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23rd Better Government Competition

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2014 Better Government Competition

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High tech, high touch

Technology has so quickly transformed our private lives and even what we consider public. Why then hasn't technology had a more rapid impact on the way government works and the quality of public services, as well as how open and how accountable the government is?

That question is especially salient in the Commonwealth, with its extraordinary history with information technology innovations and its powerful high-tech industry. It seems incongruous that our state's technology offerings are mediocre — and at times even scandalous. The biennial state survey conducted by e-Republic's Center for Digital Government, which measures how well states use technology to "improve internal processes and better serve citizens," is not kind to the Bay State: Massachusetts public sector IT offerings are decidedly middle-of-the-pack, trailing far behind states like Michigan, Utah, Missouri and Georgia.

Reality is worse than that. Consider this short list of state government's disastrous technology projects: The Judiciary's years-long attempt to create a workable case management system (\$75 million), the \$13 million Cognos affair which led to the defenestration of a Speaker of the House, ineffective case management and reporting software at the Department of Children and Families, an unworkable unemployment insurance website with over 100 defects (\$46 million), the move from a working Massachusetts Health Connector (at a cost of under \$5 million) to the failed Health Connector 2.0 at a cost of hundreds of millions of dollars.

Why is Massachusetts government too often incapable of delivering on technology investments? Pioneer's 2014 Better Government Awards sought to recognize programs and ideas that addressed critical needs and would improve the quality of services in the Commonwealth.

The 2014 BGC winner, Rich Bowlen of Northwoods, offers a solution to the Bay State's urgent need for high-quality support services for children in the public's care or protection. For years we have known that the state's Department of Children and Families needed more capacity in the form of more case workers and better communication and case management tools. Our ignoring this problem had tragic results. Bowlen provides a digital software package that automates core reporting and management processes, and brings case workers into the 21st century, each day saving them 1.5 to 2 hours — hours that can go to serving children.

The 2014 runners-up identify ways for private entities to unlock the value of public real estate holdings in order to revitalize communities; for the handicapped to obtain or renew special purpose parking permits in the ease of their homes; for residents of Boston to apply for permits and conduct business directly with City representatives, again without having to leave the neighborhood in which they work or reside; for doctors in small practices to maintain their independence while complying with and benefiting from new statutorily created value-based payment models.

Better care for the vulnerable, revitalized communities, easier access to public services and ways to conduct business with governments, and a better functioning health care system. That's better government.

The Institute is grateful for Shawni Littlehale's leadership of the Competition and to Matt Blackburn who, together with able interns Victoria Bulson, Aadil Chitalwala, Kayla Fory, Samantha Kennedy, Kelsea-Marie Pym, Elena Eimert, and Olivia Schellenberg, assisted Shawni in organizing the Competition and marketing it across the country. Their work was aided by hundreds of media outlets, state legislators, and think tank and university representatives.

We are also extremely grateful for the efforts of the 2014 judges panel, which included individuals with private and public sector expertise in IT, clean tech, biotechnology, patent and intellectual property law, and investments: Andrew O. Davis, Overall Capital Partners; Keith N. Hylton, Boston University School of Law; Patrick Larkin, MassTech Collaborative; David O'Connor, ML Strategies, LLC; and Kevin Stokes, The Town of Brookline. Their knowledge and judgment were on display throughout the panel's deliberations.

Cordially,



James Stergios, Executive Director



Better Government Competition

2014 WINNER

Compass® Pilot and CoPilot

Rich Bowlen

Director of Protective Services at Northwoods Consulting Partners, Inc.

Problem

Agencies charged with protecting our nation's most vulnerable have a daunting responsibility. Unfortunately, the digital tools commonly used in business today have not been made readily available to the social workers whose job it is to comfort a child or offer hope to the elderly. As a result, our nation's social service system has been left to flounder due to archaic means of operating. Due to their commitment to mission, social workers in child and adult protective services agencies all over the country often end up donating their time and resources to meet the growing demand of complex cases. Workarounds, duplication of effort, and repetitive processes have become the norm, all of which contributes to an environment counterproductive to the goal of assuring safety.

It is ironic that agencies tasked with serving those lacking basic necessities find themselves in a like situation, professionally speaking. Social workers who want to spend more time in the field assessing critical situations and providing support to families in need are unable to do so as a result of being overburdened with ever-increasing mandates, the paperwork required to demonstrate compliance, and the antiquated processes for submitting it. It is not surprising to see these workers spending more time filling out forms than comforting a child, or agencies spending more time locating information and gathering documentation than using that very same documentation to inform efforts that move children towards permanency.

Further, the lack of automated systems leads to missing information, lost case files, an inability to make decisions quickly or demonstrate compliance, and rapid turnover within the industry. The problem lies not with the workforce or the commitment of the agency, it is in the unrealistic notion that dedicated professionals are expected to use 20th century business processes in the 21st.

Solution

Northwoods Consulting Partners created Compass Pilot, a desktop productivity solution, and CoPilot, a mobile productivity application, to help those who respond to horrific forms of child and elder abuse and neglect. Northwoods developers spent more than 1,000 hours riding along with social workers to get their perspective so that they could then develop a solution that met their needs while still attending to the business of the agency. The solution that was developed has successfully demonstrated the ability to:

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- Reduce paperwork
- Provide clients a higher level of care
- Handle increasing caseloads with fewer resources
- Improve safety and productivity in the field
- Enable greater collaboration between social worker and supervisor
- Increase productivity agency-wide

Compass Pilot and CoPilot have been fully deployed in Child and Adult Protective Services agencies in Ohio, North Carolina, Wisconsin, and Minnesota. In each, social workers are saving 1 ½ - 2 hours per day, time that can now be repurposed to focus on care. Social workers are collecting documents, completing forms, capturing more photos, and experiencing a higher level of engagement with families. At the same time, new information that comes into the agency can be downloaded by syncing through the Cloud, thereby fully integrating office and field. All this is accomplished through a single application. Since all of this work, which previously required multiple trips back and forth to the office, is completed as it happens, social workers have been able to increase the amount of time they spend with families. In fact, one county agency in North Carolina received the Document Management and Implementation Award from the National Association of Counties for applying this solution.

As a result of equipping today's social worker with the right tools, turnover rates have declined sharply in those agencies using the Pilot and CoPilot solution. For example, Beaufort County, NC stated they have only seen one position vacated since implementing the new technology and that was due to promotion. Since social workers are remaining with their agencies longer, there is less lag time as a result of transferring caseloads, and caseloads are able to be maintained within best practice recommendations.

Start-Up Costs

Protective services agencies that have implemented the Northwoods Compass Pilot and CoPilot solution have made an initial investment of approximately \$6,000 per user (start-up cost representing about half) in order to achieve a return within 15 months. The cost per user encompasses everything from an initial organizational analysis and complete system configuration, to providing full support, training, and development of agency staff.

Agencies have been able to achieve a time savings of 1 ½ - 2 hours per day/employee. In this way the Pilot and CoPilot solution provides agencies exponential value through increased productivity, reduction or elimination of overtime, reduced travel costs, reduced staff turnover, and improved caseload management. As each agency has become more proficient in their application of the solution, process improvements have expanded to other areas of the agency. For example, since social workers have a mobile application fully integrated with their case files, they can access them directly through their mobile devices in family team meetings, case mapping sessions, and supervision.

It is important to note that start-up cost and overall cost have changed slightly since initial rollout. The cost change was due to the need to address the failure of so many technology solutions previously implemented within protective services agencies. Each agency participating in this initial group of implementers had already tried things like providing workers with laptops, upgrading workers' smartphones, providing them with iPads or tablets, even making their existing systems web-based. None of these solutions ever delivered the value they promised. The upgraded technology wound up as a sunk cost rather than an investment that produced year over year cost savings.

Funding Sources

The majority of funding to implement the Pilot and CoPilot solution has come directly from local or county government budgets. In some situations, agencies have been able to apply a very small portion of federal funds passed down through the states for document management projects.

Agencies throughout the country have identified the Pilot and CoPilot solution as a means to solve many of the issues plaguing child and adult protective services. However, the lack of funding or inflexibility of existing funds not only prevents agencies from pursuing this option, but requires they spend more time and resources on things they know are not as effective and which require significant workarounds.

Is New Legislation, an Executive Order, or Regulatory Change Required?

No new legislation or regulatory change is needed to implement the Pilot and CoPilot solution. However, through the demonstrated success of agencies that implement the solution, state governments will hopefully reduce the red tape that so often inhibits agencies from exploring potentially cost-effective innovations. For example, current legislation supports the Statewide Automated Child Welfare Information System (SACWIS), which is one size fits all, but not every county and state has the same needs or available resources.

Positive or Projected Outcomes

The Pilot and CoPilot solution has exceeded expectations. The initial goal was simply to assist agencies and social workers with managing the paperwork inundating their offices. To achieve that goal, it was necessary to provide social workers with the ability to capture, organize, share, and receive all the documents and forms required to do their job at the point of inception. Once that goal was achieved, social workers found creative ways to maximize their time and effort to do their jobs better.

Almost immediately after deployment, agencies began seeing a high level of organization to their large case files, which allowed them to locate information quickly and share it, both internally and externally, in a timely manner. Equally important, though, have been the time savings associated with using the solution. A pre/post time study conducted with frontline social workers demonstrated a savings of 1 ½ - 2 hours per day, per worker. When combined with a reduction in the turnover rate, reduction of paper file storage, reduction in travel time and expense, the opportunity for savings increases at the local, state and federal levels.

Savings are one thing, but better care is another. By making it easier to collect information and receive input from parents and other relatives and caregivers, the Pilot and CoPilot solution allows social workers to make more fully informed decisions about care. This is vital when ensuring that

fundamental rights are protected. By making mandated involvement less intrusive, families, children, and the elderly can receive the services they need without becoming entangled in an agency's net. It shouldn't be necessary for them to remain involved with a government system or program simply because all the paperwork required for a decision to be made has not yet been collected, organized, and evaluated. Perhaps most importantly, agencies able to quickly collect and share information that helps inform a decision can better determine whether government intervention is even warranted.

Perhaps the most important outcome associated with the implementation of the Pilot and CoPilot solution has been the ability to replicate positive results across multiple agencies, indicating an ability to bring the solution to scale to address the broader needs of the social service system at the federal, state, and local levels across the country. Agencies in Ohio, North Carolina, Minnesota, and Wisconsin have all realized time and cost savings through increased productivity. These positive outcomes have encouraged agencies in New York, Colorado, California and Virginia to consider replicating the solution in their states as well.

Has the Solution Expanded its Scope or Changed Since its Inception?

To date no significant changes have been made to the software solution itself. However, the scope of service offered to agencies implementing the solution has expanded to include training and support, which are key ingredients to success in each situation. As previously noted, participating agencies had attempted to upgrade their technology even before turning to Northwoods, but when technology is introduced to the frontline workers in these organizations via traditional classroom teaching, they often fail to adopt the solution and regression sets in almost immediately. The new technology and efforts to implement it end up being wastes of financial and human resources.

To ensure adoption of its technology, Northwoods developed a specific coaching model. The goal of this model is to create a shift in thinking. Frontline social workers receive training on how to apply the new technology while they are in the field, and key personnel are identified as the people within the agencies who are likeliest to help drive change. They receive targeted support so as to influence procedures, recommend necessary policy changes, and promote creative innovation that further positions the agency for continued success. Bottom line, it's about complete transformation and change management, and not about using a new tool to do the same old thing the same old way. By developing internal experts on the use of the solution, agencies can be sure they are always using the technology to maximum benefit, and be confident that this success will be sustainable far beyond initial implementation and training.

The only enhancements or modifications made to the existing solution itself are those recommended by social workers actively using it. Any modification applied to the existing solution is predicated on an intuitive design that promotes a social worker's ability to use the technology as an invisible extension of their work with families, children and adults.

Since deployment of Compass Pilot and CoPilot, other agencies working with Child and Adult Protective Services, such as juvenile courts and mental health courts, have expressed interest in adopting the solution for their workforces.

Future Goals

One of our future goals is to move beyond our proven ROI, the time and cost savings the solution has demonstrated at the agencies that have adopted it, and demonstrate a social return on investment. To do this, longitudinal evaluation will be conducted with those agencies currently using the solution. For example, the initial adoption and application of the solution by social workers has provided them with the ability to repurpose 1 ½ - 2 hours per day while enhancing the quality and quantity of necessary documentation. Now that they are achieving this on a consistent basis, they are creating and discovering innovative ways to use this information to impact outcomes associated with state and federal standards.

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We aim to emphasize a commitment to children and the elderly over mere compliance. When service providers are able to complete their work while protecting the personal rights of those receiving services, we all benefit. It is our belief that compliance measures can be met when those responsible for delivering the service are properly equipped to put the needs of the child, family, and elderly foremost in all they do.

Technology has much to offer today's human service agencies looking to streamline processes, automate services, and do more with less. With that said, the human component of this type of service delivery must be emphasized. Our plan is to continue to work side-by-side with protective services agencies and their social workers to transform the delivery of services. As social workers using this solution state, "It's time to put the social back into social work."

Therefore, another goal is to make collaboration easier through the sharing of information across agencies responsible for the safety, protection, and well-being of our most vulnerable citizens. Currently, there are significant delays, repetitive or duplicative processes, and activities simply left unfinished because it is too burdensome or time consuming to work collaboratively. By linking or integrating systems at a local level for probation officers, law enforcement, nurses, counselors and social workers (those who are making the face-to-face contact), decisions can be made and support provided while reducing costs for each individual organization.

Currently there are 25 counties and 4 states looking to adopt the Pilot and CoPilot solution. In each of these cases, increased flexibility of existing federal and state funds would go a long way toward allowing the local protective services agencies to invest in this type of solution. Therefore, a final goal, which will remain an ongoing goal, is to advocate at all levels of local, state and federal government for those agencies that have been doing more with less for far too long.

Runner-Up Awardees

2014 **Better** **Government** *Competition*





Better Government Competition

2014 RUNNER-UP

OpportunitySpace.org

Alexander Kapur

Problem

In any given urban area, governments and public entities are typically the largest real estate holders. Official data indicate that the public sector controls anywhere from 10% - 30% of the footprint of a typical city. For example, Chicago, as a sole legal entity, controls more than 15,000 parcels that cover roughly 117 million sq. ft. (This excludes the assets of federal, state, special district, and other public affiliates that control assets within the city limits). A GIS study in New York City revealed that the municipal government possesses over 2,000 “gutter spaces”¹ (smaller parcel fragments), the aggregate area of which was twice the size of Central Park.

Governments do not strategically manage this resource, nor do they effectively engage outside stakeholders in its use. Unlike corporations that closely manage their real estate holdings to ensure a return for shareholders, governments generally do not employ an enterprise approach to assess how real property delivers economic, social, and environmental returns to taxpayers. Moreover, there is often little to no transparency when it comes to the real estate decisions governments make.

The scope of the problem extends far beyond New York and Chicago. U.S. Federal government estimates suggest there may be 77,000 empty or underutilized buildings across the country. In January, *The Economist* wrote that the latent value of public real estate in OECD countries might be as high as ¼ of average GDP.²

Vacant public buildings are expensive to maintain and secure. OMB places preliminary estimates on maintenance at \$1.7 bn per year just for underutilized federal properties.³ Vacant and underutilized public land and buildings represent both real costs associated with ongoing maintenance and forgone revenue in the form of lower property taxes. Perhaps more significantly, they are wasted opportunities to support local economic development.

Even when they might wish to be more efficient managing their underutilized real estate assets, governments face several challenges:

- most governments lack comprehensive, easy-to-use land inventories;
- real estate assets are managed at the agency or departmental level;
- property data is scattered across agencies and locked in proprietary software;
- there often is no process for stakeholders to engage government on real estate; and
- governments lack time and expertise to dispose of “problem properties.”

Bringing inefficient, offline processes of government real estate management into the digital age can have tremendous impact. Governments are the largest property owners in the U.S., yet most of the 90,000 governmental entities in the country lack the tools to help manage their real estate assets, with no way to effectively track their land inventory, measure its performance, or facilitate productive activity.

Solution

OpportunitySpace addresses the challenge of data-driven, efficient, responsive public sector real estate administration. Its mission is to use data and technology to bring stakeholders together so that they can create vibrant, sustainable communities, unlocking the value of public land and buildings.

OpportunitySpace consolidates and standardizes data related to government-owned land and buildings. Our searchable inventory and interactive map allow governments and citizens to (1) visualize what government owns in their community; (2) evaluate the management and performance of government property; and (3) understand the process for engaging with government to optimize the end-use of currently underutilized assets.

We believe transparency regarding resources, combined with an interactive marketplace connecting public, private, and non-profit sectors, will achieve impact. As a Platform as a Service, OpportunitySpace will be an inexpensive means for governments across the country to manage their real estate portfolio in order to achieve the greatest public good, converting liabilities to assets, broadening the tax base, identifying new profit centers in public real estate, and, in the process, helping to rebuild communities.

Start-Up Costs

In partnership with the Department of Economic Growth and Innovation and the Department of Technology for the City of Louisville, KY ("Metro"), OpportunitySpace conducted a one-year study to understand how governments currently manage public real estate. The study was funded by Harvard Kennedy School's Ash Center for Democratic Governance and Innovation and the Mosavar-Rahimi Center for Business and Government. Leveraging the study's findings, OpportunitySpace then conducted a one-year pilot program with five paying municipalities. Combining this earned income with other revenue streams, OpportunitySpace sought to build and test a beta product, validate its solution with users, and build a pipeline of interested governmental entities.

To advance to a growth stage, OpportunitySpace is currently raising private capital from angel investors. To date, about 70% of an estimated \$650,000 needed to fund operation for 18 months has been raised. A larger strategic investment or venture capital round of funding, projected at \$2 - \$3 million, will follow. With angel capital, OpportunitySpace will grow to eight full-time equivalents, helping the organization to install and refine its product for seven cities and to on-board 32 private sector real estate subscribers. Angel funding will be complemented by roughly \$200,000 in earned income and \$100,000 in grants and other income.

Legislative/Regulatory Drivers

A number of legislative changes have been made in recent years, at both the federal and local levels, mandating more rigorous and data-driven public real estate management. Some examples include the following.

At the federal level, the Base Re-Alignment and Closure Act (BRAC) inspired the Civilian Property Re-Alignment Act (CPRAA), which is currently in Congressional sub-committee. The act calls for the expeditious “disposal of unneeded civilian properties” to “realize savings.” The proposed legislation indicates federal movement towards an efficient disposition of property holdings.

Also at the federal level, OMB delivered “Freezing the Footprint” policy guidance to relevant departments and agencies that “all CFO-act [Chief Financial Officers Act] agencies are required to develop plans that will serve as the basis for agency actions to restrict the growth in their office and warehouse inventories.” This effort builds on the Administration’s work to sell unneeded Federal properties.

At a local level, the City of San Francisco just released a report, “Optimizing the Use of Publicly-Owned Property”, which was delivered to the Board of Supervisors. The report recommended specific policy changes that would require more efficient and transparent management of City-County real estate.

Positive or Projected Outcomes

Government’s failure to manage real estate effectively is often a function of lack of expertise and coordination within government. Compounding the issue is the broken channel between public and private sectors.

The specific hypotheses OpportunitySpace is testing through its pilot program are as follows:

A data-standard system shared by several geographically contingent municipalities will lead to increased regional collaboration to drive asset-based economic development and land use across jurisdictions.

A data sharing system will lead to more diverse and unique buyers of surplus public real estate. By making it easier to gather information about properties for sale and how to buy them through a legible marketplace, governments can grow and support a community of entrepreneurs who can propose reuse of public real estate assets.

A data sharing system and online marketplace will lead to increased tax revenues and decreased maintenance costs for small cities. Divested public property will be returned to the tax rolls and local, state and federal governments will no longer bear maintenance costs. The marketplace itself will enable otherwise disparate and decamped stakeholders to pool their respective resources, driving the best use of property.

Solution Changes/Evolution

When it launched, OpportunitySpace thought a clean web-based design and interface that enabled easy access to information about government-owned property would be sufficient to attract and retain users. But it quickly realized that displaying property data alone would likely not achieve the outcomes it sought. Users wanted to be able to connect with technical experts, understand funding resources, and explore redevelopment incentives. As it looks to the future, OpportunitySpace expects to introduce more features, such as benchmarking governments on public real estate administration, or an online exchange for various development rights.

Benchmarking may be difficult for governments in the short-term, but could enable them to more effectively leverage financing by activating specific assets as collateral, which would reduce borrowing risk and enable governments to earn more favorable bond ratings and interest rates and, ultimately, increase their overall borrowing capacity.

Future Goals

OpportunitySpace aims to be more than just an analogue to Zillow or CoStar for public real estate management and development. Its vision is closer to what Bloomberg did for financial markets: to use data and technology to bring high-quality information about public assets to decision-makers in the real estate investment and development worlds. Specifically, OpportunitySpace will:

- expand to eight client cities by April 2015, and to 300 cities/states within five years; and
- build the products and services wanted by real estate investors and developers, demonstrated by sales to 30 – 50 subscribers by April 2015.

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Endnotes

1. [http://furmancenter.org/files/publications/Underused Lots in New York City Small.pdf](http://furmancenter.org/files/publications/Underused%20Lots%20in%20New%20York%20City%20Small.pdf)
2. <http://www.economist.com/news/leaders/21593453-governments-should-launch-new-wave-privatisations-time-centred-property-9>
3. <http://www.gao.gov/products/GAO-11-520T>



Better Government Competition

2014 RUNNER-UP

Handicap Parking Permit Application and Management System

Betty Johnson, Nebraska Department of Motor Vehicles

Problem

The Nebraska Department of Motor Vehicles (DMV) processes approximately 40,000 requests for Handicap Parking Permits annually. Previously, these requests were submitted on paper, which could take weeks to process and placed an undue burden on individuals dealing with genuine hardships. The DMV faced a large backlog of applications and was managing an outdated, labor intensive, and costly process.

If you lived in Nebraska in 2011 and broke your leg, or you suffered from a debilitating respiratory condition, the following steps were required for you to receive a handicap parking permit:

1. Download an application from the DMV website. If you did not have access to a computer, make a trip to your county treasurer's office to obtain the form.
2. Make an appointment with your physician to obtain his/her signature on the form.
3. Take or mail the completed form to the county treasurer's office.
4. Wait for the county treasurer to forward the form to the DMV, which could take up to one week.
5. Wait for the DMV to process the form, which could take up to two weeks, depending on the volume and current backlog.
6. Wait for the permit to arrive in the mail.

At a minimum, it would take 2 to 3 weeks to receive your permit.

The DMV would receive stacks of applications from county/city offices around the state, applications that had to be reviewed then manually entered into a database. Only then would the permit be printed and mailed out to the applicant.

There is no cost for a handicap permit in Nebraska, and the DMV was struggling to meet demand using only the resources afforded by a tight budget. Moreover, forged documents could be difficult to distinguish from legitimate applications and the DMV was looking for a way to eliminate the possibility of fraud.

The DMV saw the potential for using technology to fix an overburdened and unnecessarily complicated system. Numerous barriers would, however, need to be overcome: restrictive laws and regulations; an outdated and clumsy backend system that housed the records; the need to provide user management access to thousands of medical professionals across the state; and no funding to pay for development.

Solution

The first step in overhauling the existing system was to revise the laws that required county and city offices to be involved in the application process. Doing so would cut at least a week off the time it took for an applicant to receive his or her permit.

Revising current law would, however, do nothing about the volume of applications or the time required to process them. Addressing those issues would require technology. For that, the DMV turned to the state's portal manager, Nebraska Interactive, which provided project management, functional analysis, prototyping, programming and testing at no cost to the DMV because the state portal manager operates under a self-funding model, under which it receives a modest fee for every transaction processed.

An agreement between the DMV and the state's Department of Health and Human Services (DHHS) was created granting the DMV access to DHHS records to validate licensed health professionals' federal Drug Enforcement Agency (DEA) credentials for purposes of accessing the new system. Medical professionals could then create their own user profiles within a single visit to the application. They could then begin using the online service immediately.

What was developed was a three-part, web-based system, with a secure login for medical professionals to submit permit and renewal applications, a public interface for permit holders to login to request replacement and second permits, and an administrative interface for DMV personnel to receive permit requests and, with a click of a button, approve them. All the information for the approved permits is then stored in the application database. The need for data entry was eliminated on all electronic requests and permits can now be printed automatically.

The DMV uses the new web-based system as the database of record for all handicap parking permits, whether accepted electronically or by paper. The new system completely replaces a previous database that was outdated and would not have been easily integrated with a web application. All records from the existing database were migrated to the new application as part of the development.

Now, if you live in Nebraska and break your leg, or suffer from a debilitating respiratory condition, the following steps are required for you to receive a handicap parking permit:

1. Make a request to your medical professional for a handicap parking permit.
2. Wait for your permit to arrive in the mail.

Total time to receive a permit: 1 to 2 days.

Start-Up Costs

The DMV leveraged its relationship with the state's portal manager, which provided application development and hosts the new database under a self-funded model. Thus, the DMV avoided any upfront costs for the project.

Funding

Through its partnership with Nebraska Interactive, the DMV avoided all project, hardware, and maintenance costs to support the application. From project initiation to implementation, and

Handicap Parking Permit Application and Management System

further enhancements since the application's launch, Nebraska Interactive booked over 800 hours (market cost of \$96,000) to the program, of which ZERO were or will ever be billed to the state, saving taxpayers money and making the entire initiative possible.

Is New Legislation, an Executive Order, or Regulatory Change Required?

LB 163 of the 2011 Nebraska Legislative Session, drafted by the DMV, introduced by Senator Deb Fischer, and signed into law by Governor Dave Heineman enabled the DMV to revolutionize the process for applying for a handicap parking permit.

Positive or Projected Outcomes

Since August 2012, over 1,200 medical professionals have enrolled in the new system and 50% of all new and renewal permits are now processed online, saving the DMV thousands of man-hours.

Before implementation, all applications were received by paper and then filed. Reporting was difficult and quick searches were just not possible. Now, with a complete, end-to-end permitting and record system in place, paper applications are entered and then discarded. When medical professionals use the system, paper and stamps are no longer part of the process until the permit needs to be sent to the applicant. The backlog of permit requests the DMV faced is now nonexistent.

In addition to the reduction in time they have to wait before receiving their permit, applicants no longer need to arrange transportation or deal with the back and forth between the treasurer's office and medical professional's office in order to submit an application. One trip or call to their doctor is all it takes. Further, replacing a lost permit or requesting a second permit for another car requires nothing more than going online.

Previously, permit applications took DMV staff approximately ten minutes to process. With the new system, they take only one minute when submitted by a medical professional online. Even the time it takes to process paper applications has been reduced to 5 minutes. The new database streamlined the process for manually entering data and the enabling legislation eliminated the need for manually placing stickers that identified the holder's age and gender on each permit. Permit holders are now required to carry identification cards with this information when using the permit.

Overall, the new system has reduced the time it takes to process applications by 60%, which represents more than 4,000 man-hours saved annually. Local governments are saving on personnel hours and postage costs, as they now need to forward fewer paper applications to the state DMV.

Moreover, the chance of fraud is reduced because only those medical professionals who have the correct credentials may authorize permits, whereas paper applications may be fraudulently completed and submitted.

There can be few better examples of a government agency's use of technology to transform the way it does business. With a 50% adoption rate within 18 months of implementation, it is realistic to anticipate 70% adoption in the next year. This could result in more than 5,000 man-hours of processing time saved by the DMV.

Has the Solution Expanded its Scope or Changed Since its Inception?

The creation of the public interface for permit holders to request replacement and second permits was not part of the initial conceptualization. The authentication of applicants for replacement and second permits is accomplished by assigning them a PIN at the time of issuing the initial permit. This PIN is then used by the applicant when accessing their record online.

Further, authentication in the system for medical professionals, which requires state and federally regulated licensee information, was functionality that was proposed during the design process. This solution, offered by Nebraska Interactive, simplified what could have been a daunting process by the use of existing data the end user already possessed and to which Nebraska Interactive already had access through its relationship with the state's DHHS.

Future Goals

The DMV is also tasked with the issuance of handicap parking permits for specific vehicles that are used primarily for the purpose of transporting handicapped or disabled persons. These permits do not require a medical professional's application. They are currently issued using a manual paper application process. The DMV's future goals include automation of the process for renewing these vehicle permits through expansion of the public interface and use of a PIN for authentication purposes. This expansion is planned for early 2018, prior to renewal of the first vehicle handicap permits that have been assigned a PIN.

Other goals include the continued promotion of the online system to achieve 100% adoption.

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History

Pioneer Institute's Better Government Competition, founded in 1991, is an annual citizens' idea contest that seeks out and rewards the most innovative public policy proposals. The Competition grand prize winner receives \$10,000; four runners-up receive \$1,000 each, and other proposals receive special recognition. Recent winners have included proposals on pension reform, virtual schooling, job training, housing, and many other pressing topics.



Better Government Competition

2014 RUNNER-UP

Independent Risk Manager Model

Caitlin Reiche and Stephanie Zaremba, athenahealth, Inc (Waltham, MA)

Problem

New value-based payment models, such as the Medicare Shared Savings Program under the Affordable Care Act, or what are being called Accountable Care Organizations (ACOs), are intended to decrease the cost of healthcare by paying for quality rather than quantity. As implemented, however, they too often incentivize efforts by hospitals and large health systems to swallow up independent physicians, in the process consolidating market share and bringing volume in-house. Most independent physicians want to focus on caring for their patients, which is the reason they attended medical school in the first place. While some are perfectly content to become de facto business people or employees of large, corporate entities, many would prefer to remain autonomous.

The realities of current value-based payment models too often take that choice out of physicians' hands. Participation in these models requires management by a team of administrative personnel, and the technical resources, large patient panels, data, and capacity to mine that data for insights that only large providers have. Consequently, independent physicians have little choice but to accept employment with a hospital or large health system, or forgo participation in shared savings models altogether. Estimates place the proportion of physicians who have moved from independent practice to employment in the last few years at one-third.

The move from independence to employment is usually accompanied by a drop in productivity due to disruptions in a physician's patient pools and the reduced incentive to work long hours. Hospitals lose \$150,000 to \$250,000 annually over the first 3 years of a physician's employment and must make this up in inpatient revenue. For hospitals to break even, newly hired PCPs must generate at least 30% more visits, and new specialists 25% more referrals, than they do at the outset. Given the existing shortage of primary care providers, and the relative inelasticity of the nation's physician pool, this will likely lead to a reduction in access to care.

Furthermore, law and regulatory guidance give the hospitals and health systems that form Accountable Care Organizations (ACOs) express permission to negotiate contracts with payers on behalf of their members without concern for ordinary antitrust enforcement. As a result, the animating policy imperatives of care coordination and cost savings that ostensibly underlie shared savings models are subordinated to the imperative to bring ever-higher volume in-house.

Solution

Congress and the Center for Medicare and Medicaid Services (CMS) should support the creation of Independent Risk Managers (IRMs) that would enable physicians to thrive in value-based payment models without sacrificing their independence. Third parties empowered to relieve physicians of the administrative and technological burdens of participation in shared savings, IRMs would be organizationally independent from healthcare providers and payers, with the IT infrastructure and expertise to provide the risk-pooling, contracting, care coordination, and care management services necessary to manage patient populations currently too costly for small physician practices to do themselves.

Start-Up Costs

Minimal to none.

Positive or Projected Outcomes

Independence: Physicians should be able to participate in value-based payment models while remaining independent if they so choose—including from the constraints of preferred referral relationships that exist within health systems. The IRM model would allow independent physicians to coordinate care along the entire care continuum, regardless of patient or provider health system affiliation.

Accountability: Physicians should be accountable for delivering efficient and high quality care, in value-based reimbursement models, and there should be attainable financial benefits for successfully realizing these objectives. But health systems participating in value-based models often compensate their employed physicians in a way that provides a financial incentive to make referral decisions that keep patients within the health system, regardless of cost and quality.

The IRM model would incorporate accountability standards, enabling physicians to make the right decisions clinically and financially, while remaining independent. In contrast to the large health systems, the IRM model would remove the need to keep patients within any given health system and instead compensate independent physicians for making efficient and high quality referral decisions.

Security: To move from fee-for-service to a shared savings model while still maintaining their independence, physicians must be—and feel—financially secure. Physician employment is on the rise at least in part because the administrative and logistical difficulties of assuming risk have physicians seeking shelter in large groups. The IRM model would offer physicians security as they transition toward value-based payment models by relieving them of the administrative burdens and the often crippling up-front cost of participation in currently available models.

Cost savings: IRMs would enable doctors to participate in value-based payments models while achieving better individual and system-wide financial results than they are able to achieve in the fee-for-service system.

Has the Solution Expanded its Scope or Changed Since its Inception?

No.

Future Goals

Several legal and regulatory changes are needed to enable establishment of the IRM model:

IRM Access to CMS Claims Data

IRMs must be authorized to access CMS claims data for beneficiaries attributed to the primary care physicians belonging to each IRM. Aggregated claims data will enable IRMs to provide physicians with insight to pool risk and to understand cost and quality among their physician networks. Beneficiary-identifiable data would enable IRMs to provide physicians with insight to understand and act on cost, quality, and utilization at the patient level.

IRMs and HIPAA Compliance

IRMs, and business associates of physician practices, must be explicitly and uniformly required to comply with all applicable HIPAA requirements. IRMs would be health services and technology vendors, most of whom already have robust HIPAA compliance programs in place. These protections would be bolstered, however, by data use agreements between IRMs and CMS.

Stark Laws, Anti-Kickback Statute and Anti-Trust Waivers for IRM Participating Physicians

Stark, Anti-Kickback Statute (AKS) and anti-trust waivers are needed to alleviate concerns when physicians are sharing savings and maintaining a coordinated referral network. It is appropriate to extend these waivers (which already apply in the ACO context) to physicians participating in the IRM payment model since they will be transitioning away from fee-for-service reimbursement, and their clinical decisions regarding patient referrals will be driven by the goal of delivering high-quality and well-coordinated care.

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Better Government Competition

2014 RUNNER-UP

City Hall to Go

Danielle Valle Fitzgerald, City of Boston

Problem

Boston mayors have long sought to bring City Hall closer to the people. Kevin White, first elected in 1967, created “Little City Halls,” which were located in every neighborhood, each managed by a person from the respective neighborhood. That way, according to Mayor White’s former press secretary, “people didn’t have to go downtown and go through all the rigmarole of a big bureaucratic thing.”

These offices proved to be expensive and inefficient. Between rent and salaries, Little City Halls cost the City of Boston \$841,000 per year. Coupled with a lack of oversight, they proved to be an ineffective way to reach Boston’s residents.

And so it is that, in 2014, most city government transactions require a trip downtown to stand in line and submit documents for permits, certificates, and the like. The costs to constituents include time lost from work, the expense of parking, and, in some circumstances, the frustration of having to return with additional paperwork when it is incomplete.

The City of Boston has started to bring more and more services online to eliminate the need for constituents to commute to City Hall. For example, a dog license application is now available online. Nevertheless, if a constituent is elderly, does not have or use a computer, or speak English as their first language, human interaction remains vital.

Solution

In December 2012, the City of Boston created the City Hall to Go program as a simpler, easier process for residents to conduct city business. Inspired by Boston’s very popular food truck program, City Hall to Go brings government to where people live, work, and play.

The first of its kind in the nation, the City Hall to Go Truck visits every neighborhood in Boston to provide city services. The vehicle is available at night and on weekends to allow residents to conduct city business after working hours. Through the truck, the City of Boston provides constituent service that is not only high tech, but high touch. Constituents get personal and convenient interaction with a City of Boston employee, without having to leave their neighborhood.

The City Hall to Go Truck is a repurposed 1985 bomb squad vehicle retrofitted with windows, two computers, internet access, a safe, and a printer. It offers a “menu” of services, including registering to vote, paying property taxes or parking tickets, getting a library card, and applying for a dog license. Its eye-catching red and blue design features a map encircling the truck that takes a viewer

from west to east, along actual city streets, with a skyline in the background celebrating Boston's thriving urban center.

City Hall to Go is transforming city services, becoming a much-loved resource for constituents. Feedback collected through a user audit has been overwhelmingly positive. The truck's schedule is posted on the City of Boston website a month in advance, and publicized in neighborhood newspapers. City Hall to Go also has an active presence on Facebook and Twitter.

As the City of Boston continues to provide more and more services online, City Hall to Go will become an increasingly important resource for those who are not as familiar with the internet, cannot afford a computer, or do not speak English. Every month, City Hall to Go makes a point of traveling to public housing developments and working with tenant groups to ensure that residents are aware of the services that City Hall to Go provides. Translators are made available for neighborhoods with high ESL populations.

Start-Up Costs

The total cost of launching the City Hall to Go Truck was \$40,000 including \$25,000 in custom truck upgrades of new brakes, installation of two service windows, a propane generator, and a top-mounted heating and cooling unit. \$5,000 was spent on an exterior 'wrap' and decals for the truck, including printing and installation. \$7,800 was incurred for technology and office equipment, including two laptops, a printer/scanner/copier, wifi, a large safe, and chairs. An additional \$2,200 was devoted to marketing collateral listing a menu of services, used to promote the truck at its launch.

In total, \$149,370 is budgeted annually for City Hall to Go. \$129,124 is budgeted for program staff, which includes a program director, a truck manager and three part-time constituent representatives. The program director selects the monthly schedule, conducts press inquiries, and manages the program; the manager drives the truck and oversees staff; the constituent service representatives interact directly with constituents.

Annual fuel costs average \$2,500 for propane and \$1,000 for diesel. Maintenance crews from the Public Works Department provide labor for needed repairs, limiting direct maintenance costs to materials purchased. Additional operating costs include a GPS locator and office supplies.

Funding

The funds for the initial build out of the truck came from the Streetscape Innovation Fund for capital improvements, within the Department of Innovation and Technology. Ongoing costs are taken directly from the budget of the Mayor's Office.

Positive Outcomes

City Hall to Go traveled 4,128 miles in 2013, and the program has proven to be effective, efficient, and enjoyable for residents. Feedback from the user audit has pointed to the high quality and ease of city services the program has been able to offer. There has even been a decrease in the lines at City Hall. Over time, this may result in fewer employee hours needed to serve constituents there, cutting costs.

Lagan, the same program used by the Mayor's 24 Hour Call Hotline, collects data on services provided. With this software, the program staff is able to track the number of transactions at each stop as well as the responses to constituent requests. Transactions are rising. In March 2014, more than 100 resident parking permit applications were submitted through City Hall to Go in Allston and Brighton alone.

City Hall to Go continues to expand the services it provides. Business owners can now submit waste management plans for Inspectional Services, and residents can sign up for low cost internet through Everyone On, a City of Boston internet accessibility program. In addition, the driver of the truck is now registered as a notary public so that he can serve as a witness on documents requiring them.

The success of the Boston City Hall to Go program has inspired leaders of 12 other cities, including Dallas, Detroit, Baltimore, and Washington D.C., to explore bringing the City Hall to Go program to their communities. Program staff has been coordinating with representatives from these cities to share best practices and lessons learned on the mobile truck program.

Program Growth

In the year that City Hall to Go has been on the road, the program has provided constituents with an easier way to conduct city business. The program now offers 47 different services, which involve every department within the City of Boston. The program will continue to grow and evolve, with the hope of reducing or eliminating the need for residents and business owners to lose time from work or business.

Though program staff is trained on all departments, the interactions provided are currently transactional. Starting this spring, the Office of Neighborhood Services, and Commissioners of City Departments will be hosting office hours on truck to provide follow up on issues and concerns. With this added resource, government becomes more accessible and transparent for constituents.

A further byproduct of City Hall to Go is that it encourages participatory democracy. With the truck in their community, residents can engage in a conversation with a city representative outside of the stresses of a community meeting or appointment at City Hall. The truck is also a valuable mechanism for dispensing information in case of emergency. After the Boston Marathon last year, City Hall to Go was dispatched to provide resources to those affected by the bombings. The truck was parked directly outside the police barricades, giving residents a central location to sign up for alerts on when Boylston Street would reopen, and providing business owners with much needed assistance as they began to recover from the tragedy.

Future Goals

The current City Hall to Go truck was built in 1985, and there have been mechanical issues. Program staff is beginning to design a fully electric vehicle that will provide the services needed and apply the lessons the program has learned thus far. For example, less space inside the truck is required, and a smaller vehicle would be easier to park in congested neighborhoods. There is also the possibility of adding lights and sound so that the truck is more visible and can be used as a staging location for community events.

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To take the program to the next level, there is a need to scale and add more vehicles. Doing so would allow the program to engage multiple neighborhoods on a daily basis. With four vehicles, City Hall to Go would be able to offer services on more nights and weekends and visit each neighborhood once a week, providing even more consistent programming.

With City Hall to Go, government becomes more transparent and responsive. Resources are better allocated, and residents can conduct city business more efficiently. This not only saves constituents time, it leads to less demand for staff at City Hall, which will ultimately save the City of Boston and the tax payers money.

City Hall to Go is at the forefront of city government, helping residents navigate and apply for city services in every neighborhood of Boston. Through it, government is more affordable, accessible, efficient, and transparent. Conducting city business is now an easier, more pleasant experience for everyone.

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Special Recognition Awardees

2014 **Better** **Government** *Competition*





Better Government Competition

2014 SPECIAL RECOGNITION

BusinessUSA

Dennis Alvord

Problem

The federal government makes available to small businesses thousands of resources and tools, but because of the silos in which the issuing departments, bureaus, and agencies operate, entrepreneurs seeking to connect with government resources are often unaware of the vast majority of federal services available to them.

Solution

On October 28, 2011, President Obama issued a memorandum, *Making It Easier for America's Small Businesses and America's Exporters to Access Government Service to Help Them Grow and Hire*. The Department of Commerce and Small Business Administration were named as managing partners responsible for the design and operation of a website that would connect businesses to the government opportunities most relevant to them.

On February 12, 2012, BusinessUSA was launched, the product of 12 federal agencies designed specifically for U.S. businesses and exporters. Two years later, the number of agencies contributing to the site has doubled to 24. They provide BusinessUSA with information regarding the full array of business services and resources they offer so that they can be more easily searched and accessed. The site is a model of federal agency cooperation.

BusinessUSA.gov (BusinessUSA) provides a single point of access to up-to-date information on federal government programs, tools and services developed to help grow U.S. businesses. BusinessUSA is designed to make complex federal processes and information easier to understand and navigate. Via the collaboration of its multiple partners, BusinessUSA integrates a myriad of business-facing resources through its single point of entry, greatly improving the customer's, i.e. the small business owner's, experience.

Purpose

Created with the entrepreneur in mind, BusinessUSA provides simple to navigate features tailored to the needs of businesses and exporters. Among the resources offered are business development and entrepreneurial training options, financing choices, federal contracting opportunities, procurement information, exporting assistance, patent and trade assistance, disaster relief guidance, and information on services for veteran, women, and minority-owned businesses. BusinessUSA also provides information on healthcare and business taxes, as well as services available at the local government level.

To date, there have been more than 1.74 million visits to the site, with 4.9 million page views. More than 86,000 people have subscribed to the BusinessUSA newsletter, and more than 28,000 people follow it on Twitter. Moreover, the number of resources made accessible through the site has expanded from 297 at launch to more than 6,900.

BusinessUSA manages a central contact center (1-800-FED-INFO) that responds to customer inquiries and a Technology and Innovation unit for ongoing design and development of new features. It also maintains a unit for managing content and quality assurance.

Collaborations

At its core, BusinessUSA is about collaborations that result in maximizing the user's experience. The site has successfully allied with state and local governments, as well as the 24 federal departments and agencies that provide the resources it aggregates. The site's federal partners include: the Departments of Agriculture, Commerce, Defense, Education, Energy, Health and Human Services, Homeland Security, Housing and Urban Development, Interior, Justice, Labor, State, Transportation, Treasury, and Veterans Affairs, the Environmental Protection Agency, the Equal Employment Opportunity Commission, the Export-Import Bank, the General Services Administration, NASA, the National Science Foundation, the Overseas Private Investment Corporation, the Small Business Administration, and the Trade and Development Agency.

To help manage such a large number of partners, BusinessUSA established internal committees consisting of representation from the partnering agencies. The committees assist in developing common standards, policies, and procedures for customer service among participating enterprise assistance providers. BusinessUSA's collaborative approach resulted in a comprehensive process that values the expertise of each federal partner, ultimately saving the customer and the government both time and cost.

BusinessUSA champions the notion of open data and information sharing as defined by the *Federal Digital Strategy Initiative*. This helps reduce the number of "misdirected" contacts and the time needed to respond to inquiries.

BusinessUSA also coordinates with local and state governments, as well as local business organizations, such as chambers of commerce, to assist in providing customers the most up-to-date and relevant local information. BusinessUSA has even teamed with MyUSA and the Presidential Innovation Fellows (PIF) project for assistance in providing innovative approaches to grow the website.

Since its launch, there have been several enhancements made to BusinessUSA designed to refine and personalize small business search efforts. The developments have included tools and information related to disaster relief assistance, health care, tax credits, international finance, and for foreign businesses interested in investing in the U.S. The website has also added links to help small businesses recruit, hire, train, and retain employees. BusinessUSA anticipates that over the next 6-12 months, further upgrades will include a job center, a federal regulations integration tool, a business networking tool, and certification tools.

Cost and Benefits

By partnering with other federal departments and agencies in system development, and by working with teams from across government, BusinessUSA was able to reduce cost, greatly expand the list of resources to which it granted access, increase the speed of service delivery, and improve the overall performance of the website.

BusinessUSA measures customer satisfaction via voluntary participation in a website survey, on which it averages an approximately 70% approval rating, significantly higher than other government websites. Additionally, about 70% of respondents indicate they were able to find useful information on the site. The number of visitors to the website has almost doubled in the last 12 months.

Potential Obstacles

While building a new, untested, federal website in approximately 90 days was exciting, it was also a formidable challenge. As with any startup, there were risks. Was the concept too ambitious? Could BusinessUSA develop successful collaborations with multiple government departments? How would BusinessUSA stay ahead of changing technology?

BusinessUSA had the advantage of being a "greenfield" with no legacy systems to change or pre-conceived notions of what the site design should ultimately be. Rather than providing 'cookie-cutter' information about

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agency programs and services, the team designed BusinessUSA with the customer in mind. Further, because there were no previously developed blueprints for the design and buildout of the site, the team was able to use the latest technology to their advantage. For example, by building in Drupal, a popular open source content management platform for websites and applications, BusinessUSA was able to apply recycled, open source code to over 80% of its site, dramatically reducing development costs.

To increase effectiveness, the team also incorporated Parature, a highly flexible customer management tool that integrates well with BusinessUSA's other customer service platforms, such as social media, email, and knowledgebase/FAQs. Parature is 100% web-based, requiring no download of client software or installation of servers on BUSA infrastructure, and is both IPv6-compliant and in compliance with Section 508 of the Rehabilitation Act, which requires that all electronic and information technology used by the Federal government be accessible to individuals with disabilities who are federal government employees, as well as to members of the public who may have a disability and to whom the technology is being made available.

Potential for Replication

BusinessUSA should serve as a prototype for partnerships among federal departments that assist not just U.S. businesses but other federal agencies. By triaging customer inquiries, for example, and linking them to the right providers for answers, BusinessUSA adds value to its federal partners by increasing their influence in various markets. As a result of its internal collaborations, BusinessUSA's external stakeholders receive personalized service delivery that integrates innovative technology and multi-channel customer service based on individual need and preference. With unparalleled cooperation among a broad-range of federal departments, BusinessUSA proves that intergovernmental partnerships linked to major initiatives can not only function effectively but save the government, taxpayer, and customer valuable time and money.

BusinessUSA's shared-resource model can also serve as an example for state and local governments.

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Better Government Competition

2014 SPECIAL
RECOGNITION

mTicketing

Richard Davey, Secretary of Transportation, Commonwealth of Massachusetts

Problem

For years the MBTA struggled to expand *CharlieCard* automated fare collection used on subways and buses to other services. Ultimately, expansion was deemed too complex and too costly, but the MBTA still needed a way to improve fare collection on commuter trains and ferries.

Less than a third of the MBTA's 135 commuter rail stations sell tickets via machines, and less than ten stations have onsite staff from whom riders can purchase a ticket. In many cases, the only sales location is a neighborhood retail partner often too far from the platform to be convenient for commuters. These factors have led to a large proportion of tickets being purchased with cash from conductors on board the train—a cumbersome and time-consuming process.

Historically, modernizing fare collection required millions of dollars, years of development, a steep learning curve for customers, and ongoing maintenance of new systems. The MBTA needed a fresh approach to tackling the challenge of fare collection.

Solution

Rather than relying on expensive, complex, and maintenance-intensive infrastructure, the MBTA decided to take advantage of what customers already had in their pockets and explore ways that customers might buy and show their tickets on their phones.

Through a Request for Information (RFI) conducted in 2011, the MBTA partnered with mobile ticketing vendor Masabi and, as a result, was able to deploy mTicketing within seven months of signing a contract—a fraction of the time that would have been needed to deploy a physical ticketing solution. Initial deployment served all commuter rail lines and ferries.

Instead of using a traditional payment model that would have entailed both up-front and ongoing costs, the MBTA and Masabi agreed to a revenue-sharing model, employing the same commission structure the MBTA employs with neighborhood retailers. Masabi would earn 2.8% of all ticket sales transacted via mTicketing.

The Technology, Features, and Functionality

The Masabi JustRide system is a comprehensive mTicketing platform comprised of customer-facing apps for iOS and Android, conductor validation apps for staff, a management console, secure payment integration, and a cloud-based back-end for customer service and support.

Through the customer app, users can purchase tickets anywhere, anytime. Repeat users can make purchases in as little as 15 seconds because the application remembers previous trip selections and securely stores payment details. Customers can purchase tickets any time before riding and keep them in the “My Tickets” section of the app until needed.

When riders board a train or ferry, they “activate” the ticket they wish to use. A color-changing code appears on the phone’s screen, acting as the customer’s visual “flash pass.” mTicket holders show their phone screens to conductors, who can validate the ticket at a glance. With this lightweight approach, the MBTA was able to reduce initial costs and begin piloting a system quickly.

In addition to the flash pass, the MBTA opted to support advanced barcode scanning. For this more sophisticated method of ticket validation, Masabi provides an app that conductors can use to scan tickets in seconds. As commuter rail and ferry conductors were already being issued iPhones for other applications, the validation application was simply added to their devices.

Significance

Transit agencies everywhere aim to collect fares at the lowest possible cost, while continually enhancing the customer experience. mTicketing provides a rare opportunity for agencies to both lower the cost of fare collection and provide customers with a drastically improved transit experience.

Two of the most common challenges transit agencies face are reducing the length of each transaction and collecting cash from riders. mTicketing provides an elegant solution to both. mTicketing puts a vending machine—with personalized memory for repeat users—in the palm of each customer’s hand while simultaneously minimizing cash transactions.

The successful partnership between the MBTA and Masabi demonstrates to the industry the tremendous potential of mTicketing and, as more transit agencies turn to them, services like JustRide will improve, ensuring that enhancements and new features continue to make their way to customers.

Benefits

Through the adoption of mTicketing, customers are now able to select tickets using a list of stations. This represents a vast improvement over the MBTA’s traditional approach, in which fares are calculated according to the “zone” to/from which the rider is traveling. The zones are not intuitive and often not well understood by customers.

Also, customers can now use credit/debit cards to purchase tickets when riding inbound from outlying stations. As previously mentioned, of the 135 commuter rail stations, just a handful have ticket vending machines, meaning, previously, most customers only had the option to use cash.

For riders who board at a station with a ticket booth or vending machine, yet still wait to buy their tickets on the train in cash, a surcharge of \$3.00 is added. When these riders face long lines at a booth or machine and/or are simply pressed for time, they can now avoid the surcharge by buying their tickets on their phones.

Conductors and other agency staff have been overwhelmingly positive about the application. Conductors have been able to focus on more core responsibilities, as they no longer have to collect as much cash. For this reason, they have worked hard to promote the new solution to customers, with the result that more than **2.6 million** tickets, or **\$26.6 million** worth, have been sold since the application launched in November 2012. Currently more than 9% of tickets on the commuter rail system are being sold via mobile device.

Most importantly, all of this was achieved without significant upfront expense, a win for the perpetually cash-strapped MBTA and for the Commonwealth as a whole.

Looking Ahead

Across all of its systems—bus, subway, rail, and ferries—the MBTA is responsible for approximately 1.3 million trips in and around Boston each day. With 132,000 daily trips, the commuter rail and ferries represent only slightly more than 10% of that number.

As a result of its success, the MBTA is considering extending mTicketing beyond rail and ferry service. While still in what could be called the discovery stage, it is looking into the feasibility of adding barcode readers to subway gates and bus fare boxes so that they will be able to accept mTicketing.

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Better Government Competition

2014 SPECIAL
RECOGNITION

The Argument for a National Car Registry System

Christopher Laws

In 2011, I moved from Massachusetts to Illinois for graduate school. A few weeks after moving, I started the process to change my vehicle registration. I called my insurance company, filled out and mailed the necessary forms, and then waited. After a couple of weeks, I received an envelope back from Illinois' Secretary of State. It contained my original forms, along with blank copies of those same forms, and absolutely no explanation.

I re-submitted the necessary forms and again received the same envelope back with no explanation. I returned the forms a third time and was, at last, rewarded with new license plates, though I had made no changes at all to the original forms I filled out. In the meantime, my Massachusetts registration had expired and the City of Chicago had ticketed me for an expired registration. There had to be a better way.

A national registry of motor vehicles would greatly simplify moving across state lines, and generate cost savings for cash-strapped state governments. What follows outlines the benefits of, and a process for, centralizing this service.

Labor markets will be more liquid, and movers less frazzled

The first benefit of a centralized system would be a lower barrier to moving across state lines. With its many steps, moving is an onerous, painstaking experience. One must find a new home, cancel utilities, forward mail, pack, travel, set up utilities in one's new home, update insurance, and, of course, re-register your vehicle.

Vehicle registration generates millions of dollars for states each year.¹ As lucrative as car registrations are, states seem to have a vendetta against those registering. California alone has forty-seven different registration forms on its DMV's website.²

At its crux, registration is simply the ability to prove ownership and demonstrate insurance coverage. Some states have secondary motives, such as meeting emissions standards or ensuring they can track vehicles. These additional motives do not merit the level of frustration brought about by the process. An estimated 1.7% of Americans, or 5.3 million people, moved across state lines in 2012.³ There is no reason to force them through such tedium.

Economists have demonstrated that homeowners are less likely to move across state lines than renters,⁴ because selling a house requires significantly more effort than terminating a lease. While registering a car is easier than buying a home, the same logic may apply. Those without cars may be more likely to move than those who own a vehicle. Most people are not likely swayed from moving due simply to the fact that they will have to re-register their cars, but any reduced friction at the margins would increase liquidity in our domestic labor market. For that reason alone, eliminating the headache of registration is an admirable goal.

States could save \$3 million each per year

The second benefit of a centralized system is cost savings to states. While motor vehicle registrations generate revenue, staffing departments of motor vehicles costs states money. A rough estimate puts national DMV budgets at \$6 billion.⁵ Using risk pooling, I estimate that the total savings generated by a national car registry system would be \$163 million, or about \$3.3 million per state annually.⁶

The Argument for a National Car Registry System

Risk pooling relies on the idea that demand for a product or service is variable. With many sources of possible demand there comes variability in that demand. For example, 100 Targets around the country are not likely facing the same surges in customer volume. Each pool of inventory maintains cycle stock and safety stock. Cycle stock is the inventory used to meet regular demand (e.g., inventory on store shelves) and safety stock is used for unexpected increases in demand (e.g., a pricing mistake in an advertisement leads to a line around the block). Because the demand among locations is not necessarily correlated, each location maintains more stock to cushion itself. By centralizing the inventory, you assume that high demand in one location will offset low demand in another.

Assuming DMVs are like most service operations, they staff to average and not peak demand. That means there are times during the day when you have safety stock who are not in demand. With several hundred DMV locations you are likely to have many thousands of employee hours wasted waiting for the demand to spike before work or at lunch. By combining offices, you would eliminate some of the variability in demand (e.g., Californians are still asleep, or Rhode Islanders are on a holiday). Eliminating variability means your peaks are probably lower and you would need to maintain less safety stock, in this case the employees needed to meet peaks in demand.

So risk pooling allows us to estimate the savings from a centralized system. Benefits are derived because the centralized system, i.e. a national car registry system, does not need as much safety stock on hand to deal with fluctuations in demand, which is smoothed out within the larger system.

Table 1 on the next page demonstrates the savings potential (in USD millions) by presenting the two key estimates: percent of DMV costs represented by registration and average DMV employee salary. For example, the \$163 million in savings cited above is based on the following assumptions: that 50% of DMV employees are engaged in the task of registering vehicles, and that those employees earn an average annual salary of \$30k. The higher that either of these figures is, the greater the savings from a centralized system. For example, if you were to assume compensation of \$40k per employee while maintaining our assumption that 50% of DMV employees do registration, savings jump to \$217 million.

Even keeping some customer-facing operations, you'd still reap significant savings just on the back office operations. Estimating those potential savings would require a more nuanced analysis than I can offer from a totally outside-in view. The estimate provided here is simply meant as directional, and indicative that some creative management techniques could likely yield positive results.

Basic infrastructure exists to create a national car registry system

Registering one's car in a national system would still require proof of ownership and insurance. With automatic billing and submission of insurance proof, people could set up automatic withdrawals from a checking account or, if need be, have the option to go to a local DMV should they not have a bank account. Automatic submission could be similar to how employers and insurers mail proof of health insurance coverage in Massachusetts.⁷

Precedent for such a registry already exists in the form of the National Motor Vehicle Title Information System, an existing national database of vehicle registrations, managed by the non-profit American Association of Motor Vehicle Administrators.⁸ Thirty-six states already submit vehicle registration data electronically to the system. The goal is to limit traffic in stolen vehicles.

There is also precedent at the federal level. The federal government already collects money from the public on a large scale in the form of income taxes. A National Registry of Motor Vehicles could be overseen by the Department of Transportation, which could send funds raised through registrations back to states along with federal highway funds, through which the DOT already has experience in allocating money to states.

The United Kingdom offers a further example of how to maintain a national registry with local outposts. The British Department for Transport maintains a national Driver & Vehicle Licensing Agency. British drivers can submit registrations online or visit a local office. The viability of a single licensing system across a mid-sized country such as the UK demonstrates that states would not have to worry about a lack of information that came from giving up their proprietary systems.

Conclusion

The United States should develop a centralized, official motor vehicle registry within the Department of Transportation. Doing so would remove the hassle associated with changing registration when moving across state lines by eliminating bureaucratic red tape, and in the process make the US labor market more efficient.

A centralized system would allow individual states to maintain smaller DMV workforces and realize, on average, \$3 million in savings annually. Drivers would not be giving the federal government information to which it did not already have access, and implementing the system should not be too onerous considering the US government's experience with centralized tax collection and distribution of highway funds to states. Furthermore, precedent for a centralized registration system already exists in the UK.

Table 1. Estimated national cost savings of centralized vehicle registry, as a function of employee salary and percentage of DMV costs allocated to registration (IUSD millions)

	0.1	0.2	0.3	0.4	0.5	0.6	0.7	0.8	0.9	1.0
20K	22	43	65	87	109	130	152	174	195	217
21K	23	46	68	91	114	137	160	182	205	228
22K	24	48	72	96	119	143	167	191	215	239
23K	25	50	75	100	125	150	175	200	225	250
24K	26	52	78	104	130	156	182	208	234	260
25K	27	54	81	109	136	163	190	217	244	271
26K	28	56	85	113	141	169	198	226	254	282
27K	29	59	88	117	147	176	205	234	264	293
28K	30	61	91	122	152	182	213	243	273	304
29K	31	63	94	126	157	189	220	252	283	315
30K	33	65	98	130	163	195	228	260	293	326
31K	34	67	101	135	168	202	236	269	303	336
32K	35	69	104	139	174	208	243	278	313	347
33K	36	72	107	143	179	215	251	287	322	358
34K	37	74	111	148	185	221	258	295	332	369
35K	38	76	114	152	190	228	266	304	342	380
36K	39	78	117	156	195	234	273	313	352	391
37K	40	80	120	161	201	241	281	321	361	402
38K	41	82	124	165	206	247	289	330	371	412
39K	42	85	127	169	212	254	296	339	381	423
40K	43	87	130	174	217	260	304	347	391	434

Endnotes

1. For example, Illinois passenger vehicles cost \$101 to re-register annually. There are 10 million vehicles registered in Illinois according to the FHWA Statistics.
2. http://www.dmv.ca.gov/forms/formsreg_alpha.htm
3. <http://bigstory.ap.org/article/big-jump-young-adults-moving-out-state>
4. Allen Head & Huw Lloyd-Ellis, 2011. "Housing Liquidity, Mobility, and the Labour Market," Working Papers 1197, Queen's University, Department of Economics.
5. Using a sample of eight states (MA, CA, NY, FL, TX, NJ, VT, and ND) results in DMV budget per person of \$19 or per car of \$27. Multiplied by the 313 million US residents or 244 million vehicles results in estimates of \$6.05 billion and \$6.50 billion nationally.
6. Savings calculated using risk pooling formula, where savings = $(\# \text{ distribution centers} - \text{square root of } \# \text{ of distribution centers}) * (Q^* / 2)$. I conservatively assumed fifty distributions centers, as opposed to the number of actual DMV offices per state. $Q^* / 2$ is the theoretically ideal amount of 'inventory' (employees) per location. Calculating this from risk pooling theory would be difficult, so I took the proxy of total DMV employees in the US calculated from average cars per DMV employee (9,682) from four states that report totals in their budgets (MA, CA, TX, and NJ) and dividing the US total (244 million), arriving at an estimate of 25,282 DMV employees in the US. Q^* is then 25,282/50, or 506. State savings will be dependent on current size of DMV (i.e., California will save more than North Dakota).
7. <http://www.mass.gov/dor/individuals/taxpayer-help-and-resources/healthcare-reform-information/frequently-asked-questions-individuals.html#2>
8. <http://www.gpo.gov/fdsys/pkg/FR-2009-01-30/pdf/E9-1835.pdf>

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Better Government Competition

2014 SPECIAL RECOGNITION

Powerline

Jesse Chen

Problem

Breaking through today's noise to reach constituents is next to impossible. Yet the relationships political and civic leaders have with their constituents are critical. They are also fundamentally different than the friend-to-friend or professional-to-professional relationships that popular platforms like Facebook or LinkedIn are designed to facilitate.

Even when leaders can break through the noise, and reach citizens, the actions our leaders might ask of us are diffuse, both in content and location. Citizens often have to go to disparate places to sign a petition, make a donation, answer a poll, attend an event or join a discussion. The result is a society and an electorate that remains less engaged than it otherwise could be.

Currently, there exist a number of solutions that profess to rein in the sprawl, but they are, in fact, too siloed, difficult to use, and unappealing to great numbers of participants because of the limits of their capabilities and consequently narrow focus. Even some known platforms that involve people in an initial action aren't effective at keeping them engaged over the longer term or organizing their responses meaningfully. Thus, a market opportunity is lost, and activist power remains less optimized than it might be in both our politics and civil society.

Simply put, current technologies are simply not designed for the nuances of government or civic engagement. They do not consider the wide spectrum of needs that go beyond merely linking constituents with their leaders to ways of simplifying participation in the political process, ensuring transparency among elected officials, and adapting tools to accommodate civic, as well as political, organizations.

Popular social media platforms don't prioritize communication between our leaders and their constituents. For instance, Time Magazine recently reported that just six percent of followers see what an organization posts on Facebook. Facebook plans to dial this down even further---to just one or two percent. This presents a challenge for any brand trying to reach prospects, but particularly for political and civic leaders who, unless they're well-funded incumbents, don't have million dollar advertising budgets to reach constituents via print and television.

If we want to strengthen civil society and increase civic engagement, diverse communities of people must have their voices heard, and their actions organized using streamlined means current technology should be able to offer.

Solution

Powerline is a mobile app and web platform that makes it easy for leaders and citizens to interact quickly and effectively in any kind of community. It helps leaders engage citizens, hear and aggregate their opinions, and raise support for the causes and issues that matter most to them. Powerline provides information needed to hold leaders accountable, spotlight calls for action, and monitor emerging movements. The open and free

technology is useful in both political and non-political contexts; the same system useful to elected officials can also be useful for schools, businesses, and non-profits.

For example, a Mayor could ask the residents of his or her city about a proposed bridge project and the citizens would receive an alert on their phone with the multiple-choice question and maybe a quick video. Citizens could respond with a quick tap, and then move on with their lives. The leader could use the embedded analytics tool to review the aggregate responses, broken down by various demographic categories if so desired.

If a citizen believed the bridge would become a blight on her neighborhood, she could create a micropetition to stop its construction. If enough people participated, the micropetition would automatically be sent to everyone in that community to sign or comment on. Meanwhile, a local fishing association in favor of the bridge could start a petition or a fundraiser that its members could all sign or donate to with the tap of a finger, and then share with their networks.

Powerline integrates polling, petitions, discussions, alerts, messaging, events, and fundraising into one simple, streamlined experience. It automatically links citizens to their specific local, state, and national elected leaders, providing them with both a prioritized two-way communications channel as well as relevant background, contact, and voting information. With its micropetitions, Powerline enables grassroots movements to grow and gain wider visibility. Users receive push notifications for important communications and actions that, combined with the app, enable one-tap polls, petitions, donations, etc.

Powerline helps leaders and citizens build trust. It strengthens civil society by giving government and non-government organizations alike the tools they need to be effective in their missions. For example, a school district could use Powerline to review curriculum changes with parents and gain community support for them, in this way avoiding possibly angry confrontations with parents the following school year when they only learn of the curriculum changes after their child has received a failing grade. For parents opposed to the curriculum changes, it would be easy to share a petition with the elected leaders connected to that district for influencing state or federal policy.

Powerline increases accountability by bringing visibility to what leaders, people, and organizations say to one another. It empowers elected representatives to interact with and lead their constituents by enabling officials both to respond to feedback and guide constituents on tough issues. It extends the town hall beyond a forum or discussion board. Powerline has the potential to change the way we participate in society through simple actions that can make a big impact.

Start-Up Costs

Equity has been raised to build the prototypes and first release of the system. The team is also pursuing seed funding to complete market testing of the first release and develop the technology further, based on customer feedback during beta. The primary use of this funding will be to support additional technology development. Currently, only three of the nine planned revenue sources are active in the beta product. A portion of funding will go toward developing the additional revenue sources and delivering the types of features identified by customer feedback.

Like most technology projects, the key to Powerline's overall success is its focus on delivering needed value through a simple user experience. Perfecting the user experience requires time and resources, and so a component of the seed funding will be put aside for runway (minimum expense-driven salary). The team will continue to search for the right funding source that can be dedicated to the non-partisan mission.

Funding

Powerline is a social enterprise and technology startup hybrid that requires a special type of investor. In the interest of its social mission and organizational values, Powerline is not pursuing an IPO. The potential for financial returns is substantial, but the team believes that the social mission must come first. As such, a special profile of investor must be engaged, an investor willing to accept the risk of a startup, the priorities of a social enterprise, the financial pay-out (e.g. dividends, profit-sharing) of a privately-owned organization, all with the commitment to a long-term social mission. This type of investor is likely someone who is both a philanthropist and an angel investor.

To date, over \$19,000 has been raised from more than 200 donors through an online crowdfunding project. That amount places Powerline among the top 15% of all donation-based crowdfunding projects. Additional amounts have been committed by Powerline's founder and secured through a minority equity agreement. Moving forward, the team hopes to identify and pursue impact angel investors who will be willing to view the project as an investment in infrastructure to strengthen both government and civil society. Recognition of this project's potential will be key to securing such investment.

Powerline's ongoing maintenance and growth will be self-funded through a nine-source revenue system that ensures sustainability and provides profitability for impact investors. Powerline is a freemium platform like LinkedIn. There is a free tier, but groups can upgrade to the Silver, Gold, and Platinum tiers for a premium fee. All tiers include fundraising and crowdfunding for free, but transaction fees are charged based on volume. Additional ad-hoc features available to every tier include petition e-mail list purchases, large-volume e-mail invitations, and petition-targeted fundraising, charged on a per-use basis.

Positive or Projected Outcomes

Powerline creates social value through more efficient and, therefore, effective civic engagement. Powerline helps: 1) citizens understand who their leaders are; 2) citizens interact with their leaders; 3) increase accountability of elected leaders and civic organizations; 4) citizens contribute to society through Powerline-enabled mechanisms; and 5) organizations access the technology they need to organize their human capital.

Initial key metrics that Powerline will use to measure social impact include: 1) total number of active elected leaders using the Powerline platform; 2) total number of active civic organizations using the Powerline platform; 3) total number of users connected to elected leaders; 4) total number of active user-leader relationships; and 5) total number of individual and collective democratic engagement actions. Additional metrics will be identified and assessed under the Global Impact Investment Rating System (GIIRS) system at the appropriate time.

A recent beta test with several dozen live users revealed encouraging metrics. For example, 100% agree that Powerline has "tremendous potential to help leaders and citizens interact like never before," and 88% would "participate in more polls and petitions if Powerline was used instead of other tools." Three dozen elected leaders, at both local and state government levels, signed up for Powerline's beta program in 90 minutes at just one Washington, DC conference.

Another benefit to society is the public reports and data analytics that will offer unprecedented visibility into what citizens are saying to their leaders. The information will help leaders to better understand their constituents while giving the media access to the data they need to spotlight movements and other previously neglected stories.

Has the Solution Expanded its Scope or Changed Since its Inception?

Originally, Powerline was intended only to be a system in which users received polls via their mobile device and answers were sent back to elected officials. The idea was to link a public poll back to specific elected

leaders. However, it became clear that we needed to democratize the platform to enable leaders and citizens to ask their own questions.

Consequently, Powerline went from a system designed just for our office to ask the questions to giving leaders (government and non-government alike) the ability to interact with their constituents in different ways. Additionally, we decided that citizens needed the opportunity to initiate their own feedback. So, the team created the micropetition.

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As alluded to in one of the previous examples, the micropetition is an open message to a leader or a community, posted to a community newsfeed, that others in that same constituency can agree or disagree with. If the micropetition reaches a tipping point, that is if enough people respond to the micropetition on the community newsfeed, it is then sent to everyone in that community with a push notification to agree or disagree with. It can be used for asking questions of leaders, taking a stand on a particular issue, or starting a community discussion.

Other functions such as alerts, fundraising requests, and event announcements came later as the team discovered the true value and benefit that could come from developing a well-rounded civic engagement platform that simplifies the user's experience across a broad range of activity. Integrating data analytics, municipal 311 services, group functionality, and crowdfunding only further develops the platform, providing value to all actors in the communities that use it.

Future Goals

Powerline has two immediate goals. The first is focusing on a controlled, three-phase beta program to gather additional user feedback in order to make Powerline market-ready. The second is to secure the seed funding mentioned previously in order to scale the product. Recognition of the project's value is a key outcome of the former and a critical input to the latter. Like any system, a basic version of Powerline must be constructed for the market to realistically use it. Fortunately, the primary framework is in place and technology development from this point forward will mostly focus on enhancements.

Unlike the technical nature of its short-term goals, Powerline's long-term goals are centered on the social mission of strengthening civil society, improving government, and increasing civic engagement. The key to Powerline's broader success will be through its adoption by diverse communities. The same solution useful to a principal interacting with parents is useful to a mayor and her city's residents, a manager and those he supervises, a charity and its donors. Therefore, clarifying our marketing message so that we can ensure adoption both here and around the world will become our primary goal.

Our goals all support a vision of the future. We envision a world in which citizens are directly connected to their community leaders and those leaders have the necessary tools to communicate, coordinate, and mobilize citizens. We envision a world where leader-led change is balanced by organic movements, and the two have a symbiotic relationship rather than an antagonistic one. We also anticipate the continued dissolution of the barriers between government, civil society, and business. Powerline will help these sectors of society interact with one another more effectively (i.e. a business or non-profit can easily mobilize its employees or supporters for political change with Powerline) by strengthening the connection between leaders, citizens, causes, and communities.

We live in complex times, but we cannot be deterred by the challenges ahead from fixing the problems of today. The very future of our country, our society, and our planet relies on the ability of people to organize and lead communities. We must be able to strengthen the relationship between leaders and citizens, and simplify civic engagement. Powerline is designed to do just that.



