REGIONALIZATION: *Fairy Tales and Scary Bedtime Stories*

By Kendra Amaral

The cost of providing the same bundle of local services continues to grow each year, but the revenue streams used to support the services are seeing much slower growth, if any. So, the adage goes, drastic times call for drastic measures. But is regionalization really that drastic?

Kendra Amaral recently accepted a position in the city manager's office in Lowell. When this article was written, she was the chief of staff to the mayor in Amesbury.

Regionalization of local services is not a new concept; it is not cutting edge or even untested. At the moment, however, this age-old idea is one of the hottest topics in Massachusetts. The Legislature last year went so far as to establish a Regionalization Advisory Commission, which released a comprehensive report in April with a long list of opportunities, areas for greater study, and items for follow-up.

The opportunities cited in the report fall into a few broad categories: purchasing, planning, training/best practices, and service delivery. Throughout the state, there are successful and long-standing examples of regional programs involving planning (regional planning commissions), training (trade organization conferences and certification programs) and even purchasing (solid waste and power are fairly common). The real elephant in the room is service delivery. While regional service delivery is now a comfortable approach for the smaller communities outside of Route 495 and on the Cape, it is far less common in the Greater Boston and Worcester areas.

The concept of regionalization is quite logical and rooted in basic economics. Here's a thought that puts it in perspective: Imagine if business operated the same way as local government in Massachusetts, with corporations producing and delivering their goods and services in distinct and separate operations for each community. Could you imagine a car factory in each community to produce that community's automobiles? How about a separate power plant for each town?

REGIONAL HEALTH SERVICES

Coming off a successful regional purchasing effort for trash and recycling services a couple of years ago, the town of Amesbury and the city of Newburyport began discussing other regionalization opportunities. The communities approached Salisbury as another potential partner, and in February 2009, following the announcement of local aid cuts, Amesbury Mayor Thatcher Kezer, Newburyport Mayor John Moak and Salisbury Town Manager Neil Harrington met to identify opportunities for regional service delivery.

By March, the three communities had announced their intention to regionalize public health services. Each community was in a unique situation, with Amesbury seeking to reduce the number of employees, Salisbury being without a permanent health agent due to retirements and turnover, and Newburyport, an area leader in health services, being without an animal control officer. The time was ripe to combine efforts.

The Regional Health Services plan was rooted in the concept of mutual benefit derived from professional services and efficient operations. The plan established a means to administer professional health services, including food, septic and housing inspections, nursing services such as communicable disease surveillance and vaccination clinics, and animal control services, including enforcement, impounding and inspections, through shared staff. Newburyport was to serve as the host community for the regional health director and nursing services, and Salisbury would host animal control services. All three communities would agree to pay a portion of the costs incurred by the host community, based on demand for service.

To confirm that the concept was viable, the communities reviewed inspection, animal control and nursing services records and discovered they were essentially overstaffing for the actual service needs by 1.5 full-time equivalents. Each community was paying for a relevant amount of idle time. By reducing idle time, they could lower costs while providing equal or greater services. This meant when the inspector wasn't busy in Newburyport, he could be in Amesbury or Salisbury conducting inspections or following up on complaints, and Newburyport would be paid for that person's time. The same would be true for the public health nurse and animal control officer.

The communities developed an inter-municipal agreement to share a health director, nursing services and an animal control officer. They chose to retain the local boards of health, rather than create a health district, in order to control costs. With recent changes in the laws governing inter-municipal agreements, the three communities could enter into an agreement with the approval of the selectmen in Salisbury and city councils in Amesbury and Newburyport.

The Regional Health Services plan was designed to offer Amesbury improved professionalism and productivity through better oversight and contracted inspectors. It would also expand animal control coverage to twenty-four hours per day and save approximately $98,000 annually in salaries, benefits and expenses. Salisbury anticipated improved inspectional services, capacity to conduct new housing inspections, enhanced nursing services, and after-hours animal control coverage, with no increase in costs. Newburyport was expected to receive twenty-four-hour animal control services and more than $60,000 in revenue from Amesbury and Salisbury.

The concept was wonderful; the execution, however, was less than flawless. Change, even change that helps taxpayers, is a hard nut to swallow. The objections were numerous, and Chicken Little was out in force. The Department of Public Health was not exactly supportive, public health staff from other communities came to pronounce the plan as dangerous and ill-conceived, and even CNN's Campbell Brown accused Amesbury of destroying

small business in America because it would no longer employ a full-time health nurse.

What we learned was intriguing and beneficial for future regionalization efforts.

FEAR OF CHANGE

The fear of change was one of the largest challenges. Despite the fact that many Amesbury residents acknowledged a lack of awareness about the services provided by the health nurse and the health agent, the idea of changing how the services would be provided was almost too much to bear. The biggest change in Amesbury was the elimination of the full-time public health nurse position, which, at more than $70,000 annually, was costly for the amount of service actually provided.

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Amesbury's Board of Health was furious that the mayor would consider such a change without their approval. They argued that Amesbury needed a full-time health nurse to "process immigrants," among other things. One particular resident argued that, under the regional plan, the health nurse would not be able to provide him with weekly injections he needed, and as a result he would be forced to drive to North Andover twice a week to receive his injections from his physician. When asked by the city council if the full-time public health nurse performed the service for him, however, his answer was "no." Others said the public health nurse "is a nice lady, and we shouldn't let her go." Our personal favorite was this: "Saving money isn't everything," a comment repeated frequently by a regular cost-cutting advocate during hearings on the plan.

An oral history project would have been a great companion to the Regional Health Services plan. In spite of the influx of new families to the Newburyport area over the past decade, the spark of old grudges and sting of long-dead slights came alive. Some residents were distrustful of our neighbors, based on ancient history, and feared their influence on Amesbury. Through the process, we learned about the founding and redrawing of town lines, business deals that went sour between families generations ago, and that the "wild west" is actually used to describe certain parts of the region.

The communities' standing frustrations with the regional schools also made an appearance in the debate. We didn't want to disregard the positive example of regional schools, but we did need to differentiate the governing structure in order to gain the trust of the city council. For the Regional Health Services plan, we chose to use an inter-governmental agreement. We entered into a contract that spelled out how the partnership would be managed, specified the control retained by the local boards of health, enumerated a long list of data and reporting requirements to monitor service and costs, and specified how funding would be arranged. The "opt-out" clause was a key component of the agreement, giving each community the flexibility to end the agreement with less than a year's notice. This clause was essential for our city council and the public.

THE PLAN MOVES FORWARD

Armed with data and some timely successes, such as our response to the H1N1 scare, we were able to overcome the hurdle and prove that public health would still be protected. Demonstrating that we could handle the H1N1 pandemic—with educational material and regional clinics prior to implementation of the regional health plan—was a test we needed to pass in order to prove we could succeed in a regional health services program.

The fact is, communities are all held to rigorous health standards that are laid out in state law. We reminded residents of this and assured them that Amesbury would continue to require its inspectors to be fully licensed and certified to perform their duties. With these assurances in place, we were able to convince the Board of Health and City Council that Amesbury would remain in control of its public health destiny.

The process to review and adopt the agreement spanned seven months. We attended multiple Board of Health and City Council meetings and participated in workshops organized by the City Council and involving the Department of Public Health and the Massachusetts Association of Health Boards, which was a vocal opponent of the plan. We presented cost projections, inspections data, and information on caseloads for communicable diseases.

During the approval process we developed our H1N1 vaccination program, enhanced our outreach on public health education, caught up on years of backlogged inspections, and otherwise managed the operations of public health under an interim arrangement that mirrored the regional health services plan. So when the City Council finally voted on the agreement, they had seen seven months of demonstrated capability to meet the community's needs through this new model.

The plan was put before each community, with Salisbury approving it in June 2009, Amesbury following in September, and Newburyport ultimately backing out due to unrelated political wrestling. Amesbury and Salisbury proceeded with the agreement, with Amesbury serving as the host community for the regional health director and public health nurse. The full program was implemented in October 2009.

SEEING RESULTS

Results from the health services collaboration were immediate and positive. Amesbury cut costs by fifty percent, saving more than $100,000 in the first year, while receiving noticeably improved services. The vaccination clinic program was a success, with the vaccinators serving as trainers for other communities throughout the state. Amesbury is current on food inspections, is meeting its Title V septic system inspection requirements within state-mandated deadlines, and is providing rapid follow-up on complaints.

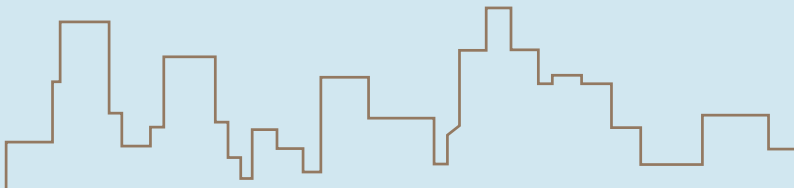
Public health nursing services are now operating with online communicable disease surveillance, the Department of Public Health's MAVEN system, which improves efficiency and reporting. The nurse has new weekly senior programs, is developing a new dental program, and has been working successfully with others to plan and implement programs that meet the community's changing needs.

Animal control services have increased to include full-time coverage during the day, with overnight, weekend and holiday coverage as well. Service complaints have been reduced to zero, and the city is working toward fully licensing all dogs.

With public health staff no longer trying to "fill the hours," more collaboration is occurring between public health and fire and rescue, the Council on Aging, emergency management, and the schools to find better ways to accomplish city goals. We are working with outside organizations on projects such as partnering with a local social service provider to connect residents in need to health insurance and dental care. Changing who and how much time is allotted to provide the service is leading to innovation.

Regionalizing services is essentially a form of outsourcing and comes with the same challenges and opportunities. At a recent New England StatNet meeting, a membership organization of communities committed to performance management in government, the group focused on the topic of outsourcing and concluded that no one solution is right for all communities. We found that member communities were divided on what services can and should be successfully outsourced, consistent with the Regionalization Advisory Commission's acknowledgement that not all services are good candidates for regionalizing. From the data gathered by StatNet, it was clear that efficient cost-effective services, whether in-house, out-sourced or regionalized, are possible only through good management.

When outsourcing and regionalizing, good contracts, data reporting requirements, outcome measures, and strong management of the contract are needed to achieve success. Recognizing this, Amesbury and Salisbury established an oversight team in its inter-municipal agreement that meets quarterly, reviews data and discusses service delivery in order to ensure that the scope of services and costs are being maintained and contained. If issues arise, the oversight team, consisting of the mayor of Amesbury and the town manager in Salisbury, will make mutually agreed-upon adjustments to correct issues.



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Regional service delivery can be a fairy tale solution for some and the stuff of scary bedtime stories for others. Regionalizing services has the potential to provide long-term savings and improved service delivery for many municipalities, but even no-brainers can be real headaches to implement. Local and state government must be willing to apply the effort needed to overcome fears of change and neighbor, and must be willing to do things differently to improve productivity and lower costs.