



A review of Pioneer's **E<sup>4</sup>** strategy in 2000

**E**ducational excellence

**E**ffective public management

**E**conomic opportunity

**E**merging issues

**ANNUAL REPORT**

Pioneer Institute for Public Policy Research is Massachusetts' leading public policy "think tank." Since its founding in 1988, Pioneer Institute has had a major impact on the Commonwealth's public policy landscape and quality of life, developing and articulating innovative, market-oriented policy ideas, and then helping to put them into action. To build on our success and leverage our strengths, Pioneer focuses its work in four key areas:

- **Educational excellence** - driving broad-based educational reform through the expansion of competition and parental choice, with a focus on charter schools.
- **Effective public management** - identifying and analyzing opportunities for improving the quality and reducing the cost of Massachusetts government, through competitive contracting, regulatory reform, innovation, and restructuring.
- **Economic opportunity** - developing a policy framework for reducing urban poverty through economic opportunity, focusing on barriers to self-sufficiency and business development.
- **Emerging issues** - exploring public policies that help define the appropriate role of government or the limits of individual freedom.

In each area, Pioneer is establishing partnerships with other organizations to enhance our credibility, broaden our constituencies, and leverage our investment. This publication reviews Pioneer's work and accomplishments within these areas during 2000.

**"A think tank with a reputation for careful work"**

**The Boston Globe**

**"One of the bright lights of modern Boston"**

**BOSTON  
Herald**

For several years, Pioneer has focused its efforts on deepening its approach in key policy areas and broadening its constituencies. The unifying concept behind these two objectives is that we can best expand our base of support, not by spreading ourselves thin over a wider array of issues, but by boring deeper into those issues where we can add the most value. The more tangible value we add in specific areas—namely, our “E4 strategy” of educational excellence, effective public management, economic opportunity, and emerging issues—the more people we can attract to our larger cause of free markets, limited government, and individual responsibility.

Opinions sometimes change through the presentation of new and persuasive research and arguments. That is a central function of a think tank and at the heart of Pioneer’s mission. But, more often than not, people possess certain predispositions that are not easily shaken by the written or spoken word. To convince people who are not already inclined in your direction, you need to *show* them how unconventional concepts actually operate in practice and how they can make things better in the real world. This is why Pioneer is not only in the business of developing policy ideas; we are also in the business of putting those ideas into action.

In the coming year, Pioneer will enter a new phase in its development. We are not finished deepening our approach or broadening our constituencies. Indeed, we are redoubling our efforts on both fronts. What’s changing has more to do with our methods than our goals. Specifically, we are undertaking an effort across all our departments to restructure operations for sustainable impact and to systematize our outreach programs. Among the new activities we will be pursuing are the following:

- ▶ Developing long-term revenue streams;
- ▶ Establishing multi-year issue themes;
- ▶ Hiring new staff in key positions, while expanding contractor relationships in non-core functions;
- ▶ Targeting communications materials and distribution channels; and
- ▶ Increasing staff responsibility for broadening Pioneer’s network of supporters.

If we are successful over the next several years in this ambitious effort, we hope and expect that Pioneer will not only increase its impact on Massachusetts public policy, but will fulfill its vision of leading the Commonwealth’s intellectual climate.



*Executive Director James A. Peyser, Founding Chairman Lovett C. Peters, and Chairman Colby Hewitt, Jr. (left to right).*

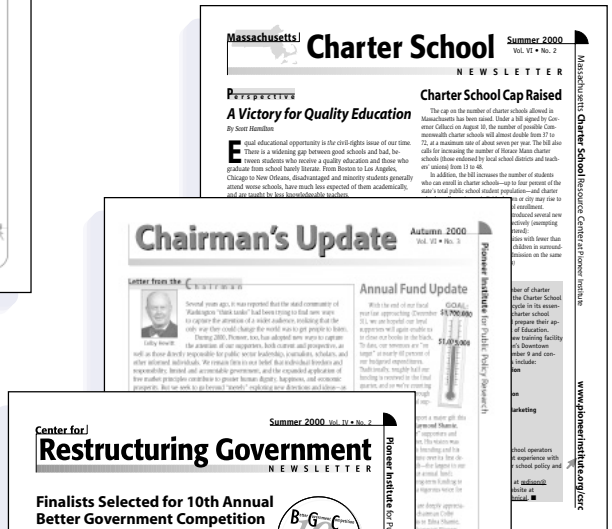
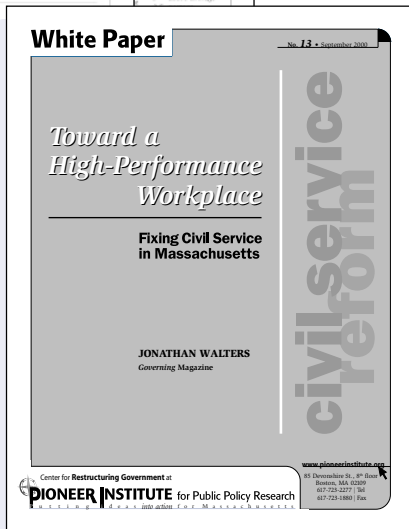
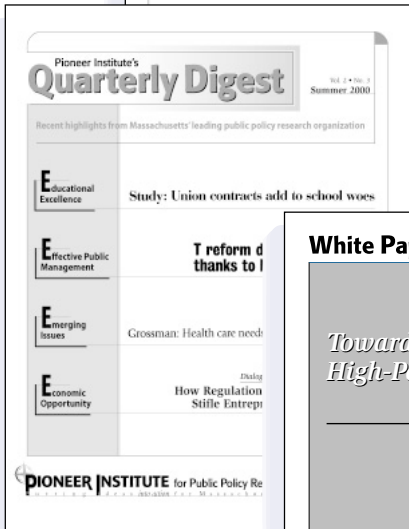
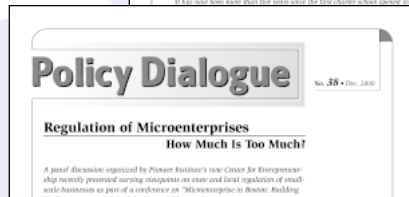
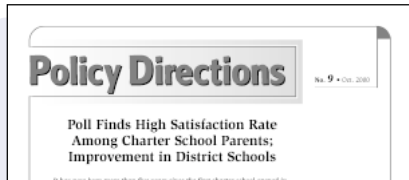
Colby Hewitt, Jr.  
Chairman

Lovett C. Peters  
Founding Chairman

James A. Peyser  
Executive Director

In 2000, Pioneer Institute launched a colorful new publication, *Pioneering Spirit*. Containing “human interest” features of people from all walks of life who exemplify individual responsibility and civic renewal, the publication puts a “human face” on policy issues on which Pioneer focuses.

The addition of *Pioneering Spirit* was part of an overhaul of our various publications to give them a fresh appearance and a similar, more integrated look. Our newsletters (below right) bear matching mastheads, as do our more scholarly publications (below left); our *White Papers* have gotten a bold facelift; and our *Quarterly Digest*, like this *Annual Report*, has been reframed around our E4 strategy to emphasize our work in the areas of educational excellence, effective public management, economic opportunity, and emerging issues.



Pioneering Spirit and all Pioneer's publications are accessible at [www.pioneerinstitute.org/research](http://www.pioneerinstitute.org/research)

The year 2000 saw enactment of two pieces of legislation implementing educational goals Pioneer Institute has long championed—more charter schools and a major change in special education standards.

**Charter schools**

The number of charter schools in Massachusetts—capped since 1997—will increase over the next several years as a result of legislation that finally gained approval—following a vigorous Pioneer-led educational effort calling policy makers’ attention to charter schools’ successes. The number of possible Commonwealth charter schools (those that are completely free of local district control) will more than double from the current 35 to 72, at a rate of about seven per year. The total number could actually go higher, as another 20 Commonwealth charter schools—specifically for disruptive or at-risk students—can be added. In addition, the number of Horace Mann charter schools (those endorsed by local school districts and teachers’ unions) can increase to 48 (although only five currently exist).

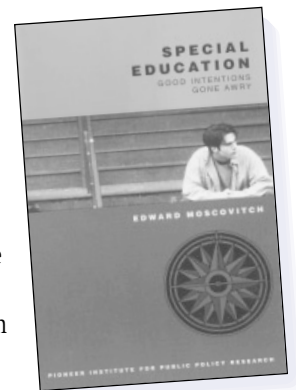
Reflecting the continuing strong interest in starting innovative schools, 38 individuals and groups submitted proposals for the available 2001 charters to the state Department of Education; of these, DOE selected 19 finalists to submit formal applications, and the state Board of Education awarded charters to seven of them in early 2001.

**Bill OKs more charter schools**

**Special education**

Beacon Hill also made a major reform in the area of special education for students with disabilities, bringing Massachusetts in line with the rest of the country concerning the required standard of service and the specific disabilities that qualify for special education services and procedural protections. The legislation, which takes effect in January 2002, replaces the state’s 26-year-old standard of “maximum feasible benefit”—the broadest such state standard in the country—with the federal standard of “free and appropriate education” which is in place in all other states.

Pioneer has long urged such a change. In 1993, the Institute published a book titled *Special Education: Good Intentions Gone Awry* in which author Edward Moscovitch, a former chief budget officer for Massachusetts, concluded, “Rigid support of current special education laws is a dead-end street for those whose goal is the inclusion of children with disabilities, as the two-tiered education system implied by these laws works to the detriment of enriched regular education.”



The book and many subsequent analyses have noted that the percentage of Massachusetts public school students in special education exceeds that of most other states, and that per-capita spending on special education in the Commonwealth has been growing at a faster rate than for so-called “regular” education.

**House should OK more charter schools**

James A. PEYSER  
When the first charter schools opened their doors in 1995, virtually no one in Massachusetts even knew what a charter school has grown from 2,500 to 12,500, and there is now evidence that the success of this fledgling school reform effort has generated

**Poll: Public backs more charter schools**

**MASSACHUSETTS CHARTER SCHOOL**

With the raising of the cap on the number of charter schools in the Commonwealth, the Massachusetts Charter School Resource Center at Pioneer Institute (MACSRC) is launching a new project in 2001 to seek out and work with highly qualified charter applicants to ensure the successful launch of new schools. The only source of technical assistance for charter schools since the first ones opened in 1995, MACSRC is committed to the development of new and existing charter schools as models

For more on the Charter School Resource Center, visit [www.pioneerinstitute.org/csrc](http://www.pioneerinstitute.org/csrc).

of academic excellence, with the overarching aim of spurring broad-based reform of K-12 education. Toward this end, MACSRC concentrates its efforts in the following areas:

► **School leadership**

Recognizing the critical role of strong educational leaders in elevating schools’ performance, MACSRC offers the Leadership Academy, directed by nationally renowned educator Dr. Lorraine Monroe, who conducted workshops for over 350 participants in 2000. Participating schools have seen dramatic improvement in their focus on student achievement.

► **Governance**

Successful charter schools depend on well functioning boards of trustees. In view of this, MACSRC in 2000 launched the Strengthening Boards of Trustees Project, an intensive effort to train trustees in sound management and move their schools from fledging start-ups to strong, self-sustaining organizations.

► **Development**

One of the greatest obstacles charter schools face is finding suitable facilities—and paying for them. While charter schools receive instructional funds from the state, these monies do not cover capital or

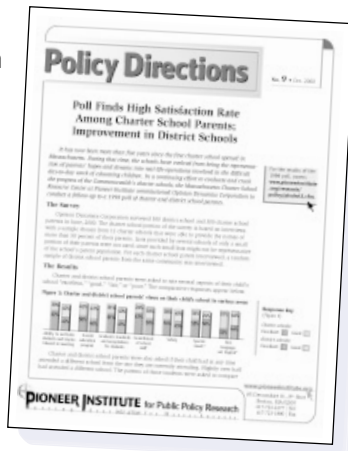
A listing of other highlights in the area of education excellence during 2000 follows:

### White Papers/Pioneer Forums

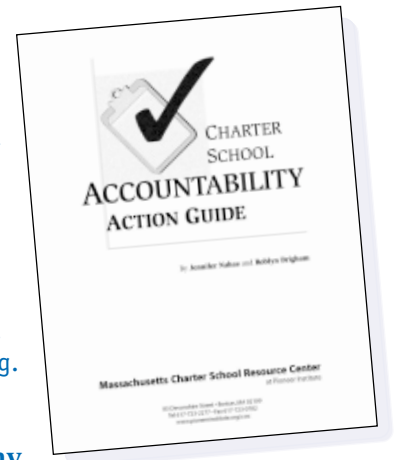
- **“Charter Colleges: Balancing Freedom and Accountability”** by Prof. Robert O. Berdahl, University of Maryland, and Terrance J. MacTaggard, Chancellor, University of Maine system - *White Paper* ([www.pioneerinstitute.org/research/whitepapers/wp10cover.cfm](http://www.pioneerinstitute.org/research/whitepapers/wp10cover.cfm)) and Forum ([www.pioneerinstitute.org/research/dialogues/dia31.cfm](http://www.pioneerinstitute.org/research/dialogues/dia31.cfm))
- **“Teacher Contracts in Massachusetts”** by Dale Ballou, UMass-Amherst - *White Paper* ([www.pioneerinstitute.org/research/whitepapers/wp12cover.cfm](http://www.pioneerinstitute.org/research/whitepapers/wp12cover.cfm)) and Forum ([www.pioneerinstitute.org/research/dialogues/dia36.cfm](http://www.pioneerinstitute.org/research/dialogues/dia36.cfm))
- **“School Choice in Urban Communities”** with Rev. Floyd Flake, former U.S. Congressman - Forum ([www.pioneerinstitute.org/research/dialogues/dia34.cfm](http://www.pioneerinstitute.org/research/dialogues/dia34.cfm))
- **“Charter Schools in Action: Renewing Public Education”** with Chester Finn, former U.S. Assistant Secretary of Education - Forum co-sponsored with Harvard Graduate School of Education ([www.pioneerinstitute.org/research/dialogues/dia33.cfm](http://www.pioneerinstitute.org/research/dialogues/dia33.cfm))

### Other Publications

- **“Poll Finds High Satisfaction Rate Among Charter School Parents; Improvement in District Schools”** - *Policy Directions* ([www.pioneerinstitute.org/pdf/piodrct9.pdf](http://www.pioneerinstitute.org/pdf/piodrct9.pdf))
- **“Survey Finds Majority Support for School Vouchers”** - *Policy Directions* ([www.pioneerinstitute.org/research/policy/piodrct8.cfm](http://www.pioneerinstitute.org/research/policy/piodrct8.cfm))



- **Charter School Accountability Action Guide** ([www.pioneerinstitute.org/csarc/accountability/acctguide.cfm](http://www.pioneerinstitute.org/csarc/accountability/acctguide.cfm))
- **Renewal Findings: A Review of the First Fourteen Charter School Renewal Inspection Reports** ([www.pioneerinstitute.org/csarc/publications/renewing.cfm](http://www.pioneerinstitute.org/csarc/publications/renewing.cfm))



### Op-eds and public testimony

- **“House should OK more charter schools”** - *Boston Herald* op-ed ([www.pioneerinstitute.org/research/opeds/houseok.cfm](http://www.pioneerinstitute.org/research/opeds/houseok.cfm))
- **“For vouchers, a rising tide of support”** - *Boston Herald* op-ed ([www.pioneerinstitute.org/research/opeds/risingtide.cfm](http://www.pioneerinstitute.org/research/opeds/risingtide.cfm))
- **“Charter school progress undermined”** - *Boston Herald* op-ed ([www.pioneerinstitute.org/research/opeds/undermined.cfm](http://www.pioneerinstitute.org/research/opeds/undermined.cfm))
- **“Early grades good for charter schools”** - *Boston Herald* op-ed ([www.pioneerinstitute.org/research/opeds/checking.cfm](http://www.pioneerinstitute.org/research/opeds/checking.cfm))
- **“Pending school crisis necessitates reform”** *Boston Herald* op-ed ([www.pioneerinstitute.org/research/opeds/balanced.cfm](http://www.pioneerinstitute.org/research/opeds/balanced.cfm))
- **“Staying the course on MCAS and standards-based education reform”** - testimony of Executive Director James Peyser before the Boston City Council ([www.pioneerinstitute.org/research/opeds/testi\\_peyser1211.cfm](http://www.pioneerinstitute.org/research/opeds/testi_peyser1211.cfm))
- **“School vouchers and expanded parental choice in education”** - statement of James Peyser at a Brandeis University debate ([www.pioneerinstitute.org/research/opeds/testi\\_peyser1019.cfm](http://www.pioneerinstitute.org/research/opeds/testi_peyser1019.cfm))

## RESOURCE CENTER at Pioneer Institute

enrichment expenses, placing a heavy premium on fund-raising. To address this gap, MACSRC’s Development Initiative, which has placed development directors in nine urban charter schools, has helped to raise approximately \$4 million since 1999.

### ► Accountability

Charter schools are the most accountable of public schools—if they do not perform well, they lose their charter. To enhance public accountability, MACSRC publishes annual statistical profiles of charter schools encompassing several performance measures. Accountability is also integral to student

assessment; in this regard, MACSRC published the *Accountability Action Guide* to assist schools in devising school-based accountability systems that integrate the school’s curriculum with meaningful academic standards, supported by reliable assessment tools.

With MACSRC’s help, Massachusetts charter schools have laid a foundation for success by delivering sound and improving education. The challenge now is to continue strengthening the existing schools while nurturing new ones so that they all are schools of excellence whose practices can be replicated throughout the Commonwealth’s

K-12 education system and thus bring about broader school reform.

### Charter School Resource Center 2000-2001 Advisory Committee

- Nancy Anthony, Fernwood Advisors
- Diane Bodman
- Mario Borunda, Isaacson and Miller
- Barbara Hayes Buell, Bloom and Buell
- Scott Izzo, R.K. Mellon Foundation
- Ed Kirby, Walton Family Foundation
- Stephen Kramer, College Coach
- Karen Hodges Walker
- Kingman Webster, I Have A Dream Foundation

In 1991, Pioneer initiated a contest to “stimulate a broad range of people—civil servants, entrepreneurs, consultants, academicians, and concerned citizens in general—to take a fresh look at more efficient and effective means by which government could fulfill its functions.” Thus was born the Better Government Competition (BGC) as a catalyst for grassroots participation in policy making.

Marking its 10th anniversary in 2000, the Competition has changed slightly over the years—both in form (in recent years a \$10,000 grand prize has been awarded a single winner, while a group of 11 winners shared “equal billing” in 1991) and in content—in the mid-1990s, the BGC focused each year on a specific policy area, such as welfare or crime; now the emphasis is on ideas to streamline state and local government functions across-the-board.

The basic aim, however, remains as it was described 10 years ago:

Through the Better Government Competition, Pioneer Institute hopes to expand the scope and enrich the variety of offerings in the “marketplace of ideas” by encouraging citizens to participate directly and actively in the workings of government. Our aim is to bring new ideas into the realm of public discourse, and provide a channel independent of government by which innovative concepts and fresh approaches to issues can be delivered to those in decision-making positions.

Over the 10-year history of the contest, 64 entries have been chosen by outside judges

for further research, publication, and dissemination. To celebrate the BGC’s 10th anniversary, six of these were selected for special recognition at the 2000 BGC awards dinner as the most outstanding (though many others could have been included)—ideas ranging from modification of the Boston Harbor clean-up plan to competitive contracting of highway maintenance. Implementation of these and other winning BGC proposals during its first decade has saved Massachusetts taxpayers and ratepayers upwards of \$250 million.

Meantime, the Competition’s reach has extended beyond the Commonwealth. The winner for 2000 was from New York (a NYC Department of Housing Preservation and Development program—worthy of replication here and elsewhere—that quickly turns

### In NY, room for hope in housing rehab

distressed city-owned residences over to private owners), while last year’s winner was from Minnesota. Since its founding, the BGC

*Winning BGC ideas over the past decade—ranging from changes in the Deer Island waste water treatment plant (left) to privatization of highway maintenance (below)—have yielded over \$250 million in savings for the Commonwealth’s taxpayers.*



For more on the 2000 Better Government Competition and the 10th anniversary retrospective, visit [www.pioneerinstitute.org/crg/bgc](http://www.pioneerinstitute.org/crg/bgc).

has itself been replicated in California, Delaware, New Hampshire, Oklahoma, Oregon, Canada, Great Britain, and elsewhere.

The BGC’s stature continues to grow. Last year saw the number of entries climb to more than 200—their highest level yet. And last year’s awards dinner keynote speaker was drawn from halfway around the world: former New Zealand Prime Minister James



Bolger (above). In recounting the market-based government policies he undertook to transform a country on the edge of economic collapse into what is now one of the world’s most robust economies, he drew a parallel to the BGC itself:

With governments commanding a significant slice of most economies, making government more efficient is a key ingredient to enhancing economic performance, so I commend the competition for its contribution to making more efficient use of the resources government takes.

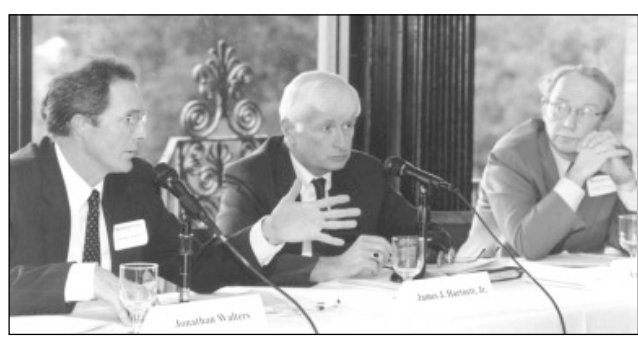
The 2000 Better Government Competition was funded in large part by **Liberty Mutual Group**



The Better Government Competition is only one of the endeavors of Pioneer's Center for Restructuring Government, the focal point of the Institute's efforts with regard to effective public management. Reflecting the Institute's belief in limited and accountable government, the Center for Restructuring Government concentrates on finding ways to streamline state and local government through increased competition in service delivery, regulatory reform, and refocusing government on its core functions.

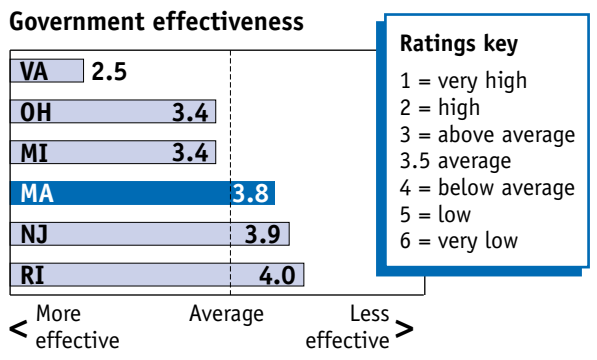
Other accomplishments of the Center this past year include the following:

- Publication of a *White Paper* titled **"Toward a High-Performance Workplace: Fixing Civil Service in Massachusetts"** ([www.pioneerinstitute.org/research/whitepapers/wp13cover.cfm](http://www.pioneerinstitute.org/research/whitepapers/wp13cover.cfm)). The study laid out a step-by-step approach to reform a personnel system that author Jonathan Walters, senior correspondent of *Governing* magazine, found was



no longer up to the task of attracting and retaining the "best and the brightest." The *White Paper* was released at a Pioneer Forum ([www.pioneerinstitute.org/pdf/pdialg\\_37.pdf](http://www.pioneerinstitute.org/pdf/pdialg_37.pdf)) featuring Walters (at left in above photo), the Commonwealth's chief personnel administrator, James J. Hartnett, Jr. (center), and Frank J. Thompson, a state and local government expert at the State University of New York at Albany. The study was also the subject of a *Boston Herald* op-ed, **"If we can't end civil service, mend it"** ([www.pioneerinstitute.org/research/opeds/mendit.cfm](http://www.pioneerinstitute.org/research/opeds/mendit.cfm)).

- Publication of another *White Paper*, **"Government Effectiveness Index: A Cross-State Survey,"** that compared Massachusetts' performance in delivering eight "core" functions involving education, transportation, public safety, and financial administration with that of five other states: Michigan, New Jersey, Ohio, Rhode Island, and Virginia ([www.pioneerinstitute.org/research/whitepapers/wp14cover.cfm](http://www.pioneerinstitute.org/research/whitepapers/wp14cover.cfm)). Op-eds on the study were



published in the *Boston Herald* (**"Mass. is a miss on government efficiency"** - [www.pioneerinstitute.org/research/opeds/massmiss.cfm](http://www.pioneerinstitute.org/research/opeds/massmiss.cfm)) and *Providence Journal*.

- Focusing attention by means of speeches, public testimony, op-ed articles, and other news coverage on contracting for certain MBTA commuter rail services, state fiscal policy, the Boston Convention Center, and myriad other topics.

## The T contract truth

### Spending need not rise with revenues

### Sad facts lodged in hotel plan

These and other Center for Restructuring Government op-eds are available online at [www.pioneerinstitute.org/research/opeds](http://www.pioneerinstitute.org/research/opeds).

- A forum on "e-government"—the far-reaching potential of the Internet and electronic technology to improve delivery of government services—featuring Secretary for Administration and Finance Stephen Crosby (right) and Janet Caldwell, director of the IBM Institute for Electronic Government ([www.pioneerinstitute.org/pdf/pdialg\\_40.pdf](http://www.pioneerinstitute.org/pdf/pdialg_40.pdf)).



### Center for Restructuring Government Advisory Committee

- Cornelius J. Chapman, Jr., Hutchins, Wheeler & Dittmar
- Tamara Davis, Massachusetts Board of Higher Education
- Joseph Downing, General Finance, LLC
- Darius W. Gaskins, Jr., High Street Associates
- Joseph M. Giglio, Northeastern University
- Robert Melia, Maximus
- John O'Leary, Lycos
- Paul S. Russell, M.D., Massachusetts General Hospital/Harvard Medical School



As a firm believer in the virtues of free markets, Pioneer Institute is committed to enhancing individual economic opportunities and reducing regulatory barriers to self-sufficiency and small business development. To oversee and coordinate its efforts in this regard, Pioneer this past year launched a new center—its third—the Center for Entrepreneurship.

## Pioneer's Center for ENTREPRENEURSHIP

The Center for Entrepreneurship at Pioneer Institute seeks to bolster small-scale entrepreneurial activity primarily in urban areas around the Commonwealth, in order to help low-income individuals and families achieve self-sufficiency and create more vibrant urban neighborhoods that offer plentiful economic opportunities. The Center also serves as an original and influential voice in the formation of economic development policy in Massachusetts by conducting research into the effectiveness of existing services and programs, identifying regulatory obstacles to small-scale business endeavors, and making public policy recommendations to strengthen urban entrepreneurship. In addition, the Center sponsors forums for public education on issues involving microenterprise, and seeks to facilitate networking among organizations offering services to entrepreneurs.

It is widely recognized that small businesses are the backbone of the American economy. Less notice is paid to a sector of the economy called the microenterprise market—businesses that are even smaller than those classified as “small business.” A microenterprise is defined by the Association of Enterprise

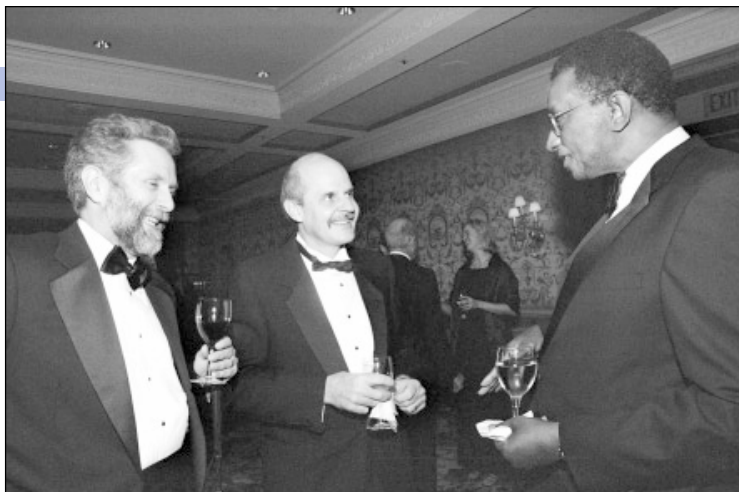
Opportunity, a national microenterprise advocate organization, as “a business employing five or fewer individuals, which requires \$25,000 or less in start-up or expansion capital, and which lacks access to the commercial banking sector.” Microentrepreneurs seldom have substantial formal business education. Relying primarily on personal and family savings, consumer credit, or loans offered by microlenders, the typical microenterprise starts off as a single person business; quite often it grows no larger than a sole proprietorship. Many microenterprises are initiated as side ventures to supplement income from an entrepreneur’s full-time job. Some intend for their business to grow into their primary source of income.

Although many people may be unaware of the microenterprise market, since these businesses often fly under the radar screen of many economic surveys and studies, its impact on the Massachusetts economy is significant. In view of this, the Center for Entrepreneurship has focused its initial efforts on this economic sector.

The Center for Entrepreneurship was made possible largely through start-up funding from:

- Shelby Cullom Davis Foundation
- David C. Evans, Jr.
- Ruth and Lovett Peters Foundation

## Pioneer Institute establishes center for entrepreneurs

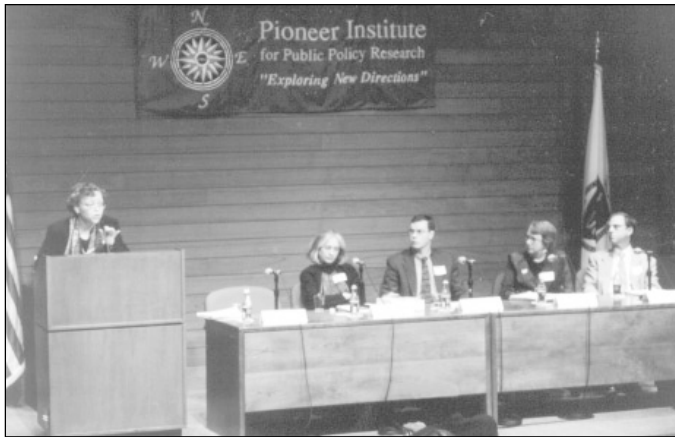


*In connection with the establishment of the Center for Entrepreneurship, the 2000 Lovett C. Peters Lecture in Public Policy, one of Pioneer's premier events each year, addressed entrepreneurship. Guest speaker Walter Williams, the John M. Olin Distinguished Professor of Economics at George Mason University, focused on ways regulation and taxation stifle entrepreneurial spirit and activity. Professor Williams (right) talks with Michael Ervolini (left) and Alejandro Chafuen following the speech.*

Read Walter Williams' remarks as excerpted in *Policy Dialogue* #32 at [www.pioneerinstitute.org/research/dialogues/dia32.cfm](http://www.pioneerinstitute.org/research/dialogues/dia32.cfm).

Accomplishments of Pioneer Institute’s Center for Entrepreneurship in its inaugural year include the following:

- Sponsoring a conference titled **“Microenterprise in Boston: Building the Entrepreneurial City of the Future”** that brought together scholars, entrepreneurs, and representatives of organizations supporting microenterprises to survey existing services and explore new ways of encouraging entrepreneurship in Boston (see *Pioneer Dialogues “Regulation of Microenterprises: How Much Is Too Much”*—at [www.pioneerinstitute.org/pdf/pdialg\\_38.pdf](http://www.pioneerinstitute.org/pdf/pdialg_38.pdf)—and *“Services for Urban Microentrepreneurs”*—[www.pioneerinstitute.org/pdf/pdialg\\_41.pdf](http://www.pioneerinstitute.org/pdf/pdialg_41.pdf)).



Panelists at the Center for Entrepreneurship’s inaugural event, a conference on microenterprise in Boston.

- Publication of a resource for small entrepreneurs, the **2000 Directory of Microenterprise Organizations in Massachusetts**, which profiles 51 organizations and agencies dedicated to assisting microenterprises ([www.pioneerinstitute.org/entre/directory.cfm](http://www.pioneerinstitute.org/entre/directory.cfm)).



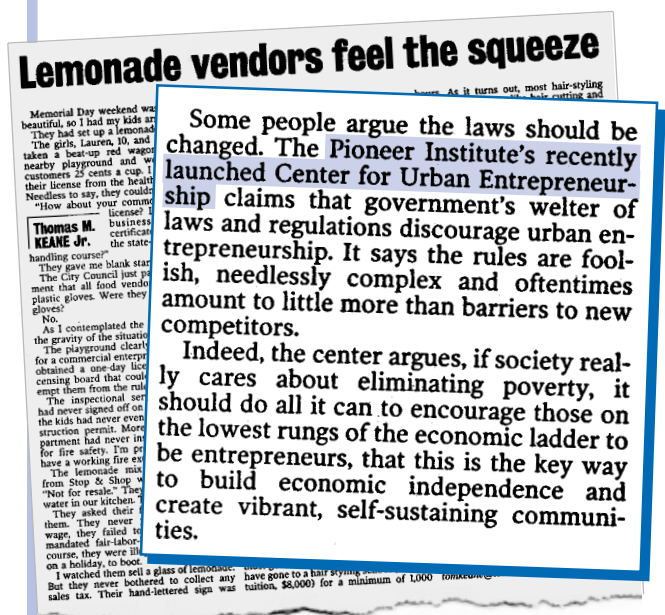
- Conducting a survey of the microentrepreneurs in the greater Boston area to identify and disseminate to policymakers issues of greatest concern in starting and sustaining small businesses (*Research Summary, “Survey of Boston Area Microenterprises Examines Varied Entrepreneurship Issues”* - [www.pioneerinstitute.org/entre/results.cfm](http://www.pioneerinstitute.org/entre/results.cfm)).

*“There is a compelling case to be made for microentrepreneurs. It’s more than just an economic case. For the entrepreneur, being involved in a business—your own business—means that you have some level of pride, some level of control over your life, and some self-realization. Most critically, particularly if you’re at the lowest rung of the economic ladder, it provides you with a way to climb up that ladder and to get into the mainstream of American society. It’s something that has happened for generations and something that we should not be discouraging through complex rules and regulations.”*

—former Boston City Councilor **Thomas M. Keane**, speaking at Pioneer’s microenterprise conference



Thomas Keane was also interviewed in the premier issue of *Pioneering Spirit* (see page 3) and made reference to the launch of the Center for Entrepreneurship in his *Boston Herald* column.



While Pioneer prides itself on its sustained focus and investment in areas such as educational reform, governmental restructuring, and economic opportunity (as detailed in the previous pages), the Institute's core mission remains the generation of new ideas that challenge conventional wisdom. To stay on the "cutting edge" of the public policy debate, the Institute's Research Department identifies and explores emerging issues related to individual freedom and free market principles.

The department commissions academic studies from recognized experts in Massachusetts and elsewhere, whose work is then subject to a rigorous peer review process by other scholars before publication. Building on an impressive body of scholarship ranging from educational choice to welfare reform, the department in 2000 set its sights on two areas: the current health care marketplace—or lack thereof—and the government's increasingly expansive use of its property-taking power.

#### Board of Academic Advisors

- Randy E. Barnett, Boston University
- Brigitte Berger, Boston University
- Robert M. Costrell, University of Massachusetts—Amherst
- Jeffrey S. Flier, Harvard University
- Nathan Glazer, Harvard University
- Howard Husock, Harvard University
- Jonathan B. Imber, Wellesley College
- Harvey C. Mansfield, Jr., Harvard University
- Jeffrey A. Miron, Boston University
- Simon Rottenberg, University of Massachusetts—Amherst
- Richard Schmalensee, Massachusetts Institute of Technology
- Abigail Thernstrom, Manhattan Institute

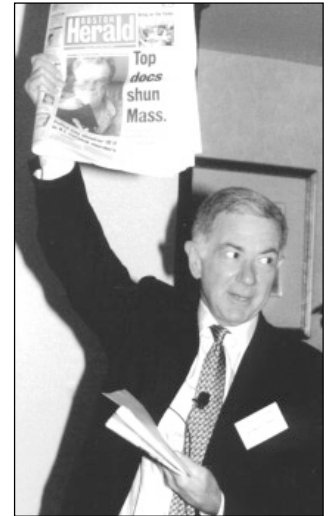
With the publication this past year of the *White Paper* "An Economic History of Health Care in Massachusetts 1990-2000," Pioneer laid the foundation for a greater role in the debate over health care policy. The Institute's first monograph 12 years ago, *The Massachusetts Health Plan: The Right Prescription?*, examined the universal health plan then being advanced by the Dukakis administration. The health care industry, of course, has changed tremendously since then. To stay on the "cutting edge" of this ever-evolving issue, Pioneer commissioned Dr. Jerome Grossman, long-time chair-

man and CEO of New England Medical Center, to provide an analysis of where we are and how we got here, with recommendations for improvement. Excerpts from the conclusion of his paper follow.

The Massachusetts health care system faces enormous challenges in the quest to reach stable ground after a decade of tumultuous change. Any strategies to get there must address effectively the two overarching realities of Massachusetts health care today:

- 1) Our health care system is structurally high cost at a time when public and private health care payers have sought to rein in spiraling health costs and show little sign of retreating from that new posture.
- 2) The brewing backlash against the cost controls of managed care has led to demands from patients for more control over the care they receive and demands from doctors for a return of control over the care they provide....

While some have seen in the current health care crises the rationale for return to more regulated medicine, long-term solutions to these problems are far more likely to be found by moving forward to a full-fledged embrace of the structure and accountability of a true market-based system. Indeed, the best strategies for addressing the twin realities of a structurally high-cost system and patient and provider discontent may come from confronting a third fundamental reality of our



Dr. Jerome Grossman, speaking on his study, holds up a Boston Herald to illustrate a point about the economic forces affecting health care today.

DAVID WARSH

## The story so far . . .

**T**he health care industry in Massachusetts is entering the new century in guarded but stable condition. More than 20 of the state's 80 hospitals have filed with the state for some form of emergency relief, as the *Globe's* Liz Kowalczyk reported last week. Many may be forced to cut some services.

More federal aid for medical education may be on the way; that could ease somewhat the straits of Boston's enormous research and development centers. Personal health insurance premiums are headed up, sharply — enough to postpone the next insurance crisis for a time.

It is not a bad moment, in other words, to pause for a look back and a look ahead. That's what Jerome H. Grossman M.D. did last summer when he published a concise guide to the situation, "An Economic History of Health Care in Massachusetts, 1990-2000."

Grossman, 61, had been more a participant in affairs than a student. From 1979 to 1995, he was chairman and chief executive of New England Medical Center, the teaching hospital of Tufts University Medical School. Before that, he had been an attending physician at Massachusetts General Hospital, where he served as director of ambulatory care and associate director of the Lab for Computer Science.

An early medical software entrepreneur — he founded Medical Information Technology Inc. in 1960 — Grossman is an enthusiastic exponent of competition among health care providers and insurers. As a former director of and ultimately chairman of the Federal Reserve Bank of Boston, he is a knowledgeable student of federal regulation, as well. He wrote his study for the market-oriented Pioneer Institute.

**More regulation? Or less? Dr. Jerome Grossman says "both."**

*The Boston Globe*

system, one that has been all but ignored amidst the health care din of recent years—namely, that we have entered the era of deregulated, competitive health care, but have seen little of the innovation in structure and operations that has brought productivity improvements to other industries that have made similar transitions, such as the financial and airline sectors.

See also *Policy Dialogue* “**Health Care Today: How Did We Get Here? What Now?**” ([www.pioneerinstitute.org/pdialg\\_35.pdf](http://www.pioneerinstitute.org/pdialg_35.pdf)) and the Pioneer op-ed from the *Boston Herald* “**Time to rethink health care ‘reform’**” ([www.pioneerinstitute.org/research/opeds/rethink.cfm](http://www.pioneerinstitute.org/research/opeds/rethink.cfm)).

In view of the growing array of large public construction projects, such as Boston’s Big Dig and Convention Center, as well as a possible new Fenway Park, all of which are premised on government’s land-taking powers, Pioneer targeted eminent domain for closer analysis. The result was a *White Paper* titled “The Power To Take: The Use of Eminent Domain in Massachusetts.” It concluded:

Much of Massachusetts eminent domain practice is admirable. Analysis of takings data from Registries of Deeds showed that the vast majority of takings were for “traditional” public purposes, such as highway construction, but that takings tended to increase during times when governments had more available financial resources.

However, Massachusetts lags behind other states in recognizing and awarding full compensation for the pecuniary harms suffered by condemnees. In addition, the public use requirement has been eroded in Massachusetts (as it has elsewhere), without an adequate substitute. At the same time, failure to compensate condemnees fully means that small property owners are often forced to absorb many of the costs of their own displacement.

To address these concerns, this study recommends amending the Massachusetts eminent domain statutes to require full compensation for relocation costs, business good-will, and attorneys’ fees and to allow real judicial scrutiny of legislative determinations that individual takings benefit the general public.



See also the Pioneer op-ed from the *Boston Herald* “**Eminent domain for Sox is off-base**” ([www.pioneerinstitute.org/research/whitepapers/wp15cover.cfm](http://www.pioneerinstitute.org/research/whitepapers/wp15cover.cfm)).

To read the complete texts of these *White Papers*—as well as to access all Pioneer’s published research—visit [www.pioneerinstitute.org/research](http://www.pioneerinstitute.org/research).

Pioneer Network is another way in which the Institute “taps into” emerging issues. An online forum devoted to recent research aligned with Pioneer’s areas of interest, Pioneer Network allows academicians, public policy experts, government officials, opinion leaders, journalists, students, and other interested individuals from across the nation to engage in an ongoing dialogue around leading-edge issues and develop the next generation of policy policy.

Twice monthly, Pioneer Network posts a substantive and timely article with a brief abstract. Through the ongoing discussions, ideas in the articles are more fully developed and new ideas are explored, leading to further research and publications.

Most of Pioneer Institute’s scholarly research is posted on Pioneer Network. Below is a sampling of additional “non-Pioneer” postings during 2000:

- Homesteading the Oceans: The Case for Property Rights in U.S. Fisheries
- The Education Freedom Index
- Health Care for the Poor and Uninsured after a Public Hospital’s Closure or Conversion
- Schooling, Inequality, and the Impact of Government
- Higher Minimum Wage Harms Minority and Inner-City Teens
- Revitalizing Urban America: Cleaning up the Brownfields
- Enough of the Small Stuff: Toward a New Urban Agenda
- How Charlotte is Revolutionizing Public Housing
- Yes, Tax the ‘Net
- HOT [High-Occupancy Toll] Lanes: A Better Way to Attack Urban Highway Congestion
- School Choice in Washington, D.C.: An Evaluation After One Year
- Making Welfare-to-Work Fly
- Growing Better Teachers in the Garden State: New Jersey’s “Alternate Route to Teacher Certification”

Log on to [www.pionernet.org](http://www.pionernet.org) and join the discussion!

# Pioneer Institute CONTRIBUTORS

It is only through the support of like-minded friends that Pioneer Institute is able to influence the Commonwealth's public policy landscape. Gifts large and small enable the Institute to continue and expand its efforts to

bring well-researched, sensible solutions to civic concerns. We are most grateful for the loyalty and generosity of those who have contributed in the year 2000. *We express our deep appreciation to all supporters listed below.*

## Corporations & Foundations

Anonymous (4)	Eaton Vance	L.T. & L. Resources Unlimited	Reason Foundation
Acushnet Foundation	Egan Family Foundation	Liberty Mutual Insurance Co.	Mabel Louise Riley Foundation
Anchor Capital Advisors	J.M. Forbes & Co.	Loring, Wolcott & Coolidge	Scudder, Stevens & Clark
Atlas Economic Research Foundation	H.N. Gorin, Inc.	Mestek, Inc.	Seaward Management
Boston Consulting Group	Slade Gorton & Co., Inc.	Middlecott Foundation	Shattuck Charitable Trust
Boston Private Bank & Trust Company	Grantham, Mayo, Van Otterloo & Co. LLC	Millipore Foundation	Joseph & Edna Slavik Charitable Trust
Brookline Bancorp, MHC	Charles Hayden Foundation	Morgan-Worcester, Inc.	SPS New England, Inc.
Brunie Philanthropic Fund	HFL Foundation	New England Electric System	L.S. Starrett Company
Cambridge Trust Company	High Street Associates	Nixon Peabody LLP	State Street Foundation
Central Rhode Island Chamber of Commerce	Hyde Charitable Foundation	Northeastern University	W. F. Sullivan Insurance Agency
Chartwell Insurance Brokers, Inc.	I Have a Dream Foundation	Opinion Dynamics Corporation	Sidney A. Swensrud Foundation
Irene E. & George A. Davis Foundation	InfoGraphix	Altreuter Peabody, Inc.	Thermo Electron
Shelby Cullom Davis Foundation	Kendall Foundation	Amelia Peabody Charitable Foundation	TJX Companies, Inc.
Dec-E-Tech	Moses Kimball Fund	Peggy Lawton Kitchens, Inc.	United Lens Company, Inc.
Delta Dental Plan of Massachusetts	Koch Industries, Inc.	Ruth and Lovett Peters Foundation	D.K. Webster Foundation

## Individuals

Anonymous (7)	Mr. Lawrence Bragg	Mr. Jeremiah Cole	Mr. and Mrs. J.J. Dorgan	Mr. M. Dozier Gardner
Mr. and Mrs. John Arena	Mr. and Mrs. F. Gorham Brigham	Mr. Ferdinand Colloredo-Mansfeld	Mr. Alfred B. Downes	Mr. John Gardner
Mr. and Mrs. David B. Arnold, Jr.	Mr. and Mrs. H. Day Brigham, Jr.	Mr. and Mrs. James Colman	Mr. Walter L. Downey	Mr. Arnold Garrison
Mr. and Mrs. Delwyn Arnold	Mr. Edgar H. Bristol	Mr. Thomas Connors	Mr. Joseph D. Downing	Mr. Dale Garth
Dr. Rafik Attia	Mr. Peter Brooke	Mr. and Mrs. Lawrence Coolidge	Mr. Kingsley Durant	Ms. Jane George
Mr. Eric Bacon	Kirstin and E. Michael Brown	Mr. and Mrs. T.J. Coolidge	Mr. Wesley H. Eaton	Professor Joesph M. Giglio
Mr. and Mrs. Charles Baker, Jr.	Mr. and Mrs. Clifford Brown, Jr.	Mr. and Mrs. John L. Cooper	Mr. William S. Edgerly	Mr. and Mrs. John A. Gilmartin
Mr. and Mrs. Charles Baker, Sr.	Mr. David Brudnoy	Dr. and Mrs. Evan Coravos	Dr. Richard H. Egdahl	Mr. Brian R. Gilmore
Mr. and Mrs. William A. Barnstead	Mr. and Mrs. Ralph Buglass	Mr. Fairman C. Cowan	Mr. and Mrs. William Elfers	Mr. Charles P. Gogolak
Mr. George Bass	Mr. Edmund F. Burke	Mr. and Mrs. Howard E. Cox	Mr. Russell L. Epker and Ann Percival	Mr. Paul S. Goodof
Mr. and Mrs. Henry Bass	Mr. Richard M. Burnes, Jr.	Mr. and Mrs. Lloyd C. Dahmen	Mr. Michael A. Ervolini	Mr. and Mrs. Stephen G. Gormley
Mr. Duane Batista	Mr. and Mrs. Francis Burr	Mr. Bruce G. Daniels	Mr. David C. Evans, Jr.	Mr. Oren Grad
Mr. Philip Beals	Ms. Ann F. Butler	Mr. Nijanand Datar	Mr. Simon Fahey	Mr. R. Jeremy Grantham
Mr. and Mrs. Martin Begien	Mr. James F. Carlin	Mr. and Mrs. Michael Davis	Mr. and Mrs. Geoffrey Farnum	Mr. and Mrs. Morris Gray
Mr. John T. Bennett	Mr. James T. Chadwick	Ms. Tamara P. Davis	Mr. Anthony Faunce	Mr. Ralph Green
Mrs. Ruth Berg	Mr. and Mrs. Melville Chapin	Mr. and Mrs. Robert L. Day	Mr. Steven S. Feinberg	Mr. David Griffel
Mr. David J. Berkland	Mr. Cornelius J. Chapman, Jr.	Dr. and Mrs. Francis de Marneffe	Mr. Carl Ferenbach, III	Dr. and Mrs. Jerome H. Grossman
Mr. and Mrs. Irving A. Berstein	Mr. Thomas Chin	Mr. Casimir de Rham, Jr.	Mr. Alan S. Fields	Mr. and Mrs. Theodore C. Haffenreffer
Mr. and Mrs. Philip W. Bianchi	Mr. and Mrs. Thomas Claflin	Mr. and Mrs. Samuel S. Dennis, III	Mr. John J. Fifield	Mr. John Hanafin
Mr. Robert Birch	Mr. and Mrs. Lewis H. Clark	Mr. Gary T. DiCamillo	Mr. and Mrs. Peter Fiscoeder	Mr. Frederick C. Hapgood
Mr. Robert G. Bradford	Dr. and Mrs. Melvin Clouse	Mr. David F. Dietz	Mr. and Mrs. Michael E. Flanagan	Mr. James H. Harrington
Mr. Lee Bradley	Mr. Alan M. Cody	Mr. John B. Dirlam	Dr. Jeffrey S. Flier	Mr. and Mrs. Scott Hartz
Mr. and Mrs. Robert Bradley	Mr. and Mrs. Peter Coffin	Mr. and Mrs. William K. Doggett, Jr.	Mr. Howard P. Foley	Mr. and Mrs. Charles T. Haydock
Mrs. Lawrence Bragg, Jr.	Mr. James W. Coghlin		Mr. Richard Forbes	
			Mr. William B. Gannett	



*Pioneer "Silver Circle" supporters are invited to private receptions with guest speakers at major events.*



*Ferdinand Colloredo-Mansfeld (left to right), Gary Countryman, and Lieutenant Governor Jane Swift at the 2000 Better Government Competition Dinner.*



*Michael Davis (l-r) David Evans, and Governor Paul Cellucci at the BGC donor reception.*

Mr. Paul Henry  
 Mr. and Mrs. Charles C. Hewitt, III  
 Mr. and Mrs. Colby Hewitt, Jr.  
 Mr. and Mrs. Arthur R. Hilsinger  
 Mr. Steven Hoch  
 Dr. Carol Hochberg  
 Mr. Robert J. Hogan  
 Mr. Amor Hollingsworth  
 Mr. and Mrs. Jas. Murray Howe, Esq.  
 Mr. James S. Hughes  
 Mr. Robert W. Hungate  
 Mr. Richard M. Hunt  
 Mr. Richard M. Hurd  
 Ms. Sally D. Hurlbut  
 Mr. M. Howard Jacobson  
 Dr. and Mrs. Robert G. Johnson  
 Mr. Richard Johnston  
 Holly and Bruce Johnstone  
 Mr. and Mrs. T. Curry Jones  
 Mr. and Mrs. William M. Jose  
 Mr. and Mrs. Bill Josephson  
 Mr. and Mrs. Arthur Kalotkin  
 Mr. Charles F. Kane  
 Mr. George S. Kariotis  
 Dr. Gary P. Kearney  
 Mr. and Mrs. James B. Kenary  
 Mr. Peter Koch  
 Mr. Paul M. Kochis  
 Dr. and Mrs. Harold J. Kosasky  
 Mr. Stanley Kruszewski  
 Mr. Edward H. Ladd  
 Mr. Alfred A. Lagan  
 Mr. Byron Lamm  
 Mr. Robert A. Lawrence  
 Mr. and Mrs. John W. Learnard  
 Mr. Douglass B. Lee, Jr.  
 Mr. Jonathan O. Lee  
 Mr. Alan L. Lefkowitz

Mr. Edmund H. Leland  
 Mr. and Mrs. Robin Lincoln  
 Mr. and Mrs. Robert Littlehale  
 Mr. Chuck Longfield  
 Mr. and Mrs. Peter N. Lord  
 Mr. George M. Lovejoy, Jr.  
 Mr. John Lowell  
 Mr. Laurens Maclure  
 Mr. and Mrs. George Macomber  
 Mr. and Mrs. David B. Maddox  
 Mr. Wilson K. Magee, Jr.  
 Dr. Edward Morgan Mahoney  
 Mrs. Marie J. Malkasian  
 Mr. Louis J. Maret  
 Dr. Edwin P. Maynard, III  
 Mr. Henry F. McCance  
 Mr. William McConnell  
 Mr. and Mrs. Thomas P. McDermott  
 Mr. and Mrs. Arthur P.G. McGinnes  
 Mr. Robert F. McKown  
 Mr. and Mrs. Stephen Mead  
 Mr. Francis X. Meaney  
 Mr. and Mrs. John A. Miller, Jr.  
 Mr. and Mrs. Roger Milliken  
 Mr. John E. Mona  
 Mr. and Mrs. George Marshall Moriarty  
 Mr. Reid Morrison  
 Mr. Alan Morse  
 Mr. William B. Moses  
 Mr. and Mrs. Carl M. Mueller  
 Mr. Frederick O.J. Muzi  
 Mr. Avi Nelson  
 Mr. Donald Nelson  
 John and Linda Nelson  
 Mr. Peter Nessen  
 Dr. and Mrs. David A. Newton  
 Mr. and Mrs. Warren Norquist

Mr. Diarmuid O'Connell  
 Mr. and Mrs. Gilbert E. O'Connell  
 Mr. Thomas O'Donnell  
 Mr. Richard T. O'Rourke  
 Mr. David Panagore  
 Mr. Joseph E. Patton  
 Mr. and Mrs. J. Edward Pawlick  
 Mr. and Mrs. Faelton Perkins  
 Mr. and Mrs. H. Bradlee Perry  
 Mr. Gayle L. Peters-Coates  
 Mr. and Mrs. Daniel S. Peters  
 Professor Harold Peterson  
 Mr. Daniel Phillips  
 Dr. and Mrs. Arthur S. Pier, Jr.  
 Mr. Ted Pietras  
 Mr. David E. Place  
 Dr. Philip J. Porter  
 Mr. and Mrs. David G. Powell  
 Mr. Donald P. Quinn  
 Mr. Bruce Ramsey  
 Mr. John Reed  
 Ms. Janet D. Richey  
 Mr. and Mrs. Mark Rickabaugh  
 Mr. and Mrs. William Riegel  
 Mr. Michael Robbins  
 Ms. Margaret Robinson  
 Mr. John Ex Rodgers  
 Mr. and Mrs. Henry Rose  
 Mr. and Mrs. Alvan F. Rosenberg  
 Mr. W. Clinton Roth  
 Mr. and Mrs. Jean Rousseau  
 Mr. John W. Rowe  
 Mr. Edward Rudman  
 Jan and William Russell  
 Dr. and Mrs. Paul Russell  
 Mr. Robert V. Sartini  
 Mr. William C. Sawyer

Mr. John V.C. Saylor  
 Mr. Richard W. Scheffler  
 Dr. John A. Schemmer  
 Mrs. Rose G. Schemmer  
 Mr. and Mrs. Richard L. Schmalensee  
 Mr. Marvin Schorr  
 Mr. Daniel J. Schwinn  
 Mr. David W. Scudder  
 Mr. and Mrs. Bruce Seddon  
 Mr. and Mrs. Roger Servison  
 Mrs. Edna Shamie  
 Mr. and Mrs. Henry B. Shepard, Jr.  
 Mr. and Mrs. Ross English Sherbrooke  
 Mr. and Mrs. Richard W. Shreve  
 Mr. Richard N. Silverman  
 Ms. Catherine R. Singleton  
 Mr. Clark R. Smith, Esq.  
 Mrs. Gordon Smith  
 Dr. Lowell C. Smith  
 Mr. Verity Carisle Smith  
 Mr. Eliot I. Snider  
 Mr. Stanley W. Snider  
 Mr. and Mrs. Julian M. Sobin  
 Diana and John Spencer  
 Walter and Nan St. Goar  
 Mr. Ray Stata  
 Mrs. Phyllis M. Stearns  
 Mr. Alan Steinert, Jr.  
 Mr. and Mrs. Ira Stepanian  
 Mr. Arthur J. Stock  
 Mr. David B. Stone  
 Mr. Frederic Stott  
 Mr. Carl V. Swanson  
 Mr. and Mrs. E. Kent Swift  
 Mr. and Mrs. Edwin J. Taff  
 Mr. and Mrs. Hooker Talcott  
 Mr. and Mrs. James C. Taylor

Ms. Alice Thompson  
 Mr. John Larkin Thompson  
 Mr. John L. Thorndike  
 Mr. W. Nicholas Thorndike  
 Mr. Frederick G.P. Thorne  
 Professor Serge Timasheff  
 Mr. and Mrs. Leonard W. Tucker  
 Mr. and Mrs. William Tyler  
 Mr. Larry C. van Heerden  
 Mr. and Mrs. Eyk Van Otterloo  
 Mr. Herbert W. Vaughan  
 Mr. Mark Venezia  
 Dr. and Mrs. Gordon Vineyard  
 Mr. Jephtha H. Wade  
 Mr. and Mrs. Monte J. Wallace  
 Mr. Joseph B. Walsh  
 Mr. David Webster  
 Mr. and Mrs. Sinclair Weeks, Jr.  
 Mr. and Mrs. David H. Weener  
 Mr. Kurt E. Weisenbeck  
 Mr. Walter Weld  
 Mr. and Mrs. John S. Wells  
 Mr. and Mrs. Robert F. White  
 Mr. and Mrs. Peter Wilde  
 Mrs. Sally Wilde  
 Mr. and Mrs. Allen Willard  
 Mr. David E. Winship  
 Mr. Lee Marc G. Wolman  
 Mr. R. Norman Wood  
 Dr. and Mrs. Edward Woods  
 Mr. and Mrs. David B. Wray  
 Mr. Jack Wrobel  
 Mr. and Mrs. Franklin Wyman  
 Dr. and Mrs. Othar Zaldastani

*Please note this list includes only those who contributed in 2000.*

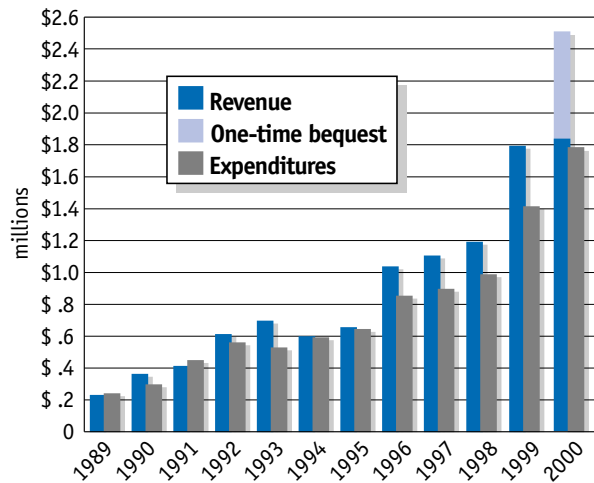
Pioneer maintained its strong financial standing in 2000 with annual giving totaling over \$1.8 million—the most ever—while a one-time bequest from the estate of “guiding spirit” Raymond Shamie boosted total revenues to \$2.5 million (see below). This special gift has been set aside from general revenue to bolster Pioneer’s cumulative assets.

The general revenue figure of \$1.8 million came predominately from individual supporters (42.4% of the dollar total), foundations (54.3%), and corporations (3.3%). The total represented an

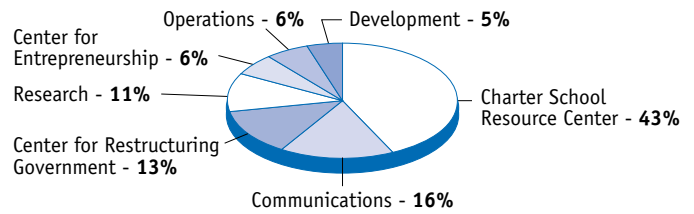
encouraging 3 percent increase over revenue in 1999, itself a “high water” mark in the Institute’s history. The Institute relies on private support; it neither seeks nor accepts any government funding.

Reflecting continuing conservative fiscal management, expenditures in 2000—as in the eight previous years—remained below revenues. To ensure that our donors receive the best possible return on their investment, the Institute spent approximately nine of every ten dollars directly on research, programs, and outreach activities—our main mission—in 2000.

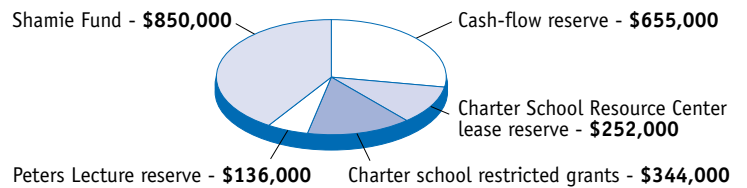
### Revenues and Expenditures, 1989-2000



### 2000 Expenditures



### 2000 Year End Current Assets



The data presented here are unaudited. Pioneer’s financial records are audited annually by Glenn Ricciardelli, P.C. The fiscal year 2000 audited financial statement will be available upon request later.

## The Raymond Shamie Fund

Pioneer Institute is deeply honored to report the receipt in 2000 of a major gift from the estate of Raymond Shamie, one of the Institute’s “charter” supporters and a long-time board member. Truly a “pioneer” in his own right, Ray Shamie was an early champion of a think tank devoted to Massachusetts policy issues, and was central to the birth of Pioneer. In recognition of his sage advice, commitment to shared ideals, and unwavering support, Pioneer presented him with its Tenth Anniversary Gold Medal at the inaugural Lovett C. Peters Lecture in Public Policy in 1998.

The \$700,000 gift—the largest in Pioneer’s history—has been earmarked as the basis for The Raymond Shamie Fund to provide long-term support for Pioneer programs embodying his beliefs in the ideals of individual



*Raymond Shamie (left) with Founding Chairman Lovett C. Peters on the occasion of his receiving Pioneer’s Tenth Anniversary Gold Medal in 1998.*

responsibility and limited government.

“All of us at Pioneer are deeply appreciative of this legacy,” says Pioneer Chairman Colby Hewitt, expressing thanks to Edna Shamie, Ray’s widow, who is an honorary Pioneer director. “It is not only

a reflection of Ray and Edna’s deep commitment to Pioneer and its ideals, but also testimony to Ray’s faith in us to effect change on the policy landscape in Massachusetts—his lifelong goal.”

The Raymond Shamie Fund will not only serve as a “lasting remembrance of Ray Shamie and his guiding spirit” but will also be a “catalyst” for a special fundraising effort to bolster Pioneer’s long-term financial stability, according to Hewitt, noting the Fund has already grown to \$850,000.

“Because Pioneer must rely solely on private funds, we hope other supporters will be inspired by Ray’s example and join in building this new endowment fund as a tribute to him and all he stood for.” As the first bequest Pioneer has received, the gift may also serve as a model for planned giving by others to the Institute.

**Founding Chairman**

**Lovett C. "Pete" Peters**



founded Pioneer Institute in 1988 following a long business career in

energy and banking. A 1936 Yale University graduate, he is a trustee of Hillsdale and Nichols Colleges. He is the recipient of many honors and awards, most recently the Roe Award from the State Policy Network and, along with his wife, Ruth Stott Peters, the Champions of Freedom Award from the Mackinac Center for Public Policy.

**Colby Hewitt, Jr.** has been Chairman of Pioneer since 1997, working closely with Founding Chairman Pete Peters.



For 45 years he led Aon Risk Services, an insurance business in Boston. A Harvard University graduate, he has served for many years on the boards of several Massachusetts educational and health care institutions, including Northeastern University, Hampshire College, Wheelock College, and Beth-Israel Deaconess Hospital.

**Executive Director**

**James A. Peyser** has been



Executive Director of Pioneer since 1993. He also serves as Chairman of the

Massachusetts Board of Education, and took a four-month leave of absence from Pioneer in 1995 to serve as Under Secretary of Education and Special Assistant to the Governor for Charter Schools. He previously worked in business and on Capitol Hill. A graduate of Colgate University, he holds a master's from The Fletcher School (Tufts University).

**Directors**

- **Charles D. Baker, Sr.** Northeastern University
- **Charles D. Baker, Jr.** Harvard Pilgrim Health Care
- **Nancy Myers Coolidge** Citizens United for Charter Schools
- **Gary L. Countryman** Liberty Mutual Insurance Company
- **William S. Edgerly** Foundation for Partnerships
- **David C. Evans, Jr.** Congress Street Research
- **Rosalind E. Gorin** H. N. Gorin, Incorporated
- **Patricia A. Maddox**
- **Thomas P. McDermott** TPM Associates
- **Peter Nessen** NCN Financial Corporation
- **Diane Schmalensee** Schmalensee Partners
- **Diana Spencer** Shelby Cullom Davis Foundation
- **David A. Spina** State Street Corporation
- **John Larkin Thompson** Nutter, McLennen & Fish
- **Frederick G. P. Thorne** Harbor Capital Management Company, Incorporated
- **William B. Tyler** Rackemann, Sawyer & Brewster

**Civic Involvement**

The Institute's "Pioneers" were active in related civic endeavors in 2000. Founding Chairman Pete Peters, through his Save A School Foundation, offered a \$1 million incentive to low-performing public schools to convert to charter schools—only to find no takers. Director Diana Spencer, who is also a National Foundation for Teaching Entrepreneurship (NFTE) board member, is shown at right with Rudy Crew, former New York City schools chancellor, at last summer's "NFTE University" for teachers interested in entrepreneurship education. Director William Edgerly (at left in photo below), in his role as chairman of Foundation for Partnerships, gave \$10,000 awards to five principals whose schools—including one charter school—showed the greatest improvement on the Massachusetts Comprehensive Assessment System (MCAS) exams.



*The Boston Globe*

**Who Doesn't Want To Be a Millionaire?**

**CHALLENGES!** Philanthropist Lovett Peters is willing to bet \$1 million that charter schools can outpace the public ones. Surprise! No one's taking him up on it.

Teacher's great: Peters thinks private is better.

**Forbes**

BY JOANNE GORDON  
**H**OWS THIS FOR A CONFIDENT philanthropist? In late August Lovett C. Peters issued a challenge school in East Boston, one of the targeted elementary schools: "It's easy for someone not familiar with the individual schools to make an offer like this."  
 Actually, the 87-year-old Peters is quite familiar with public education. Since 1988 the retired oil industry investor has been running the Pioneer Institute, a Boston think tank he founded to promote free-market ideas.  
 Last year Pioneer spent \$700,000 of its \$1.8 million in donations to nurture the state's 36 charter schools. Pioneer helps community groups run schools efficiently. There are 2,069 charter schools nationally, a number that grew 22% since last year, as parents seek alternatives to the troubled public system.  
 "These public schools are horribly



## Pioneer Institute STAFF



**Jane Boulet** is Program Director of the Charter School Development Initiative. Before joining Pioneer in 2000, she was Director of Development at South Boston Harbor

Academy Charter School. A graduate of the University of Toronto, she also has worked in development at Tufts University, Morgan Memorial Goodwill Industries, and other organizations.



**Linda Brown** has been Director of Pioneer's Charter School Resource Center since 1993, working directly with state authorizers and individual education entrepreneurs

to see charter schools take root and flourish. Prior to joining Pioneer, she held the position of associate head of school at an independent school in Cambridge, Massachusetts.



**Ralph Buglass** is Pioneer's Director of Communications. Before joining Pioneer in 1999, he produced many of the Institute's publications through his own communications business.

A graduate of Cornell University with a master's in journalism from American University, he has also been employed in communications capacities in education and health care.



**Charles Chieppo** is Director of Pioneer's Center for Restructuring Government. Prior to joining Pioneer in 1995, he was a special assistant to the Massachusetts

Secretary for Administration and Finance, and New York coordinator for Paul Tsongas' 1992 presidential campaign. He holds a law degree from Vanderbilt University and a bachelor's degree from Boston University.



**Nicole Clowes** is Pioneer's Development Associate. She joined the institute in 2000 as an administrative assistant after working in the publishing industry as

an advertising and circulation manager. She attended Northeastern University, studying English and journalism.



**Rosamond Edison** is the Program Coordinator of the Charter School Resource Center. She joined Pioneer in 1999 after receiving a master's from the Arthur D. Little

School of Management. A graduate of the University of Idaho, she served three years in Bucharest, Romania, as a teacher of English.



**Marci Cornell Feist** is Director of Board Development at the Massachusetts Charter School Resource Center. She joined Pioneer in 1999 from Advantage

Schools, Inc. as Program Director of the Charter School Development Initiative. A graduate of Bowdoin College, she holds a master's in international education from Harvard Graduate School of Education.



**Morris Gray** is Pioneer's Treasurer. A Harvard graduate ('43, MBA '47), he was previously a vice president of State Street Bank and currently an overseer for the

Huntington Theater Company and WGBH, Life Trustee of the Museum of Science, Corporate Trustee of the Trustees of Reservations, and Trustee of the USS Constitution Museum.



**Susan Hoopes** joined Pioneer as Director of Operations in 1999. A graduate of the Whittemore School of Business and Economics at the University of New Hampshire

(UNH), she has been employed in the field of business management for the past 15 years, most recently as Business Manager for the Institute on Disability at UNH.



**James Stergios** was named Pioneer's Research Director in early 2000. Formerly a Research Associate at Pioneer, he has taught economics at universities in Rome and Kyoto, Japan.

He graduated from Boston University summa cum laude in philosophy and economics and is currently finishing his doctoral dissertation in political sociology at Boston University's University Professors Program.

Pioneer Institute benefits greatly from the assistance of the following part-time staff members:

- **David Bobb**, Research Associate
- **Kathryn Ciffolillo**, Writer/Editor
- **Michael Kane**, Research Assistant
- **Shawni Littlehale**, Research Associate
- **Gabriela Mrad**, Director, Center for Entrepreneurship
- **Antonia Rudenstine**, Educational Consultant, The Leadership Academy, Massachusetts Charter School Resource Center
- **Rebecca Wolf**, Associate, Center for Entrepreneurship
- **Alla Yakovlev**, Research Associate