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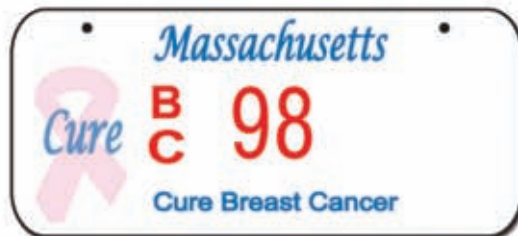




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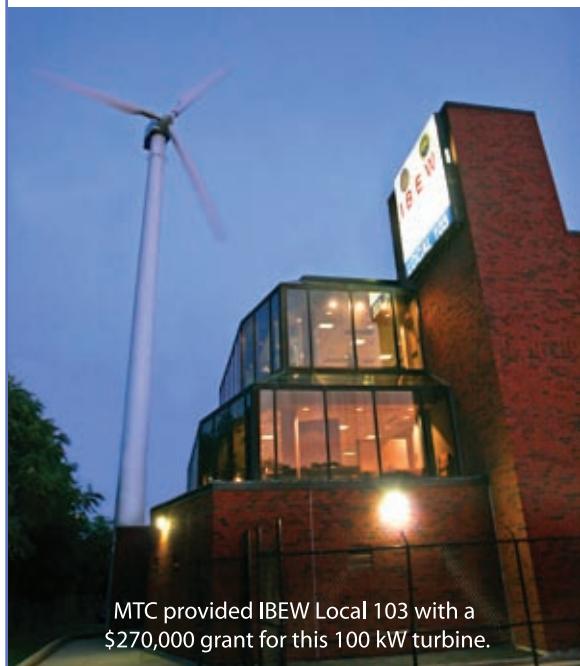
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WOULD WINSHIP'S *GLOBE* PASS MUSTER TODAY?

I don't know Christopher Lydon personally, though I know of him pretty well, I think, from my own experiences with editors who thought highly of him and his work and his manner during my years as an editor at *The Boston Globe*, from 1966 to 2000.

I'm not typing to quarrel with Lydon's central thesis ("An Emersonian transformation under way," *CW*, Spring '06) that the once-powerful *Globe* has been diminished greatly by culture shocks of a high order, by technological advances that brook few comparisons for the speed with which they have changed the advertising and editorial worlds of daily print journalism, by an ownership change—one family, the swamp-Yankee Taylors of eastern Massachusetts, who had run the *Globe* for 120 years, sold it to another family, the Jewish Ochs-Sulzbergers of Manhattan, who have run *The New York Times* since 1896—and by the retirements, push-outs, and leave-takings of so many *Globe* men and women who had lived through all or part of the Winship Era.

Lydon has drawn an accurate bead on the situation as I see it from my seat in retirement in the classrooms of Boston College, but I would like to add one observation by way of a question: Could the often-cannibalistic media culture of 2006, locally and nationally, abide even for a minute the ways and means of Tom Winship when he was at the editorial helm of the Taylors' *Globe* from 1965 to 1984?

As Lydon knows but does not mention in his lengthy discourse, from 1965 to 1981 (when Martin Nolan was appointed editor of the editorial pages and told to report to the publisher directly) Winship was the top editor in the newsroom and the last voice

heard in the editorial and op-ed section when the Ivory Tower folks went home for the night. I was the night editor of the *Globe* from mid-1976 to the time when Tom let loose the reins of the editorial pages. During those years, it was common practice for him to call me well past first-edition deadline from his home in Lincoln or from his up-country place in Randolph, Vt., to tinker with the lead editorial. Often, he had taken a late call from one of those 10,000 people Lydon mentions who knew he'd answer the phone, and they had persuaded him to rethink what he had approved seven or eight hours earlier. In other cases, he would wonder if a "which" should have been a "that." And in yet other cases, he'd ask me what I thought of the *Globe's* stand on the issue at hand. Sometimes we'd change the tone; sometimes we'd change the beginning, the middle, or the end.

These were pre-computer days mostly—they certainly were non-computer for Tom, who disdained their use—and it was no easy thing to get the composing room to change the lead editorial 10 minutes after deadline. But they did.

As this was going on, Tom was also running the paper on the newsgathering end. I always saw him as a progressive, a reformer. His campaigns for the bottle bill and against leg-hold animal traps, to name two such, were driven by his insistence that the news pages regularly run staff-generated stories on these issues. The stories didn't always push the Winship position, but readers could hardly miss the drift of the coverage.

I also saw him, as Lydon does, as an editor who thought being a pain-in-the-ass to those with influence on public policy and public affairs came with the territory.



Aside from his crusades, Tom Winship wanted the *Globe* to be fetching in commentary and presentation—readers would pick up their morning *Globe* and be confronted on Page One by a Mary McGrory column on Richard Nixon or a George Frazier essay from the Super Bowl—and to be as unpredictable as was possible in what it covered. In short, he wanted it to be interesting. Two things his paper was not were denatured and faceless, to use Lydon's words.

And there is no question that there were days when the mandate to be provoking meant going overboard in content and presentation. Readers with a yen for the journalistically logical and expectable were regularly disconcerted by these happenings—such as when Tom forbade his columnists from writing about the busing situation as the city went to pieces on the front page and on television screens across the country. It was a decision he came to regret, and publicly, although he never stepped back from his position that the key issue at stake in the busing controversy was the need for citizens to obey the law as cited in federal Judge W. Arthur Garrity's court rulings.

Who today would countenance in thought or deed the idea of an editor known for having a "progressive" agenda running both editorial ends of a major metro daily? Not too many, I

suggest. Tom Winship was a pioneer blogger with an edge—declaiming on the editorial pages about things he had engendered on the news pages.

To read the listing Lydon gives of the various blogs he checks regularly is to gasp at his diligence in getting what he wants to read. But is this something today's distracted citizens are willing to do consistently? I doubt it. Will the "next best thing" be a daily *Boston Globe Tribune*, an online news site with an opening page of headlines and summary paragraphs linked to Web sites run by an endless procession of men and women who think they have something important to say to the rest of us? And maybe with some news of the town and the state and the country and the world in the pages beyond?

And will my children and grandchildren read it, saluting a grand old newspaper name while doing so? I don't know; I'm from another time and place.

Thomas Mulvoy
Medfield

CHARTER SCHOOLS HAD HELP FROM THE START

Readers of "No charter school to be left behind" (Inquiries) might inaccurately conclude that until the Department of Education launched its recent assistance initiative, these publicly funded, privately run schools were somehow on their own to sink or swim. The record suggests otherwise.

Even before the first charter schools opened, the conservative Pioneer Institute, in concert with the DOE, had set up a "resource center" to guide would-be school founders through the application process, offer direction to established schools, and facilitate the flow of private funds to augment the public dollars charters were drawing from the mainstream system. At the same time, Pioneer and its affluent backers were working the media for positive coverage and lob-

bing legislators for a favorable regulatory climate. Pioneer was pouring almost \$1 million a year into subsidizing this supposedly "free market experiment." Meanwhile, charter proponents such as Weld administration advisor Steven Wilson and board of education chairman James Peyser were working inside government to shape policy or interpret rules ensuring charters a competitive advantage over their public counterparts.

Far from being a lesson in *laissez-faire*, charter schools are a textbook case of what political connections and big money can buy. Charter schools have evolved to become, essentially, gated communities, serving few low-income and special needs students and almost no children learning English as a second language. Their growth has come at the expense of the vast majority of children whose public schools have been left with a higher percentage of needy students and fewer resources to offer them.

Paul Dunphy
Policy analyst
Citizens for Public Schools
Boston

SCHOOL SPENDING RANK GETS BAY STATE WRONG

Education Week's state rankings of "resource equity" in K-12 spending ("Grading the graders," State of the States) are based on a flawed methodology, one that conveys a false picture for Massachusetts. On average, Massachusetts's poor districts spend more per pupil than rich districts, yet *Education Week* gives the Commonwealth a grade of C- on resource equity.

EW's grade is based primarily on indexes that make no distinction between states where spending is higher in poor districts and those where it is higher in rich ones. According to the logic of *EW's* measures, there is a disparity in per-pupil funding, and hence an inequity, in either case.

EW relies heavily on the "McLoone

Index," a measure of how close low-spending districts are to the state median. For Massachusetts, however, the below-median districts have less than half the poverty of the rest of the state. Consequently, the index is actually measuring how much it would cost to raise the spending of *rich* districts toward that of *poor* districts. Most readers would hardly consider this a sign of inequity, and yet, since Massachusetts ranks very poorly on this index (43rd out of 49 states), the state receives a low grade on "resource equity."

By contrast, Education Trust, a national organization dedicated to closing the achievement gap for low-income and minority youth, annually ranks Massachusetts at or near the top of the nation in resource equity, because it uses a straightforward measure: the gap in per-pupil spending (from state and local funds) between districts in the poorest quartile and those in the richest quartile. States like Massachusetts (New Jersey is another) that spend more on poor districts are ranked highly by Education Trust, rather than being penalized for it.

A more complete analysis can be found in my article "Equity v. Equity: Why *Education Week* and the Education Trust Don't Agree," in the Summer 2005 issue of *Education Next* (www.educationnext.org). The problem has been known for a long time, yet *Education Week* continues to use the same discredited methodology. Informed scholars in the field do not take their rankings seriously.

Robert M. Costrell
Education advisor and chief economist
Executive Office for
Administration and Finance
Boston

MORE FACTS DISPUTED IN ARLINGTON HISTORY

"Bitter Pill" (CW, Growth & Development Extra 2006) purports to be a

historical review of development regulations leading to the conclusion that Arlington has an “aversion to apartments” which has “suppressed” the growth of this densely built town. Unfortunately, the article is little more than a confection of factual errors and misleading data.

Some of the many obvious historical errors demonstrate carelessness in basic research. The 5.5 square miles that is now Arlington is comprised of not only a section of Cambridge that became the independent town of West Cambridge in 1807 (and not 1867, the year in which a mere name-change occurred). The large section of Arlington’s present territory that borders Somerville, Medford, Winchester, and part of Lexington was annexed from Charlestown in 1842. The town certainly was not home to “the first grist mill in New England.” And although Arlington experienced rapid residential growth in the early 20th century, it had already evolved into a commuter suburb in the previous one. Its many Victorian-era subdivisions attest to this fact, and these emerged following arrival of both rail and streetcar service in Arlington in the mid-19th century.

The lack of accuracy in basic research was annoying, but more disturbing was that statistics cited on building permits for units in multifamily structures arbitrarily end in 1999, with the tantalizing comparative description of “only 66 permits in the 1990s.” Yet in the subsequent six years, approximately 200 units in multifamily structures have been permitted; most are now occupied. Another 250-plus are on the drawing board, including “smart growth” redevelopment of the former Symmes Hospital site, to name the single largest. To omit activity since the year 2000 amounts to hiding data that could contradict the central premise of the article.

Lastly, to ignore the Massachusetts real estate crash of 1990 was irrespon-

sible. That economic crisis had much more to do with the lack of multifamily development in the decade that followed than any supposedly burdensome regulatory process. A major example is the 20-acre Reed’s Brook condominium project, where groundbreaking took place, but the over-extended developer promptly went bankrupt, along with the bank that was providing the financing. When the real estate market rebounded at the end of the decade, multifamily developments proceeded to be planned and built once again, and the number of these in Arlington continues to grow apace.

*Richard A. Duffy
Arlington*

Alexander von Hoffman responds:

My thanks to Richard Duffy and to John Worden (Correspondence, CW, Spring 2006) for pointing out certain factual errors pertaining to Arlington’s history, which I regret and which I corrected in the version of the study published by the Rappaport Institute (available at www.ksg.harvard.edu/rappaport). As to Duffy’s point about recent construction, he is correct that residential development in Arlington has picked up since 2000, but it is unlikely that the number of dwelling permits in this decade will match what the town approved in the booming 1980s (about 600) or economically troubled 1970s (about 800), let alone in the 1960s, when it permitted almost 3,000 units.

Regardless, no one has disputed or refuted the main point of the piece: Since the early 1970s, Arlington, like many other Massachusetts towns, significantly tightened its regulations for approving residential construction. As a historical case study, Arlington is interesting not because it is worse than other places—indeed, it’s better than some—but because its rapid shift in policy in the 1970s vividly reveals the politics behind anti-growth regulations.

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Beyond Cape Wind

FILLING UP AT the gas station for a weekend on Cape Cod has taken on new significance this summer as prices hover around \$3 a gallon. High energy prices have long contributed to the cost of living and doing business in Massachusetts. But now, as the crunch seems to be getting worse, energy could represent not only a challenge for the Commonwealth but also an opportunity.

The nascent gold rush for next-generation energy technology could become an economic engine for Massachusetts, one that deserves a place alongside the much-trumpeted biotech sector. But only if the state's civic and business leadership gives the field the attention it deserves.

Advocates have been banging the drums about climate change for years and about energy conservation for decades. However, a number of factors are now coming together to make energy technology take off.

Crude oil prices have seemingly gotten stuck at nearly triple their average price of three years ago. Home heating oil and natural gas prices have also tracked upward. Robust economic growth in China and India—along with instability in many oil-producing nations—makes it likely that high prices are here to stay.

At the same time, the regulation of greenhouse gases is arriving. Northeast and mid-Atlantic states have formed a regional initiative focused on carbon dioxide emissions from power plants. Though we have our own regulations, Massachusetts has declined to participate in the new pact. Nonetheless, our neighbors are moving forward, as are other states around the nation. On the international level, the Kyoto Protocol entered into force as a treaty last year. Though the US did not sign on, this agreement binds Europe and many other industrial countries to curbing these emissions. This host of new regulations sends an increasingly clear signal to the market to develop new energy technologies.

The results of the Commonwealth's 1997 utility restructuring are also being felt. One lesser-known part of utility restructuring is the Massachusetts Renewable Portfolio Standard—the requirement that an ever increasing share of our state's power mix come from renewable sources. That provision offers significant financial incentives for projects like Cape Wind and a host of others.

All this suggests that, where energy technology is concerned, change is coming. Globally, trillions of dollars will be spent as energy infrastructure gets replaced with more efficient technologies, new fuel types, and cleaner power production. Jobs and wealth will be created in this process—and Massachusetts should be part of the action. With our preponderance of venture capital and private equity, our skilled workforce, a history of leadership on environmental concerns, and some of the world's leading centers of innovation and invention in our universities, we are well positioned to cash in on the coming energy revolution.

New energy technologies could become an economic engine for Massachusetts.

We already have some important leadership coming from the Massachusetts Technology Collaborative (MTC). Through grant funds and loans, MTC is helping to get new Massachusetts energy tech companies down the road to commercial projects. However, MTC's portfolio is limited by statute to renewable energy. The next generation of energy technology will be broader than that, involving such things as new transportation fuels (such as ethanol and biodiesel) and energy-efficient consumer products. We should broaden—and elevate—state government's engagement with this emerging energy technology cluster.

We also need to raise the profile of the opportunity in an energy future, and get the civic and business community engaged. The life sciences don't represent the only important economic opportunity our state has before it. Massachusetts already has 10,000 jobs in energy efficiency and renewable energy. How many people know that?

In California, ideas good and bad are floating about, including a proposed \$4 billion ballot initiative to tax oil and fund alternative energy. Regardless of the merits of that particular proposal, no discussion of similarly big ideas is under way in Massachusetts. Here, you are either for Cape Wind or against it, and that is about as far as it goes. If that's the way it stays, Massachusetts will miss the energy technology boat.



IAN BOWLES, PUBLISHER

This year, MassINC turns 10.

To mark this milestone, MassINC is taking on a new set of initiatives to put the opportunity and challenge of living the American Dream in Massachusetts into the civic spotlight in 2006. Our initiatives are being supported by a special 10th Anniversary Fund.

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Smart-growth law starts to catch on

Two years after Massachusetts passed a law to spur housing construction while avoiding sprawl-style subdivisions, some communities are starting to get with the program.

In recent months, six municipalities — Chelsea, Dartmouth, Lunenburg, North Reading, Norwood, and Plymouth — have approved the first “40R” districts, named for the section of the zoning statute that authorizes them. More than 1,700 new housing units are slated for the smart-growth districts.

The law provides for state incentive payments to communities that approve zoning near town centers or transit stops that allows for high-density housing (at least eight single-family homes, or 20 units in multi-family buildings, per acre). Communities are eligible to receive \$10,000 to \$600,000, depending on the size of the district, plus \$3,000 per unit when a building permit is issued.

A further carrot added last year promises to reimburse communities for additional school costs incurred from housing in smart-growth districts.

Some local officials have balked at the loss of control over development details that comes with the new zoning. Not surprisingly, most of the first 40R districts are crafted to fit proposals that were already on the table, making incentive payments to those communities state-funded icing on the cake.

But Ted Carman, a Boston developer who helped draft the new law, says these early adopters will be powerful examples for others, showing that “this is a very promising way to do development.”

► MICHAEL JONAS

For health care reform law, cost becomes the challenge

► BY MICHAEL JONAS

NOW FOR THE hard part. With headlines fading from the passage in April of landmark health care legislation aimed at extending insurance to nearly every Massachusetts resident, the challenge is translating the mammoth bill into actual health care coverage, a task that could prove even trickier than the bipartisan brokering of the bill itself. The key challenge now is cost — of new health insurance products, and of health care itself.

The new law combines a broad expansion of state subsidies to cover lower-income residents with a requirement that higher-income uninsured residents obtain coverage on their own by July 1, 2007. Larger employers that don’t provide health coverage will be hit with an annual assessment of up to \$295 per worker, and they are required to at least make available savings plans that let workers set aside pre-tax earnings to buy their own health insurance.

Under that framework, most of the 500,000 to 600,000 uninsured Massachusetts residents are supposed to obtain coverage by next July. But the success of the whole enterprise rests on the availability of quality health insurance plans that people at various income levels are able to pay for.

“Can we come up with affordable products? That really is the linchpin of the whole bill,” says Richard Lord, president of Associated Industries of Massachusetts.

A new state-appointed board, the Commonwealth Health Insurance Connector, is charged with determining how much the state will subsidize the cost of coverage for residents earning between 100 percent and 300 percent of the federal poverty level (\$9,800 to \$29,400 for an individual; \$20,000 to \$60,000 for a family of four), and with reviewing the coverage options insurers come up with for this group and those with higher incomes, who must pay premiums on their own. (Those with earnings below the federal poverty level will have the full cost paid by the state.)

“I think those will be spirited discussions,” says Lord, a member of the 10-person Connector board. “Some people will want us to be as generous as possible; others may be concerned with [the plan’s financial] sustainability.”

Under the law, those who don’t buy coverage will be subject to penalties: the loss of the personal exemption on their state income taxes for 2007, and, in subsequent years, an assessment equal to half the monthly cost of the lowest priced premium available. The Connector board could, however, grant exemptions from the mandate if they deem there to be no affordable, quality coverage available for those at certain income levels. Some advocates are already saying that, without more funding for subsidies, there’s no way the state will come

up with plans that people can reasonably be forced to buy.

"We're not expecting the individual mandate to be imposed on everybody," says John McDonough, director of the advocacy group Health Care for All. "If you really want universal coverage, you're going to have to dig deeper to find the financing to pay for it."

Among the products that insurers are likely to offer through the Connector, which will act as a clearinghouse for residents to obtain health coverage, are higher-deductible plans that have lower premiums but require substantial out-of-pocket spending before coverage kicks in. Another likely approach will be plans offering lower premiums in return for receiving care from a restricted network of health care providers. That managed care model has been out of favor since the mid-1990s backlash against HMOs. But a decade of soaring health care costs, in which even those with employment-based coverage are paying much more for insurance, may have changed attitudes toward such plans.

Jon Kingsdale, the veteran health insurance executive tapped by the state to run the new Connector, says creative approaches to bringing down costs—to both the state and individuals—will be crucial to the success of the sweeping reform effort. "It will be a bust, I believe, if it does not change the nature of the plans that are offered," says Kingsdale. "All of us in state government have to be concerned about the affordability of these products."

The affordability of new health insurance plans is not the only way cost figures into the new law's eventual success or failure. The legislation calls for expanded reporting on the costs of health care services and on providers' record of outcomes in treating conditions, with that information made available to consumers on a state-run Web site. It also gets the state on the "pay for performance" bandwagon by requiring that, beginning in the second year, providers meet certain cost and efficiency standards in order to receive the higher Medicaid rates the legislation provides for. New plans offered to the uninsured through the Connector could also find their way into the offerings of employers who already provide health coverage, which could extend new, lower-cost options much more broadly.

"This law could, I think, really unleash a whole new era of cost containment," says Nancy Turnbull, head of the Blue Cross Blue Shield of Massachusetts Foundation, which funded a 2004 study of the uninsured in Massachusetts that helped set the health care reform effort in motion.

Others say it will do exactly the opposite. Adding more people to the insurance rolls will be like throwing "gasoline on the fire of Massachusetts health care costs," says Alan Sager, a Boston University researcher and longtime critic of medical spending in the Bay State.

Even if it doesn't deal with it directly, the new law may



Things only got trickier when Gov. Romney signed the bill.

well force the issue of health-care inflation. An analysis by the legislative conference committee that hammered out the reform law projects that state financing of the plan will run into the red by some \$160 million by the third year. If that funding gap grows, the debate could come down to spending more money to maintain coverage levels, pulling back on the extent or quality of coverage—or getting serious about reining in costs.

"For this to work in the long-term, we really have to turn to cost containment," says Melissa Shannon, a policy analyst at Health Care for All. "The legislation is intended to cover everyone, and we can't do that if we keep seeing the kinds of cost increases we've seen in recent years."

In Springfield, middle rank on 'deal breakers' is taken as good news

► BY MELISSA DAPONTE KATZ

COMPARED WITH 11 other older industrial cities in the state, Springfield has valuable things to offer businesses looking for a home: low commercial rents, high-skilled older workers, and plenty of colleges and universities. It also has some

deficiencies, including high crime rates, parking limitations, and young people with lagging educations.

But overall, in a “peer review” with Massachusetts cities roughly like it—Attleboro, Brockton, Chelsea, Fitchburg, Haverhill, Holyoke, Lawrence, Pittsfield, New Bedford, Revere, and Worcester—the Hampden County seat came out about average in terms of potential “deal breakers” in attracting private investment. And for Springfield, that’s not so bad.

“We are clearly in the middle of the pack,” says David Panagore, the city’s chief development officer, “which for Springfield, with all it’s been through, is excellent.”

Springfield has been struggling with a declining industrial base, rising crime, and fiscal mismanagement for years, and is currently operating under the auspices of a state-appointed finance control board (see “Under Control?” CW, Summer ’05). And as the city continues to dig itself out, the citizenry has developed what one official recently called “a tremendous hunger for candor.”

Satisfying that hunger, Springfield is the first, and so far only, city to disclose where it lines up against the other smaller municipalities in the state in terms of barriers to private investment—and to begin a public discussion about how to overcome them.

“We’ve made a commitment to play an open hand,” says Mayor Charles Ryan. “And if we’re going to try to utilize this information in any way, it’s important for more people than us to know what the issues are.”

At a public forum held at the Naismith Basketball Hall of Fame on June 9, researchers and local leaders unveiled the results of what was called a “rigorous self-assessment” of the city’s permitting process, labor pool, operating costs, business environment, transportation, and quality of life. The survey was part of a larger effort to identify possible deal breakers in attracting development to struggling cities, conducted by the Center for Urban and Regional Policy at Northeastern University, in collaboration with the Massachusetts chapter of the National Association of Industrial and Office Properties (NAIOP), the NAIOP Foundation, and the Massachusetts Executive Office of Environmental Affairs, and with support from local planning commissions and the electric utility NStar.

More than 100 people attended the event in Springfield, including bankers, brokers, developers, major landowners, and elected and appointed officials. That alone was considered a positive sign, given that a recurring theme in the report was the city’s need to build strategic connections at the regional and state levels and with businesses, universities, and other partners.

When compared with other cities in the study, Springfield proved to have a number of strengths, including com-

mercial rents that are far lower than those of peer cities and an abundance of colleges and universities. Another plus was that the city does not require developers to install new traffic signals or otherwise alleviate traffic problems beyond the streets adjacent to the site, as some other cities do. Springfield was also recognized for its efforts to protect available sites from being rezoned for non-industrial use. And while tax delinquency poses a challenge for all cities in the study, each of which has more than 300 properties in tax title, Springfield is one of just a handful to grant abatements in order to clear the liens for new owners.

The city has its problems as well, such as limited parking near development sites. But the city may build additional parking areas or upgrade existing ones, according to Panagore, who reports to the control board in charge of Springfield’s finances.

Another trouble spot involves the upkeep of potential development areas. Springfield currently has a backlog of code violations related to trash and rubbish disposal, as well as abandoned properties and vehicles. But the city has recently increased its staffing at both the housing and building code departments to boost the enforcement of relevant laws.

In the area of permit processing, the study identified an appeals delay that Panagore says was administrative in nature and has since been remedied. In the past, developers didn’t receive their decisions until the minutes from the Zoning Board of Appeals’ meetings were approved, which didn’t take place until the board’s next meeting, at least four weeks later. Now such decisions will be delivered on the evening of the day on which they are reached.

Other issues will take longer to fix. The high rate of vacant retail space is a function of the city’s low incomes, as is the concentration of poverty in the public schools, where more than 75 percent of students qualify for free or reduced-price lunch.

More disturbing, in the long run, is the state of Springfield’s labor pool. Among residents over 25, Springfield has more technically skilled workers, a higher blue-collar wage rate, and more high school graduates than the other cities. Yet Springfield’s current high school students have lower graduation rates and MCAS scores than do students elsewhere.

“What this tells us is that we have an aging, skilled workforce,” says Panagore. “But where are we today on producing the workers who will follow in their footsteps if we are to retain the industries that require the skilled labor?”

Ryan finds the workforce data deeply troubling. “The demographic changes in Springfield make us unique,” says the

THE CITY HAS A ‘HUNGER FOR CANDOR.’

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Ryan finds the workforce data deeply troubling. “The demographic changes in Springfield make us unique,” says the

mayor. “If we ignore these changes, then we are going to have to live with the consequences. Not just the city, but society as a whole. We’re all going to live with these consequences.”

For now, local officials appear to be focusing on what they can control. Panagore says the city’s continued deficit reduction will help show businesses that Springfield is a well-run “geographical company.” And if the recent study shows the city to be a mixed bag, he doesn’t think that’s a bad thing.

Holding on to residents who can afford to leave—and have been doing so for decades—will also be critical. “That’s been a challenge for many cities,” says Tim Brennan, executive director of the Pioneer Valley Planning Commission, which provides support to the project. “But Springfield is facing it with a special intensity.”

Melissa DaPonte Katz is a freelance writer in Amherst.

Racetracks face lengthening odds on slot machines

► BY MARK MURPHY

BOB O’MALLEY’S VOICE sounds as old and tired as the racetrack he is trying to save. Or perhaps it’s the thoroughbred industry itself that has the 68-year-old chief operating officer of Suffolk Downs worn out. With the Northampton Fair’s decision to eliminate horse racing this summer, the

one-mile oval in East Boston is all that remains of thoroughbred racing in New England. Even Rockingham has switched to trotters.

Shrinking purses and increasing difficulty in drawing quality horses from the South are Suffolk’s latest worries. Meanwhile, down the Route 1A corridor, at Wonderland dog track in Revere, the immediate concern is a referendum to ban greyhound racing that is working its way toward this November’s ballot. Voters rejected such a proposition in 2000, but by a narrow margin, 49 percent to 47 percent. And this year’s version bundles the racing ban with other dog-protection measures, including mandatory imprisonment for anyone who harms a police, military, or service dog in the commission of a felony. A 7News Suffolk University poll in June found support for the measure at 62 percent vs. 27 percent among voters.

But the real prescription for ailing tracks, horse and dog alike, may have nothing to do with racing at all: slot machines. Last fall, the state Senate approved a bill that would have granted the state’s four racetracks (Raynham-Taunton Greyhound Park and Plainville Racecourse, in addition to Suffolk Downs and Wonderland) licenses for up to 2,000 slot machines each—in an attempt to keep Massachusetts bettors in state, rather than traveling to Connecticut’s casinos or Rhode Island’s Lincoln Park dog track. But in April, the House voted down the slots proposal, despite days of demonstrations on Beacon Hill by racetrack employees.

The Senate had attempted to link the slot machines to the extension of simulcasting rights, which allow the tracks to take bets on out-of-state races. When the House rejected the slots, the two branches agreed to extend simulcasting only to December 31, meaning the whole matter would come up again. Then, in July, the Senate passed a bill to

extend that deadline for another year, with the apparent intention of separating squabbles between the tracks over simulcast details from discussion of slots, which could resume next year.

“I think it has a chance to be revived,” says state Sen. Michael Morrissey, a Quincy Democrat who supports slots. “I’m still not quite sure what happened over there in [the House], but if they suddenly feel that Suffolk is going to close, maybe then they’ll change their minds on the issue.”

Suffolk is not closing yet, but it’s hardly thriving. For the second time in the last three years, the Massachusetts Breeders’ Cup Handicap was canceled last summer for lack of purse money. Suffolk Downs didn’t have enough cash



to fund the race without depleting reserves for the rest of the season's dates. The minimum of 1,100 races required by law is too many, in O'Malley's view, to be supported by today's dwindling racing crowd. (The bill recently passed by the Senate would reduce that number to 900.) The MassCap returns this year, on September 30, but with a purse of \$300,000—half what past champions like Funny Cide and Cigar used to take home.

This spring, not even nature was on the racetrack's side. Record rains forced Suffolk to cancel three days of live

'WE WILL NOT SURVIVE WITHOUT SLOTS.'

racing out of 20 scheduled in the first month following the opening of the season on Kentucky Derby Day, May 6. Worse

than that were rainy days when the track went ahead with limited four and five-horse races. "No one is showing up on days like that," says O'Malley.

Racetrack operators say that slot machines would increase attendance and the daily "handle," the total amount wagered at the venues. "[Slots] are key," says O'Malley. "We will not survive in the long term without slots. I would have thought we could get by for three or five years without it, but the difficulty in getting horses has made that tough."

Morrissey thinks the continued proliferation of slot machines around New England may make them an easier sell next time around. "Enough of our neighbors have it by now," says Morrissey. "They've even added [slots] to a racetrack in Maine," where the public share of the take from 1,000 machines is split between Bangor and a neighboring town. A State House News Service poll in May found that 57 percent of Massachusetts respondents favored legalizing slot machines at racetracks, with support among younger people as high as 70 percent.

But it's Woodbine Racetrack in Toronto that Suffolk officials point to in making their case for the one-armed bandits as a boon to racing as well as the track's bottom line. Woodbine reported an 80 percent increase in purses in the five years since adding slot machines, along with a 23 percent increase in handles and a 33 percent jump in jobs.

Though another save-the-tracks push for slots may be in the offing, how much longer the tracks themselves will be around to be saved is not clear. "The way they're putting it is that they're hanging in there, though hanging on is probably more like it," says Morrissey.

And while the racing game increasingly looks like it's for losers, real estate options are looking better than ever. Wonderland, with its Blue Line MBTA stop and 35 acres of

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prime real estate, is a developer's dream. According to a *Boston Herald* poll of real estate executives, the site could command from \$700,000 to \$1.1 million per acre—a \$25 million-plus windfall for track owner and restaurateur Charles Sarkis. Suffolk Downs's East Boston parcel could be even more valuable.

"I've never approached this from the standpoint that I'm trying to save the industry," says Suffolk's O'Malley. "If they didn't use this land for racing, I'm sure they could always find some other use for it."

"Over the next year, if something doesn't work, then the [track] owners are probably going to make that decision on their own," says Morrissey.

Mark Murphy is a sportswriter for the Boston Herald.

Water managers say state rules leave towns high and dry

► BY GABRIELLE GURLEY

THE SOGGIEST SPRING on record may have given Quabbin Reservoir a two-year supply of water, but the rushing rains did little to replenish the groundwater that towns outside the Massachusetts Water Resources Authority district rely on. Nor will flooding in May and June keep many rivers and streams from slowing to a trickle this summer as a result of those towns pumping water out of the ground below. That's why the state's Department of Environment Protection is requiring municipal water system operators to cut back on usage and implement conservation measures under the Water Management Act of 2004.

"The real goal is to use water wisely, so we will have a sustainable resource for future economic growth [while] protecting aquatic habitat," says DEP Commissioner Robert Gollidge Jr.

But local water officials are ready to throw the state's rules, detailed in a "guidance" bulletin issued in January, into the drink. In April, the Massachusetts Water Works Association issued a white paper calling for a moratorium on the new restrictions, the completion of a US Geological Survey study on factors contributing to reduced streamflows in stressed river basins, and the creation of a blue-ribbon panel on water management.

DEP is requiring that residential water withdrawals be limited to 65 gallons per person per day in basins that show high and medium levels of stress and 80 gallons per person

in the others, marking the first time that the department has established uniform, statewide limits. Communities in high- and medium-stressed basins also would have to keep losses due to leaks down to 10 percent of overall withdrawals, as opposed to 15 percent in other basins.

But mandatory summertime restrictions on nonessential outdoor use, such lawn watering, have caused the most consternation among local officials. Users in high-stressed basins with a summer-to-winter water use ratio of 1.2 or less and all users in medium-stressed basins would be limited to watering up to two days per week, and only before 9 a.m. and after 5 p.m. Localities in high-stressed basins with a summer-winter ratio greater than 1.2 could only water one day a week.

These provisions have communities up in arms, including towns that see themselves as good stewards of this precious resource. For example, Concord, which is located in the medium-stressed SuAsCo (Sudbury-Assabet-Concord) watershed, prides itself on a conservation ethos. It has a water rate structure that makes large residential users, whose bills average \$1,200 per year, pay more for higher summer usage; a leak detection program; and education programs to promote household water conservation. After launching a comprehensive conservation program in 1997, the town reduced water use nearly 20 percent from fiscal 1998 through fiscal 2005, even as it added customers. Unaccounted-for water losses are between 7 percent and 8 percent. Concord's residential water usage currently stands at 74 gallons per person per day.

But the new rules would require Concord to impose a water ban for the first time ever, according to William Edgerton, director of the town's public works department. Man-

CONCORD MAY GET ITS FIRST WATER BAN.

datory reductions in usage per capita would also cost the town both money and good will, he says. To avert an \$800,000 shortfall in revenue, which Edgerton says would compromise system maintenance, the town would have to impose a 23 percent rate increase on homeowners.

Alan Cathcart, the town's water and sewer superintendent, concedes that a water ban would probably upset people in this wealthy town more than a rate increase would. But he objects to DEP's failure to differentiate between towns like Concord and localities that have made few strides in conservation.

"What bothers us is that we are a progressive and environmentally aware community," says Cathcart. "We are conserving."

Even more galling to local officials was the lack of opportunity to offer input on the DEP policy, which was based on a 2001 stressed-basin study designed, they claim, for

statistical, not policy, purposes. Short-circuiting the public process sets a “terrible precedent for a state agency,” says Massachusetts Municipal Association executive director Geoff Beckwith. “To spring into what they are calling a ‘guidance process,’ where the end requirements have the same power as regulation, really is something very disturbing.”

Golledge admits that DEP didn’t exactly hear everyone out before the agency adopted its water policy two years ago. But in the time since, he says, DEP has engaged municipalities and addressed their concerns, giving local officials time to achieve the goals and delaying enforcement action against communities that are making progress.

“Is it tough to get there? Absolutely,” he says.

Nevertheless, water managers see themselves, and their residential customers, as singled out for grief, when they’re not the only ones affecting water supply. “I think we are an easy target,” says Massachusetts Water Works Association president James Marshall, who manages Plainville’s water and sewer system.

Local water officials say development creates large swaths of impervious surfaces (parking lots, roadways, and the like) that keep rain from seeping into the ground. Storm runoff is diverted into rivers and streams and carried off to the ocean, while wastewater is treated in centralized facilities and discharged far from the original source. As a result, groundwater does not get replenished. “It’s kind of a triple whammy,” says Martin Pillsbury, regional planning manager for the Metropolitan Area Planning Council.

The water managers’ call for a moratorium on new restrictions is likely to fall on deaf ears, but the state Senate amended its version of the state budget to create a blue-ribbon panel to sort matters out. “I think there are nuances in our water situation in parts of Massachusetts that ought to be reflected in the policy,” says Sen. Edward Augustus Jr., a Worcester Democrat who sponsored the amendment, which was pending at press time.

Pillsbury agrees that local water managers are left holding the bag for land-use decisions made by other bodies. But he doubts that any new water-management panel would have the authority to address the zoning issues that could actually reduce the impact of development on water resources.

Meanwhile, in a letter to the Joint Committee on Environment, Natural Resources, and Agriculture, environmental groups asserted that 67 percent of municipalities already meet the 65 gallons per person per day limit and 78 percent of towns in medium- and high-stressed basins are in compliance with the policy. As to the others, they say, it’s high time that the state cracked down on their excessive water use.

“The Commonwealth has not had these kinds of strict standards in place, and that’s why we are in trouble,” says Jack Clarke, director of public policy and government relations for the Massachusetts Audubon Society. **CW**

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The price of justice

BY ROBERT DAVID SULLIVAN

DESPITE ITS LOWER-THAN-AVERAGE crime rate, Massachusetts ranks near the top in state spending per capita on the criminal-justice system. One reason is that the Bay State tends to spend more on all government functions, but the percentage of financial resources devoted to fighting crime is also high here. As of 2003, nearly one in seven public employees (13.2 percent) in Massachusetts worked in the justice system, up from 11.7 percent in 1992. In the US as a whole, the percentage of state and local employees working in the anti-crime sector rose more slowly, from 11.6 percent to 12.7 percent.

During the same period, the percentage of justice system employees in Massachusetts who work in “police protection” jumped from 52.8

**We spend
more on
police than
on prisons.**

percent to 55.6 percent, the highest such share in the nation. “Judicial and legal” employees went from 17.4 percent to 21.9 percent of the total, and “corrections” employees

dropped from 29.7 to 21.9 percent of the total — placing us dead last among the 50 states. The US as a whole went in another direction, with state and local police forces slipping from 46.1 percent to 44.7 percent of total justice employees. While police effectively outnumber prison workers by more than two to one in the Bay State, our polar opposite is Texas, where corrections employees outnumber police by 45.5 percent to 38.8 percent.

But Texas may be a better illustration of longer-term trends. According to the Justice Department, state and local expenditures for police protection increased 567 percent from 1977 through 2003, but spending on corrections departments went up by a staggering 1,173 percent at the same time. Expenditures for education, by the way, rose by 505 percent, and spending for health care increased by 572 percent. **CW**

CRIMINAL-JUSTICE SPENDING AND EMPLOYMENT, BY STATE, 2003

	EXPENDITURES ON CRIMINAL- JUSTICE SYSTEM, PER CAPITA	CRIMINAL-JUSTICE EMPLOYMENT AS % OF ALL PUBLIC EMPLOYMENT (RANK)	POLICE EMPLOYMENT AS % OF ALL CRIMINAL- JUSTICE EMPLOYMENT (RANK)
1. ALASKA	\$621	10.2 (35)	39.4 (45)
2. DELAWARE	\$478	15.1 (4)	36.9 (50)
3. CONNECTICUT	\$372	12.8 (15)	45.8 (19)
4. MASSACHUSETTS	\$342	13.2 (13)	55.6 (1)
5. WYOMING	\$333	10.2 (35)	48.3 (13)
6. MARYLAND	\$323	13.8 (7)	43.2 (32)
7. VERMONT	\$300	7.4 (50)	43.2 (32)
8. NEW MEXICO	\$293	11.8 (22)	39.2 (48)
9. VIRGINIA	\$291	11.7 (24)	41.0 (40)
10. RHODE ISLAND	\$283	11.6 (25)	53.6 (2)
11. CALIFORNIA	\$282	13.2 (13)	42.6 (35)
12. HAWAII	\$273	12.4 (17)	41.0 (40)
13. NEW JERSEY	\$270	15.1 (4)	48.0 (14)
14. NEW YORK	\$266	14.8 (6)	49.0 (8)
15. OREGON	\$254	11.6 (25)	39.3 (47)
16. KENTUCKY	\$242	10.0 (40)	42.6 (35)
17. PENNSYLVANIA	\$239	13.7 (8)	40.6 (42)
18. WISCONSIN	\$235	12.2 (19)	46.3 (16)
19. LOUISIANA	\$230	13.6 (9)	43.5 (30)
20. COLORADO	\$229	11.4 (27)	45.5 (21)
21. MICHIGAN	\$225	12.2 (19)	41.6 (39)
22. OKLAHOMA	\$219	10.7 (33)	49.0 (8)
23. MONTANA	\$217	10.1 (38)	43.4 (31)
24. KANSAS	\$214	10.2 (35)	47.3 (15)
25. IOWA	\$212	8.3 (47)	48.7 (11)
26. NORTH CAROLINA	\$207	11.4 (27)	44.2 (28)
27. UTAH	\$206	10.8 (32)	42.6 (35)
28. OHIO	\$199	12.6 (16)	42.3 (38)
29. FLORIDA	\$197	16.6 (2)	44.7 (26)
30. GEORGIA	\$196	13.3 (12)	39.4 (45)
31. MAINE	\$194	8.3 (48)	50.0 (7)
32. TEXAS	\$192	12.4 (17)	38.8 (49)
33. ARIZONA	\$192	15.5 (3)	43.1 (34)
34. IDAHO	\$191	10.4 (34)	45.0 (25)
35. WEST VIRGINIA	\$188	10.0 (40)	40.3 (43)
36. ARKANSAS	\$186	11.3 (30)	45.9 (18)
37. WASHINGTON	\$183	11.1 (31)	40.2 (44)
38. NEW HAMPSHIRE	\$183	10.1 (39)	53.2 (4)
39. MISSOURI	\$181	13.4 (11)	45.2 (23)
40. MINNESOTA	\$179	9.2 (44)	43.8 (29)
41. SOUTH CAROLINA	\$178	11.8 (22)	48.9 (10)
42. NEBRASKA	\$174	9.1 (45)	46.1 (17)
43. SOUTH DAKOTA	\$173	8.9 (46)	45.5 (21)
44. ILLINOIS	\$165	13.5 (10)	53.2 (3)
45. ALABAMA	\$158	9.7 (42)	51.0 (5)
46. TENNESSEE	\$156	11.9 (21)	48.7 (11)
47. INDIANA	\$155	11.4 (27)	45.2 (23)
48. NORTH DAKOTA	\$154	7.6 (49)	45.6 (20)
49. MISSISSIPPI	\$150	9.5 (43)	51.0 (5)
50. NEVADA	\$147	16.9 (1)	44.4 (27)
US TOTAL	\$228	12.7	44.7

Source: *Justice Expenditure and Employment in the United States, 2003*, released April 2006 by the Bureau of Justice Statistics (www.ojp.usdoj.gov/bjs). Workforce figures are based on “full-time equivalent employment.”



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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.)



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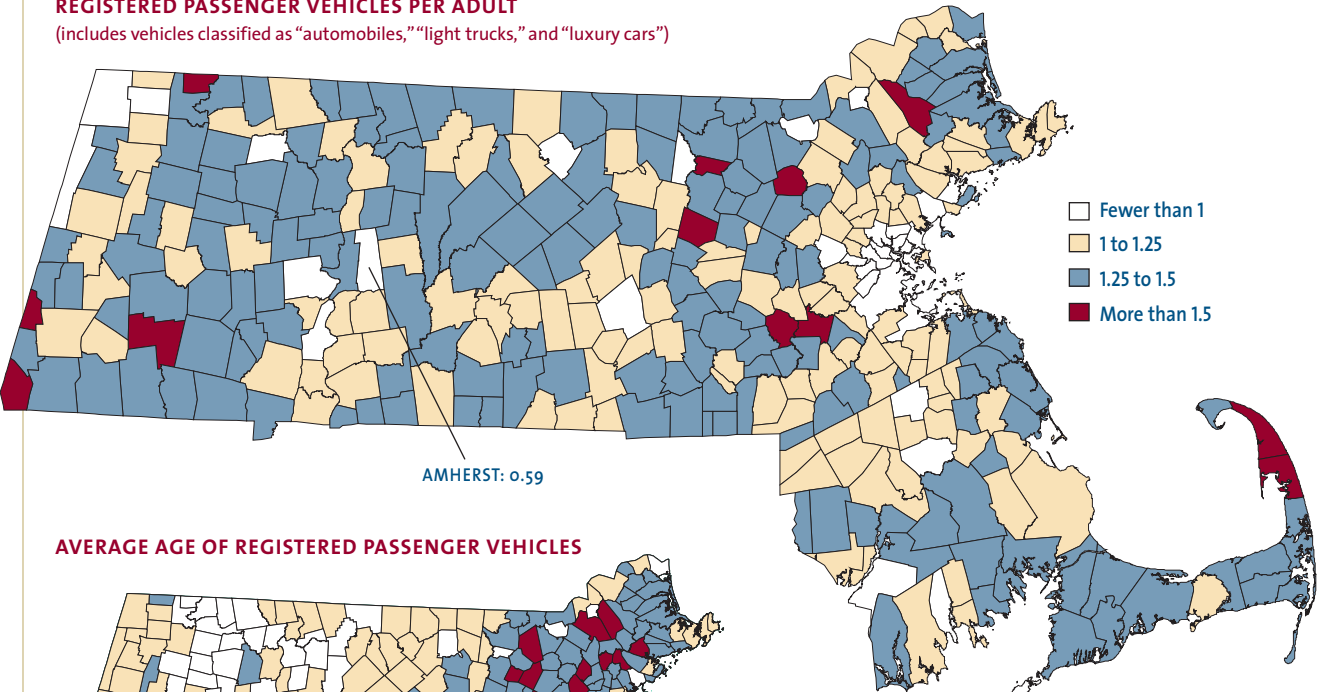
No brakes

BY ROBERT DAVID SULLIVAN

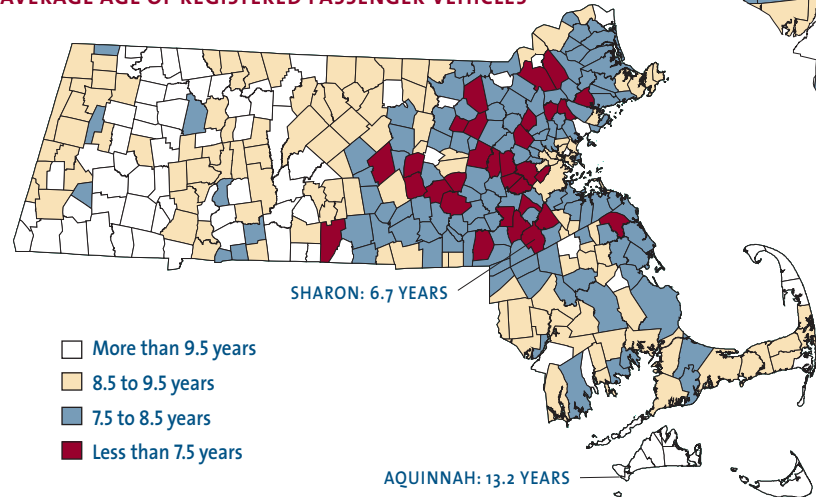
IF YOU THOUGHT the Bay State’s flat population growth meant more room for parking, forget it. According to the state Department of Revenue, the number of registered passenger vehicles in Massachusetts grew 6.6 percent from January 2000 to January 2005, while the number of people living here crept up by 1.1 percent over roughly the same period. As shown in the larger map below, the number of vehicles per capita is highest in resort areas (Cape Cod and the Islands, the Berkshires), presumably because so many non-residents have cars there. But newer vehicles of all types (including motorcycles) are concentrated in Boston’s west-

ern suburbs and other communities along I-495, as indicated in the smaller map. In most communities the increase in registered vehicles during the first half of this decade ran two to seven percentage points above population change, but growth was especially high in Middleborough (up 20 percent vs. population growth of only 6 percent), Winthrop (9 percent more passenger vehicles—primarily light trucks—and 5 percent fewer people), and Everett (10 percent more carriers, 2 percent fewer citizens to carry). At the other end of the spectrum, Hingham’s fleet dropped by 3 percent even as its population rose by 7 percent. **CW**

REGISTERED PASSENGER VEHICLES PER ADULT
(includes vehicles classified as “automobiles,” “light trucks,” and “luxury cars”)



AVERAGE AGE OF REGISTERED PASSENGER VEHICLES



Sources: Massachusetts Department of Revenue, Division of Local Services (www.dls.state.ma.us); US Census Bureau

STATISTICALLY SIGNIFICANT

BY ROBERT DAVID SULLIVAN

HEDGING ON PORK FUTURES

Notwithstanding our fame as the site of the “Big Pig” tunnel project, the Bay State gets only scraps of pork from the federal government, according to Citizens Against Government Waste. The “taxpayer watchdog” group says that Massachusetts won \$18.25 in “pork per capita” in fiscal year 2006, which puts us in 46th place—down from 39th just one year earlier. During the same period, New Hampshire, with its all-Republican congressional delegation and its first-in-the-nation presidential primary, rose from 15th to 10th place.

Meanwhile, the Tax Foundation released its annual analysis of federal taxing and spending patterns, this time covering fiscal year 2004. Massachusetts ranked 44th in that survey, getting only 77 cents for every dollar in taxes it sends to Washington; that’s down from 33rd place in 1994, when the Bay State almost broke even with 97 cents back for every dollar sent. Pork notwithstanding, New Hampshire fared even worse in overall federal spending: It ranked 48th in fiscal year 2004, getting back only 67 cents on the dollar.

The biggest item on the list of alleged pork projects in Massachusetts is \$7.1 million for the Army National Guard’s “weapons maintenance” training facility at Barnes Municipal Airport, in Westfield. Also cited: funding for the final piece of the MBTA’s Silver Line (\$4 million), a “streetscape plan” in Pittsfield (\$1.9 million), and the renovation of the Merrimack Repertory Theater, in Lowell (\$200,000).

POPULATION GAIN EQUALS WEIGHT GAIN?

People seem most likely to be putting on pounds if they live in the fastest-growing regions of the state, where “sprawl” development patterns are most likely to be found. A March report from the state Department of Public Health, based on data from 2004, estimated that the share of adults who were overweight was 62 percent in the central part of the state, which includes Worcester County, and 58 percent in the South East region, including Plymouth County and the Cape and Islands—both areas with significant population growth. The lowest rates were in regions that have stayed level or actually lost population during the past few years: 45 percent in the Metro West region and 52 percent in Boston’s Suffolk County.

In the state as a whole, the obesity rate was 55 percent, 66 percent for men and 44 percent for women.



WILMINGTON FIREFIGHTERS GET HOSED?

According to *The Sun* of Lowell, Wilmington firefighters have lost the battle to continue washing their own cars at fire stations—a practice that had been going on for nearly 30 years. Their union filed a complaint last year with the state Labor Relations Commission after the town manager ordered the practice to stop, but it accepted the ban as part of a new contract signed this spring.

A car wash at nearby Scrubadub, in Woburn, ranges from \$8.50 for an “express wash” (no interior cleaning) to \$34.99 for “the ultimate,” including shampooed carpets. But with a 7.95 percent salary increase over the next three years (not quite as good as the 8.2 percent increase in the previous three-year contract), firefighters may be able to splurge once in a while.



ABORTION DATA DELIVERED

About 43 percent of all teenage pregnancies in Massachusetts ended in abortion in 2000, according to a new study by the New York-based Guttmacher Institute, a share exceeded only in New Jersey and New York. Yet because relatively few 15- to 19-year-olds in the Bay State became pregnant in the first place (60 per 1,000, as opposed to the national average of 84 per 1,000), we actually ranked 11th in the incidence of abortion among that age group. When looking at all women between the ages of 15 and 44 during that same year, only 23 percent of all pregnancies in Massachusetts ended in abortion; only in New Jersey was there a bigger age gap. Among all women, Massachusetts ranked 10th in the abortion rate (with New York first and South Dakota last) and 43rd in the birth rate (with Utah first and Vermont last).

CAPE COD NETS FEWER TOURISTS

The red tide scare and high gas prices may have put a crimp in the state's tourism economy last year, at least on Cape Cod. The chief ranger's office estimates that the Cape Cod National Seashore got 3.7 million visits last year, but that's a significant drop from National Park Service's official report of 4.1 million visits in 2004. The Cape Cod Commission confirms a drop of 3.4 percent in auto traffic on the Cape last year, though it notes a growth of 9.6 percent over the past decade.

Statewide, according to the Office of Travel and Tourism, the demand for hotel rooms was up 1.1 percent last year, to an average of 46,000 guests per night. Because the average nightly room rate inched up, from \$116 to \$121, the hotel revenue grew more robustly, up 5.3 percent to \$2.01 billion (or \$5.5 million per night). But last year's new visitors to Massachusetts were apparently not motivated by indoor pursuits: The OTT reported a 0.4 percent drop in attendance at the 54 Bay State museums and "attractions" that it tracks, to 11.4 million visitors.

In 2004, the last year for which figures are available, the "domestic travel impact" on Massachusetts included \$11.0 billion in expenditures. That amounted to \$14,723 per capita in Nantucket County and \$7,739 per capita in Boston's Suffolk County. At the other end of the scale, income from tourism amounted to \$564 per capita in Hampshire County and \$570 per capita in Bristol County.



CELL PHONES ENDANGER PUBLIC OPINION POLLS?

The Centers for Disease Control and Prevention reported in May that 8.4 percent of all households have cell phones but no land lines, a number that is rapidly increasing. (Why does the CDC care? It keeps tabs on how people are likely to give and receive information in case of medical emergencies.) There is no breakdown by state, but demographic groups that are most likely to be without land-line phones are also disproportionately large in Massachusetts. For example, 20 percent of apartment renters, and 34 percent of adults who live with unrelated roommates, have only cell phones.

This development is reason to worry for public-opinion pollsters, who are already trying to track this year's gubernatorial race, since they are not allowed to place random calls to cell-phone numbers. Could a candidate who does disproportionately well among cell-only voters surprise people on Election Day? That would depend on whether they actually go to the polls—and it may be tough for the favored candidate to call and remind them to vote.

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Differential diagnosis

Among think tanks, reactions to the Bay State's health care gambit make strange bedfellows **BY SHAWN ZELLER**

WHEN EDWARD KENNEDY ascended the State House steps in April to praise the Legislature's passage of a bill that aims to ensure that every Massachusetts resident has health care coverage, the state's senior senator appeared to be playing to type. Kennedy spoke in grandiose terms, praising Gov. Mitt Romney and State House leaders for setting Massachusetts on a course to "the impossible dream of health care for all." Thanks to their bipartisan efforts, he said, "quality care will truly be available and affordable for each and every man, woman, and child in our state."

To many conservative ears it might have sounded like yet another Kennedy paean to big-government spending, if not a replay of the 1992 Clinton health care initiative they helped derail. So it comes as some surprise to find Washington's liberal intelligentsia—which far more regularly sings in chorus with Kennedy—vociferously berating the plan.

"This is being sold as achieving universal coverage," says Nathan Newman, policy director for the Progressive Legislative Action Network, a liberal policy organization. "But when people talk about insurance access and health care for all, no one thought that would mean telling people to go get it, and fining them if they don't."

Meanwhile, some of the biggest cheers came from the Heritage Foundation, Washington's most well known conservative think tank, which advised Romney on aspects of the plan, and which remains largely supportive of the end product, even after the Legislature's Democrats had their way with it.

If, given the well known political predilections of most DC-based think tanks, reactions to the ambitious health reform law have not always been predictable, it's probably because the measure does not fit neatly into a particular ideological box. With its mix of subsidized coverage for poorer residents

and a market-based approach to drawing higher-earning residents under the coverage umbrella, the measure offers something for everyone to like or loathe. That makes reaction to it a twist on the tale of the blind men and the elephant: The various brain trusts grab on to whichever part of it makes their point.

The 145-page bill aims to ensure coverage for nearly all of the 500,000 to 600,000 Massachusetts residents who now lack health insurance. It does so by adding to the state's Medicaid rolls low-income residents who will pay nothing for their coverage, providing subsidies to bring down the cost of premiums for those earning between 100 and 300 percent of the federal poverty level, and encouraging private insurers to craft new, affordable insurance plans for those with earnings above this level.

For Newman and other dissatisfied liberals, one red flag is the bill's individual mandate, which requires all residents with incomes above 300 percent of the federal poverty level (\$29,400 for an individual; \$60,000 for a family of four) to obtain—and pay for—health coverage, with fines as high as \$1,200 a year for those who don't. By contrast, liberal critics note, employers who fail to provide coverage to their workers will be hit with only an annual \$295-per-worker assessment. (Romney used his line-item veto to eliminate even that modest charge, but state legislators overrode him.)

"What we are concerned about is whether it really struck the appropriate balance in what employers are required to do versus the penalties individuals might face," says Karen Davenport, director of health policy at the Center for American Progress, the organization founded by former Clinton White House chief of staff John Podesta as a liberal counterweight to the conservative

Heritage Foundation.

The libertarian Cato Institute is also critical of the individual mandate, though hardly because they want to see more required of employers. The insurance-buying requirement represents “an unprecedented expansion of government power,” says Michael Tanner, Cato’s director of health and welfare studies.

But the new law also has plenty of fans, and, like its critics, they sometimes find themselves in league but on very different grounds.

Stuart Butler, the Heritage policy analyst who advised Romney on the law, says the new Massachusetts system is at its core a conservative one, since it relies on the principles of federalism (states should lead the way in policy innovation), personal responsibility, and market-based insurance competition. He says that it will eliminate billions in costs now borne by taxpayers by forcing individuals to take responsibility for their own health coverage rather than receiving free care in emergency rooms, where costs are paid by the state, in part through assessments on hospitals and employers that are eventually passed on to those with insurance coverage. “It focuses the responsibility for insurance on the person who is get-

ting care, rather than the rest of us,” he says.

Butler expects the plan will also shift health care costs away from the traditional employer-sponsored model and toward “consumer-driven” plans, which carry much higher deductibles and put patients more in charge of their own health care spending. Such schemes are anathema to liberals, who charge that they only shift costs onto the backs of consumers.

That, in turn, may explain why leaders of the Progress-

Kennedy got harsh words from his usual liberal allies.

sive Policy Institute make the case for the Bay State plan by focusing on its bold promise of coverage for all. “Regardless of what you think of the details of the plan, the fact that the state has done this is the most remarkable part of it,” says David Kendall, senior fellow for health policy at the institute, which is the think tank arm of the Democratic Leadership Council, the group that helped bring Bill Clinton to power. “It eliminates the excuses that people often give that it can’t be done, or it’s too expensive, or that there won’t be bipartisan support for it.”

PROUD TO BE A PART OF THE CONTINUAL GROWTH AND DEVELOPMENT IN THE CITY OF BOSTON



But Kendall agrees with critics that the Massachusetts system will be a success only if state leaders are able to convince insurers to offer affordable plans. "If the costs get out of control, this would penalize the middle class, but that's the risk we have to take," he says.

That penalty would come not only in the form of higher-priced health plans, but also potentially from more people remaining without insurance altogether. A state panel charged with overseeing the new law must decide whether the health plans that Massachusetts insurers come up with represent affordable, quality coverage for those who must buy insurance on their own without subsidy. If the board finds there are no reasonable options available, it can lift the mandate that they buy coverage—and the penalties for not doing so.

The degree to which the plan can serve as a model for other states is itself a matter of some disagreement. Leif Wellington Haase, health care fellow at the liberal-leaning Century Foundation, says other states may find the road to coverage-for-all much tougher than will Massachusetts, which starts out with a much lower percentage of uninsured residents (11 percent) than most states.

Nonetheless, *The Wall Street Journal*, whose editorial page took a dim view of the plan (derisively dubbing it "Romney Care"), reported in May that several states were taking cues from the bipartisan Bay State prescription.

A month after the April signing of the Massachusetts law, Vermont's Republican governor and its Democratic Legislature agreed on a plan to subsidize coverage for lower-income residents, funded in part by an increase in the tobacco tax and assessments on employers not providing health coverage. A spokesman for Gov. James Douglas told the *Journal*, "If Ted Kennedy and the overwhelmingly Democrat legislature in Massachusetts can come to an agreement with a Republican governor around the idea of private insurance plans, then Vermont should be able to do it, too."

For Kennedy, the harsh words from some of his usual liberal allies are something he has become accustomed to, at least occasionally, during his more than 40 years in Washington. He faced similar brickbats when he signed on to President Bush's No Child Left Behind Act (though Kennedy has since become critical of the funding—or lack thereof—to support it) and for working with the administration to push through prescription drug coverage for Medicare recipients. Despite his reputation for unyielding liberalism, Kennedy has often shown himself to be a pragmatist at heart, more than willing to take half a loaf over none.

"What the senator has said is that with any major reform there comes some compromise," says Kennedy spokesman Melissa Wagoner. "What Massachusetts has done is take a huge step forward." **CW**

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Marching orders

Residents of a former Army base move toward self-rule, but skeptics see a plot to push through more development **BY RAY HAINER**

DEVENS This former US Army base has turned into limbo for the 250 or so people who now live here. Depending on their address, they vote in Ayer or Harvard, two towns that contributed land for the base in 1917. Because the Devens community is too small to support its own school system, their children attend school in Shirley, another neighboring town. They pay property taxes, but they have no official voice in municipal affairs; this not-quite-town is run instead by MassDevelopment, the state's finance and development authority.

Some of the residents, who have been here for up to five years, are eager to start living in, rather than on, Devens. "From my perspective, this is the old 'taxation without representation,'" says Mike Boucher, chairman of the citizens' advisory committee. "We feel that the best scenario for us would be for Devens to become a town."

That possibility gathered momentum in early June, when the various town and regional boards that have a stake here agreed on a preliminary plan for an independent Devens. This November, the registered voters of Ayer, Harvard, and Shirley will have the chance to move the plan forward, and with the blessing of the Legislature, Devens would become the 352d town in Massachusetts on July 1, 2010. The unanimity among the boards should not be taken for universal support among residents, however. Although everyone involved sympathizes with those on Devens who desire self-rule, a number of residents, both on the former base and in the neighboring towns, are suggesting that the new town of Devens may be independent in name only.

IN 1994, TWO years before the Army handed Fort Devens over to Massachusetts, the state Legisla-

ture passed a bill that made the base a regional economic development zone until 2033. That law included a streamlined, 75-day permitting process that is credited with attracting business to Devens; outlined the principles of sustainable design and environmental protection that have guided development; and provided \$200 million in bonding capacity to fund the transformation from military to civilian use. According to MassDevelopment, the economic development zone now has 85 businesses that employ more than 4,200 and have invested nearly \$450 million in capital ranging from the 49-employee Xinetics, a maker of "precision motion-control devices," to a packaging plant for the shaving-products company Gillette that employs 1,000. And this spring, pharmaceutical maker Bristol-Myers Squibb announced that it would build a \$660 million plant with about 550 employees on the former Army base. At present, the commercial facilities in Devens take up far more space than do the 105 homes here.

The Reuse Plan, a 58-page document written in 1994, placed an emphasis on commercial and industrial development, and especially high-tech business. Although one of the plan's objectives was to "promote the evolution of a neighborhood" in Devens, the number of housing units on the base was capped at 282. During the boom economy of the mid 1990s, the state focused on business expansion, says Robert Culver, president and CEO of MassDevelopment. Still, he says, "To have the major economic development zone in the Commonwealth—complete with expedited permitting, complete with 75 businesses—not address the economic development issue of housing was a real oversight."

Around the time the first residents started mov-

ing into renovated military housing, in the spring of 2001, MassDevelopment's board of directors released a report stating that the authority "should analyze its investments at Devens from the perspective of a real estate developer to determine its return on investment." From that perspective, additional housing must have been attractive: Development activity on Devens, which had been quite rapid at first, had entered a "trough," according to annual reports by the permitting board. An independent report commissioned by Ayer, Harvard, and Shirley also noted the need for more housing in the region and recommended that within five years the three towns and MassDevelopment decide on the "disposition" of Devens—that is, who would ultimately assume jurisdiction over it.

The disposition process began in earnest in late 2004, with the formation of an executive board whose 15 members represent the six stakeholders on Devens: the towns of Ayer, Harvard, and Shirley; Devens residents; MassDevelopment; and the Devens Enterprise Commission, the 12-member board that oversees the permitting process, and which also serves as a planning board, zoning board of appeals, and board of health. The executive board

will also vote on the same day. If five of the six stakeholders approve the package, it will be put on the November ballot in the three towns. If two of the three towns approve the ballot question (as before, Devens residents will vote in Harvard or Ayer), and the Legislature approves the plan, Devens will become independent four years from now.

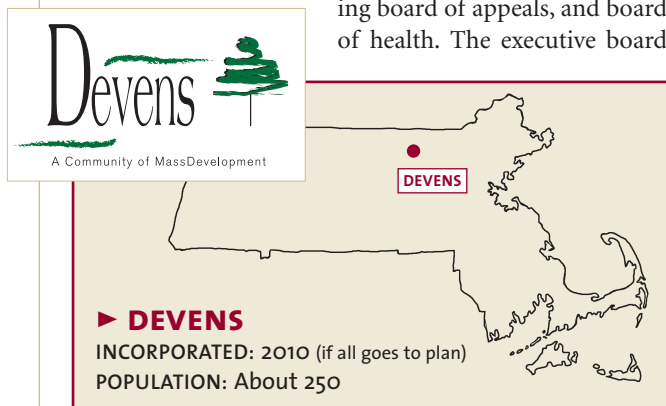
The plan would remove a cap of 282 housing units.

If that happens, Devens will gain the authority to tax its residents and businesses. A true board of selectmen and school committee will replace the advisory committees, and many of the other town boards and positions typical in Massachusetts towns will be created. Devens will also begin holding a traditional town meeting to pass the annual budget.

Even before the official incorporation in 2010, approval of the disposition package will also remove the cap of 282 housing units. The revised reuse plan (as spelled out in the MOU) allows for 1,650 new units on the former base, though 500 would be on the parcels of land that would revert to surrounding towns. The housing in Devens will include "cluster" and mixed-use developments, and high-density neighborhoods of up to 24 units per acre. Up to half of the units will be multi-family housing, and at least 200 will be reserved for the elderly. Nearly 9 million square feet of additional commercial and industrial space is also planned. Traffic from the new development will mainly be directed south, where the main Devens thoroughfare connects with Route 2. Residents can also drive two to three miles north or west to reach MBTA commuter rail stations in Ayer and Shirley.

The Devens Enterprise Commission, whose members are nominated by the towns and appointed by the governor, will retain control over the 75-day permitting process in the economic development zone—including those parcels returned to surrounding towns—until 100 percent of the residential development and 90 percent of the commercial and industrial development outlined in the MOU is complete, or until the end of 2026.

"MassDevelopment, as well as the Devens Enterprise Commission, feels very strongly that the unified permitting process should be maintained in the Devens enterprise zone, regardless of jurisdiction," says William Marshall, the chairman of both the enterprise commission and the disposition executive board. Marshall, who lives in Lowell, is the president and CEO of the Ayer-based North Middlesex Savings Bank, which opened a branch on Devens in 2001.



studied two main scenarios—the Devens land reverts back to the three towns, or Devens becomes its own town—and this past January overwhelmingly endorsed the latter proposal, with the condition that large parcels of land along the Devens border be returned to each of the three towns.

Since then, the stakeholders have worked to draft a memorandum of understanding (MOU), a "nonbinding statement of intentions" that will be used as a framework for a revised reuse plan and zoning bylaws, and for the legislation that would incorporate Devens as a town. In October, the residents of Ayer, Harvard, and Shirley will vote on a package including these documents at simultaneous town meetings, while the residents of Devens will vote in a town-meeting-style caucus. MassDevelopment's board of directors and the enterprise commission

BUT IF DEVENS becomes independent, its town meeting and the MassDevelopment board of directors, as long as they are in agreement, could change any zoning bylaw, and that has been perhaps the most controversial aspect of the MOU. Currently, town meetings in Harvard, Ayer, and Shirley all must approve any substantial revisions to the Reuse Plan or bylaws for the Devens enterprise zone, which cover such matters as restrictions on building height and density. The proposed shift in zoning control has led some residents, both on Devens and in Harvard, to claim that independence for Devens is, in fact, an elaborate end run around the constraints of the Reuse Plan.

"I think MassDevelopment's plan is to get the towns to walk away by saying, 'We're going to give you this land,' and then do what they want with Devens," says Mary Leonhardt, a Devens resident who has been one of the most outspoken critics of independence.

This point of view was expressed several times at the Harvard board of selectmen's meeting on June 6, at which the board approved the MOU, by a 3-2 vote. (Harvard has been the most influential town in the independence process, in part because it has the most at stake: It once included more than 60 percent of the Devens enterprise zone.) A member of that town's planning board suggested that MassDevelopment's goal was to get the three towns "off its back," while another resident said, "I believe they [MassDevelopment] are culling out the towns so that they can have free rein." Several residents also cautioned the members of the Devens committee, who had come to the meeting to lobby for independence, that MassDevelopment may dominate their new town government.

"What kind of good government are the people over in Devens going to get?" asked Nils Nordberg, a former state representative who lives in Harvard. Nordberg was referring to what he sees as the inherent conflict in having MassDevelopment run Devens—of having "the developer be the town," as he put it. "This may very well be the first time that we have a company town created in Massachusetts," he said. "This does not seem to be a town desired by residents. This is a town desired by the managers."

Dave Winters, a member of the Devens Committee, took issue with the implication that Devens would be a company town. He emphasized the Devens residents' lack of political representation—"We need relief"—and assured the crowd of 60 or so that citizens will control all the governance functions in the town of Devens. "We'll be much more in control of our destiny than we are now," he said.

Richard Montouri, MassDevelopment's senior vice president of Devens operations, dismisses as "not accurate" the suggestion that MassDevelopment will control the Devens government. "Devens is going to be a town," he says. "It's going to have the same control and authority as any other community."

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The governance arrangement between MassDevelopment and the citizens of Devens will not be included in the disposition package that will be voted on this fall, and will instead be contained in a side agreement. The two sides hope to have a draft in place for residents to study before the October caucus, but because it will be separate from the disposition package, there is no fixed deadline. Although they have yet to flesh out the details, they apparently agree on the outlines: MassDevelopment “will have no municipal authority,” says Mike Boucher, chairman of the Devens Committee.

The agency will, however, continue to fund many of the services on the former base. The town of Devens may fund and oversee some municipal services, such as police (currently provided through a contract with the State Police), but it is unclear how much revenue the town will have available. Devens residents already receive Chapter 70 school aid, but the town may not receive other state aid (besides funding MassDevelopment receives from the state).

“There’s a question of how much, if any, they would receive in other state funding, because of the size of the population,” says Montouri.

Lottery aid, the main component of state aid apart from Chapter 70 funds, is calculated using the entire property value of a town divided by the population, so Devens, with dozens of large businesses and few residents, is likely to receive very little state aid for the foreseeable future. According to models created by the disposition executive board’s finance committee, Devens isn’t expected to have 1,000 residents until at least 2011 (when it would probably still be the state’s smallest town east of Worcester, apart from island communities), and will not “break even” (that is, get enough revenue from property taxes and state aid to cover the town’s expenses) as a community until around 2017, when the town should have about 900 housing units.

Out of necessity, therefore, and in order to ensure high-quality municipal services, MassDevelopment will almost certainly provide direct funding for functions such as the Department of Public Works, currently the economic development zone’s biggest line item, for several years after Devens becomes a town. Boucher, explaining how such an arrangement between the town and the agency might work, says, “MassDevelopment would be funding the DPW, but the DPW personnel would answer to the board of selectmen.”

JOHN KNOWLES, A member of the Devens Enterprise Commission, runs an analytical microscopy lab. Like many residents, he says he moved to the former Army base for the natural beauty of the area, the tree-lined streets, and the quiet, isolated atmosphere. There are only four roads

on and off Devens, and with its large red brick buildings and regimented rows of colonials and ranches (also brick), it is no wonder that the community is often compared to a college campus.

The campus metaphor is apt in other ways. Many of the residents are well-educated professionals who spent a lot of time on campuses themselves. "I can't tell you how many PhDs live on Devens now," says Boucher, an analyst at Fidelity Investments in Boston. Many of the residents have young families, but there is also a sizeable population of retirees. (The property tax rate in Devens is now set by a board of assessors comprising MassDevelopment's Montouri, a Devens resident, and a member of the Devens Enterprise Commission. For fiscal year 2006, the rate was \$10.52 per \$1,000 in assessed value, which is slightly below the rates in Harvard and Shirley, but above that in Ayer.)

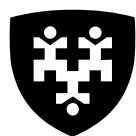
Knowles belongs to a group of Devens residents—he estimates it's nearly half the community, but others say it's just a handful of naysayers—who oppose the idea of independence. He would prefer to see most of the Army base revert back to Harvard. Permanent access to Harvard's school system, which is perennially near the top of the state in MCAS scores, would almost surely cause the value of

the homes on Devens to rise, but Knowles says that is only part of the appeal. He also recognizes—and is wary of—the state's interest in bringing to Devens "lots of housing, lots of big businesses," and facilities, such as the federal prison and recycling station already on Devens, that other towns would likely fight. (He wouldn't have been reassured by the MassDevelopment board meeting on June 8, at which Culver said that MassDevelopment might explore bringing a power-generating facility to Devens.)

"Harvard is in a much better position to defend Devens," says Knowles. "It may give us an ally. They don't want their schools overburdened, so they would be pushing to keep the housing density here more on track with the surrounding towns." He also sees other ways that interests are aligned. "The issues that Harvard is pushing—education, environment, the housing numbers—they are all right in line with pretty much all of my neighbors that I've talked to," he says.

Failing a return to Harvard, Knowles would still choose the status quo over independence. "Under the Reuse Plan, the citizens here on Devens don't have the representation that any other town in this country has, but at least our community is somewhat protected, because MassDevelopment can't overrun us with housing, and ruin the

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education for our kids," he says.

The concern that the state's interest in housing and other development may override all else is not mere speculation. At the selectmen's meeting in Harvard, selectmen Bill Marinelli, who has been an outspoken supporter of an independent Devens, said that MassDevelopment officials had privately told him in "unambiguous" terms that if the stakeholders were to reject the MOU, the agency would submit a revised housing plan to the state Legislature anyway. Marinelli asked state Rep. James Eldridge, who was there that night, if this scenario was likely.

The future of Devens "is not something that is going to be deferred to [town] legislators," the Acton Democrat replied. "The reason for that—the obvious reason for that—is the money that's been invested." Another reason, Eldridge went on to say, is Devens's important role in the state economy, which was highlighted dramatically by the Bristol-Myers Squibb announcement. Eldridge indicated that more housing on Devens would meet a regional need as well. In the House of Representatives, Eldridge said at the meeting, there is "recognition that Devens is seen as an opportunity to build a lot of housing in an area where it can be difficult, for both good and bad reasons, to build that amount of housing."

In contrast to the selectmen in Ayer, Harvard, and Shirley, who are by and large concerned with their towns, the members of the Devens Committee are quick to affirm the larger interest in Devens. "The state has invested \$200 million in Devens," says Dave Winters. "That's a lot of money, and we feel a responsibility to protect the investment of the other communities in the state."

Moreover, committee members believe their goal—to build a thriving and sustainable Devens—is aligned with MassDevelopment's. They stress that they have already developed a partnership with the agency, and will continue to work together in good faith. As an example, Boucher points to negotiations over the number of single-family homes specified in the MOU. "Originally, MassDevelopment wanted nearly 75 percent of the units here to be multifamily," he says. "We got them down to a 50-50 split."

Phil Crosby, who sits on both the Devens committee and the disposition executive board, likes to point out that turning an economic development zone into a town is an unprecedented undertaking, one that involves some risk and a bit of what he calls "pioneer spirit." Back in March, Crosby posted an editorial on a Web site he created for Devens. "I trust MassDevelopment to do what is best for MassDevelopment and their constituent, the Commonwealth," Crosby wrote. "I do trust that Devens citizens can effectively and forcefully deal with MassDevelopment in shaping their community."

But some are asking: *Whose community?* **CW**

Still on the air

Despite license and adviser troubles, a high school-based community radio station lives to broadcast another day **BY DAN KENNEDY**

SOMETIME AROUND THE middle of September a switch will be flicked, and the airwaves of Maynard will once again be filled with local music shows, community announcements, high school football games, and church services. This might seem unremarkable. After all, tiny WAVM Radio (91.7 FM) has been broadcasting from Maynard High School since 1974, and its annual powering-up is as much a fall ritual as raking the leaves. This time, though, there will be a celebration.

Last October, WAVM received startling news. In response to the station's petition to boost its signal power, the Federal Communications Commission (FCC) announced its intention to give the station's license to Living Proof, a California-based religious broadcaster that was seeking to establish a presence in nearby Lunenburg. But the potential loss of its broadcasting license wasn't WAVM's only problem. In January, Joseph Magno, a popular teacher and the station's longtime adviser, was arrested and charged with sexually abusing several of his former students. (Magno, who maintains his innocence, is awaiting trial.) The end appeared to be at hand.

Yet, somehow, WAVM survived. Parents took turns at the station, working two-hour shifts every two weeks. More important, local officials struck a deal with two of its competitors for the license that, if it receives final approval from the FCC, will not only keep the station on the air, but will provide for a significant boost in signal strength as well.

"I think it was pretty upsetting to everybody," says Maynard High senior Andrea Tobin, a station volunteer, of last year's travails. But Maggie Rolla, a former station general manager who graduated this past June, says the town rallied after people realized their local radio station was in trouble. "Once the

word spread, it was like wildfire," Rolla says.

An elaborate frequency-sharing arrangement solved the license issue. Living Proof agreed to pull back its signal in such a way that it won't interfere with WAVM's broadcast on the same frequency. And WUMB Radio, a folk-music station based at University of Massachusetts-Boston, which had



Maynard High students Andrea Tobin, Bennett Tyler, and Benjamin Kelley in the WAVM studio.

also bid to supplant WAVM, pledged to broadcast on 91.7 FM only during the hours when WAVM is not on the air. (As a student-run station, WAVM maintains a mostly before-school and after-school schedule, broadcasting from 6:30 to 7:30 a.m. Monday through Friday; from 2 to 9 p.m. Monday through Thursday; from 2 to 7 p.m. on Friday; and sporadically during the weekend.) Even better, WAVM will abandon its 10-watt transmitter in favor of the 500-watt transmitter UMass plans to build in Stow, increasing its reach south and west to Route 128.

"A lot of parents work out of town, and they like to listen to their kids on the air," says Ben Kelley, who, like Rolla, volunteered as a station manager before graduating this year.

So, instead of rancor, there is harmony on 91.7 FM. “They’re just a wonderful group of folks,” says WUMB general manager Patricia Monteith, who morphed from competitor to ally, as she handled many of the technical details in putting together the compromise. “Here are students who for 30 years have been providing a service to the local community. They’ve got programming that reaches the local students. But, more important, it teaches them how to work as a team and how to run a business.”

Still, until the FCC signs off, those involved will be crossing their fingers, if not quite holding their breath. That’s because a fourth competitor for the license—religious broadcaster Calvary Satellite Network (CSN) International, based in Twin Falls, Idaho—has not abandoned its application to transmit out of Lexington.

CSN International official Mike Stocklin told *CommonWealth* by e-mail that the company’s president, Mike Kestler, would have “no public comment” because the matter is pending. An FCC official who asked not to be identified said that CSN International has not filed an objection, but that the company has the right to do so up until the moment that the FCC rules on the WAVM/WUMB/Living

Proof proposal—which, this official added, could take place as soon as this summer.

Unless the FCC unexpectedly rejects the deal, or if CSN International surprises everyone by getting back into the

Two religious broadcasters fought for WAVM’s license.

fight, it appears that WAVM has won. It’s a rare victory for local, community-based radio—and one that may say as much about Maynard’s character as a community as it does about the state of broadcasting.

A VANISHING BREED

Late on a rainy Friday morning, Cheryl Brouhard is stuffing fliers into newsletters in the school/community center/office building next to St. Bridget’s Church, where she’s the parish secretary. Brouhard is a 34-year resident of Maynard, which, she quips, makes her a “newcomer.” St. Bridget’s, a gray-and-white clapboard structure built in 1881, is one of four churches from which WAVM Radio and its affiliated local-access cable TV station broadcast services on Sunday mornings. Once a month, kids from the station haul their

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Homecoming: Former WAVM staffer Mark Minasian now works out of Maynard High for Comcast.

equipment up to the choir loft for the 9:30 a.m. Mass.

"I know, for the homebound, it means a lot to them," says Brouchard. "We have a good-sized elderly population." She adds that townspeople in Maynard listen to the station not just to hear their kids—although they surely do that—but to keep up on what's going on in their community.

The staple of WAVM Radio is its student-hosted music shows, ranging from hard rock to Friday-evening polka, liberally interspersed with announcements of community events, support groups, and the like. But the radio and TV stations serve the town in other ways as well. They raise tens of thousands of dollars every year in a weekend-long pitch for Beacon Santa, a charity drive run by the weekly newspaper, the *Beacon-Villager*. The radio station broadcasts high school football games, and the cable station does the same with high school basketball. A radio crew also broadcasts live from downtown Maynard every October for a local street festival called Maynard Fest.

"It definitely provides a service, in that it's a media outlet for local activities and organizations to get their messages out," says Robert Larkin, a past president of the Rotary Club of Maynard, a WAVM sponsor.

"It's an amazing jewel. It's just really incredible," adds Mark Masterson, the superintendent of schools.

Years ago, of course, it was hardly unusual for a small community to have its own radio station. Today it's almost unheard-of. Why does it work in Maynard?

In an age of long commutes and loose community ties, Maynard is something of a throwback. With about 10,000 residents jammed into just 5.24 square miles, Maynard has the look and feel of a small, rooted city rather than a commuter suburb. The downtown is dominated by Clock Tower Place, an old mill complex by the Assabet River that was once

home to Digital Equipment Corp. and now serves as office space for smaller businesses. Median household income in Maynard—\$60,812, according to 1999 US Census Bureau figures—also differentiates Maynard from its more affluent neighbors, which include Sudbury (\$118,579), Concord (\$95,897), Stow (\$96,290), and Acton (\$91,624).

"I think our town is very unique," says Anita Hill, co-chair of the Friends of WAVM, whose younger son hosts a weekly music show. "It's a very intimate town. People take care of each other's kids. It's a very tight community, it really is. You see the same faces over and over again."

Radio analyst Scott Fybush, who writes the online North-East Radio Watch, says the kind of place that can support community radio "is incredibly rare in this day and age," and that accounts for the dwindling number of local stations. "What it comes down to, in a lot of cases, is that these communities themselves might not have the same commonality of interests that they did when [their radio stations] were successful," says Fybush, who got his start at WCAP Radio (AM 980) in Lowell. "There's only so much that you can talk about the school-lunch menu or the lost-dog report until people say, 'That's nice, let's see what Opie and Anthony are talking about this morning,'" he adds, referring to a pair of notorious nationally syndicated radio hosts. Then, too, Fybush observes, in the age of the Web, no one has to hang on to the local radio broadcast to find out whether school has been canceled.

Also, there are the economics of radio, which are not kind to small, community-oriented stations. Earlier this year Jay Asher, whose family had long owned WESX (AM 1230) in Salem and WJDA (AM 1300) in Quincy, reached an agreement to sell both stations for about \$4.5 million to Principle Broadcasting Network, a Connecticut company, which has

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transformed them into foreign-language religious stations. Asher says that, given the debt Principle took on to buy the stations, it was inevitable that the company would embrace a low-cost, high-profit format.

"In a perfect world, I would have had a successor that would have bought the stations and continued them in the same vein," Asher says. "Do I wish that were true? Yeah. But that's not really practical from a buyer's standpoint." He adds that with fewer locally owned banks, retail outlets, and auto dealerships, there are also fewer sources of advertising to keep community radio going.

That wasn't an issue at WAVM, which is a noncommercial, publicly owned radio station. What was at issue was the station's Class D license from the FCC, which left it unprotected from encroachment by other broadcasters. In order to upgrade the license and preserve its franchise, school officials also had to boost the station's power. As it turned out, simply filing for an increase to 250 watts inadvertently opened up WAVM's license to challenge. The tentative decision last October to give the license to Living Proof, according to radio analyst Fybus, jibed with FCC guidelines that call for public stations to be awarded to the petitioner that would reach the highest number of listeners. Living Proof won on the basis of a complicated formula that takes into account such things as the reach and location of its proposed transmitter.

That a Christian station would make a bid for the license ought to have been no surprise. In recent years religious broadcasters have earned a reputation for aggressively pursuing every radio license that becomes available. "Poor little community radio stations, high school radio stations, are right in the crosshairs of these Christian broadcasters," says Chuck Sherwood, a Boston-area activist with the Alliance for Community Media.

Which raises a question: Why did Living Proof back off? According to Harry Martin, an Arlington, Va.-based lawyer who represents Living Proof, his client decided to compromise and pull back its proposed signal from Maynard so that he wouldn't get bogged down in a protracted appeals process. "It was worth it for us to tweak our signal a little bit to accommodate them," Martin says. "This works very well for everybody."

'A TOUGH PLACE TO LEAVE'

Although more than 160 students as young as fifth- and sixth-graders spend time at WAVM, the station is, like most organizations, run by a handful of people—perhaps 20 to 25 students, some of whom are there every day from 2 p.m. until sign-off, doing their homework at the station and even having their parents drop off their supper.

One of those students is Bennett Tyler, a senior and general manager of TV8, the local-access cable channel. "The kids really for the most part run everything," Tyler says. "I

was trained by older students, and now I'm teaching younger students."

Which is how it's been for more than a generation. Take Mark Minasian, the local-access supervisor for Comcast, who works out of Maynard High School. He was involved in the station as a student in the 1970s, graduated from

WAVM lives, but elsewhere local radio is disappearing.

Mount Wachusett Community College, and continues to be involved in keeping the radio and TV operations on track. "I didn't mind leaving Maynard High School and moving on, but this was a very tough place to leave," Minasian says. "In fact, I've never left."

Radio is the simplest of electronic media, something you can listen to in your car, at work, or while doing chores at home. Not everyone has cable, but everyone has radio. But with stations being gobbled up by corporate conglomerates, and with local programming giving way to nationally syndicated shows, community resources such as WAVM Radio are simply disappearing, with potentially dire consequences.

"I think you lose the basis of what democracy is about," says Carol Pierson, president and CEO of the National Federation of Community Broadcasters, in Oakland, Calif. "As economics start driving the media instead of public service, then I think we're in trouble as a democracy that is supposed to be making decisions based on having knowledge of what's going on locally."

To be sure, the students at WAVM aren't exactly speaking truth to power. They're playing the music that they like, getting their friends to call in, telling jokes, raising money for poor kids, broadcasting high school sporting events and church services, and letting people know about the next ham-and-bean supper. But that, too, is the lifeblood of democracy.

It's something that used to happen at tiny radio studios in hundreds of little towns across the country. And in Maynard, Mass., it's still happening. **CW**

Dan Kennedy is a visiting assistant professor at Northeastern University's School of Journalism. His weblog, Media Nation, is online at medianation.blogspot.com. Tell him about innovative ways by which media are connecting with their communities by writing to him at da.kennedy@neu.edu.

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Tax talk

It's a simple fact of Bay State politics: Taxes decide gubernatorial elections. Will this year be any different?

I**IF ALL GOES** according to the standard script for governor's races in Massachusetts, there will be a moment this fall, probably in a televised debate in late October as voters are finally paying attention, when the candidates are asked to declare their true feelings about taxes. No candidate will have any plans for a tax increase. But who will make an iron-clad pledge? Who is most ardently, really-and-truly, against higher taxes no matter what?

Such moments have not gone well for Democrats in recent years. In 2002, state treasurer Shannon O'Brien, who had campaigned as a fiscal conservative, met Republican Mitt Romney in a debate at Suffolk University in Boston a week before the election. Romney made it clear from the start that he opposed higher taxes. And he turned to O'Brien and said, "Everybody knows that if you are elected, we're going to have another massive tax increase." Moderator Tim Russert put the question directly to O'Brien. Would she veto a tax hike if the Legislature passed one? She equivocated. Russert pressed her. She contended her position was identical to Romney's: Both had declined to sign a formal no-new-taxes pledge.

Boston Globe reporter Yvonne Abraham watched the debate with a group of undecided voters in the middle-class suburb of Marlborough. She reported reactions of frustration with O'Brien's evasive responses to the tax question. "She doesn't want to answer it!" one man shouted at the TV screen. On Election Day, Romney took 58 percent of the vote in Marlborough and emerged with 106,000 more votes statewide than O'Brien out of 2.2 million cast.

BY DAVE DENISON



Four years earlier, Democrat Scott Harshbarger had insisted in his campaign that “we will not spend one penny more than we can afford.” But when Harshbarger met incumbent governor Paul Cellucci in a late-October debate at Faneuil Hall, the two men ended up in a shouting match over taxes. “The problem with you, Scott, you’re in that old mode,” Cellucci said. “Raising taxes is in your blood, and you believe that every time there’s a new program you have to raise taxes.”

“Tell the truth,” Harshbarger retorted. “Tell the truth! Try that for a change. Instead of running sound bites, we’ll have a real debate.”

“Scott,” Cellucci boomed, “you can’t *handle* the truth!” Republican partisans in the hall roared, as it seemed Cellucci had momentarily morphed into Jack Nicholson in *A Few Good Men*. Everyone understood that Jack Nicholson would never take a soft line on taxes. (In *Five Easy Pieces*, he took an especially tough stand relating to a side order of toast.) In the 1998 election, Cellucci edged out Harshbarger by about 65,000 votes out of 1.9 million.

A TAX THEORY OF POLITICS

Political professionals know that elections are decided by multiple factors. Personality and “likeability” are important. A well-organized machine counts for a lot. Clever television ads can make a difference. All well and good. But I will argue here for a simple, one-dimensional theory. The governor’s race in Massachusetts, in these times, is decided by single-issue voters. Not the ones who vote on abortion, the death penalty, or same-sex marriage. I’m talking about those who tune in to the governor’s race in the fall with one question in mind:

Who will hold the line against higher taxes? They don’t look to the governor to improve schools, to “create jobs,” to settle moral disputes, or to end traffic jams. They’re not looking for a visionary leader; visions can be costly. They want a governor who envisions lower taxes.

It’s not that the tax debate determines the outcome every time. Take 1986, for example, when Massachusetts last elected a Democratic governor. It helped that he was an incumbent. Then, just as Michael Dukakis’s reelection campaign was getting into gear, the leading Republican candidate was said to have been caught in his office with his pants down (literally). Party elders prevailed on him to step aside. Then he was replaced by a Wellesley legislator who, it turned out, had embellished his military record. Then he was replaced by the little-known and now long-forgotten George Kariotis, who got 29.6 percent of the vote against Dukakis.

So there is always the chance the governor’s race could pivot on matters of character, charisma, or comic ineptitude.

But the one constant in Massachusetts politics since (at least) the 1970s is popular vigilance against higher taxes.

When Dukakis was elected to his first term in 1974, state government had grown rapidly under the administration of Frank Sargent, which allowed Dukakis the rare (for a Democrat) opportunity to run against an incumbent Republican on a platform of fiscal responsibility. But that only set Dukakis up to hit the trifecta of political doom: He campaigned pledging his opposition to tax increases as a “lead-pipe cinch”; he took office in an economic downturn and started cutting budgets; and when that wasn’t enough he agreed to tax increases. He lost in the 1978 Democratic primary to conservative Edward King, who promised tax cuts. Two years later came the property-tax revolt and Proposition 2½. Barbara Anderson and Citizens for Limited Taxation emerged on the scene. Dukakis was elected again in 1982 and 1986, but by the end of his final term in 1990 the state was in a recession, which meant more budget cuts and a pair of income tax increases that took the rate to 6.25 percent. As Anderson never let people forget, the initial Dukakis-signed tax hike in July 1989 (from 5 percent to 5.75 percent) was sold as a temporary tax that would expire in 18 months. The anti-taxers’ campaign to bring the rate back down to 5 percent continues to this day—and has already become a prominent issue in this

The voters who matter aren’t looking for a visionary leader. They want a governor who envisions lower taxes.

year’s campaigns.

By 1990 the reaction to the Massachusetts downturn—and to Dukakis’s failed run for the presidency in 1988—was so vitriolic that Anderson pushed a draconian tax rollback and spending limit on the ballot that opponents said would have resulted in well over a billion dollars cut from the state’s then-\$13 billion budget. Only an all-out effort backed by well-funded labor and progressive groups and led by Jim Braude (who was clever enough to make use of the slogan “It Goes Too Far”) killed off Question 3.

It was a rare victory for Democrats and liberals on a high-profile taxation battle, but it was also the time when the magic started to happen for Republicans. In the governor’s race in 1990, William Weld supported Question 3. (His Democratic opponent, John Silber, said it was reckless and unworkable.) Weld thus hit the trifecta of political glory: He campaigned against taxes; but when he took office he didn’t have to deal with the severe budget cuts Question 3 would

have required; then the economy improved and he pushed for tax cuts. Weld was reelected in 1994 with 69 percent of the vote. It's been happy times for tax-cutters ever since—and doom for Democratic gubernatorial candidates who decline, no matter how coyly, to jump on the bandwagon.

RISE OF THE ANTI-TAX VOTER

That Massachusetts has a vocal group of tax-averse voters is apparent to anyone who has been through an election cycle here. But are they the decisive group of voters in governor's races? Can they really be seen as single-issue voters, moved primarily by the taxing-and-spending debate?

Democrats certainly don't see it this way. They tend to see the party's losing streak as a result of personality problems. John Silber's loss to Weld in 1990 was attributed to Silber's volatility—for example, he reacted rudely to questions from the much-admired TV news anchor Natalie Jacobson. When Weld trounced Mark Roosevelt four years later, it was conceded that Roosevelt just couldn't match Weld in star power. Harshbarger in 1998: a plodding campaign and poor debate performances. O'Brien in 2002: same verdict. In each case, according to the pundits and professionals, Democrats lost due to deficient campaign mechanics and not-quite-ready-for-prime-time candidates. It was a problem of image, not ideology.

And there was another explanation that gained wide currency: Voters want a Republican governor to act as a check on the lopsidedly Democratic Legislature. Republican Lt. Gov. Kerry Healey made this a central theme in her speech accepting her party's nomination this spring, and she's sure to repeat it all summer and fall.

But why is this effective? The idea of checks and balances is an abstraction—a good-government ideal. It would be nice to think voters make decisions on the basis of democratic theory, but I don't think they do. If voters worry about Democratic control of the Legislature, it is primarily because they fear taxing and spending will get out of control. Republican warnings against giving Democrats full ownership of state government pack a punch for one reason: They speak to the fears of anti-tax voters.

Perhaps this will be the year that changes everything. The three Democrats who are contending for the nomination in the September primary are each, in different ways, prepared to blunt the usual Republican arguments. Neither Attorney General Tom Reilly, nor venture capitalist Chris Gabrieli, nor former Clinton administration civil rights official Deval Patrick are easily portrayed as State House “insiders.” Reilly and Gabrieli, as well, decided early on to support a reduction in the state income tax rate from the current 5.3 percent to an even 5 percent, though Gabrieli has been circumspect about exactly when that should happen. Patrick doesn't believe the income tax rollback is affordable and has been

FREQUENTLY ASKED TAX QUESTIONS

Is Massachusetts a high-tax state?

Some taxes are high, but not others. Massachusetts ranked fifth in the nation in 2000 in personal income tax collected per \$1,000 of personal income, according to the Massachusetts Taxpayers Foundation. But in property tax we ranked 20th and in sales and excise taxes, 45th. The best overall indicator, according to MTF president Michael Widmer, is how much total revenue (including all taxes, assessments, and fees) state and local government takes in, compared with personal income. By that measure, Massachusetts ranks 46th in the nation, collecting \$132 per \$1,000 of personal income. “I would say, if you look at the numbers, we are a medium-to-low-tax state,” says Widmer.

But what about escalating property tax bills?

The average single-family tax bill statewide increased from \$2,679 in 2000 to \$3,589 in 2005, which represents a 36 percent increase (not adjusted for inflation), according to the Massachusetts Department of Revenue. Property taxes are the primary source of revenue for municipalities, supplemented by revenue sharing from the state. When the state cut back on local aid in recent years due to a tight state budget, more towns and cities pushed their property taxes to the legal limit. In addition, some towns voted to override the Proposition 2½ annual limits, resulting in noticeably higher tax bills. (But of the 3,600 override votes since 1983, only 39 percent have been approved.) In the aftermath of Prop. 2½ in 1980, and with the state kicking in local aid to supplement constrained local revenue, property taxes paid for a smaller share of local government—covering about 46 percent of municipal budgets in 1988. But by 2004, the property tax was covering almost 53 percent of local budgets.

Isn't Proposition 2½ supposed to protect the average homeowner?

Prop. 2½ does not directly protect homeowners from rising property taxes—nor does it restrict an individual's annual property tax bill increase, as some mistakenly believe. The law limits each town or city's property tax levy (i.e., the total take) to 2.5 percent of total assessed value, and limits the increase in that levy to no more than 2.5 percent per year. Thus, if a town collects \$10 million in property tax revenue this year, it can increase the take by only \$250,000 (2.5 percent) next year. (It can also add onto that any revenues from newly developed properties.) Because of the levy limit, higher assessments on homes do not automatically translate into higher property taxes—indeed, when property values go up, local tax rates come down, to keep the total levy under the 2.5 percent limits. As long as all properties are appreciating by the same rate at the same time, property tax bills for individual property owners rise only slowly.

But in the real world, some properties are hotter than

others. When assessed values of residential properties rise faster than values of commercial properties, as has been the case in recent years, homeowners carry a larger share of the tax burden. Therefore, homeowners' tax bills may go up sharply while commercial property tax bills stay flat, or even decline. "If you look over the 25 years since [Proposition] 2½ was enacted, you'd see a quite substantial shift in the proportion of the tax levy borne by residents, as opposed to borne by businesses," says Northeastern University professor (and former Lexington selectman) Peter Enrich. So, in the example above, if a town takes in an extra \$250,000, and none of that increase is shouldered by commercial taxpayers, total residential property taxes will have gone up by more than 2.5 percent. In which case, for homeowners it might feel more like the law should be called Proposition 3½...or Prop. 4½ ...or Prop. Whatever.

Am I paying more in total state and local taxes than I used to? Most likely not. It's difficult to make an exact comparison of relative tax burdens over time—contrasting, for example, the amount a middle-class taxpayer paid in 1990 with today's tax bill—because the state Department of Revenue does not compile such information. Still, it's unlikely that most taxpayers are paying a higher percentage of income now in combined state and local taxes than in 1990, according to Cameron Huff of Massachusetts Taxpayers Foundation. The sales tax has not been increased since then; the state income tax was reduced from 5.95 percent to 5.3 percent; the tax on interest and dividends was cut from 12 percent to the personal income tax rate of 5.3 percent; and the Legislature approved dozens of tax cuts and tax credits, boosted personal income tax exemptions (as well as the exemption for children under 12), and created a state earned income tax credit for the poor. (Some credits and exemptions were modified in July 2001, when the Legislature passed a billion-dollar package of "revenue enhancements," but they are being reinstated on a pre-set schedule.) Only cigarette smokers are paying more, if only for their smokes: The Legislature hiked the cigarette tax by 25 cents per pack in 1996, to pay for children's health insurance.

At *CommonWealth's* request, Huff calculated the tax bill for a typical middle-class Massachusetts household, defined as a family of four with two children under 12 and an income of \$67,147 (his estimate of the state's median income for joint filers). Taking into account exemptions such taxpayers could claim, Huff came up with a taxable income of \$46,797 and, at the current 5.3 percent rate, an income tax bill of \$2,480. That means such a family pays an effective state income tax rate of 3.7 percent of gross income. A property tax of about \$3,600 (the average single-family tax bill in

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speaking instead of the need to reduce local property taxes, something he says will be impossible to do if state tax revenues are cut.

If independent candidate Christy Mihos emerges as a factor in the fall, some of the typical electoral dynamics may be altered, as well. But the emphasis on taxes may be even greater for his presence in the campaign. He claims that high taxes are part of what is driving people and businesses out of the state, and is proposing a property-tax limitation that, in effect, says Prop. 2½ hasn't been enough to protect homeowners.

And there is always the possibility that Democrats can "reframe" the tax issue to their advantage. But I have my doubts. Which brings me back to those single-issue voters. This spring I spent some time poring over my multi-volume set of Public Document No. 43, better known as Massachusetts Election Statistics, published every other year by the Elections Division of the Secretary of the Commonwealth. I make no pretense of sophisticated social science; I built no databases and ran no multiple regression analyses. I was interested only in making commonsense correlations between the several high-profile tax-related questions that have appeared on the ballot since 1986 and the partisan elections decided in that time.

The voting patterns over the last two decades in gover-

Middle-class towns like Lunenburg let down liberals by soundly rejecting a progressive income tax.

nor's races are well known. As Robert David Sullivan put it recently ("Shifting Ground," *CW*, Spring '06), "If you were to take a map of the state and plot the 50 or so communities that voted most heavily for Romney in 2002, most of your pushpins would form a large 'C' around—and well removed from—the city of Boston." Democrats over the years have run strongly in Boston and surrounding cities, in liberal outposts such as Amherst and Northampton, and in the western part of the state. Those are also the locales that are least tax-phobic. Elsewhere in the state lurk concentrations of anti-tax voters.

AS GOES LUNENBURG?

To get an idea of the sort of place I mean when I talk about tax-averse single-issue voters, consider the Worcester County town of Lunenburg. There are many suburbs in that "C" around Boston where the voting patterns are similar, but I

suggest Lunenburg for its sheer middle-ness. It's in the middlemost county, sandwiched between working-class Fitchburg to the west and upper-crust Groton to the east. With a median family income of \$63,981 in 1999, it ranked 174th in the state—almost exactly in the middle of the 351 cities and towns in the Commonwealth.

The most numerous voters in Lunenburg, as in the state as a whole, are those who decline to choose a party affiliation. Out of almost 7,000 registered Lunenburg voters in 2004, 59 percent were unenrolled. About 20 percent were registered Democrats and 19 percent Republican. (Statewide, Massachusetts has about 49 percent independent, 37 percent Democrats, and 13 percent GOP.) So, as in many towns and exurbs, it's the independents who decide elections. In 2004, the town gave majority support to Acton Democrat James Eldridge for state representative. (Rep. Eldridge is an active supporter of Deval Patrick in this year's governor's race.) Lunenburg also voted for Democrat Al Gore in 2000 and for John Kerry in 2004. But in governor's races, the town goes Republican, turning out strongly for Weld and Cellucci in the 1990s, and giving Romney 60 percent of the vote in 2002.

On tax questions, Lunenburg leans toward the GOP positions, too. From a liberal point of view, middle-class towns should have been bastions of support for the proposition put before voters in 1994 to make state income tax rates progressive—allowing higher rates for the rich and potentially lower rates for the rest. Statewide, 65 percent of the voters said no to the graduated income tax. In Lunenburg, 68 percent voted no.

In 2000, Gov. Paul Cellucci pushed a ballot question requiring the state income tax to be returned, by 2003, to 5 percent. That question won statewide with a solid 56 percent of the vote; it carried Lunenburg with an even stronger 64 percent. And then in 2002 came the strangest tax vote of all—a libertarian-backed ballot question proposing the complete elimination of the state income tax. Not many non-libertarians took the proposal seriously. Yet 40 percent of the state's 2.2 million voters that year said yes to junking the income tax. In Lunenburg, 48 percent voted yes and 44 percent voted no, with 8 percent (perhaps sensibly) leaving the question blank.

As goes Lunenburg, so goes Massachusetts? Not exactly. The town leans more toward Republicans than the state as a whole, and favors tax limitations more strongly. But the state is full of towns like Lunenburg. In fact, on the 2000 income tax rate rollback, 322 cities and towns voted yes and only 29 voted no. The combined vote of the state's 10 largest cities was negative, with 241,444 against and 226,569 in favor (a 51.6 percent to 48.4 percent margin). But towns and suburbs voted heavily to cut the income tax rate. Even in the vote two years later to eliminate the income tax, there were 102 towns and cities that voted yes. Only 31 of

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AUDIT ■ TAX ■ ADVISORY



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2005) accounts for another 5.3 percent of gross income, which produces a 9 percent state and local tax bill—before sales and excise taxes. Thus, it's a safe bet such a family pays about 10 percent of its income in state and local taxes.

What about government spending? Can't the state cut back?

That's the \$26 billion question. How much room to cut is there in the Commonwealth's \$26 billion budget? Can the state afford, for example, to reduce the state income tax rate to 5 percent, in accord with the vote in 2000? With the economy gradually improving, tax collections are rising again. The Department of Revenue estimates that when the final tally is in for the 2006 fiscal year (which ended June 30), the state will have collected at least an extra \$875 million above what was projected for this year's budget. Noah Berger, executive director of the Massachusetts Budget and Policy Center, says the income tax rollback would cost about \$650 million per year in revenue, once fully phased in. "Higher public ed has been cut over 20 percent in the last five years," says Berger. "K-12 education has been cut by hundreds of millions of dollars. Public health spending is down about 25 percent. So if we do have some additional revenue next year, do you use it to restore cuts to local aid, to education, to higher education, or do you use it for the new tax cut?" An April report by the Massachusetts Taxpayers Foundation states that "unavoidable and contractually mandated" cost increases in areas such as Medicaid and debt service will eat up a good deal of the growth in next year's budget, as will previous commitments to the MBTA and school building assistance (each is promised one cent out of the five cents-per-dollar sales tax). "In addition," notes MTF, "over the last six months the state has authorized more than \$100 million of tax cuts, including generous credits to stimulate motion picture production in Massachusetts, home heating and energy tax relief, and senior property tax relief."

In fact, state and local government budgets have been growing only modestly for quite some time. From 1987 through 2004, total municipal spending in Massachusetts increased at 1.7 percent per year when adjusted for inflation. During this time, state spending increased at 2 percent per year. Meanwhile, the growth rate for personal income over this period was 2.4 percent after inflation. Almost all of the growth in local budgets has come from higher spending on schools, health care insurance for municipal employees, and some fixed costs, such as pension obligations, according to a report by the Municipal Finance Task Force in September 2005. Since 1987, annual real expenditures for "core municipal services" (libraries, public works, and police and fire protection) have not grown at all.

—DAVE DENISON

these could be considered full-fledged Republican strongholds (by the standard of voting for the Bush-Cheney ticket in 2004).

One probably shouldn't make too much of the fact that 40 percent of the voters expressed the desire to blow up the income tax. The vote was surely more a barometer of hostility than an actual public-policy preference. Still, when you look at the places with a majority of yes votes, you find small cities (Attleboro, Haverhill, Peabody), middle-class suburbs (Billerica, Danvers, Plymouth), wealthy Republican enclaves (Dover, Duxbury), and even the urban working-class Democratic city of Revere.

That's the coalition that has been electing Republican governors. To put it into simple electoral math, the Republican starts with about a third of the electorate that consistently votes GOP. (Take the 27 percent who voted for

In a state where the cost of living is so high, lots of voters don't want to see their taxes go any higher.

Bob Dole for president in 1996 as the low baseline.) A Republican can write off the third of the electorate that is down-the-line Democratic (only 27 percent stuck with Mark Roosevelt when he ran against Weld in 1994, but that was an anomaly). That leaves a final third—the group of unaligned voters that is concentrated in middle-class towns and suburbs. These are the people who vote against higher taxes whenever they get the chance. When six out of 10 voters in a town like Lunenburg vote to cut the state income tax and then vote two years later for candidate Mitt Romney (by about the same margin), these voters are making an equivalent statement. They are not single-issue voters in national elections, or in local ones. But in the governor's race, they vote for the lower-taxes candidate, and they do so reliably.

TO TELL THE TRUTH

The statements on taxes made over the years by Massachusetts voters do not add up to coherent tax policy. Only a third of the voters support graduated income tax rates? Progressivity makes the income tax fair and equitable. Kansas sets its rates at 3.5 percent for those who make up to \$15,000 a year, 6.25 percent on \$15,000 to \$30,000, and 6.45 percent for income above \$30,000. More than half the states—including Arkansas and Georgia—have progressive state income tax rates. Yet the question has failed at the ballot five

times over the last four decades in Massachusetts, where it would require an amendment to the state constitution to tax income at different rates.

And how can voters think it's sensible to cut the state income tax, when doing so results in less state revenue-sharing to cities and towns, which inevitably puts more strain on the property tax? I live in the town of Arlington, which comes close to rivaling Cambridge in lopsidedly Democratic voting. Yet Arlington supported the income tax rollback in 2000 by 12,141 votes to 11,240 votes. It's true that Cellucci and others promoted the rollback in a flush year, before the 2001-02 economic downturn. But when the state cut back on local aid in 2003, Arlington and most other towns faced tighter budgets and had to consider raising property taxes. It took a couple of tries, but Arlington voters eventually trudged to the polls last year and voted to override the limits of Proposition 2½. A few dollars saved in income taxes is then traded away for higher property taxes. Does that make sense?

Maybe not—as a matter of tax policy. But what Republicans seem to understand better than Democrats is that talking about tax policy is not at all the same as talking about taxes. Traditionally in American politics, arguments about taxation have been about taking sides. That's why politicians are so quick to resort to demagogic appeals. Republicans in recent decades have mastered the simple appeal to voter anger about government taking “your money.” There was a time when the Democrats had a perfectly effective demagogic appeal, as well. It was memorably expressed in novelist Robert Penn Warren's masterpiece *All the King's Men*. When the up-and-coming populist Willie Stark (a fictional version of Louisiana's Huey Long) complained that his audience didn't seem to be paying much attention to his tax program, his adviser Jack Burden said, “You tell 'em too much. Just tell 'em you're gonna soak the fat boys, and forget the rest of the tax stuff.”

For all kinds of reasons, Democrats have abandoned blatant “soak the rich” appeals and have become disinclined to raise taxes on the business sector. So now when the subject of taxation comes up in the heat of a campaign, Republicans are the ones who connect on an emotional level, while Democrats are left droning on about tax policy and demands on the state budget. When Republicans promise they can hold the line against taxes, stimulate the economy, and protect important government programs, Democrats cry foul. “Tell the truth!” demanded Scott Harshbarger in his debate against Cellucci.

But what would it mean for politicians to tell the truth about taxes in Massachusetts? Maybe the truth that matters most to a middle-class voter in a town like Lunenburg has little to do with what politicians end up arguing about every four years. Can the state afford to cut the income tax rate from 5.3 percent to 5 percent? Who knows? That depends



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on whether you believe there will be a lot of extra revenue next year from the improving economy, and whether that revenue will be needed for this or that. But probably fewer than a hundred people in the entire state have enough mastery of the state budget to contribute intelligently to that discussion. The question that matters to an ordinary taxpayer is whether she will be paying more taxes next year than this year.

An intellectually curious taxpayer might wonder, as well: Am I really paying more now than I was 10 years ago, or does it just seem that way? And am I paying more in taxes than I would pay if I made the same income in New Hampshire or North Carolina? It does seem strange that, with all the attention to taxation in Massachusetts political debates, such basic questions are seldom addressed in a forthright way. Maybe that's because there is no bell-clanging "truth" about the fundamental question: Are taxes too high in Massachusetts? It's easy enough to say they are. But how high is too high?

Imagine paying about \$10 out of every \$100 earned to support state and local government. Is that too much for a middle-class family to pay in order to have decent public schools, police and fire protection, roads and sewers, and state services provided for the health and care of indigent

children and elderly persons, the mentally ill, the disabled, and others who need assistance?

HOW HIGH IS TOO HIGH?

As it turns out, \$10 out of \$100 is what most middle-class people pay in combined state and local taxes in Massachusetts. In a 2003 study by the Washington, DC-based Institute on Taxation and Economic Policy comparing the tax systems of all 50 states, the national average for someone in the middle 20 percent of the income range is 9.9 percent of income for state and local taxes. The middle 20 percent in Massachusetts pays 9.2 percent, according to the study. That figure includes estimates of state income taxes, property taxes, and sales and excise taxes. (A millionaire in Massachusetts is likely to pay only about 6.8 percent of income in state and local taxes.)

I asked Cam Huff, of the Massachusetts Taxpayers Foundation, to calculate what a middle-class family of four in Massachusetts is likely to pay today in taxes. Assuming a family income of \$67,000, two children under 12, and an average single-family property tax bill, Huff came up with a combined tax rate of 9 percent. He did not estimate sales taxes and excise taxes which, of course, depend on how much



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such a family spends on items like toys, electronics, cigarettes, beer, and gasoline (clothing and groceries are exempt from sales taxes here). But it's easy to assume a figure of about 10 percent, reducing that \$67,000 income to about \$60,000 after state and local taxes.

That hardly seems to prove that taxes are too high in the

On taxes, it's almost impossible for Democrats to avoid a condescending note: 'There's no free lunch.'

Commonwealth. And in fact, as other figures produced by the Massachusetts Taxpayers Foundation show, Massachusetts overall is not a high-tax state, in terms of how much of our income goes to taxes. In fact, when all state and local taxes (including other revenues from fees and assessments) are taken into account and measured against personal income, Massachusetts ranked 46th in the nation in 2000. (Anti-taxers such as Barbara Anderson prefer to use a *per capita* measure; by this standard, Massachusetts ranked second in the nation in 2000—right after New York—in personal income taxes collected, and eighth in all state and local taxes. But the per capita measure can be deceptive. It tells us how many dollars government collects relative to the size of a state's population. In expensive states such as Massachusetts, government needs more dollars to pay for the same amount of services as in a cheaper state. The per capita measure doesn't tell us much about ordinary people's tax burden. For example, the state that collects the most tax revenue per capita is Alaska—a state that has no personal income tax and has the lowest overall middle-class tax burden in America.)

Every state uses a different combination of taxes and fees to support government services. If you live in Maine, New Hampshire, or Vermont, you'll pay a lot more in property taxes and less in income taxes. In Massachusetts you'll pay more in income taxes but much less in sales and excise taxes than in most other states (though not New Hampshire, which also has low sales taxes). But overall, if you make a middle-class income, you'll pay about \$8 to \$10 out of \$100 in whatever state you choose (unless it's Alaska, Delaware, Nevada, New Hampshire, or Wyoming, where you'll pay \$5 or less), according to the Institute on Taxation and Economic Policy.

Here's the rub: When you add federal taxes to the mix you start to run into real money. As Huff points out, in 2003, federal taxpayers with incomes between \$50,000 and \$75,000 paid an effective tax rate of about 10 percent. On

top of that, the employee's share of payroll taxes (for Social Security and Medicare) is 7.65 percent. Add that \$17.65 to the \$10 in state and local taxes and you get close to \$28 out of every \$100 of income. Added to that, there are federal gasoline taxes and other excise taxes, etc. In fact, ITEP reports that total federal personal taxes on earnings—including both income taxes and payroll taxes for Social Security and Medicare—now average about 23 percent. So when local, state, and federal taxes are taken into account, it's reasonable to estimate that the average person will pay \$30 to \$33 out of \$100 in taxes.

At that rate of taxation, the person in Lunenburg making the median income of \$63,981 sees only about \$43,500 in after-tax income. In a state where the cost of living is so high, it shouldn't be hard to understand why lots of voters, when asked, say they'd just as soon not see their own taxes go any higher.

IT'S COMMON IN the state's liberal and affluent enclaves to chalk up this aversion to higher taxes to people's selfishness, or to an unwillingness among suburbanites to support services that they imagine benefit people in the cities, or to an unreasonable demand for more government services and lower taxes at the same time. When Democrats cry, "tell the truth!" they usually mean they want Republicans to stop promising better government and more tax cuts. But when the debate goes in this direction it is almost impossible for Democrats to avoid a condescending note that doesn't play well with the voters: Don't be fooled by Republican promises. There's no free lunch. If you want good schools and better health care and social services you have to pay for them.

Suppose, though, that the most tax-averse voters—the ones who may very well decide the governor's race this fall—already know that. Suppose they don't want to see severe cutbacks in state government and don't want to see taxes creeping up, either. They want stability. They want about as much government as they've been getting, and no more.

That makes for a profoundly unprogressive politics. It turns the governor into a glorified town manager. But we are in a state where the middle-class considers itself maxed out. And we are in an era when a candidate who equates progress with taxes (or even hints at that) will need to have more magnetism or charm or passion—and persuasive power—than anyone we've seen in Massachusetts politics in a long, long time. **CW**

Freelance writer Dave Denison was the founding editor of Commonwealth.

Millionaires' ball

*After the Clean Elections fiasco,
campaign finance laws leave politics
to the rich and the long in office*

BY SHAUN SUTNER | PHOTOS BY FRANK CURRAN

GENTLEMEN (AND WOMEN), check your wallets. On your marks. Get set. Go.

It's off to the races, with a stable of millionaires dominating the 2006 campaign for governor and pouring an unprecedented amount of their own money into their campaigns. While enormously wealthy self-financed election winners such as New Jersey Gov. Jon Corzine and New York City Mayor Michael Bloomberg have snagged more attention from the national media, few races have featured as packed a field of big-money contenders as this one for governor of Massachusetts.

Four out of the candidates are millionaires many times over: Lt. Gov. Kerry Healey; Democrats Christopher Gabrieli and Deval Patrick; and independent Christy Mihos. The remaining Democrat, two-term incumbent Attorney General Thomas Reilly, has a campaign war chest so bulging with dollars (more than \$4.2 million going into the state Democratic Convention in Worcester in June) that it more than makes up for his lack of personal wealth. Together, they are on pace to shell out nearly \$40 million, a considerable jump from the \$30.6 million spent in 2002 by Republican Mitt Romney and his rivals for the governor's office, including Democratic nominee Shannon O'Brien.

To Warren Tolman, a former Democratic state senator who was the



Deval Patrick (left) has had some high-profile fund-raising events, such as the one featuring US Sen. Barack Obama (right), but his initial viability as a gubernatorial candidate rested on his personal wealth.

only gubernatorial candidate to run under the Clean Elections law four years ago, the dominance of gubernatorial politics by deep-pocketed candidates who can pay for their own campaigns and long-time officeholders who can raise money for years before launching a bid for the Corner Office is what's to be expected from the state's campaign-finance laws. And it is exactly what was to be expected when the Legislature killed off the Clean Elections system, which provided ample public funds in exchange for meaningful spending limits, in 2003.

"The people up on Beacon Hill wanted to get rid of Clean Elections, and this is the result," says Tolman, who received more than \$3.8 million in taxpayer funds for his campaign. "Now, if you're not a statewide officeholder and you're not a millionaire, it's very difficult to get in the game."

Skyrocketing costs in the Boston media market, coupled with the ability of self-funded candidates to match each other's spending, have driven political aspirants of all persuasions into an ever-escalating financial arms race, political observers say. At the same time, strict limits on political con-

tributions—\$500 per person, per candidate, per year—make it increasingly difficult to finance a competitive race for the state's top office by raising money from grass-roots supporters.

The Clean Elections law, approved by voters in a 1998 referendum, was supposed to put an end to all that, or at least provide an alternative: Candidates who established their legitimacy by raising a required sum in small amounts would get substantial public funding, as long as they abided by certain spending limits. If non-Clean Elections candidates exceeded those limits, the publicly funded candidates would get additional public dollars to match—thereby providing an incentive for even self-financed candidates to limit their spending. Campaigns would be more competitive, candidates would be less beholden to moneyed interests, and politics would open up to aspirants who lacked the stomach for fundraising.

Or so the theory went. Instead, Clean Elections turned into a battle. When the dust cleared, Tolman was the only statewide candidate to benefit from the system in 2002,

when Clean Elections went into effect, and only one candidate for any office (state Rep. James Eldridge, a Democrat from Acton) was elected using public funds. The Legislature repealed the measure altogether the following year.

Not only that, but the Clean Elections brouhaha seemed to stifle the entire discussion of campaign finance reform. Repealing the public financing provision left in place a campaign finance system that dates back to 1994. Even as that system increasingly produces a politics restricted to the well-heeled and the deeply entrenched, the calls for change have been few.

MONEY LAUNDERING

The Clean Elections era in Massachusetts was a short one: five topsy-turvy years of insurgency, legislative resistance, and farce.

The campaign-finance ballot question was based on the Maine Clean Elections Act, a citizen initiative approved in 1996. Under the Maine law, participants in the voluntary system who raised the required number of \$5 contributions got public subsidies to run their campaigns. In the first round of “clean money” elections, in 2000, a third of the Pine Tree State’s legislators took office using taxpayer funds, and campaign spending was cut in half overall.

In Massachusetts, voters approved the ballot measure by a convincing 58 percent to 30 percent, after a low-profile campaign, but the law ran into obstacles almost from the start. The public financing system was scheduled to go into effect for the 2002 election, but lawmakers, apparently spooked by the prospect of funding their own challengers, refused to appropriate the money to build up the Clean Elections coffer. Once the state’s fiscal crisis hit, in the fall of 2001, even supportive legislators began to get skittish about spending public funds on political campaigns. Two lawsuits ensued, one by Mass Voters for Clean Elections, the activist group that spearheaded the movement, and another by Democratic gubernatorial candidate Tolman, asking the courts to compel legislators to provide funding. Uncertainty over whether the public financing system would

be viable forced several major candidates, including eventual Democratic gubernatorial nominee Shannon O’Brien, not to participate. (Current GOP lieutenant governor nominee Reed Hillman, then one of the few incumbent state representatives who had planned to run under Clean Elections, also dropped out of the system.)

In February 2002, Tolman won his lawsuit. But when a stubborn House of Representatives refused to release \$23 million in allocated Clean Elections funds, the Supreme Judicial Court ordered up the auction of state property to fund the campaigns of Tolman and a handful of legislative candidates, including Eldridge. The struggle over Clean Elections funding descended into farce: An SJC associate justice rejected a demand from Clean Elections advocates to sell office equipment from the suites of House Speaker Tom Finneran and two members of his leadership team, Rep. Sal DiMasi (now House Speaker) and Rep. Joseph Wagner of Chicopee, then House chairman of the Election Laws Committee, to satisfy the court judgment. But the state did auction off state-owned SUVs and parcels of land, including



Kerry Healey (right) hunts for votes at the Flag Day parade in Dedham. Democrats fear the Healey fortune.

part of an old state hospital property in Lakeville.

In the end, Clean Elections was killed off. Its executioner: the canny Finneran, an implacable foe of public campaign financing who once said state funds might go to “communists and socialists and crazy people.” The Speaker put a nonbinding referendum on the 2002 ballot with what he and other opponents said was a more honest definition of public funding. In a stark reversal of the 1998 vote, voters rejected Finneran’s “Taxpayer-Funded Elections” referendum 66

percent to 23 percent, an outcome then used by the Legislature to justify repeal of the law months later.

At the same time, lawmakers restored a prior system of partial public funding for campaigns. It had been around in some form since 1975, and in 1998 (before passage of the Clean Elections referendum), new limits on spending for each elected office were put into effect—provided that all candidates for that office agree to participate in the system. But funded by a trickle of taxpayer check-offs (only 8 per-

Finneran killed Clean Elections to cut off funds from ‘communists and socialists and crazy people.’

cent of filers bothered to divert \$1 of their state income taxes toward the system this year), the fund contained only about \$1.5 million for the 2006 campaign season, for all statewide candidates, and for both the primary and general elections.

With this system reinstated for 2006, gubernatorial candidates Patrick and Reilly declared at the June deadline that they would seek the public funds, agreeing to the law’s primary campaign spending limit of (coincidentally) \$1.5 million. Two Democratic lieutenant governor hopefuls, Worcester Mayor Tim Murray and Andrea Silbert of Harwich (founder of a nonprofit women’s entrepreneurial group), also joined, as did Democratic secretary of state challenger John Bonifaz.

But gubernatorial candidate Gabrieli and lieutenant governor candidate Deborah Goldberg, the Brookline Stop & Shop supermarket chain heiress—the most prominent self-funding Democrats seeking nomination for each office—opted out, along with incumbent Secretary of State William Galvin. This changed everything. Under the law, candidates who do not accept public funds are required to declare spending limits for themselves, of any amount, and those limits apply to their publicly funded adversaries as well, replacing the spending limits set by statute. Gabrieli got the headlines—and the brickbats from his primary opponents, as well as some editorialists—when he set his own limit at \$15.36 million, an amount more than three times as great as that spent by any Democratic candidate for governor in the 2002 primary. Though receiving far less attention, Goldberg set a limit for her campaign, and those of her primary opponents, of \$4 million, a figure only Gabrieli himself approached (\$3.5 million) in the 2002 primary for lieutenant governor (and in contrast to the limit of \$625,000 set by statute for the primary for that office). Galvin set a limit for himself, as well as Bonifaz, of \$2.9 million.

So, in another strange side effect of Massachusetts’s quirky political culture, the state, in effect, imposed a potentially embarrassing requirement on candidates who wanted nothing to do with the moldy public campaign financing system, on the grounds that their opponents accepted public financing. (In fact, since Patrick and Reilly will split the full \$750,000 currently available for the primary campaign, getting \$375,000 apiece, the lieutenant governor and secretary of state candidates will not get a dime from public coffers for their primary campaigns. The \$750,000 left for the general election will be divided among those remaining candidates who agree to spending limits for that campaign, with gubernatorial candidates once again getting first crack at the money.)

Gabrieli tried to make light of his sky’s-the-limit figure, calling it “arbitrary” and, since he based the number on the percentage of delegates whose votes he received at the Democratic Convention, trying to pass it off as a joke. It was not the first time an absurd figure had been set. In 1998, Libertarian Party candidates for governor/lieutenant governor, secretary of state, and state auditor all set their limits for the general election at \$19.5 billion—the total amount of the state budget at the time. (That year, only the general election contest between Democrat Tom Reilly and Republican Brad Bailey for attorney general was governed by the statutory spending limit imposed by the public financing law, \$625,000 apiece for that office.) The difference, of course, is that no one expected the 1998 Libertarians to outspend anyone.

THE \$500 QUESTION

In the wake of the Clean Elections fiasco, there continues to be grumbling about the campaign finance system here, but little push to change it.

Mass Voters for Fair Elections, the lower-octane successor to Mass Voters for Clean Elections, is trying to keep the crusade alive, but it is barely kicking. The group has managed to put a nonbinding question on the ballot for next fall in four senatorial districts proposing a new law that would match each dollar a voter gives, up to \$100, with three dollars of public money.

Peter Vickery of Amherst, executive director of the group, doesn’t sound overly ambitious when he lays out his agenda. “We’re not trying to get the money out of politics,” says Vickery. “What we’re trying to do is get more people to step up to the plate and run for office.”

But running for office takes money—more money this year than ever.

“What that money allows you to do is get your message across in a way that completely drowns your competition,”

says Pam Wilmot, head of Common Cause Massachusetts. "I'll be astonished if the governor's race doesn't set a record."

Common Cause, a big backer of Clean Elections, does want to get money out of politics, at least in the form of big checks, and is responsible, at least indirectly, for the current \$500 annual limit for personal contributions to any candidate's campaign fund (lobbyists are limited to \$200 per year). Contribution limits are intended to keep individual donors from having undue influence on candidates, but as the costs of being competitive in a statewide race rise, it becomes harder for candidates to raise adequate war chests on checks of \$500 or less. Those generally seen as in the best position to raise money in this fashion are incumbent statewide officeholders, who can collect contributions over a four-year term in preparation for a run at higher office.

"The Legislature set it up that way so it would benefit incumbents and make it almost impossible for anyone other than a career politician to run for office," says Republican political consultant Charley Manning. "That's the way the system works. You can either do it the Reilly way and go back to the same people [over and over again] for money, or be fortunate and successful," bringing your own money to the table.

Massachusetts has among the most restrictive campaign

contribution limits in the country. According to the National Conference of State Legislatures, only a few other states have lower limits for gubernatorial candidates. Until its law was overturned by the US Supreme Court in June, Vermont was the strictest, limiting individual contributions to \$400 per two-year election cycle. (See "Paying Up," opposite.) Four other states (Colorado, Florida, Maine, and Montana) limit personal contributions to \$500, like Massachusetts, but other details differ. These states limit donations to two payments of \$500 per election cycle, one for the primary campaign and one for the general election, allowing candidates to obtain as much as \$1,000 from each contributor in the election year, but no more than that even if they started soliciting funds earlier. In the Bay State, personal contributions are limited by calendar year rather than by primary and general election, so a candidate declaring for office this year could accept no more than \$500 from any contributor. But, for instance, a statewide officeholder (who can raise funds for either a reelection campaign or a bid for higher office) can get \$500 contributions each year, for a total of \$2,000 over a four-year election cycle.

Most other states have substantially higher contribution limits. Wisconsin sets the bar for statewide candidates at \$10,000 per election campaign; California has a cap of \$22,300



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per election (primary and general considered separately) for gubernatorial candidates; and New York has a limit of between \$5,400 and \$16,200 for gubernatorial primaries, depending on the size of the party, and \$33,900 for the general election. Thirteen states have no limits on contributions whatsoever.

If the \$500 limit seems restrictive, it could have been even tighter, says John McDonough, a former state representative who is now head of the advocacy group Health Care for All. In 1994, McDonough was House chairman of the Election Laws committee, charged with heading off a Common Cause ballot campaign—fueled at the time by an influence peddling scandal, complete with *Boston Globe* photos of lawmakers on a Puerto Rico junket getting wined and dined by lobbyists—that would have imposed a contribution cap of \$100.

“If you don’t like the \$500 limit, tell me what you think about the \$100,” says McDonough. “We didn’t dodge a bullet, we dodged a cannonball. If we hadn’t gotten the \$500 limit, we’d be complaining about a \$100 limit. That said, I think the [Clean Elections] episode is far enough behind us that the time is right for the next legislative session for folks to take a look at it.”

Some are ready to, including state Sen. Ed Augustus, a Worcester Democrat and current Election Laws co-chairman, and Senate President Pro Tempore Stan Rosenberg, Democrat of Amherst, who was Senate co-chairman across from McDonough in writing the \$500 limit. Augustus thinks that the rash of millionaire candidacies points to the need for “an updating” of campaign finance rules. Raising the limit to \$750 or \$1,000, he says, would help candidates who can’t reach into their own pockets.

“It’s a way to equalize it a little, and I think most people support it,” Augustus says. “Look at a guy like Tim Murray, who has gotten a lot of contributions but is facing Deb Goldberg, who can write herself one check after another.”

Wilmot was not at Common Cause Massachusetts when the \$500 limit was set, but she stands by it today. “We support public financing of elections,” says Wilmot. “We don’t support bringing more special-interest money into elections, and that’s exactly what would happen if we raised the limit.”

Scott Harshbarger agrees. Among campaign-finance reformers, Harshbarger stands out. Not only has he crusaded for public financing and tight restrictions on campaign contributions on both the state and national levels, as president of national Common Cause during the McCain-Feingold debates in Washington, but he hosts occasional fund-raisers for candidates he supports, as he did recently for Democratic lieutenant governor hopeful Andrea Silbert. He supports the current \$500 cap, and suggests that the way to limit the role of money in politics is to elect candidates who support public financing—candidates like him, when he was Democratic nominee for governor eight years ago.

PAYING UP

MAXIMUM PERSONAL CONTRIBUTION TO GUBERNATORIAL CANDIDATE IN ELECTION YEAR

(States with population size comparable to Massachusetts)

Georgia	\$8,000
Indiana	Unlimited
Massachusetts	\$500
Michigan	\$6,800
Missouri	\$2,400
New Jersey	\$6,000
North Carolina	\$8,000
Tennessee	\$5,000
Virginia	Unlimited
Washington	\$2,700

Note: Except for Massachusetts, the maximum amount must be divided between primary and general elections. In Massachusetts, the limit applies to the calendar year; equal amounts can be donated each year prior to the election year.

Source: National Conference of State Legislatures

“There’s no evidence whatsoever that if we raised [the limit] to \$1,000, anything fundamentally different would happen here,” Harshbarger says. “If we don’t want money to be the primary way to get on the ballot, there is an alternative. Voters should ask every candidate where they stand on this. One thing in ’98 that voters forgot was to elect a governor who supported them on this.”

Among this year’s gubernatorial candidates, Gabrieli, Patrick, Reilly, and Mihos all say they back public campaign financing, though Gabrieli also favors higher contribution limits. Green Rainbow nominee Grace Ross wants to reinstate the Clean Elections law and opposes any increase to the \$500 contribution limit. But Healey opposes using public money to finance campaigns unless taxpayers specifically earmark money for that purpose on their state income tax returns, as they do now.

PAYING THEIR OWN WAY

With the demise of the Clean Elections law, the best way to demonstrate independence from special interests may not be public financing, but *self*-financing. “You can’t be beholden to yourself,” observes Denis Kennedy, of the Massachusetts Office of Campaign and Political Finance.

Nor can you be prevented from financing your campaign out of your own pocket. The landmark US Supreme Court decision *Buckley v. Valeo* in 1976 established that restrictions on a candidate’s use of his own funds for campaign expenditures are unconstitutional.

“No campaign finance reform really limits millionaire candidates,” says Larry Sabato, director of the University of Virginia’s Center for Politics. “Is it all bad? I don’t know, but let’s face it, multimillionaires are not terribly in touch with everyday people.”

Well-heeled pols may be out of touch, but that doesn't mean they rub voters the wrong way. Sabato says that voters appear to respect the independently wealthy who put their own money on the political line.

"Most voters don't really have much of a problem with rich candidates," he says. "If you ask [voters] about them, they say, 'good for them.'"

In the 2006 Massachusetts governor's race, rich candidates come in many flavors. Republican nominee Kerry Healey, who is married to money manager Sean Healey, CEO of Affiliated Managers Group of Beverly, put \$1.8 million into the campaign that made her lieutenant governor four years ago. And when Sean Healey cashed in \$13 million in stock options last year, the proceeds were widely seen as a reservoir of campaign cash, enough to swamp the record set by her predecessor, Gov. Romney, who kicked in \$6.3 million of his own on the way to spending \$10.4 million in 2002, according to GOP figures.

On the Democratic side, Chris Gabrieli sets the standard for deep pockets, and the willingness to dig into them. The 46-year-old entrepreneur and venture capitalist used \$5.4 million of his own cash in an unsuccessful bid for lieutenant governor four years ago, after largely financing an unsuccessful bid for Congress in 1998. Gabrieli has also spread around his money as a philanthropist, supporting his nonprofit foundation, Massachusetts 2020, which promotes after-school education, as well as other causes (including MassINC, publisher of *CommonWealth*). Now he calmly says he's ready to spend what it takes to take on the Republicans.

He's spending plenty already. After jumping into the race in March, Gabrieli quickly wrote his campaign operation checks totaling nearly \$2 million and spent most of it on an early spring advertising blitz.

Gabrieli says financing his own campaign, rather than seeking donations from individuals and groups with agendas of their own, makes him more independent. (Indeed, he even offers a bit of praise to another businessman-outsider, Gov. Romney, for acting independently of his backers to close some business tax loopholes.) Putting his own money behind his campaign "certainly gives people a sense of my own commitment to this race, that I'm willing to part with significant personal money," he says.

But Gabrieli also says he supports public financing of



Among Democrats, Chris Gabrieli sets the standard for deep pockets, and the willingness to dig into them.

campaigns. Politics shouldn't become solely the domain of the rich, he says.

"I'd never argue that we'd be better off with only wealthy people in office," he says. "There are a lot of awfully talented people who are not in that position."

Gabrieli won't be funding his entire campaign out of his own pocket. (Neither, for that matter, is Kerry Healey, who has made a point of not being a self-funded candidate, at least in the early going. Healey had \$831,000 in the bank at the end of May.) In May, a kick-off fund-raiser garnered \$80,000 for the campaign, and in June, a "Women for Gabrieli" event raised \$40,000, according to campaign staff. But it is widely acknowledged, by the candidate as well as others, that he could never have jumped into the race deep

In the absence of public funds, the way to show independence is self-financing.

into the election year without being able to prime his own campaign pump.

The same is true of Christy Mihos, who considered challenging Healey in the Republican primary before declaring himself an unenrolled candidate for governor. The convenience-store magnate jump-started his insurgent campaign with a spate of radio spots performed by Boston comedian Steve Sweeney, lampooning Massachusetts's insider political culture (beginning with the annual St. Patrick's Day Breakfast) and ending with the tag line, "declare your independence." As of mid-spring, Mihos had already injected a

quarter of a million dollars into his independent candidacy; in June, he wrote his campaign checks for \$300,000. By contrast, 2002's unenrolled gubernatorial candidate, Barbara Johnson, raised and spent less than \$38,000, while the Green-Rainbow Party's Jill Stein ran on just \$124,000.

Like Gabrieli, Mihos has also been raising funds the conventional way, by asking people for donations. But in keeping with the anti-special interests theme of his campaign, he says he won't accept money from political action committees, contractors doing business with the state, state employees, or lobbyists. Fashioning himself an anti-establishment maverick, he says he has no choice but to use his own wealth—in service of the little guy.

"You're forced to match them dollar for dollar if you do what you need to do, if you're a serious candidate," Mihos says. "We're going to have to spend what we have to spend to win, and we think we'll be well-funded enough."

NEW-FANGLED, OLD-FASHIONED

More than Democratic opponent Gabrieli or unenrolled upstart Mihos, Deval Patrick is having it both ways in the campaign-finance department. His campaign makes a big point of noting that he has more small contributors than his rivals do. Employing a Howard Dean-like strategy, Patrick has raised \$700,000 through his campaign Web site alone, not to mention dozens of small meet-and-greet sessions.

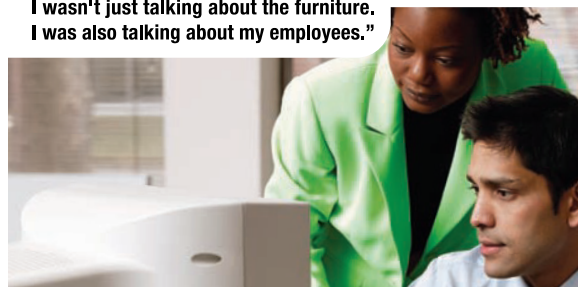
"He's really wanted to run a grass-roots campaign, reaching out person to person," says Patrick spokesman Libby DeVecchi.

And it's working, at least in dollar terms. The Patrick campaign announced that it raised \$470,000 in May alone, following \$391,000 in April, bringing the campaign's total raised to date up to \$3.7 million. On June 1, Patrick brought to town Democratic Party celebrity Barack Obama, the African-American US senator from Illinois, for an evening of dunning: a \$50-per-ticket rally at Hynes Auditorium, a \$500-per-head reception, and a \$2,500-minimum VIP dinner (\$500 goes to the Patrick campaign, the rest to the Massachusetts Democratic Party's Victory '06 fund, which will funnel money back to the eventual nominee).

But Patrick's viability as a candidate, particularly starting far behind Attorney General Thomas Reilly in the fund-raising race, has always been predicated on his own bank account, swollen by years as a corporate attorney for Coca-Cola and Texaco and as a corporate director, following his stint as Assistant Attorney General for Civil Rights in the Clinton administration. In May, Patrick voluntarily disclosed income of \$3.8 million in 2005.

Thus Patrick thought nothing of writing a \$40,000 check in May to cover a Fanueil Hall thank-you event for supporters. Through late spring, he had ponied up about \$350,000 from his own coffers for his self-styled progressive

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As for Reilly, who lives in a rented two-decker apartment in Watertown, his campaign is trying to position him as the everyman in the race, rather than as an entrenched insider who has exploited years of incumbency to stockpile cash.

But exactly from whom the incumbent AG has drummed up his money has fueled criticism, from both his right and left flanks, that he is a creature of "special interests." In Reilly's case, the donors in question were mainly Big Dig contractors his office was investigating. (Some of these donors gave to him and other politicians, including Romney and Healey, who gave back money they got from one firm whose executives were indicted, Aggregate Industries.) And Reilly took a hit early in the campaign, in January, when it was reported that he advised Worcester District Attorney John Conte not to release autopsy results that might have revealed alcohol as a factor in a car crash in Northborough that killed two daughters of a campaign contributor.

"If Gabrieli is the guy who doesn't owe anybody, then Reilly is the one who owes everybody everything," says Nate Little, a spokesman for the Healey-Hillman ticket.

But at least campaign contributions get reported, along with where they come from. Reilly regularly makes the point that he is the only one of the major candidates who

has released his income tax returns. (For non-incumbent candidates, state ethics laws require only limited financial disclosure.) While Reilly's personal finances are transparent, he says, the public can't clearly see the others' sources of income—which, in the case of self-financing candidates, is also the source of their campaign cash.

That hasn't stopped Reilly from slamming Patrick for one high-profile income source: the parent company of subprime mortgage lender Ameriquest, on whose board Patrick served until he resigned this spring. Responding to Patrick's voluntary disclosure that he received \$360,000 last year as an ACC Capital Holdings director, Reilly charged that Patrick "reaped a big payout on the backs of the very people who were scammed by his company."

"As millionaires, it's even more incumbent on them to release their returns," says Corey Welford, Reilly's spokesman. "But as four out of five of the candidates are self-financing, I don't think it's a coincidence that they're not."

One Reilly organizer in central Massachusetts, William Eddy, chairman of the Worcester Democratic City Committee, says there's another benefit to traditional fundraising: demonstrating a wide base of support among ordinary people.

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over the years from donors all over Massachusetts and writing yourself a check," Eddy says.

Whether traditionally financed or self-financed, the Democrats see themselves as girding for a Republican spending onslaught, financed by Sean Healey's millions, plus as much as \$2 million from the state GOP. Phil Johnston, the state Democratic Party chairman, has been touting the

Dems' recent Roosevelt dinner, and Bill Clinton is booked to come to Massachusetts for a fund-raiser September 25, a week after the primary. These efforts are expected to net \$2 million for the general election effort.

"We're going to hand the nominee a check for \$2 million right after the primary," Johnston says. "We're determined to avoid the problem we had in '02. We're not going to let

that happen in '06. We will be competitive with Healey. If it's Reilly or Deval, I'm not saying we'll have as much as she will, but we'll be competitive." Gabrieli, it is implied, can take care of himself.

Healey's campaign manager, Tim O'Brien, says the Democrats are disingenuous when they

plead poverty, especially this year, when the Democratic hopefuls are "either self-financed candidates or folks who have spent a career on Beacon Hill." In addition, he says, Democratic candidates get the benefit of expenditures by supporters outside the party structure, such as advertising paid for by the Massachusetts Teachers Association.

In 2002, Shannon O'Brien spent \$6.3 million, but she

The Democrats are 'self-financed candidates or folks who have spent a career on Beacon Hill,' says a Healey campaign aide.

party's Victory '06 Fund as their antidote to the party's traditional "morning after" problem, when the party's nominee wakes up broke the day after a bruising and expensive primary. Johnston says that he and high-powered Democratic fund raiser Alan Solomont have been working to give the nominee some funds with which to hit the general-election ground running. He said they raised \$700,000 at the

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was helped out by the \$834,100 spent by the teachers' union and other groups, Gabrieli's \$5.5 million, and \$1 million from the state Democratic Party. In total, the GOP says the Republican ticket outspent the Democratic nominees and their allies just \$15.5 million to \$13 million—hardly a blowout.

RULES OF THE GAME

Not everyone laments the role of big money in modern elections. Republican strategists here see it as a critical tool in their arsenal, one they need to deploy against a pervasive Democratic Party, with their deep bench of issue activists, labor unions, and other interest groups. Others say the financial arms race is simply a fact of life in the rough-and-tumble world of campaign politics.

And the many restrictions on political money billed as "reform" of campaign finance have their critics, including some who see them as encroachments on constitutionally protected free speech. One of these is Bradley Smith, a professor at Capital University Law School in Ohio, who also thinks the rise of self-financed campaigns is a direct result of limits on political contributions.

"There's no doubt that campaign finance reform has created an incentive for millionaires to run for office," says Smith, a former chairman of the Federal Election Commission. "Wealthy people can't spend their money on other people, so they have to become the candidates themselves."

Nick Nyhart, executive director of Public Campaign in Washington, DC, says self-financing by wealthy candidates is not confined to states with strict contribution limits, like Massachusetts. "Across the country, you're seeing the same phenomenon of people essentially bidding for office, and that's true in states with relatively low limits and states with high limits," he says. "If you don't have a network of well-connected friends, don't have celebrity, or don't have your own money, it leaves you out of the running."

Still, *Boston Globe Magazine* columnist Thomas Keane Jr. wrote this spring that, in campaign finance, "every new rule... produces a perverse result." Limits on contributions, he noted, "turn fund-raising into a full-time activity." With the \$500 limit here, "a \$10 million gubernatorial campaign would require a candidate to call and persuade a minimum of 20,000 people to write a check. No wonder politics has become a preserve of those wealthy enough simply to spend their own money."

Smith points out a number of advantages for self-financed candidates. They can dispense with fund-raising consultants, direct mail appeals, and phone banks. Perhaps most important, they can skip much of the time on the phone that traditional candidates spend calling people for donations.

Of course, Clean Elections proponents say public financing would do the same, only not just for the wealthy.

“What Clean Elections would have allowed is the ability for other candidates who are not millionaires to get in races and compete on an equal footing,” Wilmot says.

While the Clean Elections system is road kill in Massachusetts, it has become established in some states, and is spreading, however slowly, to some others. In Maine and Arizona, the public financing scheme has been in place since 2000. The only governor thus far elected under Clean Elections, Arizona Democrat Janet Napolitano, is seeking re-election this year, once again with public funding. Proponents say the system there, which is funded by a \$5 voluntary check-off on state income tax forms and a 10 percent surcharge on civil penalties and criminal fines, has been a big success in spurring competition for legislative and statewide seats. In Connecticut, the Legislature passed a sweeping campaign finance law in December, setting up a voluntary state campaign financing system tied to spending limits that would be in place for legislative elections starting in 2008 and statewide races in 2010, then in May closed several loopholes that could have been its undoing.

The spread of public campaign financing in other states makes Jamie Eldridge, the Clean Elections lawmaker from Acton, look back more than a little wistfully at his successful first run for public office, when he collected enough con-

tributions—none over \$100—to qualify for public money. He used \$43,800 in public funds—mostly derived from the sale of those state SUVs and station wagons—to defeat four Democratic primary opponents and a Republican in the general election to become the first, and only, Clean Elections winner of a Massachusetts election.

“It seems more and more likely that if you want to run for statewide office you have to have personal wealth,” says Eldridge.

Eldridge is supporting Deval Patrick for governor. But he might have been behind someone like US Rep. Michael Capuano, the Somerville Democrat, had Capuano not apparently been daunted by such deep-pocketed foes, he says. “One of the values of public campaign financing is leveling the playing field,” he says.

With that, Eldridge excuses himself. He has some calls to make, to raise money for another candidate he supports, lieutenant governor hopeful Tim Murray. But if he weren’t dialing for dollars for Murray, he’d be doing it for somebody else—if not for himself. Back in 2002, he had fewer of these calls to make. Now, he says, “I set aside one night a week to ask for contributions.” **CW**

Shaun Sutner is a reporter for the Worcester Telegram & Gazette.

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Labor

A photograph of three young men, Daquane Mitchell, Wilkerson Catule, and Steve Dufrene, working at Fenway Park. They are wearing yellow Boston Red Sox uniforms with 'B' on the caps and 'ARAMARK' on the shirts. One is carrying a large yellow bag, another is holding a clipboard, and the third is carrying a large pack of bottled water on his back. They are standing in front of a green wall with a red railing.

Daquane Mitchell, Wilkerson Catule, and Steve Dufrene, working at Fenway Park, got a break not shared by many other black teenagers.

BY MICHAEL JONAS | PHOTOS BY KATHLEEN DOOHER



PAINS

For some teens looking for jobs, immigration isn't working

AS DIRECTOR OF the city of Boston's job training programs, Conny Doty keeps a close eye on workforce trends and economic forecasts. But some of her best intelligence comes from her own field research, usually involving an iced raspberry coffee.

"What I used to say to people when we were really feeling the recession a couple of years ago was, you'll know the recession is over when you have a teenager waiting on you at Dunkin' Donuts rather than an adult," says Doty. "But now I have to revise that."

In past recessions, says Doty, adults who lost better-paying jobs made ends meet with entry-level positions, but when the economy improved, the young people who traditionally worked these low-end jobs got them back. But this time around, she says, even as the economy has picked up, these jobs are still held by older adults, many of them with accents.

"I think the immigrants have now sort of supplanted them," says Doty of the teens she no longer sees in many retail jobs.

Whereas in the 1990s immigrants provided the only source of new blood for an otherwise shrinking Massachusetts population subject to recurrent labor shortages, in the new century there is concern about the downside of immigration. Whether it's the falloff in teen employment, a tougher climate for lower-skilled workers, or the transformation of parts of the construction industry into off-the-books operations paying substandard wages, some say the impact of immigration is being felt by those least able to take the blow.

Though it has not erupted into overt tensions in the Bay State, competition for entry-level jobs between native-born blacks struggling to get into the economic mainstream and immigrants fleeing Third World poverty has caused flare-ups elsewhere. And it's raising questions about the lack of any meaningful connection between US immigration policies and labor market needs. Even in the land of opportunity, could it be that there's just not enough opportunity to go around?

STRIKING OUT

Steve Dufrene is moving fast up and down the aisles of the grandstand at Fenway Park, toting a cooler full of frozen lemonade treats. "It's going real good," he says on a Sunday in mid-June, not referring to the Red Sox, who are in the process of falling to the Texas Rangers. He's talking about his new job hawking refreshments to the Fenway faithful.

It was not easy to come by. The 17-year-old Dufrene and two other black Boston high school students got the coveted positions thanks to Emmett



State Rep. Michael Rodrigues says under-the-table work is “rampant” in the building trades.

Folger, executive director of the Dorchester Youth Collaborative, an after-school program in the Fields Corner neighborhood. With help from the Boston public schools and the Police Athletic League, Folger landed three slots from the handful of vendor jobs that Aramark, the company operating concessions at Fenway Park, had earmarked for Boston youth. Before that, Dufrene and his two friends—Wilkerson Catule, 16, and Daquane Mitchell, 16—had been pounding the pavement for months, hitting every shopping mall in the area in a hunt for part-time jobs, all to no avail.

“We go everywhere, you name it—Watertown, Braintree, Galleria,” says Catule. After a while, he and his buddies got so used to the standard brush-off that they started supplying it for store managers, after they filled out job applications. “We say, ‘We know, you’ll call us back,’” says Catule.

“It just seems like they take the application and they stick it in a drawer,” says Dufrene.

The break they got at Fenway Park is not widely shared by other black teenagers, who have been squeezed out of entry-level jobs and other lower-skilled positions in the recent period.

Overall, youth employment is way down. The employment rate for native-born 16-to-19-year-olds in Massachusetts last year stood at 42.2 percent, down from 48.1 percent in 2000. The national employment rate in 2005 for this age

group was 38.2 percent, down eight percentage points from 2000 and the lowest ever recorded in the post–World War II period. But it is black male teens who have been especially squeezed out of the job market.

The national employment rate for 16-to-19-year-old black males fell by a staggering 20 percent from 2000 to 2005, the same percentage decrease seen in the overall young male population. But African-American males had even less room to fall than other groups, as they started out with an employment rate in 2000 of just 27.8 percent, more than 10 percentage points lower than the rate for young Hispanic males (38.8 percent) and almost 24 percentage points lower than the rate for white males (51.7 percent).

And who, has knocked these young people out of the job market? Immigrants, according to Andrew Sum, director of the Center for Labor Market Studies at Northeastern University.

In Massachusetts, immigration has been indispensable to the state’s economy. It spelled the difference between the modest population growth the state has recorded since 1990 and the losses it would have otherwise experienced (see the MassINC report *The Changing Face of Massachusetts: Immigrants and the Bay State Economy*).

But in the “jobless recovery” years since the 2001 economic downturn, the continued growth of the immigrant workforce had a very different impact. Immigrant arrivals since 2000 have accounted for nearly 90 percent of all new workers in the US in the last five years, a figure higher than for any other period over the last 60 years. And according to Sum, this largely lower-skilled, uneducated population has greatly increased the competition for entry-level jobs.

“Immigrants are playing a very different role in the job market, both nationally and locally, since 2001,” wrote Sum and Paul Harrington, deputy director of the labor market center, earlier this year in *CommonWealth* (“Where did the workers go?” Winter ’06). There is “now reason to believe

Lower-skilled immigrants are increasingly competing against native-born workers.

that the work obtained by immigrants is coming in part at the expense of native-born workers, especially young adults with low education and skill levels.”

The Boston Private Industry Council, a business-funded workforce development agency, runs a summer jobs placement program for Boston teens. The jobs are usually split roughly evenly between those in the retail sector and positions in hospitals, banking, insurance, and other settings that offer good long-term prospects. The former offer less in

terms of a career path, but nonetheless foster development of what those in the workforce field refer to as “soft skills,” the comportment and judgment that come with customer service jobs. While the number of career-track summer jobs has actually increased slightly in recent years, retail placements are down 40 percent compared with five years ago, says Neil Sullivan, executive director of the agency.

“That’s driven in large part by an adult immigrant workforce that is available to work year-round,” he says. “What we thought was a recessionary drop in the retail jobs is actually a ‘structural realignment,’ in labor market terms.”

COMPETITORS—OR COMRADES IN ARMS?

Concern about immigrants squeezing American blacks out of jobs is nothing new. Writing in the 1880s, abolitionist leader Frederick Douglass warned, “Our old employments by which we have been accustomed to gain a livelihood are gradually slipping away from our hands. Every hour sees us elbowed out of some employment to make room for some newly arrived emigrant from the Emerald Isle, whose hunger and color entitle him to special favor.”

The recent wave of immigration has raised a red flag in places other than Boston. In Philadelphia, a Latino city councilor’s call for a new municipal office to lure and settle immigrants was met with anything but brotherly love. The head of the local African-American Chamber of Commerce was among those speaking out against the proposal, pointing to studies showing that the heaviest impact of immigration falls on native-born workers at the low end of the wage scale.

Most of the country’s established black civil rights leaders, however, have embraced immigrants in common cause. But that official solidarity may be masking a level of discomfort over immigration at the ground level.

“I think there’s a tension, there’s no doubt about that,” says Rev. Ray Hammond, a prominent black Boston minister. Hammond, a leader in the Greater Boston Interfaith Organization, a social action coalition of religious and community groups, has been outspoken in advocating for the cause of immigrants. In April, he co-authored an op-ed in *The Boston Globe* with Rev. Hurmon Hamilton, a fellow black minister, headlined IT’S OUR FIGHT, TOO.

“In Boston, the Black Church is here, standing alongside our immigrant sisters and brothers fighting for reasonable, just, and humane immigration reform,” wrote the ministers. But they took note of worries about blacks and immigrants being “pitted against one another for the limited unskilled jobs in a service economy.”

The two ministers have heard about those worries firsthand. Hammond says one parishioner confronted Hamilton, asking him, “Why are you supporting [immigrants] when they are taking jobs that members of our community or our youth would otherwise have access to?”

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Still, anti-immigrant backlash from blacks seems more muted here than in other US cities. One reason may be that Boston's black community has itself long been an immigrant melting pot, fed by a steady stream of arrivals over the decades from English-speaking Caribbean nations, Haiti (Boston has the third largest Haitian population of any US city), and Cape Verde.

Another activist minister points out that the leading iconic figures in black Boston over the last 50 years, political activist Mel King and arts and culture impresario Elma Lewis, were both children of immigrants from Barbados. "The cross fertilization and mix has been consistent for years," says Rev. Eugene Rivers, "so there never was a time for the nativist phobias against foreigners to develop here in the black community."

And then there is the fact that many of the Boston youth losing out to immigrants in the job market are themselves first-generation Americans. "Increasingly those adult immigrants are the parents of our high school kids," says Sullivan, of the Boston Private Industry Council. Indeed, of the three frustrated job-hunters from the Dorchester Youth Collaborative who are now feeding fans at Fenway, two of them, Wilkerson Catule and Steve Dufrene, are sons of Haitian immigrants.

ATTITUDE ADJUSTMENTS

Compounding job competition between immigrants and native-born blacks is a feeling that some employers would rather hire the newcomers. Chris Tilly, an economist at the University of Massachusetts-Lowell, is co-author of *Stories Employers Tell: Race, Skill and Hiring in America*, a book based on surveys and interviews with employers in four US cities, including Boston. "There were a lot of negatives views of African-Americans and a lot of positive views of immigrants," says Tilly. The preferences often turned on "work ethic, on ability to interact well with customers, with supervisors," he says. "Things that might be summed up as 'attitude.'"

Ben Thompson, executive director of Boston STRIVE, a Dorchester job placement and readiness program for ex-offenders and others with limited work experience, says some of his agency's clients, from the West Indies, worry that their immigrant background might be a hindrance to getting hired. But he tells them that the reverse is often the case.

"Employers want the accent," he says. "The perception is that people from the islands go to work every day."

Some leaders of the black community acknowledge that there's some truth behind the stereotypes. "The employers have a legitimate case when they assert that too many native-born black youth are poor employees," says Rivers. "They

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show up late, leave early, have irregular attendance. The black community institutions should be socializing these kids to be employer-friendly. If we don't, no employer is obligated to take a kid with some funky attitude and work skills."

"Rather than spending time saying society is against the brothers," says Darnell Williams, president of the Urban League of Eastern Massachusetts, the focus should be, "what is the skill set you need to obtain in your tool bag to move forward?"

"Education and training is more important now than ever," says Harvard sociologist William Julius Wilson, the author of *When Work Disappears: The World of the New Urban Poor*. Lamenting the high drop-out rates among black males, Wilson says, "their chances of finding a decent job are nil."

With fewer employment options at the low end of the job ladder, Sullivan, the Boston Private Industry Council director, says today's teens need to aim higher, recognizing that post-secondary education, not just high school graduation, must be the new benchmark.

But for those who aren't college bound, shrinking opportunities for entry-level work are a serious problem, says labor market researcher Harrington. Those who gain work experience while in their teens have higher long-term earnings, he says.

"When employers say kids don't have the right attitude, in fairness there is something to that," he says. "But the way you get a good attitude is you get that early work experience." And the lack of an early employment track record can doom job seekers when they are just starting out.

"A 21-year-old kid comes into your office and says, 'I want a job,'" says Harrington. "You ask him, 'What kind of work have you done?' and he says, 'None.' That tells you everything you need to know."

UNDERGROUND AND ABOVE

If Wilkerson Catule and his friends had a hard time landing a job, Huy Dinh, another regular at the Dorchester Youth Collaborative, has had little trouble picking up work when he wants it. "There's family jobs, there's illegal jobs, and there's legal jobs," explains the 16-year-old son of Vietnamese immigrants, who knows all about the first two types.

Working for relatives, he's done stints sanding floors and helping out at a local nail salon, two businesses dominated by the Vietnamese in the local market. Meanwhile, through connections in the Vietnamese immigrant community, Dinh has also found day-labor work packaging catalogues for national clothing retailers. Where, he's not exactly sure:

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A van scoops up workers as early as 6 a.m. and takes them to a warehouse in a suburb north of Boston, where Dinh has worked a 12-hour shift for \$90 in cash.

Such stories have become increasingly common, as high overall rates of immigration—especially the estimated 11 million undocumented immigrants in the US—drive a burgeoning underground economy. “The black market has widened considerably in the last five years,” says labor economist Sum. “There are far more jobs off the books now than in 2000.”

Evidence of that, says Sum, can be found in the growing gap between two measures of employment used by the US Bureau of Labor Statistics. One tracks jobs on formal payrolls, as reported by employers, while the other is a survey of US households that collects information on all types of earnings. And states with the highest levels of recent immigration show the biggest gap between the number of people who say they are working and the number of workers companies say they are employing.

Construction is one of the industries with a huge increase in off-the-books employment, state officials and labor leaders say. “In the residential building trades, it’s rampant,” says

state Rep. Michael Rodrigues, the House chairman of the Legislature’s Joint Committee on Labor and Workforce Development. “People don’t even hide it.”

“Construction has always been the place for non-college educated, blue-collar kids to have a ladder of advancement,” says Mark Erlich, head of the New England Regional Council of Carpenters. Immigrants and their children have found legitimate places on that ladder, too. But undocumented

High immigration has fueled a ‘black market’ of low-wage, cash-only jobs.

immigrants have changed everything, he says.

“Employers are making an industry-wide, unilateral decision to make what had been a moderate-wage industry into a low-wage industry,” says Erlich. “What had been \$18-an-hour jobs have become \$11-an-hour or \$10-an-hour jobs.”

Harvard economist George Borjas estimates that immigration to the US from 1980 to 2000 has served to lower wages



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by about 5 percent for those without a high school diploma, or more than \$1,000 a year for a low-income household with an annual income of \$25,000. "These dollars don't disappear from the economy," says Borjas. "The people who are getting these are employers. There's a huge redistribution of wealth going on."

In May, a *Boston Herald* report described several locations in the Boston area, including a Somerville park, where immigrant workers gather each morning hoping to get hired by contractors to put in a day's work "under the table."

"There are no industrial relation laws at Foss Park," says Harrington. "There are no wage and hour laws, there is no workers' compensation system. There's just exploitation."

And in June, *The Boston Globe* reported that millions of dollars in state construction contracts have been awarded to firms employing illegal immigrant workers, with more than half of the workers on some projects using questionable or clearly phony Social Security numbers.

"It's sort of the domestic equivalent of outsourcing, in that you keep looking for a less expensive labor source," says Nicolaus Mills, a professor of American Studies at Sarah Lawrence College in New York and author of *Arguing Immigration: The Controversy and Crisis Over the Future of Immigration in America*.

Rodrigues views the underground economy from two vantage points. As labor-committee co-chairman, the Westport Democrat worries about its effect on living standards for workers. And he worries about its impact on his family's 45-year-old floor covering business, a sector that has seen a big infusion of off-the-books contractors.

"I'm legit and I pay a fair wage. I pay workers' comp insurance. I make my contributions to unemployment insurance, and on and on," says Rodrigues. "And I'm trying to compete against [businesses that] hire for cash under the table."

Ali Noorani, executive director of the Massachusetts Immigration and Refugee Advocacy Coalition, says the "overarching problem" brought on by illegal immigration is the "unequal playing field that employers are able to take advantage of." National immigration reform that provides a pathway to citizenship for illegal immigrants, says Noorani, is the best way to combat any degradation of wages and working standards caused by undocumented aliens.

But that alone won't address the impact of having so many largely uneducated workers competing for a shrinking pool of low-skill jobs. Current US immigration policy is driven largely by the principle of family reunification, while other developed countries place much more emphasis on matching immigrant skills to workforce needs.

"This is without a question the most disconnected, disjointed, unrealistic immigration policy in the world," says Harrington. "There is no industrialized country that has an immigration policy as disconnected from the labor market as the United States." **CW**

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Flirting with **DISASTER**

**Massachusetts
weathered floods
this spring, but
other natural
hazards loom.
Is the Bay State
ready for the
big one?**

BY GABRIELLE GURLEY

WHEN DISASTER STRIKES, the planning that happened ahead of time means everything. With that in mind, shortly after taking office in January, Methuen Mayor William Manzi tapped former state secretary of public safety James Jajuga to study the city's emergency preparedness. Improving coordination between city departments became a focal point after Manzi had asked police and fire officials where emergency operations were headquartered—and both departments thought that the job was theirs. The resolution to that conflict came in April, when an emergency command center opened in City Hall.

The timing was fortunate. A few weeks later, in mid May, about a foot of rain soaked the Merrimack Valley and the North Shore, putting sections of Methuen and surrounding communities underwater. The deluge came close to

overwhelming the 150-year-old, privately owned Spicket River Dam. Flooding forced the evacuation of more than 1,000 people in the city, and the local Red Cross opened a regional shelter at Methuen High School. The Massachusetts Emergency Management Agency (MEMA) estimates that 75 communities and 14,000 homes were affected by the floods. Gov. Mitt Romney obtained a federal public assistance disaster declaration to speed recovery funds to cities and towns, supplementing federal funds already approved for businesses and individuals.

The cities and towns did a first-class job handling the floods, says Allan Zenowitz, a former director of the Massachusetts Civil Defense Agency and the Office of Emergency Preparedness (both agencies forerunners of MEMA) and a member of the US Department of Homeland Security's



Route 1, in Saugus, took a dip during this May's floods.

advisory council. Manzi, in turn, gives the state an “A” for its response.

Praise aside, Methuen coped with the same chinks in the state's disaster prevention and response infrastructure that Taunton faced in the rains of October 2005, when the 174-year-old Whittenton Pond Dam threatened to give way and send the downtown to ruin.

Other gloom-and-doom scenarios aren't hard to conjure up. A hurricane's rains and gusts could deliver devastation over hours, not days. Three state probes over nearly 30 years have catalogued a laundry list of dam deficiencies.

“The state is facing a possible Category 3 hurricane this season. We need to step up to the plate,” said state Sen. Therese Murray, a Plymouth Democrat who chairs the Senate's Committee on Ways and Means, at a May news con-

ference announcing the findings of a dam safety review by the Senate Post Audit and Oversight Committee. The bottom line? An accurate inventory of the state's nearly 3,000 dams does not exist, and the scope of hazards remains unclear. Meanwhile, only 44,700 households out of 2 million in the state have flood insurance.

Massachusetts has coped with many smaller natural disaster emergencies, helping to shelter evacuees from Hurricane Katrina, cleaning up from the region's last sizable storm—Hurricane Bob, a Category 2 storm in 1991—and mobilizing for blizzards on a nearly annual basis.

“We've done a pretty good job of responding to the situations we've had,” says Rep. Jeffrey Perry, a Republican from Sandwich who is ranking minority member of the Legislature's Joint Committee for Public Safety and Homeland



Damage in Westport from Hurricane Carol in 1954.

Security. “However, we haven’t had one of devastation,” he says. After a pause, he adds, “Luckily.”

That luck may run out. A Category 3 storm packs winds of 111 mph to 130 mph, the likes of which haven’t been seen here since hurricanes Carol and Edna struck 11 days apart in 1954. Meteorologists predict an active Atlantic hurricane season in 2006, with three to six major storms, and the Northeast is long overdue for one. Emergency managers cite responses to recent storms and preparations for post-September 11 events like the 2004 Democratic National Convention in Boston as evidence of readiness for catastrophe. But a devastating event like a severe hurricane, an earthquake, or a pandemic influenza outbreak has the potential to overwhelm state resources. With federal officials preaching a new gospel of local and individual self-reliance, what can cities and towns expect if a major natural disaster hits?

The May 2006 floods may have been a preview of coming attractions. Is Massachusetts ready for the big one?

STORMY WEATHER

Ginnie Milott Fitzgerald and her family had no real inkling of the tempest about to hit their summer home on Mattapoisett’s Crescent Beach. “There was no warning,” says Fitzgerald, who was 16 when Hurricane Carol struck Buzzards Bay shortly after high tide on the morning of August 31, 1954. Fitzgerald, who recorded residents’ recollections in a self-published memoir, *Hurricane Carol: 50 Years Later*,

says the local radio announcer never used the word “hurricane,” saying simply to stay indoors since “a bad storm” was approaching.

As the storm surge flooded homes close to the shoreline, 30 neighbors sought refuge in her parents’ home. When the ocean reached the house next door, they headed out in three cars. Finding access to Route 6 cut off by creeks that had overtopped their banks, they waited out the storm in a wooded area. After the winds and rain abated, the Fitzgeralds returned to find the second story of a neighbor’s Colonial in their front yard. Their own home remained mostly unscathed.

Mattapoisett now performs a hurricane drill every year. After Hurricane Katrina, last year, says Mattapoisett town administrator Michael Botelho, “there’s a little more interest.”

Generating interest in hurricane preparedness is still a challenge. A Mason-Dixon Poll of Atlantic and Gulf coastal residents conducted in May for the 2006 National Hurricane Survival Initiative found that 60 percent of respondents had no family disaster plan; 13 percent said they would not follow an evacuation order; and 48 percent within 30 miles of the coasts said they didn’t believe a hurricane would affect them.

In Florida, 74 percent of residents have a disaster plan. Yet, despite that state’s substantial investment in a “culture of preparedness,” including a \$3 million public education campaign and annual 12-day tax holidays for hurricane supplies, 34 percent of Floridians feel “not too vulnerable”

or “not at all vulnerable” to a hurricane, a related tornado, or flooding hazards.

“The collective memory that people have about weather events does not last particularly long,” says meteorologist Ken Reeves, director of forecasting operations for AccuWeather.com.

With most Bay State residents’ hurricane memories fuzzy at best, the state has ramped up awareness campaigns and planning drills. Gov. Romney designated June as Massachusetts Hurricane Preparedness Month; before this year, the event was a single week. New England, New Jersey, and New York officials participated in a two-day federal regional “tabletop” exercise—a group discussion of an emergency scenario—in mid June. Statewide workshops and exercises will also take place this summer, including one to assess regional hurricane preparedness. But Carlo Boccia, director of the Mayor’s Office of Emergency Preparedness in Boston and the Metro Boston Homeland Security Region, warns that drills don’t have the immediacy of a disaster; the tension, fear, and panic can’t be created artificially.

The fresh interest in hurricanes by Massachusetts public officials didn’t fade after Katrina. Meteorologists sounded the call this spring, warning that tropical Atlantic waters began a warming trend in 1995, matching the conditions that spawned the storms of the 1940s to the ’60s, the last active hurricane cycle in New England.

“We knew this was coming—big hurricanes, a lot of them, and many of them getting to the East Coast,” says David Vallee, science and operations officer in the National Weather

would hit hours before the eye of the storm.

Damage would vary by region. Communities on the east side of the hurricane’s track would experience the strongest winds, and those on the west would get the heaviest rains, as central and western Massachusetts did in 1955 from back-to-back tropical storms Connie and Diane. Southern New England received more than two feet of water. Every major river in the state overtopped its banks. Large swaths of Worcester flooded, and storm-related deaths almost equaled the 90 fatalities caused by the city’s catastrophic tornado two years earlier.

Boston would be battered by winds, according to Vallee, but the capital city isn’t his big worry. “I lose sleep over Wareham, Mattapoisett, and Bourne,” he says.

A Category 3 storm that makes landfall somewhere on the Rhode Island–Connecticut border would push hurricane-force winds up Buzzards Bay. The resulting storm surges, swelling as high as 25 feet, would sweep away homes in low-lying areas of the South Coast and Cape Cod and leave debris fields eight to 12 city blocks inland. Given settlement patterns in these areas, that adds up to a lot of damage.

“We’ve got a lot of infrastructure and population packed in small, very vulnerable coastal locations,” Vallee says.

New Bedford, home to largest commercial fishing fleet on the East Coast and the highest grossing fishing port in the US, sought mitigation against severe storms after the 1954 storms. The main line of defense is the 9,100-foot-long, 22-foot-high New Bedford Hurricane Barrier, the largest stone structure on the East Coast, which protects the New

Bedford/Fairhaven harbor, shipping interests, waterfront commercial properties, and downtown New Bedford. Constructed by the US Army Corps of Engineers, the 40-year-old, \$18.6 million dike was built to withstand 20-foot seas, and is, by most accounts, well-built and well-maintained, unlike the mostly earthen and concrete levees that gave way in New Orleans.

For Mark Mahoney, New Bedford’s emergency management director, the biggest concern is what he would do if people needed long-term shelter. During Hurricane Bob, the city opened two large shelters, but they were closed a day and a half after the storm passed. If a stronger storm hit, Mahoney might have to house people for up to a month.

Emergency managers say they are well aware of the hurricane threat. But does that mean they’re prepared for it? “Up here, we have the luxury of not getting a lot of [hurricanes],” says Vallee. “That luxury is also a pitfall, because it delays our response.”

But Massachusetts officials argue that a unique confluence of failings compounded the Katrina disaster, missteps that are unlikely to be repeated elsewhere, much less here.

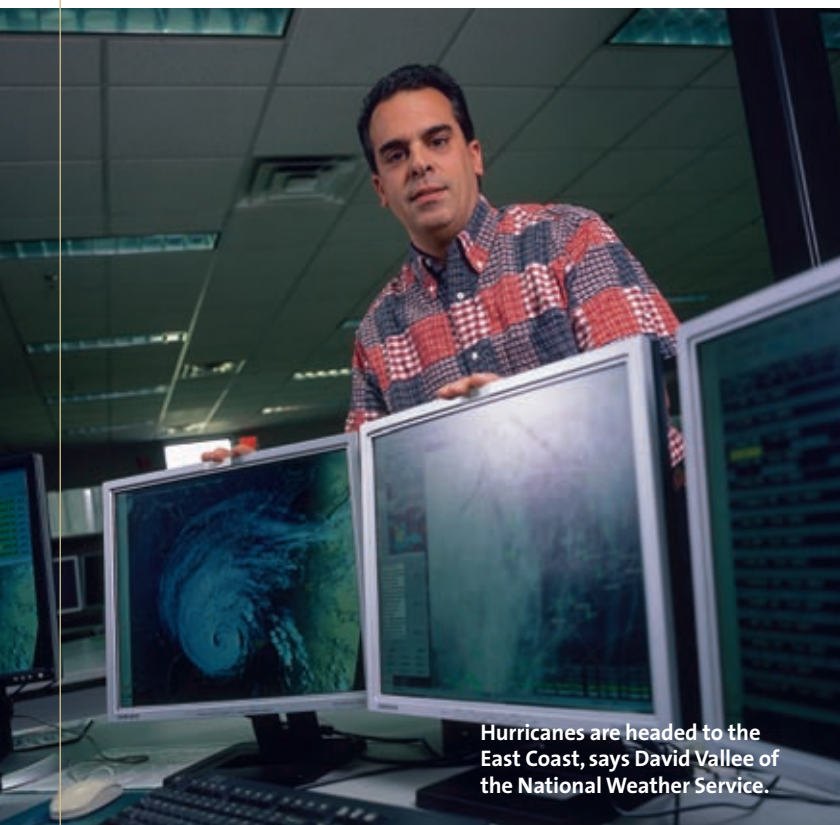
“The major issue with an event like Katrina everybody

Meteorologists warn of a return to severe New England hurricanes like those in the 1950s.

Service’s Taunton office. Other experts speculate that climate change is at work, producing more intense storms.

The strongest hurricane of modern times was the Great Hurricane of 1938, also known as the Long Island Express. The Category 3 storm that September killed an estimated 600 New Englanders, left 63,000 homeless, and decimated the New Bedford fishing fleet, causing nearly \$20 billion in damage in today’s dollars. The Blue Hill Observatory registered winds of 121 mph, with gusts up to 183 mph. Gloucester experienced 50-foot waves.

Any named storm that makes landfall in the Bahamas is a potential threat, according to Vallee. Once the jet stream captures a storm, it accelerates rapidly. New England would have two days at most to prepare, as winds up to 73 mph



Hurricanes are headed to the East Coast, says David Vallee of the National Weather Service.

local command centers, and FEMA had a representative in the state's secure emergency operations command center in Framingham, known as "the bunker." Linda Vaughan, a part-time Red Cross staff member, spent two days and two nights in the bunker, serving as the organization's government liaison. She scrutinized information coming into the agency from MassHighway, the Department of Transportation, the state police, and other departments to determine if evacuations were warranted.

"The bunker ran like a well-tuned engine," says Vaughan. "People knew what they were there for." Massachusetts did not request any federal assistance beyond what was required to facilitate a federal disaster declaration, nor did it request activation of the Emergency Management Assistance Compact, or EMAC, the mutual aid pact that enables the 50 states and certain territories

to coordinate disaster relief. According to Judge, Massachusetts has furnished aid to other states, most recently during Katrina, but has never requested assistance through EMAC.

hearkens back to [is] the poor communication from local to state to federal," says MEMA spokesman Peter Judge. "We think we have that figured out here." (MEMA Director Cristine McCombs declined to be interviewed for this article.)

WAITING FOR THE CALVARY

Emergency managers compartmentalize disaster management into four areas: preparation, response, recovery, and mitigation. What they don't do is distinguish between natural and man-made disasters.

Since the 1990s, the Federal Emergency Management Agency has taken an all-hazards approach to disaster management, helping communities to cope with anything from a severe storm to a terrorist bombing. But some critics blame shortcomings in the response to Hurricane Katrina on a post-September 11 preoccupation with terrorism.

"Up until Katrina, all we talked about was the threat of a terrorist attack. Those of us who have been involved in this issue for some time have always said you can't separate the two. You have to combine homeland security and emergency management," says Boston's Boccia, who brought both areas under this new umbrella.

Former FEMA associate director Richard Moore, now a Democratic state senator from Uxbridge, says the all-hazards approach works, for the most part. "You need to focus your training and planning on things that are likely to happen," he says, "but you have to be prepared these days for any number of things that could happen."

By most accounts, MEMA and FEMA work well together. During the May floods, MEMA officials were embedded in

tories to coordinate disaster relief. According to Judge, Massachusetts has furnished aid to other states, most recently during Katrina, but has never requested assistance through EMAC.

Should a history of self-reliance and good relations with FEMA translate into a speedy response in a catastrophe? According to Moore, Massachusetts shouldn't count on much.

"I've talked to people fairly high up in Homeland Security," he says. "They're still [dealing] with the aftermath of the last hurricane season.... We need to be prepared to go on our own for as long as we can."

'Up until [Hurricane] Katrina, all we talked about was the threat of a terrorist attack.'

That's where things could get dicey for Cape Cod, says Rep. Perry. State and federal agencies may be relationship-rich, but they are resource-poor. "Even if we have all the agencies working together seamlessly, we don't have the personnel and equipment on the ground," he says. Perry points to a Massachusetts National Guard depleted by personnel and equipment deployments to Iraq and the transfer of the Guard's formerly Otis-based 102nd Fighter Wing to Westfield, a consequence of the military's base closing and realignment process. The moves leave a gap for small towns

that have come to rely on the military to supplement police and fire departments.

The Guard begs to differ. In testimony before the Senate Post Audit and Oversight Committee in a hearing on Guard readiness, Brigadier General Oliver Mason, Adjutant General of the Massachusetts National Guard, downplayed deployments as “a way of life” and said the Guard was ready to respond if a hurricane hits. Moreover, he said, regional EMAC support from New England, New York, and New Jersey could be summoned in case of a crisis that overwhelmed state units, with a “truly catastrophic situation” satisfied by national reinforcements.

Currently, no official statewide mutual aid structure allows cities and towns to expedite the delivery of services, such as heavy equipment to remove downed trees after a storm. A bill that would facilitate the sharing of public works and public health resources across jurisdictions is pending in the Senate Ways and Means Committee. But Mattapoisett’s Botelho says that smaller towns actually do a lot of things to help themselves.

“If you went from town to town, you would find all those informal arrangements and mechanisms in place, and they seem to work pretty well,” says Botelho. These arrangements aren’t limited to public agencies. In advance of a severe storm, local boatyards help Mattapoisett clear vessels from the town’s 1,000 harbor moorings at no charge, a feat Botelho says neither the town nor the state has the resources to accomplish. “I wouldn’t want to see anything happen that makes it more difficult for you to get those last-minute resources in place,” he says.

In most states, county governments allocate resources to smaller jurisdictions under its umbrella. But with country government all but dismantled in the Bay State, it’s difficult to orchestrate a regional approach to disaster management, according to MEMA’s Judge. During the May floods, for example, Methuen Mayor Manzi says most communities stood on their own. But federal homeland security dollars (nearly \$19 million to the state’s central, western, northeast and southeast regions and about \$22 million to Metro Boston, according to the Executive Office of Public Safety) are forcing communities to think differently, since those funds are now funneled through the state’s five homeland security planning councils, established in 2004.

Moreover, state and other officials are sending an unambiguous message: The burden of planning and preparedness lies with localities. Perry says it’s a temptation to rely on the next-higher level of government, and DHS advisory council member Zenowitz agrees. People generally say, “Well, government will take care of it, that’s their job, [whether it’s] Washington or Boston or Springfield,” he says. But the “action,” for Zenowitz, is on Main Street, USA. “Emergency management [and] planning in any community is what the local people want it to be.”



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TO FLEE OR NOT TO FLEE?

As disaster unfolds, one of the most difficult decisions for officials is whether to evacuate. And when they make the call, they better do so emphatically: A 1997 Southern Massachusetts Hurricane Evacuation Study conducted by the US Army Corps of Engineers found that when local officials make a strong case that danger is at hand people respond, increasing the number who evacuate by at least 25 percent and as much as 50 percent.

The other thing about evacuation is it takes time. On the Cape, authorities would need eight to 10 hours to get people out of coastal areas at risk for storm surge flooding, according to Vallee. The problem, though, is not residents, most of whom would seek shelter nearby, but tourists, who would dash for the Sagamore and Bourne bridges, the twin scourges of Cape traffic.

In other vulnerable areas, however, evacuation plans seem to work at cross purposes. Mattapoisett town administrator Botelho says that, in the southeast part of the state, some plans have people evacuating from one community into another when that community is trying to evacuate in the opposite direction. "We're all committed to try and resolve that," he says.

In Boston, the logistics of evacuation and shelter multiply, even if emergency preparedness chief Boccia considers

a hurricane akin to a snow emergency, which he says the city handles well. In December 2005, Boston launched phase one of its evacuation plan. In March, the city distributed nearly \$175,000 in grants to groups aiming to improve preparedness in neighborhoods, right down to families.

"The best-laid plans will fail if the public is not completely aware of those plans and what part they play in the implementation of those plans," says Boccia. Neighborhood groups are expected to help identify special populations requiring assistance. The MBTA would make buses or trains available

The city has to prepare for the possibility of thousands of people clogging evacuation routes.

to MEMA. For those who can't get out of town under their own power, the city is working to retrofit buses and rail cars. For residents who refuse to leave, police are still working out a policy, according to Boccia.

It's unlikely that a hurricane would require the wholesale evacuation of Boston, as opposed to moving people out of at-risk areas. But the city has to prepare for the possibility

STORM THREATS MAKE FOR INSURANCE WOES

Cape Cod homeowners are already feeling the effects of hurricane worries. Insurers base assumptions about future storm losses on models developed by risk management companies, which, in 2003, began advising their clients that coastal areas were vulnerable to more frequent and more dangerous hurricanes, exposing insurers to greater losses. Those fears prompted insurers to pull out of the Cape and other coastal US locations. In 2006, some 20,000 policyholders will not have their insurance policies renewed, according to the state's Division of Insurance. Estimates of private insurance loss from Hurricane Katrina ranging from \$38 billion to \$50 billion are only making property insurers more jittery.

"A Katrina-type event on Cape Cod would be catastrophic, certainly," says John Golembeski, president of the Massachusetts Property Insurance Underwriting Association, or FAIR Plan, which provides insurance to property owners the market

doesn't want to cover. Created in 1968 to spur redevelopment in riot-torn urban areas, the FAIR (Fair Access to Insurance Requirements) Plan is funded by the 400 property and casualty insurance companies that operate in Massachusetts. The safety-net insurer is the leading underwriter on the Cape, covering 37,701 policies, or 23.5 percent of the market. In turn, the Cape and Islands comprise about 27 percent of FAIR Plan business statewide.

Before long, FAIR Plan could be covering half of the Cape, according to state Rep. Jeffrey Perry of Sandwich, a Fair Plan policyholder. "Basically, the people on Cape Cod and other coastal areas are being red-lined," he says. And their premiums are going up, the only question being how much. FAIR Plan requested a 25 percent rate hike in Cape Cod homeowners policies. But Insurance Commissioner Julianne Bowler rejected the rate hike in early July, suggesting that FAIR Plan rewrite its

request so as to avoid "excessive rates" in certain geographic areas.

But Bowler's concerns are not limited to the Cape. "While the weather service is focused on the storm, the insurance commissioner is focused on capital adequacy of the market in general," she says. Bowler's nightmare is not a Buzzards Bay hurricane, but a 1938-type storm that tracks up Narragansett Bay toward Worcester, or curves east into the I-495/Route 128 corridor. The Massachusetts insurance industry could survive a catastrophic storm on the Cape, she says, although some companies would fail. The suburbs of Boston and MetroWest are another matter.

"Where are all the big homes? Where are all the businesses located? Because it is not just homeowners that get impacted," she says. "Move [a storm] inland to 95 and 128 exposure and you've just increased exponentially your capital needs."

—GABRIELLE GURLEY

of thousands of people deciding to leave on their own, clogging evacuation routes, as Houston residents did during Hurricane Rita.

One aspect of Boston's planning generated mirth among long-suffering commuters: the evacuation-route signs that sprang up all over town last December. Even MEMA looked at the signs "somewhat incredulously," Judge admits. Boccia, however, has no patience for critics of his signs. "They say, 'Well, good [that] you put up signs. Are you going to depend on that to get out of the city?' Of course not," Boccia says, explaining that the signs are guideposts to be supplemented by human staffing.

In addition to 13 primary evacuation routes, the city is now identifying secondary and tertiary routes out of the city. "The secret to any plan is redundancy," says Boccia. The partial closure of the Massachusetts Turnpike due to an overturned liquid methane tanker in May showed how easily mass exodus could turn into a mammoth traffic snarl if not enough routes are identified.

In terms of sheltering Boston residents displaced by a storm, Boccia hasn't abandoned a Superdome-style solution. The problem in New Orleans was that the city did not have the infrastructure, plumbing, electric generators, or security in place to handle the situation, he says. In addition to the Boston Convention and Exhibition Center (which likely wouldn't be used in a hurricane, since it sits in a flood plain), he is considering locations such as the TD Banknorth Garden, as well as college dorms and arenas.

Then there are the animals. The experience of Katrina moved pet evacuation to the top of emergency planners' checklists. (Methuen made sure there were pet-care facilities available when parts of the city were evacuated during this spring's flood.) For reasons of compassion as well as practicality (no matter how much they are in danger, people are reluctant to leave their furry companions behind, often refusing to be saved), agencies ranging from the US Department of Homeland Security to the MSPCA now advise people to take pets with them when they evacuate—advice that has emergency managers scrambling for ways to accommodate the animals. The Pets Evacuation and Transportation Standards Act, now pending in Congress, would require state and local authorities to incorporate pets and service animals in emergency operation plans as a condition of federal emergency funds. MEMA has set up a SMART (State of Massachusetts Animal Response Team) network comprised of state agencies' emergency managers, first responders, and animal welfare organizations to address animal safety during emergencies. In New Bedford, Mahoney says there is "still a lot of work to be done" on the pet question, while Boccia says pet issues come up all the time in his conversations with Boston neighborhood groups. Boston and the Red Cross have identified more than 75 evacuation centers and mass care facilities. In some locations, pets could be sheltered near own-

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ers, if sanitation and health concerns can be resolved, Boccia says. Otherwise, pets would be sheltered in other facilities, with registration procedures ensuring reunification with owners.

As far as the US Department of Homeland Security is concerned, Boston's emergency plan is on the right track. With most major cities receiving abysmal rankings in the department's latest catastrophic event preparedness report, released in June, DHS praised Boston's evacuation plan for its clear delegation of responsibility for initiating a mass care response, its allocation of governmental and non-governmental resources, and its public notification guidelines, as well as its evacuation and shelter provisions for special needs populations and companion animals. Massachusetts was one of 10 states, along with Florida and New York, whose plans received the department's top designation of "sufficient."

FEELING THE EARTH MOVE

It's tough enough to get the public prepared for natural disasters that, like hurricanes, at least have precedent in living memory. But what about strong earthquakes, the most recent of which here occurred 20 years before the American Revolution?

The Cape Ann earthquake of 1755 had an estimated magnitude of 6.0 to 6.3 on the Richter scale, with capacity to cause damage in populated areas across 100 miles. But that represents the minimum seismic hazard for metropolitan Boston, according to John Ebel, director of the Weston Observatory, Boston College's geophysical research laboratory. A 1997 FEMA-funded study, conducted by MIT, together with other universities and private firms, estimated that a 5.5 to 7.0 earthquake near Boston or off Cape Ann would kill thousands and cause billions of dollars of damage.

Slippage along the boundaries of the North American and Pacific continental plates is what produces California earthquakes. In the East, the North American continent is spreading away from Europe and Africa and running into the Pacific plate, getting squeezed as if in a vise, says Ebel.

Seismic shifts are a little hard to imagine, but it doesn't take much shaking to get people's attention. Last year, Boston College helped Plymouth Community Intermediate School install a seismograph in its science center as part of a joint research project. On November 17, 2005, a 2.3 magnitude tremor, centered 1.2 miles south of Plymouth Center, jostled the area. "All of sudden it made sense to them," Ebel says of the teachers and students who felt the quake.

As hazards go, MEMA is more concerned about an earth-



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quake than a hurricane, deputy director of operations David Martineau told a Southern New England Weather Conference audience in 2005. With good reason. Unlike hurricane forecasting, earthquake prediction is in its infancy. “The weather folks have set a high bar for us these days,” Ebel admits. But earthquakes provide no distinctive early warnings, such as telltale electrical or magnetic patterns or gas emissions, he says.

FEMA funded an earthquake program manager in MEMA in the 1980s, but with the shift to all-hazards preparedness, MEMA emergency planners turned their attention from quakes to storms and floods, which occur more frequently, so Ebel has fewer interactions with the agency now. But when an earthquake occurs anywhere in New England that’s strong enough to be felt, MEMA contacts the Observatory for the particulars—location, magnitude, and damage assessments—which the agency distributes to other New England states. “If you only have a damaging earthquake once every couple of hundred years in a city like Boston, it’s not something the average MEMA manager will have to worry about,” Ebel suggests. But, he says, it’s precisely because earthquakes are so rare here that MEMA needs to be vigilant about planning for them.

It’s because earthquakes are so rare in New England that we have to be vigilant about planning for them.

And when an earthquake hits, look out. For Ebel, raising earthquake awareness is one challenge and striving for resistant buildings is a second. It’s a truism that earthquakes don’t kill people, buildings do. And metro Boston has scores of unreinforced masonry buildings that would collapse. Also worrisome are areas that are susceptible to liquefaction. That, explains Charles Brankman, a PhD candidate in Harvard’s Department of Planetary and Earth Sciences, who studied the phenomenon with Tufts University’s Laurie Baise, is what happens when an earthquake causes geologically young, loose, sandy soil that’s saturated with water to lose strength. Structures built on landfills sink, tilt, or tip over. Liquefaction caused much of the destruction in San Francisco’s Marina District in the 7.1-magnitude Loma



New Bedford emergency manager Mark Mahoney worries about providing long-term shelter.

Prieta earthquake in 1989.

Sections of the Back Bay, South End, South Boston, the Cambridge side of the Charles River near MIT, Logan Airport, and other areas that are built on filled in lands where the Charles River tidal estuary once met Boston Harbor are particularly vulnerable to liquefaction. The diverse types of fill used in these areas makes pinpointing the susceptible pockets difficult, according to Brankman. There is no state inventory of at-risk buildings.

In 1975, when Massachusetts adopted a statewide building code, officials inserted a seismic provision, one of the few states in the East to do so. A decade ago, the state Board of Building Regulations and Standards’ Seismic Advisory Committee revised the code to require retrofitting if a building owner plans a major renovation or addition. (Single- and two-family homes are exempt from this provision.) Some building owners, concerned about insurance and liability issues, address seismic issues on their own initiative. But designing buildings to survive every conceivable scenario would cripple the industry, argues Robert Anderson, deputy administrator of the building regulations board. Instead, Massachusetts requires builders to take into account the types of events that occur at least once in a 50-year or 100-year period, the typical lifetime of a building.

“If you do get that catastrophic incident, certainly it’s going to cause some damage,” Anderson says. “But it’s not going to cause catastrophic damage to the building or to the people inside.”

COMING DOWN WITH THE FLU

Like an earthquake, the prospect of a pandemic influenza outbreak takes the state into uncharted territory. Again, authorities hope that people take the time to educate themselves about possible disaster. "If all the individuals in the Commonwealth were prepared, then the Commonwealth will be prepared," says Department of Public Health Commissioner Paul Cote Jr.

But he concedes that the state could be in better shape in some areas, and a December 2005 report from the Trust for America's Health bears him out. The survey gauged nationwide readiness for a public health emergency, such as a disease outbreak, natural disaster, or bioterrorism attack. Massachusetts achieved a six out of possible 10 on key indicators, tying with Rhode Island for the best performance in New England.

The Bay State failed to measure up in four areas that could possibly come into play in a pandemic outbreak. The state has not been recognized by the US Centers for Disease Control as being "adequately prepared" to administer and distribute vaccines and antidotes; it does not have an Internet-based disease tracking system; it lacks plans to care for patients at non-health facilities; and it does not have incentives, plans, or provisions to ensure continuity of care in case of

a major outbreak. But the state claims to be in better shape in these areas even today.

"Each of the four vulnerabilities identified in the report have been priority areas for our state's planning over the past six months," says DPH spokesperson Donna Rheaume. "Were the survey to be conducted today, we are confident we would be found in, or on track for, substantial compliance."

The influenza strain now under the microscopes of public health officials from Boston to Bangkok is H5N1 — known as avian, or bird, flu. Naturally occurring in wild bird populations, the virus can be fatal to domestic fowl and humans. Bird-to-human transmission is thought to have caused major pandemics in 1918, 1957, and 1968. At this writing, there have been 228 cases of avian flu worldwide, and 130 people have died. Despite a cluster of cases in Indonesia, there are some signs that the virus has waned in Southeast Asia, where the disease first appeared. Vietnam, which had the highest incidence of flu transmission from domesticated birds to people, has not any human transmissions this year, and birds migrating from Africa to Europe have yet to show signs of the disease.

"It's good news that [bird flu] appears to be declining somewhat, but I think we have to realize that influenza viruses constantly change," says Dr. Anita Barry, director of

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communicable disease control for the Boston Public Health Commission. Massachusetts began testing wild bird populations, including local Canada geese and migrating ducks, for the virus in June.

Were the bird flu to make an appearance here, the DPH paints a dismal picture. A pandemic could kill as many as 20,000 people in Massachusetts, sickening up to 2 million more and requiring 80,000 hospitalizations above normal rates. The federal pandemic flu implementation plan compares an outbreak to a war or significant economic disruption, rather than a hurricane, earthquake, or terrorist attack.

As with natural disasters, federal officials emphasize that the “center of gravity” for pandemic response will be communities. Boston Public Health Commission executive director John Auerbach agrees that the burden of planning

A flu pandemic could kill as many as 20,000 people in Massachusetts.

and prevention should fall to local communities, especially if multiple outbreaks occur nationwide. Despite the federal government emphasis on a community-based response mode, he says, little funding is destined for municipalities, a situation he considered “unrealistic.” Auerbach also believes that years of budget cuts have undermined the state and local public health infrastructure, impeding its ability to respond to an emergency.

In February, Gov. Romney filed a supplemental budget request of \$36.5 million for pandemic planning, which would help DPH build a volunteer medical provider network, improve hospital surge capacity, upgrade state laboratories, and develop stockpiles of medications, food, and other supplies. The state can tackle two eight-week periods of pandemic flu based on this funding, officials say. At press time, the spending request was pending in the Legislature.

Methuen Mayor Manzi and others met recently with Dr. Michael Ryan, the World Health Organization’s director of epidemic and pandemic alert and response. Ryan cautioned the group that the public will forgive local officials for the mistakes and stresses that affect community resources in a medical emergency. What the public won’t forgive, he said, is lack of planning.

But, as DPH recently learned, the existence of a plan doesn’t necessarily forestall criticism. The state’s blueprint, the Massachusetts Pandemic Influenza Plan, most recently revised in January, has been slammed as vague. “The level of detail isn’t what it should have been,” says Mary Leary, of the Massachusetts League of Community Health Centers.

Sen. Richard Moore, who co-chairs the Legislature’s Joint

Committee on Health Care Financing, is even less generous in his assessment of the state’s pandemic flu readiness. With the exception of a few large urban areas, he says, the public health system is a “strings and bubble gum operation,” relying mostly on volunteers and lacking in the enforcement powers necessary to handle a flu emergency. The plan itself lacks contingencies for larger businesses, schools, churches, and other public places, prompting the senator, at a committee hearing in May, to voice “no confidence in Department of Public Health.” Although DPH has prepared templates to assist cities and town with developing local infectious disease and emergency plans, Moore doubts the commissioner’s estimate that 75 percent of municipalities have completed plans. “I think he’s guessing,” he says.

Cote says a more comprehensive plan will be unveiled in July, followed by multiple exercises at various levels prior to the flu season to “test the system.” The plan does address continuity of operations and continuity of government for all state agencies. In the event of a particularly severe outbreak, a state of emergency might be declared, necessitating school closings and restrictions on sporting events and other large assemblies.

Does Massachusetts have the resources to cope? That depends on the level of outbreak. One of the issues is hospital surge capacity, or the ability of a hospital to handle a huge influx of patients in a disaster or public health emergency. Current state estimates show sufficient beds in every region, except for the southeast, where health care facilities are short about 1,000 beds. According to Cote, DPH is working with regional hospitals to identify additional capacity and alternative care sites.

Nevertheless, no city in the country is adequately prepared for the worst-case pandemic flu scenario, Auerbach says. Unlike hurricanes, when officials might steer people out of an area, a pandemic could force people to stay in. The challenge will be to take care of people at home, he says, especially if the medical and state authorities have lost the ability to contain infection.

But don’t expect a magical cure. “The assumption that there will not be a vaccine in place to vaccinate everybody for the pandemic is an important one,” says Cote. One problem is the outdated egg-based process for influenza vaccine production. Cell-based vaccines could be produced faster, but the process is still considered experimental. The US Department of Health and Human Services recently awarded contracts totaling \$1 billion to five companies for developing cell-based vaccine technologies. Moreover, effectiveness of existing viral medications, such as Tamiflu, depends on the strain of influenza that appears.

As with hurricanes, federal and state officials have seized on public education as their best weapon against pandemic flu. Massachusetts has conducted five regional pandemic

planning conferences. Some business organizations, such as the Greater Boston Chamber of Commerce, have briefed members on pandemic readiness. Others are only slowly awakening to the threat. According to Julie Burke, director of the Employer's Resource Group for Associated Industries of Massachusetts, the state's largest association of employers has had few inquiries about pandemics from human resource professionals. A few years ago, Burke points out, the viral respiratory illness SARS generated a good deal of hype, but never amounted to much. Still, she says, "We learned from that to take greater precautions."

APOCALYPSE SOON?

Greater precautions are the only defense against Mother Nature's savagery. The region's climatic extremes, from blizzards to hurricanes, require an emergency management mindset that doesn't allow much seasonal downtime.

Events of the past year have taught Mark Robinson, chief operating officer of the American Red Cross of Massachusetts Bay, an important lesson. "You have to never be so arrogant as to say that you're prepared," he concludes. "You have to be constantly unsatisfied with your readiness level."

Still, most of the emergency managers interviewed for

this article expressed confidence in, rather than dissatisfaction with, their own preparedness. Whether Massachusetts isn't-Louisiana is a valid assurance remains to be seen. The floods of this spring notwithstanding, natural disasters of recent vintage have been comparatively minor—and they are no predictor of what is to come.

"When we get that [Category] 3, the lights ain't coming on tomorrow," says the National Weather Service's Vallee. "They may not come on next week. There may be people with no homes to come back to. It's going to shock people."

Officials readily admit that an earthquake could cause unprecedented death and destruction and that a severe pandemic influenza outbreak could cripple the health care system. The Bay State has never activated EMAC or had to plead for federal aid apart from clean up.

The summer reverie is well underway, and Indonesia and Louisiana are out of sight and out of mind. No one wants to contemplate a natural disaster, much less plan for one. Officials can only prepare for the worst and hope that relentless entreaties to wash one's hands, get a kit, and make a plan dent the collective consciousness—before the big one, whatever it is.

"Of late, we're getting sort of a ho-hum response," says Boston disaster chief Boccia. "It scares me." **CW**

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Mixed benefits

Overly generous unemployment insurance costs jobs and invites abuse by claimants and employers **BY JOHN O'LEARY**

MEET JOHN DOE. He earns about \$70,000 a year running his own design firm. He's also been collecting unemployment insurance for 24 years running—and it's all legal. John Doe is a UI scammer, and he's not alone. Not by a long shot.

The Massachusetts unemployment insurance system was intended to provide temporary income to those who unexpectedly lose their jobs. Most people still use it that way. But for some, UI has morphed into a government giveaway program of massive proportions. In 2004, some \$1.4 billion was mailed out by the Division of Unemployment Assistance. Though impossible to quantify precisely, a big chunk of this money went to legal scammers and outright frauds.

How does this happen? First of all, like most government programs, UI is dictated by legal rules, both state and federal, that allow no discretion to determine the truly needy. Any time cash payouts are governed by a complex set of rules, there will be clever individuals (and, in the case of UI, companies as well) who will find every legal loophole in order to benefit—even if the system was never designed to benefit them.

But there's also another reason. The generous benefits Massachusetts provides to its unemployed make it a tempting target. With benefits 76 percent above the national average, the Bay State has become a national magnet for scammers, a shining example of good intentions gone horribly wrong. And along with high benefits come a high tax burden. On average, businesses in Massachusetts pay an estimated \$637 per employee into the UI system, or roughly twice the US average of \$315. Such high benefit levels create perverse incentives, encouraging clever individuals to benefit in ways never contemplated by those who designed the UI system.

For three years now, Gov. Romney has pushed the Legislature to tighten the unemployment insurance system in order to make Massachusetts more competitive, and some progress has been made. But as head of the Department of Workforce Development's Division of Unemployment Assistance (DUA) for two years, I had the opportunity to see the system up close. I heard from companies struggling with their UI tax bills, and reviewed hundreds of case files. I became convinced that further reform of unemployment insurance is more pressing than ever—to reduce, if not eliminate, the scams and abuse, and to reduce the UI tax burden on business.

FREQUENT FLIERS

What would your insurance company do if your house burned down every single year? Or if your car got stolen year after year, on the exact same day? Well, in Massachusetts, a disturbing number of people file Unemployment Insurance claims every single year—and the DUA has no choice but to pay them.

In 2004, 247,000 individuals filed claims with the Massachusetts DUA. More than half these claimants (54 percent) had also filed for UI in 2003. Of those claiming in 2004, more than 18,000—7.3 percent—had collected UI in at least 11 of the preceding 20 years. And 700 individuals had perfect attendance, having collected UI benefits in each of the past 20 years. DUA workers call these annual claimants our “frequent fliers.”

The following examples are from real claimant filings in 2004:

- A 52-year-old interior decorator from Boston earned \$68,000 from his job that year, but also took in \$3,500 from UI. He's hit the quarter-century mark, having collected UI in each of the past 25 years.

• A 46-year-old man from Brockton earned \$33,700 for driving a school bus—plus an additional \$7,620 for when he was not driving a bus. He's collected UI for 24 years.

• A 47-year-old restaurant owner from Cape Cod earned \$49,000 and then laid herself off, collecting \$10,621 from UI. She's been on the UI dole for 22 years.

• A 50-year-old owner of a pool services company earned \$29,000—then, by laying himself off when pool cleaning was out of season, boosted his income 33 percent by collecting \$9,700 in UI.

For these claimants, and tens of thousands like them, UI is not an insurance program. It's a way of life.

These people have been collecting UI virtually every year of their adult lives. Far from providing help after an unexpected job loss, UI is a planned-for and carefully managed annual income supplement. These folks understand the rules of the game, and they game the system for all it's worth.


Notice that the last two "frequent fliers" were owners of the businesses that laid them off. Unemployment insurance is one of the few kinds of insurance that you can self-trigger—and it is remarkable how many small business owners do just that.

The following account, based on a real case, shows how the scam works. Ms. Q owns a jewelry store in Nantucket. She earned about \$50,000 in the summer of 2004. In late autumn, she laid herself off and headed to Florida. She was eligible to collect \$528 per week for 30 weeks, plus \$25 per week for each of her two dependent children, bringing her UI benefits to \$17,340—and raising her income for the season from \$50,000 to \$67,340.


'Frequent fliers' game the system for all it's worth.

Of course, Ms. Q pays the maximum UI insurance rate on herself—10.96 percent on the first \$14,000 of taxable wages, for a total UI tax of \$1,534.40. So for a UI premium of about \$1,500, Ms. Q gets \$17,000 in benefits sent to her in Del Ray Beach—benefits paid for by other Massachusetts businesses.

Here's another account based on a real case from the DUA files. A family business consists of five employees. The president, treasurer, and director are all related (husband, wife, and child) and collectively take in more than 90 percent of all wages paid out by the business, roughly



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\$150,000 per year. In a remarkable coincidence, every year temporary workload reductions result in various family members being put on reduced work schedules—and collecting UI. In 2004, the family business paid \$5,100 in UI premiums, and family members collected \$17,770 in benefits. These all-in-the-family corporate officers collected in 2003, collected in 2004, and collected in 2005. Want to bet they'll be collecting in 2006?

WELFARE FOR SEASONAL INDUSTRIES

There are many economic activities that result in uneven earning patterns. Roofers can't work in snowstorms, school cafeterias close in the summer and during vacation weeks, and ice cream stands on the Cape close for the winter. That may be inconvenient, but it's an economic reality.

Or is it? Companies in industries with uneven earnings patterns often abuse the UI system and "lay off" their workers, sometimes several times per year, and enjoy a company-wide wage subsidy. Guess who ends up subsidizing these industries with uneven earning patterns? Companies that provide steady, predictable employment.

Although unemployment insurance is funded by employers, that doesn't mean the benefits received by laid-off employees come out of the pockets of the employer that put them out of work. Many industries with frequent layoffs are what we call "maximum negative" employers, their out-of-work employees collecting far more than they paid in UI taxes. In essence, premiums paid by companies that maintain steady employment subsidize employers, and even entire industries, that have frequent layoffs. For certain employers, the UI system is a regular provider of a benefits package for their intermittent and seasonal employees—paid for by other employers, and made possible by the Commonwealth of Massachusetts.

In 2004, laid-off workers from 3.9 percent of Massachusetts firms accounted for 32.5 percent of disbursed UI benefits. These heavy users paid \$124 million in UI taxes, but their employees walked away with \$403 million in benefits. For a number of companies, UI has morphed into an enormous corporate subsidy, a way to get wage supplements for their own employees and have other employers pay for them.

The unemployment insurance tax on business is experience rated. That is, the more UI benefits are paid out to a company's employees, the higher the tax rate will be for that company—but only up to a limit, currently \$1,530 per employee. Though this a sizable tax, it can be a cheap way for an employer to sweeten the deal when hiring an employee they both know will, at some point, be laid off. In effect, some companies have incorporated UI into their wage structure. Here's the evidence:

- In 2004, 30 Bay State companies had employees who

received more than \$1 million in UI benefits *over and above* what the company paid in UI taxes.

- About 5,500 companies have been regularly drawing heavily on UI, the benefits to their employees exceeding their UI taxes in 2002, 2003, and 2004. Total subsidy to these companies in those three years: \$1.2 billion. That's a subsidy of about \$73,000 per company per year.

- About 80 percent of these heavy-user companies had 10 or fewer employees.

Some of these companies may have been going out of business, but many are going concerns. These heavy-user companies come from all sectors of the economy, but represented disproportionately are construction companies, temporary services firms, school bus companies, and seasonal businesses such as landscaping and pool maintenance.

Unemployment insurance was never intended to be part of the business plan for seasonal enterprises. If school bus companies want to hold on to their best drivers for the fall by paying them partial salaries over the summer, let them do so. The same goes for contractors. If you want to give your best journeymen a little something to tide them over during the harsh winter of idleness, keeping them on payroll and ready to go at the first thaw, go right ahead. But there is no good reason for companies that provide steady work year-round to pay hundreds of millions of dollars to subsidize companies that lay off their workers in the normal course of business.

These are not the only ways that claimants and companies game the UI system. The most common, in fact, are forms of petty fraud: working under the table while collecting, and collecting when not looking for work (a statutory requirement of UI eligibility is to be able, available, and seeking work). These are violations of the system, but they are very difficult to enforce. The DUA, working with the Attorney General's office, has brought more fraud cases to court in the past six months than in the previous three years—including one person collecting from prison, another collecting from the middle of the Atlantic Ocean (a commercial fisherman), and a former DUA employee who was earning on one Social Security number while collecting on another. But it is an uphill battle to catch the laid-off electrician, carpenter, or landscaper who quietly does residential jobs for cash under the table while collecting unemployment.

GENEROUS TO A FAULT

But what about the legitimately laid-off? Isn't there a real and important benefit to having a safety net for folks who lose their jobs? And what's wrong with being generous toward them, and even more generous than other states?

Few would argue against providing a financial cushion

to those who lose their jobs unexpectedly and through no fault of their own. But we have to look closely at who is benefiting from this generosity, and at the unintended consequences of rewarding those who are not working, in order to balance the virtues of high benefits against the detrimental impact of high taxes on employers.

We've already seen that a lot of companies and individuals abuse the UI system through frequent use. But what about the high-wage earner who experiences a once- (or twice-) in-a-lifetime layoff? Many people who collect UI are highly compensated professionals for whom unemployment is a misfortune but not necessarily a disaster. Consider an individual earning \$90,000 who is laid off from a high-tech company and given a \$25,000 severance package. If that person signs a release promising not to sue the company, the severance doesn't count for UI purposes (the courts have deemed severance under these circumstances as payments in exchange for the release). This means that he will be eligible for UI after the standard one-week waiting period, and then be able to collect \$551 per week (plus \$25 for each dependent child) for up to seven months *provided he stays unemployed*. If he goes back to work, he loses these benefits.

The high benefits offered by Massachusetts slow down the process of unemployed individuals finding work, both by reducing the incentive to look for work and by making them more choosy about what sort of jobs they will accept. Economists refer to this as "raising the reserve wage," but the way most UI claimants see it, the first couple of months of unemployment constitute a government-paid vacation.

And because UI is not a means-tested program, the well-to-do collect alongside the truly needy.

In fact, the well-off collect more. Because UI benefits are based on earnings, a stockbroker who earns \$60,000 a year qualifies for the maximum of \$551 a week when he's laid off, while a janitor who earns \$30,000 a year receives only \$288 per week. As Monica Halas, an attorney for Greater Boston Legal Services, has noted, "The more you need UI the less you get."

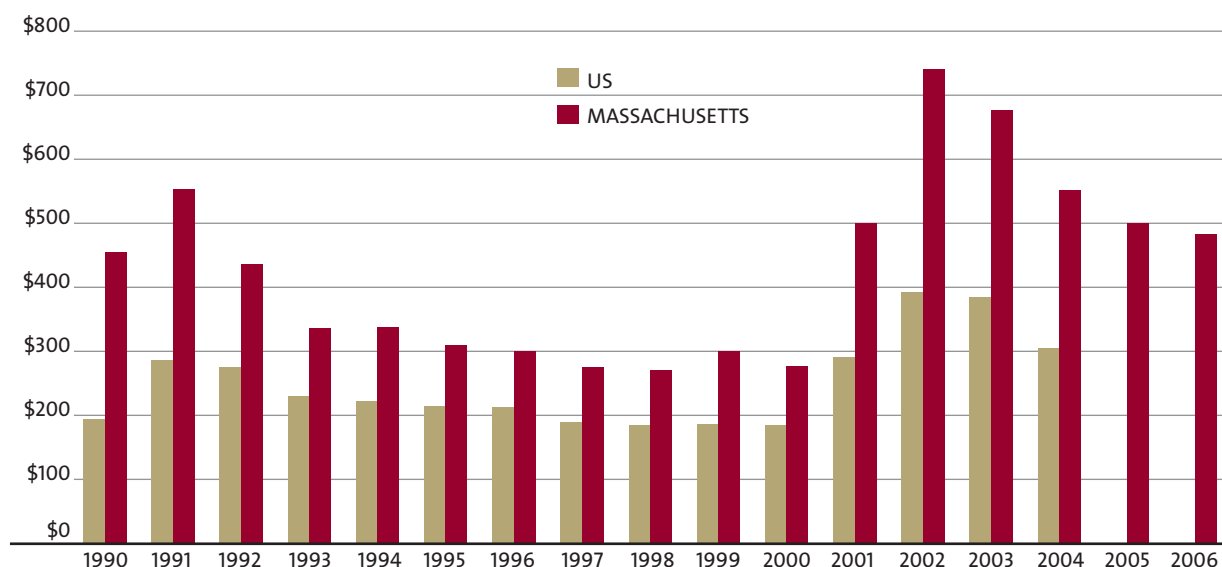
High benefits ultimately lead to high UI taxes.

But the way we finance UI is exactly the reverse: Because UI taxes only apply to the first \$14,000 of taxable wages, high-wage jobs are taxed proportionately less than low-wage jobs. A \$60,000-a-year job is taxed at half the rate of a \$30,000 a year job and one-fourth the rate of a \$15,000-a-year job. So we tax the low-wage jobs more and reward the low-wage earner less.

Even so, for people on the lower end of the employment curve, unemployment benefits provide meaningful assistance during times of unexpected job loss. But our current UI system is a highly inefficient mechanism of getting these folks assistance. And high UI taxes tend to drive low-wage jobs—just the jobs these folks need—out of state.

This is an instance where economic theory is supported by empirical experience. Back in 2000, Massachusetts was one of the hottest economies in American history. The

UI BENEFITS DISBURSED PER COVERED EMPLOYEE, MASSACHUSETTS VS. US AVERAGE



biggest challenge facing businesses was attracting and retaining employees.

But despite an unemployment rate well below the national average (2.7 percent vs. 4.0 percent), Massachusetts claimants stayed on UI 19 percent longer than the national average (16.3 weeks vs. 13.7 weeks) in 2000. Despite a super-hot economy, we gave out \$744 million in unemployment benefits, 53 percent more benefits than the national average: \$283 per covered job here vs. an average of \$185 everywhere else.

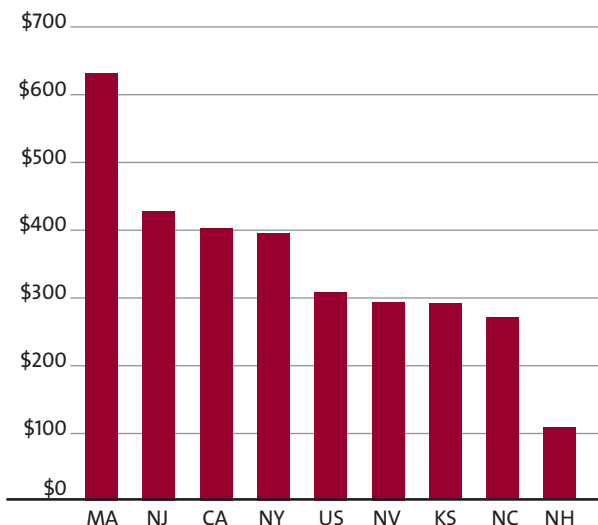
Why did Massachusetts pay out so much despite an economy that was the envy of the nation? In part, it's because our "frequent fliers" collect regardless of the economy. In part, it's because the most generous benefits in the nation encourage folks to stay unemployed a little longer than they otherwise might.

It's Economics 101: Whatever you reward, you get more of. Whatever you tax, you get less of. Massachusetts rewards the unemployed, so we get more of them, and they stay unemployed longer. At the same time, we tax jobs, so we get less of them.

In 2004, Massachusetts allowed individuals to collect up to \$528 per week on UI, more than in any other state. That's 51 percent above the national average of \$348 per week. Massachusetts is the only state in the nation to allow claimants to collect for 30 weeks; 48 states limit UI to 26 weeks and one, Montana, sets the limit at 28 weeks.

In addition to high benefits, Massachusetts has some of the most liberal eligibility requirements in the nation. Whereas most states require that an applicant has earned wages equivalent to 20 weeks' worth of work to qualify,

ESTIMATED UI TAXES PER EMPLOYEE 2005, MASSACHUSETTS VS. US AND SELECTED STATES



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Massachusetts demands only 15 weeks. This makes it easier for those with limited workforce attachment to qualify for benefits. (Claimants who have only 15 weeks of work behind them do not qualify for the full 30 weeks of benefits, but collect for a lesser amount of time based on earnings. The maximum you can collect on UI is 36 percent of what you earned.)

As a result of the nation's highest benefits, longest collection period, and easiest eligibility, Massachusetts hands out more in benefits per covered employee than any other state in the nation. How much more? In 2004, Massachusetts was a staggering 76 percent more generous than the national average.

There are two ways to compare the size of the UI program in any given year. One way is to look at total benefits distributed per covered employee. The other is to look at UI taxes taken in per employee. In the long run, these figures come out about the same, but in any given year the UI system may pay out much more or much less than it brings in. The key point to understand is that benefit levels ultimately drive taxation levels. Just as with your credit card, the amount you spend per month (on average) drives what you'll have to pay; likewise, it is UI benefit payouts that ultimately drive UI tax levels.

The chart on page 88 shows UI benefits per covered worker in Massachusetts compared with the national

average each year since 1990. Even when the Bay State had low unemployment rates, in the late 1990s, we were still handing out half again as much per worker compared with the national average. When the recession hit bottom in 2002, we gave out roughly double the benefits per covered worker—or \$741 for every job in the state. (This figure does not include money given out under the federal benefit extension.)

These highest-in-the-nation benefit amounts are the driver behind our highest-in-the-nation UI taxes. Between 2003 and 2005, UI taxes (on average) just about doubled for Massachusetts employers. DUA estimates that, in 2005,

Our benefits are 76 percent above the US average.

Massachusetts led the nation in UI taxes per employee—an average of \$637 per employee, about twice the US average of \$315 per employee. The chart on page 89 shows a DUA estimate of Massachusetts's 2005 UI taxes compared with a number of competitor states.

Who would you rather attract to Massachusetts, the folks who come because we have high unemployment benefits, or the folks who would come to start a profitable business? I know my answer.

The choice is real, because every dollar that goes to pay UI benefits comes from taxes on Massachusetts employers.

THE UI TRAVEL AND TOURISM PROGRAM

The unemployment insurance program was never intended to generate travel and tourism in Massachusetts. Nonetheless, in 2004, more than 2,000 out-of-staters traveled to the Bay State to enjoy the Berkshires, the beaches, and the highest UI benefits in the nation.

Mr. B worked construction jobs in Arizona and New Mexico, then found himself out of work. Mr. B, who has four children, earned about \$60,000 over the past year. If he filed in Arizona, where he lives, he'd be eligible for \$240 per week for 26 weeks, for a total of \$6,240. If Mr. B filed in New Mexico, where he earned most of his money, he'd be eligible for \$350 for 26 weeks, for \$9,100. But if he flies to Boston and applies for UI in Massachusetts, Mr. B would be eligible for \$628 per week for 30 weeks, for a total of \$18,840.

In 2004, Mr. B and six other Arizonans made the trip to Massachusetts to file for

UI, despite never having lived or worked here. In all, some 2,210 out-of-staters with no connection to Massachusetts made the hike in 2004.

The Springfield walk-in center, the closest DUA office for those driving north on I-91, gets a good bit of this traffic. "We'll sometimes get four or five guys who drive up in a van together, maybe from Tennessee or West Virginia," a Springfield DUA staffer told me. "Some of them make the trip up every year as a regular thing."

Crazy? Yes, but perfectly legal under federal rules. Anyone who earns wages in two or more states is eligible to file in any state they choose, whether they made any money there or not. Many choose to file here, even though Massachusetts requires that multi-state filers appear in person.

When Hurricane Katrina hit the Gulf Coast, the US Postal Service stopped delivering mail to a number of zip codes in

Louisiana and Mississippi. Here, we discovered 255 individuals who never lived or worked in Massachusetts were collecting Massachusetts UI from the affected areas.

Unlike other UI scams, this one does not make Massachusetts businesses pay the bill. But the Massachusetts Division of Unemployment Assistance does have to track down the UI trust funds of other states to get reimbursement for each of these claims, and handle the claim calls, both of which create administrative costs. It is also much harder to verify that these nonresidents are seeking work, or that they haven't started a new job and failed to let us know.

Massachusetts is the UI Magnet of America. There is no truth, however, to the rumor that the Department of Tourism is issuing a new bumper sticker: COME TO MASSACHUSETTS AND COLLECT YOURSELF.

— JOHN O'LEARY

A Massachusetts employer can save an average of \$359 in UI taxes per employee per year by moving his manufacturing plant to North Carolina. He can save \$519 per employee per year by expanding in Nashua, NH, instead of Tewksbury.

According to the New Bedford *Standard Times*, "Epec LLC, a New Bedford maker of computer circuit boards, announced it was moving more than 30 manufacturing jobs out of the state to a facility in Kansas because the cost of keeping those positions in Massachusetts was prohibitive." Differential UI tax cost between Massachusetts and Kansas: \$342 per employee per year.

Our high UI tax is a job-killing machine.

REFORMING UNEMPLOYMENT INSURANCE

Reforming the unemployment insurance system is a challenge for several reasons. The UI system is based on a 1930s notion of a job as a lifetime relationship between the worker and the company. But high UI taxes and other mandates on employment have prompted companies to go to great lengths to avoid actually hiring the individuals who do work for them. Temporary-placement agencies and other arrangements are designed in part to avoid UI taxes. In addition, the entire issue of seasonal or intermittent work simply was not contemplated by designers of this program.

Another barrier to reform is that some interest groups like things the way they are. The AFL-CIO and other labor groups, for example, staunchly oppose any reduction in benefit levels. This, in part, may be because of members they have in construction, school transportation, and other industries that benefit from subsidy.

Nonetheless, reform is overdue. We can reduce the tax burden on responsible employers and also reduce the scams. Here are three proposals:

Bring benefits more in line with other states. Lowering benefits, in terms of time, eligibility, and/or payment levels, would not only allow us to reduce UI taxes, it would also reduce the incentives for both individuals and employers to game the system. A 26-week collection limit is a must. In addition, lowering maximum benefit levels to \$450 per week—still well above most other states—would lower weekly UI checks only for those who earn in excess of \$46,800 per year, while not impacting low-wage earners at all. These changes would send a strong signal to the business community that Massachusetts is serious about reform.

Enhance the DUA's anti-fraud powers. The governor and the Legislature deserve credit on this front, with both the 2003 UI reforms and a 2005 law banning certain business transactions designed to artificially lower UI taxes making fraud tougher to get away with. However, one

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key provision was excised from the 2003 reform—the ability to garnish wages. Right now, DUA uncovers millions of dollars in fraud that it cannot collect. The authority to garnish wages in established fraud cases in which a court judgment has been rendered would be a significant help.

Increase the experience rating factor. In 2004, Gov. Romney and the Legislature agreed to increase the maximum tax that could be imposed on companies that made heavy use of UI from \$780 to \$1,534 (from 7.225 percent on a wage base of \$10,800 to 10.96 percent on a base of \$14,000).

That was a step in the right direction, but a relatively small one, since UI taxation levels still roughly doubled for companies in general. Despite a hike in the top rate, the subsidy of seasonal and casual enterprises by steady employers is still massive: Some \$312 million was transferred to “maximum negative” employers in 2005, much of that to ongoing businesses that regularly use UI as a wage subsidy for their workforce. Adjusting the wage base and rate schedules so as to reduce the overall UI tax burden, while at the same time increasing the amount paid by heavy UI users, would help to lower the burden for

those companies that don’t abuse UI.

The UI system is a creature of the New Deal, designed around an outdated, static model of economic activity—one in which people stayed in their jobs forever. It also came into being at a time when unemployment was 15 percent or more, and losing a job often meant going hungry. The idea was to temporarily provide for wage earners who lost their jobs. Today, the UI program is abused by

The system is an outdated creature of the New Deal.

those who know the rules of the game and adapt their economic activities to take advantage of the system. In trying to benefit workers, we punish the companies that create steady jobs. In trying to gain greater economic security for workers, we create economic insecurity by making it tougher for a business to succeed in Massachusetts. In the interest of jobs, as well as fairness, it’s time we took action. **CW**

John O’Leary, a former director of the Division of Unemployment Assistance, is director of human resources for the state.



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Families need tax cuts, paid leave

BY ROBERT E. TRAVAGLINI

FAMILIES FORM A central pillar of our society. The critical role of the family is a value shared by Republicans and Democrats alike. One of the toughest challenges we face, individually and as a community, is balancing work and family.

It's a tougher challenge than ever for today's working family. According to data collected by the MIT Workplace Center, in 1979 only two out of three mothers with children under 18 worked. Today, four out of five mothers work, and both mothers and fathers are working longer hours. At the same time, many of us have aging parents. As the Baby Boom generation matures, more and more of us will be caring for our children and our parents at the same time.

From corporate executives and investment bankers to secretaries and janitors, everyone struggles to strike the right work/family balance. But many working families face an added financial struggle. The costs of housing, electricity, home heating fuel, and college education are higher than ever. In our changing global economy, incomes for many middle-class workers with children or dependents have stagnated.

What our families are left with is stress—stress from not having enough time for a newborn baby; from caring for a child, an elderly parent, or a husband or wife when they are sick; and from paying the bills, balancing the checkbook, and making ends meet.

This year, my colleagues and I have offered a plan to provide support for all working families in Massachusetts. Our bill includes two main parts: targeted tax cuts, and paid family and medical leave. Designed properly, these programs will place only minimal burdens on businesses and will actually strengthen our state's economic

competitiveness.

Tax cuts for working families. Our legislation proposes two types of tax cuts for working families. First, we propose increasing the deduction for child and dependent care expenses from its current level of \$4,800 for a child or dependent to \$10,000 (or \$15,000 for two or more dependents). This will ease the strain on all of those families that pay for child care or preschool for their children, or who pay for the care of a disabled or elderly parent or spouse.

Second, our proposal increases the standard deduction a taxpayer can take for dependents under age 12, over 65, or disabled. For working families with incomes of \$75,000 or less, we would increase the deduction for a dependent from \$3,600 to \$5,000.

These tax cuts would deliver relief to those who

Our bill places minimal burdens on businesses.

need it most. Now that the state has weathered the fiscal crisis of the past years, we can afford these reasonable measures, which will cost \$67 million to \$70 million per year.

Moreover, these tax cuts will help our economy. By exempting more child and dependent care expenses from taxation, we make sure that more workers can afford to work.

Paid family and medical leave. In addition to tax cuts, our plan guarantees paid family and medical leave for every worker in Massachusetts to take care of a new baby or a seriously ill child, husband, wife, or parent.

Federal law guarantees unpaid medical leave for employees at large companies, and state law

guarantees unpaid maternity leave for new mothers at companies with six or more workers. But studies have estimated that about 80 percent of employees cannot afford to take leave if it is unpaid.

Paid leave would ensure that when a couple is blessed with a new baby, both the mother and father will have three months to care for—and bond with—the baby. It will ensure that when a worker needs to drive his or her child, spouse, or parent to chemotherapy treatments, the worker will be able to take time off. And it will also enable a worker to take a leave for his or her own illness.

Our paid leave proposal follows the lead of California, which passed a similar law in 2002. Like California's system, our program would be funded solely by contributions from employees. Thus, businesses would not have to make any contribution toward family leave benefits.

Our proposal goes further than California's, however, and would create the most generous paid leave system in the nation. It would guarantee up to 12 weeks of paid leave in a year, and would pay a worker's full salary up to a cap of \$750 per week. By contrast, California provides

only six weeks of leave and pays for only 55 percent of an employee's salary, up to a similar cap.

To protect against fraud and abuse, our paid leave program would include several safeguards. Other than for new-baby leaves, an employee would need written certification from a doctor saying that the employee or a family member has a serious medical condition that required time away from work. Workers would be entitled to paid leave only after a five-day waiting period, during which they would have to use up sick time or

Paid leave will improve our economic competitiveness.

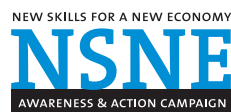
vacation time or take leave without pay. And a worker would be eligible to take family leave only if he has worked for his current employer for the past nine months, and for a total of at least 900 hours. Of course, we would impose tough penalties on anyone caught submitting fraudulent claims.

Even though our paid leave proposal would not require employers to pay for any of the financial benefits for workers who need time off, some organizations have raised

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concerns about the effects on business. They declare that paid leave will create new administrative burdens and force employers to find temporary replacements. Those concerns are real, and we will consider revising the program's parameters to address them.

However, a thorough and balanced analysis shows that these concerns are overstated.

Employers in Massachusetts, including small businesses, already face the burden of coping when an employee is sick or needs time off to care for a new baby or a sick family member. Many economic studies show that paid leave programs improve worker productivity and morale and also reduce turnover. A worker who is sick, or who has a seriously ill family member, is not likely to be very productive. Under our program, the worker could take a temporary leave, and the company could use the wages it saves on that worker to hire a temporary replacement.

In the long run, paid leave will improve our economic competitiveness. The key way for Massachusetts to compete in the global economy is to invest in human capital and attract the best workers. Our edge is having the best possible workers, innovators, and entrepreneurs. We can attract and retain the best talent in the world by making sure that Massachusetts is a place where you can work and also have a balanced, rich family life.

Using a sophisticated model, two economists from the University of Massachusetts, Randy Albelda and Alan Clayton-Matthews, have estimated that this paid leave program will cost workers an average of about \$2.31 per week—about the cost of a cup of coffee.

Some critics contend that the cost will be higher, but they appear to misunderstand that paid leave would be allowed only for *serious* medical conditions, not merely because a worker has an aging parent who can use some help around the house. California's experience confirms that a carefully structured program will not cause a mass exodus of employees—on an annual basis, only about 1 percent of workers there have used that state's paid leave program to care for a new baby or sick family member.

Taken together, our proposals for tax cuts and paid family and medical leave would help Massachusetts recruit and retain the most talented employees in the world, while also addressing the human needs of working families who face the joy of a new baby or the pain of a serious injury or illness. Many of us take these benefits for granted. But for too many working families, the system today does not work. We can and should provide support for strong families, in a way that strengthens our entire economy. **CW**

Robert E. Travaglini is president of the Massachusetts Senate.

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COUNTERPOINT



Paid leave burdens employers and employees

BY RICHARD C. LORD

SUPPORT FOR WORKING families is a worthy cause—one that, as Senate President Travaglini notes, is important to employers. His specific proposals, however, are a mixed bag.

Although Associated Industries of Massachusetts does not take positions on personal tax issues except as they affect business competitiveness and the fiscal stability of the Commonwealth, it is certainly arguable that restoring the standard deduc-

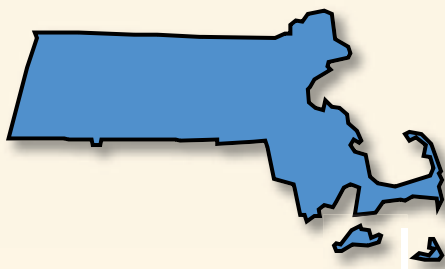
tion to its pre-2002 levels, as the Senate president suggests, among his tax proposals, should be a higher priority than reducing the income tax rate to where it was in 1988, as the rollback from 5.3 percent to 5 percent would do.

The mandatory paid leave proposal, however, although well intentioned, is very troubling. It is likely to be much more expensive than projected—and while the benefits may prove altogether

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too popular (hence the higher cost), the means of paying for them will make the program much less popular with the employees who pay the cost.

A red flag is the comparison to California's paid leave plan, which is similar, but only superficially. In fact, the Senate proposal is so different that the California experience cannot provide constructive comparisons or reliable cost estimates. Here are the facts:

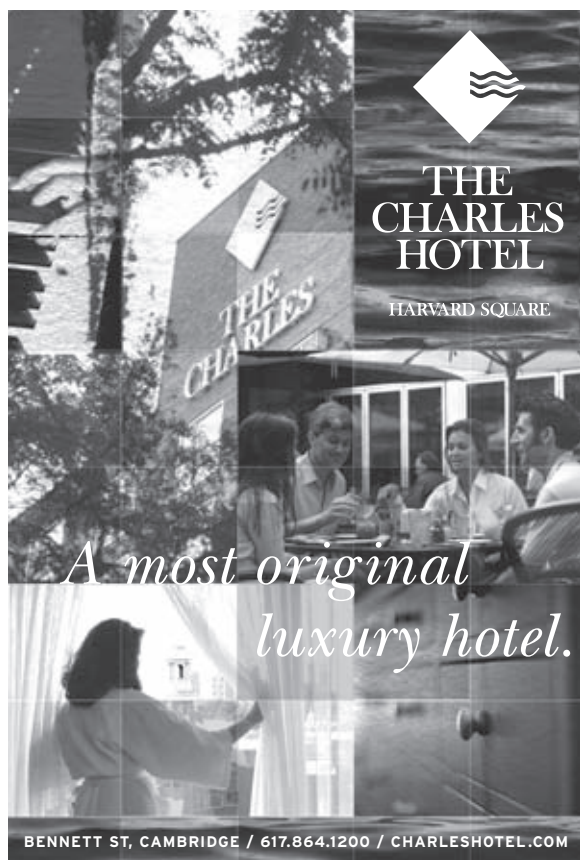
- The Senate plan is, as the Senate president says, much more generous than California's. Indeed, it offers 100 percent wage replacement, not 55 percent as in California, for up to \$750 a week—which means taking a leave entails no sacrifice of income for individuals earning up to \$39,000 a year, and higher benefits than California's for those with individual incomes of up to \$70,000.

- The Senate proposal would also extend job protection, guaranteeing to all employees who take a leave that their jobs will be held for them, no matter how small the company they work for. California does not extend protection beyond that of the federal Family Medical Leave Act, which covers only firms with 50 or more employees. This provision in the Massachusetts bill increases the number of people eligible for job protection by 64 percent.

- In California, paid leave is a supplement to a much larger mandatory temporary disability insurance (TDI) program that is already in place. Birth mothers, the most frequent users of California paid leave, have already had six weeks of TDI when they make the decision on whether to return to work or take additional time off. Here, the new paid leave program would kick in on the very first day.

The econometric study cited by the Senate president depends critically on estimates of plan usage that are simply not plausible. The report foresees only a 16 percent increase in eligible leaves. Obviously, people already take leave from jobs for serious medical conditions of their own, and for maternity and adoption, even without pay—and even, if their employers are small, without any kind of guarantee that their jobs will be there when they return. But with pay (full pay for many) and job protection, surely these people will stay out longer, and many more will opt to take leave for paternity or to care for a family member. It is difficult to believe that the program will mostly just provide income replacement for people now taking unpaid leave.

Care for family members is an important wild card, potentially opening up eligibility widely. The Senate



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president argues that critics of his plan “misunderstand that paid leave would be allowed only for *serious* medical conditions, not merely because a worker has an aging parent who can use some help around the house.” But the distinction is not as clear as he implies. He cannot mean that chronic, long-term debilitating conditions such as Alzheimer’s are not really “serious,” and that sufferers’ children merely provide “help around the house.”

Entitling employees to 12 weeks of paid leave per year with job protection would be extremely disruptive for employers. Small employers, covered by the Senate plan (but not by federal or California law), would be most affected, because each of their employees may have a unique role. Nor can they necessarily hire a contingent worker to fill the temporarily vacant position.

The Senate president argues that the business community should not be concerned about this proposal because employees, not employers, would pay for his plan. But employers would collect the tax, and the tax collector is never popular—particularly when the tax itself is highly unpopular, as this one is likely to be, because it will be

much more expensive than current estimates. And it would be especially unpopular because it so closely follows the state’s new health care law, making it the second “individual mandate” enacted this year.

The health care reform law enacted earlier this year, to

This tax will be especially unpopular following the state’s new health care law.

the great credit of the Senate, the House, and the administration, includes a mandate on individuals to obtain health insurance coverage, as well as employer and state responsibilities. We are now beginning the process of implementing this pioneering piece of legislation—a complex process that will require hard work and careful attention. This is no time to rush through another mandate that will distract us from that work, and detract from that accomplishment. **CW**

Richard C. Lord is president and chief executive officer of Associated Industries of Massachusetts.



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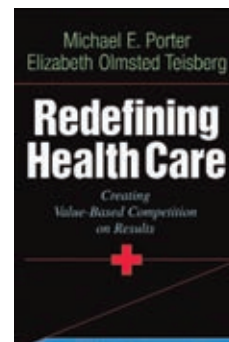
First, do no harm

Redefining Health Care: Creating Value-Based Competition on Results

By Michael E. Porter and Elizabeth Olmsted Teisberg

Boston, Harvard Business School Press, 528 pages

REVIEWED BY PAUL F. LEVY



IN REDEFINING HEALTH CARE, Michael Porter of Harvard Business School and Elizabeth Olmsted Teisberg of the Darden Graduate School of Business at the University of Virginia have lent their prodigious intellects and broad industry experience to the field of health care. For those who have been waiting, there are two substantive rewards.

First, in two cogent pages, the authors demolish the idea that a single-payer system would improve the quality, broaden the scope, or control the cost of health care in America. They argue that a government-controlled single payer system, facing inevitable budgetary pressures, would shift costs to providers, suppliers, and patients, ultimately leading to rationing of services and slowing of innovation. This has certainly been the case in other countries, and it is wise for the authors to deal with it up front, for it gives them the opportunity, in the other nearly 400 pages, to diagnose all that is wrong with health care in America. This is the second benefit of *Redefining Health Care*. Readers will be hard-pressed to find a more expansive description in the literature. When it comes to prescription, however, it is less clear that Porter and Teisberg have provided a full course of treatment.

The authors' thesis is clear: What the US health care system needs, to reduce costs and improve outcomes, is competition. It's not that the health care industry lacks competition today, but that the major players in health care are competing over the wrong things. Providers and payers are currently engaged in what Porter and Teisberg call "zero-sum" competition. "Participants compete to shift costs to one another, accumulate bargaining power, and limit services," rather than reduce costs and improve quality overall, they write. "Costs are shifted from payer to patient, from health plan to hospital and vice versa, from hospital to physician, from health plan to subscriber, from employer to employee, from employer to government, from insured to uninsured, from government to private insurers,

from states to the federal government, and so on."

In zero-sum competition, what matters is market power, not quality or efficiency of services. Insurers grow bigger, through expansion and mergers, so that they can strike harder bargains on prices. Hospitals and other providers fight back by doing the same thing, consolidating until they have enough clout to force insurers to pay more, according to Porter and Teisberg.

What is needed instead, the authors say, is "value-based competition on results," which they call "the only antidote to the inefficiency and quality problems that plague the health care system." Under value-based competition, they say, "providers with substandard results will be highly motivated to improve them. Those that remain inefficient or fail to deliver appropriate care will rapidly lose patients. Errors will fall dramatically. When providers have to compete on results, the problem of supply-driven demand, in which available capacity leads to care with questionable benefits, will largely disappear." Not only that, but such competition will also "unleash" improvements for all citizens, including an expansion of primary and preventative care to all Americans, and especially lower-income people.

So, how would value-based competition work? Clinical care results achieved by various health care system participants—hospitals, physicians, health plans—would be measured and made available to all. In particular, information would be provided at the medical condition level, not at the level of a hospital or physician practice, and it would cover the entire cycle of care: "monitoring and prevention, diagnosis, treatment, and management of the condition." Armed with information on outcomes, providers, insurers, and consumers would be able to make more rational decisions. Consumers would migrate to the better providers; providers would improve value rapidly, as they realize that consumer choices will be based on this information; health

plans would construct networks based on the high-value providers and use information to help direct patients to them.

To those in the field, Porter and Teisberg advise getting in on the ground floor. Those players who recognize that they have a strategic interest in adopting approaches, plans, and techniques that deliver higher quality care at lower cost will reap the rewards, they say. In the case of providers, early movers will “build reputations in a less crowded field” and “have the inside track in serving health plans that are moving...to more value-driven models.” Value-conscious health plans will “open up a wealth of opportunities to differentiate themselves from their peers,” while suppliers of medical equipment, devices, and pharmaceuticals who get on the bandwagon will be “rewarded in terms of depth of knowledge, clinical expertise, better reputation, and the ability to develop more differentiated offerings.” Employers can “speed the transition to value-based competition,” they say, “by selecting the right health plans to offer, defining the right value-adding roles that health plans must play, and directly supporting their employees with appropriate services.” In this way, competition in health care will no longer simply shift costs but will also drive efficiency, quality, and innovation.

THE IDEA THAT we need a book to tell us that competition can deliver greater value at lower cost may seem strange. This premise, after all, is self-evident in any other industry. But health care is different. It is characterized by a lack of classical economic attributes—transparent and accurate pricing, ease of entry and exit, clear information on product quality. That’s why health care is as dysfunctional a “marketplace” as anyone could imagine.

So, bravo to Porter and Teisberg for taking this on. But what do they offer beyond description—and the repeated assertion that competition in health care would be better if it were based on value rather than market power? And what makes them think their competition prescription is the cure for all of health care’s ills?

For those in the industry who have already reached similar conclusions about the dysfunctionality of the health care market, the book provides a feel-good moment, although it’s less than clear that this knowledge will do us any good. If anything, the book points to ways that those who have taken advantage of the market could use their clout to undermine true health care competition. For example, a dominant provider network in a given geographic area might use its influence to limit the exchange of patient medical records among providers, for fear of losing refer-



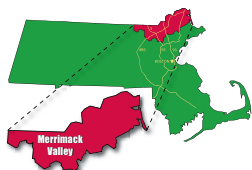
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erals to higher quality physicians outside of its network. Interoperability of information systems, after all, would enable all players to make choices based on quality, rather than being limited to only those doctors who currently have access to their medical histories.

I fear, though, that the vast majority of readers will simply be overwhelmed—not by the substance of the argument but by a presentation that is so long and repetitious as to be soporific. Porter and Teisberg have a fairly simple point to make, and they make it long before their five-page conclusion, which starts on page 380, followed by 120 more pages of appendices, notes, and index. Maybe the bulk is a defen-

Competition from smaller providers is unlikely to worry health care giants.

sive maneuver. After all, doctors and health care administrators always argue that outside commentators “just don’t understand our business.” Perhaps Porter and Teisberg hope to convince us, by sheer volume, that they do.

But let us return to their main point: Is better knowledge of outcomes a necessary and sufficient condition for lowering the cost and enhancing the quality of health care in America? Necessary, yes. Sufficient, maybe not.

The authors’ assertion that, in health care, knowledge is power rests on the assumption that public consumption of that information will drive a variety of players in the marketplace to higher quality and lower cost. But this assumption flies in the face of one of the most visible products of the “zero-sum” competition the authors themselves describe: the dominance of large insurers and large provider systems in many geographic markets. These, by and large, benefit from the current system and will continue to do business in their usual manner, which is oligopolistic, if not monopolistic. Whatever incremental benefits may accrue from greater public knowledge of quality results will be offset by two other trends in the health care marketplace: commoditization and market dominance.

In terms of commoditization, the health care payer system has become a financial services industry. Although payers call themselves “health plans,” they are really insurance companies. Indeed, for the growing number of large employers that self-insure, the health plans are not even insurance companies. They are simply administrative services companies that process claims. The winners in this field will be companies that are able to drive down transaction costs, and that means having more and more customers. We have seen market concentration in this arena and can expect to see more, with one or two firms dominating particular geographic areas, and fewer and fewer firms of truly national

scope. This has occurred in life insurance, property insurance, stock brokerage, credit card management, and other financial service industries.

While health insurers might present themselves with a patina of concern about medical quality, that is not really what they’re offering employers. And it’s not what employers are looking for. The large self-insured employers who drive the health care market simply shop for the lowest monthly transaction cost from the claims management companies. For employers as well as insurers, there is simply too much year-to-year churn to worry about preventative care or health improvement for individuals. They are looking at this year’s costs, this year’s revenues, and this year’s bottom line.

On the provider level, a different obstacle to value-based competition arises from the reality that consumers nearly always obtain medical care locally. If a provider network dominates the marketplace in a given metropolitan area, no employer or insurer will be able to leave that network out of its list of eligible doctors and hospitals, regardless of the quality or cost of care offered. While a monopolistic provider might have a sincere interest in improving the quality of care, competition from smaller providers around the edges is unlikely to move the giant to greater efficiencies or results. Market imperfections may deny the gains promised by value-based competition, and its proponents.

It would have been helpful if Porter and Teisberg had applied their analytic skills to these countervailing market forces and suggested antidotes, rather than overstating the power of their proposed remedy. The health care field is, after all, strewn with people who have come up with The Answer, only to have their solution proven inadequate. A generation ago, it was regulation of prices and facilities (“Determination of Need”); a decade ago, it was competition, of a variety we are now told is “zero-sum” and counterproductive. If there is anything we have learned over the years about the health care “system” it is that every change has unintended consequences. Instead of arguing the virtues of their elegant construct over and over again, Porter and Teisberg could have devoted more attention to the landmines that could very well blow it up.

This does not mean that, in their prescription, the authors have it wrong. Having more hard data on medical outcomes and putting it in the hands of insurers and consumers would certainly do no harm, and would likely do some good. But for competition on results to be more than a placebo, other market realities have to be taken into account. **CW**

Paul F. Levy is president & CEO of Beth Israel Deaconess Medical Center in Boston.

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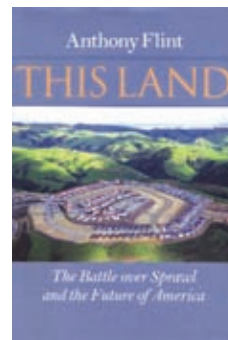
A smart growth primer

This Land: The Battle over Sprawl and the Future of America

By Anthony Flint

Baltimore, Johns Hopkins University Press, 310 pages

REVIEWED BY ROBERT KEOUGH



WITH GOV. MITT Romney a self-declared lame duck, it is by no means too soon to begin discussing his legacy. Among the chattering classes, that topic is already inviting smirks of derision. As Romney engages in the only job search an ambitious Massachusetts politician considers worthy of the effort, whatever accomplishments as governor he can boast of are easily dismissed as résumé polishing, targets for pot shots from those who would deny him the credit or deprive him of the prize he seeks. Health insurance? On the right he is slammed for expanding Big Government and its insatiable mandates, on the left for vetoing a modest assessment on non-insuring employers and for dining out on the achievement of Democrats in the Legislature.

But it is hard to deny that Mitt Romney brought to Massachusetts the notion of “smart growth.” Some might say that all Romney did was introduce the state to Doug Foy, whom he appointed Secretary of Commonwealth Development soon after taking office. A career environmental advocate, Foy was the guardian of the smart growth flame in the Romney administration, but Romney created the new cabinet post overseeing housing, transportation, and environmental agencies expressly for Foy, and did so expressly with the notion of putting smart growth principles to work in the Bay State.

What is the Romney record on smart growth? To his credit are the “fix-it-first” policy of repairing existing infrastructure before building new; the Commonwealth Capital program of steering capital funds to communities that conform to smart-growth principles; and, perhaps most significant, Chapters 40R and 40S, two additions to state law that offer incentives for communities to allow housing development in dense clusters around existing town and city centers and near public transportation, providing needed housing for mixed-income families and steering growth away from the countryside.

Whether Romney’s smart growth initiatives amount to a legacy, however, depends on what im-

pact they have beyond his four years in office. For his part, Foy declared his work done in March, departing his custom-tailored office seemingly content to leave the smart growth action plan in the hands of his successor, Andrew Gottlieb, and his team of bureaucrats—bureaucrats like Anthony Flint.

At least until his contract expires, along with the Romney administration, at the end of the year, Flint is director of smart growth education in the Office for Commonwealth Development. Whereas most propaganda ministers direct their efforts toward the public, Flint’s targets are municipalities, which, under the Bay State’s fragmented form of governance, make the decisions that stifle growth, promote sprawl, or, in planning nirvana, grow smartly. And unlike most state officials, Flint preceded his public service, which began last fall, with a manifesto.

This Land: The Battle over Sprawl and the Future of America is a product of Flint’s years as a reporter, mostly for *The Boston Globe*, and as a scholar, in stints at the Lincoln Institute of Land Policy in Cambridge and at Harvard’s Graduate School of Design. At the *Globe*, he covered Boston City Hall in the 1990s, bird-dogging the Boston Redevelopment Authority, before going off to Harvard as a Loeb Fellow in 2000-01, then came back to the newspaper to create a beat focusing on regional growth and development issues.

The book reflects Flint’s dual sensibilities—as a journalist and as a worshiper at the altar of environmentally conscious planning. At best, this results in a productive tension, with reportorial skepticism offsetting true believer preachiness. At worst, it leaves the reader wondering which Anthony Flint to believe: the one who’s seen the light, or the one who seems to see through it?

THIS LAND STARTS off by identifying the enemy: sprawl, the poisoned apple of American suburbia. It’s tempting, but also a threat to society and envi-

ronmental health. “In a calorie-conscious world, sprawl beckons like a hot fudge sundae,” writes Flint in his opening line.

The features of sprawl are familiar: mile after mile of residential subdivisions, dotted by malls and office parks and connected by highways and multi-lane “arterial” roads. It doesn’t sound so sinister until Flint starts counting up the costs: the 44 acres a day of countryside consumed by development; the ever-expanding infrastructure of water, sewer, and other utilities that drain local budgets; the inevitable clogging of roadways to the point where a daily commute can take hours. But sprawl is not destiny, Flint assures: “There is a more thoughtful way.”

Before unveiling the better way, at least in detail, Flint takes us on a tour of Development Past. In the beginning, says Flint, there was “the grid,” the division of property along straight streets and connecting avenues, suitable to everything from small villages (beginning with the Pilgrims’ Plymouth Colony) to Manhattan island, and infinitely scaleable.

In competition, from almost as early a time, was the pastoral ideal of Thomas Jefferson, the anti-urbanite whom Flint calls, only half facetiously, “the godfather of sprawl.”

Though America’s growth was marked by westward expansion and urbanization at the same time, incipient suburbs emerged as early as the mid 19th century—Philadelphia’s Chestnut Hill, Forest Hills Garden in Queens—as the well-heeled sought refuge from the filthy, crowded cities in the “town-and-country mix” that visionary planner Ebenezer Howard called the “garden city.” When the automobile came along, suburban development began to gather steam, influencing even urban design, with the 1920s boomtown of Los Angeles becoming the first car-centric city. But the real explosion came after World War II, when the federal government built highways into the countryside and provided cheap, low-money-down mortgages. America’s dispersal had begun, leaving the cities to rot well into the 1980s.

City living made something of a comeback in the 1990s, but all that did was set up a true tug of war between urban and suburban ideals. Urban areas are no longer seen as cesspools of pestilence and decline; indeed, condos, coops, and lofts in once-decrepit neighborhoods from SoHo to the South End are now among the priciest bits of real estate in the country. At the same time, despite their continuing allure, suburbia’s curving streets and cul-de-sacs have lost some of their charm as they’ve been overrun with SUVs, plagued by lawn watering bans, and oversupplied with Olive Gardens. Low-density development has spread the population thinly over the land, but instead of giving Americans room to breathe, it has trapped adults and kids far from work, schools, and playing fields, condemning them to hours in maddening traffic jams as they burn fossil fuel. The time has come,

says Flint, to choose: not urban over suburban, necessarily (though I think, in his heart of hearts, that’s exactly what Flint means), but dense, compact, and walkable, whether in the city or outside of it.

The blueprint for these pedestrian-friendly neighborhoods comes from the New Urbanists, a coterie of architects and planners led by Andres Duany, the Miami-based designer of trendy neotraditional developments like Kentlands, outside Washington, DC, and Seaside, the Florida panhandle resort town that provided the picture-perfect set for *The Truman Show*. Tightly knit streets, front porches with minimal setbacks, and parking alleys in back are the hallmarks of New Urbanist housing, with shopping and office space intermixed and within walking distance of residents, rather than zoned in shopping districts miles away.

New Urbanism provided the design, but “smart growth”

There’s been a backlash where the rules are strictest.

put the ideal in an earth-saving context. Bad taste was not the danger; sprawl was. “Smart growth”—Flint credits the term to Robert Yaro, a onetime Massachusetts planner (in the Dukakis administration of the 1970s)—has come to mean a set of policies and planning tools that steers development away from virgin territory and toward places that are already built up. Whereas the New Urbanism has remained primarily an architectural aesthetic, smart growth has become the law of the land from Maryland to Oregon, embraced by past and current governors ranging from Democrat James McGreevey in New Jersey to Republican Arnold Schwarzenegger in California (not to mention Romney in Massachusetts).

But smart growth has provoked a backlash, striking hardest where the new rules of development are the strictest. The courts have been supportive of government authority to regulate land use, though only up to a (still ambiguous) point, and thus far have resisted claims that growth restrictions amount to “takings,” requiring payment when they depress the value of land. But the voters have been less supportive. The most serious setback for smart growth advocates, and the biggest victory for the “property rights” movement that is its nemesis, came in 2004, when Oregonians passed Measure 37. The ballot question gave owners the right to seek compensation from local government when their property, located outside the “urban growth boundaries” where development is allowed in that state, suffers a loss in value as a result of growth restrictions. If government can’t afford to pay, the owner is free to build anything that could have been built before the statewide growth rules were put into effect, in 1973—when there was, in much of Oregon, no zoning at all.

“Oregonians are confused,” observes Nohad Toulan, a retired dean of Portland State University, as he is quoted by Flint. “They like the quality of life but are concerned with the question of fairness.”

IN THE GREAT American War over land use, Massachusetts is small potatoes. Sprawl is much more evident in the fast-growing West and Southwest, where Phoenix is spreading into the desert and Los Angeles into the Inland Empire. And the property-rights revolt, although it has East Coast flash-points, is also largely a product of Western libertarianism.

But thanks to Flint’s Boston base, there is more Massachusetts in *This Land* than might otherwise be expected. After all, the noteworthy thing about sprawl in Massachusetts is that it is happening at all, given our nearly flat population growth. So we read about the years-long deadlock over overhauling the Bay State’s outmoded zoning law, about transit-oriented development rejected in Kingston and Holliston, and about the (interminable) struggle over redevelopment of Somerville’s Assembly Square.

And far from calling Massachusetts, even in the Foy era, a pacesetter in sprawl resistance, Flint puts Romney’s policies in the “easy-does-it” category: “Participation in all of this

is voluntary; the result is that there is some smart growth and also plenty of conventional growth.”

“Easy-does-it,” with good reason. Flint hints at what a tough sell smart growth can be, no matter how self-evident its virtues are to him. In his conclusion, he identifies the weak link in the fight against sprawl: “Few Americans consider it an issue worth worrying about.” That, he says, is because “sprawl is a good thing for individuals but bad for society.”

In every market, from Worcester County to Arizona’s Maricopa County, sprawl produces large, affordable homes, while encountering relatively little local resistance. The problems—the clogged roads, the overcrowded schools, the overdrawn water supplies—come later. By contrast, dense development in already built-up areas can be expensive, and prone to dispute. (“Density’s biggest problem is that, even when some people like it, the neighbors don’t.”) And even though he devotes most of a chapter to denouncing the moneyed interests (homebuilders, the real estate industry) that resist sensible planning, calling the cabal “Sprawl, Inc.,” in the end he calls the label “fanciful.”

“There really isn’t anybody engaging in a conspiracy,” Flint acknowledges. Rather, he adds, “Things change when tastes change.” If so, the state’s director of smart growth education has his work cut out for him. **CW**

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As nasty as they wanna be

Do democracy and mudslinging go together like ice cream and apple pie?

BY ROBERT DAVID SULLIVAN

THIS SPRING IN California, a candidate for a legislative seat attacked his Republican-primary opponent for having had a heart transplant. “Tom Berryhill doesn’t have the HEART for State Assembly,” read a flier put out by Bill Conrad. “Can you imagine the costs to taxpayers for a Special Election when poor health renders him unable to fulfill the duties of office?” Suggesting that Berryhill’s new ticker would hit constituents in their pocketbooks was an inspired touch (especially when Conrad asked voters to “imagine” the cost of a special election instead of just telling them how much it would be), but Conrad still lost the June 6 primary by more than two to one. It was an example of how the most outrageous examples of mudslinging, like the most frivolous lawsuits, are rarely successful in the end.

But negative campaigning, if done with more skill, can be quite successful. No one who lived through the 1988 presidential campaign can forget Willie Horton, the African-American convicted murderer who committed rape while on furlough from a Massachusetts prison. The Horton case was mentioned in a pair of ads attacking Democratic nominee Michael Dukakis (who had supported the furlough program as Bay State governor), and pretty much everyone agrees that it helped to kill Dukakis’s candidacy. Grant Barrett’s *Hatchet Jobs and Hardball: The Oxford Dictionary of Political Slang* even has an entry for “Willie Hortonize,” or “to invoke racial prejudice for political purposes” (although a white Horton, if sufficiently menacing looking, might have made the “soft on crime” point just as well).

Equally memorable, in its own way, was the 1996 campaign in the Bay State’s 3rd Congressional District, in which Democratic challenger Jim McGovern used the unpopularity here of Republican House Speaker Newt Gingrich to take down incumbent Peter Blute. “If you wouldn’t vote for Newt, why would you ever vote for Blute?”, one commercial asked. Is it mudslinging to poke fun at someone’s name? The Ohio congresswoman dubbed “Mean Jean” Schmidt might have an opinion on that.

Two new books tackle the question of what con-

stitutes negative campaigning, though neither one really disapproves of the practice. Kerwin Swint, a political science professor at Georgia’s Kennesaw State University, takes a greatest-hits approach in *Mudslingers: The Top 25 Negative Political Campaigns of All Time*. The “winner,” according to Swint, was segregationist George Wallace’s retaking of the Alabama governor’s office from a moderate white Democrat in 1970. (One TV ad had this narration: “Suppose your wife is driving home at 11 o’clock at night. She is stopped by a highway patrolman. He turns out to be black. Think about it. Elect George C. Wallace.”) But Massachusetts figures are prominent in three of the top 25, namely the presidential elections of 1828 (Andrew Jackson vs. John Quincy Adams), 1988 (George H.W. Bush vs. Michael Dukakis), and 2004 (George W. Bush vs. John Kerry).

If Swint seems to take guilty pleasure in politicians taking the low road, John Geer’s *In Defense of*



Negativity: Attack Ads in Presidential Campaigns finds nothing to feel guilty about. “The practice of democracy *requires* negativity by candidates,” writes the Vanderbilt University political scientist. The gist of his argument is that most positive ads have nothing but empty rhetoric, but “when politicians present negative messages, they need to provide evidence to make them credible.” He quotes political consultant Mike Murphy (whose past clients include Gov. Mitt Romney) as saying, “We have a joke

in the business: The only difference between negative and positive ads is that negative ads have facts in them.”

Unfortunately, Geer seems satisfied if an attack ad contains *anything* that can be called a fact, regardless of how it’s used. For example, he defends the Bush campaign’s first attack ad against Dukakis in 1988, in which a narrator claimed that the “dirtiest harbor in America” was right here in Boston. “The harbor was polluted,” Geer writes, “and it remained so under Dukakis’s tenure as governor. Incumbents take credit for all successes, whether or not they deserve it. The flip side is that incumbents get blamed for problems outside of their control.” Another fact, that the harbor was in the process of

‘The difference is... negative ads have facts.’

getting cleaned up under Dukakis, was apparently irrelevant.

Then there’s the “windsurfer” ad, from the second Bush-vs.-Bay Stater battle, in which footage of Kerry tacking in different directions was used to show how he changed political positions in his career. “Such information is not only important to voters, it is something that can be documented and thus viewed as credible,” Geer writes. But earlier in the

same paragraph, he writes, “Any candidate who manages to win the [presidential] nomination is very likely to have a long enough resume to find many inconsistencies.” If this is true, isn’t it misleading to present evidence of “flip-flopping” as a character defect rather than as a natural result of a lengthy political career?

NEITHER SWINT NOR GEER gives a concise breakdown of the different types of nasty campaigning and their varying degrees of success. From the examples in their books, however, it’s possible to create a taxonomy of negativity.

Name-calling. This is the simplest form of negative campaigning, and it seems to especially irritate middle-of-the-road columnists like David Broder, who is quoted by Geer as calling personal attacks a means “of avoidance of serious issues.”

The example Swint cites as “legend” is a speech in Florida’s 1950 Democratic primary campaign for the US Senate, in which the winning candidate accused the other of being “a shameless extrovert” with a brother who was a “known homo sapiens” and a sister who was “a thespian.” Alas, other sources suggest that the story was a hoax.

A more convincing example comes from 1884, when “rov-

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ing groups of Democrats” crashed rallies for the Republican presidential nominee, yelling “Blaine! Blaine! James G. Blaine! The continental liar from the state of Maine!” There are modern equivalents of this sort of behavior (Bush rallies from 2004 in which supporters mocked Kerry by clapping together “flip-flop” sandals, or any campaign that sends out a man in a chicken suit to stalk an opponent who’s reluctant to debate), but for the most part schoolyard taunts carry an aroma of desperation, leading campaigns to avoid them.

Swint writes that US Sen. Alfonse D’Amato wounded his 1998 campaign for reelection in New York by calling his opponent a “putzhead” (a vulgar Yiddish term) in a meeting with Jewish leaders, and he doesn’t seem to think Kerry did himself any favors by describing the Bush administration, to a bunch of reporters, as “the most lying group I’ve ever seen.” (The Bush campaign wisely kept the story alive by demanding an apology.)

Perhaps name-calling, like other attacks, only works when they carry some substance, as Geer suggests. Case in point: the 1988 US Senate campaign in Florida, in which Connie Mack beat Buddy McKay. Mack gained traction from TV ads that featured a highly selective rundown of his opponent’s stands on certain issues and ended with the

slogan, “Hey Buddy, you’re a liberal!”

Character assassination. More specific than name-calling, the business of indicting an opponent for past behavior—even exemplary behavior twisted to look bad—goes back to the beginning of the republic. According to Swint, the “swift-boating” of John Kerry had a precedent in 1828 (his choice for the dirtiest presidential campaign ever), when allies of incumbent John Quincy Adams went after op-

The ‘swift-boating’ of Kerry had a precedent in 1828.

ponent Andrew Jackson’s chief claim to fame, his heroism in the War of 1812 and subsequent battles with American Indians. “Their most outrageous attack on Old Hickory,” writes Swint, referring to Jackson’s nickname, “involved claims that he murdered his own soldiers during the 1813 Creek Indian war.” In fact, the soldiers in question were executed for plotting a mutiny.

This slander didn’t stop Jackson, but far-fetched accusations against Vietnam War veteran Kerry (e.g., that he had wounded himself to get a Purple Heart, and that he had killed a fleeing Vietnamese civilian by shooting him in the back)

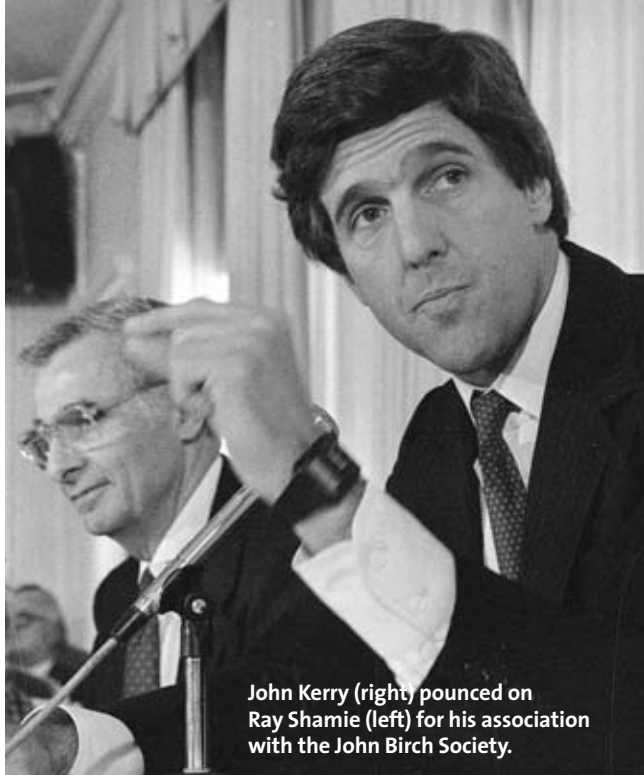
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John Kerry (right) pounced on Ray Shamie (left) for his association with the John Birch Society.

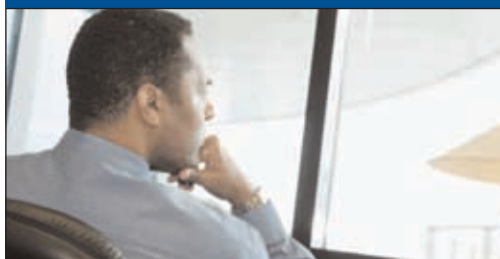
may have harmed his campaign. One difference may have been that, after Vietnam and Watergate, voters were more conspiracy-minded; another was that such rumors were reported, if not verified, by “objective” media as opposed to the partisan newspapers that dominated campaign coverage in the 19th century. (Lest you think that only Democrats are the victims of such smears, Swint points out that the Republican candidate for US Senate from New Jersey in 1988 was hit with an ad from his Democratic opponent accusing him of having “lied” about injuries he sustained in the Vietnam War.)

As with name-calling, however, this technique runs the risk of backfiring. Swint provides two examples, both from Texas. In the 1994 Democratic primary for governor, one candidate pounced on treasurer Ann Richards’s refusal to answer questions about drug use, running a TV ad that asked, “Did she use marijuana, or something worse, like cocaine?” And in the 1978 US Senate race, incumbent John Tower was besieged by rumors that he “liked to chase women and whisky,” as Swint puts it. Both Richards and Tower won their respective races, with voters apparently less than enchanted by the hardball tactics of their opponents.

Guilt by association. This is another timeworn technique, though, again, not without its risks. In the 1884 presidential race, a Presbyterian minister who supported the Republican candidate slammed the opposition as the party of “rum, Romanism, and rebellion” (i.e., alcohol, Catholicism, and the Confederacy). Swint surmises that the comment cost the Republicans the state of New York, with its growing Catholic population, and thus the election. More effective might have been the quip, popular in 1972, that the Democrats were the party of “acid, amnesty, and abortion” (i.e., drug users, draft dodgers, and participants in the “sexual revolution”). Proving that political success has many fa-

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TWO BITS

thers, the quote is now attributed, by different sources, to: Richard Nixon's reelection campaign; Democrats opposed to party nominee George McGovern; and gonzo journalist Hunter S. Thompson.

Here in Massachusetts, John Kerry won his first election as US senator, in part, by linking Republican opponent Ray Shamie to the right-wing John Birch Society (businessman Shamie had distributed Birch material to some of his employees). But one of the more elegant uses of this technique came in the 2002 gubernatorial race, in which Republican Mitt Romney charged that if Shannon O'Brien were elected, she would become part of a tax-raising "Gang of Three," joining the Democratic leaders of the state Senate and House of Representatives. Rather than going after any of the three too harshly, or impugning all members of the opposition party, Romney sounded rather like a suburban mom talking about troublesome children in her neighborhood: "They're really not bad kids. It's just when they get *together*..."

"Not One of Us." A variant of the guilt-by-association ploy is the charge that an opponent just doesn't understand the concerns of "ordinary people." In many of the campaigns that Swint chronicles, that phrase might as well be "ordinary white people." Jesse Helms was elected to the US Senate from North Carolina in 1972 after his incessant use of the slogan "He's one of us." He was reelected in 1984, defeating an African-American candidate, partly because of the "White Hands" TV spot, which focused on the hands of a white man as he opened and then angrily crumpled a rejection letter. "You needed that job, and you were the best qualified," the announcer intoned. "But they had to give it to a minority because of a racial quota."

These days, "not one of us" has come to mean a candidate with a high standard of living, someone who presumably has no clue about the effects of high taxes and low wages on typical voters. Take "Fancy Ford," a Web site run by the Republican Party that ridicules Harold Ford, the leading Democratic candidate for the US Senate in Tennessee, not for being African-American, but for wearing Armani suits, vacationing in the Hamptons, and socializing with movie stars.

In Massachusetts, there's a long history of class tension in political campaigns, perhaps best exemplified by James Michael Curley's cashing in on Catholic resentment toward the Yankee ruling class in the early part of the 20th century. The most memorable TV spot of the 1978 gubernatorial election came from Democratic nominee Ed King, from working-class Winthrop; it included an aerial shot of the expansive home of Republican opponent Frank Hatch in upper-crust Beverly, and was widely credited with killing Hatch's momentum in normally Democratic cities in the closing days of the campaign.

Cherry-picking. Though the most memorable negative ads of the 1988 presidential campaign came from the Republicans, Dukakis got in a few shots of his own, such as

in this spot cited by Geer: "...in 1985 Bush personally cast the tie-breaking Senate vote to cut \$20 billion in [Social Security] benefits.... He didn't vote for you. Why should you vote for him?"

This seems to be Geer's favorite type of attack ad, one fashioned around a documented fact, even if that fact is difficult for even well-informed voters to put into context. (What kind of Social Security benefits were cut, and who

Having a voting record can be a sizable handicap.

was affected? Were the benefits offset by increased spending in another program, or needed to close a deficit?) "Those who worry about the ill effects of attacks tend to think of voters as inattentive and easily manipulated," Geer airily writes. Well, maybe not easily manipulated, but I, for one, will admit to being easily confused by them.

It's a little too easy to cherry-pick an opponent's record. In a special congressional election in California this spring, the Democratic Party ran a TV ad slamming Republican candidate Brian Bilbray for "missing a vote to put a thousand new border patrol agents on our border." According to

FactCheck.org, run by the nonpartisan Annenberg Public Policy Center, the commercial left out the information that the legislation was introduced way back in 1999 and that Bilbray was present to vote yes on the final passage of the bill—a bill that was opposed by almost all Democrats in Congress and then vetoed by Democratic President Bill Clinton. But never mind.

Having a voting record can be a sizable handicap in running for higher office, which may be why lawmakers rarely make it to the White House, and why none of the candidates for governor in Massachusetts this year have served in the Legislature. But if questionable votes can't be found, there are almost always ill-advised statements to use against an opponent. Swint notes that when the novelist Upton Sinclair ran for governor of California in 1934, quotes from his fictional characters were used against him.

Geer notes that one of Lyndon Johnson's most effective ads in the 1964 presidential campaign quoted from a magazine essay his opponent, Barry Goldwater, had written the year before: "Sometimes I think this country would be better off if we could just saw off the eastern seaboard and let it float out to sea." Geer finds Goldwater's flippant statement

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TWO BITS

to be fair game (“[it] was not something that reflected well on a presidential candidate”), and it’s hard to argue that Johnson was unfair in using it. Still, there’s something endearing about Goldwater’s comment—a lot of Americans have their own list of states they’d like to see disappear—and the political imperative to avoid a “gaffe” of candor like Goldwater’s is why it’s rarely worth reading any newspaper column with a candidate’s byline on it.

MANY PEOPLE, INCLUDING the candidate himself, have said that Dukakis lost the 1988 race because he didn’t “fight back,” but Geer reminds us that Dukakis ran plenty of attack ads against Bush. In fact, he was a pioneer in the “anti-attack” genre of political ad. In one spot, he complained (somewhat ungrammatically) about “George Bush’s negative TV ads, distorting my record, full of lies, and he knows it.” Trying to counter the Willie Horton ads, he appeared on another spot saying that “George Bush has taken a furlough from the truth.” Geer quotes a Democratic consultant as saying that attacks against Bush’s campaign tactics (as opposed to his political record) may have been “too subtle,” but it’s hard to think of a better way for Dukakis to have responded without destroying his image as a competence-over-ideology “good government” type.

Both Swint and Geer suggest that there has been an evolution in negative campaigning, away from crude, personality-based attacks (sometimes based on sexual innuendos and often racially tinged) and toward specific attacks on a candidate’s record, and that the deconstruction of Dukakis was a watershed event in this process. In many ways, this is a welcome development. But neither author considers the implications of negative campaigning on the business of governing. No one who aspires to reelection (let alone election to a higher office) wants a “Willie Horton” on his or her record, and that fear may lead to short-sighted criminal-justice policies (e.g., making prisoners serve long full sentences but then releasing them without any kind of supervision). And sometimes it’s simply impossible to avoid a black mark on one’s record: At this writing, a county sheriff running for Congress in Indiana is being criticized because one of his many deputies mistakenly released an accused child molester from jail.

Mudslingers makes pre-1988 campaigns, with their crude insults, seem almost quaint, but I doubt that many voters would want to return to that style of politics—and it certainly didn’t work for the “heart attack” guy in California. For all its flaws, *In Defense of Negativity* is convincing on the point that it’s impossible, and not really desirable, to keep Willie Horton ads off the airwaves. The open question is whether there’s a way to respond to such ads so that elections are not decided on the basis of who comes up with the most sensationalist attacks. A book with the answer to *that* would find a ready market: every presidential aspirant in America. **CW**



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