2010 Better Government Competition

Governing in a Time of Crisis
Compendium of Winning Entries
19th Better Government Competition

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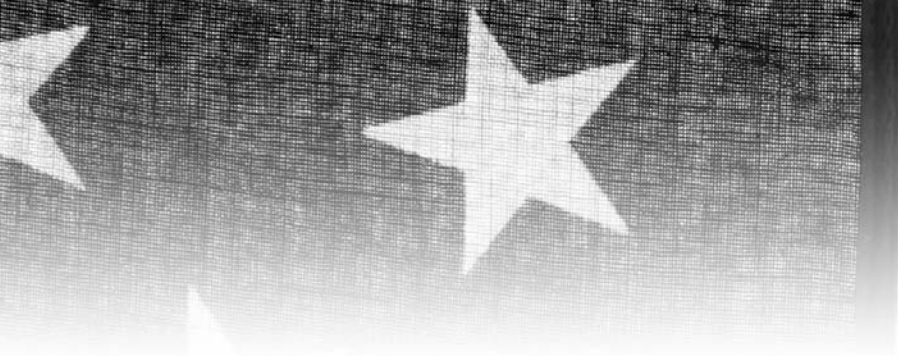BURNS & LEVINSON LLP
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2010 Better Government Competition

Dear Friend,

Now years into the economic crisis, the entire country has felt the pain and pressures, whether financial or reaching into the personal. Companies, families, and individuals have responded to the downturn by making hard choices—by cutting back, by doing without, and by finding new opportunities.

Federal, state and local have faced an extended budget crisis, and some have responded more responsibly than others. In a time of economic pain, does the government pass its share of pain to others by increasing taxes, or does it undertake the hard work of paring back, stopping non-essential programs, and by reforming the way we do business?

When the Better Government Competition started out in 1991, the country faced very much the same situation. That first year, our winners immediately advanced the privatization of pharmacies at state facilities, more efficient management of the state's fleet of vehicles, and reform of the state's child support payment system. It took some time for some of the winners to get across the finish line: forward-funding of the Massachusetts Bay Transportation Authority was implemented in 2002.

While we cannot brag that we've gotten better over the years at getting fast action on winning ideas, we have a solid record of achievement. Changing minds takes time. What we can boast is that we've built a reputation and have developed a rich and effective network of individuals, scholars, government officials, and private sector companies that send us some incredible ideas.

Nineteen years later, we are bringing new ideas and new people to the challenges raised by the times. The theme of this year's Competition is appropriately named *Governing in a Time of Crisis*, for this is what we want to bring to the attention of elected and appointed officials, the media, and business and community leaders. There are solid ways forward—approaches that are proven to be effective at meeting the challenges we face today and will for the foreseeable future.

All of this year's winners focus on critical issues—bringing transparency to government, enacting strong budgetary and programmatic reforms, advancing new models of governance, and stretching dollars where the needy are concerned. But our goal is not just to save money. Our grand prize winner, *Containing the Cost of Medicaid by providing Housing for Homeless Individuals*, will provide higher quality care through intensive case management and coordination.

Saving money need not mean we forget our obligations to those in need.

We thank our sponsors for their belief in the Competition, and for their deep interest in giving our citizenry the government they deserve and need. We appreciate the hard work that our excellent panel of judges did this year in selecting the prize winners. And, as always, our deep thanks go to Shawni Littlehale, who has built this Competition into an effort of national scope and interest.

Finally, thank you for your attendance this evening and for your interest in Pioneer's work.

Cordially,

Jim Stergios, Executive Director

Containing the Cost of Medicaid by Providing Housing for Homeless Individuals

Massachusetts Behavioral Health Partnership (MBHP) and Massachusetts Housing and Shelter Alliance (MHSA)
Boston, MA

The Cost of Doing Nothing

Jane was 50 years old and had lived for years in the woods in a suburb of Boston. A defining characteristic of her life had been the repeated physical and sexual assaults she had experienced in childhood and which continued throughout her adult life. Suffering from Post Traumatic Stress Disorder, Major Depression and severe anxiety, she was hospitalized often and was so guarded that she was barely able to look people in the eye. Her medical issues, which included diabetes and asthma, were also very difficult to manage in her makeshift "home" in the woods.

In 2006, Jane had the opportunity to enter a permanent supportive housing program with nurse-case management services funded through MassHealth, the Commonwealth's Medicaid insurance program. She moved into a home with twelve other women who had similar traumatic life stories. Through daily visits and intense work with her nurse-case manager, Jane gradually began to connect with roommates, health care providers and her community. In the words of Jane's physician, she had "an unbelievable turn-around." For the first time in her life, she felt safe. Treatments for her mental illness and medical conditions were possible and she was even able to finally comply with regular primary care and psychiatry visits. Jane had a life that was unimaginable to her five years before.

Because of her newfound stability and work with her nurse-case manager, Jane was able to get documentation of her mental illness, which made her eligible for Medicare. This created a cruel twist of fate, however: once Jane became "dually eligible," or eligible for both Medicaid and Medicare, MassHealth would no longer fund her nurse-case manager to work with her. The funding for the crucial work that led directly to Jane's improvements in health and decrease in emergency service usage was gone. Jane's health and stability in housing were in jeopardy.

Jane's story demonstrates two important points. The first is that for the medically vulnerable population of chronically homeless individuals, **housing is a medical intervention** that improves health conditions. Secondly, Jane's story makes it clear that the issue of chronically homeless individuals losing vital case management services when they become dually eligible for Medicaid and Medicare must be solved. If it isn't, the Commonwealth of Massachusetts will continue to spend millions of dollars managing acute and long-term health conditions of chronically homeless individuals on the streets or in shelter - an extremely ineffective use of resources.

The truth is that homelessness is expensive. We all pay for the costs of homeless people on the street, in emergency rooms and in shelters. However, once individuals have a permanent home with supportive services, their lives can finally stabilize. Empirical studies show that their need for expensive state-funded emergency services drops dramatically. Health improves and health care costs decrease.

Brief Overview

Chronically homeless people, as defined by the federal government, are those with a disabling condition who have been continually homeless for a year or more or who have been homeless four times in three years, and constitute about **ten percent** of the homeless population. Yet this population **consumes more than half** of all resources dedicated to homelessness. This subset of homeless people suffers from extraordinarily complex medical, mental and addiction disabilities that are virtually impossible to manage in the unstable setting of homelessness.

The lack of stable housing is associated with significant health concerns and consequently homeless people have disproportionately poor health. It has been well documented that mortality rates in homeless individuals are approximately 3.5 times higher than the general population[1,2] and homeless people are hospitalized for medical issues five times as often.[3] Determinants of health, including access to quality health care coverage, access to a non-violent living situation and the ability to prioritize health over other competing concerns such as shelter and hunger, are critically influenced by a person's living environment.

From a medical perspective, chronically homeless people are uniquely vulnerable to a complex interplay of medical, mental and addiction disabilities that lead to extraordinary rates of emergency room usage and inpatient hospitalization. Medical illnesses frequently go untreated until advanced stages. Conditions commonly experienced in this population mirror that of the general population although they are often more advanced and layered on top of each other. They include hypertension, cirrhosis, HIV infection, diabetes, skin diseases, osteoarthritis, frostbite and immersion foot.

With an extreme level of disability, these individuals are among the most frequent users of the Commonwealth's health care systems. Research shows that 52 out of the 75 highest-end utilizers of the emergency rooms at Massachusetts General Hospital, Boston Medical Center and New England Medical Center are homeless adults. Boston Health Care for the Homeless Program (BHCHP) catalogued some of the medical needs and costs associated with living unsheltered on the streets for an extended period of time. Throughout a five year period, a cohort of **119 street dwellers** accounted for an astounding **18,384** emergency room visits and **871** medical hospitalizations. The average annual health care cost for individuals living on the street was **$28,436**, compared to **$6,056** for individuals in the cohort who obtained housing.

The Corporation for Supportive Housing recently described the problem of "frequent users" well:

> "These persons - often referred to as 'frequent users' or 'high utilizers' of public services - face the double jeopardy of having complex health and behavioral health problems but having no

coordinated systems of care. This dynamic - coupled with a lack of stable housing - forces them through a revolving door of multiple, costly crisis and institutional settings such as emergency rooms, inpatient care, detox facilities, long-term care facilities, and correctional facilities. The clear alternative is a more appropriate, more humane, and less expensive approach to integrated care that includes housing."

A growing body of evidence in the mental and public health literature shows dramatic improvement in health outcomes, residential stability and cost to society when homeless people receive supportive medical and case management services while living in permanent, affordable housing units. This model, known as Housing First or "low-threshold housing," has been implemented in several cities, including Seattle, San Francisco, New York City, and Philadelphia. Outcome data has been reported in chronically homeless people with severe mental illness who were housed in New York City between 1989 to 1997.[4] This study showed that a supportive housing intervention in more than 4,600 people resulted in lower rates of emergency public service usage and their associated costs. Following placement in supportive housing, homeless people in this study experienced fewer and shorter psychiatric hospitalizations, a 35 percent decrease in the need for medical and mental health services, a 38 percent reduction in jail use, and a greater than 60 percent reduction in shelter usage. Furthermore, costs of the housing units mostly subsidized by the state and federal governments were offset by savings in governmental spending on health services for this mentally ill, homeless population.

The problem: How does government effectively utilize its resources contain costs while providing the resources necessary for tenants to secure housing stability, which in turn conserves scarce resources because of a reduction in the use of expensive emergency services?

Solving Jane's problem - which is an expensive problem for the Commonwealth - requires overcoming the belief that the answer to homelessness is emergency shelter. Pairing supportive services with permanent housing, not simply temporary shelter, has been proven to improve lives and simultaneously save resources across systems of care.

Solution: Supportive Housing as Cost Containment

The solution to the stated issue is to more effectively utilize Medicaid to contain costs associated with health care expenditures on chronically homeless individuals. Contrary to some common misperceptions, because of their long history of disability and engagement with state systems of care, MassHealth already covers significant numbers of chronically homeless individuals. Unfortunately, the instability associated with homelessness, including the inability of homeless patients to prioritize their health concerns over basic needs such as food and shelter, results in their costly crisis mode of health care utilization across emergency systems of care.

Massachusetts has reacted to homelessness with an emergency response for more than 20 years. While this emergency response has saved lives, it has not provided a **permanent solution to homelessness**. It has done little to decrease the number of individuals entering the front doors of homeless shelters. The state has constructed a massive infrastructure for temporarily combating the symptoms of homelessness, and shelters have become an accepted residential response for an
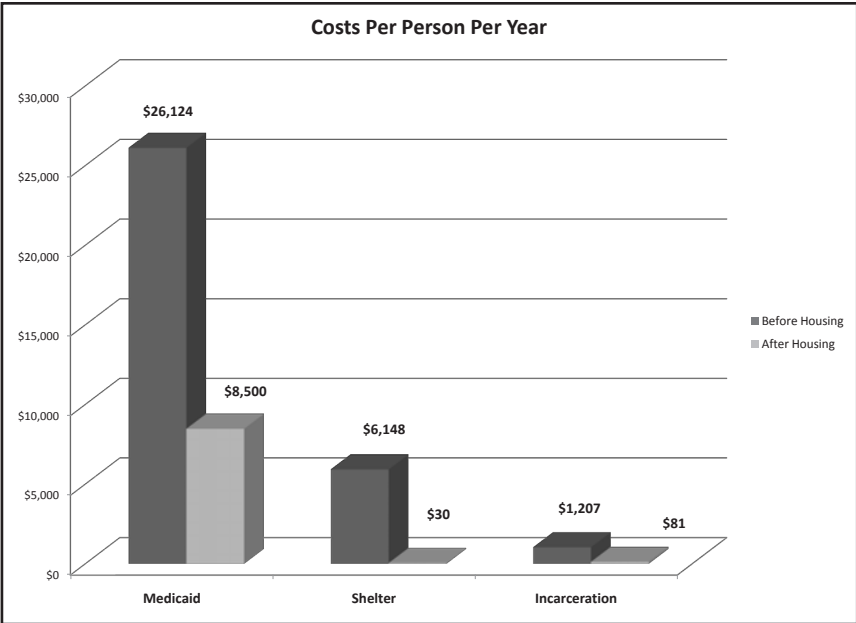
entire segment of poor people. However, sheltering has done little to actually reduce the prevalence of homelessness or lessen the deep medical costs associated with homelessness. Over the past few years, the Massachusetts Housing and Shelter Alliance (MHSA) and Massachusetts Behavioral Health Partnership (MBHP) have pioneered Housing First in Massachusetts with significant cost savings as a result

Housing First represents a significant systems change in addressing the costly phenomenon of homelessness. This policy strategy anticipates better outcomes, including health outcomes, if people are supported in a permanent, housed environment, rather than targeted for intensive services in shelters or streets. Once stabilized in housing, chronically homeless individuals are able to utilize mainstream health care resources in a far more effective and less expensive manner. They are also afforded the dignity of making health care choices for themselves. The emphasis upon case management moves away from clinical outcomes and focuses instead upon supporting successful tenancies and doing everything necessary to help keep individuals in their housing.

MHSA proposes "carving out" the defined chronically homeless population to receive the community-based services of Medicaid as a mainstream resource to support housing as a medical and cost saving intervention. This results not only in health care savings, but it provides a mainstream resource for permanent supportive housing that will no longer have to be funded specifically through the Massachusetts Department of Housing and Community Development (DHCD), Executive Office of Health and Human Services (EOHHS), or any other state budget line item.

Cost Savings: Does it Work?

As indicated earlier, several empirical studies across the country and outcome-based practices have proven that providing permanent supportive housing to chronically homeless individuals decreases health costs. One study from the **Chicago Housing for Health Partnership** (CHHP) shows that offering housing and case management to homeless adults with chronic illnesses creates housing and health stability and dramatically reduces hospital days and emergency room visits. The California HealthCare Foundation and The California Endowment created the Frequent Users of Health Services Initiative (FUHSI) in 2002. "They found connecting homeless frequent users to permanent housing made significant differences in their ability to reduce inpatient and emergency department charges. In fact, inpatient days and charges decreased by 27 percent for permanently

Costs Per Person Per Year

	Before Housing	After Housing
Medicaid	$26,124	$8,500
Shelter	$6,148	$30
Incarceration	$1,207	$81

housed clients, but for those who remained homeless, inpatient days grew by 26 percent and inpatient charges increased by 49 percent." **What has not been accomplished in the nation and where Massachusetts can become a leader is in the integration of these findings into a cost management system of care that finances the appropriate response for the appropriate population.**

In Massachusetts, we have gone beyond looking at general cost savings and have focused on cost reductions to Medicaid that result from supportive housing interventions. Through two programs, the *Community Support Program for People Experiencing Chronic Homelessness* (C-SPECH) administered by MBHP, and the *Home & Healthy for Good* (HHG) Housing First initiative administered by MHSA, we have demonstrated that housing itself, when targeted to the appropriate high-cost population, actually reduces Medicaid costs.

Annual Savings Per Person

Total Savings: $9,400

$33,479

$15,468

$8,611

■ Housing First Cost

■ Medicaid, Shelter and Incarceration Costs

Before Housing   After Housing

C-SPECH provides Medicaid reimbursement for community-based case management for chronically homeless individuals who are placed in permanent housing. C-SPECH, having served 372 tenants, estimates that this intervention results in a **net Medicaid savings of more than $3 million**. *Home & Healthy for Good* has provided housing with supportive services to more than 400 chronically homeless individuals. Actual Medicaid costs pre-housing and post-housing were obtained from MassHealth in March 2009 for the first 96 HHG participants. The Medicaid analysis is limited to these 96 participants because these are the individuals who have been in housing long enough so that medical claims data are complete for an entire year after moving into housing. Total Medicaid costs reported include any medical service that was paid for by MassHealth, including inpatient and outpatient medical care, transportation to medical visits, ambulance rides, pharmacy, dental care, etc. **Before housing, the mean annual Medicaid cost per tenant was $26,124. After housing, the mean annual Medicaid cost dropped to $8,500**. If this number is extrapolated, it shows that successfully housing this population saved Medicaid nearly $1.7 million. Simply put, directing resources toward services for formerly chronically homeless individuals in permanent supportive housing, rather than managing their medical conditions on the streets or in shelters, is a much more efficient use of resources.

Start-Up Costs

Our policy innovation does not require start-up costs per se because it is an intervention upon an already enrolled population within MassHealth. **We are not proposing the case management services as a universal benefit, but rather as a cost containment measure for a specific and significantly costly population**. The expense of this population has been indicated in the
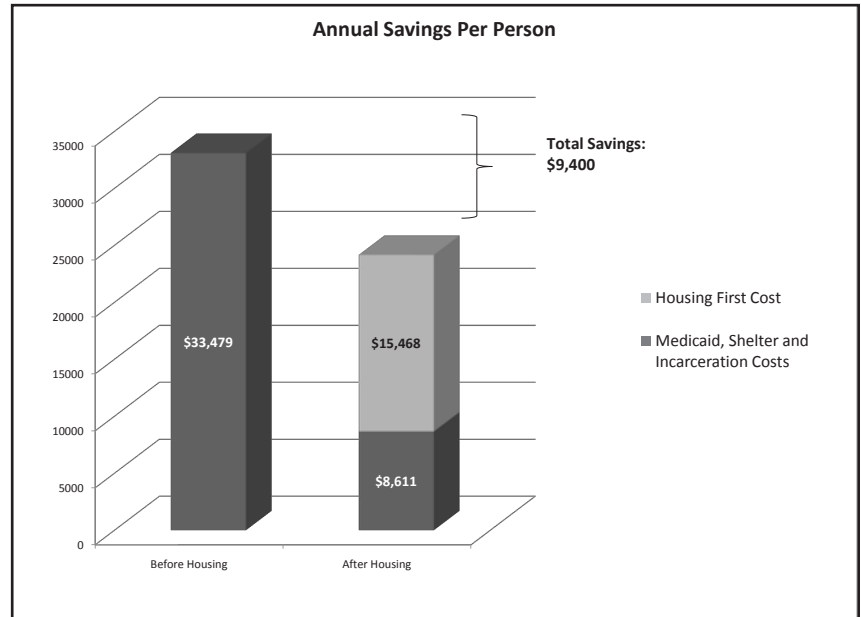
findings noted above. The most liberal estimate of the number of chronically homeless individuals in Massachusetts is approximately 3,000. The statewide point-in-time count (an annual homeless census) puts this number even lower. Ultimately, Medicaid reimbursement could be used for case management services instead of other costly service resources provided through state agencies, thus maximizing federal return on the Commonwealth's investment and reducing expense to the state budget. MBHP would be charged with monitoring the Medicaid usage of this population and be responsible for ensuring eligibility and measuring appropriate outcomes in partnership with MHSA and its participating agencies (those providing the housing and services). **Because we are speaking of already existing clients, any costs associated with the service provided would be more than offset by the savings gained in a reduction of acute and emergency health care usage alone.**

How is it Funded?

This initiative would be funded through the MassHealth Section 1115 Research & Demonstration Waiver. The waiver presently allows reimbursement for a limited number of chronically homeless individuals already being managed through the behavioral health carve-out administered by MBHP and resembles similar services aimed at managing cost. **The difficulty with this population of chronically homeless individuals is that given their disabilities and long histories of homelessness they often are removed from the management of MBHP when they become eligible for Medicare.** This "dual eligibility" issue occurs if they secure Medicare by aging out or obtaining Social Security Disability Insurance (SSDI) – which is exactly what happened in Jane's case. As a result, they are then no longer eligible for the supportive services associated with their housing that helped them to achieve successful tenancies at a reduced cost to society. This acts as a disincentive for agencies or property managers housing chronically homeless individuals because of a fear that tenants will lose critical services that help them maintain their tenancies.

The outcomes of C-SPECH and *Home & Healthy for Good* indicate great possibilities for significant cost reduction in the state's Medicaid system. We estimate, based on evidence to date and the assumption of roughly 3,000 chronically homeless individuals in the Commonwealth, that cost reductions to MassHealth through this initiative could result in net savings of close to $30 million. Aside from this outcome, there is evidence to date that suggests that an increase in permanent supportive housing opportunities also results in a reduction in the need for shelter capacity. Focusing on cost-effective permanent supportive housing is the first step toward dismantling the costly and ineffective use of emergency resources to address homelessness that Massachusetts has relied upon for decades.

Implementation: Making it Happen in Massachusetts

Medicaid is presently one of the Commonwealth of Massachusetts' biggest budget busters. The services we propose to offer would be funded in the state budget within line item 4000-0500. In order to accomplish the appropriate cost containment and management of this population, we are proposing the following amended language to the state budget:

> "…provided that the commonwealth's behavioral health contractor shall administer the behavioral health benefit for Medicaid eligible persons who meet the federal definition of chronic homelessness inclusive of those persons who may be eligible for coverage under MassHealth and Medicare, commonly referred to as dually eligible;"

Such a measure would be one step toward addressing the dual eligibility issue noted above. The second way of implementation is administrative. As noted above, C-SPECH was implemented based on the MassHealth Section 1115 Research & Demonstration waiver. One of the key objectives of this waiver is: **"Demonstrating successful cost-containment by reducing the rate of spending growth in the Medicaid budget for eligible populations."** Based on the existing waiver and precedence related to other designations of care we believe the executive branch of government could advance this policy.

Future Goals

Although Housing First efforts to date show great promise in reducing both health care costs and shelter utilization, this approach has not been fully adopted as a strategic way to permanently end homelessness in Massachusetts. **Thus, it has not expanded at a rate significant enough to seriously affect the numbers of homeless individuals in the Commonwealth.** Although MBHP has served nearly 372 persons in C-SPECH, they have only an average of 200 units of service at any given time. The problem is one of scale that does not allow the full impact of providing Medicaid as a resource to interdict this costly population. As noted above, the dual eligibility issue also acts as a deterrent for agencies to adopt Housing First practices for fear of a growing caseload without a sustainable resource to support tenants in housing. A "carve-out" solves both issues.

Massachusetts could be a national leader in demonstrating how Medicaid can be used to address the problem of frequent users of costly systems of care while demonstrating a potential viable mainstream resource for ending chronic homelessness. The issue of "frequent users" of health care systems is a nationwide problem. As the Corporation for Supportive Housing has pointed out: "directing public dollars toward solutions that work better, cost less, and mitigate expensive, avoidable emergency and institutional responses is an effective remedy for frequent users." Massachusetts has proven that using Medicaid dollars to support health care services for formerly chronically homeless tenants in housing is a much more efficient use of mainstream resources that drastically reduces costs and improves the quality of health care. Expanding this model would ensure a better return on the substantial federal investment in the issue of chronic homelessness.

MHSA has set a goal of housing 1,000 of the Commonwealth's 3,000 chronically homeless individuals over the next two years. Accessing Medicaid dollars to support medically-focused case management services for these individuals in housing is a clear and efficient way to improve lives while conserving health care resources. With results showing that providing permanent supportive housing to chronically homeless individuals results in a 67 percent reduction in Medicaid costs per person, cost savings would be significant.

Conclusion

Central to the mission of the Massachusetts Housing and Shelter Alliance is reducing the Commonwealth's addiction to emergency resources for addressing homelessness. Annually, the Commonwealth spends a quarter of a billion dollars on homelessness without ever seeking a return on its investment. MHSA and MBHP see the appropriate cost management of the chronically homeless population as essential to addressing the expensive problem of homelessness. The potential for cost savings throughout the system is significant. Medicaid resources could replace supportive service dollars presently being spent by the Commonwealth. Because chronically

homeless individuals consume approximately 50 percent of the resources dedicated to homelessness, as we focus on housing this population, the need for shelter capacity reduces. Existing resources for shelter could be converted to create housing opportunities for specific sub-populations. Shelters could become triage for rapid return to work and housing for those for whom homelessness is truly a temporary short-term problem. We see cost containment and better use of Medicaid resources as the first step toward permanently dismantling a shelter system that has managed homelessness instead of ending it.

Endnotes

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Apps for Democracy
iStrategy Labs and DC's Office of the Chief Technology Officer (CTO)
Washington, D.C.

Newest Application/Winner of Apps for Democracy 2010

The Grassroots Mapping initiative is an activist group of citizen mappers documenting the environmental effects of the Gulf Coast oil spill using inexpensive cameras attached to balloons and kites. The aerial photos, taken from heights of up to 1500 feet, are providing images that have 10,000 times higher resolution than daily satellite images posted by NASA. The efforts of the Louisiana Bucket Brigade in New Orleans with the tools developed by the MIT Center for Future Civic Media and GonzoEarth.com, are resulting in some of the best maps available of the spill.

Adam Boalt, first prize winner of Apps for Democracy, has helped fund the Grassroots Mapping initiative led by Massachusetts Institute of Technology student Jeffrey Yoo Warren.

Boalt learned about the Grassroots Mapping after reading about their Gulf Oil Mapping project on KickStarter.com, a funding platform for creative projects. Kickstarter co-founder Perry Chen was recently featured in Fast Company magazine as one of the top 100 most creative people in business for 2010.

"We're overjoyed that Adam Boalt has stepped up to support this groundbreaking grassroots effort; with his help we will be able to support citizen mappers in further documenting the effects of the BP oil spill," Yoo Warren said.

"Adam Boalt's belief in transparency resonates strongly with our desire to provide high resolution public domain imagery of the spill, and we will further that cause by assembling and deploying new Grassroots Mapping Kits for volunteers along the Gulf coast."

Boalt, who frequently supports local technology and Government 2.0 events and projects in Washington, DC, where he currently resides, won the original Apps for Democracy contest. The contest was a catalyst for the Gov 2.0 movement.

"I think that the Grassroots Mapping initiative is a great way to build awareness in the community and around the world of the reality of the situation in the gulf, and provide usable, actionable data that will aid in the restoration of the Gulf Coast," said Boalt. "I truly believe that in the future, crowdsourcing information like the mapping initiative will play an instrumental role in creating aid deployment strategies after natural disasters like earthquakes and tsunamis, especially in developing countries."

Warren recently presented Grassroots Mapping at the Personal Democracy Forum in New York city last week on June 4, 2010. Craig Newmark of craigslist.com, Arianna Huffington of The Huffington Post, and Tim O'Reilly of O'Reilly Media, Inc. were some of the technology enthusiasts in attendance. O'Reilly, who was recently featured on the cover of *Inc.* magazine, is a leading proponent of transparency, and believes that, "Gov 2.0 isn't just the future of technology; it is also the future of democracy."

Brief Overview

"Apps for Democracy produced more savings for the D.C. government than any other initiative."
-Vivek Kundra, Former CTO of Washington, DC.

In September 2008, Vivek Kundra (then CTO of Washington, DC, now current Federal CIO) asked iStrategyLabs how we could make DC.gov's revolutionary Data Catalog useful for the citizens, visitors, businesses, and government agencies of Washington, DC.

The Data Catalog contains all manner of open public data featuring real-time crime feeds, school test scores, and poverty indicators and is the most comprehensive database of its kind in the world. Our answer was to hold an innovation contest where we put the data in the hands of our talented citizens and gave them cash prizes and recognition for their efforts in developing technology for their neighbors and city government.

As a result, we created Apps for Democracy – a contest that cost Washington, DC $50,000 and returned 47 iPhone, Facebook, and Web applications with an estimated value in excess of $2,300,000 to the city. This figure was provided by DC's Office of the Chief Technology Officer as a sum of the individual costs to develop the apps, plus the internal human resources that it would have cost the city to procure and manage the project.

The DC government also wanted to hear citizens' ideas about problems that could be solved through technology, as well as their ideas about the perfect system to receive feedback and service requests. iStrategyLabs engaged the populace of Washington, DC using AppsforDemocracy.org blog posts, email surveys, video testimonials, voice call-in captures, Twitter update submissions, in-person town halls, physical meetings with community groups, and more. In just three weeks, 230 ideas were submitted and 5500+ votes were cast.

There are over 400 blog posts, radio interviews, and videos about this project, many of which you can find here: http://delicious.com/corbett3000/%

There are many moving parts and pieces to running an Apps for Democracy contest. We've broken most of this down into 9 core components.

We released a full guide for other municipal, state and federal governments to use when putting their own contests together. That guide can be found at http://bit.ly/apps4all.

Table 1 - Project Components	
1	Contest Framework (data, prizes, judges, timeline)
2	Website Creation
3	Marketing to Developers
4	Judge Recruitment
5	Initial Screening
6	Apps Posted Publicly
7	Public Voting for "People's Choice"
8	Awards Ceremony & Final Judging
9	Results of Contest Marketing

Solution: Provide citizens with a voice in the way their government spends its resources

On September 11th, 2008, Vivek Kundra, CTO of Washington DC, asked iStrategyLabs how we could make their revolutionary open Data Catalog useful for the citizens, visitors, businesses and government agencies of DC. My response was:

> "You can do one of two things. You can spend years and millions of dollars contracting this out to big consultancies – and you'll end up spending twice what you thought you would and get half the quality you hoped for…which is what governments do now. Or, the other way is to have an innovation contest where we put the data in the hands of the people, and give them cash prizes and recognition for their efforts."

This spark ignited what became an historic moment in democracy through technology innovation. We came back two days later with a proposal on how iStrategyLabs could create a new method for innovation in government through a contest called Hack the District – which was renamed by Vivek and his team to Apps for Democracy.

This is the first and only client that has ever let us create an idea from scratch and bring it to life exactly as we dreamed it should be.

What resulted is still sinking in:
- 47 applications were built in 30 days
- OCTO has estimated the value of these submissions at $2,000,000+ including external contracting costs and internal procurement time
- The cost to OCTO was $50,000 including prizes, marketing, management etc. representing an estimated 4,000% return on investment
- OCTO has estimated that it would have taken them 1-2 years to complete the procurement process and receive delivery of applications like these under their legacy procurement method
- iPhone apps, Facebook apps, web apps, mobile apps, maps mash-ups and a wiki were entered
- We awarded all medals except the 5th Agency Bronze, as there was not a suitable entry

This quote from our press conference provides a small clue as to how Apps for Democracy has been received by DC:

> "While the immediate goal of the Applications for Democracy contest is to develop innovative software to present District data, its long-term goals are broader," said District CTO Vivek Kundra. "By making government data easy for everyone to access and use, the District hopes to foster citizen participation in government, drive private-sector technology innovation and growth, and build a new model for government-private sector collaboration that can help all governments address the technology challenges of today and tomorrow."

The winning program from Apps for Democracy 2008 was DC Historic Tours, a Google Maps mash-up that plots routes for walking tours of Washington, DC, and marks points of interest with Flickr photographs and Wikipedia excerpts; and iLive.at, another mash-up powered by Google that

pinpoints demographic data. More government agencies appear to be taking Washington, D.C.'s lead by embracing the cost-effectiveness of "crowdsourcing" – relying upon volunteering citizens rather than in-house developers for application development.

In September 2009, District of Columbia Mayor Adrian M. Fenty and Interim Chief Technology Officer (CTO) Chris Willey announced the winning entries in the District's second "Apps for Democracy" innovation contest.

The contest, launched on May 4, 2009, invited residents and software developers to compete for cash prizes for ways to improve city service requests. The competition replicates the highly successful results of the first Apps for Democracy contest, which invited the public to compete in developing applications to make District government data more accessible and useful for the public.

The Apps for Democracy, Community Edition competition had two parts. The first part of the contest asked citizens to offer ideas about how technology can improve government operations and the community.

The second part of the contest challenged developers to create applications that make it easier to submit online requests for city services, such as vacant property inspections, tree removals, street repairs, non-emergency public safety assistance, and others. The applications were required to use open source programming. Developers could access the District's over 270+ public data feeds and could use the District's new 311 API (Application Programming Interface), aka "Open 311," which allows users to build custom applications.

Results

The core outcome was the rapid development of web and mobile applications that leveraged the city's open data catalog. Due to the success of our program, open government initiatives have sprung up across the world that seek to replicate our success. We intentionally built Apps for Democracy as an 'open innovation' method so that others could learn from our experimentation and achieve similar results in their locality. Our example of what is possible has caused governments around the world to more rapidly provide access to their data for civic programs to use in their applications.

In the end, citizens will be better served, governments will be able to reduce costs, and the goal of transparent democracy will be advanced.

> "I thank all the creative citizens and technologists who answered our call for innovative ideas and applications. With the help of these homegrown innovators, we're engaging the community in government and building a digital democracy model for governments everywhere." - DC Interim CTO Chris Willey.

Data Catalog

For years the District of Columbia has provided public access to city operational data through the Internet. Now the District provides citizens with the access to 432 datasets from multiple agencies, a catalyst ensuring agencies operate as more responsive, better performing organizations.

Create Your Own Visualizations using DC datasets

We created teams of tech community ambassadors and gave them the tools to capture insights from their neighbors. These teams competed to capture the deepest and broadest insights possible. The best team was rewarded with a $1,000 "Social Citizen Award" and public recognition incentives for their participation. The results of our community outreach were provided as research insights to technology developers in the form of a comprehensive multimedia guide covering the "Citizen Driven Technology Requirements," that informed their work in the technology development contest portion of the campaign.

Through the course of Apps for Democracy "Community Edition," a dozen 311 applications were created, $25,000 in prizes were awarded, and Washington, DC gained iPhone, Facebook, and Web applications which enable the city to receive and publish insight about service requests received. Check out http://www.fixmycitydc.com as one example.

The winning entry in the Apps for Democracy 2009 contest was an iPhone program in which users can submit 311 service requests to the district government. The application also interfaces with Facebook. The application's development team of Victor Shilo, Roman Zolin and Andrey Andreev won the $10,000 first prize.

Chris Willey, Washington, DC's interim Chief Technology Officer, recently told Government Technology that this version of Apps for Democracy, was divided into steps.

> "We called this one the Apps for Democracy Community Edition," Willey said. "The first 30 days, we sent field teams out to talk to residents directly and ask them two questions: One, what problems do you think technology can help solve? Second, what would be the perfect platform to get citizen requests to government? After that finished, we took all those insights and we gave them to the developers and said, 'Based on this [data] and based on our open 311 API [application programming interface] – which is a way for applications to directly access our call center database – now go and build applications."

The iPhone program will be "seamlessly" combined with a Facebook application, and eventually rebranded, according to the contest website. According to a demonstration video of the 311 iPhone app, users can send in service requests for things like abandoned bicycles or potholes. They also can post their service requests to Facebook, where friends are able to track and comment on them. The iPhone program also includes a "hall-of fame" feature that posts the Facebook identities of those who most frequently use the 311 app. Users can also submit service requests directly on the Facebook site on a separate application, and the team plans to build in functionality that would allow users to send in photos.

- Community Edition focused on using just DC's Open 311 API - and we were looking for the best possible application to run the city's web and mobile interfaces for the system. Because of this focus, we needed to make sure our participants iterated on their applications over time as we provided them with feedback. In order to enable this, we broke the contest up in to 3 rounds of prizing - evaluating apps in each round and providing feedback so they got better as the final round approached.

Our mission with "Community Edition" is twofold: to engage the populace of Washington, DC to ask for their input into the problems and ideas they have that can be addressed with technology

and then to build the best community platform for submitting 311 service requests to the city at http://www.appsfordemocracy.org/application-directory/.

Awards	Count	Prize
Social Citizen Award	1	$1,000
Round 1 First Place	1	$3,000
Round 1 Second Place	1	$2,000
Round 2 First Place	1	$3,000
Round 2 Second Place	1	$2,000
Final Round	1	$10,000
Community Grant Option	1	$14,000
Total	6	$35,000

Start up Costs

The startup costs associated with creating Apps for Democracy were limited to $50,000 – $20,000 for prizes, $15,000 for marketing and $15,000 for website design and other creative deliverables. Apps for Democracy has been funded by the Office of the Chief Technology Officer through their research and development budget.

How has this new application for city government performed?

Our second iteration of Apps for Democracy - "Community Edition" - focused on technology development that put to use the world's first municipal Open 311 API - a web service that allows anyone to query and submit service requests to the city.

The DC government also wanted to hear citizens' ideas about problems that could be solved through technology, as well as their ideas about the perfect system to receive feedback and service requests. iStrategyLabs engaged the populace of Washington, DC using AppsforDemocracy.org blog posts, email surveys, video testimonials, voice call-in captures, Twitter update submissions, in-person town halls, physical meetings with community groups, and more. In just three weeks, 230 ideas were submitted and 5500+ votes were cast.

We then created teams of tech community ambassadors and gave them the tools to capture insights from their neighbors. These teams competed to capture the deepest and broadest insights possible. The best team was rewarded with a $1,000 "Social Citizen Award" and public recognition incentives for their participation.

The results of our community outreach were provided as research insights to technology developers, in the form of a comprehensive multimedia guide covering the "Citizen Driven Technology Requirements," that informed their work in the technology development contest portion of the campaign.

Replicability in Massachusetts and across the United States

Every government faces the same problem: How can the provision of services be improved with ever-diminishing resources? Apps for Democracy demonstrates that harnessing citizen talent to co-create technology for their government is one of the ways to address this problem. Part of the strength of these types of Open 311 software initiatives is the ease with which they may be replicated. A local example is Boston's recently launched Citizens Connect iPhone app, which is targeted at "enlisting Boston residents and visitors to gather information about the physical state of the city." As stated on the City of Boston website, the intention of Citizens Connect is to "help constituents easily report a variety of different service requests including removing graffiti, filling potholes and fixing traffic lights" (http://www.cityofboston.gov/mis/apps/iphone.asp). Through the success of Apps for Democracy, the Open 311 specification has resulted in a new standard for software initiatives and continues to be adopted by governments throughout the nation.

Future Goals

Apps for Democracy doesn't have current funding under DC's new budget. In the future, we'll be seeking corporate or foundation funding to continue encouraging application development using open government data.

Conclusion

The core outcome is the rapid development of web and mobile applications that leverage the city's open data catalog. Due to the success of our program, open government initiatives have sprung up across the world each seeking to replicate our success. We intentionally built Apps for Democracy as an 'open innovation' method so that others could learn from our experimentation and achieve similar results in their specific locality. Our example of what is possible has caused governments around the world to more rapidly provide access to their data for civic programs to use in their applications. In the end, citizens will be better served, governments are able to reduce costs, and the goal of transparent democracy is advanced.

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The Commission for a New Georgia
State of Georgia

Background

The Commission for A New Georgia (CNG) was chartered to engage the state's robust business sector in a public/private partnership to make Georgia the "best-managed state in America."

Set up as a non-profit corporation, privately funded and free of politics, the Commission amassed an amazing brain-trust from businesses, professions, and academia. This was the New Georgia's "idea factory," generating innovative thinking about how government can work better.

Nothing was random in the Commission's organization and operation. The design and development took deliberate steps from the beginning to create a business model for the organization, bringing the right people to the table and running a disciplined, sustainable project management system. Nearly 400 citizens from across the state invested their time and expertise in an ongoing mission to improve their government. It worked productively for seven years and compiled an unprecedented record of results.

This is how it was done.

Problem

From the start of the Perdue Administration in 2003, Georgia has focused on managing to improve efficiency, accountability and value across government and provide citizens better service at less cost.

The overarching challenge is to develop a systematic, sensible process to isolate and analyze internal government functions which should be operated on an enterprise level to work more efficiently, effectively and economically.

The solution must encompass transformative management tools, best business practices and smart technologies, as well as an aggressive implementation strategy. The change process must to be flexible enough to negotiate the landscape of historically-entrenched agency silos and replace redundant operations with an enterprise-level solution that has clear authority and measureable accountability.

Solution

Georgia's strategy is to address specific issues in a public-private "task force" forum, which engages industry experts, pro bono consultants, agency leaders and strong executive and legislative involvement in formulating a comprehensive enterprise-level plan with specific recommendations for improvement. The Task Forces operate under the auspices of the Commission for A New Georgia, a public/private council comprising approximately 25 of the state's top CEOs and senior business leaders. Commission initiatives are spearheaded in government by the Governor's Office of Implementation, working closely with agency heads and teams. This is an ongoing process, which continually identifies new issues and deploys new short-term task forces which report findings and recommendations in 60 to 90 days. A clear and underlying principle of the entire process has been the commitment of the Governor and his staff to see that every feasible recommendation is implemented.

To date, 24 task forces have produced 130 total recommendations. Within those totals, all 24 of the task force reports containing 130 recommendations have completed implementation, and 113 recommendations (86%) have been instituted to date – saving millions of dollars and reshaping the business of state government. Two distinct types of state agencies have emerged in the transformation. "Outwardly-faced" agencies have specific missions to deliver hundreds of state services to citizens. "Inwardly-faced" agencies operate at the enterprise level to administer internal government services used by all agencies – for example, human resources, fleet management, risk management, procurement, finance, information technology, customer service, facilities and energy.

Georgia's experience is demonstrating that these services can be organized and managed most efficiently and effectively as a consolidated function at the enterprise level. This provides a consistent platform for leadership, accountability, process, support, service delivery and is fundamentally necessary to improve efficiency and prepare state government for the 21st century economy. Although the transformation process has been an ongoing part of Georgia government since 2003, resistance invariably arises when special interests feel threatened by change. The highest-risk venture within the three projects submitted would be in the Retirement piece of the first proposal, which includes restructuring the state's multiple health benefits systems to reduce escalating costs and projected liabilities. This project will confront issues of turf, cost, and the people-involved.

The strategy to mitigate risk is straightforward: show the data for each scenario, bring the leadership to bear on the solution, and proceed with implementation steps directed by the Governor. The task force/implementation process is designed to ensure that projects are sustained beyond the initiative year and embedded in government operation. As a project moves through the implementation phase, a key transitional element is the formal hand-off from the broad-based implementation team to the designated agency responsible for the functional area and the success of the project. Performance evaluations ensure visibility of project outcomes on a continuing basis.

Costs

To insure independence, the Commission established itself as a corporation - privately-funded and free of office politics. True to its name, the "New Georgia" group broke from old patterns of past councils. CNG designed a nimble, multi-pronged and ongoing plan of work to keep change churning and spur rapid process improvement. They believed it was critical to produce results at the speed of business, not in "government years." They went paperless, posting their reports and recommendations on a public website: www.newgeorgia.org.

CNG ran a rolling agenda of tasks targeted to key government operations. The task forces were lean, expert, and focused. They performed the forensics on current operations and recommended specific improvements, ranging from updating practices and technologies to total modernization of business systems. When the work of each task force was done, in about 100 days, members closed their briefcases and went back to their own businesses.

Fixing individual problems is only half the job. If the system is broken, it will be a continuing source of poorly executed operations, which ripple through the quality of state services. We handed the Commission the keys to the silo system, to see what was broken.

Positive Outcomes

To date, CNG initiatives have been credited for cost efficiencies and revenue returns totaling over $200 million – not counting collections of overdue accounts. Examples: the fleet of state vehicles was downsized by almost 10 percent; aviation services were consolidated from five agency-operated fleets to a single authority that covers all missions with fewer planes and pilots. The state has recovered more than $200 million in seriously delinquent taxes and uncollected revenues from federal allocations. In state health programs, tougher verification of eligibility and other program changes have reduced spending from double-digit annual percentage growth to well below 10 percent – saving more than $650 million in state and federal dollars over three years and a projected $254 million in state funds alone in FY11.

Applicability to Massachusetts/Conclusion

This public/private partnership transformed the mechanics, the mindset and the management of government. Applying business-like perspectives, principles, and practices in the arena of government management helped save millions of dollars in the cost of government goods and services through strategic purchasing, shortened the time waiting in line at license bureaus from hours to minutes, and managed to give maximum value for the tax dollar.

States such as Massachusetts could benefit from a commission like the CNG. Putting the expertise of businesspeople, entrepreneurs, and technological innovators to good use would help streamline services and eliminate unnecessary waste. Experiences such as the one in Georgia need not be limited to one state.

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Elimination of Redundant Overlapping Bureaucracies

A. Edward Cutting
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Background/Problem

At any given time there are upwards of a dozen different housing authorities administering Section 8 Housing Choice Vouchers within just the small town of Amherst. At the same time the Amherst Housing Authority administers vouchers throughout three counties. As the Inspector, the author made annual visits to one unit that was literally the last left turn before the Vermont state line and another one where the septic tank was in Connecticut.

In part because Massachusetts is organized as a commonwealth and not a state, in part because of a decision of our Supreme Judicial Court that defines the "service area" of each of our 254 independent housing authorities to be the "entire Commonwealth", and in no small part because of the inherent nature of untrimmed bureaucracies to grow in a manner similar to untended rose bushes, housing subsidies in Massachusetts are currently administered by a tangled quagmire of redundant bureaucracies. And as with untended rose bushes, some pruning is needed.

One observing the functioning of a local housing authority in Massachusetts would see little changed from the days of Franklin Roosevelt. Everything is still essentially done in a labor-intensive manual process that also facilitates fraud. Applicants produce paper documentation of income and assets, highly trained employees manually calculate the extent of the subsidy given to each person, and each month one will often see two senior citizens painfully signing hundreds of checks that will then be mailed to landlords.

Each subsidized family, be they living in publicly-owned housing or having part of their rent to a private landlord paid on their behalf, is required to pay a certain portion of their own income as their share of the rent. The tenant's share is calculated as a percentage that varies from program to program, less certain deductions and can be understood as similar to a state or federal income tax return. And the current system is based on the presumption that low income households have but one wage earner and one job with a salary that remains constant throughout the year.

Under-reporting of income is as pandemic as it was with the state income tax prior to withholding, as it was with child support payments before the automation of that procedure. Low income tenants often have multiple jobs and report only one, and single mothers often have live-in boyfriends whose income is not reported and who simply produce a driver's license with a different address when called in for a conference. And the housing authorities are evaluated primarily on the basis of how much money they hand out, with neither the incentive nor resources to address any of this fraud.

While we will never know about cash payments and "under the table" operations, all wages and hires are reported in Massachusetts. Our Department of Revenue (DOR) has a complex data assembly that was established for a variety of reasons including the collection of child support, and I propose that we simply use this to verify tenant income. Computers didn't exist in 1938 when the Section 8 program was established and manually reviewing pay stubs was the only way to verify income back then – we are now in the 21st Century and things can be done in a better way.

The concept of subsidized housing also came out of the Great Depression when two-parent households had one stable, but low, income and the presumption was that the family would never be earning more and thus that the subsidy would be indefinite. Over time this became single mothers on welfare and a decade ago we made great strides in redefining "welfare" into the concept of "transitional assistance" and changing our philosophy from continued sustenance to a belief (and a demand) that people can improve their station in life. While initially tumultuous, and while we haven't quite figured out how to assist those with disabilities (and many of the individuals once on "welfare" are now on "disability"), welfare reform worked wonders and improved the lives of many women. More importantly, it inspired their daughters to think seriously about their futures.

We thus now consider poverty to be transitional – bad things happen to people and our caring society has a safety net to catch people when they fall. However, we don't intend this to be forever and the same caring society not only doesn't want to see people exist indefinitely on a mere subsistence level, but simply can't afford it. The untold success story of welfare reform will be the children who don't become yet another generation on public assistance.

But welfare still exists in the form of subsidized housing. Once one has a subsidy, one can renew it annually for life. In the rare case where conduct is so egregious that the tenant is either evicted from the publicly-owned housing or has a voucher cancelled, the tenant can then just go down the street to the next housing authority and start over again. While there are programs where the tenant's share of the rent is essentially put into escrow and given back in bulk for the down payment on a house, there is no expectation nor motivation to have the assistance be temporary. In fact, evaluated only on occupancy levels and vouchers issued, the incentive on the housing authority actually is to keep people dependent on the program. These poverty ghettos need to be broken up by expecting that people living there will also be improving their stations in life, and be doing something towards that end.

On the other hand, as with those in nursing homes at public expense, we should look at those with significant assets but for whom we are subsidizing housing. Through the author's experience, those with significant assets or trust funds are eligible for and often receive taxpayer support for their housing. The current eligibility system based entirely on reported wages ignores the value of in-kind compensation creating a massive loophole for those able to receive goods or services in lieu of wages, and the failure to look at assets (as is done with public assistance for nursing home care) serves to shelter assets which could be used to help pay for the individual's housing.

A similar related problem is an increasing practice of those whom the Commonwealth, through its Department of Mental Health (DMH) and its Department of Mental Retardation (DMR), pays private entities to provide services to those who, in years past, were institutionalized. These nonprofit corporations, already paid to provide housing for these disabled individuals, increasingly are now

also obtaining housing vouchers for the same client with the taxpayer thus paying twice for the same service. In one instance, the corporation became a landlord to receive apartment subsidies for each of the bedrooms of the four clients that it is already paid by the Commonwealth to provide a group home for, and in another instance, at the request of a substance abuse program, an entire publicly-owned apartment building has been declared "women only", nondiscrimination laws notwithstanding.

While we want to encourage low income people to work their way out of poverty and to celebrate the success of those who do this very successfully, at some point we need to ask people to pay back some of what we have given them. And while looking at the social service industry is outside the scope of this project, we do need to look at the issues as they impact on public housing and subsidies. We also need to look at the plight of the elderly in the so-called Chapter 667 buildings, housing which was built some years back for the so-called "frail elderly" and which subsequently were re-designated as being for the "elderly & disabled." Statewide, the elderly residing in these buildings are complaining about, and in many cases being terrified by the inappropriate activities of the young individuals with non-mobility disabilities.

But the biggest inefficiency in all of this is the overlapping mosaic of independent housing authorities. While the incorporation of a city includes the housing authority as part of the city government, because Massachusetts is a commonwealth, the housing authorities in towns are literally a separate municipality. Existing essentially as a town without land, these "special municipal corporations" have their own Board of Selectmen and an "Executive Director" who functions in both a role and an expense similar to a Town Manager.

These housing authorities exist largely unsupervised. The boards are either appointed or elected; seats are often unfilled and rarely contested, many an Executive Director literally recruits friends and allies to be on the board. They are somewhat overseen by the Department of Housing and Community Development (DHCD) and they are audited by the State Auditor (who in many ways has more authority over them than DHCD), but they exist as largely insular independent fiefdoms.

Their relationship with the Commonwealth in general and DHCD in particular is very much like that of a town government, which many actually are. And while there is a bit of inter-governmental cooperation, each housing authority must make all of its decisions in-house and thus must have a significant number of highly skilled individuals as, like in the case of a town, "Boston" only serves in an advisory and regulatory role; responsibility rests locally.

This directly results in three things: First, labor costs are much higher than they would otherwise be because highly skilled people must be hired to do what is largely low-skill clerical work, their expertise is needed for the 1%-5% of the job where something otherwise would be handed off to a supervisor. Second, with job turnover, there is a continuing need to train these employees, and as small independent entities, it isn't possible for them to learn in house from others doing their job. Hence there are expenses in bringing trainers in or (more often) sending them to be trained elsewhere. A significant portion of each Executive Director's workweek involves going to meetings of housing authority directors and individuals who assist them. And third, because all responsibility and final authority rests in the local Executive Director, DHCD policy has to be communicated individually for individual implementation.

It also indirectly results in a great deal of inefficiency if not outright corruption. While the infamous case of the Springfield Housing Authority is well known, the State Auditor routinely raises lots of questions about things that other Executive Directors are doing, and there are quite a few lesser known scandals and things which, if not outright illegal, would not be accepted if these housing authorities were operating in the sunlight of public accountability.

Instead of 254 housing authorities serving the entire Commonwealth, only one housing authority is necessary. In particular, only one executive director is necessary; the other 253 are simply redundant and something that is not affordable.

Solution

First, abolish all 254 housing authorities. Much as Governor Patrick did with the Turnpike Authority, we should "discontinue" these municipal authorities using the precedent of the towns of Dana, Enfield, Prescott & Greenwich were "discontinued" to form the Quabbin Reservoir. We do this outright - the authorities no longer exist and thus the contracts of all of the directors and the union contracts of the employees are no longer valid because the entity that employs them no longer exists. All property and assets of the housing authorities, including the Section 8 Administrative Fees, becomes the property of the Commonwealth.

Second, each of the 351 towns and cities in the Commonwealth is given the option to own and run any housing authority property located within the municipal borders. In rural areas where doing this is beyond the ability of the municipality, towns are given the option of transferring this right and responsibility to the inter-municipal cooperatives that many formed when county government was abolished. A to-be-determined ongoing revenue stream, from the money currently coming to the existing housing authorities (including the Section 8 Administration Fee revenue) will follow each building, but the municipality will have to promise to maintain the building and agree that the Commonwealth may offset the expenses against its state aid if DHCD has to do it.

Third, and in conjunction with municipal wishes where possible, at least 80% of the existing Chapter 667 housing is re-designated as "elderly only." It was a well intended effort to include the disabled, particularly before ADA mandates and tax incentives created physically accessible housing elsewhere, and when the elderly consisted of the demographically small generation of the "Children of the Depression." But this well intended effort has been a failure and frail elderly are being terrified by the inappropriate actions of individuals who either have psychological disabilities or the so-called "dual diagnosis" of both a substance abuse issue and an underlying psychological issue, the combination of which makes them eligible to live in the building while the alcohol/drug abuse alone would not. Furthermore, our need for those units now that the "Baby Boomers" are retiring is going to be even greater than when we built them for their parents.

Fourth, either expand DHCD or split DHCD into two entities with community development going to the other entity. DHCD will be supervised by a Commissioner of Public Housing who will be elected in the manner of the Attorney General and State Auditor. And all public employees who work in public housing – excepting those who will be working in the formerly 667 buildings now being run by municipalities (and hence become municipal employees) – will be employees of the Commonwealth and of DHCD.

Fifth, all financial calculations will be done in a central office, using the electronic income database that we have for child support enforcement. Regional field workers will access this data (much like unemployment workers do) and enter client information, including the rental rate of the apartment. Income information will be taken directly from the database; the client will be given a copy of the information and can appeal it if it is wrong, but that will be no more of a problem than with doing this for unemployment benefits. Both clients and landlords will be tracked by Taxpayer Identification Numbers (TIN) and rather than a blizzard of checks, just one electronic payment each month will be made to each landlord TIN. Both tenants and landlords will be told what the tenant's share of the next month will be, based on this month's earnings - of all the adults in the household as we are taking the earnings of all of the TINs in the household.

This will mean that the payment to the landlord will vary each and every month (and HUD approval may be needed for this) but we will be making payments based on actual information about all of the family's income, modifying them up or down as income changes. State law as enforced by the MCAD requires landlords to make reasonable modifications in their policies to permit people with public assistance to rent, Section 8 policy is that the Section 8 lease supersedes any landlord lease, and while many will not be happy, we can force landlords to accept a variable public payment. And with the other advantages the landlords will be receiving – including not having to deal with a dozen different housing authorities – this may not be that upsetting.

Sixth, any landlord who wishes to do so (and most will) can transfer the landlord's powers of eviction to DHCD. In cases where the landlord has done this, it will be a combined eviction and termination proceeding where the initial hearing is in front of the judge and where the tenant is represented by one of the public advocacy organizations. This solves three existing problems: it ensures that all of the tenant's/client's rights are protected and eliminates the public advocates having to address problems after they have happened; it eliminates the current situation where landlords ignore problematic tenants due to the costs of the eviction, and; it eliminates the current situation where terminating a voucher creates financial hardship for the landlord who isn't the person causing the problem. (For example, it is nearly impossible to evict a woman with children for anything other than nonpayment of rent, thus the voucher is terminated, no rent payment is made, and while the tenant is eventually evicted, the landlord is short several months rent on a unit that usually has significant damages and will take yet another month to get ready to rent again.)

Seventh, each of the local housing authority offices is initially kept open as a local field office of DHCD, in a fashion similar to a branch of a bank. Clients can go to whichever office they want, and before long a significant number of them are shut down, much like what happened in the past when bank branches merged. In rural areas it will be necessary to keep many of the existing offices open, but they will only be open one or two days a week with staff simply assigned to different offices on different days, as we currently do in the court system. All of the work performed in these offices will be essentially clerical – data entry and initial contact with tenants and landlords with problems, but anything of significance will be sent to the regional office. These would be low skill and thus low-salary jobs. Some of these offices will also serve as locked (non-public) office space for those working out in the field.

Eighth, the people running most of the housing authorities, the directors and top management, started in the 1970's and are close to retirement. It may be politically necessary to offer some early

retirement incentive, there may be a legal requirement of some severance when a job is eliminated, and there is always the unemployment liability that is eliminated with voluntary retirement. There will be expense here, as they will be retiring into county-based retirement systems rather than the state system, and as those employees kept on as DHCD employees have their retirement funds in the same county-based system, there will be significant work involved in transferring funds.

But a significant number of the current employees will retire. Of those that are left, all are permitted to apply for DHCD jobs which essentially consist of three things: regional management in, at most, five areas and central management at both DHCD headquarters and the financial processing center (both of which could be located in an economically depressed area such as Roxbury), the low-skill clerical jobs in the field offices, and individuals working out in the field.

Current housing authority workers will also be given a priority for other positions with the Commonwealth and be considered "laid off state employees" with all the priority rights of such status. If they choose to work for the Commonwealth, either for DHCD or another division, they will be considered to have the seniority of a state employee with similar years of service, and thus they will be able to keep their vacation benefits and the like. They will not be able to retain either their current position or their current salary – all positions with the same category will be paid on the same (new) pay scale, most positions will be downgraded, and redundant positions in upper management eliminated. Hence most current housing authority office employees may be given the opportunity to do the non-management portion of their current jobs but for less money, most maintenance workers likewise, the non-management portions of their current jobs but for less money, a few (but only a few) will be doing all-management portions of their current job, but for a larger region.

Ninth, is to create a division of Inspection & Fraud Detection. This will include inspectors – and the annual routine inspection of all the units in a specific small property or neighborhood is consolidated to just one annual site visit, multi-building small complexes are consolidated to two or three days per year, and for large complexes inspections are consolidated to just one day every other month as it is necessary to have an inspector make frequent visits to the complex itself. This inspection could also be coordinated with landlords who conduct their own inspections so that their maintenance people only have to go into the unit once, thus saving the landlord money.

The inspectors answer to a Fraud Investigator, and landlord failure to comply with 105 CMR 410 is considered to be fraud and dealt with as such. Likewise in cases of malicious tenant damage, and in addition to being the landlord's witness in court, the new DHCD inspector will be making referrals for client termination/eviction to the legal department – this will help landlords dealing with a tenant that is destroying the apartment, a not uncommon problem in the Section 8 program. These inspectors will also inspect all of the publicly-owned property, which is now being managed out of the regional field offices (which eventually will expand beyond just the current housing authority whose office it once was).

The fraud detectors, some of whom may be sworn law enforcement officers who will be both armed and have powers of arrest, will investigate all of the current fraud and bring either program termination cases or criminal cases. In cooperation with other law enforcement entities and on their own initiative when appropriate, those with power of arrest will make arrests to address a lot

of the "quality of life" issues in public and subsidized housing – they will be arresting the individual with the outstanding warrant, those dealing drugs, and possibly being the initial contact for the occasional Chapter 209A restraining order.

This will fill a gap that currently exists between the local police who often lack the probable cause to make arrests and the housing authority inspectors who lack the authority to make arrests for things which are happening in their presence. It will also serve to coordinate information which is confidential to a police officer and information which is confidential to a Section 8 employee; with the dual authority the fraud investigator will be in a situation similar to a university police officer's ability to access both student and criminal information about the same individual.

Tenth, we amend the law that requires the suspension of a driver's license for possession of a fake ID to include suspension of the license when used to claim residency elsewhere than in a rented unit (i.e. when the boyfriend claims he doesn't live there.) We amend the law that requires suspension of a driver's license for unpaid child support to include failure to pay obligations to DHCD (i.e. tenant's share of rent, etc.)

And most importantly, a condition of residing in publicly owned housing or receiving a public assistance voucher will be consent to annual drug testing. This will neither be random nor unannounced; it will be by appointment or in a walk-in basis at the convenience of the parent(s) and will apply to all members of the household who have attained their tenth birthday. For those under the age of 18, the testing will also include both tobacco and alcohol as state law prohibits minors from consuming such substances. If possible, this will be done in cooperation with a local DARE program and/or the local schools or police anti-drug efforts. For those under the age of 18, the testing will also include tobacco and alcohol, as both are illegal for persons of that age.

Any person in the household failing a drug test is re-tested within 10 days. Anyone failing the second test is given the opportunity for more accurate (but much more expensive) testing at public expense should the individual (or parent) request it. Any family member (including child over the age of 10) who fails both drug tests and either declines the more expensive testing or also fails that shall be retested every three months. If said person fails a third time, again with the option of immediate re-testing and more accurate testing, the entire family will be both evicted and denied eligibility for any housing assistance program for six months. And the individual's driver's license is suspended for six months, in cases where an individual doesn't have one, the right to apply for a driver's license is suspended until the 18th birthday or two years, whichever is longer.

The driver's license of anyone residing in a subsidized unit who is arrested for any "crime against the person", "crime against property", or violation of any restraining order, or any juvenile offense that is essentially similar, is suspended for one week on the first arrest, one month on the second, six months on the third and a year on each and every subsequent arrest. Any person who doesn't have a driver's license will lose the right to apply for one for one year on the first arrest and an additional year on each additional arrest although they will be able to apply for one upon the 19th birthday.

There will be no penalty against the family when an individual or parent comes forward and asks for assistance with a drug problem, either to DHCD or appropriate medical personnel. All rules of

due process in the suspension of licenses will apply here and anyone found innocent or in cases where the local police request it, any license suspended will be reinstated immediately and without cost to the individual.

This may sound draconian, but it is necessary. It is leverage for the single mother to use in her effort to control her son, and it gives her son the ability to avoid the pandemic drug culture in the low income neighborhoods. Opposition to this may not be as vocal as one might expect – and this is scheduled drug testing with the option of the parent to postpone it (like any other appointment) it more empowers the parent in the parent's own desire to keep their children out of the drug culture and gives the teenager an excuse to use against often overwhelming peer pressure.

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Eleventh, I propose adopting the principles and rules of welfare reform to public housing. Tenants will be required to work (or do public service work, such as answer the telephones at the regional field offices) and this will include the physically-able disabled. In many cases we will likely find that the social contact and responsibilities gained in public service work actually has a therapeutic benefit to the individual, and in some cases it may enable to person to eventually become gainfully employed.

Funding/Conclusion

For each month that a Section 8 payment is made to a landlord, the housing authority that issued the voucher receives between $90 and $100 from the US Department of Housing & Urban Development (HUD), this in addition to the money which is then sent to the landlord. Each housing authority also receives state and federal funding in a variety of other ways as well, and hence there is a collective sum of money being distributed to all of the housing authorities to provide a certain level of service. Even with the initial startup costs and the expenses of hiring fraud investigators and beginning drug testing, with the significant savings enjoyed by economy of scale, the existing total sum of money, assuming that HUD agrees to maintain the same level of fee payment, would fund this proposal.

We would then find either that we didn't need to appropriate as many state dollars as we currently do (DHCD's end of year surplus would return to the state treasury) or that we could provide more services with the existing budget allocation. In addition, the combination of fraud detection and use of actual earning data to calculate rent would save federal dollars in the Section 8 program; it would save state dollars with the ARVP/MRVP vouchers and similar state-funded programs. Furthermore as all rent paid in the publicly-owned properties is applied directly to the costs of operating said properties, a reduction of under-reported income here would mean more money coming into DHCD and thus reducing the need to allocate state dollars to DHCD.

Massachusetts stands to gain from consolidating these entities and building accountable, efficient authorities to oversee housing, ultimately improving the life of thousands of citizens. This solution will save money and improve services through the elimination of redundant overlapping bureaucracies, introduce of modern technology to both promote efficiency and reduce fraud, and apply the principles of "welfare reform" to subsidized housing, and to address behavioral issues plaguing low income communities.

2010 RUNNER-UP

Public-Private Partnership
City of Sandy Springs, GA

Background

The City of Sandy Springs, Georgia is one of the newest cities in the state, and operates in a Council – Manager form of government. Incorporated December 1, 2005, and the first new city in the State in nearly 50 years, Sandy Springs has made dramatic strides in providing effective and efficient services to residents. Prior to 2005, residents in Sandy Springs relied upon a large, traditionally modeled county government for the provision of services, which were substandard and often non-existent. These challenges served as the foundation of the movement to create a government that was physically closer to its constituents, responsive to the needs of the community, streamlined and above all, effective and efficient.

Efforts to incorporate the City of Sandy Springs began in 1966 in response to an effort to annex the land that is now Sandy Springs into the City of Atlanta. The fight to form their own government continued by Sandy Springs residents for more than 40 years, until June 2005, when an overwhelming 94% of residents voted for incorporation of the previously unincorporated area of north Fulton County.

The City of Sandy Springs approaches the provision of government services in a non-traditional fashion. The Governor's Commission for Sandy Springs, comprised of appointed business professionals, municipal representatives and residents, placed great emphasis on implementing a municipal government that was responsive to the community. Since incorporation, the City of Sandy Springs has operated as a public-private partnership (PPP), with nearly half of city staff employed by a private company.

Sandy Springs is a demographically diverse community and covers a 38 square mile area in north Fulton County, Georgia. The City of Sandy Springs is the sixth largest city in the State of Georgia and is the second largest city in Metro Atlanta. While its residential population is 99,000, due to the concentration of major corporations and businesses, the daytime population swells to more than 300,000. In 2009, the City's population was 67.3% White, 18.2% Black and 14.3% Hispanic with a diversity index of 63.2%. Geographically, Sandy Springs is bordered by the City of Atlanta to the south, the City of Roswell to the north, DeKalb County to the east and Cobb County to the west. Sandy Springs has more than 43,000 housing units (92% occupied and 59% multi-family dwellings) and 22,000,000 square feet of office space, ranging from single story office parks to more than 125 high rise buildings (more than four stories). Sandy Springs' per capita income

is $55,752 and while the median home value is $486,500, many of the City's residents reside in lower value multi-family dwellings. Earlier this year, Sandy Springs was ranked the 9th wealthiest community in the country by Portfolio.com and as having the safest neighborhood in the metro Atlanta area (rated by real estate and relocation site Neighborhoodscout.com). Sandy Springs truly represents a cross section of all demographic and socioeconomic classifications of residents.

Problem

Sandy Springs residents knew there was a better way to provide efficient and cost-effective services to the community. Prior to 2005, services to the area were essentially non-existent. Situated in a large county stretching nearly 70 miles along the Chattahoochee River, residents living and businesses operating in unincorporated Sandy Springs found that the county services provided were disproportionate to the tax dollars generated in the area. Police and fire protection services in the community were woefully insufficient, and capital investments in road improvements and infrastructure enhancement were practically nonexistent for decades. Simply stated, the community received very little return on the investment they made in county government.

Solution

Sandy Springs is a full service municipal government under Georgia law and provides public works, community development, code enforcement, recreation and parks, court services, administrative services, information technology, communications, public safety, ambulance and emergency 911 services to the community. The City realizes financial efficiencies in its organizational structure (through a smaller workforce) and through limited post-employment obligations (by offering a defined contribution plan and no post-employment health benefits, rather than a traditional pension plan).

When the Governor's Commission for Sandy Springs was formed, it was clear that there was a better way of doing business than through a large, traditional government model. Sandy Springs is a trailblazer in government structure and function. Rather than employ hundreds of city employees, the City utilizes a public-private partnership, which has resulted in the lowest per capita ratio of municipal employees in the State of 1.51 per 1,000 residents. Public safety personnel in both the fire and police departments are City employees, as are personnel in senior management positions (the City Manager and his immediate staff). There are 271 city employees and 200 positions supplied by private contractors. By comparison, estimates by the University of Georgia's Carl Vinson Institute of Government on the feasibility of incorporating the City of Sandy Springs, indicated the need for 828 employees when compared to similarly sized-local governments.

Not only did partnering with a private entity streamline the government, it also filled the City ranks with a wide variety of critical subject matter expertise, particularly in the areas of public works and community development. However, before these departments could begin to positively impact the community, many basic needs had to first be met. One especially important area was mapping.

At the time of the City's incorporation, little geographic information was available. Fulton County was able to provide raw data from various departments, such as community development, tax,

and 911, but a comprehensive strategy for mapping was required. In an effort to clearly identify the new Sandy Springs' boundaries and provide a visual representation of it to both staff and the public, the Geographic Information System (GIS) staff created an online GIS repository with multiple maps within the first 60 days of incorporation. These maps provided a baseline for all future GIS initiatives.

As one of the contracted City services, the GIS Department had the opportunity to approach the provision of its services to the City in a holistic manner. Rather than the approach to mapping that Fulton County and many other governments had previously taken, whereby each department maintained its own dataset, Sandy Springs GIS determined it would be more effective to develop an accurate, enterprise-wide dataset. Since having adopted this philosophy, GIS has become an integral part of nearly every department and decision-making process. For example, GIS was instrumental in assisting the newly formed police department in determining a patrol and resource deployment strategy by creating detailed maps of historical crimes by location. Similarly, when Sandy Springs restructured its contract for emergency medical services with Rural/Metro Ambulance, GIS provided decision support related to the most effective deployment of ambulances according to anticipated response and travel times along the City's road network

In the areas of community development, public works, and revenue enhancement, GIS was also instrumental in informing public policy. Through a comprehensive property addressing campaign, GIS assisted the community development and revenue departments in their efforts to identify commercial establishments and ensure that the appropriate business occupation and license fees were being assessed and collected. Most recently, data from the GIS unit was used to inform targeted efforts for distributing information on Census 2010 and the importance of responding.

Once the City's borders, road network, parks, and other infrastructure were inventoried and mapped, it became easier to quantify and prioritize the needs of the community – both from a service-level and a capital improvement perspective. Sandy Springs' Mayor and Council, faced with an aging infrastructure, placed a tremendous focus on improving roads, sidewalks and other assorted capital needs. To that end, more than $72 million has been allocated to improving the quality of life in the City through capital projects since the City's incorporation, with another $17 million anticipated in Fiscal Year 2011. By operating as a PPP model, the City estimates $20 million per year in savings to taxpayers. These operational savings are reinvested in the community for additional service enhancements and infrastructure improvements.

While Sandy Springs was the first newly incorporated city in the state in 50 years, other municipalities have implemented a PPP model to varying degrees. In Georgia, the Cities of Dunwoody, Johns Creek, Hinesville and Decatur have contracted out portions of their municipal services. Outside the state, experiences in Centennial, Colorado; Chattanooga, Tennessee; Weston, Florida and Falls Church, Virginia demonstrate that PPPs are effective forms of governance. The primary difference between the Sandy Springs experience and these other examples is the sheer scope of the effort. By contracting out the majority of municipal services, Sandy Springs became

the first of its kind in the country. The bottom line for Sandy Springs is that the PPP model has value, adds flexibility, builds accountability and provides the highest level of customer service.

Sandy Springs has experienced positive outcomes on all levels: reducing costs for services, improving public safety, enhancing infrastructure and increasing the government's accountability. Prior to incorporation, a common citizen complaint was the lack of responsiveness to their needs. Improving efficiency and increasing customer service are key tenants for the operation of the City of Sandy Springs. In its first year of incorporation, the City instituted the Citizen Response Center to provide a live person to respond to citizen comments, concerns and complaints 24 hours a day. During that year, the Citizen Response Center handled more than 70,000 calls for service. In 2009, the Center answered 101,327 calls for service. In the coming months, the City will also be implementing an iPhone/PDA mobile application to report issues to the Citizen Response Center.

Prior to incorporation, Sandy Springs residents experienced lengthy delays in response times to emergency and non-emergency requests for assistance. Specifically, there were no more than a handful of officers dedicated to patrolling the area that is now Sandy Springs. By contrast, the Sandy Springs Police Department routinely deploys between 10 and 20 units for patrol purposes depending on time of day and demands for service. As a result, response times decreased dramatically, as a result of the availability of resources in the community. Through the department's efforts thus far, the City's property crime rates have decreased dramatically, as have violent crime rates (see chart below).

Future plans of the Police Department include developing a predictive model for the deployment of its patrol and specialized resources based on where crime and disturbance is anticipated to occur. This approach will shift the department's approach to one that is even more proactive than today's and is anticipated to have an even greater impact of the safety of the community.

The City is currently working towards the implementation of an Automatic Vehicle Location (AVL) system for the entire police, fire, and emergency medical services fleet. Through the installation

Sandy Springs, Georgia Crime Trends
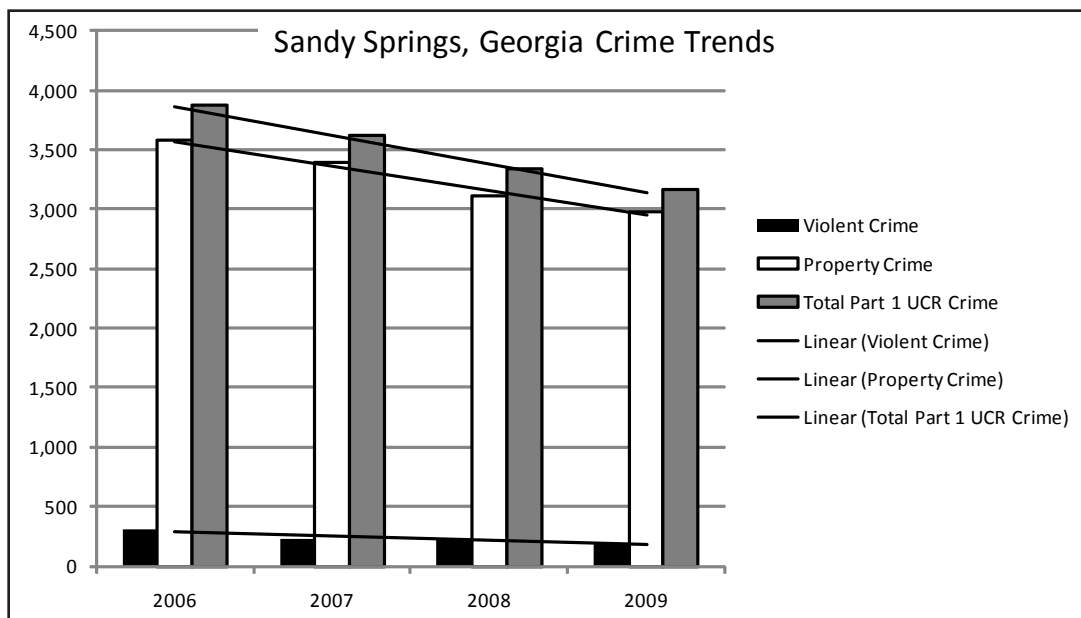
of the AVL system, dispatchers will be able to coordinate the effective deployment of emergency response vehicles, resulting in a dramatic decrease in response times. Promoting public safety and decreasing crime is vitally important to the health of a community. Sandy Springs plans to continue to utilize cutting-edge technology (i.e. license plate readers, biometrics and mobile identification units) to rapidly react and respond to violations of law.

Realizing that nothing is more important than the health and welfare of its residents, Sandy Springs is committed to improving the quality of life in our community, and specifically to improving cardiac arrest survival rates in the City. The Sandy Springs Fire Department was designed as an "EMS based fire department" to emphasize the focus on the provision of medical care. In partnership with the Emory University Department of Emergency Medicine, the Sandy Springs Fire Department has trained more than 1,000 residents each year in cardiopulmonary resuscitation and on the use of automated external defibrillators (AEDs). Additionally, the City has outfitted every public safety first response vehicle, including the police fleet, with AEDs and would like to strategically position these devices at locations throughout the City. In the three years since the fire department commenced operations, these combined efforts have resulted in dramatic increases in survival out of the hospital for persons who have experienced cardiac arrest.

Developing effective regional partnerships is an important aspect of the City's approach to service provision. After nearly two years of planning, the Cities of Sandy Springs and Johns Creek jointly opened a regional 9-1-1 center known as the Chattahoochee River 9-1-1 Authority, or ChatComm in 2009. After their incorporation, these cities focused a great deal of effort building and standing up their own police and fire departments, as well as all other general government services. Once these agencies became operational, it was apparent that the performance of Fulton County's 9-1-1 center was not at the level that these communities desired. Sandy Springs and Johns Creek contracted with iXP Corporation, a New Jersey-based public safety communications consulting firm, to perform a feasibility study and provide a business case for the establishment of a joint 911 venture. This analysis reviewed anticipated revenue streams and call volumes to generate recommendations for a governance model, as well as facility, technology, and staffing requirements.

The two primary performance requirements of the contract are 9-1-1 call answer time and call processing time. Specifically, iXP is required to answer 90% of 9-1-1 calls within 10 seconds and process 90% of those calls for dispatch within 60 seconds. These industry benchmarks were not being achieved by Fulton County. ChatComm's new, state-of-the-art facility has 14 console positions, 11 of which are staffed at peak hours and enables the center to meet and exceed both the contractual performance requirements and the operational needs of the public safety response agencies.

Sandy Springs also believes strongly in employing the latest technologies to serve its residents in areas other than public safety. The City actively communicates with the public through the use of social media (i.e. Facebook, Twitter and Flickr), and via a state-of-the-art and frequently updated website, www.sandyspringsga.org, which underwent a complete redesign earlier this year. During FY 2009, more than 300,000 unique web surfers visited the City website, logging more than 625,000 visits.

As innovators in the field of municipal services, Sandy Springs is constantly seeking ways to improve services for the community. The City's Public Works Department developed and opened a state-of-the-art Traffic Management System in less than six months that links 16 cameras and miles of fiber optic cable to efficiently control the flow of traffic on Sandy Springs' busiest corridors. Once the entire system has been completed, there will be more than 70 traffic cameras, and possibly connectivity to neighboring traffic management centers.

As a large suburban city, increasing parklands and providing pioneering recreation programs is key to improving the quality of life in Sandy Springs. At the time of the City's inception, existing parklands were still property of the county government. Under state law, the county could not legally give the parkland away, nor could it be sold for development purposes. After lengthy negotiations, the City purchased 14 park properties for $16,000. Developing a "greenprint" for the expansion of parks and other public lands will enhance Sandy Springs' efforts to improve environmental sustainability within the community. In July 2010, after making a capital investment of $9 million, the City anticipates opening additional parkland at Morgan Falls, representing our only park on the Chattahoochee River. The park and most of the facilities date back to the mid-1970s and serves more than 1,000 families with an average family size of 3.2 people. Improvements for the Athletic Complex at Morgan Falls were designed and constructed from the park master plan and included new field lighting, 20 new dug outs, four underground utilities, new sidewalks, pedestrian lighting, security lighting and cameras, a new football press box, new bathrooms and sewer lines. Protecting and improving Sandy Springs' natural resources and infrastructure is also an important goal. Within the last two years, the City has invested $4.2 million in 6.9 miles of sidewalks with another $3.8 million committed over the next two years for additional sidewalks. Getting residents out of their cars and walking to nearby destinations is essential to reducing energy usage, and ultimately improving the City's environmental sustainability.
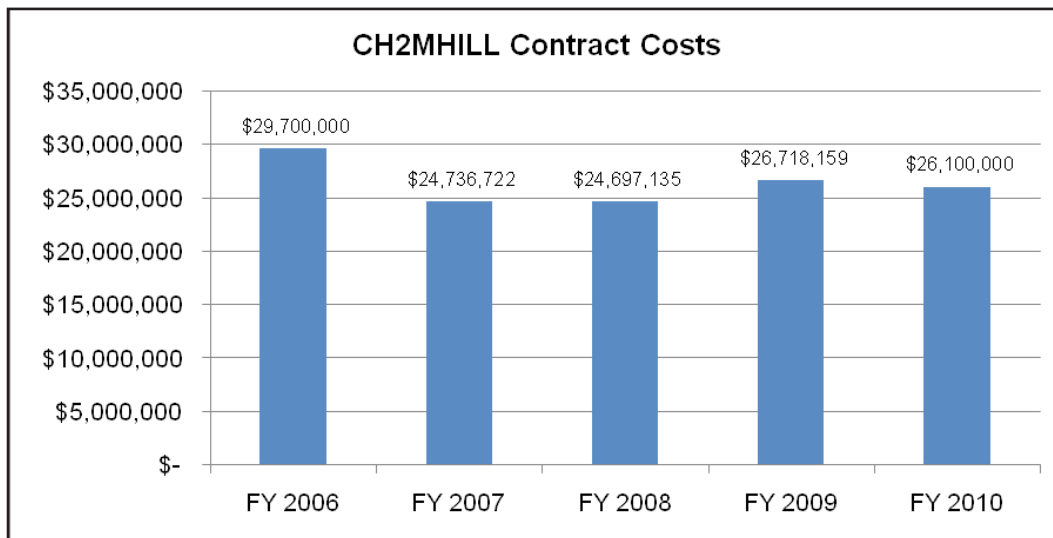
With the approaching expiration of the City's initial five-year contract with CH2MHILL next year, the City has undertaken a survey campaign to gauge citizen satisfaction with current operations. Using Survey Monkey, more than 200 responses were received in the first week of its posting - a remarkable rate of response for an online survey. Thus far, more than 300 responses have been received, with the vast majority of respondents (83.8%) indicating satisfaction with the overall services provided by the City. Sandy Springs has recently engaged the National Research Center, Inc. to administer the widely-utilized National Citizen Survey in order to gauge the community's level of satisfaction across a comprehensive area of services.

Costs

Sandy Springs was truly built "from the ground up." In 2005, the Georgia General Assembly passed House Bill 37 giving residents in the unincorporated area, which was the community of Sandy Springs the right to vote on incorporation. This bill allowed for the creation of the Governor's Commission for Sandy Springs to begin preparations towards the creation of the new city.

 After the Governor's Commission for Sandy Springs formalized the intention to operate the City in a public-private partnership model, and because no one could obligate the City until after municipal

CH2MHILL Contract Costs

FY	Amount
FY 2006	$29,700,000
FY 2007	$24,736,722
FY 2008	$24,697,135
FY 2009	$26,718,159
FY 2010	$26,100,000

elections were held, the City's private sector partner, CH2MHILL, operated on a "handshake" from September 2005 until December 1, 2005, when incorporation was official. The private sector partner invested $5,000,000 as a loan to the city to lease space, recruit, hire and train staff, and implement all services needed to stand up the city in less than 90 days.

In FY 2006, the Sandy Springs' contract with CH2MHILL was $29,700,000, of which $5,000,000 represented the repayment of the initial loan to the City. The chart above reflects annual contract amounts for Sandy Springs' partnership with CH2MHILL.

The City of Sandy Springs is funded through traditional municipal government sources including property taxes, sales taxes, occupational licensing fees and business license fees. The City utilizes the same tax rate that was set prior to incorporation at 4.73 per $1,000 of assessed property value. Even without an increase in this rate (which has remained at the same level as was levied by the county), the City has implemented programs and services that decrease crime, improve public safety and enhance the quality of life for its residents.

Every year since incorporation, the City has operated under their approved operating budget, allowing the Council to provide for a significant investment in capital projects such as sidewalks, paving and parkland enhancement.

Conclusion

State and local governments across the country are faced with diminishing revenues, resulting in tremendous deficits. Compounding the issue, the demands for government services continue to increase. The lessons learned in the Sandy Springs PPP model are applicable to governments across the United States and abroad. Over the past four years, Sandy Springs has demonstrated that the PPP model is not only effective and efficient, but also builds value for our residents, increases accountability and provides the highest level of customer service.

Improving the economic viability of our community is a key goal. Sandy Springs was not formed in a vacuum; as such, City leaders strive to involve residents and members of the business community

in City operations. The City is working to stabilize portions of its downtown area by seeking the designation of an Opportunity Zone from the Georgia Department of Community Affairs. This designation will afford the City state job tax credits, which are leveraged to encourage redevelopment in the area. Mayor and Council have also implemented another incentive plan in the form of lower permit fees to encourage additional redevelopment.

The strategies that Sandy Springs implemented are applicable to local governments across the country. By approaching the provision of governmental services in a non-traditional fashion, the City was able to realize significant cost savings and efficiencies. Implementing data-informed responses to citizen needs allows the City to better position limited resources to areas of greatest need.

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Creation of an All-Payer, All-Provider Claims Database (APPCD)

Massachusetts Division of Health Care Finance and Policy
Boston, MA

Health care claims can serve as a valuable source of data to better understand the quality, cost, and efficiency of the health care delivery system in Massachusetts. Unfortunately, the ability to analyze health care claims data in Massachusetts is limited now for a variety of reasons. The data is currently collected by several state government entities in various formats and levels of completeness. As such, there is no central repository for data (i.e. one location where data from all payers and carriers are stored) and there is a lack of continuity within the data (i.e. a patient cannot be followed from one insurance carrier to another easily). In addition, there is inconsistency in the collection, standards, codes, and methodology currently used across states and state agencies. This results in: 1) lack of interstate/national comparability of data, 2) high costs for carriers and data submitters since they have to provide the same data in multiple formats, and 3) high costs for data recipients and processors. All of these issues create unnecessary obstacles for those who wish to analyze the data.

These challenges demonstrate the critical need to develop and implement a database which captures patients' care across providers and payers, and is collected and stored by a single entity. Such an innovative and comprehensive database would:

- Inform more thoughtful health policy and program decisions based on robust data analyses, and assist the Commonwealth in its efforts to mitigate health care costs and improve quality;
- Eliminate duplicative data requests to health payers by state government entities;
- Generate cost savings for both carriers and government agencies by maintaining data centrally in one location (thereby ensuring administrative simplification); and
- Promote greater transparency in the health care delivery system.

In response to these challenges, the Massachusetts Division of Health Care Finance and Policy (Division) proposes to build an all-payer, all-provider claims database (APPCD) under its authority recently granted by Massachusetts General Law (Chapter 305 of the Acts of 2008 - An Act to Promote Cost Containment, Transparency and Efficiency in the Delivery of Quality Health Care). The Division has proposed regulations to collect and make available data on all private health care claims (including self-insured – who represents half of the privately insured - as well as fully insured claims). The Division is also working with the Office of Medicaid and the Commonwealth Health Insurance Connector Authority to incorporate MassHealth and Commonwealth Care data, respectively, and is submitting an application to the Centers for Medicare/Medicaid Services to obtain Medicare data as well. The result will be one of the only all payer, all provider claims databases in the country, and will benefit health care consumers, providers, researchers, and policy-makers throughout the Commonwealth.

It will be a key resource to the Division in carrying out its mission to improve health care quality and contain health care costs. While Massachusetts has successfully tackled the issue of ensuring access to health insurance coverage, with over 97 percent of Massachusetts residents now insured, the issue of rapidly rising health care costs continues to cause significant challenges. Access to timely, accurate and relevant data is essential to mitigating costs, improving quality, and promoting transparency and efficiency in the health care delivery system. The Division could provide data to sister agencies which will relieve the payers of multiple requests for information, reduce related administrative costs, and provide a common dataset on which to base policy and regulation across Massachusetts. The APPCD will provide a broader and more robust dataset for the calculation of those measures while eliminating the need for the Health Care Quality and Cost Council to collect data separately. The APPCD will be a rich resource for health care organizations that can use the data to further their own research efforts.

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This approach will also use the experience and knowledge of other states – particularly Maine, New Hampshire, and Vermont – who have built multi-payer and all-payer claims datasets. Some early results reported from these types of efforts include:

- The New Hampshire Purchasers Group on Health developed benchmark reports based on 2005-2007 claims data to understand the prevalence of health conditions, use of preventative services, and payments by services types for its members.

- The Oregon Health Fund Board reported in 2008 that evidence based guidelines developed from data from the local APCD could save an estimated $650 million in the first three years and $4.2 billion in the first 10 years of implementation.

The incremental costs of this project to state government are cost-effective given the potential benefits of this solution. The planning and regulation development phase (FY2010) is estimated to cost $171,000. The full development of the APPCD in FY2011 is estimated at $1.14 million. The costs estimated for FY2012 include both the final development stages as well as the beginning of the maintenance phase. The costs for this portion of the project are estimated to be $938,000. Once the Division reaches the maintenance phase for the APPCD in FY 2013, it will cost $678,000 in incremental costs to the Division annually. The project is currently launched and the funds for FY2011 are secured.

The APPCD will expand upon two limited data sets currently collected and managed by the Division. The Division has collected discharge data from all Massachusetts hospitals for two decades and maintained an all-payer hospital discharge database. The Division expanded its responsibility in 2009 to include collecting claims data (from commercial, fully insured plans) on behalf of the Health Care Quality and Cost Council. In this role, the Division is responsible for data management (collection, cleaning, standardizing, and following up with providers), data analysis, and reporting of a comprehensive, integrated data set for over 3 million Massachusetts residents.

Unlike these databases, the APPCD will include fully–insured and self-insured plans as well as public payers (Medicare and Medicaid). But similar to these databases, the development of the APPCD will leverage the Division's experience, strong information technology, and business infrastructure. Ultimately, the APPCD is a critical and necessary tool to improve health care quality, clinical outcomes, advance public health, and mitigate health care costs in Massachusetts by promoting public transparency and objective analysis of the health care delivery system.

Balanced Incentives for Health

Mitchell T. Rabkin, M.D., and John S. Cook, D.Phil.
Boston, MA

In the United States, the financing of health care is shaped largely by the policies of Medicare and copied by most other payers and insurers. These policies create a market that is unique, far different from the market that exists in virtually all other buy-sell transactions. This unique health care market creates a system of incentives that dominate the practice of medicine. Some argue that the continuing rise in health care costs is a result of advances in medicine, new technologies, increases in coverage, excess usage in fear of malpractice suits, demands by patients, inflation, etc. That misses the point. The primary reason for the unacceptable and continuing rise in costs is that the inflationary incentives of the health care market dominate its very weak incentives for containing costs.

Efforts to control costs to date have not dealt with the reality that for effective reform the dominating inflationary incentives of this market must be eliminated. For real reform, a new and different market must be developed with incentives that work to generate prudent commitment of resources, i.e., cost control, and also insure quality of care and patient satisfaction.

The keys to the pathology of today's health care market are two: (1) fee-for-service as the dominant mode of payment, now widely recognized as inflationary, and (2) leverage for control of costs is in the hands of the payer and not the responsibility of the doctor. These are facts, realities long ignored. We propose to eliminate these two faults through a new market in health care, one with incentives that will make meaningful reform possible.

We start with pilot programs by Medicare that place control in the hands of the physician and patient. Coordinated financial incentives would favorably influence quality of care, patient satisfaction and the judicious use of resources, i.e., cost control. These incentives would impact on primary care physicians, their referred specialists, patients, hospitals, insurers and employers. Positive experience with the pilot programs could then lead to wider use, with revisions as insights may emerge from the initial efforts. Wide implementation by Medicare would influence other payers, government and private, and the health care market, its financing and delivery of care would improve.

In recent months, single payment for an episode of illness has been suggested as a means of cost control, covering all things related to that episode or illness. That provides a given budget for the episode or illness, but since many elderly patients have multiple illnesses, the notion has practical limitations. By contrast, fixed payment for all care of an individual over a year (true capitation) is more realistic, unless the patient can freely seek and receive care anywhere he or she wishes and still have the insurer pay for it. That unrestricted "freedom of choice" is what made for failure with many so-called "managed care" efforts in the recent past and distorted the common understanding of capitation. Only in a closed system, such as Kaiser-Permanente of Northern California, has true capitation worked and

demonstrated that quality of care was comparable to or better than that in the neighboring fee-for-service environment, with lower cost and equal or better patient satisfaction.

Most doctors and hospitals are not organized as is Kaiser-Permanente, so the challenge is to innovate those principles of capitation in a new system that would work without disrupting the way most doctors and hospitals go about their work today.

To start with pilot programs by Medicare – which would not require new legislation – we must likely accommodate the following:

- The current administrative capacities of the Centers for Medicare & Medicaid Services (CMS), including its enrollment, benefit adjudication, claims processing, and actuarial service capabilities

- The current Part A and Part B Medicare health plan options, options that feature freedom of choice of providers with no referral requirements

- The current network of participating Medicare providers

Medicare would issue contract proposals to primary care physicians (PCPs) requesting they voluntarily form groups of 5-15 physicians (a Team). Each Team would pool a sufficient number of Medicare beneficiaries with Part A and Part B coverage to ensure that a target budget covering their collective Part A and Part B expenditures will be actuarially stable.

Annually, CMS will compute a target budget for each panel of Medicare beneficiaries assigned to a particular Team. Age, sex, disabilities and other factors influencing the services required by the Team's patient panel will be accounted for based on the actuarial classes and budgeting techniques currently used by CMS to create target budgets for Medicare HMOs and Advantage Plans. These target budgets are not bank accounts; they are accounting devices used to evaluate the expenditure levels of each Team. By the close of each year, having previously determined the target budget for the Team's assigned beneficiaries, CMS will charge against this target budget all claims payments ("Chargeable Payments") made by CMS on behalf of the Team's assigned beneficiaries.

- The PCP will provide basic and initial care and provide or arrange for specialist, hospital and other care, referring the patient to providers specifically selected by that Team.

- A beneficiary who accesses care through the PCP (and Team), whether for primary care, specialty referrals, nurse-practitioner care or care by other providers agreed upon by the Team physicians will be relieved of a meaningful portion of the co-payments for the services of physicians, etc., otherwise applicable under Part B of Medicare. This offers the patient the first of several incentives to access care only through the PCP and to follow the PCP's referrals for specialist and hospital care.

- Even so, the beneficiary is not "locked in." The beneficiary can reject the PCP's referral and self-refer to the specialist or hospital of his/her choice while maintaining Part A and Part B coverage with its deductibles and co-payments.

Each Team has its target total budget for the group of Medicare beneficiaries registered with the Team. By the close of each year, the balances in that target budget will be determined and a proportion of any positive balance will be paid to the Team. The Team with positive balance in its total target budget and with highly favorable quality and patient satisfaction results (determined through effective information management and surveys) might receive, say, 40 percent or more of the positive balance. The remainder of the balance could be both shared with the payer and also used to reduce the patients' health insurance premiums for the following year. Thus, fee-for-service payment is eliminated, and responsibility for control of costs is in the hands of the physician and not the payer. The financial incentives now act

in support of the prudent commitment of resources, quality of care and patient satisfaction.

Balanced Incentives for Health (BIH) anticipates more patient time with the primary care physician, offering better care, better communication, and more gratifying experiences for both patient and physician. How will more time with a physician result in lower costs? It can lead to fewer visits to physicians' offices or emergency units, earlier diagnosis, improvement of patients' lifestyle, prevention of illness, and better overall health, all making for lower costs. BIH encourages the physician to spend time with the patient in useful efforts not paid for under fee-for-service, such as taking the time to listen to the patient, planning with the patient for health in the years ahead or, for a patient with chronic illness, focusing on education, monitoring and home care. The primary physician Team can include nurse practitioners, physician assistants and other members without concern that a fee-for-service system might not pay for their efforts. And the Team's financial incentives, based on value measures that include quality, cost and patient satisfaction, encourage greater value and more cost-effective care.

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Were BIH proven to be effective at controlling costs for Medicare and improving the situation for both patients and caregivers, it would likely become adopted more widely and lead to meaningful competition among private plans, with more cost-effective and patient-centered systems of organization, cafe delivery, and payment. That could promote an across-the-board change in the way virtually all insurers do business.

We think Massachusetts faces the same problem. While its efforts at health care reform have been widely heralded, these have addressed only one component of the three that must be dealt with successfully. The Massachusetts program has dealt with access, leaving only a few in the Commonwealth uncovered by health insurance, but the program has not impacted favorably on the issues of cost and quality, the two other components of the trio necessary for success.

Implementation of BIH should create a new health care market, enabling the Primary Care Physician to resume the professional responsibility of managing the care of patients in return for a workable system of prepaid capitation, with incentives for value delivered -- prudent use of resources, high quality of care and patient satisfaction. For the participating specialist, market advantage is gained through similar performance. For the patient, BIH offers better-coordinated acute and chronic care, and long-term promotion of health combined with both freedom of choice and the opportunity to cut out-of-pocket costs. For the hospital, the incentives on its physicians enhance quality of care and efficiency, lessen costs, increase patient satisfaction, and increase competitiveness. For the insurer, government or private, the benefit is relief from both the burdens of clinical monitoring and management, and the administrative jungle of fee-for-service accounting and payment in return for a system of cost control that operates on incentives supporting value in health care. Neither the existing pattern of fee-for-service nor the recent past experience with so-called and inherently flawed "managed care" offers comparable direction for effective reform.

A new and systemic approach is needed to create a health care market supporting the critical goals of quality of care, prudent use of resources, and the possibility of access for all. Balanced Incentives for Health is offered for that purpose and warrants trial. Its opportunity for timely implementation without legislative infighting in Washington is an added advantage. We should explore its effectiveness and capacity to bring about greater value in the health care of all Americans and do so without breaking the nation's bank.

Performance-Based Employment Services

America Works
New York, NY

As is well known, our nation, and particularly many of our state and local governments, currently face one of the worst budget crises in several generations. Leaders face difficult decisions around fiscal priorities, revenue sources and economic recovery strategies. Unfortunately, many politicians seem compelled to think according to a black and white budget binary: either lower expenses by cutting or reducing programs or raise revenue by raising taxes. Lowering expenses often threatens essential services for vulnerable populations, including the sick, disabled, seniors, veterans, low-income residents and students. However, raising expenses discourages economic activity, ultimately exacerbating the budgetary crisis. Neither adequately stimulates economic recovery or lessens the long-term budget problem.

Fortunately, although seemingly unbeknownst to many of our current leaders, other potential solutions that involve neither the reduction of services to vulnerable populations nor the raising of taxes do in fact exist. Increasing the cost-benefit of services provided through government dollars provides one potential solution, and as a direct employment placement organization, America Works has been doing exactly this since 1984. Underlying its success is an innovative method of contracting with government agencies that involves payments based entirely on performance. America Works is compensated only for positive performance, by placing and retaining hard-to-serve populations like welfare recipients, homeless veterans and ex-offenders with viable jobs.

America Works believes this model of service delivery provides the best potential for cost efficiency in the short and long-term. By limiting wasteful spending now and reducing future spending through results based-programming, performance-based contracting enables self-sufficiency and ultimately reduces the amount of money spent on welfare, jail, education and other government-contracted social services. This method of contracting allows the free market (rather than government bureaucrats) to create, implement and reward effective programs that can deliver the desired results. America Works believes performance-based contracting will help resolve state and local budget issues while improving service providers and resulting in tangible achievements for clients dramatically in need of help. That, we believe, is better government.

Government agencies at the local, state and federal level all support important social programs that provide essential services. Unfortunately, the services are not always provided with the effort and importance they deserve. By and large, agencies are paid to provide programs. For example, they might receive a $200,000 contract to operate an after-school program in a low-income neighborhood. They are paid primarily according to a line-item budget, listing the number of case managers, social workers, tutors and other staff providing services, the number of supplies and materials needed and

some overhead. The contract is structured around inputs: what will be provided to level the playing field for the resource-poor youth in a particular neighborhood? In the process, both the government agency and the service providers lose sight of what is most important: the outcomes. Service providers are too busy ensuring they meet the government's requirements for input (such as the number of tutoring sessions, case management meetings or career awareness workshops) that they fail to ensure the program is producing positive results.

Opening the government contracting process to free competition through a performance-based approach would place the emphasis on results, rewarding organizations that produce positive outcomes and leveling the playing field for both for- and non-profits. Using a free market mechanism, all service providers would compete to deliver the most effective programs for the least cost to government. Unfortunately, contractual power remains in the hands of tightly managed government agencies and their appointed bureaucrats, who neglect to utilize the free market to improve the cost-benefit ratio of government expenditures.

The push for welfare reform, ultimately enacted as the 1996 Personal Responsibility and Work Opportunity Reconciliation, was accompanied by a desire to reduce long-term dependency on government programs while harnessing the advantages of the market. Leaders at that time, with America Works' encouragement, began to see line-item budgets for social services as part of the problem. The shift to performance-based contracting began to take hold as federal dollars previously spent on welfare were reallocated to job training and placement programs. State and local governments, from the City of New York to the State of Massachusetts, implemented significant strides in contracting for performance rather than process.

Unlike most social service or employment placement contractors, America Works is paid only for what it achieves: job placement and retention. Other programs are paid to operate a job training program or a job placement center, and the results are scattered and inconsistent. In contrast, America Works conducts an in-depth analysis of what is required to place a given population in jobs, and it offers the government agency a deal based on that population's financial parameters. For example, America Works will calculate what it costs the government to pay for a family to be dependent on welfare (up to $50,000 per year), to keep a person in prison (more than $30,000 per year for an average of 6 years), and to shelter and pay for medical coverage of an unemployed veteran (up to $171,000 per year). America Works then negotiates with the agency, offering a cost far below these government-dependent alternatives and payable only upon success.

A typical America Works contract includes payments for initial job placement and retention, offering incentives for employees to retain their jobs for the critical four-to-six month period, which reflects the success of a program and the likelihood that employees will retain their jobs long-term. In contrast, it is common for the Department of Labor to issue contracts where providers receive 66 percent of their total contract if a client works only one day and 100 percent for two months.[1] Other government contractors who claim to participate in performance-based contracting admitted that in reality, if a person works for between 60 and 90 days and then returns to welfare, jail or Veterans services, the contracted agency still receives between 87 to 100 percent of the total contract fee.[2]

The data shows that a performance-based contracting approach that bases financial incentives around proven milestones that accurately predict long-term outcomes (such as remaining in the workforce, enrolling in college or staying out of jail) remains successful. A study by the Office of the Comptroller for New York City in 1993 found that only 17 percent of public assistance recipients placed in jobs through

the New York City's Adult Training Program were working 90 days later. In contrast, data compiled by New York State showed that 88 percent of the people America Works had placed were still off welfare, three years later.

For the sake of its clients, employees and organizational viability, America Works has always insisted on a performance-based approach. This does require slightly higher start-up costs than usual – because America Works has been paid for performance in even its first contract, all overhead such as desks, staff, computers, telephones, office space and supplies had to be covered through approximately $1 million in investor funding. While America Works charges slightly more than its non-profit peers, it only charges for successful outcomes. Each time the government makes a pay-out, they achieve significant long-term cost savings.

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In addition to performance-based government contracts, America Works also achieves organizational sustainability through its employer partners. Upon placement, the employee is added to America Works' payroll for several months; like a temp agency, America Works receives a salary and fee from the company to keep this person employed. If the relationship proves mutually beneficial, the company will then take the employee onto their own payroll. This reduces risk for both sides and guarantees the employer a steady stream of well-trained employees who are matched and prepared for the job. It also allows America Works to ensure organizational viability while offering government agencies a genuine bargain that guarantees social reform – and long-term improvements on their budgetary bottom line.

Since America Works' inception more than 25 years ago, it has grown from 200 clients placed in jobs in its first year to more than 5,000 successful placements and retentions each year today. Throughout this period, it has adapted in response to shifting need, a by-product of performance-based contracting. Instead of relying on programmatic government contracts to operate, America Works can continue so long as it continues to serve populations in need. Without having the continued operation of a specific program tied to its financial bottom-line, it can best adapt to meet demand and ensure long-term success. For America Works, this has meant a shift away from serving welfare recipients – given the drastically reduced numbers of people living on welfare achieved through reforms – and towards serving a range of new populations in need of stable employment, such as ex-offenders, veterans returning from Iraq and Afghanistan and individuals living with HIV/AIDS.

Performance-based contracting achieves positive outcomes for all parties involved—the government agency, the contractor, the employer seeking employees to fill open positions, and the clients ultimately served. By shifting risk to the contractor and power to the competition of the free market, it provides predictable expenses for predictable outcomes, facilitating a cost-benefit analysis of government expenditures. It also improves the contractor's own operations by encouraging innovation, achieving cost savings and controlling rates, providing more flexibility to the contractor and ultimately allowing the contractor to focus on its mission-based activities.

America Works also hopes to bring its performance-based approach to help two disadvantaged populations achieve self-sufficiency, shifting resources to serve these predominately male groups. Ex-offenders and Veterans are distinct in fundamental ways, but both populations need assistance to find and maintain a job. By using incentives for the employees, the employers and the clients, America Works expects to achieve significant success with these populations, too, and our performance-based approach will remain the driving factor.

1. Peter Cove, "Making Welfare-to-Work Fly", http://www.manhattan-institute.org/html/cb_24.htm, 24, January, 2000

2. Ibid

MassDOT Developers Initiative

Massachusetts Department of Transportation (MassDOT)
Boston, MA

MassDOT and the MBTA are constantly asked to do more with less. Both organizations shoulder billions of dollars in debt and are funded with revenue streams that cannot meet the financial demands of a deteriorating transportation infrastructure. The organizations must respond by operating a more streamlined, efficient bureaucracy and applying new ways of thinking to old challenges. The MassDOT Developers Initiative exemplifies that type of new thinking. MassDOT and other transportation organizations around the world have always struggled to deliver timely and accurate information to users of transportation infrastructure. Whether it be real-time traffic reports, bus schedules, road or system maps, there is a gap between what agencies can provide and what the public demands.

Information dissemination is generally not a core mission of transportation agencies (which are more concerned with rebuilding roads and bridges, and operating buses and trains). However, transportation information is valuable to customers, and can increase the efficiency of a transportation system by improving mode splits and increasing transit use. Traditionally, the strategy at MassDOT and the MBTA has been to operate as a retailer of customer information – to connect directly with travelers and potential riders. Such a strategy has resulted in a series of projects and efforts, including 511 (a traveler information phone system) and a long-delayed effort to install "next train countdown" signs at MBTA stations.

In July 2009, the Executive Office of Transportation launched the Developers Page, which hosts transportation data that can be used by third-party software developers to build websites, mobile applications, and other applications that deliver customer information more efficiently and effectively to users of the Commonwealth's transportation system. The Developers Page hosts this data in standard formats that are easily-accessible to developers. These data sets include schedule and route information for the MBTA and many of the state's regional transit authorities, and a simple feed of wait-time at RMV branches. This effort built on similar "Developers Page" efforts at other transportation agencies around the country, including the Bay Area Rapid Transit in San Francisco and TriMET in Portland, Oregon.

MassDOT marketed the data hosted on the Developers Page by engaging local software developers and other third parties in a series of meetings and events. The relationship between MassDOT and developers is outlined in a "Relationship Principles" document. MassDOT decided to licenses its data at no cost, which lowers the startup cost for firms wishing to enter the market. Perhaps most importantly, MassDOT encourages third-party developers to profit from redistributing this information, either by selling it to users directly or tying in the content with advertisements that generate revenue. This arrangement encourages private investment, which is then leveraged to help customers. EOT became MassDOT on November 1st. By then, Developers had already created five applications that help riders navigate the MBTA system or RMV customers get better information about wait times at branches. To foster third-

party efforts, MassDOT reached out to developers, holding a developers' meeting and engaging the community through Twitter and Google Groups. MassDOT held the first-annual MassDOT Developers Conference on November 14, 2009 at the Massachusetts Institute of Technology. The daylong event attracted more than 200 guests, including developers, entrepreneurs, transportation stakeholders from across the state, and others interested in making transportation data useful for Massachusetts travelers. MassDOT also announced the winners of the 2009 MassDOT Developers Challenge, which inspired developers to create both mobile phone applications and data visualizations based on open-data feeds. The Challenge produced applications that would have cost tens of thousands of dollars for MassDOT to produce on its own. The MassDOT Developers effort was founded on the belief that releasing data to independent developers was achievable at virtually no cost. This is a stark contrast to the multi-million-dollar cost of building its own retail information distribution platforms. When launching this effort, MassDOT asked what information was already available in standard formats but perhaps difficult for third parties to find or use.

For a number of years, the MBTA and Massachusetts Regional Transit Authorities (RTAs) has been working to put schedule and route information into an open and standard format called the General Transit Feed Specification (GTFS). This is the same format that Google uses to power the transit trip-planning features of their online mapping application. Because much of its schedule and route information was already in GTFS, MassDOT was able to simply make these files available to third party software developers for download on the Developers Page, all at no marginal cost to the agency. MassDOT also leveraged the MBTA's T-Alerts notification system at no cost. This retail-focused system sends emails and text messages directly to rides with updates on MBTA service. Underlying this system is a database and distribution server. By publicly exposing an RSS feed of the alerts in this system, at no cost to the agency, software developers were able to integrate alerts into their applications. This approach is a contrast to many other agencies and Governments that "look" for information to "open" on their Developers pages. Often, these agencies will expend significant resources to make information available before seeing what was already in standards formats that could have been released at no cost in a short period of time.

The Developers Initiative works by leveraging existing investments already made by MassDOT and the MBTA. Here is just one example of how the Initiative has effectively managed costs:

> In 2007, the MBTA launched T-Alerts, which provided direct emails and text messages to riders who signed up for the service on the MBTA's website. Operators at the MBTA's central control center enter service alert information into a web-form, and the alerts are sent to the MBTA website and to those signed-up to receive alerts. The MBTA did not allow users to sign-up for multiple lines, nor did it open a feed to developers. In September, 2009, when the Developers Initiative approached the MBTA about building a developers feed for T-Alerts, it turned out that one had already been built! The MBTA had already paid for this functionality, but it had chosen not to share or expose the feed with the public. Flipping the switch on this feed cost the MBTA/MassDOT nothing and it allowed third-parties to much more effectively redistribute T-Alerts to customers.

The Developers Initiative is a significant cost savings opportunity for MassDOT and the MBTA. The lessons learned from the initiative permit the agencies to rethink planned expenditures that, as currently designed, offer lower value to MassDOT and the MBTA. Savings can be invested in the core-missions of the agencies or used to retire debt. This initiative embodies the Patrick Administration's civic engagement and support for public-private partnerships. By opening up this data, the MassDOT Developers initiative enables citizens to engage with the Commonwealth's transportation system in a new way, and to work together to build applications that help themselves and others.

Today, there are more than ten applications and websites that use MassDOT data to better serve customers. These applications would have never existed without the Developers effort. Massachusetts travelers are using these applications every day to plan their trips, learn about wait times at the Registry, or find the location of their bus. Importantly, these solutions are not provided for just the newest, most expensive technologies. Developers have built applications that supply information by text message, through a local (617) phone number, and on a countdown sign that has been installed in a small business in Jamaica Plain. The Developers Initiative has effectively increased the dissemination of information to all citizens at all income and ability levels.

The MassDOT Developers effort has always been about taking valuable information in internal MassDOT systems and making it available publicly. MassDOT started with a small number of data sets from the Regional Transit Authorities and RMV and have expanded since its initial launch. By starting with smaller agencies and demonstrating success, MassDOT has been able to build momentum to release data for other operating divisions. Within two months of launching the Developers Page, the agency was able to launch MBTA GTFS files. The T-Alert feed followed shortly thereafter. After a successfully rollout of transit information, MassDOT was able to push internally to release a feed of highway construction event information. This feed is shared with radio stations, TV stations, websites, and GPS and mapping companies, so that information about road closures can get to drivers.

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In November 2009, MassDOT released a pilot feed of real-time bus locations and arrival predictions for five bus routes as part of a trial program. This feed was quickly used by developers to build the wide array of applications and devices now available to customers on those routes. MassDOT's successes and innovations from the Developer community are already leading it to re-think how it will make information available for all MBTA bus routes. MassDOT expects to release a feed of all MBTA bus routes by the end of summer 2010, at significantly lower cost than previous estimates.

Lastly, MassDOT's developer community has grown dramatically since it began in July, 2009. The first meetings at a non-profit in Cambridge were attended by 20-30 local developers. Recent events have seen as many as 200 attendees. More than 200 individuals subscribe to the Google Group, and the MassDOT Developers account is followed by more than 600 others on Twitter. The Developers Initiative is consistently able to leverage this community for new innovations and as a testing ground for new ideas.

MassDOT plans to build on this successful and well-received program. In just a few short months, the MassDOT Developers Initiative has helped create transportation applications that were unimaginable just one year ago. By the fall, the agency expects that MBTA but riders will be able to know exactly where their bus is at any moment, and will be able to access that information on a computer, a sign in a small business along the route, or by accessing the information through a cell phone. This is a substantial benefit for existing MBTA bus riders and an ideal way to attract new riders to the system. Once available for buses, the MBTA plans to investigate opening up feeds for all of its other modes. Within the organization, many employees have noticed these efforts and are beginning to integrate requirements for open data as new systems are built and procurements are started. In the coming months, the agency's goal is to embed the Developers Initiative within the bureaucracy at MassDOT, and to solidify its strategy of making MassDOT and the MBTA a wholesaler of information. This strategy will allow us to provide better information to travelers at much lower cost to taxpayers.

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