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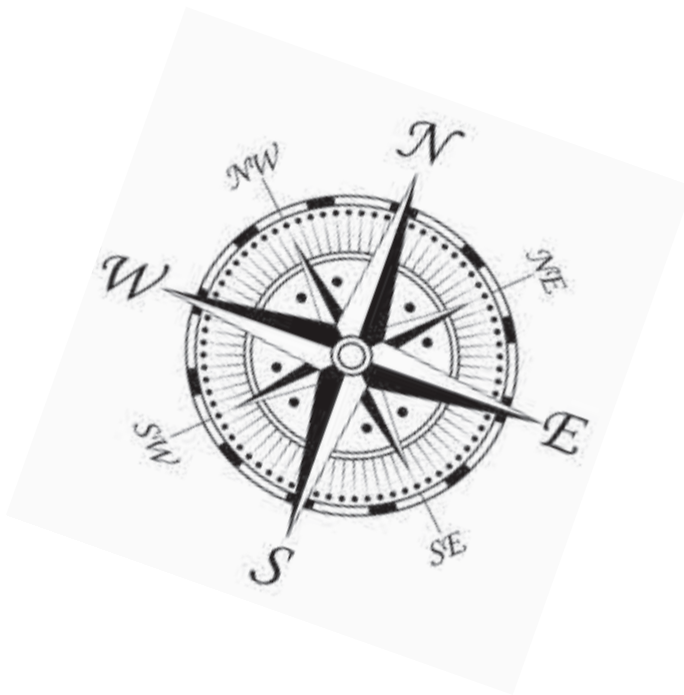


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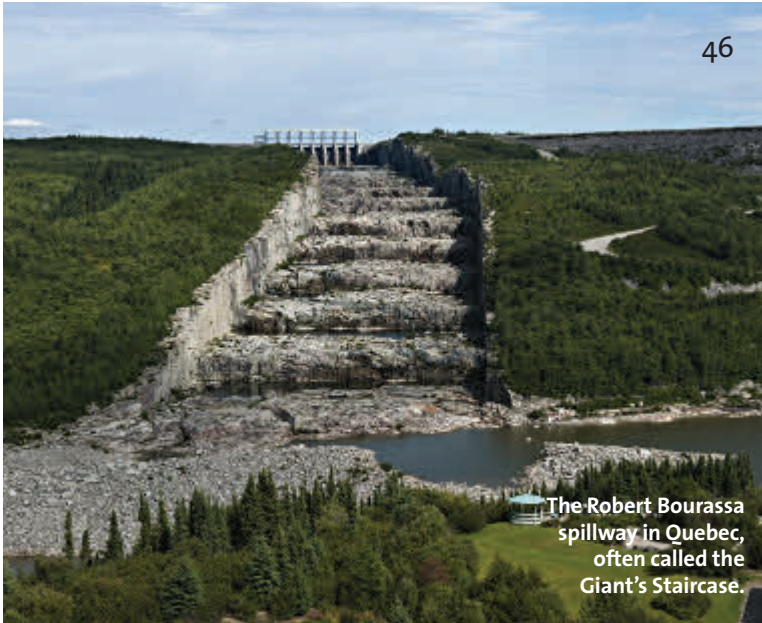
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The Robert Bourassa spillway in Quebec, often called the Giant's Staircase.

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# Wake Up!

Matthias Ruth, professor of public policy and civil and environmental engineering

Meet **Matthias Ruth**, whose research on the impact of climate change on coastal cities shows that proactive “green” measures are the most cost-effective choice. He and his team predict that do-nothing policies will take the biggest financial and environmental toll—a toll that rises with each day’s delay.

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### DIRTY-ENERGY BILLIONAIRE

There are so many loathsome things about dirty-energy billionaire Bill Koch's ramblings about Cape Wind in *CommonWealth* ("Look who's talking," Spring '13) that it was hard to know where to start. His dismissal of renewable energy's environmental and climate benefits as "BS arguments"? His blatant NIMBYism? His climate change denial? His hypocrisy? His greed?

But perhaps the most disturbing thing about Bruce Mohl's revealing glimpse into Koch's rarified world was Koch's unapologetic disclosure of his two-pronged strategy to try to stop Cape Wind from getting built: "delay, delay, delay," and "elect politicians who understand how foolhardy alternative energy is." In the interview, Koch details how he has attempted to influence the political and legal process, from installing lobbyists in Washington to funding an opposition front on the Cape, which goes by the name of Alliance to Protect Nantucket Sound. The non-profit group, which masquerades as an environmental organization, is engaged principally in the manufacture of flimsy lawsuits focused on delaying Cape Wind. Koch himself paid \$100,000 toward the executive director's salary in 2010, according to the group's tax return.

*Karen Wood  
Director of Communications  
Conservation Law Foundation  
Boston*

### TAX ANALYSIS MISSES

I read with interest the cover story in *CommonWealth's* Spring issue titled "Fear and loathing on the tax trail." This piece offers an interesting retrospective view on our state's fitful relationship with tax burdens and percep-

tions. However, the centerpiece of its analysis, a chart that put Massachusetts in the middle of the 50 states in terms of state and local taxes as a share of personal income, misses a central competitive reality: Massachusetts rarely, if ever, competes against most US states for innovation economy jobs. In fact, a forthcoming survey of Massachusetts competitiveness undertaken by the Mass. High Tech Council includes just 16 states in our competitive set. These include innovation-friendly states such as North Carolina, Virginia, and Colorado—all of which have lower tax burdens than Massachusetts.

Restricting *CommonWealth's* analysis to just those states in our competitive set reveals that Massachusetts's share of state and local taxes relative to personal income is higher than a majority in our peer set, and is another data point that contributes to our relatively low cost-competitiveness in national rankings.

No one disputes that Massachusetts is a strong competitor on talent. A 2010 study by the Milken Institute ranked Massachusetts number one in science and technology. But we cede that advantage when we consider a variety of costs—including taxes. A 2012 Tax Foundation/KPMG study placed Massachusetts 44th out of 50 in overall cost-competitiveness.

*CommonWealth's* analysis, while well intended, paints with too broad a brush. We're not facing competition from higher tax states such as Alaska, Wyoming, or North Dakota; we're facing it from a range of peer technology states with deep reservoirs of



talent whose government policymakers are highly motivated to compete with us for high tech jobs. To sustain and grow the high technology sector that is so critical to the Massachusetts economy we must not allow our chief competitors to outflank us on taxes.

*Chris Anderson  
President  
Massachusetts High Tech Council  
Waltham*

### UPDATES RAMOS BACK AT WORK

Johnny Ramos is back at work as a security guard, but he's steeling himself against the possibility that he could once again be out of a job in the blink of an eye. Ramos was the focus of a story in the Spring issue ("What happened to Johnny Ramos is criminal") after he lost his job of 27 years because of a decades-old felony conviction.

Ramos and at least five other security guards for Longwood Security in Boston, which is based in the Back Bay and provides security services for area colleges and hospitals, were forced out after a state trooper conducting an unauthorized audit discovered they had criminal records. A 50-year-old state law bars felons from holding jobs

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as security officers. Ramos's conviction and the convictions of some of the others dated to when they were teenagers.

Ramos says some other State Police officials, who apparently felt bad that he had been fired, urged him to have his criminal record sealed and reapply for his old job. The end run around the law worked. Ramos got his job back (Longwood couldn't technically see a felony conviction on his record), but it could all be for naught. If the State Police conduct another audit of Longwood, Ramos and the other security guards, all minorities, could lose their jobs again since State Police have access to sealed records.

Ramos, a single father of a teenage son who also cares for his aging mother, says he is glad to be back at work. "It just depends on what the State Police do," he says. "My job is happy, the building I work in. The people

here seem happy, just those guys, the State Police, that probably are not too happy."

### PAUL EDGES PETER

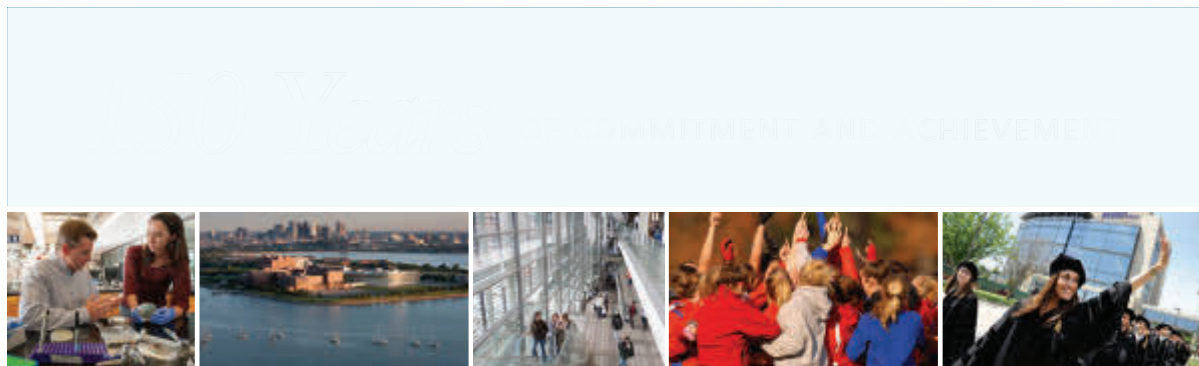
Only one Picknelly brother was going to win the downtown Springfield casino sweepstakes ("Springfield bets on sibling rivalry"), and real estate developer Paul Picknelly emerged victorious over his older brother Peter, the head of Peter Pan Bus Lines. In April, Springfield Mayor Domenic Sarno selected MGM Resorts International, which had joined forces with Paul's Blue Tarp Development, to put forward a casino plan for the Pioneer Valley city. MGM proposed an \$850 million complex in the South End of downtown Springfield.

Peter partnered with Penn National Gaming on an \$807 million proposal on the northern edge of downtown on land currently occupied by Spring-

field's bus station, Peter Pan headquarters, and *The Republican*, Springfield's newspaper of record. The older Picknelly may have overplayed his hand when he waffled on a non-binding agreement to move his bus operations to the city's planned multimodal center at Union Station. Instead, he announced that the bus line would stay put if Penn National did not get the go-ahead from the city.

The Peter Pan chairman did receive some good news in May when a Hampden County Superior Court judge threw out a lawsuit launched by Northeast Gaming Group, owners of Palmer land where Mohegan Sun wants to build a casino. The company alleged that Picknelly reneged on an agreement to work with Northeast on the Palmer project in order to pursue the Penn National deal.

Springfield holds a referendum on the MGM plan on July 16. **CW**



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## We're not missing this one

**THE LAST TIME** Boston had a race for mayor without an incumbent was 1993, three years before *CommonWealth* came into existence. We missed that race, but we aren't going to miss this year's campaign to replace Mayor Thomas Menino.

As our name suggests, we try to take stock of issues across the state, paying particular attention to the Gateway Cities, those struggling urban areas that often live in the shadow of Boston. But this mayoral race is drawing our attention. It's an important time for the state's capital city and economic engine, not because any crisis is looming but because the city seems to be searching for a new identity now that the urban mechanic is moving on. This race could be a turning point for the city, and we want to join in that discussion.

We hope to examine the race from different perspectives, and become a resource for people interested in learning more about the candidates and their ideas. We also want to use the campaign as a vehicle to kickstart a discussion about the city's future. We invite all our readers—inside and outside of Boston—to join us in that discussion, and contribute your own perspectives.

*CommonWealth*, and its parent MassINC, have already cosponsored mayoral forums where the crowded field of candidates was asked to provide their positions on a host of issues ranging from education to economic development. The large field makes any discussion beyond a sound bite difficult, so at one forum we broke the candidates for mayor into three groups so we could explore positions a little bit more thoroughly.

Our last issue carried a fascinating piece by Lawrence DiCara and James Sutherland that told where the votes now are in Boston. Their conclusion, after poring over precinct data, was that the city is being changed by younger, liberal, and more educated white voters who have moved

to the city within the past 10 years. These voters tend to turn out for state and national elections, but take a pass on municipal races. DiCara and Sutherland say a mayoral candidate who appeals to this group, and motivates them to go to the polls, could win.

Our coverage of the mayoral campaign continues with this issue. Paul McMorrow's cover story focuses on the new campaign style that is sweeping Massachusetts and how it harkens back to a style of politicking popularized by Michael Dukakis. Paul's story introduces us to the campaign operatives and candidates who believe that grassroots organizing is more important than political endorsements and TV advertising. It also takes us into the Dorchester

**The city is searching for a new identity now that the urban mechanic is moving on.**

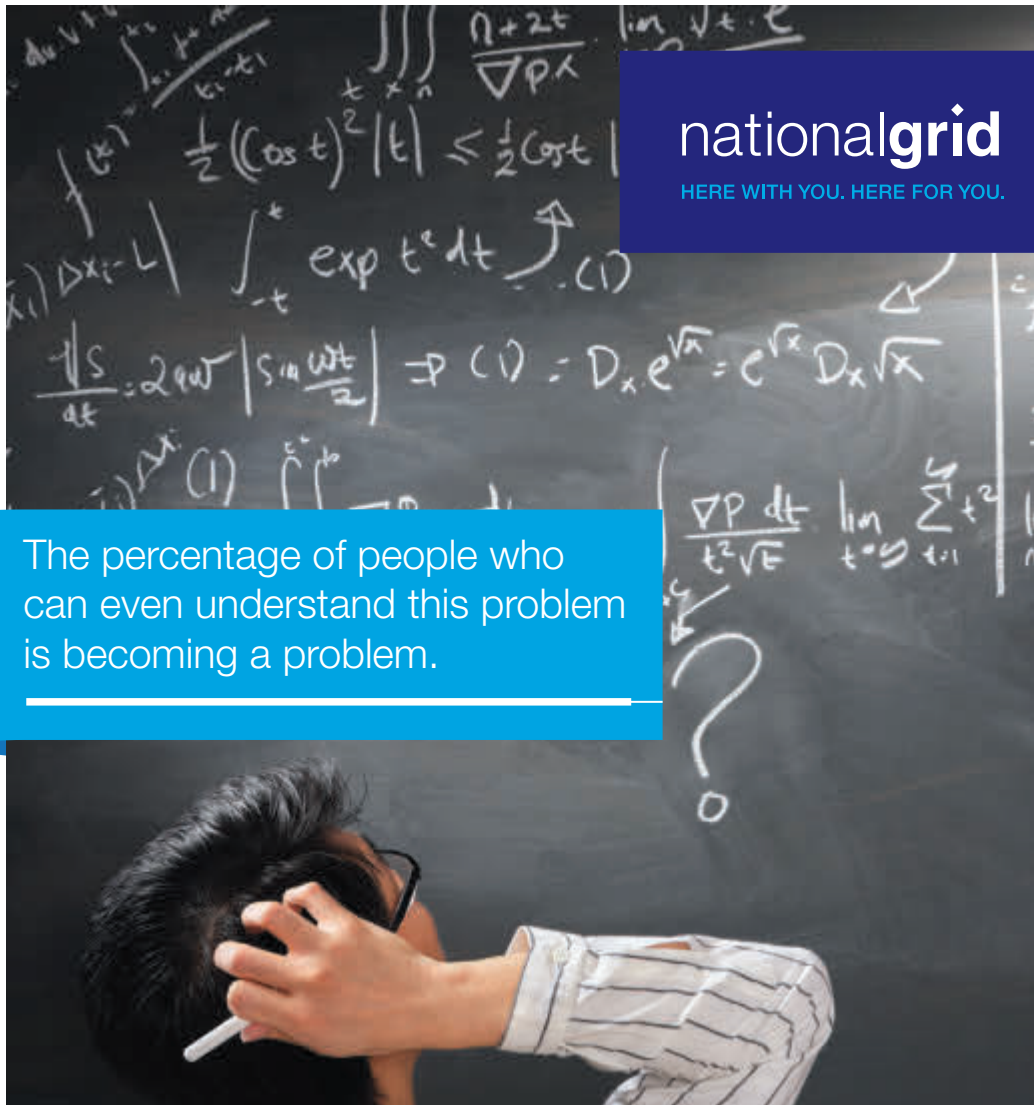
living room of Joyce Linehan, a political activist and campaign volunteer who may epitomize the new campaign style. Linehan and her ilk are transforming the race for mayor in Boston, a race so top-heavy with candidates that no one can run solely on the old tribalisms of race, ethnicity, or labor allegiance.

James Aloisi, the former transportation secretary and author who frequently contributes to *CommonWealth*, tries to place the mayoral race into an historical context in this issue. In upcoming articles on *CommonWealth's* website, he plans to look back to the mayoral elections of 1909, 1913, 1949, 1959, and 1967, and use those races as "windows on the city's soul." He says such windows are helpful to see where the city has been, and where it may be headed.

Come along with us as we follow this sprawling, messy mayoral race and try to make some sense of it. It could be wicked interesting.



**BRUCE MOHL**



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# inquiries

## Your cash ain't nothing but trash

The state's Department of Transportation is planning to convert the Tobin Bridge to all-electronic toll collection next year, but that effort may run afoul of some laws on the books.

The state is planning to require drivers to get E-ZPass transponders to reduce back-ups at the tolls and cut staffing costs, but the change would seem to violate Massachusetts and federal laws requiring anyone who accepts payments for goods or services to accept cash for those transactions. All denominations of bills have carried the phrase "for all debts, public and private," since 1862.

The Tobin conversion, which is going through a series of public hearings, would eliminate the annual 4.1 million cash transactions that currently take place on the bridge. Transportation Secretary Richard Davey says if someone goes through the toll without a transponder, a camera will snap a picture of their license plate and they will be sent a bill. He said drivers can pay the bill with cash, though he was unsure where. He also says E-ZPass accounts, which require an initial \$20 deposit and then are replenished with a credit or debit card on file, can be funded with cash. But the state's customer centers that accept cash payments are in Natick, Auburn, and East Boston—a trip through a toll for most.

One good thing about electronic toll collection on the Tobin is that E-ZPass holders get a 50-cent discount off the current cash fee of \$3 for passenger vehicles. But what about the state law that prohibits "discrimination against cash buyers?"

► JACK SULLIVAN

## SJC to clerks: Do your job

► JACK SULLIVAN

**THE STATE'S HIGHEST** court has set a new standard for clerk-magistrates: Do your job.

In an unanimous opinion in May, the state Supreme Judicial Court set a precedent by terminating Barnstable District Court Clerk-Magistrate Robert Powers for failing to perform to expected standards and, when he did show up for work—often late—bullying staffers and members of the general public who had to appear before him. It was the first time that a clerk-magistrate with a lifetime appointment, in this case from former Gov. Mitt Romney, was removed from office for being bad at his job.

"We do not reach this conclusion lightly; we recognize that removal 'strips the individual of the enjoyment of a position of distinction' to which he had been appointed by the governor and approved by the Governor's

### DAWN OF A NEW DAY

Council," Associate Justice Ralph Gants wrote in the opinion. "The record demonstrates that from the date he started work at the Barnstable District Court through the time of the hearing, Powers fundamentally failed to do his job."

The court's job performance standard may be familiar to most people in the workforce, but for clerk-magistrates it's the dawn of a new day.

"This is the first time in history that a clerk-magistrate has been removed who did not commit an act of moral turpitude or because of insanity," says attorney Thomas Bean of the Boston firm Verrill Dana LLP, who represented the state's Committee on Professional Responsibility for Clerks of the Courts in the case. "It certainly breaks the dam in that clerks know they can be held accountable for their performance, or lack of. I had faith that the SJC would stand by the canons of ethics they had promulgated."

The ruling comes two years after *CommonWealth* first explored the insular—and seemingly untouchable—world of the state's 82 appointed clerk-magistrates ("Reigning Supreme," Spring, 2011). Among the things we found was that appointed clerk-magistrates are generally politically well-connected and, once in office, can stay until they're fitted for a casket. There are no term limits, they don't face voters, and, short of criminal behavior or mental illness, are not removed from office. (Now, you can make that *were* not removed from office.)

Powers's attorney, Peter Haley, made the case that his client may have been a lousy boss, substandard clerk, and a generally nasty person, but that was no reason for him to lose his job.

"Generally, the acts which have caused the court to compel the removal





The empty parking spot of Barnstable District Court Clerk-Magistrate Robert Powers on a work day.

ence to Powers's name or habits because it could not be verified if he was on vacation or had other authorized days off when he was away from the court. Powers at the time did not return several calls and *CommonWealth's* request for attendance and time documents was denied because court records are not subject to the state's Public Records Law. The report on Powers indicates court officials began their own investigation of him in early 2011 and, later that year, transferred him to Taunton District Court to learn how to be a good clerk-magistrate, which became

of judicial officers are acts which involve some degree of moral turpitude, and not actions which could be more accurately described as simply falling below a common performance standard for the position," Haley wrote in a brief to the SJC. "To hold otherwise makes any appointed judicial officer no different than any direct employee of the court." Haley declined an interview request.

Bean says Powers's defense was largely that his gubernatorial appointment meant he was accountable to no one once in office. While the court record is rife with anecdotes about Powers's behavior, Bean says the former clerk was his own worst witness.

"We didn't need to document any of it," says Bean. "He admitted it before the committee."

When *CommonWealth* was investigating clerk-magistrates for its story, Powers was a focus of the reporting. Several court employees said he had a spotty attendance record and was constantly tardy for work. Over the course of several weeks, we spot-checked Powers's home in Hyde Park and his office at Barnstable court. On three of those days, Powers's two cars were in his Hyde Park driveway while his parking space behind the court was empty or occupied by another employee. At least twice Powers's blue Honda with a distinctive three-digit license plate pulled into the court parking lot between 9:30 and 10 a.m., an hour or more after the court had already opened for business. One of those times, Powers parked in an adjacent spot because his designated spot was taken. Several minutes later, a court employee dashed out and moved his vehicle.

The *CommonWealth* article did not include any refer-

moot when the SJC terminated him.

The roll call of those removed from office for malfeasance is wafer-thin. Former Northampton District Court clerk-magistrate Janet Rowe Dugan was removed in 1993 for fixing tickets and showing favoritism toward friends in rulings as well as other official misconduct. Then-Framingham District Court clerk-magistrate Anthony Colonna, at 85, was deemed incompetent to stand trial in 2000 for assaulting a court employee but remained on paid suspension until he died five months later.

The bar that the SJC set in removing Powers from office was "the public good," an undefined standard that will now have clerk-magistrates on alert and looking over their shoulders. "We conclude, after considering the totality of the circumstances, that the public good requires his removal," Gant wrote in the opinion.

### PUBLIC GOOD WAS KEY

But Powers and any other clerks who lose their jobs for doing them poorly won't have to fear for their retirement. Jon Carlisle, a spokesman for state Treasurer Steven Grossman, says because Powers was removed for his job performance, and not because of any criminal conviction, he will retain his pension. Powers will receive about \$76,000 a year in retirement, based on his nearly 35 years in state government as a probation officer and assistant district attorney and his three largest-earning years, which came as clerk-magistrate at about \$110,000 a year.

Bean says he's already heard "anecdotal" that some clerks have "cleaned up their act" as a result of the ruling, though he wouldn't name names.

# State facility tests wind turbine blades

► ADAM SENNOTT

**PERCHED ON THE** edge of Boston Harbor in Charlestown is a long white box about the length of a football field. Inside is a testing facility where the Patrick administration hopes the future of wind turbine technology will be discovered.

The Wind Technology Testing Center is the largest facility of its kind in the country, testing turbine blades for manufacturers from across the nation and around the world. It puts each blade through rigorous testing to see if the blade is durable enough to survive the stresses and strains of 20 years of operation.

The facility, a division of the Massachusetts Clean Energy Center, is part of an effort by the administration of Gov. Deval Patrick to turn the Bay State into a hub for the nation's wind power industry. Patrick has pushed hard to make Cape Wind the country's first offshore wind farm, and he's investing \$100 million in a New Bedford marine terminal that he hopes will service Cape Wind and the other offshore wind farms he hopes will follow it. The wind testing center, open for two years, is a beach-head on the wind research front.

"Essentially, why we're here is to make the existing crop of wind turbines and turbine blades more reliable by thorough testing," says Rahul Yarala, executive director of the center.

The facility was built with \$24.7 million in stimulus funds awarded by the US Department of Energy and a \$13.2 million grant from the Massachusetts Clean Energy Center. The testing center leases land belonging to the Massachusetts Port Authority.

Yarala says the center is currently earning enough money from its tests to cover 60 percent of its \$2.5 million annual operating budget. The center employs nine full-time engineers and technicians and hopes to be self-sufficient within the next year or two, he says.

The facility can test up to three blades at a time, not by spinning them around, but by shaking them up and down and side to side. Testing usually lasts about six months. The facility can handle blades up to 90 meters long, but most of the blades the center has tested so far are between 40 and 50 meters long and weigh between eight and ten tons, Yarala says. It costs about \$500,000 to test a 50-meter blade.

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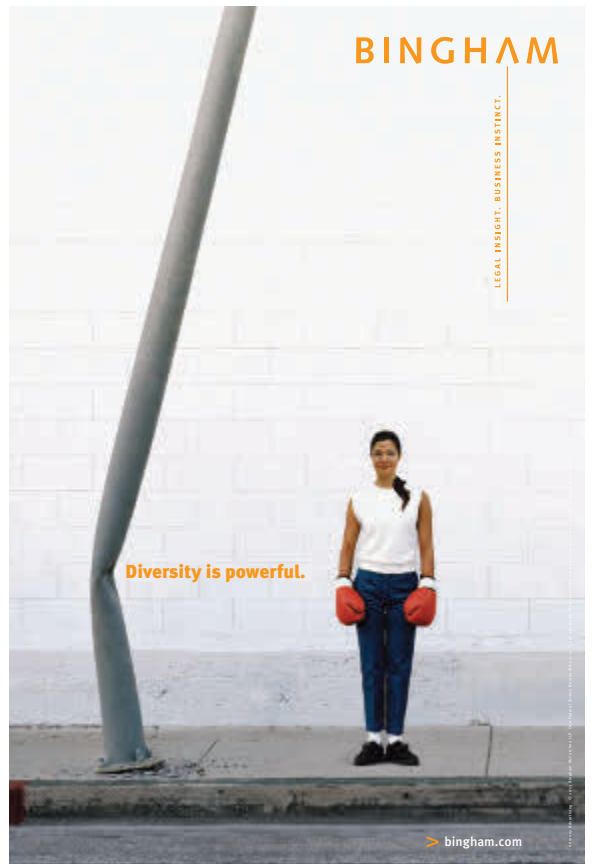


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Rahul Yarala, executive director of the Wind Technology Testing Center, inside the facility.

The center has tested 11 blades in the past two years and is expecting to test three more this year. The center currently has six active clients and has tested blades produced by General Electric; LM Glasfiber, based in Little Rock, Arkansas; and Blade Dynamics, which is based in London but has a US office in New Orleans.

“We’ve talked to about 10 companies. A couple of them have slowed down, so we’re not seeing any work from them,” Yarala says. “Long term, it’s in that range of 10 to 12.”

Yarala says the test plan for each blade is unique and takes time to plan. At the end of the testing process, most blades are purposely broken in order to learn the blade’s breaking point.

“Our test engineers develop test plans working with customer blade designers,” he says. “When a blade comes in, we spend about a month preparing it.”

The center’s so-called life test measures flap and edge fatigue, which involves swinging the blade up and down or side to side in order to test its durability against wind forces the blade would experience in real-world conditions. Yarala says each blade is swung through a minimum of a million cycles, up and down or side to side, over the testing period, which is an around-the-clock operation.

During the testing process, the blades are covered in sensors so engineers can monitor the blade for any signs of defects. There is even what looks like a remote-controlled car that can drive up to the tip of the blade to check for cracks.

“The engineers can crawl about halfway inside to inspect thoroughly,” Yarala says. “If there’s a small crack, they want to know it before it cultivates into a big one and they can’t salvage it.”

Yarala said that the center is important for companies because the industry is so young, and it costs so much to make even minor repairs once the blades are put into operation.

Matt Kakley, communications coordinator for the Clean Energy Center, says Massachusetts currently spends 80 percent of its energy dollars out of state. He says the Wind Technology Testing Center is part of an effort by the Patrick administration to bring some of those energy dollars back into the state.

“It’s really kind of important for us to take control of that, and try to keep some of that money here and foster renewable energy sources that will help the environment at the same time,” Kakley says. “It’s really been a mainstay of the Patrick-Murray administration.”



# All aboard for the Cape

► GABRIELLE GURLEY

**WHEN MICHAEL DUKAKIS** was governor, passenger trains ran to Cape Cod. So it should come as no surprise that one of the Bay State's biggest mass transit boosters took the first Cape Flyer run out of Boston's South Station on Memorial Day weekend. Dukakis and his wife Kitty travelled to Buzzard's Bay to visit Kitty's sister, who lives in Pocasset. He pronounced the old-but-new-again service "terrific." "Believe me, it beats waiting to get over the bridge in a five-mile back-up," Dukakis says.

Amtrak's seasonal Cape Codder service ended in 1996, but rail on the Cape never really died. Freight trains haul trash and tourists enjoy dinner and sightseeing trips. But Cape Cod Regional Transit Authority Administrator Thomas Cahir thought the rail line could be put to better use transporting visitors to help unclog summer weekend traffic, especially the notorious backups at the Sagamore and Bourne bridges.

Like anything involving transportation in Massachusetts, there was the just small matter of who would pay for it. But Cahir, a former deputy secretary of transportation and state representative from Pocasset, had an answer for that, too.

The regional transit authority used \$1.1 million of federal capital funds to pay for needed upgrades to the rail route through southeastern Massachusetts and on the Cape. The authority also has to cover the Cape Flyer's \$162,000 in Memorial Day to Labor Day operating expenses, which include expenditures for MBTA commuter trains, labor, and fuel costs.

By early May, the Cape regional transit authority had covered about half of the summer's operating costs, earning about \$51,000 from advertising revenue and advance ticket sales and another \$37,000 from the first three weekends of operation. A ticket from Boston to Hyannis is \$35 round trip and \$20 one-way.

Cahir estimates that if the line sells 540 one-way tickets over each of the 15 summer weekends, the service will break even on its operating costs. There were 780 one-way passenger trips Memorial Day weekend, 665 one-way trips the following June weekend, 352 trips the second June weekend, and 697 the third. Cahir is encouraged by the June numbers, and he expects dramatic increases in July and August.

The business plan is "extremely realistic," says Wendy Northcross, the Cape Cod Chamber of Commerce's chief



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executive officer. “The costs are being covered.”

The once-a-day trip from Boston to Hyannis takes about two-and-a-half hours. (Depending on the point of origin in metro Boston, travel by car can range from 90 minutes to two hours—if there are no backup at the bridges.)

Dukakis says that the train travels at a “good pace,” but slows down after crossing the Cape Cod Canal, where the freight rail track standards prevail. “That needs some work,” he says. Upgrades are in the works, according to Cahir. Those improvements could shave 30 minutes off the trip.

A free regional transit authority trolley meets the train and provides shuttle service to major attractions and beaches in the Hyannis area. The Steamship Authority, which operates ferry service to the Islands, offers shuttle service from the Buzzard’s Bay and Hyannis stations to the ferry departure points for Martha’s Vineyard and Nantucket.

To reach other Mid-Cape towns, passengers have to rely on family and friends, local taxis, or a pickup from a hotel or bed and breakfast. If passengers want to go to

Ken Smith, executive vice president of Red Jacket Resorts in South Yarmouth, may consider running a shuttle, if there is demand. However, Smith says he doesn’t expect the service to have a “huge impact” on his business, which appeals to families with young children. With all the gear a family vacation sometimes requires, most Cape-bound parents will still want to drive, he says.

“The area that will benefit is downtown Hyannis,” says Smith.

Officials say the Cape Flyer is drawing a mix of travelers from young people to retirees and Cape residents who

### APPEALS TO FOREIGN TOURISTS

want to spend the weekend in the big city. The train service also appeals to international tourists. The Cape Cod Chamber of Commerce has promoted the service heavily in the United Kingdom and Germany, the two countries that send the most visitors to Cape Cod, “They prefer rail in Europe,” Northcross says. “They don’t necessarily want to drive, but they do want to get here easily.”

September and October have become important months for Cape tourism, and many businesses would like to see the train extended through the Columbus Day weekend. No decision had been reached by press time. “With a pilot there is always a concern that it won’t continue,” says Peter Martino, co-owner of the Heritage House Hotel near the downtown Hyannis train station. “But it seems to make so much sense for both ends of the lines.”

Cahir says there is no plan to expand the service to year-round commuter rail because the Cape is primarily a seasonal tourist destination. He says the tracks also run close to homes, and most Cape communities don’t want a regular schedule of trains speeding through street-level crossings at 70 miles per hour. Plus, there’s the matter of money: upgrading

freight rail-grade tracks on the Cape to run commuter trains would be prohibitively expensive. Still, the tracks north of the canal in Buzzards Bay could support commuter rail, and Cahir doesn’t rule out that possibility. “We’ll see what happens,” he says. **CW**

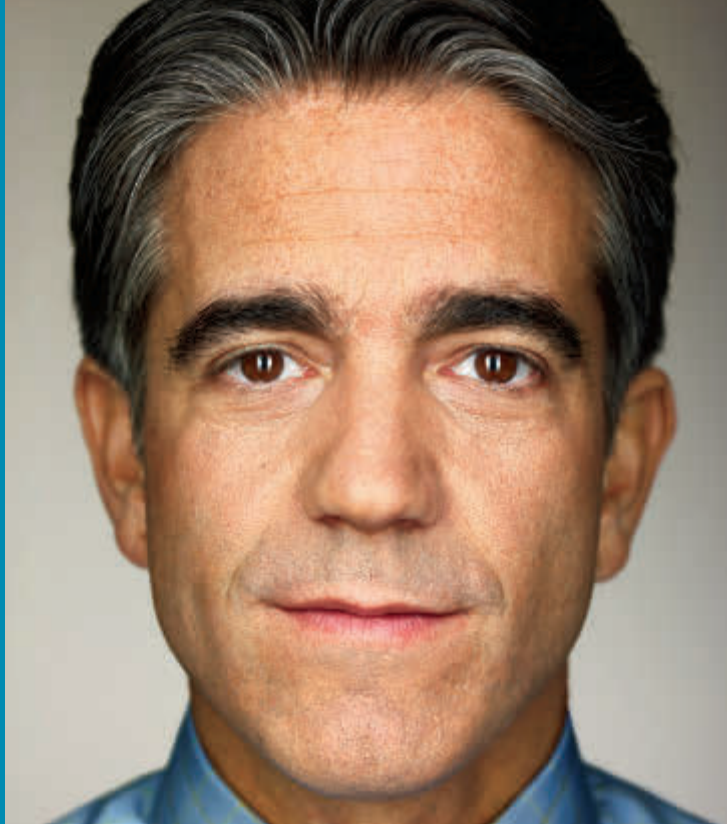


The Cape Flyer arrives in Hyannis on its inaugural run.

Harwich, Orleans, Eastham, Wellfleet, Truro or Provincetown, they could transfer to the private bus carrier Plymouth & Brockton or a regional transit authority bus, which can add anywhere from 15 minutes to 90 minutes of additional travel time.

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# Managing innovation

The BRA's Nicole Fichera pushes South Boston's new economy

BY PAUL McMORROW | PHOTOGRAPH BY FRANK CURRAN

**You're the Boston Redevelopment Authority's Innovation District manager. What does that mean?** The Innovation District lives in between planning and economic development. It's really meant to be an urban lab for testing a lot of new ideas about how cities can develop, how people can live, how we can be more sustainable. My job in all of that is to build community, and to be there to support all the businesses moving into the area.

**How do you define innovation?**

I think innovation is the process of bringing new ideas to market in a meaningful way. Those new ideas can't just stay in the research lab. And you have to do it in a meaningful way—you can't just sell to your mom. The Innovation District is open. It's not sector-based, it's not meant to cluster one kind of company or one scale of company. We recognize the mix is important.

**What are some of the ideas you're testing in this urban lab?** When you think about housing or infrastructure that helps people better connect with one other, that's an entirely new idea. It means housing with less private space and more shared amenities that help you connect with your neighbors. So instead of having a lobby with a desk and a security guard no one talks to, and a couch that nobody sits on, you create a really active public space. We're exploring relationship infrastructure very deeply. That's what we're working on with District Hall [a new restaurant and meeting hall run by the Cambridge Innovation Center]. That building is really a public platform for gathering and networking the innovation economy together. It belongs to the community.

**How does government make policy on something as open-ended as innova-**

**tion?** It's a very ground-up approach. The mayor set out a vision for what this place could be. More than anything, it's a call to action. It's not so much about recruitment or sales. It's an invitation to be part of something new.

**Give me some examples of types of work happening in the district right now.** It's amazing! There are 100 companies coming out of MassChallenge every year.

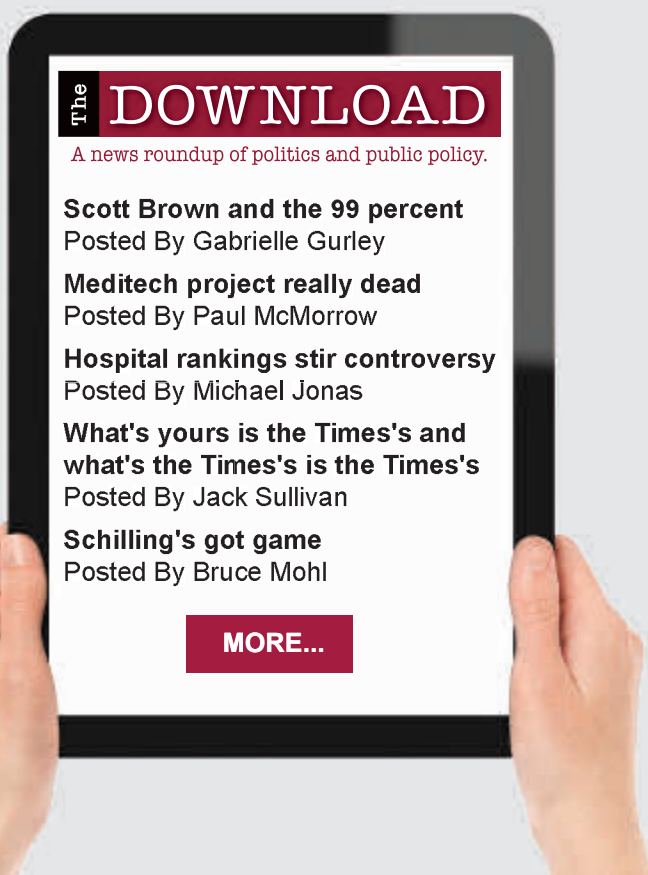
Rue La La is the biggest employer of fashion models in the city. There are nonprofit groups and education groups like Invest in Girls. We have people doing medical diagnostic kits. We have people making sunglasses you can use to take the cap off of your beer—it's the ultimate bro-tool. We have everything from people revolutionizing the wind turbine industry, to people manufacturing chocolate for athletes, to people who are making toothpaste. I literally brush my teeth with Innovation District toothpaste.

**Take me through your path from architecture school, to working for a hot architecture firm like Hacin and Associates, to becoming a bureaucrat.** It's not something I ever expected. I never thought I'd end up in government. Never. I went to architecture school at Northeastern, which has a strong public policy and urbanism focus. David Hacin gave me the opportunity to work on a lot of nontraditional things. I was designing environments for innovation and collaboration and creativity. I was on the design team for District Hall, I did offices for startups, but I was also thinking about environments that aren't just physical—economic space, social space. I ended up, unwittingly, building this trajectory in making spaces for innovation and entrepreneurship to happen. Then I saw the job at the city, and I had to go for it. **CW**



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# The Massachusetts H-1B connection

BY ADAM SENNOTT AND BRUCE MOHL

**MORE THAN 1,200** Massachusetts companies hired 5,481 skilled foreign workers last year through a controversial visa program that is simultaneously being praised for helping to plug holes in the state's tech workforce and criticized as a way to replace US employees with cheaper foreign labor.

The H-1B visa program, which allows skilled foreign workers to be brought into the country for stays of up to three years, is used by Massachusetts companies engaged in high tech, life sciences, and the law, as well as hospitals, colleges, banks, construction firms, and even the public school systems of Cambridge and Newton. Massachusetts currently ranks sixth in the nation in terms of H-1B workers, behind California, New Jersey, Texas, New York, and Florida, according to data supplied by the US Citizenship and Immigration Services.

While many companies participate in the program, the bulk of visas flow to a small group. In 2012, nearly 41 percent of the visas issued to Massachusetts companies were handed out to just 10 companies. The group included such well-known firms as EMC Corp., Harvard University, MathWorks, Partners Healthcare, Fidelity Investments, Children's Hospital, and the Boston Consulting Group.

Few of the companies would discuss their H-1B programs, but those that did comment said they only seek out foreign workers who have skills that cannot be found in Massachusetts. Kevin Galvin, a spokesman for Harvard, says the university seeks H-1B visas for highly skilled faculty and researchers working in the fields of chemistry, engineering, physics, the biological sciences, and medicine. "As a general practice, the university does not sponsor administrative or support positions with H-1B visas, and it does not provide visa sponsorship for positions that could be filled by US workers," he says.

The Massachusetts company that received the most H-1B visas in fiscal 2012 was Patni Americas Inc. of Cambridge, which has since been acquired by iGATE Corp. of Fremont, California. Both companies cater to firms that want to outsource jobs. Patni, according to those familiar with its

work, brings foreign workers into the United States on visas and then contracts them out to do information technology work for American firms.

Patni applied for 1,779 H-1B visas in 2012 and received 1,260, or 23 percent of the total issued to companies in Massachusetts. Officials at Patni and iGATE, which has extensive operations in India, did not respond to requests for interviews.

iGATE made headlines in Canada in April when press reports indicated 45 IT employees at the Royal Bank of Canada were being replaced by temporary foreign workers brought into the country by the firm. Canadian officials are investigating whether the outsourcing broke federal rules.

Ronil Hira, an associate professor of public policy at the Rochester Institute of Technology and the author of *Outsourcing America*, says more than half of the H-1B visas issued nationally in 2012 went to outsourcing firms such as Patni. Hira says the firms pay their H-1B workers less than American workers and use the savings to secure work from American firms looking to outsource functions at lower cost. "They're essentially reselling labor," Hira says.

Neeraj Gupta, who worked in two top positions at Patni until 2009, says many American companies use H-1B visas to recruit top-flight engineers from around the world to work for them. But he says other firms have discovered that H-1B visas allow them to cut costs by hiring cheap foreign labor.

"It really is a form of outsourcing," says Gupta, who now heads a company called Systems in Motion, which trains US workers to do tech work for companies. "We're able to deliver high quality, high value locally. We're finding a lot of success with the US workforce."

At press time, legislation was just beginning to make its way through Congress to revamp the nation's immigration laws. Most of the focus in Washington has been on what to do with the 11 million undocumented workers in the country illegally, but a provision in the legislation would revamp the H-1B visa program, upping the number of new visas issued each year from 65,000 to



TOP 10 MASSACHUSETTS RECIPIENTS OF H-1B VISAS (2012)

COMPANY	LOCATION	BUSINESS	H-1B VISAS
Patni Americas/iGATE	Cambridge	IT outsourcing	1,260
NTT Data Inc.	Boston	IT outsourcing	203
EMC Corp.	Hopkinton	Data storage	135
Harvard University	Cambridge	Education	131
MathWorks Inc.	Natick	Software	109
Partners HealthCare	Boston	Health	102
Fidelity Investments	Boston	Finance	88
Boston Consulting Group	Boston	Consulting	80
Children's Hospital	Boston	Health	75
eClinicalWorks	Westborough	Health data	62

SOURCE: US Citizenship and Immigration Services. Includes new approvals only.

110,000 and adopting reforms designed to curb abuse. The reforms include wage increases for H-1B workers, prohibitions on the displacement of US workers, and new H-1B application fees that would be used to fund training in math and science fields.

Sen. Orrin Hatch, a Utah Republican, says expanding

an increase in H-1B visas, says skilled foreign workers are badly needed to keep the US economy growing because American schools are not pumping out math and science graduates fast enough to keep pace with employment growth. He says 200,000 science and technology jobs could go unfilled by 2018.

the H-1B program is both good for business and the economy.

“For too long, our country just hasn’t been able to meet the demands for workers in the STEM fields,” Hatch said in a statement, referring to the shorthand for science, technology, engineering, and math. “Increasing the availability of workers who can fill these here in the US is good for workers, good for businesses trying to grow, and good for our economy. It just makes sense.”

Scott Corley, executive director of Compete America, an umbrella group supporting

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Gupta says expanding the number of H-1B visas is unlikely to help companies struggling to fill tech jobs. Gupta says the outsourcing companies have access to large groups of tech-oriented employees in India and other countries where they have business operations. He said the companies currently flood the US government with H-1B visa applications (the application process was cut off after five days this year) and will just ramp up their efforts if the pool of visas is expanded.

Hira says the H-1B program is deeply flawed because it allows employers to legally hire foreign workers at substantially lower wages than American workers and without giving American workers a first shot at the jobs. In testimony before the Senate Judiciary Committee in April, Hira said the program gives US employers enormous leverage because the sponsoring firm, not the foreign worker, holds the H-1B visa and if the worker is laid off he or she has to leave the country. “An H-1B worker is essentially indentured to a particular employer,” Hira testified.

In an interview, Hira says companies often claim they use the H-1B program to bring in skilled workers they can’t find in the United States. If that were the case, he says, you would expect the employers to seek green card permanent status for their worker so they wouldn’t be lost

#### H-1B VISAS (2012)

New Jersey	33,544
California	31,117
Texas	20,136
New York	15,910
Illinois	9,918
Massachusetts	7,824
Connecticut	2,282
Rhode Island	409
New Hampshire	388
Vermont	220
Maine	143

SOURCE: US Citizenship and Immigration Services.

when their visa expires. Yet Hira’s research indicates very few of the outsourcing companies seek green cards for their H-1B workers. Patni, for example, sought green cards for only 2 percent of their H-1B visa holders in 2012, Hira says, while Microsoft sought permanent status for all of its H-1B workers. **CW**

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## The chained CPI

Obama sees the inflation gauge as part of a grand compromise, but few in the Mass. delegation agree with him **BY SHAWN ZELLER**

**THIS FALL, PRESIDENT** Obama and Congress will have another chance to strike a grand bargain on the deficit. If it happens, a new gauge of inflation that would both reduce federal benefits, like Social Security, and raise taxes, will be at the heart of it. Only 13 states would be affected more than Massachusetts, with its 900,000 residents older than 65 years.

The new inflation index is known as the chained consumer price index, or chained CPI. Obama's willingness to adopt it as part of his budget proposal is a concession to Republicans and is aimed at finding a deal to replace the across-the-board budget cuts known as the sequester, which Congress adopted in 2011 and that begin to take effect this year.

Washington's partisans have mostly aligned in familiar camps. Most Democrats and left-leaning groups oppose the new index, saying the chained CPI will hurt low-income people and the elderly. Most Republicans and conservative groups say it's the one thing they like in Obama's budget. But the camps are starting to break down, demonstrating just how thorny the effort to reach a grand bargain remains and how difficult it is to forecast an outcome.

In a deal's favor, the liberal opposition is no longer universal. This spring, Robert Greenstein, a former Newton South High School history teacher who's now the president of the Center on Budget and Policy Priorities, an influential liberal think tank, wrote a paper in which he said that he could support the chained CPI if it was part of an even-handed budget deal.

On the other hand, conservative support for the deal is weakening. Andrew Biggs, a resident scholar at the American Enterprise Institute and a former

top aide to former Ways and Means Committee Chairman Bill Thomas of California, has issued his own treatise arguing that his Republican colleagues would be foolish to take Obama's deal.

Obama stresses that the chained CPI is part of the balanced approach to deficit reduction that he stressed in his campaign. His budget, for instance, would couple adoption of the chained CPI with big tax increases on the wealthy. He would allow wealthier taxpayers to deduct only \$28 from their tax liability for every \$100 in itemized deductions. Currently, they can deduct \$35. And he would require that people earning more than \$1 million pay at least \$300,000 of it in federal taxes.

That makes Republicans wary. They say they approved all the new taxes they can stomach in last year's deal averting the so-called fiscal cliff, which eliminated the Bush era tax cuts for individuals earning more than \$400,000 and couples earning \$450,000.

Democrats like the tax increases but mostly reject the chained CPI. Those members of the Massachusetts delegation who have expressed a view on the new inflation measure say they don't like it, even those who profess a desire for a balanced approach to deficit reduction. None of the Massachusetts representatives has endorsed it, and only one—Springfield's Richard Neal—had not made up his mind as of press time.

In defeating Scott Brown in her run for the Senate last fall, Elizabeth Warren said both spending cuts and tax increases would be necessary to replace the sequester. But she argued at the time that the cuts should come from agriculture subsidies and defense, not from Social Security. She's been among the most outspoken in opposing the chained CPI. She says the new index amounts to a



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## WASHINGTON NOTEBOOK

betrayal of seniors who've paid into the Social Security system their entire lives expecting a certain benefit. And she says the cuts hit close to home. Her brother David Herring, a former small businessman, now lives on his monthly check of \$1,100.

Ed Markey made his opposition to the chained CPI a key talking point in his Senate campaign against Republican Gabriel Gomez, who wanted to use the new index to help balance the budget.

For all members of the Massachusetts delegation, the pressure to block the proposal from interest groups, ranging from the AARP to the AFL-CIO, is intense.

Still, the new index is viewed by many economists as a more accurate inflation gauge because it takes into account the propensity of consumers to adjust their buying habits to combat inflation. A shopper, for instance, might buy more apples and fewer oranges, if the price of oranges were rising quickly.

The inflation rate using the chained CPI is typically 0.3 percentage points lower than under the current inflation gauge. Isabel V. Sawhill, an economist at the centrist Brookings Institution who focuses on anti-poverty programs, calls it "a corrective" to what has been a small but automatic increase in real benefits for many years." But some economists on the left say the chained CPI is not a fair inflation measure for the elderly, who spend more of their money on health care, a service whose price traditionally rises faster than for other goods and the costs for which can't be easily avoided.

These critics say they see no reason to cut a deal now that involves Social Security—the program faces no imminent funding shortfall—and would prefer to wait for Democrats to retake the House. At that point, they'd push for lifting the amount of income taxed for Social Security, currently \$113,700, and for limiting federal tax breaks for retirement saving programs that mostly benefit the well-to-do, such as 401(k) plans and individual retirement accounts. They say any deal centered on the chained CPI would only embolden Republicans to go after bigger entitlement cuts, such as raising the Social Security retirement age. "It just puts blood in the water," says Monique Morrissey, an economist with the Economic Policy Institute, a nonpartisan Washington think tank.

But Greenstein of the Center on Budget and Policy Priorities says a deal that includes the chained CPI, but also a broader package of tax increases and budget cuts, may be the best deal liberals are going to get. "A lot of progressives hope that eventually there will be unified progressive control of the government, just as conservatives hope they hold the House, take the Senate, and maybe win the White House in 2016," he says. "I look at things like the [House Budget Committee Chairman Paul] Ryan budget and frankly am nervous about rolling the dice."

Ryan, a Wisconsin Republican who was Mitt Romney's vice presidential running mate, would partly privatize Social Security by allowing workers under 55 to invest part of their Social Security taxes in private investment accounts.

Even if there's no Republican resurgence, Greenstein notes, current law is bad enough. After cutting more than \$100 billion from federal agency budgets this year, the sequestration is slated to cut more than \$1 trillion more over the next eight years, slashing budgets for anti-poverty programs Greenstein cherishes like Head Start, student aid, and low-income housing assistance. If Republicans simply hold on to 41 seats in the Senate, they can block any effort to replace the sequester.

Another enticement for Greenstein is that Obama's proposal mitigates the effect of the chained CPI on poor seniors living on Social Security. When retirees reach age 76, their checks would increase gradually over the next 10 years, eventually adding \$750 per year, to make up for some of the money lost to lower annual cost of living adjustments. Retirees who make it to 95 would get another bump.

Those increases would especially help the poor. According to Greenstein's calculations, a lower-middle-income retiree would lose a few hundred dollars a year in benefits until reaching his early 80s, when his benefits would actu-

revenues. The IRS each year adjusts tax brackets for inflation, as well as the amount of money Americans receive in tax credits and deductions. Those adjustments would shrink, pushing more people into higher income brackets. The Congressional Budget Office figures the chained CPI would bring in an additional \$123 billion for the Treasury over the next 10 years. During that decade, the

## A chained CPI would bring in \$123 billion.

benefit cuts and tax increases would be close to equal, but after that the tax increases would grow more quickly.

Republican leaders in Congress have mostly endorsed the chained CPI, as have conservative think tanks, such as the Heritage Foundation. But Biggs is trying to upset the good feelings among his fellow Republicans, arguing that the proposal doesn't do much to preserve Social Security's solvency while conceding too much on taxes. The Social Security cuts are limited, he notes, by the lifespan of recipients. "On the tax side, a lower inflation measure raises tax rates year after year forever," he says.

Like Morrissey, Biggs worries about opening the barn door. By agreeing to tax increases in this instance, he says Republicans might also go along with the other tax increases Obama wants.

At the same time, with the old age funding increases envisioned by Obama, Biggs figures the chained CPI will only solve about 15 percent of the long-term deficit facing Social Security, forcing Congress to come back later to reach a broader deal.

He argues that Republicans should pursue a more far-reaching overhaul now, aimed at convincing Americans to work longer and to save more for retirement. Some ideas he suggests are reducing Social Security payments for people who retire in their early or mid-60s, while increasing annual cost-of-living adjustments to encourage people to work longer, or eliminating payroll taxes entirely for workers approaching retirement age, providing another incentive to keep working.

"I definitely don't favor waiting [to reach a deal]," he says, "since the longer we wait the harder the problems are to solve. And I definitely believe in bipartisan agreements, since that's the only way to get something passed. I just don't think the current chained CPI offer is a very good one." **CW**



Sen. Elizabeth Warren says the new index is a betrayal of seniors.

ally be greater than under current law. Middle-income retirees would absorb a cut of less than 2 percent. A wealthier retiree could expect a cut somewhat larger than 2 percent. Still, it's real money. One liberal interest group fighting the changes found that the average recipient would lose \$4,642 by age 75 and \$15,615 by 95.

At the same time, the chained CPI would increase tax





Dorchester activist Joyce Linehan is leading the way in the Dorchester Day Parade for her candidate, Marty Walsh.

# The new campaign

In one race after another, with a return to grassroots organizing, candidates and campaign operatives are upending the power of political machines. Next stop: The all-out scramble for mayor in Boston.

BY PAUL McMORROW | PHOTOGRAPHS BY DEREK KOUYOUNJIAN

**JOYCE LINEHAN HAS** the most famous living room in Massachusetts politics.

It used to be that Linehan's Dorchester house drew its fame as a crash pad for touring musicians. Billy Corgan and Courtney Love and Elliott Smith had all slept there. Eddie Vedder hung out on Linehan's couch and watched television. These are the sorts of guests who tend to attract attention to one's living quarters. But people aren't now fighting to get into Linehan's living room because they're huge fans of the early 1990s Sub Pop Records catalog. They want a piece of the Dorchester arts publicist, activist, and political organizer because

they all see themselves as the next Elizabeth Warren, and they all want Linehan to do for them what she did for the senator.

By her own account, Linehan shot her mouth off on Facebook a lot two summers ago. Much of her mouthing off was aimed at drafting Warren, then a Harvard Law School professor, into a showdown with Sen. Scott Brown. Brown's Republican colleagues had made it clear that they had no intentions of confirming Warren as head of the Consumer Financial Protection Bureau, the federal consumer protection agency she had conceived and was heading on an interim basis. Linehan figured

that if an advocate like Warren couldn't gain any traction in Brown's Senate, the answer was to change the game and send Warren to the Senate. That's when Linehan's phone rang. Warren's political handlers told Linehan that the Harvard professor was weighing a run for Senate; would she be able to host a house party for Warren, in 36 hours?

Linehan packed the room with dozens of friends and activists—people who were bowled over by Warren, and who became the backbone of Warren's campaign in this pocket of Boston. They knocked on doors for her and organized their neighborhoods and showed up in force every time Warren swung through town. Warren wound up beating Brown with 90 percent of the vote in Linehan's Dorchester ward. Warren held hundreds of similar events, in living rooms and auditoriums and union halls across the state, picking up at every stop the volunteers who would form the most formidable grassroots campaign the state had seen in decades.

The mythology behind Warren's juggernaut runs straight back to that first night in Joyce Linehan's living room. Warren's grassroots uprising and Linehan's living room are now one and the same. So now any lefty politician with a shred of ambition wants a piece of Linehan's living room, and her politically wired network. Gubernatorial hopefuls are beating down her door. Linehan doesn't have much time for them yet, though. She's too busy reshaping mayoral politics in Boston.

Boston Mayor Tom Menino runs one of the country's last old-school urban political machines. He assembled it while serving as acting mayor, rode it into a full term in office in 1993, and has been tending to it ever since. Menino's machine of city employees, labor, and wholly-owned and operated neighborhood activists has dominated Boston politics for the past 20 years. Menino has spent two decades using his machine to reward loyalists and punish opponents. And now, with Menino set to trade his spacious City Hall office for a barcalounger in Readville, the machine has no driver.

Speculation is running rampant over whom Menino will bequeath his political machine to. This speculation misses two key points. The first is that urban political machines don't survive their masters. Kevin White didn't get to keep his machine or hand it off once he bowed out of mayoral politics, and Menino won't, either. More importantly, the chatter about the usefulness of the Menino machine in an open mayoral race assumes that running for mayor of Boston in 2013 is the same job as it was in 1993, or even in 2003. It isn't.

Menino has dominated Boston politics during a time when political campaigns have largely moved beyond the reach of old-school machines. Big-time politics in Boston, in Massachusetts, isn't a top-down game anymore. It's

decentralized. It's a bottom-up enterprise. The campaigns that win today are the ones that place their emphasis on building their ground games and cultivating organizers like Linehan, not on mailers or media buys or endorsements. It's not a question of recreating Menino's operation; it's about taking the grassroots organizing playbook that Michael Dukakis handed to Deval Patrick and Elizabeth Warren, and running with it harder than the rest of the names on the ballot.

### GETTING ORGANIZED

It started in 2005, with Michael Dukakis trying to talk Deval Patrick out of running for governor. Patrick, a corporate lawyer and former Department of Justice official, had flown to Los Angeles to seek out the three-time Massachusetts governor, who teaches at UCLA during the winter. Patrick told Dukakis he wanted to run for governor. He wanted Dukakis to tell him how to do it. Dukakis suggested he set his sights lower. Tom Reilly was leaving his post as attorney general to run for the Corner Office, Dukakis noted. Why not run for that instead? "I said, 'You're not even a Town Meeting member in Milton!'" Dukakis recalls.

Patrick politely told Dukakis that he didn't want to be attorney general, he wanted to be governor. So Dukakis told him how to make it happen: "Get home in a hurry, get a captain in every precinct in the state, have every one of them get six block captains, and get organized." Dukakis pauses. "I say that to everyone," he says. The difference was, Patrick actually listened. He flew back to

## Big-time politics in Massachusetts isn't a top-down game anymore. It's a bottom-up enterprise.

Boston and called up Phil Johnston, the former state party head, who put him in touch with a Plymouth County organizer named John Walsh. Reilly, the AG Patrick was supposed to get in line behind, never knew what hit him.

Reilly had scores of state reps and senators and mayors lined up behind him. Patrick couldn't compete with the traditional Massachusetts political power structure, so he made an end-run around it. He and Walsh and his chief strategist, Doug Rubin, followed the same grassroots playbook that Dukakis used to make himself a Brookline Town Meeting member, and then a state rep, and then





**Matt Patton, left, confers with his mayoral candidate, John Barros.**

governor. He drove to house parties across the state, winning over supporters 10 or 20 at a time, building a statewide grassroots organization that swept aside everything and everyone in its path, from the Democratic town caucuses in February to the election in November. John Connolly, the Boston city councilor and current mayoral hopeful, recalls looking around the room at his caucus, staring at a pack of Patrick volunteers, and wondering, who are all these people? He found out soon enough. Patrick's grassroots volunteers rolled over Reilly, including in Boston, where Reilly enjoyed Menino's backing. Patrick's campaign had built an organization that was better than the mayor's. "They were hyper-focused on voter outreach," Connolly recalls.

"The governor was forced to create new people, because he wasn't going to get the old guard," Rubin says. "That created a whole new crew, a new foundation around the old one, and it created the opportunity for the right candidates to run with it." Warren ran with it harder than anyone. She took the organization Patrick built in 2006 and solidified during his reelection run in 2010, and with the help of Rubin (now head of his own consulting firm, Northwind Strategies) and Walsh (now the state Democratic Party's chairman), she stuck another layer of new grassroots activists on top of it. Now the Patrick veterans were the ones wondering who all these Warren folks were on caucus day; she'd tapped a layer of activists that even

two Patrick campaigns hadn't reached.

The man Warren took on, Scott Brown, proved emphatically in 2010 that Democrats can be beaten badly, even in deep blue Massachusetts, if they don't pay attention to their ground game. Brown became a national media sensation, but he also drew huge crowds to his closing campaign rallies, and attracted the support of many out-of-state campaign volunteers. His 2010 opponent, Martha Coakley, became a cautionary tale in appearing to take elections for granted. Walsh vowed not to let his party, which enjoys strong numerical advantages over the GOP, get out-hustled again. Brown came out of his 2010 Senate race looking formidable, if not nearly unbeatable, but he couldn't come close to matching the ground game Warren put together.

Starting from Joyce Linehan's living room, Warren did exactly what Michael and Kitty Dukakis told her to do: She built a mammoth volunteer organization. She amazed her staff by attracting 500 volunteers to an organizational meeting on a Tuesday night in Framingham, 13 months before Election Day, when her staff would've been happy with 50. Her grassroots operation knocked on 242,000 doors just in the weekend before Election Day. The state party targeted 100,000 lapsed Democrats, disaffected voters who hadn't bothered to vote for several straight elections; Warren's grassroots operation visited those 100,000 voters, and managed to get 35,000 of them to show up on

Election Day. Warren didn't abandon traditional messaging efforts; the \$27 million she spent on broadcast and print ads helped make the contest the most expensive Senate race ever. But her campaign designed the ads to piggyback off of—and not replace—boots-on-the-ground efforts. Warren's field organization—by November, she had an unheard of 70 staffers getting paid to turn voters out—ran up huge margins over Brown in Boston. She ran 20 points better than Martha Coakley had against Brown in Worcester, Springfield, New Bedford, Fall River, Lowell, and Fitchburg. Dukakis now calls Warren's field organization "as good as any I've seen."

Grassroots campaigns stand out from traditional elec-

toral pursuits in a few key ways. They value volunteer efforts above all else. They reach voters primarily through direct, face-to-face outreach, rather than expensive ad campaigns, mailings, or phone calls. And they're driven by a shared ideology between the candidate and the campaign organization, instead of the sense of grudging obligation traditional machines convey.

"A lot of people talk about running grassroots campaigns, but it's hard to do," Rubin says. "It takes a disciplined commitment. You don't see results immediately. It's a slow, steady build. Elizabeth Warren didn't see it in the polls right away. She was down for months. But she saw great numbers with volunteers."

## FITTING THE BOSTON MAYORAL RACE INTO AN HISTORICAL CONTEXT

BY JAMES ALIOSI

Boston at the close of the Menino era finds itself with a surfeit of candidates and a dearth of critical issues. That may be a good thing—many candidates will enliven the public debate and offer voters ample choices, and the absence of urgent "life or death" issues is a reflection both of Mayor Menino's stable tenure, and the overall good health of the city. This is not the Boston of 1949, in deep decay and struggling for rebirth. It is not the Boston of 1959, on the cusp of an historic era of rejuvenation thanks to local visionaries like Ed Logue and an historic federal focus on cities. And it is not the Boston of 1983, looking to heal itself after forced busing challenged its cohesion as a civil community.

This Boston is a modern city, a younger city, a place where the sharp divisions that made our neighborhoods insular and often unwelcoming to others no longer exist. Our new civic places—the Rose Kennedy Greenway, the waterfront ICA, the Zakim Bridge, the rejuvenated arts and entertainment district surrounding Emerson College—are symbolic of a more open city, a more edgy city, a more creative city. The important tasks presented to the candidates, and to the citizen voters, are to understand what trajectory the city is on, assess whether it is the right one, and channel our resources to make this time of transition one marked by real progress.

However one characterizes the challenges and opportunities faced by the next mayor of Boston, they all boil down to the same timeless concern faced by mayors for the past century: how to keep the city viable, which is another way of saying how to take steps to ensure that the city is adaptable to change. In my view, there is an urgent need to develop creative and effective strategies that will ensure social and economic justice in a society increasingly stratified according to those who have too much and those who do not have nearly enough. That requires new investments in, and approaches to, our education system—not just the system that teaches our children,

but also the system that re-trains adults to meet the demands of industries that require specialized skills. There is also, it seems to me, an urgent need to reestablish the city's brand (I think it ought to be as a premier center of innovation across disciplines), not as a marketing ploy but rather to help shape and define the policies that will propel Boston into a stronger position to meet the challenges of a techno-centric era. And there is the need for Boston to determine with a fresh eye where the opportunities and synergies are, and to make investment decisions based upon those opportunities and synergies. This requires leadership that will move away from politically comfortable but economically stagnating "old think." For example, it may be that the highest and best use of seaport properties in Boston are for residential and office retail uses, while more commercial and industrial uses should be centered in New Bedford or Gloucester, creating jobs and economic growth for all three cities. Reaching such decisions requires a level of collaboration and planning that only strong and confident leadership can provide. Which of the candidates will be able to break through the cluttered pack to offer a vision that extends beyond the conventional, that opens a new pathway to the future?

We don't know the answer to that question, nor do we know how this election will conclude, but this we do know: 2013 is a time of change and transition, and it is useful to look back, to understand the lessons history teaches us, and glean durable truths from past experience. Perhaps the most durable truth is that the road to today's Boston was paved with as many good intentions and rhetorical flourishes as will be brought to this election cycle. In other words, history often does repeat itself.

Throughout most of the last century elections for mayor of Boston were high-pitched battles that pitted political factions and the neighborhoods they represented against one another.

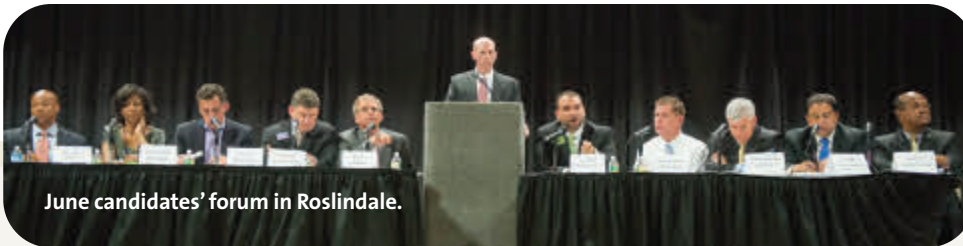
“It used to be very difficult to get buy-in from candidates to run a grassroots campaign,” says Matt Patton, who was a deputy field director for Patrick in 2010, and for a time Warren’s field director in 2012. That difficulty has melted away, as local candidates have watched Patrick and Warren and Barack Obama successfully run out the same grassroots model Dukakis has been preaching since the 1970s. They’ve seen it work again and again and again. And now they want a piece of the action.

## BOSTON BECKONS

Barack Obama is gazing over John Barros’s shoulder. Of course he is.

Barros worked his way from Dudley Street to Dartmouth to Wall Street, and since 2000, he’s run the Dudley Street Neighborhood Initiative, heading up the nonprofit’s real estate development and community organizing efforts. He has a strong handshake and an impressive resume and an unusual appetite for policy papers. The political stump speech is a very peculiar animal, though.

As Barros stands in the living room of a grand



June candidates' forum in Roslindale.

Five of those elections were critical milestones, elections where it truly made a difference which candidate won, and when the city, as a consequence of who was elected, was led in a specific and eventful direction. Those elections took place in 1909, 1913, 1949, 1959 and 1967. Are there lessons embedded in those elections that we can learn from, that can help inform the election of 2013? Will 2013 be another watershed moment in Boston’s history, where the differences between the candidates in the general election—differences in vision, in focus, in background, and in style—are so stark that it truly matters who wins?

Boston received its direction, built its reputation, and developed its sense of place primarily through the mayors who were elected to lead it. These mayors were men of many different stripes and styles—such different leaders as the methodical, green-eye-shade John Hynes, the aloof and charismatic loner in love with the city, Kevin White, and the urban mechanic Tom Menino. Through their personal beliefs and ideologies they moved the city in directions that, for better or worse, determined whether Boston would survive as a vital, viable urban center.

It really mattered that John Fitzgerald—the fabled “Honey Fitz”—defeated James Jackson Storrow in 1909. The city, for better or worse, was sent on a very different course as a consequence of Fitzgerald’s victory. It also mattered when James Michael Curley began his long dominance of city politics in 1913, pushing Fitzgerald out of politics for good. It made a big difference when John Hynes defeated Curley in 1949—Hynes’s victory enabled the kind of bold thinking that led to Boston’s rebirth. And what would Boston have been like had John E. Powers defeated John Collins, or if Louise Day Hicks had been elected rather than Kevin White? These election results were significant not simply because they were legendary battles between powerful politicians, but because the direction of the city was at stake. Would John Powers, the fabled “Little Napoleon” boss of the State House, have been able to move his oversized ego aside and del-

egate the rebuilding of the city to a man of Ed Logue’s vast talents? Perhaps, but perhaps not. How would Louise Day Hicks have handled Boston’s deep racial divisions? Would she have navigated the changing social mores of the 1960s and 1970s with Kevin White’s aplomb? We only know how the elected mayors conducted themselves, and all else is speculation—but it is the kind of speculation that informs how we will make decisions in 2013, as we assess the candidates for mayor.

*CommonWealth* this fall will launch an effort through its online magazine to illuminate the 2013 mayor’s race by understanding how it fits into an historic context. In that effort, I will chronicle critical political transitions in the 20th Century, when Boston grew into an important city of immigrants, a metropolis of over three quarters of a million people at its population height, and then declined, only to renew itself and, in certain respects, reinvent itself as a vibrant urban environment that, in an era cynical about the future of cities, was deemed “livable.” As political theater, the elections of 1909, 1913, 1949, 1959 and 1967 are colorful stories of the rough and tumble of Boston ward politics. But they are more than that. They are windows on the city’s soul during important times, and they provide a unique way to understand where we have been, and where we may be headed.

The man or woman who takes the helm next January will have a rich legacy to follow. The question is whether that person will have the talent, the character, and the willingness to experiment and take risks that can define the next period in the city’s history. Time will tell. This fall, let’s explore the answer together, as we take a fresh view of the 2013 election through the looking glass of history.

*James Aloisi is a former state secretary of transportation and the author of The Vidal Lecture: Sex and Politics in Massachusetts and the Persecution of Chief Justice Robert Bonin.*



Political consultant Doug Rubin, a veteran of the Patrick and Warren campaigns, is working for Felix Arroyo.

old Jamaica Plain home on a warm June evening, asking two dozen voters to help make him mayor, it's clear he's still wrestling with the speech. He's jumping all over the place. He leads with the story of how he hooked on with Dudley Street as a teenager, then laments the deep divisions between the city's wealthy downtown and the struggling neighborhoods he serves. He talks about wanting to instill a sense of hope in Boston residents, then launches into policy points on education and economic development, before realizing that he'd forgotten to talk about his family's background, how his father came to Massachusetts from Cape Verde, how his father's first job in the States, working the cranberry bogs of Cape Cod, paid 5 cents an hour. Then he dives waist-deep into policy again.

A good political speech builds on itself like a wave; Barros is advancing, then looping back, stuck in a rhetorical figure eight. He doesn't remember to mention that he served on the Boston school committee until taking his second question from the crowd. But if Barros still needs to work on how he packages his pitch, the mechanics of what he's after are dead-on. He's standing in a Jamaica Plain living room with an Obama "Hope" poster hanging on the wall, and the most forceful pitch he makes all night

is when he asks these two dozen folks to build a grassroots movement with him.

"This is the important part," he says. "Every time someone believes in what we're going to do, you have to go and get someone else. It's about us doing this again," in living rooms across the city, house party by house party. "We're going to do this together," Barros promises. "It's not about John because John is super-special, it's about John because we're going to move this together. It's about you taking this campaign by the horns and driving it."

Ask Barros how he—or anyone else in the Boston mayor's race—cobble together a winning vote margin in a field that's a dozen candidates deep, and he talks about voter contact and personal engagement. He talks about advice that Patrick gave him. He talks about old-fashioned grassroots politics. As he talks, the guy standing next to him, his campaign manager, Matt Patton, nods along.

Patton suddenly finds himself running against scores of folks he's used to working alongside. Northwind Strategies—headed by Rubin, alongside Patrick veterans Kyle Sullivan and Sydney Asbury—is steering political strategy for Felix Arroyo. Clare Kelly, who served as Patrick's field director in 2010, and then worked alongside Walsh at a state Democratic Party focused on getting out the vote



for Warren, is now managing Arroyo's campaign. Charlotte Golar Richie has former Patrick chief of staff Arthur Bernard in a senior advisory role. John Connolly is importing staff and tactics from Obama's reelection effort. And then there is Joyce Linehan, who isn't on Marty Walsh's campaign payroll, but is the driving force behind the Dorchester state rep's campaign for mayor.

### TRIBAL LIMITS

Politics naturally creates dynastic family trees. Mayor Menino rose out of Joe Timilty's machine, and he became the center of a new machine that created the likes of Michael Kineavy and David Passafaro. Boston City Councilor Steve Murphy used to be Dapper O'Neil's driver; Murphy's colleague and Hyde Park neighbor, mayoral hopeful Rob Consalvo, started out in politics driving and doing advance work for Ted Kennedy. The Patrick and Warren campaigns stand out, though, not just for the number of organizers they've sent into the field, but for the speed at which those organizers have blanketed state politics. The Boston mayor's race is full of grassroots veterans who have risen from campaign operatives to campaign organizers. When it's done right, grassroots politics runs on its own momentum, gathering up volunteers and turning them into self-sufficient organizers.

Linehan credits the rise of organizers like herself to a state party structure that diffuses power among activists at the ward and precinct level. John Walsh "has run a grassroots

Yancey will all be competing hard for votes in communities of color, while the Irish have three of their own—Walsh, Connolly, and Conley—to choose from. Connolly, Conley, and Consalvo all hail from the city's vote-rich southwestern corner, and can expect to split the haul from that region; Dorchester's allegiances will be similarly split between Walsh, Walczak, Barros, and Golar Richie. Barros and Walczak are both talking up their nonprofit backgrounds and positioning themselves as political outsiders. Arroyo and Walsh, both former union officials, will vie for labor's love. Connolly and Michael Ross are both eyeing the growing pool of young, educated, liberal voters who have settled close to the city's downtown—a prize that didn't even exist when Menino rose to power two decades ago. Golar Richie is eagerly talking up her status as the race's only female candidate, but running in a crowded field of men doesn't guarantee anything; Rosaria Salerno was the only woman in the field in Menino's 1993 race, and she placed a distant fourth.

"Realistically, if your organization's goal is to just win the primary, you will lose the general election," says Patton, Barros's campaign manager. "Our goal is to organize the city of Boston."

In this election, it won't be enough for candidates to run on who they are; the only way to gather a winning margin will be to stand for something, and organize around it. That's why veterans of the Patrick and Warren campaigns have been in such high demand in this race. They know, better than anyone else in the state, how to turn months

of grunt work into a formidable turnout on Election Day. They're used to the unglamorous work of building an organization block by block, house party by house party.

"Across the state, there's this impression that some switch exists in Democratic headquarters that can be hit, and all of a sudden the grassroots rises," Patton says. "It doesn't work that way. It's about engagement and constant cultivation. It's not giant rallies, a lot of pomp and circumstance. It's not always flashy when it's real."

Doug Rubin had several mayoral hopefuls competing for his services. He says he went with Arroyo, a current city councilor and former political director for SEIU Local 615, because of "who Felix is—he's an organizer, he's lived it for a number of years. He has the right attitude. He has the biggest potential to be great at this." Rubin insists that the mechanics of running a mayoral campaign are no different than running a campaign for governor or for the US Senate. "We're going to build the same kind of infrastructure we did for Elizabeth Warren and Deval Patrick," he says. It's an infrastructure built on volunteers "who are

## The race to replace Menino is too crowded and too fragmented for any candidate to run on tribalism and expect to win.

party," she says. "John gives people the tools they need to get the job done. Instead of just sending me to a house, he'll explain to me why a house needs to be knocked. So then I'm the one explaining it to somebody the next time."

Tribal politics have dominated Boston since the days when the Brahmins and the Irish slugged it out. The race to replace Menino—September's preliminary election, at least—sets up differently. The field is too crowded and too fragmented for any candidate to run on tribalism and expect to advance to November. No one candidate has a lock on any of the tribal boxes one would normally look to check off. Arroyo, Golar Richie, Barros and Charles

excited about him.”

John Connolly looks a lot like candidates Bostonians have seen before. He’s Irish, the product of a politically connected family (his mother is a retired judge, his father a former secretary of state), and he operates out of West Roxbury. Connolly has Old Boston written all over his face. But he’s making a severe break with the politics of Old Boston. He jumped into the mayoral race before Menino retired, so from its inception, his campaign has been focused on turning out voters outside any machine’s reach. Connolly often talks about operating like the Obama campaign on a budget. This means merging polling data with consumer data to identify voters who aren’t on other campaigns’ mailing lists. And it means shaping his organization around outreach to voters who should be receptive to his platform.

Instead of organizing neighborhood by neighborhood, starting in West Roxbury and working his way across the city, Connolly is targeting young professionals and parents—voters who either have kids in the Boston schools, or could soon. He’s putting a new spin on the old Dukakis model, centering his organization around volunteers in schools, not precincts. “It’s not, who’s our Dorchester coordinator? It’s, who’s our person in Orchard Gardens or Roxbury Prep?” Connolly says, referring to two Roxbury schools. “It’s about demographics, not neighborhoods. If you’re 30-to-50 years old with kids, we’re coming to your door.”

As for Linehan, there are few, if any, organizers in the city as wired as the 50-year old Dorchester native, which is why gubernatorial hopefuls are already cold-calling her, asking for time in her living room, and exposure to her massive network of voters and grassroots activists. At first blush, her candidate for mayor, Marty Walsh, looks to have a bit of Tom Menino in him. He’s a well-liked neighborhood guy who isn’t going to win over many converts by sitting on a stage and trying to out-debate seven other mayoral wannabes. His strength is in his work ethic, and in his ability to attract an army of campaign volunteers. That’s where Linehan comes in.

The two have run in the same Dorchester Democratic circle for years—“I’d lie in front of a train for him,” she says—and the mayoral race has the two tied at the hip. Linehan is pushing Walsh’s social media efforts, shuttling the candidate to television interviews, helping him prepare for candidate forums, opening doors to Boston’s arts community, and using her outsized online presence to vouch for him to skeptical progressives who only know him as the state rep who moonlighted as a highly-paid union official. Most importantly, she’s drawing her huge network of grassroots activists into Walsh’s campaign.

Four hundred people piled into Walsh’s first volunteer meeting. The campaign collected and returned the signatures it needed to qualify for a ballot line—nearly 4,200 of them—in the span of a few hours; other campaigns took days, or weeks, to match that effort. Walsh and Linehan pulled off those two showings of force without bringing organized labor into play. They didn’t need a big labor push when they had Facebook and Twitter and Linehan’s email list.

### **MACHINE BREAKDOWN**

Tom Menino is a politician. Tom Menino is the head of an urban political machine. The two carry very different job descriptions.

Menino became Boston’s longest-serving mayor by running City Hall like a campaign for a district City Council seat. He worked long hours and traveled the city incessantly. He showed up at Little League games and storefront ribbon cuttings and neighborhood coffee klatches. He looked as eager to be able to shake five hands as he was to shake 500. Fifty-seven percent of Boston residents in a 2009 Globe poll said they’d personally met the mayor. That’s the essence of grassroots campaigning—personal contact, direct personal appeals, and constant voter cultivation.

Menino’s machine is a very different thing. It was strongest when it rolled out in support of its boss, since it was built on municipal functionaries whose future employment rested on Menino’s presence in City Hall. But Menino also freely used his campaign apparatus, his machine of

## **The Menino machine’s losses show loyalty and fear don’t get the mileage they used to.**

loyalists, to collect chits from friendly politicians and to punish enemies. He freely dispatched phone bank volunteers and weekend sign-holders and drivers who shuttled elderly voters to the polls. But the Menino machine owed nothing to the campaigns it backed. These were Menino’s people, and they just were mercenaries, bodies to be loaned out and then returned to their owner.

This is not the same as calling the Menino machine ineffective. Doug Rubin calls Michael Kineavy, the long-time head of Menino’s political operations, “one of the best,” a “real organizer” who built “a real organization.” Linehan calls Kineavy’s Election Day voter pull operations

—he'd look at a set of precinct maps and voter records, dispatch operatives to pull voters from a set list of homes, and watch the turnout numbers jump—a work of “genius.” But it's also true that machine politics is built on an audacious foundation, an order to support a certain candidate because the boss says so. Sometimes those orders would be followed up by angry phone calls from Kineavy and company. The operation ran on loyalty and fear. That's why the machine seldom got called out to knock doors for other candidates: Its workers had no answer to the inevitable voter question about why they supported a candidate, other than the fact that they'd been told to show up and knock doors, and they do what they're told.

Loyalty and fear also don't get the mileage they used to. The Menino machine didn't just lose big when it backed high-profile losing candidates like Tom Reilly and Hillary Clinton. It has also lost a string of recent lower-turnout local races—the kinds of contests it's supposed to be able to dominate. Menino's backing did nothing to keep Dianne Wilkerson from being swept out of office by Sonia Chang-Diaz. Reps. Carlo Basile and Nick Collins both got elected by topping candidates favored by City Hall. Menino's machine threw everything it had into a City Council race in Dorchester last year, and all the threats and angry

phone calls in the world weren't enough to get Menino's favored candidate elected. In September, the machine couldn't even push City Councilor Sal LaMattina past a first-time candidate and into an office (county register of probate) with zero visibility.

The Menino machine's slow fade occurred as candidates like Deval Patrick and Elizabeth Warren helped lead a return to the organizational politics of Michael Dukakis. Now, with Menino stepping aside and Menino's machine lying low in the race to name the next mayor, the grassroots infrastructure that Patrick and Warren helped build up has risen up. The grunts are now in charge of the campaigns, with field operations people now as sought after as fundraisers. The entry bar has dropped dramatically. Competitive campaigns no longer need a guy who sits behind a desk inside City Hall, poring over printed voter lists. Electronic voter files have opened up electioneering data to the masses. Facebook and Twitter have given candidates free organizing and communications platforms. Money's impact is being blunted. Campaign infrastructure has become both flexible and relatively inexpensive, built more on sweat than anything else. Grassroots organizing—an old-fashioned idea perfect for the digital age—is choking off the old machine. **CW**

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# Title insurance

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BY JACK SULLIVAN | ILLUSTRATION BY DAN PAGE

Jack LaLond and his wife Kathy have refinanced or taken out equity loans on their Plymouth home six times since they purchased it. They used the loan funds and the savings from the refinancings to make repairs to their three-bedroom Cape, a stone's throw from Plymouth Rock, buy a small vacation home, pay for a daughter's education, renovate their home in preparation for retirement, or just to take advantage of lower rates. Each time they were required to buy title insurance, not to protect themselves but to protect their lender.

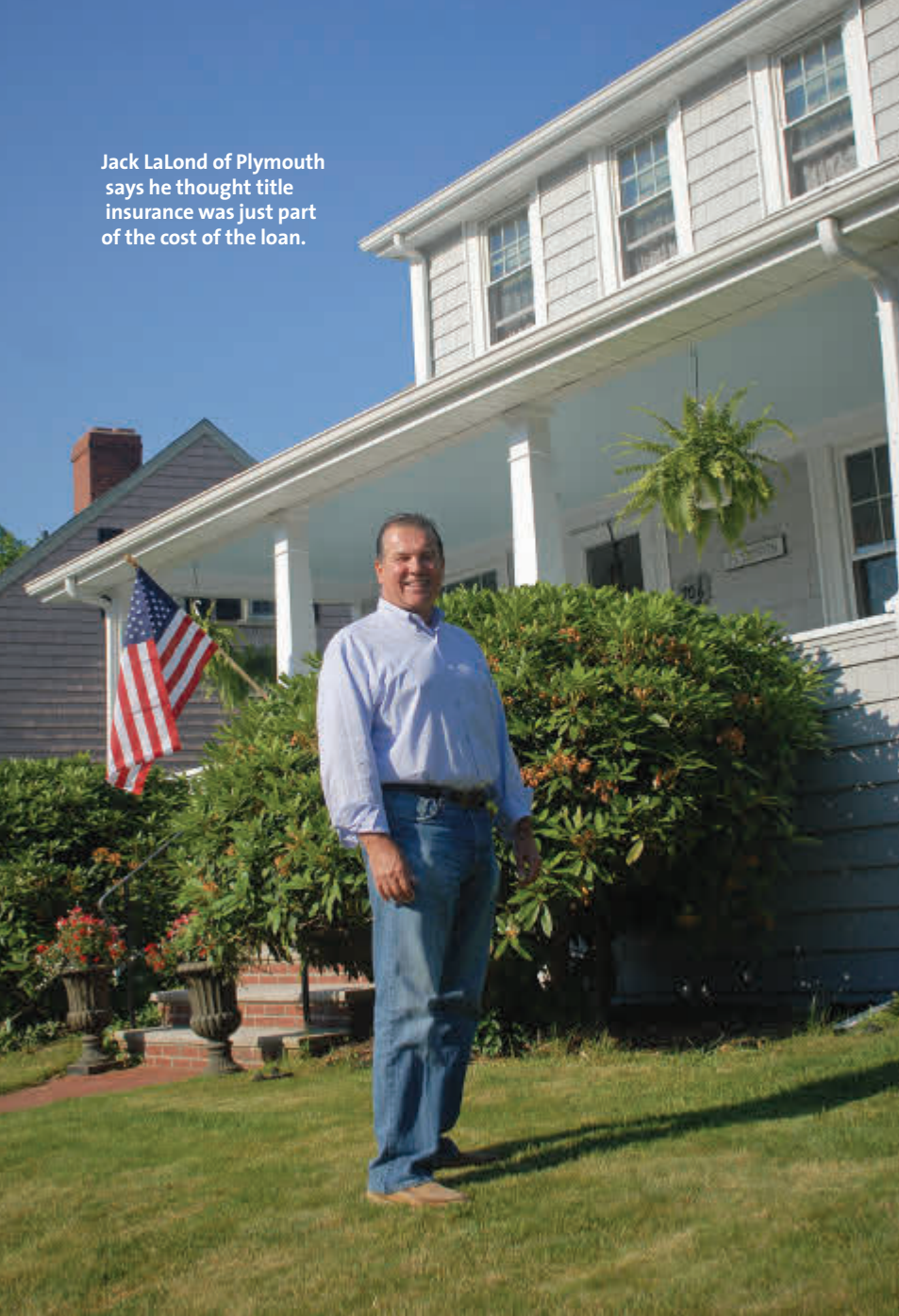
LaLond didn't even know he paid for title insurance on his most recent refinancing, but there it was, tucked inside a stack of closing documents.







Jack LaLond of Plymouth says he thought title insurance was just part of the cost of the loan.



but today they are relatively rare or difficult to overcome. Yet the title insurance business rolls along as if nothing has changed.

Last year, Massachusetts residents spent more than \$252 million on title insurance, according to the American Land Title Association. Of that total, an estimated \$85 million went to the insurance companies providing the actual coverage. The remaining \$167 million was spread among the lawyers who handle real estate closings in Massachusetts and do double-duty as the agents for the title insurance companies. The business is extremely lucrative for the insurance companies, who pay out almost no money in claims, and for their lawyers/agents, who with online access to records can now do the work that used to take days in a matter of hours.

Nearly three-quarters of the title insurance policies purchased in Massachusetts last year were for refinancings, meaning the title work was essentially a redo of work for an earlier loan or refinancing. Like LaLond, most consumers roll the cost of title insurance into their loan amount, which means their bank is lending

The cost was a meager \$300, pretty insignificant compared to the loan amount. But that's the point. Title insurance is one of those hidden-in-plain-sight financial transactions that offer little or no benefit to homeowners yet provide a lucrative gravy train for attorneys and insurance companies.

"I just thought it was a part of the cost of the loan. I didn't think about it," LaLond says. "I just assumed it's legal, and that's all that I was concerned about."

While most insurance policies cover against losses that will occur in the future, title insurance is a way to guard against problems from the past, problems such as boundary disputes, missing heirs, liens, judgments, and other obstacles that would prevent clear title from passing from one owner to the next. Title flaws used to be a big problem,

them money and charging them interest on funds used to purchase a policy that benefits only the bank.

Most states regulate title insurance in some way, whether it's the commissions agents can collect, the premiums insurers can charge, or the licenses participants are required to obtain. But Massachusetts takes a completely hands-off approach. The state doesn't even gather data on the title insurance industry, making it nearly impossible to track who is being paid for what. The only rule that's been enforced is that lawyers are the only ones who can act as agents for title insurers.

Beacon Hill lawmakers have filed bills the last several years that would regulate title insurance rate-setting and commissions and give the state Division of Insurance oversight of the industry. But those bills have not gone

anywhere in a Legislature where nearly 20 percent of the members have outside legal practices, many focused on real estate. Rep. Antonio Cabral of New Bedford is pushing legislation this year that would explore whether it makes sense to thrust the state into the title insurance business.

The executive director for the Real Estate Bar Association of Massachusetts says the organization is opposed to Cabral's proposal, especially the idea of creating a state-run title insurance company. "The notion of a state-owned title insurance company is certainly one that makes us recoil in horror," says Peter Wittenborg. "The bill would so completely overturn the economic model that the industry is based on that it's hard to imagine how the industry would continue in Massachusetts."

Cabral says the bill is about transparency and consumer interest. "We're looking to create some competition," Cabral says. "It seems there's no checks and balances on how much people can charge you."

#### THE MAYFLOWER COMPACT

Title insurance played an important role for centuries in this country by attempting to bring order to the haphazard system of land transfers and property ownership. That system has gone the way of the horse and buggy in this era of technology and decades of settled law, yet lawyers and title insurance companies continue to cling to those historic problems as a reason to force homeowners to buy a product very few will ever benefit from.

## The rate of losses for title insurance pales when compared to losses on other lines of insurance.

The first title in the New World was the Mayflower Compact, followed by the Massachusetts Bay Colony Charter, fairly sweeping grants of property from the British crown for land the king didn't even own. After that, land holdings were pretty much determined by where neighbors agreed their boundaries lay: Natural artifacts such as trees, rocks, and rivers were first used as boundaries and later gave way to markers such as fences, surveying stones, medallions, and monuments. The majority of property filings—deeds, transfers, mortgages, liens, and the like—are filed in each county's registry of deeds. The bound indexes for those transactions date back to 1629 in some

courthouses.

Title insurance was first developed and is used predominantly in the United States because of the possibility for ownership disputes. The insurance protects a lender or a land owner if the title to property is cast in doubt. Edmund Williams, the state's chief title examiner, who typically works on land with the most cloudy history, says most title problems have been cleared up through changes in state laws over the years. "Things that may be perceived to have been bad title 80 years ago have been cured by statutory fixes," he says.

Still, lenders require borrowers to purchase title insurance because investors who purchase the loans want assurance the title is clean. Norwell attorney Joel Stein, co-chair of the title insurance and national affairs committee of the Real Estate Bar Association, says without a certification of clean title, lenders would not be able to write mortgages.

"The title insurance policy is essential to selling loans to investors nationally," says Stein, who has been doing real estate law for more than 40 years. "Investors require a package of documentation and the title policy is the proof of good title. If Massachusetts were to elect to go its own way, national lenders would certainly object."

The cost of title insurance is nominal, based for the most part on the size of the property owner's loan. The cost of a lender's policy now is about \$2.50 per \$1,000 financed. On top of that are other fees that go into the agent's commission, such as title searches and abstracts, which can bring the price tag to \$1,500 or more for an average home purchase with 20 percent down. A buyer can also purchase a policy, though it is infrequently done. A buyer's policy is roughly \$3.75 per \$1,000 of property value.

Nationally, title insurers collected more than \$11 billion in premiums last year, an increase of nearly 21 percent over the previous year. They paid out just 9 percent of the money in losses. The 14 title insurance companies operating in Massachusetts pulled in \$252 million in premiums last year and paid out just 5 percent, or \$12.7 million, in losses and expenses from claims. The rate of losses for title insurance pales when compared to other lines of insurance. According to Division of Insurance records, health insurers paid out 88 percent of premiums in losses in 2011 while home insurers paid out 92 percent.

The rate of losses may be less in Massachusetts because three-quarters of the 334,000 policies issued in the state were for refinancings. Even though title insurance for a refinancing is typically priced at a lower rate because there is less work to do, it remains a lucrative business and a sore spot with consumers.

"There has been a lot of controversy over the years since we started placing title insurance on refinances," says Steven Edelstein, president of Reliant Mortgage in Beverly.

“You hear borrowers over and over say, ‘Why am I paying title insurance again? I thought I already paid for that.’ This one issue has always been a controversial issue.”

Since opening its doors in 2001, Reliant Mortgage has written about 1,000 home loans a year and has \$1.1 billion in mortgages currently outstanding. Edelstein, an associate board member of the New England Land Title Association, says every dollar that the company has loaned has been guaranteed by a title insurance policy. But the insurance has never been used. “As a company, we’ve probably put zero claims in,” says Edelstein.

Lenders even require title insurance on registered land, which is land the state has already certified as having clear title. Massachusetts is one of just a handful of states that uses a dual system of land recording. In the late 19th century, Massachusetts created a separate registry system for properties with particularly troublesome titles. Overseen by the state Land Court, the state’s own examiners, title searchers, and surveyors search the history of a property’s title, certify it as clean, and guarantee it against any claims of defect. Roughly 20 percent of the state’s land is registered land.

Williams, the state’s chief title examiner, says he owns registered land and was required to buy title insurance for his lender at the time of purchase. Since the state had already verified and guaranteed the property’s title, the policy guarded against nothing and benefited only the title insurance company and the attorney who acted as the company’s agent.

“I viewed it as part of the price of getting a loan,” Williams says. “It’s no different than any other charge [in getting a loan.]”

## ONLY LAWYERS

The business of title insurance is so lucrative that the state’s Real Estate Bar Association has furiously—and successfully—fought for decades to retain the right for lawyers to be the sole agents for insurers.

“The organization has a long history of attempting, through both legislation and litigation, to confine conveyancing activities in the Commonwealth to Massachusetts attorneys,” Supreme Judicial Court Justice Margot

## WHO’S MAKING IT IN MASSACHUSETTS TITLE INSURANCE BUSINESS

COMPANY	PREMIUMS PAID	AGENT FEES/ COMMISSIONS	PERCENT
First American Title Insurance	\$77,841,287	\$51,912,332	66.7%
Old Republic National Title	\$40,163,609	\$28,527,624	71.0%
Stewart Title Guaranty	\$33,109,580	\$23,449,715	70.8%
Chicago Title Insurance	\$24,544,787	\$14,795,863	60.3%
Commonwealth Land Title Insurance	\$22,157,876	\$13,732,957	62.0%
Fidelity National Title Insurance	\$21,801,762	\$12,868,197	59.0%
Connecticut Attorneys Title Insurance	\$20,238,843	\$14,686,987	72.6%
WFG National Title Insurance	\$4,167,359	\$3,560,626	85.4%
Westcor Land Title Insurance	\$2,060,149	\$1,498,555	72.7%
National Title Insurance of New York, Inc.	\$1,737,759	\$0	0.0%
North American Title Insurance	\$1,686,047	\$1,414,616	83.9%
Title Resources Guaranty	\$1,530,060	\$846,681	55.3%
American Guaranty Title insurance	\$1,089,258	\$515,244	47.3%
EnTitle Insurance	\$108,238	\$4,369	4.0%

SOURCE: Annual corporate statements filed with National Association of Insurance Commissioners

Botsford wrote in a 2011 ruling on a case that solidified the crucial position of attorneys in the title process and gave them enormous leverage on fees.

The bar association had sued National Real Estate Information Services, a Pennsylvania company that was offering real estate closing services using employees who were not lawyers. The association argued the company, which operates in many states, was illegally engaging in the practice of law in Massachusetts, particularly as it related to the issuance of title insurance policies. The SJC held that nonlawyers could handle some aspects of real estate closings, such as acting as title agents, but they couldn’t do title searches or certify titles as “marketable.” The decision gave attorneys enormous leverage with title insurers, who depend on the lawyers to steer business their way.

“It’s all kind of integrated,” says Stein, the Norwell attorney. “If you’re issuing the policy, you should do the title. From a practical standpoint I wouldn’t be comfortable with someone issuing the title policy for a deal I’m closing. Plus, not to mention, there’s the financial matters.”

Even as lawyers have solidified their hold on the title insurance business, the amount of work they have to do has declined. It was not long ago that title searches were extraordinarily labor intensive, taking hours just to go through the musty books in registries, following the margin references, and confirming all notices, levies, liens, claims, mortgages, and discharges on a property. The standard is to search back 50 years or longer until a clean title is found.

But that mind-numbing work has given way to the speed of a computer processor. Richard Howe, the Register of Deeds for Northern Middlesex in Lowell, says com-



puters have reengineered the business of title searchers since he took office in 1995. No longer are there scores of searchers with piles of books at a desk painstakingly recording every defect of title on a centuries-old property. In his registry, like most others around the state, the entire database is online and searchable from a home or office.

While many closings used to occur at the registry to make sure all filings were up-to-date before the check changed hands, Howe says now they are often done in the comfort of an attorney's office. "The revolutionary development is this electronic recording," says Howe. "They're [buyers and sellers] still discussing what day the garbage gets picked up and the lawyer has already registered the deed."

Although title searches are generally taking less time, the fees lawyers collect for title insurance work are going up, not down. The fees are based on the value of the loan, which has been rising along with the price of homes. In 1991, the average price of a home in Massachusetts was about \$151,000; today, even after the downswing of recent years, it is more than double that at \$319,000. Title insurance premiums, and the agent commissions that accompany them, have risen by more than 40 percent over those years.

Stein says his office, which includes himself, another lawyer, and five title examiners doing the work, performs about 200 title searches a month. While he says there is

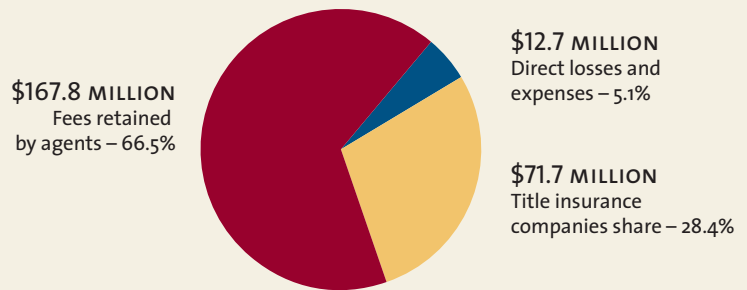
## Title searches generally take less time but the fees lawyers are paid for the work are going up, not down.

some work that can be done remotely, some registries in the state do not have online indices going back 50 years and others are rife with problems in data entry that make it difficult to have confidence in the records.

"In certain registries, I've made a determination, from what I hear from my title examiners, that we will do title searches on site," says Stein.

Title insurance commissions for lawyers, which average about 65 percent of the total premium and can reach as much as 85 percent, have remained high even as the fees

### \$252.2 MILLION IN TITLE INSURANCE PREMIUMS PAID IN MASS. IN 2012



SOURCE: Annual corporate statements filed with National Association of Insurance Commissioners

attorneys receive for real estate closings have fallen. Some industry officials say lenders have cut their legal fees for real estate closings, which many homebuyers scrutinize closely, knowing full well the attorney is held harmless by the fees he receives working as a title insurance agent.


Attorney Douglas Johnson, who has closed about 30 percent of Reliant's loans, says, in the 23 years he has been a real estate lawyer, settlement fees paid by lenders have dropped from more than \$1,000 for a closing in 1991 to between \$650 to \$800 now. He says the commission he receives as a title insurance agent is what firms such as his count on the most. "The legal fees don't really cover the work involved," says Johnson. "We're making less today [from closing fees] than we did in 1991 when I first started. The only thing that helps is the value of the policies is bigger now."

The federal Office of Housing and Urban Development does have some requirements regarding title insurance, chief among them that a buyer has the right to secure his or her own title insurance policy for the lender and not just accept the coverage recommended by the bank's attorney. But experts say lawyers do not often provide that disclaimer to buyers because, if they did, they'd lose a large chunk of pay from the transaction.

Stein says lawyers have to get paid for their work somehow. "One of the main reasons for doing the work is because you're getting the title insurance premium," he says. "If the agent's portion was decreased and you still had the same responsibilities, you have to get paid from somewhere or you're not going to get somebody to do it. If it's some way or another reduced [by regulation], the money would have to come from somewhere else."

### NO REGULATION

Massachusetts may have been one of the first states to issue and record land titles, but it is among the last to institute any kind of statutory oversight over the little-




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**5**  
PERCENT OF PREMIUMS  
PAID FOR TITLE INSURANCE  
LOSSES AND EXPENSES  
IN MASS.

understood policies. The Bay State is one of only three states in the nation that don't license title insurers. Massachusetts is also one of just eight states that don't regulate title insurance rates in any way and one of a handful that don't regulate the agents who represent the insurers.

There is no cookie-cutter regulatory policy across the nation. Many states allow or require attorneys to serve as title insurance agents, while 24 ban lawyers from the business. Most states regulate title insurance agents in some fashion, either with licensing regulations or disclosure requirements. At least 10 states, including Connecticut and New Hampshire, regulate the percentage of the premium that agents can retain.

At least 42 states have laws regarding rate-setting, including 14 states that require prior approval before rates can take effect. Virginia allows buyers to negotiate rates with agents. Many states have caps on rates as well as the amount of commission an agent can receive. Some states, such as Florida, let title companies perform the title searches themselves, shaving hundreds of dollars off premium costs. Iowa is the lone state that dispenses with title insurance entirely and puts the state in charge of guaranteeing all titles.

The National Association of Insurance Commissioners does a survey of states from time to time and its working group on title insurance recently polled its members on problems regarding malfeasance by insurers and agents. The numbers on embezzled funds in Massachusetts do not approach those from other states, prompting Cabral to say that a lack of regulation may be allowing problems to go undetected.

Michigan, for instance, reports more than \$36.6 million set aside for title insurance was stolen by agents between 2005 and 2009, while Maryland reports that more than 100 attorneys have been suspended or had their licenses revoked in the same four years for theft of title insurance money from escrow accounts.

In Massachusetts, by contrast, no one tracks wrongdoing in connection with title insurance. The state Division of Insurance said it wasn't aware of any problems in response to the questionnaire put out by the commissioners' association. Yet a review of disciplinary actions by the state Board of Bar Overseers finds at least 70 attorneys have been cited since 1999 for violating their obligations regarding funds they received for title insurance, including several who have been disbarred for embezzling tens of thousands of dollars in premiums paid by clients for policies that were never issued.

Cabral has been the driving—and virtually only—

force behind title insurance reform. In the 2011-2012 session, Cabral filed a bill that would have tasked the state Division of Insurance with setting rates, capping commissions, and collecting data quarterly. In addition, his bill

## The bill calls for a study on the feasibility of starting a state-owned title insurer to compete against private firms.

would have mandated lower or even no rates for refinancings that met certain requirements. The bill languished for a year and half until it was sent to study last summer, the legislative way of killing a bill without debate.

This term, Cabral has filed a new measure that would grant regulatory and rate-setting powers to the Division of Insurance but leaves refinancing requirements untouched. Cabral's bill also calls for a study to determine

the feasibility of a state-owned title insurer that would compete with the private companies.

State Rep. Sean Curran, a member of the Judiciary Committee and an attorney who works as a real estate broker but has never served as a title insurance agent, says changes may be warranted in the way title insurance for refinancing is treated. "We should mandate that the banks pay for the title insurance on the refinance side," he says. "If the banks are the ones buying it, they'll negotiate with the title companies and the fees will have to come down."

Cabral's bill has been referred to the Legislature's Joint Committee on the Judiciary, which killed last year's bill. Thirteen of the 17 committee members from both chambers, including both chairmen, are lawyers. Cabral says he doesn't believe his colleagues in the Legislature who are attorneys are trying to block his bill, but he made a pitch in June that the bill be referred to Committee on Financial Services, which typically deals with insurance issues.

"The bill is about insurance," says Cabral. "I'm not quite sure how it ended in the Judiciary [Committee.] I just don't think that's the appropriate committee." **CW**

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# Plugging into Canada

BY BRUCE MOHL

**RHODE ISLAND GOV.** Lincoln Chafee steps up to the podium at a conference of power grid geeks in Boston and says what everyone is thinking. The region is becoming overly dependent on natural gas to run its electricity plants and needs to diversify its power portfolio. Coal and oil are out of the question because of climate change concerns. Nuclear power is not an option because of regulatory, environmental, and safety hurdles. Promoting renewable energy is a high priority for every state, but Chafee says he is growing frustrated with the continuing high cost of wind and solar. He says the New England states need to address climate change but in the most economical way possible. And then he delivers his punch line.

“Perhaps now is the time to look to our Canad-

ian friends,” he says, referring to the prospect of importing large amounts of hydroelectricity from eastern Canada.

The provinces of Quebec and Newfoundland and Labrador have vast hydro resources and are eager to sell their surplus electricity to New England. The electricity would be reliable, renewable, and relatively cheap and green. Plugging into Canada would also offer a major hedge against the region’s over-reliance on natural gas. Northern Pass, one proposed Quebec-New England power link, would deliver 1,200 megawatts of electricity into southern New Hampshire, about the same power output as Seabrook Station, the nuclear plant that provides more than 8 percent of the region’s electricity, and seven times the expected output of Cape Wind.





The Eastmain-1 spillway (left), dam, and reservoir (background) showcase the vastness of Quebec's hydro resources.



The big question facing New England policymakers is not whether to import Canadian hydro but how it gets tallied once it's here. Every New England state has responded to climate change by setting targets for greenhouse gas reductions and renewable energy development. Massachusetts officials say they want to use Canadian hydro to help the state reach its greenhouse gas goals but not its renewable energy targets. Connecticut Gov. Dannel Malloy, by contrast, thinks Canadian hydro can be used to do both.

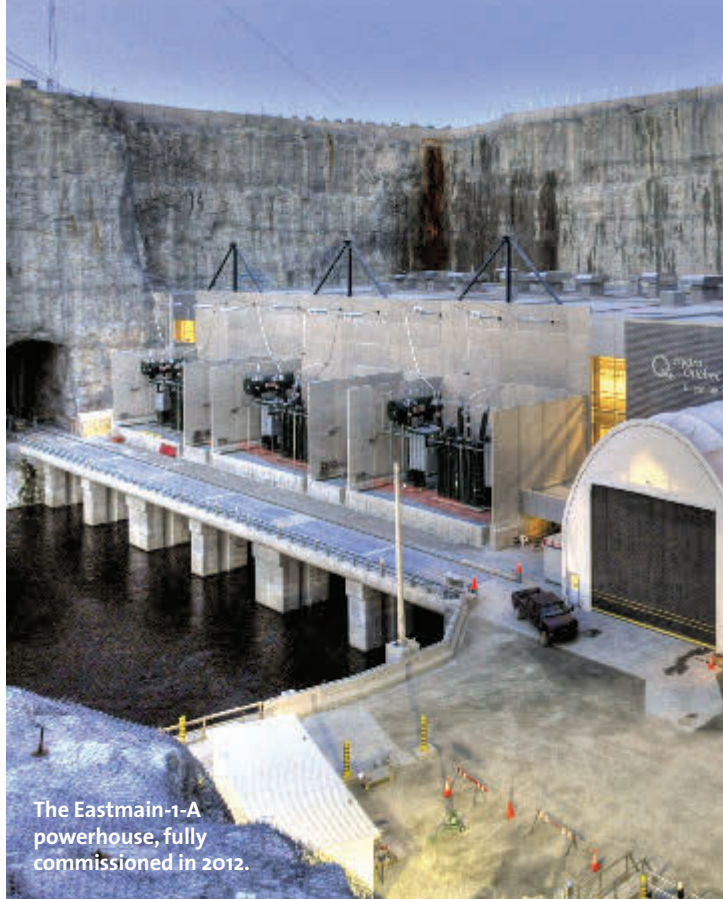
The policy dispute may sound trivial, but a lot is riding on the outcome. At stake are millions of dollars in ratepayer subsidies used to support a select list of renewable technologies, a list that currently does not include large-scale hydro. Massachusetts wants to make sure those subsidies continue to flow to renewables such as wind and solar that need financial help to get off the ground, and not to big hydro projects owned by foreign governments. Officials in Connecticut are worried that renewable energy subsidies are spiraling too high, and think Canadian hydro can be used to reach both renewable and greenhouse gas emission targets at far less cost. As Gov. Malloy of Connecticut likes to say, Canadian hydro is part of a "cheaper, cleaner, more reliable energy future."

Canadian officials aren't weighing into this policy debate with a specific proposal, but they are quite emphatic that the combination of hydroelectricity's lower price, reliability, and environmental benefits makes it superior to solar and wind power and deserving of similar regulatory treatment. They also pointedly note that New England isn't their only potential buyer, that they're also talking to New York and Ontario. "Our position for years now has been that jurisdictions should not discriminate against hydro," says Jean Charest, who stepped down as Quebec's premier last September after nine years in office. "You need renewable energy and we have a lot of it. It's a very good match."

Stephen Molodetz, the vice president of business development for Hydro-Quebec US, suggests the New England states should stop playing enviro-politics. "Rather than picking technology favorites, let the real scientific data determine what meets the definition of renewable and let the market compete to provide that at the lowest possible cost to consumers," he says.

## WINNERS AND LOSERS

Over the last decade, New England has embraced renewable energy on an all-for-one and one-for-all basis. Every state has set its own individual renewable energy goals, but those goals are attained by subsidizing the development of renewable energy technologies on a regional basis. Subsidies are handed out based on where the renewable energy is consumed, not where it is produced. So even



renewable energy that is produced in New York and eastern Canada and sold into the New England power grid qualifies for subsidies.

The approach has led to the rapid development of renewable energy in New England, but it has also created some clear winners and losers. Most of the renewable energy subsidies are coming from ratepayers in the heavily populated states of Connecticut, Rhode Island, and Massachusetts, but those subsidies are flowing out of state to projects in New Hampshire, Maine, and New York.

The system runs on renewable energy credits, or RECs. A wind company in Maine receives one REC for every 1,000 kilowatt hours of power it produces. The wind company can earn one revenue stream for its electricity and another from its RECs. Each state requires the power sellers that operate within its border to purchase enough RECs to match the state's renewable energy target. In Massachusetts, the renewable energy target is 8 percent of sales this year and rises 1 percentage point a year. Connecticut's goal this year is 10 percent, rising to 20 percent by 2020.

RECs are a subsidy for renewable energy developers and their cost gets rolled into the overall price of power paid by ratepayers. If the supply of RECs is greater than demand, the price of RECs falls. If demand is greater than supply, the price of RECs rises. If there are not enough RECs to go around, power sellers are required to make a hefty compliance payment to the state in which they are operating.

In a report last year and a follow-up study in March of this year, the Connecticut Department of Energy and



Environmental Protection found that Connecticut ratepayers in 2011 were paying through their utility bills for a third of the region's renewable energy subsidies. Three-quarters of that money was going to support biomass plants in Maine and New Hampshire, which the report describes as among the least "clean" renewable resources. Another 13 percent of the subsidies was going to landfill gas projects, many of them in New York. Only 11 percent was going to projects in Connecticut.

Massachusetts has not done a similar cost-impact study, but its latest report on renewable energy efforts confirmed that most of the RECs being purchased by power sellers in the Bay State are coming from Maine (wind), New York (landfill methane), Canada (wind), and New Hampshire (biomass). Only 8 percent originate in Massachusetts, and those were primarily from landfill methane plants.

The Connecticut study foresees a gap developing in coming years between REC demand and supply, leading to an uptick in REC prices. The study said the cost of RECs for Connecticut ratepayers totaled \$152 million in 2012 and is forecasted to rise to as much as \$380 million by 2022. The projection assumes the development of Cape Wind off the coast of Massachusetts and the development of other renewable energy projects currently in the pipeline.

Officials in other states aren't raising alarms yet, but they're nervous about the pace of renewable energy development with electricity prices down (due largely to the drop in natural gas prices) and federal energy policies in flux. All six New England states are planning a joint procurement for renewable energy later this year, but that

hasn't stopped the push for Canadian hydroelectricity.

Thomas King, the president of National Grid USA, a utility with operations spread across New England, says he thinks Canadian hydroelectricity is so close and so vast that it has to be included in the region's energy mix. "It's in our best interest to tap into the resource," he says. "The question is how we do it."

Gordon van Welie, the president of ISO New England, which operates the regional power grid, says the definition of renewable energy is starting to shift in New England. As it becomes more expensive for states to reach their renewable energy goals, van Welie says the allure of Canadian hydro is growing. But he also says there is growing concern that lumping Canadian hydro in with wind, solar, and other long-accepted renewables could wreak havoc in the market. "The effect could be to reduce the value of all those RECs in the marketplace," he says.

#### A GOOD FIT


Officials with Hydro-Quebec are fond of saying their company is a good fit with neighboring New England. New England is energy poor, its electricity prices are among the highest in the United States, and more than 50 percent of its power comes from natural gas, a fossil fuel. Hydro-Quebec, by contrast, operates in a province with more than 4,500 rivers, providing ideal conditions for producing electricity from running rivers or the release of water from reservoirs. Hydro-Quebec produces more power on its own than all of the New England states combined, and 98 percent of its electricity is relatively clean and cheap hydro power.

Quebec and New England also have complementary power needs. One of the perks of having a province-owned power utility is cheap electricity rates. By law, Hydro-Quebec is required to sell electricity to its residential customers at cost, which means they pay some of the lowest rates in the world. The power is so cheap that two out of every three Quebec residents heat their homes with electricity. Peak demand for power in Quebec comes during the winter when temperatures plunge and heating demand rises. By contrast, peak demand in New England is in the summer, when temperatures soar and air conditioners are running at full blast. Since Hydro-Quebec designs its generating system to meet peak winter demand, that automatically means it has surplus power available during the summer, when New England needs it most.

Hydro-Quebec earned \$1.2 billion last year exporting electricity and is looking to ramp up sales. Company officials know they have an attractive product. Hydro is dependable; it doesn't rely on the sun shining or the wind blowing.

The power is also relatively clean, judging from a unique





**Gary Long, president of the Northeast Utilities subsidiary in New Hampshire seeking to build a power line down from Canada, says Canadian hydro is not a threat unless policy makers make it a threat.**

and thorough study conducted by scientists over a seven-year period before and after the construction of Hydro-Quebec's EastMain reservoir in northern Canada. The scientists discovered that emissions prior to the construction of the reservoir were neutral, with trees and plants absorbing as much carbon dioxide as the environment was giving off. After the reservoir was created, emissions sharply increased as the area was flooded and vegetation began to decompose. By year five, emissions had peaked and begun to decline. By year 10, emissions had returned to levels comparable with a natural lake, in part because the sub-arctic temperatures reduced vegetation decomposition.

Yves St. Prairie, a professor of biological sciences at the University of Quebec in Montreal and one of the scientists who worked on the study, says emissions at their peak were comparable to an efficient natural gas power plant, but fell well below that after the five-year mark.

"It's a lot greener than using fossil fuel, even the best fossil fuel," St. Prairie says of hydro. "Is it zero emissions? No, it's not. There are emissions. But it is a gift of nature that is much more clean than digging oil sands. This is a pretty good way of generating electricity."

Hydro-Quebec wants to sell its electricity to New England using a \$1.2 billion power line called Northern Pass that would run from the Canadian border to southern New Hampshire. Northeast Utilities, which owns NStar in Massachusetts, would build and operate the power line under contract with Hydro-Quebec. Northern Pass is controversial in New Hampshire, where opposition to new power lines is strong. An initial proposed route has already been scrapped; another is in the works. The project is also financially risky for Hydro-Quebec. The company is betting that it can produce the electricity and transport it to southern New Hampshire, and then sell it at competitive market rates.

Initially, Hydro-Quebec said it didn't need any subsidies to make Northern Pass work. But as the price of natural gas dropped and electricity prices fell, the company began hedging its bets by pushing for recognition that its product is renewable and deserving of some sort of premium. In 2010, Hydro-Quebec signed a 26-year contract to start delivering 225 megawatts of power to Vermont utilities starting in 2012. The initial price was 5.8 cents a kilowatt hour, and was scheduled to track market prices going forward. At the time the contract was signed, the Vermont legislature passed a law designating large-scale hydro as renewable, a largely symbolic move since Vermont doesn't participate in the region's subsidy system for renewable energy.

Renewable Energy New England, a collection of wind energy companies and environmental groups, says the price Vermont utilities are paying for Hydro-Quebec power is 50 percent higher than existing market prices. The group says the Vermont contract undermines "the myth about large hydropower's costs in relation to other forms of generation."

Yet Hydro-Quebec's price in Vermont is still substantially less than what wind and solar companies are charging for their power. "You have to compare renewable to renewable," says Robert Dostis, director of government affairs for Green Mountain Power in Vermont, one of the utilities that purchased the hydro power. "Compare that to any other renewable and Hydro-Quebec is without a doubt lower-cost renewable energy. Wind energy is probably the next cheapest at 10 cents a kilowatt hour."

### **ROOM FOR COMPROMISE?**

It's not often that the governor of one state tells the governor of another state to come out against his own legislation, but that's what New Hampshire Gov. Margaret Hassan did when Malloy, her Connecticut counterpart, proposed counting Canadian hydro as renewable.

Malloy was pushing legislation to create a special category of renewable energy for large-scale (read Canadian) hydro. This special category would help the state reach its renewable energy goals but would not qualify for renewable energy subsidies, although presumably the designation as renewable would give Canadian hydro companies leverage in negotiating power contracts. The legislation was a delicate balancing act, an attempt to treat Canadian hydro as a renewable without upsetting the existing subsidy system for renewable energy.

The proposal prompted a region-wide backlash from



renewable energy developers, environmentalists, and other power producers. The financial services firm UBS, however, saw good news for Northeast Utilities, upgrading its recommendation on the company's stock from neutral to buy.

Malloy's initiative also kindled a debate about the purpose of the region's renewable energy effort. Is the goal to move away from fossil fuels and reduce emissions, or is it to support specific types of renewable energy technologies? And what role should cost play in the effort?

In her letter to Malloy, Hassan said large-scale hydro was purposefully excluded from the region's renewable energy standards. "These plants don't need incentives to stay in operation," she wrote in May. "To include large-scale hydroelectricity in your Renewable Portfolio Standard undermines our common goal of fostering new and small-scale renewable resources here in New England."

Malloy, through his chief of staff, dismissed Hassan's concerns and implied they were sour grapes about Connecticut's decision to reduce support for New Hampshire biomass projects. "Connecticut residents pay among the highest prices for energy in the country, and Governor Malloy believes our consumers deserve some much needed relief. This proposal does just that," Mark Ojakian said in a statement. Malloy later signed an amended bill, one that included large-scale hydro as a renewable but only if overall renewable production fell short of the state's targets.

Patrick administration officials stayed out of the Connecticut-New Hampshire fight, but they generally side with Hassan. Steven Clarke, the state's assistant secretary of energy, says Massachusetts wants to import Canadian hydroelectricity to diversify the region's energy portfolio and reduce greenhouse gases, but doesn't think it should qualify as renewable and be entitled to any subsidies.

What's the point of the state's renewable energy goal? "It's definitely geared toward reducing emissions," he says, "but not from technologies that are mature like large hydro."

Ian Bowles, the state's former energy and environmental secretary, is more blunt. He says Massachusetts ratepayers shouldn't be subsidizing below-market power rates in Quebec or other parts of Canada. He says the subsidies should be used for technologies closer to home that need them. Bowles is a former president of MassINC, the publisher of *CommonWealth*.

Environmentalists are taking the same position, arguing that Canadian hydro would be disruptive to the renewable marketplace. Christopher Courchesne of the Conservation Law Foundation says he would be a lot more sympathetic to Northern Pass and Hydro-Quebec if Northeast Utilities used the hydro to displace the company's two coal power plants in New Hampshire. A Northeast Utilities spokesman says the coal plants are needed to diversify the region's energy mix.

Bill McKibben, an environmentalist and one of the

nation's leading climate change activists, argues that any preferential treatment for Canadian hydro could undermine efforts to ramp up other forms of renewable energy. "We've got to get to zero carbon emissions very fast," he says. "Tapping into existing hydro capacity may be cheap, but it doesn't really get us much nearer the place we need to go. Connecticut needs solar panels on rooftops, not a thousand-mile extension cord to Hudson Bay."

But Dan O'Connell, another former cabinet secretary of Patrick's who now heads the Massachusetts Competitive Partnership, a group of 16 influential CEOs, argues that policy-makers need to pursue their renewable energy goals in the most cost-effective way possible. "If the goal is backing out carbon emissions, large scale hydro is every bit as effective as other means. Why is it the poor sister?" O'Connell asks.

Despite the sharp differences of opinion across the region, there still appears to be room for compromise.

Hydro-Quebec officials are careful not to close any doors as they seek some form of preferential pricing for their power. "We're delivering a premium product, yet we're being paid the same as coal and oil," says Molodetz of Hydro-Quebec US. "We don't like to talk about subsidies, but we do think there is room in northeast energy markets for market signals or market mechanisms that would recognize and value the product that we deliver into those markets."

Clarke, the Massachusetts energy official, says five of the six New England states are exploring this summer the best way to import Canadian hydro into the region. Clarke rules out any subsidies for Canadian hydro, but says the electricity could receive other, unspecified incentives. New Hampshire is boycotting the discussions. A spokesman for Gov. Hassan says "it would be misguided to develop a preference for specific projects that have yet to announce routes or show their specific cost savings for New England consumers."

Gary Long, the president of the Northeast Utilities subsidiary in New Hampshire that wants to build the Northern Pass power line, strikes a very conciliatory pose in his office in Manchester. He says Hydro-Quebec officials only want what's fair. "As business people, they want to get the full value for their products. That's a perfectly valid business point of view," he says.

But he thinks there is a way for policymakers to provide that full value without disrupting the rest of the renewable energy market. He says the choices are not between hydro and solar, or hydro and wind. "I don't buy into the either or. I'm into all," he says. "Canadian hydro is not a threat unless policymakers make it a threat. If New England wants clean, renewable energy and our neighbor has an abundance of it, it's a natural. It's good business. It's almost too good to be true." **CW**



The 90,000-square-foot computing center is located in Holyoke because power is cheap there.

# Booting up

Can Holyoke's massive, new high-speed computing center help turn the Paper City into a technology hub?

BY GABRIELLE GURLEY | PHOTOGRAPHS BY BRIAN McDERMOTT

**MICHAEL FELD IS** moving his small tech company from Northampton to Holyoke. That's not a big deal on its own for Holyoke, but it will be a very big deal if it's a sign of things to come.

Feld, the chief executive officer of VertitechIT, a 21-employee technology firm specializing in telecommunications, information technology services, and outsourcing, could not find a Northampton commercial space big enough to house his growing company or the data center he wants to build to handle medical records for the firm's hospital accounts.

When Feld looked for new space, he didn't think of Holyoke, just 11 miles away. But one of his employees who



lives there convinced him to take a look and he liked what he saw. He got a good deal on space in Open Square, a mixed-use retail, commercial, and residential development in a renovated Holyoke mill building. The Holyoke and Springfield community colleges are nearby, and could supply some of the 50 workers he plans to hire by the end of the year. The municipal utility offers low rates for electricity and high-speed data. And then there's the gleaming, new 90,000-square-foot computing center, bankrolled by the state and five top Massachusetts universities, that has risen amidst the vacant downtown mills that are relics of the city's industrial past.

Like an urban pioneer who has ventured into a once-sketchy neighborhood, the computing center makes a statement about Holyoke. It sends a signal that it's safe for business people like Feld to at least look at Holyoke.

The computing center is "a marketing tool" and "an image booster," says Mayor Alex Morse. "It's brought positive energy here and it's brought more young entrepreneurs to Holyoke." The city's 24-year-old mayor, himself a part of the city's image boost among young professionals, talks about turning the mill town once known as the Paper City into "the digital city."

After a brief flirtation with casinos, Holyoke has switched gears to concentrate on an economic development strategy that relies on industries like information technology, precision manufacturing, and on the arts and culture. The plan hinges on attracting more firms like VertitechIT to set up shop near the computing center, in what Holyoke officials have optimistically rechristened the city's "Innovation District."

The center is the largest project Holyoke's run-down industrial zone has seen in decades. "This project will anchor a vibrant new growth district in the Pioneer Valley," Gov. Deval Patrick declared three years ago when plans for the computing center were announced.

Revitalizing downtown Holyoke, however, will take more than just state-of-the-art computing capacity. The computing center was never going to be a major employer; only 10 people work at the facility. The big question is whether the facility can spark business and housing starts and create a mix of jobs, particularly for low-income Holyokers.



Holyoke's Canal District, with the computer center in the background.

About one-third of city residents live below the poverty level. Fifty percent of the population is Latino. Betty Medina Lichtenstein, a long-time community leader and executive director of Enlace de Familias, a local social services agency, says the university computing center changes nothing. "It doesn't give us jobs; it doesn't give us the opportunity for education," she says. "It's there, it's great, it looks pretty, but it doesn't have an impact on the people

## Holyoke's Marcos Marrero views the computing center not as the city's savior but as a reminder to give the city another look.

who live around here."

Marcos Marrero, Holyoke's planning and economic development director, has a different take. He views the center not as Holyoke's savior, but as a signal that businesses and potential new residents should give the city a fresh look. "When people think that the only thing that we are doing is relying on the computer center, that it is the responsibility of the computing center to turn around the city, I don't think anyone has charged them with that," he says. "If the question is, 'Is this a great step in the right direction?' obviously it is."

### CALCULATE THIS

Holyoke got on the map in the mid-1800s, planned by some of the same industrialists who built factories in Lawrence. The industrialists constructed canals to facilitate the use





A sculpture reminiscent of Holyoke's industrial past sits in front of the computing center.

of water to power the mills. During the Civil War, the cotton-reliant textile mills floundered while the paper mills flourished. By the end of the 19th century, 26 paper mills operated in the city. The crash of the industrial economy in the late 20th century hit the city hard.

Today, the same low-cost hydropower that fueled the rise of Holyoke's mills in the 19th century is a key reason for the arrival of the huge computing center that local and state leaders hope will spark the city's 21st century comeback. In the spring of 2009, the University of Massachusetts, the Massachusetts Institute of Technology, Harvard University, Boston University, and Northeastern University settled on Holyoke as the site for an unprecedented collaboration: a jointly-owned and operated \$90 million supercomputer center. The state contributed \$25 million, each university chipped in \$10 million, and Cisco and EMC, the two private industry partners, contributed \$2.5 million each. The federal New Markets tax credit program covered the balance of the cost. The schools can each use up to 20 percent of the facility and pay a share of the operating costs. But the center also plans to lease computing space to private firms that conduct research like VertitechIT.

Supercomputers allow university researchers to perform complex calculations at rates that far surpass the capabilities of even the most sophisticated desktop computers. The acre of supercomputers at the Holyoke center handle hundreds of projects, from the Large Hadron Collider in Switzerland to bone density simulations. It's literally humming in the hot electrical room where a giant red fuse box distributes power to substations. The quieter refrigerator units in a neighboring area cool the facility. These core heating and cooling systems take up enormous amounts of physical space and consume vast amounts of energy.

The five universities put aside academic rivalries to build all of this for a simple reason: None of them could go it alone. Especially galling to MIT was the fact that one of the world's most prestigious science and engineering universities had been losing major research projects to other schools willing to make significant investments.

Three years ago, Jack Wilson, then the president of UMass, got a phone call from Susan Hockfield, then the MIT president, about an MIT plan to ramp up its computing needs. Hockfield suggested that the schools work together on the project. "Did MIT ever before call the University of Massachusetts

and ask them to partner with them?" asks Wilson. "The answers were no and no."

MIT didn't have space on campus for a new computing site. Researchers can work remotely, so the location of the computing center was dictated less by proximity to the universities and more by the cost of power. Cambridge industrial rates can run about 14 cents per kilowatt hour; in Holyoke, the cost is about 8.5 cents per kilowatt hour.

In 2005, an MIT analysis of its computing needs stressed that New England had a number of options for cheap, green hydropower. The study also said, "Look for a community that is interested in ancillary benefits—investment, jobs." Two suggested options were Montague or Holyoke. The Paper City likely rose to the top based on its access to Interstates 90 and 91, its reliable, low-cost electricity courtesy of a municipal electric company generating hydropower; high bandwidth connections via the metro Springfield high-speed Internet hub; and capable local officials who could get the project done.

The 90,000-square-foot facility opened last November, with 10,000 sophisticated, high-speed computers and enough space for about 10,000 more. At maximum capacity, the center will use 15 megawatts of electricity,

enough to power 12,000 homes.

Holyoke officials like to say that the city has gotten a new use for an old eyesore that is now generating revenue. City officials recently negotiated a payment-in-lieu-of-taxes agreement with the computing center that includes an annual \$10,000 scholarship program for Holyoke public school students attending any of the five universities. Holyoke leaders initially proposed an annual \$500,000 payment that would increase to \$1.5 million by 2022. In a May 2013 letter to Morse, John Goodhue, the computing center executive director, argued that the center had made \$10 million in infrastructure investments (some of them funded by state grants) during construction, including paying \$108,000 in back taxes owed by the prior owners; \$4.4 million in upgrades to Holyoke Gas and Electric, the municipal power company; and \$500,000 for programs in the Holyoke public schools and Holyoke Community College.

Holyoke backtracked and accepted an annual \$80,000 fixed payment based on the property taxes paid to the city by the previous owner at the time the universities acquired the property. Those payments are not guaranteed, however. “It is the current intention of the [computing center] to continue payments unless there are significant circumstances that...preclude it from doing so,” Goodhue wrote.

Why did Holyoke settle for less from some of the country’s wealthy universities? “The city would have had more leverage before [construction] permits were pulled under the previous administration, but that wasn’t done,” says Morse. “They are not required to provide the city with a payment; therefore, the city sees this as a fair and successful agreement.”

## CANAL SIDE CONDOS

Holyoke has searched for an economic jumpstart for decades. City and state officials are loathe to place the entire burden for that on the computing center, but spurring the Holyoke economy is clearly one of the reasons why the state made the \$25 million investment. “The hypothesis is that this leading-edge facility can become a catalytic economic development project for the city of Holyoke and the broader region leading to additional industry opportunities and ultimately job opportunities and economic growth,” according to a 2011 Massachusetts Technology Collaborative analysis for Holyoke and the Pioneer Valley.

Greg Bialecki, the state’s housing and economic development secretary, believes the computing center will be a magnet that draws businesses to Holyoke. “Other innovation companies want to be near and around the computing center,” he says. A win for Holyoke, according to Bial-

ecki, would be a company that could employ 200 to 400 people, which would be a very big deal for a small city.

Marrero hints that “larger companies” have expressed interest in downtown Holyoke, but declined to provide details. He insists the city’s comeback strategy isn’t just based on the computing center or even information technology; it’s also about advanced manufacturing sectors like the medical device industry, which are thriving in western Massachusetts. “We are not going to be Kendall Square,” Marrero says, referring to the high-tech and biotech hub near MIT in Cambridge.

Holyoke’s goals are more modest, and include creating job opportunities to get the region’s college students to think about working in Holyoke after graduation instead of leaving for bigger cities. Marrero also has his eye on baby boomers who have tired of suburban living. “Even if we get a sliver of that trend, we could grow our city,” he says. No longer figuring in the growth plans is the casino that the mayor briefly considered, but then rejected after a grassroots blowback. It was touted, in part, as an opportunity to provide employment opportunities for workers left behind by the information technology revolution.

The challenge for Holyoke is to attract firms that seek the advantages of a market with good infrastructure, a lower cost of living, and ready access to talent in the college-graduate-rich Pioneer Valley—far away from competitors who gravitate to major metro areas such as Boston or New York. According to the Massachusetts Technology Collaborative analysis, however, it is not clear what type of industries would be attracted to Holyoke just because the university computing center is there.

Nor is it certain what incoming businesses would do for the city if they started to sprout. “These efforts at placing high-powered clusters of concentrated high-tech, bio-tech know-how in the midst of an island—it simply works as an enclave with no deep connection to where they are

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## The computing center employs just 10 people and makes a fixed payment to the city of \$80,000 a year.

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located,” says Ramón Borges-Méndez, a Clark University associate professor of community development and planning who studies Holyoke and other Gateway Cities.

At the opposite end of the canal district from the computing center, Open Square, the huge mixed-use building



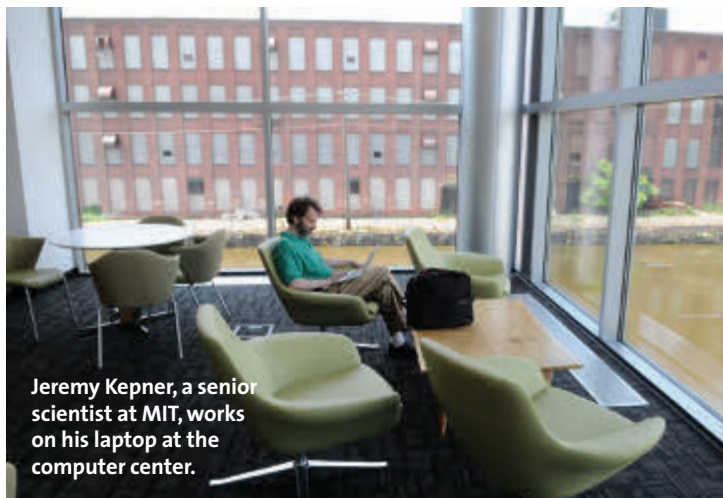
**Marcos Marrero,**  
Holyoke's director of  
planning and  
economic development.

where VertitechIT plans to land, stands as an outpost of the “if you build, they will come” mentality that has prompted a trickle of new businesses, shoppers, diners, and residents to the area. (The new downtown pioneers include the city’s mayor, who rented a renovated loft unit in Open Square soon after winning election two years ago.)

“With a slew of live-work condo spaces getting developed, Holyoke could be much like the next Brooklyn in terms of young, entrepreneurial people coming here,” says Northampton real estate agent Craig Della Penna, invoking what seems like more than just a little of the hyperbole that goes naturally with his trade.

Condos are planned for several vacant downtown buildings and Philadelphia-style row houses are also attracting first-time home buyers lured by the “Buy Holyoke Now” program that offers incentives and discounts on everything from gas and electricity rates to local cafés and home improvement stores. Last fall, a one-bedroom loft with a canal view near the computing center sold in one day for \$145,000; the previous high in the building was \$127,000.

The canals lend the neighborhood a distinctive sense of place that was never really duplicated elsewhere in Massachusetts. Holyoke is “a Venice that had fallen on hard times,” says former UMass president Wilson, now interim dean of the College of Engineering at UMass Lowell. Holyoke is one of the state’s poorest Gateway Cities, with an unemployment rate near 10 percent. It has managed, however, to get some handle on crime, one of the basics that must be tended to for any urban center to rebound.



**Jeremy Kepner, a senior  
scientist at MIT, works  
on his laptop at the  
computer center.**

Former police chief Anthony Scott, who retired two years ago, launched a “Take Back Our Streets” campaign designed to crack down on petty nuisances such as loitering, public drinking, and loud music to begin to slowly wipe the slate clean of drugs and gangs. Holyoke had no homicides in 2012, the first time in more than 25 years that the city went an entire year without a murder.

For the revitalization project to succeed, persuading more people to work and live downtown is key. Can Holyoke accomplish that goal without driving out the low-income residents? The mostly

Latino residents of the dilapidated Lyman Terrace public housing project near City Hall, which was slated for demolition, won a multi-million-dollar renovation for their homes only after threatening to sue the city. But Morse says Holyoke is a long way from gentrification. “It will be a good thing when we do hit that point because we have room to grow,” he says.

## AN UNCERTAIN SPRINGBOARD

Holyoke wasn’t a slam dunk for Michael Feld and VertitechIT. Feld remembered the city as grim and dangerous from his days as a Hampshire College student in nearby Amherst in the 1980s. It was all Jessica Ryder, the company operations manager, could do to get him to tour commercial spaces downtown. Feld was amazed at what he saw. “It was a completely different city,” he says, citing overtures



made by Mayor Morse and others and the beautifully restored mill building where his new offices will open later this summer.

Ryder argues that the improvement in the atmosphere downtown owes more to vigorous policing than to the recent arrival of the computing center. "A lot of what started [began] with residents getting sick of the state that their city was in and bringing in a police chief who would straighten things up," she says. "Once that got some press, it just made it a lot easier for...bringing money back into town."

Creating a technology cluster is a long-term project. Unlike fighting crime, there are uncertain rewards for post-industrial cities from these types of hubs. Troy, New York, is another former mill town with high poverty and unemployment that has gone the technology route. The city and its environs are part of a larger, eastern New York technology cluster. In 2008, Rensselaer Polytechnic Institute, in partnership with IBM and the state of New York, opened the Computational Center for Nanotechnology Innovations supercomputing center in Troy. It serves as a resource for government, start-up industrial users, and academic researchers.

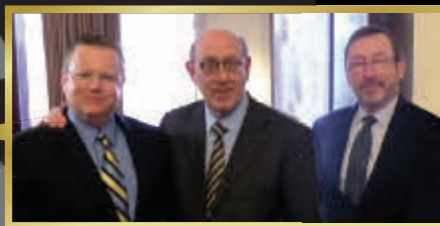
According to Monica Kurzejeski, Troy's economic development coordinator, 37 new businesses opened downtown last year, two years after the city established a business improvement district. Investors and small-to-midsize firms from New York City, Long Island, and Philadelphia

## Using a computer center as the springboard to a better Holyoke is an unconventional economic development gambit.

are showing interest in the urban core. Downtown Troy is making a stronger play to keep area students from leaving for New York City or Boston with projects like "maker spaces," where young entrepreneurs with bright ideas but no money can team up with venture capitalists and freelance executives. "It's taken years," says Kurzejeski, who has worked in Troy since 1997.

## MASSACHUSETTS BAR ASSOCIATION

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She admits that most new jobs in Troy go to professional and creative workers, not low-income residents. As for Holyoke's bid to have the high-speed computer center start it down a similar path, Robert Atkinson, president of the Washington, DC-based Information Technology and Innovation Foundation, says there are likely to be "spin-offs," especially from student entrepreneurs from the Pioneer Valley's two- and four-year colleges. But Atkinson questions the wider impacts. "I wouldn't hold my breath and say that this is going to be the giant economic savior of that region," he says.

More broadly, creating talent clusters as an economic development strategy is coming under new scrutiny. The University of Toronto's Richard Florida, whose groundbreaking research on the creative class spurred declining urban areas to make major investments to attract knowledge and creative workers, admitted on The Atlantic Cities website in January that the strategy has limits. "On close inspection, talent clustering provides little in the way of trickle-down benefits," he wrote. "Its benefits flow disproportionately to more highly-skilled knowledge, professional, and creative workers."

Using a university computing center to serve as a springboard to a better Holyoke is an unconventional gambit. In

the short-term, the major beneficiaries of the computing center in Holyoke are the five Massachusetts universities and the wider global research community. Holyoke's big hope is the center will also find favor with smaller technology firms like VertitechIT, who want to site tech operations in a low-cost location, and with manufacturing firms, artists, and other creative professionals.

State and municipal leaders are convinced that the Massachusetts Green High Performance Computing Center is a game-changer. The arrival of even one new firm with the potential to employ a few hundred people in a wide range of jobs would make a huge difference in a city like Holyoke. If commercial data centers and other businesses begin to show interest in some of Holyoke's vacant lots and mills, the city property tax coffers will grow. That would allow the city to fund more municipal services, which could buff up Holyoke in ways that draw other businesses. And on it would go, according to the virtuous cycle theory that undergirds this and any other effort like it.

In the meantime, Wilson, the former UMass president, injects a necessary note of caution. "Keep expectations reasonable," he says. "There are things that work on scales of decades and half decades; that's certainly what we are talking about in Holyoke." **CW**



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# Poverty sprawl

More poor people now live outside the country's major urban centers than inside them. Alan Berube and Elizabeth Kneebone say this changing geography demands a rethinking of how we tackle poverty and serve those in its grip.

PHOTOGRAPHS BY WILLIAM MOREE

**INNER CITY SLUMS**, along with isolated rural outposts, have long defined our concept of poverty in America. Whether it is endless blocks of urban deprivation or a dilapidated house with a sagging porch in a remote corner of countryside, this is what forms our picture of poverty. Lying between the two is suburban America, the vast and growing land of well-kept homes and lush lawns that is the mainstay of the country's middle class. But a new book says poverty is now making its way to suburbia in a big way.

Poverty grew during the 2000s in both cities and suburbs, write Alan Berube and Elizabeth Kneebone in *Confronting Suburban Poverty in America*. But they say that growth was much more pronounced in suburbia, where the number of poor people rose by 64 percent, more than double the 29 percent increase seen in urban America. The increase in suburban poverty is

such that more poor people today live outside big-city America (16.4 million) than inside it (13.4 million), according to Berube and Kneebone, researchers at the Brookings Institution in Washington, DC.

They point to several factors driving the suburbanization of poverty, including shifts in the location of lower-wage jobs and affordable housing, and new patterns in where immigrants settle when they arrive here. The growth of suburban poverty, say Berube and Kneebone, calls for new approaches to the policies and programs that serve the poor. The new approaches include delivering programs efficiently at the regional level as well as infrastructure investment in mass transit, which is crucial for an increasingly suburbanized population to access services and the employment and training that can help them climb out of poverty.

Joe Kreisberg, president of the Massachusetts Association of Community Development Corporations, is skeptical of the idea that poverty is soaring in places conventionally understood to be Boston suburbs. The Brookings report considers as suburbs all the communities of less than 100,000 residents that surround major cities such as Boston. “It is a serious mistake to conflate truly suburban communities like Lincoln and Westwood with smaller urban cities like Lynn, Brockton, and Revere because they face different challenges, have different resources, and need different solutions,” Kreisberg wrote following release of the Brookings report. But he nonetheless agreed with Berube and Kneebone that new collaborative, regional approaches to poverty are part of the solution, and he expressed hope that by making it clear that poverty is not just an urban problem, their report might generate more attention to poverty and ways to address it.

To try to understand better this shifting geography of poverty, I spoke by phone with Berube from his office in Washington. What follows is an edited transcript of our conversation.

—MICHAEL JONAS

**COMMONWEALTH:** The image the term “suburb” conjures up in people’s minds is very different from the emerging new reality that you and Elizabeth Kneebone spotlight in your book.

**ALAN BERUBE:** Suburbs in America were in part the reaction to the problems of poverty in cities. And so it’s a little bit of a man-bites-dog story to see that today the majority of poor people in metropolitan areas actually live in suburban communities. Americans for some time had a fixed notion of what suburbia is that’s rooted in a 1950s or 1960s “Ozzie and Harriet” pictorial. It’s a bit of a rude awakening to realize that many of the same economic and social challenges that have long affected inner cities can actually be found in greater number in suburbs.

**CW:** And your finding is that this has really accelerated over the last dozen years or so?

**BERUBE:** Yeah, and it’s a bit of an interesting story how we came to this subject in the first place. I studied and got into urban policy because of the problems of the urban poor and what I thought was society’s responsibility to address those. In the course of examining trends in urban and metropolitan poverty over the 2000s, Elizabeth and I just ran across this quirky finding that, it seemed at least by 2005, there were more people under the poverty line in these metropolitan areas outside of cities than inside. By the end of the decade it was clear that the Great Recession had dra-

matically accelerated the movement of poverty to suburbs.

**CW:** And you talk about how those more recent downturns have accelerated it, but you also point out that this has not been entirely driven by the recent recession. There were some other things in motion already. What were these precursors?

**BERUBE:** It was a longstanding combination of the movement of population and jobs to suburbs, and especially jobs in sectors that pay lower wages, like retail and hospitality.

**CW:** So people followed the jobs?

**BERUBE:** Yes, and as people follow jobs, at some point people need to live near their jobs. Maybe those jobs are in the outer suburbs, but rather than living in the city they’re living in the inner suburbs just to gain some proximity to employment opportunities. The aging of suburbia is also causing there to be more affordable housing opportunity in suburbs, as are some policy changes like the introduction of housing vouchers and the enforcement of fair housing laws, which helped to open up suburban housing opportunities for low-income families. New policies have very intentionally lowered the barriers to the suburbanization of poverty. I think that’s the right thrust and a well-intentioned move. A third factor, which is bound up in

*It’s a little bit of a man-bites-dog story to see that a majority of poor people in metro areas live in the suburbs.*

the population and job shifts and affordable housing, is the greater movement of immigrants into suburban communities—immigrants who used to settle in central city neighborhoods, those portal communities, including in Greater Boston and suburban communities.

**CW:** So you’re saying that immigrants who would have once always had the urban center as their initial landing spot are skipping that step and going directly to their suburbs?

**BERUBE:** Yeah, suburbs are becoming the first stop for new immigrants to America, rather than the second or third stop after they’ve graduated from central city neighborhoods.

**CW:** There are two ways, I guess, that any region would see



an increase in the number of poor people: Poorer people moving there and people who are already there becoming poor, falling down the economic ladder. How do those two ways of landing in poverty figure in the patterns you've seen?

**BERUBE:** There's a structural component to the suburbanization of poverty and a cyclical component, too. The structural component is really the combination of factors like population and job change in suburbs, affordable housing increasing, and then immigration moving to suburbia. The cyclical component is, especially over the last decade, what's happened to economic opportunities for middle-income families, middle-skilled workers, who in America today are largely suburban, and so the impacts and the poverty that resulted are more a suburban phenomenon than an urban phenomenon. You think here about factors like the decline of manufacturing in America. That's actually been a long-running trend, but

especially pronounced in the 2000s. That's a suburban industry, that's a suburban workforce, those are suburban families who are most affected by the downward mobility that's ending up in the statistics of suburban poverty.

**CW:** Our image of factory work, if you go back 100 years, would have been Boston or the smaller mill cities in Massachusetts.

**BERUBE:** I grew up in Worcester County. Manufacturing jobs are not in downtown Worcester. They're not even really any longer in downtown Fitchburg or Leominster or some of the older cities. They're really scattered in the small cities and towns throughout the county, off of highways, outside of downtown areas, in industrial parks. These are really suburban places and suburban industry. So when you have plant closures and you have layoffs, those are suburban communities that are being affected.

**CW:** Can you talk a little bit about why this growth in suburban poverty is really significant? Some of the people who reacted to your report have been a little glib in saying, well, of course there are a lot more poor people in the suburbs—there are just a lot more people in the suburbs. It's where US metropolitan areas have really grown since World War II. I'm sure you're familiar with these critics, starting with the leading champion of suburban America, Joel Kotkin, who essentially says this is much ado about not very much.

**BERUBE:** I think some of the reaction here has misinterpreted this research as being us taking it out on suburbs and cheerleading for cities, saying, gosh, suburbs are not so great, they've got a lot of poverty, cities aren't that bad.

**CW:** Kotkin certainly does suggest that this is driven by an agenda. He tweaks Brookings, calling it "the Vatican for anti-suburban theology."

**BERUBE:** That has nothing to do with why we got into this issue in the first place. We think it's important because there are a lot of families now who are in suburban communities, who are struggling to get by, and there is little to no infrastructure to help them get by, or get ahead and connect to services and supports and economic opportunities, because we never built it. We've been tethered to a model of alleviating poverty that grew out of an era of community empowerment and neighborhood-based solutions. Model Cities was the name of the hallmark program.



## CONVERSATION

I don't want a Model Suburbs program, I don't want a suburban poverty solution. I don't think we need any of that. And, frankly, I don't think it's a model that's worked all that well for inner-city communities, either. I think they're better off than they might have been, but I don't think we've gotten anywhere close to solving the problems of these communities with the toolkit that we have thus far. So from our perspective, what we need are models that work at the scale of the economy and the scale of the issue, which is more or less a regional one in most metropolitan areas.

**CW:** As you write, a couple of the main data points are that there are more people living in poverty in suburbs than in cities. It certainly is somewhat just a consequence of the population growth in those areas. The poverty rate itself, I think, is roughly half what it is in the urban centers. But it's still quite a bit higher than it had been.

**BERUBE:** That's right. Poverty rates are up everywhere over the last decade, a little bit more in suburbs than in cities. The share of the population in poverty in suburbs is still lower. I would just point out, though, that suburbs are a big amalgam. To call them all by one name really doesn't do justice to the diversity of these places. For every Weston, there is a Revere. These places come in a lot of different shapes and sizes. Many of them look more like cities from a physical standpoint than they do suburbs. And poverty rates aside, the fact of the matter is there are more people in those kinds of communities who have the challenges and needs that accompany poverty than there are in cities today. So the question is, are we going to ignore that and hope for the best, or are we going to try to adapt the systems we have for today's realities?

**CW:** And what are the consequences for those places and people living there—the suburban areas that have seen this growth in poverty?

**BERUBE:** We see a number of them, and they come in different magnitudes depending on where you are in the country. A lot of it in many suburbs comes down to isolation. It's isolation from employment opportunity because it's often the case that where poverty is growing in suburbia is often on the other side of the region from where job growth is occurring. So in some cases, that's actually exacerbating the spatial mismatch between low-income households and jobs.

**CW:** What do you mean by “on the other side”?

**BERUBE:** Most of the employment, say, in Greater Boston, moves west. It's moved west first to 128, then 495, it's prob-



ably even west of that now. But the poverty has tended to move north of the city and then south of the city, and not really out toward the major employment growth corridors. In Washington, it's an east-west divide. Most of the poverty has moved to the east of the region in Prince Georges County, Maryland; most of the employment growth is occurring west in Montgomery County, Maryland, and Fairfax County, Virginia. Housing prices and affordable housing reflect the direction of the economy, too, so where the economy heads in one direction, the affordable housing is going to sort of head in the other direction. So isolation from employment opportunity, isolation from critical supports and services. There are no community-based nonprofits providing services in many suburban communities. There's no municipal infrastructure to assist low-income families like there is in cities. So getting nutrition benefits for kids or for pregnant women has been an all-day affair if your only option is to take a bus ride downtown to the welfare office to gain access to the stuff. And then, we see social isolation. Concentrated poverty in cities has many, many ills. One small silver lining to it is that there is a social network that surrounds those families, that informs them of key programs and services, helps people get by if they need a ride somewhere. If they need a little bit of money to keep the lights on, they can find it among friends and family. It's just much more dif-

difficult for low-income families in suburbia to do that, and there's greater stigma attached to poverty in suburbia. We heard lots of stories from the communities we visited. When people finally present themselves at a social service agency, they often have many, many problems and barriers to stability, because they wait so long to do it. So rather than coming in when they're having trouble putting food on the table, or need to sign-up for food stamps or SNAP, they show up saying it's that, plus my car doesn't work, plus I lost my job, plus my kid's got a serious issue at school. It's only when they really reach a crisis moment that they actually seek help because of the stigma associated with it in these communities.

**CW:** You point to social networks in inner cities as perhaps the one silver lining to concentrated poverty. We hear much more about the compounding effect of really concentrated poverty in urban areas, which might make you think that it would be better to be poor in the suburbs. Suburbs certainly have less concentration of poverty and all the problems associated with it, so people are in safer neighborhoods and may have access to better schools.

## Gentrification is an important factor in the suburbanization of poverty in some US urban regions.

**BERUBE:** Is it better to be poor in the suburbs than the city? It depends. It depends what kind of suburb you're in. Whether you're in a suburb that provides decent access to employment and transportation and good quality schools for kids and a safe neighborhood, or are you in a place that's isolated from those things, where the schools really aren't performing any better than those that you'd find in inner cities, that are beginning to exhibit some of the same degradation and public safety issues that many communities face. I think the policy shift to deconcentrating poverty is the right one. I think we have lacked focus and intentionality about what's the best way to do that that provides low-income families in suburbs a real leg up.

**CW:** Are there differences in suburban poverty across the metropolitan areas in the US depending on how well the core city is doing? I'm thinking about cities that are really thriving, and Boston certainly would be in that category, and I think Washington, DC, as well. Where housing prices have gone up, there's renewed interest among the middle

class and professionals in living in the city. Is that a factor here in terms of driving poor people out of cities, so that we are starting to see something that's a little like the Paris *banlieues*, where lower-wage workers live more cheaply on the outskirts and have to commute in to the expensive city to work?

**BERUBE:** I think so-called gentrification is an important factor in the suburbanization of poverty in some US regions, among them Boston, Washington, DC, New York, Seattle, San Francisco, Atlanta, where there's just been a renewed popularity of city living among middle and upper classes. In selected communities that has led to the out-migration of poor families because of affordable housing pressures. It's also just changing more generally the distribution of affordable housing within those metropolitan areas so that new households that are forming, that are lower income, who might have once ended up in a city neighborhood, are remaining in a suburban community instead.

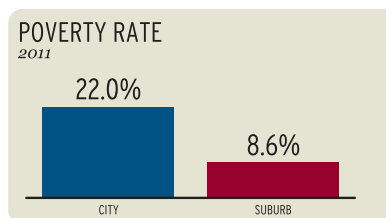
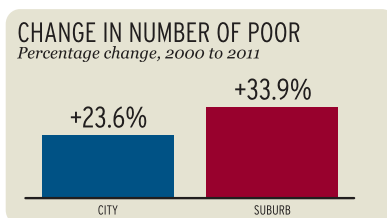
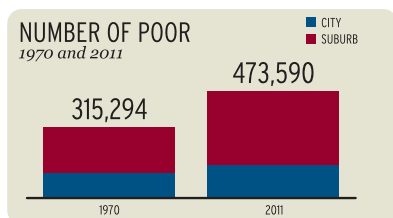
**CW:** Can you talk a little about how the Boston region fits within the national pattern? When I've seen listed the top 10 regions for suburban poverty, it doesn't figure in that list.

**BERUBE:** I think in many ways Boston is the average US metropolitan area when it comes to this trend. Over the last decade, the growth of poor in the suburbs has out-paced that in the cities of Boston and Cambridge by about 10 percentage points, so it's 34 versus 24 percent growth. The majority of the region's poor live in suburbs. They have for some time. By 2011, the suburbs contained about 69 percent of the region's poor, and yet the poverty rate in the core cities still outstrips that in the rest of the metropolitan area: 22 percent in Boston and Cambridge versus 9 percent in the rest of the region.

**CW:** The thing that complicates this picture, however, is the fact that, unlike places like Phoenix, where the suburbs have mostly sprawled out since World War II, here you include as suburbs some of our Gateway Cities, which have been around for well over 100 years. Lawrence and Haverhill and places like that aren't really anybody's idea of a suburb. And some of these have long been places with pretty high poverty, so they're not part of a new trend in that way.

**BERUBE:** We would definitely acknowledge that 50 years ago these were urban communities, they were big employment centers in the region, and they really acted as cities. I think the reality today is a changing definition of what a suburb is. These are not major employment centers for the region any more. They have the problems of poverty and underemployment. Those places are satellites in a

## POVERTY IN GREATER BOSTON



regional labor market. Most of the people who live in Lawrence who work, don't work in Lawrence. Same for Haverhill. Same for Brockton. Physically, they don't look like suburbs, but economically they're like a lot of other [suburban] communities.

**CW:** So they essentially are kind of bedroom communities even if that term would seem odd when attached to them?

**BERUBE:** That term calls to mind a certain kind of place but, when it comes to commuting patterns, they're like a lot of other suburbs in the region.

**CW:** There are some places that fit more of the classical definition of suburbs in the Boston area and have higher poverty rates. Randolph is the community that is at the top of the list in your data in terms of the percentage change in poverty. It has more than doubled during the 10-year period of your study. Then there are other places that I noticed, like Malden, which is more like an inner-ring suburb. It's a place that's close to Boston that has seen a lot of increase in poverty and is grappling with a lot of the problems of poverty that it hasn't dealt with before.

**BERUBE:** Ten or 20 years ago you'd have said, that's a Quincy problem or that's a Revere problem or an Everett problem. But you just see over the course of time these "problems," so to speak, they're tending to migrate out. What happened to cities like Boston 40 or 50 years ago is now happening to their inner-ring suburbs, and then the next ring of suburbs after that. So I think we're just trying to send a shot across the bow here that says, if you keep this up, eventually this is getting to Tewksbury, it's getting to Sharon, and unless you put systems and structures in place that respond to the changes in these communities, and the changing needs of their families in a more regional manner, we're just going to repeat the mistakes of the past over again.

**CW:** So what are the strategies and approaches that you and Elizabeth think we ought to be thinking about in light of these trends?

**BERUBE:** One principle is just thinking and acting at scale,

which means putting our resources behind organizations that can do more than one thing in more than one place at the same time. And that's not often how we approach poverty alleviation in place. We fund neighborhood-based, highly-specialized organizations, but those kinds of organizations are not well equipped to deal with the multidimensional problems that face low-income families, and the multi-jurisdictional nature of poverty is a structural feature of the economy that presents itself in all types of different communities across the region.

**CW:** What would that mean to approach it in a more unified way that cuts across these different approaches and is less fragmented?

**BERUBE:** We hold up one model in the book from Houston, a place that probably doesn't analogize all that well to the Boston region, but it's a place where, just over the last decade, a majority of the poor are now in suburbs. A large number of the social services that the city of Houston and Harris County deliver are delivered through one organization, called Neighborhood Centers. It's present at upwards of 60 different sites across the whole Houston metro area, and it handles upwards of 35 different federal funding streams from 10 different agencies. It's the largest nonprofit in Texas. Because they are acting at scale, they are able to make limited dollars go further, they gain efficiency from doing that, they gain the ability to serve different communities and serve different families with the right mix of programs and services, rather than just assuming that folks need one thing or two things. And they can just be more professional in the way that they do it, because they're so big, because they can build the infrastructure in terms of systems, and human resources, and data, and information. It's just a better quality of service delivery that you're going to get than if you divide this up among 10 or 20 different agencies.

**CW:** Transportation is one of the issues that you identify as one of the challenges that this growing suburbanization of poverty raises. As part of all of this, do you feel like grappling with a need for better transportation planning or, in particular, regional mass transit is one thing we need to be doing?



**BERUBE:** In a lot of regions I think that's a critical issue facing lower-income suburban communities. I would acknowledge the fact that most poor people, whether they live in cities or live in suburbs, especially those in suburbs, if they work, they use a car to get to work. That's the reality for most low-income families. However, the cars that they have are often highly unreliable, they cost too much. So it should be a public policy priority to give suburban families, especially low-income families, more choices and options in transportation, and mass transit must be part of that. A lot of these suburban communities do have some form of transit. They don't all have a transit line like the Orange Line. But they have bus service of some sort. But that service tends to be infrequent, goes in the hub-and-spoke pattern. It will take them in to the urban core and back out again, but it doesn't link them from suburb to suburb, which is really where the employment opportunities are. So the number of jobs that they can actually get to in a reasonable amount of time from a suburban community can be quite low. So I think folding transportation into planning, not just for reducing gridlock or carbon emissions or for economic development purposes, but also for ensuring that folks who really need transit can get it and get the jobs, has to be a key priority.

**CW:** Talk a little about the particular idea that you tee up for how we might go at this nationally. You've proposed the idea of a model program that has to do with taking a chunk of the federal money that's now spent dealing with poverty and making it available in a competitive process that tries to draw out the best ideas.

**BERUBE:** We call this idea the Metro Opportunity Challenge, which would really be designed as a challenge grant to states, which would support regional strategies to enhance access to opportunity for both urban and suburban low-income families. We propose using 5 percent, or about \$4 billion, of the \$82 billion in annual federal spending on anti-poverty efforts. The dollars would be focused on funding what we call regional quarterbacks, scaled organizations that work at the regional or at least at the sub-regional level on multiple issues affecting families across city and suburban lines. That could be access to affordable housing in communities with better schools or transit links. It could fund an organization that would actually spend all the money that a state and the federal government spend on affordable housing in ways that help people to access higher-opportunity communities that give them those safer neighborhoods, those better

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schools, those better transportation connections to work. We don't deploy resources in that kind of flexible way right now. You get this kind of funding stream to build to this kind of affordable housing. You get that funding stream to build a different kind of affordable housing. Then, the transportation stuff comes over here and the school stuff comes over there. There's no ability for communities and regions to pull this stuff together in the service of a larger vision for what low-income families need to succeed no matter where they are. So in a way it's trying to stimulate more of a bottom-up, but not neighborhood-up, regional response to the issues affecting low-income families. There's a little bit of recent movement in this direction from the federal government, something called the Sustainable Communities Initiative, which supported planning exercises for regions trying to better link up transit and housing in the service of reducing carbon footprints in regions, enhancing access to employment. This would be something that would be a more robust version of that and more squarely focused on improving opportunities for low-income families and communities.

**CW:** You've said there is an analogy here to the Race to the Top program that the federal Department of Education

launched a couple of years ago to try to drive reform in school districts through competitive grants.

**BERUBE:** Right. In addition to scale, another key principle that we hold up for the new agenda is paying for success, putting dollars behind strategies that leverage other resources and that really focus on a small number of key goals, rather than a large number of less meaningful outputs. Rather than how many families are you going to serve, and how many leaflets are you going to distribute, are you really moving the dial on the quality of schools that low-income kids are attending? Are you really improving geographic access to employment? Are you really improving access to transit? Are you really doing the small number of things that we know can drive the biggest change in the life changes and outcomes for low-income families?

**CW:** Is the challenge you're trying to address to do a better job of managing poverty, or is it also to do a better job of moving people out of poverty?

**BERUBE:** It's a great question. I think there are certain things that we have to do that are really just about mak-

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income families. It doesn't totally matter where you live for that stuff. It means supporting nutrition assistance, the Earned Income Tax Credit and other wage subsidies, the implementation of the Affordable Care Act, so that everyone has access to subsidized health insurance. Those are the basics. One reason that we think that you should operate the Metropolitan Opportunity Challenge through states is that, in the end, those are mostly state responsibilities to improve access to those low-income programs. So you have to buy the reforms that are necessary to make sure those services are available to people no matter where they live, that you're using technology and distributed service delivery to reach families, whether they're in cities or in suburbs. Above and beyond that, there are things that we have to do to address the specific challenges and market failures that exist in both cities and in suburbs, and either move folks to where opportunity is or bring opportunity to where they are. So that's really what the Metropolitan Opportunity Challenge is about, taking those more place-based elements of the current system and kind of reforming that from the inside out by putting our muscle behind successful models that can act at the regional scale to address those place-based challenges.

**CW:** But is the ultimate goal just matching the need with the services or is there also an element of looking at ways to more effectively help people climb out of poverty? The war on poverty was launched 50 years ago—but not with any sense that there's ever an end to it.

**BERUBE:** I don't think it's what [President] Johnson intended when he launched it, but a lot of the war on poverty over time got morphed into building affordable housing in low-income communities as the single best strategy for alleviating poverty. I think most people who work on poverty know that's not true. The best anti-poverty strategy is a job. So whatever we can do to improve access to employment, improve access to the skills that kids and adults need to gain employment, and then provide them with the sorts of stable communities that we know are essential for preserving family stability and maintaining employment—those are the things that matter most. Reframing at least a portion of the war on poverty in a kind of a regional direction would enhance that focus. In the end, regions are economies, so putting resources in the hands of regions can help them focus on real economic solutions to poverty. **CW**

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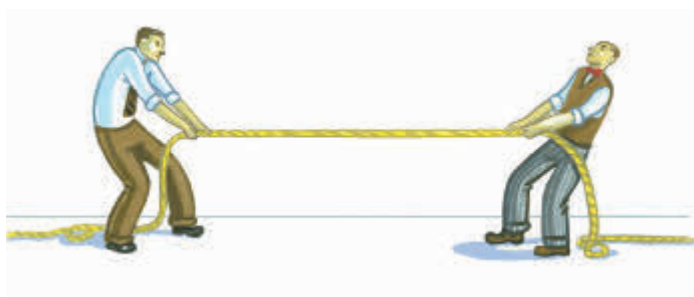


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## Educating for the 21st century

Massachusetts showed leadership in adopting the Common Core State Standards **BY MITCHELL D. CHESTER**

**THIS SUMMER MARKS** the 20th anniversary of the Commonwealth’s landmark Education Reform Act of 1993. That law ushered in a new era of clear, measurable academic standards for all students that were aligned to an accountability system that holds students, schools, and districts accountable for results. In return, the state committed to investing billions of new dollars in education aid.

Over the past two decades, Massachusetts’s public education system has become the envy of the nation. Our students are performing at ever-higher levels and are continuously improving. Massachusetts students lead the nation in reading and mathematics performance. The Commonwealth’s investment in public education is paying huge dividends.

Despite our success, challenges remain. Almost 40 percent of the Commonwealth’s high school graduates who enroll in our public higher education campuses are placed in at least one remedial, non-credit-bearing course. Students from low-income families, English language learners, and students with disabilities still lag behind other student groups. These proficiency gaps demonstrate the work that remains to be done to bring all students to high levels.

Tackling these gaps and inconsistencies in educational attainment requires adjustments to our current educational system. You can’t create the future by clinging to the past. This work at its core requires that all Massachusetts students—and really, all students in the United States—experience a course of study that will prepare them for success in college, career, and life.

When I became commissioner in 2008, Massachusetts was already engaged in a process to upgrade its English language arts (ELA) and mathematics academic standards that had been in place

since the early 2000s. It is standard practice for states to update academic standards periodically to ensure students and teachers have access to new content knowledge, new approaches to teaching and learning, and new technologies. Around the same time, a bipartisan initiative of the nation’s governors and chief state school officers (my counterparts in other states) called on states to adopt “a common core of internationally benchmarked standards in math and language arts for grades K-12 to ensure that students are equipped with the necessary knowledge and skills to be globally competitive.”

In short, in a world where political boundaries (state and national) are increasingly irrelevant to economic opportunity, it makes little sense for 50 states to develop 50 different targets for literacy and numeracy competence. So in the spring of 2009 Gov. Patrick and I signed agreements to support the development of the Common Core State Standards with the explicit understanding that we would not accept standards that failed to match or exceed our own in rigor and comprehensiveness. Taking this path was the right way for Massachusetts to demonstrate leadership and influence the outcome while enjoying the considerable national and international expertise that was brought to this task.

Throughout their development, our ELA and mathematics staff collaborated closely with the Common Core writing teams, providing our revisions as well as advice on the content, wording, and organizational structure of the standards. Massachusetts had a profound influence on the concepts, wording, and overall structure of the final Common Core documents published in June 2010. Our own analysis of the degree of match between the



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## ARGUMENT & COUNTERPOINT

Common Core and our own revised, draft standards showed a remarkably high degree of consistency between the two documents. Where the two sets of standards did not match, it was often a reflection of the Common Core going into more depth.

The Massachusetts Board of Elementary and Secondary Education adopted the Common Core State Standards in July 2010, contingent upon augmenting and customizing the standards. This ability to add state-specific standards was paramount to adoption in Massachusetts. It allowed Massachusetts to include key elements not contained in the Common Core, including pre-kindergarten standards essential to providing a strong foundation for the kindergarten standards as well as author lists from our earlier ELA framework. In December 2010, our state boards of Elementary and Secondary Education and Early Education and Care both voted to adopt state curriculum frameworks in English language arts and literacy and in math that incorporate the Common Core State Standards.

The new Massachusetts Curriculum Frameworks capitalize on feedback from employers and higher education about where our graduates were most often lacking in terms of their literacy and mathematical skills. The frameworks provide a signal to students in prekindergarten through grade 12 about their readiness for the next grade level and, in high school, their readiness for college and careers.

The new ELA standards reinforce the importance of teaching reading and writing across disciplines, which reflects the expectations of colleges, universities, and employers. The standards place important attention on speaking, listening, and vocabulary and the importance of students reading literary and informational texts of higher complexity than they commonly read in the past. The new standards also incorporate the skills needed for the critical appraisal of digital and print sources—the so-called “new literacies”—to enhance research and production and distribution of ideas.

The new mathematics standards capitalize on understandings gained over the past decade about the learning progressions that lead to stronger mathematical competence, as well as the approach taken in some of the highest achieving nations. They provide greater focus and clarity for teachers and students at each grade level. In the early grades, teachers concentrate on developing students’ fluency with numbers and operations, while the middle grades will focus on proportional reasoning (ratios, proportions, fractions, decimals), which is an essential conceptual underpinning for algebra and higher level math. Individual grade level standards are united by a set of overarching “standards for mathematical practice” that describe intellectual qualities that students develop over time, such as perseverance in solving problems, the ability to reason



abstractly and quantitatively, and the capacity to construct viable arguments and critique the reasoning of others.

Over the past two years, I have seen that educators are energized by the new standards and the resources that are emerging here and in other states. Educators' attention to the new standards has resulted in an energetic focus on improving teaching and learning. Massachusetts has partnered with Ohio to establish a new online teaching and learning system that supports implementation by providing a digital library of online resources; tools for creating standards-based curriculum maps, curriculum units, and

## Educators are energized by the new standards.

lesson plans; and the ability to build and deliver interim and formative assessments. Massachusetts is also collaborating with two dozen states to build a next generation assessment system aligned to the Common Core.

Some critics suggest the Common Core standards are a creature of the Obama administration, and represent federal coercion and overreach. Some claim that federal funding of Common Core implementation initiatives through Race to the Top and two multi-state assessment consortia represents improper federal involvement in curriculum. I disagree. From a policy perspective, it strikes me as quite appropriate for the federal government to expect states to aim high in their aspirations for student achievement in return for federal funding to support educational programs.

Common Core critics also wrongly assert that the new standards water down the skills and knowledge that Massachusetts expects of all students. In reality, the Common Core was more rigorous, coherent, and focused than our previous standards. Even E.D. Hirsch, Jr., the chairman and founder of the Core Knowledge Foundation who often touted our earlier state Curriculum Frameworks, endorsed the value of the Common Core and encouraged us to incorporate it into our new Curriculum Frameworks.

Critics also perpetuate inaccuracies that the Common Core is expelling literature from the curriculum, and that students will no longer have access to great literary works like *Tom Sawyer* and *Moby Dick*. This is simply not so. By addressing literacy (reading, writing, speaking, and listening) across subjects, and not just in ELA, students will continue to study great works of fiction along with high-quality non-fiction and informational texts that will strengthen their preparation for higher education and workplace expectations. To help schools and teachers select literary works, the Commonwealth has augmented the Common Core by including suggested author lists contained in our earlier Curriculum Frameworks. In both

cases, Mark Twain and Herman Melville—as two examples—are authors whose works we recommend be part of ELA classes.

Finally, critics argue that Common Core adoption is too costly. In reality, the costs to districts associated with implementing new standards include professional development and updated instructional materials. High quality school systems routinely devote resources to improving teaching and learning. States are pooling resources and tapping into new sources of funding to support the development of curriculum resources. Our Race to the Top grant alone brought \$250 million into the state over four years to support the new frameworks implementation and other initiatives.

Adoption of the new Massachusetts Curriculum Frameworks that incorporate the Common Core is a major advancement for the Commonwealth. We remain dedicated to improving education for all children. The Patrick administration's investments in public education, including the adoption of new, rigorous academic standards, and its commitment to building a 21st century education system in Massachusetts, are instrumental in preparing all students for success after high school.

We are doing the right work, students are benefitting, and educators are excited about the future.

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*Mitchell D. Chester is commissioner of the Massachusetts Department of Elementary and Secondary Education.*

### COUNTERPOINT

## Moving backwards

The Common Core jeopardizes 20 years of education reform effort.

BY JIM STERGIOS

**I AGREE WITH** Commissioner Chester that some around K-12 education are enthusiastic about Common Core. Washington, DC-based trade groups like the Council of Chief State School Officers, the National Governor's Association, Achieve, Inc., as well as federal and state administrators, tend to be big fans of Common Core.

But it is worth remembering that noted education historian Diane Ravitch's lament that the history of American education policy is an infinite loop of intellectual faddism that distracts from the important work in our classrooms. Common Core and the entire soft-skills agenda are just the latest fad.

Prior to the commissioner's arrival in 2008, Bay State SAT scores rose for 13 consecutive years. That was due to the faithful and creative implementation of the Commonwealth's landmark 1993 education reform act. In 2005, Massachusetts students became the first ever to score best in the nation in all four categories on the National Assessment of Educational Progress (NAEP) fourth and eighth grade reading and math assessments. Since then, we have continued to earn top honors each time the tests have been administered.

The results of the 2007 Trends in International Math and Science Study showed that, while American students as a whole lag behind their international peers, Massachusetts students had become competitive with top-performing nations such as Singapore, Korea, and Japan. In 8th grade science, Bay State students tied for number one in the world.

Since his arrival, the commissioner has led the systematic dismantling of key policy foundations of Massachusetts's reform. He called for the Commonwealth to embrace so-called 21st century skills, which elevate softer skills like global awareness, media literacy, and cross-cultural flexibility to equal footing with academic content. The commissioner lessened the focus on academics by refusing to implement an MCAS graduation requirement for US history, a subject that statutorily must be tested in the same way English, math, and science are.

Chester's strenuous advocacy of Common Core is just the latest policy choice that moves the Commonwealth in a direction at odds with the intent of the state's 1993 education reform law. Former Senate President Tom Birmingham, one of the law's primary authors, noted that the soft-skills agenda "may threaten to dismantle the structure of our success and drive us back towards vague expectations and fuzzy standards." Today, Massachusetts is no longer one of the fastest-improving states on the NAEP, and the last administration of that assessment shows the Bay State barely clinging to its status as national leader.

One would hope the Bay State's unique public education success would insulate us from the commissioner's enthusiasms. Alas. The top three reasons why Common Core is bad for Massachusetts are its dubious legality, high costs, and the fact that it's an academic step-down for Massachusetts students.

Commissioner Chester conveniently ignores the three federal laws that explicitly prohibit the US Department of Education from directing, supervising, or controlling any nationalized standards, testing, or curriculum. These laws raise serious questions about the legal basis for a number of the Department of Education's actions, such as favoring Race to the Top grant applications from states that promised to adopt Common Core, awarding \$362 million to two national consortia developing national assessments,

and making adoption of Common Core one of the criteria for granting waivers from the accountability provisions of the No Child Left Behind law.

One of the national assessment consortia's funding applications clearly states that it will use federal funds to develop curriculum materials, a "model curriculum," and instructional materials "aligned with" Common Core. US Secretary of Education Arne Duncan himself has acknowledged the same. It is a serious matter when state officials fail to obey federal laws.

The cost of implementing Common Core in Massachusetts may be lower than in some poorly performing states. Since the new national standards are less rigorous than their predecessors, professional development costs will likely be less than in other states. And the Commonwealth's extensive technology infrastructure may also result in

## Chester conveniently ignores 3 federal laws.

lower relative costs.

That said, cost remains a significant issue—and one the state education department has ignored. Remarkably, as of late last year, the Department of Elementary and Secondary Education had not conducted a cost analysis for Common Core implementation. Pioneer Institute commissioned the first independent, comprehensive cost study, which showed that transitioning to the new standards will collectively cost states \$16 billion, more than triple the amount doled out in federal Race to the Top inducements. We project that implementing Common Core in Massachusetts will cost approximately \$355 million, far more than the \$250 million we got from Race to the Top.

The central concern for Massachusetts, however, is the negative impact Common Core will have on what happens in our classrooms and the quality of our academic offerings. The commissioner rightly states that our children need to be ready for a competitive world. By the mid-2000s, Massachusetts had already outpaced other states and achieved the goal of international competitiveness. Common Core, which is only slightly more rigorous than the mean for existing state standards, is a step down for the Bay State.

Contrary to Commissioner Chester's claim, the national standards were not internationally benchmarked. That is, in essence, why Stanford University emeritus professor of mathematics R. James Milgram—the only academic mathematician on Common Core's validation committee—refused to sign off on the final draft. Milgram has noted that Common Core's math standards have "extremely serious failings," reflect "very low expectations," and, by the seventh grade, leave American students two years behind

their international peers.

Common Core does not prepare students for Algebra I in eighth grade, which is critical to college readiness in mathematics. Bennington College physics professor Jason Zimba, lead writer of Common Core's math standards, admitted as much during a Massachusetts Board of Elementary and Secondary Education meeting, noting that passing a Common Core-aligned test in math would ensure only that Massachusetts students would be qualified to enroll in a non-selective community or state college.

The news is no better in English language arts. Massachusetts's success was based on a relentless focus on academics, specifically on classic literature, fiction, poetry, and drama, thanks largely to the handiwork of 1993 reform law co-author Tom Birmingham and former state education official Sandra Stotsky. In contrast, Common Core emphasizes experiential, skills-based learning and "informational texts." Its anti-intellectual bent includes much more emphasis on nonfiction and analyzing texts shorn of historical context and background knowledge.

Despite the commissioner's protests to the contrary, Massachusetts students' exposure to literature will indeed be reduced by more than half. He can claim to augment Common Core with Massachusetts-specific "suggested

author lists," but adopting Common Core comes with the limitation that states add no more than 15 percent of state-specific content. National assessments will cover the Common Core's "national" content, not state augmentations, so Chester's author suggestions will receive scant attention in the classroom. Goodbye Charles Dickens, Edith Wharton, Arthur Conan Doyle, and Mark Twain's *Huckleberry Finn*.

Will Common Core work? The Core itself has never been field tested. However, some of its features, such as a focus on workforce development and non-academic skills, have been implemented. The results were dismal.

West Virginia's enthusiastic embrace of 21st century skills has led to troubling impacts on poor students. The Mountain State is the only state that saw its NAEP reading and math scores for students eligible for free or reduced-price lunch fall between 2003 and 2009.

And consider Commissioner Chester's own history in Connecticut. Back in 1998, when Chester served as chief of the state's Bureau of Curriculum and Instructional Programs, Connecticut had higher reading scores than Massachusetts. Just as the Bay State was adopting clearly articulated academic goals, Connecticut opted for a "hands-on," skills-based approach. By 2005, Massachusetts's NAEP



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scores had jumped dramatically; in contrast, Connecticut was one of seven states that experienced outsized drops in reading scores.

Former Massachusetts Governor William Weld agrees with Birmingham, his fellow education reform co-author, calling our move to national standards “a retrograde step.” Even edupundit Michael Petrilli, of the Thomas B. Fordham Institute, otherwise a cheerleader for Common Core, recently called Massachusetts’s decision to drop its standards “unfortunate.” Thomas Gosnell, president of the American Federation of Teachers Massachusetts, told *The Boston Globe*, “Our standards in Massachusetts are clearly higher than what the federal government is proposing.” And Ravitch, while in Boston, noted that the Massachusetts reforms and the MCAS “involve writing...thoughtful literature, and a thoughtful selection of questions.”

Commissioner Chester skirts the dubious legality of imposing national standards and fails to tell us what it will cost to implement them. Moreover, he wants us to believe lower goals for our students will prepare them better than the more rigorous standards we have had in place. As a Rhodes Scholar from Chelsea who knows a thing or two about academic excellence, equity, and international competitiveness, Tom Birmingham is worthy of far greater

trust on this topic. He described Massachusetts’s adoption of Common Core as “a high-risk move that offers very little reward.”

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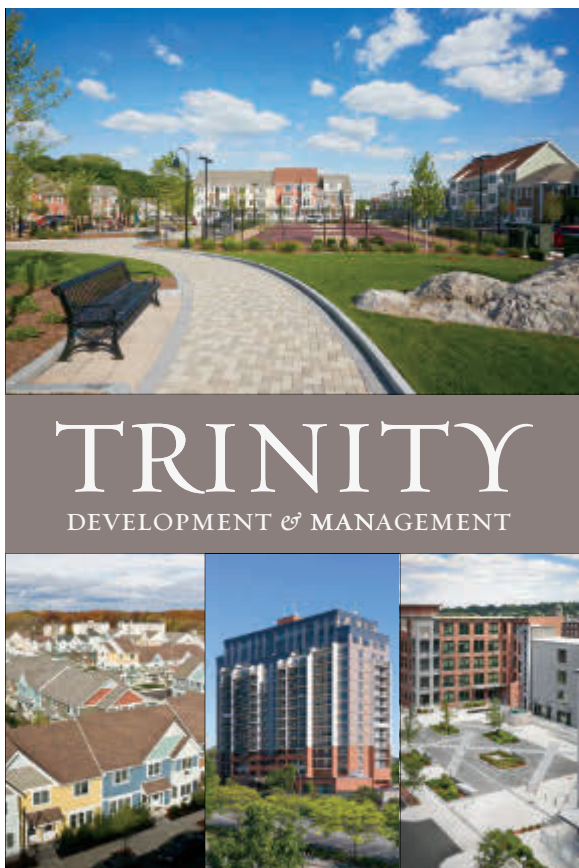
*Jim Stergios is executive director of Pioneer Institute.*

#### MITCHELL CHESTER RESPONDS

Despite Stergios’s assertion to the contrary, the evidence doesn’t support the notion that the sky is falling. He hasn’t done his homework or is intentionally misleading people.

Stergios’s claim that students will have less exposure to literature belies the fact that districts have always included informational and literary texts in the curriculum—because our prior curriculum frameworks as well as MCAS have promoted informational passages, as do NAEP and international tests like PISA, TIMSS, and PIRLS.

While Stergios casts aspersions on our latest nation-leading NAEP results, he overlooks the 2011 TIMSS on which Massachusetts eighth graders placed among the world leaders in mathematics and science achievement; scored double-digits gains since 2007; and achieved the strongest mathematics gains and second-strongest science gains worldwide when compared to 1999.



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Despite our accomplishments, employers report that too many of our high school graduates are unprepared for the literacy and mathematics expectations of the workplace, while 40 percent of graduates who enter the state's public higher education system are placed in remedial courses. In the past five years, Massachusetts has accelerated its reform efforts. Incorporating the Common Core

## Too many graduates unprepared for work.

is part of a comprehensive strategy—one that includes improved teaching and learning, accelerated turnaround of our lowest performing schools, and more strategic leverage of technology—to ensure that all students are ready for the world they will encounter after high school.

### JIM STERGIOS RESPONDS

The commissioner has lost sight of the purpose of education reform in Massachusetts. The architects of our landmark reform were not content with preventing the sky from falling. They reached for the stars, believing that Massa-

chusetts kids could be the best educated in the world. Given our demographics and educational patrimony, we should aim for nothing less.

The commissioner cites one data point to support his position: fast improvement among eighth graders on TIMSS. While valid, two observations are worth making. The TIMSS eighth-grade data point is based on a limited sample of students. Further, it stands as a lonely flag in a landscape littered with stagnant NAEP and MCAS scores across all grades. The consistent flat-lining of early grade scores is particularly concerning. Second, the improvement on TIMSS occurred while the previous Massachusetts state standards were in place. So again I ask: How will less rigorous national standards raise our kids' level of academic achievement?

As for raising the specter that I am misleading people, the commissioner should tread lightly. A Superior Court judge has suggested that Chester lied under oath, finding in a decision about the tainted approval of a Gloucester charter school “a strong factual showing that the Commissioner, despite his affidavit to the contrary, did not perform his own evaluation of the...application but, to the contrary, ignored the state regulations and caved into political pressure...” **CW**



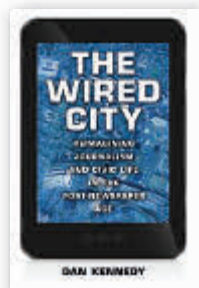
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# News whole

Can new online ventures fill in the missing pieces in local coverage as newspapers scale back?



### The Wired City: Reimagining Journalism and Civic Life in the Post-Newspaper Age

By Dan Kennedy

Amherst, University of Massachusetts Press

192 pages

REVIEWED BY TOM FIEDLER

**THE PROBLEM WITH** writing a book about the changing state of journalism in a digital age is, well, the changing state of journalism. The subject flat refuses to stand still long enough for proper treatment in a book, a “content platform” which, after all, isn’t much advanced from its 15th century roots.

That’s the challenge media critic and Northeastern University journalism professor Dan Kennedy confronted in producing *The Wired City: Reimagining Journalism and Civic Life in the Post-Newspaper Age*, a project that was nearly four years in the reporting, writing, and editing. That’s four years in planetary time, which can be generations in digital time.

Still, it’s a worthy effort. Kennedy set out to write a book tackling an important question: Can online sites focused on accountability (or watchdog) journalism fill the voids left by the retreat of traditional publications and particularly of local newspapers? Clearly, he hopes they can and he finds some evidence to shore up his hopes.

Kennedy’s reporting takes in online news sites as far apart and disparate as San Diego, Austin, northern New Jersey, Minneapolis, and Hartford, to list a few. Some are national in scope, such as *ProPublica*, backed by a billionaire philanthropist; some are hand-to-mouth town criers, such as *The Batavian* in tiny Batavia, New York. All are relatively young.

But Kennedy’s focus is on New Haven, Connecticut, which under his eye serves as the petri dish where he can fully explore the question of whether a new and more vibrant form of journal-

ism can arise from the ashes of the current form. For the most part, New Haven serves that purpose well. Although most widely known as home to Yale University, which supports a thriving community of intellectuals, New Haven also grapples with the stresses of most multi-racial, multi-ethnic, and economically struggling cities, at one point having the highest murder rate in the nation. It’s a place where journalism matters to civic life and the social fabric.

What cinched the city as the place where he could best test his hypothesis is that it is also home to a well-regarded, community-focused website, the *New Haven Independent*, which goes up against a local daily burdened with a checkered reputation. In fact, the *Independent* claims as its reason to be that local newspaper’s allegedly callous ineptitude in covering segments of New Haven’s citizens. At least that’s the narrative that Kennedy envisioned when he began his project.

The star of Kennedy’s narrative is Paul Bass, the respected editor and founder of the *Independent*. The foil for the *Independent* is the *New Haven Register* with its “long and not particularly distinguished history,” as Kennedy describes it, which seems fair enough.

While the newspaper can trace its roots to 1812, its modern history begins with the paper’s takeover in 1895 by an arch-conservative misanthrope, John Day Jackson, who passed editorships to a series of reprobate descendants concerned mostly about enriching themselves. One of these committed the unpardonable sin of selling out to corporate owners for a princely sum in 1986.



Predictably, according to Kennedy, these owners proceeded to bleed the operation dry through staff firings and coverage cutbacks. They also showed brutal insensitivity to the city's racial and ethnic change and declared bankruptcy as a tactic to stiff creditors and break union agreements. In short, in this setting of the scene, the *Register* malpracticed cheap journalism.

## The Register Co. spoils Kennedy's narrative.

And it could have been a truly compelling narrative had the respective roles remained the same as they were in 2009 when Kennedy arrived: on one side would be the caring yet brave and humble David (the *Independent*) waging journalistic battle against the smug, bumbling, dissolute Goliath (the *Register*). Readers could all root for David and cheer Goliath's downfall.

To be sure, the *New Haven Independent* merits the cheers that it gets. The journalism produced by Bass and his tiny staff aches with its caring for the city, and especially its troubled neighborhoods. Every story, whether a store opening or a school board meeting, reflects the *Independent's*

community connections and its concerns. As Kennedy points out, the *Independent*, like most other digital start-ups, eschews what media blogger Jay Rosen dismissively calls "view from nowhere" journalism, otherwise known as objectivity in most large newspapers. The *Independent* views everything through the prism of New Haven; it is journalism of New Haven, by New Haven, and for New Haven, and it makes no apologies for it. Kennedy wants us all to root for this David and it would be hard not to.

But the spoiler in Kennedy's narrative is that Goliath refused to remain the big bad guy long enough to let Kennedy finish his reporting. That continues to be the case today under the leadership of John Paton, the president and CEO of the Journal Register Company, who even Kennedy describes as "charismatic" and visionary. Unlike so many of his predecessors at the *Register*, Paton takes seriously both the responsibility to serve communities—including those who don't subscribe—and the responsibility to establish a for-profit business model that satisfies the corporate owners. *Editor & Publisher* magazine named him a Publisher of Year. And he has created the Digital First Initiative to steer the newspapers under his control away from their traditional—and dying—paradigms.

## Crime, Cost, and Consequences: Is It Time to Get Smart on Crime?



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It's working in New Haven. Based on my own side-by-side review of the competing websites, the *Register* site (nhregister.com) is indisputably more extensive in its news offerings with a landing page chock-full of headlines that not only encompass world, Washington, and Hartford "commodity news," but also include staff-produced coverage of city hall, the municipal court, editorials, local births, local deaths, local sports, local business, and even local grocery store coupons.

Admittedly, the *Register's* stories lack the depth and crusading zeal of the *Independent's*. But nhregister.com is a package that's actually hard to hate—or to beat. While the *Register* may well be a deflated version of its former self (what newspaper isn't?), it still casts a journalistic net around the community that is far wider than the one thrown by the *Independent*. The lesson here is that feet on the street actually matter.

So where does this leave us on the question of which model holds the brighter future for journalism? Kennedy himself seems to give up, recognizing the fact that the landscape of New Haven journalism changed dramatically between 2009 and 2013. "[T]here is only so much an author can do with a moving target," he writes, and advises readers to view his chapters as "snapshots" rather than as a dispositive story.

But there is value in watching this slide show. A truism holds that when a new medium emerges, the old ones may change, but they don't disappear. Radio didn't lead to the death of newspapers. Nor did television kill off cinema. What we may draw from Kennedy's New Haven laboratory is that community-based, online journalism sites—even very good ones like the *Independent's*—aren't likely to supplant a site connected to, and supported by, an "old media" newspaper site.

But these upstarts can stimulate and complement traditional news outlets, to the benefit of all.

Kennedy, author of the well-read blog *Media Nation*, packs a lot of other material into this book that withstands the passage of time. His explanation of how the newspaper business model fell victim to the Web's ability to match advertisers with consumers, thus forcing publishers to trade print dollars for digital dimes, is as cogent as I have seen anywhere. I admired also Kennedy's insights into the way online sites have upended the journalistic paradigm by enabling news consumers—formerly known as the audience—to also be news creators.

In full disclosure, I am not a disinterested observer of either Kennedy or the issue he tackles here. To the first point, I am a frequent copanelist with him on a local media-criticism TV show and we share an alma mater. And despite having had an extensive career as a newspaper

journalist, I currently serve on the advisory boards of two online news sites and I root for their success, just as Kennedy roots for the *Independent* and others like it.

Kennedy wisely avoids predicting the futures of either the *Independent* or of the *Register*. Indeed, he shows where many, if not most, of the community-based online sites he mentions exist on fragile footing, mostly due to the largess of philanthropists. Whether the *Independent* can continue beyond Paul Bass's tenure is a serious question.

Similarly, newspaper companies will continue to see print revenues shrink as advertisers find it more efficient and less costly to direct their appeals to consumers through digital technologies. Just before Kennedy sent his manuscript to the publisher, Paton took the *Register* into bankruptcy for a second time and shed even more assets, raising legitimate questions about its long-term prospects.

Where skeptics might see these uncertainties as cause for alarm, Kennedy sees the opposite: "What we are living

## What's happening is not the death of journalism but the early stages of rebirth.

through now is not the death of journalism, rather, the uncertain and painful early stages of rebirth."

I think that sentence is truly the nub of the book, much more so than the ambiguous narrative pitting the *Independent* against the *Register* during a period of flux for both. Journalism adapted to previous changes brought by technology, such as when the telegraph forced reporters to write in the inverted pyramid; radio made ambient sound inherent in news reports; television introduced the unrivaled power of the moving image, now in real time. And now we have the Web, which is simultaneously disruptive to some and empowering to others.

Kennedy does a good job in describing the journalistic landscape and in identifying the forces at play—in New Haven and in communities around the country. Perhaps that's the most we can expect. What he has done in *The Wired City* seems to me to be akin to a baseball writer who can describe the dimensions of the field, recite the rules of the game, and even name the individual players.

But what happens after the umpire cries "Play ball" is anybody's guess, which may explain why nobody writes a baseball book on a game that hasn't ended. **CW**

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Tom Fiedler is dean of Boston University's College of Communication and the former executive editor of The Miami Herald.

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