Governing Greater Boston

Meeting the Needs of the Region's People

GREATER BOSTON

The Greater Boston area includes 101 cities and towns extending west to Route 495 under the Metropolitan Area Planning Council's jurisiction (below). The U.S. Census includes more communities under the Standard Metropolitan Area (SMA) and Standard Metropolitan Statistical Area (SMSA).

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Charles C. Euchner, Editor

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Rappaport Institute for Greater Boston
Cambridge, Massachusetts

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The Rappaport Institute for Greater Boston, based at the John F. Kennedy School of Government at Harvard University, works with universities, public agencies, and other organizations in the region to improve the governance of Greater Boston. The Institute offers five critical resources to pursue this mission:

People: Reaching out to graduate and professional students from throughout Greater Boston, the Rappaport Institute coordinates fellowship programs that place the "best and the brightest" in meaningful policy positions in government agencies.

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Forums: The Rappaport Institute convenes forums of all types and sizes to engage the community in open-ended conversations about the public policy challenges we face in the next generation.

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Preface

Understanding governance and public policy requires a painstaking effort to put together hundreds of pieces of an intricate puzzle. No American state or region is simple, but Massachusetts and Greater Boston are among the more complex political and policy systems in the nation. The region's complexity is the result of to a long history, a strong tradition of localism, a lack of intermediary structures such as county government, and a proclivity for constant experimentation.

The daily discourse in the region—from 24-hour-a-day news reports on WBZ radio and NECN cable television to the ongoing policy debates of scholars and practitioners—often involves just a few of those puzzle pieces. When the topic of civic leadership arises, discussion turns to the decline of the Vault and the new role of foundations and media. On immigration, the discussion is more general, with an emphasis on just how much more diverse the region is today compared with a generation ago. Discussions of family policy focus on welfare reform and the constant budget cuts that occur in a time of fiscal crisis. In education, the talk is about MCAS and school funding, with occasional discussion of charter schools. Health care discussions focus on rising costs and growing inequality. Budgeting and management discussions revolve around the latest dreaded figures of deficits and the need for more transparency and efficiency in government operations.

These discussions matter. How they are resolved has important consequences for people all over the region and state. But sometimes the attention paid to these issues ignores the broader context. Inevitably, one piece of the policy is related to numerous others—and so to understand any piece requires a grasp of the larger context. Even though the scattered pieces of the puzzle are known to some people, they remain a mystery to many more. To change metaphors, the effect is like navigating through the woods in the dark. You can see the immediate territory, but you have difficulty understanding what lies nearby. Focusing on the immediate vicinity is the safest navigational strategy, but does not provide a broad understanding of the territory—or even an adequate understanding of the immediate area.

That is the primary reason for the Governing Greater Boston series of the Rappaport Institute for Greater Boston. In this second volume of the series, a number of experts complete our survey of the major public policy challenges facing the region. In the first edition, published in March 2002, we explored the politics and policy of place. We provided a field guide of the region's challenges pertaining to the built environment—issues like regionalism, the environment, transportation, housing, and planning. In this second volume, we focus on the human side of the policy world and the governmental structures that provide the basic apparatus of setting policy and delivering services. Chapters in this volume focus on the institutional structures of state and local government in Massachusetts, the civic leadership of Greater Boston, how immigration has changed the face of the region, family policy and welfare reform, education policy, health care, and public budgeting and management.

Our hope is that these two volumes provide a readable and reliable field guide to the Greater Boston region. We try to avoid making contentious judgments and offering policy prescriptions. Instead, we want to offer the lay of the land, so that people debating these issues and making decisions are on the same page—literally and figuratively. Obviously, we make judgment calls all the time in deciding what issues to cover and in what depth. By vetting our chapters with a number of experts, we think we have made as reasonable calls as possible.

One question recurs throughout the process of assembling these books: Who is the audience? My first answer is simple: Anyone who cares about the policy challenges facing the region and wants a reliable field guide to those issues. That includes elected officials at the state and local level, the public servants who lead and staff public agencies of all kinds, scholars and students of public policy, stakeholders for particular interests, community activists, journalists—and any citizen who wants to gain a broader perspective on policy.

Now that we have provided the basic overview—a critical but not directive analysis of the issues facing the region—we are realizing that this approach is only a first step. In subsequent volumes in the Governing Greater Boston series, we need to find ways to analyze public policy that examine the crosscutting issues of policy. Consider infrastructure. Rather than looking at physical investments separately in discussions of transportation, housing, the environment, parks, and schools, we might try to understand the underlying issues of capital planning and development. If investments in different areas need to be related to each other more strategically, as we have been told by experts in all fields, maybe we need to examine these issues more strategically as well. And maybe we need to go beyond the critical descriptions found in these first two volumes and search more aggressively for the hidden dynamics of development of our physical foundations as a region. Rather than seeing the built environment as a collection of different pieces, each with a different function, maybe we need to look at them as a system. After all, as I noted in the opening paragraphs of this discussion, we need to do more than simply provide all of the pieces of the puzzle. We need to put them together.

The political dynamics of the region are infinitely complex. As a state and a region, we truly stand at a critical moment in our history. The state government faces a budget crisis of historic proportions, brought about by a simultaneous decline in revenues and an increase in expenses. In a two- or three-year period, the state government must cut 10 percent or more from its budgets to balance the books. Governor Mitt Romney may indeed be forced to accept tax increases at some point, but in his campaign and in the early days of his administration, he has said that tax increases will not be considered. The budget and tax situation has three possible consequences. First, the state will be looking for areas to cut spending, sometimes drastically—meaning service cutbacks and less aid to local governments. Second, the state will be looking to reorganize the bureaucracy, not only to find cost savings but also to improve the effectiveness of service delivery. Third, local governments will need to find new revenues and at the same time reduce services—and possibly reorganize at least pieces of their own bureaucracies, with more streamlined delivery systems and more transparent information systems. All this is happening at a time when the federal government is withdrawing from recent commitments to the states and cities—and when the ongoing war on terrorism dominates policy debates and headlines.

We got a glimpse of the possibilities offered by these challenging times in December 2002 when Charles D. Baker, Jr., secretary of the Executive Office of Health and Human Services under Governor William F. Weld, proposed a reorganization of the state's human services bureaucracy. Baker, now president and chief executive officer of Harvard Pilgrim Health Care, argued that EOHHS takes a "traditional product line" approach to delivery of services. Under that system, management and service-delivery for all major functions occur under separate systems. The secretary of EOHHS has his own staff and attempts to direct and coordinate the many departments under his umbrella. But that task is nearly impossible given the separate bases of power and information held by the departments under the umbrella. "The staff, the resources, and most of the statutory authority reside with the departments and the commissioners," Baker writes. "Much of the time, the departments do not view themselves as beholden to or even part of the larger Secretariat. In many cases, agency employees consider the Secretariat a problem to be managed and not a convener, coordinator, or decision-maker."[1]

Baker proposes to streamline the far-flung departments and agencies into one system. One system would make it easier to share appropriate information about clients, manage case loads, attract and manage grants from the federal government, coordinate relationships with hospitals and other providers, and coordinate facilities for care. "The strategies that were pursued 10 years ago made sense then, before the integration and consolidation of information became an everyday occurrence," Baker writes. "Today, when so many EOHHS constituents are served by multiple state agencies through numerous sources of funding, the notion that every agency should stand alone from every other makes much less sense."[2]

Given the state's budget crisis—and the urgent need to serve more diverse populations in a time of need—Baker's proposal might have a chance. As a leading member of Governor Romney's transition team, Baker certainly has the opportunity to make the case for his approach. Whatever the plan's ultimate fate, it is an example of the creative policy that can result in a time of crisis. It is a model that can be applied to other policy areas as well—at both the state and local levels of government. It is not unreasonable to think about new ways to coordinate education and training, land-use and economic development, transportation and housing, purchasing and office management, and other activities of state and local government. Professionals with vastly different constituencies, like environmental affairs and public health, could find fruitful new ways to share information and coordinate policy-making.

Making strategic connections between traditionally isolated policy challenges—with information as a key driver of the whole process—could be the policy paradigm of our time. If so, everyone from community activists to senior Cabinet officials will need a good lay of the land to understand the different dynamics of the full range of issues.

The first two editions of Governing Greater Boston provide one set of tools for meeting that challenge. We hope that future editions, by taking a more strategic approach to understanding policy connections, will do even more.

Charles C. Euchner
Cambridge, Massachusetts

1. Governing Greater Boston: Fragmented Bodies, Fragmented Policies

Charles C. Euchner

FRAGMENTATION IS THE MOST DISTINCTIVE TRAIT of state and local government in the United States. Across the nation, 85,000 units of government coordinate services as varied as highway construction, mass transit, health care, public education, parks and recreation, water and sewers, police, and fire protection. General-purpose state and local governments handle many of these tasks. But at the same time, a number of special-purpose governments—elected and appointed authorities, boards, and commissions—run specialized functions of government. Coordination of literally hundreds of units of government in a given metropolitan area can be an overwhelming challenge.

Massachusetts and Greater Boston are fragmented even more than other states and regions because of the legacies of the Bay State's long history. As the British Crown was appointing governors of the different colonies, ordinary citizens were creating their own structures of local government that operated independently of the crown. In Massachusetts and the rest of New England, the process of town-building and governance was especially intense. The town meeting form of government placed control of the whole range of issues into the hands of ordinary citizens. Communities that adopted representative forms of government also guarded their prerogatives jealously.

Over the years, state and local government has expanded in response to the challenges of modern society. Both levels of government have created new agencies to address new challenges, sometimes out of whole cloth and sometimes using the structures created by voluntary organizations. Throughout the century, the state created dozens of independent authorities with powers to carry out specialized functions—separate bases of power that resist both state and local control. The latest major new body was the Massachusetts Water Resources Authority, pulled out of the Metropolitan District Commission in 1985.

Overcoming the fragmentation of government in the Bay State was an early focus of Governor Mitt Romney in 2003. The new governor, who made a fortune in business before running the 2002 Olympic Games in Salt Lake City, appointed super-secretaries to coordinate related policies that had long been run in isolated "silos" of government. The new administration's chief of development, Douglas Foy, summarized the thinking of the Romney team: "Working on just one of those agencies I don't think gets the job done."[1] Skeptics wondered whether the Romney team would be able to pull off the coordination strategy—but also praised the new governor for trying.

Fragmentation in Massachusetts and Greater Boston stems from three basic aspects of the system—historic institutions and practices, many of which are considered obsolete; a long tradition of reactive or add-on policies that create layers of laws and regulations; and the stand-pat tendencies of public officials and policy advocates alike. It is worth describing each of these in turn:

HISTORIC INSTITUTIONS: Massachusetts operates with a number of institutions that originated centuries ago and may be considered obsolete—such as the Governor's Council, counties, an outmoded court structure, the position of lieutenant governor, elected constitutional officers besides the governor, strong home rule, and many local town meetings and town boards. A case could be made for each of these institutions, but a case could also be made for their abolition. Their continued existence makes for a crowded political arena and regular battles for control of resources, appointments, and other political goods.

REACTIVE, ADD-ON POLICIES: To cope with the challenges of the day, state and local governments have created new programs and policies to circumvent existing political structures, such as authorities and commissions, special-purpose legislation, and the use of patronage to exert some control over agencies or departments. These programs and policies often fulfill their goals, but then continue after the reasons for their being cease to exist. The steady accumulation of political programs—and claimants—makes it difficult to coordinate policy. Programs become a thicket to work through rather than a vehicle to pursue coherent goals.

'STAND-PAT' TENDENCIES: In order to avoid conflict, many policies and institutions are allowed to persist even though they might not offer the most rational approach to issues. Many of the historic institutions, an uncompetitive electoral system, an outmoded electoral infrastructure, and certain regulations (e.g., for housing, the environment, education) are allowed to continue because the political capital needed to change them exceeds what political actors are willing to spend.

These three factors add up to a fragmented political system that often impedes policy development and implementation.

Another word for fragmentation, but carrying more positive connotations, is complexity. Complexity not only offers "checks and balances" that prevent undue exercise of power, but also provides a setting for the development of creative approaches to policy. When one agency or branch of government has the power to check another, it could prevent unhealthy accumulation of power. The need to create a governing coalition often forces an open policy deliberation, ultimately leading to smarter and more effective policy.

The literature on local politics finds great merits in fragmented political structures. In a seminal 1956 article, Charles M. Tiebout argued that a proliferation of local governments offered individuals and businesses great choice about the appropriate mix of services, amenities, and taxes.[2] Because local governments are small, they are likely to be sensitive to the signals sent them by people and firms "voting with their feet." Tiebout and his many followers acknowledge that the model of the "consumer-voter" has the same shortcomings as any economic model: people do not possess complete knowledge and institutions become set in their ways and therefore less responsive than a perfect market model would suggest. Critics of Tiebout add that decision-making by individuals and even firms depends on more than strict assessments of utility, and that attachment to place is a critical part of community life.[3] But Tiebout's market model offers a suggestive way to understand Greater Boston's economic and social success in the last generation. Because the region is so diverse, with clusters of communities and groups that meet the needs of a wide range of individuals and firms, it fosters the entrepreneurship and dynamism that other regions would envy. While planners bemoan the difficulty in forging a common vision for housing, transportation, land-use planning, and other issues, the region chugs along, fostering dynamic activity in business, culture and the arts, media, technology, medicine, and other fields.

The line that separates creative complexity from unruly fragmentation is sometimes difficult to discern. The key is whether an underbrush of old and dysfunctional institutions and practices impedes rationalization of policy and the development of new approaches to policy. Ultimately, the question centers on efficiency. Is it more efficient, for example, to have or not to have a Governor's Council, whose tasks could be handled by the state Senate and other parts of the state government? Is it more or less efficient to have a secretary of state or treasurer with an independent power base? Is it more or less efficient for towns to govern themselves with either open or elected town meetings—and with regulatory boards staffed by "citizen-politicians"?

These questions are open to debate. But a state like Massachusetts—lacking significant natural resources, and therefore reliant on the creativity and efficiency of its people—needs to make sure that fragmentation and complexity foster creativity and efficiency, and not gridlock and turf warfare.

STATE GOVERNMENT

Understanding state government is essential for understanding the role of local and regional government. The state not only establishes the basic parameters for local governance—setting the framework for "home rule," providing direct aid to localities, regulating a wide range of policy areas—but also serves as the de-facto structure of regional governance. In many other states, counties and regional bodies play a powerful role, but not in Massachusetts. A number of regional authorities operate in Massachusetts, but the state has few general-purpose bodies above the local level. The state acts, in essence, as the general-purpose regional government on issues like housing, the environment, and economic development.

Massachusetts state government was originally organized by the British Crown and colonists in the seventeenth century. Over the years, to meet the demand for new government services and cope with a more complex society, the state has added literally hundreds of new entities. But the basic structure of the system is the same as it was almost four centuries ago.

The Governor

The governor posses the greatest opportunity to overcome the fragmentation of the state's politics and policy. The governor has the power to make appointments and veto legislation and to propose policy in virtually every area—and to make his case to the public using his "bully pulpit." As Harvard University political scientist Richard Neustadt wrote of presidential power, the real power of the executive derives from the "power to persuade."[4] Despite the awesome legal authority that the governor holds, the office's real power requires an active and engaged leader with a clear agenda and an ability to sell that agenda to legislative leaders, opinion leaders, interest groups, and the general public. Governors like William F. Weld, Michael S. Dukakis, and Francis W. Sargent have used those powers to create whole new ways of thinking and addressing policy issues.

When he became governor in January 2003, Republican Mitt Romney charted a new approach for the state. As the first governor in decades without government experience—who won office with independent voter support—Romney set management skills as the basis of his major political appointments. Many top advisors were Democrats, and Romney assured top officials that they would have control over appointments. As Romney took office, observers speculated whether his business approach to governing would work on Beacon Hill. Charles D. Baker, Jr., the Harvard Pilgrim CEO who held top posts in the Weld administration, was optimistic. "The analytics aren't much different but it's the emphasis and application that have to be refined," Baker said.[5] As a business consultant and venture capitalist, Romney could be considered a new-age version of his father George, who ran the American Motor Corporation before getting elected governor of Michigan, running for president, and serving in the Nixon Cabinet.

Perhaps Romney's most important appointment was the secretary of the Executive Office for Administration and Finance (A&F). Eric Kriss, Romney's A&F secretary, was a Bain Capital executive who worked in the Weld administration during the economic crisis of the early 1990s. In his first major policy

THE ROMNEY TEAM

Key members of the administration of Governor Mitt Romney, who took office in January 2003

Chief of staff	Beth Myers
Chief of legal counsel	Daniel B. Winslow
Chief of legislature and government	Cynthia Gillespie
Communications director	Eric Fehrnstrom
Press secretary	Shawn Feddeman
Chief of state development	Douglas Foy
Chief of commerce and labor	Robert Pozen
Education advisor	Peter Nessen
Secretary of administration and finance	Eric Kriss
Secretary of public safety	Edward A. Flynn
Secretary of environmental affairs	Ellen Roy
Secretary of transportation	Daniel A. Grabauskas

statement after his appointment to the Romney Cabinet, Kriss argued that the current crisis was greater than any since the Great Depression. A&F coordinates the operations of the whole government, developing coherent strategies and policy analysis for the governor for issues as varied as housing, health care, education, and the environment. A&F also coordinates the activities of the department heads and acts as a first among equals among the executive secretaries. Because the legislature authorizes many more capital projects than the state can afford, A&F determines which projects actually receive funding—an extraordinary power.

Romney appointed two officials who coordinate a wide range of issues that are normally separated from each other. Douglas Foy of the Conservation Law Foundation was named the chief of state development and charged with coordinating housing, transportation, and environmental affairs. Robert Pozen was named chief of commerce and labor and charged with coordinating the state's sprawling economic development programs. Peter Nessen was named education advisor, which Romney planned to make a Cabinet position, with the charge of implementing school reform and overhauling the state's public college system.

Romney's administration faces challenges on many fronts beyond the budget crisis. The state's ongoing anti-tax politics—which date back to the passage of Proposition 2½ in 1978—limit the budget options for A&F Secretary Kriss at a time of $3 billion deficits. Meanwhile, the state's education system stands at a crossroads, as school systems—especially in urban and minority communities—consider how to respond to high failure rates on the MCAS tests. Sprawl attracted widespread public attention for the past few years—leading Shannon O'Brien in the 2002 campaign to propose creation of a state planning office—but it is unclear what kinds of statewide policies are possible in a state with strong home-rule sentiments. The state suffers a severe shortage of affordable housing, but localities resist housing because of strains on local resources such as water systems and schools. Environmental issues—such as the water supply of cities and towns, global warming, clean air and water regulations, brownfield reclamation, and land conservation—could also attract attention because of their importance for both suburban and urban communities. One sleeper issue is crime, which has spiked in urban areas after steady declines in the 1990s. The specter of a new wave of crime could lead to greater interest in job training and after-school programs. Another sleeper issue is homeland security, which produced a shake-up of the Massport leadership and other efforts to tighten security in the Port of Boston but overall has failed to capture the attention of the public. As always, families worry about obtaining and keeping their health insurance and look to the government to solve the problem.

Governor William Weld's top advisor was his lieutenant governor, Paul Cellucci, who had years of experience in local politics and the state legislature. Weld called Cellucci his "co-governor." When Cellucci won the Corner Office on his own, he and Lieutenant Governor Jane Swift had a similar relationship. Romney's relationship with Lieutenant Governor Kerry Healey is unclear. Healey's political experience includes two unsuccessful races for the state legislature, brief service as state Republican Party chair, and research for the U.S. Department of Justice. Romney indicated that he would put her in charge of criminal justice issues, and she also serves as the chair of the Governor's Council. But her larger role in the administration will depend on how well her style and abilities mesh with Romney. Lieutenant governors Thomas P. O'Neill III and Evelyn Murphy were estranged from governors Edward King and Michael Dukakis, respectively.

Massachusetts governors enjoy complete freedom in appointing Cabinet officials, a prerogative not enjoyed by the chief executives of other states. Rather than face hearings over controversial nominees, the governor can simply state who he wants to serve as heads of Cabinet secretariats or departments and be assured that they will fill the jobs. In most states, the upper chamber of the legislature must approve appointments.

Recent governors have transformed Massachusetts government from one of the nation's most corrupt systems to a reasonably clean and professional system, though one still known for patronage. John Volpe successfully promoted a state sales tax that has insured revenues for state operations, including a dedicated revenue stream for education. Volpe also pressed for increasing the governor's term from two to four years, creating a greater opportunity for the governor to develop a strong team and a coherent policy program. Sargent moved the welfare system from local control to the state level and instituted the Cabinet-secretary system. He also cancelled the Inner Belt and Southwest Expressway, replacing it with a massive shift in investment toward public transit. Dukakis expanded state assistance to cities and towns, invested heavily in housing, overhauled selection of state judges, reformed the welfare system with a work program, undertook new environmental programs including the cleanup of Boston Harbor, modernized the state transportation infrastructure, and passed a comprehensive health coverage program (never implemented). He and A&F Secretary Frank Keefe vigorously pursued "public-private partnerships" to attract businesses, create jobs and renew urban centers. After the budgetary crisis of the late Dukakis years, Weld restored the state's fiscal standing. He cut taxes, reformed the state's medical insurance system, reduced regulations, and signed the ambitious Education Reform Act of 1993. He also oversaw deregulation of the hospital industry and reforms of welfare, worker's compensation and judicial management. Cellucci promoted passage of a voter referendum to roll back the income tax to 5 percent (since delayed).

Developing a sophisticated approach to information management could offer the wedge for the new governor to institute policy change and government reorganization.[6] In an age when databases could help track the full range of government activities—and resources must be used strategically—it might be essential to use systems that track everything from absenteeism and overtime to disease outbreaks to vacant parcels of land. "Real time" data can not only revolutionize government operations, but also give a big boost to political careers. If information is power, then organized information is organized power.

Constitutional Officers

Unlike other states, where the governor appoints the holders of all major executive offices, Massachusetts gives voters power to elect major "constitutional officers." Those officers operate independently of the governor but must collaborate on important policy and administration matters.

The governor and other constitutional officers often differ on major policy. Secretary of State William Galvin sought the delay of preliminary elections in Boston on September 11, 2001, but was opposed by Governor Jane M. Swift, who obtained a judicial order to keep the elections on schedule despite the terrorist attacks of that day. Constitutional officers also clash with each other on occasion. In July 2002, for example, Auditor A. Joseph DiNucci and Treasurer Shannon O'Brien skirmished over DiNucci's review of the State Lottery. Such conflicts would be inevitable whatever the form of executive government, but are more likely when key officers have independent power bases.

GOVERNOR'S COUNCIL: Operating alongside the governor is the Governor's Council, which has the power to approve appointments. The Governor's Council is a relic of the colonial era, when its elected members advised the governor appointed by the king and also served as a check on the governor. (One other state, New Hampshire, has a Governor's Council.) Comprising the lieutenant governor and eight councilors elected from districts for two-year terms, the Council has the power to approve judicial appointments and pardons, authorize Treasury expenditures, approve emergency appointments of constitutional officers, and certify statewide election results.

The part-time council—which rarely meets more than two or three hours a week (members work about 5 to 10 hours or so on major nominations)—is rarely noticed except in times of controversy. The nominations of Margaret Marshall and Charles Fried to the Supreme Judicial Court highlighted the council's role and aroused controversy. When Governor Swift gave birth to twins and attempted to conduct council meetings by speakerphone from her home in western Massachusetts, councilors caused a brief storm when they refused to meet without her personal presence. The councilors backed off that demand after a public outcry in favor of the governor.

Many observers consider the Governor's Council an obsolete body whose functions should be distributed to other entities, but no one has marshaled an effective argument for an alternative. Hale Champion, a powerful figure in state and local politics, called the council "ludicrous, anachronistic, and a waste of money."[7] In 1964, voters passed an initiative that removed most of the council's powers, such as approving gubernatorial appointments. Governor Michael Dukakis proposed abolishing the council in 1975, as did candidate Weld in 1990. The League of Women Voters and other civic groups have called for the council's abolition periodically in the wake of scandals. Some lawmakers have proposed eliminating the council's budget to cripple it, but councilors would probably continue to exercise their powers without compensation given their light workload. Only a constitutional amendment would eliminate the council.

Others, however, have called the Governor's Council a critical part of the system of checks and balances in the state—ever more important with one-party dominance of Massachusetts politics. Defenders say the council's "advise and consent" role over judicial appointments is preferable to legislative involvement in the process.

ATTORNEY GENERAL: The state's chief law enforcement officer, the attorney general oversees a wide range of issues in state and local affairs from the environment to education. Despite one civic activist's statement that "the attorney general is a grandiose title for someone who is the people's lawyer," the reality is not so simple.[8] The attorney general plays a dual role as the lawyer for state government and advocate for the people.

Even when the attorney general disagrees with the positions of the government, it is his responsibility to develop a legal case that supports the state. Attorney General Thomas Reilly defended the state legislature in the controversy over its failure to fund the Clean Elections Act, even though he supported funding of the law. Reilly's predecessor, L. Scott Harshbarger, often opposed Governor William Weld on policy but supported his efforts to reduce eligibility for state programs and develop a constitutional death penalty law. "I intend to do all I can in terms of leading a coalition to oppose the death penalty," Harshbarger said. "When and if a statute is passed that relates to capital punishment, if it is constitutional, one of my responsibilities is to defend it."[9] Other attorneys general have opposed the governor on policy and legal grounds. Francis X. Bellotti and James Shannon both opposed the Dukakis administration's policy banning same-sex couples from serving as foster parents.

Because the law is marbled into every policy area, the attorney general has the opportunity to become involved in the leading issues of the day—setting himself up for the pursuit of higher offices. Reilly has taken public stands on a wide range of issues, such as the resurgence of violence in inner-city Boston, the sale of the Red Sox baseball team, the legal obligations of the Catholic Archdiocese of Boston after the clergy sex abuse scandal, and the cost overruns on the Big Dig. Under Reilly, Massachusetts was part of a coalition of nine states and the District of Columbia to push the antitrust suit against Microsoft. Reilly even ventured into education policy, decrying the high failure rates of minorities on the standardized MCAS examinations and proposing a reorganization of local education along the lines of the community policing model he developed in Middlesex County.

TREASURER: Almost as powerful as the attorney general, the treasurer manages the state's financial affairs. As head of the State Lottery Commission, the treasurer oversees one of the state's leading revenue-raising operations. The treasurer manages many abandoned properties, provides information about financial institutions, and oversees the state retirement board and pension system. The treasurer is the chief investment officer, overseeing the Pension Reserve Investment Trust and its board, managing about $7 billion in pension funds. When the funds do well, the treasurer can take the credit, but when they do poorly, he or she takes the blame. The treasurer also often takes on the role of watchdog for state fiscal issues ranging from health care to the Central Artery construction project. In the role, the treasurer sometimes comes into conflict with the state auditor. Recent treasurers have sought to expand the office into a consumer-assistance operation. Treasurers have set up programs to help families save for college tuition and have run programs to educate women about personal finance.

In states with an appointed treasurer, the position would be the ultimate green-eyeshade job, requiring primarily accounting and financial savvy and only secondarily political skills. But as an elected statewide position, the Massachusetts treasurer cuts a large profile in state politics. The last two treasurers—Joseph Malone and Shannon O'Brien—waged credible campaigns for governor. Both based their campaigns on claims of "cleaning up" accounting scandals in large programs like the Big Dig and the State Lottery system. O'Brien also assisted in the prosecution of officials in Malone's Treasury who stole millions of dollars in unclaimed bank deposits and other property.

SECRETARY OF STATE: As the "principal information officer" of the state, the secretary of state manages state records, databases, historic materials, consumer information, and legal records. After the lieutenant governor, the secretary of state is next in line to serve as acting governor. When the governor and lieutenant are both physically out of the state, the secretary becomes acting governor.

The secretary in effect acts as the clerk of the state. He or she is also the state's chief election officer, overseeing the activities of registrars of voters in every city and town, seeking to keep the voting process fair and modern. The secretary certifies all ballot initiatives as constitutional, playing a pivotal role in that process. The position could theoretically be appointed, but an electoral mandate provides the secretary with an opportunity to raise issues that might get muffled if it were an appointed post.

William F. Galvin has used the position to speak out on a wide variety of issues, such as election reform, corporate responsibility, and health care. Galvin sought to convert his statewide visibility into a gubernatorial campaign in 2002, but withdrew after encountering a lack of early support.

AUDITOR: As the independent fiscal watchdog of the state, the auditor has the power to shape the debate over the state budget and fiscal management. The auditor is required by law to evaluate the state's many programs at least every two years, and also has the authority to look into the performance of the many vendors that do business with the state.

On average, the auditor conducts 200 formal investigations a year; most attract little notice, but some spark controversy when they focus on a prominent politician or program. The auditor's position could, theoretically, be folded into existing executive offices—like Administration and Finance or even state-level version of a research agency like the federal General Accounting Office—but the election of the auditor provides a degree of independence that allows more rigorous scrutiny of executive branch activities.

The position of auditor has been filled since 1987 by Joseph DiNucci, a former professional boxer and state legislator. DiNucci enjoys the leeway to pick when he wants to target an agency or program for audit, and conducts numerous reviews of especially prominent projects. In the past, he has conducted audits of the Massachusetts Water Resources Authority and the Massachusetts Convention Center Authority. The auditor also assesses the impact of various state laws and policies—such as tax cuts and regulations—on local government. He has also pressed the executive branch to follow through on laws passed by the state legislature. Over the years, the state auditor has competed with the inspector general as the state's watchdog.

The State Legislature

In the eyes of the general public, the culture and operations of the state legislature can be summed up in a photograph of House Speaker Thomas M. Finneran and Senate President Thomas F. Birmingham talking on the balcony outside Birmingham's office in the State House. The "two Toms," one generally conservative and the other generally liberal, personally negotiated the large and small points of the budget months after the fiscal year (FY) ended on June 30, 1999. The conference committees that normally resolve the differences did not meet for weeks, as the powerful Democratic leaders sparred over income tax rates, social service spending, and the use of money from the legal settlement with the tobacco industry.

Formally known as the General Court, the legislature provides an important counterpoint to the governor. Massachusetts is one of only a handful of states with fulltime legislatures (California, Illinois, New York, and Wisconsin are among the others)—which makes politics in the state a constant media focus. For years, the Massachusetts Legislature has been dominated by strong Democratic majorities and strong party leaders. Thomas Birmingham became a lame duck president of the Senate in 2002 when he ran an unsuccessful campaign for governor, leaving House Speaker Thomas Finneran as the most dominant force on Beacon Hill.

When the legislature convened for its 2003–04 session, some 5,820 bills filed the prevous fall awaited action. The bills ranged in importance from minor local petitions to major reform proposals on issues like health care and taxes.

The most important distinction between the Senate and the House is size. The Senate has 40 members, the House 160. The Senate operates more or less as a single unit. The House, on the other hand, is a large-scale organization that requires significant leadership skills and organization to function. Each in their own ways, Speaker Finneran in the House and President Birmingham in the Senate, the state's legislative leadership has created a strong top-down direction.

The 1978 reduction of the size of the House, from 240 to 160, has changed the character of the institution. Before the reduction, the House was composed of amateur politicians—people prominent in their communities who decided to serve in elective office for relatively short periods of time. Today, largely because of the larger electoral districts (the average size of a district increased from about 24,000 to 40,000) and the greater workload on Beacon Hill, legislators tend to be careerists. Because members are more oriented toward politics as a vocation, critics say, they do not display the independence of their predecessors in the larger body. Because the larger districts have made it harder for challengers to mount campaigns, members are more secure in their tenure than before.

In recent years, battles over the budget have monopolized the legislature's time. Other lawmaking functions—filing bills, holding hearings, voting on bills in committee, negotiating among factions, reconciling the versions of the different chambers—often take a back seat to the budgetary issues. The number of new laws passed has declined from over 700 annually in the 1980s (with a high of 812 in 1985) to about 400 a year in the 1990s (with a low of 239 in 1997). The majority of the bills that pass are home-rule petitions or special legislation, usually mundane matters approved without debate.

In recent years, the legislature has come under bitter attack for its budgetary process. Budgets have been regularly passed after the end of the fiscal year, creating difficulties for agencies and local governments that need to make decisions about their programs and services. In addition, the all-consuming nature of budgetary politics makes it difficult to develop creative approaches to major long-term problems. The last major policy initiative of the last decade was the Education Reform Act of 1993. Some experts have called for a two-year budgeting system and creation of an independent policy analysis entity in state government to give the legislature the time and research it needs to do more than balance the books every year.[10]

The legislature took the unusual step of leaving key budget decisions wholly to the governor in the summer of 2002. With a budget about $600 million in the red, the legislature made $200 million in cuts and then asked the governor to find $400 million in additional cuts. Critics attacked the maneuver as an abdication of responsibility unprecedented in state history.

In recent years, legislature has turned to an obscure tool called "riders" to pass substantive legislation. Riders, also known as "outside sections," are bills attached to appropriations measures even though they might have nothing to do with budget matters. Since 1995, more than half of all bills passed by the legislature have come as riders. Between 1919 and 1975, budgets typically had between four and 29 riders. The rise of the rider began in the Dukakis administration but accelerated in the Weld and Cellucci administrations. In FY2001, the budget had 498 riders. The record for riders is 690 in 1997. Critics say riders pose a serious threat to the democratic process since they bypass debate and negotiation. A top official in the Cellucci and Swift administrations remarked: "What I see is a process that is totally screwed up. We just don't know what's in these outside sections. It's a lousy way to make public policy." Public interest groups like Common Cause, the League of Women Voters, and the Citizens for Limited Taxation agree, arguing that transparency is critical to democratic accountability. But others, such as former Representative John McDonough, say riders help push difficult legislation forward and should not be banned out-right.[11] In 1992, Senator Patricia McGovern filed some 50 riders in an attempt to reform the state's court system.

In two important ways, the Massachusetts General Court exercises considerably less influence than other state legislatures in the U.S. The Massachusetts legislature does not have the power to confirm or reject the governor's candidates for leading Cabinet officials. Even though other legislatures usually exercise this power in a perfunctory way, approving the executive's choices for top positions unless those officials have a particularly troublesome record, the power to say no is important as a threat. The Massachusetts legislature has no power over judicial or executive branch nominees.

LEADERSHIP: The legislative leadership plays a critical role in the state's governance. Besides setting overall priorities and determining who runs the committees, the legislative leaders put a public face on the work of the legislature. Birmingham established himself as the premier lunchbox liberal with his support for organized labor, school funding, and health care. Robert Travaglini, the new Senate president, is expected to provide a variation of Birmingham's blue-collar themes. Finneran established himself as the state's chief voice of fiscal and social conservatism, as well as opposition to the death penalty.

At times, the two legislative leaders seemed to exercise more authority than the governor. The Democrats held veto-proof majorities in both legislative chambers. Finneran even took on some of the trappings of the governor by delivering an annual televised speech detailing his priorities as speaker. The *Boston Herald* pictured Finneran on its cover wearing a crown, under the bold headline: "KING TOM." The legislature's most effective check was internal—the different priorities of the two chambers' leaders.

Perhaps the most important state policy in recent years is Finneran's insistence on using budget surpluses during the economic boom years to create a "rainy day" fund to provide a cushion in the event of revenue downturns. The fund was created during the Dukakis years, but drained almost at once; during the boom of the 1990s, it grew to $2.3 billion and was a major factor in mitigating the budget problems of the early 2000s.

The character of the legislature has always shifted with the character of the leadership. In the late 1980s and early 1990s, under President William Bulger, the Senate was considered the more autocratic body. Bulger gained his extraordinary power by caucusing with his members, pushing his position as far as he could but seldom, if ever, beyond the point of defying the majority of his members. The leader of the House at the time, George Keverian, ran an open operation that many criticized as less-than-organized chaos. A decade later, under Finneran, the House has been considered more centralized, with deviations from the leadership punished with a loss of committee chairmanships, office staff, and various perquisites. Nothing of importance is accomplished without Finneran's direction and approbation. Finneran sometimes alters course when a clear majority of his members voice displeasure with his position or approach, but the speaker has held fast to his values on matters like fiscal policy, the death penalty, and the judiciary.

At times, the leadership protects members by providing cover on issues that would put them in awkward political positions. In July 2002, Senate President Birmingham blocked a referendum for a constitutional amendment that would have defined marriage to exclude gay unions. The measure had the support of the 25 percent of legislators it needed to advance in the amendment process; the necessary petition had twice as many signatures as required by law. The issue would have sparked a divisive debate during the fall election campaign, but Birmingham's effort put the matter on ice for the foreseeable future. In 2002, Speaker Finneran spent months crisscrossing the state, warning that of the depth of the budget problem and warning that only new taxes would prevent horrific and cruel cuts to human services. He diffused opposition to the taxes and played the role of "lightning rod" for criticism of the legislature.

Members return the favor to the leadership. In 2002, House members overturned term limits for the House speaker, allowing Finneran to extend his service as the body's leader.

COMMITTEES AND CAUCUSES: Like all large representative bodies, the Massachusetts Legislature uses committees to provide a division of labor for members. Chairmanships of the key committees—like Ways and Means, State Administration, Taxation, and Education—are coveted for the power they can confer over hearings and bill revisions. Committee chairmanships also offer members modest salary increases, the opportunity to hire staff, and the possibility of making connections with important constituencies. Birmingham and Finneran used their power to appoint committee chairs to create strong leadership teams and exert discipline over party members.

The legislature's parties make their decisions via closed gatherings known as caucuses. Even though technically the whole body elects its leadership, leaders are customarily selected by members in the majority party caucus. One notable exception occurred in 1996, when Finneran reached beyond the ranks of Democrats to put together a coalition of conservative Democrats and Republicans to win the speakership. The party caucus also establishes the body's policy agenda on important issues. In caucus, members communicate their true sentiments to the leadership. Caucuses approve the speaker and president's committee assignments and leadership appointments and provide feedback on the committee system and work schedule.

The legislature also has a number of other caucuses tied to particular issues. Small groups of like-minded members meet regularly to promote common concerns, ranging from health care to housing, from civil rights to school reform.

COMMITTEES OF THE MASSACHUSETTS SENATE AND HOUSE OF REPRESENTATIVES

Banks and Banking	Insurance
Commerce and Labor	Judiciary
Criminal Justice	Local Affairs
Education	Natural Resources
Election Laws	Public Safety
Energy	Public Service
Federal Assistance	State Administration
Government Regulations	Taxation
Health Care	Transportation
Housing and Development	Ways and Means
Human Services	

Caucuses sometimes provide the critical "incubator" for issues and specific pieces of legislation, but their importance depends on the support of legislative leaders. They often work closely with organized interest groups to coordinate and disseminate research, chart legislative strategy, and press other legislators for support.

The Judiciary

At every level of American politics, the judiciary is shrouded in the most mystery of the three branches of government.

A diagram of the Massachusetts judiciary system would show a simple pyramid familiar to students of judicial politics, but the reality is more complex. A complex tangle of semi-autonomous courts must deal with antiquated management practices, patronage appointments, and inadequate use of technology. Experts say that the Commonwealth boasts a well-qualified team of jurists, but the courts lack the independence or management structure needed to operate effectively.

To understand the complexity of the system, it makes sense to start at the bottom, with a cluster of courts known as the Trial Court. At the top of this cluster is the Superior Court, which focuses on criminal and civil cases. The Superior Court, organized by counties, hears major cases in criminal and civil law. Some 69 District Courts try misdemeanors and lesser offenses that carry jail sentences of 30 months or fewer. Small claims, auto violations, tenant evictions, and commitments to mental-health facilities also are heard in district courts. Operating alongside the district courts is the Boston Municipal Court, which performs the same functions of district courts for the city (the BMC's jurisdiction does not include the whole city; there are separate courts for Roxbury, Dorchester, and

West Roxbury). The district courts actually have their own appellate level, with five-person courts in the northern, southern, and western divisions.

Other Trial Court bodies focus on specific legal issues—housing, juvenile law, probate and family law, and land disputes. Each of these judicial "departments" is run by its own chief justice. Superior Court judges move from court to court, while other judges are permanently assigned to their courts. Clerks manage the flow of cases and paperwork for the system; some are elected at the county level, while others are appointed by the governor as if they were judges.

Just above the Trial Court level is the Appeals Court, created in 1972 and run by 25 fulltime judges and several semi-retired judges. The Appeals Court hears most but not all kinds of appeals from the lower courts. A few cases—such as appeals for first-degree murder—go directly to the Supreme Judicial Court. Appeals Court judges decide cases in three-judge panels, which change regularly. The Appeals Court teams hear cases in Boston throughout the year and at locations outside Boston occasionally throughout the year.

At the top of the pyramid stands the Supreme Judicial Court, created in 1692 and now the oldest appellate court in the Western Hemisphere. The seven-member SJC delivers about 250 written decisions each year. In separate contests, the individual justices decide a total of about 800 cases annually on motions that deal with court motions, petitions, and other statutory matters. The SJC is also the chief administrative manager of the state's court system, with the chief justice playing a major role reaching out to the legislature, the legal community, and other constituencies.

MANAGEMENT: The management of the Massachusetts judiciary is even more complicated. The chief justice of the SJC sets a tone for the operation of the whole system, but leaves it to the chief justice for administration and management—known as CJAM—to actually run the system. The CJAM coordinates a far-flung collection of court managers, who gain their positions through different processes. Clerk-magistrates coordinate the flow of cases and paperwork in all courts. Superior Court clerks and registers of probate are elected in their separate counties. The governor appoints district court clerks, who enjoy life tenure after their approval by the Governor's Council.

This management structure creates a power base separate from the judges, which creates conflicts over the basic management of the courts. Barbara A. Dortch-Okara, who has served as CJAM since 1998, notes the challenges inherent in broad judicial management in Massachusetts. Her job, she notes, is to run "a more than $400 million entity with many employees you don't have any practical means of controlling. You have to influence and try to generate consensus among judges and clerks and registers and the like. It's very different than running a business."[12] Clerks and registers, used to autonomy over their domains, resist any kind of direction from above.

The Massachusetts judiciary has been criticized for delays in adjudicating cases, but improvement has been evident in recent years. The number of cases pending declined from 76,000 in 1985 to 40,000 in 1998. The share of cases that were at least three years old declined from 46 to 16 percent between 1992 and 1998. In 1998, the court actually disposed of more cases than were filed—10,000 to 8,300—reducing the overall court backlog by 1,700.[13]

The judiciary has struggled to maintain its independence from the legislature for years. Unlike most other state court systems, the Massachusetts judiciary's budget is managed by the state legislature. Massachusetts is one of the few states in the U.S. that operates under line items decided by the legislature rather than by judges and court administrators. A report issued by the Pioneer Institute states bluntly:

> The system has long suffered from difficult funding and personnel problems, but in the last decade the troubles have spiraled out of control. In recent years, the court budget has doubled while the workload has decreased, and the system still struggles under significant staffing inequalities. . . . The court system literally does not have the power to manage itself.[14]

Typically, the courts request funding for certain key positions based on their need as a system. But the legislature often funds additional positions that are filled by patronage appointments. From 1998 to 2001, the legislature mandated 416 positions not requested by the Administrative Office of the Trial Court. Because courts lack the authority to transfer staff from overstaffed courts to understaffed courts, some parts of the system are burdened with too many workers while others scramble to get enough manpower to do their work. A 1993 consultant's report suggested hiring 159 new positions in the Trial Court—but in fact employment has increased by more than 2,000 in subsequent years. Even though the Springfield District Court hears more cases than the Boston Municipal Court (34,132 to 29,130 in 2000), the Boston body has more than 50 percent more employees (157 to 102).[15] The mismatch of workers and need shows up in court productivity measures. The number of case entries per employee dropped from 190.6 to 142.3 from 1996 to 2000.

In the 2002 campaign, every gubernatorial candidate except Thomas Birmingham called for giving the judiciary one line in the state budget to eliminate micromanagement of the courts by the legislature. The legislature is likely to resist such efforts—and many judges are reluctant to fight publicly for control of their branch of government. One observer notes: "Traditionally, judges have been reluctant to fight for independence because they do not want to get their hands dirty with politics and, more to the point, they are intimidated by the prospect of offending lawmakers who control court budgets as well as judges' salaries."[16] A skirmish in 2001 over the appointment of parole officers, which pitted Speaker Finneran against Chief Administrative Justice Dortch-Okara, reduced the jurist's ability to appoint parole officers—and to oversee the officers' work with the courts.

The idea of reforming the Commonwealth's courts is not new. A commission headed by Archibald Cox in 1976 proposed streamlining the trial courts, but the legislature has ignored this recommendation and kept the seven trial courts separate, each with its own chief justice. In 1992, the legislature passed a major bill to streamline and modernize the court system and reduce the backlog of cases. The legislation included a $1 billion bond authorization for construction of new courthouses, $75 million to install systemwide computer networks, elimination of the "double trial" system, and an aggressive effort to resolve delayed cases. The major move, administratively, was the creation of the chief justice for administration and management.

Governor Romney's appointment of Ralph C. Martin II as the chairman of the Judicial Nominating Council heralded a new age for the politics of appointments. For years, critics have complained that judicial appointments have been marred by patronage. Martin, who served 10 years as Suffolk County district attorney, has earned a reputation as a straight-shooting professional. Martin planned to adopt new nominating principles and take on new members to reform the council from within.

Observers of Massachusetts politics say that reform of the judiciary poses one of the most important challenges to the state. Governor Romney has not indicated whether he will take on legislative leaders like Speaker Finneran to give the third branch the independence that most other state judiciaries enjoy.

STATE AUTHORITIES, COMMISSIONS, AND COUNCILS

Perhaps the most influential part of state and local government is its most invisible—the many authorities and commissions that have the independent power and resources to make policy in specific issue areas.

Authorities have operated in the U.S. since the 1830s, but gained their extraordinary power in state government a century later. Following a model set by New York's "power broker," Robert Moses, states across the country established these stand-alone bodies to take control of highways, ports, airports, public transit, public housing, water and sewer services, parks, and myriad other activities.[17] The Massachusetts state web site lists 20 authorities and quasi-public agencies. Special districts also operate at the local and regional level, giving some municipalities a vehicle to raise funds outside the constraints of the state's Proposition 2½ property-tax limitation law.

AUTHORITIES AND QUASI-PUBLIC AGENCIES

Listed on the Commonwealth Web Site in 2002

Cape Cod Regional Transit Authority
Community Development Finance Corporation
Manufactured Homes Commission
Massachusetts Bay Transportation Authority
Massachusetts Convention Center Authority
Massachusetts Development Finance Agency (MassDevelopment)
Massachusetts Educational Financing Authority (MEFA)
Massachusetts Export Center
Massachusetts Health and Educational Facilities Authority (HEFA)
Massachusetts Housing Finance Agency
Massachusetts Housing Partnership Fund
Massachusetts Port Authority (MassPort)
Massachusetts Service Alliance
Massachusetts Small Business Development Center
Massachusetts Technology Park Corporation
Massachusetts Technology Development Corporation
Massachusetts Turnpike Authority (MassPike)
Massachusetts Water Resources Authority (MWRA)
Pension Reserves Investment Management Board (PRIM Board)
Water Pollution Abatement Trust

The very factor that makes authorities attractive—their ability to get things done without interference from elected officials and organized constituencies—often fragments state and regional politics. All of the major authorities in Massachusetts have become the focus of controversy in recent years as a result of expensive projects, patronage appointments, struggles with neighborhoods over development plans, and outdated management structures.

Authorities usually have independent sources of revenue, generated by tolls, fees, development, or leasing of property. Authorities also borrow money to finance long-term projects. Authorities operate independently of political interference—at least in theory. Authorities are usually governed by boards, whose members are appointed by the governor or other executives. Staggering the board members' terms prevents any governor from quickly controlling the boards.

The funding arrangements of authorities vary. The Massachusetts Bay Transportation Authority receives one-fifth of state sales tax revenues. The Massachusetts Turnpike Authority receives tolls from the turnpike and Callahan and Sumner tunnels. Massport collects tolls on the Tobin Bridge and takes in revenue from landing fees, parking garages and various other levies on carriers at Logan Airport and Hansom Field.

The independence of authorities is regularly tested. Governor Swift fired two members of the three-member Masspike board in 2002 when they voted to delay an increase in turnpike tolls. Swift argued that the members, Jordan Levy and Christie Mihos, threatened the financial integrity of the authority. But the pair fought back, saying that their firing was political. After an initial finding that the firings were legal, the Supreme Judicial Court ruled in May 2002 that board members can be fired only for wrongdoing, not differences of opinion about policy. The ruling gave state authorities more protection than ever. "This is equivalent, in the constitutional history of this state, of the *Marbury* v. *Madison* case" that established a strong separation of powers in the federal government, said Harold Hestnes, counsel to Governor John A. Volpe in the 1960s. "It means that independent authorities are now truly independent, and that 'cause' [for dismissal] is not just what the governor says it is."[18]

MASSPORT: Perhaps the most controversial single agency in Massachusetts, the Massachusetts Port Authority operates Logan International Airport and regional airports in Worcester and Bedford, the Port of Boston, and the Tobin Memorial Bridge.

Massport has faced intense scrutiny since the terrorist attacks of September 11, 2001. The airplanes that crashed into New York's World Trade Center towers originated at Logan International Airport, focusing national attention on inadequate security measures and an executive leadership comprised of political appointees. Virginia Buckingham was forced out of her job as executive director and Joseph Lawless was demoted from director of security. In April 2002, Governor Swift appointed Craig Coy, former member of the National Security Council under President Ronald Reagan, as executive director and CEO of Massport; in June, Swift named John Quelch of the Harvard Business School as chairman of Massport's board of directors.

A six-member commission headed by former State Street Bank chairman Marshall Carter harshly criticized Massport's patronage practices, strongly recommending that the authority hire a professional as executive director, and establish a clear chain of command.[19] "In the post–September 11th world, patronage cannot be tolerated as the most expedient means to an end," the report says. "It is a misuse of scarce resources. It is a gross abuse of the public trust. Massport cannot afford to pay the high price of patronage any more."[20]

But controversies over Massport go much deeper than revelations after 9/11. Massport has pushed hard for federal approval of the new airport Runway 14/32 to accommodate the congested airspace over Logan when wind conditions do not allow planes to use the existing runways. Boston's political leadership has fought the runway for two decades. In August 2002, outgoing Federal Aviation Administrator Jane Garvey approved the runway, provided that the strip be used only under certain wind conditions and the airport impose higher fees during peak periods to reduce air traffic congestion.

The runway controversy follows years of tense relations with the East Boston neighborhood where Logan is located. Previous airport expansions, which have encroached on precious marshlands and disrupted the life of nearby communities, have provoked 30 years of legal and political battles.[21] Despite all of the controversy, Massport has been active in charting a new course for air travel and water-based commerce for the region. In 2003, Massport was in the midst of a $4.4-billion renovation of Logan Airport that included an overhaul of the terminals, addition of the runway, expansion of parking facilities, and redesign of the MBTA station. The security concerns after the events of 9/11 have expanded the airport's overhaul to include new facilities for screening luggage and passengers.

MASSPIKE: Created in 1952, Massachusetts Turnpike Authority was charged with building the Massachusetts Turnpike (Interstate 90) that originally ran from the New York State Throughway to Route 128 (it was later extended to downtown Boston). Long after the highway's completion, the authority still operates. In 1997, the legislature gave the authority control of the Central Artery/Third Harbor Tunnel project.

The Masspike board was expanded from three to five members in 2002; its members, appointed by the governor, serve seven-year terms. The members are expected to act independently to protect the fiscal and operational integrity of the authority. Over the years, reformers have proposed changes to the board structure. In his campaign in 2002, Governor Romney proposed shutting down the authority and merging its functions into the Highway Department.

The legislation that created the authority states that after the bonds authorized to pay for the construction of the highway, the highway "shall thereafter be maintained and operated by said department free of tolls" and the authority itself cease to operate. But Masspike has perpetuated itself by selling bonds in 1954, 1962, 1968, 1984, 1986, 1989 and 1993, requiring continued toll collection. A 2000 ballot referendum calling for the authority's dissolution was rejected by voters, mindful of the authority's mandate to help pay for the completion of the $15-billion Central Artery project. In recent years, the authority has considered a number of development projects to raise money, including leasing the space over the turnpike for development (known as "air rights") and construction of a casino near a new exit ramp near Warren.

MBTA: Greater Boston boasts the nation's oldest subway system—and a set of problems that stem not only from the system's limited infrastructure, but also its antiquated management and financial practices. On issues such as automation, design of new systems, maintenance of existing services, labor unions, and capital funding, the Massachusetts Bay Transportation Authority does not operate according to modern principles for planning and management. Lack of coordination with a regional planning body—on day-to-day operations as well as long-term planning—exacerbate the MBTA's troubles.

For more than three decades, the T operated with a "blank check" from the state legislature. After collecting fares, payments from localities, and other basic revenues, the T would present the state legislature with a statement of revenue needs to pay all of its bills in the previous fiscal year, as late as 18 months after the close of the fiscal year—and the legislature would appropriate those revenues. Expensive short-term borrowing provided the "bridge" from the time of spending to the time of receiving the state allocations. This open-ended budgeting system encouraged spiraling costs, including expensive labor agreements, which made management and planning difficult.

Under a "forward funding" system adopted in 2001, the T is given a fixed revenue stream and expected to live within its means. The T now receives one penny of the state's five-cent sales tax ($663 million in 2002), all of the fares from T service ($275 million), assessments from cities and towns in the T's service area ($143 million), and miscellaneous other revenues ($51 million). The T's capital budget comes from the sale of its own bonds ($1.2 billion in 2002–06), federal aid ($1 billion), and MBTA surpluses and state appropriations ($100 million).

The MBTA has adopted a number of expensive capital projects in recent years and put others on the agenda, including expansion of Commuter Rail, creation of a new Silver Line bus service, and implementation of an Urban Ring circumferential transit system. A 2000 commission chaired by former state Senator Patricia McGovern called for a moratorium on all expansion projects that do not pay for themselves or are not legally required. A report by the Massachusetts Taxpayers Foundation in 2002 found that the T did not have adequate revenues to undertake its ambitious expansion program and argued for greater scrutiny of capital projects.

Perhaps the MBTA's greatest challenge is to improve the operation's efficiency. Labor costs are among the highest in the nation; a five-year contract negotiated in 1998 calls for a 21.7 percent increase in wages and benefits. Despite the 1980 passage of "management rights" legislation that gives managers the authority to control how work gets done at the authority, managers exercise little control over workers at the MBTA. Work rules are estimated to increase labor costs by 10 to 20 percent annually. The so-called Pacheco law, which discourages contracting out, removes a powerful source of leverage in negotiations over new labor contracts.

Across the state, some 15 regional transit authorities bring service (primarily buses) to smaller communities. RTAs in Massachusetts serve 31 million passengers a year. RTAs in Eastern Massachusetts operate in Lowell, Brockton, Cape Cod, Cape Ann, and New Bedford. RTA finances are tied to the MBTA since municipalities have some leeway about whether to make appropriations to the MBTA or the local authorities.

MASSACHUSETTS CONVENTION CENTER AUTHORITY: After the Big Dig, the largest public works project in Massachusetts is the $800-million South Boston Waterfront convention center. That project is being overseen by the Massachusetts Convention Center Authority, which also operates the Hynes Convention Center in Boston and the Springfield Civic Center.

Created in 1982, the authority embodies the quirks of Massachusetts politics. A legislative rider engineered by former Senate President William Bulger in 1982 gave executive director Francis X. Joyce lifetime job protection at the authority.[22] Like virtually all public works projects, the convention center has faced controversy from the beginning. A $100 million cost overrun halted construction temporarily in January 2001. Officials reduced the size of the facility from 600,000 to 515,000 square feet and reduced the size of a garage expected to generate revenues to pay for the facility's maintenance. Boston Mayor Thomas M. Menino's former chief of staff, James Rooney, took over management of the facility's construction in 2000.

The controversy increased in 2001 and 2002 when the new facility in South Boston failed to get any bookings in time for its expected opening in 2005. With the scaled-down size of the facility, experts doubt whether it will attract the big shows that were envisioned—and fear that it will take away events from the Hynes center. Government officials have begin to discuss the possibility of selling the Hynes when the South Boston center opens to prevent centers from cannibalizing each other. Only one city in the U.S.—Las Vegas—successfully operates two major convention facilities. In 2002, the authority began to offer use of the center for free. That offer yielded several bookings for the early years of the center, but left unsettled the overall viability of the facility.

MWRA: The Massachusetts Water Resources Authority, broken off from the Metropolitan District Commission in 1985, coordinates the sewer and waterworks systems of 61 cities and towns serving 2.5 million people in eastern Massachusetts (about 43 percent of the state's population). The lead agency in the court-ordered cleanup of Boston Harbor, the MWRA built and now operates the massive Deer Island waste treatment facility (completed in 2000). The MWRA has invested over $5 billion in infrastructure to manage the region's water and sewerage systems. About half of the authority's budget goes for capital investments, the other half for maintenance and other financial obligations.

The MWRA is operated by an 11-person board of directors, including four appointees of the governor, three appointees of the mayor of Boston, and appointees representing other communities; the chair is the state secretary of environmental affairs. The board approves the annual operating budget, capital investments, and the assessments to cities and towns for water and sewer services. Day-to-day operations fall to the executive director, Frederick W. Laskey.

In FY2002, the MWRA managed a $508 million operating budget. As part of an ambitious plan to modernize the systems infrastructure—pipes, pump stations, interceptors, treatment facilities—the MWRA spent $457 in FY2002. Those investments are critical not only for maintaining basic service but also for preventing floods and environmental damage.

COMMISSIONS: The Metropolitan District Commission, which manages a system of regional parks and roadways within a 15-mile radius of Beacon Hill, has become one of the most controversial agencies in the state. Once an international model for regional planning, conservation, and open-space acquisition and maintenance, the MDC has come under fire for its management system, the quality of its maintenance operations, and its lack of a long-term strategic plan. Recent governors have proposed dismantling the MDC, moving its parkways to the Massachusetts Highway Department and its parks and other functions to the state Office of Environmental Affairs or to the localities where parks are located. David Balfour indicated his intention to resign as director in 2002 after a term marked by controversy over patronage. Criticism of the MDC's management is valid, but the agency has inadequate staffing and funding to coordinate its system. In recent years, the MDC has undertaken ambitious efforts to acquire new open space and develop parks and parkways around Eastern Massachusetts.

REGIONAL GOVERNMENT: Because of its weak county system, Massachusetts lacks a basic building block of regional governance. A number of authorities and commissions provide regional strategies for land use and transportation, but their operations are for the most part uncoordinated. In the Greater Boston area, the Metropolitan Area Planning Council engages 101 cities and towns to develop land-use and transportation priorities, but has little formal authority. As holders of one of the region's most sophisticated and integrated information databases, the MAPC has the potential to develop compelling new visions for a wide range of issues, from the environment to transportation to housing. In the fall of 2002, the MAPC selected Marc Draisen, a former state legislator and housing advocate, as its new executive director. Draisen will need his considerable capabilities as a coalition-builder to lead the region toward a coherent planning and development strategy.

Outside Greater Boston, regional planning entities with some heft operate on Cape Cod and Martha's Vineyard.

THE 'QUASIS': Massachusetts also operates a number of quasi-governmental agencies that have public agendas but operate with private means.

Mass Development, formerly known as the Massachusetts Development Finance Agency, provides financing for economic development strategies in cities and towns across the state. Directed by Michael Hogan, the agency offers tax-exempt bond financing of major development projects—overall, $10 billion in financing for 2,600 projects. Mass Development also offers a variety of loan programs for businesses and industrial parks, mortgage insurance, guarantees against defaults, real estate services, and technical assistance. The chair of Mass Development is Robert L. Beal, a real estate developer based in Boston.

The Massachusetts Education Financing Authority, created in 1982, is a self-financing entity that offers a variety of programs designed to make a college education more accessible to residents. MEFA offers savings plans, loan programs, and counseling for families with college-age children.

For decades, one of the most energetic and creative vehicles for creating affordable housing has been the Massachusetts Housing and Finance Agency, now known as Mass Housing. The agency, created in 1966, leverages federal and state tax credits and grant money to put together complex deals to provide housing to people who otherwise would not be able to afford it. In the past three decades, the agency has provided $6.6 billion in municipal bond financing that helped to create 76,000 units of mixed-income rental housing and provided 40,000 mortgages for first-time homebuyers. Former state Representative Steven Pierce directed the agency for 10 years, shifting the policy focus away from new housing development and toward home ownership programs, preservation of existing affordable housing units, and "demonstration disposition" projects that rehabilitated existing public housing. Thomas Gleason replaced Pierce as head of the agency in 2001.

The state operates a number of other quasi-governmental entities—such as the Community Development Finance Corporation, Massachusetts Small Business Development Center, Massachusetts Technology Development Corporation, Massachusetts Technology Park Corporation, and Massachusetts Health and Educational Facilities Authority.

CITY AND TOWN GOVERNMENT

State government establishes the broad policies for the people of Massachusetts, but local government remains the center of most people's everyday experiences. Mathew MacIver, a longtime observer of local politics, notes: "Despite the power of the state executive, legislature, and judiciary, local government still provides for the great majority of public services that citizens use or rely on every day, plus fulfills the important planning and development regulatory functions that directly affect the quality of community life."[23]

Massachusetts is one of about half of the states in the United States with "home rule," which means that residents have the opportunity to create their own charters for the governance of their community. Communities may also draft and submit legislation permitting them to conduct activities requiring special approval. These "home rule petitions" are usually passed without amendment.

Communities can select five plans for local governance based on whether they are classified as a city or a town. Cities can select either a strong mayor and weak council form of government (like Boston) or two forms of city manager form of government (like Cambridge and Worcester). Towns can organize their governance around an open town meeting, a representative town meeting, or elected selectmen or councilors. While most of the state's larger towns hire professional managers or administrators to conduct the day-to-day business of the community, many rely on boards and commissions made of citizens serving in part-time and voluntary capacities. Although communities across the Commonwealth have seen a clear trend toward professionalization of local government, the traditional systems of citizen participation have a powerful hold on local governance.

Despite the simple distinction between cities and towns, veteran political observer Lawrence DiCara points out: "What is a city and what is a town is not as easy to define as one might think. Some towns such as Weymouth have become cities and elected a mayor. Others elect a council (which replaces town meeting) and the council selects a manager. Most of these cities are known as towns. Sometimes the special act creating the new government specifies that the municipality will continue to be called a town. Very few communities adopt a cookie-cutter form of government. Most have their own nuances."

City Government

Massachusetts has 47 cities, which have the option of choosing mayor or manager forms of government.

The state's biggest city, by far, is Boston. Boston's strong mayor form of government allows very little opportunity for the City Council to exert a strong voice on public policy. The City Council may pass legislation, but has little control over city budgets. The council may approve or delete spending from the mayor's budget but may not add new initiatives.

The mayor does not enjoy the kind of patronage power enjoyed by legendary figures such as John Fitzgerald. Civil service appointments place the bureaucracy beyond the direct control of the mayor. Recent mayors have expressed frustration with the slow response of agencies to orders. But the mayor can still push agencies by appointing top-level officials committed to the administration's agenda. In recent decades, mayors have created different vehicles for reaching out to the neighborhoods. Mayor Kevin White created "little city halls" with "mini-mayors" to tend to neighborhood concerns; Mayor Raymond Flynn did not continue the little city halls but extended the outreach, spending much of his time on the street or meeting with neighborhood activists. Flynn also promoted the "linkage" concept, in which developers were required to contribute to a fund for neighborhood improvement in exchange for building permits. Mayor Menino has used the Office of Neighborhood Services and the Boston Main Streets program to place eyes and ears in the neighborhoods. All mayors engage city workers in the endless community meetings that take place most evenings throughout the city.

Councilors often chafe under the mayor's extraordinary power. The council's limited power leaves individual members open to being coopted by the mayor. In November 2002, the Council rejected Menino's proposal to reinstitute rent control. Usually, however, the council accedes to the mayor's policies. The leadership of the council has been uneven in recent years. James M. Kelly held the council presidency for seven years until a conflict with Menino over the South Boston Waterfront undermined his authority. The consensus-oriented Michael Flaherty, who has mayoral ambitions, leads a band of fellow thirtysomethings as president of today's council. The council exercises its greatest influence performing constituent service. Councilors like Maura Hennigan and Kelly are famed for their ability to bring benefits to their constituents.

As in other cities and towns, an elected committee historically governed the Boston school system. In 1989, the mayor gained the authority to appoint all committee members. The change was a watershed moment for Boston politics. For years, the school committee served as a political stage for members considering other offices. By catering to their own constituencies, committee members often paid less attention to the system's policies and management than the day's hot-button political issues. Mayors Flynn and Menino put their prestige on the line in backing the move to an appointed committee. Boston's school system was freed from the constant bickering of the school committee, superintendent, mayor, and council. Menino's superintendent, Thomas Payzant, will have served eight years by the end of the 2002–03 school year, the longest tenure since William Ohrenberger in the 1960s.

Boston is unique among cities in the Bay State for the restrictions placed on its policy prerogatives. The corrupt administration of Mayor John Fitzgerald, elected in 1910, prompted the Republican-controlled legislature to create an independent finance commission to oversee the city's management and budget, as well as to appoint the police commissioner and the members of the licensing board. Under home rule law, the city must seek special permission from the state for a wide range of policies—from taxes to licensing to assessing, even to towing. A 1966 law gave Boston greater leeway, but still the state imposes tight strictures on city governance. In 1997, the state legislature actually reduced the city's control over the police department, limiting the commissioner's ability to make personnel decisions. Massachusetts is one of just 17 states in the nation with such a restrictive policy on a major city, according to a 1993 federal study.

Other cities have adopted different forms of local governance. A city manager runs the day-to-day affairs of Cambridge. The City Council appoints the manager. Robert Healy has served as the city manager since 1981 and has earned the reputation of one of the best municipal administrators in the state. The council also elects one of its own members as the mayor. While the mayoralty is a largely ceremonial position, recent mayors such as Anthony Galluccio and Michael Sullivan have used the position to direct the policy debate. The mayor also serves as chair of the elected school committee, which exerts extraordinary control over the superintendent and school administration.

In Newton, a mayor and board of aldermen run the city of 83,000 residents with 2,000 employees and a $192 million budget. The current mayor, David Cohen, took office in 2000. Theodore D. Mann held the position of mayor for 22 years before his death in 1994, becoming one of the state's most beloved and respected leaders with his strong outreach to all constituencies, reliable delivery of basic services (especially schools), and his creative approach to handing the fiscal constraints imposed by the Proposition 2½ statewide property tax limitation measure.

Somerville, the subject of a *Boston Globe* series on corruption in municipal government that won the newspaper's first Pulitzer Prize, has also rebounded with the reform of the city government and public works improvements such as the extension of the Red Line to Davis Square. Under Mayor Dorothy Kelly Gay, the city has revamped its local government, even adopting a limited version of CitiStat, the database-driven management tool that has attracted national attention in Baltimore. The city is still hobbled by a low tax base and is overwhelmed by traffic from neighboring Boston and Cambridge, but offers a livable community closer to downtown Boston than most neighborhoods of Boston itself. Over 80 percent of the city's tax base is residential property, but that covers barely one-third of the city's total revenue stream; more money comes from state aid, which is ever more precarious in a time of fiscal crisis. The controversy over the development options for Assembly Square, a 145-acre industrial site located near major highways and along the Orange Line, captures the city's modern dilemma. The city administration has proposed a major retail outlet that would bring in significant new revenues.

Chelsea is an even bigger turnaround story. In 1991, the city was placed under receivership by Governor William Weld after the city went bankrupt. Under the leadership of James Carlin and Harry Spence, the city developed a new charter that replaced the mayor with a city manager. The city cut its workforce by 30 percent in just one year. City Manager Jay Ash has won high marks for jumpstarting dozens of economic development projects in the city and revitalizing the city's downtown and cultural life. The city now has an A-minus rating from Standard & Poor's. Also in the early 1990s, Boston University took over the management of schools. The arrangement with B.U. has been controversial, and the results have been mixed. Most observers agree, however, that the system does not face the same kind of inflated budgets and political infighting that once characterized it.

Outside the general-purpose governments, a number of local authorities shape the life of the community. Perhaps the most influential local authority in the state's history is the Boston Redevelopment Authority, which directed major urban renewal projects in the 1960s and 1970s and combines the planning and development functions of the city government. Ostensibly independent, the BRA comes under the control of the mayor because of his power to appoint board members. Some critics have complained that the BRA's development agenda compromises its ability to plan for the city, but supporters say the joint development and planning portfolio makes the BRA a more effective instrument than can be found elsewhere in the United States. Boston and other cities also have public housing authorities.

Town Government

In Massachusetts, the ideal of small-town government continues to hold sway over local politics. Even in the face of growing complexities, towns hold fast to the simple forms of government that have sustained them for centuries. Plymouth, the first town of Massachusetts with a form of government tracing back as far as 1620, officially remained a town when its people overwhelmingly rejected a ballot referendum in May 2002 to adopt a city form of government.

The town meeting form of government continues to govern most Massachusetts towns. Critics say the town meeting form of government is outdated because of the increasingly complex issues faced by localities, but proponents counter that it offers a vital vehicle for engaging citizens in self-rule and can be adapted to meet the changing needs of the times. Many towns really have an urban character but choose to keep the town approach to governance. The state's biggest towns are Framingham (population 66,900), Brookline (57,100), and Plymouth (52,000).

The biggest critique of the town meeting is really a larger critique of the amateur form of government. Members usually have little familiarity with the complexity of issues and little time to learn about the issues and devise bargains to meet the needs of different constituencies. Just as troublesome is the decline in turnout for town meetings. Some towns have taken to sending out police officers and town criers to round up enough people for a quorum. Some towns have failed to meet a quorum and had to reschedule their meetings. As Americans lead busier lives and have access to meetings on local cable TV broadcasts, the incentive for attending meetings has declined. "The direct citizen [participation] is great when you're talking about agrarian communities of 500 to 1,000 people," said Victor DeSantis, a political scientist at Bridgewater State College. "Today we're struggling to get 50 people out of 10,000 to a meeting."[24]

To keep the best aspects of direct democracy while acknowledging the changing needs of local governance, a number of towns have adopted the representative town meeting system. The representative town meeting is a large-scale community assembly, with participants elected by their neighbors to participate in the same kind of open-ended deliberation of town issues. The representative town meeting differs from a city council primarily in its size. Dozens of members have a vote, instead of the nine usually customary on a Massachusetts city council. But perhaps even more important, unlike a council that meets frequently while in session, town meetings rarely gather more than two times a year. The council is a standing body, while the meeting is a body that is only occasionally called to order.

The first major move toward a representative town meeting came in Boston in 1784 when a 13-member committee headed by Samuel Adams proposed modifying the town's meeting, but the two proposals were rejected. Brookline and Watertown were the first communities to adopt representative town meetings, in 1915 and 1919, respectively. The women's suffrage movement increased pressure for the representative approach. Representative meetings were adopted in 12 towns in the 1920s, 13 towns in the 1930s, three towns in the 1940s, 11 towns in the 1950s, two towns in the 1960s, and five towns in the 1980s.[25]

The numbers of members in representative town meetings range from 50 in Saugus to 429 in Fairhaven; the most common number of members is 240, the size of the state House of Representatives until 1978. Town officials attend town meetings ex officio; in most towns, local officials can be elected to town meeting, causing controversies over conflicts of interest. Academic studies have failed to show strong evidence of such conflicts, but in a system in which pre-meeting strategizing can determine the flow of the meeting, local officials wield important power.

The quality of debate in town meetings varies. One survey found that a majority of participants found the debate to be either good or very good. But other participants complain that the debate is unfocused, uninformed, and sometimes rude and unruly. Many meetings last for hours, driving away all but a few stalwarts and people with a direct stake in the later items on the agenda. The quorum required to convene a meeting is not necessary to continue a meeting, so many meetings have a big crowd for only the early items on the agenda. Meanwhile, many people who show up at the meeting create a contentious scene. One participant in a Weymouth town meeting reported: "It was unstructured, with everyone yelling out. There was no organization to it. Nobody could really talk or get their point across."[26]

The moderator—elected by the citizens in the town meetings—plays the most important role in the gatherings. By bringing the meeting to order, moving through the agenda, showing fairness in managing the debate, and working with more permanent elements of town government, the moderator can help keep town meetings focused and effective. Moderators are ideally the wise men and women of community affairs, who have earned both respect and affection from their neighbors over many years.

In communities with town meetings, the everyday business of the community is conducted by other bodies.[27] Most towns elect a three- or five-member board of selectmen to serve as the executive officers of the government. Selectmen call town meetings, make recommendations about town meeting topics, implement the decisions of the town meetings, oversee fiscal policies, appoint department heads and board and commission members, hold public hearings, represent the town to outside bodies, and enforce town bylaws and regulations. Even in smaller communities, selectmen usually work with professional staffs. Town administrators or managers, usually appointed by selectmen, serve as chief operating officers of the town. Some selectmen also work with executive secretaries, who tend to the administrative needs of the selectmen.

To develop and carry out specific policies, most towns have a collection of boards and commissions, which may be either elected or appointed by selectmen. Town meeting moderators or boards of selectmen appoint a finance committee to prepare annual budgets and gather information for the town discussions of budgetary priorities. Typically, boards of education, planning, health, and utilities are elected; boards of capital planning, conservation, licensing, zoning, and zoning appeals are appointed. Board members do not always have training or expertise in their policy areas but are expected to learn on the job or follow the wishes of the community. In towns with populations larger than 10,000, most boards have at least one professional staff member. Some towns continue to elect officials for minor jobs such as tree warden, animal control officers, and weights and measures officers.

Brookline has established a high standard for town government and representative town meetings. Largely because of its affluence and size, Brookline has been able to staff a professional government with myriad local services. Brookline's schools, library, sanitation, and other services are considered among the best anywhere. Brookline's town leadership has been steady. The current town administrator, Richard J. Kelliher, took office in 1994; he was preceded by Richard Leary, who served 25 years. Leary's term as the town's chief executive underscored the ideals of local administration. Well known as a conciliator, Leary focused on administration and left the politics to the town's selectmen. Leary steered the town through every conceivable crisis, from snowstorms to Proposition 2½ budget cuts to conflicts with the state over state aid. He was reappointed to every term unanimously. Leary's long tenure allowed him to develop the personal reputation and relationships that aided him through the town's many transitions.

Recent home rule acts of the legislature underscore the constantly shifting sands of local government. Melrose established an eight-member traffic commission in 1998 to replace an aldermanic highway committee. Kingston adopted an elected board of sewer commissioners in 1999. Boxborough made its town treasurer an appointed rather than elected position and expanded its board of selectmen from three to five members in 1998. Shrewsbury in 1998 allowed members of the board of selectmen to sit on the building committee as well. Hopkinton consolidated a number of existing agencies (highway, sewer and water, parks and recreation maintenance, cemetery, insect and pest control, tree warden, recycling and refuse, and maintenance of town buildings and grounds except schools) into a department of public works in 1998. Heath shifted from an elected to appointed tax collector and treasurer in 1995.

Experts say that local governments have become more and more professional in recent years. Victor DiSantis of Bridgewater State College notes: “While we still have more antiquated positions than other states, the overall move toward professionalization has taken root and that bodes well for the future of town government. I’m impressed by the number of towns getting involved in joint purchasing and working on five-year budgets, and more sophisticated capital budgeting has finally taken hold and that’s a real victory.” Local government will always have a distinct “ma-and-pa” flavor, but it is also increasingly served by modern systems and practices.

PARTIES AND ELECTIONS

Massachusetts has long been known as the cradle of democracy in the United States. From the Revolutionary era to the great involvement of immigrants to the reform movements of the 20th century, Massachusetts provided national leadership in good government and political participation. But in the last generation, the Commonwealth has seen declining voter turnout, one-party dominance of elections, and an increase in uncompetitive and even uncontested elections.

Like elsewhere in the U.S., the Bay State’s voter turnout has declined significantly in the last generation. In 2002, a close election, 47.6 percent of eligible voters voted. That participation rate ranked ninth out of the 36 states holding gubernatorial elections that year (Minnesota had the highest rate of 62.5 and Arizona had the lowest rate of 33 percent).[28]

Good news for voter participation could be found in Boston in 2002, with an increase of 24 percent. The increase in turnout from 123,773 in the last gubernatorial election of 1998 to 153,347 in 2002 was led by the predominantly minority neighborhoods of Chinatown, Mission Hill, Uphams Corner, Fields Corner, and Franklin Field. A $500,000 voter drive financed by the Boston Foundation increased turnout by 33 percent in 100 Boston precincts, while turnout was up 20 percent in the rest of the city.[29] Clearly, aggressive efforts to target nonvoters can make an impact on ballot participation.

DECLINING TURNOUT

The rates of participation by all eligible voters in recent gubernatorial election years are listed below. The year is followed by the winner with party affiliation (Democrat or Republican), and the percentage of eligible voters who voted that year. (Governors were elected every two years until 1966; 1964 was a presidential election year.)

1962	Endicott Peabody	(D)	66.7
1964	John A. Volpe	(R)	72.7
1966	John A. Volpe	(R)	62.4
1970	Francis W. Sargent	(R)	57.2
1974	Michael S. Dukakis	(D)	48.5
1978	Edward J. King	(D)	49.7
1982	Michael S. Dukakis	(D)	49.3
1986	Michael S. Dukakis	(D)	39.0
1990	William F. Weld	(R)	52.4
1994	William F. Weld	(R)	48.3
1998	A. Paul Cellucci	(R)	41.8
2002	W. Mitt Romney	(R)	47.6

Source: Curtis Gans, Committee for the Study of the American Electorate, December 2002.

Declining voter turnout results from a number of related factors. Activists focus on the barriers to voter registration, and efforts to make signing up to vote easier indeed have yielded dividends. But low turnout goes beyond ballot access. The decline of traditional party organizations, which engage people on a block level, is part of the explanation. In the absence of strong party organizations, money plays a growing role in elections—and incumbents or other well-placed candidates enjoy significant advantages. There is also the rise of entertainment options from movies and television to sports and computers. In Massachusetts, low voter turnout is probably exacerbated by a lack of real competition for offices and an overwhelming array of races.

Historically, Massachusetts has rarely offered a sustained and vigorous competition between the Democratic and Republican parties. Until the 1940s, the Republicans dominated state politics. But with the critical elections of 1948 and 1958, Democrats have taken over the state government, from the local precincts to the state legislature.

Democrats now hold all statewide offices except governor, huge majorities in both the Senate and House of Representatives, and control of most local offices as well. Both U.S. senators and all 10 U.S. representatives are Democrats. Not only do Republicans lose most of their races for political office, but often they have difficulty recruiting candidates for offices. In 2002, 116 of 160 state

House seats were uncontested and 29 of 40 Senate seats were uncontested. The Republicans have been forced to field candidates that most Republicans do not want on the ticket. The most notorious illustration of this dilemma is Jack E. Robinson, a businessman who ran for the U.S. Senate in 2000 and secretary of state in 2002 despite being spurned by Republicans across the state.

The Republicans' inability to field a strong slate of candidates is somewhat curious. Even though the Bay State has a national reputation as a bastion of liberalism—dominated over the years by Edward M. Kennedy, John F. Kerry, Michael S. Dukakis, and Barney Frank, among others—a majority of voters are independent and come close to fitting the national profile of a Republican voter. Results on statewide referenda often reflect a conservative point of view, such as in 2000 when voters approved a tax cut and declined to ban greyhound racing. The state voted for Ronald Reagan for president twice and has not had a Democratic governor in 12 years. As recently as 1966, Republicans won a sweep of statewide offices.

Before the Republicans can compete, they need to recruit candidates. Republican activists blame Weld and Cellucci for the decline of the Republican Party statewide. As the same time they won election in 1990, 1994, and 1998—in 1994, Weld won 71 percent of the vote—Weld and Cellucci did little to recruit candidates statewide. Their campaigns were more personal campaigns than efforts to create governing coalitions. Both Weld and Cellucci left office before their terms were over, leaving behind weakened party organizations. "Had the Republicans had a Sandy Tennant-like effort to get folks to run for office, they

CONTESTED RACES FOR THE MASSACHUSETTS STATE LEGISLATURE

Election year	Contested seats (out of 200)	Percent of seats contested		
		Total	House	Senate
1990	145	73	69	85
1992	111	56	57	55
1994	96	48	41	50
1996	72	36	35	35
1998	65	33	32	35
2000	58	29	28	30
2002	67	34	35	28

Sources: Office of the Secretary of State, Commonwealth of Massachusetts. Analysis by the Massachusetts Money and Politics Project.

Note: Major party includes Democrat or Republican or a competitive third party candidate winning more than 25 percent of the vote.

could elect more legislators," said political operative Lawrence DiCara, referring to the GOP's successful candidate recruitment in the early 1990s. "On the Cape [in 2002], two Republicans won and an incumbent Democrat just held on."

Independent voters now constitute the real electoral majority in Massachusetts—which could offer an opportunity for Governor Romney to rebuild the state GOP. Some 51 percent of voters are classified as either independent or "unenrolled." An analysis of voting patterns from 1976 to 2000 found that the largest group of non-party members lived between Route 128 and Interstate 495; some 52 percent of all voters in those 89 towns spurned party enrollment. Some 40 percent of these voters could be classified as "suburban managerial professionals," that is, white-collar workers who worked in law, medicine, education, engineering, and high technology. Contrary to the common theory that this group is socially liberal but fiscally conservative—a belief fostered by media accounts of William Weld's voter appeal in 1990—its primary value is actually managerial competence. If a candidate for statewide office can convey a commitment to organizational efficiency, that candidate is likely to appeal to a bulk of unenrolled voters. Nationwide, the so-called soccer moms and office-park dads have given the Democratic Party greater appeal. But in Massachusetts, with Democrats closely identified with organized labor and political patronage, the bloc of independent voters presents a major opportunity for Republicans.[30]

So-called "third parties" have played a growing role in recent elections. In the 2002 gubernatorial election, Libertarian Carla Howell got only 1 percent of the vote, but her campaigning for repeal of the state income tax undoubtedly helped the ballot question garner 45 percent of the vote—a result that, for the time being, ended all talk on Beacon Hill of a tax hike. Libertarian membership increased from 6,163 to 20,578 in 2002, while Green membership increased from 500 to 6,729. In some legislative races, Libertarians and Greens were more competitive than Republicans. In 2000, Howell almost beat Republican Jack E. Robinson's vote totals in the campaign against Senator Kennedy.

Experts debate the impact of money on politics. Some claim that the electoral system is corrupted by "too much" money in campaigns, while others claim there is nothing wrong with campaigns spending money to get out their message to voters. Stephen Ansolabehere of the Massachusetts Institute of Technology, a leading authority on elections, argues that not only is the governmental process not corrupted by campaign contributions, but that the democratic process would be stronger with more money.[31] Whatever money's proper place in state and local politics, it is clear that money is an increasingly important barrier to entry for candidates—making it harder to recruit candidates in a one-party state.

In the 2001–02 election cycle, statewide candidates spent $47.1 million. Republican Mitt Romney spent $9.36 million in his winning campaign for governor; Democrat Shannon O'Brien spent $6.26 million. Democrat Christopher

Gabrieli set a spending record by a candidate for lieutenant governor ($5.34 million); Republicans James Rappaport ($2.74 million) and Kerry Healey ($2.49 million) also spent significant sums in their races for the position. The other statewide candidate in the million-dollar club was Timothy Cahill, a Democrat who spent $1.2 million in his winning campaign for state treasurer.[32]

After a period of relatively stable spending for state legislative races, campaign expenditures spiked in 2000 and 2002. The overall figures can be deceiving because a handful of candidates spent well above the average, but the overall need to spend money has undoubtedly increased in the last two election cycles. Democrat Jarrett Barrios of Cambridge spent a record $400,000 in his successful race for a state Senate seat in 2002. Meanwhile, Democrat Robert K. Coughlin spent a record $200,000 in his successful race for the House seat from Dedham and Westwood.

Unequal spending also affects the ballot referendums on issues like income taxes, bilingual education, and financing political campaigns. Spending makes a big impact at two stages of the referendum process. To qualify measures for the ballot, the proponents of referendums have taken to using professional signature-gathering companies.[33] Referendum campaign spending typically favors the pro-business side of the contest. The state's most expensive campaign underscore the point. In the unsuccessful 1988 effort to prohibit power plants that generate nuclear waste, pro-industry forces spent $8.68 million while anti-industry forces spent $463,000. In the successful 1998 energy deregulation referendum, energy industry spent $8.17 million to its opponents' $286,000. In the 1992 ballot question for a tobacco tax hike, industry forces spent $7.12 million in a losing effort against their opponents' $665,000.[34]

In 1998, voters approved the "Clean Elections" referendum to use public funds to pay for elections. Candidates would qualify for public funding of their campaigns if they agreed to limit their fundraising efforts to $100 contributions and accept limits on overall campaign spending. Spending limits varied according to the office, from a low of $30,000 for state representative to $3 million for governor. Candidates facing opponents who exceed the spending limit would qualify for additional money. The logic of the measure is simple: With public financing of most campaign expenses, candidates would be freed from the influence of interest groups and spend more time meeting voters and discussing issues. Clean Elections critics, led by House Speaker Thomas Finneran, argue that the law squanders public resources at a time of fiscal crisis. Others argue that the spending limits set by the law are too miserly for challengers to mount a serious campaign.[35]

In 2002, most Democratic candidates for governor said they favored using public funding of campaigns but only Warren Tolman actually ran a Clean Elections campaign. The Supreme Judicial Court in February 2002 ruled that the state must provide money to candidates who qualify, even though the legislature

CAMPAIGN SPENDING IN CONTESTED ELECTIONS

	House		Senate		House		Senate	
Election	Winners	Losers	Winners	Losers	Incumbents	Challengers	Incumbents	Challengers
1992	$31,299		$100,020					
1994	$28,879	$12,019	$92,559	$50,507	$25,887	$11,027	$100,792	$42,725
1996	$28,118	$13,974	$88,505	$29,032	$29,800	$15,093	$84,571	$15,093
1998	$38,729	$16,185	$85,315	$35,938	$34,678	$17,895	$84,220	$16,215
2000	$44,358	$22,525	$127,623	$52,228	$40,805	$25,071	$121,531	$53,015
2002	$39,436	$24,947	$116,666	$49,066	N O T A V A I L A B L E			

Sources: Office of the Secretary of State, Commonwealth of Massachusetts. Analysis by the Massachusetts Money and Politics Project.

did not appropriate the money. Justice Martha B. Sosman ordered the sale of state property to fund campaigns that qualified for public financing. Tolman eventually got $4 million in public funds. In November 2002, a nonbinding referendum, with wording that more explicitly tied the law's financing to the government, lost on by a 3-to-1 ratio. Governor Romney has proposed funding the law with a 10-percent surcharge on political contributions, but given the distractions of the state's fiscal crisis the law was considered dead in 2003.

The lack of real electoral competition has a number of important consequences for the state—and for dynamics within the two major parties. Races lack the spark of debate, with many issues displaced entirely—sometimes to poorly worded ballot questions. Democratic dominance of the legislature produces intramural splits, which can be nastier than competition between parties.

THE FUTURE OF GOVERNANCE IN THE STATE AND REGION

Americans have a contradictory relationship with government. On the one hand, most Americans appreciate government's role in public safety, social services, education, and fostering research and economic development. Americans also depend on the special insurance programs—Social Security, Medicare and Medicaid, and emergency aid—that only government can provide. On the other hand, Americans remain deeply suspicious of government, resisting higher taxes and resenting what they consider to be excessive regulation and an unresponsive bureaucracy.

Despite its reputation as a liberal state that embraces government activism, Massachusetts politics embodies the same kind of bipolar attitude about government as the rest of the nation. The home of one of the nation's most liberal congressional delegations, Massachusetts lays claim to a number of liberal innovations on matters as varied as health care, bilingual education, environmental cleanup, community policing, and livable wages. Massachusetts has one of the highest income tax rates in the nation and a sprawling bureaucracy. But at the same time, Massachusetts has a stubborn conservative streak that finds expression in the frequent rebellions against taxes, broadsides against patronage, resentment against bilingual education, and resistance to government-sponsored efforts to build housing.

Despite a general unease about government, recent years have seen significant innovations in Massachusetts state and local government. Though controversial, the 1993 Education Reform Act has put Massachusetts at the vanguard in standards-based reform. The proliferation of charter schools has made choice a fixed part of the local educational vocabulary. Community policing has not only reduced crime to the lowest levels in generations, but also has fostered better ties between police and neighborhoods in Boston and elsewhere. Strategic use of database information has informed police efforts on a daily basis. The cleanup of Boston Harbor, though mandated by a federal court order, has transformed the environmental character of the region. Massachusetts has invested more than virtually any other state in public transportation, though not always in the most strategic ways. Community development corporations have, for a generation, invested hundreds of millions in the housing stock of Boston, Cambridge, Somerville, and other communities.

As a new administration takes control of Beacon Hill, state and local governments in Massachusetts face several fundamental challenges: How can both levels of government develop the kinds of modern information-driven management systems that not only reduce public waste and clear the way for responsible private development, but also make possible new innovations in the public sector? How can Massachusetts hold tight to its tradition of localism without excluding the immigrants and native-born Americans who are central to the creation of a diverse and vibrant economy? How can the political system get the public excited about public life without giving way to the politics of patronage? How can the state's legislative process foster the kind of lively and creative debate that will provide a true check on the governor and judiciary, but at the same time foster the cooperation needed to pass budgets on time and assess policy rigorously?

2. Connecting the Region and Its People: Civic Leadership in Greater Boston

James C. O'Connell

A PERSISTENT RUMOR IN BOSTON says that John Hancock Financial Services will eventually be bought up by a European financial services conglomerate. The reasoning goes that John Hancock, one of Boston's oldest and most venerable companies, is not large enough to survive the wave of consolidation that is sweeping the life insurance industry. Locals worry about the loss of prestige, thousands of jobs, and millions of dollars of tax revenue. Bostonians also rue the blow to civic leadership that would occur if one of its leading corporate citizens disappeared.

Major local corporations and their chief executives, like John Hancock and David D'Alessandro, have been the cornerstone of civic leadership going back to colonial times. Business leaders, particularly those in the financial industry, have helped to set the regional agenda for Greater Boston for years. Business coalitions helped to promote initiatives such as urban renewal in the 1960s, a variety of social issues in the 1970s, major construction projects like the Fleet Center, Central Artery, and convention center in the 1980s and 1990s, and education reform in the 1990s and 2000s. Business leaders have served on boards of non-profit organizations and raised millions of dollars for charities and cultural institutions.

Observers of Boston's civic life fear that the trend toward corporate mergers and consolidation threatens what is already a fragmented and disorganized coalition for taking on the major problems of the next generation. As Boston has become a "branch plant town," the region could experience greater difficulty mobilizing local support for issues as varied as public education, public transportation, and affordable housing.

Such apprehensions arose in discussions involving 100 community and cultural leaders convened as part of the Creative Industries Project. Organized by the New England Aquarium and the Howell Group, that effort explored why a region that is so supportive of technological innovation is less supportive of cultural creativity. The discussions found "near unanimity" on an explanation for what it calls an under-achieving cultural sector—inadequate civic leadership.[1]

Advocates for the arts regularly point out that the state and city do not invest significant public resources in museums, aquariums, theater, or music. Unlike cities like Chicago, Minneapolis, and San Francisco, which dedicate significant public funds for the arts, Boston relies on its cultural institutions, philanthropies, and arts lovers to support its cultural life. Arts leaders say their endeavors are often marginalized, prompting many promising civic and artistic leaders to leave for better opportunities elsewhere in the U.S.

The Creative Industries Report echoes the kinds of comments that are made informally across the area—that Boston is fragmented into uncooperative tribes, and special interests want to stop projects instead of promote them, and globalization has damaged local civic life. One observer has said that Boston is "the hardest town in the world to raise money."[2] The report noted that the City of Boston ranks 37th out of the 50 largest American cities in municipal support for the arts. Project participants also criticized the local media for negativism that undermines bold community innovation. Without strong leadership capable of mobilizing all three sectors, advocates of the arts and other causes worry that Boston will lose its edge as a major center of cultural life in the U.S.

A number of local leaders—led by Mayor Thomas M. Menino, Paul Guzzi of the Greater Boston Chamber of Commerce, and Hubert Jones of the University of Massachusetts—have organized an annual "City to City" tour to see first-hand how other cities address community challenges. Trips to Atlanta and Seattle convinced Boston's leaders that Boston lags behind other cities in community problem-solving. Jones criticizes Boston for "working in silos." He cites the need to overcome a local "culture that makes it hard to get to yes" and that indulges in "struggle and rancor."[3]

But the lack of a strong and well-coordinated structure of civic leadership in Greater Boston might not pose as dire a situation as is often supposed. Greater Boston boasts a cultural life that is the envy of virtually every other region in the nation. A recent study commissioned by the Boston Foundation found that Boston has more cultural organizations than any other city in the nation—even New York, a city with a population 10 times larger than Boston. Another study by the Saguaro Seminar at Harvard University's John F. Kennedy School of Government—also supported by the Boston Foundation—ranks Greater Boston toward the top of most U.S. regions on measures of "social capital." And even though progress on major public projects like the convention center occurs slowly, some political observers consider that to be a virtue. Major public investments should face tough scrutiny; if anything, local elites have shown an extraordinary willingness to come together to support ventures like the convention center or the successful effort to attract the 2004 Democratic National Convention to Boston, when political figures such as the governor and mayor of Boston get "out front" on the initiatives. Despite its often fragmented and uncoordinated ways of doing business, Greater Boston manages to build support for every conceivable public and cultural endeavor.

Discussions of civic leadership often begin with radically different assumptions and values. Under what might be called the "strong hand" model, leading corporate chieftains would develop coherent plans for regional development on priority issues. The so-called Vault offers the historic model. Formally known as the Boston Coordinating Committee, the Vault was comprised of a small group of bankers and businessmen that met from the 1960s to the 1980s to develop a consensus on matters such as urban renewal and school desegregation. Other cities like Pittsburgh and Cleveland have their own contemporary versions of the Vault, which ceased operations in 1997.

At the other extreme, in what might be called the "invisible hand" model, it is assumed that private and nonprofit organizations will provide the kind of civic leadership needed to promote a robust cultural life, and elected officials can provide the occasional public campaign to rally the public to support major political reforms and projects. The fact that Greater Boston no longer convenes the Vault is not considered a shortcoming, but instead evidence that the region is so vibrant that it does not need the strong-hand leadership of the past.

A third model of civic and political leadership—known in academic circles as "the strength of weak ties"—might capture the real challenge of political and civic life at the dawn of a new century. The sociologist Mark Granovetter coined the expression in a seminal 1973 journal article.[4] To mobilize broad groups of people and also maintain creativity and flexibility, Granovetter argues, organizations and movements must not demand too much of either leaders or followers. When organizations demand that people commit themselves passionately to a movement, few people join. But when movements make a softer pitch, they foster a broader leadership structure and constituency. A community with a strong civic life offers a wide range of opportunities to participate, allowing people to invest as much or as little as they choose. What makes for a rich civic life is not so much a dominant leadership structure—but, instead, a rich and varied network that enables leadership to emerge at many points and to coordinate their activities when the challenge demands it.

Whichever model is the most appropriate—the strong hand, invisible hand, or strength of weak ties—it is clear that civic leadership poses complex and important challenges to Greater Boston. To maintain its economic and cultural strengths at a time of globalism and sharp competition among other regions of the country, Boston needs to develop strong leadership for critical projects, but at the same time foster an environment in which "a hundred flowers bloom." Nurturing leaders and giving them the institutional and political capacity they need is one challenge. Letting a hundred flowers bloom entails creating an environment where people can afford to live, go to school, start businesses, rent spaces for performances or meetings, develop nonprofit organizations, encourage clusters of creative activities, and make an impact on local politics.

GREATER BOSTON'S CIVIC LEGACY

Boston has a tradition of "strong-hand" leadership that stretches back to the city's founding in 1630. Its legacy has entailed great civic achievements as well as a pattern of exclusion that has damaged social relations and inhibited the community's dynamism.

For Boston's founding generation, the Puritan elite of the "city on a hill" were deemed the "elect of God." In the ensuing years, the colonial elite dominated the city's religious, political, and economic spheres. The American Revolution tore apart the Boston power structure, as many leading merchants were forced to leave town because of their support for the British Crown. The great age of maritime commerce after the Revolution created a new elite whose fortunes were invested in the emerging finance and textile industries. During the Industrial Revolution, the city's elite were led by the Boston Associates, a group of 80 businessmen who controlled the New England textile manufacturing system, railroads, banks, and insurance companies between 1820 and the Civil War. Members of the Boston Associates—with such famous surnames as Lowell, Lawrence, Appleton, Cabot, Perkins, and Jackson—used their wealth to support such philanthropic causes as Harvard College, the Boston Athenaeum, Massachusetts General Hospital, and Perkins School for the Blind.

In his *American Notes,* Charles Dickens observed in 1842: "Above all, I sincerely believe that the public institutions and charities of this capital of Massachusetts are as nearly perfect as the most considerate wisdom, benevolence, and humanity can make them. I never in all my life was more affected."[5] The city's antebellum elite supported a cultural life that earned Boston the title of the Athens of America. James Russell Lowell, poet and editor of *The Atlantic Monthly,* wrote that the city's aristocracy, operating from a sense of noblesse oblige, was "healthful in a well ordered community, founded on public service and heredity, so long as the virtue which was its patent was not escheated."[6]

The underside of Boston's elite was its exclusionary character. Boston's leading families intermarried and formed a virtual caste, which Oliver Wendell Holmes, Sr., termed "Brahmin."[7] When Boston began to lose economic preeminence after the Civil War, the city's entrepreneurial spirit flagged and the hereditary aristocracy concentrated on maintaining its monopoly of status and power. Post-Civil War Brahmins maintained a high degree of class solidarity and did not accept "new men"—from obscure Yankee stock, never mind from the Irish and other immigrant groups. Boston's power structure was unlike New York's, where a constant infusion of new blood diluted the dominance of an entrenched aristocracy.[8]

Eclipsed in business and politics, many Brahmins turned to civic and cultural affairs to maintain their cultural hegemony. The Brahmin caste, which the social critic Jack Beatty has called "the most influential upper class in American history," became a legend as well as a caricature.[9] Their achievements included the growth of Harvard University, the Massachusetts Institute of Technology, the Museum of Fine Arts, the Boston Symphony Orchestra, and many other educational, medical, and social institutions. Social clubs, such as the Somerset, Algonquin, Union, Tavern, as well as the Athenaeum, helped the elite control access to prestige and power. The Brahmin social exclusiveness hamstrung civic life and retarded the economic and social development of New England during the first half of the 20th century.

Some local business leaders projected a more inclusive community vision. Edward Filene, founder of Filene's Department Store, led the unsuccessful Boston 1915 campaign for a strong system of regional planning. James Jackson Storrow, a financier with the firm of Lee, Higginson and Company, took an active role in civic affairs from education to environmental issues. His wife provided the funds to develop the Charles River Esplanade in the early 1930s. Joseph Lee, also of Lee, Higginson and Company, a strong advocate for building city parks, was known as "the father of the American playground."

The career of Ralph Lowell (1890–1978) reflected the waning of the Brahmin aristocracy and the transition to a more pluralistic leadership structure. Scion of a prominent Boston family, Lowell rose to the presidency of the Boston Safe Deposit and Trust Company, one of the leading companies for a local elite that lived on trusts.[10] When Lowell graduated from Harvard in 1912, the hegemony of the "proper Bostonians" still held. By the time he retired from the civic stage in the 1970s, Boston had been transformed as a community, and power was accessible to those other than Yankee bluebloods.

Lowell played a leading role in civic affairs, serving on the boards of the Museum of Fine Arts, Lowell Institute, McLean Hospital, Massachusetts General Hospital, Harvard University, Perkins School for the Blind, and more than 30 other institutions. Lowell was the primary figure in establishing and providing the seed money for the WGBH public radio and television stations. Early on, Lowell welcomed the participation in civic affairs of Catholics, Jews, and blacks, when these groups were relegated to second-class status. Lowell served on the executive board of the Massachusetts Committee of Catholics, Protestants and Jews in the 1940s, served on the Boston College Board of Regents, and was a member of the state's advisory committee on racial imbalance that developed a strategy for school integration in 1965. Lowell had time for these voluntary activities because his bank was stable and did not require the constant attention to management that absorbs the time of business executives today. Biographer Mark Gelfand has noted that Ralph Lowell's reputation as "Mr. Boston" "could not be passed on" since the social structure of Boston has not been cohesive enough for one person to play such a role.[11]

The Vault

Ralph Lowell was one of the founders of the Boston Coordinating Committee, the most powerful business leadership group in modern Boston history. Known as the Vault because it met in the basement of the Boston Safe Deposit and Trust Company, the group was founded in 1959 to assist newly elected Mayor John Collins in rallying support for Boston's redevelopment efforts. The semi-secret private downtown revitalization group started as a self-appointed group of 14 business leaders and later expanded to 31 members.

Business leaders like Lowell felt that the private sector had to work closely with the city government to redevelop the downtown. The business community had been reluctant to invest in Boston during the 1940s and 1950s because of soaring property tax rates and a poor business climate. The Vault backed Edward Logue's appointment as director of the Boston Redevelopment Authority, supported construction of the Prudential Center in the Back Bay and the creation of Government Center at the site of the old Scollay Square, and lobbied for lowering the real estate tax rate and imposing a state sales tax.

The Vault was not beholden to a broad-based membership, as was the Chamber of Commerce. Comprised almost exclusively of white Yankee males, the Vault could operate quickly and lobby forcefully behind the scenes. The 1984 Nadarite publication *Who Rules Boston?* described the Vault as the leading "power" group in the city. Prominent members included Paul Clark of John Hancock Life Insurance, Carl Gilbert of Gillette, and Richard Hill of the First National Bank of Boston. By the 1990s, many felt that the Vault had become unnecessary. The Vault's business advocacy had been taken over by other groups, and at the same time the Vault failed to embrace women, minorities, and other outsiders. In 1994, *Boston Globe* columnist Joan Vennochi wrote: "To all who wondered: Is the Vault still around? The short answer is yes. The next question is why?"[12]After much soul-searching, the Vault disbanded in 1997.

Some lament the demise of the Vault, arguing that clear and strong business leadership has declined in Boston and the city is controlled more by outsiders. Perhaps some of the nostalgia for the Vault can be attributed to the city's renaissance in the last generation. Prior to the Vault's creation, the business community was fragmented and frequently at loggerheads with municipal government—and Boston suffered its worst period of decay.

On the other hand, many are glad to see the exclusive power center disappear, and they welcome the open competition among interests. Even if many of the businesses represented in the Vault were not taken over in mergers (of 26 locally-managed corporations represented on the Vault board in 1982, a dozen of them have disappeared), the group might not be as relevant as it once was. The Vault was a downtown-oriented organization in an era when downtown redevelopment was the key issue. Today economic and community development issues take on a more regional cast. Many more players—including universities, hospitals, foundations, cultural institutions, social service organizations, and other non-profits—play a critical role in the fortunes of the city and region.

A Fractious Local Culture

The novelist George V. Higgins once wrote: "In Boston, which is large enough to attract and sustain a reasonable number of highly competitive and driven people but still small enough so that each of them can know all of the others' business, envy is robust and vigorous."[13] Some political observers criticize this ornery local political culture for making it more difficult to realize community-oriented projects. The rejection of Robert Kraft's proposal for a new football stadium on the South Boston Waterfront and the decades-long push for a new Boston Garden and airport runway form the basis of the indictment against Boston's can't-do political system.

Boston's legendary political fractiousness originated in the struggle between the Yankees and the Irish in the latter 19th and much of the 20th centuries. Other ethnic groups fighting for their piece of the action added to the fragmentation. Although much internecine ethnic conflict has subsided and Boston has developed a more cooperative mode, many still see things from a factional viewpoint. *Boston* magazine described the costs of tribalism in its 1999 look at the 12 tribes of Boston—Brahmins, Irish, Jews, Blacks, Italians, Medical, Techno, Euro, Culinary, Gay, Intellectual, and Lost. "Because tribalism means that one group often refuses to acknowledge the value of another, it can reduce the city to less than the sum of its extraordinary parts," the magazine argued in a critique that is commonly heard in the city and region.[14]

Other cities—like Seattle, Denver, Chicago, Cleveland, and Indianapolis—seem to produce more harmonious civic cooperation than Boston. In newer cities with fewer established interest groups, a small handful of leading civic organizations can mobilize community consensus. Cities in the Midwest, South, and Southwest, where deference to business has traditionally been greater, have been more likely to rely on strong business organizations for community leadership. Cities facing fundamental crises, like declining economies or racial unrest, have been more willing to embrace strong-hand leadership groups. Cleveland, mocked for its gloomy appearance and polluted lake, turned to a CEO-only organization to develop downtown revitalization strategies.

Boston can be a contentious place, but several recent projects suggest that Boston can get things done. Boston's successful pursuit of the 2004 Democratic National Convention is a case in point. Led by Mayor Thomas M. Menino, the city was a finalist for the 2000 convention despite the catcalls of skeptics. Boston won the 2004 convention by lining up financial guarantees from local businesses and nonprofit organizations—the first time a city had made such assurances for an event that usually produces deficits. *The Boston Globe* remarked that a successful convention could improve Boston's sense of civic cooperation: "Rightly or wrongly, Boston does not enjoy the reputation of being a can-do city. A well-run convention might dispel that perception."[15]

Boston also is completing the country's biggest public works project by depressing the Central Artery and making related transportation and urban design improvements. Developing a design for the 27 acres of land that will be freed by the elevated highway's demolition has taken years, but by breaking the area into discrete pieces the city and state appear to be making progress. A controversial 1.6 million square-foot convention center, meanwhile, rises in the South Boston Waterfront District, which is gradually being developed as a brand new downtown neighborhood. Thirteen public and nonprofit partners have cooperated in creating the Boston Harbor Islands National Recreation Area. A complex network of public and private partnerships is undertaking ambitious initiatives across the metropolitan area.

THE CHALLENGES OF CIVIC LEADERSHIP

In his 1978 work *Leadership*, James MacGregor Burns of Williams College argues that leadership happens when people mobilize "institutional, political, psychological, and other resources so as to arouse, engage, and satisfy the motives of followers."[16] The ideal leadership for Burns is "moral leadership," which means:

> First, that leaders and led have a relationship not only of power but of mutual needs, aspirations, and values; second, that in responding to leaders, followers have adequate knowledge of alternative leaders and programs and the capacity to choose among those alternatives; and, third, that leaders take responsibility for their commitments. . . . Moral leadership emerges from, and always returns to, the fundamental wants and needs, aspirations, and values of the followers.[17]

Burns's definition of "moral leadership" may be an ideal, but it describes a widely held expectation for civic leadership. Rather than simply serving a collection of separate selfish interests, leadership requires people to serve the larger needs of the community. A critical assumption for much of urban history has been that businesses understand that their fortunes are tied to the wellbeing of the larger community. Rather than simply exact benefits from the city—low taxes, land clearance, access to infrastructure—businesses will seek to improve themselves by improving the larger community. The reason that so many commentators are concerned with Boston's growing branch-plant status is that need for business to identify with the community—which is hard to achieve when firms are headquartered elsewhere and act as footloose operations.

Impacts of Globalization on Local Business Leadership

Boston's business community has lost some of its punch since the demise of the Vault, but business interests still exert great influence on community affairs. Rather than pulling together a number of stable industry chiefs, leadership in today's Boston comes from the dynamism of international affairs. Organizations that depend on the local community—like newspapers, utilities, foundations, and nonprofit organizations—work to foster the conditions that make for a vibrant local economy and society.

The trend toward global business centralization has made it more complicated for Boston and other cities to be masters of their destiny. Many decisions about the economy and society of Greater Boston are made outside of the area. The power and number of locally based major corporations has dwindled. The once-dominant Jordan Marsh Department Store was bought out by Macy's of New York. Filene's retains its name, but it is part of the conglomerate controlled by May Department Stores Company of St. Louis. New England Telephone is now part of Verizon, which is headquartered in New York. New York's Keyspan has taken over Boston Gas. *The Boston Globe* is owned by the New York Times Company. Stop & Shop (Dutch), Dunkin' Donuts (English), and Star Market/Shaw's (English) were once local companies but are now foreign-owned.[18]

Many local banks have been closed or bought by outside companies, including the Bank of New England, Shawmut, Bay Bank, Boston Five Cents Savings Bank, and the Provident Institution for Savings. Fleet and BankBoston merged in 2000 to form FleetBoston. The bank's headquarters moved from Providence to Boston, enabling Boston to maintain a major presence in the industry, but rumors persist that Fleet Boston may be bought up by a bank outside New England.[19] The globalization of business finance has undercut the influence of local banks. Today Greater Boston businesses can obtain capital from a vast array of sources across the globe. As a result, the relations between Boston corporations and local bankers have become attenuated.

Mergers and turnovers in corporate leadership make it difficult for individual leaders to stay in place long enough to make a stamp upon the community the way their Boston-bound predecessors did. Global corporations have substituted the leadership of local stalwarts with an ever-shifting international network of executives. Urban theorist Manuel Castells argues: "In the long run, it does not really matter who is in power because the distribution of political roles becomes widespread and rotating. There are no more stable elites. There are, however, *elites from power;* that is, elites formed during their usually brief power tenure, in which they take advantage of their privileged political position to gain a more permanent access to material resources and social connections."[20]

The prominent role of attorneys as local fixers underscores how corporate structures still require local knowledge and representation. The prominence of local "go-to" attorneys is demonstrated by the presence of more than a dozen lawyers on the board of the Greater Boston Chamber of Commerce. Gloria Larson, of Foley, Hoag, and Eliot, and Ralph Martin, of Bingham Dana, serve on the board, as do representatives of the powerhouse Boston law firms of Ropes and Gray; Choate, Hall and Stewart; Goodwin, Procter; Hale and Dorr, Nutter, McClennen and Fish; Hill and Barlow; Palmer and Dodge; and Mintz, Levin, Cohn, Ferris, Glovksy, and Popeo.

Major accounting firms play similar roles in local affairs. Local branches serve both as connectors to the global economy and players on the local scene. Major accounting firms are active in many local business and community organizations. For example, each of the major global accounting firms—Pricewaterhouse Coopers, KMPG, Deloitte and Touche, Ernst and Young, and Arthur Andersen—is represented on the board of the Greater Boston Chamber of Commerce and the Massachusetts High Technology Council.

Corporate mergers are not the only force behind business detachment from civic affairs. Emerging industries like high technology have not been as engaged in civic affairs as traditional downtown businesses. Many of these companies are dispersed through the suburbs and do not tend to interact with non-technology businesses. Rosabeth Moss Kanter of the Harvard Business School has written: "Traditionally, many high-tech companies concentrated on their own industry first and paid little, if any, attention to social responsibility. Their only politics were politics of opposition, largely to taxes, not of vision for the community."[21]

The detachment of many corporations from civic affairs has caused concern. Ira Jackson, a former Bank of Boston executive, has argued that as Boston has become a "branch plant town," the "lack of a powerful business voice and agenda has undermined efforts to address a wide range of public issues," including housing, sprawl, education, cultural life, and social services.[22] Individual business executives may serve on boards of specific community institutions and support fundraising drives, but strategic business leadership on public policy is lacking. Jackson's own decision to leave Boston for the Atlanta-based Arthur M. Blank Family Foundation underscores the fluidity of leadership as nationwide entities become more dominant. Jackson was a quintessential Boston player, having served in Boston City Hall under Mayor Kevin White and the State House under Governor Michael S. Dukakis, in addition to two stints at the Kennedy School and a period at Bank of Boston.

The detached corporation tends to sponsor events for marketing purposes and looks for the most visible and least controversial venues, not necessarily the most worthy or needful. A study cited by Kanter found that companies gave most in the community where they were headquartered and that foreign-owned companies gave the least. European-owned companies were particularly stingy because they do not have the same tradition of local community activism in their home countries, where government action is preeminent. When international corporations become involved in philanthropy, they are more likely to focus on national or global issues.[23]

Social Capital and the Civic Sector

If the strong-hand approach to civic leadership has declined with the globalization of capital, a new form of leadership has grown from the bottom up. This leadership sometimes occurs with little effort and might be considered invisible-hand leadership; at other times, there is a clear need to create conditions to enable "weak ties" to foster a more networked leadership system. Robert Putnam of Harvard University and Brian O'Connell of Tufts University argue that the real stuff of civic life comes from the innumerable relationships and community activities that occur in neighborhoods, schools, churches, and other "intermediary institutions."

The "maximum feasible participation" model calls for a flexible, open, discerning leadership that is judged by how effectively it weaves together the concerns and energies of an active citizenry to solve social problems. Many people can play roles in raising issues, publicizing and debating them, and undertaking specific projects to deal with them. An emerging local example of social capital in action is the Voice of the Faithful, an organization of Catholic laypersons that has developed in response to the sex abuse crisis in the clergy. That organization emerged when the Roman Catholic Archdiocese of Boston responded slowly to charges of abuse against minors, and many longtime parishioners withdrew from

RANKINGS OF SOCIAL CAPITAL IN BOSTON
(Boston's Rank out of 40 Sites)

Indicators	Rank
Collaboration with Neighbors	3
Diversity of Friendships	4
Tolerance of Immigrant Rights	4
Arts Involvement	5
Political Activism	5
Conventional Politics	6
Racial Trust	14
Faith Involvement	35
Social Trust	39
Charity and Volunteering	40

many aspects of church life. Voice of the Faithful offered a structure for disgruntled Catholics to build support for church reforms—and an entity to give charitable donations that would not be used to address the mounting costs of the church's legal settlements with abuse victims.

Robert Putnam is the leading champion of the "civil society" school. Putnam, who has advised both the Clinton and Bush administrations, has argued that a strong civic life is not only important to the healthy functioning of democracy and community, but also aids in addressing a wide range of social problems. Only when people work together to solve problems at the grassroots, Putnam argues, can any society develop real and enduring responses to the challenges of education, crime, public health, and other issues. Putnam's seminal book *Bowling Alone: The Collapse and Revival of American Community* (2000) led to the creation of the Saguaro Seminar on Civic Engagement in America at Harvard's John F. Kennedy School of Government, to do research that helps to foster civic engagement.

To those who think that building social capital is the key to successful community leadership, Boston has significant strengths as well as some glaring weaknesses. The Boston Foundation's study *Social Capital in Boston: Findings from the Social Capital Community Benchmark Survey* (2001) found that Boston ranked high against 39 other cities and regions around the country for many indicators of

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VARIETIES OF NONPROFITS

A sampling of Greater Boston's nonprofit sector

Higher Education: Boston College, Boston University, Brandeis University, Harvard University, Massachusetts Institute of Technology, Northeastern University, Tufts University, Wellesley College. In all, the region has more than 100 colleges and universities.

Health Care: Beth Israel Deaconess, New England Baptist, and Mount Auburn Hospitals (CareGroup Inc.); Blue Cross Blue Shield of Massachusetts; Boston Medical Center; Children's Hospital; Harvard Pilgrim Health Care; Massachusetts General Hospital and Brigham and Women's Hospital (Partners HealthCare System); St. Elizabeth's Hospital (Caritas Christi).

Cultural Institutions: Boston Athenaeum, Boston Ballet, Boston Symphony Orchestra, Institute for Contemporary Art, Isabella Stewart Gardner Museum, Museum of Fine Arts, New England Conservatory of Music.

Foundations and Social Service Organizations: Barr Foundation, The Boston Foundation, Catholic Charities, United Way of Massachusetts Bay.

Public Policy Advocacy and Research: Boston Municipal Research Bureau, Massachusetts Institute for a New Commonwealth (MassINC), Massachusetts Taxpayers Foundation, Pioneer Institute for Public Policy Research.

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social capital. The survey, which interviewed only Boston residents, found that Boston has high levels of political participation (6 of 40), neighborhood involvement (3), arts involvement (5), diversity of friendships (4), and racial trust (14). Racial trust and measures of diversity in Boston have come a long way since the 1970s, when the busing crisis bitterly divided the city.[24]

The survey made headlines for its negative news: Boston's low scores in social trust (39) and charitable giving and volunteering (40).[25] The Boston Foundation report explains the low grade for social trust as stemming from a large number of immigrants who lack strong connections to the area and meet barriers to civic participation. The low rank for charitable giving and volunteering is partly explained by comparatively lower involvement in churches and faith-based initiatives. Yet even for non-religious donations, where Bostonians (66 percent) surpassed other locales (64 percent) in giving, the donations were smaller. Fourteen percent of Boston respondents gave $500 or more compared to 19 percent of national respondents, ranking Boston 37th of 40 sites on this measure. The wealthiest and best-educated Boston respondents were less generous than their peers nationally. These rankings reflect the persistence of tight-fisted Yankee ways.

Perhaps the most important evidence of social capital is the nonprofit community. Some 3,700 nonprofit organizations operate in Greater Boston, accounting for $19 billion in annual spending. The "independent" or "third" sector" is responding to the need for community leadership in Greater Boston and across the country. Nonprofits have the flexibility, broad citizen participation, and clear social mission that government and business often lack.[26] Because their own success is dependent on the wellbeing of the larger community, nonprofits such as universities, hospitals, and cultural institutions often speak for the region's interests. Hundreds of other nonprofit institutions operate on a more modest scale but also advance cutting-edge community building and service delivery strategies in their fields.

Over the past 50 years, nonprofit organizations have evolved from primarily volunteer organizations to having professional staffs. Jonathan Spack, executive director of Third Sector New England, maintains that Boston and San Francisco possess the most "sophisticated" nonprofit sector in the country.[27] Boston's community sector is recognized as a national exemplar in *Regions That Work: How Cities and Suburbs Can Grow Together* (2000), a study by Manuel Pastor, Jr., Peter Dreier, J. Eugene Gribsby III, and Marta Lopez-Garcia.[28]

Boston has been heralded for innovative civic sector programs, such as City Year (a youth volunteer organization that was the model for President Bill Clinton's AmeriCorps), the Ten Point Coalition (a faith-based initiative to reduce inner-city youth violence), and New Profit Inc. (a venture-based philanthropy that invests in agents of social change). These organizations offer models for grassroots community development around the country. At the same time, the

Boston Foundation and the United Way of Massachusetts Bay are breaking new ground in coordinating strategic giving and program implementation around targeted social issues.

These protean nonprofit efforts create initiatives for dealing with regional issues that existing political and economic institutions cannot manage. But nonprofit organizations have their own weaknesses. Because they tend to operate on tight budgets, many nonprofits can be reluctant to take on new issues or find time for extensive collaboration. Many nonprofits focus on relatively narrow issues so that it becomes difficult for them to work across disciplines to solve complex problems. Nonprofits also are hampered by a vague public image.[29]

ISSUES REQUIRING REGIONAL ATTENTION

The proof of civic leadership is how effectively it bridges the work of government with the needs and capacity of people throughout the region. In recent years, issues like economic development, job training, education, crime, growth management, and affordable housing have come to the fore in Greater Boston.

The issue that seems to have mobilized people at all levels of the region—from state and local government to business to community-based organizations—is education. Many regard education as the best long-term solution for narrowing the state's troublesome income gap. The think tank Massachusetts Institute for a New Commonwealth (MassINC) has made improved education its chief priority. MassINC's study *The State of the American Dream in Massachusetts 2002* reports that the ability of many families to secure a middle-class standard of living is becoming increasingly difficult. Workers lacking a college degree are finding greater difficulty in making ends meet. Since 1979, real incomes have risen 11 percent for families headed by someone with a bachelor's degree, while families headed by high school dropouts have seen their income decline 21 percent. In response, MassINC has vigorously promoted a policy agenda that features workforce development initiatives.

In 1993, the state passed a comprehensive education reform law that increased educational funding, authorized charter schools, and required passing the Massachusetts Comprehensive Assessment System test (MCAS) to obtain a high school degree. The reform effort has involved a number of business-oriented organizations from the beginning. The Massachusetts Business Roundtable, Massachusetts High Technology Council, Mass Insight, and Pioneer Institute for Public Policy Research have kept the pressure on to maintain statewide testing of public schools in the face of tenacious criticism.

Besides promoting educational reform, Boston activists have sought to improve the quality of life for lower-income communities by developing programs for reducing inner city youth violence, increasing after-school activities for students, promoting neighborhood housing and economic development, and fostering community leadership. Although the region lacks an overarching strategy for reducing poverty, many individual initiatives, notably those spearheaded by The Boston Foundation and the United Way, have realized major accomplishments.

The problem of regional "sprawl" poses a completely different kind of public challenge. Because Greater Boston lacks effective regional government bodies to plan and implement regional initiatives, creating consensus on a vision for "smart growth" is difficult. The Metropolitan Area Planning Council (MAPC), an advisory body representing 101 cities and towns in Eastern Massachusetts, has worked to develop an inclusive regional plan that engages hundreds of organizations and individuals. But the MAPC has been frustrated by the disparate needs of the urban core, the ring of older suburbs, and the booming exurban communities being transformed from rural to suburban. Convening representatives of all groups has proven difficult. Many citizens living outside of Route 128 are suspicious of the city and prefer their small-town orientation.

Affordable housing may be the most challenging of these growth issues. Massachusetts ranks as the third least affordable state in the nation. As of 2000, the state's home ownership rate (62.2 percent) was sixth lowest in the nation. Many suburbs have land-use regulations that obstruct multi-family affordable housing, partly because they want to exclude families and avoid higher public education costs. In 2002, a number of groups formed the Greater Boston Housing Task Force to develop a consensus agenda on housing. The task force includes a wide range of groups, such as the Urban Land Institute, the Boston Foundation, prominent developers, community development corporations, major employers, and university-based think tanks.

Economic development also challenges the region's political and civic leadership. Over the past 30 years the Boston area has emerged as one of the most prosperous and economically innovative regions in the world. The Boston region is strong in higher education, health care, medical and high-tech research, finance, and tourism. In the information economy, metropolitan centers that stimulate innovation and creativity have a competitive advantage in creating wealth. Richard Florida's *The Rise of the Creative Class* ranks Greater Boston in third place with San Diego on an overall "creativity index," which measures the size of each region's creative class, its innovation and high-tech performance, and its openness to diversity. Greater Boston ranks third in the rankings for its "creative class," with 750,000 people (38 percent of the work force) engaged in professions that require creative exertions in business and cultural life. Washington, D.C., and the North Carolina research triangle are the only areas to rank higher in percentage terms. Greater Boston also ranks second in measures of high technology and 12th in innovation (measured as patents per population).

Despite Boston's strong position, no metropolitan area can rest on its laurels. "A Strategic New England," prepared in 2002 by journalist Neal Peirce's

CitiStates Group for the New England Council, sees the whole New England area struggling to implement a coherent economic development strategy. The report reaches four conclusions. First, the region should be more strategic about exploiting its “core strategic asset” of higher education. Second, the region needs to improve its transportation system. Third, the region needs to establish a regional growth strategy and overcome parochial municipal agendas. Finally, the region needs to develop strategies to overcome the fragmentation created by a “culture of town-by-town governance and strict home rule” to compete more effectively in a rapidly changing global society.[30]

A recent MassInsight report, “An Economy at Risk” seeks to place economic development strategy on Governor Mitt Romney’s agenda. The report—which has the support of Massachusetts Institute of Technology President Charles Vest, University of Massachusetts President William Bulger, and Analog Devices Chairman Ray Stata—warns that “Massachusetts has no long-term technology vision or strategy” and needs to provide stronger support for public universities and technology-oriented initiatives if it is to contend with competing states like California, New York, Pennsylvania, and North Carolina.[31]

KEY PLAYERS IN CIVIC LEADERSHIP

The starting point for many discussions about leaders in Boston is the biennial ranking of powerful local figures in *Boston* magazine. This article ignites controversies, flatters and aggravates egos, and indicates the complex nature of power in this metropolitan area. The survey is not scientific but presents an intriguing look at the shifting roles of prominent leaders in the city and region.

For years, *Boston* ranked the 100 most powerful people in Boston. The magazine changed its methodology in 2001 to reflect the many separate spheres of activity. *Boston* sorted powerful people into the categories of politics, finance, business, media, medicine, education, philanthropy, real estate, hospitality, arts, and sports. The power list indicates who has the reputation as the “person to call” in different fields, but it does not analyze who is most effective at solving broader community problems, making the strategic connections between varied interest groups, mobilizing business and political leaders, and empowering average citizens.

In order to understand Boston’s leadership structure as it affects civic life and community problem-solving, this essay uses somewhat different categories. The range of players is enormous and the opportunities for leadership open-ended.

Powerful Individuals

Boston begins with the supposition that to get things done, powerful people must be involved. Some of Boston’s powerful people have institutionally-based power—political officials or executives of corporations, universities, or hospitals.

Other leaders derive personal influence from sheer talent, connections, experience, and/or wealth. To use the terminology of Malcolm Gladwell, the author of *The Tipping Point,* many of these people are the "connectors," those with the largest number of contacts who are most adept at coordinating people's interactions and influencing policy-making at critical moments.[32] *Boston* focuses on the "connectors" for Boston's elites. Other networks—of community activists, suburban officials and businessmen, social service innovators, or artists—each have their own "connectors."

In its 1999 power ranking, *Boston* ranked Edward C. "Ned" Johnson III, Abigail P. Johnson, and Robert C. Pozen, all of Fidelity, a composite number one. Senator Edward M. Kennedy came in second. Toward the bottom of the list, restaurateur Anthony Athanas and industrialist Aaron Feuerstein came in 99th and 100th. The people on this list play various roles in influencing others in the community.

Among the individuals with personal influence that transcends their office is Jack Connors, founder of the leading local advertising agency Hill Holliday Connors Cosmopulos. Though a highly successful businessman, Connors may be best known as a civic entrepreneur—a leading fundraiser for Boston College and Brandeis University and chairman of Partners HealthCare (Massachusetts General, Brigham and Women's, McLean, and Faulkner Hospitals). Connors's call for reform in the Catholic Church at a Boston College forum made headlines. Another "connector" is Kevin Phelan, executive vice president of Meredith and Grew, who convenes a bi-weekly "breakfast club" for political and business leaders to discuss local affairs. Other people who have the capacity to set the local agenda beyond their immediate institutions are Cathy E. Minehan, president of the Federal Reserve Bank of Boston, and Samuel Thier, the chief executive officer of Partners Healthcare System. Senators Ted Kennedy and John F. Kerry also play pivotal roles in influencing policy and convening interest groups. Working with Mayor Thomas Menino, the senators played an instrumental role in soliciting private and nonprofit donations to lure the 2004 Democratic National Convention to Boston.

Boston has a number of leaders who specialize in solving community problems and serving as brokers between different groups. These civic sector leaders include Paul Grogan of the Boston Foundation, Hubie Jones of the University of Massachusetts at Boston, and Marian Heard of the United Way. Each of them is seeking to cultivate new leadership in the community, strengthen nonprofit organizations, and establish creative funding mechanisms.

Major Corporations

When people think of powerful Bostonians, they often think of the chief executives of such large corporations as FleetBoston, Fidelity, John Hancock, Raytheon, NStar, Gillette, and EMC.

Major locally run corporations make significant financial contributions to a wide range of causes, and their executives play leading roles on the boards of nonprofit organizations. Traditionally the chief executives of financial institutions have played the roles of local kingpins because their business has had the potential to affect many companies and institutions in the local area. The remaining independent financial titans in Boston—FleetBoston, John Hancock, and Fidelity Investments—have chief executives in Charles K. "Chad" Gifford, David D'Alessandro, and Edward "Ned" Johnson III who wield substantial clout in promoting city-building projects. Leading financial institutions remain the most engaged corporations in community affairs.

Many retail and technology corporations located outside the urban core make substantial contributions to various causes but their CEOs are not as involved in Greater Boston civic affairs. Retailers and consumer product makers headquartered in Greater Boston include TJM Companies (TJMaxx and Marshall's), Staples, BJ's Wholesale Club, Talbots, and Reebok International. Cutting edge biotech companies include Genzyme and Biogen. Technology sector leaders include EMC, Analog Devices, Millipore, and Thermo-Electron. National computer companies, such as Compaq, Intel, Cisco Systems, and Microsoft, also have a presence in Greater Boston.

Hospitals and universities may not be considered businesses per se, but provide intellectual capital, prestige, and other means of support to many community initiatives. Their executives often play a major role in civic leadership. Major health care leaders and their institutions include Samuel Thier of Partners HealthCare System (which includes Massachusetts General Hospital and Brigham and Women's Hospital); Elaine Ullian of the Boston Medical Center; William Van Faasen of Blue Cross Blue Shield of Massachusetts; and Charles Baker of Harvard Pilgrim Health Care. Perhaps the most remarkable feature of Boston's leading hospitals and health maintenance organizations (HMOs) is that they have remained nonprofit and under local control while health care organizations in much of the rest of the country have come under for-profit corporations. Ullian also serves as the chair of the Conference of Boston Teaching Hospitals, which coordinates advocacy with the state and federal government and partners with municipal government and the business sector on tackling local problems.

Business-Oriented Organizations

Greater Boston has many business-oriented groups promoting policy objectives. Some are narrowly focused on business issues, while others engage in a broad range of civic affairs.

The Greater Boston Chamber of Commerce, with 1,800 members, is the primary business group in the region. Like many chambers nationwide, the GBCC is part advocate for business issues and part civic booster and convener of community-wide interests. The Chamber is strong downtown, but it lacks a strong constituency in the technology sector and outside of the city. The Chamber has been a major advocate of extending the runway at Logan Airport to ease flight congestion, building the new convention center, and developing the South Boston waterfront. The Chamber supports continued funding for education reform and adult job training, as well as increased state funding for cultural affairs. The Chamber opposed adoption of the Community Preservation Act in Boston, which would have levied a 2 percent surcharge of the property tax mainly for affordable housing funds; but the Chamber has backed the state affordable housing bond bill and created an employer-assisted housing program. The Artery Business Committee, originally an independent group which has come under the Chamber's umbrella, has worked to insure that the Central Artery construction would not disturb the functioning of the city and local businesses.

The Massachusetts Business Roundtable convenes the CEOs of the 60 largest private employers in the state to lobby for a general business agenda, including tax policy and business regulation. The Business Roundtable originated in 1979, when the Vault, which focused on Boston issues, spun it off to represent the business viewpoint on statewide fiscal issues. The Business Roundtable has promoted public education reform and cost effective health care initiatives. In 2002, the Business Roundtable joined with the Chamber of Commerce, Associated Industries of Massachusetts, and the Massachusetts Taxpayers Foundation to recommend to the state a budget package that included a mix of tax hikes, spending cuts, and utilizing reserves. These organizations also opposed the referendum repealing the state income tax as fiscally and socially irresponsible.

The New England Council convenes business, university, and government leaders to lobby for New England interests in Washington, D.C., and promote regional cooperation. Headed by former Massachusetts state legislator James Brett, the Council recently sponsored the Creative Economy Initiative, which promotes cultural activities as a distinct and dynamic economic sector. Since New England is handicapped by high energy costs, the Council has worked with utilities and the business sector on a regional energy strategy.

A number of organizations serve specific industries. Some of the most active organizations include the Massachusetts High Technology Council, Associated Industries of Massachusetts, Massachusetts Software and Internet Council, Massachusetts Biotechnology Council, Massachusetts Telecommunications Council, Greater Boston Real Estate Board, Massachusetts Homebuilders Association, and Boston Chapter of the National Association of Office and Industrial Parks. These organizations tend to focus mainly on issues directly affecting their member businesses. Though some of these groups have a statewide purview, their membership and emphasis is concentrated in the Boston area.

Charitable Organizations and Foundations

Of Greater Boston's approximately 3,700 nonprofit organizations, more than half are involved with social services and health care. These organizations fund and deliver services, while providing leadership for community issues.

The Boston Foundation, with assets totaling more than $645 million, awards close to $50 million annually in grants to nonprofit organizations. The foundation, one of the oldest and largest community foundations in the country, administers more than 650 separate philanthropic funds. The foundation funds special initiatives that it considers critical for the community, including recent grants to help Boston police and neighborhood groups prevent an escalation in youth violence. The Boston Foundation also targets funds for programs to increase computer literacy in the inner city, strengthen civic engagement, and support arts initiatives.

The Yawkey Foundation II, created by the sale of the Red Sox, boasts a $400 million endowment with at least $23 million in grants to be disbursed annually. The Barr Foundation, funded by cable television magnate Amos Hostetter, has made grants at a comparable level—$27 million in 1999. Major corporate foundations include Fidelity, BankBoston, and FleetBoston.

Hundreds of other private and corporate foundations in Greater Boston play a quiet role in bankrolling much of the innovation that comes out of the region's social sector. In recent years, foundations have become more strategic as investors in social causes. Two Boston-based nonprofits like Associated Grant Makers and The Philanthropic Initiative have advised local foundations on coordinating their funding.

The United Way of Massachusetts Bay, led by Marian L. Heard, plays a major leadership role in financing and coordinating the delivery of social services. The United Way awards over $37 million to approximately 200 social service agencies operating in 80 communities. The United Way awards funds after identifying community needs and organizing initiatives to address them. For instance, the United Way prioritizes support for children and families, spending about 48 percent of its funds on children's programs. It has organized such programs as Success by 6 (children 0–6), Keeping Kids on Track (7–18), and Today's Girls . . . Tomorrow's Leaders. In 2002, the United Way awarded $5.1 million in grants to 68 agencies operating programs for child care (20,000 children cared for), parenting counseling for new parents, and child wellness home visits. The United Way has successfully pushed for increased state funding for early childhood programs, but these programs suffered cutbacks in the current budget crisis. The United Way also has developed a $24-million, five-year program with 14 philanthropic and corporate supporters for youth after-school programs.

Religious groups serve as an important bridge between street-level concerns and social action. In Boston, the Catholic Archdiocese and the Cardinal have long been powerful forces in politics and social justice, shaping political responses to abortion, the death penalty, and affordable housing. Boston's Catholic Charities has supported over 150 programs, covering such services as adult and child day care, adoption, addiction treatment, food pantries, and family counseling. The Boston Archdiocese also has one of the nation's largest networks of schools, colleges, and hospitals. In 2000, the Archdiocese sponsored the study that called for building 35,000 additional units of affordable housing in the area. With the sex abuse scandal, Cardinal Bernard Law's resignation, and the weakening of the hierarchy, the influence of the Archdiocese has diminished. The scandal has given rise to new lay-based organizations, such as Voice of the Faithful, which seek more lay participation in church decision-making. It is unclear what long-term impact such efforts will have.

The Greater Boston Interfaith Organization (GBIO), established in 1996 under the leadership of Lew Finfer, has motivated many congregations to become active in solving social problems, including the drive to obtain more than 100,000 petition signatures in favor of the $100 million state-legislated Affordable Housing Trust Fund. Trinity Church, the region's leading Episcopal congregation, has begun planning a new Center for Faith in the City that will provide education, outreach, and training to bring the church's ministry outside its Copley Square building and into the community. The center will coordinate at least some programs with other churches, temples, and mosques in the city and region.

Social Entrepreneurs

Boston is considered one of the most creative cities in the country for entrepreneurs interested in solving social problems. Among the most innovative programs have been the Ten Point Coalition, City Year, Citizen Schools, New Profit Inc., and the Initiative for a Competitive Inner City (ICIC). The success of these programs has led them to expand to other cities.

The Ten Point Coalition, founded in 1992 after an attack on a young person at a funeral in Roxbury, has worked with police and community groups to combat gang violence in Boston. In the early 1990s, the murder rate was soaring in Boston's inner city neighborhoods as a result of escalating gang warfare and drug trafficking. The Reverends Ray Hammond, Eugene Rivers III, and Jeffrey Brown created the coalition to use street-level evangelism among at-risk youth to combat crime. This program and allied efforts to provide neighborhood after-school centers and church-oriented crime watches achieved major gains in lowering the crime rate in Boston. The city's murder rate dropped from 157 in 1995 to 37 in 1999. Rivers's faith-oriented approach to inner city development also attracted the interest of President George W. Bush.

A different sort of youth-oriented program is City Year, a volunteer program for 17- to 24-year-olds. City Year enrolls about 150 participants annually for leadership training and volunteer activities, particularly in education and after-school programs. Established in 1988 by Harvard Law School graduates Michael Brown and Alan Khazei (still the president and CEO), City Year was the model for the federal AmeriCorps program, the Clinton administration's national service program. City Year in Boston has attracted financial and logistical support from Fleet Boston, Timberland, Cisco Systems, Compaq, State Street Corporation, Bain Capital, The Boston Foundation, and other organizations.

One of Boston's most lauded social innovations is Citizen Schools, a program that offers after-school apprenticeships to 9–14 year-olds. Founded in 1995 by Eric Schwarz and Ned Rimer, Citizen Schools provides after-school apprenticeships for 1,200 students at 12 schools in Boston. They learn directly from professionals in fields as diverse as music, journalism, architecture, cooking, and the law. Citizen Schools has become a national model for out-of-school learning.

Boston also has an innovative neighborhood-based public health promotion program under the Alliance for Community Health. Under an alliance of health and neighborhood organizations led by the Boston Public Health Commission (BPHC), the "Healthy Communities" program provides grants and technical assistance to help residents improve public health in 17 neighborhoods in the city of Boston.

New Profit Inc., a "venture" philanthropy headed by Vanessa Kirsch, uses an entrepreneurial business model to attract funding for social change projects. Allocating funds based upon performance instead of need, New Profit Inc. has funded such local programs as Citizen Schools and the Codman Square Health Center. The Boston Foundation operates its own Social Venture Partners Boston on the venture capital model.

The Initiative for a Competitive Inner City (ICIC), founded by Harvard Business School Professor Michael Porter, has attracted corporate and foundation support to generate new strategies for economic development in the inner city. In conjunction with the City of Boston, the ICIC has introduced the Back Streets Program to support small industrial and commercial businesses (employing 100,000 people in aggregate) that are in risk of failing or moving out of the city. ICIC's Boston Advisors spurred a 1997 study of the Franklin Park Zoo that showed how the zoo could stimulate economic development in surrounding neighborhoods. The director of ICIC's Boston operations is Alvaro Lima, a Brazilian with development experience in Africa and South America.

Some of the most creative community-based work is being done by community development corporations (CDCs), neighborhood organizations that build affordable housing, attract business investment, provide job training, and coordinate community planning. Massachusetts has 65 CDCs. When they were starting up over 20 years ago, CDCs were mainly in the business of building and managing affordable housing. More recently, they have become involved in developing commercial and industrial properties and job training for neighborhood residents. Some of the most active Boston CDCs are Dorchester Bay Economic

Development Corporation, Urban Edge, Inquilinos Barcuas En Accion, and Tent City. There are a host of other neighborhood-based organizations, including the Dudley Square Neighborhood Initiative. The Massachusetts Association of Community Development Corporations (MACDC) has played a major role in persuading Massachusetts insurance companies to invest over $68 million in community projects since 1998 and in lobbying the state to establish the $100 million Affordable Housing Trust Fund.

The Conservation Law Foundation (CLF), a New England-oriented public interest environmental law organization, has spawned imitators across the country. CLF focuses on high profile issues and uses creative legal and policy approaches to achieve its objectives. Since 1966, CLF has intervened in court cases ranging from cleaning up Boston harbor and protecting fisheries to stopping nuclear power plants and development projects that produce sprawl. Under the leadership of Douglas Foy, CLF has lobbied on issues like the South Boston waterfront, the Central Artery project, and expanding mass transit options. Foy left his CLF position to serve as the coordinator of economic development for the Romney administration.

Public Policy Think Tanks, Watchdogs, and Advocates

Public policy think tanks, such as the Massachusetts Institute for a New Commonwealth (MassINC) and the Pioneer Institute for Public Policy, have become influential. MassINC, with backing from establishment businesses, advocates policies for extending middle class life to the poor and working poor. Its project areas include generating widespread economic prosperity, promoting a lifelong continuum of learning opportunities, creating safe neighborhoods, and promoting increased citizen participation in the democratic process. MassINC is known for its quarterly magazine *CommonWealth*, its research studies on the growing income gap, and lobbying for lifetime education programs. The nonpartisan organization uses its research studies to set the agenda for the agenda-setters, who in turn communicate policy ideas through the media and political campaigns. Venture capitalist Christopher Gabrieli has provided financial support to MassINC through his family foundation.

The Pioneer Institute champions free-market principles and limited government. It is best known for its advocacy of charter schools and the MCAS tests. Its Center for Urban Entrepreneurship seeks to boost low/moderate-income urban entrepreneurs through research and information-sharing. The Pioneer Institute has also published studies criticizing regulations that constrain the construction of affordable housing, questioning the economic feasibility of the new Boston convention center, and advocating privatization of some MBTA bus operations. The Pioneer Institute's former director, James Peyser, served as chairman of the Massachusetts Board of Education; more recently, the institute's Charles Chieppo was named director of policy for the Executive Office for Administration and

Finance. Perhaps the leading think tank on school-testing and curriculum issues has been Mass Insight, headed by William Guenther. Mass Insight has undertaken extensive research to promote the MCAS test as the foundation of school reform.

University-based think tanks are playing a greater role in research, agenda-setting, and convening interest groups. The Rappaport Institute for Greater Boston, based at Harvard University's John F. Kennedy School of Government, was established in 2000 to research regional issues and promote improved regional and local governance. Northeastern University's Center for Urban and Regional Policy (CURP), which calls itself a "think and do tank," has coordinated studies of the region's affordable housing crisis and community-based planning efforts in Boston. Suffolk University's Beacon Hill Institute for Public Policy Research provides free market-oriented research on state and local economic policies. The Urban Ecology Institute at Boston College works with grassroots organizations to revitalize brownfields and neglected urban sites in Chelsea and other communities. The Donahue Institute at the University of Massachusetts has been active in developing the state's economic development strategy.

Business-funded governmental watchdog groups monitor state and local fiscal affairs and highlight major policy challenges, from contract negotiations to tax policy. The Boston Municipal Research Bureau (BMRB), directed by Samuel Tyler, was founded in 1932 as a watchdog on Mayor James Michael Curley. The Bureau studies municipal budgeting, management, and labor issues. The BMRB also gives the annual Henry L. Shattuck Public Service Awards to unsung heroes of city government. The Massachusetts Taxpayers Foundation, directed by Michael Widmer, focuses on state government. These organizations use their research capacity to play an influential role in shaping a state and local political agenda that emphasizes governmental efficiency and fiscal accountability.

As the state capital, Boston attracts the full range of policy advocacy groups. Some organizations pursue a relatively narrow agenda to advance the interests of their members, while others are far-ranging in their efforts to shape public policy.

The Citizens Housing and Planning Association (CHAPA) is the lead organization for affordable housing legislation, particularly the state's housing bond bill. The Environmental League of Massachusetts (ELM), the state's leading environmental lobbying group for over a century, coordinates the 50-member Massachusetts Environmental Collaborative. The Massachusetts Audubon Society has collaborated with ELM in shaping legislation such as the Community Preservation Act and the Rivers Protection Act.

The Massachusetts chapter of the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO), with 750 local unions and intermediate bodies and a membership of 400,000, is by far the largest union organization in the state. The AFL-CIO focuses on bread-and-butter issues like wages, benefits, and working conditions. Its greatest success in recent years is the passage of the highest minimum wage in the country. Under President Robert Haynes, the AFL-CIO has been a major political force in state politics, stronger than in most states. It has provided strong electoral backing to Democratic candidates, particularly Senators Kennedy and Kerry.

The second largest and fastest growing union in Massachusetts is the Service Employees International Union (SEIU), which represents 11,000 janitorial and other service workers in downtown office buildings and suburban office parks. The strike organized by SEIU's Janitors for Justice initiative, which already organized janitors at Tufts and Harvard, obtained increased wages and benefits and more full-time positions for Boston janitors.

Media

Boston media are often criticized for accentuating the negative, but the region boasts one of the most vibrant collection of news outlets in the country. *The Boston Globe* has won Pulitzer Prizes for its "spotlight" team investigative reporting and for such individual writers as Ellen Goodman, Eileen McNamara, Gail Caldwell, David Shribman, and Robert Campbell. After being owned and run by the Taylor family for 125 years, the *Globe* was acquired by the New York Times Company in 2000. Under new editor Martin Baron, recruited from the *Miami Herald,* the *Globe* has demonstrated a renewed commitment to local hard news coverage and has been responsible for cracking open the Catholic Church pedophile scandal.

Other newspapers and magazines also help set the local agenda through reporting on a wide range of community activities and publishing different viewpoints. The *Boston Herald,* under the locally based publisher Patrick Purcell, takes a conservative-leaning perspective that local opinion-makers keep a careful eye on. Purcell recently purchased the Community Newspapers chain of five local dailies and 80 weeklies in eastern Massachusetts. These local papers play a pivotal role in buttressing civic identity and commenting on local affairs. The weekly *Phoenix* and the monthly *Boston* magazine also provide political analysis and news investigations.

Local commercial television stations, which have the largest audiences, cover state and city politics but have followed the national trends toward crime stories and soft features. Since the local stations are no longer locally owned, the management is not especially active in local affairs. The stations with the most extensive coverage of local affairs are the public stations operated by WGBH-TV (channels 2 and 44), which features Emily Rooney's daily talk show "Greater Boston"; WCVB-TV (channel 5), whose "Chronicle" is one of the few remaining locally produced magazine shows in the country; and New England Cable News, which serves a steady diet of regional news and commentary.

Talk radio has potential, but much of the talk is sensationalistic and does not focus on local affairs. WBUR's "On Point" and "The Connection" have local hosts and guests, but their subject matter is seldom local. WBZ's David Brudnoy offers a wide-ranging talk show that often touches on local issues. The major local talk stations are WTKK and WRKO. Although much of their schedule is nationally syndicated, each has locally-oriented programs featuring high-profile hosts like Mike Barnicle, Jay Severin, James Braude, and Margery Eagen. The dominant tone of talk radio is conservative.

OPTIONS FOR IMPROVING CIVIC LEADERSHIP

With all the players and interests involved in civic life in Greater Boston, it should be no surprise that there would be varied viewpoints about the future direction of civic leadership. The invisible-hand approach would be content with improving the "transparency" of activity in the region. The weak-ties approach might focus on building the capacity of existing organizations, particularly conveners and grassroots organizations. The strong-hand approach might call for the creation of a new institution, like the Silicon Valley's Joint Venture or the St. Louis Metropolitan Federation.

Transparency and Feedback

A growing school of thought in state and local government holds that when matters of public importance are "transparent"—that is, visible to all—then public, private, and nonprofit organizations are more likely to behave responsibly and creatively.[33] Making information accessible is a critical part of the transparency strategy.

In recent years, cities across the country have developed statistical indicators to measure their progress relating to quality of life issues ranging from education and housing to crime and voting. Such efforts begin with the assumption that if cities keep track of social indicators, they will be able to create an achievable civic agenda and track progress toward meeting these goals.

The Boston Foundation has developed such a comprehensive set of indicators published in *The Wisdom of our Choices: Boston's Indicators of Progress, Change and Sustainability, 2000.* The Boston Indicators project, which is supposed to be updated every other year, tracks changes in housing, environment, education, economy, public health, cultural life, civic health, public safety, technology, and transportation. Though the publication utilizes indicators for the entire metropolitan area, the preponderance of the indicators relate to the city of Boston.

Evaluating the effectiveness of civic leadership can be complicated. It can be difficult to assign responsibility for specific actions, especially since players and issues cross lines of jurisdiction and areas of authority. University and public policy think tanks, community conveners such as the Boston Foundation, and the media could play a major role assessing community leadership. Under Paul Grogan, the Boston Foundation has tied the Indicators Project to philanthropic and community-building initiatives. This approach can create strong incentives for public, private, and nonprofit entities to act on common concerns.

Leading civic organizations could increase public outreach by publishing books, maps, and brochures, developing websites and school curricula, and organizing special events that encourage civic development and regional progress. They could employ the arts and humanities as well as traditional politics to improve regional understanding and reach different publics, including municipal government and the various social groups and age groups.

The media are essential for the feedback process. As indicated above, the media's performance has been mixed, with the print media providing the most extensive and nuanced coverage of how things get done in Greater Boston. Some community leaders believe they need to engage the media in more creative ways.

Whatever the steps taken to improve public understanding of civic leadership, they need to include efforts to include suburban communities in the metropolitan dialogue. Many suburbanites still think of themselves as members of autonomous rural towns, but suburbs are now an essential part of the economic and civic web of the region. The majority of the region's population lives outside of the urban core, and the suburbs are the battleground over the pressing growth issues of sprawl, affordable housing, open space preservation, and municipal finance.

Strengthening Existing Organizations

Building networks—and training leaders to provide direction for the people who move in and out of different public processes—has become an important element of Greater Boston's civic leadership in recent years.

The Metropolitan Area Planning Council (MAPC) has launched a three-year regional planning process that will engage a cross section of government officials, business people, policy activists, and concerned citizens in creating a "smart growth" agenda. The timing for a regional planning effort might be right. Lou DiNatale, a pollster at the University of Massachusetts at Boston, has found growing interest in regional approaches to economic development, transportation, and environmental protection. Even if a well-supported regional plan were completed, it is unclear whether the state would enable its implementation. But the MAPC can draw on the connections of its board, which is made up of elected officials from the region's 101 cities and towns and 35 state agency and private-sector representatives.[34]

Another effort clearly embraces the "strength of weak ties" approach, providing opportunities for collaboration without making excessive demands on members. The Metropolitan Mayors Coalition, which includes the mayors of Boston and nine surrounding cities, works to coordinate municipal purchasing, services, economic development, and emergency response efforts. Under the leadership of Somerville Mayor Dorothy Kelly Gay, the coalition grew out of Boston Mayor Thomas Menino's 1997 Regionalization Commission and is staffed by the Metropolitan Area Planning Council.

In the field of human services, the Goldberg Seminar at Tufts University has convened local nonprofits to develop a strategy to strengthen their institutional base. A 1998 Goldberg Seminar report recommended that Greater Boston's nonprofit organizations create a regional alliance to promote collaboration, boost public awareness of the nonprofit sector, and redefine the "social contract." The new "social contract" would accept that all citizens "must be nourished—physically, emotionally, and intellectually" and that this can happen only if all institutions assume a share of the responsibility for achieving such "healthy communities."[35] Though the formal alliance recommended by the Goldberg Seminar has not come to fruition, the United Way of Massachusetts Bay, The Boston Foundation, and Third Sector New England are strengthening the coordination of human service nonprofits by targeting funding initiatives to specific issues, sponsoring issues research, and assisting with organizational development.

The cultural sector has been engaged in its own discussion about collaboration. Like social service agencies, cultural institutions have been undergoing a financial squeeze. The Creative Industries Project, the group of cultural and civic leaders led by Jerry Schubel of the New England Aquarium and consultants James and Linda Howell, started out seeking to document the economic importance of the "creative industries sector," broadly defined to include traditional museums and performing arts organizations as well as architecture, graphic design, and advertising. The project ended up identifying the need to develop new leadership and called for greater collaboration between cultural institutions in Greater Boston. While noting an "undiscovered, connected leadership group trying to intensify its voice," the Creative Industries Project made several recommendations for boosting cultural sector leadership and philanthropy, which are currently being considered by project participants.[36]

The New England Council has also focused of the need to support cultural life, with a priority on getting greater government funding. The Massachusetts Advocates for the Arts, Science, and the Humanities (MAASH) has hired a full-time executive director to lobby for expanded public support for the arts and rally public support for arts organizations. The 62-percent cut in state funding for the Massachusetts Cultural Council and its grants program has been a blow to these efforts to promote the cultural sector. Critics have used this cut to demonstrate the weak support for cultural activities on the part of state government.

Perhaps the biggest test of cultural leadership is how individual arts entities are doing. Cultural institutions have become the icons for cities, not only in Boston but around the world. The Boston Symphony Orchestra has struck the biggest coup in the classical music world by landing Metropolitan Opera music director James Levine as the successor to Seiji Ozawa. The Museum of Fine Arts (MFA), under director Malcolm Rogers, is embarked upon the largest capital campaign ever undertaken by an American museum—$425 million over 5 years for the first phase of a major overhaul and expansion. Designed by Lord Norman Foster, a new "crystal spine" would unify new and old galleries and courtyards and nearly double exhibition space. Although the MFA expansion promises to bolster Boston's cultural identity, the ambitious size of the fundraising campaign threatens to deplete philanthropic resources for other cultural institutions.

The Institute of Contemporary Art (ICA) has announced plans to build a new 60,000 square-foot museum at Fan Pier on the South Boston Waterfront that may finally vault contemporary art into a prominent place in Boston's cultural firmament. Museum director Jill Medvedow has raised $24 million of a $37 million estimated to construct the museum. Anne Emerson, former executive director of the Bostonian Society, is directing an effort to raise funds and identify a site for a Boston History Museum and Visitors Center. The new museum would be a joint project with the National Park Service and the Freedom Trail Foundation.

One of Boston's more collaborative cultural initiatives has been spawned by the Wang Center for the Performing Arts, which is managed by Josiah Spaulding. The nonprofit Wang Center subsidizes other nonprofits, like Boston Ballet and the Boston Lyric Opera, by renting theater space at a discount and providing direct financial support to smaller cultural organizations such as the Commonwealth Shakespeare Company. The Wang's capacity to provide this assistance may be diminished as it must compete more aggressively for productions with the for-profit Clear Channel Entertainment Theatrical Group's downtown theaters.[37]

Most cultural institutions are highly focused on their own missions and are competitive with each other for funding and audiences. The coordination efforts of the Creative Industries Project, the New England Council, and MAASH have made progress, but there is a long way to go in creating a common agenda for the arts.

Leadership Development

One of the most celebrated efforts to strengthen Boston's leadership structure has been the City to City Leadership Exchange. Hubie Jones of U.Mass.-Boston is the visionary behind the program that organizes annual visits for Boston leaders to other cities to see innovating community-building efforts first hand. Since 1997, some 45 to 80 Bostonians have traveled with Mayor Thomas M. Menino to meet leaders in Atlanta, Seattle, Barcelona, Belfast, San Francisco/Silicon Valley, and Chicago. These trips have not only exposed Bostonians to lessons about waterfront development, race relations, and arts projects, but have provided an opportunity for governmental, business, and nonprofit leaders to develop relationships that may lead to more effective collaboration back home.

A number of programs give emerging leaders from the community and the business sector an understanding of local issues, specific leadership skills, and new networking opportunities. These programs include Lead Boston, The Partnership Inc., Center for Immigrant and Refugee Community Leadership and Empowerment (CIRCLE), Latino Professional Network, Interaction Institute for Social Change, Boston Community Building Curriculum, Boston Community Building Network of The Boston Foundation, Leadership MetroWest, and U.Mass-Boston's Emerging Leaders Project. Each of these programs serves a different audience. The Partnership Inc., for instance, has been successful at developing a cadre of civic-oriented African-American professionals in Boston and reversing a minority brain drain. Its programs have engaged over 1,000 persons from more than 200 firms and organizations.[38] Meanwhile, the State Street Corporation has sponsored annual "Getting Down to Business" forums for directors and board chairmen of local nonprofits.

Leadership programs are steering scores of new players into serving on nonprofit boards, educating them about community problems and introducing them to influential social networks. In response to the proliferation of leadership development programs, The Boston Foundation and The Philanthropic Initiative are undertaking an evaluation of their effectiveness in order to learn how best to employ leadership training efforts in Boston.

Creating a New Regional Coalition

Another way to develop regional leadership would be to create a new organization to shape a regional agenda. When considering this strong-hand approach to civic leadership, Boston advocates cite the experience of other cities like Cleveland, San Francisco, and Pittsburgh.

Regional nonprofit planning organizations nationwide tend to be business-oriented and focus on issues of economic growth and transportation. The leading regional business group is the chamber of commerce, for example, in Atlanta and Seattle. In Cleveland, the CEOs of the city's largest corporations operate through Cleveland Tomorrow, which implemented a revitalization strategy that included new baseball and football stadiums and the Rock and Roll Hall of Fame. Private nonprofit organizations spearheading regional planning and development strategies include Joint Venture: Silicon Valley Network, New York area's Regional Plan Association, Pittsburgh's Allegheny Conference on Community Development, Chicago Metropolis 2020, Charlotte Regional Partnership, and Envision Utah. The concerns of these groups include regional planning, economic development, environmental protection, workforce development, housing, transportation, and the arts.[39] Even though the primary sponsorship of the organizations is the business sector, these organizations have forged close working relationships with citizens organizations and government officials.

Long-established regional "good government" organizations like the Citizens League of Minnesota, Kansas City Consensus, and Focus St. Louis have recognized the need to include people from all walks of life in setting a regional agenda. They rely on a base of individual citizen members. For a half century, the 2,500-member Citizens League of Minnesota has used research on such issues as tax policy, education, and energy to help set a regional agenda. St. Louis Focus, motivated to reverse its region's economic decline, has developed a strategy to attract young knowledge workers, who currently are shunning St. Louis.

Many communities are establishing collaborations between the three main sectors of community life. The St. Louis Metropolitan Federation, for example, serves as the common ground for the council of governments, the chamber, and St. Louis Focus. The Center for California Regional Leadership has attracted significant foundation support as an umbrella group for regional collaboratives of government, citizens, and business in 20 regions across California. Some organizations, such as the Center for Regional and Neighborhood Action, in Denver, the Bay Area Alliance for Sustainable Development, and the Atlanta Neighborhood Development Partnership, are making innovative efforts to link the intellectual interest in regionalism with the energy and commitment emanating from neighborhoods and towns.

Greater Boston has no organization that convenes the major players from each sector. Such a new regional organization could complement the coordinating efforts of other organizations and shape consensus about affordable housing, transportation, and economic development. A new regional organization could provide a strategic opportunity to involve businesspersons, particularly executives of international corporations and local technology firms, with government and nonprofit leaders on public policy issues. Such an initiative could help realize the potential for "glocalism," which Ira Jackson describes as a strategy to harness the resources of global corporations to address local problems.[40] One example of "glocalism" suggested by Jackson was for large corporations to guarantee jobs to all Boston public high school graduates—certainly feasible, as 4,000 graduates per year enter the labor market of 700,000 jobs, of which 150,000 turn over annually.

Such a regional organization might also coax fragmented municipal governments into joining meaningful coalitions and escaping the "image of closely-held decisions, encrusted political practices, and/or the inability to think creatively and regionally on issues of public policy" that journalist Neal Peirce worries could harm the region's competitiveness.[41] But despite frequent calls for greater collaboration, no serious efforts are underway to establish new regional leadership organizations.

TOWARD A MORE ROBUST CIVIC LIFE

Greater Boston's structure of civic leadership is experiencing a historic transformation. The capacity of traditional business elites to set the local agenda and command public confidence has been diminished. Globalization and mergers have significantly reduced the number of prominent local business institutions—like banks, department stores, and utilities—that once promoted the city's welfare, contributed to charitable and cultural causes, and served on nonprofit boards. Business elites seem less rooted in the Boston community than they once were.

The stature of government has suffered for years now, as the public shows mistrust of government and its capacity to get things done. On a 2002 Massachusetts ballot question regarding abolition of the state income tax, about 45 percent voted in favor. Surveys show that the public also mistrusts the media. Political scientists like Robert Putnam chronicle a nationwide decrease in citizen engagement. Many women, minorities, and newcomers still feel that their voices are not being listened to by the power establishment. The general disillusionment with conventional leadership structures has spread to the Catholic Church, where sex scandals have rocked the Boston Archdiocese and dioceses across the country.

Despite these challenges, Boston may stand at the cutting edge of civic leadership. The region's education, health care, and cultural institutions, its high-tech economy, and an abiding sense of history have created strong social dynamism. Innovative civic entrepreneurs and community initiatives are helping Greater Boston deal creatively with many of its pressing social issues. Greater Boston has many strong and dynamic nonprofit institutions from universities and hospitals to cultural institutions and charitable organizations. The region benefits from a deep pool of thousands of highly capable active people in all sectors who participate in civic affairs. The problem is that efforts seem fragmented and are not always effective or as publicly recognized as they warrant.

The challenge is to create institutions and opportunities for leadership that match other elements of the region's "creative economy." Some regard Boston's hosting the 2004 Democratic National Convention as an opportunity to "brand" the region as a world-class research-and-development center. How Boston presents itself to the rest of the nation will shape how it views itself. That vision could shape the region for a generation.

3. The New Face of Greater Boston: Meeting the Needs of Immigrants

Irene Bloemraad with the assistance of Daniel Scholzman

Walk from the Dreams of Freedom Museum at 1 Milk Street in downtown Boston to the John F. Kennedy Building at Government Center and you see the past, present, and future of diversity in the metropolitan area. The Museum recounts the area's vivid migrant history: Irish escaping the potato famine of the 19th century, East European Jews fleeing pogroms and repression, Italian laborers coming for a short while to make their fortune, then staying and raising families in the North End. The stories are compelling and the sheer numbers staggering. In 1910, when approximately 15 percent of the U.S. population was immigrant, 31.5 percent of those living in the state of Massachusetts and more than 36 percent of Boston residents hailed from a foreign land, a record that still stands.[1]

A visit to the office of the Immigration and Naturalization Service in the John F. Kennedy Federal Building makes clear that immigration is also a contemporary story. A young computer programmer from India wants to renew his H1-B visa for another three years. A woman born in the Dominican Republic wishes to sponsor her husband for permanent residency. A Vietnamese senior, a former political detainee in his homeland, waits nervously to be interviewed for citizenship. As taxpayers, families and potential voters, these people will write the future of the region. Across the Boston metropolitan area, more than half a million people were born outside the United States.

(Greater Boston is defined, for statistical purposes, in one of two ways. The figure here refers to the U.S. Census Bureau's definition of the Boston Primary Metropolitan Statistical Area, with the exception of certain areas in New Hampshire. Elsewhere the metropolitan area is defined as the 101 communities of the Metropolitan Area Planning Council. The two areas are roughly analogous, with 508,080 immigrants in the former and 490,641 in the latter. The overall populations are 3,398,051 and 3,066,394 respectively. Neither definition includes Lawrence, Lowell or Worcester.)

If current trends continue, the City of Boston might beat its old immigration record within two decades: the percent of foreign-born has climbed steadily—16 percent in 1980, 20 percent in 1990 and, in 2000, it stands at just under 26 percent. In Chelsea, more than a third of the population was born outside the U.S. in 2000, and in another four cities—Somerville, Brookline, Cambridge and Malden—over a quarter of all residents are immigrants. Of those living in Greater Boston in 2000, 15 percent were born in another country, compared to 12 percent state-wide and 11 percent nationally.

If a single theme prevails in the story of Greater Boston's new immigration, it is diversity. The area's new residents are richly diverse in their country of origin, legal status, racial and ethnic background, education and occupation, religious beliefs, and linguistic traditions. Unlike many of the country's gateway cities, no single group dominates in metro Boston.[2] Taken together, the five largest communities in the metropolitan area—Chinese, Haitians, Brazilians, Dominicans and Canadians—barely top a quarter of the immigrant population and no group totals more than 7 percent. Some populations concentrate in certain cities. In Chelsea and Lynn a quarter of the foreign-born come from El Salvador and the Dominican Republic, respectively, while in Framingham just under a third of the city's newcomers were born in Brazil. But across the region there are few constants. In Brookline, the Chinese community is largest (12 percent of the city's immigrant population), while Haitians are the most numerous group in the city of Boston (10 percent) and Cambridge (9 percent).

Boston's successful bid to host the 2004 Democratic National Convention played upon the region's diversity, highlighting the city's efforts to overcome its legendary tribalism.[3] The region's contemporary diversity constitutes an important break with the past, dominated as it was by a few groups. In 1910, approximately 8 of every 10 immigrants in Greater Boston came from just five countries—Canada, Ireland, Russia, Italy and England—with Canadians and the Irish each totaling about a quarter of the immigrant population. These immigrants, their children and their grandchildren—Boston's famed "white ethnics"—shaped the region's history for much of the 20th century as the once-dominant old-stock Yankees retreated from political prominence.[4] Today these groups dominate the governing bodies of most towns and cities, as well as the state legislature, but demographic patterns suggest significant future changes. As late as 1990, seven of the ten largest immigrant groups in the state of Massachusetts came from Europe or Canada. By 2000, only four of such groups remained in the top ten. In Greater Boston, countries of "new immigration" occupied the top four slots in 2000: China (about 33,600 individuals), Haiti (28,800), Brazil (27,000) and the Dominican Republic (23,700).[5]

The region's large and heterogeneous immigrant population differs from that of many comparable cities and regions. The city of Columbus, Ohio, which is about 15 percent more populous than the city of Boston, has fewer than one-third as many foreign-born residents. The Minneapolis-St. Paul metropolitan area, about 10 percent less populous than Boston, has only 41 percent as many foreign-born residents, half of whom come from either Latin America or Southeast Asia (including a large Hmong population). Nor does Greater Boston's heterogeneity resemble that of the Miami-Dade County PMSA, which is 34 percent smaller than Boston. Miami is the most immigrant-rich metropolitan area in the United States—a majority of the population is foreign-born—but the lion's share come from only a few sending countries, mostly in Latin America, with 48 percent from Cuba alone.

Diversity in country of origin is compounded by differences in ethnicity, socio-economic background, legal status, and language. Such differences cut across groups, generating divisions within communities, but also providing common ground between groups. Step into a restaurant in Boston's Chinatown and you might find that the owner—ethnically Chinese, but born in Vietnam—is a naturalized U.S. citizen. The man waiting tables comes from the People's Republic of China and is undocumented. The woman seated at the corner table, a biochemist on a temporary exchange visa, moved from Taiwan. To the puzzlement of her non-Chinese friends, she is having trouble communicating with the waiter and finally points to the menu item she wants. While both can read the menu's Chinese characters, the woman speaks Mandarin while the server only knows Cantonese. This dance of similarity and difference is repeated across the metro area.[6]

As with generations before them, these immigrants seek a better life in the United States. Some flee persecution or poverty in their homelands; many come to the Boston area to join family, pursue higher education or achieve economic success and the American dream. The benefits of migrating to the U.S. sometimes rest more in hope than reality, but as few as one in five will return to their country of origin.[7]

In many cases, the concerns of immigrants—affordable housing, good schools, decent jobs, safe neighborhoods—are no different from those of the general population. There are, however, particular issues of salience to immigrant communities. Chief among these are linguistic barriers in understanding and communication, cultural differences pitting the practices of the homeland against "American" ones, differences in look, dress or behavior, including religious differences, that might generate suspicion or discriminatory behavior, and the obstacles faced by non-citizens as a result of their legal status. In a series of meetings with immigrant community leaders hosted by the City of Boston, the Office of New Bostonians identified four key priorities affecting newcomers: discrimination/lack of cultural sensitivity, affordable housing, limited English as a Second Language (ESL) classes, and immigration issues.[8]

If immigrants face challenges—some positive, some more difficult—so do the communities that welcome them. Rapid immigration strains schools and public health systems, affects the availability of housing and employment, transforms an area's arts and culture, influences municipal and state budgets and shakes up the existing political status quo. These challenges must be faced because Greater Boston needs immigrants to maintain a vibrant work force and recover the population that inevitably moves out of the urban core. Immigration was responsible for 82 percent of the net growth in Massachusetts's civilian labor force from the mid-1980s to 1997.[9] If not for the arrival of thousands of newcomers, the population of Massachusetts would have shrunk in each of the past three decades.[10] Without the immigrants who entered during these decades, Massachusetts would have had two fewer Congressional seats.

Addressing the challenges that accompany the arrival and integration of tens of thousands of new immigrants requires constant coalition building. Given the diversity of the region's immigrants such coalitions will likely resemble the changing patterns of a kaleidoscope, with partnerships forming and re-forming depending on the issues and players. However, there also exists the possibility of polarization into groups, where some are incorporated into the region's political decision-making and others are largely shut out. Such polarization could occur along two main axes: the first, a division between haves and have-nots, the second between foreign outsiders and American citizens.

The first fissure follows the remarkable bifurcation in education, income and occupation among the immigrant population. According to findings from the Greater Boston Social Survey, conducted in the mid-1990s, just under a third of the foreign-born in the region had 16 or more years of education, a proportion quite similar to the native born.[11] (The region for this study included 156 cities and towns.) However, a striking difference emerges at the other end of the educational ladder. Most native-born Americans have completed high school; only 7 percent report 11 years of schooling or less. In contrast, 29 percent of the foreign born have had less than 12 years of education. Without effective programs and networks that create "ladders" of opportunity—such as on-the-job training, community colleges and job skills workshops organized by community based organizations—this population risks being trapped in economic ghettos. Since education and economic status are strongly related to political and civic participation, they may also be shut out of the region's policy-making structures.

Such economic bifurcation among the immigrant population is characteristic of many large metropolitan areas in North America.[12] In Boston, however, the splits are less pronounced than elsewhere. U.S. Census Current Population Survey data from 1997 show that 14.3 percent of the foreign-born in the Boston area lived in poverty, while the comparable figures in the most common destinations, the Los Angeles and New York areas, were 27.2 percent and 20.4 percent respectively. Indeed, divergence in economic outcomes is a feature of the general

American population and not restricted to immigrants. Racial minority groups, especially African-Americans, tend to do more poorly than most immigrants. Overall poverty rates are lower in Boston than many major metropolitan areas, but the Hub followed the national trend in the racialization of poverty: at 14.3 percent, poverty rates for the foreign-born as a whole are substantially higher than those for native whites (6.2 percent in the Boston PMSA), but much lower than those for native blacks (29.7 percent).[13] Immigrants might consequently benefit from coalitions with native minority groups.

But the political coalitions of racial and ethnic minorities are fragile. Disadvantaged Americans afraid of economic competition from foreign-born workers might work to exclude immigrants from the community. State and local governments have relatively little control over the immigrants they receive; settlement patterns are determined by federal policy and immigrants' own preferences. But state and local authorities can influence the reception these newcomers receive, thereby mitigating, or exacerbating, the integration process.

UNDERSTANDING THE NEW FACE OF GREATER BOSTON

Understanding immigration requires a plunge into a maze of legal statuses. An initial definition is relatively straightforward: an immigrant is anyone residing in the United States who was born on foreign soil and who was not an American citizen at birth.[14] Individuals born in Puerto Rico—who acquire U.S. citizenship at birth—are not considered immigrants, nor are those born abroad to American parents.[15] Unless otherwise specified, the term "immigrant" refers to all the remaining foreign-born. In 2000, this meant that 490,641 of the 3,066,394 residents (16 percent) in the area covered by the 101 cities and towns of the Metropolitan Area Planning Council.[16]

The percentage of immigrants in a community's population varies greatly across Greater Boston. Table 1 tallies the proportion of foreign-born among the 101 communities of the Metropolitan Area Planning Council region. In 14 communities, a fifth or more of the population is foreign-born, with Chelsea topping the list at 36 percent. Immigrants account for less than 5 percent of the population in 20 communities. The overall residential pattern follows the historic concentration of immigrants in the inner core of the region, with later dispersion to the suburbs.

But the data also show new patterns of direct migration outside the inner core. Chelsea and Cambridge figure among those communities with the highest share of migrants in the 1990s, but in Acton and Marlborough, 63 percent and 61 percent of the foreign-born population migrated since 1990. Framingham, with 58 percent recent immigrants, is fourth. The presence of friends and family draws some newcomers directly to the suburbs; others avoid the inner core for economic reasons such as housing costs and availability of jobs. Newcomers with sufficient financial resources sometimes prefer to move directly to middle-class towns and affluent suburbs while cities like Boston and Cambridge increasingly fail to offer affordable housing to poorer migrants. In both cases, immigrants follow the movement of jobs to the suburbs, whether low-skilled factory work or employment in high-technology and biotechnology industries.

TABLE 1: FOREIGN-BORN POPULATIONS IN GREATER BOSTON

Below are the communities with a greater proportion of residents born in foreign countries than the state average of 16.0 percent.

Community	Population	Percent foreign born	Percent arrived last 10 years	Percent naturalized citizens	Percent non-citizens
Chelsea	35,080	36.1	59.3	20.1	28.9
Somerville	77,478	29.3	49.4	31.1	20.2
Brookline	57,107	26.6	53.6	43.5	15.0
Cambridge	101,355	25.9	56.9	31.6	17.7
Boston	589,141	25.8	48.5	37.3	16.2
Malden	56,340	25.7	49.9	39.1	15.7
Lynn	89,050	22.9	47.3	33.2	15.3
Everett	38,037	21.9	49.9	32.8	14.7
Randolph	30,963	21.6	28.7	60.2	8.6
Framingham	66,910	21.1	57.9	30.6	14.7
Revere	47,283	21.0	45.7	36.2	13.4
Watertown	32,986	20.3	37.5	54.3	9.3
Waltham	59,226	20.2	45.7	38.1	12.5
Quincy	88,025	20.0	44.3	52.6	9.5
Newton	83,829	18.0	38.5	57.0	7.8
Lexington	30,355	16.5	36.8	54.1	7.6
Medford	55,765	16.2	35.9	48.3	8.4
Marlborough	36,255	16.2	61.4	28.7	11.5
Total/Average	—	16.0	44.6	42.0	9.3

Source: U.S. 2000 Census

Kinds of Immigrants

The immigrant population can be divided into five distinct legal categories: naturalized U.S. citizen, lawful permanent resident, refugee or asylee, lawful nonimmigrant temporary resident, or undocumented (illegal) migrant. Legal status is determined at the federal level, usually by the Immigration and Naturalization Service (INS), but also through the issuance of visas by foreign posts of the State Department.[17] State and local governments exercise no direct control over the legal status of immigrants. But because very different rights and benefits accompany each legal category, state and local governments must reckon with the standards and rules of the federal government.

It is useful to review the different legal categories established by the federal government:

UNDOCUMENTED MIGRANTS have no legal right to be in the United States. Some enter the U.S. by avoiding border inspection. Others enter the country legally, often under a tourist visa, but stay beyond the length of their visa. Calculating the number of illegal residents is notoriously difficult. The Immigration and Naturalization Service estimates that 85,000 undocumented immigrants lived in the Commonwealth in 1996.[18] If trends from the early 1990s continued in the second half of the decade, the number of undocumented at the end of 2001 were estimated to total 115,000.[19] Because their stay is unauthorized, illegal migrants have limited rights and are subject to deportation if discovered by the Immigration and Naturalization Service (INS).

LAWFUL TEMPORARY RESIDENTS enjoy a formal legal status in the United States, but may not stay permanently. Most are foreign students (F visa), exchange scholars (J visa), or temporary workers (H, L or TN visa).[20] Greater Boston—with dozens of colleges and universities and strong demand for highly skilled workers in information technology, medicine and applied sciences—counts a relatively large number of temporary residents in its population. Table 2 compares the number of temporary visas given to those intending to work or study in Massachusetts to national totals and to those receiving permanent residence in 2000. Just under 3 percent of all permanent residents in the U.S. lived in Massachusetts, but over 7 percent of students and exchange visitors in the U.S. lived in the Commonwealth. Massachusetts was also home to 3 to 5 percent of those granted temporary work visas in the major employment categories.

Like undocumented workers, temporary residents enjoy limited political rights, but they are not subject to summary deportation unless they violate the terms of their visa. Temporary residents are required to pay income tax and payroll deductions on their U.S. income, but they are ineligible for public assistance such as food stamps, Supplemental Security Insurance, Medicaid, and Temporary Assistance to Needy Families (TANF). Once their program of study or work contract is completed, some return to their country of origin.[21] Others apply for permanent resident status through an employer or after marrying an American citizen.

REFUGEES, ASYLEES AND PAROLEES are individuals who flee persecution or violence in their home country and who seek refuge in the United States. The 1980 Refugee Act and subsequent amendments determine contemporary U.S. refugee

TABLE 2: TEMPORARY AND PERMANENT RESIDENT VISAS IN 2000

The number of resident visas issued in different categories in Massachusetts and the United States. Figures include family members. Percent refers to the share of visas given out in Massachusetts as a share of the national totals.

Categories	Massachusetts	United States	Percent
Students	52,506	699,953	7.5
Exchange visitors	26,177	351,743	7.4
Temporary workers	27,742	672,943	4.1
Intercompany transfers	14,633	426,763	3.4
Free trade	6,016	113,460	5.3
Permanent residents	23,794	849,807	2.8

policy. Generally speaking, asylees are those who find transportation to the U.S. and then claim asylum after landing on American soil; refugees are selected abroad by the State Department and the United Nations High Commissioner of Refugees (UNHCR) for third-country resettlement. Parolees are potential asylum seekers who face credible fear of harm if returned to their home country and who are "paroled" from INS custody pending asylum proceedings. Prior to the 1980 Refugee Act, the U.S. attorney general (acting on behalf of the president) had discretionary "parole" power to admit refugees outside of normal immigration policy. This power was first used by President Dwight D. Eisenhower to "parole in" 40,000 Hungarian refugees in 1956 and subsequently was used for diverse populations such as Cubans and Vietnamese.

The United States welcomes a larger absolute number of refugees for permanent settlement than any other Western country, but that number has been declining from a high of 217,000 in 1981 to an authorized ceiling of only 50,000 for FY2003. Following the events of September 11, with heightened concerns over the admission of potential terrorists, only 27,000 refugees entered the country; the U.S. had previously planned admissions for almost three times as many refugees. In FY2001, the INS recorded 3,006 admissions for Greater Boston.[22] Statewide, the majority of refugees arriving through the 1990s came from the former Soviet Union or Southeast Asia, in particular Vietnam or Cambodia; smaller groups came to the U.S. after fleeing conflict in Eastern Europe and Africa. Refugees, asylees, and parolees can benefit from special programs financed by the federal government and often administered by nonprofit organizations. After one year of residence in the U.S., refugees must apply for adjustment of their status to that of lawful permanent resident.

LAWFUL PERMANENT RESIDENTS—those who have their "green card"—are admitted by the INS to live permanently in the United States as long as they do not engage in criminal activities subject to deportation. In the 2001 fiscal year, Boston's INS office processed 17,585 applications for permanent residence in the region.[23] In a narrow sense, this is the only category of people who are true immigrants: they are not U.S. citizens, but they expect to remain in the U.S. indefinitely. Only permanent residents who have lived in the United States for five years are allowed to apply for citizenship.[24] Those who do not take U.S. citizenship must renew their "green card" every ten years.

Under the Immigration and Nationality Act Amendments of 1965, the INS administers a "preference system," allocating one of a limited number of permanent residence visas to the family members of people already residing in the U.S. or to individuals possessing skills needed in the U.S. economy. Additional visas, not subject to numerical limitations, are given to spouses, minor children, and parents of U.S. citizens. Boston receives comparatively fewer individuals under family reunification provisions. In 2000, 69 percent of all legal resident admissions in the U.S. stemmed from family sponsorship and only 13 percent from employment preferences. In Greater Boston, 55 percent of those admitted as permanent residents in 2001 entered under family sponsorship, 24 percent under employment preferences and 7 percent under the diversity lottery that admits individuals from historically under-represented countries.[25]

In many cases the rights and responsibilities of legal permanent residents are similar to those of citizens. Permanent residents can be drafted into the military, they pay taxes, and they are subject to all the laws of the United States while they live in the U.S. Citizenship, however, provides a number of additional protections. Citizens have absolute right of entry and cannot be deported. Only citizens are allowed to vote and run for office.[26] And, since the Personal Responsibility and Work Opportunity Reconciliation Act (the "Welfare Reform" Act) of 1996, only citizenship guarantees eligibility for certain means-tested public assistance.[27] Citizenship is also required for certain occupations in government. For example, when the federal government took over responsibility for staffing airport screeners following the terrorist attacks of September 11, citizenship was added as a requirement for this position, threatening the jobs of many non-citizen airport screeners at Boston's Logan International Airport.

Naturalization is the legal process by which an immigrant becomes an American citizen. For those naturalized, the only distinction between their rights and those of the native-born is the inability to run for the office of U.S. President. In the MAPC area, 42 percent of the foreign-born are naturalized U.S. citizens, with percentages ranging from a high of 82 percent in Westwood to a low of 20 percent in Chelsea (*see Table 1*).

Race, Ethnicity, National Origin and Language

The evolving demographics of the United States, particularly in regions that attract large numbers of immigrants, sometimes makes it difficult to speak consistently about the experiences of different groups. Many people identify with one group but can plausibly claim membership in other groups at the same time.

The most prominent categories tend to be racial. Policy-makers divide the population into white, black, Asian, and Native American, then add an ethnic category for Hispanics or Latinos which may or may not overlap with race.[28] This vocabulary is sometimes ill suited for dealing with immigrants, especially if they are part of the first generation.[29]

Greater Boston continues to undergo an historic racial revolution. From 1990 to 2000, the percentage of whites living in metro Boston declined 2.5 percent. At 7.5 percent, blacks constituted the largest minority group in 2000, while Asians accounted for 5.4 percent of the region's population.[30] In terms of growth, however, the black population lagged far behind Asians: the black population increased 11.3 percent over the 1990s while the Asian population grew by 71.9 percent. If these trends continue, Asians will surpass blacks as the metro area's largest minority group by 2010.

The distribution of racial minorities is highly uneven across the 101 communities of the Metropolitan Area Planning Council. As Table 3 shows, two communities stand out as having particularly significant concentrations of black residents—Boston (25 percent) and Randolph (21 percent)—while in 74 communities fewer than 2 percent of residents are black. At almost 150,000, Boston has by far the largest black population of the region; Cambridge comes a distant second at just over 12,000. Residential segregation is also acute within both cities, though the mixing of the races is greater than ever in neighborhoods as diverse as East Boston and Dorchester. The Asian population is more evenly distributed. Asians comprise more than 10 percent of the population in seven communities, and in only 47 of 101 communities do Asians account for less than 2 percent of the population. In absolute numbers, the largest Asian populations are found in Boston (44,345), Quincy (14,007) and Cambridge (12,112).[31]

During the 1990s, the number of Latinos in Greater Boston (of any racial background) also grew significantly, increasing by 49 percent to stand at 6.4 percent in 2000. Almost 44 percent are foreign-born, while 84 percent speak a language other than English in the home. The composition of the region's Latino population differs from many other large urban centers. Notably, the Mexican population is small, only 7 percent of the total, and the Cuban population is negligible at 3 percent.[32] Instead, the largest groups are Dominican, Puerto Rican and Salvadorian. By far the largest concentration of Latinos lives in Chelsea, totaling almost half of the city's population (48.5 percent) while the largest number, just over 85,000, lives in Boston, 14 percent of city residents. In the city of Boston the diversity of the region's immigrants plays out in the diverse origins of its Latino population: the top three immigrant groups come from the Caribbean (Dominicans—12,608), Central America (Salvadorians—6,318) and South America (Columbians—5,001). In Chelsea, a majority of the Latino foreign-born hail from Central America, especially El Salvador (3,087), Guatemala (1,246) and Honduras (1,466).

Although the label "Latino" is frequently referred to as an ethnic category, it also turns on linguistic (referring to common Spanish language roots) and geographic (Central and South America) dimensions.[33] The distinction is important in the Boston context because Brazilians—over 5 percent of the region's foreign-born—are not officially counted as Latino by federal government agencies such

TABLE 3: MINORITY POPULATIONS IN GREATER BOSTON

Twenty-three of the Metropolitan Area Planning Council 101 municipalities have higher percentages of minority populations than the state averages. Percentages of all groups in some communities may total more than 100 percent since some Latinos are counted as white and Latino at the same time.

Communities	Population	White	Black	Asian	Latino
Boston	589,141	54.5%	25.3%	7.5%	14.4%
Quincy	88,025	79.6	2.2	15.4	2.1
Cambridge	101,355	68.1	11.9	11.9	7.4
Malden	56,340	72.1	8.2	14.0	4.8
Brookline	57,107	81.1	2.7	12.8	3.5
Newton	83,829	88.1	2.0	7.7	2.5
Lynn	89,050	67.9	10.5	6.4	18.4
Somerville	77,478	77.0	6.5	6.4	8.8
Waltham	59,226	83.0	4.4	7.3	8.5
Framingham	66,910	79.8	5.1	5.3	10.9
Lexington	30,355	86.1	1.1	10.9	1.4
Randolph	30,963	62.8	20.9	10.2	3.2
Burlington	22,876	86.7	1.4	10.6	1.3
Revere	47,283	84.4	2.9	4.5	9.4
Acton	20,331	88.4	0.7	8.6	1.8
Wellesley	26,613	90.0	1.6	6.4	2.3
Chelsea	35,080	57.9	7.3	4.7	48.4
Belmont	24,194	91.2	1.1	5.8	1.8
Everett	38,037	79.7	6.3	3.2	9.5
Salem	40,407	85.4	3.2	2.0	11.2
Weston	11,469	90.3	1.2	6.8	1.9
Milton	26,062	85.4	10.2	2.0	1.7
Boxborough	4,868	88.8	0.3	8.5	1.1
State	**2,276,348**	**81.2**	**7.5**	**5.4**	**6.4**

as the Census Bureau even though they come from South America. Individuals of Brazilian origin might nonetheless report themselves as "other" Latinos, given cultural similarities or the perception that they face discrimination similar to the Latino minority. At the same time, as a Portuguese-speaking community, Brazilians sometimes have more in common with Portuguese immigrants from Europe or with Cape Verdeans. Organizations such as the Massachusetts Alliance of Portuguese Speakers, with offices in Boston, Cambridge, Lowell and Somerville, consequently reach out to a common multi-racial "Lusophone" population in the Boston area.

Similar diversity characterizes the black population. In the decades immediately after World War II, Greater Boston had a relatively small black community, almost entirely American-born, that was largely concentrated in the city of Boston. In 1970, just under half of all blacks had been born in Massachusetts, 45 percent were originally from the American South or other U.S. states, and only 6 percent were foreign-born.[34] By 2000, immigrants made up more than a quarter of the total (27 percent). The foreign-born represented approximately a quarter of blacks in the cities of Boston and Brockton, just under two of every five blacks in Cambridge, Malden, and Randolph, and roughly 50 percent of the black communities of Somerville and Everett.[35] Haitians, almost 29,000 strong in the Boston PMSA, constitute the largest group, but there are also significant populations from Cape Verde, Jamaica, and Trinidad and Tobago. The black population is also linguistically diverse. While many West Indians speak English, the foreign-born black community contains large proportions of French speakers from Haiti and Africa, Portuguese speakers from Cape Verde, and individuals who speak a local Creole or African language. Fully 59,556 of 214,479 blacks in the Boston PMSA (28 percent) speak a language other than English in the home.

If immigration complicates the categories of "Hispanic" and "black," immigrant-generated diversity explodes amongst "Asians" in Greater Boston. Almost three-quarters of the Asians in the region were born overseas and 83 percent speak a language other than English in the home. While Latinos often share the Spanish language, and blacks face comparable prejudice and discrimination based on physical appearance, Asians share only limited linguistic and physical similarity. The three largest foreign-born groups are from East, Southeast, and South Asia: the People's Republic of China (33 percent), Vietnam (14 percent) and India (14 percent). Another 10 percent come from Western Asia, including Lebanon and Turkey. The latter, particularly the Boston region's substantial Armenian population, probably do not self-identify as Asian, but the degree of commonality between individuals from the Indian sub-continent and those from East and Southeast Asia is equally open to question.[36] Some local groups, such as the Asian Task Force Against Domestic Violence, do span cultural and linguistic divides by offering services to a wide range of Asian immigrants, but most groups tend to focus on regional populations.

Some Asian immigrant communities have developed distinct residential concentration such as Boston's Chinatown, the Vietnamese community of Dorchester, and the Cambodian communities of Lynn and Lowell.[37] Others are dispersed throughout the region, sometimes completely avoiding traditional areas of settlement in the inner core. In particular, the Indian community, the third largest immigrant group in the Boston PMSA, does not figure in the top ten foreign-born communities of the city of Boston.

Patterns of residential concentration in part stem from the way in which immigrants enter the country. Boston's historic Chinatown, established in the late 19th century when discrimination made it more or less impossible for Chinese laborers to live elsewhere, remains a magnet for new arrivals attracted to the region by kinship ties and job opportunities. Refugee groups, such as the Vietnamese and Cambodians, formed dense residential communities when settlement agencies located new arrivals in areas of relatively cheap housing and close to mutual assistance associations and other nonprofit organizations offering settlement assistance. Subsequent chain migration has further expanded these communities. In contrast, many Indians, Koreans, and Japanese enter the country under skill visas that allow them to work in the region's technology, engineering and medical fields.[38]

Finally, the influx of European and Canadian immigrants that dominated Boston in the 19th and early 20th century remains a factor in the region today. The "white" population is consequently a mix of diverse nationalities, ethnicities, and languages. Ten percent of the region's white, non-Hispanic population speaks a language other than English at home and more than 7 percent of non-Hispanic whites were born outside the U.S. This group of over 200,000 immigrants is just slightly smaller than the region's entire black population and larger than the Latino or Asian populations.

Of the ten largest immigrant groups in the Boston PMSA, four are primarily white persons who come from Canada (22,847), Italy (21,866), Portugal (19,610), and the United Kingdom (16,420).[39] Italians came mostly in the decades immediately following World War II, while post-World War II Portuguese immigration dates from the 1958 Azorean Refugee Act (sponsored in part by Senator John F. Kennedy) and reached its high point in the 1960s and 1970s. Canadian migration has resulted from post-war family reunification and, in recent years, a substantial influx of students and skilled workers, the latter arriving under the "TN" visa created by the North America Free Trade Agreement. Those from the United Kingdom similarly come via a mix of family sponsorship and work and study opportunities. In the last 15 years, the region has also become home to a substantial Russian community, mostly composed of

Jewish migrants, which is centered in Brookline and Brighton, and to a smaller community of refugees from the former Yugoslavia.

POLICY ACTORS

In few other policy areas are such a diverse array of federal, state, local and even international actors involved in shaping and administering programs directed at immigrant and refugee populations. The following is only a rough guide to the major players.

The Federal Government

A number pf permanent and temporary entry visas are issued overseas by the State Department. The Immigration and Naturalization Service, historically located in the Department of Justice, oversees the administration and enforcement of the country's immigration laws as spelled out in the Immigration and Nationality Act. Because of its border control functions, the INS is currently the largest federal enforcement agency.[40] The commissioner of the INS—a political appointee—works with the White House and Congress to draft immigration legislation and it administers the myriad of visa categories, as well as overseeing the country's naturalization policy.

In March 2003 the INS will be moved into the new Department of Homeland Security, with the service and enforcement sides of the agency split apart. Proponents of the move argue that the events of September 11, 2001, clearly demonstrate how immigration issues are tied to national security; opponents worry that security concerns will generate unwarranted suspicion—and delays—in the immigration and naturalization files of law-abiding individuals.

In the special case of refugee populations, the State Department works with various non-profit organizations, the U.N. High Commissioner for Refugees and the INS to resettle individuals fleeing persecution and political violence. In particular, the Bureau of Population, Refugees and Migration funds and administers the American overseas refugee processing program, which can include the transportation and reception of refugee populations and the instruction of those headed to the U.S. in rudimentary English and "cultural orientation." It also provides limited financial support for immediate settlement during a refugee's first 30 days in the U.S. The federal Office of Refugee Resettlement (ORR), housed in the Department of Health and Human Services, administers domestic resettlement programs in coordination with state-level agencies and local and national voluntary organizations, including refugee-run mutual assistance associations.

The State Government

To receive federal refugee resettlement funds, state governments are required to establish state agencies dedicated to overseeing the successful integration of refugee populations. Massachusetts' Office for Refugee and Immigrants (ORI), established in 1985, serves this function, and also has as its mission to act as a public advocate for refugees and immigrants, including making mainstream programs linguistically and culturally accessible to newcomers and acting as a clearing house for information.

Various other state departments look after specific policy areas that touch on the immigrant population. Thus, the Department of Education oversees and enforces the state's bilingual education program, while the Department of Public Health has established a separate Office of Multicultural Health (a merger of the previous Office of Refugee and Immigrant Health and Office of Minority Health) to deal with the particular health needs of the foreign-born. These include building partnerships with newcomer communities, providing technical assistance around interpreting and translation, enhancing hospital interpreter services, and gathering and publishing information on newcomer communities.

Local Governments

Local governments, especially those with large immigrant population, deal with the foreign-born in all the services they offer. However, few have established an agency or contact person dedicated to the specific problems of immigrant populations. One exception is the City of Boston's Office of New Bostonians, established by Mayor Thomas M. Menino in 1998. Heralded as the only such office among American urban centers, the Office of New Bostonians has as its mission the integration of linguistically and culturally diverse immigrant communities into the economic, civic, social and cultural life of the city, and the promotion of commemoration and public understanding of immigrants' contributions.[41]

The Office has undertaken a series of initiatives to facilitate communication and contact between immigrant residents and City Hall, including community days that explain the function of various city agencies, a multicultural job fair promoting public employment opportunities, development of departmental cultural competency plans and efforts to foster voting among immigrant populations.

The city of Boston also employs some co-ethnic and co-linguist liaison officers in the city's Office of Neighborhood Services, including people who can speak Chinese, Vietnamese, Spanish and Cape Verdean Creole. The main function of Neighborhood Services is to facilitate information flows, the use of city services and to act as an emergency contact point for local communities.

Nonprofit Service Providers and Advocacy Groups

In addition to public agencies, a host of nonprofit service providers, community-based organizations and advocacy groups deal daily with immigrant populations and speak out on their behalf. Indeed, many immigrants interact only indirectly with government through such local community groups. Nonprofit organizations use grants from federal, state and local governments to deliver job training, adult education, ESL and citizenship classes, family programs, legal assistance and health care services. Such programs also receive funding from philanthropic foundations, local businesses and private charitable donations. In its 2000 guide to community resources, the Boston Office of New Bostonians listed well over 100 organizations able to provide specialized services to refugee and immigrant populations.[42]

Space limitations make a comprehensive survey of all these organizations impossible, though several deserve special mention. The International Rescue Committee, International Institute of Boston, Catholic Charities, Lutheran Social Services and the Jewish Vocational Services stand out as particularly important resources for newly arriving refugees, parolees and asylum seekers. Despite the religious connection of most, all are non-sectarian in the services they offer and help refugees from around the world. Federal and state funding, as well as an explicit policy of building community organizations, have also resulted in the formation of various mutual assistance associations largely run by refugees, such as the Vietnamese American Civic Association in Dorchester.

For other communities, there exist three broad categories of community organizations. Ethnic-specific organizations arise when a particular community does not have services provided in its language or with sensitivity to cultural heritage. A second group of organizations start as ethnic-specific associations but branch out to embrace a larger immigrant population. Examples of such transformation include the Irish Immigration Center and the Massachusetts Alliance of Portuguese Speakers, a group that started as two local Portuguese organizations in Somerville and Cambridge. Some formerly Chinese organizations, such as the South Cove Community Health Center, have expanded their clientele to include other East Asian populations. A variation on such pan-ethnic organizations are those that immediately aim to serve a broad immigrant population, as is the case of community organizations offering Spanish services or Asian groups such as the Asian Task Force Against Domestic Violence. Finally, a third category of organizations focuses largely on native-born Americans, which offer special programs or hire bilingual employees to help serve newcomer populations. Community development corporations or agencies serving seniors fit this bill.

In the area of advocacy, two organizations deserve special mention. One, the Massachusetts Immigrant and Refugee Alliance (MIRA), was founded in 1987 to integrate the activities of social-service providers and advocacy agencies dealing with immigrants and refugees. MIRA's membership is largely institutional: currently more than 130 organizations are part of MIRA. These groups range from the American Civil Liberties Union of Massachusetts to union locals to ethnic mutual-aid societies, with the plurality of members engaged in health-related programs.[43] MIRA lobbies state government for expanded access to state programs, such as the state's Emergency Room Interpreter Law and restored benefits for non-citizens cut under the 1996 Welfare Reform Act.

MIRA monitors executive-branch implementation at the state level. In recent months, MIRA has engaged in a concerted campaign to ensure that public and private agencies reach out to legal immigrants eligible for federally funded food stamps. The coalition also carries out a limited number of programs funded by the Commonwealth and private foundations to facilitate immigrant integration directly. And, finally, MIRA aims to develop immigrants' own political voice. As a 501(c)3 charity, MIRA does not endorse political candidates, but it promotes civic participation and works with member organizations to naturalize immigrants in the Boston area.

A second emerging advocacy voice is that of ¿Oiste? which means "Did you hear?" in Spanish. The group consists of both a tax-deductible civic education wing and an explicitly political arm. Founded in 1999 as the first statewide Latino political network, the organization focuses on providing nuts-and-bolts bilingual support to Latino candidates and civic groups, teaching them how to target voters by mail and on the telephone. To further these ends, the group also works with good-government election-reform organizations like Boston Vote and the Massachusetts Voters for Clean Elections. Goals include the implementation of instant-runoff voting and same-day voter registration, and expanding public financing of electoral campaigns.

In the policy arena ¿Oiste? has specialized in state-level process issues. It advocated substantial redrawing of boundaries in state legislative seats in Boston, Lawrence, and Chelsea after the 2000 census. The final electoral map reflected few of the group's priorities, and ¿Oiste? later led a coalition to sue the Commonwealth for violating the Civil Rights Act of 1965.[44] In these and other efforts, it seeks to systematically provide Latino groups with the tools needed to attain power, and to shift the dynamics of electoral politics in Massachusetts.[45]

Foreign Governments and Consulates

Unlike most other Boston-area policy issues, immigration also brings in international actors, most notably foreign governments working through their Boston-based Consulates. There are 33 Consulates or Consul-General offices in Boston. Consulates rarely interfere directly with domestic American issues, but they will speak out on behalf of their nationals when they perceive a need.

Consulates also provide immigrants with important services, such as the renewal of passports, and can be active in local immigrant communities. Representatives from the Dominican Republic, for example, are involved with the Dominican community in Jamaica Plain, promoting economic development and civic engagement in the home country through remittances, the establishment of business enterprises in the DR, and promotion of community-building projects.[46] Such activities, known as transnationalism, allow immigrants to keep a foot in two places: they adjust to life in the U.S. at the same time as they keep connected to the home country.

ISSUES FACING THE REGION

Processing Newcomers

State and local governments have little control over the processing and granting of immigrant visas and citizenship status. The State Department issues visas and immigration documents to those living abroad, while the Immigration and Naturalization Service administers the adjudication of immigrant and naturalization petitions within the United States.

A number of factors in the late 1990s produced substantial backlogs in the processing of immigrant petitions and naturalization applications. The Immigration Reform and Control Act (IRCA) of 1986 allowed certain illegal aliens resident in the U.S. since January 1, 1982, to legalize their status and then apply for permanent residence. Nearly 3 million individuals took advantage of this program, and by 1995, many were eligible for citizenship. A surge in applications for adjustment of status occurred from 1995 to 1997 as individuals with expired visas living illegally in the U.S. took advantage of Section 245(i) of the Immigration and Nationality Act to adjust their status to permanent residency without returning overseas. Over fiscal years 1996 to 2000, the regional INS service center in Vermont received about 1 million applications and petitions annually for immigration and naturalization services, but could only complete 700,000 to 800,000 a year.[48]

Anticipating the increase in workload, the INS launched the Citizenship USA program in August 1995 to reduce anticipated backlogs. But questions of political partisanship and concerns over inadequate criminal background checks led to the program's suspension, requiring the INS to implement new quality procedures in November 1996 that slowed processing times.[49] The slowdown coincided with a sudden upsurge in naturalization applications, as immigrants sought to obtain citizenship following welfare reform and a revision of deportation rules. By 1998 it took the Vermont office on average 31 months to process an application for adjustment of status (I-285), while the Boston district office had a backlog of 42,000 requests for naturalization (N-400).[50] Delays spiked up in 1999 to 133 months for I-285 applications and 28 months for N-400s, then fell to 15 months, and six to nine months, respectively, in 2000.[51] Long waiting times not only affect access to government benefits and jobs, and access to the ballot box, but they can postpone family reunification, since only citizens may sponsor immediate relatives outside of the annual numerical quotas.[52]

The INS has worked hard to reduce delays in the processing of immigration and naturalization applications. Advocacy groups such as the Citizenship Now Collaborative, of which the Massachusetts Immigrant and Refugee

Advocacy Coalition is a member, recommend that naturalization cases be resolved within six months.[53] By 2000, the processing time for most naturalization applications ranged from six to nine months, in line with wait time prior to 1995.[54] But after September 11, processing times increased again with new INS security measures. MIRA and other groups have called for better record keeping by the agency. In an April 2002 restructuring plan, the INS announced plans to hire a chief information officer directly responsible to the INS Commissioner.[55]

The INS faces radical reorganization in the coming year, with its impending move to the new department of Homeland Security.[56]

Tracking Aliens

Educators are closely watching developments that could impinge on foreign enrollments.

Following the 1979 Iranian hostage crisis, when the INS was unable to provide Congress with an accurate count of Iranian students in the United States, the agency required all schools to provide an annual report of foreign students. A push to an electronic tracking system gained steam after the 1993 bombing of the World Trade Center, as one bomber entered the U.S. on a student visa. In the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 Congress mandated the creation of a database by January 2003, but colleges and universities opposed the system.

With a changed domestic climate post-September 11—three of the hijackers entered the U.S. on student visas—educators now accept the new Student Exchange and Visitor Information System in principle but still argue that government must provide greater resources for implemention.[58] Under the 2001 USA Patriot Act, schools were required to be linked to the system by January 2003. The system will provide INS and border inspection stations with personal data and academic information, including the student's major, expected graduation date, and enrollment status.

Becoming Citizens

Citizenship has emerged as a key issue for a host of immigration policy areas. In the U.S., levels of citizenship among the foreign-born have fallen dramatically—from 64 percent in 1970 to 40 percent in 2000. While about 30 percent of this decline is due to the rapid influx of newcomer communities over the past three decades, similar declines are not found in Canada, despite an even higher proportion of immigrants living in that country.[59] Government programs in Canada—enacted by federal, provincial and municipal governments—have encouraged citizenship and political participation in immigrant communities.

The percentage of foreign-born people acquiring citizenship is slightly higher than the national average in Massachusetts (about 44 percent in 2000) and in Greater Boston (42 percent).

People from Mexico and Canada are least likely to naturalize while those from Asia are relatively more likely to do so. In part, the geographic proximity to the home country makes moving to the U.S. seem less permanent for those from North America, and chances for return higher. In 2000, the INS reported that immigrants from Canada and Mexico waited on average 11 years before applying for naturalization while those born in Asia waited only 8 years.[60] For migrants fleeing repression and turmoil in certain Southeast Asian countries—notably Vietnam and Cambodia—the security of U.S. citizenship makes naturalization a particularly attractive choice. Other Asian groups seek citizenship in order to sponsor relatives.

We gain a sense for these differences from Table 5. The table shows the percent of immigrants naturalized for the city of Boston based on how long they had lived in the United States and in which region of the world they were born. While two-thirds or more of all immigrants with 20 years of residence had acquired U.S. citizenship, only 4 to 20 percent of recent migrants had done the same. Naturalization levels also exhibit substantial variation by region of origin. If we consider immigrants who arrived in the U.S. between 1980 and 1989, less than a quarter of Mexicans had become citizens by 2000, compared to almost 60 percent of those from Asia, the majority of whom are Chinese or Vietnamese. The particular burdens faced by non-citizens consequently hit certain immigrant communities more heavily than others.

The Massachusetts Citizenship Assistance Program, which began in July 1997, provides funds on a competitive basis to community organizations for ESL/Civics classes, native language citizenship instruction and application assistance. The original appropriation allocated $2 million to CAP and specified an intention, subject to renewal, to fund the program for three years. According to

TABLE 5. NATURALIZATION AMONG THE FOREIGN-BORN, BY REGION OF BIRTH AND PERIOD OF ARRIVAL

	Period of Arrival		
Region of Birth	**1990–2000**	**1980–89**	**pre–1980**
Europe	20.7%	56.4%	77.8%
Asia	20.2	59.9	84.2
Africa	14.1	43.1	66.4
Caribbean	16.6	44.0	68.1
Mexico	6.8	23.9	62.6
Central America	9.6	26.2	64.5
South America	6.4	36.2	67.9
North America (excluding Mexico)	4.1	30.8	65.2

Source: U.S. Census, 2000

the state Office for Refugees and Immigrants, which runs the program, CAP funds helped more than 3,200 immigrants become citizens in the first two years of operation.[61] Because of budget shortfalls, Governor Jane Swift eliminated the CAP budget for 2003. Such cuts are understandable in a period of fiscal belt-tightening. However, recent research suggests that programs to facilitate newcomer integration—such as the CAPS program or English as Second language classes—promote naturalization among immigrants and foster political leadership and community organizing.[62]

Voting and Elections

Citizenship is central to participation in a community's civic and political life, especially elections. A major issue for many is how to ensure that immigrants—citizens or not—have a say in local, state and national affairs. Among proposals to foster immigrant participation is a debate regarding the link between electoral participation and formal U.S. citizenship.

Substantial immigration can change the demographic composition of an area, forcing changes in political boundaries under the Voting Rights Act.[63] Under law, legislators often must make an effort to create majority-minority districts in areas where a minority of residents are non-Hispanic whites, where the minority population is politcally cohesive, and where efforts to elect candidates of color have been frustrated by white bloc voting (the so-called *Gingles* test). Across the United States, the redistricting process following the 2000 census produced disagreement about how to draw these lines—and Massachusetts proved no exception. Immigrants are counted for the purpose of redrawing electoral maps, but often they cannot participate in the electoral system because they lack U.S. citizenship. As a result, a majority-minority area might have a white majority voting population even when most residents are minorities.

In the Boston metro region, there are relatively few majority-minority districts, despite the area's rapidly changing ethnic makeup. With the exception of electoral strength among African-Americans in areas such as Roxbury and Mattapan, political representation remains largely dominated by Boston's famed white ethnics. There is, however, some indication that the coming decade might bring increased diversity to political offices in the metro area. Most successful in this regard have been black immigrant groups, notably Haitians and West Indians, who often team up with native black populations. In 2000 Marie St. Fleur became the first Haitian immigrant elected to a state body in the U.S. following her successful bid for a seat in the Commonwealth's House of Representatives.[64] She represents the same racially mixed Uphams Corner seat that elected Nelson Merced, a Puerto Rican, and Charlotte Golar Ritchie, an African American who now directs housing policy for the city of Boston.[65] Latino presence in the state legislature is also growing, since in January 2003 Jarrett Barrios became the first Latino elected to the state Senate.[66]

Asian populations have experienced fewer political successes, though in 1999, Rithy Uong of Lowell became the first Cambodian in the United States elected to city council, and in other communities Asian-Americans such as Dan Lam (Randolph) and Amy Mah Sangiolo (Newton) have served on municipal councils.[67] In the city of Boston, although non-Hispanic whites still outnumber minority communities in registering to vote, recent elections have witnessed higher turnout at many wards dominated by minority residents.[68]

Although electoral victory usually requires the sort of coalition-building that Barrios used to success, the drawing of district boundaries can significantly affect the chance of minority candidates, especially when ethnic communities comprise a large proportion of a district's population. In most states, redistricting battles focused on federal boundaries, reflecting the high stakes and close partisan divisions in the U.S. Congress. In Massachusetts, the main impact of redistricting occurred at the state or municipal level, with relatively little debate on Congressional seats. Both House and Senate plans made the 8th Congressional District, now represented by Michael Capuano, majority non-white. The plan enacted, under which 51 percent of residents are non-white, moves parts of Dorchester and Jamaica Plain into the district, while taking out Belmont and Watertown.[69] The major redistricting debate at the federal level concerned a series of back-and-forth battles about whether to preserve a seat in the Merrimack Valley or add one in southeastern Massachusetts.

The sharpest controversies in the 2000 redistricting occurred when drawing lines for the state House of Representatives. Since districts in the state House are quite small—usually about 40,000 residents—communities that would not be significant at the level of a Congressional district can suddenly play a role in determining political outcomes. Under state redistricting plans the number of seats with majority nonwhite populations in the House of Representatives actually dropped, and a district in mid-Cambridge represented for more than 25 years by a person of color was eliminated, despite an unsuccessful suit against the plans by the city of Cambridge.[70] In Chelsea, where foreign-born residents now comprise 36 percent and Latinos 48 percent of the population, the Latino community remained divided between two seats represented by white Democrats from outside the city, Eugene O'Flaherty of Charlestown and Kathi-Anne Reinstein of Revere. Latinos in Chelsea have become active in city politics, particularly around the issue of education, electing members to the city council and school committee, but they have been thwarted in electing a Latino to the state legislature.[71] In both seats, the majority of the population, as well as the majority of voters, remained white. Similarly, although the majority of the population in Anthony Petrucelli's East Boston seat is now Latino, the voting-age population remains majority non-Hispanic white. A coalition of activist groups, led by the National Voting Rights Initiative, filed suit in federal court against the plan, saying it violated the Voting

Rights Act. The proposed alternative would create a majority-Latino seat stretching through Chelsea and into East Boston's Maverick Square. As Giovanna Negretti, Executive Director of ¿Oiste?, said, "People in Chelsea feel disconnected from the process. They don't participate because of it."[72]

Redistricting has also raised controversy at the local level. For nearly two decades, the Boston City Council has used a mixed system for electing city councilors: four councilors are elected at-large under a plurality system, and nine councilors are elected from single-member districts representing particular neighborhoods. The elected at-large members have all been white, although Felix Arroyo, a longtime activist in the Latino community, took a seat on the council when Francis "Mickey" Roache became Suffolk County Register of Deeds in January 2003. Despite the fact that the majority of Boston's population is non-white, six of the nine council districts have white majorities, and only two of the seats—District Four, represented by Charles Yancey, and District Seven, represented by Charles Turner—are held by members of minorities, both of whom are African-American. Ultimately, all the councilors except Yancey and Turner approved a plan drafted by Dorchester's Maureen Feeney. It shifts only 19 of the city's 254 precincts among districts, and creates in Hyde Park and a small portion of Mattapan a fourth majority-minority district based on population, but in which the majority of voters remains white.

Voter registration and electoral participation rates show that many Asian groups appear reluctant to become involved in political contests. According to Paul Watanabe and Michael Liu, whereas just under 70 percent of adult citizens in ten local communities are registered to vote, this percentage falls to barely 50 percent of all Asian-American citizens.[73] In only one community—Lexington—do Asian-Americans' registration rates equal that of the total population, while in Cambridge and Quincy over 25 percentage points separate Asian-Americans' from the city-wide registration rate.[74] In Brookline and Cambridge, Asian Americans make up more than 14 percent of the resident population, but account for 6 and 5 percent, respectively, of the total voting population.[75] In Malden and Quincy, the repercussions are even more dramatic: Asian-Americans account for over 13 and 14 percent of each community's population, respectively, but only comprise a bit over 5 percent of all registered voters.

The story of Latino communities is quite similar, though they are also affected by low levels of naturalization that drive down voting participation even further. In contrast, black immigrants appear to become active in politics more quickly than other newcomer groups once they acquire U.S. citizenship.[76] As Table 5 shows, levels of naturalization among immigrants from Africa and the Caribbean are mid-way between the low levels of Latin and North Americans, and the relatively high levels for Europeans and Asians. Black immigrants—especially those from the English-speaking West Indies—have high voter turnout once they acquire citizenship. According to one analysis by *The Boston Globe*, rapid increases in voter turnout by West Indians have reversed historically low levels of participation in Mattapan.[77]

Given low levels of citizenship among some foreign-born groups, a number of organizations and cities have proposed allowing non-citizen voting at the local level. In 1996 and again in 1998 the town of Amherst passed a bill allowing local alien suffrage, and in 1999 Cambridge city council passed a measure with a vote of 5–2 to allow immigrants to vote for school committee and city council elections regardless of citizenship status. Historically,[78] more than half of U.S. states and territories allowed some form of alien suffrage at the state and federal level, but the practice lapsed in the late 19th century and finally ended in 1926 when the Arkansas Supreme Court upheld an earlier referendum removing alien suffrage from the state constitution.[79] Today, a few municipalities allow resident aliens to vote, usually for school board elections, such as in New York City and Arlington, Virginia.[80] ¿Oiste? and other Latino groups have been pushing for similar extensions of the franchise in cities with large immigrant populations, particularly Chelsea, but the city appears unlikely to approve such legislation in the near future.

Proponents of non-citizen voting ask why non-citizens who carry many of the responsibilities of citizens—notably the burdens of taxation and eligibility for the draft—have no right to use the ballot box to influence decisions affecting distribution of public monies or engagement in military activities. Others point out that local suffrage can act as an important training ground for future citizens, teaching immigrants about the American political system. At a symbolic level, the right to vote provides "increased dignity and self-esteem . . . which is a foundation for social recognition."[81]

Opponents express both normative and technical concerns. Since the process of naturalization in the United States is relatively simple and accessible, especially as compared to most other liberal democracies, removing one of the main benefits of naturalization will undermine the value of American citizenship. Successful naturalization requires a basic familiarity with U.S. history and politics and a rudimentary understanding of English, knowledge that ensures a better informed citizenry and, hopefully, better public decision-making. At a symbolic level, opponents feel that immigrants should take an affirmative step toward joining the American polity. Thus, when new citizens take the oath of allegiance, they swear to uphold the democratic institutions of the country. The technical details of alien suffrage also raise questions: If alien suffrage is restricted to local elections, how would a city administer a dual system in which some voters cast ballots in all electoral contests while others are restricted to only a few races?

Maryland leaves local franchise rules up to the localities, but in Massachusetts the state legislature must approve any changes in local election laws. So far, no proposal has won the necessary home-rule petition at the State House.[82] Recourse to the courts is probably not a viable option to force the implementation of alien suffrage. Although the U.S. Supreme Court has never faced the issue of non-citizen franchise directly, numerous court writings and various lower court decisions accept the practice as a legislative prerogative.

Overcoming Linguistic Barriers

Acquisition of competence in the English language—by both children and adults—is perhaps the most politically charged issue facing immigrants and their communities.[83] Residents of Massachusetts speak approximately 100 different languages. According to the 2000 Census, more than 600,000 individuals in the MAPC area, or 21 percent of all those five years and older, speak a language other than English in the home. About two-fifths of these individuals are American-born, 9 percent of the region's native population.[84] The other three-fifths are foreign born. In sum, three of every four immigrants speaks a language other than English at home.

As shown in Table 4, the percentage of foreign language speakers varies widely among cities and towns, from an astounding 58 percent in Chelsea to less than 4 percent in Marshfield, Duxbury, and Pembroke.

Unlike many other urban centers, no one language dominates the region. In six of the MAPC's 101 communities, Spanish is the preponderate non-English household language. In three communities, Asian languages top the list. The primary foreign languages in the remaining 92 communities are Indo-European, a broad category that includes European languages (with the exception of Spanish); certain languages of the Indian subcontinent; and various Creole dialects, including those spoken by some Haitian or Cape Verdean immigrants.[85]

Difficulty communicating in English affects all linguistic minorities, but to varying degrees. Less than half, or 48 percent, of people speaking an Asian or Pacific Islander language report that they can speak English well, compared to 72 percent of those speaking primarily an African language. Among Spanish speakers, one in two (55 percent) communicates well in English, as do almost two-thirds (63 percent) of those speaking an Indo-European language in the home.

Given that 42 percent of immigrants in Greater Boston have difficulty communicating in English, linguistic barriers are a critical public policy concern for immigrant communities. The consequences of limited English ability are wide-ranging. These individuals often face difficulty advancing in the labor market. Non-English-proficient people also experience difficulty communicating with individuals in a host of public and private institutions, including schools, hospitals, utility companies and financial institutions. They frequently require assistance in filling out routine paperwork ranging from applications for a driver's license to forms for citizenship. As a result, many become dependent on the help of friends and family, frequently a younger child in the household. Such reliance

TABLE 4: THE NON-ENGLISH SPEAKING POPULATIONS OF GREATER BOSTON

Communities with a share of people who speak a language other than English in the home that is greater than the state's average of 20.9 percent.

Community	Population over age 5	Non-English speaking	Cannot speak English well	Speak Spanish	Speak Indo-Euro language	Speak Asian language
Chelsea	32,314	58.4%	30.8%	43.8%	9.1%	3.8%
Somerville	74,034	35.6	16.8	7.8	22.5	4.3
Lynn	82,539	34.1	17.1	16.7	9.7	6.6
Boston	557,376	33.4	16.3	13.6	12.1	6.2
Malden	53,061	31.3	16.3	4.3	14.0	11.2
Cambridge	97,174	31.2	10.2	6.8	14.6	7.6
Everett	35,805	30.5	15.5	9.6	16.6	2.8
Framingham	62,499	29.2	14.2	9.9	14.9	3.3
Revere	44,621	29.1	14.7	9.0	13.4	4.6
Brookline	54,420	29.0	9.6	3.6	12.4	10.0
Waltham	56,476	26.5	9.6	7.5	12.9	5.0
Randolph	29,141	26.2	11.0	3.3	13.2	8.3
Watertown	31,547	25.8	9.4	3.0	18.6	3.0
Quincy	83,593	23.8	12.1	1.9	6.2	14.4
Medford	53,060	21.2	8.9	2.5	15.0	2.9
Newton	79,230	21.2	7.3	2.3	11.5	5.7
State	**2,879,899**	**20.9**	**8.9**	**6.1**	**9.8**	**4.1**

can create significant intergenerational conflict. Twenty-nine percent of children in Greater Boston between the ages of 5 and 17 live in a household where at least one family member speaks a language other than English. When children act as interpreters and translators, parents who traditionally command respect in the family appear less competent than their children, undermining their authority. Children also feel a burden and can face additional stresses if they become privy to the family's medical or financial problems.

Over 5 percent of households—some 66,600 homes—have no one in the home who can provide assistance communicating in English. These households are what the Census Bureau labels "linguistically isolated."[86] Linguistic isolation affects children and seniors to a slightly greater degree: 5.3 percent of children between the ages of 5 and 17, and 5.5 percent of seniors 65 and over live in linguistically isolated households, compared to 4.9 percent of adults 18–64.

A broad consensus exists across the political spectrum, and among both immigrants and the native-born, over the importance of English language skills.

English ability opens doors to better jobs, facilitates communication with public and private institutions and permits more interpersonal contact between immigrants and the native born. According to a study undertaken by the Massachusetts Institute for a New Commonwealth, workers who have little or no English-speaking ability earn 15 to 20 percent less than their immigrant peers who speak English well.[87] Although a number of English as Second Language classes (ESL) exist in the Hub, demand far outstrips supply. The Office of New Bostonians estimates an average two-year wait for public ESL classes, with a somewhat reduced wait for priority clients such as those who have children in the city's public schools.[88]

LANGUAGE AND THE SCHOOLS: Many of the children in linguistically isolated households find themselves in the state's bilingual education program. Statewide, just under 5 percent of public education students (some 45,000 children) are considered limited-English proficient.89 Another 75,000 attend regular classrooms, but speak a primary language other than English.90 These percentages, and enrollment in bilingual education classes, vary greatly by city.

Approximately 20 percent of students in Boston public schools and 16 percent of Somerville students are limited-English proficient, in contrast to only two percent of children in the Lexington and Belmont public school systems. Considering the broader category of students whose primary language is not English, but who might not be enrolled in a formal bilingual education program, over three quarters of the students in Lawrence, two-thirds of those in Chelsea, half of those in Lowell, over 40 percent of those in Somerville and approximately a third of K-to-12 students in the Boston and Cambridge public schools were non-native English speakers.

Voters in 2002 approved a ballot measure ending the state's bilingual education programs and instituting a one-year "immersion" program for students who do not speak English. The Question 2 ballot measure, promoted by California businessman Ron Unz, provoked bitter controversy among educators and advocates for minorities. The law, which passed by a resounding 70-to-30-percent margin—not only overturned a generation of bilingual education policy but also superseded another reform passed just months before by the state legislature.

Question 2 requires all English learners to attend one year in an English immersion classroom, grouping together children from various linguistic backgrounds who have the same English competency. Except under specific exceptions, children would be transitioned into regular classrooms following one year. The measure also requires teachers to primarily teach their students in English, and it provides parents with the option to sue any school employee, school committee member or other elected official or administrator who refuses to implement the new law.

Question 2 ended an era in Massachusetts education policy. In 1971, Massachusetts became the first state in the nation to offer full bilingual education (MGL Chapter 71A), preceding the landmark U.S. Supreme Court decision, *Lau v. Nichols* (1974). The Massachusetts law required school districts to provide transitional bilingual education services if there were 20 or more students in the district with the same primary language. Students consequently learned academic subjects such as math, history, and science in their native language, while getting separate instruction in English language. A child stays in the program for three years or until the child can perform successfully in English-only classes, whichever occurs first.

The Commonwealth's policy on bilingual education was modified in August 2002 under the English Opportunities for All Act, which offered greater choice to parents and local school boards in deciding how to teach students with limited English proficiency. The legislation permitted a variety of options, ranging from traditional bilingual education to mainstreaming of students into regular classrooms. The law requires that teachers receive specific pedagogical training and demonstrate fluency in both languages. The law limits students to two years in traditional bilingual classrooms.

In the immediate aftermath of Question 2's passage, bilingual education advocates and local school administrators openly discussed strategies to sidestep that new law's imperatives. Whatever the eventual policy for Massachusetts public schools, children will be required to receive access to English language instruction. Such guarantees are not in place for adult immigrants, despite a strong need and interest in acquiring or improving English skills. Adults get a patchwork of services, many with eligibility limitations or long waiting lists. Those who receive the most help include refugees resettled in the region by local volunteer organizations. These individuals often have access to ESL instruction provided by their sponsors. Fees for such classes are nominal or waived entirely.

Refugees only account for a small percentage of all metro immigrants, so the majority of non-English speakers must turn to other services.[91] These are mostly offered by ethnic community organizations, local schools or for-profit businesses serving an immigrant clientele. In the case of non-profit organizations in particular, eligibility criteria limit classes to low-income workers who wish to improve their job opportunities. The state's Department of Transitional Assistance and others working in the field of public assistance encounter particular problems integrating individuals with limited English skills into the labor market.

BROADER LANGUAGE POLICY ISSUES: The politics of language extend beyond bilingual education. Some argue that American immigration laws should be changed to admit fewer individuals without a prior knowledge of English.[92] Such proposals would reduce the number of immigrants permitted entry under family reunification provisions and increase visa allocation to people with special skills, including English ability. Others suggest that government, whether federal, state or municipal, should provide more funding for ESL classes, perhaps by extending to all newcomers the programs designed for refugees.

A third approach would encourage immigrant communities to set up nonprofit organizations or open for-profit businesses offering language instruction. Because learning English can have a direct impact on job outcomes, those who benefit most from such instruction should pay for it, according to this line of thinking. Those in favor of public financing respond that some immigrant groups have limited resources to set up community organizations and that providing government grants for ESL ultimately costs the public less for the problems stemming from linguistic isolation.

EMERGENCY LANGUAGE SERVICES: Beyond the longterm question of how to improve the English-language abilities of immigrants, policy-makers are also concerned with providing translation services in emergency situations. Successful lobbying by immigrant and health groups led to passage of the 2000 Translation and Interpreter Services Act, which guarantees competent interpreter services in all hospitals that provide acute care. The law also requires that state health plans reimburse hospitals for the cost of providing such services.

While most medical practitioners and hospital administrators acknowledge the need for language services, the costs and punitive consequences from a failure to provide such services leave many worried. Patients and their families can sue acute care facilities for failing to provide competent interpretation. It is possible that the precedent set by this bill will spawn subsequent efforts in other areas of service delivery.

Dealing with Discrimination

Throughout American history, newcomers have struggled to deal with discrimination because of their accent, dress, cultural traditions, religious practices, ethnicity, nationality or skin color.[93] Even though the U.S. and Massachusetts have enacted a raft of laws and regulations against discrimination, the problem persists.

Problems range from mostly comic miscommunication to serious violations of civil rights, including hate crimes. In some cases, immigrants face the same difficulties as native-born individuals, especially when prejudice and discrimination stem from physical differences. Other problems are unique to those unfamiliar with American ways. For example, in some East Asian cultures it is considered rude to have direct eye contact with someone in a position of authority. An immigrant raised in such a cultural tradition might be reluctant to look directly at a police officer if asked a question. According to American cultural practices, lack of eye contact might signal guilt or the desire to hide something, potentially prompting suspicion from a law-enforcement officer. In other cases, practices permitted in an immigrant's home country are frowned upon in American society. The use of corporal punishment to discipline a child might be accepted as sometimes necessary in the homeland, but in the U.S. such acts can prompt the intervention of the state's Department of Social Services.

Record keeping of incidents of discrimination is virtually impossible, but problems stemming from differences in cultural understanding recur consistently. In response, various public and private initiatives attempt to raise the consciousness of immigrants' traditions and to educate immigrant communities about U.S. practices of child-rearing, relations between men and women, health care, law enforcement, and other potentially problematic issues.

When immigrants or their children face clear discrimination or violation of civil rights, individuals have recourse in a number of public agencies. The Massachusetts Commission Against Discrimination's (MCAD) enforces the Commonwealth's anti-discrimination laws for employment, housing, public accommodations, services, credit and education. In 2001, MCAD reported 4,000 new cases, 25 percent of which stemmed from discriminatory treatment based on race and another 8 percent of which concerned an individual's national origin.[94] Hate crimes—criminal acts against people or property that are motivated by prejudice based on race, religion, ethnicity, sexual orientation, gender or disability—are prosecuted by a county District Attorney's office.

The state Attorney General's office has the power to seek a civil injunction against anyone who is interfering with another person's civil rights. According to a 1998 report on bias crimes in Massachusetts, there were 576 incidents—likely a fraction of the total—reported to police.[95] Twenty-nine and 6 percent, respectively, were perpetrated against blacks or Asians. Fifteen percent were anti-Hispanic, 14 percent anti-Semitic, and another 2 percent targeted other racial or ethnic groups, including those of Arab origin.

Immigrants are probably less likely to access police and government agencies for redress in cases of bias because they are unfamiliar with the system, they are afraid of law enforcement officers, or they believe that their treatment is just the price to pay for being able to live in the United States. As a result, immigrant communities are particular dependent on public agencies that police such offenses and private watchdogs, raising the alarm when they perceive offensively anti-immigrant stances or behavior.[96]

In response to changing demographics and his sense that the word *minority* "implies inferiority and inequity among Americans," Boston City Council President Charles C. Yancey proposed in August 2001 a resolution to ban the City of Boston from using the word "minority" in any official document.[97] Yancey proposed replacing the term with "person of color" or more specific ethnic and racial categories. The resolution sparked an extended debate about the virtues of various classificatory terminology.

The city council unanimously passed the resolution, but Boston Mayor Thomas M. Menino vetoed it, arguing that, whatever the word's limitations, the city had to use the term as long as other governmental entities did likewise. As a spokesman for the mayor's office explained, "The word is used throughout legal documents. It would be impossible for the city to eliminate the word while the state still uses it."[98] After Michael Flaherty replaced Yancey as Council president in 2002, the council never took up an override of the mayoral veto. The word "minority" continues to be used in city documents.

Work and Income Security

A report on the state's changing workforce prepared by the Massachusetts Institute for a New Commonwealth (MassINC) found that New England was almost three times as dependent on foreign workers as the nation as a whole.[99] Indeed, in the ten-year period 1986–97, immigrants accounted for 82 percent of growth in the state's civilian labor force, an increase of 165,000 workers. Under the Workforce Investment Act, passed by Congress in 1998, states must develop comprehensive plans to develop the local workforce, including a needs assessment of the local economy's future requirements. The Massachusetts plan calls for a concerted effort to attract out-of-state and foreign-born workers.

The economic needs of Greater Boston range from relatively low-skilled service and manufacturing positions to highly skilled professional jobs in finance, information technology, education, and health care. Overall, the foreign-born accounted for almost 13 percent of all employed persons in Massachusetts in 1996–97.[100] Immigrants constituted a disproportionate share of the workforce in manufacturing (22 percent) and personal and entertainment services (17 percent). In contrast, foreign-born workers were underrepresented in sectors such as agriculture, forestry and fishing (6 percent) and finance, insurance and real estate (8 percent). Immigrants account for a smaller percentage of the public workforce (9 percent) than their proportion in the overall labor market.

Given the continued restructuring of the economy, attracting skilled workers—including immigrants—figures as a priority in Massachusetts and Greater Boston. Massachusetts' immigrant population tends to be less educated than the native born, but the difference is less than in the rest of the country. According to Current Population Survey statistics from 1996 and 1997, only 12 percent of native-born 16- to 64-year-olds in Massachusetts do not have a high school diploma, compared to 30 percent of the foreign-born.[101] The proportion of those completing high school or holding a GED diploma was comparable: 31 percent for the U.S.-born and 29 percent for those born abroad. Only 24 percent of immigrants, but 32 percent of natives, held a bachelor's or more advanced degree.

Data from the mid-1990s show a strong trend for recent immigrants to be more skilled than established immigrant groups. Fully one third of recent immigrants held a bachelor's or more advanced degree, while only a quarter had failed to finish high school. This pattern sets Massachusetts somewhat apart from dynamics elsewhere in the U.S., because of the importance of Greater Boston's medical industry, educational institutions, finance sector, and technology fields.

In Greater Boston, only 15 percent of the population over the age of 25 holds no high school diploma, while another 15 percent have a Bachelor's degree or more. Those who identify racially as Asians—including both the native and foreign-born—appear much more educated. Some 25 percent have completed four years of college and almost 30 percent hold a graduate or professional degree. Hispanics are slightly more likely to have advanced degrees, but also more than twice as likely to have only primary or some secondary schooling.

Immigrants lacking a high school diploma or GED were more likely to participate in the work force than similar native-born individuals, according to data from mid-1990s.[102] While 48 percent of foreign-born individuals with only primary schooling or some high school worked or were looking for work in 1996 and 1997, only 42 percent of the native-born were similarly situated.[103]

A growing body of scholarship reports that employers who seek to fill relatively unskilled jobs prefer to hire immigrant workers.[104] Such an argument gains credence from the fact that unemployment rates among immigrants with less than a high school education stood more than 2 percentage points lower than similarly situated natives in 1996 and 1997 (7.8 and 10.2, respectively).[105] The perception that immigrants work hard—and complain less—often makes them an attractive pool of labor.

Immigrants with high levels of education often struggle to gain work in their professions since employers do not recognize foreign credentials or work experience. Difficulties with language also undermine immigrants' ability to enter the labor force.[106] It is not surprising that unemployment rates among relatively better-educated immigrants are slightly higher than comparable native groups.

Except for those with a college diploma, immigrants consistently earn less than their native-born counterparts. Calculating a three year average of workers' wages annual earnings shows that in the period 1995 to 1997, a foreign-born employed person in Massachusetts only earned $25,389, or 74 percent, of the $34,226 earned by a native-born employee.[107] Critical in improving foreign-born earnings is the development of workforce training and certification programs.

Because foreign-born families in Massachusetts are more likely to be headed by a woman without a spouse, *family* income between immigrants and the native-born is even more unequal. Whereas the average native-born household enjoyed a median income of over $56,000 in the 1995–97 period, foreign-born families could only boast an income of $33,660.[108] Perhaps more troubling, the gap between immigrant and native family income appears to have grown over the 1990s. While real income for married couple families born in the U.S. increased by 1 percent from 1989 to 1997, those of married immigrant families fell 9 percent. The trend for single-mother families was even more severe: a decrease of 18 percent for the native born, but 33 percent for immigrant households.

Not surprisingly, poverty among immigrant families in Massachusetts is much higher than for the native-born. Twenty-three percent of all immigrant families fell below national poverty thresholds, while almost half of all female-headed households lived in poverty.[109] Whereas 11 percent of all children of native-born parents lived in poverty in 1996–97, fully 40 percent of children in immigrant households were poor.[110]

Policies designed to supplement households' income or provide food security are of particular concern to immigrant communities. Linguistic and cultural barriers hamper access to public services and programs, but a more severe threat comes from recent changes to eligibility requirements. In 1996, the Personal Responsibility and Work Opportunity Reconciliation Act explicitly limited state and local governments' authority to provide public benefits to undocumented immigrants unless a state law "affirmatively provides for such eligibility." Exempt under the law is the provision of emergency medical services, public health programs and other programs identified by the attorney general necessary for the protection of life and safety.

In a radical departure, welfare reform also denied benefits to legal permanent residents. Individuals who had worked less than 40 quarters could no longer access Supplemental Security Income or food stamps; the decision to provide Temporary Assistance to Needy Families or Medicaid was left up to state legislatures. The 1997 Balanced Budget Agreement restored SSI to those residing in the U.S. on or before August 22, 1996, the day the law went into effect, and some food stamp benefits were restored under the Agriculture Research, Extension, and Education Act of 1998 and the Farm Security and Rural Investment Act of 2002. However, legal permanent residents arriving in the U.S. after August 1996 generally remain ineligible for benefits in their first five years in the U.S. Under PRWORA, only three groups of non-citizens have access to public assistance: refugees in their first five to seven years following resettlement; immigrants with 40 quarters of work history; and non-citizens who have served in the U.S. military.[111]

Massachusetts initially offered a generous policy to immigrants cut from public assistance. In the year after passage of national welfare reform, Massachusetts restored limited funding for previously eligible categories of families.[112] Massachusetts continued to offer legal immigrants Medicaid and TANF benefits under the state Transitional Aid to Families with Dependent Children (TAFDC). Massachusetts continued to provide state health insurance to undocumented families and used state funds to finance continuation of food stamp benefits. With the current fiscal crisis, programs directed at immigrants have faced severe cuts. The food stamp budget for legal immigrants was cut from $8.3 million in fiscal 2002 to $1 million in fiscal 2003.

Effects of welfare reform have been dramatic, but nowhere has the impact been felt as hard as for immigrant families. Nationally in 1994, 7.1 percent of households headed by a foreign-born person received AFDC cash assistance (later incorporated into TANF), and 12.6 percent received food stamps.[113] By 1999, use had fallen to 3.2 percent for TANF and 6.7 percent for food stamps.[114] The use of TANF among legal permanent residents has fallen 60 percent and among refugees 78 percent.[115] Significant declines are also seen in food stamps (48 percent), SSI (32 percent) and Medicaid (15 percent) among legal immigrants. Even more significant declines—53 percent for food stamps and 36 percent Medicaid—have been found for refugees.

According to figures from the Census Bureau, 7.6 percent of Americans citizens in the area fell below the poverty line, compared with 18.5 percent of non-citizens. In Boston, 26 percent of non-citizens and 22.5 percent of all immigrants lived in poverty. Other communities with high poverty rates were Cambridge (21.3 percent for non-citizens, 19.5 percent for all immigrants), Chelsea (23.9 and 22.5 percent), Everett (18.7 and 17.4 percent) and Peabody (18.1 and 11.7 percent). A high proportion of immigrants in a community's population does not always result in substantial poverty levels. In Framingham, 12.5 percent of non-citizens, and 9.9 percent of all immigrants were classified as poor, while in Quincy the comparable numbers were 14.2 percent and 11.3 percent.

Building Coalitions and Community

Coalition building always plays a central role in politics, but poses a more urgent challenge to immigrant communities, since none possesses the numbers, economic resources, or institutional strength to wield power on its own.

The coalition model drives the politics of non-native Americans at the state and local levels. But neither major party has aggressively courted immigrants. The Massachusetts Democratic Party, which dominates the legislature despite its continuing inability to retake the governor's office, is notoriously fractious, with urban and suburban, liberal and moderate factions often beholden to a single political entrepreneur rather than to longstanding structures or platforms. The party has made some efforts to reach out to immigrant groups, including putting Lowell's Rithy Uong and Dorchester's Marie St. Fleur on the Democratic State Committee, but its explicit political efforts in the 2002 election were limited to a few Spanish-language radio ads. The Republican Party, with shallower institutional roots, especially in the urban centers where immigrants concentrate, has done little to bring newcomers into the political process.[116]

Outside the electoral arena, coalitions form when advocacy groups organize around specific issues. Such efforts at times offer a greater chance of success, often producing only piecemeal change. Given limited resources in immigrant communities, mobilization is often reactive, responding to perceived attacks on immigrant benefits or rights, rather than a proactive move to extend policy.

Structures such as Boston's Office of New Bostonians provide a conduit for information, a sympathetic ear for grievances, and even a chance to learn how American politics works. Critics argue that specialized outreach structures place immigrants outside "normal politics"—and thus outside the real locus of power—while promoting the personalized mayoral machine. But the alternative—not having an office dedicated to newcomers' concerns—is likely worse for immigrant communities. In politics, some access is usually better than none. Other communities might consequently wish to follow Boston's lead and institute specific liaison people to link local government and immigrant communities.

BUILDING A NEW BOSTON

More than 60 years ago Oscar Handlin wrote that immigration was not just a chapter in Boston's history, but the very fabric from which the region has grown and evolved.[117] Handlin was referring to the region's experience in the 19th century, but his words hold as true for the contemporary period. Plenty of transformations explain the sea change between the tired metropolis of trust accounts, shoe manufacturing, and ward politics to a hi-tech high-education boomtown, but immigration surely ranks high on the list.[118] The integration of newcomers does not come without conflict, upheaval, and even failure. Since Boston's future is inextricably linked to immigrants, such challenges must be faced. Perhaps the historian Thomas O'Connor puts the matter best:

> The 'Old Boston'—the Boston as we have known it in history and in literature—no longer exists. Some time ago it ceased to be the Boston of John Winthrop, Josiah Quincy, or James Jackson Storrow . . . [I]t is equally clear that it is no longer the Boston of John Francis Fitzgerald, James Michael Curley, or John F. Kennedy. . . . All that may be wonderfully romantic and nostalgic, but it is now part of the city's past, not of its future. Instead of Yankees, Irish, and Italians, Boston is increasingly populated by African Americans, Hispanic Americans, and Asian Americans—these are our 'new Bostonians.'[119]

As Greater Boston becomes even more diverse over the next generation and takes its place as one of America's truly global cities, the challenge is to assure the new Bostonians the same opportunities as the native-born community.

4. The Zone of Vulnerability: Poor and Working Class Families in Greater Boston

Hilary Roxe

Emily Santana* said she had not been in a welfare office for nearly a decade when she entered the Davis Square office of the Department of Transitional Assistance in June 2002. Santana said her ex-husband had stopped making child support payments a few months earlier, and she could no longer make ends meet for her and her 11-year-old daughter. In tears, Santana explained she was "embarrassed and mortified" to be there.

Santana said she and her husband have been separated for two years, but since then "he has put us through hell . . . Every time I take a step forward, he knocks me back five steps." Lawyers from a battered-women's group helped Santana obtain a restraining order against him, but she said his truck often cruises down their Newton street. Cut off from health benefits and without any child support, Santana said she simply could not make her scarce resources work. Unemployed, she said she is unwilling to leave her daughter at home alone, for fear of what her husband would do.

Waltham resident Christina Ratner became the legal guardian of her 7-year-old nephew Steven three years earlier. The child was abandoned when his father, who is also Ratner's brother, was incarcerated in Florida and his mother left him. The child moved north to live with his aunt without ever having met her and her other brother, who has AIDS. Soon after he arrived in Massachusetts, the boy was enrolled in the Boston Medical Center's witness to violence program to help him cope with the domestic abuse he witnessed in Florida.

Lately, Ratner has earned no household income. Ratner said she stopped working after she had two strokes. Her patchwork family collects aid from various state departments, including the DTA and the Waltham Housing Authority.

*The names of the people cited in this chapter have been changed to protect their identities.

Steven talks to his father by phone once a week, and saw his mother for the first time in three years when she came up to see his first Holy Communion.

These snapshots represents just fragments of the lives of low-income families trying to make ends meet in Greater Boston. In the DTA offices they are joined by others—a Somerville woman looking for help raising her seven-year-old granddaughter whose parents have been incarcerated since she was an infant; an Eritrean native, who has spent nine years in Cambridge raising his daughter single handedly, but who ran into trouble when he hurt his back at work; a cable installer who lost his job and is trying to determine whether he and his three-year-old twins qualify for benefits.

These are Greater Boston families that struggle to make ends meet on a daily basis. They are the families who can make do as long as there is some support from friends or the government, but who are hit hard by slight changes in the economic environment or their ability to reach outside assistance. After a period of the greatest economic growth in the state's history, we have still managed to leave people behind. Despite a low 3.2 percent unemployment rate and a trend toward longer job tenure, poverty remains a stubborn challenge for the Commonwealth. More than 10 percent of residents, 6.7 percent of families, and 11.6 percent of children live below the federal poverty level, with the highest poverty rates appearing in Boston and the neighboring communities of Suffolk County.[1]

THE CHANGING FAMILY IN GREATER BOSTON

The family stands at the center of debates over public policy in the United States. Conservatives lament the breakdown of traditional two-parent households, while liberals celebrate the greater freedom of women and children in modern times. The realities of family life—from marriage to work, from settling in homes and communities to rearing children—are complex. But what is clear is that making families work is more difficult for poor, minorities, immigrants, and urbanites than it is for others in contemporary society.

The fragility of families—and the impact of that fragility on family members and society as a whole—can be understood best by looking at the most vulnerable groups. In the fall of 2002, 94 percent of the caseload at the state's Department of Transitional Assistance was female.[2] As the number of families headed by single mothers increases, the state must provide more daycare to allow mothers to obtain the employment that allows them to make ends meet.

In the 1990s, the population of the Commonwealth grew by 5.5 percent, mostly through increases in the number of non-family households. In the last 20 years, as the number of families in the nation was increasing by an annual average of 24 percent, Massachusetts saw a growth of only 3.8 percent, or 56,000.[3] As the region continues to expand, the number and overall share of married couples is falling—there were 30,400 fewer married couples in 2000 than there were in 1990 (this group still makes up nearly three-quarters of all families in the state).[4] The growth of single-parent families has policy implications, as poverty weighs more heavily on one-parent households. Single parents head 60 percent of families in the lowest income quintile, and just nine percent of families in the top income quintile. Falling marriage rates in families may indicate a future increase in the number of families in poverty.

As in the overall population, household heads are aging. This means fewer children, and may indicate a coming surge in the number of elderly needing assistance. In Massachusetts, poverty rates decline for adults between the ages of 25 to 74, but rise again at the upper end of the age spectrum.[5] The aging of household heads may help to reduce the number of families in poverty—families headed by someone over 35 are 10 times less likely to be poor—but the trend also portends a bulge in the elderly population needing increased assistance. In concert with the aging household, is the decrease in families with children under age 18, even though the number of children in Greater Boston is growing faster than the state and national average.[6]

In general, family heads across the Commonwealth have increasingly higher levels of education. In 1980, 65.6 percent of the heads of family households had no more than a high school degree. By 2000, that figure had fallen to 44.2 percent, with more than half of household heads having some amount of higher education. There were 80 percent increases in the number of household heads with bachelor's degrees and with master's degrees over those two decades.[7] The income of families headed by someone with a bachelor's degree rose by $8,000 (inflation adjusted) between 1979 and 1999 and by $24,000 for someone with an advanced degree, while households headed by a high school dropout fell by $7,000 in the same period.[8] This means families headed by people with less education cannot tap into an economy increasingly designed for a more educated workforce.

Regardless of the education level, families in Massachusetts are working harder than ever, spending more and more hours at the workplace. An educated workforce raises the bar on the kinds of jobs available, the number of hours required on the job and how much a worker is compensated in return. In 1999–2000, about three-quarters of married women worked outside the home (up from 64 percent two decades earlier), whether or not they had children at home.[9] The 2000 Census, indicated that in 61 percent of Massachusetts families with children under 6, both parents worked.[10] Though having both parents work outside the home raises a household's income level, it also increases the demand for childcare or after-school services, and therefore shifts demands on family assistance providers.

The hard work does not seem to be paying off for certain groups, however, including those in jobs that require less education and expertise.[11] In 1999–2000, the real median family income in Massachusetts—$59,597—was still below its 1989 peak of $62,382, and there are indications of a substantial inequality gap.[12] More significantly for families vulnerable to economic crises, though the unemployment rate fell, the poverty rate climbed from 8.9 percent to 9.3 percent between 1989 and 1999, eliminating the chances of economic success and self-sufficiency for a greater number of people.[13]

Single female-headed households are better off economically today than they were a decade ago. While these families were earning 36 percent the income of two-parent families in 1992–1994, they earned 42 percent the income of two-parent families after welfare reform in 1995–1997.[14] Analysts attribute this jump to more working women with better work skills.

TRENDS IN THE STATE AND REGION

Through the 1990s, more than three-quarters of Massachusetts communities prospered economically, though incomes grew at different rates across the state. Western Massachusetts saw the fewest benefits from the state's economic success, while Greater Boston and eastern Massachusetts saw the highest growth rates. Growth rates varied, with communities around Interstate 495 experiencing the fastest growth. While Boston's income grew by 4 percent, the income levels of Chelsea and Revere actually shrank. [15]

While incomes increased overall, so did the levels of inequality. During the late 1990s, the pre-tax income of the state's bottom 20 percent of families was lower than it was in the 1970s, when adjusted for inflation; the top 20 percent, on the other hand, was making 41 percent more before taxes than the comparable group in the 1970s.[16]

BREAKDOWN OF MASSACHUSETTS FAMILIES LIVING BELOW THE POVERTY LINE, IN PERCENTAGES

	1989	1999
White families	**5.0%**	**4.6%**
Married couples	2.3	2.2
Female-headed household	19.5	16.6
African American families	**20.6**	**18.3**
Married couples	6.8	6.9
Female-headed household	36.1	30.8
Hispanic families	**35.7**	**28.5**
Married couples	14.2	12.9
Female-headed household	62.8	48.5

Sources: 1990 Census and 2000 Census

Within communities across the Commonwealth and region, economic fortunes also varied according to race. In the past decade, black families have lost ground against the other groups, while the position of Hispanic families has improved. Hispanic families have increased their incomes and decreased their poverty rates. Still, black and Hispanic families in Massachusetts are six times more likely to be poor than white families.[17]

The cost of living in Massachusetts Greater Boston is higher than that of the rest of the nation. Boston's 2001 annual consumer price index was 8 percent higher than the national average.[18] And costs are increasing rapidly in high-growth areas. Between 1995 and 2000, the fair market rent in the Boston metropolitan statistical area increased by 22 percent—from $775 for a two-bedroom apartment to $942.[19] Income cutoffs used to determine a family's eligibility for the program do not generally account for cost-of-living differences within the state. With soaring housing costs and other expenses higher than in the rest of the country, Massachusetts residents do not benefit as much from many federal programs.

Because the state government does not adjust benefits levels according to differences in the cost of living, residents of the more-expensive communities of Greater Boston get relatively less help than do other communities across the state. MassFESS calculated the cost of living to be $3,547 per month in the Boston area for a family of two adults and two preschoolers in 1997; the figure was $700 less for a similar family living in rural Berkshire County.[20]

WHO NEEDS HELP?

Many low-income families live above the poverty line during good times but fall into poverty when hit by sudden hardships or crises. For those who hover around the poverty line, it is often difficult to turn to the state for help. Welfare is often seen as a last resort when social networks—community and church groups or family and friends, for example—do not provide enough support. The stigma of receiving welfare and the difficulties that arise when seeking services both take heavy tolls on families.

Analysts identify three types of welfare users. The "succeeders" tend to have good social networks and some resources, but sometimes get pushed into the social welfare system by a specific crisis such as divorce, job loss, or major medical emergency. The "cyclers" move in and out of the system, often following a pattern of getting and losing jobs frequently. The "persistently poor" tend to experience a number of difficulties that prevent them from maintaining self-sufficiency; they tend to survive on public assistance for years.

Welfare policy aims to shift people receiving public assistance into the workforce. Welfare rolls decreased by 50 percent since the 1996 welfare reform, but some analysts worry that the least able families were the ones who remained on the rolls. Advocates report that people with low levels of education, mental or physical problems, addictions and family issues often find it harder to find jobs that meet their needs. However, studies do not bear out this theory. After noting that welfare "leavers" have higher levels of education, fewer children, and fewer other barriers than "stayers" who remain on welfare, a Manpower Demonstration Research Corporation (MDRC) study concluded that "the caseload has not become filled with the ranks of the hardest to employ."[21] When the economy worsens, though, competition for all jobs increases, and it is harder to boost job seekers back into the workforce and toward self-sufficiency.

THE LIVES OF CHILDREN

One of the most disturbing problems in Massachusetts is the increasing number of children living in poverty. The U.S. Census Bureau reported that 33.2 percent of children under 19 lived at or below 200 percent of the federal government's poverty line between 1999 and 2001;[22] 14 percent lived below the federal poverty threshold in 1999; and 7 percent fell below the "extreme poverty" level, living with families that make less than 50 percent of the poverty level.[23] Suffolk County showed the highest child poverty rate in the state, with more than a quarter of its children living in poverty. Families with the most children are the most likely to be poor. The likelihood of being poor is ten times higher for families headed by someone under 35, and in Massachusetts, as in the rest of the country, families with more children experience higher poverty rates. About 6.5 percent of families with one child are poor, 13.4 percent of families with two children and 20 percent of families with three children.[24] However, though Massachusetts' child poverty rate did not improve in the 1990s, holding steady at 14 percent, it is still lower than the nation's 1999 average of 19 percent.[25]

State and federal assistance programs provide allowances for families with children. TAFDC, for example, allows a parent to be exempt from the time limit if there is a child under two, and from the work requirement until the child turns six. The Earned Income Tax Credit helps account for the costs associated with having children by providing larger refunds to families with children.[26]

Children's Health

Massachusetts boasts one of the best health-care records in the nation for children. Just 3 percent of the state's children—about a quarter of the national average—are uninsured. Other well-being indicators—such as immunization rates, low birthweight rates and infant and child mortality rates—mark Commonwealth children as healthier than others across the country.[27]

The state's emphasis on health starts before birth. Only two percent of children in Massachusetts were born to mothers who received late or no prenatal care.[28] State sponsored programs follow through with the family through home visits after a child is born. FIRSTLink, for example, sends a health or development specialist to at-risk families to educate mothers and connect them to assistance programs or services in their communities. Healthy Families conducts a similar program for teen mothers, and other community organizations visit parents with other levels of risk.

Through MassHealth, the state insurance plan, Massachusetts provides benefits to children of families with incomes less than 200 percent the federal poverty level. According to one local health advocacy group, MassHealth covers one in four children across the Commonwealth.[29] The state's Children's Medical Security Plan serves as a safety net for children whose family incomes fall outside that threshold, but who cannot afford private insurance. The DPH's campaigns in schools and health clinics are one of the reasons these programs have been successful insuring children.

Problematically, however, some of the families in greatest need do not know how to tap into benefits. One-third of the children of legal immigrant families, for example, are uninsured. This may be, in part, a misunderstanding. In 1996, federal welfare changes made new immigrants ineligible for benefits for their first five years in the U.S.; many did not understand their children were still eligible for programs like MassHealth and food stamps during that period. To account for this problem, the federal Department of Health and Human Services started adjusting applications to be more user-friendly to newcomers, and conducting multi-media campaigns targeting particular groups, such as the Latino, Portuguese and Chinese populations.[30]

Children's Nutrition

Compared with the rest of the nation, Massachusetts families live with a high degree of food security. The Commonwealth ranks behind only New Mexico in food security.[31] Still, one in five Massachusetts children under age 12 lives in a home where parents have trouble meeting basic nutritional needs.[32] For those children, healthy meals outside the home are crucial. Healthy meals and snacks are available to low-income families at no cost or at reduced rates throughout the day. But different agencies offer these programs, leading to confusion about eligibility. Food stamps, school meals, summer day camp meals and the after-school program snacks require separate applications. Many low-income families are unaware of the many meal programs available to their children.[33]

The Department of Education runs three Child Nutrition Programs in schools, serving breakfast and lunch, and milk to students who are in half-day classes or who do not have access to meal programs. Children from families with incomes at 130 percent the poverty level are eligible for free-meals, while students whose families make between 130 and 185 percent of the poverty level are eligible for reduced-priced meals. Schools participating in the program accept subsidies and commodities from the Department of Agriculture, in exchange for meeting basic nutritional guidelines. The vast majority of public schools, and many private schools, take part in the free and reduced-cost meals; in FY2001, 30,744,162 free lunches and 5,523,158 reduced-cost lunches were served to children across the state. Similar federally subsidized breakfast programs exist in public and nonprofit schools of high-school grades and below, including residential child-care schools. "Severe Needs Schools"—those that served more than 40 percent of lunches at free or reduced rates and in which there were more than 50 applications for free or reduced-price meals as of October—are required to take part in the federal program. About 649 schools in 100 districts across Massachusetts participate, and the meals are available to the same students who qualify for school lunches.[34]

A new initiative of state and federal agencies, the Child Nutrition Action Program (CNAP), currently runs in two pilot sites—Boston and Springfield. The state cross-checks the records of families who have applied for school meals to ensure they are receiving food stamps if they are eligible. If families are not signed up for food stamps, the state sends a letter encouraging parents to apply. Initial results indicated around 30,000 children benefited from this program, and the state plans to expand it to 14 more school districts and include other nutrition programs, such as Women, Infants and Children (WIC), as it grows.[35]

Child Care

As the number of families with two parents working increases, so does the need for child care. In 1997, 48 percent of working families paid for child care, and half the remaining 52 percent depended on friends and family to provide unpaid care. Massachusetts families pay more than the rest of the nation for child care—about $370 per month, an average of 10 percent of the family's average earnings, compared to the national average of $286.[36] Parents who experience trouble finding child care often find it harder to move back into the workplace after time away from the labor market.

Massachusetts has made child care a priority in recent years. Between 1998 and 2001, the Office of Child Care Services increased its child care budget from $248.2 million to $358.9 million.[37] Massachusetts has used TANF funds to help cover the costs.[38] In 2000, Massachusetts had the highest income cap in the nation for families to stay in income-eligible child care; Massachusetts now subsidizes child care until family income reaches 278 percent of the federal poverty level.[39] Still, 16,000 eligible children were on the waiting lists in 2000.[40]

Many former welfare recipients do not take advantage of the available services. Fifty-eight percent of former recipients' children who were younger than 13 had regular child care, 38 percent of former welfare recipients knew that DTA would pay for child care for a year after leaving welfare, and just over half knew about the income-eligible child care programs.[41] However, between 1992 and 2001, the state nearly doubled the number of children enrolled in subsidized child care, increasing the numbers from 23,573 to 55,200.[42]

The state takes three approaches to providing low-cost child care. The first is to contract directly with centers and day care home networks to serve one set of families. The second approach is to contract with the local child care resource and referral agency (CCR&R) to provide vouchers to a second set of families who find their own child care providers. In general, non-welfare families contract directly with centers, while welfare families use state vouchers. The final approach is to pay informal child care providers $2 per hour for their services through a line item in the OCCS budget. The informal sector is a crucial, and well-recognized, source of support for many families; this line item provides some support so this kind of system can continue more easily.

Finding child care in Greater Boston involves a maze of complicated referrals, with families bouncing from one agency to another looking for reasonably priced services. The referral agencies are designed to ease that process for low-income families. Child Care Choices of Boston serves as the CCR&R for Boston, Brookline, Charlestown, Chelsea, Revere and Winthrop, while the Cambridge-based Child Care Resource Center serves communities west of Boston. These referral agencies serve as starting points to navigate childcare options.

Only current and recent Transitional Aid to Families with Dependent Children (TAFDC) recipients are guaranteed to receive subsidies or vouchers for day care. TAFDC families are also guaranteed benefits for the first year after they leave the program. Eligibility for state aid depends on income level; families were eligible in 2000 if they make between 50 and 80 percent of the state's median income, or between 193 and 328 percent of the federal poverty level. The state also makes provisions for non-welfare teen moms, families in the child-welfare system, and children cared for by grandparents.

The state's 1993 Education Reform Act listed participation in early childhood programs as a key goal for all young children, and the state increased its budget for early childhood education from $6.9 million to $34.3 million between 1992 and 1997.[43]

The Department of Education–sponsored "Community Partnerships for Children" is geared to provide full-day, full-year learning for children in preschool and kindergarten.[44] Working families are eligible for this program if they earn 50 percent or less of the state's median income.

The federally funded Head Start program serves pregnant women, children between birth and age 5, and their families. In FY2001, the Commonwealth Head Start program enrolled 13,004.[45]

Children's Protection

The Department of Social Services is the safety net for children living in intolerable conditions. In addition to placing children in foster or adoptive homes, the department is charged with investigating abuse or neglect. In FY2000, DSS conducted 36,354 abuse and neglect investigations.

Though DSS states its primary mission as protecting the safety of children, it also works to keep families together whenever possible. DSS also works with the Department of Transitional Assistance on an Interagency Homeless Team to help homeless families in motel shelter beds stay out of the social services system as stresses on the family increase. In collaboration with DTA and several nonprofit or faith based organizations, DSS also oversees the states Teen Living Program, which provides beds for about 130 families headed by a teenaged parent or for homeless teenaged children.

DSS reports no direct correlation between poverty and the need for social services, but families with multiple social problems tend to have higher levels of stress, which can cause breakdowns in the family life. As parents are pushed to handle various stresses and provide for their children, abuse and neglect may be more likely, in situations such as leaving children at home when parents go to work.[46]

FAMILY ASSISTANCE

Massachusetts' version of the federal Transitional Aid to Needy Families (TANF) is Transitional Aid to Families with Dependent Children. Like TANF, TAFDC limits the length of time recipients can receive benefits, and emphasizes the need for every recipient to be employed. The Commonwealth enacted its reforms in 1995, one step ahead of the massive federal reforms of 1996, and was granted a 10-year waiver from the federal requirements. Though the federal law faces an overhaul, Massachusetts will likely be able to keep its system in place until at least 2005.

TAFDC provides cash assistance to needy families for 24 months in any 60-month period. The time limit, put into effect in 1996, is one of the shortest in the nation. The federal government set a 60-month limit on benefits. Massachusetts does not impose a lifetime time limit for benefits—the eligibility cycle restarts every five years—unlike the standards in many other states. Massachusetts gives higher cash benefits than other states. In 2000, while Massachusetts offered a maximum monthly cash benefit of between $565 and $579 for a family of three with no income, in the United States TANF median maximum benefit was $421 per month.[47]

Eligibility for TAFDC depends primarily on financial requirements, which limit the amount of allowable resources and set standards on the both gross and net income. Single mothers make up nearly all (94 percent) of the state's caseload. Exemptions from the two-year time limit include parents who are disabled, who care for a disabled family member living in the home, who are pregnant and within 120 days of the due date, who have a child under two who does not fall under the family-cap rule (which limits the number of children born to families on transitional assistance), who have a child under three months old, who are under age 20, or who are 60 years old or over. The DTA also grants waivers for women in domestic-violence situations and at the department's discretion.

Recipients must find work within 60 days of becoming eligible for cash assistance, and must work or perform community service 20 hours a week. The state offers several types of employment services. Those who fail to meet these requirements face harsh penalties. If recipients do not complete 75 percent of their required hours, they forsake their own portion of the family's grant; the second violation prompts expulsion from the program. Benefits may be restored once the family complies with regulations. Other states count educational activities toward the work requirement, but Massachusetts generally does not. The Massachusetts work requirement of 20 hours is lower than the 30 hours that many states require.

Because transportation is one of the biggest barriers for families trying to get back in the workplace, the DTA created a partnership program called Access to Jobs with the Executive Office of Construction and Transportation and the regional transit boards. TAFDC recipients meet with transportation coordinators who plan ways to get that person to work or childcare, and sponsor the transportation.

Massachusetts exempts a majority of recipients from its work requirements. Parents with children under 6, for example, are excused from the work requirements. People with a child under 2, and those who are caring for a disabled family member, are not restricted to the 24-month limit. In April 2002, 90 percent of the caseload was exempt from work requirements, and about 72 percent was exempt from time limits; only 9.7 percent of the caseload faced both time limits and work requirements.[48]

Massachusetts takes steps to protect families who have left or are leaving TAFDC. Working with the child welfare system, for example, DTA compiles lists of families whose time limits are approaching, so the Department of Social Services can help prepare the family. In addition, though TAFDC cash benefits run out after two years, other benefits are still available to families leaving the system, including child care vouchers and access to discounted transportation. Finally, and perhaps most importantly, through the Follow-up, Outreach and Referral (FOR) Families Program, a collaboration between DTA and the Department of Public Health, outreach workers check on former welfare recipients in their homes. The program is designed to ensure that families are aware of the benefits for which they are eligible. FOR Families also assesses clients for mental or physical impairments. DTA critics say these kinds of assessments should be conducted while the recipient is still in the welfare system—not after.

The Process

Eleven local DTA offices operate in the Greater Boston area (one-third of the state's offices), serving more than 46,000 applicants a month since January 2002.[49] Applicants coming into a DTA office for the first time speak with a screener, who directs the applicant to caseworkers when needed. The DTA tries to ensure that clients work with the same caseworker for as long as possible, but rotating schedules and heavy caseloads often work against that goal.

Critics charge the DTA with having an unmanageable process with unwieldy verification hurdles at every step. Margaret O'Brien, DTA policy director, acknowledges the programs can be extremely "complicated" and said the department is trying to find ways to make the process simpler. The new $69.7-million BEACON (Benefit Eligibility and Control On-line Network) computer system is designed to eliminate paperwork for front-line workers and clients. The system went into effect in 1999, but caseworkers say that because of the need to print out documents there has been no reduction in paperwork.[50]

DTA programs are monitored on different levels. Though the department eliminated quality monitoring of the TAFDC program, it still collects quality-monitoring data on the food stamp program. As part of that process, it measures the error rate, or percentage of cases in which the recipient did not receive the proper amount. Analysts sometimes use the state's caseload to measure the number of people in need of transitional-assistance services, and the effectiveness of various programs.

Legal Recourse

Welfare reform prompted challenges to the way reform was implemented. Low-income families turned to legal aid in greater numbers. "People always have a need for legal representation because they can't navigate bureaucracy. Decisions are made in error, and they don't have the means to stand up for themselves," said Melanie Malherbe, senior welfare attorney at Greater Boston Legal Services, adding changes in the system create a greater number of problems. "Despite the caseload being down, we've never been busier."[51]

In Greater Boston, GBLS and the Massachusetts Law Reform Institute provide representation for people with welfare-related grievances. Both organizations handle only low-income families and focus on cases they believe will define legal boundaries as the system changes. GBLS tends to take on more direct representation cases. Clients are often referred by other service providers—doctors, shelters, or outreach programs, for example—and the legal organizations have to choose among hundreds of cases.

Malherbe said she is shocked by the problems she sees when attorneys start investigating the lives of their clients. "We're blown away by how many types of problems our clients have," she said, listing domestic violence, learning disabilities, health concerns, illiteracy, and retardation as a few of the problems caseworkers do not pick up when the client is working through the welfare system.

The Results

Massachusetts welfare caseloads have declined more than 50 percent since 1995.[52] In June 2000, the number of Massachusetts welfare recipients fell below 100,000 for the first time since the state began keeping records in 1973—42,650 families, which included 99,150 children and adults.[53] But an upward trend began in the summer of 2001. After hitting a low of 42,013 cases in July, the caseload jumped to 45,075 in November and reached 46,953 by April 2002.

Throughout the year, even when the caseload trend is in decline, the Department of Transitional Assistance sees spikes in the demands for its services. DTA officials attribute increases in August and September to the $150-per-child clothing allowance distributed every September.[54]

Proponents of state welfare reform cite surveys that show that people who leave welfare find employment. Nearly 80 percent of the households that had left the welfare system between December 1998 and April 1999 were working.[55] Opponents of the welfare reforms argue that the economic boom of the 1990s created historic opportunities for work, which would have drawn some recipients off welfare whatever the state's policy. Critics also note the increase in the welfare caseload during economic downfalls like the end of 2001. The people remaining on welfare after the caseload decreases are the toughest people to get permanent jobs.

A series of studies have followed welfare-leavers across the nation. A major study that tracked 2,400 families with children in low-income neighborhoods in Boston, Chicago, and San Antonio examines differences between families receiving TANF benefits ("stayers"), those that had left the program ("leavers"), and families that had never received TANF. "Stayers" were slightly less likely to have a high school degree or GED, significantly more likely to have a functional disability, and more likely to have experienced domestic violence than the other two groups.

"Stayers" and "leavers" shared more characteristics with each other than with families that had never received benefits. Parents who had never been on TANF were less likely to be depressed and to have a child under three, and had slightly stronger support networks. The researchers found "a stayer population that is very disadvantaged on average, with low levels of education, serious health problems, high levels of domestic violence, and very low unemployment rates."[56]

One late-1990s study indicated that while the incomes of employed families were virtually indistinguishable whether they were on welfare or not, the incomes of unemployed TANF recipients was 22 percent higher than the incomes of unemployed families that had left transitional assistance.[57] With no major source of income, unemployed welfare leavers are at significant risk when cut off from state aid. Similarly, families who have been cut off from welfare because of sanctions—imposed for missing appointments or interviews or failing to fill out required paperwork, for example—face "substantially lower employment rates and earnings than . . . those who left for other reasons."[58]

EMPLOYMENT

Over the past 20 years, Massachusetts has moved through more pronounced booms and busts than the rest of the U.S. When a three-year recession (1989–1991) followed the "Massachusetts miracle" of the 1980s, for example, the Commonwealth had the third highest unemployment rate in the nation. It quickly pulled out of the downturn, though, to bolster a service-driven economy that reduced the unemployment rate to under 3 percent.

Unemployment in Massachusetts increased from 2.6 percent in 2000 to 3.7 percent in 2001, and reached 5.0 percent by the end of 2002.[59] As the economy declined in 2001 and 2002, welfare rolls increased by 12 percent after years of decline.[60]

A Changing Workforce

The labor pool in Massachusetts grew by just 2 percent in the 1990s, compared to nearly 11 percent. The aging population and increasing popularity of early-retirement programs partially account for the small workforce growth, but workers are also being drawn from the state.[61]

The entrance of women to the labor market pushed labor-force participation rates to an historic high of 69 percent in 1989. Massachusetts reached that level again in 1997, but participation slipped back to 67.4 percent at the end of the century, as 76,800 workers withdrew from the labor force. Families are increasingly dependent on women's earnings. Three-quarters of women with children worked outside the home in 2000; less than two-thirds did in 1979. Between 1979 and 2000, women's participation in the workforce increased by 44 percent, and women comprised 40 percent of the total workforce at the end of the period. While men's earnings fell by 1.5 percentage points over that time, women's earnings increased by 22 percent, and represented nearly one-third of a two-parent family's annual income, compared with 13 percent in 1979.

Immigrants are filling in some of the gaps of the workforce. In the past decade, immigrants comprised all net growth in the state's labor force. Without this influx, Massachusetts would likely have seen a decrease in its labor supply. Between March 2000 and March 2001, the state's resident workforce included 255,000 immigrants who had arrived since 1990. As the labor force declines in other areas, the state is becoming increasingly dependent on an influx of foreign workers to support its economic growth.

Because the Massachusetts job profile is also changing, the state will also rely on an increasingly educated population to fill employers' needs. During the recession of 1989–1991, the state lost 335,000 jobs. Blue-collar workers were hardest hit—manufacturing and construction jobs accounted for 55 percent of the jobs lost during that period. Only private services industries grew during that recession, and the trend has continued. As the economy recovered in the 1990s, more than half of the new jobs fell in trade and services, shifting the workforce toward higher levels of education. Though jobs falling in "executive" and "professional" categories have grown by 61 and 41 percent respectively, jobs in the "clerical," "operatives, assemblers, fabricators," and "laborers" categories fell by 10 percent, 41 percent and 7 percent respectively over the same time period.

Workforce Development

The 1998 Workforce Investment Act requires states to adopt comprehensive plans for developing the local workforce through training and education. The plans are required to design the programs to meet the needs of businesses in the state. The act separated the needs of adults, dislocated workers, and youth, requiring states to set up separate programs to meet each group's distinct needs. In Massachusetts, the One-Stop Career Centers meet the needs of the first two groups, while educational programs target youth from 14 to 21. Workforce Investment Boards (WIBs) and Youth Councils design and oversee plans that fulfill WIA requirements on the local level.

In Massachusetts, developing a plan to meet WIA requirements included assessing trends in the state's economy. Among those trends, the state plan recognized:

• The Commonwealth's increasing reliance on technological companies, and its need to maintain its competitiveness as the industry spreads.

• A shift in employment from the manufacturing to high-technology and related sectors.

• The need to attract out-of-state and foreign-born workers, and to recruit from the graduating classes of the regions many colleges and universities.[62]

To meet the WIA's requirements, the state tied together public, private, and nonprofit sectors through workforce investment boards. One-Stop Career Centers now fall under the jurisdiction of Department of Labor and Workforce Development (DLWD). Thirty-five One-Stop centers operate in Massachusetts and 10 in Greater Boston. They offer services ranging from job-resource libraries to assessments with a career counselor. These centers are also part of the resource network available to welfare recipients, who use them primarily to find placements that fulfill work requirements and to find out when their time limits are coming up.

A number of cities and towns in Greater Boston operate their own employment services programs. The Cambridge Employment Program, for example, offers free assessments and placements to city residents. CEP serves 350 residents a year, matching them to jobs based on their history and ability. On a smaller scale, other nonprofit organizations offer free services to particular groups—services that range from GED classes for adults to job placement services for immigrant groups.

Organized Help

While the organized labor movement has experienced severe declines in the last generation, unions remain a potent force in Massachusetts and Greater Boston. Massachusetts has the highest minimum wage in the United States—now $6.75 an hour—and is just one of four states to set a minimum wage above the national level of $6.15. Republican Governor Mitt Romney has endorsed annual indexing of the minimum wage. The City of Boston has legislated a "living wage," though exactly what it means remains a matter of dispute. The labor movement remains strong in the public sector and has made inroads in service industries and professions.

The politics of the minimum wage can be complex. Republican governors like Paul Cellucci and Romney have favored increasing the minimum, while the Democratic House Speaker Thomas Finneran has opposed the increases. Finneran has called the idea of indexing the state's minimum wage to keep up with inflation "ludicrous."

Supporters of higher minimum wages are fond of repeating the conservative saw that the best social program is a job. In promoting the new national minimum wage, Senator Edward M. Kennedy pointed out that working 40 hours a week, 52 weeks a year, produces an annual income of $10,700—which is $2,900 below the national poverty level for a family of three. Advocates of a high minimum also point out that most minimum-wage jobs lack benefits like health insurance.

Boston's living wage, which took effect in 1998, applies to firms that contract with the city to do jobs worth at least $100,000 and with payrolls of at least 25 workers. The living wage was pegged at $8.23 and indexed to the inflation rate. Besides setting a basic standard for certain kinds of businesses, the law also establishes new hiring mechanisms and an oversight process.

The first living wage was proposed in Massachusetts in 1912. But the idea has always been controversial for two reasons. First, business objects to establishing a pay rate that might exceed the value produced by workers. Businesses consider the living wage to be a kind of unfunded mandate, in which broader social values are pursued on the backs of business, particularly small businesses with tight payrolls and narrow profit margins. Such added business costs, say business advocates like the Coalition for a Competitive Massachusetts, undermine the state's ability to compete for footloose industries and drive many firms to nearby states with lower tax and wage burdens and a lower cost of living. Second, some experts claim that setting a high wage hurts low-skill workers by making them less competitive in the labor market. The logic is simple: If business firms are required to pay a set wage to workers, they will be less inclined to take a chance on workers with limited experience or skills.

Boston experienced a high-profile labor dispute in 2002 when the members of the Service Employees International Union walked off the job for three weeks to protest wages that were among the lowest in the nation's big cities. Boston's Mayor Thomas M. Menino enlisted Partners HealthCare CEO Thomas Glynn to broker a new contract for the 10,000 men and women who clean office buildings. The new pact increased some workers' pay by one-third and provided health insurance to many part-time workers.

Organized labor has been a major player in state and local politics. Robert L. Haynes, the president of the Massachusetts AFL-CIO, said labor support for the Democrat Shannon O'Brien was 60 percent in the 2002 gubernatorial election, compared with 43 percent for the general population. The AFL-CIO, teachers unions, and service employee unions all play prominent roles in politics in major cities like Boston, Cambridge, and Worcester. Efforts to hold down salaries and benefits in municipal labor negotiations can be contentious. Firefighters protested Mayor Menino's State of the City address in 2000 and all but one member of the City Council boycotted the ceremonial event. Negotiations over the Boston Teachers Union contract the previous year were also bitter battles, as the mayor and superintendent's efforts to gain more control over management prerogatives fell short.

Job Flexibility

Recent studies have shown that not only do more families depend on two incomes to make ends meet, but an increasing number of women continue to work after their first child is born. In 1998, two-earner families became the majority of all married-couple families across the country. Fewer women quit their jobs when they give birth to their first child—just 27 percent from 1991 to 1995, down from 63 percent three decades earlier.[63] More than 77 percent of people eligible for leaves under the federal Family and Medical Leave Act of 1993 declined it because they could not afford to take unpaid time from work.[64]

FMLA was the first legal coverage for workers needing to take time off to care for themselves or their family members. It required organizations with more than 50 employees to offer as many as 12 weeks of unpaid leave each year. To be eligible, workers interested in FMLA must live within 75 miles of the company, have worked for the company for at least 12 months for at least 1,250 hours within that period. Though FMLA provides only for unpaid leave, it requires employers to continue the leave-seekers' health insurance and offer the leave-seeker the same or equivalent job on his or her return. In 2000, regulations developed by the Clinton administration allowed companies to use unemployment insurance to cover some paid leave.[65]

Critics of the FMLA predicted a mass exodus from the workplace. Small businesses argued it would interrupt production capabilities and strain company resources if businesses were required to cover the costs of their employees' leave. The Department of Labor, however, reported that just 16.5 percent of the workforce nationwide took time off in 2000. The chief reason for taking this leave was personal disabilities or illness—48 percent left to care for themselves, 27 percent left to care for another family member and 26 percent used the FMLA to cover maternity or parental leave.[66] The FMLA tends to benefit educated families the most; 96 percent of eligible workers had finished high school. Nationwide, about 70 percent of those covered were also married and living with a spouse.

According to the Massachusetts Executive Office for Administration and Finance, only one quarter of workers with a family income under $20,000 received paid leave, while 86 percent of workers with a family income over $75,000 got a paid leave. About two thirds of the approximately 95,000 people working in Massachusetts who took leave to care for a newborn in 2000 were women, and women's leave tended to be 12 times longer than men's.[67]

Until the autumn of 2001, the political environment in Massachusetts seemed ripe to take up family-leave issues. With proposals on the table from key leaders in the House and Senate as well as Governor Jane M. Swift, the issue seemed to have reached a critical stage. All momentum, however, disappeared with the recession and the terrorist attacks of September 11.

Tax Breaks

The Earned Income Tax Credit (EITC) is the largest federal aid program for the working poor, providing $30 billion to 19 million families nationwide in 1997.[68] EITC aims to encourage entry-level work by supplementing low wages with tax benefits. Since 1997, Massachusetts has supplemented the federal system with its own EITC for families earning less than $32,000 a year.[69]

Income and family size determine eligibility for the federal program. EITC benefits depend on income and family size. A working parent with one child must earn less than $28,281, a parent with more than one child must earn less than $32,121, and a single taxpayer must earn less than $10,710. The credit is determined on a shifting scale—increasing, flattening, and then decreasing. In general, families receive EITC benefits as part of their tax refund checks at the end of the year.

In 1997, in an expansive Greater Boston area (including much of eastern Massachusetts and southern New Hampshire), about 240,000 people collected more than $320 million in federal EITC returns. In the City of Boston alone, taxpayers earned $53.4 million from the program. Adding to that figure, the state handed out nearly $30 million from its refundable EITC program. In 1997, the state offered credits at 10 percent of the federal level; since then, that figure has jumped to 15 percent, and state officials have talked about increasing it again to 25 percent. A greater percentage of eligible families claim EITC than other welfare programs, such as Food Stamps or TANF. Though a significant group fails to cash in on the benefit—the groups most likely to be left out are people with very low incomes or language barriers—studies show a significant portion of the increase in work among single mothers can be attributed to the EITC.[70]

Welfare to Work

Welfare reforms across the country in the mid-1990s focused on getting recipients into the workplace, and Massachusetts was no exception. The Commonwealth revised its welfare policies in 1995, a year ahead of the nationally mandated changes. In 1995, the Massachusetts unemployment rate was 5.4 percent and falling, and it seemed likely that with the right preparation, many people on the welfare rolls would be able to work. As part of those reforms, the state required recipients to work 20 hours per week and stressed the concept that welfare recipients could gain the skills needed to be constant members of the workforce.

Since 1995, DTA has tinkered with the employment programs in a largely reactive manner, to respond to problems that arise in the field. Incremental adjustments have allowed the department to provide better services to immigrant families—a group with some of the highest barriers to job placements—and focus more intently on post-employment services, such as child care and transportation.

Under welfare reform, recipients must work 20 hours per week; those who cannot find paid jobs are required to perform community service for the same length of time. In addition to providing work experience to people who often have not held a steady job, the requirement also helps a household adjust to a working schedule. Recipients with children are forced to determine how to handle domestic and workplace responsibilities, including finding child care. In two-parent families, the average TAFDC recipient stayed in community service jobs for six months before finding paid employment.[71]

Critics of the system argued that families in crisis might not be able to handle the pressures of holding a half-time job. They also say that the program's exemptions do not adequately cover people's needs. Opponents especially object to the community-service requirements, which they argued were akin to slave labor—meaningless jobs that did not offer training to advance a recipient's work prospects.

After the initial push to work, Massachusetts has been forced to adjust its focus. It was not enough to get people into the workplace if they could not keep their jobs or advance up the economic ladder. For this reason, the state implemented post-employment services designed to help new or advancing workers. The DTA's Employment Services Program (ESP) identified needs, such as paying for clothing, equipment or training, that allowed people to continue acquiring skills while in the workforce. When a recipient's cash payments run out through time limits or her own ability to leave the program, TAFDC provides access to child care and transportation services at no cost for up to a year.

In general, Massachusetts sees the decrease in its caseload as a positive sign. But the programs have been less effective for non-English and non-Spanish speakers. Relatively few employers are willing to hire workers with difficulty speaking English. ESP has responded by teaming with the Massachusetts Office for Refugees and Immigrants (MORI) to increase its jobs network for non-English-speaking workers.

Process

The Employment Services Program, located in DTA, provides assistance moving recipients into the working world. ESP taps into resources at other state agencies, such as the Division of Employment and Training (DET), the Massachusetts Executive Office of Community Colleges (MEOCC), the Massachusetts Office of Refugees and Immigrants (MORI), and the 16 regional Services Delivery Areas (SDAs) that work with community-based groups to provide employment training and education across the state. Through these networks, DTA offers both pre- and post-employment services.

Most ESP contracts are performance-based. For partner organizations to get compensated for their services, the organization must meet basic targets. The DTA pays One-Stop Career Centers, for example, when the center helps a recipient find and keep a part-time or full-time job for more than 30 days. Performance-based work also requires the provider to constantly re-evaluate and update services. Some analysts, however, assert this system is not as strong as it could be. Other states require providers to ensure the clients have full-time jobs to receive payment, or space out payment over 30- 60- and 90-day intervals to create a greater incentive to work toward job retention.[72]

For recipients, the statewide One-Stop Career Centers are often the starting point. Run through the Division of Employment and Training, the centers are partly funded through the federal Wagner-Peyser Act, which is designed to foster public employment services. Federal TANF funds help cover TAFDC recipients' use of the centers. To both help streamline and consolidate the TAFDC process and bolster their client rolls, Career Center workers spend time working in some local DTA offices.[73]

Mutual Aid

Cooperation between state and non-state agencies is crucial for the success of workforce development and job placement. For the Employment Services Program's "Supported Work" program to function, for example, the state needs to recruit companies that are willing to take on TAFDC recipients learning skills on the job.

Organizations like the private Springfield-based Corporation for Public Management are key to the supported-work effort across the state. Clients referred to CPM go through an orientation that touches on employment-related issues ranging from child-care to transportation before moving into the workplace. CPM subsidizes an initial training period while the client enters the workforce, and then assumes liability until the client joins the company payroll. On the employer's side, the federal government often makes tax credits available to companies taking on ESP workers.

Elaine Frawley, Assistant Policy Director at the ESP, says Massachusetts nonprofit organizations have historically responded more favorably to community service programs than organizations in other states. This response is critical to moving TAFDC recipients with limited work experience into the workforce.

NUTRITION

In Massachusetts, between 1997 and 1999, 7.5 percent of the state was "food insecure," or unable to meet its basic needs, lower than the national average of 9.2 percent.[74] One in five Massachusetts children under age 12 lives in a home where parents struggle to put enough food on the table.[75] A significant portion of this population is eligible for food stamps but not taking advantage of this benefit.

Project Bread, a non-profit organization that raises money to help hunger relief, reports that soup kitchen lines have gotten longer as more working families are seeking food assistance. Funding for the Massachusetts Emergency Food Assistance Program (MEFAP), which helps food banks, has increased from $1 million in 1994 to more than $7 million in 1999.

On a local level, the Greater Boston Food Bank, which distributes food to more than 700 feeding agencies in Eastern Massachusetts, provides food for nearly 180,000 people annually—the same number of people as the populations of Cambridge and Somerville combined. These clients are better educated, employed at higher rates, and more likely to be homeowners than they were in 1997.[76]

Food Stamps

The federally funded food stamp program has not gone through as many changes as cash-assistance programs. The current program, started in 1977, was a modification of the earlier, more limited programs started under the Great Society with the goal of providing low-income families with a nutritious diet. Food stamps are 100 percent federally funded, and cost $17.5 billion across the country in FY2001. Nationally, households with children received 87 percent of

MAJOR FAMILY ASSISTANCE PROGRAMS IN MASSACHUSETTS

Program	Partner	Cost FY2002	Clientele	Services
Career Centers:				
Basic job search	DET	$7.6 million	Recipients with work experience and few barriers to working	Assessment, job readiness training, job placement and support
Structured job search			Time-limited recipients, usually with limited work experience or no recent work experience	8-week program available during first 2 or last 12 months of benefits. Acclimates participants to work environment and search process
Supported Work	Private providers	$4.7 million	Recipients with barriers to work	Subsidized job placements: • 30 to 90 days of pre-work training • 2 to 5 months of work placement • Job placement • Follow-up services 30 to 90 days after entering unsubsidized job
Refugee and Immigrant Services	MORI		Recipients who are immigrants or refugees and who do not speak English or Spanish	Similar to structured job, services in the participants' native language and adjusted to account for cultural approaches
Service Delivery Area Skills Training	SDAs	$8.7 million, with about $4.1 million on post-employment services	Undefined	SDAs provide or contract with community-based organizations to provide skills training, and post-employment job retention and enhancement services. Includes programs ranging from clerical training to English for employment.
Community College Voucher Program	MEOCC	$440,000	Undefined	4 to 16 week certificate and non-certificate programs that include academic and occupational work. Includes Middlesex Community College.
Young Parents Program	35 community based organizations	$4.1 million	Pregnant or parenting TAFDC recipients between age 14 and 21	Programs designed to push participants toward a high school diploma or GED, and skills-training courses geared to provide life skills and job development activities

food stamps in FY2000, and nearly three-quarters of those recipients stop collecting food stamps after less than two years.[77] In Massachusetts, the number of people using food stamps fell by 38 percent between 1996 and 2001.[78] From 2000 to 2001, however, the caseload increased by 6.2 percent. In June 2001, there were 111,748 cases; a year later, there were 121,757.[79]

Eligibility for food stamps depends on both financial and non-financial factors of households. Each household must have less than $2,000 in countable resources, such as bank savings and vehicles; real estate does not count. Participants' gross monthly income can be no higher than 130 percent of the federal poverty guideline and net income must be at or under 100 percent of the federal poverty guideline, minus certain expenses like child care and some shelter costs. Applicants must meet work requirements if they are capable of doing so, and must provide or apply for a Social Security number.

The 1996 federal Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), cut more from food stamps than from any other program.[80] Under PRWORA, most legal immigrants are ineligible for Food Stamps, which cut participation by 7 percent nationwide. Refugees and political asylum seekers, immigrants with military service or 40 quarters of work experience, children under 18 and adults over 65 maintained eligibility. Massachusetts was one of only 16 states to start picking up the tab for this group. A statewide Food Stamp fund designed to cover legal immigrants who lived in the state for at least two months provided about $8 million in funding. In May 2002, 7,781 households received state food stamps. In its 2003 budget, Congress restored the eligibility of legal immigrants.

In 2002, the number of people in need of food stamps increased. But in May, in the midst of the state budget crisis, the program shut down for the rest of the fiscal year.[81]

PROCESS: Collecting food stamps starts at local DTA offices. When an application is approved, the government establishes an account for the recipient, providing an EBT (Electronic Benefits Transfer) card that works like a debit card. Grocery receipts allow the recipient to monitor the account balance. This balance is renewed once a month, on a date determined by the last digit in the applicant's social security number. If a recipient leaves more than two months' benefits in an account, the caseworker calls to update the eligibility, asking if the food stamps are really needed. If there are three months' benefits left in an account, the caseworker puts a stop on the account, leaving the applicant 180 days to prove he or she is still eligible and needs assistance.

To track the states' use of Food Stamp funds, the federal government assesses error rates, which track whether the state has over- or under-provided to each client. In Massachusetts, the error rate in 2002 was 8.5 percent, on par with the national rate of 8.66 percent. Over the past decade, the Commonwealth has not been sanctioned for faulty reporting; the state received additional federal funding from 1994 to 1996 for its accuracy.[82]

One of the biggest complaints about food stamps in Massachusetts is that the program does not reach enough eligible recipients. Nationally, Massachusetts ranks sixth-to-last in serving potential recipients, serving between 43 and 56 percent of those eligible in 1998.[83] Project Bread estimates the Commonwealth is serving only half its eligible population, and is thereby losing out on about $92 million in federal funding.[84]

Critics claim the application process is too long and complicated. Housed in the local DTA offices, Food Stamp offices often intimidate potential recipients and require substantial amounts of time to receive benefits. Research from Project Bread indicates that an application requires an average of 2.7 visits and 1.5 phone calls per client. This includes a 12-page application with an extensive verification process.[85] In the fall of 2002, the DTA released a new five-page version of the application to make the process less intimidating, decreased the reapplication frequency to twice a year for applicants with regular income, and increased the amount of time TAFDC leavers can continue receiving food stamps from three to five months.

WIC

Women, Infants and Children (WIC) focuses on the needs of pregnant, postpartum, and breast-feeding women, and their children up to age five. Unlike food stamps, WIC is not an entitlement program; each state receives funding to use in a program of its own design. Run through the Food and Nutrition Service (FNS) at the United States Department of Agriculture (USDA), the program costs the federal government $3.8 billion annually to serve nearly 7 million people nationwide.[86] Massachusetts receives $57 million annually. The Commonwealth program operates through a joint partnership between the DTA and the Department of Public Health (DPH). Clients apply at public health clinics.

WIC is a short-term program. To participate, applicants must have an income that falls beneath a threshold set by the state (or participate in other programs designed for low-income people, such as food stamps, Medicaid or TANF) and be assessed by a health professional to determine the level of nutritional risk. Nationwide, the program serves one-fourth of all new mothers and 45 percent of all infants born in the U.S.[87]

Lori Miller, assistant policy director at Project Bread, calls WIC a "model program." The high participation rate among eligible clients stems partly from the lower stigma attached to the program. Because clients apply for their benefits in health clinics, where mothers regularly bring their young children, WIC seems more like a nutritional necessity than a welfare program.

School Meals

For children, the need for proper nutrition is pressing. Hungry children perform worse than others and are seven times as likely to engage in disruptive behavior like fighting. A family with two school-age children in Massachusetts is eligible for as much as $225 in school meal benefits.[88] But many families do not tap into these resources.

Federally subsidized meals and snacks are available to students from families with incomes less than 130 percent of the poverty line, and at a reduced cost (no more than 30 cents) for students from families whose income falls between 130 and 185 percent of the poverty line.

USDA requires schools serving more than 40 percent of their lunches free or at a reduced cost, or schools with 50 or more applications for free or reduced-cost meals, to provide a school breakfast program as well. Over a third of school lunches are given free across the state, and about 70 percent of school breakfasts are given free. In Brookline, 22 percent of school lunches are free; in Revere, that figure is 48 percent.[89] In the approximately 100 school districts across the state, 649 schools are required to serve school breakfasts. In FY2001, 19.1 million breakfasts were served in schools, a 4 percent increase from the previous year. The USDA reimburses schools for meal costs at set rates, contributing both cash and commodities, and the state contributes to outreach and advertising. In 1997, the federal government paid nearly $74 million to cover lunches in Massachusetts.[90]

Effectiveness

The barriers to participation in nutrition programs have long been a subject of concern in Massachusetts. The program's standards and procedures can be baffling. While children of immigrants are eligible to receive food stamps, for example, their parents are not. In recent years, a joint partnership between the Massachusetts Department of Public Health (MDPH), DTA, and Project Bread created a food stamp outreach program to increase participation.

Massachusetts has the second lowest food stamp participation rate in the nation, behind only Nevada.[91] The USDA reports the participation rate fell from 69 percent in 1994 to 43 percent five years later. A study by the McCormack Institute of Public Affairs at the University of Massachusetts at Boston found that 42 percent of the respondents did not apply for benefits because of the time and hassle involved.[92] Applicants reported spending around two hours filling out a detailed eight-page application, in addition to assembling a medley of identification papers, including proof of residence, recent utility bills, pay stubs, and evidence of childcare expenses. The process is particularly difficult for non-English speakers.

While the DTA planned to release a shorter and more comprehensible application process in October 2002, the change came at a time when the state had cut a hunger hotline and was closing offices and cutting staff at the Department of Transitional Assistance. Advocates worried the cuts could undermine efforts to simplify the system.

PLAYERS IN FAMILY POLICY

For many working families, informal networks of family members, neighbors and friends make the difference in day-to-day survival. When the Massachusetts Women's Educational and Industrial Union studied the level of money families need in each Massachusetts community to maintain a sustainable life, for example, they factored in "private 'informal' subsidies, such as free baby-sitting by a relative or friend, food provided by churches or local food banks, or housing shared with relatives or friends" as important parts of many families' subsistence.[93] Other studies have shown the importance of family connections to particular communities; Latino families often rely more heavily on family members for daycare, for example.[94]

On a more official level, supports exist throughout the federal and state governments and through interlocking community and nonprofit organizations and church groups. These systems are integrally linked through funding and coordinated programming.

The Federal Government

Because it appropriates funding, Congress sets the standards for nearly all federal assistance programs. As TANF regulations expired at the end of September 2002, for example, the Congress had not come to an agreement on changes in the bill, and extended it through the year, promising it would be easier to draft the legislation after November's midterm elections.

Under the Department of Health and Human Services, the Administration for Children and Families (ACF) provides a catch-all entity for TANF, child care, child-support enforcement, Head Start, Community Service Block Grants, the Low Income Home Energy Assistance Program, the Native American Administration, and other programs designed to promote economic and social well-being.

The Food and Nutrition Service within the federal Department of Agriculture runs food stamps, food distribution programs, and school meals, as well as health programs like WIC and outreach for the State Children's Health Insurance Program (SCHIP, which funds MassHealth in the Commonwealth).

The Department of Housing and Urban Development provides grants and loans to support families in search of housing or the development of affordable housing options. In addition to Section 8 funding, which provides rent supplements for low-income families, HUD provides outreach, training and assistance through programs like the Community Development Block Grant.

State Government

The governor sets the tone for welfare discussions. Governor Mitt Romney faces excruciating choices as he seeks to balance a state budget that is as much as $3 billion in the red. Because so much of the budget is tied up in salaries and entitlements with federal mandates or matching funds, the room for maneuvering is narrow. Family advocates fear that services for families, especially the poor, will bear the brunt of the cuts.

Governor Romney selected Robert Preston, the New England regional administrator for the U.S. Department of Health and Human Services, to serve as secretary of Health and Human Services. Preston is an expert on Medicaid, the leading item in the state's social service budget and a major source of pressure on the state's ballooning budget. Romney appointed Jennifer Davis Carey as secretary of elder affairs to replace Mary Lou Sudders, who left to direct the Massachusetts Society for the Prevention of Cruelty to Children.

The Department of Transitional Assistance provides the access point for most state assistance programs, ranging from TAFDC to food stamps. Within the DTA, services are splintered into specific areas, primarily focused in four categories—employment, nutrition, children's care, and cash assistance. These areas are integrally linked; a low-income single mother with two children, for example, may need cash assistance, training to get a job, and child care vouchers to protect her children while she works. But while TAFDC and food stamps are distributed through DTA offices, employment services run primarily through Career Centers and other locations outsourced from DTA.

Claire McIntire, the DTA commissioner who helped guide Massachusetts through its welfare reform process from 1996, stepped down in 2002. Her replacement, John Wagner, took over the department in April 2002. Wagner's background includes working a Wisconsin study group that helped conceptualize how that state could privatize its welfare system.

Harry Spence, renowned as a public-sector fix-it specialist, became commissioner of the Department of Social Services in 2002 and stayed on the job under Governor Romney. Spence took on a major restructuring of DSS to better coordinate the delivery of services to clients and improve the professional status of caseworkers.

Local Governments

Services on a local level vary widely from community to community. Most local governments have some kind of human services department that runs programs geared to at-risk populations, including youth, elderly, disabled, and others in need of rent, fuel, or food assistance. Options for local governments include providing services directly, partnering with neighborhood groups and acting as a type of referral service to connect residents with nonprofit providers, or state or federal programs, and services differ depending on the number of people in need and the available resources.

Communities set priorities according to the needs of their residents. The City of Newton, for example, focuses much of its local attention on its seniors, 3,000 of whom take advantage of the locally provided programs. An active senior center run through the city's Department of Human Services is a focal point of a comprehensive set of programs for elders, ranging from health care and transportation to outreach to homebound residents. The city also targets at-risk youth through a city caseworker and psychologist. For many of the other social programs, including fuel assistance, Newton channels earmarked state and federal funding.

In Quincy, a city of 89,000, the Commission on the Family spends considerable time answering the needs of low-income families looking for help maintaining self-sufficiency. The city offers a network of services including help with low-income housing, fuel assistance, basic health care such as flu shots, and various elderly services. The city has expanded its services to meet residents' demands. Because housing was the most frequent concern for people calling the Commission, for example, Quincy now operates nine apartments for homeless families through funding from the federal Department of Housing and Urban Development. Similarly, because studies have shown a large percentage of children get into legal trouble between 2 and 6 P.M.—more than 60 percent of the juvenile crimes occurred in this time period in Quincy—the city focused its efforts on after-school programs. The city recently won a $297,000 annual grant to organize these activities for the next five years.[95]

Quincy's Commission serves to connect residents to federal, state and low-cost private or nonprofit services within the community. Publications—like the "purple pages" listing all of Quincy's after-school services—connect residents to specific kinds of services. The new Office of Constituent Services is designed to give residents one place to find answers to all their social service questions.

As might be expected, Boston offers the most comprehensive set of programs. The city's Human Services agencies offer child care for children from 3 months to 5 years old, provide a wide range of services for the elderly (including health screening, transit services, and outreach for non-English speakers), provide shelters and free meals to homeless, and provide veterans with connections to services. Boston Community Centers target at-risk families, often in neighborhoods or areas of the city with high percentages of low-income residents. Because the centers are based on partnerships between the city and the neighborhood, however, they are governed by neighborhood-formed nonprofit Community Center Councils.

Nonprofits and Foundations

Nonprofits and foundations play a crucial role in meeting the needs of low-income families in the Greater Boston area. In addition to filling the gaps in the services provided by government, the nonprofit organizations often connect more directly to the communities they serve. Whether driven by an inherent distrust of government services, a desire to avoid the stigma public programs sometimes carry or simply a closer connection to an organization located around the corner instead of a bus-ride away, people often feel more comfortable seeking help from nonprofit organizations. In the Greater Boston area, as in major cities across the country, these organizations range across the spectrum in size, scope and financial backing.

On a policy level, a handful of groups have taken a lead in the statewide policy debates. Project Bread, for example, has taken a lead in hunger and food policy discussions. The Massachusetts Coalition for the Homeless, the Massachusetts Housing and Shelter Alliance, and the Citizens Housing and Planning Association regularly advocate for better affordable housing options. Because the need for youth and elderly services varies more dramatically from community to community, individual organizations do not stand out as policy leaders in these areas on a regional level.

Three types of organizations dominate the grassroots. Comprehensive service providers work to cluster and coordinate services in local centers. Because many low-income families face a number of related problems at once, community action agencies (CAAs) coordinate services such as Head Start, fuel assistance, and adult education at neighborhood centers. In Greater Boston, organizations like the Community Action Agency of Somerville (CAAS), Action for Boston Community Development (ABCD), and Lynn Economic Opportunity, Inc., fall in this category. CAAs receive most of their funding from the federal Community Services Block Grant. In FY2001, the Commonwealth's 25 CAAs received $14.86 million from this fund.[96] ABCD, for example, provides a local access point for "multi-problem families" in 13 Boston neighborhoods.[97]

The second type of service organization focuses efforts on particular problems. Casa Myrna Vasquez, Inc., for example, offers a network of services for victims of domestic violence. Through its hotline, residential and community services and advocacy work, the Boston-based organization has become a statewide leader in this area, and receives funding from several Massachusetts-based grant-makers.

The final type of service provider works to help specific geographic communities. Community development corporations (CDCs), such as the Asian Community Development Corporation in Chinatown or the Jamaica Plain Neighborhood Development Corporation, focus primarily on housing and economic development in neighborhoods with high rates of disinvestments and poverty. Some CDCs also provide job training and family support programs. CDCs promote the interests of communities where low-income families live. Other types of local groups, such as the Dudley Street Neighborhood Initiative, bring community members together to work toward both economic and human development. Nationally famous for its "urban village" work, DSNI originated with residents' disappointment in the condition of their neighborhood.

Dozens of grant-making organizations provide the financial backbone for ground-level nonprofit organizations. The top five foundations awarding grants in 2000 in Massachusetts were the Bill and Melinda Gates Foundation, the Ford Foundation, the Boston Foundation, the Barr Foundation, and the Robert Wood Johnson Foundation.[98]

With an endowment nearing $700 million, the Boston Foundation makes grants totaling nearly $50 million annually to nonprofit organizations meeting community needs. The United Way of Massachusetts Bay serves 80 communities in the Greater Boston area, awarding $37.6 million between July 2001 and July 2002. In 2001, both organizations concentrated their giving. The Boston Foundation launched a two-year Food and Shelter Initiative, funneling more than $1 million to 13 Greater Boston organizations helping residents with their most basic needs. The United Way aimed 48 percent of its total giving on programs for young people.

Foundations and fundraising organizations support a spectrum of groups, including neighborhood coalitions focusing on specific groups to wider-reaching groups like Catholic Charities, the American Red Cross, and the Patriots' Trail Girl Scout Council. Ground-level organizations determine the best use for the funds, within specifications set out by the awards.

RETHINKING FAMILY POLICY

Family policy in Massachusetts stands at a crossroads with Republican dominance of the executive and legislative branches in Washington and a new governor taking office on Beacon Hill. Rethinking family policy requires consideration of the evolving needs of families in a mobile society, the demands of a more competitive job market, a new social compact under welfare reform, and the possibility of major restructuring of social policy at the state level as well.

Redefining Poverty

Methodologies for measuring poverty have long been controversial in the United States, and a number of scholars and family advocates have proposed changing the formal definition of poverty to expand the number of families and individuals who gain access to public assistance.

The current poverty measure, developed nearly 40 years ago, was based on the cost of food. Mollie Orshansky, a mid-level official in the Social Security Administration, in 1963 calculated that food expenses comprised about one-third of a family's total budget. By trebling the cost of an emergency food diet, she set the standard that was adopted by the Office of Economic Opportunity, and later by a number of other federal authorities, as the official "poverty line" to use in measuring a family's relative well being and eligibility for a variety of government benefits.

Over time, however, the needs and resources of families have changed substantially. The need for technology—from telephones to computers—has increased a family's "necessary" budget. The cost of housing and medical care has also taken a greater share of the family budget in most urban areas. Meanwhile, social support networks have broken down, leaving families increasingly to fend for themselves. A family's food budget no longer approximates one-third of total family expenses. When Orshansky set the standard, the poverty line stood at about one-half of the median post-tax income for a family of four. Today, the poverty line stands at about one-third of the median post-tax income for that family.[99]

Just as important, the poverty index fails to take into account regional living expenses. More than half of the total population of Massachusetts lives in the Greater Boston area, where the cost of living is considerably higher than the rest of the state.[100] Government programs make few accommodations for a family in Boston compared to a family in Holyoke, even though the cost of living in the two communities differs dramatically.

In a landmark study, the Women's Educational and Industrial Union (WEIU) found that in 2000, 27 percent of the Commonwealth's households were not "self-sufficient," though only 9 percent fell below the poverty line. Suffolk County, which includes Boston, Chelsea, and Revere, had the greatest share of families living below the self-sufficiency threshold, 35 percent. Middlesex County, which includes Cambridge, Arlington, and Belmont, had the second lowest share of poverty, 22 percent. The WEIU estimates that a family of four needed \$42,524 in Boston and \$45,768 in the MetroWest area to be financially self-sufficient.[101]

The WEIU uses the methodology for self-sufficiency devised by Diana Pearce at the University of Washington. This standard adjusts the poverty line to the cost of living in each area of the state, accounting for the size of a family, the age of the family's children, housing, food, transportation, health insurance premiums, taxes, and miscellaneous expenses like clothing and telephone charges.[102] Assuming adults are working full-time, it factors in costs associated with employment, such as child care and payroll taxes.

Other states have already implemented this kind of measurement, and several have calculated this standard. In 1998, Connecticut's Office of Policy Management, for example, developed a self-sufficiency standard to classify which workers are at-risk (where a change in employment or available transportation could push the worker under the self-sufficiency line) and underemployed (where a worker's earning capacity will not allow him or her to meet the standard).

Major rethinking of poverty is unlikely until the state gets out from under the fiscal crisis, but may be the challenge of the next generation.

Workforce Development

Experts project that the Commonwealth will create 345,000 new jobs by 2008, an increase of 10 percent. Certain sectors will benefit disproportionately. Four out of five new jobs will be in the service industry, which includes technology, health, management and social services. Computer software and information technology services will grow fastest, with an expected 107,300 new jobs by 2008. Jobs in construction, government, and management are likely to level off or even decline in the same period. In addition to new opportunities being created by growth industries, other jobs will be made available as an aging population retires. Two existing jobs will open up for every new job created by economic growth.[103]

Over the past decade, Greater Boston has built its fortune on industries that require high levels of skill and education—technology manufacturing, financial services, and business and professional services. With 80 percent of the projected job growth in the state in service industries, however, the region is losing its diversity. In the new economy, workers with higher skill levels will have distinct advantages, even though the second largest level of job growth statewide will occur in fields that require only a few days or weeks of training. As basic computer and technological skills become increasingly important, high-skilled workers will have access to more job opportunities and higher wages than workers with low skills. MassINC reported in a 2002 study:

> The high concentration of job growth in this limited set of sectors raises important questions about the long-term job outlook in the Commonwealth. A key part of an economic development strategy should strive for growth in a more diversified set of industries.[104]

One response would be to encourage growth in a broad range of industries. "Upgrading" worker skills presents a second policy option. By raising the skill levels of blue-collar, less educated workers, the state will be positioning its population to compete in industries turning increasingly to technological advancements.

Dealing with Federal Changes

Just as the governor sets the tone for welfare debates in Massachusetts, the president frames the debate in Washington. The Bush administration is considering increasing both the number of hours required by working welfare recipients and the percentage of welfare recipients who must work.

Until 2005, Massachusetts is protected by a federal waiver granted because its welfare-to-work changes in 1995 superseded the national changes in 1996. DTA officials have begun considering how to manage the proposed federal changes. DTA officials say they do not believe the federal waiver will be renewed, leaving Massachusetts to develop new policies to meet increase work requirements to 40 hours per week, with a 70 percent participation requirement, by 2007. If the expected Bush proposals are enacted, the number of working welfare recipients would increase from 2,700 to 30,000, at the risk of losing $459 million in federal grants.[105]

In addition to placing greater pressures on working families, tougher federal regulations would also increase the costs of transportation and child care required to help working families. Congress is considering a $2 billion increase in childcare funds over five years (an average of $400 million annually nationwide), experts say that funding would not be enough. One family advocate suggested the increased work requirement would cost Massachusetts $400 million a year to provide mandated child-care benefits.[106] Another report estimated that $770 million would cover the needs of 30 states across the nation.[107]

Streamlining the State System

With many reports in recent years criticizing the processes through which the state and federal governments distribute benefits, Massachusetts agencies have begun to explore ways to streamline the system. By combining the distribution of various benefits and coordinating information systems, reformers hope to make the process more efficient and better serve struggling families.

Assigning caseworkers to neighborhood offices offers one strategy for making benefits more accessible. The DTA currently stations career counselors and employment experts in local DTA offices; this saves clients from making the extra trip to a career service center. Similarly, offering WIC at health clinics allows clients to view it as simply another basic health service, offered alongside check-ups and flu shots, rather than as a separate welfare benefit requiring a separate application process. For clients concerned about the stigma often attached to walking into a DTA office, learning about benefits and making applications might be easier at a neighborhood center.

In a similar vein, DTA is considering how to make services available by mail, computer, or telephone. Keeping some offices open in the evenings or on Saturdays has not enabled welfare agencies to reach all the clients who qualify for assistance. Currently, food stamp applications are available online and clients can mail in DTA applications to some offices. DTA workers acknowledge that the system is "unwieldy" at times and say such expansion of outreach vehicles might improve the process.

Because the goal of any assistance program is helping the family to reach self-sufficiency, assessment of the system's effectiveness is crucial. The DTA's FOR Families program helps to manage that assessment process. In this program, caseworkers visit the homes of people who have recently left welfare to determine whether they are getting all the services they are entitled to receive.

Many advocates say this kind of evaluation should take place before the family leaves the system, eliminating any unnecessary gaps in services.

As Mitt Romney prepared to take office as governor, a top official in the Weld administration offered a plan to reorganize the delivery of a wide range of services in the Executive Office of Health and Human Services. Charles D. Baker, Jr., the former secretary of EOHHS, called for the consolidation of a number of programs and services traditionally provided in uncoordinated "silos." Baker, now president of Harvard Pilgrim Health Care and the head of Romney's transition committee on health and human services, argued that the current system of service delivery fragments services and causes unnecessary waste. The current system operates according to the clients served by the state—such as youth services, social services, mental retardation, and mental health. Noting that many of the issues in these areas overlap and require coordination, Baker proposed integrating the services to populations served by these and other entities. New information technologies, Baker argued, offer new opportunities to deliver better services with less bureaucracy and confusion.[108] Experts across the ideological spectrum applauded Baker's proposal. Baker's proposal was used as a concept paper for reorganization efforts under way in the early days of the Romney administration.

THE FUTURE OF FAMILY POLICY

Since the New Deal—and with more urgency since the Great Society—policymakers have debated just how extensively government should intervene in the lives of families. One side of the debate argues for minimal engagement, arguing that government should foster a strong economy that offers opportunities for work, housing, and schooling, with social insurance programs providing emergency assistance when families experience difficulties meeting basic needs. The other side of the debate argues that government must provide a wide range of services—income assistance, food programs, housing subsidies, job training, day care, medical and dental care, language assistance, recreation programs, and myriad other benefits—to provide for struggling people and increase their capacity to take advantage of opportunities in modern society.

In Massachusetts, the second school of thought has largely prevailed in this debate. Democrats and Republicans alike agree that the state has a positive obligation to provide services to meet the needs of people living in what might be called the "zone of vulnerability." But the success of this more liberal approach carries a number of challenges. Coordination might pose the greatest challenge. The social service system is so complex and fragmented that even veteran policymakers and providers have difficulty understanding how the many pieces fit together. The system developed over a number of years, with new programs and agencies added to respond to needs of special urgency at different times. As a consequence, people delivering services often do not coordinate their work with fellow professionals—and sometimes work at cross-purposes. As policy entrepreneurs like Charles Baker and Harry Spence have noted, coordinating programs and policies better is essential to providing better services.

The fiscal crisis facing Massachusetts makes the rationalization of the system both harder and easier to accomplish. It is difficult to streamline services during budget problems because the workforce and the program budgets face deep cuts. The remaining public servants must struggle to keep up with the demands of their programs. On the other hand, fiscal problems dramatize the importance of increasing efficiency. Good managers realize that they can remain responsive to their clients—the poor, children, elderly, and disabled—only if they make the best use of the resources at their disposal.

As government agencies adopt more rational information systems and look for better ways to coordinate services, Massachusetts and Greater Boston have a unique opportunity to decide what services and benefits are most essential and what is the best way to provide them. Governor Mitt Romney's determination to coordinate policy in major issue areas at the highest levels—a determination that apparently extends to health and human services—offers at least the possibility that the state and region might be entering a new era of smarter but leaner social services.

5. Creating Communities of Learning: Public Education in Greater Boston

John Portz

THE SCHOOL COMMITTEE MEETING ROOM IN CAMBRIDGE was packed with over 70 parents, teachers, and students. On the agenda was a resolution directing the Cambridge superintendent to award a high school diploma to any student who met the school district's graduation requirements, regardless of the student's scores on the state's MCAS test. The resolution declared that no single test should be used to determine a student's graduation. "We are confident that we are upholding the 1993 Education Reform Act," one committee member said at the April 2002 meeting. "With this vote, we are trying to communicate to the state that this is a serious and urgent situation."[1] After lengthy debate, the resolution passed by a 4 to 3 vote. The next day, state officials said the committee had exceeded its authority, noting that the state possesses sole authority to grant a diploma. Passing the MCAS, the official said, would remain a requirement for graduation in all districts.

The Cambridge debate over MCAS—the Massachusetts Comprehensive Assessment System—underscores the basic dilemmas of public education reform in Greater Boston and Massachusetts. Protests and student boycotts have mounted against the test, particularly the "high stakes" requirement for high school graduation. Despite the controversy, MCAS and the other reforms in the 1993 law have been cited as catalysts for major improvements in teaching and learning in classrooms throughout the state and Greater Boston. The rigor of the new standards and tests has pushed educators to focus curriculum and teaching on material covered in the tests and the underlying state curriculum frameworks.

Because education is a critical part of most people's lives, it becomes an arena for debating and deciding some of the most basic questions in society. Over the last generation, debates about the relative importance of excellence and equity have framed a wide range of reform efforts, from standardized testing to public finance to school choice, from school leadership to teacher training, from bilingual education to curricular reform.

In general, advocates for excellence push for stronger standards to improve student achievement. More rigorous curriculums, standardized testing, and stricter standards for promotion and graduation are central to this movement. Calls for more choice options for students and teachers—through charter schools, inter-district choice, and similar strategies—are also part of this basic orientation. The recent emphasis on improving teachers' qualifications and expertise also aims to insure excellence in the classroom.

The equity movement, on the other hand, stresses the need to provide adequate resources for children of all backgrounds as the key to educational opportunity. The equity movement pushes for greater state aid to poor districts, as well as compensatory education programs and various programs for "special needs" students. Recent debates over the appropriate services to provide students with limited proficiency in English, as well as special education students, reflect this orientation. In both instances, the driving force is the desire to ensure that students have access to equal resources and opportunities.

In reality, the debate about excellence and equity is not a simple either/or proposition. Many policies reflect elements of both. State aid to local school districts, for example, typically involves a policy discussion around the equitable allocation of resources among poor and wealthy communities, but also involves questions about what resources are needed to promote excellence. In fact, passage of the 1993 Massachusetts reforms entailed a political bargain. In return for strong standards for graduation, the state would provide unprecedented new local aid to school districts.

Central to this debate is the shifting nature of authority over public education in the schools and school districts of Greater Boston. The autonomy that local school districts have historically exercised is fading, if not gone. The 1993 Education Reform Act gave the state expanded authority over school curriculum as well as the responsibility to develop assessments to measure student and school performance. Under state guidance, charter schools and inter-district choice also have expanded school options at the local level. The reform also shifted authority at the local level, giving superintendents greater control over staffing and management of schools.

While the state was gaining greater authority—and shifting the center of gravity at the local level as well—the federal government has taken a more authoritative role. Passage of new legislation has given national policy-makers and the federal Department of Education expanded authority through testing and other accountability measures. Washington's greater role in setting the education agenda of local school districts, ironically, comes at the initiative of the conservative President George W. Bush, who otherwise calls for devolution of federal money and authority to the state and local level of government.

A vigorous public discussion over the best way to promote learning might sound like the basic stuff of education policy. But the focus on classroom learning marks a major change from recent history. In the 1970s, desegregation and busing in Boston captured the attention of the region and nation. After years of frustrated efforts by civil rights activists to force the Boston Public Schools to desegregate, Federal District Court Judge W. Arthur Garrity in 1994 ordered busing to integrate Boston's notoriously segregated neighborhood schools. Years of strife, including violence, followed. The politics of race became entwined in the political jockeying on the elected Boston School Committee and conflicts between the committee and a succession of superintendents. A 1985 school reform law engaged the state more actively in education, but the law gave primary responsibility to local school boards and educators.

The 1993 reform marked a sea change in education policy—the most important period in the state's education policy in a generation. But other issues intersect with the reform and the MCAS tests. The crowded policy debate includes discussion of what is the appropriate level of funding for a basic education, the challenge of serving the needs of special education students and limited-English language speakers, meeting parental demands for more school choices, ensuring an adequate and qualified teacher workforce, and providing safe and state-of-the-art school buildings.

PLAYERS IN EDUCATION POLICY

In the last generation, the arena for education policy has experienced historic shifts. Education policy and funding were once left almost completely to local school districts. But in recent years—especially with the Education Reform Act of 1993—the state has come to play the dominant role in public schooling. The state not only has dramatically increased funding for public schools, but has also set the parameters for local governance of schools, from hiring principals to establishing curriculum and graduation standards. But the shift from the local to the state level is not the only development challenging local district control of schooling.

In one of the ironies of recent domestic policy in the U.S., the most conservative president in recent history has increased federal involvement in schooling more than any president since Lyndon B. Johnson. President George W. Bush's championing of the Leave No Child Behind Act involves the federal government in setting standards and accountability from elementary to high school. Meanwhile, charter schools are pulling local education from the citywide districts to grassroots level. The election of Mitt Romney over Shannon O'Brien appears to give the fledgling school choice movement a chance to change the dynamics of local education.

Knowing the players at all three levels is essential for tracking the future of education in Greater Boston.

The Federal Level

As an education policy actor, the federal government is less prominent than the state—it provides only about 9 percent of monies spent nationwide for K–12 schools—but in some areas, such as education for disadvantaged students, the federal government plays a more significant role. In special education and vocational education as well, federal laws and policies play an increasingly important role in setting the stage.

The federal government's first major role in education—besides court cases and legislation outlawing racial discrimination—came with the passage of the Elementary and Secondary Education Act (ESEA) in 1965. Reauthorized in 2001 as the No Child Left Behind Act, ESEA now requires annual testing in English and math for grades 3–8 by the 2005–06 school year. Relatively few school districts now meet these testing requirements. Linked to testing are an array of accountability measures that will be applied to schools that fail to make "adequate yearly progress" toward a goal of academic proficiency for all students by 2014.

The law also requires all public school teachers to be "highly qualified" within three years, reauthorizes a number of reading and science programs, and consolidates bilingual education and technology programs. To support its emphasis on disadvantaged students, the law increases funding for Title 1 and targets funding to districts with high concentrations of low-income children.

Education policy in the Congress is developed and overseen by education committees in each chamber. Massachusetts Senator Edward M. Kennedy, the outgoing chairman of the Health, Education, Labor, and Pensions Committee, has been a leader on education policy for years. Kennedy partnered with President Bush on the No Child Left Behind legislation, and he has also been a leader on civil rights, compensatory education, and hot meals programs. With the Republican takeover of the Senate, New Hampshire Senator Judd Gregg will take over the committee. The Labor, Health and Human Services, and Education Subcommittee of the Senate Appropriations Committee will shift from Iowa's Thomas Harkin to Pennsylvania's Arlen Specter. William Boehner of Ohio will continue as the chairman of the House Education and Workforce Committee.

Secretary of Education Rodney Paige, former superintendent of the Houston school system, is a strong advocate for testing and accountability. The Education Department that Paige oversees is divided into a number of offices that have responsibility for various policy areas, such as vocational education, post-secondary education, and financial aid. The Office of Elementary and Secondary Education has primary responsibility for most of the K–12 issues in which the federal government becomes involved.

The federal courts play a more reactive but still critical role. Federal courts played the decisive role in the busing policies of the 1970s and 1980s. In Boston, Judge W. Arthur Garrity issued the key decisions that not only mandated busing children to achieve racial balance in segregated neighborhoods, but also oversaw the implementation of desegregation for two decades.[2] The recent decision by the Boston School Committee to drop race as a factor in the district's school assignment policy was heavily influenced by the current trend for federal courts to overturn busing policies.

Outside government, a number of organizations shape education policy or providing relevant information for policy-makers and advocates. National associations represent the interests of school boards and teachers. The American Federation of Teachers (AFT) and the National Education Association (NEA) typically represent teachers in urban and suburban school districts, respectively. The AFT, like its state counterpart, is known for its innovative and experimental approach to new education initiatives like charter schools. The NEA takes a more traditional approach to its advocacy of teachers' interests as professionals. Governors, legislators, and many urban officials also have peak organizations that often provide information related to education.

The Education Commission of the States, based in Denver, provides information and supports research on a variety of education issues, principally at the state level. The Council of the Great City Schools represents 58 of the largest school districts in the country, including Boston. The Council provides information, sponsors research and supports professional development for large school districts and lobbies for their interests in Washington. The Council sponsors several national conferences each year that provide forums for the exchange of information among educators from large cities.

State Level

A variety of public and nonprofit actors are involved in education policy at the state level.

Peter Nessen coordinates education policy for Governor Mitt Romney. Nessen, chair of the Joint Commission on Teacher Preparation and a member of the state board of higher education, served as Governor William Weld's budget chief from 1991 to 1993. Romney plans to elevate Nessen's position to Cabinet status. Nessen will be the governor's point person on a wide range of issues, including the elimination of bilingual education, improvement of the state's public college system, and continuing implementation of the 1993 Education Reform Act.

In FY2003, state spending for elementary and secondary public education was projected to be $4.3 billion, constituting 18.3 percent of the state's budget. The governor often takes a lead role in shaping education policy and typically has one or more education advisors within the governor's office. In the legislature, the Joint Committee on Education, Arts and Humanities is a 17-member body composed of representatives and senators from the Massachusetts House of Representatives and Massachusetts Senate.

The Massachusetts Board of Education and the Department of Education (DOE) are the state actors devoted most exclusively to the issues of public education. The Board of Education, a nine-member body appointed by the governor, shapes and implements elementary and secondary education policy.

The Department of Education implements state education laws and develops regulations for elementary and secondary public education. The agency's responsibilities include program and policy development as well as technical support and regulatory oversight. Agency staff are involved in data collection and evaluation, teacher certification, school construction, student assessment, special education, early childhood programs, among others. Working at the direction of the Board of Education, the DOE is responsible for implementing the Education Reform Act of 1993 and assisting school districts in meeting the requirements of other state and federal policies. A recent review of the Massachusetts Education Reform Act (MERA) and the agency concluded that additional capacity is needed within the department to adequately fulfill its role.[3]

A number of other agencies and organizations operate outside the DOE. The Massachusetts Education Reform Review Commission, a 16-member body created as part of the Education Reform Act, sponsors research and assists policy-makers in monitoring the implementation of the Education Reform Act.

The Office of Educational Quality and Accountability operates outside of the DOE to assess district efforts to meet the Education Reform Act.[4] The Department of Revenue's Division of Local Services produces a variety of publications on key policy and program issues related to local government, and also maintains a valuable databank on local government statistics.

Outside of state government, a number of organizations represent various constituencies. The Massachusetts Teachers Association represents 95,000 members in 400 local associations, while the Massachusetts Teachers Federation represents 20,000 members in 42 local organizations. State-level associations for administrators include the Massachusetts Association of School Superintendents, Massachusetts Secondary School Administrators' Association, and the Massachusetts Elementary School Principals' Association. The Massachusetts Association of School Committees represents school committees and their members in the state.

All of these organizations provide extensive information on education policy issues to their members, and they are quite active in lobbying state policy-makers. They frequently produce position papers on key issues, as with the Massachusetts Teachers Association *Blueprint for Educational Excellence*. These associations occasionally create task forces to review key educational policy issues.

A number of groups representing non-educators also play an important role in public education. The Massachusetts Municipal Association (MMA) lobbies on behalf of local governments in the State House while providing information and professional services for local officials. The MMA provides up-to-date information to its members, and it is particularly active on school finance issues.

The Massachusetts Business Alliance for Education, a business-backed organization, played an instrumental role in passage of the Education Reform Act. As Jack Rennie, one of its long-time leaders, has noted: "The business community has a valuable role to play as catalyst, nurturer, watchdog and navigator to keep a multiyear program on track."[5] The business community has also joined a number of school districts in creating Mass Insight Education, a Boston-based non-profit organization. Mass Insight Education strongly supports MCAS and has sponsored several research projects to assess MCAS remediation efforts and disseminate information on best practices.

The Massachusetts Taxpayers Foundation monitors state policy-making and often reports on education policy issues, particularly involving school finance. The Massachusetts Institute for a New Commonwealth, also known as MassINC, has sponsored important studies on Massachusetts public policy and also publishes the journal *CommonWealth*. MassINC in 2002 launched a new Center for Education Research and Policy to highlight its efforts in the education area. The Pioneer Institute for Public Policy Research oversees research on education and related issues like job training. A long-time supporter of charter schools, the Pioneer Institute operates a Charter School Resource Center that assists individuals and organizations in creating charter schools and provides information to the public on the growing number of charter schools in the state. The resource center is expected to become independent of Pioneer in 2003.

At the University of Massachusetts at Amherst, the Center for Education Policy sponsors research and symposia on education issues, with the goal of improving public decision-making while enriching scholarly activity. At Harvard University's John F. Kennedy School of Government, the Program on Education Policy and Governance sponsors research projects, symposia and publishes a national journal, *Education Next*. The Beacon Hill Institute at Suffolk University sponsors studies and other activities related to Massachusetts policies and recently completed an analysis of MCAS testing. The Donohue Institute at the University of Massachusetts at Boston sponsors studies of MCAS that appear on the Education Benchmarks website.

Local Level

At the school and school district level, superintendents, school committee members, principals and teachers play the central role. In the broader community, parents and business organizations often assume significant responsibilities in shaping the educational landscape. Superintendents and school committee members play the lead role in policy formulation. As one review of education reform notes, "school committees and superintendents can empower reform or stand in the doorway impeding progress."[6]

School committee members are the primary local policy-makers for a school district. With the exception of Boston, voters elect school committee members to two-, three-, or four-year terms. The size of school committees varies, but many are seven or nine members. School committees typically meet at least once a month. School committees adopt the annual budget and appoint the superintendent. Under the Education Reform Act of 1993, school committees no longer have broad hiring authority over personnel below the superintendent.

Boston offers an exception to the standard structure of school governance. In 1992, a seven-member committee appointed by the mayor replaced the 13-member elected Boston School Committee. The elected committee was widely criticized for ending each year in a deficit and for not making the key decisions necessary to reduce school costs—and for using the school committee to advance personal careers instead of focus on school policy. In 1995, the appointed committee hired Thomas Payzant as superintendent.

Superintendents like Payzant act as the CEOs of the school district. They are responsible for advising the school committee and implementing policies formulated by the committee. The superintendent hires principals and has ultimate authority over teachers and staff in the district. Superintendents serve at the will of the school committee, although contractual arrangements are usually negotiated between the two parties.

School districts have several structural connections to their mayors and managers, councils and town meetings. Unlike the situation in much of the rest of the U.S., school districts are typically coterminous with city and town boundaries and depend on the local government for funding. The committee works with the superintendent to formulate the school budget, but the total appropriation for the school department must be approved as part of the budget for the city or town. Unlike in some states, school districts in Massachusetts do not have autonomous authority to raise property tax revenues.

In most cities, one individual holds positions with both the general-purpose government and the school committee. In Cambridge, the mayor (who is elected by the city council) serves as the chair of the Cambridge School Committee. In Watertown, the Town Council president also serves as a member of the school committee. In all communities, the chief executive of local government, such as the mayor or manager, sits with the school committee to vote on labor contracts.

Teachers unions represent their members in collective bargaining with the school committee and play an important role in shaping the implementation of policy initiatives. School site councils—composed of teachers, parents and community members (and students at the high school level)—are mandated under the Education Reform Act to advise principals. (In Boston, site councils are referred to as School-Based Management and have additional budgetary and program authority that predate the Education Reform Act.) Most school communities also have one or more parent-teacher organizations that play an important role by connecting parents to the school and fundraising for specific school projects.

The Boston Compact—an informal partnership of businesses, city hall, labor, higher education, nonprofit groups and the public schools—provides a variety of programs and support services. Much of this work is done through the Boston Private Industry Council, an organization with a long record of support for school and youth employment. The Boston Plan for Excellence, begun in 1984, mobilizes the business community to support a number of school initiatives. The Boston Plan has helped implement whole-school improvement models at individual schools. The Boston Municipal Research Bureau offers important information and policy analysis on city government, including the schools.

UNDERSTANDING ACCOUNTABILITY

If accountability has become a central organizing principle of education, how to promote and measure learning and achievement remain matters of debate. Three key questions frame the issue: *Who* should be held accountable? *How* should they be held accountable? *For what* should they be held accountable?

The "who" question focuses on the target of the accountability system. In the broadest sense, students, educators, parents, and the community are all accountable for the success or failure of public education. The focus, however, is typically on students and educators.

The order and timing for student and educator accountability can be controversial. In the case of the Education Reform Act, which introduced new curriculum frameworks, teachers and other educators are responsible for combining this curriculum with effective teaching practices. Have they succeeded in doing so? Should educators be held accountable first for this, or should students be held accountable through testing? Can these accountability strategies proceed simultaneously?

Responses to the "how" question are equally controversial. Possible accountability instruments include different kinds of tests, student portfolios, student and class projects, and classroom observations. The current accountability system emphasizes standardized tests at the state and federal levels, with a somewhat broader range of instruments likely at the local school district level.

The "what" question focuses on the content of the accountability system. For students, this question points to the curriculum and other school requirements that underlie the accountability system. The state curriculum frameworks in different subject areas are a central part of the accountability structure. In addition, individual school districts may establish other course or competency requirements that become part of the accountability system. For teacher accountability as well, decisions must be made on the relative importance of student test scores and other elements of the teaching environment.

Education Reform and the Birth of MCAS

MCAS and its "high stakes" use for high school graduation dominate the current debate. On one side are many state policy-makers and other supporters who see high stakes consequences—what *The Boston Globe* referred to as "tough love"—as critical in driving the system.[7] As one supporter has noted, "Take the stakes away, everybody goes back to sleep."[8] Opposed are a number of policy-makers, educators and others who object to this use of a single test. Writes one principal in the Boston schools: "No one test—even the best—can or should try to capture by itself our definition of a well-educated person."[9] With the high stakes deadline looming for the Class of 2003, educators and policy-makers are assessing the options and consequences of holding to the deadline or adopting an alternative that postpones, or even eliminates, this diploma requirement.

The Massachusetts Education Reform Act not only mandates MCAS but also addresses finance, governance, curriculum, assessment and other issues.[10] The impetus for the law came from several sources. In the late 1980s and early 1990s business leaders and others grew increasingly concerned that students were not adequately prepared for the world of work and higher education. A growing coalition, working with key legislators, began drafting new reform legislation. Toward the end of this process, a long-standing legal case about school funding reached the Massachusetts Supreme Judicial Court. The SJC ruled that the state's education funding system resulted in inequities across districts and did not meet the state constitutional requirement "to cherish . . . the public schools and grammar schools in the towns."[11] The legislature quickly passed MERA and Governor William F. Weld signed it into law.

The accountability side of MERA includes a number of steps to create a challenging curriculum and assess student and school performance in learning that curriculum. After the law's passage, the state set up commissions and task forces to develop a common core of learning and produce a set of curriculum frameworks that detail what students are expected to know in major subject areas and at different grade levels. The frameworks required several years to develop and some have already been revised. Although sometimes controversial, the frameworks have been praised for providing focus on key learning areas. Achieve, Inc., an organization that evaluates and assesses state curriculum frameworks and tests, rates the Massachusetts curriculum standards in English language arts as among the best in the country.

SAMPLE MCAS QUESTIONS

Grade 8 Math

When Jeff was 3 years old, his sister was 4 times as old as he was.

a) How old was Erin when Jeff was 5?

b) Write an equation showing the relationship between Jeff's and Erin's ages.

c) Draw a graph on a coordinate plane showing the relationship between Jeff's and Erin's ages.

Grade 10 Science & Technology

Water has properties that are important to life.

a) Describe three properties of water.

b) Explain the molecular basis for each of these three properties.

The final step in accountability was the development of an assessment system to measure student and school performance. MCAS has filled this role. MCAS tests in English, math and science/technology were first given to students in 1998. Two years later the state Board of Education adopted the regulation requiring passage of the grade 10 math and English MCAS tests for awarding a high school diploma.

The finance elements in MERA involve a substantial reworking of the Chapter 70 state school funding formula is to reduce district-to-district disparities in per-pupil expenditures and to ensure that all schools have adequate funding to provide a good education to all students. From 1994 through 2002, Chapter 70 increased from $1.4 billion to $3.2 billion; total spending on K–12 education in the state is now over $9 billion.

MERA included a variety of other important changes in public education. School committees are barred from making most hiring decisions below the superintendent. The superintendent is now the chief executive officer of the district with accountability for management of the school system. Principals exercise increased authority over their schools, and school councils of parents, teachers and community members provide advice to principals. For teachers, certification requirements have changed, and the collective bargaining relationship has been redefined. In addition, state-approved charter schools and an expanded inter-district school choice system are now part of the education policy world.

Assessing MCAS

Educators generally view the MCAS as a rigorous testing system. The tests include multiple-choice and open-response questions as well as short answer and writing prompts. First given in 1998 to students in grades 4, 8 and 10 in math, English, and science/technology, the test is expanding into other grades and subject areas.

In Spring 2003, with the addition of a history/social science test, one or more of the MCAS tests will be given in all grades from 3 to 10. The tests are untimed within two-hour blocks, and material covered in the tests is tied closely to the curriculum frameworks.

MCAS scores for each test are scaled with a maximum of 280 points and four performance levels: 200–219, "warning/failing"; 220–239, "needs improvement"; 240–259, "proficient"; and 260–280, "advanced." In the first year of testing the results varied by grade and school district, but the state averages were generally disappointing. In grade 10, for example, 52 percent of test takers statewide failed the math test and 28 percent failed the English language arts test. Scores are slowly improving, but student performance on the tests remains quite mixed. Grade 10 students showed a significant improvement in the 2001 administration of the test, which was the first high stakes sitting of the test. In that year, 25 percent of grade 10 test takers failed the math test and 18 percent failed the English language arts test. In the more recent 2002 grade 10 tests, 25 percent again failed the math test and 14 percent failed the English language arts test.

State averages, however, hide the wide range of scores within the Boston region. The table below lists the percent of students failing the 2002 math and English language arts tests in selected communities.

MCAS also is at the center of the state's accountability system for schools and school districts.[12] The state Board of Education and Department of Education evaluate schools primarily by the MCAS performance of their students. In November 2002, state officials released the most recent assessment of school and school district performance, referred to as the Cycle II ratings.

The rating system is based on separate assessments of the math and English tests using three key measures—a proficiency index, improvement target, and adequate yearly progress. A school or school district's *proficiency index* is an average number, between 0 and 100, based on the distribution of student scores

TABLE 1. MCAS FAILURE RATES

Percent of Students Failing 2002 MCAS Tests, by Grade and Community

	Mathematics			English Language Arts	
	Grade 4	Grade 8	Grade 10	Grade 4	Grade 10
Boston	45	53	52	26	36
Cambridge	34	41	41	21	30
Chelsea	23	56	49	15	28
Brookline	11	17	12	5	8
Newton	6	11	5	4	3
Concord	2	7	3	2	1

on the MCAS test. A school receives 100 points for each student in the "advanced" or "proficient" categories, but fewer points for students in the two lower categories. The closer the average moves to 100, the higher is the proficiency index for the school.

The proficiency index becomes the starting point for identifying the school's *improvement target*. This target is calculated as the biannual increase required for a school district to raise its proficiency index to 100 by the year 2014, which is the requirement in the federal No Child Left Behind Act. A school's improvement is considered to be "on target" if it achieves within plus or minus 2.5 points of its improvement target. And finally, a school is deemed to meet *adequate yearly progress* if it has a proficiency index that is at or above the current statewide level or, even if it is below that level, if it meets its improvement target.

Based on this assessment system, low-performing schools are identified for additional review and assistance. Review might include a site visit by a panel of educators, parents and community members, along with additional assistance and resources to improve the curriculum and service delivery. Schools that do not make adequate yearly progress are designated "schools in need of improvement." Under the No Child Left Behind Act, low-achieving Title 1 schools may be required to offer school choice and supplemental student services. In November 2002, the state designated 194 "schools in need of improvement," many of which are urban schools. Forty-four schools were placed on the list in Boston, seven in Cambridge and two in Somerville. Interestingly, no high schools were placed on the list since all met their improvement targets over their low 1999–2000 scores, even though proficiency ratings in most high schools remained low.

This use of MCAS as the accountability standard has sparked controversy and a number of alternatives. When applied to students, the strongest opposition comes from the Massachusetts Association of School Superintendents, Massachusetts Association of School Committees, Massachusetts Teachers Association, Massachusetts Federation of Teachers, and the New England Association of Schools and Colleges. Several organizations, like the Massachusetts Coalition for Authentic Reform in Education, have formed specifically to oppose MCAS.[13] These groups support the use of multiple measures, rather than a single test, for determining high school graduation.

Some critics question whether the tests accurately reflect the curriculum frameworks and whether they are really criterion-referenced tests.[14] Others argue that the tests are too difficult. A report for the Education Reform Review Commission, for example, cites the high marks Massachusetts students receive on most standardized tests, like the SAT and National Assessment of Educational Progress, yet the poor showing on MCAS.[15] Others say the assessment system fails to track the same group of students over time to identify learning. The lack of a longitudinal approach makes the assessment system subject to the fluctuations of different student cohorts as they enter the school.

Another area of concern is the impact of the tests on the student dropout rate, particularly after the 10th-grade test. Faced with one or more failures, students may choose to leave school rather than continue, knowing they will not graduate if they do not pass the test. Anne Wheelock, for example, notes that the Class of 2003 has "lost" 17.6 percent of its students from grade 9, whereas previous classes shrank by about 13.6 percent. She points to MCAS as one of the major reasons for this increase.[16]

Perhaps the most politically volatile issue is the achievement gap in MCAS scores among different population groups. Students of color have much higher failure rates, as do special education, limited-English proficient, and vocational education students. In the class of 2003, after three rounds of testing, 87 percent of white and 83 percent of Asian students have passed both tests, but only 56 percent of black and 50 percent of Hispanic students have passed. While 87 percent of regular education students have passed both tests, only 55 percent of special education students and 35 percent of limited-English speaking students have passed.[17] Many of the students failing the tests come from Boston and other urban areas of the state.

A lawsuit filed in federal court in Springfield in 2002 alleges that the state has failed to prepare thousands of students for the MCAS and that the tests discriminate against blacks, Hispanics, students with limited English skills, disabled students, and vocational education students.[18] The federal judge, however, declined to hear the case, suggesting that the state court system was the appropriate venue for this issue.[19]

Test scores do not measure progress adequately, experts say, unless evaluators consider a district's socioeconomic makeup and funding levels. These "value-added" studies use a statistical model to analyze how variations in MCAS scores are correlated to school spending, class size, family income, and other independent variables. A report for the Education Reform Review Commission found that a school's poverty level could explain almost 70 percent of the variation in test results.[20] From this perspective, then, an assessment system that focuses on test scores is capturing socioeconomic differences more than achievement differences. A report by the Beacon Hill Institute presents an alternative ranking of school districts using a value-added model that controls for a school district's financial resources, prior test scores, and socioeconomic characteristics.[21]

Faced with these critiques and seeking to improve the system, the state Board of Education and the Department of Education have made a number of adjustments to the accountability process. To increase a student's chance of passing the tests, grade 10 students who fail the math or English MCAS now have four re-test opportunities. For the class of 2003, a student who fails on the fourth re-test is eligible for summer tutoring and additional test opportunities in September

2003 and after. These re-tests are shorter and are designed specifically to measure performance around the break point between a failing and passing score.

Other changes are being made or proposed. For students with severe disabilities, an alternate assessment is available based on a student's portfolio of work and accomplishments. In addition, an appeals process provides grade 10 students who fail the MCAS an option of appealing based on either a scoring error or performance. In a performance appeal the student must convince a panel of educators that his or her MCAS failure does not accurately reflect the student's knowledge with respect to the state curriculum standards. The student must have failed the MCAS test at least three times, scored at least 216, have a 95 percent attendance rate, and participate in a tutoring or other support program.[22]

Another alternative path approved by the state Board of Education is a "certificate of attainment." This certificate can be granted by a local school district to a student who completes all other graduation requirements, but fails the MCAS. Said Board Chairman James Peyser: "It's to recognize and honor the effort and persistence of students who have stuck it out through 12th grade, who have given it their best."[23] Fearful of undermining the MCAS standard, the Board of Education limited the option of granting the certificate to the next two years.

The Department of Education has several programs designed to support general MCAS remediation efforts. The department's Academic Support Services Program provides monies to school districts to implement targeted remediation efforts for students in "warning/failing" and "needs improvement" categories. In FY2002, $50 million was appropriated to support this program.

MCAS remains controversial. The improvement in grade 10 test scores in 2001 drew praise from supporters, but after two re-takes, 19 percent of students state-wide in the class of 2003 continue to fail either the math or English tests. If this pattern continues, the proportion of high school seniors denied a diploma will be twice that of the pre-MCAS period, and it will be much higher in the urban areas. MCAS as a high stakes test still stands, but the spring of 2003 will likely bring a reckoning on this use of the tests.

Accountability at the National Level

Testing also lies at the heart of accountability at the national level. The No Child Left Behind Act outlines a rigorous set of requirements for annual testing in math and English language arts in grades 3 through 8. Under the law, 95 percent of all students are to be tested, and 95 percent of students within the following subgroups—major racial/ethnic groups, economically disadvantaged, limited English proficient and students with disabilities—must also be tested.[24]

Expectations are very high. By the 2013–14 school year, all students in all subgroups listed above should reach proficiency in reading and math, as measured by standardized tests. Schools and school districts must show that each subgroup demonstrates "adequate yearly progress" toward academic proficiency. Schools that fail to meet progress goals for two consecutive years receive technical assistance from the school district, and students in the school may attend another school, supported by transportation provided by the district. A third year of failure to make progress results in supplemental services to students, including private tutoring. Fourth and fifth years of failure lead to more corrective action at the school, including final actions that reconstitute the school as a charter school or other major transformation.

These accountability provisions are still in the development stage, but they already are proving controversial, as states attempt to meld these requirements with those developed in response to state education reform laws. By the end of January 2003, states must submit a plan to the federal Department of Education that outlines an accountability system consistent with the law.

Local Accountability

School districts are adopting their own strategies to improve accountability. The options at this level are many, depending upon the interests of key stakeholders and resources of the school district. In Boston, promotion to the next grade is contingent on course grades and standardized tests. Promotion to grade 4, for example, requires that a student pass English language arts and math classes as well as tests such as the Stanford 9 or BPS Math Tasks.

Schools in Boston are held accountable through a comprehensive review system that includes a Yearly Checkpoint Review and an In-Depth Review. The Yearly Checkpoint Review tracks student performance on standardized tests, while the In-Depth Review is an extensive assessment of a school by a team of educators and community members. Schools complete a self-study portfolio and host the review team for two or more days of interviews, classroom observations and document reviews. Schools that do not meet performance expectations receive assistance to improve performance and are subject to additional scrutiny.

THE CHOICE MOVEMENT

Ever since Milton Friedman first proposed using market mechanisms to give families greater control over their children's education—and to give schools financial incentives to perform better—school choice strategies have provoked controversy in Massachusetts and beyond. While most Democratic constituencies tend to oppose most school choice options, many liberal scholars and activists have embraced the idea of giving poor families the same kind of choice that affluent families enjoy in placing their children in schools. At the same time, many suburban communities have resisted broad school choice schemes.

The rationale behind school choice and charter schools is simple. Rather than focus school reform on improving a bureaucratic system that controls the inputs and outputs of schooling, choice gives schools a direct incentive to respond to the needs of students and families. Schools are placed in a market environment requiring them to compete for students the way that business firms compete for customers. As in the business world, schools that fail to attract customers—students—can lose resources and even fail.

School Choice

School choice, in fact, can mean very different policies depending upon the variation of choice that is adopted and implemented. In general, there are three choice approaches: *public intra-district* choice provides options to students within a public school district; *public inter-district* choice provides school options that cross public school district lines; and *private* choice provides support for students from public schools to attend private schools.

Public intra-district choice allows students to pick from among any school within the district. No longer required to attend a neighborhood school, students can choose from among the school options in the district. Boston and Cambridge have a variation of this system, referred to as "controlled choice," that provides choice within geographic districts. In Boston, the school district is divided into three geographic zones for attendance purposes. Elementary and middle school students create a priority list of desired schools within their attendance zone; high school students may choose from across the city. The assignment process starts at the top of a student's priority list of school choices and makes the assignment based on considerations such as whether the student has a sibling at the school and whether the student lives within the student's walk zone.

The controlled choice process in Cambridge allows parents of elementary and middle school students to prioritize three schools for assignment. The district's assignment process includes proximity and sibling preference, as does Boston's, but also incorporates a number of other factors, including gender, race/ethnicity, and special needs status.[25] Cambridge also considers students' socioeconomic status. Cambridge is one of the few school districts in the country that explicitly incorporates this factor into student assignment.

In these choice arrangements, schools within the district compete with one another to attract students. Information on schools is critical as students and parents make their choices. In Boston, Family Resource Centers provide information to parents and students on individual schools as well as general school issues. In addition, each January the school department holds a "School Fair" for schools to provide information about their programs and performance levels. In Cambridge, a Family Resource Center provides information to parents, and individual schools also are responsible for marketing their programs to students and parents.

Public inter-district choice is a second school choice strategy that typically generates more controversy. Choice policies in this area allow students to transfer to schools *outside* the district. In Greater Boston, two major programs fall into this choice category. The first, and oldest, is the Metropolitan Council for Educational Opportunity—METCO. Begun in 1966, METCO is a voluntary desegregation program in which students of color from Boston and Springfield attend suburban schools. Approximately 3,300 students are bused to suburban schools that receive a per-pupil allocation of $2,900 from the state.[26] This program has generated controversy on several fronts. To some in the city of Boston, it is seen as a diversion of some of the most talented students in the city. Instead of going to the Boston Public Schools, these students rise early in the morning to ride a bus to Lexington, Weston, or another suburban school. To some parents, however, this "exit" option offers an important and critical opportunity for their child. Also, funding is controversial. The state currently pays a per pupil allotment that covers only about one-third of the costs of educating the student. The difference is absorbed by the suburban district, which in several communities has prompted questions about whether they should continue to accept METCO students.

An inter-district choice program, created in 1991, gives students the opportunity to attend public school in another district. The student's choices, however, can be limited, since school districts decide whether to participate as a "receiving district." School districts that choose to participate typically market themselves in neighboring communities in the hope of attracting more students. In FY2002, 131 school districts in the state participated as receiving districts, and 7,558 students took advantage of this opportunity.[27] However, Boston, Cambridge, Newton and most other school districts in Greater Boston do not participate.

The third school choice approach includes *private* schools in the mix. Across the country, several states and cities support school choice with private and parochial schools. In Florida, for example, a statewide program allows students to transfer to another public or private school if the student's home school fails to demonstrate academic progress as measured by student test scores. In Milwaukee and Cleveland, choice programs provide low-income students with a tuition voucher that can be used to attend a private or public school of their choice.

These programs have sparked considerable controversy. Proponents argue that low-income students should not be "stuck" with poor performing schools. Opponents criticize the use of public monies to support private schools, particularly parochial schools. A 2002 U.S. Supreme Court decision upheld the constitutionality of the Cleveland program in a 5 to 4 vote.[28] The court determined that public funds were not going directly to parochial schools, but rather to parents, who were then exercising their choice to send their child to a private or parochial school.

School choice options in Massachusetts involve only public schools. Attempts to expand choice to include private and parochial schools will require an amendment to the state constitution. Such attempts, however, have been consistently thwarted in the state legislature. Should such a change be adopted, the school choice debate is likely to become more heated and controversial, as public tax dollars are channeled to private and parochial schools.

Charter Schools

Charter schools also are part of the market model, but they represent *new* public schools created by parents, teachers, community leaders, and other interested parties. Begun nation-wide in the early 1990s, over 2,300 charter schools now operate in 34 states and the District of Columbia.[29] Enabling legislation varies among the states, but the most common ingredient in a charter school is freedom from local school district rules and regulations. Depending on the state, charters are granted by state government officials, local school boards, universities and even city governments. Typically, an autonomous board governs the charter school and reports periodically to the chartering agency.

In Massachusetts, charter schools are authorized under the Education Reform Act of 1993. The state Board of Education is the only authorizing agent for charters. Charters are given for a five-year period and require reporting on the financial, organizational, and academic operations of the school. Students in these schools are subject to the same MCAS testing requirements as other public school students. The first charter school opened in 1995. As of September 2002, 46 charter schools operated in Massachusetts. Within the city of Boston, in fact, 14 charter schools serve approximately 3,500 students.

Charter school advocates praise the flexibility and entrepreneurial spirit that animates these organizations. Charter schools often experiment with curriculum and teaching strategies; many adopt themes such as public service. Some target their recruitment to particular populations, such as inner-city students, although all charter schools must have an open admissions policy.

Opponents contend that charter schools take students and funds away from "regular" public schools and have very limited oversight. As noted, charter schools do not report to the local school committee; their line of responsibility and reporting is with state authorities that grant the charter.

Within the state and region there have been several policy and program adjustments to the charter school movement. In Boston, for example, "pilot" schools were created as a variation of the charter school principle. Pilot schools remain part of the Boston Public Schools and are under the authority of the school committee, but by agreement with the teachers union, they operate with more flexibility from school district policies and union rules than do other schools. Pilot schools receive a single budget based on a per pupil allocation, and they enjoy flexibility to adopt a different curriculum package and schedule than other schools. In December 2002, there were eleven pilot schools operating in the Boston school district.

Charter schools are evaluated by the state Department of Education and the Board of Education based on their academic program, the viability of the organization, and progress in meeting the goals of the charter.[30] Charter schools provide an annual report that includes an assessment of student and school performance as well as a financial statement. Schools also receive on-site visits from Department of Education staff.

The monitoring of charter schools has been criticized in recent years. The Massachusetts State Auditor and the Inspector General's Office published reports that highlighted financial problems at individual charter schools and criticized the Department of Education for inadequate oversight and monitoring.[31] The department has become more experienced in its oversight function, and the state Board of Education demonstrated a more critical approach when it denied, for the first time, the renewal application from a charter school. In denying the renewal to the Lynn Community Charter School, Board Chairman James Peyser noted that there "is little evidence that the school has been successful in raising student achievement, and its governance structure is in disarray."[32] Controversy still remains, however, as evidenced by a recent legislative proposal to place a moratorium on the creation of new charter schools.[33]

Funding for School Choice and Charter Schools

Funding poses the most controversial issue in the school choice and charter school debate. The fundamental question is who should pay, and how much, to educate students outside the standard system. One option is to require school districts that lose students through school choice or to charter schools to pay the costs of educating the student. Not surprisingly, these districts point to the negative impact such a policy would have on their ability to deliver services to their remaining students. A second option is to require receiving districts and charter schools to bear the costs, but they often lack sufficient resources to cover the additional costs of these new students. A third option is to have the state pay for these educational costs.

In Massachusetts, the costs to educate a choice or charter student are borne primarily by the home district with support from the state. The costs to the sending district are deducted, by the state, from the district's state education aid. This deduction is then credited to the receiving district or charter school. There are many questions and options in determining the deduction. For example, should the sending district be charged the *entire* cost of educating the student, including fixed costs that do not necessarily diminish when the student leaves the district? Should the deduction be based on per pupil costs in the sending district or the receiving district? How should high-cost student populations, like special education, be treated? Should transportation be provided for students? And if so, who pays for it?

In the inter-district school choice program, the deduction from the sending district is based on per-pupil costs in the receiving district. For regular, bilingual and occupational education students, the deduction is equal to 75 percent of per pupil costs, with a cap of $5,000. For special education students, however, the charge is equal to 100 percent of per-pupil costs, with no cap. Officials in the sending district often complain that costs of programs exceed those of their own districts. Not surprisingly, this formula is subject to periodic negotiations. School districts are not required to provide transportation for most students. However, if a special-education student requires transportation in his or her individual education plan, the sending district must pay the full cost. In addition, transportation for low-income students is reimbursed by the state.[34]

In the charter school program funding is handled in a different way. As with school choice, the home district of a student is assessed the costs, but for Commonwealth charter schools the basis of that charge is the per pupil costs in the *home district* itself. The state calculates a per pupil "tuition" charge for each district, then assesses the district for each charter school student that comes from within the district's boundaries. For Boston, in FY2002, the tuition rate was $9,540 per student. This applies to all types of students (regular, special education, etc.). Thus, a deduction of $9,540 was taken from the city of Boston's state education aid for each Boston student who attended a Commonwealth charter school.

When first implemented in the mid-1990s, this loss of revenue from charter school students sparked complaints from school districts across the state. In response, state officials established a program that reimburses school districts for part of their lost revenues. These reimbursement calculations are based on the past history of tuition charges and reimbursements to the community. In FY2002, for example, Boston received a reimbursement of approximately $8 million after having a tuition deduction of approximately $26 million for the 3,000 Boston students who attended Commonwealth charter schools. In the FY2003 budget, however, the governor vetoed all funding for this program.

Charter schools may get per-pupil funding equal to that of the district, but charters get nothing for transportation or facilities. Without transportation, many students are unable to travel to a different community. The state provides some financial support for planning and a facilities grant, but monies and space are typically short, making the first years of a charter school very challenging.

EQUITY AND SCHOOL FUNDING

Paying for public education poses a fundamental challenge for policy-makers. Not only do costs rise for salaries, materials and other parts of the classroom, but our expectations for public education also grow and lead to additional financial demands on the system. Between 1995 and 2001, total K–12 school spending in Massachusetts increased 54 percent, from $5.9 billion to $9.2 billion.[35]

Two questions dominate the school finance agenda. First: Is funding for local school districts *adequate* to provide a quality education for the children of our communities? While some policy-makers and educators respond in the affirmative, others argue that additional funding is needed to achieve excellence in the learning environment of our schools and classrooms. School buildings, teachers and curriculum materials cost money that is often beyond the resources of individual communities, particularly those with a limited fiscal base.

And second: Is school funding *equitable and fair* across different schools and school districts? Again, for many stakeholders this is an area of concern, as school districts with smaller tax bases are less able to raise monies locally in comparison to property-rich school districts. Taxpayers in communities with a limited tax base must bear higher taxes just to reach the same level of spending as property-rich districts. In the eyes of many, such inequities compound the already inadequate level of funding for the public schools.

These issues of adequacy and equity point to the importance of funding sources for public education. Funding remains primarily a state and local affair. In FY2001, for example, 56 percent of school funding in Massachusetts came from local sources, followed by 40 percent from the state. The federal government accounted for the remaining 4 percent. The combination of local and state sources is the key. Since the local portion is funded primarily through the property tax, school districts are financially dependent upon the wealth of their community. For poorer communities, the state plays an important compensatory role by providing a higher percentage of total revenues than it provides to wealthier communities. Under the Education Reform Act, the goal is to combine state and local funding such that all school districts have a level of funding necessary to provide a quality education.

The Chapter 70 state aid funding formula is the mechanism used to reach that goal. This formula has two key elements. The "foundation budget" is the most basic piece. This budget is identified by the state as the minimum spending level necessary for an adequate education. State officials determine this budget by analyzing 18 spending categories in each school district and computing a total budget that is adjusted annually for inflation and enrollment changes. Higher cost factors, like services for special education students, result in a larger foundation budget. In FY2002, the average foundation budget statewide was $7,030 per student. Individual school districts varied around this figure; for example, Boston's foundation budget was $8,319, while Concord's was $6,393.

The second major piece in the funding formula is the "required local contribution," the local community's use of its own revenue sources. State officials review data on a community's wealth, revenues, and tax effort to determine what this contribution should be. Wealthier communities are expected to provide a larger contribution toward school funding than are poorer communities.

The goal is to combine state and local funding such that all school districts in the state spend at or above their foundation budget. In 1993, prior to the Education Reform Act, this goal was met by school districts that included only 40 percent of the students in the state.[36] Over the next seven years the state raised its share of total school spending from 30 percent to 42 percent.[37] State aid increased most dramatically for poorer school districts. From 1993 to 2001, the number of communities that received 60 percent or more of their school budget from the state increased from 11 to 88. In 2001, for example, Chelsea received 86 percent of its net school spending from the state through Chapter 70 aid. In contrast, Concord received only 10 percent of net school spending through state aid. Boston was in between these two communities with 34 percent of its net school spending budget of $580 million coming from the Chapter 70 formula. By 2000, all school districts operated at or above their foundation budget.

Having accomplished the goal, however, the effectiveness of the state aid formula is diminishing. Since all districts are at their foundation level, most new state aid is distributed on a per pupil basis. This reduces the progressiveness of the aid distribution in meeting the needs of poorer communities, and the formula lags behind the needs of districts with sharp increases in enrollment.[38] A consensus is emerging that the formula and foundation budget need to be changed, but agreeing on the specifics, particularly during a time of major fiscal strain, has been elusive.

A variety of proposals have been offered to alter the foundation budget and thereby increase the level of resources available in each school. For example, the formula for calculating the foundation budget assumes that only 3.5 percent of a school district's students receive special education services within the district. However, most school districts have special education participation that is far higher than this estimate, resulting in significantly higher costs for the district. Various changes have been proposed to address this issue.[39]

Also, there is substantial support for altering the current practice of determining the foundation budget based upon student enrollment data from the previous year. Rather than rely upon year-old data, the most common proposal is to use enrollment projections, followed later by adjustments when final enrollment tallies are available. This change is supported particularly by growing communities, often in the Interstate 495 area, that experience large annual increases in enrollment that are not captured by the retrospective nature of enrollment calculations in the current foundation budget.

The Foundation Budget Review Commission has recommended that class sizes in the foundation budget calculation be reduced (i.e. reaching 15 students in K–3). This would increase costs in the budget and raise the overall expectation of adequate school funding. The Massachusetts Teachers Association concurs with this recommendation and proposes several more, including full-day kindergarten, expanded pre-school programs, alternative programs for disruptive students, and MCAS remediation funding.[40] Again, adding these standards into the foundation budget raises the requirements for an adequate education.

Policy-makers concerned particularly with equity issues focus on other aspects of the aid formula to enhance the progressive nature of state aid. The goal is to make the formula more equitable for communities in similar wealth categories and to focus on assisting communities as they try to maintain a level of spending equal to a growing foundation budget. In one proposal, a new formula would be based upon the state reaching and maintaining a "target share" of a community's foundation budget. This share would be the same for communities with similar wealth, but progressive in that it increases for less wealthy communities. The formula would increase local aid by the target share as the foundation budget increases. Over time, it would also address inequities in state support among communities with similar wealth.[41]

The complexity of the school aid formula is itself a target for reform. The Swift administration proposed a new arrangement that "simplifies the nearly incomprehensible 35-step formula, so that local officials and ordinary citizens can, for the first time, more readily understand their local aid."[42] The proposed revisions focus on the required local contribution as one of the most complex areas of the formula.

Debate over school finance continues. Most of the debate focuses on the different areas of the foundation budget and state aid distribution formula, but proposals to make more significant changes also receive an occasional airing. For example, a statewide property tax, similar to Vermont's, has been proposed as a means to increase the state portion of school funding and reduce inequities that still exist in the current system.[43] Although such proposals expand the debate, the major focus continues to be on revising the existing framework of school funding established under the 1993 Education Reform Act.

SERVING SPECIAL POPULATIONS

Educational services targeted for two population groups—special education and limited English proficient students—play an increasingly significant role in school programs and finance. Special education, in particular, often entails costs that far exceed those for regular education students. In some districts, special education costs have absorbed nearly all of the recent increases in state aid. Bilingual and other programs for limited-English proficient students also play an important role in education policy-making, particularly in Boston and other urban areas. Passage of the 2002 initiative to replace transitional bilingual education with English immersion is reshaping the delivery of services to this population of students.

Special Education

Special education refers to services and supports that enable students with physical, learning and emotional disabilities to participate in the general curriculum available to all students. Providing access often requires specially trained teachers and aides as well as facility renovations. For each student getting special education services, teachers and administrators conduct an evaluation of the student's learning needs and prepare an individual education plan, referred to as the IEP, which identifies the specific services and supports needed by the student. Parents are involved in reviewing and approving the IEP. Special education services are outlined in the state law Chapter 71B, passed in 1972, and in the federal Individuals with Disabilities Education Act of 1975.

Participation and costs for special education are high in Massachusetts compared to other states. Across the state, in FY2001, 16.3 percent of public education students were in special education. The statewide average cost for special education services in FY2000 was $11,311 per student, compared to $5,876 per student in regular education. Although there is variation in participation and costs across the Boston region, it is not a simple urban-suburban split. In Boston, 19.5 percent of students are in special education at an average cost of $15,818 per student; in Needham, 14.4 percent of students are in special education at an average cost of $14,525 per student.

Two key issues frame the policy debate. The first issue focuses on services: What is the appropriate standard of service for special education students? In the late 1990s, state officials considered whether to adopt the federal standard of "free appropriate public education" or stay with the state standard of "maximum possible development" (often referred to as "maximum feasible benefit").[44] Proponents of change saw the federal standard as less restrictive, more flexible in terms of the level of services required for special education students, and potentially less expensive. Opponents argued it would diminish the services available to students with special needs.

In 2000, the legislature adopted the federal standard and made a number of other changes to the state law. The new standard went into effect on January 1, 2002, and will be the subject of careful scrutiny as both proponents and opponents assess whether the new standard results in a change in the level of services. Other special-education reforms related to parent advisory councils, the timing for determination of individual education plans, district cost sharing for independent evaluations, and other related measures.[45]

Another service-related issue is the state requirement that special education students must also pass the MCAS tests in order to receive a high school diploma. As noted earlier, many of the students who have failed to pass the tests are special education students. A number of accommodations can be made, such as extending the test past the two-hour time limit or allowing a student to dictate a response. In addition, an alternate assessment is available for students that qualify for a different test setting. Still, many special education students lack the curriculum preparation and test-taking skills needed to pass the MCAS. A task force from the Association of School Superintendents has called for consideration of a new curriculum framework for special education students that focuses on functional life skills. Such a curriculum, the task force argues, would set a more appropriate standard for many special education students.[46]

The second major issue facing special education concerns finances: How can costs be controlled and who should pay for the services? The costs of special education have continued to rise at a rapid rate, often drawing most of the increase in available resources. As one suburban superintendent noted, "You absolutely take from the regular education side to fund the mandated [special education] programs."[47] Although state and federal laws specify the procedures for determining special education services, the state provides, on average, only 26 percent of costs for a special education student and the federal government provides only 6 percent of costs. The remaining 68 percent is borne by the local school district.

Should the state provide more support for special education? There are proposals on the table to address, at least in part, this issue. A recently passed "circuit breaker" law is the most significant action taken to reduce special education costs for local school districts. Intended to go into effect in FY2003, this law provides state funding for special education costs that exceed a pre-determined level. For in-district students (those receiving services within the school district), school districts will be reimbursed 80 percent of instructional costs that exceed three times the statewide foundation budget, which was estimated to be $7,000 per pupil in FY2002. For out-of-district students, the reimbursement is set at 65 percent of tuition costs that exceed four times the statewide foundation budget.[48]

The legislature considered changes to the circuit breaker formula during its FY2003 budget deliberations, but in the end, no money was provided for the program. School districts will continue to rely on past funding practices, while no doubt lobbying for full funding of this program. In the interim, the state continues to provide 50 percent reimbursement for the placement of out-of-district residential students, and the Department of Education has a loan program to help districts pay unexpected special education costs.

English-Language Learners and Bilingual Education

Instruction for English-language learners is a second major policy area among special student populations. As with special education, communities in the Boston region are subject to state and federal laws in designing programs and services for limited-English proficient students.[49] The U.S. Supreme Court, in the case of *Lau* v. *Nichols* in 1974, directed that school districts must provide necessary services to students with limited-English proficiencies.

Across the state, 4.6 percent of public education students are limited-English proficient. Unlike special education, however, the demand for language services is more concentrated in urban districts that are often the first home of immigrant populations. In the Boston area, for example, 20 percent of students in the Boston Public Schools are limited-English proficient, and 16 percent of Somerville students are in the same category. In contrast, Lexington and Belmont each have only 2 percent of their students as limited-English proficient.

The central issue is the type of language services that should be provided for these students. There is a long-standing debate among educators and policymakers as to the most appropriate language program. On one end of the spectrum are those who support programs that continue instruction in a student's native language while slowly learning English. From this perspective, students' abilities to learn English vary, and time should be allowed for each student to proceed at the pace most appropriate for the individual. Furthermore, providing instruction in the native language enables the student to continue learning about his or her native culture. On the other end of the spectrum are advocates of an "immersion" approach who support intensive English instruction.

For many years, transitional bilingual education was the most common type of service in Massachusetts. Transitional bilingual education allowed students three years to make the transition through a mix of instruction in the student's native language and English. Bilingual instruction was mandated in all subject areas required for that student. Initial instruction would be primarily in the native language, then gradually replaced by English. State law required that school districts provide transitional bilingual education if there were 20 or more students in a single language group in the district.

Bilingual education was required by law, but adaptations and alternatives were common in smaller schools and in communities with small non-English-speaking populations. Smaller school districts, in particular, often adapted bilingual instruction to fit the staffing and resources available to them.[50] When the number of limited-English proficient students did not meet the population thresholds, schools often relied on other programs, like English as a Second Language (ESL). ESL groups students with different language backgrounds together with one instructor who focuses on teaching through instruction in English.

Criticism of bilingual education has increased in recent years. Opponents contend that bilingual education fails to move students into English proficiency in a timely manner. Led by California millionaire Ron Unz, who was building on successful campaigns in California and Arizona, bilingual-education opponents placed an initiative petition on the ballot in 2002 to replace bilingual education with one-year English-immersion classes. As stated in the initiative petition, schools in Massachusetts have done an "inadequate job of educating many immigrant children [by] requiring that they be placed in native language programs." Rather, "immigrant children can easily acquire full fluency and literacy in a new language, such as English, if they are taught that language in the classroom as soon as they enter."[51]

Opposition to the initiative petition was widespread among educators and many policy-makers. Most professional education associations in the state opposed the petition. A common criticism was the mandate that English immersion be the only form of instruction. Mayor Thomas Menino and Superintendent Thomas Payzant of Boston charged that the initiative proposes a "one-size-fits-all mandate" that would "dismantle the existing array of research-based models for educating students whose first language is not English."[52]

To head off support for the Unz initiative, the state legislature in the summer of 2002 revised the bilingual education law, effective in the summer of 2003. Under the new law, school districts were no longer restricted to transitional bilingual education. Rather, school districts would be required to prepare a plan for the provision of services to limited-English proficient students that could include transitional bilingual education, two-way bilingual education (in which English-speaking and non-English speaking students learn each others' language), structured English immersion (similar to the Unz initiative), ESL, or any other innovative program designed to accelerate English language proficiency.

Voters, however, derailed this law even before it went into effect. With 68 percent of the vote, the initiative petition passed and English immersion became the state-mandated form of service. Under the new law, schools must provide instruction to limited-English proficient students through an English immersion program in which all books and almost all teaching is in English. The normal duration for this program should be one year. Parents can apply for an exemption for their child to receive different services, and they can sue to enforce the law.

Implementation of this law will be a major challenge. Most school districts do not have the appropriate staff and curriculum to provide English immersion instruction for all of their limited-English proficient students. The Boston Public Schools, for example, estimated that implementation of this law would cost an additional $125 million in the first two years. In addition, state lawmakers are reviewing legislative proposals to alter some of the provisions of the new law. A complete reversal of the new law is unlikely, but there is significant support for changing certain aspects of the law, such as the option of suing teachers for not providing English immersion instruction. Possible legislative changes add to the complexity of implementing this new law.

EXCELLENCE IN THE CLASSROOM

Under any school improvement plan, teachers play the central role in implementing reforms—whether it is the MCAS test, an innovative curriculum, or new strategies for reaching special education and limited-English proficient students. Improving the capacity of teachers lies at the center of a number of reform proposals.

Many of the policy options to build this capacity focus on ensuring teacher competency and attracting qualified individuals into the profession. Ensuring competency is primarily a state responsibility, but local districts also play a role. At the state level, the Massachusetts Department of Education monitors implementation of licensure requirements for four levels of license: temporary, provisional, initial and professional.[53] Higher levels of licensure include more rigorous requirements. A professional license, for example, requires completion of a performance assessment program or master's degree. In addition, all but the temporary license require successful performance on the Massachusetts Tests for Educator Licensure. This test includes communication and literacy sections as well as subject tests in the areas for which a license is sought.

More controversial, however, is competency testing for teachers *already* in the classroom. In 2000, the Board of Education adopted a policy to administer competency exams to math teachers in schools where at least 30 percent of the students failed the math portion of the MCAS. Exceptions to this policy narrowed its application, but reaction from teachers unions was quick and unequivocal in opposition. Teacher groups saw the test as an affront to teachers and inappropriate, since it ignored many other factors that can impact student test scores, such as poor student attendance and student demographics. State officials said the test would not be used to judge individual teachers, but opposition continued. The Massachusetts Teachers Association and the Massachusetts Federation of Teachers filed suit to block the test, but lost in a unanimous ruling by the Supreme Judicial Court that upheld the right of the Board of Education to adopt such a test requirement.[54] The state intends to implement the test after the results of the 2002 MCAS tests are made public, but the debate is likely to continue.

Local school districts have a number of options to support teacher competency. Many school districts provide professional-development programs for their teachers. The overall thrust of these programs is to strengthen the pedagogical and subject matter skills of teachers. In Boston, for example, the Center for Leadership Development sponsors and provides information on a range of professional-development opportunities for teachers and administrators. School districts sometimes place new teachers in a mentoring program to provide support during the first years on the job. In addition, all teachers must have a professional-development plan that is supported by their local district.

Identifying and hiring qualified teachers is another important challenge. The Massachusetts Teachers Association projects that 50 percent of teaching positions in the state will turn over in the next ten years.[55] In addition, several subject areas, such as math and science, face frequent teacher shortages. These challenges are most acute in urban districts, such as Boston and Somerville.

State officials are implementing several programs designed to expand and strengthen the teaching workforce.[56] The Massachusetts Institute for New Teachers (MINT) is one example. Begun in 1999, this program offers a seven-week intensive summer training experience that leads to an initial teaching license. The program is designed particularly for mid-career individuals from other professions as well as other non-traditional teaching candidates. During the first two years of operation, 240 individuals participated in the program.

A signing bonus for new teachers has generated more controversy. Begun at the same time as the MINT program, the $20,000 bonus is targeted to teachers in subjects with severe shortages, like math and science. Recipients must teach in Massachusetts for four consecutive years during which the signing bonus is paid-out in installments. These "bonus babies" complete the MINT program and receive mentoring during their first year in the classroom. From 1999 through 2002, 312 individuals were awarded the bonus, although about one-quarter did not remain in teaching and thus forfeited the balance of their bonus.[57]

The signing bonus has drawn criticism from several quarters. Many in the teaching profession criticize it as a high profile initiative for a relatively small number of individuals, while providing no recognition for many dedicated teachers already working in the field. On the merits of the program, one researcher found an attrition rate higher than the national average, raising questions about the effectiveness of the bonus in retaining new teachers in the profession. To increase retention, the Department of Education recently added a requirement that all bonus recipients complete a one-year teacher preparation program, not just the intensive, seven-week MINT program.

WHERE LEARNING HAPPENS

School building repair and construction do not capture headlines but are critical to the well-being of the public education system. For some school systems, the major challenge is constructing new buildings to accommodate a growing student population, for other systems it is repairing and renovating existing buildings.

The need is significant. A 1996 study by the U.S. General Accounting Office ranked Massachusetts 48th in the nation for the condition of its school buildings. Eighty percent of schools reported at least one unsatisfactory environmental condition and 42 percent reported crumbling roofs. Forty-nine percent of Massachusetts's schools lack enough power outlets and electrical wiring to accommodate computers and multimedia equipment in classrooms.

The scope of the problem also is evident in the large and growing demand for support from the state's School Building Assistance Program. Between FY1990 and FY2002, the number of projects on the waiting list grew from 13 to 282. The funding needed just to begin these projects grew from $8 million to $275 million. This backlog grows as the number of projects designated to receive monies declines. In the late 1990s the Department of Education allocated funds for an average of 56 projects per year but only 18 projects in FY2002. During this same time, the allocation of monies dropped from an average of $44 million per year to $20 million.[58]

There are two key areas of debate in this policy arena—financial resources and the allocation process. The financial debate revolves around the limited resources of cities and towns and the declining allocation of monies from the state. Cities and towns are expected to fund maintenance and minor repairs, but larger capital projects are a major burden for most communities, particularly with the constraints of Proposition 2½. For new construction and major renovations and repairs, school districts look to the state for help. Since 1948, the state has provided financial assistance through a School Building Assistance Program. The problem, evident in the numbers above, is the relatively modest level of support, made even worse by the more recent decline in funding.

There are several options that could be pursued. One option would be to grant more flexibility to local governments when they borrow funds for school construction projects. Debt for school construction could be exempt from Proposition 2½. Communities can currently do this through a debt exclusion override, but a blanket exemption would make borrowing for school construction a more viable option. Another option recently approved is to extend the time period for bond anticipation notes from five to seven years. This will allow communities to borrow short-term for a longer period of time until state monies are available. Perhaps the most obvious option—but in some ways most difficult—is to increase state financial support for the School Building Assistance Program. In the current fiscal climate, the prospects of significant increases in state support are limited. Rather, the danger is that funding will decline even more.

A second key area of debate focuses on the allocation process for state assistance. Two elements shape the allocation process—a community's reimbursement rate and the priority ranking of a project. Cities and towns typically float bonds to pay for school construction; they are then reimbursed over a number of years by the state for a percentage of the costs. In 2000, the legislature and governor revised the reimbursement rate. The rate varies between 50 percent and 90 percent, but the determination of a community's rate is now done through a point-based formula that results in more points for poorer communities. All communities begin with 39 base percentage points; additional points are given based on a community's low income, low property wealth, and poverty. In FY2002, for example, the base reimbursement rate was 88 percent for Chelsea and 75 percent for Boston, but only 39 percent for Concord and Lexington.

A final component in the formula allows any community to add incentive points based upon the nature of the project and the condition of existing school buildings in the district. A renovation/reuse proposal, for example, receives five percentage points, but a new construction project receives zero points. Also, a community with an excellent maintenance rating receives eight incentive points, whereas a poor maintenance rating yields zero points. In addition to this point system, the state has maximum eligible cost and size standards for school construction and renovation that limit the state's funding for a project.

The reimbursement formula determines the state-local split in funding, but the project's ranking depends upon where it stands in the order of priorities established by the state. Chapter 70B, Section 8, lists the eight priority areas for new projects. At the top of the list are projects to replace or renovate a building that is structurally unsound or otherwise jeopardizing student health and safety, followed by a project to eliminate severe overcrowding. At the bottom of the priority list are projects designed to transition from court-ordered racial balance to walk-to or other attendance systems. With limited funding, the state is still working through a backlog of projects that were approved, but not funded, prior to the new legislation.

Even with state support, local school districts must traverse the challenges of finding a suitable construction site as well as overseeing and monitoring the construction project.

Particularly in dense urban areas, locating a new school site can be controversial. Boston's recent construction of new schools faced numerous obstacles as building sites had to be located that served the attendance needs of the district while meeting the concerns of parent and community groups.

Construction itself requires oversight skills that many school districts lack. State officials work with local school authorities that often hire a project manager with expertise to help them through the construction process.

THE FUTURE OF EDUCATION IN GREATER BOSTON

The past decade of education reform in Massachusetts has brought significant change to the schools of Boston and its surrounding communities. State-level policy-makers and educators play a greater role in the state-local partnership, and the federal government is poised to increase its role in the near future.

Across the region and state, curriculum frameworks expose all students to the academic materials necessary to participate in the 21st century. Inequities have diminished as all school districts reached a foundation level of spending. A rigorous assessment test challenges students and schools to master the new curriculum.

For every policy change, new challenges arise. State funding to local school districts, for example, faces a new set of issues as the old formula gives way to a new scheme, still being defined, to serve the growing diversity of school districts.

The MCAS tests remain controversial as they drive student and school accountability. While school choice expands and the number of charter schools increases, the debate continues over their role in shaping public education. Most recently, a new English immersion law poses many difficult challenges for school districts. These policy debates take place at a time when fiscal constraints are limiting the options available to policy-makers at all levels of government.

6. Health Care at the Crossroads: A Guide for the Perplexed

John E. McDonough and Christie L. Hager

On Monday, January 3, 2000, Charles D. Baker, Jr., met with his financial team at Harvard Pilgrim Health Care to work on the non-profit company's deteriorating finances. Baker, former secretary of the Executive Office for Administration and Finance Secretary, had recently been named the plan's president and chief executive officer. "We've uncovered some accounting practices and calculation errors that dramatically alter our 1999 financial picture," Chief Financial Officer Eileen Winterble told Baker. "How dramatically?" he asked. From $50 to $70 million, more than 50 percent larger than previously reported.

Within days, Massachusetts Attorney General Thomas Reilly and Insurance Commissioner Linda Ruthardt placed the 1.3 million-member plan under state receivership to sort out its problems and determine whether dissolution, sale, or recovery made sense.[1] Though less stark, serious financial losses at Tufts Health Plan and Fallon Health Plan conveyed an unmistakable impression: in the earliest days of the new century the Massachusetts health care system faced an unprecedented crisis. Within months, Governor A. Paul Cellucci, House Speaker Thomas M. Finneran, and Senate President Thomas F. Birmingham assembled a 45-member Health Care Task Force to grapple with a cascading series of crises affecting all key partners in the health puzzle: plans, providers, patients, and purchasers.

More than three years later, Harvard Pilgrim has recovered—as a smaller plan with 750,000 members—while the sense of crisis across the health care system has grown. Provider distress among hospitals, nursing homes, physicians, and nurses has increased. State government's ability to help by fixing Medicaid's chronic underpayment has been frustrated by dramatic revenue drops. Key public health and mental health activities have been curtailed or eliminated in the ongoing state budget crisis. Workforce shortages mount. Reignited and rampant medical inflation threatens to reverse steady progress in reducing the numbers of uninsured. Consumers face new and higher premiums, co-payments and deductibles.

The crisis triggered by Harvard Pilgrim's woes is far better understood today than it was three years ago. The year of Harvard Pilgrim's reckoning marked the tenth since state government rejected intrusive regulatory controls in favor of market-oriented approaches to health system governance. While the crisis sparked introspection on the benefits and pitfalls of market-driven health care, solutions are still far from clear. Indeed, health care policy in Greater Boston and Massachusetts now stands at a series of critical crossroads as Mitt Romney begins his tenure as governor. These challenges include:

- Finding an appropriate balance between market and regulatory approaches to manage a complex system that provides daily examples of the law of unintended consequences.
- Developing effective policies to address exploding health care costs that seem beyond the power of government or private interests to control.
- Understanding the role of technological change in improving health and driving costs.
- Addressing the growing numbers of uninsured and preserving new levels of coverage achieved over the past six years.
- Responding to racial and ethnic disparities in health and health care.
- Confronting the related dilemmas of a rapidly aging population and an inadequate supply of caregivers.

An early opportunity for the Romney administration will be deciding how to redesign the landscape of health and human services in Massachusetts state government. In December 2002, Charles Baker—Romney's health care transition chair—offered one dramatic proposal for a reconfigured health and human services secretariat.[2] A broad restructuring of the public, private, and nonprofit pieces of the health care system is likely in 2003, even though the nature and substance of those changes is still unknown.

A HEALTH SYSTEM PRIMER

Estimated at $41 billion in 2002, the health sector is a major part of the Massachusetts economy.[3] Greater Boston boasts the nation's largest concentration of academic teaching hospitals, the highest number of physicians and nurses per-capita, the deepest concentration of medical research, the most sophisticated network of community health centers, the oldest public health infrastructure, and the most costly system. The system is often called the best in the nation. But while clinical care and research are among the nation's most technologically advanced, it is less clear that the state and region receive the highest value for the resources invested in the system—and even less certain that the region enjoys the best mix of primary care and public health programs or even the most advanced high-tech specialty services.

Health care provision in the U.S. involves a variety of actors inside and outside of the government. *Inside government* includes federal, state, and local health departments with specific responsibilities for health system management. *Outside government* includes four principal communities of interest: patients/consumers, providers, health plans/insurers, and purchasers. Governmental and nongovernmental distinctions do not hold up without exception; i.e., public health and mental health hospitals are providers, and government agencies such as Medicaid and group insurance for public employees are purchasers.

INSIDE-GOVERNMENT PLAYERS

Greater Boston's medical care and public health systems are governed by a dense hierarchy of federal, state, and local government entities, each with jurisdiction over distinct—and often overlapping—system aspects. Coordination among agencies is critical to maintain effective regulation of health and health care. Understanding the role of each regulating and regulated entity is essential to appreciate the difficulties in achieving this coordination.

Federal Responsibilities and Oversight

The U.S. Department of Health and Human Services (HHS) coordinates most of the federal government's health policy. Former Wisconsin governor Tommy Thompson serves as secretary. The U.S. Surgeon General is often the most recognized health official within the federal government. Dr. Richard Carmona, a medical educator and army medic with anti-terrorism and emergency preparedness experience, was named to the position by President Bush in 2002.

The Centers for Medicare and Medicaid Services (CMS), the largest entity in HHS, manages the Medicare and Medicaid programs that finance more than 40 percent of the U.S. health bill and provide coverage to more than 80 million Americans. CMS Administrator Thomas Scully, appointed in 2001, formerly headed the Federation of American Health Systems (the organization of for-profit hospitals), and worked in the Office of Management and Budget (OMB) during the administration of President George H. W. Bush.

The U.S. Centers for Disease Control and Prevention (CDC) is the key agency of the U.S. public health system. The National Institutes of Health are the engine of basic medical research and technological development. The Health Resources and Services Administration (HRSA) provides support for health workforce development and training. The Agency for Healthcare Research and Quality (AHRQ) specializes in health services research and policy development.

The influence of Regional HHS Offices is determined by each administration. HHS is now undergoing changes in response to the terrorist attacks of September 11, 2001. Homeland security and anti-bioterrorism efforts increasingly dominate the work of agencies committed to disease prevention and health promotion, threatening to eclipse that historic focus. In the New England Region (Region I), federal health agencies have played a critical role in anti-bioterrorism and emergency preparedness planning for the six Region I states. Brian Cresta took over as regional director in 2001. Betsy Rosenfeld, the deputy regional health administrator, is acting regional health administrator for the Office of Public Health and Science. Dr. Roderick King is the regional field coordinator for HRSA.

HHS regional offices advocate for states and act as conveners of interstate collaborations providing technical assistance to help states comply with federal requirements. As states have sought Medicaid waivers to achieve greater flexibility, regional offices have worked with state officials to craft expansions in eligibility and benefits (final decision-making remains in Washington). HRSA helps address the needs of medically underserved people by supporting health workforce development programs.[4] With new anti-bioterrorism planning, HRSA now distributes funds to states for emergency personnel and anti-bioterrorism staffing.

Massachusetts' all-Democratic congressional delegation plays an active role in Washington's health policy debates. Senator Edward M. Kennedy, the ranking Democrat on the Senate Health, Education, Labor and Pensions Committee, leads the delegation on health issues. A champion of public health and health causes throughout his 40-year Senate career, Kennedy has sponsored two major pieces of health legislation in the past decade. The 1996 Health Insurance Portability and Accountability Act (HIPAA) transformed medical information privacy and claims administration. The State Children's Health Insurance Program (SCHIP), created in 1997, has resulted in health insurance coverage for nearly 5 million previously uninsured children.

State Responsibilities and Oversight

The Executive Office of Health and Human Services, the largest secretariat within the executive branch of Massachusetts state government, includes 15 agencies and offices with responsibility for the health and human services. Ronald Preston, who previously ran the regional office of the federal Centers for Medicare and Medicaid services, was named secretary of EOHHS by Governor Romney. He succeeds Robert Gittens, who previously served as Commissioner of the Department of Youth Services (DYS). Perhaps the most influential official in recent years has been Charles Baker, who masterminded the deregulation of state hospital rates in 1991, setting the stage for the growth in market driven health care in the past decade. In 2002, Baker unveiled a new vision for the complete restructuring of operations inside EOHHS.[5]

EOHHS agencies and their commissioners enjoy broad discretion in setting policy and developing initiatives for their agencies. A key challenge is developing collaborative approaches involving agencies inside and outside EOHHS. One example of such collaboration is MassCares (Massachusetts Confidential Access to Resources through an Electronic Storehouse), an EOHHS initiative to eliminate technical barriers to interagency information sharing.

MASSACHUSETTS DEPARTMENT OF PUBLIC HEALTH (MDPH): Unlike larger states, where county or regional systems play a dominant role, MDPH acts as the "first responder" in many emergency situations. The Commonwealth's public health agency coordinates activities related to disease prevention and health promotion, including four hospitals and a staff of over 3,000.[6] Howard Koh was appointed commissioner by Governor Weld in 1997 and also served under Governors Cellucci and Swift. MDPH was funded at $516 million in FY2002. The critical operations in of MDPH include:

• *The Bureau of Health Quality Management,* responsible for licensing hospitals, clinics and long term care facilities, quality oversight of pharmaceutical dispensing and prescribing, and emergency medical services. HQM is one of three MDPH bureaus assigned to lead the state's bioterrorism efforts. Health plan quality oversight lies within the bureau's Office of Patient Protection (in coordination with the Division of Insurance), established in 2000 to administer the state's external appeals process for managed care enrollees.

• *The State Laboratory Institute,* which houses the bureaus of Communicable Disease Control (which handles communicable disease prevention and surveillance, including HIV/AIDS, as well as outreach) and education and Laboratory Science where specimens for such diseases such as West Nile Virus and rabies are tested. The Lab also houses the New England Newborn Screening Program, which screens all newborns for diagnosable and treatable diseases. West Nile Virus (a mosquito-borne virus transmittable to birds, humans, and other mammals) presents a new challenge. In 2001, when public demands emerged for aerial and ground spraying to eradicate virus-carrying mosquitoes, MDPH applied public health principles to weigh the risk of the virus to humans against the risk of pesticide exposure. MDPH developed a plan for increased monitoring and surveillance of mosquito pools, dead birds and other animals, techniques of integrated pest management and source reduction, and risk management.[7] In 2002, the Boston Public Health Commission endorsed the MDPH proposal to delay residential ground spraying until a confirmed case of the virus occurred.[8]

• *The Bureau of Environmental Health Assessment,* which investigates potential links between environmental exposures and illness or disability. This bureau was responsible for the 1970s investigation of childhood leukemia among residents of a Woburn neighborhood that was the subject of the best-selling book by Jonathan Harr, *A Civil Action*. More recently, the Bureau of

Environmental Health Assessment was called to South Boston where neighbors had been diagnosed with lupus and scleroderma, an incurable, rare disease.[9] Since 1998, scleroderma had been diagnosed in South Boston residents, mostly women, at a rate two to five times higher than expected in such a small area. The Bureau's investigation then moved to residents' exposure to nearby environmental pollutants.

• *Other MDPH bureaus* provide a variety of disease prevention and health promotion services. The Bureau of Family and Community Health funds a whole host of programs for women and children, including Healthy Start, Women Infants and Children (WIC), children with special health care needs, women's health, elder health, and violence prevention. The Massachusetts Tobacco Control Program, virtually eliminated in 2002 state budget cuts, served as a national model for smoking prevention and treatment and surveillance of smoking-related illnesses. The Office of Healthy Communities supports health education and outreach through Regional Centers across the state. The Office of Multicultural Health addresses disparities affecting racial and ethnic groups. The Bureau of Health Statistics, Research and Evaluation analyzes and reports critical information on the health status of state residents. The Substance Abuse and AIDS bureaus fund numerous prevention, treatment, and support programs statewide.

In 2002, the legislature moved oversight of the boards of registration in dentistry, nursing, pharmacy, and respiratory care, as well as those for nursing home administrators, perfusionists, and physician assistants, from the Division of Professional Licensure to MDPH. In addition, MPDH is instructed to consult with the Board of Registration in Medicine concerning the operations of that board. With this move, health professions licensure is now conducted by the same agency where these professions are practiced.

FY2003 budget cuts have reduced state resources for MDPH by $80 million. Although $22 million new federal funds have recently become available to state and local health authorities, these funds are earmarked solely for public health preparedness and bioterrorism.[10]

DEPARTMENT OF MENTAL HEALTH: DMH provides inpatient and community-based services for 27,000 adults and children with mental illness.[11] DMH provides inpatient services, residential treatment and support, day services, outpatient services, medication management, educational, employment and rehabilitation opportunities for adults; and coordinated interagency programs and supports for children and adolescents. Its FY2002 budget was $591 million. Commissioner Mary Lou Sudders, a clinical social worker appointed in 1996 by Governor Weld, served until the end of 2002.

Massachusetts claims two firsts in mental health. Worcester State Hospital opened in 1833 as the nation's first public asylum. The Massachusetts Mental

Health Center opened in 1912 as the nation's first community mental health center (originally called the Boston Psychopathic Hospital). But little in the modern mental health system in Massachusetts betrays its past of isolated state hospitals and asylums. In the tradition of the Community Mental Health Centers Act of 1963, enacted during the Kennedy administration, the modern DMH offers a system of community-based mental health centers and community settings providing individualized support and rehabilitation.

DMH is organized into six regions, including the Metro Boston and Metro Suburban areas, which cover Boston and 64 cities and towns. In Greater Boston, the state operates five community mental health centers, including Massachusetts Mental Health Center, the Erich Lindemann Mental Health Center near the State House, the Dr. Solomon Carter Fuller Mental Health Center near the Boston Medical Center, the Cambridge/Somerville Center, and the Bay Cove Mental Health Center in Jamaica Plain. Greater Boston confronts challenges associated with most large urban areas: a high concentration of homeless mentally ill, the greatest need for affordable housing, and one of the largest waiting lists for services in the state.

Greater Boston is a site of the Program of Assertive Community Treatment (PACT), which uses a multidisciplinary approach to reduce demand for psychiatric hospitalizations. PACT offers outreach-oriented, multidisciplinary treatment, providing services to persons with serious mental illness. Clients receive assistance with medications, employment, housing and other services from one team. The client no longer has to navigate a complex service delivery system to get support. DMH also funds an innovative program called the Mental Health Services Program for Youth (MHSPY), in Cambridge and Somerville, which provides family-centered, strength-based, integrated care for children.

Children and adolescents pose special challenges to the mental health system. A survey of the Boston Public Health Commission found that 20 percent of Boston high school students reported having suicidal thoughts and behavior or feelings of depression.[12] "Stuck kids"—the children who remain in acute care settings awaiting appropriate residential or outpatient services—underscore the system's insufficient service capacity outside hospital settings.[13]

DMH emphasizes collaboration among state agencies, including the Department of Education, and the judiciary, to integrate services for persons with mental health needs. The Children's Mental Health Commission is one example of collaboration, spanning jurisdictions of state agencies to improve mental health. The Commission is charged with evaluating "delivery of mental health services to children." It includes representation from agencies, and mental health providers and advocates. Included are representatives from DMH, DPH, DMA, Department of Youth Services, Department of Mental Retardation, Department of Social Services, and the Department of Education. The

Commission began meeting in 2002, and seeks to improve children's mental health and access to services. Optimism is tempered by the recognition that efforts should go beyond data collection and reporting. The Commission reflects a commitment to interagency collaboration that will encourage such activities on an ongoing basis.

DIVISION OF MEDICAL ASSISTANCE: The state's largest purchaser of health care services, the DMA operates at the center of efforts to improve access to health care for the Commonwealth's residents, particularly children, and low-income and disabled persons. DMA runs MassHealth, the state's Medicaid program, and the State Children's Health Insurance Program (SCHIP).[14] A principal driver of the state's health care budget and overall budget, MassHealth represents approximately 25 percent of the State budget at $5.48 billion in FY2002. Over $2.5 billion in state spending supported MassHealth services for over 995,000 people (nearly one out of six of the state's residents).[15] For most of its services, DMA receives a dollar-for-dollar federal match; for some services, such as those provided under the SCHIP program, the match rate is higher.

As the single state agency responsible for Medicaid, DMA oversees contracts with all MassHealth providers, including physicians, dentists, community health centers, mental health professionals, community-based organizations, nursing homes, and hospitals. Its role in the support of safety net providers is critical to their financial stability. DMA pays managed care plans, nursing homes, and home-based providers to care for MassHealth members. DMA also administers the Insurance Partnership. Under that program, the state supports small employers' share of health insurance premiums for lower-income employees and runs the Family Assistance Program that subsidizes health insurance for eligible families.

While the MassHealth program has expanded over the past six years (from 650,000 enrollees in 1996 to nearly 1 million in 2002), the state fiscal crisis has put enormous strains on its budget, resulting in benefit reductions (adult dental care, hearing aids, eyeglasses, prosthetics) and cutbacks for many thousands of beneficiaries. In 2002 the legislature directed DMA to terminate 50,000 long-term unemployed adults from the MassHealth Basic program by April 1, 2003. The cost of caring for these newly uninsured people will fall on safety net providers, putting additional strains on providers and the state's Uncompensated Care Pool.

DMA participates in interagency collaborations such as the Special Kids/Special Care program administered jointly with DSS to coordinate medical care for foster children with special needs.[16] In that pilot program, the Neighborhood Health Plan (one of DMA's managed care plans) arranges for services in consultation with a team that includes the child's DSS case manager, nurse practitioner, primary care physician, and foster family.

Wendy Warring, an attorney with extensive state and federal experience, served as Commissioner between 2000 and 2002. Her tenure was focused on efforts to maintain eligibility and benefits for MassHealth members resulting from the expansions of the late 1990s in the midst of the soaring health costs and a sluggish economy.

DMA now operates in an environment of rapidly growing health care costs, public and private. Tensions over the provision of dental services to MassHealth enrollees and reductions in payment rates for pharmacies have placed DMA at odds with advocates and providers alike. Actions by the legislature and the governor to reduce services and enrollment bode ill for the future. As the budget picture worsens, the effect of cuts in eligibility and benefits for MassHealth members will be closely connected to strains elsewhere in the health care system.

DIVISION OF HEALTH CARE FINANCE AND POLICY: The DHCFP collects and analyzes data on the Commonwealth's health care system, manages the Uncompensated Care Pool, and sets rates for health and human services provided by private vendors. The Division includes four groups: Health Systems Measurement and Improvement, Health Data Policy, Pricing Policy and Financial Analysis, and Audit Compliance and Evaluation.[17] The Division is the successor to two prior state agencies: the Rate Setting Commission and the Department of Medical Security.

Administration of the Uncompensated Care Pool, a state financing vehicle which funds hospital and community health center services for the Commonwealth's uninsured and underinsured residents, is one of the Division's most visible and important activities. The pool illustrates the division's close interaction with other public and private agencies.

The pool was created in 1985 by the legislature when the Rate Setting Commission approved inpatient hospital revenue caps. Since then, the legislature has made several modifications to the pool: in 1988 the legislature capped the size of the pool; in 1991 the legislature deregulated hospital revenue controls; and in 1997 it broadened the financing structure. The pool requires hospitals that provide less than the statewide average of uncompensated care to support services at hospitals providing greater than the statewide average. Originally, all pool costs were borne directly by hospitals, a price tag that rose from $165 million in 1986 to nearly $300 million by 1989. During the rate-setting period between 1985 and 1991, hospitals passed these costs onto their payers; in the competitive environment of the 1990s, hospitals found it increasingly difficult to pass these costs to payers. In 1997, $100 million was shifted from hospitals to payers; and the Commonwealth picked up a larger share of pool costs between $45 to $90 million.

With the deterioration in hospital finances that has occurred since 1999, hospitals required to contribute to the Pool have chafed at their mandated payments. In 2002, the legislature created a special commission to examine the Pool's financing structure and to recommend changes; an inconclusive final report was delivered in December. The commission's work was made more difficult by the impending cutbacks for 50,000 MassHealth Basic clients, most of whom will join the ranks of the uninsured once eligibility is rescinded. All MassHealth Basic clients have incomes below 133 percent of the federal poverty line (FPL), while full Pool eligibility is available for those with incomes under 200 percent of the FPL—meaning all disenrolled Basic clients will turn to hospital emergency rooms, community health centers, and other sites the pool reimburses.

The debate over how to "fix" the pool began before the decision was made to cut MassHealth Basic. Contributors to the pool (health plans, employers, and hospitals) question the equitability of pool distribution and administration.[18] Some urge the Division to implement a claims-based payment system with utilization review. The Division conducts audits and has instituted electronic form submissions to streamline application procedures, and lower administrative costs. Policy regarding the operation of the pool disproportionately affects residents of Greater Boston. The Cambridge Health Alliance and Boston Medical Center account for the majority of hospital-based charges paid by the pool.

The Division administers 12 demonstration projects financed by $10 million in pool funds to improve care by reducing hospitalizations for persons with chronic illnesses and for certain vulnerable populations. Projects address congestive heart failure, mental health, and community- and clinic-based programs for uninsured people at high risk for hospitalization. In 1992, Linda Ruthardt left her post as Commissioner of Insurance to accept appointment as Commissioner of the Division. She succeeded Louis Freedman, who served as Commissioner for two years.

EXECUTIVE OFFICE OF ELDER AFFAIRS: Distinct from EOHHS, the Secretariat of Elder Affairs runs several important programs to improve the health of senior citizens, including the home care program which provides homemaking services for frail elders, the nursing home ombudsman program, and the Prescription Advantage program which is the only senior drug assistance program in the nation organized as an insurance plan.

State sponsored drug assistance for seniors began in 1996 as part of the same legislation that authorized major Medicaid expansion, financed by new federal revenues and new tobacco taxes. About $30 million in the new tobacco tax revenues was earmarked to provide limited support to lower income seniors with incomes below 133 percent of the FPL. In succeeding years, the legislature raised the income level to 185 percent FPL as well as the dollar value of the drug benefit. In 2000, with technical support from the Heinz Foundation, the

Commonwealth launched Prescription Advantage that provides free drug coverage to seniors without other drug coverage and with incomes below 185 percent FPL. Seniors with incomes over that limit can join the program by paying premiums. The program is also open to certain lower-income disabled persons.

Between 1998 and 2002, Dr. Lillian Glickman served as EOEA Secretary. Governor Romney has named Jennifer Davis Carey, former head of the Office of Consumer Affairs and Business Regulation as the new Secretary in 2003.

OFFICE OF THE ATTORNEY GENERAL: The Attorney General regulates numerous aspects of health care.[19] Through the authority to regulate public charities, the Attorney General oversees the activities of not-for-profit hospitals, health maintenance organizations, nursing homes, and other health care providers. When nonprofit hospitals or health plans seek to switch to for-profit status, the Attorney General reviews the proposed disposition of charitable assets. In 1994, Attorney General Scott Harshbarger established voluntary "Community Benefit Guidelines" for nonprofit hospitals and health plans to demonstrate community services provided in connection with the non-taxed status.

The Attorney General's anti-fraud unit enforces laws regarding Medicaid fraud. As the chief attorney for the Commonwealth, the Attorney General takes the leading role regarding health-related litigation, including the 1998 Master Tobacco Agreement that resulted in hundreds of millions in revenues for the Commonwealth. In 2000, Attorney General Thomas Reilly defended the Commonwealth in the U.S. Supreme Court against tobacco companies claiming that public health regulations restricting tobacco advertising violated the U.S. Constitution, and in 2002 against tobacco companies challenging a Massachusetts statute requiring disclosure of cigarette ingredients. Both cases were decided in favor of the tobacco companies. The Attorney General coordinated oversight, along with the Division of Insurance, of the first state receivership of an HMO, when Harvard Pilgrim Health Care neared insolvency in 2000.

DIVISION OF INSURANCE: The primary mission of the Division of Insurance is to monitor the solvency of insurers to promote a healthy and responsive marketplace for consumers who purchase insurance. Protection of consumer interests is of prime importance to the Division, which provides accurate and unbiased information so consumers can make informed decisions and intervenes on behalf of consumers who believe they have been victimized by unfair business practices. The Division regulates all forms of insurance—health, life, homeowners, automobile and more.

The Division's Bureau of Managed Care was created under Chapter 141 of the Acts of 2000 effective January 1, 2001. This office was created along with the Office of Patient Protection within the Department of Public Health to oversee managed health care plans operating in Massachusetts. The new law (Chapter 1760) authorizes the Bureau to accredit managed care plans and ensure they are in compliance. The Bureau establishes minimum standards for: utilization review; quality management and improvement; credentialing; preventive health services; provider contracting; and consumer disclosure. The Bureau investigates complaints against carriers for noncompliance with accreditation requirements.

Julianne M. Bowler was appointed in March, 2002 by Governor Jane Swift as Commissioner, replacing Linda Ruthardt, who served in the position for eight years under Governors Weld, Cellucci, and Swift.

Local Health Departments

City and town health departments are essential components of the Commonwealth's public health system. While many responsibilities are shared with MDPH and a variety of other state agencies, primary local functions include code enforcement, food safety inspection and certification, disease monitoring and surveillance, health education, and disease prevention. Each city and town maintains either a board of health or a city health commission. Some are appointed while others are elected. Some boards have full-time professional staff, while others have part-time staff or contract for services, and still others (mostly small rural communities) have no professional staff per se. Some municipalities establish regional collaborations among communities through mutual aid agreements. Resources for local board of health functions and responsibilities are largely determined through the local budgeting process, and vary dramatically from town to town.

The largest city health commission is the Boston Public Health Commission (BPHC), established in 1996 as an independent agency serving all Boston's neighborhoods.[20] It is governed by a seven-member Board of Health. It is the modern successor to the Boston Board of Health, established in 1799 with Paul Revere as its head. BPHC replaced the Department of Health and Hospitals following the merger of Boston City Hospital with Boston University Medical Center, which resulted in the creation of the now quasi-public Boston Medical Center. The Commission's annual budget is approximately $100 million, 60 percent from the City, with the remaining $40 million from state, federal and private sources. David Mulligan, former Massachusetts DPH commissioner, chairs the Commission; John Auerbach, former Massachusetts DPH AIDS Bureau director, serves as executive director. The Commission is a thriving public health agency, conducting seminal research on the health status of residents in Boston's neighborhoods, and committed "to the tradition of prevention."[21]

Recent BPHC policy initiatives have strengthened anti-smoking regulations and confronted racial and ethnic health disparities. In 1998, the Commission implemented new regulations requiring smoke-free restaurants, and it recently promulgated a smoke-free workplace regulation. The Commission's annual report, "The Health of Boston," details residents' health status indicators, including infant mortality, heart disease, lead poisoning, violence, and cancer.[22]

OUTSIDE-GOVERNMENT PLAYERS

Four distinct constituencies comprise the outside-government community of interest in Massachusetts and Greater Boston health care policy: health care providers, health plans and insurers, purchasers of health care services, and patients/consumers.

Health Care Providers

Professionals who deliver health care services and the institutions in which patients receive those services are collectively referred to as "providers." Greater Boston boasts a long tradition in training health professionals and providing world-class services even as current workforce shortages and budget problems threaten the system. Greater Boston's large, and growing immigrant populations require health care workers who can communicate and appreciate non-traditional health beliefs and practices.

PHYSICIANS: The Board of Registration in Medicine licenses nearly 30,000 Massachusetts physicians. In 1998, HRSA reported 17,000 Massachusetts physicians in active practice, the nation's highest ratio of physicians to population—about 2.8 per 1,000 residents.[23] A recent study by the Massachusetts Medical Society (MMS) found declining physician satisfaction with the state's practice environment and financial pressures leading many to move out of state.[24] More than two-thirds of physicians trained in Greater Boston medical schools and teaching hospitals leave the state to practice elsewhere. The rising costs of malpractice insurance and housing are important contributing factors.[25] MMS has documented shortages in specialties including anesthesiology, radiology, gastroenterology, and emergency medicine. Fully 80 percent of physician practices surveyed reported problems filling vacancies in these specialty areas.

NON-FEDERAL PHYSICIANS PER 100,000 (1998)

	Primary Care	Specialists
United States	96	187
Massachusetts	136	313

Source: American Medical Association

NURSES: The Commonwealth licenses 110,000 registered nurses and 22,000 licensed practical nurses.[26] Massachusetts has the nation's highest nurse-to-population ratio, about 22 per 1,000 residents. Schools of nursing and the Greater

Boston health industry attract many to the profession. Nursing school enrollment decreased by 25 percent between 1995 and 2000.[27] Only 25 percent work "at the bedside."[28] Many nurses are leaving acute care hospitals for jobs with more stable hours and workloads. Recent reports indicate a growing nursing vacancy rate in hospitals, nursing homes, and other care settings. In 1999, hospitals and nursing homes reported 5-percent and 12-percent vacancy rates, respectively.[29]

Mandatory overtime and inadequate staffing ratios are common reasons for dissatisfaction among hospital nurses. Brockton Hospital nurses went on strike for three months in 2001 after demands for mandatory overtime limits and appropriate staff ratios were denied. Pressure from Senators John F. Kerry and Edward M. Kennedy and 137 state legislators contributed to a resolution of the dispute. Another work stoppage took place in Worcester, one year earlier, lasting two months, as Tenet Health Care, the new owner of Saint Vincent Hospital, began transferring patients to its new facility, Worcester Medical Center. Again, mandatory overtime and staffing were key concerns. Tenet ultimately agreed to nurses' demands, and provided new grievance and arbitration procedures.

DENTISTS: Despite a healthy supply of dentists in Greater Boston, lack of insurance coverage and low reimbursement contribute to poor dental health among many area residents. The report of a Special Legislative Commission in 2000 found that 38 to 48 percent of low-income children in Cambridge, Lawrence, and Boston needed restorative dental care. [30]

Three area dental schools—Tufts University School of Dental Medicine, Harvard School of Dental Medicine, and Boston University's Goldman School of Dental Medicine—train approximately 300 dentists each year. Of 9,000 licensed dentists in Massachusetts, approximately 2,000 practice primary care dentistry in Suffolk, Norfolk, and Middlesex counties. Only about 14 percent of the state's dentists, however, are MassHealth providers, contributing to access problems for low-income people. Thirty percent of all residents have dental insurance, the Special Commission reported.

HOSPITAL AND HEALTH SYSTEMS: Of the 70 acute care hospitals in Massachusetts—those containing a majority of medical-surgical, pediatric, obstetric, and maternity beds[31]—30 are located in Greater Boston.[32] As hospitals consolidated in the 1990s, several health systems dominated the Greater Boston market. Statewide, the 1990s saw 19 acute hospital closures and 18 mergers. Nine closures and mergers were in Greater Boston.

The largest network, Partners HealthCare System, was formed in 1993 by an affiliation between Boston's two prestigious teaching hospitals, Massachusetts General Hospital and Brigham and Women's Hospital.[33] Partners plays a dominant role in the Greater Boston market through its ownership of seven acute and specialty hospitals, and a physician network known as Partners Community

HealthCare, which includes more than 4,000 primary care and specialist physicians and a network of community health centers. Partners reported 1.6 million outpatient visits in 2001, with operating revenues of $3.8 billion, an increase of nearly 14 percent in one year.[34]

Other networks include CareGroup, formed by the merger of Beth Israel Hospital and Deaconess Hospital in 1994, which also includes Mount Auburn Hospital, New England Baptist Hospital and two others. In 2002, Waltham Deaconess Hospital disaffiliated from CareGroup after the network moved to close that institution. It is now seeking to survive on its own, with a loose affiliation agreement with New England Medical Center.

The Caritas Christi Health Care System, a network of Catholic hospitals led by St. Elizabeth's Medical Center, includes Dorchester's Carney Hospital and four other institutions. The Cambridge Health Alliance was formed by the affiliation of Cambridge and Somerville Hospitals, and expanded in 2001 to include Whidden Hospital in Everett, which had been threatened with closure. Boston Medical Center, formed as a quasi-public nonprofit entity by the 1996 merger of Boston City Hospital and Boston University Medical Center, took on Quincy Hospital in 1998 when that institution faced closure.

New England Medical Center, which veered toward insolvency in the mid-1990s, has emerged in healthy condition. It became an affiliate of Lifespan, a Rhode-Island-based chain of health care facilities, has just over 800 affiliated physicians, had 324,000 outpatient visits in FY2001, and reports assets of about $477 million, though in 2002 it withdrew from the Lifespan network.

Several leading hospitals have survived without joining the merger/affiliation sweepstakes. Lahey Clinic, a teaching hospital in Burlington, has prospered in the suburban hospital market on its own. Scattered throughout the Great Boston region are independent community hospitals such as South Shore Hospital in Weymouth and Winchester Hospital that survive in a competitive hospital environment.

NURSING HOMES AND EXTENDED CARE: Nursing homes are critical to addressing the needs of an elderly and disabled population of 825,000, which is expected to grow by 17 percent by the year 2015.[35] The Massachusetts Extended Care Federation,[36] the trade organization for the state's nursing homes and extended care facilities, represents 450 nursing facilities and over 50 assisted living residences.[37] Recently, the Federation brought suit against the Commissioner of the Division of Health Care Finance and Policy and the Division of Medical Assistance over inadequate reimbursement.[38]

Of 476 nursing facilities in Massachusetts, approximately 180 of them are in Suffolk, Middlesex and Bristol counties. These facilities employ a range of professional (e.g., registered nurses, licensed professional nurses) and paraprofessional workers (e.g., certified nursing assistants, personal care attendants).[39]

Home health care agencies provide home-based services in the homes of elderly, chronically ill, and disabled persons. The Home and Health Care Association of Massachusetts (HHCAM), a statewide organization, represents more than 100 such agencies.[40] HHCAM is involved in advocacy on behalf of home health care providers and their patients, working with them to navigate compliance with the state and federal laws. The Visiting Nurse Association of Boston is the oldest in the country.

COMMUNITY HEALTH CENTERS: Nonprofit, community-based organizations provide primary care services and a range of public health and health services to a mixed clientele consisting of Medicaid beneficiaries, privately insured individuals and families, and uninsured and underinsured persons. Funding comes from state and federal programs and grants from private foundations. Some health centers operate under hospital licenses (e.g., Brookside Neighborhood Health Center is owned by Brigham and Women's Hospital), while others are independently licensed.

The Massachusetts League of Community Health Centers represents the 35 community health centers in 10 Boston neighborhoods and 13 in the rest of Greater Boston.[41] Greater Boston communities outside of the capital city with health centers include Cambridge, Somerville, Lynn, and Brockton.

Health Plans

The Massachusetts health insurance market has been volatile for a quarter century. Historically, the Greater Boston market was dominated by the nonprofit Blue Cross and Blue Shield of Massachusetts, which provides a range of insurance products from fee-for-service indemnity coverage to managed-care products. Historically, Blue Cross/Blue Shield's principal competition came from national commercial insurers such as Prudential, Aetna, and Travelers, none of which held substantial market share in the Commonwealth.

In the 1980s and 1990s, Blue Cross' dominance was challenged by the rapid growth of nonprofit health maintenance organizations, including Harvard Pilgrim Health Care (formed in 1995 from the merger of Harvard Community Health Plan and Pilgrim Health Care), Tufts Health Plan, and Fallon Community Health Plan of Central Massachusetts.[42] Blue Cross faced serious financial difficulties in the mid-1990s, but reasserted its dominant position following the financial difficulties of the other three plans between 1999 and 2001.

Unlike all other states except Minnesota, local, nonprofit carriers dominate the Massachusetts health insurance market. In the rest of the nation, national, for-profit carriers are the norm. Aetna, United Healthcare, and Cigna compete in Greater Boston, but are not major players.[43]

The nonprofit Neighborhood Health Plan serves Medicaid clients. The Massachusetts League of Community Health Centers created NHP in 1986, and partners in arranging care for health center members. Originally independent, NHP affiliated with Harvard Pilgrim Health Care in the late 1990s, and then disaffiliated in 2002, having met its goals of growing its membership and strengthening its financial condition.

The Massachusetts Association of Health Plans, formerly the Massachusetts Association of HMOs, is the industry's major trade organization. The organization represents nine of the state's health plans, combining to represent over 2 million of the state's health plan enrollees. Significantly, Blue Cross and Blue Shield chooses not to participate in MAHP.

Purchasers

In a system in which most persons obtain coverage through employers, businesses drive the health care market and debate. Employers purchase coverage in one of two ways—through insurance programs obtained from health plans, or on their own by "self-insuring." Larger employers are more likely to self-insure, while smaller employers purchase health plans.

In Greater Boston, the major purchaser voices include the Massachusetts Business Roundtable, which represents large employers across the state; Associated Industries of Massachusetts, which represents 6,500 employers; and the Greater Boston Chamber of Commerce, which represents 1,800 employers. The cost of providing health insurance for employees is a major policy area for all three organizations.

The Group Insurance Commission, a state agency responsible for administering health insurance and other benefits for the Commonwealth's employees and retirees, pushes health plans, providers, and employers to adopt health quality improvement and medical safety initiatives.[44]

Patients/Consumers/Advocates

Patients and consumers are difficult constituencies to organize effectively. But a number of advocacy groups in many forms have emerged to represent the interests of ordinary health-care users.

Health Care For All, the largest health care consumer advocacy group in Massachusetts, works in communities throughout the Commonwealth to expand access to health insurance for residents regardless of income. Through its grassroots base, Health Care for All has been a major force behind significant health access reforms for Massachusetts residents since 1985. The organization was behind the promotion of 1990s Medicaid expansions. Health Care For All is the primary consumer organization enlisted to serve on special legislative commissions relating to health care.

Other effective advocacy organizations operate to address specific diseases and conditions. The New England Region of the American Cancer Society (ACS) provides education, services and training about cancer prevention and early detection—as well as legislative advocacy. In 1992, ACS led efforts to pass a ballot initiative to increase tobacco taxes by 25 cents and to use the resources to create the Massachusetts Tobacco Control Program, considered by the CDC a model program until budget cuts decimated the program in 2002. Other disease advocacy groups—such as the American Heart Association, the American Diabetes Association, and the American Lung Association—also join in advocacy efforts. Still other groups advocate for special populations. Examples include the Center for Independent Living, which represents individuals with severe disabilities, and the Federation for Children with Special Health Needs.

The Massachusetts Public Health Association, the nation's oldest state public health organization, provides education and lobbies for its 1,000 members. Its initiatives cover many areas, including environmental health, childhood obesity, Hepatitis C, indoor air quality in schools, and the health of inmates in correctional facilities and their families.[45]

Advocacy groups typically build coalitions and partnerships to achieve strength in numbers. The American Cancer Society, for example, formed a coalition to ensure that Tobacco Master Settlement funds were applied toward health needs. Health Care For All leads a MassHealth Defense Coalition to fend off large-scale reductions in MassHealth eligibility and benefits. When the state budget crisis threatened public health programs in 2002, the Massachusetts Public Health Association provided leadership for a newly formed "United We Stand for Public Health" coalition of over 100 public health and health-related organizations.

CHALLENGES AND POLICY OPTIONS

Since the Harvard Pilgrim receivership, policy-makers have recognized that the state's health care system faces a serious crisis. As Governor Mitt Romney takes office, the system stands at a series of critical crossroads. Decisions that have been deferred must be made in a period of tightening fiscal constraints.

Health care policy is best understood as a three-legged stool—cost, quality, and access. On rare occasions, a policy "home run" enhances quality and access while lowering system costs. One example is childhood immunization, which improves quality by containing infections, enhances access by expanding services, and lowers costs by containing expensive contagions. Most often, the choice is to enhance one or two legs at the expense of the others.

A common question lies at the core of each challenge: What is the appropriate role for state government? Between 1975 and 1990, Massachusetts had a reputation for aggressive regulatory controls through mechanisms such as hospital rate-setting, health planning, licensure of facilities and professionals, and capital expansion controls. In 1991, Governor William F. Weld and the state legislature deregulated rate-setting authority and increased reliance on market dynamics to address capacity and cost issues. In the mid-1990s, this formula seemed to work in conjunction with record low medical inflation, shrinkage in inpatient hospital capacity, increases in managed care enrollment, and provider/plan realignment.

Though the seeds of the current crisis had been planted throughout the 1990s, the emergence of crisis in 2000 prompted some to question whether the time had returned for a more interventionist approach.[46] After three years of task forces, reports, and commissions, the question remains open.

Health Provider Instability

At the center of Greater Boston's health care system are hospitals, health centers, and nursing homes where patients go for diagnosis and treatment. A key policy challenge is how to aid vulnerable institutions—especially those dependent on Medicaid—in a period of limited state financial resources.

HOSPITALS: Since the creation of Medicare and Medicaid in 1965, hospitals nationwide have relied on a familiar formula to make financial ends meet. Medicaid—funded with federal and state dollars and run by states—paid about 80 percent of the cost of services provided. Medicare paid close to actual costs. Private health plans and employers paid more than costs, providing a surplus to cover Medicare and Medicaid shortfalls. This system of cost shifting led business leaders in the 1970s and 1980s to support stringent government controls.[47]

Rampant medical inflation in the late 1980s, however, led these same business leaders to abandon regulation as the tool to control medical costs. The expansion of managed care in the 1990s reduced the willingness of private providers to cover Medicare and Medicaid shortfalls. Those providers needed financial flexibility to participate in the mergers of medical institutions.

The 1997 Balanced Budget Act substantially reduced the growth rate of federal Medicare payments to hospitals and teaching hospitals. Five-year estimates originally projected reductions in the program's rate of growth by $120 billion, but the impact turned out to be more than $220 billion (two federal appropriations bills in 1999 and 2000 restored about $40 billion in lost funds). During this same period, Medicaid provided meager reimbursement increases to hospitals and all other providers.

In 2001, the Lewin Group found that Massachusetts was the only state where all three dominant payers reimbursed hospitals at less than their actual costs. The total margin for Massachusetts acute care hospitals in 2000 was 0.9 percent, ranking the state 50th of all 50 states and the District of Columbia. The report stated: "Our calculations indicate that in 1998, compared to other U.S. hospitals, Massachusetts hospitals were the fourth most efficient hospitals in the country based on a Medicare inpatient cost per case analysis and eighth most efficient based on total costs per adjusted admission."[48]

Some hospital systems managed this shortfall better than others. Partners used its market power to wrest financial concessions from private payers.

Partners' market power was demonstrated in sequential contractual showdowns in 2000 and 2001 with Blue Cross, Tufts, and Harvard Pilgrim, each of which agreed to demands for substantial rate increases.

Other major hospitals—the Lahey Clinic, New England Medical Center, and Boston Medical Center—all barely stayed in the black. Less fortunate were independent community hospitals and hospitals in the CareGroup network formed in 1994 by the merger of Beth Israel, Deaconess, and five other institutions. In 2002, CareGroup announced its intention to close Deaconess Waltham Hospital because of growing deficits. The hospital's leadership disaffiliated from CareGroup and adopted a rescue plan that is now being implemented. CareGroup's fortunes improved in 2002 with the hiring of Paul Levy as new chief executive officer for Beth Israel. Levy previously oversaw the cleanup of the Boston Harbor as head of the Massachusetts Water Resources Authority.

These financial pressures follow a period of rapid and extensive reorganization in the hospital sector. Between 1986 and 1996, 39 Massachusetts hospitals (acute and sub-acute) closed; since 1992, 33 affiliated with other institutions.[49] During this period, policy-makers worried that excess hospital beds drove up Massachusetts' health costs; but as the supply dropped throughout the 1990s, policy-makers worried that hospital shrinkage had gone too far. Faced with the possible closures of Quincy Hospital in 1998 and Whidden Hospital in Everett in 2000, legislators intervened with rescue plans.

For most acute care hospitals, Medicaid represents a small portion of operating revenue. Medicaid gets significant attention for two reasons. First, the level of reimbursement relative to costs—about 70 percent—is low relative to other payers. Second, the size of the population covered by Medicaid increased from 650,000 in 1997 to just under 1 million in 2002. But with a growing state budget crisis, prospects for improvement in payment rates from Medicaid to hospitals were not encouraging.

Another hospital concern relates to the Uncompensated Care Pool, a state-administered mechanism created in 1986 providing financial support to acute care hospitals that provide care to low-income uninsured individuals. The pool is financed by hospitals ($200 million), health plans and other payers ($100 million), and state government ($45 million to $90 million). Financially vulnerable

RATIO OF HOSPITAL PAYMENT-TO-COST BY PAYER: MASSACHUSETTS VS. U.S. (1999)

	Medicare	Medicaid	Private Payers
United States	1.02	0.97	1.12
Massachusetts	0.99	0.75	0.96

Source: American Hospital Association Survey Data (1999) hospitals object to its financing structure since the largest share of resources go to Boston Medical Center and the Cambridge Health Alliance.[50]

Among the most worrisome trends in hospital services is increasing congestion in Emergency Departments. The congestion has forced many emergency rooms to turn away patients, a phenomenon known as ambulance diversions. ED congestion stems from increasing demand for ED services, looser health-plan restrictions on patient access, increasing numbers of hospital admissions tied with lower inpatient capacity, and hospital financial needs for a high daily census to maximize revenue.[51]

NUMBER OF HOURS BOSTON-AREA EMERGENCY ROOMS TURNED AWAY AMBULANCES

	January 2000	January 2001	January 2002
Diversion Hours	611	1054	1293

Source: Massachusetts Department of Public Health

NURSING HOMES. Nursing homes in Greater Boston faced unique challenges in the latter half of the 1990s. The bulk of nursing home revenues have come from Medicaid since the program was created in 1965. Medicaid has always been a low payer, but homes have covered funding gaps by attracting lucrative private paying patients and getting more generous reimbursements from short-term residents.

During the 1990s, many private pay patients began choosing alternatives such as assisted living facilities. Meanwhile, the 1997 Balanced Budget Act cut Medicare's more generous payment rate. These changes made nursing homes more dependent on Medicaid, its poorest payer. In the past three years, the number of nursing homes in the Commonwealth has dropped from 580 to under 500, and in 2001 and 2002 some 25 percent of the state's nursing homes were in Chapter 11 bankruptcy proceedings. Many bankrupt nursing homes were affiliated with national for-profit chains whose financial problems stemmed as much from poor investment decisions in the mid 1990s as low state reimbursement.

Medicaid officials acknowledge that the payment rate to nursing homes is low, but note that fully 37.5 percent of their fee-for-service payments in FY2001 went to long-term care facilities. Medicaid pays 70 percent of the total nursing home bill in Massachusetts, compared to about 50 percent in most other states. Massachusetts lags behind states like Minnesota and Oregon in developing community-based alternatives to traditional nursing home care.

The financial crisis in nursing homes has led to increasing quality problems. The percentage of deficiency-free nursing homes dropped from 49.6 percent in

1997 to 23 percent in 2001; the number of deficiencies per nursing home rose from 2.3 in 1997 to 5.9 in 2001; and the number of complaints about inadequate staffing to the state Department of Public Health increased from 595 in 1998 to 1,592 in 2001.[52] Access problems have not emerged as a statewide problem yet, though parts of the state are experiencing tight bed supplies. Greater Boston experienced nursing home access problems in the 1980s—and shortages could recur in the near future. The 1980s shortage ended when Governor Michael S. Dukakas lifted a nursing home construction moratorium in 1989. But no spurt in nursing home construction is likely in the current environment.

NURSING FACILITY BEDS CLOSED SINCE JANUARY 1998

1998	1999	2000	2001
510	1095	1476	1320

Source: Massachusetts Department of Public Health

COMMUNITY HEALTH CENTERS: Massachusetts and Greater Boston boast the broadest and most sophisticated set of community health centers in the nation. Some 47 centers operate at more than 100 sites, 65 of them in Greater Boston and 35 in Boston alone. About two-thirds of the centers operate under their own licenses while 17 function under hospital licenses. On average, about three-quarters of all health center operations are financed by public sources (Medicaid, the Uncompensated Care Pool, as well as grants from federal, state and local sources. Most remaining funds come from private payers and fundraising activities.

In January 1999, the East Boston Neighborhood Health Center, one of the oldest and most respected centers in the nation, filed for Chapter 11 bankruptcy. By 2000, the East Boston facility had balanced its budget by paring its operating costs from $63 to $50 million, trimming its workforce from 1,100 to 750, and by closing satellite programs.[53] The state responded by providing relief grants to vulnerable centers. By 2001 and 2002, most centers showed financial improvement.

As government explores how to address rising costs and increased crowding of inpatient facilities, community health centers are frequently cited as a less expensive alternative. The financial distress faced by many centers in the past five years provides a note of caution.

PHYSICIANS AND DENTISTS: Greater Boston and Massachusetts enjoy the highest physician-to-population ratio of any region in the nation, both for primary care and specialist physicians. Yet the practice environment has declined yearly since analysis began in 1992, according to the Massachusetts Medical Society.[54] Increasing malpractice premiums, additional paperwork and other administrative burdens, rising practice costs, and slow increases in reimbursement combine to make the practice of medicine increasingly difficult. These trends are national, but the higher cost of living in Massachusetts aggravates the problem. Massachusetts medical schools report few graduates choosing to practice in the Commonwealth.

While Medicaid represents only a small portion of most physicians' income, stagnant reimbursement rates between 1992 and 2002 created pockets of access problems for recipients, especially in a number of specialties. For example, in 2002, it was reported that no dermatologist in western Massachusetts accepted Medicaid patients. Shortages of psychiatrists, and especially child psychiatrists have also been reported.

Dentists have historically avoided Medicaid because of persistently low reimbursement rates and other practice factors. In 2000, a special commission reported serious dental service access problems throughout the Commonwealth for Medicaid, uninsured, and other special needs populations: "[T]he delivery system for oral health care for low-income residents—both those enrolled in MassHealth and those who are uninsured—is collapsing."[55] Again, the problem is national in scope, but Boston's high living and practice expenses add another dimension to the challenge.

Medicaid

In an era of sharply rising costs and limited state resources, Medicaid poses difficult problems for state policy-makers.

When the health care crisis emerged in 2000, the state was still riding the economic boom of the late 1990s and state government enjoyed substantial annual revenue growth and annual budget surpluses. With the 2001 economic downturn, attention again turned to Medicaid as a principal "budget buster" and contributor to state fiscal instability. After local aid and education spending, Medicaid is the largest line item in the state budget. Because of its status as an entitlement and because of the federal reimbursements generated by the program, it is among the most difficult programs to cut in the state budget. In FY2001, Medicaid represented almost 22 percent of the state budget—though state dollars only accounted for 9.7 percent of the total budget (Washington reimburses more than half of Massachusetts Medicaid spending).[56]

Since 1996, when the legislature approved a major expansion to Medicaid—also known as MassHealth—the number of individuals covered has increased dramatically. From approximately 650,000 in 1997, MassHealth is now the principal insurer for about 1 million state residents, including lower-income children and their parents, seniors, disabled, and the long-term unemployed. In a pattern mirrored in all 50 states, seniors and disabled who comprise 32 percent of enrollees account for 71 percent of expenditures, while children and parents account for 68 percent of enrollees but only 32 percent of costs.

MASSHEALTH SPENDING: FISCAL YEARS 1996–2003 (IN MILLIONS)

	1996	1997	1998	1999	2000	2001	2002	2003
Federal	1,980	1,939	2,172	2,155	2,347	2,623	2,910	3,182
State	1,543	1,657	1,603	1,819	2,043	2,140	2,465	2,769

Source: "MassHealth: Dispelling Myths and Preserving Progress," Massachusetts Health Policy Forum, 2002

When health system costs spiral out of control, Medicaid follows the trend. Unfortunately, both trends tend to occur in extreme form when the economy experiences a downturn (e.g., mid-1970s, early 1980s, late 1980s and early 1990s). This trend creates acute stress in state governments as most other programs must be cut or curtailed to pay the Medicaid bill. While Medicaid provides a wide range of services, the cause of its rising costs is not uniform. Three cost drivers stood out in 2002. Rising prescription drug costs account for 34 percent of spending increases, acute care hospital spending 21 percent, and long-term care 18 percent.

Medicaid spending trends in Massachusetts present a contradiction. Although Massachusetts reimburses most providers at dollar rates significantly higher than those in most other states, providers are reimbursed at rates among the lowest in the nation relative to actual costs—reflecting the high cost of living and cost of health services in the Commonwealth. This disparity has grown rapidly since the mid-1990s. Now many providers face increasing distress from years of inadequate reimbursement just as state coffers run dry.

The tension over Medicaid spending was evident in the FY2003 state budget process. House leaders proposed eliminating coverage under the MassHealth Basic program for 30,000 low-income and long-term unemployed persons; Senate leaders, meanwhile, proposed no such cuts. When June 2002 revenue estimates pointed toward an additional $600 million shortfall in the state budget, House and Senate leaders agreed to cut 50,000 MassHealth Basic enrollees in April 2003 unless other revenues could be found.

Resurgent Health Care Inflation

Between 1994 and 1998, the inflation that marked the health care industry in the 1980s and early 1990s abated. Since then, however, a new round of health care inflation has prompted employers to shift costs to workers, scale back coverage, or drop insurance completely. Market-driven health care—once hailed as the solution—is hard pressed to provide convincing answers.

In the mid-1990s, health costs grew at the slowest rate since the creation of Medicare and Medicaid in 1965. For a brief period, health costs actually *decreased* as a share of the nation's overall Gross Domestic Product, a feat once considered impossible. The rapid expansion of managed care, combined with the fevered merger and affiliation activity among providers, dampened costs as providers sought to increase their market share by offering lower reimbursement agreements.

The era of low health-care costs ended around 1998 and medical inflation has returned with force. The federal government now projects health spending as a share of national GDP to rise from 13.2 percent in 2000 to 16 percent within the next five years. The major cost drivers during 2001 and 2002, estimated by the consulting firm PricewatershouseCooper, are:

- General inflation (18 percent)
- Drugs, medical devices and medical advances (22 percent)
- Rising provider expenses (18 percent)
- Government mandates and regulation (15 percent)
- Increasing consumer demand (15 percent)
- Litigation and risk management (7 percent)
- Other categories such as fraud and abuse (5 percent)[57]

The impact of rising expenditures can be seen in many settings. Greater Boston health plans—Blue Cross, Tufts Health Plan, Harvard Pilgrim Health Care—have increased premiums at annual rates of 10 to 18 percent since 2000. Small employers, who already pay higher premiums than medium and larger size employers, have been especially hard hit. In 1991, state government reorganized the small-group insurance market to provide stability and protections for small companies that cover workers. Reforms included rate bands to protect against large one-year rate increases and guaranteed policies to qualified businesses. From a regulatory perspective, little can be done to improve this market's functioning; businesses already have their own purchasing pools to gain whatever advantages can be found in consolidation.

Until the recent economic downturn, employers operated in a tight labor market and could not pass premium increases on to workers. The fall 2001 economic downturn altered that environment, and many employers are now increasing employee premiums, co-payments, and deductibles. At the beginning of 2003, few employers appeared to be dropping coverage altogether. But more years of excessive increases—predicted by most observers—will test struggling companies' ability to continue providing workers with coverage.

In addition to new cost-sharing requirements, some employers are looking for new arrangements with providers. Greater Boston health plans are developing their own forms of "defined contribution health plans" that make enrollees responsible for provider payments below a certain dollar threshold; the goal is to encourage cost-conscious behavior by plan users. Some employer groups are working with a Minnesota-based network to establish direct contracting between providers and larger self-insured employers, bypassing traditional health plans altogether. It remains to be seen how extensive any of these new arrangements will become in the tradition-bound Greater Boston health market.

Access to Insurance

Massachusetts made progress in increasing access to health care in the late 1990s, offering coverage to every child in the Commonwealth and to many needy adults. While the vision of universal coverage embodied in the 1988 Dukakis administration initiative was never realized, the numbers of uninsured citizens dropped significantly. This progress is now being reversed, and the key question is how far back the Commonwealth will fall.

With health care deregulation in 1991, some experts predicted the number of uninsured would drop as health inflation moderated. Instead, as costs eased, the number of uninsured actually increased from 500,000 in 1989 to 680,000 in 1995. The early increase came with the 1989–1991 recession and its attendant health-care inflation. The growing ranks of the uninsured in the mid-1990s was attributed to high levels of unemployment, changes in the nature of the workforce (with more part-time and contract employees), and the reluctance by many employers to offer coverage because of lingering memories of high premium cost increases.

In 1996, the legislature approved a major expansion in Medicaid to cover uninsured children and many of their parents and other vulnerable populations. As a result, enrollment in MassHealth increased between 1997 and 2002 from 650,000 to nearly 1 million; the number of uninsured in Massachusetts fell to less than 400,000. About 32 percent of the state's uninsured population lives in Greater Boston.[58]

The current state budget crisis and resurgent health care inflation jeopardize this progress. In its FY2003 budget, the legislature approved eligibility cutbacks for 50,000 MassHealth enrollees. Many employers are adopting their own alternatives to address rising costs—from eliminating coverage altogether to increasing employee cost-sharing which encourages many workers to drop their own coverage. Lost in the process is any discussion of how to expand coverage for the remaining uninsured in Greater Boston and Massachusetts.

The 1996 coverage expansions were financed largely with new federal revenues and a 25-cent increase in the state cigarette tax. In 2001, a coalition of organizations led by the consumer advocacy organization Health Care for All, the American Cancer Society, and the Massachusetts Medical Society campaigned to increase the tobacco tax by an additional 50 cents to use the money to expand coverage to lower income, uninsured, childless adults. The state budget crisis convinced the legislature to increase the tobacco tax by 75 cents, but the resulting revenues were earmarked for deficit reduction. Tobacco control advocates cheered the tax increase, but it left health care advocates without a funding source for expanded coverage.

House Speaker Thomas M. Finneran and other legislators have called for a halt to future expansions of coverage because of budget concerns. The era of substantial health access expansions may be over for the time being. Whether future increases in the number of uninsured or other political advocacy could change that sentiment remains to be seen.

Quality of Care

Like the rest of the nation, Massachusetts struggles with an underreported quality crisis. As the state and region pioneer new medical techniques and technologies, routine errors and mistreatments undermine everyday care.

The American health system's reputation as the most advanced in the world is so commonly pronounced that it borders on cliché. But the U.S. is the only industrialized nation that does not guarantee health coverage for all citizens, leaving nearly 42 million Americans uninsured in 2001.[59] The U.S. system also suffers from pervasive—and expensive—poor quality. In 1999, the Institute of Medicine report *To Err Is Human* estimated that between 44,000 and 98,000 Americans die each year in hospitals due to medical errors, as much as the nation's fifth leading cause of death.[60] A 2001 IOM report, *Crossing the Quality Chasm*, documented endemic quality problems—beyond errors—throughout the nation's health care system. The report proposed reforming the system based on six "simple rules"—patient focus, efficiency, equity, efficacy, error reduction, and timeliness.[61]

Greater Boston has been an international leader in the health quality revolution. Donald Berwick, formerly a pediatrician with the Harvard Community Health Plan, initiated the revolution in the late 1980s with quality improvement practices from U.S. and Japanese manufacturing. The Institute for Healthcare Improvement, initiated and run by Berwick, provides international leadership in health care quality improvement.[62] Locally, efforts to address quality issues have been led by the Massachusetts Health Quality Partners and the Coalition to Reduce Medical Errors. The state government has entered this arena by setting up the Betsy Lehman Center for Patient Safety and Medical Error Reduction. Senator Richard Moore, co-chairman of the legislature's Joint Committee on Health Care, has led the state's efforts on the issue.

As the nation wrestles with alarming increases in the costs of medical care, the high costs of errors and poor quality loom ever more important. The nation and Massachusetts face a serious challenge in reforming reimbursement systems to reward high quality. Under the current structure, providers actually realize higher revenues for poorer quality. Health plans and providers are increasingly focused on revising payment models to provide greater incentives for improved quality.

Public Health and Mental Health Services

The Massachusetts health system struggles to find means to care for health needs falling outside the hospital, including prevention services and population health as well as care for the mentally ill. Because populations served by these programs are often marginalized, and because preventive efforts are unnoticed, maintaining these programs can be difficult. Especially in a time of budget crisis, maintaining progress on preventive programs can be difficult, as urgent care needs take priority.

The Massachusetts Department of Public Health, the nation's oldest state public health department, offers a wide range of programs and services—including communicable disease control, environment health assessment, family and community health services, health quality management, health statistics-research-analysis, HIV/AIDS prevention and treatment, public health hospitals, tobacco control, minority health, substance abuse prevention and treatment, laboratory services, and refugee and immigrant health.

A challenge for public health providers is that when it is performed well, few people notice. Public health's mission is to prevent and control disease and protect the public from health hazards of all types. In budget crises, when the choice is cutting services to needy individuals or eliminating preventive health programs, the latter loses—even as policy-makers continue to pay homage to the power and logic of prevention.

An example is the Massachusetts Tobacco Control Program, created through a state ballot initiative in 1992 and funded by tobacco taxes. Since the program's introduction, the trends are all in the right direction. Cigarette consumption has fallen by 40 percent since 1992. The number of daily adult smokers declined by 18 percent from 1993 to 2000. Youth smoking rates declined 26 percent in the past six years. Successful underage buying attempts have dropped from 39 percent to 10 percent. The number of women smokers during pregnancy declined 58 percent from 1990 to 1999. Exposure to second-hand smoke in the workplace, restaurants, and private homes has been reduced.[63] Some reports suggested these gains were achieved by tax increases rather than tobacco control activities, an assertion vigorously contested by ACS and CDC leaders.[64] As of late 2002, the majority of the tobacco control initiative has been eliminated and the balance has been scaled back considerably. Other key health preventive programs—including initiatives to prevent breast, cervical, and prostate cancer—have also been scaled back or eliminated.

During the 1990s, including years of budget surpluses, the Department of Mental Health received among the lowest budget increases of any human services agency to service 27,000 adults, adolescents and children. Since the late 1990s, problems with children's mental health services have received substantial attention from government, providers, and advocates.[65] Once again, the budget crisis creates new threats to the stability and capacity of the overall system.

Care for Senior, Disabled, and Chronically Ill

Caring for the old and chronically ill poses a challenge because many resources are required to care for a relatively small population—and the patients often do not get better. Providers struggle to balance the financial tradeoffs with the needs of patients, but the difficulties of many nursing homes make the development of new strategies essential.

Institutional long-term care at nursing homes, rest homes, and chronic/rehabilitation hospitals makes up the largest share of Medicaid spending—37.5 percent of total payments in fiscal-year 2001. Fully 44 percent of all Medicaid spending in Massachusetts is for all forms of long-term care services. Among the 13 highest income U.S. states, Massachusetts is fourth in the proportion of spending on long-term care. At 70 percent, the Commonwealth ranks among the top states in the proportion of nursing home revenues derived from Medicaid.

Minnesota, Oregon, and Washington have aggressively developed community- and home- based alternatives to nursing homes and other institutional care. In Massachusetts, these models have not been implemented as thoroughly. Massachusetts also has been slow to use long-term care insurance policies to insure individuals for the future cost of nursing home stays.

The Program of All-Inclusive Care for the Elderly (PACE) combines Medicare and Medicaid funding streams to provide coordinated care to elders who otherwise would require nursing home placement. Massachusetts now has six PACE programs, though large portions of the state have none. For the past eight years, Medicaid has been working to develop the Senior Care Options Initiative (SCO) which combines both funding streams to care for any willing senior who is eligible for payment from both sources—a population referred to as the "dual eligibles." Other programs, such as Social Health Maintenance Organizations (SHMOs), provide alternatives for clients outside Medicaid.

The ability of seniors to maintain affordable supplemental coverage—which pays for services not covered by Medicare—also poses a challenge to Massachusetts. Of the 860,000 Massachusetts residents over age 65, some 266,000 purchase the standard—and expensive—Medigap insurance policy. About 225,000 purchase "Medicare + Choice" policies through the region's HMOs, and the rest get coverage through Medicaid or through employers or go uncovered. Changes to Medicare + Choice payments, enacted as part of the 1997 Balanced Budget Act, have led to increased premiums, provider withdrawals, and other problems. These cost problems jeopardize the stability of the market that serves a population with too much income to qualify for Medicaid, but not enough to afford more expensive traditional Medigap products.

Racial and Ethnic Health Disparities

Like many aspects of American life, access to quality health care varies according to race and class. Even when controlling for income and education, persistent disparities in health status and health care are found that negatively affect racial and ethnic minorities.

Black infants born in Boston in 2000 were five times as likely to die as white infants (13.6 per 1,000 live births for blacks, 2.8 per 1,000 live births for whites).[66] The rate of prostate cancer death for black males in Boston in 2000 was 78.3 per 100,000 compared to 29.9 for white men. Statewide death rates from heart disease show 143.3 deaths for blacks per 100,000, compared with 110.3 for whites. Statewide data on diabetes death rates indicate 26.9 for blacks, 15.9 for Hispanics, and 10.9 for whites.[67]

In 1998, President Bill Clinton and Surgeon General David Satcher launched a national initiative to eliminate racial and ethnic health disparities in six disease categories by 2010: cancer, cardiovascular disease, HIV/AIDS, diabetes, adult immunizations, and infant mortality.[68] Since then, research has documented persistent, pervasive disparities in health and health care that cannot be explained by income, education or socio-economic factors.[69] President George W. Bush has embraced the initiative as well. Across the nation, governmental agencies, private organizations, and community groups are collaborating to develop strategies and approaches to reduce disparities.

While participation in the initiative is growing and awareness within communities of color is advancing, the issue continues to lack urgency among policy-makers and the general public. No state—including Massachusetts—has yet to develop a plan to eliminate disparities by 2010, and activity within state legislatures has been minimal. The emergence of this initiative has helped to develop a broad and mature body of research and data. But if there is to be any chance to address disparities by 2010, the profile of this issue needs to be enhanced in the near term.

Workforce Challenges

Attracting and retaining health care workers and professionals in the new health care environment poses particular difficulties to Greater Boston. Despite large numbers of health professionals in Massachusetts hospitals and other care facilities, keeping doctors and nurses can be difficult because of the high cost of living and the high-pressure environment of Massachusetts.

The U.S. Bureau of Labor Statistics estimates that more than one in 10 workers is either a health professional or works in a health care setting such as a hospital or nursing home.[70] Because of the aging population, technological advances, and other factors, the demand for health professionals will grow at twice the rate for all occupations between now and 2010. Already, the nation has experienced shortages of health professionals. Hospitals experience shortages in a range of key occupations, registered nurses, radiologists, pharmacists, lab technicians, nursing and clinical aides, physical, occupational, and speech therapists.[71] The greatest public attention has been drawn to shortages of registered nurses.

Massachusetts enjoys the highest RN-to-population ratio of any state in America: 1,194 per 100,000 residents, compared to a U.S. average of 782 per 100,000 residents.[72] But Massachusetts hospitals report one in every ten nursing positions vacant—the highest shortage rate since the late 1980s—forcing bed closures, ambulance diversions, surgery postponements, and use of temporary staff.[73] Similar personnel shortages affect nursing homes, health centers, physician clinics, and home health agencies across the board.

Why is this happening? Factors influencing this trend are common to Greater Boston and the rest of the nation: an aging workforce, increasingly stressful work environments, declining numbers of graduates from nursing programs, more rewarding career alternatives for women, and increasing demand because of technological advances. Factors unique to Greater Boston include the high cost of living, particularly the higher costs of housing.

Massachusetts boasts the highest number of physicians per population of any state. But increasingly health leaders report shortages of specialists such as dermatologists and radiologists, practice closures, loss of physicians to other states, increasing malpractice premiums, and overall growing dissatisfaction. Since 1992, the Massachusetts Medical Society has tracked financial and access variables to measure the environment in which state physicians practice—from 100 in 1992, the 2001 index stands at 77.5, a 22.5 percent drop. Increasingly, state-based medical schools report fewer and fewer graduates choosing to practice in the Commonwealth.[74] These shortages and workforce challenges occur as health care providers face difficult financial constraints, and as state government wrestles with serious financial difficulties.

HEALTH CARE'S FUTURE IN GREATER BOSTON

Since the 1970s, health policy in Massachusetts has veered from one side of the road to another. From aggressive and heavy-handed regulatory controls between 1975 and 1990 to a hands-off market approach during the 1990s, the Commonwealth has yet to find a workable balance to obtain the optimal advantages of both approaches.

From sky-high health care inflation in the late 1980s and early 1990s, to surprising flat growth in the mid part of the 1990s, to resurgent inflation in the early part of the new century, the state has faced a steady state of disruption. The frenzy of affiliations, mergers, expansions and buyouts that affected hospitals, health plans and nursing homes in the mid-1990s—encouraged by state policymakers—planted seeds for disruption and chaos several years later. The flush state coffers of the late 1990s could have been used to bring Medicaid providers to more stable reimbursement levels, but instead were directed to other worthwhile public purposes.

Precarious state finances suggest it will take some time to reach a new level of equilibrium. State government will need years of reasonable growth to "catch up" with inadequate reimbursement levels. Uncertainties in federal health policy—and growing federal budget deficits—will weigh heavily on the fortunes of providers and plans. The frenzy of mergers and market deals has already slowed and will stay slow as health care institutions assess their future prospects.

In the meantime, cooperation offers a key strategy to foster stability, efficiency, and fair coverage. The 1990s wars among providers, health plans, purchasers, and patients resulted in policy stalemate. In the early 1990s, health plans and purchasers held a dominant position, as managed care penetrated all corners of the system. By the decade's end, providers and patients had reasserted their ability to win policy changes through the patients' bill of rights. But these gains only recovered lost ground. Looming new forms of cost-sharing have again placed patients and providers on the defensive.

A relentless and expanded focus on quality improvement offers another key strategy. Increasingly sophisticated tools enable health plans and providers to identify the future high-cost cases and to intervene to prevent hospitalization and to improve health status. The result both improves the individual's quality of life and reduces medical costs. Harvard Pilgrim pioneered this effort in the Greater Boston market with a collaboration with a firm called StatusOne.[75]

Only when all key parties truly work in partnership to achieve solid and worthwhile improvements—led by smart, thoughtful state government leadership—will the health system of Massachusetts and Greater Boston stop careening down the highway like a bus out of control.

7. Aligning Resources, Needs, and Wants: Public Budgeting and Management

Bruce A. Wallin

One month after Mitt Romney won election as governor of Massachusetts, the state's new budget chief issued a dire warning to business leaders. Speaking to the Greater Boston Chamber of Commerce, Eric Kriss, the incoming secretary of the Executive Office for Administration and Finance, warned that the state faced its greatest budget crisis in more than a half century. "We face the most difficult year in state fiscal history since the 1930s," Kriss said. "I say this as someone who had to grapple with the last major crisis of 1991–1992. We are in worse shape, in my judgment, than a decade ago—in some areas, much worse." Kriss said the state's $23 billion budget would fall more than $2 billion short in FY2004. "The most serious fiscal crisis in 60 years deserves the most far-reaching reforms in 60 years," said Kriss, a former business associate of the new governor at the Bain Capital Company.

On one level, the speech represented a standard technique of savvy politicians. By painting a dire portrait of the state's fiscal conditions, Kriss hoped to mobilize political support for drastic budget cuts on everything from public education to mass transit to housing subsidies. At the same time, by depicting the state in an historic crisis, Kriss was positioning the new administration to deflect blame for the pain that constituencies would feel in the upcoming years—and to take credit for the state's eventual revival. Executives from presidents to governors to mayors have a greater chance to succeed if they confront the painful decisions early in their terms, when a "honeymoon" period produces good will with the general public, the legislature, and hundreds of interest groups with stakes in the budget.

But Kriss was also paving the way for a much more ambitious agenda. Because Romney campaigned against increasing taxes, the new administration could claim a mandate for balancing the budget by reorganizing all of the state government. The incoming governor planned to consolidate operations throughout the government, not only to realize budgetary savings but also to break the hold on the government of special programs and interests. Romney planned to coordinate the policies of departments that had long operated in separate "silos" of government. To take one example, the new administration planned to coordinate economic development, housing policy, the environment, and transportation. A consolidation of such policy areas would be easier to accomplish in a crisis atmosphere.

Those charged with enacting governmental budgets face a difficult task. They must reconcile the conflicting desire of all taxpayers to keep their taxes low while providing the services that taxpayers-as-citizens desire. This obligation is difficult at the state level, where budgets must be balanced and officials worry about losing businesses to nearby states with lower taxes. It is even harder at the local level, where business and taxpayer flight is even easier and where the ability to raise revenues is restricted.

With a shift in the nation's economic base from manufacturing to services, budget experts at the state and local level are struggling to raise revenues with a system designed for the old economy. As expenditure commitments increase, budget experts argue that states now face a structural budget gap—meaning that even under conditions of normal growth, Massachusetts state and local governments struggle to make ends meet.[1] The explosion in health care costs far outpaces revenues. Education reform, meanwhile, commits the state to a growing responsibility for funding public schools, while the lingering costs of the Big Dig continue to require substantial state support. Yet to be determined is the magnitude of the effect of September 11 on state and local public safety costs.

Meanwhile, revenue streams are volatile due to a combination of tax cuts, revenue structure, and changes in the economy. With revenue options limited by the state, local governments must overly rely on the property tax, which is limited by Proposition 2½. Tax-exempt properties further weaken the tax base of some cities and towns. State fiscal pressure often translates into local aid cuts.

EXPENDITURE PRESSURE

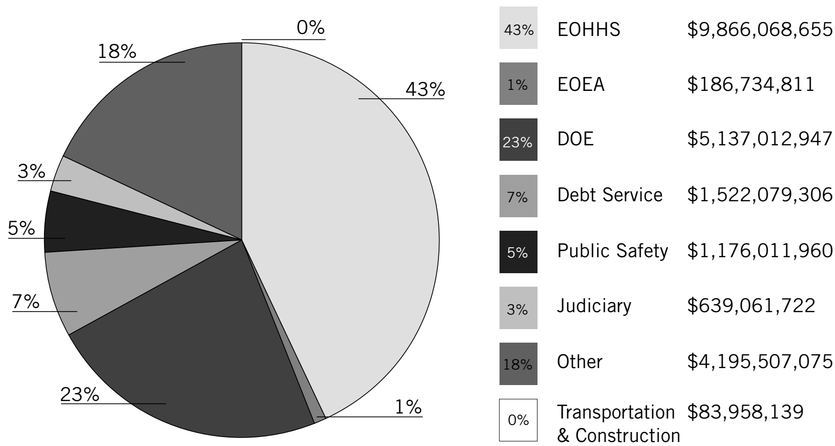
Data on spending by state governments during 1990–1999 reveal good and bad news for the Commonwealth. The good news is that the growth in real per-capita spending in the Commonwealth during this period was one of the eight lowest in the United States, slightly less than 20 percent compared to a U.S. average of 28.1 percent. The bad news is that Massachusetts started that decade with the third highest level of state expenditures per capita.[2] Thus while increases have been more moderate than in other states, the overall scale of spending remains large.

Health Care

The 800-pound gorilla of the budget is no longer in the closet. After placing severe pressure on government budgets in the late 1980s and early 1990s, health care inflation slowed to the 2- to 3-percent range from 1994 to 1997. Several factors

MASSACHUSETTS STATE BUDGET

FY2003 Total Expenditures by Agency, $23,098,200,000



helped produce this downturn, including cost-containment measures undertaken by health care providers, especially in managed care organizations.[3] Providers also used their growing leverage with hospitals and physicians to hold down premium increases, and also may have sacrificed profits to gain market shares.

Health care costs returned to annual increases of 7 percent and higher in 1999 and show no signs of abating. Older Americans consume a greatly disproportionate share of health care, and their numbers are growing. Biomedical advances include sophisticated diagnostic and surgical equipment, and perhaps most importantly, new pharmaceuticals. Nationally, spending on outpatient prescription drugs increased at an average annual rate of 18 percent from 2000–2002.[4] Managed care organizations have lost leverage over providers as the latter have reduced capacity while the former seek to expand networks. Managed care organizations appear to have returned from a market-share focus to one emphasizing rebuilding profits. And as enrollees began to complain about the tighter restrictions of HMOs, employers began to shift to the less restrictive point-of-service (POS) and preferred-provider-organizations (PPO) products, adding cost.

As the Massachusetts Taxpayers Foundation (MTF) reports, over 25 percent of the state's 2002 budget was devoted to health care programs. The grand bulk of that amount, $5.4 billion in FY2002, was allocated to the joint federal-state funded Medicaid program (MassHealth in Massachusetts), primarily health care for the poor. Spending on the program has increased 50 percent since 1998, due to the general increase in the cost of health care pushed by increased enrollment in the program and greater use of the services available. Enrollment in

UNDERSTANDING MEDICARE

In policy discussions of the Commonwealth's Medicare budget, experts routinely estimate the programs to cost $6 billion. That figure includes about $5.6 billion in Medicare programs and another $347 million in other programs. A summary of the top programs underscores the complexity of state health policy and budgeting (numbers are listed in thousands of dollars).

Program	FY2003 Appropriation
HMOS, mental health, substance abuse programs, interpreters	1,896,910
Senior care	1,717,620
Indemnity/third party liability plan	1,103,497
MassHealth (adults and children)	332,786
Extension of benefits	219,823
Administrative costs, including some carryovers from previous year	187,060
Mass Health (children)	61,764
Disabled adults and children	54,745
Small business insurance employee reimbursement	22,711
HIV treatment	10,380
Financially distressed hospitals	6,000
Small business insurance employer reimbursement	5,796
Treatment or screening of breast or cervical cancer	2,784
Total	**5,621,879,304**
Other programs sometimes included in Medicare tallies	
Enhanced nursing home rates	129,100
Pharmacy dispensing fees	72,000
Base year roll from 1998 to 2000	70,000
Nursing assistant wage increase	50,000
Reimbursement nursing home capital costs	12,000
One-time grants to community health centers	6,500
Total	**347,250,000**
Total "Medicare"	**5,969,129,304**

Massachusetts expanded from 690,000 five years ago to roughly 1 million in 2002.[5] Pharmaceutical expenditures, which have grown 31 percent since 2000, are expected to continue to climb. Similarly, spending on community-based long term care for the elderly and disabled, which grew 35 percent from 2000–2002, is also likely to climb steadily with the aging population. MassHealth covers about 36,000 of the state's 50,000 nursing home residents, and nursing home costs account for about one-third of all of the Commonwealth's Medicaid expenditures.[6]

Massachusetts finds itself in a Medicaid quandary. The Commonwealth is the sixth most generous state in the nation on a per enrollee basis, yet MTF notes that Medicaid reimbursement rates to providers are "woefully inadequate," among the lowest in the nation for hospitals, covering about 70 percent of hospitals' costs.[7] Nursing home operators are suing the state, alleging that low reimbursement rates have caused many nursing homes to close and "threaten the industry."[8] Both situations are the result of state pressure in the early 1990s to lower costs, followed by years of slow growth.

The same inflationary pressures in health care that have pushed up Medicaid expenditures have an impact on the cost of health insurance for state and local government employees. At the state level insurance costs rose 9 and 10 percent in fiscal years 2001 and 2002, and are projected to increase at an annual rate of 10 percent over the next several years. The Commonwealth's employees' share of health care premiums is 15 percent, well below what private industry demands on average from its employees. At the local level, health insurance spending for all Massachusetts cities and towns rose 13 percent from FY1998 to FY2000.[9] In Boston, health insurance spending grew by 60.9 percent from FY1995 to FY2002, from $62 million to $100 million.[10]

Education Reform

In 1993, the General Court passed the ambitious Massachusetts Education Reform Act. The legislation called for greater accountability for student learning, to be enforced through statewide standards for students, educators, schools and districts. The so-called "capstone" is a statewide requirement that all students pass a comprehensive test (MCAS) in order to receive their diploma.

An important component of education reform was a substantial increase in state support. A "foundation budget" of $5,500 per pupil was established for each school to ensure resources adequate to try to meet the new requirements. The amount of the increased state aid to communities varies depending on local economic and demographic factors.

Massachusetts state government has been steadfast in honoring its financial commitment to schools. Between fiscal years 1993 and 2002, the Commonwealth more than trebled its financial support of K–12 education. Local aid for education stood at over $4 billion in FY2002, with overall spending on education comprising approximately 23 percent of the Commonwealth's operating budget, nearly as much as Medicaid. By 2000, MTF notes that

> all school districts had the resources necessary to reach the "foundation" level of spending determined to be adequate under education reform law, an amount determined for each district based on the characteristics of its students and local finances. This is an especially impressive achievement considering that 60 percent of the state's school children in 1993 were enrolled in districts that did not meet the law's spending standard.[11]

The category "other education aid" has grown approximately 20 percent a year over the past eight years. This includes such programs as aid to reduce class sizes, school building assistance, early childhood education, and support for those performing badly on MCAS exams. Should a substantial percentage of the Commonwealth's students fail to graduate due to the MCAS requirement, there is likely to be pressure for additional spending.

Education is by far the largest item in most municipal budgets; public schools take up an average of 45 percent of local outlays annually. Even with the increase in state support, the Massachusetts Municipal Association (MMA) reports that many local communities, largely through Proposition 2½ overrides, "have seen a slow and steady shift to greater reliance on the property tax as the way to deal with inflation, class size issues, and necessary technology investments."[12]

This local fiscal pressure may worsen as the state slows its increases in aid for education. The MTF points out that the increase budgeted for FY2003 will be far less than that of 2002, an increase of roughly $84 million vs. 2002's $224 million increase. The 2003 amount may not provide enough cushion to deal with rapid enrollment growth in some districts and inequities in others, including the cost of educating low-income students. Further, whether funded in fiscal 2003 or delayed, the state's "circuit breaker" approach to reimbursement to districts for high special education costs may eventually make a strong claim on state resources, doubling the current amount.

After eight years of significant growth in support for K–12 education, state leaders must decide what level of funding is necessary (and affordable)—and how it should be targeted.

Capital Spending and Debt Service

At nearly 10 percent of the Commonwealth's budget, debt service involves a substantial and mandatory commitment of state revenues. In the 1980s the Commonwealth played an active role in capital financing; combined with financing needed to bridge budget shortfalls in fiscal years 1989 and 1990, the state's debt burden was pushed to one of the highest in the nation. To stop the bleeding, the General Court passed legislation imposing a $1 billion annual borrowing cap, which has been successful in slowing the growth of state debt and has helped improve the state's bond rating. The cap was raised to $1.2 billion in fiscal 2002.

More recently, the mammoth Central Artery/Third Harbor Tunnel Project (CA/T), known as "the Big Dig," has placed a heavy burden on the Commonwealth's budget through its impact on debt service. The federal government has capped its contribution to the $14.5 billion project. The Massachusetts Turnpike Authority and Massachusetts Port Authority have, through statute and agreement, committed to significant ongoing contributions to pick up the slack for its financing. The Turnpike Authority has raised tolls inside Route 128 to meet this obligation. Nevertheless, the MTF notes that a large part of the growth in the state's debt and debt service costs over the last few years "is the result of the Registry fee-backed bonds and Grant Anticipation Notes issued outside the bond cap to help finance the Central Artery."[13] Indeed, most of the increase in debt service payments in the FY2002 budget is on the $1 billion in borrowing to cover Central Artery cost overruns. From 2001 to 2005 the state will spend an average of $305 million on the Central Artery.[14]

Funding required for the Big Dig has reduced spending on other transportation needs in the state. Hundreds of road and transit projects have been delayed to meet the financing needs of the Big Dig. All but roughly $1 billion of the $12 billion list would go to fund MBTA projects. In June 2000 an agreement of the Federal Highway Administration, the Executive Office of Transportation and Construction, the Turnpike Authority, and the Massachusetts Highway Department requires the Commonwealth to maintain a "balanced" statewide transportation program, including spending at least $400 million each fiscal year for projects other than the Big Dig.[15]

Among the larger projects that will command resources in the years ahead are the Silver Line tunnel (also known as the South Boston Transitway) , the so-called "slingshot" ramps on the Back Bay section of the Turnpike, new Commuter Rail lines, and a widening of Route 3 on the South Shore. On the wish list are a rail link between North Station and South Station in Boston and the Urban Ring circumferential transit system. A February 2002 report suggests that even without the proposed $4.5 in expansion projects, the MBTA will face a $1.7 billion shortfall over the next 10 years on repair and replacement projects alone. The MTF's Michael Widmer has argued that "expecting the T to pay for these expansions will undercut the fiscal foundation of the T and force it into a sort of fiscal death spiral in which it will have to cut funding for maintenance and modernization, which will result in poorer services."[16] Under its new forward-funding system, the MBTA gets one cent of the state's five-cent sales tax. The MBTA's management is committed to not requesting extra funding from the legislature, as it did for years.

The legislature has come under fire for authorizing more capital spending than the state can possibly fund. Because the legislature authorizes ten times as much capital spending as the capital spending cap allows, the Executive Office for Administration and Finance exercises the real capital budgeting authority. A&F selects the projects that get funding. Further, by borrowing right up to the top of the capital spending cap, the state leaves little room for unanticipated capital or operating expenditures.[17]

Borrowing for school construction will also put pressure on capital budgets at both the state and local levels. State debt service subsidies (outside the bond cap) have been one of the fastest growing programs in the state budget. Those subsidies stood at $361 million in fiscal 2002. At the local level, demand for school construction and renovation, along with the need to upgrade technology, will place a strain on city and town budgets. Local debt service has increased dramatically. While total local expenditures in the Commonwealth increased almost 60 percent in nominal terms from FY1990 to FY2001, debt service was up 78 percent, outpaced only by the 84 percent increase in education spending.

The Boston Municipal Research Bureau, the independent watchdog of city finances, notes that Boston's net actual capital spending "exploded" 106 percent in the five years between fiscal 1995 and fiscal 2000, from $64 million to $132 million.[18] Much of the increase was for public education, including the construction of three new schools and the renovation of others. Debt service costs have approached the city's stated ceiling of 7 percent of operational expenditures, increasing from 5.7 percent in FY1997 to 6.7 percent in FY2002.

Management Rules/Contracts

Several management rules and contractual issues add to the cost of government in the Commonwealth. Prominent examples include the Quinn Bill, generous early retirement provisions, and the system of worker's compensation.

Enacted by the state legislature in 1970, one of the more controversial employee benefit plans in the Commonwealth is the Police Career Incentive Pay Program, better known as the Quinn Bill. The program reimburses cities and towns for half of the cost of salary increases for police officers who earn higher education degrees—10 percent for an associate degree, 20 percent for a bachelor's degree, and 25 percent for a master's or law degree. Massachusetts is the only state in the nation to offer this benefit statewide. As more police officers have taken advantage of the program, costs have soared to roughly $80 million, divided equally between the Commonwealth and cities and towns. For local governments, non-reimbursable pension costs attributable to the higher salaries also have a big impact on budgets. In 15 years, the overall cost of the program is expected to hit $2 billion if no changes are made.[19]

Besides concerns about the budgetary implications, two criticisms of the program are offered. First, critics say a college degree should be a prerequisite for a police officer—not a source for additional compensation—and additional educational training may not be worth the cost. Second, critics have questioned the lack of standards, accreditation, and the award of credits for "life experiences." One observer said the program represented "an unholy alliance . . . between police officers hungry for Quinn Bill credits and private colleges anxious to fill their night school classes."[20] Further, salaries inflated by the program may persuade more middle-aged officers to retire, leaving behind a less experienced force. Quinn Bill defenders argue that an educated police force is more responsive and sensitive to community needs, and, from a more practical standpoint, reduces the number of lawsuits and civilian complaints filed.

The Massachusetts Taxpayer Foundation points to two other contractual issues in need of reform. One is what MTF calls an "extraordinary early retirement" provision of the state pension law that give a generous early pension to those who involuntarily leave their jobs after 20 years of service. In existence since the 1950s, this provision, MTF says, has been widely abused by officials who actually leave their positions voluntarily.[21] A report by *CommonWealth* magazine found that one-third of the special retirement statute pensions granted since 1990 were granted within one year of the employee reaching the 20-year mark, with 10 percent within a month of that anniversary.[22]

The other contractual issue in need of reform involves workers' compensation for local public safety personnel, which the MTF characterizes as an "expensive and too-often-abused program."[23] There is strong sentiment that medical evaluations may be lax, and criticism of the 100 percent pay to injured public safety personnel, compared to the 60 percent for other employees under the state workers' compensation plan

Other Expenditure Pressures

A number of other programs demand increased resources in the not-so-distant future, including pension liabilities, higher education, housing, and public safety.

The Commonwealth has over $6 billion in unfunded pension liability for its state employees. Over the years, the Commonwealth has not been putting aside enough money from current revenues to finance the future retirement needs of its employees. The state will face pressure from fiscal watchdogs and public employee advocates to increase contributions.

One X factor for budget makers in the coming years will be the increased spending on public safety to meet the security needs of the state and region in the aftermath of the terrorist attacks of September 11. Another uncertainty concerns the uptick in crime that has been occurring in the Commonwealth's cities. The perceived increase in crime at the local level will bring citizen pressure to add more police. Overtime for state police was extraordinarily high immediately after September 11, and continues to run ahead of previous years.

The lack of affordable housing has been recognized both as a problem of equity as well as one having a negative effect on the state's ability to attract and retain workers. But recent budget funding reductions by the state, along with the unwillingness of many communities to approve surcharges under the Community Preservation Act, have slowed progress in the development of affordable units.

The costs of existing state and local programs show few signs of abating. If left unreformed, the budget may continue to expand at an unsustainable rate. The state's structural budget gap was papered over by the extraordinary gains in revenue in the mid- to late 1990s. City and town governments received historic levels of state aid, minimizing their need to seek additional local revenues in the late 1990s. Now, in the uncertain times of the new millennium, both state and local governments need to figure out ways to cut costs and increase revenues.

REVENUE ADEQUACY

The stock market slide and slumping economy made 2002 a year of difficult budgeting for state and local governments across the nation. State revenues in particular came in at levels dramatically below projections. While it might be tempting to dismiss this as a temporary phenomenon, important long-term factors are weakening both state and local revenue raising ability in the Commonwealth.

State Revenues

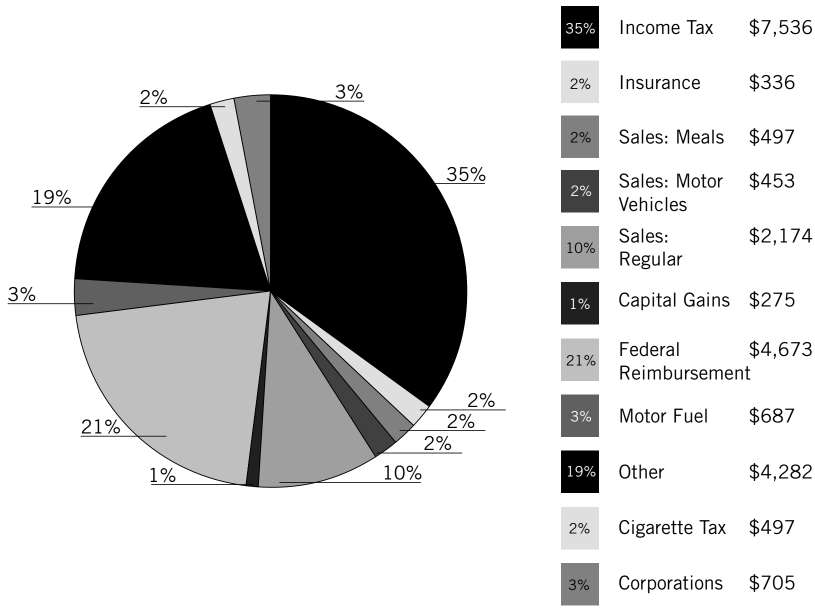
There was little controversy when revenue projections for FY2002 were adopted in January and February of 2001. But as budget deliberations dragged on beyond the July 1 due date, the revenue picture began to worsen. By the middle of the fiscal year, the decline in state revenues was projected to be far greater than the $700 million expected when voters approved a 2000 ballot question to roll back the personal income tax rate from 5.95 percent to 5 percent over three years.

What was shocking was the decline in income tax revenue primarily due to the falloff in capital gains, bonus, and stock option tax receipts. These relatively unpredictable sources of revenue had soared during the 1990s, making up an ever-larger share of state income tax revenues, and state budget officials may have been overly optimistic in assuming their continued contribution at such levels. Combined, the downturn in these three sources collectively resulted in income tax collections $500 million less than had been budgeted. Increased unemployment and lower wage gains due to the recession increased the dollar shortfall, with total revenues for FY2002 projected at $1.7 billion less than the previous year. A modest economic recovery was expected to result in equally modest increases in revenue for FY2003.

This scenario illustrates the importance of the national economy. But while state policy-makers cannot control the national economy, they can influence the state revenue system. The Massachusetts revenue structure has become increasingly reliant on the state income tax, one of the most volatile revenue sources of

FY2003 STATE REVENUE SOURCES

Total Revenue: $22,115 (in millions)



all. While the average state obtained 26 percent of its general revenue from individual income taxes in FY1999, Massachusetts relied on individual income tax receipts for 40 percent of its general revenue. In the Commonwealth, it has been estimated that state income tax revenue grows $1.17 for every $1 increase in the income of Massachusetts's taxpayers.[24] When a downturn occurs, the falloff can be dramatic.

State budgeting might have been more conservative if the governor and legislature had factored in the extraordinary quality of the state's boom-time revenue stream. Capital gains and stock option receipts were more volatile than earned income tax collections. Realized capital gains in Massachusetts were up an incredible 257 percent from 1995 to 2000, and then fell 54 percent from 2000 to 2002.

The state's general sales tax collections have continued to grow, but two factors have weakened the effectiveness of the sales tax. First has been the shift nationwide, and in Massachusetts in particular, from a manufacturing to a service economy. As currently structured the sales tax is applied to a smaller and smaller portion of overall economic activity. In 1960, 42 percent of U.S. wages and salaries involved the goods-producing sector, but only 24 percent by 2000.[25] The second trend has been the movement from "brick and mortar" to Internet sales. One study estimates that state and local governments in the

Commonwealth lost over $200 million in FY2001 to e-sales.[26] State revenue losses in Massachusetts due to e-commerce are projected to grow from 1.60 percent of total state taxes in 2001 to 3.42 percent in 2006. The shift to e-commerce sales increases the regressiveness of the sales tax, since on-line buyers tend to be more affluent than others.

The use of the state initiative process to make tax policy has also had an impact on the state's ability to generate revenues. Most recently, 2000's Question 4, approved by a margin of 59–41, called for lowering the state income tax rate from 5.95 percent to 5.6 percent in 2001, 5.3 percent in 2002, and 5 percent in 2003 and thereafter. The new rates would result in a loss of $1.2 billion in FY2002, and $2.7 billion over four years. The state legislature postponed the planned reduction in FY2002 to help alleviate the budget crisis. Question 1, a 2002 ballot initiative, would have eliminated the state income tax altogether.

During good economic times, states are wise to build up their budgetary reserves, or "rainy-day" funds. This is often difficult to do politically, as voters may demand lower taxes or increased spending on popular programs. The Commonwealth resisted these temptations in the 1990s and saved nearly $3 billion by early 2002. The state was forced to use $1.3 billion to balance the FY2002 budget during that fiscal year and applied $500 million more to the fiscal 2003 budget.

Local Revenues

Massachusetts cities and towns face a more restrictive revenue environment than cities and towns in most other states. Localities sometimes have little control over their revenue streams. The state's historically high reliance on the property tax spawned the anti-property tax measure Proposition 2½, which limits property tax revenues. Overrides must be approved by voters. Tax-exempt property puts pressure on local budgets. And while state aid has filled in many of the gaps, aid levels vary with the booms and busts of the economy.

Local governments still rely on the property tax much more than localities in other states. In 1999 Massachusetts local governments got 42 percent of their overall revenues, 75 percent of their own source revenues, and 96 percent of all tax revenues from the property tax, compared to national averages of 27.1 percent, 44.5 percent and 72 percent, respectively. The desire to raise taxes "painlessly" prompts local officials to seek development projects that add new property (especially commercial property) to the local tax base. While in an era of rapidly rising property values a reliance on property taxes may not be a problem, experts warn against over-reliance on property levies.

The property tax has several problems. First, experts say that it is at least mildly regressive, taking a larger percentage of income as income falls. Second, while a person's income and sales taxes may decline during periods of

REVENUE SOURCES IN SIX COMMUNITIES

The fiscal capacity of cities and towns in Greater Boston varies. While some communities—like Somerville—depend largely on residential property taxes, others—like Boston and Cambridge—have a more diverse set of revenue sources. Figures for FY2002 (in thousands):

	Residential property tax	Commercial property tax	Other property tax	Local aid	Fees
Boston	$292,388	$573,403	$106,443	$569,975	$277,968
Cambridge	64,799	93,938	28,707	43,956	84,965
Chelsea	10,505	7,382	4,640	62,144	19,878
Newton	131,532	25,173	5,573	23,671	48,905
Somerville	41,652	12,569	7,047	61,818	34,820
Weston	34,996	912	297	4,420	6,435

unemployment or low wages, property taxes remain steady. Third, property is a relatively non-liquid asset. It is harder to sell property than other assets, so market signals are followed imperfectly. Fourth, property taxes discourage improvements to land or buildings since improvements result in an increase in property values and hence higher taxes. Some landlords have rationalized not maintaining properties by pointing to this disincentive. Fifth, property taxes are highly visible—and hence, susceptible to resistance from taxpayers. Few voters could estimate how much they paid the state in sales taxes in a given year, but most homeowners are aware of their property-tax bill and its recent increases. Sixth, from a local government's point of view, the property tax's capacity to raise revenue is limited by the amount of developable land available. This encourages vertical development in a city like Boston and "tax farms" in suburban jurisdictions. Commercial or industrial properties offer a significant boost in tax revenue with limited demands on city services.

Despite its many shortcomings, the property tax remains the centerpiece of municipal finance nationwide. The property tax is a mainstay of local finance because it is a tax on an immobile asset and is arguably related to local services like police, fire, schools, and public works. The link between these services and property is direct.

In Massachusetts a second major factor limits the revenue potential of the property tax—passage of Proposition 2½ in 1980. The law limits a locality's property tax to 2½ percent of fair value (the levy ceiling), and allows growth in total property tax revenue of no more than 2½ percent each year (the levy limit). Assessment growth from new construction is outside of the cap—that is, property tax revenue can increase by more than 2½ percent a year if the additional revenues come from new construction. Local voters can vote to override the 2.5 percent increase (but not the ceiling), and may also vote a debt exclusion or capital outlay exclusion in excess of the levy limit or levy ceiling. Override votes are put on the ballot by a majority vote of the local legislative body, with mayoral approval where required. Overrides must then be passed by a majority of the voters.

Voters have seemed to be fairly rational in their use of the ballot to override Proposition 2½. As state aid slowed with the economy in the late 1980s and early 1990s, the number of attempts and successful overrides increased, only to decline again when increases in state aid resumed. The number of successful overrides increased from 13 in 1986 to 42 in 1988, and peaked at 100 in 1991.[27] As the economy has improved, and state aid has risen, the number of communities approving overrides has steadily fallen, to 48 in 1994 and 17 in 1997. While cities and towns may have been able to avoid using overrides due to increased state aid and significant real estate growth, the trend on debt and capital expenditure exclusions is not as clear.[28]

Massachusetts cities and towns fared well in the latter half of the 1990s. Total property values were roughly 40 percent higher in 2001 than they were in 1991, the previous decade's peak, and 63 percent above 1994's decade low.[29] Revenues from new growth for fiscal years 1999, 2000, and 2001, increased 21.3, 15.4, and 15.4 percent, respectively, before falling off to 5.4 percent in FY2002. Nominal annual increases in property tax revenues were never less than 4 percent during the decade, and grew 6.4 percent in FY2002, to a total of $8 billion.

The second major source of revenue for local governments is state aid. Cities and towns in Massachusetts benefit from more state support than municipalities in other states. Nationally, in 1999 states provided an average of 35.3 percent of local government general revenue within their states, compared to 38.6 percent in Massachusetts. While this reliance on state aid has eased the need to raise revenues at the local level, it places local governments in a dependent and therefore vulnerable position. Legislative threats to cut $500 million (roughly 10 percent of local aid) to balance the state budget in 2002 sent city and town officials scrambling for contingency plans. Until the proposed cuts were reduced, many localities were going to have to draw down reserves that they built up during the good times, and further increase the use of fees.[30] The unpredictability of state aid underscores an ongoing problem for local officials—they often must enact their own fiscal year budget without having the details of their state aid package available.

Localities face two other areas of concern. The first is the shift from a manufacturing to a service economy, which has reduced the property-tax base for many local governments—especially for localities that have been unable to replace their lost manufacturing base. Further, the ratio of the value of realty to GDP has fallen sharply nationwide, as intangible assets such as patents and software—difficult to value and hence tax—have grown in importance.[31]

A second area of concern—more important for some local governments than others—is the tax-exempt status of governmental, religious, and nonprofit property. Half of Boston's property is tax-exempt. Local officials can negotiate payments-in-lieu-of-taxes (PILOT) with many organizations and the state reimburses localities for some lost revenue, but most cities and towns with large swaths of untaxable land struggle to raise the revenues they need to provide essential services. Protracted negotiations between Harvard University and Watertown illustrate both the problems and possibilities of PILOT programs. Harvard eventually agreed to pay Watertown at least $3.8 million a year for the next 52 years. But Harvard's robust financial picture—and the public outcry from Harvard's purchase of the land that had been cleaned up by the local government—gave Watertown more leverage than most communities possess. Cities and towns can expect to get little from the bankrupt Catholic Archdiocese of Boston, for example.

State and local governments in the Commonwealth face changes in their revenue landscape that may hinder their ability to meet the escalating cost of programs to which they are committed. The reconciliation of expenditure wants and revenue needs is left to the budget process at each level of government.

BUDGETARY PROCESSES

Budgeting at the state and local level is subject to several constraints. In contrast to the federal level, state and local budgets must be in balance. While the importance of this distinction is somewhat lessened by the fact that state and local governments have separate capital budgets—so they can carry long-term debt for infrastructure and other major public works—the legislature has set statutory limits on how much the state can borrow (usually in the form of a limit on debt service as a percentage of the budget).

State and local officials must always consider the impact the budget—especially taxes—might have on tax competition. State and local officials must be concerned about the possibility that high taxes may prompt businesses and taxpayers to move to the nearest lower taxing jurisdiction. The growth of New Hampshire's residential community along the Massachusetts border is in part due to the lower tax structure there.

The U.S. and state constitutions, and federal laws also bind both state and local governments in their decisions. States and localities cannot, for example, implement a tax that would interfere with interstate commerce. Decisions by both the U.S. Supreme Court and Massachusetts Supreme Judicial Court further narrow options and impose burdens of their own. Court decisions to require greater equity in financing public education—such as the landmark 1993 *McDuffy* v. *Secretary of the Executive Office of Education* case—have produced dramatic increases in state spending on education. So too have federal and state court cases involving environmental cleanup, special education, and prison overcrowding added to state and local fiscal pressure.

Other external factors affect state revenues and spending demands. The national economy is by far the primary exogenous variable affecting state finances. As the national economy fares, so fares the state revenue stream. The stock market crash has reduced state revenues by billions. Demographics also affect state and local finances. Immigrants have been primary recipients of bilingual education and other public services. Meanwhile, growing senior populations increase demand for prescription drugs and health care services, while students put pressure on the housing markets of neighborhoods in Boston, Cambridge, and other communities.

Once state budget officials develop their revenue projections for the next fiscal year, they have the broad parameters for determining spending levels in various departments and programs. Plenty of existing programs require additional funding just to keep up with inflation. Basic mandates—like the U.S. government's Medicaid restrictions on state discretion, not to mention the state's ongoing debt service—must be met without exception. But in a number of discretionary programs, funding varies from year to year according to demonstrated need, available resources, and politics. Good examples include support for higher education and certain portions of local aid.

The governmental budgetary process usually begins with agencies or departments sending their requests to a centralized budget bureau or office—the Executive Office for Administration and Finance at the state level, and often a city or town finance or budget office at the local level. The requests are scrutinized by these budget agencies, and then submitted for the review of the chief executive. Working with leading advisors and department officials, the executive then prepares a budget proposal to submit to the legislative body. In many local governments, councils and aldermen have limited power to amend the budgets offered by the mayor or city manager.

At the legislative level, committees with a broad purview over spending and taxes—in the Commonwealth, the House and Senate committees on Ways and Means—establish the basic framework for legislative action on spending. In cities and town, a finance committee of the local council plays the lead role.

At the state level, both houses of the legislature must pass the budget in identical form for the bill to go to the governor's desk for signing or veto. A joint conference committee, comprised of members of both chamber's budget and tax panels, meets to iron out the differences between the two chambers' versions of legislation. At the local level, one legislative body considers the budget.

Once the legislative body passes the budget, it must be signed into law by the chief executive. The governor can also single out specific sections of bills for vetoes. This line-item veto has enabled governors to cut wasteful spending included in the budget as part of the long process of legislative compromise. Any veto—whether of a whole bill or line items in the bill—requires a two-thirds vote by both houses of the legislature for an override. In 2003, Governor Jane M. Swift vetoed $355 million in line items from the budget passed by the legislature; lawmakers overrode eight of her vetoes, including cuts affecting retired municipal teachers, distressed community health grants, and kindergarten grants. The role of city or town councils is much more limited in Massachusetts. By state law they may generally only make cuts to the chief executive's budget, not add items.

While voter initiatives can enact laws, they cannot appropriate revenue. In those cases, the legislature must act to provide the resources and administrative mechanisms to carry out the new law. This kind of mandate without mechanism can cause bitter controversy when legislators are reluctant to follow the will of the people. The legislature did not approve a funding mechanism for a 2000 referendum that approved public financing of elections for candidates who meet certain conditions. Ad-hoc funding for the so-called Clean Elections Act was provided only when the Supreme Judicial Court ordered the sale of state-owned properties to provide money to gubernatorial hopeful Warren Tolman. Had voters approved a sweeping health care referendum in 2000, the legislature would have been required to create an ambitious new program—with little clear instruction on how the program was to be structured—at a time when state revenues were plunging.

While local budgeting has, for the most part, functioned within the broad outlines noted, the state budget process has been the subject of much criticism for several years. Disagreements over spending priorities have on several occasions resulted in state legislative failure to meet the annual July 1 deadline for passage of a budget. Budgeting for FY2002 proved particularly embarrassing, as the legislature did not pass a budget until November 2001, long past the July 1 deadline, and the last of all of the states in the nation. This kind of delay has a negative impact on all of those who receive funding from the state, including local governments, state government agencies, contractors, and individuals. It reduces their ability to make their own financial plans for the year. It also is a factor that bond-rating agencies take into account when assigning bond ratings. The General Court seems to miss deadlines in both good and bad fiscal years, which would suggest that the problem lies less in fiscal conditions than in the personalities and priorities of those in leadership positions.

Critics from the time of Bismarck—who compared lawmaking to sausage-making—have criticized legislative budgetary processes. While the House and

Senate Ways and Means Committees exert significant influence, the vast majority of power and hence decision-making is closely held by the speaker of the House and the president of the Senate, most recently Thomas Finneran and Thomas Birmingham. It is unclear how the legislative leadership will operate with the overhaul of Beacon Hill leadership in 2002. Governor Mitt Romney, a businessman with a reputation for attention to the details of budgets and management, is expected to exert a stronger hand in budget negotiations than his two predecessors. The rise of the consensus-building Robert Travaglini as Senate president in 2003, after Birmingham left the body to run for governor, could signal a more open and deliberative process in that chamber. In recent years, major budget decisions frequently have been made at the very last minute, in long and exhausting sessions, with little open deliberation. Legislators have even been quoted as being unsure of what votes they actually cast at key moments in the budgetary process.

PLAYERS

The greatest power over budgeting and management lies with the governor and the leadership of the state legislature. House Speaker Thomas Finneran's deference to Governor Mitt Romney underscored the ability of the executive to set the tone for budgetary issues. Finneran argued that tax increases would be needed to balance the budget but challenged the new governor to find ways to balance the books without tax hikes. Finneran acknowledged that Romney's no-new-taxes pledge during the 2002 campaign—and the fact that 45 percent of voters supported a referendum that would have repealed the state income tax—could be seen as a mandate for using tax increases only as a last resort.

The governor's power to initiate the budgetary process helps to frame the debate over budgetary priorities every year. The Executive Office of Administration and Finance drives the process. A&F chief Eric Kriss took charge of the budgetary process soon after the 2002 election.

As in any group endeavor, the first budget proposal sets the parameters for discussion. Legislative proposals are framed in response to the governor's budget. The governor's line-item veto gives him great leverage in budget negotiations. But the line-item veto can also undermine large-scale efforts to bring the budget under control. The legislature can override the governor's veto of line items, thus protecting pet projects and causes that might be killed if the governor were forced to accept or reject whole laws.

The governor also possesses the "bully pulpit" that he can use to marshal media attention and rally public opinion. Governor Romney's top aides have called the budget crisis of 2002 and 2003 the state's worst since the Great Depression, laying the ground for large-scale changes in state government. Likewise, Governor William F. Weld rallied public opinion in convincing the legislature to pass several tax cuts in the early 1990s.

Within the state legislature certain individuals have more power than others, including the chairs of the House and Senate Ways and Means committees. While chair of House Ways and Means Committee, Finneran effectively killed proposals to create casino gambling and subsidize a domed stadium for the New England Patriots football team. Finneran's support was equally crucial to welfare reform. During the budget crisis of the early 1990s, Patricia McGovern used her position as chair of the Senate Ways and Means Committee to argue for expanding the sales tax to services, giving the poor priority in state surplus refunds, and expanding health care coverage.

In recent years, power in the Massachusetts state legislature has evolved from the committee chairs to the speaker of the House of Representatives and president of the Senate. This appears to be more a function of the personal characteristics of the inhabitants of these positions than to the institutional character of the legislature. The ability of leaders to reward supporters and punish opponents has resulted in a great centralization of power over budget issues.

The Massachusetts Taxpayers Foundation probably plays the most influential role of nongovernmental actors in budget issues. This nonprofit research organization has published timely reports on virtually every issue relevant to state finance in the Commonwealth.[32] While seen by some as business organization, MTF's policy positions cannot be characterized as uniformly conservative or favoring large or small business. Other think tanks also weigh in on budget issues, including the Tax Equity Alliance of Massachusetts (TEAM) on the left, the Pioneer Institute for Public Policy on the right, and the Massachusetts Institute for a New Commonwealth in the middle. Each produces studies that seek to influence the state and local finance debate.

Organized labor plays a major role in budget and policy debates at both the state and local levels. Two of the most active on the broadest tax and spending issues are the Massachusetts Teachers Association and the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO). Unions often oppose tax-cutting initiatives. Others that are more involved on specific issues and may be part of larger coalitions include the American Federation of State, County, and Municipal Employees (AFSCME), the National Association of Government Employees (NAGE), the Professional Firefighters Association, the Service Employees International Union (SEIU), and the Massachusetts Federation of Teachers. These groups play active roles on issues that may have a direct impact on their members, such as attempts to increase state employee contributions to health care plans, to increase privatization, or to reform workers' compensation.

The Massachusetts Municipal Association represents the Commonwealth's 351 cities and towns on all issues that affect them. The MMA acts both as an advocacy and a service group, bringing local officials together to lobby for common causes. Under the leadership of Geoffrey Beckweth, the MMA pushes for more state aid to cities and towns. Citizens for Limited Taxation (CLT), the Associated Industries of Massachusetts, and the Massachusetts Hi-Tech Council were instrumental in the passage of Proposition 2½ and have worked on behalf of a number of other anti-tax campaigns. CLT's leader, Barbara Anderson, is arguably the leading anti-tax figure in the Commonwealth.

Other advocacy groups include the Massachusetts Human Services Coalition, which lobbies on behalf of all social service programs and their beneficiaries. Industry groups such as the Massachusetts Extended Care Federation (representing nursing home operators), the Mass Health Pharmacy Committee, and health maintenance organizations exert great influence on Medicaid policy.

At the local level, mayors, city and town managers, and city and town councils and boards of selectmen are the most important players involved in public budgeting. Their powers vary greatly according to the system of local government. The chief executive usually exercises the most power by drawing up the proposed budget, but many "strong council" communities participate in a more collaborative approach to budgeting. Local elected bodies approve budgets but may not add items to the budget. Most towns also have local finance boards composed of citizens who serve in an advisory capacity.

In cities like Boston, powerful unions represent the great majority of city employees. The teachers, police officers, and firefighters unions all play critical roles in collective bargaining. Boston firefighters and their leader Jack McKenna aggressively fought off many of the cost-savings recommendations of the O'Toole Commission. Boston schoolteachers and their outgoing union president, Edward Doherty, have won significant pay increases without compromising their members' prerogatives on school management. Superintendent Thomas Payzant sought to give principals greater management authority over the schools, but the teachers unions resisted.

Boston and Worcester also have influential business-funded research organizations. Under the leadership of Samuel Tyler, the Boston Municipal Research Bureau has issued influential reports on all aspects of the city's budget and management policies. The bureau has been especially active on contract negotiations with teachers, police, and firefighters, as well as the followup to major management commissions. The Worcester Regional Research Bureau has provided the same kind of service, first at the city level and recently at the regional level.

The print media, through reporting and editorializing, play an important role in the politics of budgeting at both the state and local levels. *The Boston Globe* and *Boston Herald* set the tone for much of the discussion, while a number of other city dailies and weeklies dig into the details that affect specific communities. Most of the public receives its news from television, however, so what and how the local media outlets choose to cover has an important impact on budgetary debates. Even though it reaches a limited audience, MassINC's *CommonWealth* magazine provides the most compelling overview of budget, tax, and related issues.

The federal government obviously plays a major role in Massachusetts state and local finance. Congress and executive agencies make decisions that have a direct impact on programs like Medicaid and the Big Dig. The Massachusetts Congressional delegation has a long tradition of disproportionate influence over budgetary matters in Washington because of the powerful leadership roles of legendary figures like John McCormack and Thomas P. O'Neill, Jr., in the House and Edward M. Kennedy in the Senate. O'Neill was renowned for his ability to "bring home the bacon" for projects like the cleanup of Boston Harbor, the Central Artery project, and the construction of a new federal courthouse.

With Republican dominance of Congress since 1994, the all-Democratic Massachusetts delegation has been shut out of the biggest decisions about national priorities. Massachusetts was the only state in the nation to receive less money in the omnibus highway bill than it had before. Senators Edward M. Kennedy and John F. Kerry and Representatives Edward Markey, Barney Frank, and the late John Joseph Moakley have been successful at making sure Massachusetts gets significant federal money for universities and hospitals, as well as a number of pet projects for their districts. Representative Michael Capuano of Somerville has recently won an appointment to the House transportation committee, which he hopes to use to bring federal money to the area for transit and highway projects. In 2001, Stephen Lynch of South Boston won the seat long held by Moakley.

OPTIONS

If state and local governments in Massachusetts face structural budget gaps, policy-makers need to consider options on both the expenditure and revenue sides of the ledger. These include specific cost containment plans, management reforms, and changes in the revenue system of state and local governments.

Cost Containment in Specific Areas

MEDICAID: If the problem of rapidly increasing Medicaid costs had an obvious answer, it would have been implemented by now—and not just in Massachusetts, but also in other states experiencing similar problems.

The nation's governors in late 2002 and early 2003 have begun to lobby for the federal government to assume an increasing share of Medicaid's costs, now an average of roughly 50 percent. Since Medicare is a program designed to provide medical care for senior citizens, experts say, the program ought to be expanded to at least cover the pharmaceutical and nursing home portions of Medicaid's budget that serve that population. Projected federal budget deficits may preclude significant new federal spending, however.

One of the more radical in-state reforms would entail reinstating the kind of universal health care program enacted under former Governor Michael S. Dukakis. The Massachusetts Health Security Act became law in 1988, only to be undone after the 1990 elections that brought Republican Governor William F. Weld to office. That law would have established a "pay or play" system in which businesses either had to provide health insurance for workers or contribute money to a state fund to provide insurance.[33]

During the 2002 primary season, gubernatorial candidate Warren Tolman proposed a single-payer system of health coverage for all Massachusetts workers and Medicaid recipients, which Tolman said would produce economies of scale and increased purchasing power. Savings presumably would result from a reduction in advertising and lobbying expenditures, less bureaucracy and paperwork, and bulk buying of prescription drugs. Tolman argued that administrative costs alone might be cut by 60 percent under the proposed plan. Fears of additional taxes, bureaucracy, and increased government control have worked against passage of a universal system of care. But the inexorable rise in the cost of health care, fueled in part by the large number of uninsured people, could one day bring this idea back to the forefront.

Many incremental reforms could slow the growth in MassHealth spending. To combat the rising cost of the pharmaceutical portion of MassHealth, which now costs the state $1 billion annually, some policy-makers have called for use of a "preferred" list of drugs within each category to be used for all Medicaid patients. Producers of the designated medicines would be asked to negotiate a substantial discount to remain on the list. Florida and Michigan have adopted this approach.[34]

Other options include reducing the number of optional services available to Medicaid recipients and providing incentives that would reduce unnecessary visits and care.

The bottom line for health care is stark, warns Michael Widmer of the Massachusetts Taxpayers Foundation. "The only real way to control costs . . . is by limiting the number of people receiving Medicaid," Widmer argues.[35] This logic lay behind Governor Jane Swift's decision to cut MassHealth's dental benefits for nearly 500,000 low-income adults, a move that saved the state $50 million.[36] Similarly the legislature voted to remove approximately 50,000 long-term unemployed workers from the MassHealth Basic program, saving about $70 million.

The state has also attempted to reduce the amount the state would pay for Medicaid prescriptions. An item in the 2003 budget cut the state's reimbursement rate on Medicaid prescriptions from 10 percent above the wholesale acquisition cost to 2 percent below, saving approximately $60 million per year. But the proposal backfired. Major pharmacies threatened to stop filling MassHealth prescriptions, forcing Governor Swift to temporarily restore the old rate. Another plan would have pharmacies assess a user fee on every non-Medicaid and non-Medicare prescription, which could raise as much as $36 million, an amount that would be matched by the federal government.

The state has used money from the multi-billion-dollar settlement of the nationwide tobacco suit. The Commonwealth will receive over $8 billion in payments over the next 25 years, with annual payments between $280 and $325 million. Some of this money has been placed in a trust fund to pay for future health care needs. State legislators have also floated the possibility that reducing awards to lottery winners would yield the state extra revenue; critics claim that such a move would hurt lottery sales and damage the program's bottom line.

A proposal to charge non-Medicaid nursing home patients a user fee of $3,300 a year, in addition to the cost of care, would allow the Commonwealth to generate an equal co-payment from the federal government. Increasing the federal government's contribution is appealing, but the idea is controversial because not all elderly people have the financial wherewithal to pay the fee. Another strategy to generate new revenues would be to charge nursing homes a user fee, which would then be matched by the federal government, with the entire amount subsequently given back to the facilities in reimbursements.[37] While this would lessen pressure on the state Medicaid fund, such a tactic may only work in the short term. In the early 1990s so many states used a similar loophole—using provider taxes to generate revenue matched by Washington—that the federal government outlawed the practice.[38]

The Massachusetts Taxpayer Foundation notes that the net result of most of these incremental reforms "pale in comparison to the $600 million annual increase in health care spending necessary to pay for the current program." More dramatic restructuring and/or curtailments in eligibility and benefits will likely be required to rein in runaway growth.

EMPLOYEE HEALTH CARE COSTS: The Swift administration and the Massachusetts Taxpayer Foundation called for raising the employees' share of their health care premium from 15 to 25 percent, more in line with the private sector. Savings to the Commonwealth could reach $50 million annually. The Group Insurance Commission (GIC) may also need to impose higher deductibles and co-payments or reduce the range of services offered. The MTF has also proposed that the GIC offer two-tiered plans, giving employees the option of selecting a plan with lower premiums, but higher deductibles and co-payments.

Some local governments in the Commonwealth are considering adoption of the Patient Choice program, where employees will be given options for treatment with corresponding deductibles and co-pays.[39]

CAPITAL SPENDING AND DEBT SERVICE: Almost 10 percent of the Massachusetts state budget goes to repay debt, both for debt service on the Commonwealth's bonds and for subsidies provided to authorities and local government borrowing. Between 1970 and 1989, Massachusetts state and local per-capita debt rose from approximately 5 percent below the U.S. average to 20 percent above the national average. In response to cash flow problems in the late 1980s, the legislature authorized up to $1.4 billion in Fiscal Recovery Bonds to fund the deficit.

When fiscal conditions improved, the Weld administration successfully pushed for a cap on bonded debt service to confront this dramatic increase in borrowing. Originally set at $900 million, the cap has been raised to $1.2 billion for FY2002. The cap seems to be meeting its goal of controlling debt spending, and thus maintaining a favorable bond rating. Borrowing by independent authorities like the Massachusetts Bay Transportation Authority and the Massachusetts Port Authority does not fall under the cap.

Much of the state borrowing is, of course, related to the Central Artery/Third Harbor Tunnel Project, which now carries a total price tag approaching $15 billion. In 2002, the state legislature established a Central Artery finance commission to review all options for meeting the costs of the Big Dig. The primary options for financing debt service include tolls and gasoline taxes, increased license and registration fees, and the sale of development rights over the Massachusetts Turnpike (so called "air rights"). In his losing campaign for the Democratic gubernatorial nomination, Warren Tolman suggested putting toll booths at the New Hampshire line on Interstate 93 and Route 3 to raise money from the motorists driving north and south who will benefit the most from the improved artery. Motorists traveling east and west carry the heaviest burden of the project through their toll payments on the Massachusetts Turnpike.

Two important initiatives aim to reduce the amount of capital spending needed to maintain the infrastructure of the Commonwealth. One initiative proposed by the Massachusetts Taxpayers Association would increase funding for deferred maintenance. The School Building Assistance Program—which provides local aid for school construction, and which was amended to give greater emphasis to repairs over new construction—is the model for this idea. Spending on repairs reduces the need for much more costly replacement construction. Fully funding the Commonwealth's Capital Needs Investment Trust Fund would be an important part of this strategy. This program involves a five-year plan adopted in the 2001 budget to spend $225 million on affordable housing, educational technology, and building repairs.

To reduce the costs of construction, itself, the MTA has called for implementing the 1998 recommendations of the Construction Reform Task Force. This would require the state to:

• Consider the quality of work and the work schedule in decisions over contract bids for major construction work.

• Allow state agencies to entertain alternatives to the "design-bid-build" contracting process, including design-build, build-operate-transfer, turnkey, and construction manager-at risk. That strategy allows construction projects to move forward without unnecessary delays in the process.

• Reduce the number of costly sub-bids by increasing the amount required for them to be submitted.[40]

The state legislature helped to balance both the 2002 and 2003 budgets by shifting some operating costs to the capital budget. The majority of the $6 million cost of the Division of Capital Asset Management and Maintenance was placed in the capital account for FY2002. Much of the administrative account of the Highway Department (projected to be between $16 and $26 million) was funded the same way in fiscal 2003.[41] Finance experts call this strategy dangerous because it reduces the discipline needed to balance the operating budget and creates the appearance that the state budget is in balance when in fact it is not. The notorious fiscal crisis in New York City in the 1970s was caused in part by this practice, which exploded when major lenders demanded payment of their notes.[42]

When the Commonwealth's fiscal crisis ends, experts such as MTF's Widmer say that the state should restore its rainy day fund. The fund had grown to $3 billion at the end of FY2001. Most experts suggest a reserve fund equal to 5 percent of appropriations.

The state might also consider adopting a policy of using some portion of any future surplus to fund one-time capital investments, thus avoiding costly debt service. To avoid costly debt service, the state could pre-pay its debt whenever possible. Finally, revenue growth from anomalous events like the stock market boom of the late 1990s should not be counted on to fund ongoing commitments.[43] Several cities and towns in the Commonwealth, including Peabody, took advantage of stabilization funds that grew in the late 1990s to help finance construction projects and reduce debt service costs.

THE QUINN BILL: The Quinn Bill, the state law outlined above that gives salary increases to police officers who further their education, remains controversial given its impact on state and local budgets. Some policy experts have called for the repeal of the Quinn Bill. One reform aimed at reducing the cost of the program would convert the benefit from a percentage pay increase, which pays higher dividends to police at the top of the pay scale, to a fixed-dollar amount; another reform would reduce the percentage. Unions representing police officers strongly oppose both ideas.

A less controversial reform would call for the Massachusetts Board of Higher Education to develop standards for the college programs offered. The standards would target the qualifications of teachers, the content of specific courses, requirements for admission, and the availability of educational resources at both on- and off- campus learning sites. A more radical proposal would require MCAS-like tests for participating officers in order for continuing qualification for the salary bonus.

OTHER: The Massachusetts Taxpayers Foundation, among others, has called for repeal of the provision of the state pension law that provides a sizeable early pension to state employees with 20 years of service who "involuntarily" leave their jobs, regardless of their age. Reformers say this provision has been widely abused, since many civil servants leave of their own volition and take jobs in the private sector.

The MTF and others have also called for a comprehensive overhaul of the workers' compensation system for local public safety personnel. Management reforms adopted for the workers' compensation system in the early 1990s—including more use of independent medical evaluations, speedier decisions on claims, and more emphasis on injury prevention—could be expanded.[44] A more radical reform would reduce the level of compensation from the current 100 percent of pay (tax-free) to the 60 percent received by all other employees covered by the state workers' compensation law. These changes could produce substantial budgetary savings but would face strong political opposition from police and fire unions.

The Pioneer Institute has criticized the state legislature's creation of new positions in the state court system when court administrators did not request these positions. Eliminating these patronage positions would save roughly $20 million in fiscal 2003 alone, and, as importantly, would work toward reducing taxpayer sentiment that the state has too many "make work" jobs.[45]

Sentencing reform could also yield large savings. Corrections costs grew from $284 million in FY1988 to $828 million in FY2002 due to demographics and a get-tough policy on crime. In 1998 the Massachusetts Sentencing Commission proposed adoption of guidelines that identify the crimes for which imprisonment is appropriate, as well as less expensive alternatives for first-time and non-violent offenders.

The Boston Municipal Research Bureau has identified management practices as key leverage points for budgetary savings in the City of Boston.[46] The bureau has called for a review of school assignment policies in the Boston Public Schools. Boston spends over $56 million annually on transportation of students, or roughly 10 percent of its school budget. The opening of three new schools in September 2003 provides an opportunity to revisit the school assignment policies with an eye toward increasing the number of students who walk to school. While such a discussion must address several complex issues, neighborhood schools could not only save money but also yield educational benefits.

Management Reforms

Ongoing management reviews of state and local agencies could produce more efficient operations and budgetary savings. The Boston Municipal Research Bureau, noting the impact of such analyses of the city's Fire and Election departments, has recommended that the City of Boston undertake annual reviews of major departments.[47] The reviews may be performed by specially appointed commissions or by outside consultants. Not only would reviews identify cost-saving measures, but department managers might be more likely to be vigilant about their budgets and programs if they knew their operations would be subject to a comprehensive review.

In 1995, a report by the MMA Consulting Group made 83 recommendations on management of the Boston Fire Department that, if fully implemented, would have saved the city government $3.8 million in FY1986. Following up on this report, the 2000 O'Toole Commission report offered recommendations for reform of management practices. While most of the proposals have yet to be implemented, the report has brought important management issues to the attention of elected officials and the general public.

Program and department consolidation may produce significant budgetary savings, as Mitt Romney argued during the 2002 gubernatorial campaign. Romney has proposed merging the Massachusetts Turnpike's operations with the State Highway Department. Indeed, a number of authorities at the state level would seem logical candidates for consolidation—from health and human service operations to education to the judiciary. At the local level, the Boston Municipal Research Bureau has recommended that the City of Boston consider consolidating operations in different departments that offer similar services. The bureau has proposed merging the separate school and city purchasing departments. Consolidating the two would not only yield administrative savings, but also provide leverage in negotiations with suppliers. The bureau notes that the City's Public Works and Transportation Departments provide services that appear to overlap.

Privatization is a politically charged word in the Commonwealth, but it, too, holds potential for significant budgetary savings at the state and local levels. The privatization "crusade" of Governor William F. Weld in the early 1990s raised the ire of unions and other social-service advocates.[48] The Weld administration claimed savings of $273 million from 1992 to 1993, but the state legislature's Post Audit Committee and others disputed the number.[49] Most of the savings came from closure of state hospitals and consolidation of other Health and Human Service facilities. Two ongoing privatizations—prison health care and highway maintenance—still provoke debate about whether the quality of service has been maintained at lower costs.

In response to the flood of privatization initiatives undertaken by the Weld administration, the state legislature in 1993 passed the Pacheco Law, which places many hurdles in the way of privatization. To contract out for services, the law requires state agencies to provide:

- A written statement of costs and quality of service measures.
- A guarantee of the average private sector wage or state wage for similar services and a requirement that health care benefits be provided to employees of contractors.
- A five-year limit on any contract.
- Implementation of affirmative action and equal opportunity laws.
- Oversight by the Office of the State Auditor, who has the authority to veto any privatization strategy that he deemed inappropriate.

The law's stated goal was to be sure that privatization actually produced cost savings without sacrificing quality of service. The case for specific privatization efforts would have to be made before they were implemented. Politically, legislators were responding to state employee and union concerns.

The Pacheco Law has slowed the privatization at the state level to a crawl. The MTF has called for repealing the law altogether, stating that it raises nearly insurmountable obstacles to the use of privatization.[50] A review of the law's provisions—to determine if reasonable amendments would encourage more use of privatization without sacrificing other worthy goals—might be a worthwhile step by the new administration.

Privatization is often used at the local level of government, too, where the Pacheco statute does not apply. The collection and disposal of solid waste is the most widespread example, contracted out by most cities and towns in the U.S. But politics at the local level often prevents privatization. The Boston Municipal Research Bureau has endorsed the award-winning approach of former Indianapolis Mayor Stephen Goldsmith. Indianapolis identified services for which public agencies and private firms could compete for contracts, then accepted the lowest qualified bid of public or private entities. Potential candidates for Goldsmith-style privatization in Greater Boston include such large projects as road repair and vehicle maintenance, and office operations such as payroll maintenance.

Privatization sometimes refers to the disposition of state or local assets. The sale of government assets (such as the Ted Williams Tunnel or Hynes Convention Center) could offer a one-time infusion of a substantial amount of revenue and eliminate the operating costs for the state over the long term. With the new Boston Convention Center set to open operations on the South Boston Waterfront in 2005, a number of experts have called for selling the Hynes Convention Center in Boston's Back Bay. The South Boston facility has experienced difficulty getting bookings—just 18 events have been booked for the first ten years of the center's existence, all of them heavily subsidized. If the two centers were forced to compete with each other, the result could be a cannibalization of the Boston event market.

To increase the efficiency of government operations—and therefore reduce costs—many state and local governments across the U.S. have implemented the use of performance-based management systems. Governmental planning and budgeting has historically focused on inputs, such as number of personnel, hours, vehicles, and materials and equipment. Performance measurement involves the analysis of outputs (and sometimes outcomes) of government services, like the number of potholes filled or the number of miles of sidewalk replaced. When properly designed and implemented, performance measurement can identify where government agencies are ineffective and inefficient. The results may lead to changes in program operation, rewards for effective employees, and steps to improve the work of low-performing employees or even fire incompetent workers.

Performance measurement is not easily applied to all programs. It is easy, for example, to measure a reduction in the impact of efficiency reforms on the amount of time spent waiting in line at the Registry of Motor Vehicles, but not as easy to make the direct correlation between a vaccination program and the health of children. In the latter case, a number of variables affect outcomes. The implementation of performance measurement also faces political hurdles, both from affected employees and from elected officials who may want their constituency served no matter now ineffective or inefficient a program.

One of the more aggressive uses of a performance measurement approach has been Baltimore's development of the Citistat program. Based on the CompStat program pioneered by New York City's police department, Baltimore has used CitiStat for over two years and produced an estimated savings of $13.2 million in its first year alone. Under Citistat, department heads must present computerized data on agency performance every two weeks to the mayor, chief of staff, finance director, solicitor, and a team of analysts. Questioning during the session is often rigorous, and courses of remedial action proposed. Department officials are required to report back promptly on their progress in correcting deficiencies. CitiStat has improved a number of measures of city agency performance, such as response time. Several cities and states have begun to consider adopting the approach. The City of Somerville is developing its own version of the program called SomerStat.[51]

The implementation of performance measures may require the revision of employee contracts. The Boston Municipal Research Bureau has long argued that the collective bargaining process presents the critical time for improving management of city agencies, arguing that the city "demand in new contracts language changes that will improve the efficiency of city services."[52] At both the state and local level, performance measurement, consolidation and reorganization of agencies, and changes in work rules depend on negotiation and implementation of new contract provisions.[53]

Regionalism offers yet another management strategy for increasing efficiency and effectiveness. The 1994–97 Regionalization Commission recommended:

- Establishment of an "Economic Development Forum."
- Examination of opportunities for shared municipal service delivery.
- Establishment of a "council of government" structure to implement service delivery.
- Action by the Commonwealth to encourage and support regional partnerships.

Consolidation of some property assessment functions, public safety communications, retirement administration, and health inspections were all identified as promising areas for regional administration.

The new Metropolitan Mayors Coalition—coordinated by the Metropolitan Area Planning Council and chaired by Mayor Dorothy Kelly Gay of Somerville—involves seven mayors and two city managers in the Boston metropolitan area. The group, charged with exploring and implementing service agreements on administrative and operational issues, has already developed joint strategies for the delivery of petroleum into the Boston era. One area with potentially sizeable cost savings is the pooling of health insurance for municipal employees in these cities, resulting in greater bargaining power with health providers.

More Stable Revenue Systems

Economists have long called for state and local governments to raise revenues from a variety of sources. Revenue balance promotes stability in revenue collection and minimizes the economic distortions that can result from excessive reliance on a particular levy.

The Commonwealth relies on the individual income tax to a much greater extent than most states. The simplest way to remedy the imbalance would be to increase general sales tax revenues by raising the rate on general sales. This idea was floated during discussions of state funding for public education. But sales tax increases could increase the regressiveness of the state's tax system—depending on what purchases are included in the tax. A higher sales tax could also worsen the Commonwealth's tax competition with nearby states. Since New Hampshire does not impose a tax on sales, Massachusetts consumers might flock north of the border for basic and large-scale purchases. Because sales taxes are felt by the consumer with every purchase, increasing the levy could provoke an instant backlash.

Sales tax reform might involve expanding the base to include services. As David Brunori points out, there are no theoretical or economic reasons for excluding services from sales taxation. Taxing services would promote equity, broaden the base (allowing for more revenue and/or the opportunity to reduce rates), and produce more revenue sources.[54] Taxing the increasing portion of interactions that involve medical services might be the most difficult to justify, given that they involve more involuntary purchases than other areas. But nearly all services should be candidates for levies, including legal, accounting, construction, telecommunications, finance, advertising, architectural and engineering, public relations, and data processing.

The problem with service taxes is political. Groups facing the service tax would rise in protest. A number of independent analysts fear that a service tax would prompt firms to flee the state. The legislature enacted taxes on advertising, architectural and engineering, data processing, and public relations during the fiscal crisis of the early 1990s, but repealed the levies after William Weld became governor.

Purchasers of goods from out-of-state companies—via catalogue and Internet shopping—do not pay sales taxes unless that company has a physical presence in the Commonwealth such as building or sales representatives. Increased shopping online and by catalogues reduces the amount of revenue the Commonwealth receives. Theoretically, those who purchase such goods are required to pay a use tax equal to what the sales tax would yield, but the actual yield is low. Attempts to tax Internet sales are prohibited by federal law, but many governors and state legislators continue to lobby to overturn this federal government preemption. A number of commissions are analyzing the issue at the national level.

LOCAL REVENUE: Massachusetts residents have gotten what voters wanted in enacting Proposition 2½. While property tax revenues have increased in every year since 1985 except one, the property tax burden relative to other states has fallen substantially. Massachusetts's 1977 property tax per capita was 74 percent higher than the average state; by 1997 it was 32 percent above the national per-capita mean.[55] As a percentage of personal income, the Massachusetts tax burden has declined even more, from 71 percent above the national average in 1997 to 9 percent higher in 1997. Property taxes fell from 56 percent to 42 percent of local general revenues, while state aid increased from 24 percent to 37 percent, and total general charges went from 7 percent to 9 percent

In a broad sense, then, Proposition 2½ has shifted the financial burden of local government to the state level, whole providing the ultimate in decentralization—voter control over local property-tax increases through Prop 2½ override votes. Voters seem to take their Prop 2½ override voting responsibilities seriously. Evidence suggests that voters analyze the need for expanding the tax burden and vote accordingly. As state-aid increases slowed and then declined in the late 1980s, the number of successful overrides increased from 13 in 1986 to

42 in 1988, peaking at 100 in 1991.[56] As the economy improved and state aid increased again, the number of communities approving overrides fell again, to 48 in 1994 and 17 in 1997.

The property tax remains a major source of revenue for local governments—perhaps too much so. One way to lessen the reliance on the property tax would be to allow more local option taxes. The broadest revenue sources for many communities could include local option taxes on payroll, sales or property transfers. Fourteen states allow local governments to implement income taxes, while 31 allow the imposition of local sales taxes.

While the revenues from local-option taxes could be significant, the drawbacks are just as real. Each of these options carries administrative costs. New local taxes would be more applicable in some communities than others (communities with commuters, for example, would benefit more from payroll taxes), thereby exacerbating existing inequities among local governments. New local-option taxes also could foster competition among cities and towns to provide the best "business environment"—a competition that often produces a zero-sum game of firms moving facilities to neighboring communities.

To make local-option taxes more attractive, communities might be encouraged to create a system of regional tax sharing, which would lessen the fear of tax competition. In the absence of such a broad-based local tax, local governments might be given the option of adopting and/or increasing special excise taxes; examples include room occupancy taxes, and taxes on meals, admissions, and parking. Some cities and towns like Boston and Cambridge already possess these options, but others do not. All cities and towns need to obtain approval from the state legislature to increase rates.

Cities and towns across the Commonwealth have greatly increased their use of fees, especially after the imposition of Proposition 2½, but more revenue might be achieved with a more aggressive approach to fees. To regain revenue lost under Proposition 2½, many localities shifted service financing to fee-based authorities. Communities imposed fees for activities ranging from library services to school activities. Motor vehicle excise taxes also raise a considerable sum of money. The public generally accepts fees more readily than taxes, since participation is often voluntary and the fee payers see a direct connection between costs and benefits.

Fees can be imposed on a small or large scale. Most cities and towns charge for appearances before the Zoning Board of Appeals. Fees for companies using public rights of way could yield significant revenues. Massachusetts is one of a minority of states that does not allow local governments to impose such fees, although public utilities are charged a utility tax and the Commonwealth dispenses money to fund local highway maintenance. The rationale for such a fee is simple and direct. First, while utilities return the roadway to acceptable condition, the work still lessens the life of the surface. Second, since other private and nonprofit entities pay local governments for use of government land, it is only fair to require the same of telecommunications and utility firms.[57] Such fees could generate substantial revenues, depending on their size, lessening local government reliance on the property tax.

Reconsidering policies for tax-exempt property could also open the door for new revenues. The state government makes some "payments in lieu of taxes" (PILOT) to cities and towns. To obtain such benefits from nonprofit organizations like universities, medical centers, and religious institutions, however, local governments must engage in a long and arduous process of negotiation. As noted above, Watertown obtained significant commitments for cash payments from Harvard University for its use of the Arsenal property. Other universities have often provided scholarships for city employees in exchange for use of tax-exempt land. A thorough review of tax-exempt institutions and PILOT agreements could provide direction to update the state's policy toward nonprofit institutions and obtain an appropriate level of benefits from those institutions.

Budget Processes

Incrementalism—the process of focusing on and making only small-scale changes to programs and budgets—is the norm for governmental budgeting throughout the United States. Such an approach minimizes the large-scale policy problems that can occur with "synoptic," or comprehensive, policy-making. But over time, incrementalism also can produce a growth of wasteful and outdated programs and practices.[58]

Two reforms could help state and local agencies take a more active approach to getting the best value for their resources. First, to combat the use-it-or-lose-it mentality of bureaucrats, agencies might be allowed to keep some portion of the funds that they have remaining in their account at the end of the fiscal year. Second, state and local governments might implement a system of random audits of agencies. The audit process could identify unnecessary spending. Just as important, the mere threat of top-to-bottom review could promote more honesty in budgeting—just as the threat of an Internal Revenue Service audit encourages many taxpayers to play by the rules. The State Auditor and Inspector General Offices already conduct studies that seek to find waste in governmental programs, but they are removed from the budget process, lessening their direct impact on fiscal affairs.

Given the amount of time that budgeting takes in the legislature, the Commonwealth might consider adopting a biennial budgeting process. Under this system, used by 22 states, major budget decisions are made in one year, with the "out" year consisting of a shorter budgetary session to make necessary adjustments. The arguments in favor of this approach include the increased ability of state legislators to spend more time on program development and oversight, removed from the constant din of budget deliberations. Opponents argue that it raises the stakes in budgeting negotiations, making political agreements more difficult, and leaves a state more vulnerable to rapid changes in the economy.[59]

Finally, since state aid is such an important element of local government budgets, local officials need more timely and certain information about state aid to make their own budget decisions. In 1990, the Governor's Task Force on Local Finance, also known as the Hamill Commission, concluded: "Estimates of receipts from the state should be available when local officials are developing their spending plans."[60] The Commission suggested that a system of local aid simply based on the state's previous year tax collections would allow for better planning at both levels of government.

MANAGING BUDGETS IN A BOOM-BUST ECONOMY

The state of local government finance in the Commonwealth, with a few notable exceptions, has remained relatively sound over the past decade. The same cannot be said of Massachusetts state government

While there are minor reforms worthy of consideration at the local level, the Commonwealth's government faces a serious challenge in the years ahead. Whether one wants to label it a structural budget problem, a "boom and bust" cycle has clearly been evident. The budget problems of the late 1980s disappeared with the economic boom of the 1990s, only to reappear in the first year of the new century.

The combination of large and growing expenditure commitments, and a revenue system that faces new challenges, presents a strong case for a comprehensive review of the Commonwealth's budget and tax policy.

Endnotes

ACKNOWLEDGEMENTS

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2. Ibid., p. 13.

CHAPTER 1

1. Joanna Weiss, "Romney Wins Respect for Apolitical Recruiting," *The Boston Globe*, December 27, 2002.
2. See Charles M. Tiebout, "A Pure Theory of Local Expenditures," *The Journal of Political Economy*, 64 (October 1956), pp. 416–424.
3. See, for example, John Logan and Harvey Molotch, *Urban Fortunes: The Political Economy of Place* (Berkeley: University of California Press, 1987), pp. 41–2.
4. Richard E. Neustadt, *Presidential Power and the Modern Presidents: The Politics of Leadership from Roosevelt to Reagan* (New York: Simon and Schuster, 1997).
5. Bob Kievra, "Sizing Up Mitt," *Worcester Telegram and Gazette*, December 8, 2002.
6. Mary Graham, *Democracy By Disclosure: The Rise of Technopopulism* (Washington: Brookings Institution, 2002).
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9. Renee Loth, "Are Harshbarger, Weld Getting Along Too Well?" *The Boston Globe*, May 12, 1991.
10. See Phil Primack, "The Long View: Would a Two-Year Budget Cycle Improve Policy in Massachusetts?" Rappaport Institute Breakfast Briefing, June 13, 2002, available at http://www.ksg.harvard.edu/rappaport/downloads/breakfast_briefings/LongView.pdf; and Phil Primack, "Analyze This: Prospects for Independent Policy Review in Massachusetts," Rappaport Institute Breakfast Briefing, June 20, 2002, available at http://www.ksg.harvard.edu/rappaport /downloads/untitled/AnalyzeThis.pdf.
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12. Robert Keough, "Passing Judgment," *CommonWealth*, Winter 2000, p. 57.
13. Ibid, p. 53.
14. Ibid, p. 3.
15. Ibid, p. 10.
16. Robert Z. Nemeth, "Massachusetts Courts Need Independence, Autonomy," *Worcester Telegram and Gazette*, May 19, 2002.
17. See Robert A. Caro, *The Power Broker: Robert Moses and the Fall of New York* (New York: Vintage Books, 1974).
18. Mac Daniel, "Ruling Expected to Solidify Independence of State Authorities," *The Boston Globe*, May 8, 2002.

19. For a copy of the report, see http://www.state.ma.us/gov/120301taskforcereport.htm.
20. For an overview of MassPort's political problems, see Richard A. Hogarty, "The Paradox of Public Authorities in Massachusetts: MassPort and MassPike," available at www.mccormack.umb.edu/publications/nejpp/articles/spring_summer2002/hogarty.pdf
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24. Lisa Kocian, "Grass Roots," *The Boston Globe*, December 26, 2001.
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29. Cindy Rodriguez, "Minority Areas Show Biggest Hub Jump in Voters," *The Boston Globe*, November 7, 2002.
30. Seth Gitell, "Un-conventional wisdom," *The Boston Phoenix*, May 30–June 6, 2002. See also Sarah Kahan, "The Independent-Minded Voter: The Significance of a New Political Ethos in Statewide Elections in Massachusetts," Princeton University honors thesis, 2002.
31. See Stephen Ansolabehere, John D. Figueiredo, and James M. Snyder, Jr., "Why Is There So Little Money in U.S. Politics?" June 2002, available at http://econ-www.mit.edu/faculty/snyder/files/CF_JEP_Final.pdf.
32. "Campaign Finance Activity by Candidates for Statewide Office, 2001–2002," available at http://www.state.ma.us/ocpf/swrept02.pdf.
33. In 2000, the price per signature ranged from zero (referendums on pesticides and dog racing) to $4.23 (a drug treatment ballot question). Figures supplied by Massachusetts Money and Politics, December 16, 2002.
34. Information provided by the state Office of Campaign and Political Finance, December 17, 2002.
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CHAPTER 2

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2. Ibid.
3. Hubert Jones, Boston College Citizens Seminar, May 22, 2002.
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5. Charles Dickens, quoted in Martin Green, *The Problem of Boston* (New York: W.W. Norton & Company, Inc. 1966), p. 47.

6. James Russell Lowell, quoted in Frederic Cople Jaher, *The Urban Establishment: Upper Strata in Boston, New York, Charleston, Chicago, and Los Angeles* (Urbana, IL: University of Illinois Press, 1982), p. 67.
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8. Jaher, p. 91.
9. Jack Beatty, *The Rascal King: The Life and Times of James Michael Curley (1874–1958)* (Reading, MA: Addison-Wesley Publishing Company, 1991), p. 10.
10. Mark I. Gelfand's biography *Trustee for a City: Ralph Lowell of Boston* (Boston: Northeastern University, 1998) takes Ralph Lowell as a representative man for the last great generation of Brahmins.
11. Ibid., p. 277.
12. Joan Vennochi, *The Boston Globe,* "Unlocking the Vault," March 2, 1994.
13. George V. Higgins, *Style Versus Substance: Boston, Kevin White and the Politics of Illusion* (New York: Macmillan Publishing Company, 1984), p. 141.
14. "The Twelve Tribes of Boston," *Boston* Magazine, March, 1999, p. 66–67.
15. Chris Reidy and Thomas C. Palmer Jr., "Chance Seen to Establish Hub Anew," *The Boston Globe,* November 14, 2002; also see Marcella Bombadieri, "Move Thrills Many, Some Unimpressed," *The Boston Globe*, November 14, 2002.
16. James MacGregor Burns, *Leadership* (New York: Harper & Row, Publishers, 1978), p. 18.
17. Ibid., p. 4.
18. John Marcus, "Branch Office Boston," *Boston* Magazine, February, 1999, pp. 68–73, 106–110, 130.
19. Nicholas Lemann, "No Man's Town," *The New Yorker,* June 5, 200, p. 48.
20. Manuel Castells, *End of Millennium,* 2nd edition (Oxford: Blackwell Publishers, 2000), p. 379. David Barkin, in *Global City Regions,* writes about the anti-local slant of large corporations: "To reinforce its discipline [of the global market] international organizations themselves are modifying their structures and operations, privileging the primacy of corporate leadership in a global free market over the parochial demands of local and regional interest groups." Roger Simmonds and Gary Hack, eds., *Global City Regions: Their Emerging Forms* (New York: Spon Press, 2000), p. 207.
21. Rosabeth Moss Kanter, *World Class: Thriving Locally in a Global Economy* (New York: Simon & Schuster, 1995), p. 235.
22. Ira Jackson, "The Business of Boston Is Business," Boston 101 discussion sponsored by Rappaport Institute for Greater Boston, John F. Kennedy School of Government, Harvard University, February 4, 2002.
23. Kanter, pp. 178, 191.
24. Terry Saunders Lane and Douglas Currivan, *Social Capital in Boston: Findings from the Social Capital Community Benchmark Survey* (Boston: The Boston Foundation, 2001).
25. The Catalogue for Philanthropy's "Generosity Index" ranked Massachusetts (usually 3rd in income) at average of 44th for charitable giving through 1996, but rose to 34th in 1999.

26. Brian O'Connell argues that, while the nonprofit sector provides services, advocacy, and empowerment, advocacy and empowerment are probably more important than the services, which usually seem the organization's raison d'etre. *Civil Society,* p. 77.
27. Interview with Jonathan Spack, May 16, 2002.
28. Manuel Pastor, Jr., Peter Dreier, J. Eugene Gribsby III, and Marta Lopez-Garcia, *Regions That Work: How Cities and Suburbs Can Grow Together.* Minneapolis: University of Minnesota Press, 2000, p. 154. This book did case studies on Boston's nonprofit sector, San Jose's culture of regional collaboration, and Charlotte's civic-oriented business sector.
29. See the Goldberg Seminar (Tufts University) report *The Future of Boston Area Nonprofit: A Leadership Agenda* (1998).
30. The Citistates Group, "A Strategic New England," Report prepared for the New England Council, 2002.
31. Ross Kerber, "Executives Call for Economic Strategy," *The Boston Globe,* Nov. 22, 2002; William M. Bulger and Charles M. Vest, "Investing in Our State's Future," *The Boston Globe*, November 17, 2002.
32. Malcolm Gladwell, *The Tipping Point.* (New York: Little, Brown & Company, 2000), p. 38.
33. Mary Graham, *Democracy By Disclosure: The Rise of Technopopulism* (Washington: Brookings Institution, 2002).
34. One of the most noteworthy examples of regional collaboration has been the METCO Program, which places 3,000 inner city students of color in 32 suburban school districts each year. The METCO program, in existence since 1966, demonstrates that creative regional collaborations can be forged if the effort is made. According to researcher Susan E. Eaton, has been effective at raising the educational performance and capability to deal with the white middle-class world for participating minority students, but it has done little to challenge suburban students to experience life on the other side of the color line.

    Eaton's book *The Other Boston Busing Story: What's Won and What's Lost Across the Boundary Line.* (New Haven, CT: Yale University Press, 2001), demonstrates both how enduring is the urban-suburban racial split and how a well-conceptualized, adequately-funded (by state government) regional program can be effective in partially overcoming some of the consequences of that split.
35. *The Future of Boston Area Nonprofits: A Leadership Agenda.* Medford, MA: Carol R. Goldberg Seminar, The Lincoln Filene Center for Citizenship and Public Affairs, Tufts University, 1998, p. 35.
36. Howells, "Cultural Creativity in the Boston Urban Area," op cit.
37. Maureen Dezell, "For Clear Channel, New Clout, Old Doubts," *The Boston Globe,* September 27, 2002.
38. Paul Guzzi and Bennie Wiley, "Boston Must Change Lingering Misperceptions," *The Boston Globe*, October 27, 2002.
39. Other business-oriented groups include the Potomac Conference, established by the Greater Washington Board of Trade. It sponsors conferences and publishes a regional quality of life index. Myregion.org, a planning coalition for Central Florida, is sponsored by the Orlando Regional Chamber and East Central Florida Regional Planning Council. Its initiatives include "Building a New Regional Mentality" and "Strengthening and Creating Regional Coalitions."

40. Ira Jackson, Boston 101 discussion, February 4, 2002. Rosabeth Moss Kanter, of Harvard Business School, had similar thoughts when she advised Boston to engage locally-based executives who are operating in a global marketplace and may be aloof from local causes. Rosabeth Moss Kanter, *World Class: Thriving Locally in the Global Economy* (New York: Simon and Schuster, 1995), p. 177.
41. The Citistates Group, p. 24.

CHAPTER 3

1. Unless otherwise stated, all statistics are from the U.S. Census of Population and Housing.
2. In 2000, 52 percent of the U.S. foreign-born population hailed from Latin America, 26 percent from Asia, 16 percent from Europe, 3 percent from Africa, 3 percent from North America and .5 percent from Oceania. In comparison, 33 percent of Boston area immigrants were born in Latin America, 29 percent are from Europe, 28 percent are from Asia, 6 percent from Africa, 5 percent from North America and 0.4 percent from Oceania.
3. "City Prepares to Showcase Diversity at Convention," by Corey Dade. *The Boston Globe*, November 28, 2002.
4. Thomas H. O'Connor, The Boston Irish: A Political History (Boston: Back Bay Books, 1995).
5. In comparison, immigrants from Ireland were only half as numerous as those born in Haiti, at approximately 14,900. State-wide, the largest groups of foreign-born individuals are, in order: Portugal, the Dominican Republic, Canada, the People's Republic of China, Brazil, Haiti, Vietnam, Italy, India, and the United Kingdom.
6. This is especially the case for Latino communities which might share the Spanish language, but be divided by race, culture, socio-economic background and legal status in the U.S.
7. U.S. Immigration and Naturalization Service. 2002. *Statistical Yearbook of the Immigration and Naturalization Service, 2000*. Washington, D.C.: U.S. Government Printing Office.
8. Many of the other issues raised are concerns shared by many Bostonians: education, job training, access to daycare, health care, issues of domestic violence, senior services and adequate public transportation. Some were of particular concern to immigrant and minority communities: lack of information regarding city services, negative portrayal in mainstream media, relations with police and employment mismatch issues arising from foreign credentials and training. Office of New Bostonians. 2000. *New Bostonians' Community Resource Directory*. Boston: City of Boston.
9. Andrew M. Sum, and W. Neal Fogg. 1999. *The Changing Workforce*. Boston, MA: Massachusetts Institute for a New Commonwealth.
10. Ibid.
11. Barry Bluestone and Mary Huff Stevenson. 2000. *The Boston Renaissance: Race, Space, and Economic Change in an American Metropolis*. New York: Russell Sage Foundation.
12. Jeffrey G. Reitz, 1998. *Warmth of the Welcome: The Social Causes of Economic Success for Immigrants in Different Nations and Cities*. Boulder, CO: Westview Press.

13. William A. V. Clark, "The Geography of Immigrant Poverty," in *Strangers at the Gates*, ed. Roger Waldinger (Berkeley: University of California Press, 2001), p. 167.
14. With only a few exceptions—notably for the children of diplomats and other foreign officials—everyone born on U.S. territory, even to an undocumented alien or someone temporarily in the U.S., is an American citizen.
15. On February 27, 2001, the Child Citizenship Act also gave automatic U.S. citizenship to foreign-born children adopted by American parents.
16. Using the Census Bureau's definition of the Boston "primary metropolitan area," the figures are 508,080 of 3,398,051 residents. Puerto Ricans offer a certain policy conundrum since they share many characteristics with certain Latin American immigrant groups—including the Spanish language, a similar socio-cultural background, and strong ties to a community outside the fifty states. However, unlike such immigrants, they have guaranteed right of entry into the U.S. through their American citizenship and have relatively more exposure to American politics and culture due to their unique Commonwealth status vis-à-vis the federal government. Following the Census Bureau's definition, which focuses on citizenship at birth, the present chapter does not consider Puerto Ricans to be immigrants, but it should be noted that almost 30,000 individuals in the Boston PMSA were born in Puerto Rico. If classified as social (but not legal) immigrants, Puerto Ricans would be the second largest group in the area after those born in China.
17. The 1952 Immigration and Nationality Act, or INA (Public Law No. 82-414), still largely governs U.S. immigration and naturalization policy, though it has undergone important amendments in subsequent decades. These include dropping a national origins quota system favoring European countries (1965) and codification of a formal Refugee Act in 1980.
18. U.S. Immigration and Naturalization Service. 2002. *Statistical Yearbook of the Immigration and Naturalization Service, 2000*. Washington, D.C.: U.S. Government Printing Office.
19. These figures should be taken with extreme caution. The INS estimates that from 1988–1996 about 6000 illegal immigrants took up residence in Massachusetts each year. Extending this pattern to 2001 generates the figure of 115,000. Due to the events of 11 September 2001, it is unlikely that the illegal population grew as quickly in 2002. It is unclear what proportion of the illegal population is reflected in the 2000 Census figures since the undocumented are much less likely to participate.
20. There are a number of different H visas, both for the highly skilled (H1) and those doing unskilled labor (H2). The L visa is for multinationals corporations' intra-company transferees. The TN visa was created under the North America Free Trade Agreement and is restricted to Canadian or Mexican nationals. These visa categories are the most frequent, though a number of other specialized visa categories exist.
21. For example, depending on the scholar's funding situation, the J visa requires a two-year return to the country of origin upon program completion.
22. These numbers include certain special programs for Amerasians, Haitians, Nicaraguans, and other Central Americans.
23. This number excludes refugees and asylees who may stay permanently, but need to adjust their status in order to legally be considered lawful permanent residents. Over the 1990s, admissions to Massachusetts fluctuated between 15,180 in 1999 and 25,011 in 1993. U.S. Immigration and Naturalization Service. 2002. *Statistical*

Yearbook of the Immigration and Naturalization Service, 2000. Washington, D.C.: U.S. Government Printing Office.

24. There are certain exceptions to the five-year residency requirement, for example, for those who have served in the U.S. military and for the spouses of U.S. citizens, who need wait only three years before applying.
25. The remaining permanent admissions were for refugees and asylees, discussed above.
26. Today a few municipalities allow non-citizens to vote in local elections, and in New York City anyone with a child in the school system can vote for school board elections, regardless of citizenship. Historically, there was no necessary link between citizenship and political rights. In the 19th and early 20th century, over half of U.S. states and territories allowed, at one time or another, non-citizen aliens to vote as long as they had declared their intention to naturalize. Massachusetts, however, never granted alien suffrage.
27. Eligibility for means-tested programs under the 1996 Personal Responsibility and Work Opportunity Reconciliation Act is discussed further below.
28. The census, for example, asks respondents to indicate their race, and asks separately about Latino ethnicity. Latinos might therefore be white, black or something else. In public decision-making, however, the white population is often redefined as the non-Hispanic white population, making Latinos a *de facto* racial category.
29. The "first generation" are those born abroad who immigrate to the United States. These individuals' U.S.-born children form the "second generation." Some people also speak about the "1.5" generation, children born abroad who move to America at a young age, usually when they are in primary school or younger. This group faces many of the same legal issues as their parents in terms of visas and naturalization, but because of their youth, their social and cultural adaptation more closely resembles native-born children of immigrants.
30. In the 2000 census, individuals could report multiple racial backgrounds for the first time. In the interest of comparison to earlier statistics, the figures here refer to single-race responses.
31. The exact numbers might be subject to slight fluctuation as the Census Bureau further 'cleans' their data. Because of enumeration problems such as undercounting, these figures should be seen as indicative rather than absolute.
32. Nationally, 58 percent of Latinos are of Mexican origin.
33. This does not mean, however, that Latinos must speak Spanish to self-identify or be counted as Latino.
34. Stephan Thernstrom, *The Other Bostonians: Poverty and Progress in the American Metropolis, 1880–1970*. (Cambridge: Havard University Press, 1973).
35. Brockton is not part of the MAPC but is included here for comparative purposes.
36. There are over 18,000 ethnic Armenians in metro Boston, many born in Lebanon, Turkey and Syria. The area's significance as the geographic home of the Armenian-American community is symbolized by the location of the national Armenia Library and Museum of America in Watertown.
37. The Cambodian community in Lynn is a significant proportion of the total immigrant population, counting over 2000 individuals in a total foreign-born population of about 20,000. Lowell is not included in the definition of the metro area used here, but deserves mention as an important center for Cambodian-Americans. The

Cambodian population in Lowell is one and half times larger than that in Lynn, constituting the second-largest Cambodian community in the United States. Bluestone, Barry and Mary Huff Stevenson. 2000. *The Boston Renaissance: Race, Space, and Economic Change in an American Metropolis*. New York: Russell Sage Foundation.

38. Many Japanese and a fair number of Chinese from the People's Republic, Taiwan and Hong Kong also come to Boston under student or exchange scholar visas. In some cases, these individuals find jobs in the region upon graduation and change their visa status to that of a temporary worker or permanent resident.
39. While most immigrants from these countries are likely white, both Canada and the United Kingdom are home to significant non-white populations.
40. U.S. Immigration and Naturalization Service. 2000. "INS Achieves 2-Year Naturalization Program Goals," in *News Release from Media Services, Office of Public Affairs*, retrieved April 25, 2000. Washington, D.C.: INS (www.ins.gov/graphics/publicaffairs/newsreels/NatzGoal.htm).
41. See http://www.cityofboston.gov/newbostonians/
42. Office of New Bostonians, *New Bostonians' Community Resource Directory*, 2000.
43. "Many Voices Joined for Justice: Massachusetts Immigrant and Refugee Advocacy Coalition Annual Report 2001"; "MIRA News," December 2001; "The MIRA Bulletin," October 2002
44. "Chelsea's Latinos to Sue over District," by Cindy Rodriguez. *The Boston Globe*, 11 March 2002.
45. Information from www.oiste.net and conversation with Giovanna Negretti, Executive Director, 18 October 2002.
46. Peggy Levitt, *The Transnational Villagers*. (Berkeley: University of California Press, 2001).
47. The St. Alban's office has jurisdiction over Massachusetts, and serves as a processing center for Connecticut, Delaware, District of Columbia, Maine, Maryland, New Hampshire, New Jersey, New York, Pennsylvania, Puerto Rico, Rhode Island, Vermont, Virginia, and West Virginia.
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CHAPTER 5

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