PIONEER INSTITUTE
PUBLIC POLICY RESEARCH

POLICY BRIEF

Extending the Stat Model Across the Commonwealth

Somerville SomerStat Program

Introduction

After nearly a decade of evolution, municipal Stat programs, such as NYPD'sCompStat and Baltimore's CitiStat, have proved very successful in improving city service delivery and cutting unnecessary spending. Though slightly different in each implementation, all Stat programs involve frequent meetings at which key decision-makers and department heads review data on operational performance, identify problems and solutions, and track follow-up. The City of Baltimore reported $70 million in savings attributable to CitiStat in its first three years of operations. In Massachusetts, Somerville has run its successful SomerStat initiative for close to three years, and reports $10 million in realized or anticipated savings. Expansion of the Stat program holds tremendous potential for the Commonwealth's cities and towns, as well as state government.

The Problem

Massachusetts and its municipalities face serious and continuing financial constraints. Though the recent change in administration inspired hope that state aid to cities and towns might be increased, there are major resource constraints at both the state and local level. Agencies and authorities operate enterprises with complex missions and extensive physical plants. Every new administration must relearn each agency's operations, often starting from scratch to develop and implement long-term strategic plans or coordinate each agency's work with the work of other, related agencies.

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Towns and cities must manage a diverse set of operations, ranging from the provision of social services for senior citizens to the delivery of running water and sewer services to every household and business. Municipal management structures are often antiquated and flat, with as many as 20 or 30 department heads reporting directly to a mayor or city manager. Executive terms can be as short as two years. Recent state budget cuts to municipalities have put tremendous pressure on municipal operations, removing a layer of funding that may have helped camouflage the ineffectiveness of the typical management model.

The Solution

Stat programs give municipal leadership a comprehensive picture of departmental operations so that problems can be flagged early, possible solutions can be discussed amongst key decision-makers, coordination across departments can be increased, and implementation of agreed-upon plans can be carefully monitored over time. SomerStat proposes the replication of the Stat model in two complementary ways. First, SomerStat proposes piloting the Stat model within a state-level agency or authority. Second, SomerStat proposes state provision of incentives and resources to help cities and towns start their own Stat programs.

Elements of the Stat Model

The following are the necessary components of any Stat system, at either the state or local level.

1. Operational and administrative data are gathered and assessed at a central point. At the municipal level, these data could be parking tickets issued, sick days used, and water meter reads taken. At a state level, these could be run times for MBTA subway lines, DCR park maintenance records, etc.

2. A team of individuals with data handling and analytical skills regularly mine the data to assess key findings and determine what additional questions need to be addressed and what hypotheses about operations may be drawn from the available data (e.g., How may meter reads are estimates? How much sick time is used for each division? How does sick time correlate with number of meter reads?)

3. The Stat team meets at least monthly with division leadership and other key management personnel, such as law, finance, personnel, and IT managers to discuss the findings of their data analysis.

4. Next steps from each meeting are tracked centrally and revisited until complete.

5. The organizational leadership holds division heads accountable for all decisions made in Stat meetings.

There have been tremendous gains from the broad implementation of SomerStat in Somerville. SomerStat works with 19 departments and it is estimated that this work has resulted in a realized or anticipated savings of at least $10 million for the City of Somerville. Similar Stat models have led to real progress in cities nationwide:

· In Atlanta, missed trash pickups were slashed by 65% between 2004 and 2005.There was also a near-doubling in the number of roads resurfaced from 2004 to 2005.

· In Baltimore, $350 million in savings was achieved in a $2 billion budget. The city also created a guarantee that potholes would be repaired within 48 hours of being reported to a 311 hotline.

· In Providence, R.I., the time to took to process tax collection checks was slashed from 10 to 2.5 days between 2003 and 2004. Sick days used by city employees decreased by 28% from 2004 to 2005.

· In St. Louis, about $5 million in overall savings was achieved in a $410 million annual budget.

· In San Francisco, $78 million in savings was achieved from a $2.4 billion discretionary budget, and a 48-hour pothole guarantee was implemented.

All these applications of the Stat model have led to:

· Measurable improvements in local service delivery and enhanced efficiency in resource allocation that significantly increases the per dollar impact of any new spending on local aid.

· Increased public confidence in government operations prompted not only by better operational performance but also by the generation and sharing of new and better data to support public claims of improvement.

· An exchange of ideas amongst municipalities that will help each improve performance and will help the state both find solutions for chronic problems and implement innovations.

Relevance to Massachusetts

The City of Somerville's SomerStat office proposes using this powerful model to transform both state and local government practices throughout the Commonwealth. We propose two complemetary applications of the Stat model in Massachusetts:

1. Commonwealth MassStat: First, we propose a Stat model at the state level to run an agency or authority of the Commonwealth, particularly one that operates in a data rich environment and faces financial constraints and loss of public trust. Though Martin O'Malley, who pioneered CitiStat in Baltimore, is working to take this model to state government in his new role as Maryland's governor, there are no fully implemented state-level Stat programs.

2. Municipal MassStat: Second, we propose creating an incentive for the Commonwealth's municipalities to launch their own Stat programs. This incentive will be combined with a package of technical assistance. Any incentive program should also require municipalities to meet regularly to benchmark their local data against other cities and towns, helping identify common problems and possible regional or state solutions. Ideas for regional- or state-level solutions that arise from municipal Stat meetings and regional data sharing forums will be fed to relevant state agencies, so that local data analysis will ultimate inform state-level reform for chronic governance problems.

Conclusion

As the effectiveness of the Stat model becomes more widely known, and as data management systems generate better administrative data, public support for the Stat approach should encourage its expansion throughout the Commonwealth. Over th enext decade, this expansion could include:

· Expansion of the Stat Model to School Systems: Schools already have much more data available for analysis than municipalities. This data could drive improved decision-making and performance management. Somerville is currently piloting a SchoolStat program.

· Increased Sharing of Data: As it becomes easier to link data, it will be possible to share data across agency boundaries, whether between state and local agencies or between now-isolated groups in city governments.

· Better Cost Accounting: It should eventually be possible to determine an average unit cost for a wide range of governmental activities, from filling potholes to teaching math. This will enable government to carry out more sophisticated and thoughtful cost-benefit discussions.

· Transparent Government: With an explosion of meaningful data on government operations, the public can play a more active role in how government spends tax dollars to perform vital services.