DUMP BIG DIG TRANSIT PROJECTS? • JIM BRAUDE, MULTIMEDIA MAN

CommanWealth



CORPORATE CITIZENS

TALKING JOBS, PHILANTHROPY & CIVIC LEADERSHIP IN A BRANCH-OFFICE AGE

Clockwise from left:
Rosabeth Moss Kanter,
Ferdinand Colloredo-Mansfeld,
Thomas Hynes Jr., and Una Ryan

\$PRING 2005 \$5.00

5 1

0 3746 99374 2

ONE WOMAN'S CAMPAIGN FOR EARLY CHILDHOOD EDUCATION

IS THE STATE HOOKED ON GAMBLING?

MENINO: TAX POWER FOR BOSTON ANDERSON & TYLER RESPOND

MassINC would like to thank the individuals and organizations whose support makes *CommonWealth* possible.

NEW COMMONWEALTH SPONSORS

Chris & Hilary Gabrieli • Nellie Mae Education Foundation

LEAD SPONSORS

Bank of America • Blue Cross Blue Shield of Massachusetts • The Boston Foundation • Mellon New England National Grid • Recycled Paper Printing, Inc. • The Schott Foundation for Public Education • Fran & Charles Rodgers State Street Corporation • Verizon Communications

MAJOR SPONSORS

Ronald M. Ansin Foundation • Citizens Bank • Irene E. & George A. Davis Foundation • Fallon Community Health Plan Fidelity Investments • The Paul and Phyllis Fireman Charitable Foundation • Foley Hoag LLP • The Gillette Company Goodwin Procter LLP • Harvard Pilgrim Health Care • IBM • John Hancock Financial Services • KeySpan Liberty Mutual Group MassDevelopment • Massachusetts Foundation for the Humanities Massachusetts Medical Society • Massachusetts Technology Collaborative • The MENTOR Network • Monitor Group New England Regional Council of Carpenters • Oak Foundation • The Omni Parker House • Palmer & Dodge LLP Partners HealthCare • Savings Bank Life Insurance • Tishman Speyer Properties • Tufts Health Plan William E. & Bertha E. Schrafft Charitable Trust • State House News Service • The University of Phoenix

CONTRIBUTING SPONSORS

AARP Massachusetts • A.D. Makepeace Company • Associated Industries of Massachusetts
Beth Israel Deaconess Medical Center • The Beal Companies LLP Bingham McCutchen LLP • Boston Carmen's Union
Boston Sand & Gravel Company • Boston University • Carruth Capital LLC • Gerald & Kate Chertavian
Children's Hospital Boston • Commonwealth Corporation • Denterlein Worldwide • Dewey Square Group
EMC Corporation • Philip & Sandra Gordon • Greenberg Traurig LLP • Harvard University • Holland & Knight LLP
Home Builders Association of Massachusetts • The Hyams Foundation • Peter & Carolyn Lynch
Massachusetts AFL-CIO • Massachusetts Building Trades Council • Massachusetts Chapter of the National
Association of Industrial and Office Properties • Massachusetts Educational Financing Authority
Massachusetts Health and Educational Facilities Authority • Massachusetts High Technology Council
Massachusetts State Lottery Commission • MassHousing • Massport • The McCourt Company, Inc.
ML Strategies LLC • Monster North America • New Boston Fund, Inc. • New Tilt • Nixon Peabody LLP
Northeastern University • Nutter, McLennen & Fish LLP • Paradigm Properties • Retailers Association of Massachusetts
RSA Security Inc. • Skadden, Arps, Slate, Meagher & Flom LLP • Tevnan & Tevnan • Veritude LLC
Wachusett Mountain Ski Area • Wainwright Bank & Trust Company

For more information on joining the sponsorship program call MassINC at 617.742.6800 ext. 101.



THE MASSACHUSETTS INSTITUTE FOR A NEW COMMONWEALTH

Publisher of CommonWealth magazine

18 Tremont Street, Suite 1120, Boston, MA 02108 Address Service Requested

PRESORTED STANDARD U.S. POSTAGE PAID HOLLISTON, MA PERMIT NO. 72





"Kids are more apt to listen to someone their own age about eating and exercise."

Stephanie Smith, Jump Up and Go!™ peer leader

Since 1998 Blue Cross Blue Shield has worked with extraordinary peer leaders like Stephanie Smith to promote physical activity and healthy eating through its Jump Up and Go! programs. It's a partnership between Blue Cross Blue Shield, local schools and health providers to improve the health and well being of all kids in Massachusetts – not just the Blue Cross members. For more information visit www.bluecrossma.com and click on "Jump Up and Go!"



This year, more than 720 non-traditional adult learners who face barriers to academic success will have an opportunity to earn a college degree.

Through the New England ABE-to-College Transition Project, GED graduates and adult diploma recipients can enroll at one of 25 participating adult learning centers located across New England to take free college preparation courses and receive educational and career planning counseling. They leave the program with improved academic and study skills, such as writing basic research papers and taking effective notes. Best of all, they can register at one of 30 colleges and universities that partner with the program.

Each year, the Project exceeds its goals: 60 percent complete the program; and 75 percent of these graduates go on to college.

By linking Adult Basic Education to post-secondary education, the New England ABE-to-College Transition Project gives non-traditional adult learners a chance to enrich their own and their families' lives.

To learn more, contact Jessica Spohn, Project Director, New England Literacy Resource Center, at (617) 482-9485, ext. 513, or through e-mail at jspohn@worlded.org. (The Project is funded by the Nellie Mae Education Foundation through the LiFELiNE initiative.)



Children spend only 20% of their waking hours in school...









The other 80% of children's time can be filled with activities that promote learning and development or fraught with risk and lost opportunity. Massachusetts 2020 is dedicated to ensuring that these hours are ones of promise, not emptiness, for the children of Massachusetts.



Our mission is to expand educational and economic opportunities for children and families across Massachusetts. Our mission is grounded in the basic philosophy that a quality education and access to economic opportunity are vital to giving every citizen an equal chance to achieve the American Dream.

- Visit us at www.mass2020.org

LET'S GET **REAL!**

Making Massachusetts Work for You

RealTalk is a series of conversations about what young professionals and working adults can do to make a living, raise a family, and build stronger communities for us all. Join in the discussion and become one of the 1,000 participants involved in RealTalk. For information about upcoming RealTalk programs—including our networking events—log on to www.massinc.org or email realtalk@massinc.org.

Presented by MassINC, United Leaders and Boston ONEin3 and supported by over a dozen Greater Boston Civic Organizations.

RealTalk is supported in part by a generous contribution from the New Community Fund.

CommonWealth MassINC

Robert Keough

ASSOCIATE EDITORS

Michael Jonas, Robert David Sullivan

ART DIRECTOR

Heather Kramer Hartshorn

DESIGN CONSULTANT

Ken Silvia

CONTRIBUTING WRITERS Mary Carey, Christopher Daly,

Richard A. Hogarty, Jeffrey Klineman, John E. McDonough, Neil Miller, Laura Pappano, Robert Preer, Phil Primack, B.J. Roche, Ralph Whitehead Jr., Katharine Whittemore

WASHINGTON CORRESPONDENT

Shawn Zeller

PROOFREADER

Jessica Murphy

ISSUESOURCE.ORG COORDINATOR

Jacquelyn Benson

EDITORIAL ADVISORS

Mickey Edwards, Ed Fouhy, Alex S. Jones, Mary Jo Meisner, Ellen Ruppel Shell, Alan Wolfe

PUBLISHER

Ian Bowles

SPONSORSHIP AND ADVERTISING

Rob Zaccardi

CIRCIIIATION

Emily Wood

INTERNS

Eric Wagner, Catherine Watkins, Jenna Wasson

CommonWealth (ISSN pending) is published quarterly by the Massachusetts Institute for a New Commonwealth (MassINC), 18 Tremont St., Suite 1120, Boston, MA 02108. Telephone: 617-742-6800 ext. 109, fax: 617-589-0929.

Volume 10, Number 2, Spring 2005. Third Class postage paid at Holliston, MA. To subscribe to CommonWealth, become a Friend of MassINC for \$50 per year and receive discounts on MassINC research reports and invitations to MassINC forums and events. Postmaster: Send address changes to Circulation Director, MassINC. 18 Tremont St., Suite 1120, Boston, MA 02108. Letters to the editor accepted by e-mail at editor@massinc.org. The views expressed in this publication are those of the authors and not necessarily those of MassINC's

MassINC is a 501(c)(3) tax-exempt charitable organization. The mission of MassINC is to develop a public agenda for Massachusetts that promotes the growth and vitality of the middle class. MassINC is a nonpartisan, evidence-based organization. MassINC's work is published for educational purposes and should not be construed as an attempt to influence any election or legislative action.

directors, advisors, or staff.

CHAIRMEN OF THE BOARD

Gloria Cordes Larson Peter Meade

BOARD OF DIRECTORS

Joseph D. Alviani Ian Bowles, ex officio Andrew J. Calamare Heather P. Campion Kathleen Casavant **Neil Chayet** Vincent Cipolla Geri Denterlein Mark Erlich David H. Feinberg Robert B. Fraser Chris Gabrieli C. Jeffrey Grogan Steve Grossman Raymond Hammond Bruce Herzfelder

Joanne Jaxtimer Jeffrey Jones Tripp Jones Elaine Kamarck R.J. Lyman Paul Mattera Kristen McCormack Melvin B. Miller Hilary C. Pennington Michael E. Porter Mark E. Robinson Charles S. Rodgers Alan D. Solomont Celia Wcislo David C. Weinstein Benaree Wiley

HONORARY

Harold Hestnes

Mitchell Kertzman. Founding Chairman John C. Rennie, in memoriam

BOARD OF POLICY ADVISORS

ECONOMIC PROSPERITY: Wayne M. Ayers, Peter D. Enrich, Rosabeth Moss Kanter, Edward Moscovitch, Andrew Sum, David A. Tibbetts LIFELONG LEARNING: Harneen Chernow, Carole A. Cowan, William L. Dandridge, John D. Donahue, Michael B. Gritton, Sarah Kass, Leonard A. Wilson

SAFE NEIGHBORHOODS: Jay Ashe, William J. Bratton, Mark A.R. Kleiman, Anne Morrison Piehl, Eugene F. Rivers 3rd, Donald K. Stern CIVIC RENEWAL: Alan Khazei, Larry Overlan, Jeffrey Leigh Sedgwick

PRESIDENT & CEO

Ian Bowles

DIRECTOR OF PROGRAM DEVELOPMENT

Katherine S. McHugh

DIRECTOR OF STRATEGIC PARTNERSHIPS Rob Zaccardi

DIRECTOR OF COMMUNICATIONS

Michael McWilliams

WEBMASTER

Geoffrey Kravitz

RESEARCH DIRECTOR

DEPUTY RESEARCH DIRECTOR Rachel Deyette Werkema

RESEARCH ASSOCIATE

Greg Leiserson

DIRECTOR OF PROGRAMS & OPERATIONS

John Schneider

PROGRAM & EVENTS ASSISTANT Abi Green

OUTREACH MANAGER

Emily Wood

DIRECTOR OF FINANCE & ADMINISTRATION David Martin

OFFICE MANAGER & DEVELOPMENT ASSISTANT Caitlin Schwager

RENNIE CENTER FOR EDUCATION RESEARCH & POLICY

S. Paul Reville, Director

Jennifer Candon, Assistant Director

Celine Toomey Coggins, Research Director

The CITIZENS' CIRCLE

MassINC is grateful to the very special individuals whose ideas, advice, and generosity support our work.

Anonymous (3)

Tom Alperin

Joseph D. Alviani &

Elizabeth Bell Stengel

Joel B. Alvord

Carol & Howard Anderson

Ronald M. Ansin

Richard J. & Mary A. Barry

Gus Bickford

Joan & John Bok

Francis & Margaret Bowles

Ian & Hannah Bowles

Rick & Nonnie Burnes

Andrew J. Calamare

Heather & Charles Campion

ricatrici a criaries carri

Marsh & Missy Carter

Neil & Martha Chayet

Gerald & Kate Chertavian

Celine McDonald & Vin Cipolla

Margaret J. Clowes

Dorothy & Edward Colbert

Franz Colloredo-Mansfeld

John Craigin & Marilyn Fife

Cheryl Cronin

Michael F. Cronin

Stephen P. Crosby &

Helen R. Strieder

Jane B. Danforth

Thomas G. Davis

Edward & Paula DeMore

Richard B. DeWolfe

Tim Duncan

Philip J. Edmundson

Susan & William Elsbree

Wendy Everett

Helen Evans Febbo & Al Febbo

David Feinberg

Christopher Fox & Ellen Remmer

Robert B. Fraser

Chris & Hilary Gabrieli

Darius W. Gaskins, Jr.

Paula Gold

Carol R. & Avram J. Goldberg

Philip & Sandra Gordon

Jim & Meg Gordon

Jeffrev Grogan

Barbara & Steve Grossman

Robert Halpin

Bruce & Ellen Roy Herzfelder

Harold Hestnes

Arnold Hiatt

Michael Hogan & Margaret Dwyer

Amos & Barbara Hostetter

Jon B. Hurst

Jeffrey Jones

Robin & Tripp Jones

Sara & Hugh Jones

Maria Karagianis &

Timothy P. O'Neill Dennis M. Kelleher

Tom Kershaw

Julie & Mitchell Kertzman

Stephen W. Kidder & Judith Malone

Anne & Robert Larner

Gloria & Allen Larson

Chuck & Susie Longfield

R.J. Lyman

Carolyn & Peter Lynch

Mark Maloney & Georgia Murray

Dan M. Martin

Paul & Judy Mattera

Kristen McCormack

Peter & Rosanne Bacon Meade

Nicholas & Nayla Mitropoulos

James T. Morris

John E. Murphy, Jr.

Pamela Murray

Paul Nace & Sally Jackson

Fred Newman

Bill Nigreen

Paul C. O'Brien

Joseph O'Donnell

Hilary Pennington & Brian Bosworth

Finley H. Perry, Jr.

Colette A. M. Phillips

Daniel A. Phillips

Michael Pill

Maureen Pompeo

Michael E. Porter

Mark & Sarah Robinson

Fran & Charles Rodgers

Barbara & Stephen Roop

Michael R. Sandler

John Sasso

Karen Schwartzman

Richard P. Sergel

Alan D. Solomont &

Susan Lewis Solomont

Helen B. Spaulding

Patricia & David F. Squire

M. Joshua Tolkoff

Gregory Torres & Elizabeth Pattullo

Pamela & Alan Trefler

Ron Unz

Michael D. Webb

David C. Weinstein

Robert F. White

Helene & Grant Wilson

Leonard A. Wilson

Ellen M. Zane

Paul Zintl

For information on joining *The Citizens' Circle*, contact MassINC at (617) 742-6800 ext. 101

Focusing on the Future

Delivering energy safely, reliably, efficiently and responsibly.



National Grid meets the energy delivery needs of more than three million customers in the northeastern U.S. through our delivery companies Niagara Mohawk, Massachusetts Electric, Narragansett Electric, Granite State Electric and Nantucket Electric. We also transmit electricity across 9,000 miles of high-voltage circuits in New England and New York and are at the forefront of improving electricity markets for the benefit of customers. At National Grid, we're focusing on the future.

NYSE Symbol: NGG nationalgridus.com



CommonWealth

VOLUME 10. NUMBER 2

ARTICLES



52 PRESCHOOL PROMISE
Thanks in part to activist
Margaret Blood, the state has
committed to early education
for all children—hasn't it?
By B.J. Roche

64 HITTING THE JACKPOT Massachusetts has the most successful lottery in the nation, but some political players are looking to add other sources of gambling revenue

DISCUSSION

78 ROUNDTABLE

Five corporate leaders talk about the departure of major companies from Boston, and what the trend means for jobs, philanthropy, and civic life

93 CONSIDERED OPINION

The benefits of Big Dig-related mass transit projects may not be worth their cost By David Luberoff

99 ARGUMENT

Boston needs the power to levy new taxes

By Thomas M. Menino

101 COUNTERPOINTS

By Michael Jonas

By Samuel Tyler and Barbara Anderson

105 REVIEW

The Road to Whatever argues that middle-class youth are being ignored and abandoned, with tragic results By Jack Levin

109 TWO BITS

A population drop can lead to a host of problems for the Bay State By Robert David Sullivan

DEPARTMENTS

- 6 CORRESPONDENCE
- 9 PUBLISHER'S NOTE
- 11 INQUIRIES

State House plagued by leaks of the most literal kind; a campaign to take redistricting away from lawmakers; soaring costs threaten effort to insure low-wage workers

- 17 CIVIC SENSE

 Is it higher ed's turn?

 By Robert Keough
- 21 WASHINGTON NOTEBOOK

 The feds demand more progress
 on state welfare reform

 By Shawn Zeller
- For the good of our economy, the next phase of education reform must aim higher By Paul S. Grogan
- 29 TOWN MEETING MONITOR
 Was the political deck stacked
 against a new library in
 Framingham?
 By Ray Hainer
- 34 STATE OF THE STATES
 Government revenue from gambling activities
 By Robert David Sullivan
- 36 HEAD COUNT
 Cities and towns past their population peak
 By Robert David Sullivan
- 38 STATISTICALLY SIGNIFICANT Home prices; big fish; beaver boom; Sox tix, etc. By Robert David Sullivan
- 41 MASS.MEDIA

 Former political activist Jim

 Braude wins converts as a

 broadcast news star

By Jeffrey Klineman

CORRESPONDENCE

TOWNS KNOW HOW TO RAISE TAXES WITHOUT OVERRIDES

Your article about Proposition $2^{1}/2$ overrides (Head Count, *CW*, Winter '05) fails to mention two important community income-generating sources. These two sources are reinventing the local tax system and increasing tax assessments on property.

First, many communities are now imposing a higher rate for business owners than for homeowners. And there is no depreciation for personal property for the business owner. What business would want to locate in this community?

Second, homeowners are being taxed higher through reassessment. A home assessed at \$170,000 in 2004 may be assessed at \$220,000 in 2005. A community may have lowered the per-thousand tax rate yet raised property values. This gives an illusion of a

tax reduction.

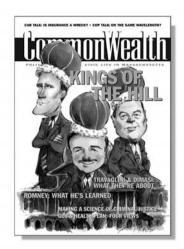
Towns have also resorted to raising fees: inspecting fees, burn permit fees, even schoolbus transportation fees. Even the number of speeding and parking tickets has increased. Is there more crime, or are the communities searching for more revenue?

Who needs Prop. 2¹/₂ overrides when communities can raise revenue without voter approval?

Anthony V. Gauquier Rockland

NEEDHAM'S OVERRIDE DEFEAT NOT ONE FOR RECORD BOOKS

In the Head Count feature on Proposition 2¹/₂, you include Needham among "the biggest [override] defeats," citing a request for "\$17.3 million for 'infrastructure maintenance' in 2002." It should be pointed out that the referendum in question presented three



options (\$6.97 million, \$5.66 million, and \$4.65 million), with only one—at most—to be adopted. Thus the reference to \$17.3 million is an overstatement.

In any event, the voters rejected all three options. The following spring, the town approved a scaled-back \$2.46 million plan.

Prop. 2¹/₂ override questions will continue to present voters in many communities with difficult choices between increased property taxes and funding for services and infrastructure.

Kate Fitzpatrick Town administrator Needham

CORRECTION

"For MCAS passers, demand for remedial courses remains high" (Inquiries, *CW*, Winter '05) reported incorrect figures on placement tests for remedial education at Northern Essex Community College. The sentence on 2003 placement tests should have read: "In 2003, with incoming high school graduates who were all MCAS-certified, 83 percent required remedial math; in 2004, 86 percent of the entering class placed into developmental math—a portion similar to pre-MCAS years." A corrected version of the story is posted at www.massinc.org.

Put yourself in good company

Join the many organizations that support the work of MassINC.

Become a sponsor today and advertise your business in *CommonWealth*. For more information call 617.742.6800 x101.

We have personal reasons for giving back to our community.

We live here. We work here. We play here, too. That's why Bank of America is committed to giving more back to the community we share, the community we all call home.

Visit us at www.bankofamerica.com.



Bank of America, N.A. Member FDIC. ©2004 Bank of America Corporation. SPN-42-AD



A health care company for Massachusetts



From Beacon Hill to the

Berkshires, Fallon Community

Health Plan is Massachusetts'
health plan.

Since 1977, FCHP has been providing unique health care solutions to the Commonwealth.

We offer:

- Carefully developed networks of providers
- A wide variety of product options, including HMO, POS, Medicare Advantage and national PPO plans
- Distinguished health and wellness services, including on-site chronic care management programs and a program of all-inclusive care for the elderly

Most importantly, we have a continued commitment to delivering high-quality health care and exceptional customer service.

After all, we live here, too.

For more information, visit www.fchp.org.



Brave new world?

he spate of sales of large local companies to out-of-state owners has been the topic of water cooler conversation for months now. Recent acquisitions of three prominent Boston-based companies are producing newfound concern about the loss of local identity. As the civic spotlight scans for new people and entities to take their place, one wonders, are we asking the right questions?

In this issue, CommonWealth editor Robert Keough has brought together a remarkable group to consider these questions ("Corporate Citizens," page 78). The central messages that emerge from this wide-ranging discussion of the economic, philanthropic, and civic roles of business in a changing economy are these: Public company CEOs have many more masters than in previous generations, pushing local civic affairs further down the list of priorities; the "headquarters effect" of greater commitment to the city and region where a company is based is real, but so too is the inevitability of corporate restructuring in response to global pressures; as the pool of big corporate chieftains shrinks, it will be critical to engage a wider range of business leaders, including up-and-coming entrepreneurs and executives, in public issues; among those issues, none matters more than education and workforce development; and, finally, never forget that our core competitive advantages as a region are innovation and capital formation.

Harvard economist Ed Glaeser has argued that in our "reinvention economy" churn and innovation are hallmarks of Boston's regional economy over its long history ("Mother of reinvention," CW, Fall '03). Creative destruction of corporate entities is inevitable, Glaeser says, so our community should focus not on companies but on people—their creativity, diversity, and capacity to stay at the cutting edge. This observation—and the roundtable's emphasis on the importance of education and training—reinforce the message of MassINC's New Skills for a New Economy: Our state needs to realign its training and educational resources to today's world in order to close the "skills gap" and meet the challenge of competition from other states and nations.

The roundtable discussion also surfaces issues about the role of state government in economic development. MassINC's report *Lessons Learned: 25 Years of State Economic Policy* grappled with these issues, picking the brains of a bipartisan group of former economic development secretaries. Their conclusion was straightforward: The state can—and should—do little to have a direct impact on private investment. Rather, the state should focus on laying

the groundwork for economic growth: a sound infrastructure, an educated workforce—and consistent, transparent, and predictable regulation, including taxes and zoning.

But what about the civic leadership once provided by the heads of large local companies? One place to look for nominees is in the large nonprofit organizations—the universities and hospitals—that dominate the Boston-area landscape. Our recent study, *The Massachusetts Nonprofit Sector: An Economic Profile*, adds insight to this idea. We find that Massachusetts far outstrips the national average in nonprofit employment and that the sector as a whole—diverse as it is—has seen robust job growth at a time of overall employment decline in the Bay State.

Such a large and growing segment of the economy should be a natural source of leadership as well as jobs (and, in the case of medical and higher-education institutions, spinoffs in the form of new companies), but there is reason to wonder whether even the largest of these nonprofit entities will ever fill the shoes of a large corporation. As "charities" themselves, they are unlikely to perform the philanthropic role of large companies, doling out dollars for worthy causes. And their very rootedness in the community leaves them especially vulnerable to the vagaries of local politics. Unlike corporations, which can locate anywhere, hospitals and universities expand by spreading out; to do that, they need variances and approvals from local officials. Leaders of these institutions will never be as free to challenge the status quo as a corporate CEO.

As much as the sales of Fleet, Hancock, and Gillette have put the implications of mergers on everyone's minds, it's important not to overstate the upheaval in the local scene. Here at MassINC, in our own dealings with companies that have recently changed hands, we haven't seen any wane in interest. Instead, we have seen sustained—in some cases deepened—engagement in local concerns.

But going forward, perhaps we will have to put our expectations about civic leadership in the context of our region's constant reinvention. Venture capital, life sciences, and numerous other areas of invention are already producing the next wave of smart, entrepreneurial individuals, companies, and institutions. It's up to us to engage them in the future of the Commonwealth as a whole.



Ian Bowles

It's not about disability



It's about this ability.

Mellon Financial created a Diversity Council in 2002, led by its chairman Marty McGuinn. Our diversity charter is to speed the journey toward an inclusive environment where every employee feels comfortable participating in, and contributing to, our company's goals.

> Diversity means different things to people. At Mellon, we begin with the belief that each of us performs at our best when we are fully accepted for and not despite - the differences that make us unique.

Mellon Financial Corporation

Asset Management

Institutional Asset Management Mutual Funds Private Wealth Management

Corporate and Institutional Services

Asset Servicing Human Resources & Investor Solutions Treasury Services

www.mellon.com

© 2005 Mellon Financial Corporation



The difference is measurable.®

Plugging leaks in the State House

BY ERIC WAGNER

ater leaking, material falling from the ceiling. The Big Dig? No, the Massachusetts State House. During Gov. Romney's State of the State address on January 13, a lens from one of the more than 70 light fixtures on the ceiling fell to the floor of the House of Representatives, missing several lawmakers only because they were standing for an ovation. "Had Rep. [Jennifer] Flanagan been sitting in her seat, it would have hit her," says Rep. Thomas O'Brien, who had a good view of the fixture's descent.

A few weeks later, members of the House were again attacked from above, this time by a bucket of water. An ice dam had formed on the roof after the March 1 blizzard, and it was "not safe to address the problem from the roof," explains Neil Kilpeck, superintendent of the Bureau of State Reading Room while damage to its chamber's ceiling was being assessed. Last June, a wooden ventilator cover from one of the tiny windows in the ceiling fell and dented the wooden rostrum.

"We are in the process of assessing the maintenance and structural needs of the Senate Chamber," says Senate President Robert Travaglini. "The State House is an irreplaceable treasure of our state and our nation. I take my responsibility for maintaining the portion of the State House under the jurisdiction of the Senate very seriously."

Repairs to the leaky House are being taken care of inhouse, but the Senate work requires the attentions of Building Conservation Associates, a consulting firm that specializes in restoration and repair of buildings and works of art. When projects inside the State House require "consideration with their historical significance," the Massachusetts Historical Commission has to be consulted and BCA may be brought in, says Kilpeck.

Brian Powell, a conservator for BCA working out of Dedham, says that the wooden ventilators are made of an early form of plywood. "The Senate dome is original, and the ventilators were added during a major renovation in the

> 1860s," says Powell. "The ventilators were installed in 1867, and the plywood [covers] in 1897."

> They have been deteriorating for years, says Powell. "They were subject to extremes, presumably getting a variation in moisture, and the glue had begun to release," he says.

> BCA mostly inspected the Senate ceiling from the floor with a telescope, but also set up a scaffold in one of the corners to get a closer look at the ventilators. Then the firm took two of the ventilator covers back to Dedham to experiment, finding the best ways to treat the damage while maintaining histori-

cal accuracy. BCA has also worked on the plaster in the four corners of the chamber and on the scale of justice.

But there is still the larger problem of moisture and leakage that is causing the damage in the building, the oldest parts of which are more than 200 years old. A \$42.5 million facelift of the State House exterior was recently completed, but that concentrated on the front columns, restoration of marble, and the re-settling of the ground, which had shifted over time. Kilpeck says another major renovation is in the early planning stage, and the first thing to be addressed is





Plaster damage in the House chamber (left) and a makeshift water collection system.

Offices. As the ice began to melt, water started to leak into the House. The problem was temporarily solved the way William of Ockham would have done it hundreds of years ago: with a bucket. Unfortunately, the bucket got knocked over, spilling on Rep. Shirley Owens-Hicks.

"I didn't see a bucket fall," she says. "I felt some water and I just ran out of my seat."

But House members were not alone in feeling besieged in their surroundings. The Senate was forced to hold four sessions between February 22 and March 3 in the Senate the roof.

"There's no point in renovation unless you've made sure there's no water penetration," he says. ■

Drafting new rules for redistricting

BY MICHAEL JONAS

system that has "turned democracy on its head"—that's what Pam Wilmot, leader of the Massachusetts chapter of Common Cause, calls the redistricting process: politicians huddling behind closed doors, drawing district lines most favorable to their own re-election prospects. "Rather than us, as voters, picking them," she says, "they choose us."

Common Cause and a coalition of like-minded groups say it's time to turn democracy right side up. They've launched a campaign for an amendment to the state constitution that would strip state lawmakers of authority to set the boundaries of their own districts and those of the state's congressional seats. The amendment would create an independent commission charged with drawing the districts, a system now used in a handful of other states, and one that backers say is gaining support across the country.

This reform impulse comes on the heels of redistricting ruckuses in several states. Legislative district lines are typically redrawn every 10 years, following the federal census. But in 2003, Texas Republicans, after winning control of both houses of the state Legislature in addition to the governor's office, redrew congressional district lines—with a strong GOP bent—just two years after the decennial redistricting. The new map resulted in four Democratic incumbents losing their seats in last year's election—though not before Democratic lawmakers fled to motels across the state line in Oklahoma in a desperate, if comical, bid to stall the process by depriving the Legislature of a quorum.

"That was the straw that broke the camel's back," says Harvard Law School professor Heather Gerken.

But it did not put an end to the line-drawing shenanigans. In March of this year, Republicans in Georgia made moves to pull off a similar mid-decade redistricting, while Democrats in Illinois flirted briefly with the idea of a partisan power grab of their own. "There was always sort of a gentlemen's agreement about how far one would go [in redis-



Pam Wilmot says politicians shouldn't pick their own voters.

tricting], and people have abandoned it," says Gerken, an election law and redistricting expert.

Though many blame the trend on increased polarization between Republicans and Democrats, Massachusetts has witnessed its share of mapmaking mishegaas, even without vigorous two-party competition. In 2001, then-House Speaker Tom Finneran set off an uproar when he unveiled a redistricting plan—later abandoned—that would have wiped out the Merrimack Valley-based district of US Rep. (and fellow Democrat) Marty Meehan, with whom he had

AN INDEPENDENT COMMISSION WOULD DRAW THE LINES.

clashed over the Clean Elections Law. Then, the redistricting of state representative seats approved by the Legislature was overturned in federal court when it was challenged by voting-rights groups alleging that it unconstitutionally diluted minority voting strength. The fallout from that case has continued, with Finneran's testimony in the lawsuit becoming the subject of a perjury probe by the US Attorney's office. None of this has done much for the Legislature's legitimacy in setting political boundaries.

"The process has lent itself to manipulation, and not always in the best interest of voters," says Sen. Richard Moore, an Uxbridge Democrat who is the chief legislative sponsor of the proposed constitutional amendment.

Under the proposal, redistricting would be handled by a nine-member commission, with the chief justice of the Supreme Judicial Court, the secretary of state, the governor, the Massachusetts League of Women Voters, and a major civil rights organization appointing one member each. The Senate majority leader, the Speaker of the House of Representatives, and the minority leaders in each chamber would also each submit five nominees, from which the original five commission appointees would select the four remaining members.

The amendment could be taken up at the next Constitutional Convention—a joint session of the House and Senate—which is likely to take place this fall. But with the ongoing gay marriage debate expected to take center stage, the redistricting issue may be put off until 2006. To advance, the amendment needs to win majority support in the 200member Legislature in two successive legislative sessions, after which it would go on the ballot for approval by state voters, in 2008 at the earliest.

Hedging their bets on legislators' willingness to cede control over redistricting, amendment supporters might shift tactics later this year, pursuing the amendment via initiative petition. Under that route, if proponents gather the requisite number of signatures (about 68,000), the amendment requires the support of just one-quarter of the Legislature (50 members) in each legislative session in order to be put before the voters.

The amendment filed by Moore already has 55 legislative cosponsors, not a bad start for a plan that would strip lawmakers of power over the one thing many of them hold most dear. Majority support is another matter—though if legislative resistance is building, Moore says he hasn't seen it.

"They might be grumbling," says Moore, "but they're not telling me." ■

No easy cure for coverage woes

BY MICHAEL JONAS

or workers at Kids Korner Childcare, a Mansfield day care center, the state's Insurance Partnership program has been a godsend. "It's been more than helpful," says Keith Hayes, the owner of the center, which has 33 employees, 10 of whom are covered through the state program that helps pay for health coverage for lower-wage workers. "It's the difference between some people having insurance and not having insurance. It's as



Think Globally. Act Locally.

Ever wonder what your bank does with your money? Your deposit at Wainwright Bank helps fund homeless shelters, environmental protection. HIV/AIDS services, food banks, breast cancer research and more.

In fact, Wainwright customers have financed over \$400 million in socially responsible community development loans - many right here in your neighborhood.

Join the thousands of consumers, businesses and nonprofit organizations who've chosen Wainwright for all their borrowing and deposit needs.

To find out more, stop by any branch, call 800-444-BANK (2265), or e-mail mail@wainwrightbank.com.

Socially responsible banking is not an oxymoron.





www.wainwrightbank.com

Downtown Crossing . Back Bay Station . Jamaica Plain Kendall Square • Central Square • Harvard Square Fresh Pond Mall . Watertown Square . Davis Square simple as that."

Still, the Insurance Partnership has not exactly lived up to expectations. When it was launched in 1998, officials hoped it would might make a big dent in the population of Massachusetts residents without health insurance, currently about 460,000 people. But as of March, the program was covering just over 13,000 adults and children.

Ron Preston, the state's secretary of health and human services, calls the Insurance Partnership a "modest success." But the reasons for the partnership's only "modest" success may prove relevant this year, as Gov. Mitt Romney, Senate President Robert Travaglini, and House Speaker Sal DiMasi tackle the problem of the uninsured, which they have all vowed to do ("A plan to control costs and insure thousands," Argument & Counterpoints, CW, Winter '05).

Part of the problem, say business leaders, is that subsidies to employers have not kept up with the soaring cost of health insurance premiums. Open to businesses with up to 50 employees, the program provides assistance for the coverage of workers earning up to 200 percent of the federal poverty limit, which is \$37,700 for a family of four—the same standard used to determine eligibility for the state's

Medicaid program, MassHealth, which partially funds the partnership. While the program pays most of the employee share of the premium (a family of four pays just \$24 a month), the subsidy to employers to offset their share (50 percent) has been fixed at \$83 a month, or \$1,000 a year, for a family plan since the program's inception. Thus the employer subsidy represents an ever-shrinking portion of rising premium costs, which now average about \$12,000 a year for a family of four.

SUBSIDIES TO EMPLOYERS HAVE FALLEN BEHIND SOARING COSTS.

"When you look at the cost of health insurance today, the subsidies are not big enough to make health insurance attractive," says Richard Lord, president of Associated Industries of Massachusetts, the state's largest employer association.

Indeed, the partnership's best deal is for the self-employed, since they get both the employer subsidy and the more generous employee subsidy. This, in part, explains why nearly two-thirds of those enrolled in the Insurance Partner-

COMING EARLY IN 2006



A special issue of CommonWealth on Growth and Development: the Future of Massachusetts

Issues of growth and development and their impact on quality of life and cost of living are rising to the top of the state's agenda. This extra edition —the third in the magazine's history — will apply CommonWealth's unique brand of in-depth, nonpartisan journalism to the broad

range of growth and development issues, including zoning, regulation, environmental quality, transportation, housing, and jobs.

In 2004, the CommonWealth Health Care Extra helped frame this year's debates over cost, quality, and coverage in Massachusetts. For 2006, count on CommonWealth to tackle the complex and challenging issues of growth and development in the Bay State.

For more information on sponsorship and advertising opportunities, please contact Rob Zaccardi at MassINC: (617) 742-6800, ext. 101 or rzaccardi@massinc.org.

ship are self-employed individuals—and why fewer than 3,300 employees of small businesses statewide are signed up.

Another obstacle to coverage under the Insurance Partnership is the program's income guidelines, which some say are too low for a high-cost, high-wage state like Massachusetts, where many of the working uninsured have incomes above the cutoff. "The idea is a great one, but I think it's been flawed from the outset," says Cynthia Mitchell, executive director of Island Health Care, a Martha's Vineyard community health center. "It's not hitting the target group."

Working with state officials, the island health clinic, which opened its doors last August, has applied for a federal waiver from standard Medicaid guidelines that would open Insurance Partnership eligibility on Martha's Vineyard to workers earning up to three times the federal poverty rate, or \$56,550 for a family of four.

AIM, the industry group, wants to see income eligibility for the Insurance Partnership raised to that level statewide. The group backed legislation two years ago to raise the income levels, and has had the bill refiled again this year. "The climate this year seems more hopeful," says Lord. "People are talking about expanding access to health insurance. We think this fits in nicely."

How nicely remains to be seen, considering that Romney has ruled out substantial new spending as the way to provide health insurance to the uninsured. By itself, raising the income cutoff or boosting employer subsidies for the Insurance Partnership "isn't a reasonable way of solving this problem," says Preston. Any expansion of coverage must be accompanied by aggressive efforts to rein in the costs of care, the human services secretary insists. The Martha's Vineyard pilot program makes sense, he says, because it will be part of a comprehensive effort by the island's community health center to deliver cost-effective care utilizing the best practices of preventive medicine and management of chronic conditions.

"The big enchilada in all of this is a dedicated delivery system," says Preston. That sounds much like the old system of managed care that took such a beating during the 1990s backlash against HMOs ("Unmanaged Care," CW, Health Care Extra '05). "There is a certain back-to-the-future aspect to it," Preston admits, but adds that a focus on care, not just cost, and a new understanding of disease prevention and management will make it possible to tackle the health coverage challenge without breaking the bank. He says there is "a very real possibility" that such an approach could include subsidies for workers in the higher income bracket the Island Health Plan plans to target on Martha's Vineyard.

"Stay tuned," says Preston. ■



We've been where you want to go.

When your destination is clear, but the path is unfamiliar, it helps to have an experienced guide. One with a reputation for dependability and a solid history of helping others reach their goals. Rely on a law firm that understands where you've been and where you're headed. Nixon Peabody. Move forward.



600 attorneys. 15 practice areas. 15 cities.

100 Summer Street • Boston • 617-345-1000 www.nixonpeabody.com

If you can read this

you can help someone who can't.

CHECK THE BOX ON YOUR VERIZON PHONE BILL TO SUPPORT LOCAL LITERACY.

Check YES by the Verizon Reads box and automatically donate \$1 a month to Verizon Reads, a public charity that supports literacy programs in your area. Contributions can also be made via the World Wide Web at superpages.com.SM For more details just visit www.verizonreads.org. If reading this was enlightening for you, imagine what a lifetime of literacy could do for someone else. Just check the box.

Verizon READS

Make progress every day



Is it higher-ed's turn?

BY ROBERT KEOUGH

earing the title Investing in Our Future, the report of the Senate Task Force on Public Higher Education, chaired by Sen. Steven Panagiotakos of Lowell and Sen. Stanley Rosenberg of Amherst, makes the businessman's case for beefing up the state's public colleges and university, or at least the state's financial support of them, to the tune of \$400 million over the next five to seven years.

Calling the Bay State's "capacity for innovation" its only reliable economic asset, the report warns that we are letting our lead slip away. Then comes the call to arms: "To become a stronger knowledge-based economy, Massachusetts must take bold steps to increase the skills and build the credentials of its workforce" by means of "the single most important strategy for securing our competitive advantage: strengthening public higher education."

It's a compelling argument and, in these quarters, gratifying to hear. MassINC's research and policy papers have been beating the drum for alignment of post-high school education (not only for young people but for adults already in the workforce) with the Bay State's economic development needs (see New Skills for a New Economy and Getting the Job Done) for years now. A state that has slow labor-force growth, nearly all of it coming from foreign immigration, cannot afford to treat its principal vehicle for workforce upgrades—public higher education -as cavalierly as it has always done.

But attending the March 28 press conference where the report was released, I was struck by a couple of other arguments for public higher education "investment"—in policy as well as funding—that put the Senate's bold plan in perspective.

Sen. Robert O'Leary, the Barnstable Democrat who is Senate chairman of the Legislature's new higher education committee, made an argument in three parts. He pointed out that, from a jobs perspective, "higher education is no longer a discretionary choice." To succeed in our knowledge-based economy, he noted, job seekers "need to move beyond high school." His second point: "Private higher education is moving beyond the reach of most of us" in price, a reality driven home by the number of eminent local institutions whose annual charges, including tuition and room and board, now top \$40,000. His third: "We have underinvested [in public higher education] for a century."

On this last point, hold on a minute. It's true that

Massachusetts gets its public colleges and universities on the cheap, and treats them badly to boot, but not because we never give them enough money. The statistics most often cited to put us to shame are repeated in the Senate report: Massachusetts is 49th in the country in state spending on public higher ed per \$1,000 of personal income, and 47th among the 50 states per capita. But that's largely because our public colleges and universities educate a far smaller portion of our population than those of, say, Michigan and California. In 2001, when the state's rankings on these per capita and share-of-income indicators were no better, Massachusetts was a respectable 11th nationwide in spending per student in public higher education (State of the States, CW, Summer '03).

That, of course, was before the budget cuts of the recent fiscal crisis, which made the Bay State fall to the middle of the pack nationally in per-student spending by 2005. This sharp drop is, in some ways, more the point: We in Massachusetts have been unreliable patrons of public higher education, building up budgets in the fat years then slashing support in the lean.

Whether we can continue to get away with funding higher education so capriciously is called into question by O'Leary's first two points, which are undeniable. In the current era, post-secondary education is a necessity, for individuals and for the state's economic future. And the historically preferred vehicle for higher education in these parts—private colleges and universities—is increasingly priced out of reach for a growing segment of the population. For neither its economy nor its people can the Bay State afford to keep feeding public higher education table scraps, even if occasionally plentiful.

here was another intriguing thought that emerged at the press conference. It came from Catherine Latham, whose claim to the microphone was as alumna and parent, but who also spoke as the public school administrator Salem State College and the University of Massachusetts trained her to be.

"I have seen positive and sustained improvement in K-12 education," as a result of the 1990s push for school reform, said Latham. "It's higher ed's turn."

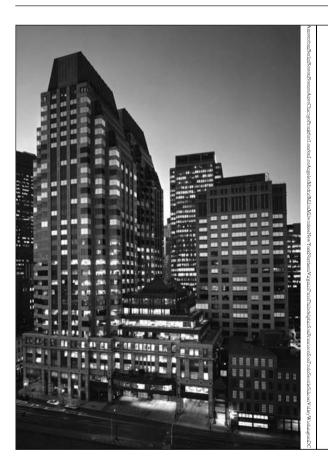
Is it higher ed's turn? The parallels between the Education Reform Act of 1993 and what the Senate task force

proposes are striking, but incomplete. The education reform process of the '90s was marked by two features: a definition of adequate funding (foundation budget), which the state committed to providing in an equitable fashion, and a structure of standards and accountability, which would hold the recipients of that funding responsible for improved performance. Money for accountability—that was the deal, and, for all of the twists and turns of the past dozen years, it has largely paid off.

In terms of funding for higher education, the Senate task force sets its target based on a Board of Higher Education funding formula, which determines the cost of providing widely varying educational programs at each institution. According to the Senate calculation, the gap between adequate funding and current appropriations is \$400 million. That would mean a 44 percent increase over current funding, phased in over five to seven years, but only \$200 million, or 17 percent, above the fiscal 2001 high-water mark, adjusted for inflation. In other words, half of the proposed increase would restore the cuts of the past four years. The other half would bring higher-ed funding to new heights, but based on a reasoned calculation of what high-quality post-secondary education, in all its forms, ought to cost, not a wish list.

If the higher-ed funding formula bears some similarity to the K-12 foundation budget in its rough approximation of educational adequacy, it could serve some of the equity function as well. The Romney administration has, in the past, proposed distributing funds among the campuses on the same formula basis, allocating money according to enrollment and other costs. But the Legislature has insisted on making direct appropriations campus-by-campus, resulting in discrepancies that reflect the political clout of each campus's legislative champions. The Senate panel, following the recommendation of campus leaders, would move toward a more rational (and less political) distribution of resources by dispensing additional funds on a "parity and equity" basis, with each institution getting a share of the expansion money, but those with the greatest gaps getting more.

The parallel with the standards-and-accountability part of K-12 education reform, however, is much weaker. For the most part, the senators rely on "performance measurement" already taking place at the Board of Higher Education and the University of Massachusetts. Mandated by statute in 1997, the Board of Higher Education's exercise in data collection has been a source of bitter struggle between the board and state- and community-college



Tishman Speyer Properties

BOSTON

For information on the Boston portfolio,

please call Thomas N. O'Brien at 617.345.0710

For information on other first-class business locations

across the Americas and Europe,

please call Steven F. Grant, Managing Director

at 212.715.0125



presidents for years now, but is starting to bear fruit.

The campus-by-campus accounts included in the 2004 Performance Measurement Report, which was released in February, can be revealing. Take the long-troubled Roxbury Community College, where the one-year retention rate for first-time full-time students fell from 50 percent to 42 percent in the most recent year (students entering in 2002), far below the 56 percent of its 1999 cohort, the last time RCC matched the community college-wide average.

But overall, there is a Lake Wobegon air to the performance measurement report. The executive summary stresses the targets met or exceeded by state and community colleges last year and makes flattering comparisons with national averages. Such accomplishments are certainly to the institutions' credit, especially under recent fiscal circumstances. But if all of our campuses are above average, could it be that average is not good enough?

Take the first-year retention rate. The Board of Higher Education states that the overall return rates of 75 percent at state colleges and 57 percent at community colleges are "the highest retention rates achieved" to date, and that they "exceed the national averages." But is one quarter of state college freshmen failing to return after their first year, let alone 43 percent of community-college firsttimers, anything to crow about?

Or take graduation rates. At the state colleges, 45.5 percent of students who entered in 1997 had received degrees within six years, a rate the board tells us was 2 percentage points higher than the year before and "comparable to the national average for similar institutions." How could any institution of higher education be proud that more than half its entering freshmen had failed to earn a degree six years later? And if a graduation rate of less than 50 percent is average, why aren't we vying to match—if not overtake -the best, like Virginia (59 percent), New Jersey (56 percent), and Pennsylvania (52 percent)?

Finally, what are the consequences for not meeting campus or system-wide goals? It has taken a long time, but the chickens are finally coming home to roost for schools and school districts that have proved to be "underperforming." Where are the sanctions for higher-ed failure?

Surely, in exchange for a multi-year funding commitment of hundreds of millions of dollars, we should demand meaningful results. After all, as the senators say, our economy, and our people's prosperity, are at stake.

Robert David Sullivan and Eric Wagner provided research assistance.





Because children cannot vote.

Massachusetts Stand for Children is building a statewide voice for children. Since 1999, members —parents, grandparents, teachers, people of faith—in Massachusetts and other states have won 50 victories resulting in better schools and other essential services for hundreds of thousands of children. Together we can spur local communities and the state legislature to make public education and other children's programs a higher priority. Stand with us. 617.817.0455 • www.stand.org



CHECK OUT MASSINC'S NEWEST RESEARCH REPORT

The Massachusetts Nonprofit Sector:

AN ECONOMIC PROFILE

IT'S AVAILABLE FREE AT www.massinc.org





SPONSORED BY:





PROJECT PARTNER:

 $TUFTS \mid \textbf{University College}$ of Citizenship and Public Service

Reforming welfare reform

The next round of debate will follow familiar lines

BY SHAWN ZELLER

n 1995, Massachusetts was ahead of the welfare-reform curve, adopting guidelines aimed at moving welfare recipients from public dole to employment payroll a year before federal legislation was passed to do the same thing. But since then, the state has gone from leader to laggard, and it now faces the loss of federal funds if it doesn't catch up. Problem is, catching up could get tougher if Congress tightens welfare work rules even more, as seems likely. Either way, Massachusetts could maintain some of its more generous supports for welfare recipients, but only if it pays for them with state funds rather than federal dollars—an option favored by some Democratic lawmakers.

How far has the Bay State fallen off the national pace? Since passage of the federal welfare reform law in 1996, the nation's poverty rate has dropped 2 percent, but in Massachusetts, it's fallen only one-tenth of a percent. Across the country, welfare caseloads have declined by 60 percent; in Massachusetts, by 53 percent. And when it comes to the proportion of welfare recipients who are employed, Massachusetts ranks 47th among the 50 states, with just 20 percent of the state's welfare recipients holding jobs.

"The welfare policies that Massachusetts instituted in 1995 were ahead of their time," Gov. Mitt Romney said in January. "But the times have changed, and we now lag behind the rest of the nation."

That's in part because Massachu-

setts has been running its welfare system under a 10-year waiver granted by the federal government in 1995. Issued prior to the federal law, the waiver allows the Bay State to operate under rules that seemed tough at the time but are now less stringent than those in force across the country. The waiver expires in September, which means that Massachusetts will have to comply with federal strictures if it wants to hold onto the \$460 million it now receives for welfare benefits and related programs. So Romney is campaigning to revamp the state's welfare rules, requiring that more recipients work and that those who work toil longer hours.

Under Romney's proposal, all adult welfare recipients with children



proposal would also set a lifetime limit of five years for the receipt of welfare benefits, in keeping with federal rules, and maintain the state's current cap on benefits of two years in any five-year period.

This plan to bring Massachusetts into line with federal rules has already drawn fire from advocates for the poor, and from some Democrats on Beacon Hill. One point of contention has to do with recipients who are disabled. Some advocates pointed out

The state faces the loss of federal funds if it doesn't toughen work rules.

over a year old would be subject to work requirements. Current rules exempt parents with children up to age 2. Romney's plan would also increase from 24 to 30 the number of hours per week that a welfare recipient must work if his or her child is over 6 years old. Recipients with children under age 6, but over 1, would continue to be required to work 20 hours a week. The rules would, for the first time, count community service, education, and job training as work for one year-a substitution long sought by human services advocates but resisted by Romney's Republican predecessors. The Romney

that the changes necessary for conformity would mean that 5,600 recipients certified as disabled by the state, but not by the federal government, would have to go to work or lose their benefits.

"Many parents with disabilities want to work, but not all can," says Deborah Harris, staff attorney at the Massachusetts Law Reform Institute and member of a state commission established by the Department of Transitional Assistance to guide the state's move toward compliance. "You don't help families by cutting off their benefits."

DTA Commissioner John Wagner

says those currently considered disabled by the state—and exempted from work rules-might find employment if more is expected of them. For those required to work under the Bay State rules, the system has worked well, he says, pointing to a study of state welfare recipients who left the rolls in 1998 and 1999. The study found that nine out of 10 had been employed at some point after leaving welfare, and seven out of 10 were still working 10 months later. And Wagner says the state stands ready to help, investing in assessments to gauge the recipient's ability to work and providing supports, such as child care and transportation, to help them hold down a job. Even working 20 hours a week at minimum wage, he says, is enough for a welfare recipient to earn more than the federal poverty level, when state and federal earned income tax credits are considered.

ll this may be just the start of Massachusetts's welfare readjustment if Congress revamps—and toughens—the federal rules. The federal welfare reform law first came up for reauthorization in 2002, but Democratic senators have stopped it so far, forcing Congress to pass continuing resolutions that maintain the 1996 rules and funding levels. When the House passed a reauthorization bill in 2003, all 10 Massachusetts representatives voted against it. Sen. Edward Kennedy blocked a vote in the Senate by insisting that the bill include an amendment increasing the federal minimum wage. But Democratic losses in the 2004 election may make the party skittish about standing in the way again.

The House bill, which will likely re-emerge this year, would require states to have 70 percent of their caseloads working nearly 40 hours a week.

Limited exceptions to the work requirement allow for recipients to pursue vocational course work and college educations full time for four months every two years, and 16 hours per week after that.

For Massachusetts, where only 20 percent of the caseload is working, meeting those standards would be a challenge. But the Bay State shouldn't look for any relief from Congress, where the Republican majority is likely to be listening to the libertarian Cato Institute, a Washington think tank. A Cato report from last October called the Bay State's work requirements "among the most lenient in the country" and "a significant contributor to Massachusetts' lackluster performance in moving people toward self-sufficiency."

Even if Congress moves toward tightening welfare work rules, some in Massachusetts will be pushing for



the state to provide more leniency and more support—for recipients with state funds. Some 25 states have opted to pay certain welfare benefits on their own in order to offer more generous benefits than allowed under federal guidelines. State Sen. Cynthia Creem, a Newton Democrat, and Rep. Antonio Cabral, a Democrat from New Bedford, have proposed legislation to do just that, but its prospects are unclear given the fiscal constraints the state is under. Currently, Massachusetts spends an annual \$360 million to supplement federal benefits.

Human services advocate Deborah Harris says the state should continue to support disabled recipients—those who can't work—with state funds, as it does now. This would not only give recipients the assistance they need, it would also remove them, as stateonly beneficiaries, from the federal work-rate calculation.

Jeffery Hayward, vice president of public policy at the United Way of Massachusetts Bay, who chaired the DTA commission, supports the change in disability policy but wants to see continued work exemptions for women with children under age 2, as well as women in the late stages of pregnancy, along with in-depth assessments by caseworkers that kick in when a recipient is in danger of losing benefits for failing to comply with welfare rules.

Another area where advocates want a state-only system is in education and training. Based on the past House bill, Congress wants to strictly limit education as a work substitute, but the United Way wants more education and training to count against welfare work requirements than even Romney would allow. A program run by the United Way to train people in medical billing, says Hayward, has boosted the trainees' earning potential.

"We put them through a 16-week training program, and then they receive starting jobs with \$22,000 salaries and benefits," says Hayward. "To us that makes a lot of sense."

Romney has pledged to invest \$8 million in education and training programs for welfare recipients, and another \$1.9 million to hire more caseworkers who are trained in screening recipients and determining whether they can find employment. Hayward says that's a good start; Harris says the training funds are not nearly enough.

Meanwhile, in Washington as in Boston, Democrats may find some success in pushing for more funding for child care to accompany heightened work requirements. A year ago, before the reauthorization bill died, Sen. Olympia Snowe, a Maine Republican, won a 78-20 majority for her amendment to add \$6 billion in child care funding over five years. Romnev's proposal would kick in an additional \$6.4 million in state funds for child care, though Harris says that's enough to cover only 800 of the 22,000 children who will need it if Romney's proposal is passed.

US Rep. John Tierney, a Salem Democrat who sits on the committee with responsibility for overhauling the 1996 federal law, thinks the next stage of welfare reform should focus on ensuring that those leaving the rolls are, indeed, finding work. He supported a Senate amendment to the recent House bill that would have provided a credit against the work requirement to states that could demonstrate that those who'd left the welfare rolls were working.

"The mindset and inclination towards work" sparked by the 1996 reforms is "a good thing," says Tierney, but adds, "we've only been partially successful. A wide swath of people hasn't been reached yet." Whether efforts to reach them rely more on the stick of work requirements or the carrot of education and training will be at the heart of this year's debate, on Capitol Hill and Beacon Hill alike. ■

WHO, WHAT, WHERE, WHEN, $WHY_{..}$

look anywhere else when IssueSource.org has the facts on issues in state government?

IssueSource combines the straight-ahead, no-nonsense reporting of State House News Service with the nonpartisan analysis of MassINC's award-winning CommonWealth magazine.

> It's deep. It's fast. And it's from a source you can trust.



BOOKMARK IT TODAY!



Whatever the size of your company, IBM can help you become an On Demand Business. With a combination of industry experience, business insight and executional know-how, we can help you to drive a new standard of productivity, efficiency, and innovation. It's an on demand world. Be an On Demand Business.

ON DEMAND BUSINESS"

The talent-pool imperative

When it comes to school improvement, failure is not an option

BY PAUL S. GROGAN

he recent news that Cincinnati-based Procter & Gamble was buying the Gillette Co. set off the predictable round of hand wringing about Boston's future. Yet the vibrancy of the Massachusetts economy, driven as it is by the Boston region, will depend little on the presence of this or that company headquarters, poignant though their loss might be. Instead, as experience and research both confirm, our economic fate will hinge on the "talent pool"—the supply of skilled and educated workers who live here. And it is in this light that we must consider the next stage of public school reform.

Harvard economist Ed Glaeser has pointed out that Massachusetts has succeeded in a series of astounding economic reinventions, from maritime commerce in the 1700s, to manufacturing in the 1800s, and finally to the "knowledge economy" we now enjoy, resting on higher education, health care, technology, and finance ("Mother of reinvention," CW, Fall '03). The most important ingredient of that economy? Human capital, the educated kind.

In 2003, a groundbreaking study released by the national organization CEOs for Cities showed that in the 1990s, for the first time in history, population growth in metro areas did not account for economic growth. Instead, the number of workers holding a bachelor's degree or higher now drives economic gains. A related finding was that increasing the rate of high school completion mattered very little. Glaeser noted that Boston ranks in the top six metro areas in college completion.

Will we be this competitive in the future? A number of factors will matter—including immigration, housing prices, the health of our local colleges and universities but none will matter more than the capacity of our public schools to turn out graduates ready for college level work. This lends great urgency to a new campaign for excellence in the public schools. It is not hyperbole to say that our collective future depends on it.

Since the landmark Education Reform Act of 1993, the state has been engaged in a mammoth and expensive effort to overhaul its public schools. In light of our talentpool imperative, let's look at the record.

On the plus side, the strategy of massive new invest-

ment, joined to new accountability through high stakes testing, has gotten results. Massachusetts is now among the top five states in math and science. Where we once required only one year of US history and four years of gym to get a diploma, now students must demonstrate basic math and English skills on the MCAS. Despite widespread predictions that MCAS requirements would produce a "train wreck" of failure, 96 percent of our high schools students are passing. Notably, those passing English Language Arts on the first attempt rose from 72 percent in 1998 to 86 percent in 2004, and those passing math on the first attempt rose from 48 percent to 75 percent.

On the funding front, Massachusetts has poured \$36 billion into public education in the past 12 years. Annual state aid to local education has increased from \$1.2 billion before 1993 to \$3 billion today. Unconscionable spending disparities between rich and poor districts have narrowed from 40 percent to 3 percent. For decades, the education debate between liberals and conservatives could be cartooned as "it's all about money" versus "it's not about money at all." The Massachusetts experience proves that money, with standards, is a potent combination. This principle seemed to satisfy the Supreme Judicial Court, which in the recent Hancock decision declined to endorse the "all about money" idea.

But if we think again about our talent pool needs, we have to hope that the hard-won gains of the 1993 reform are merely the prelude to more dramatic progress in the future. After all, the current MCAS graduation requirement is merely an eighth-grade standard. And troubling racial and ethnic disparities persist: While only 2 percent of white students failed MCAS in 2004, 12 percent of African-Americans and 15 percent of Hispanics did not make it over the bar.

Given that the war for talent is increasingly global, we also have to be concerned that US students are falling further behind internationally. According to the best comparative standard, the Program for International Student Assessment, the US places 24th out of 29 countries in math skills. Seen in this light, Massachusetts's high ranking among the 50 states provides limited reassurance. In the 2004 eighth-grade science MCAS, 31 percent of our stu-

TEVNAN TEVNAN

PUBLIC LAW

Executive Legislative Regulatory Municipal

51 Franklin Street •Third Floor•Boston, MA 02110 617-423-4100•www.tevnan.com

Released March 30th The Boston Foundation's New Boston Indicators Report 2002-2004

Thinking Globally/Acting Locally A Regional Wake-Up Call

See How You Can Get Involved



Co-sponsored by The City of Boston/Boston Redevelopment Authority The Metropolitan Area Planning Council



dents failed, with just 34 percent achieving proficiency, and in math, 29 percent of the eighth-graders failed, with just 38 percent achieving proficiency. Clearly, we have a long way to go.

The grimmest news comes from heavily minority urban districts. Recently Mass Insight Education, a reform advocacy group, published a list of the 115 lowest performing schools in the state. Close to 80 percent of the schools are in eight urban districts. In 95 percent of the schools on the list, 70 percent of the students are in the "needs improvement/failing" category in math; only 10 percent of the students in these schools are "proficient" in math. In 90 percent of the schools, more than half are in "needs improvement/failing" in English, and fewer than 28 percent are in "proficient." More than half of these schools have shown no improvement in four to six years.

he next phase of school reform must aim higher for all our students, and it must especially do something about schools that are unable to improve themselves. It will probably not be possible to achieve the former without addressing the latter. To be sure, we have to consider a set of comprehensive goals for all students, which should include raising, perhaps in stages, the minimum MCAS requirements so that they are migrating toward a "college ready" standard. There needs to be a particular focus on math and science excellence. The state should set progressive goals for "advanced" attainment, and individual districts should engage in community-based "proficiency campaigns" of the kind now under consideration in Boston.

Some of the means to these ends will require focused state investment. Just as the \$170 million spent on remediation over the past five years no doubt figured in the overall MCAS success to date, a new set of targeted investments will be necessary to make further advances. These should include intensive teacher training in math and science, longer school days, and/or universal access to after-school programs and early childhood education. A new private sector coalition, the "Great Schools Campaign," which I co-chair with attorney (and MassINC co-chairman) Gloria Larson, has formed to push this agenda.

But fundamental to future success must be a new attitude of intolerance toward prolonged failure—not just by the students, but by the institutions that purport to teach them. The organized education interests can no longer plead that schools cannot be held accountable for the failure of poor, mostly urban children to learn. There are too many success stories sprouting across the state, in regular district schools and charter and pilot schools alike. Charlestown High School in Boston has a 94 percent pass rate on the MCAS. South Boston Harbor Academy Charter School has seen 100 percent of its 10th-graders pass the MCAS in the past two years. The Kensington Avenue School in Springfield, the Richard Murphy School in Dorchester, University Park Campus School in Worcester, the Sterling School in Quincy, the Codman Academy Charter School in Dorchester—all high-poverty schools—significantly outperform schools in their districts with similar populations. It is time to make these successes the rule every school serving low-income students is held to, rather than the exception to be wondered at.

Former President Bill Clinton was fond of saying, quoting Benjamin Franklin, "the definition of insanity is doing the same thing over and over and expecting a different result." Massachusetts heeded this lesson in its 1993 reforms, proving itself willing to do something different in order to obtain better results. We must do so again in the matter of our failing schools.

This is where the politics gets difficult. But just as there are now grave consequences for children who fail the MCAS, there must be grave consequences for the schools that fail those children.

Both the federal No Child Left Behind statute and the state Education Reform Act have eventual consequences for institutional failure, but it's time to hit the "fast for-

ward" button. The 2004 report of the Governor's Task Force on Underperforming Districts, which I chaired, called for the state to make a determination of the will and capacity of each failing district to conduct a "turnaround." If the determination is negative, the district would be placed directly into receivership. Even if the determination is positive, the state would pair the district with a strong outside "turnaround partner" to jump-start reform.

We also recommended that superintendents be given the power to reconstitute the lowest performing schools, a power that would require legislation. In the private sector, failing companies go out of business, are reorganized, or are merged into a company that is more successful. But the organized interests in education have succeeded in staving off similarly stern but necessary measures for failing schools. Opponents of charter schools have taken satisfaction in the state moving to revoke a few charters for non-performance. In reality, this is a point in favor of charters—that, at regular intervals, they are evaluated, and failing schools are shut down. When does this ever happen in a traditional school district—that a school with unsatisfactory performance is simply shut down? Why not make this a universal principle for all the state's public schools, not just charters? In the meantime, at least

The Renewable Energy Trust Works For Massachusetts

More than 350 projects and counting ...



The Dovle Conservation Center in Leominster includes 4,600 square feet of roof-mounted photovoltaic panels, ground-coupled heat pumps, and numerous energy-efficiency and ventilation features

- New energy-efficient schools and workplaces provide healthy environments for students and employees
- Solar installations reaching record highs
- Cities and towns developing small-scale wind projects to meet local electricity needs



Solar power in action with many residential users

Clean energy solutions are good for our economy and our environment.

Visit us at www.masstech.org to learn more



tel 508.870.0312 fax 508.898.9226 www.masstech.org

give district leaders the ability to restructure schools as a remedy for proven failure.

In addition to granting powers to restructure existing schools, we should be sure to make the most of promising efforts to create new schools from the ground up, including charter schools and pilot schools. Although there is plenty of room for expansion under the cap of 120 charters that can be issued statewide, in Boston and some other urban districts the local cap, which limits charters to 9 percent of school spending in any one district, threatens to stop the charter-school experiment in its tracks in the very places it has proved most popular with parents and students. Meanwhile, pilot schools, which are district schools with charter-like characteristics—start-fromscratch schools with considerable management autonomy—have taken hold only in Boston, where they were first developed. Not every effective urban school is a charter or pilot school, nor is every charter or pilot effective. But a great many successful urban schools are charters, pilots, or are similar to them—small start-ups granted freedom from many bureaucratic and contractual constraintsincluding seven of the nine urban high schools statewide identified as "higher performing" by the Rennie Center for Education Research & Policy at MassINC in 2003. The local cap on charter schools should be lifted, and the pilot school approach—developed in negotiation with the Boston Teachers Union—should be transplanted to every struggling urban school district in the state.

If nothing else, it is time we faced the fact that our education reform efforts are impeded by the way our schools are organized and run-archaic, rigid structures, locked into place by voluminous and overly prescriptive teacher contracts. Elsewhere in the country, some union and school leaders are beginning to rethink the form and substance of the modern urban teachers' contract. Is it inevitable that teachers, who say they want more than anything else to be treated as true professionals, must forever look to these obsolete documents for the definition of their rights and responsibilities? Or is there some new compact that could protect wages and benefits but free teachers to be the professionals they claim to be, responsible for making change in their schools, instead of resisting it?

Time will tell. But until that day comes, the state's political leadership must face up to what is required for reform—because prolonged failure is no more tolerable for institutions than it is for students.

Paul S. Grogan is president and CEO of The Boston Foundation.

Denterleir PUBLIC A F F

Geri Denterlein extends a warm welcome to

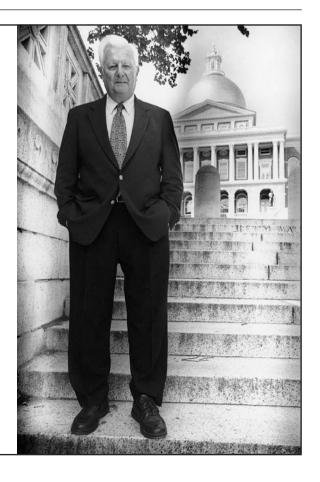
JOHN HENNING

who has joined the firm as Senior Advisor

A respected television journalist, Henning brings extensive experience to our team of professionals.

Strategic Communications • Marketing Media Relations • Crisis Communications

Ten Liberty Square, Boston MA 02109 | 617.482.0042 www.denterleinworldwide.com



TOWN MEETING MONITOR

North side story

Library defeat reveals a geographic divide in the state's largest town

BY RAY HAINER

FRAMINGHAM—Route 9 slices the state's biggest town almost perfectly in two, and the two halves have come to resemble each other less and less. If you live on the north side, chances are that you make more money than the average resident on the south side. You're also more likely to own your home and have a college degree. And you're far more likely to be a white Anglo, as Framingham's growing immigrant population, most notably Brazilian, is concentrated in the town's southernmost neighborhoods. Framingham residents may not think about the schism on a daily basis, but this geographical division may have cost the town \$1.65 million in state aid, earmarked for the rebuilding of the McAuliffe branch library on the north side. At a special town meeting in March, library proponents won 95-51, but with a turnout of 150, that was five votes short of the two-thirds majority needed to move the project ahead—and the lack of support from south side representatives proved to be fatal.

his was the second time in three months that supporters of the branch library narrowly failed to secure the \$4.28 million in town funding needed to supplement the provisional library construction grant. (At a special town meeting on January 12, the vote was virtually the same, 94-50.) That grant was awarded to the town by the state Board of Library Commissioners in January 2004 on the condition that Framingham pony up its own share of the construction costs by May 15 of this year. When that deadline passes—and library proponents have no plans to try again before then -Framingham will go to the end of the line, and will not be eligible for

another grant for at least four years.

At both town meetings, supporters of the proposal, who saw it as a much-needed replacement for an overtaxed facility, encountered opposition from those who saw the new branch library as an extravagance, if not simply a way for north-side residents to avoid downtown.

Although the populations north and south of Route 9 are roughly equal, town meeting members from precincts that lie mostly or entirely on the north side accounted for roughly two-thirds of the 150 representatives who showed up for the March meeting, and they favored the library proposal by a margin of 37 votes, with approximately 70 percent voting "yes." (Town meeting has 216 seats, with 12 representatives from each of Framingham's 18 voting precincts.) But representatives from south-side precincts were almost evenly split, approving the article by just seven votes-not enough to secure the necessary two-thirds vote overall.

The difference in turnout has been evident for more than a decade, and has grown more pronounced. All of Framingham's south-side precincts have seen a decline in town government participation, and the decline has been most dramatic in precincts with the largest immigrant populations.

At the March 15 meeting, 26 town meeting representative seats were vacant-24 of them in south-side precincts, with the remaining two in precincts bisected by Route 9. (Town meeting members are elected to staggered three-year terms, with onethird of the seats up for election in early April of each year. Sitting members can appoint fellow residents from their precinct to fill any vacant seats between elections.) The language barrier may be one factor, but some say there's a simpler reason for the lack of participation.

"A lot of the precincts on the south side are filled with a lot of immigrants who are working two or three jobs, trying to get established, and they just don't have the time to serve," says town clerk Valerie Mulvey.

Victor Ortiz, the chairman of Framingham's southernmost precinct and a 15-year town meeting member, acknowledges the time pressures, but

he also blames his own neighbors for lack of interest in town affairs. Ortiz, a native of Puerto Rico who moved to Framingham in 1978, has repeatedly invited south-side residents to town meeting, explaining that they can be sworn in as members on the spot, but very few take him up on his offer.

"They don't show up," he says. "They don't want to get involved."

Mulvev has had similar experiences. She has offered vacant seats to residents who received write-in votes in previous town meeting elections, but most decline.

"We've gone out to these precincts and really searched for people," she says.

FRAMINGHAM

Incorporated: 1700

Population: 66.910 (2000 Census)

Town Meeting: Representative

and offers a frank assessment of Framingham politics.

"The general decline in citizen participation in community affairs does not hold true for the north side of town," the application states, and goes on to describe Saxonville's "strong sense of neighborhood identity" and its "very active" neighborhood association. "This community spirit can be harnessed to support the library's plans to improve the branch library facility."

That prediction was true, in that library supporters were able to drum up enough interest and collect enough signatures for two spe-

cial town meetings FRAMINGHAM

- ◆ Covering 26.4 square miles, Framingham is bounded on the west by Marlborough and Southborough, on the north by Sudbury, on the east by Wayland and Natick, and on the south by Ashland and Sherborn. It is 19 miles west of Boston.
- ◆ The median sales price for a Framingham home in 2004 was \$361,900.
- ◆ Shopper's World, built here in 1951, was one of the first partially enclosed shopping malls in the country. The original mall was demolished and rebuilt in 1994.
- ◆ The town is home to several large corporations, including Staples, TJX, Bose, and Natural Microsystems, making it one of the economic centers of the MetroWest region.

Meanwhile, on the north side of town, town meeting elections have become more competitive in recent years. It is not uncommon for six or seven people to vie for three or four seats. Some town meeting candidates on the north side have taken to outright campaigning, knocking on doors and printing up flyers.

Indeed, the influential nature of the McAuliffe branch's north-side supporters had been part of the rationale for a new building. The application for state funds, written by director of libraries Tom Gilchrist in the fall of 2000, refers to "the political clout of McAuliffe supporters"

during an unusually harsh winter. But one neighborhood's enthusiasm wasn't quite enough to win over the entire town.

ramingham's main library is on the south side in the downtown commercial district, an area of newly refurbished storefronts and small Brazilian-owned businesses. A sizeable foreign-language section reflects the library's growing emphasis on serving the immigrant community, which now accounts for onefifth of the town's population (with more than half of these new residents arriving in town since 1990).

Some Framingham residents stay away from the area, citing a lack of parking and concerns about crime. They're more likely to use to the branch library in Saxonville, a north side neighborhood along the Sudbury River. The current branch library named after Christa McAuliffe, the Framingham native and schoolteacher who died in the Challenger space shuttle explosion—is a compact, one-story brick building with a turquoise roof that shares the vaguely futuristic look of the main library, though it was built 16 years earlier, in 1963. Directly across the street is the Pinefield Shopping Center, a strip mall with a vast and mostly barren parking lot (part of which would have been bought by the town as the site of the new library), and just north lies a sprawling development of ranch-style homes.

Plans for the new McAuliffe branch called for a building roughly three times the size of the existing one. The proposed design included a vaulted glass space that spans the length of the building, a glass-enclosed children's room, a room for community meetings, a 50-space parking lot, and landscaped grounds.

Few people in Framingham, regardless of where they live, said they were against the new branch in principle. Even the most outspoken opponents conceded that the existing building is outdated and that the proposed design for the new building was attractive. The real debate concerned the expense.

The town's share of the library project, including the purchase of land, would have amounted to just under \$5 million, to be financed with bonds. According to town manager George King, the cost of debt service would have increased Framingham's annual budget by more than \$400,000 for several years. That is not a trifling sum, but it is just a fraction of Framingham's total budget, \$168 million in fiscal 2005.

Library proponents contended that the need for a new branch justified the price tag. The existing branch still has its original heating and air conditioning systems, and they say there is not enough room for a children's reading area and public meetbeholder—especially in a town where the gap in median income between the most and least affluent US Census tracts is more than \$75,000. (By contrast, the gap in Plymouth, a town of about 50,000 residents, is a little more than \$40,000.)

Although the branch is one-tenth the size of the main library, it accounts for 30 percent of the system's circulation.

ing space. Gilchrist, the director of libraries, points out that although the existing McAuliffe branch is roughly one-tenth the size of the main library, it accounts for about 30 percent of the system's circulation. Per square foot, he says, it ranks as one of the busiest libraries in the state.

Need, however, is in the eye of the

Opponents of the project acknowledge that the branch's deficiencies need to be addressed, but they propose cheaper alternatives to a new building, such as renovating the existing library or streamlining the branch's collection. William McCarthy, a member of the capital budget committee, which advises town meeting on capital projects, was one of many who suggested in the weeks leading up to the March vote that a project of this size was not prudent.

"We're going to have some difficult times over the next few years, so I question whether spending 5 million [dollars] on a new building is a good idea right now," said McCarthy, a town meeting member from a precinct that straddles Route 9. "You can't look at that [proposed] building and say, 'We don't want it.' It's a question of whether we can afford it."

The new branch would not have required a Proposition 21/2 override, and therefore would not have raised taxes directly, but the cost of the debt service incurred by the new branch would have been an added expense that could have affected property taxes over time. And even a minimal increase in taxes could prove significant for some residents, says Thomas

Building relationships and stronger communities.

Citizens Bank recognizes the value non-profit organizations provide to our communities. We're committed to delivering a full range of financial services, from Commercial Banking to Cash Management and Investment Services, to help them carry out their missions. For more information call Bruce Figueroa, Senior Vice President at 617-994-7011.



Member FDIC

O'Neil, a town meeting member who also serves on Framingham's Tax Aid Fund Committee, which provides small tax relief grants to needy residents.

"There are a lot of people in this town who are absolutely at their limit," O'Neil says. "We forget how this impacts people with less income."

Supporters also maintained that a new branch library would help spur the revitalization of Saxonville, and potentially draw investors and new residents to the area. In a presentation at the March meeting, Karen LaChance, a library trustee and the chair of the board's building committee, said that a new branch library in Saxonville would increase property values in the area and serve as "a source of civic pride" for the community.

A common rejoinder to this argument was that, even if those benefits

did come to pass, they would not extend far beyond Saxonville-and yet would be paid for by the whole town. As town meeting member Antoinette Burrill (one of the few north-side representatives who opposed the library), told town meeting in March, "The fact that the neighborhood in Saxonville would be rejuvenated is of no help to the average taxpayer and the average senior citizen trying to get by in this town."

One point of consensus was that the town probably wouldn't have even considered a new library without the incentive of the state grant, which covered nearly 40 percent of the project when the town filed its application with the state in January 2001. Due to inflation in construction materials and other costs during the past four years, however, the state's share had shrunk to just under a quarter of the total project cost by the March town meeting.

Some skeptics suggest that the grant was used to create a false sense of urgency, and to goad ambivalent town meeting members into approving a fiscally unwise project. O'Neil, for one, characterized the grant as "bait."

"I think a lot of people are saying, 'Grab the money while we can,'" he said before the March meeting. "Many, many people will vote for this simply because the state is dangling money out there."

But supporters of the new branch, such as Jeanne Bullock, chairman of both the capital budget committee and her north-side precinct, say that taking advantage of state money for a major capital project is merely common sense.

"You try to get the most you can for the town for the least amount of money," she says.





Children's Hospital Boston

Where the treatments of tomorrow are available today.

www.childrenshospital.org

or all the talk about how library services benefit everyone, the greatest passion for the new branch seemed to come from north-siders and from politically active Framingham residents-two groups with a lot of overlap.

As Gilchrist puts it, "A lot of people who are library supporters are people who are active. They're active in the schools, they're active in local government."

Still, the north side's clear edge in activism couldn't produce the twothirds majority needed to approve the project. State law requires this "supermajority" approval of town meeting for all capital projects that require bonding, as well as in any matters that concern zoning or eminent domain.

In some cases, the two-thirds rule allows a minority of residents with narrow interests to block projects that may be beneficial to the town as a whole. In Framingham, however, some view the supermajority requirement as a check against what would otherwise be the disproportionate political power of the north side. And as animated as the library debate has been, both supporters and opponents of the new branch agree that the requirement ensures a meaningful consensus on certain important matters.

"I would hate to see them change a rule a like that," says O'Neil, who was skeptical of the library branch proposal. "You have to work harder for it [a two-thirds majority], but once you get it, you know you have the largest majority in town."

Even Gilchrist, the director of libraries, feels that requiring a supermajority is reasonable for projects that involve municipal debt. "In a vote that will tie the town into a longterm commitment, it doesn't really seem inappropriate to me," says Gilchrist. "But it does make it difficult. It means that you have to be that much more convincing."

In the end, Gilchrist and the supporters of the new branch were unable to convince a resolute minority to go along with their plans, a minority that included south-side representatives such as Ortiz, the town meeting veteran from Framingham's southernmost precinct. "They're pushing this issue down our throats," said Ortiz a few weeks after the January town meeting. "On the north side, they want a new, nice-looking library, and they want the taxpayers to pay for it."

By all accounts, the debate over the new branch library was one of the more emotional to occur in Framingham in recent memory.

"I actually saw a town meeting member put her face in her hands and cry when the library was rejected," said Antoinette Burrill after the March 15 meeting.

In some ways, the proposal for the new McAuliffe branch highlighted fault lines in town meeting beyond the familiar north/south divide. Gilchrist alluded to these in February. "Framingham is a town that has a lot of geographic, ethnic, cultural [divisions]—all of the issues that you see in the red state/blue state debate and it is also thought to be the largest municipality in the United States governed by representative town meeting. But efforts at change have so far met with resistance. In 1997, a ballot question to institute a city form of government, complete with a mayor and a city council, was rejected by nearly 70 percent of voters.

he divisions in town meeting laid bare by the library debate are not likely to heal quickly now that the project has been rejected and put to rest-if anything, the opposite seems more likely. Library supporters and opponents alike fear that the rejection of the new branch has left a bitter taste in the mouths of many on both sides that could last for some time, and could carry over to Framingham's annual town meeting, which begins April 26.

"I think this is going to be a very emotional annual town meeting," says north-side representative Bullock, an erstwhile supporter of the new branch. "I just hope people settle down. They're so polarized about everything."

'I just hope people settle down. They're so polarized about everything.'

run through Framingham politics through and through," Gilchrist said. "Framingham is really a unique community because of the way that Route 9 and the Mass Turnpike divides the town in half, and there's no question that all those concerns play into the debate."

This complexity leads some to conclude that, after some 300 years, Framingham has outgrown the town meeting form of government. Town meeting is "not really a representative body anymore," says town manager King. Framingham is the largest town in the Commonwealth,

Burrill, too, suspects that the bitterness caused by the rejection of the library will not be short-lived, if her experience at the March 15 meeting is anything to go by. "For the very first time," Burrill said the following day, "people I've known for many, many years did not speak to me last night when I exited, because they supported the library and I didn't. I tried to say good night to them, and they wouldn't respond. One has to ask why." ■

Ray Hainer is a freelance writer living in Roslindale.

Risk takings

Dozens of state governments are increasing their dependence on revenues from lotteries and casinos, but even without slots and table games Massachusetts is near the head of the pack. In fiscal year 2002, revenue from gambling activities, almost all of it from the state lottery, accounted for 4.24 percent of the state's total revenue, up from 2.69 percent five years earlier. ("Revenue" includes proceeds from lottery programs minus prizes and administrative costs, as reported to the US Census Bureau. In the Bay State's case, it also includes some \$239 million that was then paid out as commissions and bonuses to lottery agents.) Among the 10 states most dependent on gambling revenue, Massachusetts is the only one without casinos or video lottery games. Indeed, the lottery is so successful here that Massachusetts has overtaken two casino states, Connecticut and New Jersey, by two criteria—total gambling revenue (\$1.1 billion in 2002, second only to New York) and in the percentage of state revenue that comes from gambling sources.

Twenty states depended less on gambling revenue in 2002 than in 1997 (though gambling revenues still rose in five of them). Several had no lotteries and collected taxes only from the shrinking racetrack market. Census figures indicate that a few others, notably Oregon and Pennsylvania, increased the percentage of lottery revenue that is disbursed as prizes (from about 50 percent to 70 percent), presumably hoping that what worked in Massachusetts will help boost sales in their own states.

Ohio's drop in gambling revenue coincided with the introduction of casinos in next-door Indiana, new video lottery outlets in next-door West Virginia, and the growing popularity of tickets for the multistate Power Ball lottery (not sold in Ohio but in four of the five states that border it). Ohio's loss at the hands of other states suggests that rising gambling revenues aren't always a sure thing.

According to the North American Association of State and Provincial Lotteries (www.naspl.org), lottery sales increased by 4.4 percent in Massachusetts during fiscal year 2004, against a nationwide increase of 8.0 percent. The biggest increase came in South Carolina (up 31.2 percent), which introduced its games three years ago. But that state's annual lottery sales of \$228 per capita is still far short of the Bay State's \$681 per person.

ROBERT DAVID SULLIVAN

STATE REVENUE FROM GAMBLING ACTIVITIES

O I A	IL KLYLNOL I KON	GAMBEING 7	ACTIVITIES	
RAN	IK / STATE	2002 REVENUE FROM GAMBLING (000s)	GAMBLING REVENUE AS % OF ALL REVENUE, 2002	GAMBLING REVENUE AS % OF ALL REVENUE, 1997
		<u>.</u>		
	NEVADA* DELAWARE**	\$720,700 \$330,700	10.46 6.83	7.59 3.94
	SOUTH DAKOTA**	\$110,700	4.44	4.15
	RHODE ISLAND**	\$215,600	4.41	2.46
	MASSACHUSETTS	\$1,140,400	4.24	2.69
	CONNECTICUT	\$648,200	3.81	3.26
	INDIANA	\$691,400	3.44	1.02
	NEW JERSEY	\$1,122,400	3.43	2.70
	WEST VIRGINIA**	\$312,600	3.42	1.08
	LOUISIANA	\$613,100	3.39	0.67
	GEORGIA	\$723,400	2.91	2.34
	ILLINOIS	\$1,137,200	2.77	2.28
	IOWA	\$249,600	2.24	1.68
	MARYLAND	\$448,200	2.16	2.02
	FLORIDA	\$946,100	1.98	2.13
	MISSOURI	\$376,200	1.97	1.54
	COLORADO	\$207,600	1.76	0.80
18.	MICHIGAN	\$734,500	1.67	1.31
	MISSISSIPPI*	\$184,200	1.67	2.05
20.	TEXAS	\$967,000	1.60	1.90
21.	NEW YORK	\$1,617,900	1.55	1.65
22.	NEW HAMPSHIRE	\$71,500	1.54	1.68
23.	VIRGINIA	\$313,100	1.33	1.46
24.	MONTANA	\$51,900	1.29	0.17
25.	OHIO	\$553,200	1.22	2.34
26.	KENTUCKY	\$183,700	1.14	1.16
27.	OREGON**	\$151,700	1.02	3.63
28.	MAINE	\$46,900	0.86	1.04
29.	PENNSYLVANIA	\$345,200	0.75	1.43
30.	NEW MEXICO	\$63,100	0.72	0.34
31.	CALIFORNIA	\$1,063,500	0.70	0.62
32.	KANSAS	\$63,700	0.69	0.70
33.	WISCONSIN	\$124,400	0.60	0.58
34.	NORTH DAKOTA*	\$16,600	0.55	0.39
35.	ARIZONA	\$88,500	0.51	0.60
	MINNESOTA	\$114,400	0.51	0.56
37.	VERMONT	\$16,300	0.50	1.10
38.	IDAHO	\$21,300	0.47	0.42
39.	NEBRASKA	\$25,100	0.42	0.52
40.	WASHINGTON	\$97,800	0.41	0.37
41.	SOUTH CAROLINA*	\$29,000	0.17	0.20
42.		\$10,100	0.08	0.15
	ALASKA*	\$2,500	0.05	0.02
	ARKANSAS*	\$4,400	0.04	0.09
, -,	NORTH CAROLINA*	\$11,100	0.04	0.00
46.		\$3,700	0.04	0.03
47.	WYOMING*	\$200	0.02	0.00
48.		\$200	0.00	0.00
40.	TENNESSEE*	\$0 \$0	0.00	0.00
	UTAH*	\$0	0.00	
			1.56	0.00 1.41
	US TOTAL	\$17,082,700	1.00	1.41

Note: States in italics received more than half of their gambling revenues from sources other than lottery programs (e.g., taxes and other payments from casinos $\frac{1}{2}$

^{*}No state lottery. Since 2002, lotteries have been implemented or authorized in North Dakota, Oklahoma, South Carolina, and Tennessee

^{**}State lottery revenue includes proceeds from video lottery terminals.

The Rennie Center at MassINC

Promoting the improvement of public education in Massachusetts by putting knowledge to work



Our Belief. If we are to meet the ultimate, school reform goal—improving students' educational opportunities and achievement—professional relationships in the field must be fundamentally transformed.

The Challenge. New accountability requirements, coupled with increasing competition, make it imperative that professionals in school systems find new, more effective ways of collaborating to improve student achievement.

Our Strategy. We have launched a multiyear effort involving research, publications, public convening, and field work with district teams to transform professional relationships between teacher unions, superintendents and school committees.

Our Goal. We seek to improve student achievement by creating the opportunity for professionals to collaborate and innovate to meet challenges, respond to evidence, and put knowledge to work for the benefit of children.

To learn more, visit: www.renniecenter.org



CITIES AND TOWNS WITH POPULATION LOSSES

According to 2003 estimates from the Census Bureau, 126 of the state's 351 communities (shaded on the larger map above) are now short of their population peaks. In some cases, such as Cohasset, Natick, and Woburn, the high-water mark came in 2002, and the population drops have been tiny. But the cities of Chelsea, Everett, Fall River, Lawrence, New Bedford, and North Adams hit their peaks in 1940 or before, and they've collectively lost some 70,000 people since then.

Boston topped out in 1950 with 801,000 people; now it's down to 582,000. Suffolk County, which includes Boston, has dropped from 15,197 people per square mile in 1950 to 11,537 in 2003. At the same time, the growth of suburbs and exurbs meant that the population density in the state as a whole rose from 598 people per square mile in 1950 to 821 in 2003. (Only New Jersey and Rhode Island were more crowded.)

The second map shows that similar patterns hold across New England and eastern New York. Populations have crested in the most urban counties (in and around

Boston and New York City), the Northeast's version of wilderness (northern Maine and New Hampshire), and a couple of areas where manufacturing and maritime activities have been replaced by tourism-based economies (the Berkshires, Newport). All other counties are still experiencing at least minimal population growth.

Long after Suffolk County reached its peak, adjoining Middlesex and Norfolk Counties continued to grow —right up until 2003, when Census Bureau estimates knocked down their total by about 1,200 people. In 1950, these three counties accounted for 49 percent of the state's population, while the outermost reaches of the Boston metropolitan area (Bristol, Essex, Plymouth, and Worcester counties, plus the Cape and Islands) accounted for 37 percent. In 2003, the two areas were almost exactly equal, each accounting for 43.6 percent of the state's population. That may be good news for suburban and exurban voters wanting to throw more weight around in Massachusetts politics.

-ROBERT DAVID SULLIVAN

The journey never mever meds.

Massachusetts General Hospital and Brigham and Women's Hospital have been the sites of many important medical breakthroughs. Essential work in the fight against disease and to improve the quality of medicine continues to this day.

1846 First public demonstration of ether use during surgery - Massachusetts General Hospital

1883 First use in North America of antiseptic during childbirth to protect mothers and newborns from deadly infections — Brigham and Women's Hospital

1896 First use of X-ray image for diagnosis in U.S. — Massachusetts General Hospital

1929 First use of iron lung to save polio victim

Brigham and Women's Hospital



1947 First artificial kidney machine in U.S. perfected - Brigham and Women's Hospital

1954 First successful human organ transplant - Brigham and Women's Hospital

1962 First successful surgical reattachment of severed limb — Massachusetts General Hospital

2000 AIDS researchers at Mass General make groundbreaking discovery in treatment of early detected HIV.

Massachusetts General Hospital

BRIGHAM AND WOMEN'S HOSPITAL



A charitable non-profit organization

MASSACHUSETTS GENERAL HOSPITAL

Partners HealthCare includes Massachusetts General Hospital, Brigham and Women's/Faulkner Hospitals, North Shore Medical Center, Newton-Wellesley Hospital, McLean Hospital, Spaulding Rehabilitation Hospital, Dana-Farber/Partners CancerCare, community health centers, and the community-based doctors and hospitals of Partners Community HealthCare, Inc.

STATISTICALLY SIGNIFICANT

BY ROBERT DAVID SULLIVAN

CREEPING UP TO HUB HOME PRICES

According to the National Association of Realtors, the Boston housing market stood out for not registering double-digit percentage increases in home sales during the last quarter of 2004. The median sales price for a single-family home in the metropolitan area was \$389,000, an increase of 9.4 percent over the same quarter in 2003. That was the seventh-highest price in the country, behind New York City, Honolulu, and several California markets. But the increase was not much above the national growth of 8.8 percent, and well below the 13.5 percent rise in the Northeast—which was fueled by double-digit jumps in New York City, Philadelphia, and Washington.

In fact, it seems to be getting more expensive to live just *outside* the Boston orbit. The median home price rose by 10.7 percent in Springfield (to \$171,000), by 16.0 percent in Albany, NY (to \$169,000), by 16.5 percent in New Haven, Conn. (to \$265,000), and by 14.5 percent in Providence, RI (to \$276,000). As late as 2001, the NAR estimated that Providence homes were less than half as expensive as those in the Boston metropolitan area; now they are up to two-thirds the cost.

But prices are still climbing in Boston at a slightly faster rate than in Worcester (up 9.2 percent to \$277,000) and in Portland, Maine (up 9.3 percent to \$237,000).

The cheapest market in the nation was Beaumont, Texas (a median price of \$88,000), and the biggest drop in prices was in Charleston, WV (down 4.2 percent to \$107,000).

NO CARPING FROM THE GALLERY

Joan Rivers didn't show up to skewer the winners' outfits, but the state
Department of Fish and Game handed out its Sportsfish Awards at the
Worcester Centrum in February. Hyde Park's
Roy Levya was dubbed Angler of the Year for
catching 16 species of fish in 2004. The
biggest catch of the year was a 35-pound
carp reeled in by a New Hampshire
resident in the Lowell section of
the Merrimack River. MassWildlife,
which has been reporting on the biggest
catches since 1964, says that the record for
biggest fish landed in the state is still held
by Robert Pyzocha, who caught a 44-pound
carp in the Connecticut River in 1993.

BIKERS TIP THEIR HELMETS TO BEACON HILL

The American Motorcyclist Association recently praised Bay State lawmakers for requiring that drivers' education classes include information on "increasing other motorists' awareness of motorcyclists." (The law was enacted last fall; five other states have similar requirements.) Now the AMA is launching a state-by-state campaign to increase penalties for drivers who kill or seriously injure other car and motorcycle riders. However, this AMA—not to be confused with the American Medical Association—is still on record against mandatory helmet laws.

SOX FANS SCALPED

With the new baseball season underway, we're reminded that one of every three of the 2.8 million tickets sold by the Red Sox last year were resold, mostly by scalpers who make a hefty profit selling to real fans. That's what Michael Dee, the club's COO, testified to the Legislative Subcommittee on Ticket Reselling at a hearing last November. "Is it fair for a family of four to travel here to spend \$1,000 in tickets," he asked, "especially when they may end up buying counterfeit ones?" No legislation to combat scalping came out of last year's session, but the problem isn't likely to improve this year, now that the Sox are World Series champions and as popular as ever.

STATISTICS BE DAMMED

The Bay State's beaver population has tripled since a law against leg-hold traps went into effect eight years ago, according to the International Association of Fish and Wildlife Agencies, and towns spent \$500,000 last year to repair the toothy damage to public and private property. The IAFW estimates that there are about 65,000 colonies (a typical colony has eight to 10 members) in Massachusetts, which would mean that beavers now outnumber Bostonians.

The new data has only intensified the debate over leg-hold traps, which were banned by the state's voters in 1996. There have already been legislative efforts, so far unsuccessful, to modify or repeal the ban (See Inquiries, CW, Spring '04). But the Massachusetts Society for the Prevention of Cruelty to Animals says that the law is being scapegoated, and that the beaver population was soaring even before the traps were banned—as part of a cycle that will hit "a natural decline" without the return of leg-hold traps.

Meanwhile, the IAFWA also reports that Massachusetts is home to more and more coyotes (even in "some of the most densely human populated areas") and black bears (from about 100 in the early 1970s to about 2,000 as of two years ago). For a good scare, read Peter Canby's "The Cat Came Back," in the March issue of Harper's magazine, in which he writes about recent cougar attacks on humans in Western states and warns that larger predators may be ready to emerge from the wilds in our own backyard. "Already, bears and coyotes are invading the Eastern suburbs," he notes. "Can cougars and wolves be far behind?"

BUT WHO'S COUNTING?

In its Inauguration Day coverage, CNN reminded us that former president George H.W. Bush and current President George W. Bush call each other "41" and "43," in honor of their ordinal rank as commanders-in-chief. That got us wondering about Gov. Mitt Romney's numerical position in the pantheon of Massachusetts governors, but it took several phone calls and e-mails to state offices in order to nail it down. The chain of command led to the State Library of Massachusetts, where Pamela W. Schofield determined that Romney is officially considered the 70th governor of the Commonwealth.

The determination was complicated by two questions. Are governors who serve non-consecutive terms counted twice? Yes, which makes Michael Dukakis both the 65th governor and the 67th. And are lieutenant governors counted when vacancies elevate them to the title of "acting governor"? No, which means that Romney's predecessor in the corner office, Jane Swift, has been deep-sixed by history, not even earning a mention in the list of governors in the Manual for the General Court.

NOTHING CAPITAL ABOUT BAY STATE PLANNING

The state's capital planning process got a lackluster C+ in February from the Government Performance Project, which summarized the findings of journalists from Governing magazine and academics from several universities. On the positive side, Governing noted the on-time opening of Boston's convention center and a ramping-up of infrastructure maintenance outside of the Hub now that the Big Dig is almost done. "Massachusetts has finally learned something about how to handle the gigantic public projects it has long had a taste for," the authors cautiously conclude. But the state lost points on fiscal planning: "There are no public multi-year projections of revenues and expenditures," the authors warn, and long-term thinking "is subsumed by attention to the latest crisis." Other problem areas included the hiring and retaining of state employees, and what the authors consider to be the governor's disproportionate power in spending capital funds once they're approved by the Legisature. The chief executive selects "some \$1.25 billion in projects lucky enough to get his personal stamp of approval," Governing tsk-tsks. "As a vehicle for good decision making, this is an Edsel." (The allusion to a failed make of automobile was presumably not a personal dig at Gov. Romney, whose father once chaired American Motors Corp.)

Twenty-nine states received better grades than the Bay State did, with Utah and Virginia at the top with A-. Alabama and California got the worst grade given, a C-.

Paul and Phyllis Fireman and Family salute this year's Mothers of Inspiration for their academic achievement and personal triumph

Mothers of Inspiration are One Family Scholars who have overcome homelessness to pursue a higher education and provide a better future for their families

To reserve a table or seat at the 2005 Mothers of Inspiration celebration

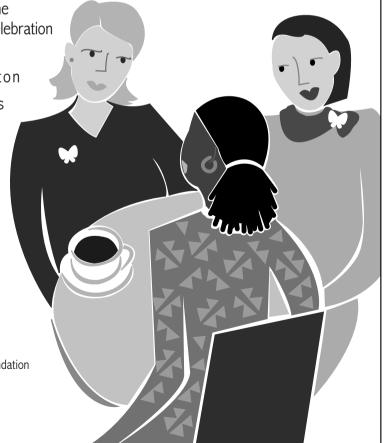
> May 5, 4-6 pm The State Room, Boston

please call Liz Page Associates event producers (617) 296-8806

If you are interested in sponsoring the event or mentoring a deserving and motivated One Family Scholar please contact Monique Achu at (617) 423-0504 or email machu@onefamilyinc.org

Ad space graciously donated by the Paul and Phyllis Fireman Charitable Foundation

www.onefamilyinc.org



All talk

Can former activist Braude make it as a multimedia host?

BY JEFFREY KLINEMAN

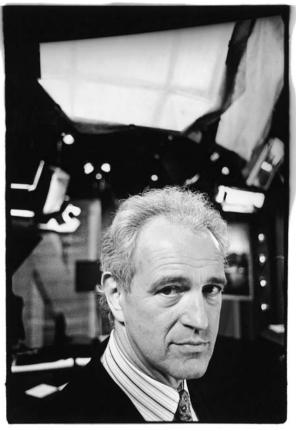
t's hour two of the Wilfredo Laboy Telethon, and Jim Braude and Margery Eagan have managed to raise only \$37. But since the telephone lines are lit up—with callers ready to pile on, rather than shell out—they're hardly disappointed.

The paltry sum isn't that surprising, given that the whole on-air "fund-raiser" is a send-up. In the morning newspapers it was reported that Laboy, the Lawrence superintendent of schools, had failed to convince the city's school committee to pony up \$500 to cover the cost of installing running boards onto his city-leased Chevrolet Trailblazer, and he would have to pay for the job himself. Laboy had said he needed the running boards so his wife and daughters wouldn't stumble getting into the SUV while wearing high heels.

It's a topic made to order for talk radio, so it's no surprise that WTKK-FM's noontime (and 9 a.m.-to-noon Saturday) co-hosts would pick up on it. What's more surprising is that one half of the midday talk tandem—the one throwing around lines like (in reference to the post-Super Bowl Patriots parade) "if your kid wants to go, and you don't take them, you're giving in to the terrorists" is Jim Braude.

A decade ago, Braude was head of the Tax Equity Alliance of Massachusetts, a group whose mission was to fight tax cuts and keep faith in government. Not exactly a role to be played for laughs. But unlike so many earnest liberals, Braude's got a sense of humor. That's one of the things you hear from his producers, his guests, and his co-hosts, especially when you ask how a guy who spent his first 10 years in town fighting not to cut your taxes has evolved, well into his second decade here, into a talkmeister.

Currently, Braude combines his radio talk-show job, where his State House know-it-all persona spars over current events with Boston Herald columnist Eagan's Catholic schoolgirl turned hip-but-flighty mom, with a position as solo host of NewsNight, a much more serious weekday news analysis program on television's New England Cable News. Hosted for eight years by career news anchors such as Margie Reedy, R.D. Sahl, and Chet Curtis, one half of NewsNight has been turned over to Braude, whose back-



Jim Braude: Now going solo on New England Cable News.

ground does not include reading the news—or playing it straight.

Despite his lack of broadcast-news background, Braude seems to have made the transition to full-time media man because he is well prepared, sharp and relentless as an interviewer, and thoroughly schooled in the politics he is weighing in on. That, his backers—and Braude himself —believe, has been enough to make him more than the highly polarizing figure he was a decade ago, as the public partisan of big government. And enough, they say, to make him a media personality.

For WTKK, Braude's heart-on-his-sleeve liberalism is just part of the package—endearing him to some listeners, provoking others. For talk radio, either will do. NECN, by giving Braude license to probe the day's news, is taking more of a risk. Still, it's a risk Charles Kravetz, vice president of news and station manager at the cable channel, thinks will pay off.

"We have worked very hard to try to identify people who are smart, telegenic, informed, and engaged in the marketplace of ideas," says Kravetz. "There are not that many people who are all those things at once. For Jim, his whole life, he's been engaged in the political process and the exchange of ideas. That's what *NewsNight* is about."

For his part, Braude sees his history as an advocate and his current role of on-air interrogator as all of a piece. "If I'm good at this, in part it's a natural extension of what I've done my whole career," he says. "If it was trying cases in the South Bronx, or making a case with a legislator, or with an audience, it's just a variation on a theme.

The process of asking questions, having tough but good conversations, is essentially what I've done since I got out of law school. Whatever I put on the table is just an old skill transferred to a different forum."

TAXING BATTLES

In the past, Braude's skills have been applied mostly in the service of liberal causes. The Philadelphia-born Braude took his NYU law degree to the Bronx office of Legal Aid (rap singer Tupac Shakur's mother was a paralegal there), where he not only represented the poor but organized the attorneys and other Legal Aid workers into a union.

It wasn't until Braude came to Massachusetts, in 1987, that he became a truly public figure. Indeed, he was brought to Boston to *become* a public figure—one charged with taking on a well-known activist of a very different stripe: Barbara Anderson, head of Citizens for Limited Taxation.

At that time, the anti-tax firebrand was riding high. She had managed to get voters to approve a pair of state ballot propositions: The first, Proposition 2¹/₂, in 1980, set a limit on the amount municipal governments could raise property taxes each year without voter approval. The second, in 1986, forced the repeal of an income tax "surtax" and established a tax cap engineered to return to taxpayers revenues in excess of state income growth.

A coterie of liberal activists and politicians, headed by then-state Sen. John Olver (now a congressman from western Massachusetts) and backed by unions and human-service groups, plucked Braude from the Bronx to be Anderson's liberal Dopplegänger, installing him as the head of the new Tax Equity Alliance of Massachusetts (TEAM), which rallied against cuts in government programs.

"Olver told me, 'Jim, you don't have to be that good, all you have to be is there," he says. "I was just the other side of the coin."



NECN's Charles Kravetz sees Braude as "smart, telegenic, informed."

But Braude was that good, quick and combative, able to go toe-to-toe with the feisty Anderson. Soon, they became the tag team of tax politics, each providing counterpoint to the other as they traded grand pronouncements and sharp retorts in the press.

By role and ideological inclination, Anderson and Braude were natural antagonists, but they became friends. In fact, the bond was forged in their greatest battle: Question 3, a ballot measure proposed by CLT in 1990 to roll back income tax hikes made in response to the recession and fiscal crisis then underway. With Braude leading the campaign (under the slogan QUESTION 3: IT GOES TOO FAR) that handed Anderson her first defeat at the polls, the two faced off in dozens of debates and forums across the Commonwealth, honing their arguments but

Braude was recruited to lead the fight against tax cuts.

also gaining each other's respect, even appreciation.

"We had a good time," Anderson recalls. "Until Jim, my opponents for a debate were either people from the Mass. Teachers Association or the League of Women Voters. It was deadly. They were so boring, so humorless, so *not* fun."

The Jim-and-Barbara act turned into kind of a road show. To save gas, the pair would hop in a car together. Trying hard to avoid discussing the ballot question ("You didn't want to walk in and say, 'As I was telling you at that last exit,'" Anderson says), they gossiped their way from town to town. When they got to their destination, it was show time.

Tom Moroney, then a columnist with *Middlesex News* (now *MetroWest Daily News*), likens the debate he attended, in Newton, to the politics of an earlier era. "The place

was packed," he says. "It was an electric atmosphere, and in that sense it was a throwback. How many rallies can you have today on a ballot question that would keep people entertained? They both provided the fireworks, they both knew their stuff, they both had legit arguments, and they didn't get silly. They got very confrontational, but they never got disrespectful."

The road show became something of a media phenomenon, too. The pair became a favorite of Christopher Lydon

A more freewheeling Braude spars with the Herald's Margery Eagan on WTTK.

on his 10 O'Clock News, on public television. (One of that show's producers, John Van Scoyoc, is now the producer of NewsNight.) Lydon also featured Anderson and Braude on the debut of WBUR's The Connection.

"With him and Barbara, it added so much attraction and interest to the scene," Lydon says, referring to Beacon Hill. "It kind of defined the story up there."

In early 1992, Braude and Anderson were recruited by start-up New England Cable News, at the time trying to build an audience for its regional approach to the news, to host a series of shows covering the eight referenda that were headed to Massachusetts voters. For their first show, the pair managed to corral then-Gov. William Weld and Joe Kennedy, at the time a congressman widely believed to be gunning for Weld's office. That put Braude on the other side of the microphone for the first time, and his co-host noticed he took to it readily.

"I knew he was enjoying it," Anderson says. "He was really making an effort to learn the ropes of running a show. I was just there to discuss ideas. I think Jim was always more ambitious. I think he was always looking for new pastures."

Before long, Braude was indeed in the market for new pastures. The Weld years were difficult ones for TEAM, with tax cut after tax cut approved by the Democratic Legislature, over Braude's strenuous objections. In 1992, the group won approval of a ballot question mandating the reporting of state corporate taxes, only to have it repealed by the Legislature a year later. And in 1994, its proposed constitutional amendment to replace the state's

flat-rate income tax with a graduated income tax went down to defeat by a margin of 2-1. Braude stuck with TEAM for another year and a half, but he was ready to move on.

"I decided I had done what I could do, and the organization could do better with some new blood," he says. "I'd decided the time was right." In 2002, TEAM changed its name to the Massachusetts Budget and Policy Center ("Changing their name, but not their stripes," *CW*, Fall '02).

MEDIUM AND MESSAGE

Braude's first move after TEAM was a media venture, but one of the print variety. He started a magazine, *Otherwise*, to cover the state from a liberal perspective.

"In the world within which I worked, the vast majority of the inhabitants didn't believe they were getting a fair shake from the press—that it was tilting away from the world view which they held," says Braude. *Otherwise* was meant to fill that void, but lasted only about six issues.

"The notion was that in fairly short order, this would be more than a break-even operation, based purely on subscriptions," he says. How did that work? "Not well."

Still, *Otherwise* was, in Braude's opinion, better than its financial results. "There were some pieces we did I'm still proud of to this day," he says. "John Carroll [now with *Greater Boston*, on WGBH-TV] did a great piece [on] the inappropriate intersection between Fidelity's push for a tax break at the State House and newspapers [then owned by a unit of Fidelity] that were editorializing for that tax break. And we did a nice piece on downsizing."

The magazine folded, but Braude continued his drift toward the media, soon hosting *Talk of New England*, a weekend show on NECN. With *Herald* columnist Eagan later added as a co-host, the show developed a loose format that reflected the swashbuckling attitude common to

fledgling news operations. The two hosts used their anonymity as cover for outrageousness, asking people at Downtown Crossing if they'd had sex with Bill Clinton, working for a day at a diner to ask if the customers recognized them, and getting stood up outside of Weld's house while waiting to conduct a tea party with left-wing documentary producer Michael Moore.

"It was a bit *Wayne's World*-ian," Braude concedes. "I never thought the show would ever lead to any other job in any medium. I just liked doing it. The pay was too low to be considered pay, but I still liked it."

If Braude still wasn't sold on a media career, some in the media business were keeping an eye on him. An early Braude/Anderson appearance on the Jerry Williams talk show on WRKO radio put him in contact with Paula O'Connor, Williams's producer. "I had a sense he'd make

for a good talk radio host," O'Connor says. "I'd kind of keep track of his career." And once she saw him work with Eagan on television, O'Connor says, "I knew he'd work in this format."

Before he got a chance to do so, Braude dove more deeply into politics. In 1998, Braude managed the campaign of another liberal crusader, the late John O'Connor, in an unsuccessful bid for Democratic nomination for the 8th Congressional District seat being vacated by Joe Kennedy (and eventually won by Michael Capuano). Then, in 1999, Braude threw his own hat into the political ring, winning a seat on the Cambridge City Council.

"I had grown so sick of people complaining about what government was doing, and what it should be doing, that it was time to put up or shut up," he says. "It

was a why-don't-you-take-your-own-advice point, and I did. And the tables were turned. I, all of a sudden, became the politician who hated lobbyists. I completely understand why so many of the people I had lobbied had been unwilling to listen to what I had to say."

In the ideologically charged world of Cambridge politics, Braude ran on a broad, left-leaning ticket, but then, in a shrewd move, broke with that slate to halt a two-month-long deadlock over the selection of the city's mayor. (In Cambridge's council/manager government, municipal affairs are run on a day-to-day basis by city manager Robert Healy; the mayor is a city councilor elected by his or her colleagues to preside over the council, gaining important leadership and ceremonial responsibilities but no executive power.) In throwing his support to moderate Anthony Galluccio, he turned the new mayor into an across-the-divide ally.

"Jim played the game well," says Galluccio, who calls Braude a friend. "He realized, 'Hey, I'm going to use this.' He was always in my office. He had my chief of staff working on projects for him."

Braude made some waves as a councilor, for a while backing (unsuccessfully) a plan to make the Cambridge mayor's position directly elected, like Worcester's. But Braude soon soured on the pettiness of local politics.

"I thought, what better place to get involved than at a level where it's all about getting things done," Braude says. "But I learned a lesson many have learned before me: There's an inverse proportion between the level of the office and the self-importance of those who run it."

"Jim's a very rational, fair-minded person," says Galluccio. "I think at some levels it was frustrating how slowly things move in local politics, and how personal



Anti-tax activist Barbara Anderson: Braude's perfect foil and fast friend.

politics can get in the way of initiatives that made sense to him. He expected that if something was right and was fair, that even if he'd debated someone on an issue pretty hard the week before, if there was a practical idea, he'd get on board. [Others] didn't always do the same."

Braude chose not to run for re-election in 2001, timing that worked out perfectly for radio producer O'Connor. Then retooling the lineup at WTKK, where Margery Eagan was already co-hosting with *Boston Globe* sportswriter Dan Shaughnessy, among others, O'Connor started thinking about reuniting Eagan with Braude.

"There's this natural chemistry they have," she says. "They're like two good friends, and they can jab each other but also joke and agree."

"Here's why the show works," Eagan says. "We can both be very serious, like the things we do on [defrocked priest and convicted pedophile Paul] Shanley, and then

mix in something very absurd, like warthogs having sex. He is very good at being able to combine those two things, and I think we get in a rhythm."

The radio show allows him to blow off the liberal head of steam he inevitably feels when he reads the morning papers. "I think Jim takes a beating around here for being the resident liberal," says O'Connor. "It fits in stylistically as part of our equation. Our hosts and listeners are from various cross sections of life."

For talk radio, extreme is good, up to a point, and Braude knows instinctively where to draw the line, she says. "Even though he has his viewpoint, he's smart enough to argue it but not go too far," says O'Connor. "You might not be able to persuade him, but he's willing to step back and allow a fair forum for the other viewpoints to be heard."

For Braude, talk radio gives him the luxury of distance, which comes from debating people he's never met, but also gives him an opportunity to make personal connections he could never make as a high-octane advocate.

"When I was at TEAM, even when we won, I don't think I was a particularly popular person in Massachusetts," he says. "Even though a lot of voters weren't crazy about the messenger, they bought our message. The beauty of talk

radio is it's an intimate medium—you introduce yourself to a lot of people—so if you can convince yourself that the messenger isn't as awful and dogmatic as you thought he was, it's great."

Braude takes particular pride in this e-mail he received from a listener: "Jim, I couldn't stand you in the '80s, lost you in the '90s (mostly), and I'm lovin' you in the '00s." He appreciates the acceptance.

BULL FIGHTER

If Braude's activist background was a plus for WTKK, it was viewed more warily at NECN. When the station had him on a short list of possible co-hosts for NewsNight with Chet Curtis after Margie Reedy signed off to pursue a fellowship in 2003, there were concerns that Braude's well-known political bent might overwhelm the positive qualities he brought to the table. Who better to dispel them than his old adversary, Barbara Anderson?

"NECN called me and asked if I thought an audience, some of whose members were our kind of people, would buy him as a neutral host," Anderson says. "I said I thought he was going to be absolutely magnificent. Jim goes after the bull. He would just never tolerate it from anybody."

Braude proved to be up to the challenge, channeling

Providing high quality, low cost life insurance to businesses and families since 1907, SBLI is proud to be the

#1 Issuer of Life Insurance in Massachusetts*

Rated among the top life insurance companies in the nation — A+ Superior by A.M. Best.

Winner of the Integrity First Award.

Rates among the lowest in the country.

*Figures obtained from December 31, 2003. Annual statements filed with the Massachusetts Commissioner of Insurance and are based on ordinary policies issued and delivered in Massachusetts, exclusive of subsidiaries and security products.

LIFE INSURANCE COMPANY®

The Savings Bank Life Insurance Company of Massachusetts, One Linscott Road, Woburn, MA 01801 • 888-GET-SBLI • www.sbli.com

CONSERVATION

ECONOMIC DEVELOPMENT

SOCIAL JUSTICE

Since 1993, **EcoLogic-supported** projects have preserved and protected more than 1.6 million acres of biodiverse habitats in Latin America—an area more than twice the size of Rhode Island.

But our work is not done...



Find out how you can help at: www.ecologic.org 25 Mt. Auburn St., Ste. 203 Cambridge, MA 02138 (617) 441-6300 info@ecologic.org

This space generously donated by The Oak Foundation.

the intense energy he once put into driving home his own points to pointedly questioning guests. That was just what NECN news chief Charlie Kravetz was looking for.

"I told him, when he was originally hired to host with Chet, that we wanted him not to be a kind of a liberal foil, but someone who was smart and engaged and who could question anybody," Kravetz says. "He's worked extremely hard to do that."

Co-hosting NewsNight also gave Braude a chance to temper his natural aggressiveness with veteran Curtis's easygoing manner—and take some notes. "I had to be more restrained," Braude says. "When you're working in tandem with someone, you try to complement the work of your partner. And Chet for a couple of years was a wonderful partner."

"No one has to coach him about politics or what's a good story or what isn't," Curtis says. "But he's very willing to take coaching on presentation, which is part of the process of what we do."

Shows like NewsNight have helped make the 13-yearold cable-news outlet a success. NECN is now available to cable subscribers in more than 3 million households, and it is, from week to week, usually the sixth most-watched cable network in New England. And although it is widely regarded as the model for regional cable news programming, NECN is reinventing itself. Its news teams are getting split up, with shows re-centered around the personalities of its more popular anchors.

"We had a wonderful year," Kravetz says. "We're working from a position of strength. The product is going to be as solid and journalistically in-depth as it always has been, but with a schedule that's a bit more varied and rich."

The first experiment along these lines is NewsNight's hourlong block, with Braude and Curtis now hosting half-hour shows of their own. In the first half hour, Curtis functions as elder statesman, using 30 years of gravitas to guide viewers through—one can almost hear the gasps at Channel 7—long pieces of tape, like press conferences and court proceedings.

Braude's second half of the NewsNight slot is faster and looser. Other anchors are brought on to read the "News in 90," and he is able to josh with them, which he does well, rather than read the teleprompter, which he does not. The "take 5" section is a romp through a few hot topics, some weighty, some quirky. Although written by Van Scoyoc, the section seems to reflect Braude's take on the news, even if it isn't well-served by his delivery. (Curtis says Braude still needs to learn to slow down.)

It's when the interviews begin that Braude comes alive, as when he guided Secretary of State William Galvin through a 12-minute interview on the Gillette-Procter & Gamble merger. Braude pulled off a major coup in February, getting Attorney General Tom Reilly to announce



Republican consultant David Shagoury, left, gets a quizzing from Braude.

he had reversed himself on gay marriage, deciding to oppose a constitutional amendment to roll back same-sex marriage rights and substitute civil unions.

There are times when Braude plays too much for the hot scoop, as when he repeatedly badgers Menino and Reilly, as well as Galvin and Lt. Gov. Kerry Healey, to announce political candidacies on the air. But at other times he's able to turn the tables on his guests, as when he crowed to Healey, who was touting her just-announced proposal for post-incarceration supervision and support for released inmates, "You're a good Democrat!"

"Jim loves to torture politicians," Curtis says. "He'll bore in, within the confines of whatever time we have, and try to force the interviewee to answer. And he'll do that to Democrats, Republicans, or independents."

That has allayed the fears of his producers, as well as observers who initially doubted Braude's fitness for the job.

"There's a commitment to asking strong questions from both sides," says Tobe Berkovitz, a communications professor at Boston University. "If you're a lefty and you're being a totally partisan advocate, Braude will challenge you on that."

When Braude first set up shop with Curtis, Berkovitz

TUFTS THealth Plan

No one does more to keep you healthy.

Growing businesses, communities and a Commonwealth.

At MassDevelopment, we provide specialized financial tools and real estate expertise stimulate economic growth across Massachusetts. Our experienced professionals work with financial institutions, businesses. developers, nonprofits and government officials to create jobs, develop housing and build a strong economy. Give us a call to find out how we can help you build, create and innovate.

www.massdevelopment.com

160 Federal Street Boston, MA 02110 800.445.8030 questioned NECN's choice, telling the Boston Herald that Braude came across as "sometimes arrogant" and that he tended, "by the very nature of his previous work, to be somewhat partisan."

Two-plus years later, Berkovitz says Braude is still partisan, but less so than others on the cable-television playing field. "The cable talk environment has changed dramatically," he says. "It's now dominated by left- and right-wing flamethrowers, which makes Braude's style seem much more mainstream. Compared to the Sean Hannitys and the Michael Savages of the world, he seems much more of a reasoned voice."

GOING TABLOID?

Even-handedness with the whip is a necessity for a television host, but it raises this question: What would the activist Jim Braude say of the Jim Braude who's publicly flogging a big government program like the Big Dig? Christopher Lydon questions whether the Jim Braude who used to appear on his show would have made such concessions to neutrality—or equal opportunity hectoring. He's smart, articulate, and has a strong viewpoint, Lydon says, but he wonders if Braude has abandoned the quest for change just to become another talking head.

"In a way, I miss him up at the State House," Lydon says. There's also the question of whether Braude, in becoming a full-time broadcaster, is getting forced down the same (low) road as the rest of the talk genre, pushing the same hot buttons and chasing the same hot topics. A case in point: One day, in an interview, Braude mentions with pride that, in the 1990s, when he was still an activist who happened to have a TV show, he never once touched on the O.J. Simpson case. Then he goes into the NECN studio and records a quick riff on the Michael Jackson child molestation trial. It's just a short, funny part of the "take 5" section, but it begs the question: If it were now, would he cover O.J.?

He might, Braude says, but he'd do it the way he covered the Kobe Bryant case, when he and Curtis had guests on to discuss the rape shield law. "We're not interested in some of those aberrational, celebrity aspects," he says. "It would depend if there were jury issues, or those of race, but never the straight, Abrams Report kind of stuff," he adds, referring to the crime-oriented program on MSNBC.

As to the political balancing act television requires, Braude the liberal isn't worried about that. "My sense is that if I do my job, the people watching will know a hell of a lot more than they did when the interview started," he says. "When you're a lobbyist or an advocate or whatever it is I did for a living, you have to believe that if all the facts on a particular issue get a fair airing, then you win. And this is an extension of that concept."



Creating positive change where we live is important to everyone. That's why we invested \$67 million in our communities around the world last year. Our philanthropy, volunteer, and community development programs are helping to generate and sustain positive change. After all, our community has been important to us for a long, long time. And our commitment still stands. >>> statestreet.com



Put yourself in good company

Join the many companies and organizations that support the work of MassINC.

Become a sponsor today!

For more information on joining the MassINC sponsorship program call 617.742.6800 x101





























Carolyn & Peter Lynch

















NEW BOSTON FUND, INC.

Boston Sand & Gravel Company



















Recycled Paper Printing, Inc.

Fran & Charles Rodgers New Community Fund



GOODWIN PROCTER

OAK FOUNDATION















MONITOR GROUP

Barbara & Stephen Roop





RONALD M. ANSIN FOUNDATION

TECHNOLOGY

COLLABORATIVE

Omni Parker House

The Feinberg Law Group, LLC





SKADDEN, ARPS, SLATE, Meagher & Flom LLP



































The Gillette Company





THE HYAMS FOUNDATION, INC.

Irene E. & George A. Davis Foundation







BINGHAM McCUTCHEN

The Beal Companies, LLP



Dedicated to Growth... Committed to Action

PHILIP & SANDRA GORDON



Empowering people and businesse to Learn, Earn, and Succeed

TEVNAN TEVNAN

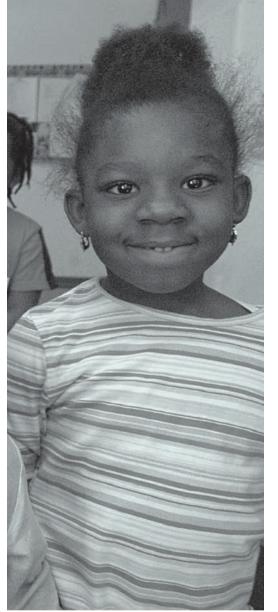


promise

The state has made a commitment to early education for all children, thanks in part to Margaret Blood.

Is it prepared to make good?

BY B.J. ROCHE





PHOTOGRAPHS BY FRANK CURRAN

Everybody has them, but (it's just a theory) women of a certain age may have them more than men do—those moments in life when you stop and ask yourself: "How did I get here?"

Margaret Blood, who is now 46, had such a moment several years ago, the afternoon she met with Chad Gifford, then president of Bank of Boston. Blood, a former community organizer in Roxbury and a co-founder of the Massachusetts Legislative Children's Caucus, was calling on Gifford to talk about a new campaign to promote early childhood education in Massachusetts. She was a little nervous, and awed by the surroundings. But then she ran into a familiar face.

"I went to use the ladies' room, and the woman who was cleaning was Adela Colon, one of my mothers from Mission Hill," where Blood once served as a community organizer and now volunteers at the Maurice J. Tobin Elementary School. She laughs and shakes her head. "I thought, this is my life, that's what it takes. You need integration, I think."

Connecting: vertically, horizontally, every which way, comes naturally to

Blood. One day she's sitting in the Rowe's Wharf high-rise office she finagled at a reduced rent from the law firm of Goulston & Storrs for her advocacy group Strategies for Children; the next she's reading to kindergarteners in an inner-city classroom.

That skill paid off last year. As head of the four-year-old Strategies for Children, she spearheaded the organization's trademark Early Education for All campaign, which was responsible for the 2004 law establishing a new state Department of Early Education and Care, which will be up and running by July 1 of this year, and for extracting a commitment—in spirit, if not yet in funds—to voluntary universal preschool for the state's 240,000 kids between the ages of 3 and 5. That could entail an increase in spending of up to \$1 billion dollars over the next 10 years, and \$1 billion per fiscal year (including federal funds) after that.

It was a goal many saw as unachievable back when it was launched in 2000. "I was lecturing a little while back at a class at Harvard and I ran into a faculty member, a child development person, who said, 'You know, when I first met you I thought you were nuts," she says. "I've since found out that other people didn't think we'd succeed."

They know better now. Blood and her staff approached their campaign as though they were working for a candidate, only this candidate was an idea. They married grass-roots or-

ganizing techniques to old-fashioned high-end networking. In so doing, they rounded up some ornery constituencies with often-conflicting agendas—legislators and human service providers, teachers' unions and the business community, and the universe of public, private, and nonprofit child care providers to develop and support universal preschool education.

"I have to give Margaret a tip of the hat big-time, because she really drew everyone together," says Alan

Macdonald, executive director of the Massachusetts Business Roundtable. He credits Blood with supplying the research that convinced the business community to get behind early childhood education as a priority for the state.

"We hadn't made it as big a priority as K through 12, because you can only do so much. But she identified those who shared that interest in preschool and brought us together," he says. "That strengthened the message and gave us the avenue to express ourselves, and to help us build the rationale for our support."

Former House Speaker Tom Finneran, who pushed the idea in his last year in office, calls former Boston University president John Silber the "most valuable player" for first talking up early childhood education in his unsuccessful cam-

paign for governor in 1990. Others point to the late Jack Rennie, founder of the Massachusetts Business Alliance for Education and the driving force behind the Education Reform Act of 1993, for stressing early childhood education once ed reform had been passed. But it was Blood who lined up the business community, a move that proved crucial in building legislative support.



Margaret Blood: never far from the children she's working for.

None of this was obvious when Blood first discussed the legislation with Finneran in early 2000. Finneran says he was intrigued but

knew it would be a hard sell, given the expense and the state's other expensive obligations under education reform.

in building

political support.

"I told her it would be a be a good test for both of us. But I had a sense that if anyone could do it, it would be Margaret Blood," says Finneran, who is now president of the Massachusetts Biotechnology Council. "She's very well focused, well organized, and she understands both policy and politics. She showed that when you can assemble people and a cause into a mission, it creates its own momentum and its own sense of inevitability."

That sense of inevitability is still what early childhood education has going for it, as lawmakers contemplate the task of making good on a commitment that, up to now, has only required reorganization of the state bureaucracy. As they do, they will have to consider that, as popular as preschool education is, not everyone thinks it's something the state should pay for, especially not for every child. No one disputes that early childhood education is a good idea, but some say it's one that has to be weighed against—and put in competition for funding with—other efforts in education.

For instance, in a 2003 interview with the Framingham *Tab*, Barbara Anderson, executive director of Citizens for Limited Taxation, acknowledged the importance of public funding of preschool for disadvantaged kids but called universal care "an indulgence and convenience for parents."

"Why should the rest of us subsidize this?" she asked.

FRIENDS IN HIGH PLACES

"The number one thing is, powerless children need powerful friends," Blood is fond of saying, quoting former House Speaker Charlie Flaherty. The kids have plenty of powerful friends these days, not only Finneran but also current House Speaker Sal DiMasi and Senate President Robert Travaglini. Then there are Paul O'Brien, former chairman of New England Telephone; Mara Aspinall, president of Genzyme Genetics, who co-chaired the Early Education for All cam-



paign; and the leaders of every major business group in the state. And don't forget the editorial writers at *The Boston Globe*, the *Boston Herald*, and other papers around the state, who weigh in regularly in support of the movement. Everyone, it seems, is a friend of the kids. And of Margaret.

For Blood, the state's ambitious foray into preschool education is the capstone of a career that has included stints at the State House (where, with her boss, then-state Rep. Kevin Fitzgerald, she helped found the Massachusetts Legislative Children's Caucus) and with the United Way's Success by Six program in the mid-1990s. Her campaign strategies drew on skills she picked up at Harvard's Kennedy School of Government, from which she graduated in 1987. But Blood's most potent weapon is her belief that she's doing the

right thing.

"If you look at the research and the literature [on correcting educational disadvantage], it just naturally takes you down to younger children," she says. "It's so clear that all these things we worry about trying to fix later could have a much bigger impact if we did it earlier in life."

Still, there was nothing natural about securing a potential \$1 billion IOU from a state government that was still emerging from a fiscal crisis. Universal preschool legislation seemed to have arrived out of nowhere when it took Beacon Hill by storm last year. Actually, Blood began laying the groundwork in 1998, when Greg Jobin-Leeds, then president of the Caroline and Sigmund Schott Foundation in Cambridge, approached her about looking into the issue for a possible advocacy campaign.

In the beginning, her work was all listening: to voters, business leaders, clients and providers of child care, anyone in the state who had something to say. Over the next 18 months, Blood commissioned two statewide polls and interviewed the state's top opinion leaders on the subject. In late 2000, Blood and her group's research and policy director, Amy Kershaw, organized 32 regional forums. They lis-

tened to complaints, issues, and ideas in venues ranging from the Auburn Police Station to the Peking Palace restaurant in Fairhaven. The following year, Blood created the umbrella group Strategies for Children to oversee the campaign.

Mary Ann Anthony, director of the child care division of Catholic Charities, says providers were skeptical when Blood first came on the scene: "They thought she had the legislation all written up in her back pocket," Anthony says. "But she would come in and listen to what their concerns are. The next meeting, she'd come back with something [addressing the concerns and incorporating the suggestions] as if [they] had been her idea from the beginning."

Then came the politicking. In February 2002, Blood and her allies kicked off the state's election season by visiting 66 local party caucuses to get can-

didates to sign on. They set up shop at both the Republican and Democratic state conventions. Through the fall of 2002, the draft legislation was circulated, and on December 4, the bill was filed at the State House, sponsored by Rep. Peter Larkin, then House chairman of the education committee, and Sen. Fred Berry, now the Senate Majority Leader.

By laying the groundwork and preparing the legislation, "Margaret Blood had done the work that the Legislature wished they had the time to do," says J.D. Chesloff, former legislative/issues director for the early-ed campaign.

"At the same time, the Speaker was looking for an issue," says Chesloff. "He had always been a supporter of early childhood education, and now this thing fell into his lap ready to go."

With the state deep in a post-9/11 fiscal hole, the timing seemed inauspicious. But before too long, the Speaker was ready to make his move. In January 2004, Finneran used his annual address to the House to announce that early childhood education would be one of his top priorities, along with job creation and affordable housing. In his new perch, Finneran says he's more convinced of its importance than ever.

"As I learn more about the biotech community and how they relate to the economy, I see this as absolutely imperative," he says. If the Massachusetts economy is going to grow, he says, "it will only be as a result of having adopted the best educational tools, policies, and practices in the country. Otherwise, start to turn out the lights."

Some worried that with Finneran no longer in the State House, support for universal preschool and especially for the funding necessary to make it happen—would fade. But in January, 132 state senators and representatives, or two-thirds of the Legislature, signed on as co-sponsors of a bill to require that universal early education be fully funded by 2012. The cost is estimated at about \$1 billion—about double what we spend now, the bulk of which will be spent on the workforce.

Powerful friends, indeed.

PRESCHOOL PAYOFFS?

Whatever you do, don't call it day care. That's what the care of children, from birth to age 5, used to be called. Then it became "child care." Now it's "early childhood education," and that's no accident. Language matters, as Blood learned early on in her opinion polling.

"What I found out was that 'child care' is generally given a low priority," she says. "But when we reframed child care as 'early childhood education,' support for it went through the roof."

Among policy-makers as well, especially when it's tied to improved performance in school—a "prequel," as one editorial writer labeled it. "We're saying this is the unfinished piece of education reform," says Blood.

Two trends have converged in the past 20 years to buttress that argument. The first is scientific: advances in brain research measuring the capacity for learning in the first five years of life. Young children learn more in those early years than previously thought—and, conversely, can fall behind their peers if they're not learning.

The second trend is political. Some education reformers increasingly make the case for quality preschool programs as a way to reduce the achievement gap for at-risk children. In her 358page report to the Supreme Judicial Court in the Hancock school-finance case, Superior Court Judge Margot Botsford observed that "high quality preschool programs"



Early childhood

programs are

'the unfinished

could play a role in closing the education gap between wealthier and less privileged communities. In New Jersey, a similar case resulted in a court order expanding preschool programs in low-income school districts.

Add to that a growing body of research that shows highquality early education pays off big dividends, both socially and economically. Among the best-regarded are the Abecedarian Study in North Carolina and the High/Scope Perry Preschool Study, which tracked 123 low-income, high-risk African-American children in the Ypsilanti, Mich., school district, starting in the 1960s and following them to age 40.

The Perry Preschool Program was the Tiffany's of child care, with daily two-and-a-half-hour classes and weekly family visits. Teachers had bachelor's degrees and were certified in education; classes were small, with five or six children per teacher.

In the study, 58 children who were 3 or 4 years old were randomly assigned to the preschool program, while a control group of 65 children were not. Data was collected each year from ages 3 to 11 and periodically thereafter, at ages 14, 15, 19, 27 and 40, to measure educational attainment, eco-

nomic performance, criminal activity, family relationships, and health. In every category, children who attended preschool fared better: 60 percent earning more than \$20,000 per year at age 40, compared with only 40 percent of nonprogram kids; 65 percent graduating from high school versus 45 percent of the non-program children. Those who received no preschool education had a significantly higher number of arrests and lower achievement levels overall.

According to the study's cost-benefit analysis, the economic payoff of Perry Preschool was estimated (in 2000 dollars) at \$258,888 per participant on an investment of \$15,166 per participant—a total return of \$17.07 per dollar invested. This includes \$4.17 in direct benefits to the program participants, and \$12.90 in taxpayer dollars saved, mostly on criminal justice, plus increased taxes to the state because of higher earnings. As a crime prevention program for men, the program was particularly cost-effective; more than 90 percent of the public return was because of the performance of the males, who committed substantially fewer crimes than non-program males.

Economists are also looking at early childhood education for its potential cost savings in areas such as special education, crime, and children's health. Art Rolnick, an economist at the Federal Reserve Bank of Minneapolis, found an annual return of 16 percent on an investment in preschool.

In a cost-benefit analysis developed specifically for Massachusetts, educational economist Clive Belfield of Columbia University projects that an expenditure of \$578 million on early childhood ed would reap fiscal benefits of \$680 million per year, a gain of \$102 million, or 18 percent. Spending on early education would be offset by savings in other areas, such as K-12 special education and increased learning productivity (\$205 million), crime prevention (about \$288 million), and child health and welfare expenditures (\$71 million). In addition, Belfield estimates increased tax revenues of \$115 million from the earnings of parents, and later in life, the children who attended preschool programs.

Return on investment like this has made early education catnip to the business community, as evidenced by the support preschool has drawn from every major business group in the state. But there are other reasons for business to like early childhood education, says Chesloff, who now works for the Massachusetts Business Roundtable. First, there's the "pipeline" issue: Business leaders believe that early education can help prepare better workers in the long run. Then there is the employee morale issue: Slightly more than 75 percent of Massachusetts parents of preschoolers work. "It

For Your Health.

ADVOCACY FOR THE COMMONWEALTH. HEALTH EDUCATION FOR ALL.

N 1781, at the dawn of this nation, the 14 founding members of the Massachusetts Medical Society f I created a revolutionary vision; a health care system that promotes the health and welfare of all its citizens, through quality education and committed advocacy.

Today, this vision not only endures, but is more alise than ever before. From our work to ensure access to quality health care for all, to the promotion of the highest standards of medical care, to the dissemination of the latest advances in medicine this ugh the Phy England Journal of Midding, we remain passionately committed to a health care system that works for us all



MASSACHUSETTS MEDICAL SOCIETY

Physicians Caring for Massachusetts WWW.MASSMED.ORG

helps productivity in the workplace when people aren't worried about their kids," says Chesloff.

But some researchers say the economic payoff for disadvantaged children does not necessarily mandate preschool for all, because higher-income, nonhandicapped children are less likely to generate the kinds of social costs that the Perry program reduced. Federal Reserve economist Rolnick points out that the biggest economic return comes from targeting at-risk kids, a point made by Perry Preschool observers over the years.

"In generalizing from the Perry study, the case for public funding is strongest for disadvantaged children who can be expected to have the same kinds of social experiences as the Perry participants," wrote education economist W. Steven Barnett in the journal Education Evaluation and Policy Analysis in 1985. "The economic rationale does not readily generalize to public funding for universal preschool programs, however."

Indeed, although no one contests the positive social benefits of preschool and its effects on school readiness, there's some disagreement over whether preschool delivers long-term academic benefits. In a paper delivered last April at a Kennedy School conference on the 50th anniversary of Brown v. Board of Education, Ron Haskins, of the Brookings Institution, cited research showing that achievement gains in nine state-funded preschool programs fall off after first grade.

"Preschool education is the little train that could, not the little train that will," Haskins wrote, noting as well that high quality preschool along the lines of Perry is expensive, coming to at least \$9,000 per child."The field of early childhood education is not in a position to tell policy-makers that if they just spend the money, the evidence allows a confident prediction that the education gap will be closed or even substantially reduced."

LEARNING TO SHARE

Massachusetts prides itself on being forward looking, but in early childhood education the Bay State is way behind the curve. The nation's first universal preschool program was established in Georgia, by Gov. Zell Miller (on the advice of a strategist named James Carville), in 1993. The Georgia program is funded through the state lottery and is open to any 4-year-old in the state. Georgia's Office of School Readiness was established as an independent state agency to oversee universal preschool. The office approves providers and distributes funding on a per-child basis. Providers include public schools, private nonprofit organizations, and Head



In an ideal world. my next meeting would be half off.

When you book your next meeting at the renowned Omni Parker House, you'll receive 50% off your second meeting at any Omni Hotel. With a recent completion of a \$70 million restoration, the Omni Parker House is a perfect combination of modern day conveniences and legendary style. It's luxury at its finest - all at half the price.

1-888-222-OMNI

Omni Parker House

An ideal world. If only for a night

60 School Street - 617-725-1657

Group room rates are equal to 10% off the standard published corporate rates. Iwo meetings must be scheduled to receive an available credit of up to 50% off the total guest room revenue of the second meeting. The first scheduled meeting determines the maximum discounted value (credit) available for the second meeting. Credits will be applied to the second meeting at the conclusion of this meeting. Excess credits cannot be carried forward for other events beyond the second meeting. All meetings must be scheduled after 7/25/01 and must occur by 3/31/02. This offer does not apply to previously confirmed business.

= www.omnihotels.com



present obligations,

yet we're talking

about expanding.'

Start agencies, and all must use a state-approved curriculum. Programs with higher teacher qualifications and standards are funded at a higher rate.

Oklahoma launched its own program in 1998, and currently 65 percent of its 4-year-olds are enrolled in preschool. In that state, preschool is

offered by the public school districts, and teachers are held to standards similar to other elementary school teachers in the state: a bachelor's degree and certification in early childhood education. While the state regulates credentials, programs are free to develop their own curricula.

In Massachusetts, even as the state bureaucracy gets rearranged to accommodate a major initiative in early childhood education, the governor has remained cool to the idea. Toward the end of 1994, Gov. Romney became increasingly vocal in expressing his misgivings about making a big investment in preschool. In a statement issued in December, Romney said he was "concerned" that increasing standards for early education "will increase the cost of child care beyond the economic capacity of working parents, especially low-income working parents."

Then, in an interview with CommonWealth ("Meeting him halfway," Winter '05), the governor raised questions about the efficacy of preschool relative to other educational investments. "The preliminary information shows that kids [who] get early education get a real head start for the first two or three years of elementary school," Romney said. "But by the time kids start dropping out of school—sixth, seventh, eighth grades—early education hasn't impacted their dropout rate nor their success on the MCAS.... If

that's the case, I'd rather be spending money in after-school programs for sixth-, seventh-, and eighth-graders."

Romney's education advisor, Anne Reale, says the administration's focus is to stay the course with ongoing efforts to improve K-12 through more time in the classroom, an increased emphasis on science education, and giving principals more authority to manage schools.

"His focus is on improving K through 12, and there are still significant challenges there," she says. "Ron Haskins's work definitely shows there are some gains initially and then they taper off if you don't have a strong K-12 system."

And there's no getting around Romney's main point: More early childhood education means less of something else. By erecting a department, rather than expanding services, the Legislature has thus far expressed its commitment to preschool without committing signifi-

cant resources. But it will not be able to do so forever.

"The Legislature recognizes the support for this, because it speaks to their districts. But we're going to be hard-pressed to identify that level of funding," says Michael Widmer, president of the Massachusetts Taxpayers Foundation. "It's similar to health care, where we're struggling to meet our present obligations yet we're talking about expanding. Both are laudable objectives, early education and covering the uninsured, but I don't think the Commonwealth can add those without making significant cuts in other areas, or identifying new revenue sources."

Widmer predicts that the Legislature will take a "small step" toward universal preschool, "but the question is whether they'll be able to maintain that level of commitment. If this becomes a priority, then it will be funded, but then you won't be able to restore funding in anything but a limited way to [public higher education] or K-12. Something will have to give."

That's true even when it comes to addressing the achievement gap. Everyone seems to support the idea of high quality preschool, particularly for at-risk kids, but some say there are other good ideas that might be worth part of the \$1 billion universal early education could cost. For instance, in his Kennedy School paper, the Brookings Institution's





Haskins cites the importance of improving home environments, noting the success of a program in which nurse practitioners visit at-risk families to provide advice on child rearing and development.

"There's no single silver bullet," says William Guenther, head of Mass Insight Education, a Boston-based nonprofit research and advocacy group. "You can't simply do one program and expect to significantly raise achievement and eliminate the minority achievement gap. We need to include this [preschool] age group, but it needs to be [in] a comprehensive strategy."

That strategy needs to take into account the fact that the most serious educational discrepancies emerge while children are in school, not before, he says. "The irony is that, in general, our younger kids in school do better on competitive benchmarks. As they get older, they start to do worse," Guenther says. "Our fourth-graders do better on international standards than our high school kids do. So you need to look at the whole educational system and decide where your major challenges are and what investments will make a difference."

Chris Gabrieli, chairman of Massachusetts 2020, which advocates for a longer school day and after-school programs to boost educational achievement, cites the success of the Knowledge Is Power Program, a network of high-performing urban schools started in Houston, Texas, that now includes the KIPP Academy Charter School in Lynn. KIPP academies require nearly two-thirds more learning time than other middle schools, including longer days, Saturday classes, and a longer school year.

"Surprise, surprise, they've shown tremendous progress," savs Gabrieli.

Gabrieli supports preschool for at-risk children. But he also argues that other simple interventions, like eyeglasses for kids who need them, and even nutritious breakfasts in the schools, have big—and proven—payoffs. They have yet to capture policy-makers' attention, he says.

"We've spent billions on inside-the-box solutions," says Gabrieli. "Now it's time to get outside the box."

SETTING STANDARDS

Romney wanted to make the new Department of Early Education and Care an agency of the Executive Office of Health and Human Services, but the Legislature rejected an amendment to that effect. As a result, the department will be a separate state agency governed principally by a ninemember Board of Early Education and Care, which will have the power to hire and fire the commissioner, much as the state Board of Education does with the commissioner of education. The board consists of the secretary of health and human services, the commissioner of education, the chancellor of higher education, and six members appointed by the governor to reflect specified interests, including a business representative "with a demonstrated commitment to education," an early-education teacher selected from those nominated by the state's two teachers' unions, a parent (or family day care provider), and an early-education administrator.

Traditionally, child care has been provided as part of a patchwork of services for low-income families or special needs kids through state agencies such as the Department of Social Services and the Department of Public Health. Indeed, during the Dukakis administration, child care was viewed as a component of welfare reform, a service that made it possible for recipients to pursue education and job training.

The state already has a big investment in child care, spending a half-billion dollars per year. About \$365 million of that goes to the Office of Child Care Services (established by Gov. William Weld to replace the Office for Children), which licenses child care providers and advocates for children's issues. Another \$74 million goes to Community Partnership Program, which provides preschool services to lowincome children across the state. It's administered by the Department of Education, which was brought into the child care picture by the Education Reform Act of 1993.

The new Department of Early Education and Care is expected to streamline a system that currently has varied requirements, reimbursement rates, and sets of paperwork,

depending on geography and eligibility. It may also alleviate duplication of services while allowing for better accountability. In 2001, state Auditor Joseph DeNucci found serious irregularities with the Community Partnership Program, which at that time was budgeted at \$93 million, including the purchase, for more than \$300,000, of modular classrooms that were then used by a private child care provider.

State Rep. Patricia Haddad co-chairs, along with state Sen. Robert Antonioni, the Legislature's Advisory Committee on Early Education and Care, which was set up shortly after the early-ed legislation passed last year. She's also co-sponsor, with Berry, of this year's legislation, which will deal with workforce development. Haddad, a Democrat from Somerset who is also the new House chairman of the education committee, says all child care money will now flow from the new department. But don't expect there to be a lot more of it.

"I'm sure there won't be a lot of money, but the other thing I'm sure about is that we have an opportunity to identify those things that work," Haddad says. "It's not necessarily spending new money, but allocating the money we have in the best possible way. It's a huge opportunity to be very critical of ourselves and make sure we're using our resources well. You don't get this opportunity very often."

The next few years will be about laying the foundation for universal preschool, says Haddad. The main questions, she says, have to do with quality and capacity.

"We'll be asking, 'What's a quality program? What's the best delivery service?" Haddad says. "We're talking about a mixed service, but what's the best way to get the money out there as equitably as possible? Then there's capacity. Do we have the capacity to offer quality preschool to everyone?"

One challenge for both capacity and quality is workforce development, says Haddad. The new department will aim to raise the credentials of early education and care providers, and to increase the number of caregivers with two- and fouryear degrees. A report issued in December by Haddad's legislative advisory committee showed that about half of the state's 30,143 preschool teachers and assistant teachers have levels of education below an associate's degree.

But where would more educated teachers come from? Most observers say that the higher education programs for early childhood educators have withered on the vine because of low salaries in the field. Only about 200 bachelor's degrees in early childhood education were awarded last year.

"It's a market issue," says Douglas Baird, who runs the Boston-based Associated Early Care and Education—at age 127, New England's oldest child care and early educa-

The **New England** arpenters

At the very heart of the community.

You see us working in communities across New England every day. But it's when we make these neighborhoods a better place to live that the men and women of the New England Carpenters Union really stand out in a crowd. Whether it's donating time, raising money, or simply helping a neighbor in need, we take great pride in making our communities stronger for everyone. For more information, call 1-800-275-6200.

The New England Carpenters Union, It's working, www.necamenters.org

tion agency. "If you complete a four-year degree and get a job for \$18,000, you can't afford to pay your loans back."

William Eddy, executive director of the Massachusetts Association of Early Education and School Age Providers, says his members have succeeded in increasing the average salary for child care workers from \$17,000 in 1996 to about \$22,600 today. Still, that's hardly a livable wage, Eddy acknowledges, noting a turnover rate of 28 percent per year in the field.

"In the old days, we'd lose our staff when they got a four-year degree," he says. "The problem now is we lose our staff to become CVS managers. That's one reason why we've jumped on this campaign. It points to systemic change."

But some forms of change worry independent, mostly nonprofit providers like Eddy's, who are wary of being put out of business by public schools that expand their programs for younger children. Public schools currently provide only about 13 percent of the early childhood education in the state, and the 2004 legislation specifies that the current mix of providers should be retained. But that assurance does not comfort some early education providers, many of whom testified about their concerns at legislative committee hearings.

"We certainly don't feel it's a public school function," says

Eddy, who notes that most parents need child care even when schools are closed for summer and holiday vacations. "We don't believe the public schools are prepared to do 7:30-5:30, year-round care. And I don't think the Legislature will want thousands of unemployed child care workers."

THE GOSPEL ACCORDING TO MARGARET

On a cold January morning, Margaret Blood arrives at the Newton Marriott in a puffy down coat, tugging her suitcase on wheels loaded with handouts about the legislation. She's been invited to speak to the Boston Association of Education for Young Children, a group of directors and staffers of preschools around the state.

Talk to folks here—they're mostly women—and you get a sense of excitement about the new public focus on early childhood education. It's a sign, they say, that people are starting to see the value of what they do, and think about what they need to do their jobs better. But they're nervous as well, still unsure of the consequences—intended or unintended—of the new state initiative that could change their profession, and their business, forever.

"Cautious is a good word to describe it," says one director from the South Shore. He will be glad to see more money flowing and a streamlining of the cumbersome state voucher

Energizing the community is a full-time job.

In addition to being the largest energy provider in the Northeast, ReySpan is dedicated to giving back to the neighborhoods we serve. By lending support to local organizations to further education, diversity, as well as environmental awareness, we'te doing our part to give everyone a warmer place to live.





system, but he worries that public school districts will eventually take over the job of educating 3- and 4-year-olds, leaving his center to care only for infants and toddlers—which is so cost-prohibitive, it could put him under. "Look at what happened with public kindergarten," he says.

"It's change, and nobody likes change," says Catholic Charities' Mary Ann Anthony. "There's been so much misinformation and scary stuff. We brought Margaret here because I wanted them to hear the gospel directly from her."

Blood takes the podium and runs through a presentation set up by staffer Amy O'Leary. By now, she's told the story so many times to local groups, politicians, and reporters that she must dream in PowerPoint. She rattles off the keywords —powerless children, powerful friends, what the research shows—and encourages everyone to have their legislators come in and read to their kids.

One director asks whether, under the new regime, the "care" in child care will become "a four-letter word." It's another worry: that, in reframing child care as

early education, we are funneling downward the high-stakes mantra, and in danger of pushing little ones too far, too hard, and too fast in ways that don't make sense developmentally.

After her speech, several women approach Blood to say hello. "I just wanted to say thanks so much for the work you've done," says one center director, shaking her hand. "All the years I've been working in this field, I could see what was wrong, and [everyone] knew what was needed, but nobody has been able to look at the whole picture, and you've done that."

Early in her research on state legislators around the country, Blood asked if they could identify a children's advocate by name. None could. Today, in Massachusetts anyway, they'd probably say "Margaret Blood." The visibility does not necessarily endear her to some people, more than one of whom opines that this whole campaign was not about the children but about Margaret Blood.

"A lot of people out there think she's set this thing up so she can run it, but I know that she'll never have anything to do with" the new agency, says Doug Baird, who has known Blood for years. "Whenever you have a gifted leader who's changed the waterfront, people have to invent conspiratorial stuff. I've worked in human services for years, and in this field, there is nothing like success to bring out the nastiness and terrible enmity in people."

MASSACHUSETTS CHILD CARE BY THE NUMBERS

Number of children ages 3-5: 240,856 SOURCE: US Census Bureau. 2000.

Percentage of children under age 6 with both parents in the labor force: 61 SQURGEFUS Census, 2000

Percentage of eligible children in full-day public kindergarten: 52 SOURCE: Mass. Dept. of Education, Early Learning Services, FY2003

Average annual cost per child of early education and care program: \$7,951 SOURCE: Securing Our Future, Volume VI, Mass. Dept. of Education, 2001, and Mass. Office of Childcare Services, 2001.

Average salary of an early childhood teacher: \$22,640

SOURCE: Mass Early Care and Education Staff Recruitment and Retention Research and Recommendations, Office of Child Care Services, 2001.

Number of children receiving subsidies administered by the Office of Child Care Services: 120,000

SOURCE: The Report of the Early Education and Care Advisory Committee, Massachusetts Legislature, December 15, 2004, p. 52

Number of children on the waiting list for OCCS subsidies, September 2004: 13.841

SOURCE: The Report of the Early Education and Care Advisory Committee, Massachusetts Legislature, December 15, 2004, p. 59.

Number of 3- to 4-year-olds served by Department of Education Community Partnership subsidies: 21,000.

SOURCE: The Report of the Early Education and Care Advisory Committee, Massachusetts Legislature, December 15, 2004, p. 61.

Number of children in Head Start: 12.000.

SOURCE: The Report of the Early Education and Care Advisory Committee, Massachusetts Legislature. December 15, 2004. p. 61.

-B.J. ROCHE

Packing up after her talk to the early educators, she's already thinking ahead to the one she's going to present tonight to an audience of businesspeople. It's a hectic time; in two days she's heading off to a village on Lake Atitlan in Guatemala to teach for a month—her idea of a vacation.

"A few weeks ago I was at the Copley giving a presentation on a panel with Malcolm Gladwell," says Blood to a few lingering fans. "It was so great." Gladwell's book *The Tipping Point* is one of Blood's favorites. Gladwell's theory is that small events can lead to big changes in society, and those events are helped along by three types of social instigators: connectors, those who know everybody and make a point of meeting those they don't; mavens, who love gathering and sharing information; and salesmen, those who are adept at persuasion. Easily fitting into all three categories, Blood could have been his cover girl.

The panel she's talking about was at the American Library Association's midwinter meeting. It was called "Creating an Advocacy Epidemic."

"All these librarians, they kept asking me, 'How can we bring this same kind of movement to what we do?' I get e-mails from them all the time."

Memo to legislators: Consider yourselves warned. ■

B.J. Roche teaches journalism at the University of Massachusetts–Amherst.

Hittingthe



Even if it's only the lottery, the state is hooked on gambling.

Is there more to come?

BY MICHAEL JONAS
PHOTOGRAPHS BY MARK MORELLI



Playland: Moody Spa in Waltham offers all the state lottery games, from scratch tickets to keno.

t's a safe bet that Al Rezendes isn't giving a lot of thought to the Belchertown fire truck he helped buy, or to the new police cruiser protecting the residents of Bellingham, thanks in part to him. Standing in Sully's variety store on Broadway in Chelsea, the 54-year-old retired cleaning business worker is more focused on why the keno drawings keep favoring high numbers when he consistently plays two different strings of low numbers. Or on how the \$50 worth of scratch tickets he has bought over a half-hour span have returned a paltry \$9. "The lottery ought to be shot," he says, though Rezendes will almost surely return the next day to Sully's, where he drops as much as \$100 per day on the state-run games that critics call a "sucker's bet" and a hidden tax on the poor.

It may bring disappointment and sometimes despair to legions of losers, but the Massachusetts state lottery is a cash cow for government. The lottery pours nearly \$1 billion a year into the state's coffers, accounting for more than 3 percent of all state revenue. With most of that money earmarked for local aid to cities and towns, the lottery has become an indispensable revenue pipeline for communities across the state, giving it a built-in constituency that includes leaders of every municipality in Massachusetts.

In Chelsea, \$5 million of the city's \$97 million yearly budget comes from lottery aid. Jay Ash, Chelsea's city manager and a lifelong resident of the blue-collar burg of 35,000, voices misgivings about the amount of money denizens of his city—one of the poorest in the state—wager on the games. But he is equally clear about how dependent Chelsea is on lottery aid. "We couldn't survive without it," says Ash.

It may strike some as an odd way to fund state and local services, but the 34-year-old state lottery is now accepted as a permanent part of the Massachusetts landscape—and revenue system. It is the most successful in the country by far, pumping more money per capita into state coffers than any other lottery, while racking up gross sales that exceed lotteries in every state except New York. (See State of the States, page 34.) But the trade in scratch tickets and keno —the bingo-like game for which numbers are drawn and

displayed every four minutes on television monitors in barrooms and convenience stores across the state—is rapidly becoming passé.

Full-blown casinos and slot machine emporiums, once limited to the neon-soaked Nevada desert, are popping up everywhere from downtown Detroit to sturdy Middle America outposts like Rock Island, Ill., not to mention the Connecticut countryside. Following the spread of state lotteries in the 1970s and '80s, states are now welcoming the bells, whistles, and lights—and loot—of big-time gambling. On top of the 41 states plus the District of Columbia that operate lotteries, 33 now have some type of casino gambling or slot machines. Only Hawaii and Utah have no forms of state-sanctioned gambling.

Alan Wolfe, director of the Boisi Center for Religion and American Public Life at Boston College, says that while the country has long looked to the West Coast for signs of things to come, we seem to have a new trend-setting touchstone. "We used to talk about how the whole country is California, but now the whole country is Las Vegas," says Wolfe, the author of, among other works, Moral Freedom: The Search for Virtue in a World of Choice.

Younger people today "have grown up in a culture where the lottery and the weather is what you hear every night on the news," says Kathleen Scanlan, executive director of the Massachusetts Council on Compulsive Gambling. "It's all becoming normalized."

Maybe so. But for years, Massachusetts has resisted, through good times and bad, the push to expand gaming past its current legal limits. Still, the pressure has not gone away. That's in part because of the hundreds of millions of dollars that pour out of the state each year as residents flock to Foxwoods and Mohegan Sun, the huge casinos operated by American Indian tribes in southeastern Connecticut.

So far, Massachusetts has elected not to roll the dice on expanded gaming, but it's hardly because the state with the country's leading lot-

tery claims any kind of moral high ground when it comes to leveraging games of chance to fund vital state services. Indeed, worries from lottery officials that casinos or slot machines might eat into the earnings they return to cities and towns have been among the strongest anti-casino arguments used in the running debate over gaming, a world in which strange bedfellows are often the norm.

CHANCE ENCOUNTERS

From the poker fad that has teenagers following their favorite card sharks on televised tournaments to the buses that disgorge thousands of senior citizens each day at Foxwoods, we seem to be a culture crazed by games of chance. Critics say we are driven by a something-for-nothing ethic that appeals to a hunger for instant gratification and shuns the connection between purposeful effort and its psychic, as well as material, rewards. Nowhere is that mindset more powerfully driving the spread of gambling than in state capitals, where the lure of gaming revenues is proving irresistible to legislators. "It's a third choice from the Hobson's choice of raising taxes or cutting programs," says state Rep. Daniel Bosley.

Bosley has spent a decade in the thick of the debate over expanded gambling in Massachusetts. As the longtime House chairman of the Legislature's committee with juris-



City manager Jay Ash: Chelsea "couldn't survive" without lottery aid.

diction over gambling, the North Adams Democrat has been one of Beacon Hill's point men on gaming bills. To Bosley, who has studied the issue as much as anyone in the Legislature, the case for casinos just doesn't add up.

But there is plenty of support for expanded gambling in the Legislature, and some think the prospects have improved with the departure of former House Speaker Tom Finneran, who was a firm opponent of the idea. One of those hoping the tide has turned is state Sen. Joan Menard, a Democrat from Somerset, who is the sponsor of one of the main expanded gaming bills filed this year.



Rep. Daniel Bosley says casino backers overstate benefits and ignore costs.

Menard's bill would permit the placement of slot machines at the state's four existing racetracks while also authorizing the establishment of two full-scale casinos, one in her home region of southeast Massachusetts and one in the western part of the state, both economically struggling areas where local officials have long argued for casinos as part of a revitalization plan.

"We're just allowing a lot of revenue to leave the state," says Menard, offering up one of the most common argu-

lars that will create jobs instantly," says Senate minority leader Brian Lees, an East Longmeadow Republican who represents part of Springfield, which would be a likely candidate for a casino under Menard's bill. "I can't think of anything else that could create 5,000 to 6,000 jobs within two years," says Lees.

Bosley says the gambling industry and its legislative allies overstate the benefits of expanded gaming while ignoring the costs. Two years ago, he says, owners of the state's four racetracks claimed that allowing slot machines there would generate more than \$400 million in revenue for the state, a figure he calls "patently absurd" given that Foxwoods and Mohegan Sun, the world's first and third largest casinos, respectively, returned a total of \$397 million to the state of Connecticut last year. But even accepting that figure, Bosley says, an honest accounting would include likely reductions in lottery revenue, law enforcement and regulatory costs, and the social and economic costs of compulsive gambling.

Says Bosley, "Our answer has come down very solidly after examining this half a dozen times: This is not good state policy."

Those who study the economics of the gambling industry say it's not always that simple. William Eadington holds the Philip S. Satre chair on gaming studies at the University of Nevada at Las Vegas—a post named for the former CEO of Harrah's Entertainment, the country's largest casino-operating company, which donated \$1 million to endow the professorship. Eadington says there is a hierar-

Bay State residents spent \$831.5 million last year at Connecticut's two casinos, says one study.

ments made for expanded gambling here. A recent study from the Center for Policy Analysis at the University of Massachusetts at Dartmouth says that Bay State residents spent \$831.5 million last year at Connecticut's two casinos, which translates into an indirect contribution to that state's coffers of \$116.6 million. According to the report, Massachusetts residents also spent an estimated \$179.9 million at Rhode Island's two slot machine venues, the Lincoln Park Greyhound Track and Newport Grand jai alai and racing simulcast center.

"It's the only bill that we will pass in our legislative careers that will not cost the Commonwealth any tax dolchy of economic effects associated with gambling. At the top are destination resorts such as Las Vegas, which draw visitors from across the country and even from around the world. These are clear generators of economic growth to the local community. Casinos like Foxwoods, which have a regional draw, offer substantial but somewhat lower returns to the local economy, while slot machines—or video lottery terminals, as they are technically known in the industry—based at racetracks are the least beneficial, creating far fewer jobs than full casinos and drawing most of their revenue from customers in the immediate area. Coming late to the game, Massachusetts is unlikely to cre-

ate a destination casino of any kind, Eadington says. "That's not going to happen."

"Gambling is successful in a state when you can get lots of people from out of state to come in and do it," says Richard McGowan, a Jesuit priest and associate professor in Boston College's Carroll School of Management, who studies the effects of lotteries and other forms of legalized gambling. That's because the state gets money from gamblers who take any social costs associated with their practice back to their home states. "The point has not been lost even on our Muslim brothers and sisters," says McGowan, pointing to Egypt's booming tourist casinos—from which its own citizens are banned.

When it comes to gambling facilities without such a dispersed clientele, success is not so evident. The Rappaport Institute for Greater Boston at Harvard recently completed a national study of the economic impact of American Indian casinos. "We didn't find particularly dramatic effects in either direction," says Phineas Baxandall, assistant director of the center. The study found a 10 to 15 percent increase in bankruptcies in counties with casinos compared with similar counties without such facilities. On the positive side, the arrival of casinos did lead to local job growth, but that came with a growth in population, so that the "employment rate didn't necessarily go up," says Baxandall. Of course, in economically troubled areas, such as Springfield, which have experienced population loss and economic decline, more jobs and more residents would both be welcome.

EASY MONEY

If the debate over the economic impact of gambling expansion is complicated, state Sen. Michael Morrissey, who in the past served as Bosley's Senate committee co-chairman, says sizing up the appetite for gaming legislation on Beacon Hill is not. "Depending on how desperate we are for new revenue sources, it will receive attention accordingly," says Morrissey, a Quincy Democrat who has authored several bills to expand gaming.

Two years ago, in the midst of a recession and fiscal crisis, gambling was receiving serious attention on Beacon Hill. Gov. Mitt Romney first raised the idea of seeking payments from Connecticut's casinos and Rhode Island's two slot machine venues as part of an agreement by Massa-

GETAWAY OR GIVE-AWAY?

Dawn has barely broken on a frigid February morning as Grace and Claire Sullivan climb aboard Peter Ban bus No. 565 in Quincy Center for their regular date with bingo hall destiny. They're heading to Foxwoods, with its mind-boggling 4,000-seat bingo parlor, row after row of slot machines, and pile-it-high lunch buffet — included in the \$23 round-trip bus ticket, along with a \$10 voucher for keno games.

The Sullivan sisters are once-a-month customers on the 7:20 a.m. charter from Quincy Center, part of a steady stream of Bay State bettors that parted with an estimated \$832 million last year at Foxwoods and Mohegan Sun, the two American Indian-run casinos that have transformed southeastern Connecticut into the premier gambling crossroads of the Northeast. Add the estimated \$180 million that Massachusetts residents spent last year at Rhode Island's slot machine venues in Lincoln and Newport, and more than \$1 billion a year spills over the border each year to the two neighboring states.

The staggering sums are a big part of the case made by advocates of expanded gambling in Massachusetts, who say the state is shooting itself in the foot by not capturing gambling money that Bay State residents are spending anyway. It's a case echoed by Grace Sullivan, who likes the idea of venues inside the Massachusetts borders. "Instead of paying the money out, bring it in," she says.

While expanded gambling in Massachusetts would put money in Massachusetts's coffers that is now going to Connecticut and Rhode Island, Sullivan has no illusions that it would put anything more in her pocket. "Sometimes you win and sometimes you lose," says the retired cook. And most of the time? "You lose," she says with a laugh.

Next stop is the Forest Hills MBTA station in Jamaica Plain, where the bus picks up a handful of cheerful retirees. "Good morning, every lucky person," calls out one chipper woman as she mounts the bus steps. "All the winners on board?" asks another as she joins what soon resembles a senior center on wheels, all friendly patter and familiar faces.

Most of those on board, of course, will not be winners. But no one's complaining.

"It's a day out. You don't go to win," says John Wood, 67, a buildings and grounds worker at Boston College High School in Dorchester, who boards at the last pick-up in Foxborough. Wood, who lives in a Norton mobile home park, says he's willing to part with up to \$100 on 25-cent slot machines. After that, he simply enjoys the casino scene until the return trip at 4:30 p.m. Most of those on the bus say they go with a preset limit on what they're willing to lose.

And for some, the trips are more than just a chance to take a chance. Polish-born Krystyna Morvak, a retired hospital translator from Weymouth, says she goes as much for the massage treatments offered at the casino hotel spas as for the slot machines, where she usually also takes a pounding.

But the Connecticut and Rhode Island gaming meccas attract plenty of customers for whom gambling is the only draw —and chasing their losses a constant temptation.

That may have something to do with why ATMs seem to be

chusetts not to open casinos here. The "blocking payment" plan—likened to extortion by some—didn't get off the ground. That was followed by talk from the administration of granting temporary, five-year licenses to operate slot facilities in Massachusetts. The idea that the state would ever shut down a revenue-generating operation once it was established struck many as disingenuous, and the plan didn't fly.

Sending a sharp signal that gambling was off the table,



everywhere in the three-story slot machine emporium at the Lincoln Park racetrack. "That's the machine that pays off all the time," jokes a security guard standing near a cash

Asked how often they come to the Rhode Island slot center, several patrons offer the same two-word reply: "Too much."

"I lose here a lot," says Jackie, a 62-year-old Danvers resident who doesn't want to give her last name. "But as long as you can do it and not get into the mortgage money, it's fun."

Some can't do that. One woman playing the slots says two days earlier she ran into an acquaintance at Lincoln Park who had been going to Gamblers Anonymous and had stayed away from the slots for three months. "She told me, 'I just spent my bill money,'" says the woman, a widow who comes to Lincoln Park as often as three times a week.

As the Foxwoods bus rumbles up I-95 at the end of the day, Claire Sullivan says she's down \$50 or \$60. Her sister, Grace, says she broke even.

For Pat Washington, a 28-year veteran Boston police officer and regular Foxwoods-goer, the trips are a way to leave behind a stressful job. The Connecticut countryside is close enough, without being too close, she says. "It's a getaway," says the 52-year-old police officer. "If there was one in Massachusetts, I'd see everyone I know there."

-MICHAEL JONAS



Managing Complexity

Government Relations, Public Relations, Project Development, International, Health Care, Environment

Boston | New York | Washington | Reston | New Haven

www.mintz.com

investing in community

building on values

Real estate services for the non-profit sector:

- Development & Consulting
- **Property Management**
- Leasing & Tenant Representation

Paradigm Properties 31 Milk Street, Suite 901 . Boston, MA 617-451-9800 www.paradigmprop.com

the House voted down two different bills to expand gambling prior to that year's budget debate, ruling out a gaming solution to fiscal woes. After that, no gambling measures ever came to a vote in the Senate.

Today, the Romney administration says there is no need for gaming revenue. Spokesman Shawn Feddeman says that while the administration "considered an expansion of gaming when we were grappling with a \$3 billion budget deficit," with state finances now on a more even keel, "there is no

need for the additional revenue that gaming would bring in."

For gambling interests, opportunity often lies in the prospect of fiscal calamity. Last year, with a decision on the *Hancock* school funding case looming on the horizon—possibly requiring the state to spend hundreds of millions of dollars on schools in low-income communities—there was once again quiet talk of a casino solution. But the wind came out of those sails when the Supreme Judicial Court ruled against the *Hancock* plaintiffs in February.

Sen. Sue Tucker, the Legislature's most vociferous gambling opponent, says she finds it particularly galling when gambling proposals come wrapped in the mantle of worthy causes. "I sincerely object to the 'slots for tots' approach," says the Andover Democrat. "Why doesn't the state push smoking so the resulting higher cigarette tax collection can fund important services?"

Gambling proponents have also hitched some hope to the election two years ago of Robert Travaglini as president of the state Senate. Two of the state's four racetracks, Suffolk Downs and Wonderland, are located in Travaglini's East Boston—based district.

The Senate president says he would support a move to allow slot machines at racetracks as a means of creating new jobs as well as preserving the close to 3,000 jobs now at the two facilities, which have struggled in recent years in the face of declining attendance.

But Travaglini has thus far not seemed anxious to make gaming expansion a signature issue of his tenure. "It's clear to me that the votes aren't here in the body," he says of the Senate. Asked about the prospects for passage of expanded gaming legislation this year, he says, "I would hold your bets."

Bosley, who has retained jurisdiction over gaming bills as House chairman of the new Joint Committee on Economic Development and Emerging Technologies (itself taken by many as a sign that the new House leadership, under Speaker Sal DiMasi, has no greater appetite for

gambling), has no doubt, however, that there will be proposals for slots, casinos, and the like in the future. With hundreds of millions of dollars at stake, he says, the industry push for expansion is relentless. Bosley tells this story: One year, the Legislature voted down a gaming bill on a Monday or Tuesday, then, "on Thursday one of the gambling interests came in to see me and says, 'How can we change your mind,'" he says. "It's like Freddy Krueger. It keeps showing up no matter how many movies it dies at the end of."



Sen. Joan Menard: "We're just allowing a lot of revenue to leave the state."

RISKY BUSINESS

Wearing a black turtleneck and sport coat amid a roomful of dark-suited Boston business types, Gary Loveman looks every bit the Las Vegas executive he is. But as the guest speaker for Boston College's Chief Executives' Club of Boston on a Tuesday in January, the 44-year-old chief executive of Harrah's Entertainment is actually quite at home. Loveman, who divides time between his suburban Boston residence and the company's Las Vegas headquarters, spent nine years as a Harvard Business School professor before trading in his academic post.

Whether holding court before a classroom of future corporate leaders or fronting for the country's \$72 billiona-year gambling industry, Loveman talks at the rat-a-tat speed of a polished pitchman, describing the glories of his industry with over-the-top overtures that leave the crowd

laughing, if not necessarily won over.

He touts the economic renaissance casinos have brought to cities across America, from the down-on-their-luck Iowa and Illinois outposts that have welcomed riverboat gambling to the country's capital of fun, New Orleans, where letting the good times roll now includes rolling the dice at four different casinos. He jokes that the Joliet, Ill., of today, with a 40,000-square-foot Harrah's casino, is a far cry from the bleak backwater captured in the Blues Brothers film, where the best hope for locals was a job at the city's famed state prison. Joliet has been "totally revitalized," Loveman tells the room of executives at the Boston Harbor Hotel.

Though he concedes that the short-term prospects for a Massachusetts casino aren't terribly good, he says Harrah's is more than ready to bring the benefits of casino betting to the Bay State. "My humble company would be honored to serve," he says.

Dan Bosley paid a visit to Joliet in the mid-1990s, part of a fact-finding trip he took to various gaming sites. But it's not the revitalized downtown and sparkling riverboat casino that stick in his mind. Bosley was struck by the stories he heard on Joliet's floating riverside casinos, including one from a young man from the area who was just out of high school. "He had lost \$1,000 in the past week and was trying to get it back," says Bosley. "I heard that story many times."

Not nearly as many times, however, as Kathleen Scanlan. Scanlan is executive director of the Massachusetts Council on Compulsive Gambling, a 22-year-old organization providing help to compulsive gamblers, which is funded by the state lottery commission.

The group gets 2,000 to 3,000 calls per year to its hotline. The prevalence of problem gambling is difficult to gauge precisely, but most estimates say 1 to 2 percent of the adult population suffer from extreme forms of pathological gambling, while an additional 3 or 4 percent of all adults have gambling problems severe enough to cause harmful effects on their daily life.

Scanlan says compulsive gambling can exact a wearying toll, ranging from its effects on marriages and relationships with children and parents to financial ruin and even criminal behavior. "We very often will find a person gets involved in illegal activities not because they're a person who has been living a criminal existence, but because a person with a gambling problem will do what they have to do to keep gambling," says Scanlan.

Take "David," for example, who has seen his marriage crumble, his career go down the tube, and bankruptcy leave him with nothing. These days, the 41-year-old father of



The community is strengthened when hands come together.

John Hancock is proud to partner with more than 200 Boston area non-profit organizations in support of our youth.

John Hanc<u>ock</u>

John Hancock Life Insurance Company, Boston, MA 02117

IHAD376 12/04



Applying cutting-edge political campaign techniques and talent to meet corportate and non-profit public affairs challenges.

www.deweysquare.com

Boston • London • Los Angeles • Sacramento San Francisco • Tampa • Washington, DC

The Massachusetts Department of Workforce Development and **Commonwealth Corporation** congratulate the latest recipients of **BayStateWorks** grants

Franklin Hampshire REB North Shore WIB Boston Private Industry Council Metro South/West REB **Bristol County WIB REB of Hamden County** Berkshire County REB Cape Cod and Islands WIB Greater New Bedford WIB

BayStateWorks helps businesses and industries address workforce development needs through employer-driven partnerships.

Brockton Area WIB

www.commcorp.org



two, who spoke on the condition that his real name not be used, is volunteering at the problem-gambling council's Boston office and waiting for sentencing on federal charges related to embezzling money from his former employer.

In the mid-'90s, David's wife nearly threw him out when gambling forced the family into bankruptcy in Florida. But she gave him another chance when they resettled in the Boston area. Within several years, he was making close to \$100,000 a year in construction management and had built a house in the suburbs. But gambling once again overtook his life, as he spent more and more non-work time at Foxwoods. In 2000, he says, "my wife kicked me out for the third time."

When she did, he had only one place to go. "I moved out and I moved to Foxwoods," he says, and he means it quite literally. The customer points he racked up at Foxwoodsunder a system similar to airline frequent flyer miles enabled him to live in a suite in one of the casino hotels for the better part of three years. "I don't think I once paid for a room," he says. He commuted two hours each way to his job, pumping everything from his now \$150,000-a-year salary that didn't go to child support into games of chance.

David has attended Gamblers Anonymous meetings ever since he was arrested early last year. And in the spirit of all such addiction recovery programs, he emphasizes that he is ultimately the one responsible for his actions—and for his own recovery. Still, he finds it hard to view the casino industry as an innocent bystander to the damage wrought in their facilities. He says casino staff and management never once questioned his gambling habits.

"How could I live there day after day and gamble hundreds of thousands of dollars and not have someone come up and say, 'Do you have a problem?' Never, not once" did that happen, he says. Casinos don't try to help compulsive gamblers "because it's not in their best interests. You don't have to be a brain surgeon to understand that."

GAMBLING WITH ADDICTION

"The industry is well aware their Achilles' heel is addiction," says McGowan, the BC gaming researcher. Unlike the tobacco industry, which denied the addictive properties of cigarettes for decades, the gambling industry has sought to get out in front of the addiction issue, readily conceding that the problem exists—though it is also quick to emphasize that compulsive gambling is confined to a tiny proportion of the population, McGowan says.

Recognition of problem gambling, however, has raised some thorny questions for the industry, chief among them: Does the spread of legalized gambling lead to more problem gamblers?

"You're an ostrich if you think that adding a casino is going to have zero impact," says Henry Lesieur, a psychologist who directs the Rhode Island Gambling Treatment Program at Rhode Island Hospital, in Providence. "I have far too many people tell me, 'Before Lincoln Park opened, I didn't have a problem. Before Foxwoods opened, I didn't have a problem."

The report of a 1999 national commission on gambling seems to confirm Lesieur's experience, concluding that living in a 50-mile radius of a gaming facility was associated with twice the prevalence of problem gambling as in areas not close to such facilities.

Christine Reilly, executive director of the Institute for

Research on Pathological Gambling and Related Disorders at Harvard Medical School, says the question isn't that simple. She says the 1999 study was "very methodologically flawed." Furthermore, she says, there is growing evidence that there may be a "novelty effect," in which the introduction of casinos leads to a short-term bump in problem gambling that then flattens out over time.

A new national study, however, provides additional support for the idea of an "exposure effect" from proximity to gaming facilities. Researchers at Buffalo University report that living within 10 miles of a large-scale gaming operation was linked with a 90 percent increase in gambling problems, a finding very similar to the two-fold increase in problem gambling in the 1999 report.

"What's important is that both teams of researchers, working independently of each other, were able to identify the same relationship," says Rachel Volberg, president of the National Council on Problem Gambling and an adjunct professor of public health at the University of Massachusetts-Amherst, who was involved in the 1999 report.

In minimizing the risk, the gaming industry often points to the figures on the percentage of problem gamblers in the overall population. But that ignores a question that may be more relevant to debates over gambling expansion, namely, what percentage of casino

visitors or of casino revenue comes from those in the throes of pathological addiction? Volberg tried to answer that question, looking at different types of games in different states. In her research, problem gamblers accounted for 15 to 18 percent of slot revenue in Iowa and Mississippi, 33 percent of revenue from table games in Iowa, and 75 percent of bingo revenue in Mississippi.

Earl Grinols, a Baylor University economist and a senior economist to the Council of Economic Advisers in the Reagan administration, says the social costs of gambling are far higher than the industry would have anyone believe. Grinols, the author of Gambling in America: Costs and Benefits, published last year, says that each problem gambler accounts for \$13,000 per year in social costs related to theft, absenteeism at work, and financial hardship faced by families. He says the costs to the economy from problem gambling could be as high as \$54 billion per year, or roughly half the \$110 billion that is attributed to drug abuse by the US General Accounting Office.

Taking the research as a whole, "somewhere between one-third and one-half of the revenues to casinos are coming from problem and pathological gamblers," maintains Grinols. "So this is an industry, like it or not, that is making



Lottery director Joe Sullivan: "Moral discussions" are not part of his job.

its money off the sickness of its clients. Government is supposed to be the protector and guardian of the community, not the predator."

STRANGE BET-FELLOWS

While Grinols is outspoken on the downsides of gambling and has testified before numerous state legislatures in opposition to gambling expansion, others retain a posture of studious neutrality.

Reilly, the executive director of the Harvard research institute on gambling, says such issues are not for researchers to address. "It's not for us to say," she says of debates over proposals for expanded gambling. "Scientists are not advocates. Show me a scientist who is an advocate and they're not a scientist."

But if addiction is the Achilles' heel of the gambling in-

dustry, questions about their funding sources can be the Achilles' heel of those involved in the research and treatment services related to problem gambling. The Harvard center is supported almost entirely by an annual \$1.2 million grant from a Washington-based nonprofit foundation that is, in

fiercest opponents of gambling often find themselves in league with unusual allies.

Several years ago, when he was working on a campaign to stop casino legislation in New York, Thomas Grey, president of the National Council Against Legalized Gambling,

'The state becomes addicted to gambling more than any one individual.'

turn, entirely funded by the gambling industry. Reilly says the institute's research should be judged not on its funding source, but on its merits, and the peer-reviewed scrutiny it must stand up to in getting published in scientific journals. "The proof is in the pudding," she says.

The Massachusetts Council on Compulsive Gambling, whose \$655,000 budget comes entirely from the state lottery commission, also refrains from taking a position on expanded gambling, even though Scanlan, the council director, says, "I think it's safe to say it would increase the number of people with problems."

While some researchers and counseling centers stay out of the fray of debate over gambling expansion, some of the found himself in cahoots with associates of Donald Trump, who worried that casinos in the Empire State would cut into Trump's interests in Atlantic City. More recently, Grey found himself working with bar owners in Madison, Wis., who were concerned that proposed slot machines would steal their customers, "It doesn't mean I'd endorse taverns in Madison, but it doesn't hurt that they were opposed to having casinos," says Grey.

Grey talks about the gambling battle more in the language of the Vietnam War infantryman that he was than the Methodist minister he now is. Grey says he often gets calls from people in the gambling industry who share information with him as part of an effort to do in a rival's bid. "Their



greed and their willingness to attack each other is worth two divisions to us," he says.

HITTING THE LOTTERY

The strangest bedfellow of all in the debate over gambling expansion here is undoubtedly the state's biggest gambling promoter, the Massachusetts State Lottery. Lottery officials, and state Treasurer Tim Cahill, whose office oversees the lottery, have been the most compelling voices urging caution, warning of the danger that casinos or slot machines could hurt lottery sales—and the local aid money that it is tied to. But that stance could change if the lottery were put in charge of expanded gaming options in Massachusetts.

"If it's going to happen—and I'm not taking a stand as to whether it should—we've made the case it should be overseen by the lottery," says Cahill.

The squat brick building that is the Braintree headquarters of the lottery doesn't hold a candle to the gambling palaces of Connecticut, which record more than 34 million visits each year. But don't judge a bookie by its cover.

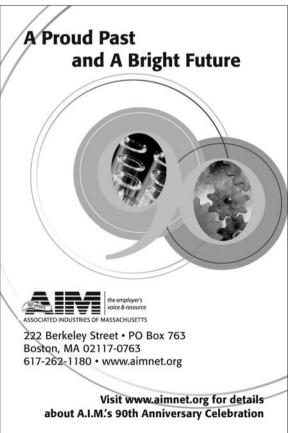
Inside, at a nerve center of computers and monitors, IT managers track the bets being taken in by 7,800 lottery agents across the state, and watch over the systems that are generating a new set of keno numbers every four minutes from 5 a.m. until midnight. But it is from the building's huge mailroom, where an average \$10 million a day worth of instant scratch tickets are shipped to outlets across the state, that the lottery packs its true cash-generating punch.

There are 30 different scratch games being mailed on a February morning. The instant tickets account for almost 70 percent of lottery sales, and the commission staff is constantly devising new games. With one agent for every 880 residents, the lottery has the highest per-capita retail presence in the country. It also claims one of the biggest payouts, returning 72 percent of gross revenues in prizes. Joe Sullivan, the lottery's executive director, points out that the \$900 million the lottery returned to state coffers last year was twoand-a-quarter times more than what the giant Connecticut casinos returned to the Nutmeg State, and that the lottery did so based on only one-quarter the casinos' \$16 billion in gross revenues.

Sullivan has heard all the arguments against the lottery: That it's a bad way to raise revenue. That it preys on lowerincome residents, who are more apt to see a scratch ticket as a way to financial security than education or career ladder. But Sullivan also knows that every city and town in the state is counting on him to deliver at least as much lottery aid money as last year, if not more.

"Our role is not to get into any kind of moral discussions, but to run a business," says Sullivan, a former Braintree state representative. "We're a public agency, we carry a public mission, but our job is to run the place in a business mode."





These days, that business mode once again includes aggressive promotion of its products through advertising. From 1997 through 2002 lottery advertising dried up, due largely to the objections of then-Senate president Tom Birmingham, who killed the commission's advertising budget while he was in power.

"I honestly am not moralistic about gambling," says Birmingham, who is now in private legal practice. "Some people like the Alvin Ailey dance troupe, some people like to go to the Wonderland dog track. But advertising on the lottery represents one of the worst relationships imaginable between a government and its citizenry. The government is [using] tax dollars to try to convince some of the most gullible people in the state to place what amounts to a sucker's bet. I'm not saying you can't get more [lottery revenues by advertising]. I'd suggest if you can, at some level, they're ill-gotten gains."

As soon as Birmingham left office in 2003, the lottery won back an advertising budget from the Legislature, as part of the new treasurer's contribution to solving state and local fiscal problems. But Cahill insists that he's not trying to pick the pockets of habitual lottery players even cleaner. Rather, he says the ad campaigns are focused on "the casual gambler, the person who might only play when the jackpot

LOTTERY HOT SPOTS

Since 2002, there have been 521 second-prize winners in the Mega Millions game and first- or second-prize winners in the Mass Cash game, with amounts ranging from \$68,000 to \$175,000. (Winners are posted on the lottery's Web site, at www.masslottery.com.) Below are the most common hometowns of the winners. In all cases, the numbers include multiple wins by the same individual.

SOMERVILLE: 17 PEABODY: 16 DORCHESTER: 15 WALTHAM: 10 SPRINGFIELD: 10 WORCESTER: 9

is high, and play for entertainment value."

The latest run of ads play off the idea that, with lottery money going to cities and towns, you win even if you lose. "Whoever said you can't win 'em all didn't live in Massachusetts," is the punch line of one ad popping up on Web sites such as boston.com.

To McGowan, that kind of appeal reflects all that's wrong with state-sponsored gambling. "Be a sucker at all these games that give you a God-awful rate of return, but you should feel good because it's helping your local town and city," says McGowan. "Is this really the way you want to raise money for the state?"



We bring investment solutions from New England to the world

The answer from state leaders seems, emphatically, to be yes. After budgeting \$5 million for the first year the lottery resumed advertising, the Legislature doubled the ad budget last year to \$10 million. This year, the Romney administration has proposed a further increase to \$15 million, under the heading "revenue maximization."

CALL AND RAISE

Whether through the lottery or slot machines, "the state becomes addicted to gambling more than any one individual," says McGowan. And like any addict, states sometimes bend their own rules to feed their habit. Connecticut and Rhode Island, like Massachusetts, have adopted statewide workplace smoking bans in recent years. But those two states carved out exemptions for their gaming facilities, so as not to cut into the gambling revenues they get a share of.

"The hypocrisy is palpable," says Rod Driver, a former Rhode Island lawmaker who battled unsuccessfully against the introduction of slot machines there.

"In economics we always talk about maximizing profits," says McGowan. "Could anyone truly say this is an industry that we would truly want to see maximize its profits, whether the state is receiving it or the industry?"

Jay Ash, the Chelsea city manager, knows his municipal budget is bolstered by the losses of lottery players, including his city's own citizens. "It's fool's gold," he says, speaking of the shiny scratch tickets that are a bigger staple at some Chelsea convenience stores than milk or bread. "You don't return \$750 million to the cities and towns without having a lot of losers."

Though he doesn't know what he'd do without the \$5 million Chelsea gets in lottery aid, Ash is mindful that the price of that aid was nearly \$30 million spent at Chelsea lottery outlets. That works out to nearly \$1,000 a year for every man, woman, and child in one of the state's poorest communities.

Al Rezendes's contribution to the lottery's success is likely much higher. Unshaven and leaning on a cane early on a Sunday afternoon in February, he makes several loops between the front counter at Sully's to buy more tickets and the keno corner in the back, where he scratches away at the silvery backing to reveal his fate, all the while keeping one eye fixed on the keno monitor. Fuming about the lottery's lousy odds, Rezendes says some sort of bonus should be funneled back to regular lottery players, a recognition of their role in helping to fill municipal coffers that would be akin to the points that regular casino-goers build up for perks.

But for him, as with thousands of others with a seemingly insatiable itch to scratch, such rewards would likely only amount to another seductive come-on. After a string of losing scratch tickets, Rezendes finally hits one for two dollars. He heads to the front counter at Sully's and hands it to the clerk. "Give me two more."

Massachusetts **AFL-CIO**

"Voice of Working Families"

The men and women of the Massachusetts Labor Movement are fighting for social and economic justice for all working families. Not just the 403,850 members of the Massachusetts AFL-CIO, but every man and woman who toils daily for wages in this state.



Massachusetts AFL-CIO

389 Main Street, Malden, MA 02148 • (781) 324-8230 fax (781) 324-8225 • www.massaflcio.org

Robert J. Haynes, President . Kathleen A. Casavant, Treasurer

Please place New Profit ad here. Pdf is in but can not place.

NPI MassInc Ad 2005.pdf

ROUNDTABLE



PHOTOGRAPHS BY FRANK CURRAN

Corporate citizens

These five wise men (and women) know firsthand what it means—for jobs, philanthropy, and civic life—to have major companies based here.

What do we do when they leave?

There is no question that the announcement in January that Procter & Gamble, the Cincinnati—based consumer-products conglomerate, would acquire the Gillette Co., a Boston stalwart, struck a nerve. Partly, it was simply the shock. Unlike other recently sold companies, Gillette was not publicly in play. Indeed, having fought off P&G's advances several years ago, Gillette's eagerness for the deal took the public, and even seasoned observers, by surprise. Partly, it was the specifics of the deal, which involved a great deal of money for shareholders and executives but little in the way of obvious business imperative. But the main reason the Gillette buyout hit home is that old rule of thumb: It takes three to make a trend. And after the Manulife acquisition of John Hancock and the Bank of America takeover of Fleet Bank, Gillette was the third that formed a disturbing pattern.

Old Boston is on the auction block, turning a place once known (if only to itself) as the Hub of the Solar System into what many people are starting to call a branch-office town. Still, apart from damage to the collective psyche, what is at stake for the city, and for the state, in global corporate consolidation?

Three areas of potential impact come to mind: jobs, philanthropy, and civic leadership. As it loses corporate headquarters, is the state losing control over its economic

destiny? Are the region's charities and nonprofit institutions of art, music, and culture losing their patrons? And, as the chieftains of the region's biggest corporations take their golden parachutes and go home, is the body politic losing its biggest extra-governmental leaders? Inquiring minds want to know.

To get some answers, I pulled together a group of eminent business leaders and observers to chew over these questions. Together, they represent the past, present, and future of corporate citizenship in Massachusetts:

Marshall Carter is former chairman and chief executive of State Street Bank and Trust Co., which turned back a takeover attempt in 1997. In his retirement, Carter chaired a panel, appointed by Acting Gov. Jane Swift, that examined Logan Airport security and operations following 9/11; he is also a senior fellow at the Center for Business and Government at Harvard's Kennedy School of Government and a member of the board (and on the short list for chairman) of the New York Stock Exchange.

Ferdinand Colloredo-Mansfeld is a partner in Cabot Properties, a Boston—based real estate investment firm, and former chief executive of Cabot, Cabot & Forbes. Colloredo-Mansfeld serves on the board of directors of the Raytheon Co. and is former chairman of the board of Massachusetts

General Hospital. But "Moose," as he is called by one and all, is best known for his leadership of the Boston Private Industry Council and, especially, the Coordinating Committee, or the "Vault," in the 1980s and '90s.

Thomas Hynes Jr. is president of Meredith & Grew, a downtown Boston real estate firm. He is also chairman of the Massachusetts Business Roundtable.

Rosabeth Moss Kanter, a professor at Harvard Business School and former editor of Harvard Business Review, is author of World Class: Thriving Locally in the Global Economy, and, most recently, Confidence: How Winning Streaks and Losing Streaks Begin and End. An advisor to corporations, governments, and community organizations, she is a veteran of many commissions and advisory boards.

Una Ryan, PhD, is chief executive of Avant Immunotherapeutics, a biopharmaceutical company based in Needham, which has under construction a manufacturing facility in Fall River. She is also chairman of the Massachusetts Biotechnology Council.

We gathered at the Boston offices of Goodwin Procter LLP for breakfast and conversation on the snowy morning of March 1. All, that is, but Marsh Carter, who joined us by speakerphone. What follows is an edited transcript of our discussion.

—ROBERT KEOUGH

CommonWealth: I'd like to take this discussion through the three axes of concern about the loss of major business headquarters in Massachusetts. One axis is the economic. As Marsh asked on the phone before we began, are we turning into Albany? Are we becoming a backwater of a global economy that is based not here, perhaps not in any particular place, but elsewhere—all the elsewheres? Second, there is concern about what that means for philanthropy. Third is the matter of what the loss of corporate headquarters means for leadership in the civic sphere. For years we've depended on corporate leaders who, although they might have nationwide or worldwide business interests, were based here and were concerned about things in their own company's back yard, and therefore played an active role in doing something about them. So let me ask first about the economic, the material issue. Do we have something to worry about? Or is this just sort of the normal process of change in an ever-changing economy? Maybe we should get used to it, get over it, and look to the future.

Carter: Let me start off, because I've been giving a lot of thought to this, being retired now for a couple of years. The three largest employer communities in the Boston area have, for 20 years, been health care, education, and financial services. But traditionally, those three communities haven't necessarily provided the industry leaders similar to a Chad Gifford or Bill Brown [chairman of Bank of Boston,

who retired in 1989]. The big companies have had more visibility because their CEOs have been active in town. The second fact has been, in the last 10 years, the companies' focus has changed from regional—New England, Boston—to global. For example, at State Street, we had 20,000 employees, but we got less than 20 percent of our business from Massachusetts. The amount of time I could spend on Massachusetts-focused outside activities was very limited, because we were doing business in 94 countries. Finally, it's clear to me that [corporate] philanthropy, despite what the acquired companies say, will, over time, decrease. Perhaps more importantly, the people in Charlotte [NC, home of Bank of America] are going to say, "Well, we don't quite understand why the Boston Pops or the [Boston Symphony Orchestra] or the [Museum of Fine Arts], is a local institution, so you have to give us more justification for the grant money that you're asking."

Kanter: This is exactly what my observations and my research show. First of all, on the philanthropy and civic leadership front,

there is a strong headquarters effect. Companies do contribute disproportionately in their home city or in the home city of top management.... In terms of Bank of America, I

'Philanthropy, despite what acquired companies say, will decrease.'

-CARTER

think it's a loss because BankBoston, and continued under Fleet, did take on the lion's share [of public activity]. We have Larry Fish at Citizens, but actually his company is foreign-owned [by Royal Bank of Scotland], even though Citizens Financial itself is based here. Gillette, I think, is largely irrelevant. I think Gillette has been a good contributor but has never really been active as a civic leader. The ones that were big players were the ones that had an interest in the local market. So we should bemoan the loss of ownership of the [Boston Globe] newspaper [to the New York Times Co.], the development firms, the banks, and others that have an interest in downtown Boston. What happened also was our economy shifted in the '80s toward companies that had no downtown interests, even though they might have







been headquartered here [in Massachusetts]. They were in the suburbs and exurbs. They were out on I-495 and beyond.

GROWING BUSINESS, GROWING JOBS

CommonWealth: Focusing strictly on the economic question, perhaps some of our politicians and others who are playing bean counter around the Bank of America acquisition—asking, "Are you living up to your jobs commitment? How many jobs are going to be lost with the Gillette acquisition by Procter & Gamble?"—maybe that's misguided. Jobs may not be the main thing that is at stake. If we're really looking for job growth, that's going to come not from the behemoths but from the entrepreneurial sector. Maybe the real question in the loss of large, visible companies is the leadership question.

Carter: Exactly.

Ryan: We will always end up with acquisitions and mergers. That's part of growing up in business and achieving the goal that you really wanted when you set out. What we have to do is make sure it really is part of a life cycle, that we are starting the new, young companies, the entrepreneurial ones—because those are the ones that provide the job growth. A company like mine that's not even profitable yet is part of a growth industry. We're building a new plant in

Fall River and I just can't get people in fast enough.

Carter: I would certainly agree with that. Two aspects, though. When you have a loss like Bank of America or Gillette, you're losing the corporate staff jobs, not necessarily as much of the worker-bee jobs. Those jobs you're losing tend to be the higher paying, more community-involved jobsthe general counsel, the assistant human-resources executive. The second issue is, when these companies begin to grow, like the one you just mentioned, the people running them are 100 percent focused on growing that company and are in a stage of their career where they don't have a lot of time to devote to the community. The community stuff tends to come when you're more secure in

your job and your company is beginning to gain a reputation. But the third thing is, people are really happy to put their [research-and-development] facilities around Boston but, boy, when it comes to production, they tend to go to those states where you can build a plant in six months instead of taking five years to get approval.

Kanter: We've been losing manufacturing and losing manufacturing jobs in Massachusetts for a long time.

Colloredo-Mansfeld: For a hundred years.

Kanter: Should we be really concerned about it? Because we've survived. Or should we do what we can to tweak the business climate so that we have a better shot at competing for the [kinds of companies] we should have, even if we're not going to have so many shoe factories anymore?

Colloredo-Mansfeld: Boston has lived by its wits. That's its history, when you think about it.... Today, health care is a huge business activity here. Back in the '80s, when a fellow named Bob Buchanan was running the Massachusetts General Hospital, I asked him to come to the Vault to talk about what was going on in health care, and he later was asked to join the Vault. It was the first time, because up to that time, the business folks would say, "Oh, I'm on the board of this hos-

pital or that hospital—we represent the hospitals." In those days, it was more of a charity. It wasn't considered a mainstream business. But the spinoffs and the research activities of the various hospitals in Boston are enormous. And I do think that is going to continue.

Ryan: As you say, there are many spinoffs and startups. We love entrepreneurial, unprofitable startups in this state. Once you begin to achieve your goals and become big and profitable, you become ugly, like the big pharmaceutical companies that you've been emulating all along. I think we have the wrong model. We have the fish model, and I think we need the mammal model. We start all these babies and expect attrition to [sort out] the winners. We don't nurture the small companies that are here and let them grow to the point where they will return revenues to the Commonwealth. We [in the biotech industry] are being wooed by every other state, every other country, and in Massachusetts, you can't find the right agency to talk to.

Carter: Let me give you an example. About seven years ago, we [at State Street] decided to expand our Kansas City operation because we loved the workforce out there. We had had about 200 people out there. I went out to see the mayor.... He was an African-American Baptist minister, very probusiness. I said, "We want to put up a 500,000-square-foot, twin-towered building with a 3,000-car parking gar-age underneath. We don't care where in town we put it." He said, "If you put it in this part of town I'm trying to redevelop, I'll have all your approvals in five weeks." We were out there in January. We broke ground for that building in April. We occupied the first half of the building 18 months later. The problem we have here in Massachusetts is, we can't even begin to grow a company at that level in less than a five-year timeframe to get approval for things.

Kanter: Why aren't we holding politicians' feet to the fire on this? Why are we decrying these awful corporations who merge and leave, when that's not the underlying problem? ... Our problems with permitting, of entanglements in state government, we've had that on the agenda here since at least 1990, since the Weld administration. Why don't we do anything about the business climate? The focus of this [discussion] is that we're at risk of being an Albany because of the global corporate economy when maybe the fault lies in us, here, not in them.

Ryan: I think that's absolutely right, but I think we are doing things. The Mass. Biotech Council and I, in particular, pushed for streamlined permitting. We do what we can with our trade organizations. We've lobbied everybody here. One of the problems is home rule, of course, in Massachusetts, where you've got to deal with every township. But...we do now have streamlined permitting. It's not perfect, but it's a lot better.

Carter: We're not getting the leadership at the top level of the state and the governor's office on economic development that I think we should have. I have a hard time counting any success [in the past] 10 years—with the exception of the removal of the banking law, which went back something like 90 years, with banks taxed at 13 percent as against corporations at 9 percent. What finally made the difference was, I went to see Bill Weld. I said, "Bill, we have an 18,000person workforce here, 85 percent university-educated, [but] I can be in Nevada in 90 days. We don't care where we

'Why aren't we holding politicians' feet to the fire on this?'

-KANTER

operate because we're a global company." We finally got that [banking law] removed, but I just don't think we're getting the leadership that we're paying for in our taxes.

CommonWealth: How many times do we have to fix the same problem? I am amazed to listen to this. When Bill Weld came into office, it was going to be all about straightening out this overregulated state. "We're going to streamline things. We're going to let business get underway and not tie them up for years. We're going to solve the permitting problem." Yet, when Gov. Romney presents his economic stimulus plan to the Greater Boston Chamber of Commerce, he does a PowerPoint demonstration with a slide that describes the permitting process—and it's a Rube Goldberg contraption. It's chockablock full of boxes and arrows. Tom, you've been watching this process for years. Why do we never get off the dime on this?

BANKING ON LIFE SCIENCES

Hynes: Part of the issue is just the age and the maturity of our economy. We have cities and towns that have been around for 100 years, versus Dallas or Kansas City or Houston, where you can just go out to that "back forty" —there's plenty of land and very little zoning constraints. So one of our great strengths is also our weakness. The weakness is how we get tied up in local government, and the approval of any project that goes through multiple layers of jurisdiction. It's also one of our great assets, because it creates a [desirable] quality of life in our cities and towns. But I think we have to pay



attention to [emerging] economic clusters where we could put the permitting in place in advance. The whole life sciences sector—biotechnology and pharma and all the rest of it—that is the future. Novartis could have gone anywhere, but they did a worldwide search and they plunked right down in Cambridge. Why? Three letters: MIT. To be sitting right adjacent to MIT to have the strength of the intellectual brain power that's sitting right there.

Ryan: But they didn't put their manufacturing plant there.

Hynes: That's the other half of the equation. If that were a focus, if we could capture some of that, it would give us a better chance also to attract more and more of those companies.

Ryan: And I think we can.

Kanter: I think with Novartis, by the way, it wasn't MIT, it was the medical centers.

Ryan: I think it was the biotech companies [who were already herel.

Hynes: It's a cluster.

Kanter: Exactly—all of that. I think we should all be jumping on the bandwagon for the Harvard plans in Allston, by the

way, because that's going to produce a whole new city that's science-based.

Hynes: I'm heading in that direction. We're blessed with having the base of Harvard and MIT and all the other colleges and universities that cluster around Boston. That they don't have in Albany. They don't have it in Buffalo and lots of other cities around the country. We're also by the way, as you all know, under attack. We're the leader in [National Institute of Health research grants. On a per-capita basis we're far ahead of the rest of the country. I think we're second, maybe, behind California in absolute terms and I think we're ahead of New York. But those are under attack because every state in the union is chasing NIH grants, and there's a greater chance that we'll have a longterm reduction in those grants.

Colloredo-Mansfeld: If there's a move away from peer review of those grants, we are in serious trouble.

Ryan: It's interesting how everybody gives credit to their own, so to speak. I would argue that the reason that biotech and life sciences companies come here is because this is the oldest, the best, life-sciences cluster. It's very nice to have the universities and the hospitals, but as you begin to grow and you're not a spinoff any more, you could be anywhere. I mean, my clinical trials are all over the world, they're not run iust in Boston.

Kanter: And they should be. But let's look at Genzyme, for example, which is a successful company in your industry,



which built a gorgeous factory. I think it's a better building than the university's new buildings along the river.

Colloredo-Mansfeld: I would agree with that.

Kanter: [Genzyme] developed many of its products through collaborations all over the world. The new technology companies are almost born global, from the begin-



ning. [So] we have to make sure that we're a place that is easy to get in and out of, that it's easy [for companies based here] to make those connections. Logan Airport is improving, but that's always been an issue. The convention center ought to be helpful. I'm on the board of the Massachusetts Convention Center Authority, and we're targeting the same industries to bring their meetings here, to make connections locally. But there are other aspects of the infrastructure here. We ought to have Wi-Fi [wireless Internet access] everywhere. I don't understand why it's other cities that are first in using our technology, technology developed here, to make it attractive for businesses to locate there.

FOLLOW THE LEADER

Kanter: Now we have to come back to one of the reasons we're here: leadership and where it's going to come from. We have counted disproportionately on business leaders, on corporate chieftains. And should we? Are there other sources of leadership who can speak out on these issues, who can have credibility? Where will it come from? Will it be the Partners [HealthCare] CEOs and the university CEOs? Will it be the smaller companies? Will it be the [trade] councils themselves, even though the small-company executives are way too busy, that collectively have an impact? Where will we have the leadership to make these changes?

CommonWealth: That's exactly what I want to get into next. It's been suggested to me that, historically, civic leadership from the business world has come very much from placebased companies, often downtown rather than the Route 128 area, and from regulated industries.

Colloredo-Mansfeld: Companies that can't go away.

Kanter: That can't go away, and that depend on the good will of local politicians and the public.

CommonWealth: Banks, insurance companies, utilities, developers, commercial property owners. Now even these businesses have become less place-based. In the real estate industry, much of downtown Boston is now owned by real

'There's no pressure to get involved in the community.'

-CARTER

estate investment trusts that are national and global in nature rather than local. Interstate banking is a fact. These companies are becoming less place-based and, in many cases, less regulated. Increasingly, they have their sights set elsewhere and are less dependent on the local political structure. Does this mean that we've lost some of the structural basis for even expecting corporate leadership in the civic realm?

Ryan: I don't think it's just about being place-based. I think there's a completely different leadership culture now. We don't fly around in our own planes, live the lifestyle of emperors. It's considered a little tasteless. There's a big move against huge extravagance and huge largesse at the top. But I do think people are doing things locally. You know, we may not give large amounts to the [Boston Symphony Orchestra], but we do support the local schools, the local parks, give our time teaching and things like that. So, I think maybe the model is changing.

Carter: I would agree with that. I can tell you, in the 10 years I was CEO at State Street, not once did any shareholder or stockholder ever ask me how much time I was spending in the community. In fact, unless the CEO of a company has some inner compass that's driving them to get involved, there is generally no pressure from Wall Street or your owners to become involved in the community, despite what we read about corporate social responsibility and things of that nature. But I do think the model is changing. What I'd like to see is the mayor and the governor ask for a little more help. I don't think I've ever encountered that, other than the time I did the Logan Airport investigation after 9/11, where [Acting Gov. Jane Swift] asked me to do that.

Part of the reason why CEOs are reluctant to get involved is because you get hung out to dry by the Globe and the Herald, and the other local publications. It always gets down to the lowest common denominator, which is how aggressive the local newspapers are and how badly they treat people. There's certainly a factor of that that I hear all the time. It doesn't do you any good with your board of directors if you get negative publicity for activities that don't even have anything to do with your business.

Hynes: That's unfortunate.

Kanter: There are other cities where the press doesn't do that, and that's part of their attractiveness. But on the question of leadership and where it comes from, the problem with the branch-office city is, even if somebody is holding the Northeast chair or the executive position that is supposedly the equivalent of what the company offered previously [as a corporate headquarters], those people are more likely to rotate. They're not stable. One of the reasons that communities relied on corporate executives from companies headquartered there for so many years is that politicians came and went. It used to be that the politicians rotated and the only stable civic force was the corporate CEOs. Now we're seeing the opposite here, having a mayor in office for such a long time. [Leadership comes from] those with a long-term stake in the community. I think it is an inner compass, as Marsh said. But it's also people who live here and choose to live here for a long period of time.... It also is [companies] where the local market matters, including the labor market. Companies give [their money and their executives' time] because they have employees who care about [the local area]. The employees are changing in terms of what they expect the company to do and the kind of leadership they think a company should provide. I'm impressed by the young people that Sherry Penney's Center for Collaborative Leadership at UMass-Boston has found as emerging leaders. The Greater Boston Chamber of Com-

Uncommon Solutions for a New Commonwealth



Boston Convention & Exhibition Center



Gillette Stadium



Logan Airport Terminal A

Palmer & Dodo

111 HUNTINGTON AVENUE AT PRUDENTIAL CENTER BOSTON, MA 02199-7613

MAIN 617.239.0100 FAX 617.227.4420 www.palmerdodge.com





DON'T MISS THIS HILARIOUSLY OFFBEAT COMEDY!

Christopher Durang & Debra Monk in

LAUGHING WILD

by Christopher Durang

JUNE 3-26 TICKETS ON SALE NOW!

Stanford Calderwood Pavilion

at the BCA - 527 Tremont Street

Directed by Nicholas Martin

Box Office: 617 266-0800 www.huntingtontheatre.org www.BostonTheatreScene.com

This space generously donated by Stephen & Barbara Roop.

merce has an emerging leaders program. These are energetic, entrepreneurial young people who are willing to take on civic projects. We don't use them enough.

Colloredo-Mansfeld: I agree with that. There are younger people in this community, working various jobs, who, in traditional thinking, are the next generation of key business leaders. My thought is—and I keep saying this to [Mass. General Hospital and other places—get some of these young people into your organization, often on your board, before they're at the top. Ride up with them, if you will. You will benefit and they will benefit. The question is, identifying them—who are those people? But that's important, and I think that's a failing we have at the moment.

CommonWealth: I wonder, too, are the institutions that have been the vehicles for developing business leadership changing by their nature as well? Things like chambers of commerce—natural places for businesspeople to get involved in the community—used to be headed by CEOs and major executives of locally based companies. But in many smaller cities, especially, the chambers are now just collections of small firms, and don't have large locally based companies to rely on.

Colloredo-Mansfeld: And who's now the head of the Greater Boston Chamber of Commerce?

CommonWealth: The chairman is [Partners HealthCare chief executive] Jim Mongan.

Colloredo-Mansfeld: Health care.

Ryan: I think the trade association model is much more useful for political action, getting the legislation that you want, because you usually have very, very similar issues. The clustering of minds around the issue is where you have the real power. Whether or not the politicians have reached out to us, we have rattled their chains enough that we now interact with them quite significantly. Before we knew who the governor [would be, after the 2002 election], we wrote the MassBiotech 2010 report. We laid out very clearly what would happen to biotechnology if Massachusetts stayed the same, got worse, or got better [as a place to be in the biotech industry]. We really put the dare out there. I think that has been responsible for several of the smaller companies staying here as they grew to the manufacturing and commercial level, mine included.

Hynes: I want to make one comment in terms of enlightened self-interest. How do you pull all these disparate issues on leadership together? Associated Industries of Massachusetts, Greater Boston Chamber of Commerce, Massachusetts

Huntington

Taxpayers Foundation, Boston Municipal Research Bureau, and Massachusetts Business Roundtable are meeting quarterly to combine agendas, to eliminate duplication, and to focus on so many of these issues. When you overlay those different constituencies, you're covering a great part of the economy of the state.

'The clustering of minds...is real power.'

-RYAN

Ryan: That's the best thing I've heard. There are so many [business-related groups] that you cannot attend and support all of them. If it would amalgamate interests, I'm all for it.

GIVING AND RECEIVING

CommonWealth: As we look ahead to the emerging industries as the linchpins of our economy, how is that trade association advocacy going to translate into a broader civic agenda? People getting involved and providing leadership not only in defending the industry's own interests but in...

Kanter: Enriching community life. I mean, the same quality of life that all those companies need to attract employees. Actually, we are high on quality-of-life dimensions, other than affordable housing, so we do find it easier to attract people [to Massachusetts]. A high proportion of the successful business leaders in Massachusetts first came here to go to college and then decided to stay. But I think it is also incumbent on our nonprofit community—and now I'm not talking about the huge nonprofits, the universities and hospitals, but the arts and community-service organizations —to make themselves more attractive to companies, to recognize that there's been a change. In that old model, where we had a number of headquarters companies here that were very generous, most of them simply wrote checks. It was kind of knee-jerk, and it was easy. The nonprofits themselves could get lazy. Where's the collaboration among our arts organizations? The dozens of really wonderful early-music groups, classical music groups we have here, where's the collaboration among them-

Colloredo-Mansfeld: They're artists!

Kanter: [to show] some collective clout, to have Boston Early Music Week? The hotels and convention center are

INSPIRING DREAMS ~ DISCOVERING TALENTS

We teach basic life skills to adjudicated young men by delivering enhanced educational, vocational and other individually tailored services. Our focus on creating positive outcomes for youth is supported by our belief that each Rediscovery House resident has the ability to reinvent their lives when given the chance.

Serving adolescent males between the ages of 16 and 18.



65 Sprague Street Hyde Park, MA 02136 Ph 617-361-9909 Fx 617-361-9979



Services Supported Through a Strategic Partnership with Communities for People, Inc.

This space generously donated by The MENTOR Network.

eager to have events that show off all of our attractions when we're out marketing ourselves to other places. Where is the reinvention of how the museums connect with both businesses and the community? Now, there are new models. They work with the schools, they're much more embedded. But we have to create those connections. And there's a new kind of social entrepreneur also growing up in Boston. Don't all of our nonprofit organizations have to think about how they, too, can go global, even if they're serving a local market?

Hynes: I'd just like to jump in a little bit on the nonprofit and charities. We have some extraordinary successes in this economy, which have resulted in new funds and new monies for charitable giving. Just look at the sale of the Boston Red Sox. Talk about a win-win, apart from the World Series, which of course was a great win. The Yawkey Foundation is \$500 million, plus or minus. That money is going directly to the Greater Boston community—a \$20 million,

'Extraordinary successes have resulted in new funds for charitable giving.'

-HYNES

\$25 million commitment to Mass. General for the Yawkey [Center for Outpatient Care], for instance. That is an extraordinary benefit [from a change in ownership]. The new management of the Red Sox, the new ownership, has also established an outreach to the community. They're a source now of charitable dollars. The Patriots, the Kraft family, are enormously generous. The Barr Foundation is a relatively new foundation. The [Peter] Lynch Foundation. The Johnsons at Fidelity, they've been long-term silent givers, very steady. There's lots of emerging wealth that's been created and that's being recycled into the economy. But there's also an obligation on the nonprofits themselves to state their case and to be relevant to the community and to their constituency. If they're not relevant, they'll disappear.

Kanter: They are also economic engines. We shouldn't forget that. Take Miami. I'm struck by the new association of Miami with the arts, how many arts festivals, crafts festivals, etc., are drawing huge numbers of tourists, spending lots of money. In fact, that draws more than sports, in terms of an economic engine. So when we talk about the nonprofit community here, we shouldn't think of them just as charity, although it may be good to give to them. But they create jobs and they also can attract other kinds of dollars into the community.

Ryan: But their outreach to us has largely been, "Have your party here [at the museum]." As you know, there's a catering side. And it's a shame, because we can find a hotel or village hall anywhere to have a party. Arts groups in St. Louis, for example, did a much better job of interfacing—I was with a Fortune 500 company there—with the companies at the artistic level, putting on events and things like that to draw people in for the right reasons, not because you can have a party there.

CommonWealth: That sounds fascinating. Explain that a little bit more.

Ryan: I was at Monsanto, which included Searle and Nutra-Sweet and all of those companies. Every one of us in senior management had a pet charity—one of us would be on the [board of] the zoo or the museum. We certainly did have our parties there, but in order to increase their membership we would have an evening at the ballet, say, where we could invite all of our colleagues and they could come and it was free. Then, at the end, rather discreetly, membership forms were handed out. A certain number of people became acquainted that way with what that institution had to offer. Here, the ballet has done it once or twice with the biotech community. But I think museums should do it. People should be able to take their children, have free hot dogs or something on a Saturday, and let them grow up going to museums.

THE EDUCATION PIPELINE

Colloredo-Mansfeld: We were involved [at the Boston Private Industry Council] in getting employers involved with job training and job development. [But] how do you get law firms, accounting firms, to participate? They are big employers, but how do you get them involved? In the hospital industry, there are a lot of jobs that are not doctors and nurses, an enormous range of technicians. If you look at the demographics of the city, and you want to continue to fill those jobs—these hospitals have been recruiting in the Philippines, and Ireland until Ireland's economy took off-what's got to happen is to bring the new immigrants, of which there are 20,000 or 30,000 a year, into the education pipeline and into the employment pipeline by getting employers and schools and training agencies together. Otherwise, hospitals won't be able to fill an enormous number of jobs they need. I wonder if the same thing is true with lawyers and accounting firms, in terms of clerks and support services.

Kanter: Let me ask you [Ryan] a question and then I want to make a comment. You talked earlier about the permitting problems, etc., but also that you're growing and you can't fill the jobs fast enough. Do you find that we have a big enough pool here? Should we add to this public agenda the employment and job-training question?

Ryan: Absolutely, we should. Again, we've gone for the self-help model. We train people in the company. We in the Massachusetts Biotech Council have had to train people in manufacturing because there aren't enough for that pool. But we also need to get back to the very basic educational issue in the Commonwealth of Massachusetts. People leaving high school cannot enter biotech companies and be competent.

Kanter: MassINC has done a fabulous series of reports documenting so many of the problems that we're talking about [see Getting the Job Done: Advancing the New Skills Agenda, and New Skills for a New Economy] and made fabulous recommendations about the community college system, which is the job training network in other states. Other states have increased their competitiveness dramatically simply by reforming that system, connecting it to the needs of employers. I get concerned about why there is no action. We started this conversation talking about the obvious, visible, all-at-once shock of a company appearing to pull out, but this is a failure of our own local human infrastructure.

Colloredo-Mansfeld: On the community college issue, and it's been around for some time, is it partly the political structure? They're state enterprises in one form or another, subject to the vagaries of political processes and cushy-job seekers. They don't see education, necessarily, as their mission. What do you do about that?

Ryan: You go out into the community and you tell them what you need. I mean, these branches of the University of Massachusetts-for example, UMass-Dartmouth, down near our New Bedford facility. We actually were very happy they're neighbors. A lot of these places think that they need to teach business courses, and they do, but they don't really understand that they [also] need to teach manufacturing [and] quality. Those are the jobs that the community needs to provide, and it's our job to tell them what we need. But again, it takes time. I have a public company to run and I can't be, as a hobby, a professor on the side anymore. I think it just needs communication, us telling people what we must have.

SMALL SOLUTIONS

Carter: You know, Bob, maybe this session ought to come out with the three or five most important things the leadership of the state should do. The people who read this article don't just want to hear us complaining. Don't they want us to suggest what we think should be done?





More than 100,000 men and women are employed by companies that do business at the Port of Boston, Logan International Airport and other Massport facilities; driving more than 8 billion dollars a year in the regional economy.

Massport, always working for you.

www.massport.com



Higher Learning. Richer Experience.

Northeastern University integrates challenging liberal arts and professional studies with a cooperative education program ranked number one in the nation by U.S. News & World Report. Academic excellence, engagement with real-world issues, and one of the most attractive urban campuses in the country add up to an educational experience for the twenty-first century.

Online at www.northeastern.edu

CommonWealth: Sounds good to me. Anybody willing to nominate some key points to take away from the discussion this morning?

Kanter: Having been involved in so many of these issues now for a very long time, going back to pre-Weld, back to Gov. Dukakis's administration, it seems to me that there are so many things on the agenda, and so many groups wanting to do each one of them, that the important thing is to take one or two broad themes and try to encourage every group to connect to that theme in the way their own organization can do. Take math and science. If we could crack math and science in the schools, teaching math and science everywhere, getting math and science embedded in our signage on the road—I don't know what it is, having quizzes, having the media support the effort—if everybody took on, in their own way, doing something about improving math and science skills, we might make progress.

Carter: I would think the second thing would be asking the political leadership to recognize the new reality and to reach out to the three biggest sectors—health care, education, and finance—for leaders in the community. By finance, I mean private equity, capital investment, mutual fund companies, not the big regulated financial institutions like the banks, because there are only two banks left anyway.

Ryan: I think what Massachusetts is really good at is innovation. So my view would be to forget the dinosaurs. Support the innovative industries, but understand the life cycle of those industries. We're very good at spawning young companies. We're not good at keeping them here. We need to nurture them. You cannot, on the one hand, be friendly and say, "Bring your young [biopharmaceutical] company to my community," but at the same time say, "I'm in favor of price caps and re-importation [of prescription drugs] from Canada." You've got to understand the life cycle of the industry and what will make it successful. Think long-term.

CommonWealth: How about one more?

Colloredo-Mansfeld: Long-term, education is the key. We are in general agreement that we have an idea-based, technology-based economy here, and we have some great colleges and universities. But we cannot ignore schools. My only observation, after 30 years of banging my head on the anvil of school reform in the city of Boston and getting a flat head for the first 15 years, [is that] you cannot avoid getting involved. The one thing we learned through the Boston Compact was that the schools were not going to change unless there was pressure, involvement, and activity from community leaders.

Kanter: I think the Boston Compact was a terrific model and it was used all over the country, so I really support that. Actually, the Boston public schools today are considered in better shape than most nationally, with a superintendent with more longevity than in other parts of the country. But from the outside there are so many other organizations that have a piece of the education puzzle and have something to contribute. We have overly concentrated education only on the schools. For example, the great after-school programs that do apprenticeships with law firms and accounting firms. They get drawn into the educational process.

Ryan: I think this is an argument for small solutions, actually. We may not get it all done at once, but we can make a difference just a few at a time.

Kanter: These are all great ideas. None of them has the immediacy or the drama of a corporate acquisition that makes headlines and has a sudden shock to the system. We don't have the tight circle of downtown corporate leaders we once had, nor do we have the single companies that will take on huge initiatives. But we do have people who can make a contribution, who could make commitments, as you said, toward the small goals. Small wins. In my book Confidence, I talk about small wins. Keep building that sense of success, create more momentum, draw in more initiatives, stimulate more innovation. But it needs to be large groups of people now. It can no longer be 20 people sitting around a conference table in a downtown law firm. It now needs to be much larger numbers of people because we're talking about younger leaders, dispersed leaders, smaller companies.

Hynes: By the way, I just can't let the Gillette and Hancock and Fleet mergers go without final comment. I don't look at them as mergers. They're acquisitions. They're acquisitions by out-of-town entities. It hurts and it's loss of pride, on the one hand. On the other hand, I gave a talk recently at a college and I asked how many students in the class had ever heard of An Wang [founder of Wang Laboratories]. None. Ed DeCastro [founder of Data General Corp.]? None. And Digital [Equipment Corp.]? Nobody. Nobody had heard of the companies. All the talent that came up through those one-generation companies, they dispersed into new technology and formed new companies. I look at it more as evolution. We're in an extremely competitive global economy. There's no doubt about that. But we have resources here that many other areas do not have and it's up to us to harness them. Or shame on us.

MassINC's CITIZENS' CIRCLE

Collaboration. Investment. Impact.

MassINC's Citizens' Circle brings together exceptional people who care about improving the quality of life in Massachusetts. These valued supporters are leaders in a wide range of fields, including business, philanthropy, labor and government.

For more information on joining the Citizens' Circle—please call 617.742.6800 x101.



BUILDING THE AMERICAN DREAM

~ One Home at a Time ~

Home Builders Association of Massachusetts

2 Liberty Street, Suite 4 Foxborough, Massachusetts 02035

508-543-6119 | www.hbama.com

The security of our Commonwealth. The safety of our neighborhoods. Our ability to pursue the American dream without fear for personal safety.

Liberty Mutual is proud to partner with MassINC's Safe Neighborhoods Initiative as we work together to help people live safer, more secure lives.



Dug in

It's time to reconsider Big Dig-related transit projects

BY DAVID LUBEROFF

ore than 35 years ago, on February 11, 1970, Gov. Frank Sargent gave an extraordinary speech. In a 10-minute televised address explaining how he would deal with the bitter controversies surrounding several highways that the state was planning to build inside of Route 128, Sargent said this: "Four years ago, I was the commissioner of the Department of Public Works —our road building agency. Then, nearly everyone was sure highways were the only answer to transportation problems for years to come. We were wrong."

Sargent went on to say that he was launching a fullscale review of the region's highway and transit plans. That review, conducted under the supervision of Alan Altshuler, an MIT political scientist whom Sargent later appointed as the state's first secretary of transportation, subsequently led Sargent to cancel virtually all planned highways inside of Route 128 and to launch a massive program to rebuild and expand the region's rail transit system.

There is no data to suggest that more rail service will mean better air quality.

In many ways, the Commonwealth is still carrying out the transportation agenda that Sargent launched that night.

There is another years-old commitment propelling the state's transportation projects: the Big Dig. The Central Artery/Tunnel project in downtown Boston is not only a \$14.6 billion highway project in downtown Boston, it also dictated (via its environmental permits) legally binding commitments to build a host of public transit projects billed as necessary to meeting environmental goals.

Unfortunately, the assumptions driving today's transit projects are as wrong as the assumptions that drove yesterday's highway projects. Specifically, there is no data to suggest that 14 rail projects—including three that are the subject of a lawsuit filed in January by the Conservation Law Foundation and others—are needed to prevent worsening air quality and congestion in the region, as the Big Dig-related agreements insist. What we could use now is someone of Frank Sargent's character, someone who has the courage to say, "We were wrong."

BIG DIG TRADE-OFFS

Under state and federal laws, the Big Dig could not proceed until state officials analyzed the project's environmental impacts, and state law required that those impacts be mitigated. The final environmental analysis, issued in November 1990, predicted that if the project were built there would be very small reductions in emission of the two pollutants that combine in sunlight to form smog: volatile organic compounds and nitrogen oxides.

Transit advocates and environmentalists, most notably the Conservation Law Foundation-which was then headed by Doug Foy, now secretary of the state's Office of Commonwealth Development—claimed that the anticipated pollution reductions were not due to the Big Dig at all but were attributable to several transit projects that would also be open by 2010, and which were included in the Big Dig environmental-impact modeling. If these transit projects accounted for the environmental gains cited in defense of the Big Dig, Foy and others contended, the state should make a legally binding commitment to build them along with the Central Artery/Tunnel project.

Fred Salvucci, then the state's secretary of transportation, initially refused to sign such an agreement because he felt the Big Dig was an environmentally beneficial project by itself, largely because it would replace an ugly elevated highway with an underground road topped by appropriately scaled parks and buildings. By December 1990, however, Salvucci was ready to strike a deal, in part because he was concerned that political or legal challenges might delay or even stop the project, and in part because he wanted to make it hard for incoming Gov. William Weld, who had campaigned as a tax cutter, to slash transit spending. So Salvucci and Foy signed a pact committing the state to construction of all 14 transit projects named in the Big Dig's environmental documents. In return, CLF pledged not to challenge the project in court, and even to defend the Big Dig against other lawsuits challenging the project's environmental approvals. John DeVillars, then the state's secretary of environmental affairs, made the agreement part of his official approval of the Big Dig's environmental impact report, a ruling he issued the day before Weld took office.

"It is critical that these mitigation measures be implemented," DeVillars wrote in his ruling. "They are absolutely necessary to achieve greater air quality improvements in metropolitan Boston." In a 1992 settlement to a court suit filed by CLF asserting that the Weld administration was reneging on these commitments, the Weld administration agreed to make them part of the state's official plan for complying with the federal Clean Air Act.

Since that time, many of the projects named in the Big Dig agreement have been built—most notably restoring service on two of the three branches of the South Shore's Old Colony rail line; extending the Framingham commuter rail line to Worcester; and extending the Ipswich commuter rail line to Newburyport. But because the state hasn't met the agreement's timetables for completing the projects, CLF has been in and out of court, and, in the process, obtained renewed commitments from the state to build these and other transit projects.

In January, CLF and others filed suit once again, demanding that the state move forward on three projects they claimed the state had neglected: extending the Green Line from Lechmere to West Medford, connecting the Red and Blue lines at Charles Street, and restoring trolley service on the Arborway Line. At the press conference announcing the suit, CLF president Philip Warburg contended these projects are needed to "help make up for the air pollution generated by the cars and trucks using the 'Big Dig' road system." A few weeks later, Salvucci echoed these views, telling Boston Globe columnist Joan Vennochi, "We always knew that [the Big Dig] would create a very brief improvement and things would recongest if we did not improve public transportation."

Trouble is, the Big Dig's environmental documents actually tell a somewhat different story. To begin with, they clearly state (albeit in some very obscure places) that the transportation and air quality analyses assumed construction of only six planned transit projects, not the 14 required in the CLF agreement. (The six projects were the Old Colony and Newburyport commuter rail lines; the Red Line/Blue Line connector; improvements at South and North Station; and restoring Green Line service on the Arborway Line.) The eight other projects specified in the CLF agreement—including the Green Line extension to Medford, the Worcester commuter rail extension, and the Silver Line bus service to the South Boston waterfront were not part of the modeling for environmental impact. Rather, they are mentioned elsewhere in the documents as projects that the MBTA was planning to carry out in coming years.

Unfortunately, the Big Dig's environmental document does not detail how the six transit projects would produce the modest air quality benefits projected for the Big Dig. But it's safe to assume that, for the transit projects to reduce highway congestion and, as a result, auto emissions, they would have to attract significant numbers of new transit riders, meaning people who would drive unless the projects were built.

Even at the time, however, there was significant evidence that building the rail projects would have little if any impact on traffic congestion or air quality. A landmark 1979 book by Altshuler (a colleague and co-author of mine), who had orchestrated the shift toward more spending on transit under Sargent, concluded, "transit service expansion will normally provide negligible benefits, if any, with respect to energy, air quality, safety, or congestion." Altshuler, who is now dean of Harvard's Graduate School of Design, explained that this is due to several factors. First, there are very few corridors without rail that are dense enough to attract significant numbers of new transit riders. Moreover, drivers who get off congested roads by taking mass transit are quickly replaced by motorists whose trips were previously suppressed by congestion. He noted, for example, that studies done after the BART subway tunnel between San Francisco and Oakland opened in the mid-1970s found that one quarter of the line's 32,000 riders had previously driven to the city. However, traffic on the San Francisco-Oakland Bay Bridge (the facility most of those travelers had used when driving) hardly went down at all.

Altshuler was not alone in questioning mass transit's reduction of auto use. His findings on congestion were similar to those put forward by John Meyer, John Kain, and Martin Wohl-three of the nation's leading urban and transport economists — in their landmark book, The Urban Transportation Problem. Two years after Altshuler's book came out, Meyer and José Gómez-Ibáñez, another leading transport economist, echoed his findings in Autos, Transit and Cities, another classic work in the field. A decade later, Anthony Downs, one of the nation's leading urban economists, reaffirmed these findings in Stuck in Traffic.

More recently, although the Clean Air Act Amendments of 1990 explicitly envisioned transit expansion as one of the ways to achieve required reductions in air pollution, several studies done after the law's passage raised further questions about the cost-efficiency of reducing auto-related pollution by expanding mass transit. In the early 1990s, for example, David Antonioli, a Kennedy School graduate student doing a project for CLF, found that it cost about \$900 to eliminate a ton of volatile organic compounds via vapor control systems on gasoline pumps. In contrast, it cost about \$100,000 a ton to remove

volatile organic compounds via transit investments. Subsequent reviews of clean air programs by the National Association of Regional Councils, the National Research Council, and the National Academy of Sciences, among others, generally confirmed Antonioli's findings.

DOING THE MATH

Since the approvals in the early 1990s, the state's own analyses have also shown that the Big Dig transit projects will do very little to clean the air or relieve traffic congestion. (See table below.) Modeling done by state transportation and environmental officials in 1991, for example, found that all the projects in the state's agreement with CLF would eliminate about two tons of volatile organic compounds from the air per day—less than 1 percent of the reductions required by the Clean Air Act Amendments of 1990. The final environmental impact statement for the Greenbush commuter rail line (one of three branches of the Old Colony rail line where service must be restored under the agreement) concludes: "the air quality impacts, as measured by EPA methods, do not show a consistent or significant air quality benefit." Despite this finding, the state is moving forward with the project.

The state's most recent "Program for Mass Transportation" contains similarly unimpressive environmentalimprovement numbers. The state estimates it will cost \$621 million to build the three projects specified in the new CLF lawsuit (an estimate that is almost surely too low). The projects will eliminate 36 kilograms of volatile organic compounds and 73 kilograms of nitrogen oxides a day—only 0.018 percent of volatile organic compound emissions and 0.037 percent of nitrogen oxides emissions from mobile sources in the region. (Revealingly, the transportation planning documents measure reduction of key pollutants in kilograms while air quality planning documents measure the same pollutants in tons.)

Put another way, if the state were instead to target cars that do not meet current emissions standards, it could gain the exact same emissions reductions by finding and fixing fewer than 200 cars now on the road that do not comply with current emissions requirements. Even if it cost \$5,000 per car to identify and fix the high-polluting cars, the cost of such a program—including roadside emissions monitoring, which is technologically feasible, and forcing tuneup or replacement of high-polluting cars—would be \$1 million, less than 0.2 percent of the cost of the three transit projects. In fact, the state probably could identify and replace each of those 200 cars with a Toyota Prius hybrid vehicle for about \$5 million, which is less than 1 percent of the cost of the three transit projects.

Same thing with traffic congestion. The state calculates that the three outstanding transit projects will result in 6,490 people switching from cars to transit (an estimate that history suggests may well be too high). Because this is a minuscule share of the 1.8 million people in the region who travel to work alone in their car each day, or

	EXTENDING GREEN LINE TO MEDFORD	CONNECTING RED LINE AND BLUE LINE AT CHARLES STREET	RESTORING TROLLEY SERVICE ON ARBORWAY LINE	TOTA
Capital cost	\$375,000,000	\$174,600,000	\$71,882,000	\$621,482,000
Annual debt service	\$15,987,641	\$7,443,846	\$3,064,596	\$26,496,083
Daily debt service	\$63,951	\$29,775	\$12,258	\$105,984
New riders/weekday	3,540	2,750	200	6,490
Daily cost/new rider (subsidy)	\$18	\$11	\$61	\$16
Volatile organic compounds (VOCs)				
reductions (kg/day)	20	15	1	36
Nitrogen oxide (NOx) reductions (kg	g/day) 40	31	2	73
% of all VOCs from mobile sources	0.010%	0.008%	0.001%	0.018%
% of all NOx from mobile sources	0.020%	0.016%	0.001%	0.037%
Cost per ton VOC reductions	\$2,900,158	\$1,800,418	\$11,118,355	\$2,670,216
Cost per ton NOx reductions	\$1,450,079	\$871,170	\$5,559,178	\$1,316,819

Notes: Annual debt service is based on 50-year bonds at 3.5 percent interest. Since transit primarily is needed for weekdays, daily debt service is calculated for the estimated 250 non-holiday weekdays a year. New riders/weekday is the estimated number of new transit users on non-holiday weekdays. Mobile sources include cars, trucks, and other vehicles, as opposed to fixed sites such as factories.

Sources: Capital costs, ridership, and VOC and NOx reductions from the MBTA's "Program for Mass Transportation," Table C-11. Percentages of VOC and NOx are author's calculations based on Massachusetts Department of Environmental Protection's "2002 Eastern Massachusetts Supplement to the July 1998 Ozone Attainment State Implementation Plan Submittal," Table 1.1.

of the 770,000 who use their cars to come into the city of Boston each day, it's hard to see how these projects will have any significant impact on highway gridlock.

Moreover, the new riders who turn to mass transit will come at extraordinarily high cost. The state estimates that it will cost \$375 million to extend the Green Line to West Medford. If the MBTA funds the project with 50-year bonds at a 3.5 percent interest rate, its debt service would be about \$16 million a year. (Shorter-term bonds or higher interest rates would increase the T's annual debt service costs.) If the Green Line project is built, the state estimates that 3,540 people will switch from using their cars on weekdays to the improved transit service. Assuming about 250 weekday workdays a year, that's \$18 a day in debt service alone for each new weekday rider. In fact, the actual subsidy would be even higher because the extension would require a \$1 to \$2 per passenger operating subsidy as well, because the MBTA doesn't come close to covering its operating costs from farebox revenues.

In these terms, the \$72 million Arborway Line, which would replace existing bus service, is even worse. According to state transportation planners, it would attract only 200 new riders a day. Using the same assumptions as with the Green Line extension, this suggests a cost of more than \$60 per new rider per day. Official state documents suggest the Red/Blue connector is a better deal, if only marginally, because it would require a subsidy of only about \$10 a rider per day. That figure, however, is almost certainly too low, because the state has not updated ridership projections for the project to reflect the fact that the new Silver Line will connect with the Red Line and, unlike the Blue Line, will provide a one-seat ride to each terminal at Logan Airport.

Is it wise to spend \$10, or \$20, or \$60 a day for each new rider on the transit system? No, not when the MBTA is talking about cutting suburban bus lines, where subsidies amount to about \$2 per rider per day.

Transit advocates generally reject calculations like these, objecting that there is a longstanding pattern of mistaken estimates in planning documents for major projects —the Big Dig's cost estimates being a prime example. They are right, but not in a way that helps their cause. Several reviews of rail transit projects built in the last two decades have found that projections regularly underestimate the projects' costs and overestimate their ridership. Indeed, this is exactly what has happened when Massachusetts restored service on two branches of the Old Colony rail line, and on the new Silver Line service as well.

Consider, moreover, how far off the state's estimates would have to be to make the projects seem like good investments. For the Green Line extension to Medford to be as cost-effective as the suburban bus lines the T wants to cut, the new ridership estimate would have to be low by a factor of 10, which seems highly unlikely.

Many transit advocates also argue, as Warburg did in announcing the lawsuit, that the projects should be built because the MBTA is underfunded at the expense of highways, particularly the Big Dig. This claim, too, is dubious. The official Regional Transportation Plan for the Boston Region estimates that we will spend \$9.6 billion on transit projects between 2004 and 2025 and \$7.5 billion on highways. (About \$4.5 billion of this money is for non-Big Dig projects.) This means that transit—which, according to the US Census, is used for about 15 percent of the work trips in the Boston region—will receive more money than roads, which carry the rest.

To be fair, the T probably needs the money. A few years ago it was estimated that the MBTA would require \$500 million a year to keep its existing system in a state of good repair—about what it would have if it devoted all its capital funds to maintenance. But the T plans to spend only 70 percent of available funds on maintenance and improvements; the rest it will use to expand its system. As a result,

More buses would be more cost-effective.

the MBTA will only have about \$300 million a year to spend on maintenance, about 60 percent of what it has estimated that it needs to keep the system in good shape —which is the stated goal of Gov. Romney's "Fix it First" policy for spending on highways and transit.

Even if the T had money to spare for service expansions, it could easily find projects that are more costeffective than the Green Line extension, the Arborway trolley, and the Red Line/Blue Line connector. State planners estimate, for example, that the MBTA could attract more than half the new riders produced by the Green Line extension at less than a third of its cost by buying 100 more buses and building bus lanes and priority traffic signals for its 10 busiest bus routes.

BREATHING EASIER

It's time for environmentalists—and officials of state environmental agencies—to realize they are barking up the wrong tree. The simple fact is, emissions from automobiles have dropped significantly and, as a result, the region's air is getting cleaner, even without these writtenin-stone transit projects.

Historically, automobiles were a major environmental problem. In the 1950s, for example, new cars emitted about 13 grams of volatile organic compounds per mile, plus 3.6 grams of nitrogen oxides. In the 1970s, federal clean air laws required dramatic reductions in these pollutants, to about 0.41 grams of volatile organic compounds and

one gram of nitrogen oxides per mile. The 1990 amendments to the Clean Air Act required that by 1994 new cars emit about half what was allowed by the 1970s laws. As a result, by the mid-1990s, new cars emitted 97 percent fewer hydrocarbons and 88 percent less nitrogen oxides than cars built in the 1960s.

In Massachusetts, as in most states, the combination of cleaner cars, emissions testing in automobile inspections, reformulated gasoline, and vapor control systems at gasoline pumps have all played major roles in reducing statewide emissions of volatile organic compounds and nitrogen oxides, the components of smog. Specifically, between 1990 and 1999, the state reduced volatile organic compound emissions in eastern Massachusetts by 24 percent and nitrogen oxides emissions by 9 percent. More than half these reductions came from cleaner cars and tighter inspection programs.

Looking forward, the state's Department of Environmental Protection projects that between 1999 and 2007 emissions of volatile organic compounds and nitrogen oxides emissions will fall another 21 percent. These reductions in automobile-related emissions will also offset projected increases in emissions from other sources, such as power plants and factories. All this will take place even as total vehicle miles increase by about 15 percent between 1999 and 2007.

The reductions in emissions appear to have had an impact on the region's air quality already. In 2003 there were just 11 days when the air in any part of the state exceeded the newest, strictest federal standard for ground level ozone. (There was only one day when air quality in the state violated the older standard for ozone, the standard that was in place when the Big Dig was planned.) Moreover, six of the violations were recorded at monitoring stations on Cape Cod or in western Massachusetts, places that are downwind of pollution flowing from elsewhere, typically the New York metropolitan area. Air quality fluctuates, and 2003 was an unusually good year. But in general, air quality in the state is improving, suggesting that some of our air quality problems have nothing to do with Massachusetts conditions at all.

As a result of aggressive advocacy, the transit projects CLF is now taking the state to court over are part of the state's official plan for complying with the federal Clean Air Act, which gives them the force of law. But they are not there because they have anything to do with air quality improvement. They are there because of political expediency.

Can the state get out of the commitments? Yes, but not easily. The state is allowed to replace them with other projects that produce equal or greater air quality benefits. Given that the projects do not produce major air quality benefits, this is an easy enough standard to meet. The reg-

You're looking for a college grad who majored in marketing who's fluent in Spanish and loves softball.

We can help you find her.

Monster makes it easy to find the exact candidate you're looking for. Our TargetReachSM Job Postings let you set specific screening criteria to view only the candidates who are relevant to you. And our powerful SmartFind[™] Resume Search lets you zero in on qualified people, anytime, day or night. That one-in-a-million employee is out there. Whether you're looking for a college grad, executive, skilled worker or local talent, Monster will help you find them.



1.888.MONSTER

Monster, the Monster logo, and the Trumpasaurus character are trademarks of Monster (California), Inc.

BOSTON UNIVERSITY

Making a difference in the community

COMMITMENT TO EDUCATION

BU annually awards nearly 50 full-tuition scholarships to Boston high school graduates, totaling more than \$100 million since 1973.

For the past 15 years, BU has managed Chelsea Public Schools in a unique reform-based partnership.

ECONOMIC IMPACT

BU is the fifth-largest employer in Boston and is responsible for over \$2.8 billion in direct and indirect annual spending in Massachusetts.

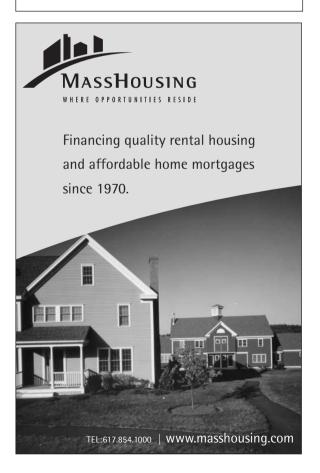


www.bu.edu/community



Representing 2,500 Retail Employers With Over 10.000 Locations In An Industry Employing Over 500,000 People

18 Tremont St., Suite 1040 | Boston, MA 02108 617-523-1900 | www.retailersma.org



ulations, however, also state that the substitution can occur only if the state show that the projects give up on are fiscally, environmentally, or technologically unfeasible. A few years ago, state transportation officials tried to argue that the Arborway restoration was, in fact, unfeasible because it would produce few benefits and cause traffic tie-ups on crowded Centre Street in Jamaica Plain. But advocates of the project fought the move and state environmental regulators rejected it.

he problem in transportation politics today is that environmentalists and community activists have captured the debate, making it appear that those who question the need for expanded transit lines are against environmental protection and don't want to help those who need public transportation.

I am neither anti-environment nor anti-transit. But I do believe that we live in a time when state and local budgets are badly squeezed and there's little prospect of significant new aid from the federal government. We are, therefore, especially obliged to spend money wisely in our efforts to protect and improve the environment and expand transportation options for those who need them. In neither case are costly investments in expanded fixedrail transit systems justified.

We can significantly improve air quality at modest cost by ensuring that buses are cleaner (which the MBTA is already doing, replacing old diesel buses with new ones that are powered by compressed natural gas) and by finding and fixing (even replacing, at full cost) the relatively few automobiles that emit significant amounts of pollutants. Similarly, our transit system should be geared to providing mobility for those who most need it: the elderly, the disabled, and the poor. Study after study has shown that extensive and flexible bus systems are the most effective way to meet both these needs, at a cost far less than digging tunnels between Red and Blue Line subways or laying rails to Medford.

If we follow sensible approaches to environmental and transportation improvement, we not only will address real problems, we also will have money left over to spend on other pressing problems, such as expanding health care coverage or providing preschool education to children who would otherwise start school far behind their classmates. But we cannot do so until we stop following Frank Sargent's policies—and start following his example instead. ■

David Luberoff is executive director of the Rappaport Institute for Greater Boston at Harvard's Kennedy School of Government and co-author, with Alan Altshuler, of Mega-Projects: The Changing Politics of Urban Public Investment.

Boston needs its own taxing powers

BY THOMAS M. MENINO

n February, 1.5 million people went to New York City to see the 16-day public art project, "The Gates." I asked my economic team to study what the fiscal impact of a Gates-like public art project would be if held here instead of New York. My team came up with some troubling numbers. If 90,000 visitors came to New York and stayed in hotels overnight to see the project—as the New York City Economic Development Corp. had estimated—then New York reaped some \$2.4 million in estimated tax revenue. If the same number of visitors came to Boston to see a similar project here, our city would garner a lower proportion of the proceeds, roughly a half-million dollars.

Special events, such as "The Gates" or the 375th birthday celebration we will hold for our city this year, drive cities forward. They have value in and of themselves in attracting visitors to our city. They reflect the progress we have all made in making Boston a city that works in the 21st century. Boston is a global leader in biotechnology, life sciences, and financial services. While we have embraced the knowledge economy and capitalized on the brainpower nurtured in our institutions of higher education, we subsist on a revenue structure created in the 18th century.

Even as the city and its economy have seen dramatic change, the city has been held captive under a revenue system forged along with the state constitution in 1780. Within our municipal borders, doctors performed the first surgery aided by anesthesia and Alexander Graham Bell placed the first telephone call. In the time since these advances took place, the city has seen the advent of the personal computer, the rise of the Internet, and the development of vaccines for crippling diseases, such as polio. And still nothing has happened to alter Boston's fundamental revenue structure.

Now, it is time to change all that. I have asked the Boston Municipal Research Bureau to conduct a special report on the local revenue structure in Massachusetts. This is a complex issue that requires thoughtful economic analysis. It also deserves new and independent thinking. Together, we need to identify the 21st Century revenue tools that will sustain Boston today and fuel our success in the future. We need to create a revenue structure that will support this world-class city—the city that propels our state's economy.

Thanks to the state-imposed revenue structure, Boston must derive a significant portion of its annual revenue from property taxes. In fiscal year 2005, nearly 58 percent of the city's revenues came from property taxes, followed by state aid at 24 percent. Excise taxes, permits and fees, and other departmental revenue represent the remaining 18 percent.

Outside factors make it difficult to keep up with rising costs. Energy prices continue to outpace our efforts to conserve, collective bargaining agreements handed down on us by arbitrators drive up our personnel costs, and employee and retiree health care costs have skyrocketed by double-digit increases each year. Insurance costs alone for FY06 will exceed \$200 million. Further, state aid to Boston has been cut by \$80 million over the last three years. (Even as the city has faced these increasing pressures, our fiscal management has won us a bond rating of "Aa1," the highest in city history.)

Nearly 58 percent of revenues came from property taxes.

Meanwhile, as Boston continues to thrive, the demand for city services grows in size and scope. Thousands of commuters travel to Boston each day to work in our businesses. Millions of tourists visit our city each year. And nearly 600,000 people call Boston their home. Together, commuters, businesses, tourists and residents make up the backbone of our vibrant city. To keep the city working for everyone, we must provide the public safety, education, and basic services that everyone expects and needs. And to keep the city attractive to the tourists, businesses, and residents of tomorrow, we must foster the activities that help make our city special and unique.

The fundamental mismatch between Boston's sources of revenue and the public services that are demanded in the 21st Century is worsening. Historically, property determined value and wealth. Today, the value of a great idea, the value of an innovation in science or technology, is likely to be disproportionate to the value of the building or space in which it was developed. The knowledge economy has arrived, and human and intellectual capital have replaced personal, industrial, and commercial property as the drivers of our city's success.



This space generously donated by Mass Envelope Plus.



Public policy, with a jolt of energy.

Since 1977, the CEO members of the Mass. High Technology Council have led the way to a more competitive state business climate. But did you know that the Council runs one of the nation's most innovative and successful energy programs, saving members more than \$30 million since 1998.

At a time when the economy is on the rebound and competitor states are gaining ground, the work of the Council is more critical than ever. To learn more visit www.mhtc.org.

- Taxation/Business Costs
- Economic Growth Education/Workforce Training
 - Health Care
- Mass Defense Technology Initiative
- · Energy Savings Programs

MASSACHUSETTS HIGHTECHNOLOGYCOUNCIL

Dedicated to Growth... Committed to Action

Boston must develop the tools to tap into these successes to diversify the city's revenue streams—income streams that other cities already possess. For example, almost 50 percent of cities have their own sales tax, The Boston Globe reported in 2003. Many cities have other revenue-generating mechanisms—parking garage fees in San Francisco and Philadelphia, a meals tax in Denver and Atlanta. Getting tools like these will give Boston a level playing field with our urban competitors. This is what will help us maintain our hard-won status as a world-class city.

Boston's business community understands the pressure on the property tax to deliver revenue for the city. It is an imperfect tool, but currently, it is the best one we have. A year ago, dozens of businesses stood with the city as we worked to pass legislation that would allow a temporary change in the tax classification formula and ease the dramatic effect of a soft commercial real estate market on Boston's homeowners.

The city, and the country, benefited greatly from the boom years of the 1990s as we saw office towers and hotels break ground and housing stock appreciate beyond all expectations. When commercial values began to suffer under the recent recession, however, residents were forced to bear more of the burden of the tax levy, providing evidence of Boston's over-reliance on the property tax.

Our restricted revenue structure creates challenges for the city, as we work to manage well and lead Boston into the future. And it creates challenges for businesses, as unfair loopholes in the state's tax laws enlarge their property tax burden.

State agencies such as the MBTA and Massport are leasing space to commercial businesses on land that Beacon Hill has made tax-exempt. And telecom companies are using loopholes and antiquated exemptions to shelter an estimated two-thirds of their property from the local property tax.

When a select few don't pay their fair share, Boston's businesses and residents end up paying more. Given the financial challenges facing cities and towns, it is imperative that the state closely examine any and all property tax exemptions. I have filed legislation that addresses this issue, and I will be looking once again to Boston's business community to support this measure, as businesses and residents alike will benefit from the closing of these loopholes.

This city stands here welcoming people from across the state and around the globe—giving them access to opportunities for employment, education, culture and healthcare. To continue to do that—regardless of economic cycles—we need to modernize and diversify Boston's revenues.

Thomas M. Menino is in his third term as mayor of Boston.

New levies could relieve property taxes

BY SAMUEL TYLER

ayor Menino's call for greater revenue diversity, which he delivered at the Boston Municipal Research Bureau's annual meeting, stems from the fact that the city of Boston is more dependent on the property tax than most other comparable cities in the country and has less local decision-making authority to do something about it. Despite the name, "home rule" governance in Massachusetts restricts cities and towns from making decisions that affect their operations unless specifically authorized by state law. Such restrictions distinguish Boston from most other major cities in the nation.

The city of Boston relies on the property tax for almost 58 percent of total operating revenue this fiscal year, as state aid, the city's second largest revenue source, currently provides 24 per cent. Over the past four years, the state aid share of total revenues has declined while the property tax share has increased, bolstered by new growth. Indeed, over the past five years, the city's property tax levy has increased by 5.8 percent a year, on average, due to new construction and, to a lesser extent, efforts to capture more personal property value.

The existing local tax structure in Massachusetts does not allow Boston to capture revenue from economic activity generated by the city's role as a tourist destination, a convention city, and host of major events such as the Boston Marathon and Sail Boston. Receipts from the sales tax, meals tax, and liquor tax all go to the Commonwealth. Only a third— 4 percent—of the 12.45 percent hotel/motel room occupancy excise tax is returned to Boston. From those funds, revenue from hotel rooms built after July 1997 must first go toward the city's debt service for its share of the new convention center.

The last time the General Court approved new tax sources for cities and towns was in 1985, when municipalities were authorized to add up to 4 percent to the state's hotel/motel excise and adopt a 5 percent jet fuel excise. Today, those two tax sources contribute approximately \$33 million to Boston's revenue stream.

Any new consumption taxes that would allow Boston to tap its strength as an economic engine should be used to reduce its reliance on the property tax, not increase its revenue overall. The tax burden on homeowners is increasing and the tax burden on business is disproportionate, with business property representing 32 percent of taxable value but paying 64 percent of the tax levy. The city needs to carefully manage its spending, a task made more difficult by generous collective bargaining agreements, double-digit growth in health insurance costs, and increased spending for pensions.

Changes the Menino administration has asked for, in public statements and in its legislative package pending on Beacon Hill, reveal the complexity—and hazards—of trying to solve Boston's budget challenges through taxes and other revenue measures applied only within city limits. For example, the mayor wants Boston's medical and educational institutions to increase their payment-in-lieuof-taxes (PILOT) contributions to the city even though these institutions are key drivers of Boston's economic activity and their continued strength is vital to the city's interests. The city also wants to tax hotels and commercial activity at Logan Airport like other commercial properties, even though Massport currently pays \$11 million annually in PILOT contributions (an amount that is up for renegotiation) and receives no direct services from the city, instead providing its own fire, street maintenance, snow plowing, and water and sewer services paid for by the commercial

Boston should rely less on the property tax, but not increase revenue overall.

The city has also filed legislation to change how personal property owned by telecommunication companies is valued by the Commonwealth. This is a complex issue that involves state economic and tax policy, not just property tax calculations.

Finally, the city is seeking approval to establish an excise tax for public parking spaces in Boston. In the past, this proposal has been rejected because the cost of parking in the city is already so high. Any increase in parking costs due to an excise tax would primarily affect suburban commuters, an impact that would be resisted by suburban legislators. Here's another fact of "home rule" in Massachusetts: Only 11 percent of the 200 House and Senate members in the General Court represent Boston.

But it's not just on Beacon Hill that Boston represents a

small portion of the metropolitan area. With improved communication technology, it's easy enough for businesses to locate outside the city limits and still enjoy most of the benefits of a Boston address. This is a factor that the mayor of Boston needs to consider in seeking greater taxing authority.

Even so, Boston, as a strong, viable capital city, is vitally important to the state's economy. A state and local revenue structure that reflects today's economy and service needs would benefit the city and the Commonwealth.

The Boston Municipal Research Bureau will respond to the mayor's request for an independent study of the local revenue tax structure in Massachusetts. The last comprehensive study of state local finances in Massachusetts was undertaken in 1990 by a commission appointed by Gov. Michael Dukakis.

But that study did not address how the local revenue structure of a municipality like Boston compared with other American cities of comparable size. Now may be an appropriate time for the governor and the Legislature to establish a new commission to study the existing state-local tax structure and recommend what changes may be appropriate for cities and towns to manage in this decade of tight finances.

Samuel Tyler is president of the Boston Municipal Research Bureau.

Local taxes would be Boston add-ons, not alternatives

BY BARBARA ANDERSON

f we were starting the Commonwealth from scratch, local taxes of all sorts might sensibly be part of the revenue mix. New England's over-reliance on the property tax is an anachronism, and Massachusetts's extraordinarily high income-tax burden is a serious obstacle to attracting and keeping productive citizens. We could choose to have lower property and income taxes, substituting local taxes that would apply to visitors as well as to residential taxpayers.

Let's look at some states that have local option taxes. We might want to emulate them in other ways. Like California, we could put a property tax limit in our state constitution so that it can't be amended by the Legislature, maybe adding a provision that freezes taxable values. Like Colorado, we could have a taxpayer bill of rights that requires both local and state tax increases to be approved by the voters. We could follow the lead of Pennsylvania by dropping our income tax, now 5.3 percent, to 3.07 percent, or copy Georgia by reducing our state sales tax rate from 5 percent to 4 percent. We might cut our total per capita tax burden, which is higher than that in 47 other states, before loading it up with new city and town taxes.

But for some reason related to experience with Massachusetts tax proposals, I know that advocates of local taxes aren't thinking in terms of substitution. They want to pile on more taxes overall.

Mayor Menino wants the state to allow him to charge a 10 percent tax on off-street parking, then make more money on meals and entertainment taxes for commuters and tourists. But will the state also make it easier to drive into Boston, and address concerns about the safety of the leaking Big Dig tunnels? In the 21st century, if city taxes get too high, Boston could face more telecommuting and location moves to the suburbs, which compete with each other for business and shoppers.

Of course, sports fans and culture patrons will always go to Boston no matter how much tickets, parking, and dinner cost, instead of patronizing local sports teams, community theater, and restaurants. Won't they?

Mayor Menino envies the \$2.4 million in estimated tax revenues that New York City "reaped" from "The Gates," a public art project. But New York didn't shut down during that exhibit, or the recent Republican convention, the way Boston did for the Democrats. If Boston attracted crowds with a similar art project, it would clear the way for them by discouraging ordinary commuters from coming into town, and increase the city's long-term labor costs —even more—in order to keep labor peace while the visitors were here. Boston's revenue structure isn't the only outdated entity here. Massachusetts's high-tax, unionbased culture is another anachronism that gets in the way of having a "first-class city."

The local taxing power desired by the mayor has been discussed for the rest of the Commonwealth too. A few years ago, I was a member of a commission to study alternatives to the property tax. Though certainly eager to find an alternative, we couldn't get past the "freedom" problem: the fact that taxpayers would be free to live, work, and shop in the lower-tax communities, just as some shoppers now drive to no-sales-tax New Hampshire.

Property taxes do influence decisions on where to make one's home. Other taxes, business regulations, the infrastructure, the one-party political culture, the image of Massachusetts as it plays on the national stage—all of these influence business decisions to locate here, or not. Business leaders and potential tourists alike see the leaking Big Dig, hear the bellowing or preaching of Democratic US senators, remind themselves of the "Taxachusetts" label—and realize there are 49 other states to consider. Even our vaunted higher education institutions lose respect, as they allow political correctness to interfere with academic inquiry.

The high-tax, union-based culture gets in the way of having a 'first-class city.'

Charging its residents more to eat there, its workers more to commute there, and tourists more to visit there, won't solve Boston's long-term problems. Our capital city, with its unique historic heritage, attracts people with 18thcentury landmarks. It needs to get its 19th- and 20thcentury high-tax, big-government habits out of the way of its own 21st-century potential. ■

Barbara Anderson is chairman of Citizens for Limited Taxation and Government.



Workforce Consulting Staffing Services

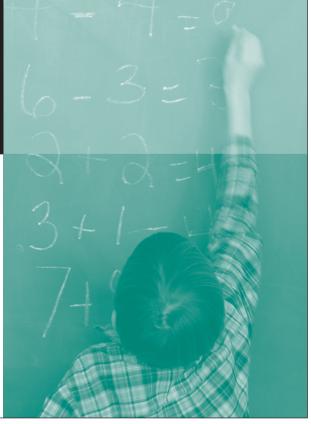
617-563-2387 www.veritude.com



Promoting Improvement in Public **Education**

An independent, non-partisan organization committed to gathering evidence and informing policy

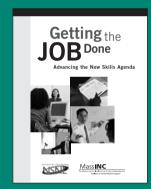
For more information, please visit us at www.massinc.org or call 617.742.6800, ext. 110



HELP WANTED

One-third of Massachusetts workers aren't prepared for the New Economy. We are doing something about this. MassINC's New Skills for a New Economy Awareness and Action Campaign is:

- Collaborating with Commonwealth Corporation and the Massachusetts Department of Education to launch **LiteracyWorks**, an entrepreneurial approach to mobilizing more community support for ABE/ESOL classes in Hampden County and Lawrence, MA.
- Helping to lead the effort to make community colleges more accessible to working adults and train workers for jobs in high growth industries through the **Reach Higher Initiative**.





Visit www.massinc.org for a free copy of our white paper Getting the Job Done: Advancing the New Skills Agenda. To learn more about the Campaign, call 617-742-6800 x106, or visit www.massinc.org and click on the NSNE logo.

SPONSORED BY



Fleet National Bank a Bank of America Company





Growing pains

The Road to Whatever: Middle-Class Culture and the Crisis of Adolescence By Elliott Currie New York, Metropolitan Books, 320 pages

REVIEWED BY JACK LEVIN

riminologists have been so engaged in trying to explain and combat violence committed by impoverished innercity youngsters that they haven't taken much notice of middle-class youth who are profoundly in trouble. According to University of California-Irvine crime expert Elliott Currie, it isn't only criminologists who have overlooked middle-class teenagers; it is our entire society. The result may not be as dramatic as drive-by shootings, but it is just as tragic.

In The Road to Whatever: Middle-Class Culture and the Crisis of Adolescence, Currie argues that growing numbers of seriously troubled middle-class youth have been abandoned, either physically or psychologically, by their beleaguered parents and uncaring teachers. Based on interviews with teenagers enrolled in drug treatment and with college students, Currie charges that many teenagers

In discussing middle-class delinquency, some observers assume that pampered teenagers who act out are the products of a liberal and indulgent society, which teaches youngsters to externalize responsibility and

live for the moment. Currie claims just the opposite is true. Much like their impoverished black and Latino counterparts in the major cities of the United States, he says, troubled suburban youngsters lack the support and encouragement of their families, teachers, and members of the wider

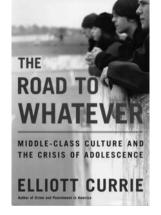
community, and blame themselves for every obstacle in their path. As these seriously troubled youth adopt an increasingly negative self-image, the individualistic society surrounding them only reinforces and encournot sufficient to receive praise and attention. Rather, they are expected to out-achieve their peers. Those who fail to function at a superior level in the intense competition at school or at home are regarded as unworthy of

attention, no matter what other admirable qualities they might possess, and grow up feeling a profound sense of deprivation and personal failure. In the affluent suburbs. the expectations are high, but the attitude of parents and teachers is "sink or swim," leaving a growing number of teenagers to drown

in apathy and isolation.

School snipers represent the extreme end of the continuum. Bullied, rejected, or ignored by mainstream peers, the two young men who massacred 12 fellow students and a teacher at Columbine High in April 1999 sought support and comfort in a group known as the Trench Coat Mafia. In this, they are no different than the troubled urban teens who come together in dangerous and deadly gangs.

urrie's prescription for turning around troubled middle-class adolescents is not unlike the policies that were so effective during the 1990s in reducing juvenile violence in our major cities. During this period, Boston became a



A 'sink or swim' society leaves teens drowning in apathy and isolation.

have been left to raise themselves. In the process, they have become involved in binge drinking, drug addiction, fatal traffic accidents, school violence, eating disorders, depression, and even suicide. In acting recklessly, seriously disturbed youth adopt an attitude of "whatever," which is shorthand for "I don't care one bit what happens to me or to anyone else in my life."

ages their defeatist self-perception.

In the case of middle-class youngsters, however, this defeatism is amplified by the high expectations that come with their position of relative comfort, Currie suggests. Even as they are ignored, these more-privileged teenagers are subject to the harsh judgment of their parents and teachers. Middle-class teenagers find that being a decent and ethical person is

model for fighting teenage violence, as the murder count in the city plummeted from 34 teen offenders in 1990 to only three by 1998.

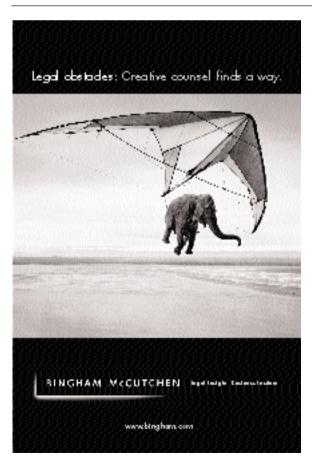
The wake-up call for Boston's community leaders came in 1992, during a funeral service for a murdered youth at the Morning Star Baptist Church. As a crowd of mourners looked on in horror, a gang of local youngsters chased another teenager into the church, where they repeatedly stabbed him into submission. Shocked by this crime, a group of local Boston ministers decided it was time to act. Rather than wait for troubled youngsters to come to their churches, they decided to take their congregations to the streets and to the gangs, working with the police to identify the most recalcitrant young offenders and to provide alternative programs for those teenagers whose lives could be turned around.

That group was called the Ten Point Coalition, and it was one of many organizations and programs geared toward at-risk teenagers that proliferated in that era: the Thousand Black Men Basketball Mentoring Program, Teen Empowerment, Gang Peace, the Boston Private Industry Council, Choice Through Education, Baker House, Summer of Opportunity, Operation Night Light, the Street Workers Program, Youth Violence Strike Force, Tobin Scholars' Program, and Balfour Academy.

Boston's attack on juvenile violence was multifaceted, emphasizing prevention, tough and effective law enforcement, and the formation of partnerships with local residents. The community policing effort increased communication between police and neighborhood youngsters. Moreover, perhaps taking their cue from Boston's churches, all local institutions-businesses, government, universities, schools, police, and parents—were suddenly more willing to get involved in the lives of local youth.

Unfortunately, a combination of economic exigency and conservative fiscal policy in Boston and other major cities has more recently caused cutbacks in the programs responsible for reducing youth violence. In addition, many local residents may have become complacent again, believing that the threat of juvenile crime has ended and that their intervention is no longer needed.

When it comes to reducing middleclass delinquency, Currie argues for a similar emphasis on pragmatic rather than therapeutic interventions. He suggests that supportive community colleges and alternative schools, unlike the ineffective high schools these troubled teens had attended, can help





This space generously donated by The Beal Companies, LLP.

to provoke positive personal change. But Currie also worries that the careless attitude among middle-class teenagers reflects a more general "care-lessness" in the larger society, and that it cannot be effectively combated in a context of cutbacks in health care and welfare alongside a vast expansion of prisons.

urrie makes a strong case for paying more attention to a phenomenon of youth dysfunction that is by no means limited to poor urban communities. But his overriding premise—that a surge of middle-class delinquency is underway-doesn't find confirmation in the data. The escalation of juvenile violence that began in the late 1980s was entirely found in the major cities of the United States, committed by impoverished black and Latino teenaged males. Over the same period of time, violence committed by teenagers in medium-sized cities, suburban areas, and small towns was almost flat, showing little or no increase. Even during the string of school shootings in 1997-99, there was a substantial decline in school homicides committed by students from middle-income communities. School violence may have got more publicity on the national level, but the actual trend was down, not up.

The trends in juvenile deviance are far more complex than Currie contends. The proportion of high school seniors who use illicit drugs has risen somewhat since 1992, but continues to be well below the levels reported in the early 1980s. The use of alcohol by high school students has remained virtually unchanged since the mid-1990s and is far lower than 10 years earlier. Moreover, since 1994, the number of murders and suicides committed annually by juveniles has declined.

Still, Currie's dubious construction of a spike in serious middle-class

delinquency is a minor annoyance. The value of his book lies in the fascinating interviews with youngsters, the firsthand sketch of the problem, and the recommendations for reducing it. Parents, teachers, coaches, politicians, tutors, and anybody else who cares about our youngsters would benefit from reading this book.

That, by itself, might help the youngsters themselves. Years ago, researchers conducted a famous study at a company then known as Western Electric. In order to examine the effect of illumination on factory workers, researchers turned up the lights, and worker productivity increased. Then, researchers turned down the lights to approximate pale moonlight, and productivity increased even more. Their conclusion: Illumination had nothing to do with productivity; rather, productivity increased because of the increased attention these workers got from the researchers. Participating in an "important" experiment made the workers feel special. Researchers called their unexpected finding the Hawthorne Effect, after the factory's location.

We are in need of a Hawthorne Effect for juveniles. We need teenagers who are now routinely ignored, unsupervised, and left to fend for themselves to discover they have parents and teachers who care. We need youngsters who join gangs and carry weapons to school to be guided and counseled by clergy, social workers, and probation officers. We need our teenagers, for the first time in their young lives, to feel important, to feel special, because somebody besides the Trench Coat Mafia cares what happens to them.

Jack Levin is the Brudnick Professor of Sociology and Criminology at Northeastern University, where he directs the Brudnick Center on Violence and Conflict. His latest book is Extreme Killing: Understanding Serial and Mass Murder, written with James Alan Fox.

STATE HOUSE **NEWS SERVICE**

Trusted by the working press since 1910

For 90 years, the News Service has been providing the state's most influential leaders detailed, impartial and accurate coverage of the Massachusetts Legislature.

Today, the News Service serves as a virtual State House news bureau on your desktop.

- **>** top quality news coverage
- **>** gavel-to-gavel coverage of the House & Senate
- **>** the best available schedule of daily events
- **>** examination of emerging issues in state government
- **>** unique coverage of the Governor's Council
- **>** fully searchable archives back to 1987
- > remote access to press releases, archived to 1997
- **>** audio feeds from state government events
- **>** photo archives and photos on demand
- **>** issue-specific alerts delivered to your email inbox

FREE TRIAL SUBSCRIPTION

To subscribe, or for more information, call 781.899.9304

> The State House, Room 458 Boston, MA 02133 PHONE: 617.722.2439 www.statehousenews.com

Recycled Paper Printing, Inc.

Saving the world ...one page at a time.



If you are going to talk the talk about caring for this planet, you have to walk the walk and buy printing with an active conscience. By doing business with Recycled Paper Printing, you will help protect open space, preserve the rainforests, and save energy. Don't throw it all away.

CALL RECYCLED PAPER PRINTING TODAY.

12 CHANNEL STREET, SUITE 603 BOSTON, MASSACHUSETTS 02210 PHONE: 617-737-9911 • 1-800-886-9901 FAX: 617-737-9006 • 1-800-886-9902

Sense of loss

Population drop may have been a fluke, but slow growth has its costs

BY ROBERT DAVID SULLIVAN

oming at the end of a year when Massachusetts had more than its fair share of the national spotlight (thanks to football, baseball, and presidential politics), it was disconcerting to learn that we were the only state in the US to lose population from 2003 to 2004. That was the second consecutive year that we were at the bottom of the heap, according US Census Bureau estimates: We gained 12,000 people in 2003, but every one of the 49 others states grew at a faster rate.

We've been in this situation before. Massachusetts lost population according to the 1991 and 1992 population estimates, but we recovered later in the decade and posted a 5.5 percent gain from 1990 to 2000. (The national gain was 13.2 percent.) Still, it's not a safe bet that we'll turn things around again this decade. The losses of the early 1990s coincided with a deep recession that hit New England especially hard. The more recent loss came as the state was climbing, however slowly, out of the trough in the economic cycle, so it's by no means obvious that people will have a reason to return to the Bay State any time soon.

"Good!" That's what some people say when I tell them about these statistics. Many of them dream of less con-

'People are leaving the state because they can't get work.'

gested highways and pray for a stop to development in their neighborhoods. (See Head Count, page 36, to see which cities and towns have stopped growing.) Economists have not been as sanguine. "The fact is, people are leaving the state because they can't get work," Paul Harrington, of Northeastern University's Center for Labor Market Studies, said to State House News Service in December. "That's what this is about."

It's also about housing. According to a January poll by the University of Massachusetts's Donahue Institute, 46 percent of all Bay State residents are considering leaving the state because of the high cost of housing, up from 11 percent in 1999. The figure was 53 percent among adults aged 18 through 34. That poll cannot have escaped notice by employers considering a move to—or out of—the Bay State.

since the founding of the US, only 18 states have ever lost population from one decennial Census to the next, beginning with Maine and New Hampshire in 1870. And once tagged with it, the laggard label appears to be hard to shake. Sixteen of those 18 states registered below-average population growth from 2000 to 2004—the exceptions being Nevada, now the fastest-growing state, and New Hampshire. (Put another way, only two of the 19 states now experiencing above-average growth have *ever* lost people since being admitted to the union.) In some cases, a state with a net loss manages to register a tiny gain by the time of the next head count—only to slide back into the losers' column a few years or decades later. Iowa, Mississippi, and both Dakotas have all gone through this down-up-down cycle.

Despite the popular notion that Americans flee from urban areas, almost all examples of population loss throughout American history have been in sparsely populated states. Even now, the 10 most states with the highest percentages of people living in rural areas (including Vermont, Maine, West Virginia, and Mississippi) all had below-average growth from 2000 to 2004. Perhaps large urban states have an economy-of-scale advantage. Thanks to immigrant communities, major colleges and universities, and super-sized employers, they almost always attract enough new people to compensate for the ones that leave. For example, Pennsylvania had several population-loss years during the 1990s but ended up with a gain for the decade overall, thanks largely to growth in suburban Philadelphia. Likewise, Illinois, Michigan, and Ohio suffered losses during certain years in the 1980s but recovered by 1990. It's also possible that the yearly estimates between decades undercount urban areas which means we might not have actually lost people last year. (The 1999 population estimate had Massachusetts up only 2.6 percent from the official 1990 count, but the actual count a year later showed the Bay State up by 5.5 percent.)

Only two predominantly urban states have ever lost population between decennial censuses: New York and Rhode Island, both in 1980. New York still has an almost-stagnant population, but Rhode Island grew by a respectable 3.1 percent from 2000 to 2004, placing it 25th in the nation. Would Rhode Island's comeback—and, for that matter, New Hampshire's continuing growth—be possible without the Bay State's population stall? Rotate Massachusetts 90 degrees, putting Boston in the middle of a Commonwealth that was vertical instead of horizontal, and it would be one of the fastest-growing states in the Frost Belt. (And only one state government, instead of four—including Maine and Connecticut—would have to contend with the sprawl spreading outward from Boston.)

ne reason for the Bay State's negative growth is that both natives and people who came here from other states are leaving for greener pastures, not to mention cheaper ones. (See the research report *Mass.Migration*, published by MassINC, for demographic data about the people moving in and out of state.) According to Census data, Massachusetts has lost more Americans than it has attracted in every year from 1990 through at least 2002. If it weren't for international immigration, our population would have declined not only last year, but each consecutive year for more than a decade.

This is a familiar pattern in Iowa, where outmigration has occurred, on and off, since the Great Depression. Trying to break the cycle, a group of legislators recently floated a proposal to exempt residents under the age 30 from the state income tax. "More than half of our college graduates leave the state after graduation," Republican

Rotate Massachusetts 90 degrees and it would be a fast-growing state.

state Sen. Jeff Lamberti told the *Des Moines Register* in January. "We want to reverse Iowa's brain drain."

But that particular solution is not likely to fly in Massachusetts. For one thing, even the elimination of state taxes wouldn't leave many young families with enough money to afford homes here. And it's hard to imagine it playing politically, since many of *our* twentysomethings are not natives but are instead people who came to college here and stayed on for a few years after graduation. Economists might worry about the impact, but a lot of Bay Staters

aren't sorry to see them leave. Another reason for population loss is our low birth rate. Granted, it's not the worst in the US. Children are scarcer in many rural states—including the two at the bottom of the scale, Vermont (10.4) and Maine (10.5), and the perennial slow-growth state of West Virginia (11.5). But the trend is clear. In 1997, the birth rate in Massachusetts was 13.5 per 1,000 people, compared with a national rate of 14.5. Just five years later, our birth rate was both lower (12.5 births per 1,000 people) and further apart from the national rate (13.9).

At this rate, we may end up like Italy, where the birth rate is down to 9.2 per 1,000 people—and where experts predict that the population could shrink by one-third by 2050. According to the *Los Angeles Times*, the town of Laviano, in southern Italy, is so desperate for new blood that it's paying parents the equivalent of \$14,000 for every baby delivered. "Maybe this will keep some people from leaving, or make them think twice about leaving," the mayor says, rather haplessly. Massachusetts, which has a reputation as a good place to get married (especially if you're gay, but also if you're just out of college) but an expensive place to raise kids, might do well to emulate Laviano. Maybe we should consider jacking up the fees for marriage licenses and then refunding them to any family that adds dependents.

ome feel that the publicity given to the Bay State's population drop is much ado about less than nothing. Neal Peirce argued in a Washington Post column last November that growth in "personal wealth," not population, is much better for a state or region's economy. He notes that cities with rapid population growth, such as Bakersfield, Calif., have experienced poor or negative growth in personal income over the past decade. Meanwhile, Peirce writes, older urban areas from Cincinnati to San Francisco are enjoying greater wealth because they're attractive to the right kind of people (i.e., young college graduates with entrepreneurial tendencies). He also notes that "cities with more rain and colder weather" seem to be particularly successful—seemingly good news for Massachusetts.

But Pierce didn't address the problem of high housing costs in "personal wealth" cities such as Boston. His column was reminiscent of Richard Florida's book The Rise of the Creative Class, which argued that cities with diverse populations and cultural amenities have an edge in attracting highly skilled workers. But how many Thai restaurants and theater companies would it take to make Bakersfield, with its low cost of living, attractive to young, collegeeducated Americans? Probably not too many. And while

POPULATION LOSERS

The following states experienced population losses in the decade before the Census years noted below. Losses in "territories" (i.e., states before they became states) are not included. There were no losers before 1870—or in 1880, 1890, or 2000.

1870: Maine, New Hampshire

1900: Nevada

1910: Iowa

1920: Mississippi, Nevada, Vermont

1930: Montana

1940: Kansas, Nebraska, North Dakota, Oklahoma, South Dakota, Vermont

1950: Arkansas, Mississippi, North Dakota, Oklahoma

1960: Arkansas, Mississippi

1970: South Dakota, West Virginia

1980: New York, Rhode Island

1990: Iowa, North Dakota, Wyoming

—ROBERT DAVID SULLIVAN



empowering urban talent to reach their potential

Year Up's intensive one-year program provides urban young adults in Greater Boston with technical skills, professional skills, paid internships and college credit. We prepare them for successful careers and higher education.

We value and depend upon MassINC's excellent work.

Year Up

93 Summer Street Boston, MA 02110 www.yearup.org 617-542-1533

K THE CYCLE OF POVERTY CHRIS & JEAN EGAN FAMILY **FOUNDATION**

"The greatest good we can do for others is not just to share our riches with them, but to reveal theirs to themselves."—Anonymous

Providing educational opportunities for families in need, to break free from generations of poverty and realize the dream of self-sustainability and prosperity.

501(c)3 Non-Profit Corporation 116 Flanders Road, Ste. 2000, Westborough, MA 01581 TEL (508) 898-3800 FAX (508) 898-3005

This space generously donated by Gerald & Kate Chertavian.

Interested in advertising in CommonWealth?

Take **ADVANTAGE** of this unique **OPPORTUNITY** to reach over 11,000 opinion leaders each quarter!

FOR MORE INFORMATION CALL 617.742.6800 x101 OR GO TO www.massinc.org.



there may be some risk in opening a Starbucks or foreignlanguage movie theater in Bakersfield, it's highly risky to start just about any business in an area that's losing resi-

Massachusetts, and Boston in particular, is already experiencing a steady disappearance of bookstores and movie theaters, and the recent merger of Federated Department Stores (owners of Bloomingdale's and Macy's) and May Department Stores (owners of Filene's and Lord & Taylor) can't be good news for consumers here. If the newly formed mega-company has to close stores, doesn't it make sense to do so in an area where the number of shoppers is in decline?

For that matter, how sensible is it for public-transit authorities to improve or expand service in cities that are becoming less and less densely populated? Meanwhile, trolley lines and other forms of public transit are proliferating in high-growth Sun Belt cities, such as Dallas, that we New Englanders often mock as auto-oriented cultural wastelands.

It's risky to start any business in an area that's losing residents.

Then there's political power. Each state's representation in the US House is based on population—and when the country as a whole is growing, a flat population means diminished clout. That's why Massachusetts hasn't gained a congressional seat since 1912, and the last New England state to gain a seat was Connecticut in 1932. In fact, the last time that any Northeastern state gained seats was in 1964, when Maryland and New Jersey picked up one apiece. (If Electoral College votes were distributed the same way they were in 1964, and the Democrats carried the same states they did in 2004, John Kerry would have won by a 283-255 margin.) The loss of Massachusetts congressional seats—six of them in the past 75 years—has serious consequences for the state's ability to influence national policy and, not incidentally, to stake a claim on federal funding.

Maybe it isn't that Massachusetts is losing population; maybe we've just reached equilibrium, with immigrants and some number of post-graduate hangers-on matching escapees one-for-one. Perhaps, from an environmental standpoint, 6,416,505 is simply the Bay State's ideal population. Unfortunately, in terms of economics and politics, there is nothing ideal about zero or negative population growth. After spending two years at the bottom of the Census charts, let's hope that another state takes our place in 2005. ■