

## Letter from the Chairman



Colby Hewitt

### A Measure of Influence

The state budget debate on Beacon Hill has given renewed prominence to many Pioneer positions, as you'll see in this issue.

Perhaps most dramatic is the topic of public funding for convention centers. The giant convention center taking shape in South Boston is still struggling to win bookings—as Pioneer has long predicted. Serious consideration is now being given to selling the Hynes Convention Center—as Pioneer has also called for. The savings in the taxpayer-funded subsidy for the Hynes can certainly be better used for other important public purposes.

In addition, our call for reform in the way the Legislature funds the Judiciary was a key issue in recent budget deliberations. And despite the Legislature's focus during the budget process on increasing taxes, Pioneer sought to stem the tide by identifying ways to save over \$600 million (see inside).

To keep the spotlight on "our" issues, we will be distributing a "briefing book" to all of the candidates for governor and other state offices (see story below). In fact, representatives of three gubernatorial candidates have already sought Pioneer's input.

Does all this add up to influence? We'd like to think so. Think tanks mean to advance new ideas and question the "conventional wisdom" that may maintain a less-than-ideal status quo.

A small political activist organization recently put out a report that—while filled with many inaccurate rhetorical flourishes—noted Pioneer's success in moving various policy initiatives forward, concluding that from its point of view, Pioneer has wielded *too much* "influence, effectiveness, and clout." While meant as a criticism, we tend to think of it as a compliment. Indeed, the foreword is almost praiseworthy, describing "the relentless, well-funded, and well-connected efforts of the Pioneer Institute to 'change the direction of the wind' politically in Massachusetts."

P.S. We plan to make greater use of "e-communications" through email—and want to make sure we have your email address. So please email us yours—see page 2.

## Amtrak Pullout A Pioneer Victory

After a July 30 letter informing the MBTA that Amtrak would not bid on the contract to operate the MBTA's commuter rail service, Pioneer's three-and-a-half year fight to open the commuter rail contract to honest competition is on the verge of success.

The surprise announcement marked the end of a battle that had raged since the MBTA last attempted to competitively procure the contract. In 1999, the T split the service into three pieces. Competitive procurement of just the smallest piece, train cleaning and maintenance, resulted in a \$116 million savings over Amtrak's bid.

But Amtrak and its powerful unions called in their chits and succeeded at confronting the MBTA with a dismal choice: stick with Amtrak or lose all federal funding. Unable to operate without federal funds, the T was forced to sign a three-year extension that represented not only the highest bid, but also the one judged to provide the lowest quality service.

In many of the other jurisdictions in which Amtrak provides similar services, it has used its political clout to dictate favorable procurement rules. But MBTA General Manager Michael Mulhern resisted Amtrak's pressure and designed a fair and open procurement process.

Amtrak has operated the Boston area's commuter rail system for 15 years. It is the company's biggest and most lucrative commuter rail contract.



For more background on this issue, read the Heritage Foundation *Backgrounder* "How the Labor Department Can Bring Common Sense to a Rail Contract," written by Pioneer's Charles Chieppo, available online at [www.pioneerinstitute.org/pdf/heritage5\\_23\\_02.pdf](http://www.pioneerinstitute.org/pdf/heritage5_23_02.pdf)

## Candidate Issues Book

Seeking to inform the upcoming electoral debate, Pioneer will be issuing a briefing book for state candidates. Titled *Agenda for Leadership 2002*—the third in a series of such publications since 1994—it summarizes Pioneer research, grouping topics by various categories:

- *strengthening communities* (charter schools, affordable housing, urban entrepreneurship);
- *meeting critical needs* (human services, judicial administration, health care);
- *making government sustainable* (public construction, MBTA, convention centers, the Pacheco anti-privatization law, and the state budget deficit)



To be distributed to candidates for state government offices as well as to opinion makers, the publication will also be posted on our website at [www.pioneerinstitute.org/agenda](http://www.pioneerinstitute.org/agenda).

# Pioneer Weighs in on Massachusetts' Budget Crisis

Boston Business Journal

STATE FINANCE

## How to cut about \$600 million

### TEN STEPS TOWARD PRUDENT STATE SPENDING

Moves that would bolster the state's sagging budget:

1. Reduce lottery payout: **\$175 million**
2. Need-based education funding to cities and towns: **\$100 million**
3. State workers pay private-sector-level health insurance premiums: **\$96 million**
4. Have Medicaid insist on generic drugs: **\$70 million**
5. Sell Hynes Convention Center: **\$50 million**
6. Change eligibility for senior pharmacy program: **\$50 million**
7. Repeal or amend anti-privatization law: **\$40 million**
8. End reimbursements to cities and towns with students in charter schools: **\$30 million**
9. Put electricity purchases to bid: **\$25 million**
10. Merge Mass. Highway Dept. and Mass. Turnpike Authority: **\$20 million**

**Total: \$656 million**

SOURCE: Figures supplied by the Pioneer Institute. Some proposals suggested by others.

With state legislators fixated on raising taxes to deal with this year's budget crunch, Pioneer focused attention on the expenditure side, assembling for the *Boston Business Journal* more than \$600 million in possible savings. The proposals, most suggested by Pioneer over time and others borrowed from various good-government groups, were highlighted in a front-page feature, bolstering support for cuts Gov. Jane Swift was

forced to make to balance the budget.

The *Journal* lent its endorsement in an accompanying editorial and spotlighted Pioneer's long-standing call for reforming the public construction bidding process that could produce up to \$200 million savings yearly.

Another Pioneer proposal—to rein in police pay increases for advanced degrees, as allowed under the Quinn bill—was the subject of a *Boston Herald* commentary.

**Editorial**

We can't help but agree with the Pioneer Institute's Charlie Chieppo that there's a structural problem with the state budget—it's structured to increase by \$1 billion a year without delivering any additional services.

## Pioneer: Reform construction bids

Of all the areas where the state could save money, construction would appear to be the most obvious — if for no other reason than Beacon Hill's proximity to the Big Dig, the largest public construction project in the nation.

The Pioneer Institute, a conservative think tank based in Boston, believes that savings can be had by doing a better job of putting public construction projects out to bid.

Read the entire *Boston Business Journal* report at [www.pioneerinstitute.org/news/BBJ7\\_26\\_02.html](http://www.pioneerinstitute.org/news/BBJ7_26_02.html). The *Herald* op-ed is available at [www.pioneerinstitute.org/research/opeds/quinn.cfm](http://www.pioneerinstitute.org/research/opeds/quinn.cfm).

**BOSTON Herald**

**Quinn bill merits no badge of efficiency**

## 2002-03 Building Excellent Schools Fellows

The two-year-old Building Excellent Schools Fellowship—the project of Pioneer's Charter School Resource Center to train charter school founders—has seven new Fellows at work designing the schools for which they hope to receive charters in early 2003. The 2002-03 Fellows are:

► **Rachel Hunt**, a former deputy director for WorldTeach and a Salem middle school foreign language teacher who has a master's from Harvard's Graduate School of Education.

► **Scott McCue**, a recipient of a master's in education from Columbia University Teachers College who has been a teacher, chair of history and social studies, and dean of students at Boston's Academy of the Pacific Rim Charter School.

► **Simeon Stolzberg**, a former Washington, DC high school teacher (including at a charter school) who also worked for the U.S. Department of Education on the implementation of education reform legislation while studying for his master's in public policy from Georgetown University.

► **Yutaka Tamura**, a graduate of Amherst College who has worked in business—including as vice president of business development for KIDS 1, which operates schools for at-risk and special education students—and in a Boston-area independent high school as dean of students, history teacher, and technology specialist.

► **Lori Taylor**, a former dean of faculty, history chair, teacher, and dorm parent at the Cambridge School of Weston—and an accomplished Shakespearean actress—who has a master's in teaching from Brown University.

► **Brian Turner**, a Hamilton College graduate who has taught at two Chinese universities and

was founding vice principal of Boston's Edward Brooke Charter School and a founding teacher at the South Boston Harbor Academy Charter School.

► **Alyssa Whitehead-Bust**, founder of two successful organizations focused on social and economic value creation and strategic planning, consultant to numerous youth development and environmental organizations, and recipient of a master's in education from Harvard.

For more on the Fellowship, visit [www.pioneerinstitute.org/csrc/fellowship](http://www.pioneerinstitute.org/csrc/fellowship).

## Send us your email address!

As we rely more on electronic communication, we need up-to-date email addresses for our constituents. Please take a moment to send your current, preferred email address to us at [pioneer@pioneerinstitute.org](mailto:pioneer@pioneerinstitute.org).

Or go to our website—click "contact us" on the left navigation bar, then type your name and email address in the form and click the "submit" button.

## Chairman's Update

Ralph Buglass, editor & designer

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## On Building—and Selling—Convention Centers

The *Boston Globe* recently quoted a convention center expert as saying: “People who relied on market projections thought Boston could sustain two convention centers. As we fast forward to 2002, the projections have not stood up for either facility [the mega Boston Convention and Exhibition Center (BCEC) under construction in South Boston and the existing Hynes Convention Center] at this point.”

Surprisingly, the speaker was the project director for the new facility, James Rooney.

Also from the *Globe* (columnist Joan Vennochi)—again, very much to the point:

“By 1999, the overly optimistic projections [of BCEC backers] were debunked by the Pioneer Institute for Public Policy Research in a research paper entitled, ‘Flawed Forecasts: A Critical Look at Convention Center Feasibility Studies.’ The Pioneer Institute was ignored, and the costly project rolled forward.” (Read the entire

### Let’s Do Lunch!

We invite our supporters to lunch for lively, issue-oriented discussion. Upcoming Guest Lunches are set for **Sept. 24, Oct. 9 & 22, Nov. 6 & 19, and Dec. 4 & 17** (noon to 1:15 at our 85 Devonshire Street office). If you’d like to attend one, feel free to contact Mark Sieffert at [msieffert@pioneerinstitute.org](mailto:msieffert@pioneerinstitute.org).

## Fiscal reality demands Hynes sale

### EDITORIAL

Boston can’t support two convention centers, but let’s be prudent

## Closing the Hynes

column at [www.pioneerinstitute.org/news/globe5\\_30\\_02.html](http://www.pioneerinstitute.org/news/globe5_30_02.html).)

Indeed, construction is so far along that despite some earlier moves on Beacon Hill to scrap—or at least halt—the project, there now appears little appetite for turning back—even though not a single event has been booked for the BCEC’s first two years. Consequently, Pioneer is shifting focus and calling for selling the Hynes—since conventioners aren’t sold on the BCEC.

Noting that operating the Hynes currently requires a \$15.5 million subsidy, Pioneer’s Charles Chieppo wrote in a *Boston Herald* commentary, “the appetite of an empty 516,000 square foot BCEC for taxpayer dollars will surely be far greater, ... render[ing] talk about the benefits of the Hynes meaningless.” The irony, the op-ed noted, is that “a well-managed Hynes would be the right size, in the right place and surrounded by the right amenities for a shrink-

JOAN VENNOCHI  
For convention center, it’s not a pretty picture

The Boston Globe

ing convention market.” (Read the complete op-ed at [www.pioneerinstitute.org/research/opeds/hynes.cfm](http://www.pioneerinstitute.org/research/opeds/hynes.cfm).)

Democratic gubernatorial candidates Robert Reich and Warren Tolman and the GOP’s Mitt Romney have all embraced Pioneer’s position on the Hynes, and it received a significant boost when Convention Authority Board Chair Gloria Larson appointed a special task force to examine the market case for selling the Hynes. Stay tuned.

## Making the Case for Judicial Reform

Pioneer will be carrying the need for more effective management of the state’s court system to the newly-appointed Visiting Committee on Management in the Courts, urging the adoption of recommendations made in a recent Pioneer study by retired District Court justice James Dolan.

The report—identifying micromanagement and patronage appointments by the legislature as severely hampering the workings of the courts—has been widely hailed in the media since its release (see clip-pings). It recommends consolidation of appropriations for the Commonwealth’s courts into a single

With fewer dollars available to administer the state’s judicial branch, better management becomes critical...

Perhaps then the Legislature can be persuaded to give up its decades-long and pernicious habit of attempting to micromanage the courts and their budgets.

—*Boston Herald* editorial, August 7, 2002

James W. Dolan, a retired judge in the Dorchester District Court, has given us an excellent roadmap for reform in a study for the Pioneer Institute.

—*Boston Globe* “Downtown” business columnist Steve Bailey, May 24, 2002

line item, returning authority to hire all court personnel to the judiciary, adopting a workload-based system for the allocation of court funds, and hiring a single professional manager to oversee court operations.

The commission—an outgrowth of management and separation of powers issues identified by the Dolan report—was appointed by Supreme Judicial Court Chief Justice Margaret Marshall and is expected to make its own recommendations for improvement later this year. The eight-member panel includes

Pioneer board member Charles Baker, Jr., president of Harvard Pilgrim Health Care.

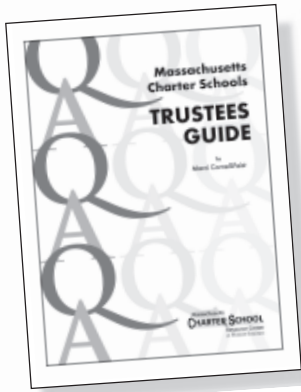
Court funding was a key issue in this year’s budget deliberations on Beacon Hill, with some headway made when the Senate adopted a budget bill that reduced the number of judiciary line items—through which the legislature has traditionally micromanaged the courts—from 171 to 10.

The administration of justice is essential to Massachusetts government. It ought to be refreshed periodically by inquiries to determine how it can perform better. The Legislature, as the appropriating authority, has a major role to play, but it should never attempt to micromanage the courts for political purposes.

—*Boston Globe* editorial, May 19, 2002

For more, visit [www.pioneerinstitute.org/news.cfm](http://www.pioneerinstitute.org/news.cfm)

Pioneer's Charter School Resource Center has just published a guide for charter school trustees providing answers to frequently asked questions on charter school governance. Noting that it is the board of trustees of a school that actually holds the charter, the 94-page guide outlines "dos" and "don'ts" for well functioning boards, and includes a raft of illustrative



## PIONEER PIECES

resources. Many of the lessons documented were learned from the center's Strengthening Boards of Trustees project.

Gloucester school superintendent Thomas Consolati is one district superintendent highly supportive of charter schools. In announcing an initiative by Gloucester teachers to start a Horace Mann charter school, he was quoted by the *Gloucester Daily Times* as saying, "No

school can meet the needs of all the kids. So having options and choices is a positive thing." He himself was part of a planning committee to start a charter school in western Massachusetts, where he used to work.

Board member William Ederly was inducted into the Boston Chamber of Commerce's Academy of Distinguished Bostonians for lifetime service to the community. Ederly is chairman emeritus of State Street Corp. and chairs the Foundation for Partnership.

### Upcoming Research Papers

Watch for an imminent outpouring of research papers. *Two Policy Directions*, "Making the Human Services More Humane" and "Solutions to the Human Services Workforce Crisis," are outgrowths of our April conference co-sponsored with Massachusetts Council of Human Service Providers. A *White Paper*, "Restructuring the Human Services," on the state's human services bureaucracy by Harvard Pilgrim Health Care president Charles Baker Jr. will follow.

Other soon-to-be-released *White Papers* are:

- ▶ "The Pacheco Law: Did We Miss the Boat? Can We Stay Afloat?" on the fiscal impact of Massachusetts' unique anti-privatization legislation;
- ▶ "The Long and Winding Road: Housing Regulation in Massachusetts," by Charles Euchner, executive director of the Rappaport Institute for Greater Boston at Harvard's Kennedy School of Government, identifying regulatory barriers to housing development;
- ▶ "Is Massachusetts State Government Sustainable?," by Boston University economist Lawrence Kotlikoff, examining whether the structure of the state budget is sustainable over the long-term;
- ▶ "School Finance in the Commonwealth," by Martin West of the Program on Education Policy and Governance at Harvard University, exploring how school funding works within large urban districts; and
- ▶ "Health Care Costs and Outcomes," due out in early 2003, comparing the cost and clinical outcomes of the Massachusetts health care delivery system to those in six other states.

## 2003 Better Government Competition

Pioneer's 12th annual Better Government Competition is underway. In line with Pioneer's "E4 strategy," innovative proposals are sought addressing specific problems in:

- *Educational excellence* (special ed);
- *Effective public management* (Massachusetts' structural budget deficit);
- *Economic opportunity* (encouraging urban businesses);
- *Emerging issues* (reining in Medicaid's cost).

One grand prizewinner in each category will be awarded \$3,000.

Find details on entering the 2003 Competition at [www.pioneerinstitute.org/bgc](http://www.pioneerinstitute.org/bgc)

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