to the national party and are just offended that there's a party that wants to exert federal power over women's health care decisions. Young people see a party that thinks it's OK to discriminate against a group of Americans, and are turned off by it. That's what's hurt us around here."

Tisei, who was first elected to the State House in 1984,

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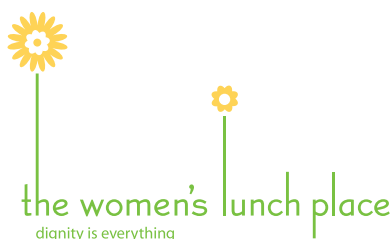
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argues that Bill Weld's social liberalism insulated a generation of Massachusetts Republican politicians from the national GOP's rightward drift. Republicans were able to run competitive races in the state, he believes, because there was a clear line between what the state party stood for and the policies national Republicans pushed. "People would give Republicans the benefit of doubt when we'd say, 'We're different,'" he says. "As [Gov. Mitt] Romney became more socially conservative, for whatever reason, he blurred that line. As governor, he was leading the fight against marriage equality in Massachusetts, and all of a sudden there wasn't the difference. We lost it."

THE INSIDE PATH

Republican politics feel tangential to Charlie Baker's gubernatorial effort. He's running as Charlie Baker, an affable budget whiz who's focusing on broad quality of life issues that don't belong to political parties. Tisei is taking a different path. Tisei is mounting his second challenge to Tierney by confronting the state's Republican identity crisis head-on. Tisei knows that the national Republican Party is poison to most Massachusetts voters. He's positioning himself as a force for reforming Washington Republicans from within.

Tierney's district stretches from Billerica to Rockport, and from Saugus to Salisbury. It's the most conservative district in Massachusetts. Barack Obama's worst Massachusetts district in 2012 wasn't the Republican-friendly 9th Congressional District, which spans Cape Cod and Plymouth County, but the 6th Congressional District Tierney represents. The district gave Scott Brown a 7-point margin over Elizabeth Warren, and Gabriel Gomez carried it over Ed Markey by 1.5 points. The Baker-Tisei ticket ran 8 points ahead of Deval Patrick in the 6th in 2010. But a bitterly fought race left Tisei one point shy of Tierney two years ago.

Questions about the international gambling ring Tierney's in-laws ran, and the month-long federal prison stint his wife served, dominated the 2012 race. This time around, Tisei isn't leading with gambling attacks. He's offering up a sharp critique of the Affordable Care Act, claiming it has undermined Massachusetts's own universal health care effort. He's also contrasting his own years on Beacon Hill with Tierney's lockstep loyalty to House Democratic leadership. "I'm going to get a lot of Republicans upset, I'm going to get a lot of Democrats upset, but I don't care," Tisei says. "We've seen it at the State House, with Democratic legislatures and Republican governors, that if you want to get something done, it's really not hard."

Scott Brown tried to make similar arguments about bipartisanship in his campaign against Elizabeth Warren,

and now he parks his pickup truck in New Hampshire. But Tisei doesn't look at the Brown-Warren vote tally and see a repudiation of bipartisanship; he sees Warren's successful nationalization of their Senate contest. She turned Brown into a vessel for a host of Republican bogeymen, from climate-change denialists to anti-choice Supreme Court justices. Tierney employed the same tactic against

was a joke. I have to be the only gay, pro-choice, no-tax-pledge Republican being called an extremist."

Tierney's campaign is going back to the well. It welcomed Tisei to the race in January with a fundraising solicitation urging donors to help "keep the 6th district out of Tea Party hands." After laughing off the attacks two years ago, Tisei has decided to turn them on his head. He, too, is nationalizing the race, and running for Congress by explicitly running against the tea party-dominated GOP. He's decided that the key to overcoming Massachusetts voters' qualms with Republicans isn't to bury his party affiliation, but to run as a Republican change agent.

"I want to be a good congressman and represent the district, but I also think that within the Republican Party, I represent something different," Tisei says.

"Electing a Democrat who's for marriage equality doesn't really do anything," he argues. Putting a gay Republican in the House, on the other hand, would push a conservative Republican Party in a new direction. "Republicans will be in control of the House for a while. If you don't like the Republican brand nationally, it's important to try to elect people who can help shape the majority". **CW**

Tisei has decided the key to overcoming qualms about Republicans is to run as a change agent.

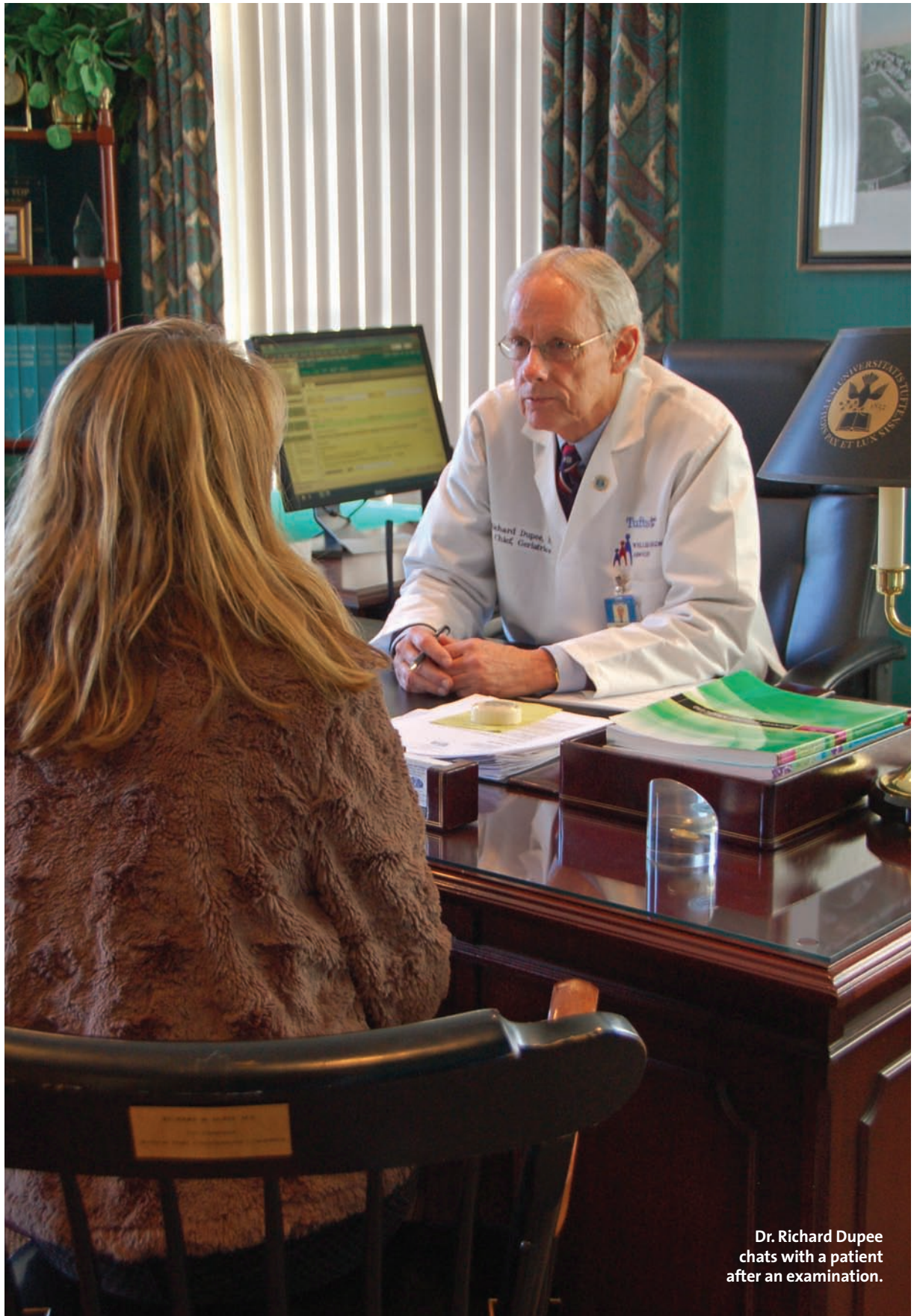
Tisei, equating Tisei with the tea party, and then beating the tea party to a pulp.

"It was a very lazy campaign," Tisei now says of Tierney. "It's like they were shopping at Walmart, and said, 'Give me the stereotypical campaign to paint the Republican as the extremist.' The only mistake I made was thinking it's so off the wall that nobody would fall for it. I thought it

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Dr. Richard Dupee
chats with a patient
after an examination.

Free agency

As the industry consolidates,
health care networks scramble
for control of primary care
doctors and their patients

BY BRUCE MOHL | PHOTOGRAPHS BY JOSEPHINE CAPPUCCIO

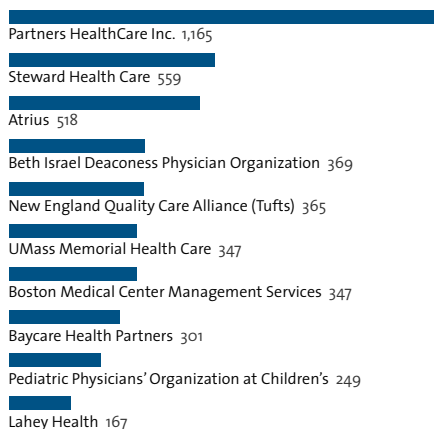
Dr. Richard Dupee is old school. Instead of rushing from one examining room to the next as fast as he can, the 68-year-old Dupee is the type of primary care doctor who does a check-up and then lets the patient get dressed and come into his office for a face-to-face chat.

Dupee is also unusual in another respect: His 8,000-patient practice in Wellesley is independent.

WHO CONTROLS PRIMARY CARE DOCTORS?

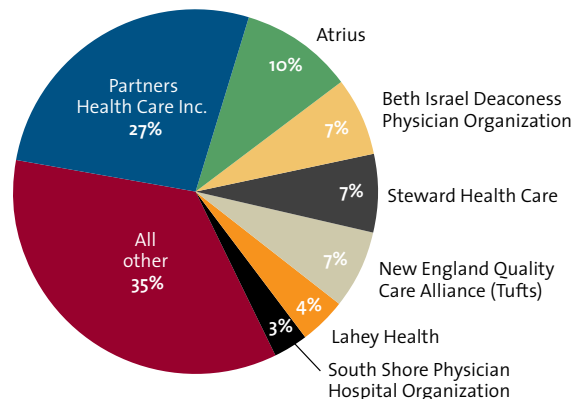
71%

ARE IN THE EIGHT LARGEST PHYSICIAN NETWORKS, EXCLUDING TINY PRACTICES AND DOCTORS NO LONGER PRACTICING.



SOURCE: Blue Cross Blue Shield of Massachusetts Foundation 2012 data, Massachusetts Health Quality Partners' Massachusetts provider database.

TOTAL PHYSICIAN REVENUE BY GROUP



SOURCE: Based only on payments from Blue Cross Blue Shield, Harvard Pilgrim Health Care, and Tufts Health Plan. Center for Health Information & Analysis, 2011 physician payment data, as analyzed by the Health Policy Commission.

He may have close ties to the Tufts University School of Medicine and supervise Tufts Medical students at work, but he owns his practice. He refers patients who need additional care wherever he wants. Some go to nearby Newton-Wellesley Hospital and those with more serious problems go to Tufts Medical Center and other Boston teaching hospitals.

Partners HealthCare approached Dupee in 2000 about buying his practice, and there have been many suitors since. Dupee turns them all down. "I'm stubborn and I'm not ready," he says.

But he's swimming against the tide. Independent primary care doctors are a vanishing breed. As health care providers are being asked to bear more and more financial risk in caring for patients, primary care doctors are giving up their independence for the security that comes from being part of a larger health care network. The doctors want to tap into the scale, resources, and technical expertise the networks can provide, and the networks want access to the patients the doctors control. It adds up to a white-hot market for primary care physicians.

"It's like professional sports," says Dr. Ronald Dunlap, the president of the Massachusetts Medical Society, which represents physicians across the state. "The primary care doctors are like free agents in sports."

The health care industry is consolidating rapidly into a collection of networks, or teams. There's Partners, Steward, Beth Israel, Lahey, Atrius, Tufts, and others. Each team is trying to assemble a group of players that can work together to provide integrated care to patients at a cost that's less than the lump-sum payments insurers are increasingly making to health care providers as part of the shift to so-called accountable care.

Each team needs players with different skills. They need community hospitals that provide fairly routine care close to the patient's home. They need tertiary hospitals to provide more advanced care. They need support workers who can build and run electronic medical record systems for tracking patient care and accounting systems for monitoring revenues and expenses. And they need primary care doctors who provide the crucial link to patients and control where they go for specialty care and hospitalizations.

In many respects, primary care doctors are the quarterbacks of the new health care system, the marquee players that every team is scrambling to sign. Some work under contract, others under lease arrangements, and more and more are becoming employees of the teams. The financial details of these employment arrangements are tightly held secrets, but rumors abound of signing bonuses, lavish incentives, and big paydays. The health networks—the teams—scoff at such reports, but many of them quietly whisper that their competitors are offering physicians outlandish deals.

As the state's health care industry consolidates, regulators and the media have focused most of their attention on high-profile hospital mergers and acquisitions. But the pursuit of primary care physicians may eventually have a more profound impact on health care. Those networks that control the most doctors will control the most patients, and with them will come more revenue, more referrals, and more leverage in negotiating reimbursement rates with insurers.

Most patients assume their primary care doctor works for them, an independent agent who treats their aches and pains and steers them to hospitals and specialists when their

ailments become more severe. But increasingly doctors have other allegiances, and the question that's starting to be raised is whether those other allegiances will affect how they care for their patients. No one really knows, but it's clear the physician landscape is changing.

"In 10 years, there will hardly be a single independent primary care doctor left," says Dupee. "They will be owned or employed by a hospital system. This business model is done."

A ZERO-SUM GAME

Partners HealthCare is the clear frontrunner in the primary care physician sweepstakes. According to 2012 data compiled by the Blue Cross Blue Shield of Massachusetts Foundation, the health care giant's physician arm controls 1,165 primary care doctors. Its next closest competitors are Steward with 559 and Atrius with 518. Beth Israel Deaconess, Tufts, UMass Memorial, and Boston Medical Center are all in the mid-300s.

The numbers indicate the state's primary care doctors are controlled—through affiliation agreements, contracts, or employment—by a relatively small number of health care networks. There are 7,440 primary care doctors licensed in Massachusetts, but more than 1,800 of them are in tiny one- or two-person practices or are no longer practicing. Of the remaining 5,580 primary care doctors, 71 percent are concentrated in just eight networks, which means the hunt for doctors is largely a zero-sum game. A network growing its roster of doctors must do so by snatching them away from competitors.

Steward garnered a lot of attention in 2011 and 2012 when it lured physician groups on the South Shore, in New Bedford, and in Newburyport away from Partners

they offer.

In an email response to questions, Steward spokeswoman Brooke Thurston says the company pays nothing directly to the physicians it acquires. She also dismisses reports that the company offers doctors revenue guarantees. In its latest financial statement, Steward reported spending \$6.8 million acquiring unnamed physician practices in 2012. Of the total, \$2.6 million went for tangible assets such as office space and equipment. The remaining \$4.2 million went for "goodwill," an accounting term for intangible assets. In this case, Steward defined goodwill as "access to long-term patient, employee, and physician relationships." Presumably the goodwill money went to the practices, which in turn funneled the money to individual doctors.

Most of the big health care networks in Massachusetts are dominated by hospitals. Partners, for example, owns Massachusetts General and Brigham and Women's hospitals in Boston, a slew of smaller community hospitals around the state, and a physicians group called Partners Community HealthCare Inc. Steward, Lahey Health, Beth Israel Deaconess, and Tufts have similar organizational structures.

The big advantage of the hospital networks is that they own all the elements of a health care delivery system, which theoretically makes managing those elements easier. The hospital networks also offer stability, economies of scale, and highly visible brand names.

"In general, what motivates a physician right now is sustainability, an organization that will be around for the long haul," says Lynn Stofer, the president of the Partners physician network.

The perceived downside of the hospital networks is the perception that they are more interested in filling hospital beds than delivering care in the most cost-effective setting possible.

Atrius offers a clear alternative to the hospital networks. Atrius is a doctor-run organization, a confederation of physician practices that has banded together to coordinate care for patients. Instead of owning hospitals, Atrius contracts with hospitals to provide the care its patients need. The approach means Atrius has less control over its network, but leaves doctors in charge of managing care.

Guy Spinelli, the chairman of Atrius, says the trust proposition in health care stems from the doctor-patient relationship. He says Atrius appeals to physicians because it puts them first. "Our doctors want to be in charge of their practices," he says. "It makes us attractive."

Insiders say Atrius has struggled to control costs. Its doctor-first approach was also undercut by merger talks

Health networks are happy to talk about their sales pitches to doctors, but not about the financial inducements they offer.

and Beth Israel. Beth Israel made news in March when it won back the Newburyport physician group it had lost to Steward.

As health care networks court physicians, they offer sales pitches and financial inducements. Most of the networks are happy to talk about their sales pitches, but they are not as forthcoming about the monetary incentives

it held with Lahey Health and Beth Israel Deaconess. Those talks ended in failure in February.

BIDCO, Beth Israel's physician arm, offers a hybrid model, an approach that some hospital networks employ. Beth Israel owns hospitals and physician groups outright, but it also allows doctors and hospitals to affiliate with the organization without giving up their independence.

"BIDCO is an attractive model for physicians," says Christina Severin, who heads BIDCO. "It gives them scale without sacrificing their autonomy."

FREE AGENCY TRY-OUT

Pentucket Medical Associates, a physicians group with offices in Lawrence, North Andover, Newburyport, and Georgetown, still had a couple years left to run on a contract with Partners. But with the health care market changing rapidly, Pentucket decided to test free agency last year.

Dr. Thomas Fazio, the president of Pentucket, says the health care market over the next three to five years will be shifting from the old fee-for-service model to the new accountable care approach, where health care providers will have to shoulder more financial risk in caring for patients.

"Change in any business causes angst,"

Fazio says. "We looked around to see what would be best for our patients and our doctors in this new world. We explored what would be the right fit for us."

Sources say Pentucket aligned itself with Lawrence General Hospital and the two put themselves in play. Suitors, including Lahey Health, quickly began knocking on their doors, knowing full well they would have to pay Partners a fee if Pentucket withdrew from its contract early.

Pentucket's best selling point was its dominance in the Merrimack Valley and its 100,000 covered lives, an insurance term that in this case refers to the patients under Pentucket's control. "Having covered lives is where the action is," says Fazio. "The more covered lives you have, the less risk there is."

None of the parties would talk about Pentucket's free agency, but sources say bidding for the physicians group was spirited. One source said the bids reached into the tens of millions of dollars. The source said the process ended with Pentucket agreeing to stay with Partners, but only after Partners agreed to buy the prac-

tice and make all of the doctors employees. Negotiations on the purchase are still ongoing, but one person familiar with the competition for Pentucket likened Partners' winning bid to driving a Brinks truck up to the physicians group and unloading it.

Pentucket Medical Associates decided to explore what would be best for its patients and its doctors.

Stofer, who heads the Partners physicians group, declined to discuss details. "We're talking about ways to get closer," she says of the negotiation between Partners and Pentucket.



Jeff Hall, the spokesman for Local 1199 of the Service Employees International Union, which represents workers at Quincy Medical Center.

Fazio says he is pleased with the outcome, but is tight-lipped about the financial arrangement. “The details of that are private and, frankly, they’re complicated,” he says.

AN INHERENT TENSION

In January, a federal judge in Idaho issued a decision that highlighted both the pros and cons of physician acquisitions. Judge B. Lynn Winmill said the nation is moving away from a fee-for-service health insurance reimbursement model to one that rewards providers for keeping patients healthy and delivering care in less expensive settings. “Such a system would move the focus of health care back to the patient, where it belongs,” he wrote.

Winmill applauded St. Luke’s Health System of Boise for embracing the new model and acquiring physician groups to provide integrated patient care. Yet he nevertheless voided St. Luke’s acquisition of a 41-member physician practice in Nampa, Idaho, because he concluded the purchase would give the hospital system control of 80 percent of the primary care doctors in the area, an anticompetitive level of dominance in the market that would theoretically allow it to negotiate higher reimbursement rates from insurers and raise rates for services such

as X-rays.

In essence, the judge concluded that physician acquisitions designed to improve patient outcomes and decrease costs could end up squeezing competitors and driving up costs. This inherent tension is present with nearly every physician acquisition. It makes sense to integrate care more effectively, but it can also be seen as anticompetitive, a move to seize market share and steer referrals.

Dr. Richard Nesto, chief medical officer at Lahey Health in Burlington, says referrals play an important role in physician acquisitions. He says hospital-dominated networks all want to provide care in the most cost-effective setting, but they also want to keep their hospitals full. Because they know there will be fewer referrals to more expensive tertiary hospitals in the future, Nesto says the hospitals need a larger patient base to compensate.

“You need many more primary care doctors to produce the same number of patients that need tertiary care,” he says. Nesto says this scramble for patients is the driving force behind most physician acquisitions. “It’s a feverish race out there,” he says.

Steward, a for-profit hospital chain owned by Cerberus Capital, a New York private equity firm, has been on both sides of the physician acquisition issue. In 2011, Steward

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made headlines by luring Compass Medical, a physician practice with 90 doctors scattered between Braintree and Taunton, away from Partners. In an email, Steward spokeswoman Thurston said the Compass acquisition has increased patient volume at Steward-owned hospitals and brought down health care costs overall.

“We are unable to confirm where that volume had previously been referred,” her email says. “Given our relative cost position to the eastern Massachusetts market (specifically in comparison to Boston academic rates), we believe that any increase in our volume resulted in marked decreases in total medical expenses.”

But Steward finds itself on the opposite side of that argument in Quincy. Granite Medical Group, a Quincy physician practice that is part of Atrius, is sending more of its 32,000 patients to Beth Israel Deaconess-Milton and South Shore Hospital in Weymouth and fewer to Steward’s Quincy Medical Center.

Local 1199 of the Service Employees International Union, which represents many of the workers at Quincy Medical Center, says data it obtained from Steward dur-

ing labor negotiations indicate the number of admissions to the Quincy hospital from Granite declined 38 percent in the first six months of 2013 compared to the same period in 2012. Union officials worry the referral pattern could lead to the closure of the financially shaky medical center and leave the city of Quincy without a hospital or an emergency room.

There is inherent tension between care integration and anticompetitiveness with every acquisition of a physician group.

While both sides agree Granite is sending fewer patients to Quincy Medical Center, they strongly disagree on why. Jeff Hall, the union’s spokesman, says the evidence suggests Granite is directing patients to more expensive hospitals in Milton and Weymouth because it has a financial



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incentive to do so. Hall says he doesn't know the nature of Granite's contractual relationship with the two hospitals, but he assumes there is one with at least the Milton hospital because Atrius has a contractual relationship with Beth Israel Deaconess. He says it's nearly impossible to learn the nature of the financial ties between physician groups and hospitals. "It's a regulatory black box," he says.

Robert Calway, the chief operating officer of Granite, denies the physician group has a contractual relationship with either Beth Israel-Milton or South Shore Hospital. He says the contractual relationship Atrius has with Beth Israel is only for tertiary care at the system's Boston hospital.

Calway says Granite is directing more patients to hospitals in Milton and Weymouth in part because patients prefer those hospitals over the one in Quincy. He noted that Quincy Medical Center has suffered a barrage of negative publicity, including a filing for bankruptcy, a nurse's strike, and a state inspection last year that uncovered squalid conditions in a psychiatric unit for seniors. "Patient preference often drives where a patient is going to be receiving care," Calway says.

Calway also says Granite's physicians are directing patients elsewhere because the doctors are being shut out of Quincy Medical Center. In August 2012, he says, Steward ended Granite's participation in the hospital's employee health program, transferring more than 300 employees who had been using Granite doctors as their primary care physicians to Steward doctors. Later in 2012, Calway says Steward stopped referring consults for cardiology and gastroenterology patients to Granite doctors and redirected them to Steward physicians. Calway also says Quincy Medical Center won't give Granite access to medical records of its patients there, which Calway says Granite doctors need to coordinate care.

Hall says the 300 Steward employees who left their Granite doctors did so to take advantage of an inexpensive company health plan that required them to use Steward doctors. He says the change in cardiology and gastroenterology referrals was done only after Steward became fearful that Granite's new referral pattern was bleeding the hospital of patients.

Hall stresses that he is not condemning all physician acquisitions or affiliations, just those that have a negative impact on the local community and result in higher overall medical costs. He says the conversations between a doctor and patient are confidential, but he believes patients have a right to know if a business deal between their doctor and another health care provider is affecting the nature of their care.

"Patients have a right to know about the larger business arrangements that may be influencing where they get referred," he says. **CW**

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Cashing in

The state paid more than \$100 million in settlements and judgments since 2005, but officials are tight-lipped about why.

BY JACK SULLIVAN | ILLUSTRATION BY BRIAN AJHAR

EVERY YEAR, THE Massachusetts Legislature sets aside about \$5 million for legal claims against the state, and every year the state ends up paying out a lot more, sometimes double and triple that amount. Since 2005, the state has coughed up more than \$100 million, an average of about \$11.5 million a year. The figure would probably be much higher but for legislatively imposed caps on what the state can pay out in many settlements and judgments.

The numbers are essentially a tally of what the state has had to pay for its mistakes. One would think the numbers would be scruti-

nized closely in an attempt to learn from those mistakes. But that doesn't always happen. No one in state government reports on the payouts. They don't show up on the government's open checkbook website.

State law requires agencies, particularly those that make a lot of litigation payouts year in and year out, to develop risk reduction plans. Financial incentives are even offered to state employees who come up with ideas on how to pare back claims. Yet interviews with officials at a number of the state agencies that regularly make big litigation payouts turned



up no risk reduction plans. The mandatory annual reports on settlements and judgments filed by the Office of the State Comptroller also contain nothing. It's as if the money is paid out and then everyone moves on.

Until a Suffolk Superior Court judge's ruling last summer, the state wouldn't even identify the people or companies to whom it was paying settlements and judgments. Now the state releases most of the names, but nothing else. There is no explanation of what the claim is for or what prompted it. The comptroller's office refers inquiries about the payments to the agencies responsible for them and the agencies often refer the inquiries back to the comptroller.

The data indicate nearly two-thirds of the money goes to lawyers or law firms. The agencies making the payments tend to be involved with law enforcement, including the State Police, the Department of Correction, sheriffs' offices, and the attorney general. The state's human services agencies are sued by groups trying to force changes in state policies instead of trying to win monetary judgments. But the human services suits often trigger substantial payments for legal fees; one case, for example, resulted in a payment of \$7.1 million in legal fees to a single firm.

Lawrence Friedman, a former partner at Choate, Hall & Stewart who is now a professor at New England School of Law, says everyone needs to keep in mind that the settlements are being paid with tax dollars. "We in essence are funding these settlements," he says. "One would think the people would have an interest in making sure there is an effort to reduce liability. Some will say paying out the settlements is just the cost of doing business, but in the public sector, when there are tight economic times, every penny counts. And when it is our money, when it's tax dollars, that's even more important."

GETTING THE RECORDS

Sunlight is the best disinfectant, according to the well-known saying. When it comes to payouts for settlements and judgments, however, state officials don't seem to want to let the information see the light of day, despite a judge's recent ruling.

Several news organizations, including *CommonWealth*, have attempted to obtain settlement and judgment payments from the state for years. While the total amount of payouts was considered a public record, details on who received the money, how much they received, and the reason for the payments were not because the parties had signed confidentiality agreements.

Last summer, the *Boston Globe* won an order from a

Suffolk Superior Court judge requiring the state to release the names of recipients of settlements involving public money. After a failed bid by the state to amend the judge's order, the comptroller's office released a list showing who received checks from the state's settlements and judgments fund and when. But nothing more. The comptroller says specific information about the nature of the claims must come from the departments. Many of the departments, though, either did not respond to requests (State Police), responded but failed to provide the information (Attorney General Martha Coakley's office), or referred the inquiries back to the comptroller's office.

Some 35 payments made by the governor's office to the law firm of Ropes & Gray illustrate the state's pass-the-buck approach to the records. Initially, the comptroller said any information about what the payments were for

Available records indicate 60 percent of the state's litigation payments, or about \$54m since 2005, go to lawyers or law firms.

would have to come from the governor's staff. Meghan Kelly, a spokeswoman for the Executive Office of Administration and Finance, which is required to sign off on any judgments in excess of \$20,000, responded that the information had to come from the comptroller. The comptroller's office countered that it couldn't say anything.

In the end, an administration official who did not want to be identified said Ropes & Gray was hired in 2007, just before Deval Patrick became governor, to represent outgoing Gov. Mitt Romney and some of his aides in a wrongful termination suit brought by the former head of the Civil Service Commission. Ropes & Gray earned more than \$836,000 in fees over four years before a judge ruled in Romney's favor.

The Department of Correction was a bit more forthcoming about the causes of some of the cases it was involved in during 2012, offering a brief description of what prompted the case—a slip and fall, for example, or a personal injury lawsuit. But any inmate who received a judgment or a settlement was not identified under an exemption designed to protect inmates at state prisons and county houses of correction from being shaken down by other inmates.

"The Supreme Judicial Court recognized the legitimacy of DOC's concerns that there is a strong-arming potential

presented in inmates knowing that other inmates have access to financial resources,” DOC spokesman Darren Duarte wrote in an email.

WHO PAYS AND WHO COLLECTS?

Since fiscal 2005, the state has paid more than 2,200 individual and group claims. The number of claims rose from a low of 126 in 2005 to a high of 345 in 2008 and has remained in the 200 to 300 range ever since. During the first two quarters of this fiscal year, the number of claims totaled 192, a pace that would put the state on track to set a new record.

Of all state agencies, the Massachusetts State Police paid out the most in connection with litigation, more than \$12 million since 2005. The State Police released no information about the agency’s payments, but some clues could be gleaned by researching the names of the recipients. One payment, for \$2.3 million, went to a New Hampshire Superfund site where the agency dumped old munitions. Another payment, for \$200,000, went in 2010 to the estate of Preston Johnson, a Fitchburg resident who was pulled over in 2005 for drunk driving by Trooper Donald Gray and then shot in the back of the head when Gray claimed his life was in danger as Johnson tried to drive away.

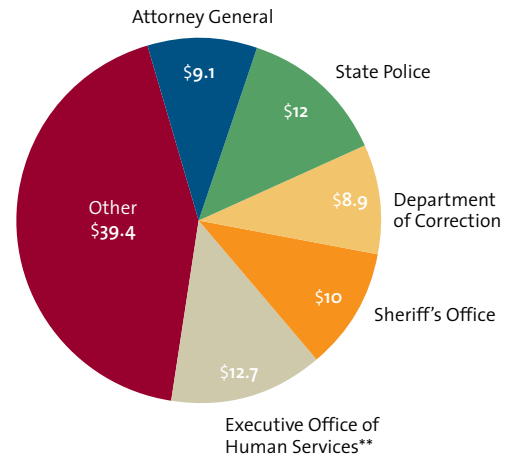
A judge’s inquest recommended Gray should face criminal charges for “wanton and reckless” actions, but a Worcester County grand jury did not indict him. *CommonWealth* recently detailed the case (“Clearing the cops,” Winter ’14) and, in an interview for that story, State Police Colonel Timothy Alben defended the trooper’s action, saying Gray exercised the proper use of force. Alben did not mention any payment to Johnson’s estate. Comptroller records indicate the State Police apparently paid \$45,000 in legal fees in connection with the Johnson settlement.

The attorney general’s office ranks second in claims paid at \$9.1 million, with more than \$8 million going to at least 15 people wrongfully convicted of crimes. The Department of Correction has among the highest claims in both numbers and dollars, with more than 540 individual and group claims totaling more than \$8.9 million since 2005. Included in that total is about \$2.3 million paid to inmates whose names were redacted.

The available records indicate at least 60 percent of the state’s litigation payments, or about \$54.3 million since 2005, go to lawyers or law firms. In some cases, the lawyers are being paid legal fees directly by the state. In other cases, the lawyers merely serve as a conduit funneling money to their clients after taking their fee, which is generally about 30 percent of the total. In those instances, it’s nearly impossible to trace what the litigation payment went for unless the attorney divulges the information.

By their comments, several state officials indicated

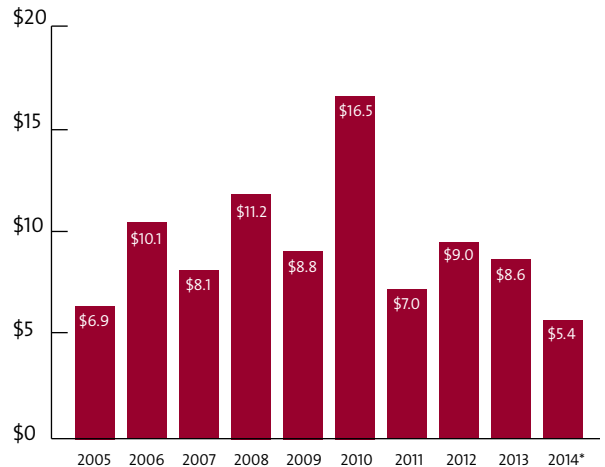
THE TOP FIVE AGENCIES BY PAYMENTS (in millions)



**includes all social service and public health agencies

SOURCE: Massachusetts Office of the State Comptroller. Total of \$92.1 million rises to \$100 million once a fund used to indemnify state employees who are sued individually is included.

SETTLEMENTS AND JUDGMENTS IN THE LAST 10 FISCAL YEARS (in millions)



*First two quarters through Dec. 31, 2013.

SOURCE: Massachusetts Office of the State Comptroller.

they were unfamiliar with the nature of most legal claims against the state. Several spokesmen for agencies said the bulk of the state’s litigation payments are for employment claims—workplace disputes involving individual state workers often settled in arbitration. But a review of the comptroller’s records and the amounts withheld in payroll taxes, an indicator of an employment claim, suggest only a fifth of the litigation payments are employment related. The rest appear to be broader negligence, tort, and civil rights claims.

In fiscal 2012, for instance, the comptroller’s office

issued checks for 78 claims totaling \$2.1 against the Department of Correction. DOC records indicate all but 12 were for employment actions and most were for several hundred dollars. But, all told, employment actions accounted for about one-fifth of the total dollar value—roughly \$460,000—while the dozen civil rights and tort complaints cost the state \$1.7 million, or about 80 percent of the total.

The state's settlement and judgments fund also appears to be a source of last resort for some agencies to make payments that should have been paid from other budget accounts. In 2009, the advertising firm of Hill Holiday Connors was paid more than \$95,000 from the settlements fund for services to the state Lottery. A spokesman for state Treasurer Steven Grossman, who took office in 2011, says the bill was supposed to be paid in the prior fiscal year and when it wasn't the Lottery was forbidden from carrying over payments to subsequent fiscal years. A claim was filed with the threat of suit and a check was then issued 10 days into the new fiscal year.

The state in 2009 also sent a check to the federal government for more than \$1.5 million to satisfy a complaint about nonpayment of withholding taxes for legislators. For years, lawmakers have received a \$7,200 annual expense stipend doled out in monthly payments at the beginning of each month. No taxes were withheld and legislators were issued a 1099 form at the end of each year for tax filing. Because the stipend did not require submitting receipts for reimbursement, the Internal Revenue Service determined the payments were income. Since few lawmakers were claiming the stipend as income on their tax filings, the treasurer's office agreed to make a \$1.5 million payment to the IRS and withhold taxes in the future. Lawmakers never had to pay anything.

LEGAL FEES RISING

Michelle Kosilek is the poster girl for lawsuits against the state. The convicted killer, who as Robert Kosilek strangled his wife to death and was sent to prison, for more than a decade has been pushing the courts—successfully—to order prison officials to help him become a woman.

Since 2002, Kosilek's court-appointed attorneys have argued her constitutional rights were being violated by corrections officials who have refused to pay for a sex change operation that experts testified was medically necessary. Kosilek won her case in 2012 and US District Judge Mark Wolf ruled the state had to pay more than \$700,000 in attorney's fees for her court-appointed lawyers. The attorneys, from the Boston firm of Bingham McCutchen, said in court filings they would waive their award if the state would abandon the case and approve the surgery. The state refused, seeking to avoid a precedent, and is pushing ahead with an appeal.



Michelle Kosilek is one of three inmates who have won cases seeking sex-change operations.

The case illustrates how legal fees can spiral out of control and how the state sometimes pursues legal action even when the likelihood of success is slim. The state has challenged sex change operations for two other inmates and lost both cases. Legal fees paid out in the two cases currently total about \$1.3 million and the meter is still running since the state hasn't ordered the sex change operations yet. Federal Judge Joseph Tauro, who ruled against the state in one case, said "the record before the court indicates that the DOC's pattern of obstruction and delay is likely to continue in the future."

The state has also paid big legal fees fighting challenges to its social service policies by the Northampton-based Center for Public Representation. The center, which advocates for poor, disabled people who need state services, has received \$10.9 million in fees and expenses since 2005.

Cathy Costanza, executive director of the center, says some cases have been settled, but there have been others where the state refused to cut a deal and went to trial. "That's where a huge amount of time and expense goes into these cases," she says. "They opted not to do it. They were very aggressive in defending the cases."

One of the cases, *Rosie D. v Patrick*, initially filed in 2001, became a well-known battle on behalf of needy children. The center sued the state on behalf of low-income children with behavioral and disability issues to force the state to provide needed services closer to their homes rather than forcing them to travel great distances—sometimes hundreds of miles—for those services.

The case was eventually decided in favor of the plaintiffs by a federal judge in 2007, who ordered the state to provide the services beginning in July 2009. The state estimated the cost of compliance would be nearly \$500 million, but that amount did not include attorney fees and expenses of \$7.1 million. The state finally paid the attorney fees, with interest, in 2011.

Steven Schwartz, the former executive director of the center and the lead attorney in the case, says Massachusetts could have saved millions by agreeing to a settlement years before. Federal law, while allowing public interest lawyers to collect “reasonable” and “market-area” hourly rates if they prevail in court, bars payments if the case is settled prior to going to court.

“Before we ever bring the case, we go to whoever the defendant is and we say, ‘This is the case, these are the issues,’” Schwartz says. “If you don’t settle and you have to bring a lawsuit and we prevail, it costs exponentially more than if they had settled with us early on.”

Schwartz, whose fee total in the *Rosie D.* case came to \$1.5 million, says if the state stepped up to its obligations, his fee would not have been necessary. “Steven Schwartz never sees a dime,” says Schwartz, when asked if he’s merely profiting at taxpayer expense. “It all goes to the center to fund the next case. I’m asking the taxpayers first to instruct their public officials to comply with the law.”

SHOULD STATE BE PAYING MORE?

Even though Massachusetts is currently doling out millions of dollars each year in payments related to litigation, some attorneys and lawmakers say it should be paying out more and making it easier for people to recover damages. The hurdles in suing the state include the liability cap of \$100,000, which often makes it difficult to find a lawyer willing to handle the case; defenses not available to private individuals or companies; and the Legislature’s annual underfunding of the settlement and judgments fund. The underfunding means a court victory is often delayed until the state can appropriate more money for paying claims.

“There’s a lot of difficulties in suing the state,” says Frederic Ellis, whose Boston firm Ellis & Rapacki has never sued the state. “Not only is there the \$100,000 [liability cap], but the defenses the state grants itself are pretty impermeable.”

Another attorney who has taken on the state says the attorney general’s delay tactics can cause people with legitimate claims to give up because of the roadblocks put in their way. It can also work against the state, she says.

“It’s been surprising to us how difficult it is, how seriously the Commonwealth pursues the litigation,” says Shannon Liss-Riordan, whose firms have received more than \$1.4 million since 2005 for settlements and judgments.

“They paid much more later on than if they settled a little earlier. It doesn’t seem the Commonwealth should treat these litigations the way private businesses do.”

Like the English crown’s claim of sovereign immunity, the federal government and most states long held their actions were shielded from legal claims. But over time, officials and the courts acknowledged the unfairness of such a doctrine, eventually setting a cap for most negligence claims of \$100,000 in 1978. In the mid-1990s, prompted by a Supreme Judicial Court ruling, lawmakers made it easier to bring claims against the state by easing defenses the state could use and recognizing that state negligence, intentional or not, comes with a cost to citizens.

The changes in the mid-1990s seem to have had an impact on claims filed. Between 1993 and 1995, the state paid a little more than \$687,000 for 22 claims against the Department of Social Services, now the Department of Children and Families. A decade later, from 2005-2007, the state paid out 33 claims for \$1.1 million.

Rep. Denise Andrews of Orange, who is co-sponsor of a bill awaiting a hearing in the Legislature’s Judiciary Committee that would remove the \$100,000 cap on state liability, says the state has to step up to the plate when it makes mistakes and make people whole. Andrews says her bill would allow claimants suing in state court to recover their real damages. She says her bill was prompted by a constituent whose house was ruined when a sewer pipe exploded inside while construction was being done on the road outside her home. Andrews said the house was uninhabitable but the \$100,000 cap prevented the woman from repairing it to its original state.

“The intent is to have reasonable damages covered,” she says. “Today, \$100,000 isn’t as much as it was in [1978] when it was first passed. Houses now are worth three and four times that. It’s not for me to incentivize lawyers to be doing what they’re doing. This is to ensure citizens have reasonable compensation for their losses.”

But Andrews recognizes that any move to lift the cap needs to be accompanied by efforts to reduce claims overall, partly by bringing greater transparency to the entire process and by learning from the state’s mistakes so they aren’t repeated in the future.

“It’s \$100 million of taxpayer money spent. That’s a lot of money,” says the second-term Democrat. “I would like to know why it was spent. What are we paying every day in our operational budgets to make sure people in state government do what we are supposed to do? We should not have to be paying those settlements, but we probably earned them.” **CW**

To do your own review of the state’s settlement and judgments from fiscal year 2005 through the first two quarters of 2014 go to our website, CommonWealthmagazine.org.

**CITY OF
LAWRENCE**
REPAVING: JULY-NOV. 2013



Former Lawrence mayor William Lantigua, far left, regularly supervised street projects and posted pictures of the work to his Facebook page.





Paving the way for votes

BY JACK SULLIVAN

FORMER LAWRENCE MAYOR William Lantigua made street repaving a centerpiece of his reelection campaign last year, particularly in the final throes of the race, but the nearly \$1 million effort doesn't appear to have done the heavily favored candidate much good.

The roadwork touched every political precinct in the city and some repaved streets, such as Salem and South Union streets on the south side and Ames and Water streets north of the Merrimack River, ran through multiple precincts. But some precincts received far more attention than others. Generally speaking, in precincts where his race against Daniel Rivera was in doubt, Lantigua repaved the most streets. In those precincts where he was historically strong or weak, and there was little chance of moving the needle either way, he did almost no roadwork.

For instance, in precinct E-1 in the predominantly white southwest section of Lawrence, an area Lantigua lost to former city councilor David Abdoo in 2009 by a 79-21 percent margin, only one street was repaved and that was on the border with the neighboring precinct. He dropped the precinct in November's election by an 81-19 margin. By contrast, Lantigua repaved six streets in the predominantly Hispanic precinct D-1, which he won by 5 points over Abdoo in 2009 and needed to retain to have a chance at reelection. He lost the precinct in 2013 by 2.6 points and lost the overall election to Rivera in a recount by 83 votes.

Election results overall indicate that Lantigua's asphalt plan was littered with potholes, figuratively and literally. In 2009, Lantigua captured two-thirds of the city's 24

precincts in defeating Abdoo. Against Rivera last year, Lantigua won three fewer precincts and ended up garnering a smaller percentage of the vote in all but four precincts. Even in the precincts where he did the most street work, Lantigua's percentage of the vote declined.

In the final month of the campaign, Lantigua repaved 16 streets for what it would normally cost to do half that number by either repaving without a top-coat sealant or applying sealant to a road just to make it look better. A street without sealant looks good but begins to deteriorate within months after being hit with snow, ice, and rain. Applying a thin topcoat with no underlying repaving is like painting over a house without scraping off the chips.

"It was like putting lipstick on a pig," says John Isensee, the acting director of Public Works. "After they plow it a couple times, the seal coating starts to rip away. The lipstick starts to wear off."

Lantigua's actions are now the focus of a federal grand jury investigation. Whether the repaving was criminal is unclear, but there is no question Lantigua was heavily involved.

City engineer Andrew Wall, who oversaw the work, says nearly all streets in Lawrence require some level of upgrading and the ones selected by Lantigua were no exception. Wall says he made recommendations to Lantigua on streets, but the final decision was always the mayor's.

Isensee, a 35-year veteran of the department, says the mayor clearly had an agenda. "I've never seen a mayor so involved in all my time here." **CW**

PRECINCTS IN ORANGE had just one street repaved, some just on the border of an abutting precinct. These were generally areas that Lantigua won or lost by large margins in 2009 and where he was unlikely to change the outcome much either way.

PRECINCTS IN BLUE had two or three streets repaved. In 2009, Lantigua won eight of the 11 precincts and lost three to David Abdoo. In 2013, he won seven precincts and lost four to Rivera. His share of the vote declined in eight precincts, including a whopping 87 point swing in precinct C-2, where he beat Abdoo by 62 percent in 2009 but lost to Rivera by 25 percent in 2013.

PRECINCTS IN PURPLE had four streets that were repaved. The three precincts included two Lantigua strongholds and one where he lost by a nearly 2-1 margin in 2009. In 2013, he again won two precincts and lost one, but his share of the vote declined significantly in the precincts he won and increased in the one he lost.

PRECINCTS IN GREEN had six or more streets repaved, most of them to industry standards. The four green precincts include two Lantigua won handily, one he won narrowly, and one in which he was beaten by 13 points in 2009. In 2013, his share of the vote declined in all four precincts.

ROADS HIGHLIGHTED IN RED were worked on in the final month of the campaign and the work was performed at a substandard level for appearances sake.



Steve Wynn, in his Las Vegas villa, in front of Picasso's *The Sailor* and a Giacometti sculpture.

Steve Wynn puts his cards on the table

PHOTOGRAPHS BY JEFF GREEN

STEVE WYNN IS giving an art tour inside his villa, which is located inside his Las Vegas hotel and offers a panoramic view of the 18th hole of his lush golf course, complete with a waterfall. His two German shepherds are racing around excitedly, trying to figure out who the visitors are. We stand in the middle of a large, main room as Wynn talks about his Picasso paintings—*The Sailor* on one wall and *Femme au chat* on the other. Dressed in a bright, blue sport coat, Wynn points out the sculpture by Alberto Giacometti over near the bar, the painting by Fernand Léger, and the Matisse

in the next room. He takes us out on the deck to see the statue of Mark Twain sitting on a bench, much like the statue of Red Auerbach down by Faneuil Hall. And then he smiles with delight at his latest acquisition, the Maltese Falcon statue from the 1941 movie of the same name starring Humphrey Bogart. I learn later that Wynn was the secret bidder who paid more than \$4 million for the 45-pound lead statue in November.

A photographer snaps pictures as Wynn poses in front of his artwork and out on the deck with his waterfall in the background. Then it's time to

get down to business. The 71-year-old Wynn heads Wynn Resorts, a publicly traded company that reported \$5.6 billion in revenues last year. Wynn is legendary in Vegas for gambling on high-end luxury casino resorts known for their amenities, service, attention to detail, and the Wynn signature on the outside. He has two towers on the Vegas Strip, another in Macau in China, and he is competing in Massachusetts for a license to build a \$1.6 billion facility in Everett.

Wynn is accustomed to winning, yet he's struggled to gain traction in his battle against Suffolk Downs for a casino license in eastern Massachusetts. From the start he's been told that the struggling horse racing track, with its strong political connections, had the license locked up. He initially tried to interest Foxborough in a casino, but got nowhere. Then he settled on a polluted strip of land in Everett, but his odds of winning the license still seemed long. His chances improved when East Boston voters rejected a casino at Suffolk Downs and the proposed casino operator, Caesars Entertainment, was jettisoned after regulators raised concerns about its operations. But Suffolk quickly recovered, moving its proposed casino to a section of its property in Revere and bringing in Connecticut-based Mohegan Sun and its financial backer, Brigade Capital Management of New York, to run it.

The fight over the eastern Massachusetts casino license has become a battle royale: Locals versus Las Vegas, Indians versus the legend of The Strip. At a hearing before the Massachusetts Gaming Commission in January, Mohegan Sun delivered a polished presentation, with videos and speeches by the many people involved with the project. By contrast, Wynn's presentation was decidedly low tech. His numbers guy gave a brief talk on the finances, and then Wynn stood up and talked without notes for nearly 40 minutes. In our conversation, Wynn echoed some of the same themes—particularly the conflict of interest he says Mohegan Sun would face running casinos in Connecticut and Massachusetts—and clarified why he is seeking changes in the state's gaming laws. He also dished on Suffolk investor Joe O'Donnell, New England Patriots owner Robert Kraft, Gaming Commission chairman Steven Crosby, and Caesars CEO Gary Loveman.

Wynn doesn't talk in bullet points; he likes to tell stories. Some of them are revealing (Wynn, one of the world's best-known casino operators, is the son of a compulsive gambler) while others are just amusing (the same girl dated Wynn and Kraft at the same time during high school and the men never knew they were being two-timed). As he talks, Wynn, who grew up in New Haven, Connecticut, weaves in a Boston accent where appropriate, tells tales of Revere where his father grew up and where Wynn himself spent many summers, and raises his voice or lowers it to a whisper to help make his points. For the CEO of a pub-

lic company, he is unusually frank. What follows is an edited version of our talk with some parts of the conversation rearranged for clarity. For a full, unedited version, go to our website.

—BRUCE MOHL

COMMONWEALTH: I snuck under the fence at your Everett site a couple weeks ago and I have to say you've got your work cut out for you trying to build a luxury hotel there. You've got commuter rail tracks along one side of the property and behind the tracks a Costco and a Target. On the other side of the property is a Boston Water and Sewer pump house and across the street one of the largest power plants in Massachusetts. The land itself is a toxic stew of arsenic, lead, and sulfuric acid. What was your impression when you first visited the site?

STEVE WYNN: Whoa, this is going to be expensive to make it pretty. The most beautiful view is the view of the skyline of Boston over the little inlet. The structure of the property is in effect a peninsula between the tracks and that water cutout, where I guess they used to bring in barges for the chemical company. That was good news and bad news. We're going to have to completely hide the tracks, and take them out visually and experientially—New York windows like they have on Fifth Avenue. We're going to buffer both sides of the property and we're going to pitch the place and the views and the presentation to the river, the waterfront, and the skyline of Boston, which looks quite lovely. I look at property a little different from some people. I say, ok, what are its deficits, what are its advantages. Where's the good news here?

*I look at property
a little different...You
have to take the view
that the place itself
is the attraction.*

CW: What about that giant power plant across the street? That can't be good.

WYNN: We're going to hide that. The rooms don't look at the power plant unless you go like this [he cranes his neck] out of your room. But you'll be up higher. Remember, the





building is on a podium. The first two floors are interior environment and we're in control of that. When you hit the first-floor rooms, you're up five stories. When you get into a room with floor-to-ceiling glass, you're up 50 feet. You're looking over everything and that softens what you experienced the other day. If what you saw is what it felt like, it would be terrible. But that's not what's going to happen.

CW: Still, aren't you going to see the power plant and all of the scrap yards in Everett driving in?

WYNN: You have to take the view that the place itself is the attraction. Its internal excitement and environment trumps any other real estate disadvantages. People come to such places for one reason only: It's an experiential exploration. They come for the fun of it. People are playing the slot machines. People are coming to see a show. People are coming to the nightclub. People are eating at the fancy restaurants. They're shopping at the fancy shops. And if the place does that, then it justifies itself and what's across the street is irrelevant. What's important is what's in that area: museums, the convention center, other hotels, an outrageous amount of higher education. Boston's a destination, so I'm saying if I build something nice I'll be OK. If I'm not right on Boylston Street, it doesn't matter because we're spending \$1.6 billion. The hotel is going to have the biggest rooms in the eastern United States. There's no other hotel that starts with rooms of 600-odd square feet. That's the smallest room in the place. Those are the things you have to take into consideration when you say, what about where you are? It's who you are which is more important. I imagine there are pieces of property with hurdles you can't overcome. I didn't find the site to

A CHALLENGING SITE

Wynn needs to clean up the former site of a Monsanto chemical plant and then construct his hotel in a way that shields patrons from commuter rail tracks and a shopping development on one side and a Boston Water and Sewer pump house and a gas-fired power plant on the other. The Mystic River ebbs with the tide, so the inlet will need to be dredged to provide water access.

be disqualified. I found it to be challenging.

CW: Do you gamble yourself?

WYNN: I played poker until I was about 50. I shoot craps about once every five years. I'm a big success, of course, like everybody else. Am I a gambler? No. My father was a problem gambler, so we lived with the results of problem gaming, the self-destructive behavior that attends such things.

CW: Do you think casinos contribute to problem gambling?

WYNN: The subject came up in New Jersey years ago and they formed the Pathological Gambling Foundation, headed by Dr. Robert Custer. I was fascinated about the subject because of my dad. Dr. Custer was the first one to point out that the existence of a casino does not create more problem gamers. People who love gambling are betting with their bookmaker or engaging in gambling with their friends, betting sports. So Dr. Custer said, Steve, being against gambling is like being against drinking. You can close a bar at midnight, you won't stop one alcoholic. You can close the bars at five o'clock, and you won't stop the alcoholics. They will get the booze. Same with drug people, they'll find a way to satisfy the craving. What is important is that you have a place to treat them.

CW: You seem to have a beef with the Massachusetts regulatory process?

WYNN: Someone decides to do something, like legalizing an activity that heretofore was banned, and everybody says, well, you know what we're going to do? We're going to regulate it. The assumption in that statement is that, without proper regulation, everyone will run amok, terrible things will happen. That primary assumption—that without regulation, everything will collapse—that's false. We're not talking about a floating craps game in the back of a bar somewhere. You can't run this business as a public company without self-regulation. You have to have accountability. What we see when something is first legalized is the creation of an agency and then a very self-conscious, worried approach. Are we doing this right? Are we going far enough? Because without every last measure of antic-

ipatory regulation, the thing will explode. That assumption is totally false. There isn't anything malicious about it. It's just the way it is. We've seen it before.

CW: It's been said you threatened to pull out of the Massachusetts competition when the state Gaming Commission began investigating your Macau operations.

WYNN: I wanted to find out whether our presence in Macau, per se, was a disqualifier. So I placed a call to the chairman [Steve Crosby], one of two phone calls I made to the chairman. He was in a meeting. He returned my call with Judge [James] McHugh. I guess he wanted two people on the call when the police interviewed him. I said, Mr. Chairman, I don't have any desire to waste your time or my own. I want to ask if our involvement in China is itself a disqualifier. If it is, I'm certainly not going to surrender my operation in Macau. He said, Mr. Wynn, what we're interested in here is the standard you employ to run your business in Nevada or anywhere else for that matter. Our job is not to license Macau or regulate Macau. Our job is to understand how you deal with each place in which you are engaged. Does that answer your question? I said, if that's the answer, you have answered my question. That was it.

CW: But the lawsuit against the Gaming Commission filed by Caesars Entertainment suggests Crosby begged you to stay in the Massachusetts competition.

WYNN: Bullshit. That's not what happened and Gary Loveman [the CEO of Caesars] knows that's not what happened. I told Gary what I said just like I just told you. Next thing you know he torqued it around and got creative. Made me angry.

CW: If I understand correctly, you also called Crosby to raise concerns about the commission's timetable for suitability hearings and an Everett referendum. The commission thought the suitability hearings had to be concluded first and you felt the referendum was needed to prepare for the suitability hearings. The commission changed its position after your call, right?

WYNN: They reversed their position, not to do me a favor but because they found out that there was a conflict.

CW: In your filing with the commission, you raised a number of problems with the state gaming law that you feel need to be changed.

WYNN: Each of those things is critical or we wouldn't have made an issue of them. I am not going to lead this com-

pany over a cliff. I am not a Judas goat. I'm the CEO of a public company. I'm dying to build a hotel for a billion and a half dollars in Boston, and I'll bring my capital and experience full tilt to the job personally. But I want the state of Massachusetts to have the same commitment to us as we do to them.

CW: One of your concerns is a requirement that anyone receiving winnings of \$600 must pay withholding on those funds at the casino. Why is that bad?

WYNN: You can't do that. You can't treat everybody like they're a deadbeat dad when they cash out \$600. That's like everybody is presumed to be a bum. A table-gaming person comes in three days in a row. He loses on Friday. He loses on Saturday. He loses \$10,000, but wins \$600 on Sunday. He's lost \$9,400 and they take taxes out. My customers won't put up with that and I won't be part of it. It's an outrageous mistake.

CW: Several lawmakers have told me that your point about withholding taxes is valid and the provision should be changed. But regarding many of your suggestions—tax parity with the Wampanoags, for example—they are way of reopening the debate about gambling.

Each of those things
is critical....I am not
going to lead this
company over a cliff.
I am not a Judas goat.

WYNN: That's very interesting. Is the leadership of the Legislature in Massachusetts dedicated to the pursuit of excellence or is this a political ping pong game? If it's a political ping pong game, it's not the right place for us.

CW: Another of your concerns is the requirement to provide space for compulsive gambling services inside your hotel. What's your problem with that?

WYNN: We're not qualified to run a compulsive gambling facility. I'm not even qualified to pick somebody to run it. The state of Massachusetts is qualified and will have the revenue—from us—to do it. To put a pathological gambling facility in a casino is to put Alcoholics Anonymous in a bar. Anybody that wants me to do that is someone that I need to think about.

CW: In your submission to the commission, you said

you'd walk away from Massachusetts if these problems aren't fixed.

WYNN: I don't know how else to start this conversation to get the state to negotiate with us in order to do this well. So we put in there that if we don't get these types of changes, we have the right to leave. That's always true. If I don't have a casino in Boston, I'm not hurt. But if I have a casino in Boston that's no good, I'm destroyed. We do it right or we don't do it. That's a black and white statement. It's sharp-edged. Those issues that we've highlighted, there is room to deal with them reasonably and you can give someone comfort that if you're not going to deal with it today you can do it tomorrow. I want the discussion. Otherwise, I'm a dope.

CW: When will you pull out if the Legislature hasn't acted?

WYNN: They've got time to do this. There isn't anything we've asked them to do that isn't solvable one way or another. But to not mention it would be an act of gross irresponsibility to my stockholders, my company, and to the state of Massachusetts. Nothing that we've suggested has anything to do with anything except informing the state that certain things they've done are counterproductive to the goals of the legislation and will sabotage the very thing they want to build. A couple of them are so critical that they would really undermine the enterprise and, on those issues, if you aren't going to fix it, I'm not playing.

CW: But Mohegan Downs/Suffolk Downs isn't complaining about the law.

WYNN: They just want me to go away. So they'll run PR. [He adopts a phony-sounding voice.] Steve Wynn is trying to tell Massachusetts what to do. Steve Wynn is this or that. We love Massachusetts. We're compliant. We're grateful. We wouldn't put any politician in an uncomfortable position. Aw shucks, putting politicians in uncomfortable positions, breaks my heart. Well, hello? I'm not apologizing for anything. I'm just trying to be helpful and tell the truth whether you like it or you don't.

CW: How concerned are you about a referendum question making it on to the ballot this November repealing the gaming law?

WYNN: There ought to be a consensus of the people that live there that it's a good idea because without that consensus it's never going to be a good business. When a legislature does it unilaterally and someone says let's have a



referendum to cancel out those assholes in the capital, I'm saying to myself whoa. I hope there isn't a serious issue about the acceptability of it in Massachusetts. That would be disappointing and confusing. When states have ballot measures, my take on this, after having had this job for 40-odd years, is that it's inappropriate for us to work it.

CW: You've said your proposed casino in Everett would be Mohegan Sun's worst nightmare.

WYNN: Absolutely their worst nightmare. I'll take all their top-end table business. Just like that [he claps his hands together loudly]. The only interest of the Indians is to smother this threat to their main business, where they have billions invested.

CW: You don't seem to have a high opinion of Mohegan Sun.

WYNN: No one who was making a major, serious effort would have ever, ever proposed a three-star hotel in the United States of America in my business today. A three-star hotel is a 50-square foot bathroom. You walk in and there's a toilet, a single sink, and a tub-shower combination. Those are 350-square-foot rooms. It's not done. It's outrageous. You'd say it's either a total amateur, someone



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CONVERSATION

who has not done their homework, or it's someone who is saying our major effort is to control this process because we have something going on somewhere else. Clearly, having a hedge fund buy 60 percent of the place, having one guy do the shops, another guy doing the hotel, where's your heart in this project? It sounds like you're trying to finance it out like a shopping center developer.

CW: So you believe Mohegan Sun's real goal is to limit its business in Revere to prevent the Connecticut casino from being hurt?

WYNN: We're going to pay 25 percent on table games. We're not going to have anything to do with Connecticut. They have no tax on table games [in Connecticut], zero. Now, you'd have to be critically handicapped not to see that, from a Massachusetts point of view, it's a disqualifier. To pick Mohegan Sun, if you represent the state of Massachusetts, is an act of gross irresponsibility.

CW: Why do you think your company is better qualified to run the casino?

WYNN: The state of Massachusetts, through its elected representatives, passed a law that said they wanted to create tourism, tax revenue, and jobs. Two of those three things are effects, one of them is a cause. They're not equal. They may be the stated objectives, but employment and tax revenue are the result of increasing tourism in Boston. Unless you have a place that brings people from outside the region in, you don't have the growth and the stability that offsets the rising cost of business. You need to have a growth path in these businesses. When all you do is cater to Everett, Boston, and the immediate area, you have a good first year, and then you stay there. That's what happens with the riverboats. There's an economic downturn in the town, down it goes. I'm not in that business. We're a destination resort kind of place. I backed out of Philadelphia but I stayed in Boston because Boston is a destination city. It has museums. It has all those international students with all those international parents. And I know a lot of them and I'm going to get them to come to our place and bring their money from China, Mexico, and Brazil and every place else.

CW: How well do you think your proposed casino will do financially?

WYNN: I believe the cash flow, the EBITDA [earnings before interest, taxes, depreciation, and amortization] on the hotel will be around \$300 million. This place did \$480 million last year. Macau did \$1.325 billion. I think Everett is a \$300 million business, as we've drawn it, or better. If I spend \$1.5 billion and I get \$300 million, that's a 20 per-

cent return on capital. But I am going to put in as equity \$500 million or \$600 million and borrow \$900 million. So the return on the \$500 million or \$600 million, that's pretty healthy.

CW: What's happened to your Las Vegas business as casinos open across the country?

WYNN: Las Vegas business has suffered. The local business in slot machines and blackjack and craps is the same or less than it was in 2004 because of all the regional gaming and the Indians in California. Las Vegas is still the destination of choice, but instead of coming three times a year they come once and go closer to home. Las Vegas is surviving and growing only because of international business. They come from Latin America, from Europe, and from China. Fifty-two percent of my table business is Chinese, 24 percent is Latin. My American business is 25 percent. Having a casino in Boston will give us a local presence.

CW: The Gaming Commission, on a 3-2 vote, awarded a slots-only license to a Plainville facility, largely because it promised to keep a harness-racing track there going. Do you fear the commission will side with Suffolk Downs to keep the horse track open?

WYNN: Am I worried? No. That is so preposterous. The race track business is dead. Hello? What do you need, a building to fall on your head? Thoroughbred racing is dying. Every slot machine joint put in every track hasn't made one speck of difference. Do we assume that everyone is ignorant of the facts, that no one does any research on gaming, that no one in government is capable of knowing what's going on outside the room? I have no patience for that kind of foolishness.

CW: What is your strategy for Everett?

WYNN: I like being there. I'm putting up with a lot of stuff to get through the process because I like the opportunity. I think we'd be a big hit there if we're allowed to run the business properly. I think everybody would like us once we're there because it will be tasteful, it will be elegant, it'll be fun to go there. And the casino—you won't ever have to see it when you're in my hotel and my restaurants. It's a place where children don't go, with separate access from the garage. You have to walk down the hall, go through a separate foyer into an isolated casino. I want a hotel first in Boston that everybody who doesn't give a damn about a casino wants to stay at because you can charge in Boston. Boston's got a good average room rate. There's rich people there, and a casino is not for poor people. I'm not interested in poor people in a casino at a

resort hotel. I'm interested in people who can afford this and have the intelligence and the wherewithal and the sophistication to know the difference between good and bad, clean and dirty, pretty and ugly. I'm the pretty building guy. It's not for everybody. So all that populist crap is not for me. I build places that are destinations. You want me and my company, that's it. If you don't, my feelings won't be hurt. We'll retire gracefully and thank everybody for their time. But if we're going to do this, this company doesn't do half-ass jobs. The other guys have a completely different agenda.

CW: What's Mohegan Sun's agenda?

WYNN: They will spend the least amount of money. The guys who are supposedly being picked will have bupkus invested when this is over. They will not have a horse in the race. They'll be up the street where they come from. They will have laid off the hotel to some operator. They will have laid off the retail. And they'll have laid the capital off to a hedge fund that will own 60 percent of the operation. What the hell a hedge fund is doing there I don't know. You couldn't have picked someone who was more comparatively disqualifiable unless you picked the other Indian tribe. You can't vilify me enough to overcome the obvious disqualifier of Mohegan Sun.

CW: The conventional wisdom all along in Massachusetts was that Suffolk Downs was going to get the license. Did you hear that?

WYNN: Joe O'Donnell let everyone know from day one that Boston was his. [He puts on a Boston accent.] I'm the guy from Harvard. Suffolk Downs? Don't worry about it. When I was in Foxborough, I bumped into Joe one day. He said, I wish it had been you with me, Steve. Total confidence. Very successful man. A man of respect. He let everybody know—perhaps it was a strategy to discourage competition—that Boston was his. And there isn't anyone in America in my industry who wasn't told that one way or another by him and [fellow Suffolk investor] Richard Fields. They laughed at me. And one of their partners was Steve Roth from Vornado. He came on my boat and he said to me, we're going to kick your ass. He actually said that to me.

CW: Have you had any more dealings with O'Donnell?

WYNN: When we came to Everett, I saw O'Donnell and he gave me the same speech. Steve, you're going to lose, you've got the wrong site. I wish you had been with me, but you've got no chance. When Caesar's took a hike, or got tossed, I called him. He said, what took you so long? I

said, what do you mean? He said, I thought you'd have been here already. This is your chance. Look, I said, I'm calling because I wanted to figure out what your deal is. He said have your guy talk to my guy, we'll tell you everything. He said it's a good thing you're calling me because you have no chance where you are. The next day I called

him back and he asked me, when are you going to withdraw? I said, based on our conversation yesterday, I am calling to withdraw my inquiry to you. I am not withdrawing from Everett. Sorry. Oh well, he said, you've got a problem. Maybe so, maybe so, but Suffolk Downs is not the problem.

We're a better player

CEO Mitchell Etesse says Mohegan Sun is better than the Las Vegas legend



COMMONWEALTH: Steve Wynn says you have an inherent conflict of interest owning a casino in Massachusetts that would be 111 miles away from your casino in Connecticut, in part because the tax rate on table games in Massachusetts is 25 percent and zero in Connecticut.

MITCHELL ETESS: He thinks if he keeps saying things they become the reality. He is also excited about bringing up our partner, Brigade Capital Management. We have a contract with Brigade that forbids us to operate the casino in Massachusetts in any way other than to benefit the casino in Massachusetts. The reality is that the Commonwealth can't be more protected than they are against that issue. Conversely, there is an 8 or 9 percent tax rate in Las Vegas and a 25 percent tax rate in Massachusetts, and he has absolutely no protection for the Commonwealth in that regard.

CW: Are you saying Massachusetts would be off limits to your Connecticut casino?

ETESS: We can't stop people from going wherever they want. But the Connecticut property cannot over-market to the people in the circumference around Mohegan Sun Massachusetts. They do have to sign up in Massachusetts and be there in that database. Once they're in both databases, we cannot, based on their geography, market to them in Connecticut.

CW: You've pointed out that Mohegan Sun Connecticut brought in \$911 million in gaming revenue last year, more than any other casino in the Western Hemisphere. Steve Wynn boasts that his Las Vegas operation brought in more than \$1 billion in nongaming revenue? Which is better?

ETESS: This isn't the Massachusetts non-gaming bill. This is the Massachusetts gaming bill. It's another example of the vast differences between a Las Vegas casino and a Northeastern casino. He's not really focusing on what this is all about, which is driving gaming revenue. This is not Las Vegas. This is about gaming revenue and giving 25 percent of gaming revenue to the state. In Las Vegas, they've got 5,000 hotel rooms or whatever it is; he's got a 600-room hotel here. I don't think he's suggesting he's going to have \$1.3 billion of non-gaming revenue in Massachusetts.

CW: Your site is ready to go, so can you start building much faster than Wynn?

ETESS: We can start within six months and have 30 months of construction. There's a tremendous amount of obstacles to the Wynn project that he doesn't even think about, such as addressing the traffic situation. We haven't seen all the plans and how they're going to work that out. Not to mention all the environmental issues. And the changes in the gaming law. Look, we're not asking for any changes in the gaming law. He's demanded and asked for changes in the

gaming law over and over again, so I find that to be somewhat fascinating.

CW: But some of the changes he's asked for, particularly the tax withholding provision, have received support at the Gaming Commission and on Beacon Hill. When you say you aren't asking for changes, does that mean you don't want them?

ETESS: We will work with the regulators in whatever shape or form they want. If they want to increase [the withholding provision], we're certainly not going to stand in their way. But we're not saying that has to change or we're not going to operate.

CW: If there's a referendum question that makes it to the ballot to overturn the gaming law, would your company be involved in trying to defeat it?


ETESS: We're already part of the group that's going to oppose it. I don't think Mr. Wynn is part of that group.

CW: The Gaming Commission voted 3-2 in favor of the Plainville slots proposal, with the three in the majority saying the continued operation of harness racing was a key factor in their decision. How does that bode for your proposal since you're going to be propping up Suffolk Downs?

ETESS: The owners of Suffolk Downs have stated in writing to the commission that they will keep Suffolk Downs open for 15 years from the time we get the license and they will keep operating between now and the time we open. So, basically, without Mohegan Sun Massachusetts there will be no more Suffolk Downs. I guess that certainly seemed to be a factor in the awarding of the slots license. I would certainly hope we'll be the beneficiary of the same thing, but I don't really know how they'll view this versus that.

CW: Why does Wynn put Mohegan Sun down?

ETESS: Steve Wynn is Steve Wynn, OK? He revolutionized the gaming industry in Las Vegas, right? Boston is a sports town, so I was thinking about it in terms of a sports analogy. Tiger Woods obviously revolutionized golf. He changed the entire way professional golf was played and he was dominant. He was, therefore, a legend in the business. Well, right now, he hasn't won a major tournament in like five years, or whatever it is. There's other people out there who are now better players. That doesn't make him any less of a legend, nor does it make Steve Wynn any less of a legend. All the things he's meant to this industry, which is earth-shattering and incredible, but that doesn't mean that we're not a better player right now, and we really are. **CW**



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To fill our talent pool, fix remedial education

With so many students arriving unprepared, state colleges need flexibility to help them succeed. **BY RICHARD M. FREELAND**

JONATHAN WAS TRYING. But his professor, Mike Williamson of Middlesex Community College in Lowell, could see the student's frustration mounting as he worked, once again, to conquer Algebra 1. He'd placed into the remedial math course based on his standardized college placement exam. And now, he couldn't get out.

Eventually, to Williamson's frustration, Jonathan gave up on the course—and the college. This dynamic plays out for too many students like him, caught in the same cycle of remedial, or developmental, education at public colleges and universities across the state. At community colleges, students arrive unprepared for the rigor of college courses at a staggering rate: 65 percent of students entering community colleges place into remedial math.

The high referral rate to developmental courses creates more than a simple setback for students placing into them; too often, it's a permanent barrier to the dream of a college degree. The failure rates among students taking semester-long developmental courses is alarmingly high. For too many of them, the running-in-place pattern of repeated failure creates insurmountable frustration, while also using up precious financial aid dollars. At community colleges, the vast majority of students placing into developmental math courses will never take a single course for credit—in 2010, only 2,190 of the 11,064 students who took remedial math did so.

As these students walk away from our campuses, the impact is felt by our public higher education system, our workforce, and, ultimately, our state's economy. The Gates and Broad foundations, as sponsors of the Strong American Schools

Campaign, have estimated that the failures of developmental education cost community colleges across the nation \$2 billion in real dollars per year. And according to the Community College Research Center at Columbia University, the price paid by states is tens of millions of dollars each year.

But the less tangible price of developmental education and the attrition that follows is even higher at a macro level, where you can track the economic snowball effect it starts. If students can't escape the treadmill of remedial courses, they can't

graduate. And if they can't graduate, they can't work in high-skilled jobs at a time when our economy urgently needs them.

Here in Massachusetts, that's a price we can't afford to pay. Our state has historically



relied heavily on private universities to drive economic growth. Today, the state has become increasingly dependent on public colleges and universities to provide the backbone of its workforce.

The trend line pointing to an increasing need for post-secondary education and training shows no signs of bending. By 2020, 72 percent of Massachusetts jobs will require some college education; by then, in STEM disciplines alone (science, technology, engineering, and math), demand for workers with associate and baccalaureate degrees will outpace supply by 36,000. Our public colleges and universities, which today educate 67 percent of Massachusetts's high school graduates enrolling in-state, should be poised to fill this demand. Yet not enough of these students ever complete

degrees or certificates to meet our state's workforce needs, with graduation rates remaining flat over the past five years.

The numbers point to a clear path forward. Massachusetts cannot succeed unless our system of higher education succeeds. And, until developmental education is fixed so a higher percentage of students move on to credit-bearing courses, graduate, and make needed contributions to our workforce, that system can't fuel our full economic potential. Helping our public college students succeed is about much more than improving their economic prospects; it's a fiscal imperative for the state.

The Board of Higher Education, charged with positioning Massachusetts public campuses to meet the state's future needs, recognizes what's at stake and is taking action. The board has prioritized reform of math developmental education as part of a multi-layered agenda to ensure that our public institutions are poised to produce the educated citizenry and high-skilled workforce our economy demands. We've done the math, and we know that this is impossible to do without fixing developmental education to produce more graduates.

To begin, the board has asked the colleges and univer-

sities themselves to lead the way toward a dramatic overhaul of developmental education in mathematics, with the belief that change begins at the campus level. Specifically, we've asked them to focus on two areas at the root of the problem and to pilot test promising new approaches.

First, we must reexamine the way students place into remedial courses. Today, every student who registers for community college takes a standardized math test called Accuplacer before walking through the door—sending nearly two-thirds of them to remediation. Yet many edu-

Schools can use other tools to assess student remedial needs.

cators have questioned the validity of this test as an absolute barometer of student readiness for college-level work. With research showing that high school performance can be more predictive of college readiness, the board has removed the Accuplacer requirement for placement to allow campuses wishing to do so to experiment by using other indicators, especially high school GPA, to

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make more accurate assessments.

Second, the board has asked campuses to reimagine the one-size-fits-all pathway traditionally governing general education requirements in math. Today, students are guided through a single progression of math courses heading toward calculus. This begs the age-old question: just how useful is calculus for a student pursuing social sciences or humanities? We believe students would be better served by aligning math requirements with their academic and career interests and therefore with the real requirements of the workplace.

With this approach, a student in a STEM field would still take the traditional calculus-oriented pathway, but a psychology or sociology student would fulfill the math requirement with equally rigorous courses in statistics. A communications or art student might pursue quantitative reasoning. Within this new framework, developmental education courses in math will be aligned with the new, more differentiated, general education course sequences. While better positioning our students to master college-level math, these new pathways also seem likely to provide more useful skills for future careers.

The board will carefully review results of both of these experiments before adopting any new statewide policy.

While campuses experiment with new approaches to placement and program design, they are also trying out promising new ways of teaching developmental math.

A career alignment approach known as “contextualization” is taking hold at Quinsigamond Community College in Worcester, where math topics are based on real scenarios students would encounter in key industries. The goal is to motivate students by showing them why particular skills are essential for success in their chosen fields.

At Middlesex Community College, math professor Mike Williamson is encouraged by early results of the college’s new RAMP-UP program. A so-called modularized approach, the program breaks down semester-long courses into distinct modules. Students must complete four modules with a C grade or better, but if they fail one module they need only repeat that module—not the entire course.

And at Bristol Community College, where a daunting 80-85 percent of students place into developmental education, more signs point to the promise of modularization. With computer-aided module instruction, Bristol’s engineering students complete an average of 4.7 math modules per semester, up from a maximum of four with the old model. The average progress rate is 25 percent higher, saving students up to a full semester as they com-

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plete these prerequisites and accelerate progress toward the ultimate goal: graduation and placement into the jobs that need them.

Some faculty fear that the new approaches encouraged by the board may in essence “dumb down” the curriculum. Others worry that the new math pathways may turn into a de facto tracking system that will be a disservice to at-risk students from low-income and underserved communities. Still others argue that the solution lies in improving the K-12 system.

While it’s true that we won’t solve the developmental education problem entirely until all high school graduates are prepared for the rigors of college coursework, it is also true that preK-12 educators and public higher education faculty are engaged in an unprecedented level of partnership to bridge the readiness gap. This spring, the Department of Elementary and Secondary Education is pilot-testing the new Partnership for Assessment of Readiness for College and Career (PARCC) assessments in math and English, jointly developed by educators in preK-12 and higher education and linked to the Common Core State Standards. One goal of the new assessments is to create clearer pathways for success by identifying areas

of need for earlier intervention with struggling students.

But until every one of our state’s students arrives on campus ready for credit-bearing courses that lead to a degree, developmental education and its economic impact must be our shared concern. Despite the cautionary notes sounded by critics, it is imperative that we allow

At stake is our ability to meet talent demand.

experiments which hold the promise of helping more students succeed.

At stake is our ability to fill the state’s growing need for talent. It’s not enough for Massachusetts to lead the nation in the number of students we send to college; we must also lead in the number who actually graduate. Reaching that goal will require us to do developmental education in math far more effectively than we are doing it now. Our students’ futures—and the future of our state’s economy—depend on it. **CW**

Richard M. Freeland is commissioner of higher education for Massachusetts.

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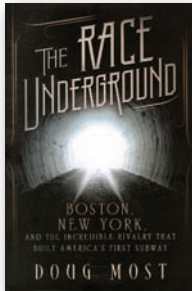
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A can-do attitude

A recounting of the race to build the nation's first subway is as much about American bravado as it is about a transformative transportation project.



The Race Underground: Boston, New York, and the Incredible Rivalry that Built America's First Subway

By Doug Most

New York: St. Martin's Press

404 pages

REVIEWED BY JAMES ALOISI

ONCE UPON A time, before the invention of the internal combustion engine and before Henry Ford perfected the mass production of affordable automobiles, transit was king. It was a brief reign, but significant well beyond its impacts on personal mobility. Public transportation enabled cities such as Boston and New York to expand, attract business, and offer a higher quality of life to their citizens. Shrouded by the mists of time, the pre-auto era of public transportation marked a giant leap forward for congested cities whose citizens suffered the daily indignities of crowded streets filled with unregulated horse-drawn carriages.

It wasn't just equine congestion that made cities nearly unlivable. The streetscape was a visually cacophonous mess of overhead electric and telephone wires, permeated with the sour, often stifling odor of horse dung littering the streets and piled high in empty lots where dung, hay, and assorted other urban refuse were left to rot, a stinking reminder of what it took to satisfy the essential needs of humankind. Leading citizens in 19th-century Boston and New York realized that they would not thrive if they continued to be shackled to 18th-century modes of transportation. It wasn't fitting for cities that aspired to join the ranks of the world's great urban places. For many Americans, the urban gold standard, the place to emulate, was London.

London in the 19th century was the capital city of the world's most powerful nation. Having finished off Napoleon Bonaparte early in the century, Britain proceeded to take command of the oceans and build an empire upon which, famously, the sun never set. The capital city of such a glorious

empire would not stand still or rest on its laurels—it would innovate, it would experiment, it would match daring to progress and offer its citizens the most advanced modes of transportation in the world. And so London, a heavily congested city whose streets (like those of Boston) followed no logical pattern, embraced the idea of moving mass numbers of people on fast-moving trains on a plane outside the commonly understood public realm. They would do so underground.

The notion of underground transit was shocking to many people who believed, as one wag put it, that the only time men should be underground was if they were miners, or when they were dead. The idea of confinement in dark, dank tunnels underground did not appeal. When London opened the first segments of its now fabled Underground system in 1863, it was nearly half a century ahead of what cities in America would be able to achieve.

Doug Most's recounting of the building of the New York and Boston subway systems, *The Race Underground: Boston, New York and The Incredible Rivalry That Built America's First Subway*, is, at its root, neither about a race nor a rivalry. It is instead a panoramic exploration of late 19th/early 20th-century American bravado—the sort of can-do attitude that not only built America's first subways, but also built feats of engineering such as the Brooklyn Bridge and the Cape Cod Canal.

The parallels between the building of the Boston and New York subway systems to the building of the Central Artery/Tunnel Project are both stunning and the cause for reflection. Great cities take bold action at certain critical points in their history, action that represents a quantum leap for-

ward. In Paris, it was the massive city building efforts led by Baron Haussmann; in New York, it was the decision to build and maintain the great Central Park; in Boston, it was the filling of the Back Bay; and, in our time, the grand vision of improved mobility and reclaimed public open space embodied within the Big Dig. The subway systems in Boston and New York fit comfortably into this list of great municipal projects built upon innovation and a collective belief that the city's future depended upon the massive investment and temporary disruption necessary to implement such ambitious projects.

The Race Underground offers both an engaging history of the events leading up to subway construction, and an opportunity to reflect on the importance of public transportation to the health and well-being of our cities. It was as true in the late 19th century as it is today: Dense urban environments depend upon a safe and reliable system of mass transportation that can affordably get people to and from work, school, entertainment, and other destinations.

Without public transportation, cities would soon fall apart under the stress of congestion, pollution, and stagnation. The view was neatly expressed by the engineer William Parsons, founder of the firm Parsons Brinckerhoff, who observed that the “great cities of the Old World show no signs of standing still.” Standing still was not an option if America's cities were going to thrive—and perhaps surpass—their European rivals in the 20th century.

As the tale unfolds, we observe how such large-scale projects actually get done—the dynamic combination of persistent visionaries, quirky innovators, forward-looking political leadership, and profit-minded private sector entrepreneurs. Each had a place and an important role to play in building, first, a public consensus, and then the actual underground subways.

The book's most important achievement is its demonstration of the connections among various emerging technologies—connections that built upon one another to create the right circumstances at just the right time, enabling the construction of underground subways that would be embraced by skeptical citizens. Innovations in the delivery of electric power to trains intersected with innovations in underground tunneling to produce an opportunity moment that is exciting to share through the pages of Most's narrative.

The book also offers important insight into the thinking of civic and political leaders regarding how to finance and control these systems. Boston's Mayor Nathan Matthews Jr. was adamant that there was an important leading role for the public sector, fearing that leaving construction of a mass transit system to the private sector would lead to decision making not fully consistent with the public interest. Public-private partnerships—a financial device that we sometimes believe is of fairly recent vintage—

flourished in a time when wealthy private sector businessmen held much sway over municipal decision making.

Along the way there are the expected false starts, mishaps, and failed experiments. There are also the comings and goings of a parade of wealthy businessmen whose interest in public transport was fueled as much by visions of hefty profits as by public spiritedness. None were more prominent than the Whitney brothers—Boston's Henry and New York's William. Henry Whitney was the driving force moving Boston in the direction of mass transit. A holder of vast tracts of real estate in Boston and Brookline, Whitney saw the importance of public transportation as a way to enhance his property values by enabling unprecedented mobility between Brookline and Boston. The idea that public transportation can trigger economic growth was perhaps more obvious to Whitney than it is to many today who decry the importance of transit expansion projects. One important lesson from *The Race Underground* is that the strategic expansion of transit systems—today's examples would be the extension of the Green Line to Medford and the extension of the Blue Line to Lynn—is not a luxury but a necessity for civic growth.

Most takes us through the decision-making process that ultimately led to the subways we still use today: the choice between the “ugliness of steam and the uncertainty of electricity;” the use of “cut and cover” vs. deep-tunnel construction; identifying the best routes that would both serve clear mobility needs while not completely disrupting commerce during construction. The resolution of these choices would help define the public's perception and acceptance of the new mode of transportation.

Late 19th century New York and Boston were both focused on the urgent need to improve mobility through public transportation, and while the two cities didn't really have a conscious “race” to complete the first subway, they each benefitted from a healthy competitive spirit—a spirit that even today informs every Yankee/Red Sox game. In that unspoken desire for primacy, Boston carried the day. Boston's underground transit system opened in September 1897, giving our capital city the distinction of America's first subway. It was a modest and underwhelming affair—a cut and cover tunnel linking Park Street to Boylston Street, completed in two and half years at a cost of \$4.2 million. The construction had its share of calamities, including a gas explosion that killed 10 people and injured many more and the displacement of nearly 100 long forgotten burial sites, but Boston's builders persevered and the subway was quickly embraced by citizens eager to embrace the future. When you descend the stairway at the corner of Park and Tremont Streets today, you are sharing the inheritance of that experience. **CW**

James Aloisi is a former Massachusetts secretary of transportation.

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