

1-1-1984

Policy Issues Facing Boston: 1984, A Summary

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Recommended Citation

Corrigan, Robert A.; Beard, Edmund; and John W. McCormack Institute of Public Affairs, University of Massachusetts Boston, "Policy Issues Facing Boston: 1984, A Summary" (1984). *John M. McCormack Graduate School of Policy and Global Studies Publications*. Paper 1.

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POLICY ISSUES FACING BOSTON: 1984
A SUMMARY

John W. McCormack Institute of
Public Affairs

University of Mass./Boston

January, 1984

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Robert A. Corrigan
Chancellor

Edmund Beard
Director

Policy Issues Facing Boston: 1984

In the Fall of 1983 the John W. McCormack Institute of Public Affairs asked a number of experts in various fields from within and outside the University to prepare an analysis of the major policy issues facing the City of Boston in 1984.

In December 1983, the Boston School Committee and City Council, in separate half-day seminars, came to the University for discussions on the issues identified. At the same time, the papers prepared were delivered to the transition teams of the Flynn Administration. This report briefly summarizes the major findings of the effort. Citizens interested in obtaining individual copies of any of the papers should call the Institute at 929-7275. The Institute is pleased to be of public service during this period of transition in the City of Boston.

Edmund Beard

Director

JOHN W. MCCORMACK INSTITUTE

The John W. McCormack Institute of Public Affairs is named for the Speaker of the United States House of Representatives from 1962 to 1971. Born in South Boston, less than a mile from the University of Massachusetts at Boston's Harbor Campus, John McCormack lived much of his life in Dorchester, home of the campus, and represented Massachusetts' Ninth Congressional District in which the campus lies for 43 years.

The McCormack Institute has several complementary goals. Through applied research in public policy, the Institute will marshal University resources to address the needs of the Commonwealth of Massachusetts. By instituting a wide-ranging educational outreach program in cooperation with the John F. Kennedy Library, the Institute will promote informed debate and encourage active participation in public life. By serving as home to the University's Master of Science in Public Affairs, the Institute will recruit and train leaders for both the public and private sectors.

The Institute builds upon resources already existing on the Boston Campus. The Center for Survey Research, the Boston Urban Observatory, and the Center for Policy Studies all have proven, highly successful records in providing timely analysis on public policy issues of concern to the Commonwealth. The McCormack Institute is intended to draw together, coordinate and expand these efforts. The Institute will also join University resources with those of its neighbors on Columbia Point, the John F. Kennedy Library and the Massachusetts State Archives.

John W. McCormack Institute of Public Affairs

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Ernest Lynton

Kermit Morrissey

Padraig O'Malley

Franklin Patterson

Wilson Pile

Joseph Slavet

Victoria Stebbins

Raymond Torto

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Policy Issues Facing Boston: 1984

The Papers

Finance

"Boston's Fiscal Future: Prognosis and Policy Options for 1984 to 1986," by Joseph S. Slavet and Raymond G. Torto.

"Financing of the City's Operating and Capital Construction Program," by J. Chester Johnson.

"The Assessing Department," by Janet L. Hunkel.

Education

"Public Education in Boston," by Joseph Marr Cronin.

"Some Key Issues Facing Boston's Public Schools in 1984," by Robert A. Dentler.

Housing

"Guidelines for Options and Strategies," by Joseph S. Slavet.

"Housing," by Phillip L. Clay.

"Shelter Poverty," by Michael Stone.

"Boston's Housing in 1984: Issues and Opportunities," by Rolf Goetze.

Public Attitudes

"Priorities for Boston in Public Education, Housing, Employment and Neighborhood Development," by Floyd J. Fowler, Jr.

Policy Issues Facing Boston

A Summary

Finance

Three papers were commissioned on the City's budgetary and financial situation. The first of these papers, by Joseph S. Slavet and Raymond G. Torto, analyzed the budgetary situations for fiscal years 1984, 1985 and 1986. The paper concluded that Boston would not experience a budgetary deficit in 1984, but that the City faced a severe deficit of \$48 million in 1985, followed by a deficit projection of \$32 million in 1986. The paper ascribed the problems to a lack of revenue from sources other than property -- a long standing problem in Boston.

The 1984 year was kept in balance because of the City's use of one-time revenue sources - the "family jewels". The paper was particularly critical of selling the "family jewels" in order to maintain a lifestyle that current income cannot sustain.

The options facing the City were categorized as self-help options, which have limited appeal and do not address the substantive problem, and state-help options. The latter address systemic problems and require additional state aid for the City and enabling legislation allowing the City to institute local taxes that would not adversely affect its competitive posture. The study concluded that although Boston's problems were serious, there were reasonable and attainable solutions at hand. Slavet and Torto called for fiscal prudence within City Hall coupled with exercise of some political muscle on Beacon Hill to bring Boston its rightful share of state aid and create local-option tax sources which together can brighten Boston's fiscal future.

J. Chester Johnson focused his paper on the financing issues facing Boston's operating and capital budgets. He identified a need for the City to borrow both short- and long-term. He noted that a bond anticipation note of \$25 million is due in June and that additional capital priorities and initiatives in the range of \$20-25 million would also need funding.

Johnson was particularly concerned that Boston place special emphasis on its credit position in 1984 and in future years. He identified four factors which credit analysts in the financial community see as negatively affecting the City's credit position. First are the large number of fixed costs facing the city such as health and hospitals, debt service, transit costs and pensions, all of which are financed directly from the City's operating budget. These expenses put substantial pressure on Boston's limited revenue sources and as a result, create concerns about Boston's ability to raise sufficient revenues to pay all of its obligations.

The second factor is the dichotomy between tax revenues and the significant economic activity within the City. The City must rely solely upon the property tax; as a result, the City's revenue sources are largely unresponsive to any economic upsurge occurring in Boston. A third factor Johnson saw as hurting the City's credit position were the restrictions of Proposition 2½. The fourth negative was the City's problems with disproportionate assessment refunds. The financial strain imposed by these claims served to further weaken Boston's financial situation.

Johnson thought the City will have to pursue actively those policies and procedures that will strengthen the City's credit in the eyes of credit analysts and potential investors and ensure that the City maintains the sound financial and debt management necessary to keep the City financially and politically viable.

One of the issues that Johnson saw as weakening the City's credit worthiness was the potential for tax refunds. The revaluation of all property in 1983 seemingly eliminated the prospective aspects of this problem. However, Janet Hunkel's paper focusses on the assessing future in Boston and finds that variations in assessment in fiscal 1984 remain wide and that the City must prepare now for a complete revaluation in fiscal 1986. Lack of uniformity in assessments only one year after the revaluation is approaching the same unacceptable level as that preceding revaluation. She points out the need for the City to develop a computer assisted mass appraisal system -- not

developed in the first revaluation -- and suggests that the next administration pay particular attention to these issues early on, so as not to be caught "unawares" in two years.

Education

Two distinguished educators prepared separate papers on the Boston Public Schools. Both identified the cost and quality of education as the key issues. Robert Dentler stressed the issue of costs, while Joseph Cronin stressed key changes to develop a better quality program.

Robert Dentler felt that the new Boston School Committee will inherit a public school system that has made significant progress toward the aims described in his paper. That progress can be consolidated and extended if the politics of resource allocation are handled effectively in a year that will be filled with novel political developments.

Dentler's paper argues that staffing of all kinds has yet to be brought into line with continuing and projected declines in enrollment, and that staff reductions offer the best key to the lock on fiscal 1985 if funds are requested for expanding ongoing improvement efforts and for bringing the system into compliance with State Board desegregation order findings. Staffing has been reduced significantly since 1980, but the reductions continue to lag behind enrollment declines and have been extremely difficult to manage so as to prevent shortages in some schools and classrooms. The evidence and line of reasoning in his paper suggest that if the new Boston School Committee orders its own house and constituent relations with dispatch, it will be able to devote its policy deliberations to the question of how to deliver improved yet stabilized and desegregating services to students and parents.

Joseph Cronin presents suggestions for the Mayor, the City Council and the School Committee. He believes that although the School Committee has the direct responsibility for Boston schools, the Mayor can play a strong role in raising expectations for children, teachers, and all others connected with the schools. Mayors

in the past have helped bring in outside resources, build new schools, close down the inadequate ones, and provide important support for education. Judges have become active in school assignment policies only after school committees failed to comply with state and federal requirements.

Cronin suggests the School Committee should take these steps:

1. Elect a chairman and vice-chairman, reject any more than five paid staff for the committee, appoint as few subcommittees as possible, but apply for modest compensation for the part-time service on the board. Visit schools and request expert assistance in learning the job.
2. Require of the superintendent early each year a program budget with a narrative of educational services purchased for all dollars requested in the annual school budget.
3. Work closely with state officials in 1984 to define the high educational standards needed in the schools and to obtain the additional funds, state and federal, needed to pay for additional or expanded programs.
4. Invite the Mayor to meetings, authorize a complete review of school facilities, and ask for dialogue on the city budget for the schools.
5. Study thoroughly the national reports on education and the Education Planning Group proposal. Require the Superintendent to respond with specific recommendations and motions for School Committee action on any matters remaining from 1983.
6. Call for staff recommendations to comply with handicapped and other judicial decisions needed to end the court-ordered monitoring and supervision of the schools.
7. Plan how to close down underutilized buildings and those that do not meet energy, education, financial or racial integration criteria. Insist on and approve a five-year facility plan and construction bond program.
8. Constantly evaluate the components of the Boston COMPACT and ask for

periodic reports from the work groups and task forces. Also, ask the Superintendent to provide timely accounts of progress on school-based management, curriculum development, testing and other educational programs.

9. Support the teachers but insist on management rights including the right of a principal to reject a new teacher or transferee, and to evaluate and discipline a teacher. Find new ways to expand the amount of time available to provide additional training and program development time for teachers and administrators. School Committee members must be advocates for the schools, totally committed to public education, and build bridges both to the neighborhoods and to the larger community, including corporations and universities.

Cronin suggests the Mayor should:

1. Assign Public Facilities and Boston Redevelopment Authority staff to work with school officials in implementing a five-year school facility plan including renovation of usable schools and closing of underutilized and costly schools.
2. Require prompt implementation of a reduced number of district superintendencies.
3. Annually request of school officials cost control strategies along with requests for increases.
4. Attend School Committee meetings for six months before calling for legislation placing him as member or chair of the Committee. Consider forming and chairing a city-wide youth cabinet of school, recreation, police and youth training officials.
5. Avoid participating in decisions to promote principals and headmasters, transfer teachers, allow or ban books, or alter the curriculum.
6. Call quarterly meetings with the School Committee, visit schools and special programs, honor outstanding students, teachers and principals.

Encourage universities, cultural groups, and employers to take active partnership roles with the schools through the Boston COMPACT.

7. Provide fire and police assistance as well as expand community school programs and services.

8. Endorse the International High School and other world oriented projects of the schools, in cooperation with consuls, and travel, convention and commerce groups. These ventures will include computer and health technology programs and the fuller use of the Humphrey Occupational Center.

The City Council can raise questions of the School Committee and Superintendent, support a school facilities improvement plan, expand the community school services to neighborhoods and all age groups, advocate and evaluate programs under the Boston COMPACT, and ask more questions through the budget process than is customary.

Boston school officials can achieve additional administrative economies even though more than 100 school buildings have already been closed. At the same time, new educational improvements can be grouped into those that are inexpensive and those that will cost money -- such as early childhood education, more math and science, and improved technology and school facilities.

Finally, the Mayor is an important person in part because he approves the school budget and controls the purse on major school construction decisions. But he is also viewed as a leader in devising a total strategy of improving the economic climate of the city, including so much that affects the schools -- the quality of public housing, health, job training, family services, and control of crime and delinquency. If schools improve and adolescents stay in school longer, the city and its neighborhoods will become safer and better. More young families would stay in the city and use the public schools if the quality of city services and schools were sufficiently good. A Mayor can make a difference, says Cronin.

Housing

The city's stakes in the housing area are enormous. When residents feel good about their housing, their perspective and feeling about the whole city change. Their feelings about services, safety and taxes improve. The elderly feel more secure, families are more confident, the young are more hopeful. No policy area under the city's control offers so much leverage on improving the quality of life in the city.

The McCormack Institute, in full knowledge of the importance of housing to the City's fabric, commissioned four papers on the subject. All were concerned with the cost and availability of housing but many varied theories and solutions were suggested.

Phillip Clay suggested that the new administration must reorganize the housing delivery system. It should create a super-agency with responsibility for all aspects of the housing and community development process. He suggests that the city may need a housing czar who reports directly to the Mayor and who is in charge of all relevant agencies and resources regarding housing, from the Boston Redevelopment Authority to Real Property. The new federalism has made local communities responsible for housing and we need a mechanism which functionally expresses that fact. Benefits of such a mechanism include: a single official responsible for developing policy rather than each agency going its own way; scarce resources used more efficiently if certain functions are not duplicated; private developers and citizens alike could thus better understand the direction of city policy; incentives for corruption would be fewer since there would be fewer ways to "end run" the system and less of a need to "expedite" timely response from several agencies.

For both symbolic and practical reasons, Clay would urge the speedy reorganization of the various housing and related community development

activities. It is his belief that a reorganization that expresses strong city commitment to housing would send a very powerful and positive signal which itself will go a long way to generating solutions to our housing problem.

While financial resources to tackle the housing problems in the city are not adequate, neither is the city helpless. There are numerous sources of dollars which could, as part of a comprehensive plan and an efficient city housing operation, go a long way towards solving problems enumerated in previous sections of this paper.

The resources include:

- entitled funds from CDBG of at least \$18 million per year, plus \$20 million or more unspent from previous years;
- UDAG grants;
- Production and tenant subsidies from 1983 federal housing act;
- funds from "linkage";
- payback from former UDAG's;
- state funds, such as Section 707 and 1983 initiatives; and
- MHFA.

Money is not the only important resource. If regulatory authority, property and land disposition and developer competition and selection are used in conjunction with public money and private investment, considerable housing progress can be made.

Michael Stone presents the most precise measure of the affordability problem. He examined the problem quantitatively through the lens of a concept called "shelter poverty" -- a sliding scale of affordability based on the interaction among incomes, shelter costs, and non-shelter expenditures. It is demonstrated, using this concept, that a family of four in Boston would need an income of at least \$23,000 to be able to afford the median-priced unsubsidized, two-bedroom apartment

available in the city in 1983, while an elderly couple would need an income of nearly \$12,000 to be able to afford the median-priced one-bedroom apartment. Nearly one-third of the households in Boston are shelter-poor, most of them renters and most with incomes of under \$10,000 a year.

A set of policy proposals are presented by Stone for beginning to deal in an appropriate way with the housing affordability problem in the city. He argues that while the structural changes required to solve the problem must occur nationally, local policies aimed at both the income and housing cost side of the problem can begin to make an impact in Boston while also serving as models for larger-scale reform. Because of fiscal constraints and continued skepticism about the efficacy of traditional spending programs, the proposed policies focus primarily on institutional change rather than major expenditures. His paper includes suggestions for enhancing the income prospects and employment situations of lower-income Bostonians, as well as proposals for altering some aspects of the structure and dynamics of the local housing market.

Finally, Stone argues that Boston, especially through its new administration, has the potential to exercise great leadership and initiative nationally for a new understanding of the nature and causes of the housing problem.

Rolf Goetze agrees with his colleagues as to the problems in housing and sees affordability as today's dominant housing issue. But he also notes that supply is an issue that still needs to be addressed. Goetze's view is more optimistic as to the long-term potential than is Stone's and his emphasis for solutions is on leveraging more community effort and private resources and by making the most of available public assistance.

One of Goetze's specific recommendations is to "thaw" the inventory of more than ten thousand properties in tax arrears by foregoing taxes that are unlikely ever to be repaid. Goetze suggests that these properties be conveyed to new resident owners and non-profit housing sponsors, expanding the Land Bank model.

Another specific recommendation of Goetze's is to weatherize housing stock occupied by long-term owners and lower income residents with outright grants. He calculates that an expenditure of less than \$800 per unit can achieve substantial energy savings which is repaid in fuel savings in less than four years.

Joseph Slavet sees Boston's housing problems to be of manageable proportions and not likely to be exacerbated by the demographic trends and forecasts in this decade, which "may even cure some of the most serious current and future pressures of housing demand." While Slavet's view is also optimistic, he has a number of suggestions to improve the delivery of housing services in Boston.

Slavet particularly details the problems resulting from a cacophony of City agencies affecting housing in Boston. He recommends, as did Clay, that in order to achieve greater coherence in the formulation and implementation of housing policy and more effective housing program coordination, the City needs a new housing mechanism lodged in a Housing and Development Department under a single administrator. The proposed new agency, following the blueprint recently designed by the Citizens Housing and Planning Association, would be responsible for the following housing and community development functions: public housing; community development and private housing; economic development; and regulation of the construction and alteration of buildings and of land use and development. Resident input would be encouraged through the inclusion of a top-level planning and design review commission, a public housing advisory board and a network of community councils.

The current independent status of both the Fair Housing Commission and the Rent Equity Board would be retained, while important institutional linkages to such public-private arrangements as the Housing Partnership, Neighborhood Housing Services and the new Housing Neighborhood Trust would be established.

The Public's Perceptions

Floyd J. Fowler, Jr.'s paper entitled "Priorities for Boston in Public Education, Housing, Employment and Neighborhood Development" builds upon survey work done originally for the Boston Committee. This paper provides a glimpse at the public's view on education and housing with particular emphasis on the relative perceptions of blacks and whites.

According to Fowler, two profound demographic changes in Boston must be analyzed to understand the public's perception of education. The most important change is the marked decline in the City's school-age population. For example, in 1970 about 40% of the households included at least one minor child; in 1980 only about 30% included such. There is little doubt in Fowler's mind that the main driving force in the reduction of the school-age population in Boston was the national demographic trend toward later marriage and fewer children.

The second major change is that there has been a disproportionate tendency for users of the Boston school system to be black, to be relatively poor and to come from single-parent families. The major cause is not the use by white families of private or parochial schools, but rather the changing family structure. Fowler's data show that although reliance on the schools is race-related, the lack of confidence is not. Whites and blacks are virtually united in feeling that schools have deteriorated over the past decade and that their current status is low.

Fowler's survey also considered the Boston resident's satisfaction with various features of housing: its condition, cost, size and general suitability. About ten percent of both blacks and whites mentioned lack of space as a serious problem. About one in three of both black and white families also said they thought they paid "too much" for their housing.

Two major needs emphasized by the data were, first, the importance of maintaining properly the housing stock and second, the need for effective fair-housing enforcement throughout the City.

Fowler's survey also found two issues which clearly cut across racial lines and are central to people's concern about their neighborhoods: first, the way streets and sidewalks are maintained and, second, the parks and recreational facilities available. As Fowler put it: "If the quality of neighborhoods is considered a fundamental part of the quality of life of people living in cities, those facilities would appear to be very good places to start."