

**Testimony of Mindy Tarlow, Director, Mayor's Office of Operations
MMR Hearing, December 10, 2014**

Good morning, Chair Kallos and Chair Gentile, members of the Governmental Operations and Oversight and Investigations committees. My name is Mindy Tarlow, and I am the Director of the Mayor's Office of Operations. Joining me today are Tina Chiu, deputy director for performance management and Guenevere Knowles, associate director for performance management. Thank you for this opportunity to discuss the Mayor's Management Report, or MMR, with you.

Background

Since 1977 the Mayor's Management Report (MMR) has served as a public account of the performance of city agencies, measuring whether they are delivering vital services efficiently, effectively, and expeditiously. As Mayor de Blasio said in his letter to New Yorkers accompanying the Fiscal 2014 MMR:

"This is a civic duty grounded in the democratic principles of accountability and transparency. A good MMR provides all New Yorkers with an appraisal of how each aspect of their government is performing, from the delivery of basic day-to-day services to the most urgent emergency care; from citywide initiatives to neighborhood-based programs; from services that affect every New Yorker to those that help the most vulnerable among us. The MMR is part of this mandate to ask questions, collect data, track our progress and hold ourselves accountable in accordance with our values."

As mandated by Section 12 of the New York City Charter, the Mayor reports to the public and the City Council twice a year on the performance of each City agency: an annual MMR is released every September; a Preliminary Mayor's Management Report (PMMR), covering the first four months of the fiscal year, is published two weeks after the release of the January financial plan.

The MMR and PMMR cover the operations of City agencies that report directly to the Mayor. Three additional non-Mayoral agencies are included, for a total of 44 agencies and organizations. Activities that have direct impact on New Yorkers—including the provision of support services to other agencies—are the focus of the report. The report is organized by agency around a set of services listed at the beginning of each agency chapter. Within service areas, goals articulate the agency's aspirations. The services and goals are developed through collaboration between the Office of Operations and the senior managers of each agency. The Fiscal 2014 MMR reported on a total of 2,067 indicators, which includes 524 critical indicators.

The MMR and PMMR are available via an interactive website and as PDF documents. I'd like to draw particular attention to the online Citywide Performance Reporting system, or CPR. Throughout the year, agencies routinely report on all critical indicators contained in the MMR/PMMR through the Citywide Performance Reporting portal. CPR is publicly available and allows users to easily sort information by agency and by time period. CPR also provides opportunities to view five-year trends as well as mapping

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information for select indicators. Data can also be publicly accessed online through the City's Open Data Portal.

Developing the MMR

The MMR is part of an ongoing performance management process with agencies and thus reflects changes in strategic and operational priorities of individual agencies and the administration as a whole. Modifications are made during every reporting cycle. Indicators are developed in consultation with agency leadership, Operations staff, and City Hall.

Any proposed change—in service areas, goals, performance measures, or definitions—is examined and evaluated by Operations staff to see whether it has a clear rationale and provides useful and informative insight into agency performance. The review also ensures that changes are not being made to redirect attention away from lower than expected performance. The MMR explains important changes, including updates and corrections to information presented in earlier reports, in a “Noteworthy Changes, Additions or Deletions” section at the end of each agency's chapter.

Examples of modifications in the most recent MMR include the addition of a new goal and performance measures related to accessibility for the Taxi and Limousine Commission and revisions in the methodology used by the Human Resources Administration for calculating the number of clients the agency assisted in finding a job. Operations is currently working with agencies on revisions to goals, services, and indicators for the Fiscal 2015 PMMR.

Operations has a close working relationship with agencies. The office has a mandate to plan, coordinate, and oversee the management of City governmental operations to promote the efficient and effective delivery of agency services. This puts Operations staff in frequent contact with commissioners, senior managers, and other agency staff, whether it's discussing cross-cutting topics or specific agency initiatives, and I personally meet on a monthly basis with a number of commissioners. Operations is thus positioned to engage agencies in a robust and ongoing dialogue about their services and performance and provide support for these efforts.

Recent Changes and Future Considerations

The Fiscal 2014 MMR, though it covers only half of this administration's first year, begins to reflect our values and priorities, as we bring a focus on equity, equality and opportunity to our work. Agency-specific “Focus on Equity” statements, featured for the very first time in this MMR, serve as a key example. Every single agency produced an equity statement that articulates how it is working to promote fair delivery and quality of services among and across groups of people and places in support of the goals of equity, equality and opportunity for all New York City residents. These statements cover widely reported initiatives like universal access to early education in the Department of

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Education, and also less publicized initiatives such as the Department of Finance's Taxpayer's Advocate Office, which provides relief to low-income taxpayers, the Department of Environmental Protection's Home Water Assistance Program, which will provide an annual water-bill credit to low-income homeowners across the five boroughs, and reforms implemented by the Department of Consumer Affairs to reduce fines on small businesses. By applying an equity lens to the work we do, we can begin the process of developing goals and metrics about issues that span the work of all agencies, so that we can measure our collective progress towards outcomes and hold ourselves accountable.

Reporting on the core functions and performance of each agency is vital to understanding and appreciating how government works. To be truly effective, however, government must also find ways to cut across agencies and bring different disciplines together. We are approaching that challenge through new multi-agency initiatives like Pre-K for All, Vision Zero and Housing New York, creating agency collaborations all across the City. The Fiscal 2014 MMR summarizes those initiatives and spells out preliminary performance indicators related to implementation and, even more important to the public, outcomes. Future MMRs will include additional multi-agency initiatives while continuing to track these priority projects through their life cycles. As projects get implemented and mature over time, key performance indicators will migrate into the core set of indicators of relevant agencies, if they reflect a new - or expand an existing - service or goal.

The MMR and related work at the Office of Operations also serve as a tool to inform other citywide planning efforts. Our office engages directly with the Office of Management and Budget in multiple ways. I participate in the internal budget and financial planning processes throughout the year, which provide multiple opportunities to offer insights and make recommendations, where appropriate, at both an agency level and across various systems. Right now, Operations is deeply engaged in the current Ten-Year Capital Planning process.

Focused information sharing, issue spotting, and problem solving among Operations, agencies, OMB, and City Hall help the City be responsible and accountable for better performance and outcomes. We are committed to providing information about our performance as a City, and to proactively engaging the public in this effort. Our office is always evaluating our processes, seeking to improve how we present performance information and identify creative ways to make the MMR more accessible to the public. We look forward to working with the Council and other stakeholders to make government information easily accessible to all New Yorkers.

I will be happy to answer your questions. Thank you.



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**Testimony of Doug Turetsky
On Evaluating the Structure and Content of the Mayor's Management Report
To the New York City Council Oversight and Investigations/
Government Operations Committee
December 10, 2014**

Good morning Chairmen Gentile and Kallos and members of the committees. I am Doug Turetsky, chief of staff and communications director for the city's Independent Budget Office. Thank you for the opportunity to speak today about the current structure and content of the Mayor's Management Report.

I am sure that a number of us here today can remember the time when the release of the Mayor's Management Report was a major event on the municipal calendar. The old Board of Estimate chambers would be standing room only for the report's release. It was a presentation that rivaled the annual state of the city speech and the release of the Mayor's budget plans for public and press attention.

Times have changed. The report garners far less notice than it did in the past and many observers see it as more of a Mayoral public relations tool than a detailed review of the strengths and weaknesses of city service delivery. Former Mayor David Dinkins would point to statistics in the MMR that indicated areas in which the city needed to do better as well as stats that showed the city functioning well. Fast forward an administration or two and the self-criticism dissipated.

Over the years, the MMR evolved, growing into a multivolume, many hundreds of page report with a vast amount of numbers. But many of those numbers were simply inputs that revealed little if anything about outcomes and how well the city provided services. The more informative data all too often was hard to find, buried under layers of less meaningful numbers. More recently there has been an effort to scale back the management report and make it more accessible. There have been some concerns, though, that in the scaling back some valuable indicators were lost in the process.

If the process to improve the usefulness of the MMR is to continue, perhaps it is necessary to go back to the future. When the report was mandated in the 1970s, the intent was to help inform budget decisions. But there are at least two factors that hinder use of the report in this manner: timing and the structure of the city's budget.

As now scheduled under the terms of the City Charter, release of the MMR is ill-timed for linking its indicators to funding decisions as the Council moves towards adopting a budget for the upcoming fiscal year. The Preliminary Mayor's Management report is issued in February and covers just four months of the current fiscal year. The remaining eight months of data is not issued until September, when a budget has already been adopted.

While the timing of budget deliberations and the issuance of the MMR with a full set of indicators for the current year cannot be perfectly aligned, improvement is possible. As IBO has suggested in the past issuing a version of the MMR in conjunction with the release of the Mayor's Executive Budget could provide the Council with a fuller picture of how well the city is delivering key services. The Council would have more current and complete performance information as it determined spending priorities for the upcoming fiscal year.

But timing alone will not improve the Council's—and the public's—ability to use the MMR to make judgments about services and resources. In many instances, the current structure of the city budget, units of appropriation, bears little resemblance to how funds are spent programmatically. Some units of appropriation are so big that linkages between programs or the functions being funded are obscured. Prime examples are U of As 401 and 402, which together include more than \$6 billion in spending by the Department of Education.

The Council has already taken an initial step to address this issue. The Council's response in April to Mayor de Blasio's Preliminary Budget proposals presented nearly two dozen examples of units of appropriation that needed to be broken up to reflect discrete programs as well as other units of appropriation that should be created to align with new initiatives. These sorts of changes would improve everyone's ability to see how funds are budgeted for specific programs and then use the indicators in the Mayor's Management Report to assess the effect of these allocations. Ideally, relevant indicators could eventually be incorporated into the budget plan to further facilitate the linkage between resources and program performance.

There is one other element that also could be considered to make the Mayor's Management Report a more dynamic evaluation of city service delivery. The indicators in the MMR provide a statistical portrait of how well the city provides services. The experience of residents may be very different from what the numbers show. Here, too, the Council has shown initiative in the past by undertaking citizen surveys. Integrating survey data on citizen perspectives on, for example, park conditions can provide another perspective to the MMR's traditional measures of park upkeep and cleanliness.

The Mayor's Management Report has evolved in the four decades since its inception and been complemented by more recent tools such as the 311 reports on citizen complaints and requests and the Citywide Performance Reporting data on the Mayor's Office of Operations website. Efforts to improve the MMR as a means for evaluating the efficiency and effectiveness of city service delivery should be ongoing. Two important steps towards achieving this goal would be the aligning of the timing of the MMR and the Mayor's Executive Budget along with a restructuring of the budget's presentation so it more closely corresponds to the programs being funded. Integrating citizen surveys on service delivery with the MMR's indicators would add another useful dimension to the report.

Thank you again for the opportunity to testify and I am glad to respond to any questions.



CITIZENS UNION OF THE CITY OF NEW YORK
Testimony to the NYC Council Governmental Operations and
Oversight & Investigations Committees
on the Structure and Content of the Mayor's Management Report
December 10, 2014

Good morning Chairs Kallos and Gentile, and other members of the Council Governmental Operations and Oversight & Investigations Committees. My name is Rachael Fauss, and I am the Director for Public Policy for Citizens Union of the City of New York. Citizens Union is a nonpartisan good government group dedicated to making democracy work for all New Yorkers. Citizens Union serves as a civic watchdog, combating corruption and fighting for political reform.

Thank you for the invitation to testify today about the 2014 Mayor's Management Report (MMR). Citizens Union has been previously engaged on this issue, having testified before the Governmental Operations Committee in 2011 and 2012 at similar oversight hearings, and served on the Mayor's Management Report Roundtable convened by the Mayor's Office of Operations in 2012. The Roundtable's goal was to redesign the MMR to make it more user-friendly to the public and more effective as a measurement of agency performance.

Having looked back at our previous recommendations, the MMR has seen some notable changes in recent years, including:

1. Cross-agency evaluation of mayoral initiatives, as newly seen this year for Universal Pre-K and Vision Zero, among other ongoing initiatives such as the Young Men's Initiative (2012 and ongoing);
2. Inclusion of data from the City Board of Elections as pulled from the board's annual report (beginning 2013); and
3. Agency goals are established and listed in the agency chapters (2012 and ongoing).

One notable change from 2013 to the 2014 report is the deletion of what was a new section – the "How is NYC Government Doing?" section that summarized key information from agencies in the introduction. We saw this change as positive in 2013, and in looking to a 2015 MMR would recommend that top-level information be summarized in a manner similar to 2013 for easier public understanding.

We are also pleased that the Council is holding this oversight hearing, and making the topic on the specific content of the MMR, per CU's recommendations in 2012 to allow the public the opportunity to comment on the content and metrics that should be included.

Looking at further changes, Citizens Union recommends the following be addressed in the 2015 MMR:

- 1. Performance targets** were too often blank in 2014, as in previous years, and should be completed by agencies;
- 2. More detailed budgetary information** should be included for each agency's programs if not its goals in the MMR;
- 3. The Council should pass Int. No. 302 (Lander) requiring the Board of Elections in the City of New York to report performance data** to the Council for inclusion in the Mayor's Management Report; and
- 4. The MMR should include important good government, cross-agency initiatives such as:**
 - Inclusion of data on the open data portal
 - Agency Compliance with the Pro-Voter Law
 - Freedom of Information Law (FOIL) Responses
 - Meetings webcast or recorded

A more detailed description of our recommendations is provided below.

1. Setting of Additional Performance Targets

As Citizens Union noted in its testimony in 2012, the MMR should reflect agency targets for each performance statistic, where appropriate. We recognize that there are areas where the "desired direction" of the agency is "neutral," rather than an improvement to decrease responses times, or increase number of New Yorkers, served, for example. In general, Citizens Union believes that if the data is important enough to be tracked in the MMR and there is a desire to improve upon the data, the setting of specific goals seems appropriate.

We are pleased, however, that the Critical Indicators for each agency in which there is a desired change (rather than a neutral position) appear to have had targets set.

2. Provision of More Detailed Budgetary Information

Citizens Union also believes more detailed budget information should be included in the MMR to accurately measure the effectiveness of each agency. While general budget information is provided for each agency - including expenditures, revenues, personnel costs, capital and overtime expenditures - there is no way to tell if service delivery reflects dollars well spent. The MMR and PMMR should provide detailed budget information for each agency service delivery goal established. This would enable the Mayor and Council during its budget hearings to determine the levels of funding appropriate for each service delivery goal agencies are trying to achieve.

Citizens Union understands that other budget documents produced by the Council and Office of Management and Budget (OMB) contain more detailed financial information

for agencies. However, those documents do not measure performance. We cannot stress enough the need for OMB to make detailed agency spending that is linked to actual program performance more transparent and accessible to the public, and the MMR is one important way to deliver this information.

3. Passage of Int. No. 302 (Lander) requiring the Board of Elections in the City of New York to report data for the MMR

Citizens Union renews its call for the Council to require the Board of Elections in the City of New York (Board) to report the data requested in the MMR. While we recognize that the Board of Elections is reporting data in its annual report in a format that better allows the Mayor's Office of Operations to include data in the PMMR and MMR, there is currently no formal mechanism for performance metrics to be created and the resulting data monitored.

Citizens Union drafted this legislation in the previous Council session with Councilmember Brad Lander, which would require the Board to report to the Council data conforming to the metrics in the MMR and PMMR. The Council would, at its discretion, report the Board's data to the Mayor's Office for inclusion in these reports. This proposal is permissible under state law as the Council is the Board's oversight authority and the recipient of the board's annual report, another performance assessment report. The Council also has a long track record of requesting and receiving information from the Board as a part of the budget process.

4. Inclusion of Cross-Agency, Good Government Initiatives

Citizens Union has been pleased that the City Council has passed several important pieces of legislation in the last several years, including the Open Data Law, Webcasting Law, and, most recently, reforms to the city's Pro-Voter Law. For each of these areas, the Council has engaged in oversight, and advocacy organizations have also been interested in tracking implementation of these laws.

Another area important to transparency and accountability that warrants monitoring and tracking is the city's responses to Freedom of Information requests (though it should be noted that Citizens Union also supports passage of legislation sponsored by Manhattan Borough President Gale Brewer, and Councilmembers Kallos and Vacca to create an OpenFOIL tracker, Intro 328).

Similar to the cross-initiatives tracked in the beginning of the MMR, we believe that these good government metrics also deserve inclusion for each relevant agency.

Thank you again for providing the opportunity for Citizens Union to provide its thoughts on the 2014 Mayor's Management Report. I am happy to answer any questions you might have.

Testimony of Paul Epstein to the Oversight and Investigations Committee and Government Operations Committee of the New York City Council, December 10, 2014

NOTE: Added testimony and Epstein's qualifications, at the end of this document, are not in spoken testimony.

I thank Council Members Gentile and Kallos and their Committees and staff for soliciting my views. My written testimony has my qualifications and added text and notes at the end I will skip now to save time. I'll summarize my experience by saying I have worked since the 1970s on performance measurement and reporting, performance management and improvement, and community governance in two New York Mayor's offices and as a consultant to many other governments and communities in the U.S. and abroad, for which I've been recognized with a lifetime achievement award. My testimony addresses 4 main ideas:

- First, in the largest part of my testimony I recommend that the Council look outward from the government performance indicators of the MMR to higher-level community conditions of concern to residents, often called community indicators.
- Second, the Council should look inward to how city performance information is being used as part of a systemic cycle of improvement, generally called a performance management system.
- Third, the Council should ask the Mayor's Office to provide one-click access from the MMR to "strategy pages" for each agency and major multi-agency collaborative initiative.
- The fourth idea adds credibility to the first three: The Council should ask the Comptroller and Mayor put in place regular audit and assessment processes to assure the relevance and reliability of reported performance information.

Before elaborating, I'll read a brief excerpt of my statement to a Council hearing on the MMR in 2011: "Our city's public performance reporting has become consistently better from the ground breaking productivity reports by Mayor Lindsay in 1972-73 to MMRs under successive mayors. ... Improvements are needed, but there's a good system to build on." Further improvements have indeed been made to the MMR since 2011. One example is the addition of a section up front on priority issues in which many agencies collaborate. I'm sure any measurement wonk could go through the report line by line and find more things to improve. But at this point the most added public value will not come from improving the report itself. Instead, the biggest gains in accountability and public benefit will come from improving how city performance data are connected to higher-level community outcomes, and to a robust performance management system.

Now, to elaborate on my four main points:

1. CONNECT CITY PERFORMANCE MEASUREMENT TO A SYSTEM OF COMMUNITY INDICATORS

1.1 One improvement in the MMR over many years was an increase in outcome measures reported. But these outcome measures, like all MMR indicators, are chosen by city agencies and the Mayor's Office for reporting. Most are probably important. But they do not necessarily reflect community conditions as city residents see and feel them, and they do not necessarily measure outcomes of greatest concern to city residents and other stakeholders. In addition to MMR indicators and other city data online, the city needs an independent system of reporting community indicators chosen through a representative and deliberative public engagement process. The city government can be a partner in the process, but the reporting should be by an independent organization such as a nonprofit civic organization, or a collaboration, perhaps involving civic groups and universities, that can bring together strengths in community outreach and quantitative research and communications, and serve as an impartial convener.

Example: Reporting on Police-Community Relations

1.2 As an example of why independent community indicators are needed, I'll pick an issue on everyone's minds right now: Police-community relations. In the MMR, Police-community relations are measured two ways: Total civilian complaints and the results of anonymous Courtesy, Professionalism, and Respect Tests randomly conducted of police personnel by the Department's Quality Assurance Division. The MMR says, "The [Police] Department is looking into additional metrics to evaluate police/community relations." Do you think those additional metrics will be credible if they came entirely from within the NYPD? Or would they be more credible if people from communities across the city were engaged to determine what those metrics should be, and the data were collected and reported by an independent party?

Community Indicators of Resident Priorities Needed on a Wide Range of Issues

1.3 I do not mean to single out the police. The public AND the city government will benefit greatly when measures on a wide range of community conditions important to city residents are reported by an independent, impartial source trusted by communities AND the city government. The conditions reported should be based on major issues selected through a representative, deliberative public process, and indicators selected should be tested with residents to be sure they represent how they see and feel those issues in their communities. Some of these indicators may not be in the MMR because the city government has little influence over them, such as many economic conditions. But if they're important to people in our community, they should be in an easily accessible report or online system for the people—a Community Indicators System or Report. Luckily, New York does not have to re-invent the wheel to conduct a community indicators project. I reported on longstanding community indicators projects in Jacksonville, Florida, and the Reno, Nevada region, in chapter 5 of my book *Results That Matter*, and there are literally hundreds more to learn from around the country and around the world (*source in Note for 1.3*).

Relating the MMR to Independently Reported Community Indicators

1.4 What does this have to do with the MMR? A number of things. First of all, the MMR can be a building block for a community indicators system. Residents engaged in public processes would be free to select MMR outcome indicators, among other possibilities, as some of their community indicators. But, more important, once there is a community indicator system, the MMR should be framed to tell the stories, in words, numbers, and graphics, about what the city government and community partners are doing to improve results as measured by the community indicators. Think of community indicators as telling the story of quality of life as city residents define it. Then think of the MMR as telling the story of the performance of city government and its agencies. Shouldn't the two relate to each other?

1.5 A government performance report like the MMR simply cannot stand on its own to tell a story of quality of life in the city because quality of life depends on a lot more than what government agencies do. But I'm not saying that the MMR should be radically changed once there is an independent community indicator system in place. Instead, changes should be made in presentation, emphasis, and, as needed, in a few indicators here and there, to show the relationship between city performance and priority community outcomes reported in a community indicator system.

Benefits of Relating the MMR to Community Indicators that Reflect Resident Priorities

1.6 So, what are the benefits to having a community indicators system and relating the MMR to reported community indicators? First, it would take public accountability to another level: Right now, the MMR establishes accountability for city performance on indicators selected by the Mayor and his agencies.

Tying the MMR to community indicators would add accountability for demonstrating what the city government is doing to improve outcomes that are the highest priority to residents. And, more important, inevitably at least some agencies will start doing some things differently to be more responsive to resident priorities. For example, some may increase or strengthen collaborations with community organizations, nonprofits, businesses, and other partners to address the many issues of concern to residents that the city government cannot address on its own. As a result, quality of life, *as defined by city residents*, will improve.

An Opportunity: Mayor's Focus on Equity

1.7 The new focus on equity in each agency's MMR section is an opportunity for convergence between the MMR and resident priorities as may be measured by future community indicators. Given current attention on levels of inequality in the city and nation, I would be surprised if equality in some form did not arise as a priority issue to residents. So, if the Council and Mayor support an independent community indicator system, I'll bet that the focus on equity, as developed in future MMRs, will be one of the first areas of convergence of the city government trying to influence improvement of residents' priority outcomes.

2. ASK: HOW IS PERFORMANCE INFORMATION BEING USED AS PART OF CITY GOVERNMENT & AGENCY PERFORMANCE MANAGEMENT SYSTEMS?

2.1 Reporting performance data in the MMR is important for accountability. But performance information has much greater value if it is also USED to improve city performance. Indicators reported in the MMR are just the tip of the iceberg of performance data city agencies work with every day. I'm not suggesting that the Council ask for all that extra data, except in selected investigations. Instead, the Council should ask the Mayor and each agency to *demonstrate how they use performance data* to improve performance on a regular basis, as part of a systemic cycle of performance management, called a "performance management system." Council should ask the Mayor's Office to describe their view of a system of performance management for the entire city government. And ask each agency to describe their system, with examples of how they use performance data to improve performance. Some agencies will inevitably have better performance management systems than others, and some may have none at all, so there will be many opportunities to improve how these important systems lead to continuous improvement.

Ask the Comptroller to Help by Auditing City Government Performance Management Systems

2.2 There are best practices for government performance management systems that can be used as criteria to assess strengths and weaknesses of any agency's performance management system. There are examples of city, state, and provincial auditors across North America that have audited government agencies' performance management systems (*source in Note for 2.2*). So I recommend that Council request the Comptroller to assign his Audit Bureau to conduct performance management systems audits of city agencies—a few agencies a year—and recommend how the agencies can improve their systems.

3. ASK FOR 1-CLICK ACCESS TO "STRATEGY PAGES" FOR EACH AGENCY & MAJOR COLLABORATION

3.1 To keep the entire MMR from being an overwhelming document, narrative text is necessarily very limited. But that does not provide enough explanation for readers to understand agencies' strategies to achieve most of their goals and targets. Without better explanations of agency strategies, many MMR indicators can seem like meaningless statistics that lack context. Links to agency websites in the current MMR connect the user to rich information, but rarely, if ever, to clear, concise descriptions of strategy going forward that a user can easily find. The MMR needs a crucial supplement: an online strategy page

for each agency that focuses on issues and services where a significant change is planned, with reference to the performance indicators affected by each change. ***The key to these pages is to provide a look forward, not backward.*** There should also be citywide online strategy pages for the collaborative initiatives reported in the front of the MMR. The MMR should provide one-click access from each agency section and collaborative initiative section of the MMR directly to the appropriate online strategy page.

4. PUT IN PLACE PROCESSES TO REGULARLY ASSESS AND AUDIT THE RELEVANCE AND RELIABILITY OF CITY PERFORMANCE INFORMATION

4.1 Whether used for decision making, accountability, or performance improvement, performance information has to be relevant and reliable to be worth its cost. Indeed, if unreliable data are used for decisions, the city risks making costly mistakes in policy or service delivery. I have no reason to doubt any data in the MMR. But if no one ever checks that the measures are relevant and the data reliable, services can be misdirected and inaccuracies and inconsistencies can creep in over time, all unintentionally. At a minimum, the Council should ask the Mayor and each agency what they are doing to assure the quality of the performance information they report. But there are also methods available to test the quality of performance information which, in other state and local governments, have sometimes been performed as management self-assessments and sometimes as audits. Self-assessment steps, audit plans, and related guidance are well documented (*source in Note for 4.1*). So, I recommend that the Council ask the Mayor to train managers in all agencies to perform self-assessments, and ask the Comptroller to assign his Audit Bureau to conduct audits of relevance and reliability of performance information.

ADDED WRITTEN TESTOMONY & NOTES RELATED TO TOPICS & PARAGRAPH NUMBERS ABOVE

1. CONNECT CITY PERFORMANCE MEASUREMENT TO A SYSTEM OF COMMUNITY INDICATORS

For Paragraph 1.1: I encourage every Council committee that relates to specific agencies to question each agency about the reason for specific indicators and ask for new or revised indicators they think are more important. That should improve what is measured in response to Council concerns, but it will not fully assure measurement that's most responsive to resident concerns. Only a representative, deliberative process in which numerous residents and other stakeholders are engaged can assure that.

For 1.3: It's likely that health, safety, education, the environment, the economy, transportation, and housing will arise as priority resident issues, but I would not pre-judge the process. Issues such as arts and culture and more could end up in the mix. And people throughout the city would not just pick the issues, they would also be engaged in deliberative manner to articulate their vision of what the best outcomes for those issues would look and feel like, so DRAFT community outcome indicators can be selected that are truly meaningful to people. To move from draft to "final" community indicators, researchers who find practical, affordable ways to obtain data should bring possible indicators back to groups of residents to determine if those indicators will "do it" for them—will really tell them important stories of community outcomes that add up to their image of the quality of life in New York City.

Note for 1.3: Source for "hundreds more [community indicators projects] to learn from around the country and around the world": <http://www.communityindicators.net/projects>

For 1.5: Many MMR indicators that do not directly relate to community indicators should still be reported. For example, let's say, at the end of a community engagement process, indicators of vaccine-preventable diseases of school children are not selected as community priorities. That may be because the Department of Health and Mental Hygiene, and its many community partners, have done a great job keeping vaccination rates of school children at 99% so we have not had significant outbreaks of these

diseases to concern residents. But if I were a Council Member, I'd still want to see vaccination rates of school children reported in the MMR because I'd want to know if they ever slip BELOW 99%, and I'd want the department to explain why and what they're doing about it.

Added Technical Note on Community Indicators: Need for Disaggregation: Community conditions vary greatly across the city, both geographically and demographically. So a community indicators system will need various forms of disaggregation, including data mapping. The city government, our universities, and some civic groups have data mapping and demographic research capabilities to support levels of disaggregation needed to know how conditions vary across the city, by neighborhood, community board, or other district, and by racial, ethnic, age, income, or other demographic group. Any community indicator system should support robust disaggregation. Key MMR indicators reported as relating to community indicators should be similarly disaggregated, though the disaggregated versions of those indicators may be better reported on city web pages linked to the MMR rather than in the MMR itself.

2. ASK: HOW IS PERFORMANCE INFORMATION BEING USED AS PART OF CITY GOVERNMENT & AGENCY PERFORMANCE MANAGEMENT SYSTEMS?

For 2.1: A complete performance management system should involve the Council at key times every year, as it should involve using performance information in budget decisions as well as performance reporting to the Council. So, the Council should ask agencies how data they work with every day relate to indicators they report in the MMR, how performance information is used to develop budget requests, and how Council can use some of the same performance information the agency uses for its own analyses and deliberations during the budget process and for other policy deliberations.

For 2.2: To convince the Comptroller to conduct such audits you can argue that these will be high-value-added audits as they will help improve agencies' underlying systems to measure and improve performance on a regular basis, providing high-leverage benefits that will pay off for years to come in continuous performance improvement.

Note for 2.2: Source for "There are examples of city, state, and provincial auditors across the U.S. and Canada that have audited government agencies' performance management systems":

<http://auditorroles.org/exemplary-practices/audit-performance-or-pm-systems/practice-1b-description.html>

3. ASK FOR 1-CLICK ACCESS TO "STRATEGY PAGES" FOR EACH AGENCY & MAJOR COLLABORATION

For 3.1: This improvement should be made to the MMR in any event. But these strategy pages with one-click access will be especially powerful accountability tools if the MMR is also linked to a Community Indicator System, as then the strategy pages can elaborate further on how each agency is trying to contribute to accomplishment of residents' priority community outcomes.

4. PUT IN PLACE PROCESSES TO REGULARLY ASSESS AND AUDIT THE RELEVANCE AND RELIABILITY OF CITY PERFORMANCE INFORMATION

For 4.1: As the city has so many performance indicators, audits of the quality of performance information should be conducted on a sample basis, a few agencies a year, and a few indicators per agency. But if agencies know their performance information can be audited at any time, they'll have a strong incentive to conduct self-assessments and take actions to maintain the quality of their performance data.

Note for 4.1: "Self-assessment steps, audit plans, and related guidance are well documented":

<http://auditorroles.org/auditor-toolkit/role2.html>

Qualifications of Paul Epstein on Public Performance Reporting and Performance Management

Paul Epstein leads the Results That Matter Team (www.RTMteam.net) of the consulting firm Epstein & Fass Associates, based in New York City. He first became involved in public performance measurement and reporting as a member of Mayor Lindsay's Project Management Staff. In that role, he analyzed, monitored, and managed productivity improvement projects of several agencies (including what are now DOT, HPD, TLC, and DOHMH) and contributed to Mayor Lindsay's quarterly public productivity reports in 1972-73. Later, from 1976-80 Paul worked for the U.S. Department of Housing and Urban Development to spur innovation in local government performance measurement and improvement and help cities and counties adopt those innovations to measure and improve their own performance.

In 1981, Paul returned to New York to become Manager of Citywide Productivity in the Mayor's Office of Operations, where he worked through late 1985. In that capacity, he oversaw numerous productivity improvement projects, often involving helping agencies measure performance in new ways. And he helped train a cadre of performance measurement and improvement staff in all agencies. At the time, Paul staffed two high level citywide committees: an executive Productivity Steering Committee chaired by the Deputy Mayor for Operations, and including the budget, labor relations, and personnel directors; and a Labor-Management Productivity and Quality of Worklife Committee co-chaired by the Deputy Mayor of Operations (Nathan Leventhal) and Chair of the Municipal Labor Committee (Victor Gotbaum). Under the auspices of the Productivity Steering Committee, he initiated the integration of productivity improvement with the budget process, which produced over \$120 million in savings and revenue its first year (vs. a target of \$40 million). As the process continued, savings and revenue grew, to levels of over \$1 billion in cumulative annual savings and revenue as reported in Mayor's Management Reports (MMRs) after Paul left Operations. While at the Office of Operations, Paul also contributed to nine MMRs. For most of them, he edited the Productivity Improvement section near the beginning of each MMR in that period.

In late 1985 Paul started a consulting practice, now called the Results That Matter Team. His consulting has involved strategy management including balanced scorecards, and a wide range of performance measurement and improvement projects for all levels of government and nonprofits in the U.S., other countries, and the United Nations. Several projects involved helping entire local governments and the Port Authority of NY & NJ start or improve performance management systems. Others have involved engaging citizens in performance management, in the U.S. and abroad, including projects based on the "Effective Community Governance Model" featured in Paul's third book. For ten years, he was a consulting member of the performance reporting research team of the Governmental Accounting Standards Board (GASB). In that role he co-authored GASB research reports and case studies, including a report on citizens from across the country discussing what they want to see in performance reports. He also helped GASB develop "suggested criteria" for performance reporting and co-authored a "Special Report" on the criteria and a guide for elected officials and citizens in using a performance report. Working with the Institute of Internal Auditors (IIA) and government audit leaders, he managed a four-year grant to train thousands of auditors across North America in how they can help improve public performance management (see www.AuditorRoles.org). In 2003 the American Society for Public Administration (ASPA) awarded Paul the Harry Hatry Distinguished Performance Measurement Practice Award for lifetime achievement. Earlier, an ASPA committee he chaired was cited by Congress when it passed the Government Performance and Results Act of 1993. Paul's many publications include three books: *Using Performance Measurement in Local Government* (Van Nostrand, 1984; National Civic League, 1988), *Auditor Roles in Government Performance Measurement* (IIA Research Foundation, 2004), and *Results That Matter* (Jossey-Bass/Wiley, 2006). He has an engineering degree from MIT (BS in Aeronautics and Astronautics) and he has taught graduate public management at NYU, Baruch College, and the University of Hartford.

12/10/2014



Testimony of
Prudence Katze, Policy Coordinator, Reinvent Albany
before the
Committee on Oversight and Investigations and Government Operations

Evaluating the Structure and Content of the Mayor's Management Report

Good morning, my name is Prudence Katze, Policy Coordinator for Reinvent Albany. Our organization advocates for more accountability in our state and city governments, and as co-chair of the NYC Transparency Working Group, partners with other civil society groups to encourage city government to use technology to be more transparent.

In the era of smartphones and Big Data, the venerable Mayor's Management Report is more important, and more powerful, than ever. The MMR is city government's single most important public accountability tool. Along with 311, the MMR's Key Performance Indicators and Performance Indicators drive how agencies operate and invest resources. Some have criticized the MMR as obsolete, but we believe that the MMR is a crucial public resource which should be invested in as it continues to integrate the use of new technologies.

Ensure Accuracy in Reporting

For example, the online MMR should utilize the City's Databridge to ensure the accuracy and timeliness of data reported by agencies. Databridge aggregates agency performance statistics for the Mayor's Office of Operations using direct data feeds from agencies. This direct data feed contrasts with MMR data, which is reported to Mayor's Operations from agencies, and is not "streamed" directly.

Data Quality, not just Data Quantity

On the topic of data quality, we hope the MMR works to increase KPI and PI's based on quality, not just quantity of agency activity. For example, the Department of Buildings should be judged on its responsive time to complaints, and the number of well-founded complaints it investigates, not just the total number of complaints it responds to.

Ease of Use

Ideally, we would like to see an online MMR which is as at least as easy to browse and use as the paper or pdf version, but which uses timely, accurate linked data, which is downloadable in

an open format. For example, if the Performance Indicator is the number of street trees planted, we would like to be able to click on the most recent data from the Parks Department for the number of trees, and be taken to the data in the open data portal, where we can download it in a machine readable format.

Despite efforts to put the MMR online, the online MMR data is hard to navigate, and often out of date and incorrectly formatted on the Socrata portal. It is thus inaccurate to say the MMR is fully “online.”

The city has put impressive amounts of MMR data online, and things are shaping up, but the data still needs work. To be considered truly open and online, the MMR needs to have data that is:

1. **Timely.** MMR online data is old. We are half way through FY 2015 and most downloadable data on the online MMR is from 2012.
2. **Linked** The MMR website is essentially a set of short descriptions of agency mission statements followed by tables of Performance Indicators. Those tables should be linked to the underlying datasets they are drawn from in a form that is downloadable. Ideally, the most recently available data should be fed into the appropriate table. This would be a way to link the MMR to the Open Data Platform, while retaining the easy to browse, logical graphic format of the a web page.
3. **Complete** The three MMR datasets that are available on the Open Data Portal are incomplete and inconsistent, and two of the three MMR data sets have no descriptive metadata or “about” section. The formatting of the data itself is also inconsistent and confusing; For instance, “311” data is formatted as a date, per “3/1/01” or March 1, 2001 on the FY 2014 MMR Data Extract.

Additional Performance Measures in Government Accountability

The MMR includes 311 Service and Information Requests, we urge the Mayor and Council to add Performance Measures for Freedom of Information Requests received, responded to, denied and appealed (This is addressed by Intro 328 - the Open FOIL bill - by creating metrics of FOIL requests to agencies that could be easily integrated into the MMR). Additionally, it would be helpful to have Performance Indicators for requests to a particular dataset from an agency to be made public on the open data portal. This would then put the onus of publishing datasets on the agencies, instead of DOITT.

Thank you.

EVALUATING THE STRUCTURE AND CONTENT OF THE MAYOR'S MANAGEMENT REPORT

**Testimony of Douglas Muzzio
School Of Public Affairs, Baruch College,CUNY¹**

**Prepared for
Committee On Oversight and Investigations and Government Operations
December 10, 2014**

I conceive that the great part of the miseries
of mankind are brought about by them by false
estimates they have made of the value of things.
Benjamin Franklin, *The Whistle*, 1789

Good morning Councilmembers Gentile and Kallos, members of the committees, and staff. I'm Douglas Muzzio, a professor at the Baruch College School of Public Affairs. I thank you for inviting me to testify on the Mayor's Management Report. This is the sixth time testifying before the Government Operations Committee, under chairs Mary Pinkett, Bill Perkins (twice), Simcha Felder, and Gale Brewer. You folks must think I know something. We'll see.

THE CHARTER

Since 1977, City Charter Sect. 12 has required the Mayor to report twice a year to the public and the Council on: 1. the service goals of each City agency; 2. The actual performance of each agency; and 3. The management efficiency in achieving agency goals. The Mayor's Office of Operations is charged with preparing the two management reports: the Preliminary Mayor's Management Report (PMMR) and the Mayor's Management Report (MMR). The PMMR, usually released in February, measures and evaluates city agency performance for the first four months of the fiscal year and presents proposed performance goals for the next fiscal year. The MMR, released in September, presents actual agency performance for the entire fiscal year.

BLOOMBERG MMRs

The first Bloomberg MMR released in Sept 2002 was a departure – and an improvement -- from the Giuliani era. It was more concise, easier to navigate and use, Internet accessible and interactive, and provided somewhat more explicit agency mission statements, measurement indicators, and sources of measures. But the 2002 MMR -- and its predecessors and successors including the Sept. 2014 report, the second during the de Blasio administration, -- had several deficiencies, including

- lack of budget connections as mandated by the Charter
- absence of rigorously, frequently, and uniformly conducted customer surveys as agency and program outcome measures

The 2002 MMR (its predecessors and its Bloomberg administration successors through 2011) also lacked

- narrative context; the documents had no overview, no introduction, no summary, no "vision"
- longitudinal and comparative data and measures
- coherent articulation of goals/objectives/targets within and across agencies

In February 2012, the Mayor's Office of Operations Director Elizabeth Weinstein initiated an MMR update, establishing the "Mayor's Management Report Roundtable" to address those deficiencies, to improve the content, structure, presentation and public access. I was fortunate and honored to be invited to join the group. Office of Operations efforts were headed by Deputy Director Jeffrey Tryens and staffed by Operations and agency professionals. The effort was a model of public policy analysis and a paradigm of conceptualization, organization, and presentation. And hard work.

The 2012 and 2013 MMRs were improvements over their predecessors in several ways:

- more logically structured, more clearly presented/visually engaging
- some introductory narrative context on agency function and performance
- illustrative linking of agency performance data to citywide and cross-agency initiatives (e.g. PLANYC)
- beginnings of comparative cross-city analysis
- wider use of five year trend data

de BLASIO MMRs

The Sept 2014 MMR – the second of the de Blasio administration – reported on City agency performance from July 1, 2013 to June 30, 2014, spanning both the Bloomberg and de Blasio administrations. The report has retained and moved forward in some of areas noted above, providing

- narratives on key administration initiatives: Universal Pre-K, Vision Zero, Housing New York, the Young Men's Initiative as well as climate change, including Sandy recovery
- metrics for these initiatives (Unfortunately the measures are output, rather than outcome and don't include any customer/resident survey data)
- "Focus on Equity" statements from each agency on efforts to promote "fair delivery and quality services to New Yorkers" which briefly summarize agency activities but do not explicitly address agency issues of equality/fairness and how to measure them. I presume that Operations is developing equality/inequality indicators to measure the nature and extent of

inequality over time to assess agency/program/policy success in producing more equitable outcomes.”

- agency performance measures tied to explicit and clearly articulated goals

MAJOR DEFICIENCIES

This testimony addresses the two major long-standing deficiencies of the MMR: the lack of resident surveying and the absence of linkage between budget and performance. There are certainly other areas of improvement not at all addressed here. My focus is on resident surveying as it has been in my previous Council testimonies.

LACK OF RESIDENT SURVEYS

The Sept 2014 MMR, like all its predecessors across six mayoral administrations, lacks comprehensive, uniform, recurring surveys of its residents as an integral feature of its performance assessment and reporting.

Consensus on Value of Resident Surveys

A consensus exists among government officials, management experts, and program analysts that government services must be “customer driven.” Government organizations should pay attention to residents’ perceptions and assessments of the quality of the services they provide.

- “The best way to encourage good performance is to measure it, and the best indicator of government performance is citizen satisfaction” (International City and County Managers Association)
- “Surveys of customers have begun to be perceived nationally, if not internationally, as a major source of evaluation feedback of public services and as an important component of public accountability” (Urban Institute)
- “It is important for reported performance to include measures of citizen and customer perceptions about the results of the service or program. Without this information against which to compare other, more quantitative measures of performance, a complete picture of results is not obtained” (Government Accounting Standards Board)

Resident Survey Use in U.S.

Resident surveys are used widely by U.S. municipalities to evaluate the impacts and quality of their services.

FIGURE 1

Philadelphia, for instance, uses both agency data and resident survey data in its “Mayor’s Report on City Services,” that city’s equivalent of New York’s MMR. The beginning of the Philadelphia 2004 report presents “Citizen Satisfaction Highlights,” including five-year trend data on satisfaction on select (13) municipal services.

Resident surveys provide a perspective on municipal services not available from other sources. As noted by the Controller’s Office for the City and County of San Francisco, “One of the most direct ways to measure the outcomes of the City’s effort –

Resident Survey Use in Major U.S. Cities

- Hundreds of U.S. counties, cities, and other local governments – including Peculiar, Missouri (2000 Census pop: 2604) and Philadelphia (pop: 1.8 million) – survey their residents regularly. Of the twenty largest U.S. cities, eleven conduct resident satisfaction surveys regularly. Of the next ten largest U.S. cities Charlotte (21), Denver (26), Nashville-Davidson (27), Portland (28), and Oklahoma City (29) regularly survey residents.

• 1. New York	Yes*	11. San Jose	Yes
• 2. Los Angeles	No	12. Indianapolis	No
• 3. Chicago	No	13. Jacksonville	No
• 4. Houston	No	14. San Francisco	Yes
• 5. Philadelphia	Yes	15. Columbus	Yes**
• 6. Phoenix	Yes	16. Austin	Yes
• 7. San Diego	Yes	17. Memphis	No
• 8. San Antonio	Yes	18. Baltimore	No
• 9. Dallas	Yes	19. Milwaukee	Yes
• 10. Detroit	Yes	20. Fort Worth	No

- In 20??,
In 2000 and 2001, the New York City Council funded citywide resident satisfaction surveys. In June 2007, the City posted a RFP for a citywide resident satisfaction survey
- ** The last publicly available survey is 2002.

Sources: 2005 U.S. Census update on city ranking, author analysis of surveying.

Where (When), Who, How, What

Select U.S. Cities Conducting Resident Surveys

<i>City (most recent)</i>	<i>Who Conducts?</i>	<i>How many? How?</i>	<i>Performance Indicators?</i>
Philadelphia (2004)	independent pollster	1101 telephone	yes
Phoenix (2006)	Independent pollster	700 telephone	yes
San Diego (2004)	Independent pollster	600 telephone	no
Portland (2006)	City Auditor	2742 mail	yes
Dallas (2006)	National Citizen Survey (ICMA)	1657 mail	yes
San Jose (2006)	independent pollster	1000 telephone	yes
San Francisco (2007)	City Controller	3,685 by mail (73%), telephone (20%), Internet (7%)	no
Austin (2005)	independent pollster	1126 by mail	yes

that is, the extent to which services are having their desired efforts – is to ask the users of those services.”

Municipal/county resident surveys have been/are variously conducted, located in different governmental offices, in mode of survey conduct, in sampling, and whether the survey data are employed by managers and policy-makers.

FIGURE 2

Benefits of Resident Surveys

Resident surveys concentrate on the outcomes or the results of government services – how satisfied people are with their schools and parks, how safe they feel in their neighborhoods. Most administrative measures – including those derived from survey data -- focus on inputs and outputs. While these are certainly important for internal accountability, public accountability – what the public wants from government – centers on results. Additionally, resident surveys allow for the analysis of individual differences in how people use and experience city services – for example, difference by race, ethnicity, age, and gender. Most administrative measures of service quality cannot identify who uses and how they are affected by the service.

In a study of what citizens want from local government performance reporting, the Government Accounting Standards Board found that outcomes and resident perceptions were the performance measures of most interest to the general public. The Independent Budget Office has recommended that the city “identify and report on results that matter to the public and reflect the way the public sees and uses city services.”

Rigorously constructed and conducted and appropriately analyzed surveys give residents “voice,” enhancing the quality of governance. Resident surveys are possibly the most efficient, if not the only, way to obtain information on:

- constituents’ satisfaction with the quality of specific services and facilities, including the identification of problem areas
- facts such as the number and characteristics of users and non-users of various services (and the frequency and form of use)
- reasons why specific services/facilities are disliked or not used
- community needs assessment; identification of high priority but inadequate community services;
- uncovering potential demands for new services
- residents’ opinion on various community issues, including feelings of confidence or trust toward government and specific agencies/officials
- residents’ assessment of real policy options. Results provide guidance (but not mandates) for official action.
- resident surveys can provide socio-economic and demographic data to complement/supplement other sources.

Resident Surveys and Policy

Resident surveys, as outcome data, can inform decision makers and managers throughout the policy process:

- Policy formulation: Help public officials to determine what residents need, want, prefer, or demand; help make choices, set priorities, change practices
- Policy implementation: Help public managers determine how best to deliver services. As long as respondents have some knowledge about an implementation issue, questions can concern projects, programs, procedures.
- Policy evaluation: With service delivery, the consumer's perception is the pertinent reality. Even the most efficient department is not doing its job well if residents are not satisfied with the various dimensions of department output – e.g. quality, timeliness, range, scope, accuracy, reliability, convenience, utility, prices.

NYC *: Previous NYC Resident Surveys, 2000, 2001, 2009

In 2000 and 2001, the Baruch College Survey Unit (I was co-director) conducted resident surveys for the New York City Council under then-Speaker Vallone, the data and reports of which were presented to the Committee on Government Operations.

The first was a telephone survey of 2132 adult residents of the five boroughs of NYC who were contacted in English and Spanish between August 1 and August 28, 2000. The second was based on telephone interviews of 2020 adult New York City residents contacted between July 17 and August 28, 2001. Survey questions were designed to determine use patterns and satisfaction with a broad range of City services, as well as their views on the overall quality of life in the City and their confidence in City government, among other matters.

My testimony at that time was that the survey be conducted by the Mayor's Office of Operations and incorporated into the MMR. The surveys were not continued by the newly-elected Speaker in 2002. Those reports are available.

In 2009, the Bloomberg administration with Public Advocate Gotbaum conducted a city-wide "customer" survey with serious conceptual and analytical flaws and not followed up. Nor incorporated, it seems, in any city performance measurement report/database. It was extensively, and clearly reported and presented on the website. www.nyc.gov/html/ops/html/data/feedback.shtml

Customer Satisfaction in the MMR

In 2012, only two agencies reported customer satisfaction in the PMMR – Department of Design and Construction and the 311 Customer Service Center. In 2014, the Office of Operations queried city agencies on how they collected and reported for MMR indicator "Number of agency customers surveyed for overall customer satisfaction." [2014?]. Twenty-four agencies replied.

Agency practices varied "significantly in all aspects of determining customer satisfaction levels."ⁱⁱⁱ Among the findings:

- most MMR agencies do not collect customer satisfaction data that could reliably be considered measures of satisfaction at either the goal or agency level

- agencies used a variety of survey modes – Web, mail, in person. None used telephone surveying.
- agency-designed and administered surveys predominated
- the universe of customers surveyed ranged from a small segment of an agency's constituency to a significant percentage of all "customer" groups
- the amount in information requested varied considerably by agency
- the number of completed surveys also varies considerably by agency

The 2014 MMR

A common feature of each reporting agency is a section titled "Agency Customer Service". A subheading is titled "Customer Experience." This is not so; what is measured are agency outputs, not customer outcomes. The three standard agency "Customer Service" measures are: "E-mails routed and responded to in 14 days"; "Letters routed and responded to in 14 days"; "Completed customer request for interpretation."

A preliminary review of the Sept 2014 MMR found six agencies that report some form of customer data:

Parks: "Respondents who rated parks acceptable for overall condition"

311: "Customer satisfaction index" [3 of 6 years]

HRA: "Customer satisfaction rating for Public Health Insurance Program services
'good' or 'excellent'

DoE: "Customers rating service good or better (%)(as applicable)"

NYCHA: "Customers rating service good or better (%)(as applicable)"

DoITT: "Rate of overall customer satisfaction"

I was unable to locate (probably my fault) any discussion in the document or website of the universe sampled, sampling method, dates of conduct, method of contact, number of respondents contacted/interviewed, questionnaires/question wording and order, frequency of contact. This information may be publicly accessible at other City data portals.

NO LINKAGE OF PERFORMANCE AND BUDGETS

Since 1977, the City Charter has required the P/MMR to include for each agency "proposed performance goals and measures for the next fiscal year reflecting budgetary decisions made as of the date of submission of the preliminary budget [Chap 1, Sect 12(b)(2)] The Charter also requires that the P/MMR contains appendices:

1. Setting forth the relationship between these performance goals and measures and the appropriations contained in the preliminary budget
2. Indicating the relationship between the program performance goals included in the P/MMR and "the corresponding expenditures made pursuant to the adopted budget of the previous fiscal year"

The Charter mandate has never been complied through six mayoralties: Beame, Koch, Dinkins, Giuliani, Bloomberg, and de Blasio. The Charter requires the P/MMR to relate performance measures to proposed budget appropriations so that the Council, its mandated recipient, can consider what agencies have accomplished or produced with the resources allocated, and the effect of budget proposals during the budget process.

RECOMMENDATIONS FOR OPERATIONS

- Linking MMR measures with agency budgets

Each of these represents substantial efforts, both technical and political. Analyses conducted by the Office of Operations for the MMR Roundtable examined option/avenues as well as significant operational and conceptual difficulties. They will not happen this or next or the next after that. The Office of Operations professionals need the resources and the active support of the Mayor and the First Deputy Mayor, particularly in dealing with some City agencies. See also Citizens Budget Commission, "Managing for Results in New York City Government: A Review of Current Practices, Nov 2006, pp. 11-17.

RECOMMENDATIONS FOR COUNCIL

- PASS LEGISLATION SIMILAR TO INTRO 370 (2005) WHICH CALLED FOR MANDATING THAT THE MAYOR'S MANAGEMENT REPORT INCLUDE CITIZEN SATISFACTION SURVEY RESPONSES
- Use by Council committees of MMR in Council budget – and other -- hearings

¹ E-mail: dmuzz@aol.com
Work: 646.660.6781

¹¹ CUNY's Institute of State and Local Governance is producing such multi-variate indicators. Baruch Survey Research will be surveying New York adult residents.

Int. No. 370

By Council Members Perkins, Addabbo, Barron, Brewer, Gerson, Gonzalez, Jennings, Lopez, Nelson, Quinn, Reed, Sanders and Stewart

A Local Law to amend the charter of the city of New York, in relation to mandating that the Mayor's Management Report include citizen satisfaction survey responses that will allow the city to properly gauge how residents view the performance of their government.

Be it enacted by the Council as follows:

Section One: Declaration of Legislative Intent and Findings. Currently, the Mayor's Management Report does not directly gauge residents' perceptions and evaluations of the services about which it reports. The view that services are best implemented when "customer driven," has led to the wide use of citizen satisfaction surveys which, when combined with agency data, provide a more accurate view of an agency's success or failure in delivering those services. Such surveys provide information regarding citizen satisfaction and their reasons for using such services. They identify those needs not currently covered by available services and gauge citizen support for the policies behind the services rendered. Moreover, such surveys can incorporate differences in satisfaction disaggregated by age, race, gender and other socio-economic indices. A genuine measure of efficiency must include not only whether a particular incident or case was resolved, but whether it was resolved satisfactorily.

§ 2. Subdivision c of section 12 of the charter of the city of New York is amended by adding a new paragraph (7), to read as follows:

c. The management report shall include a review of the implementation of the statement of needs as required by subdivision h of section two hundred four and shall contain for each agency

(1) program performance goals for the current fiscal year and a statement and explanation of performance measures;

(2) a statement of actual performance for the entire previous fiscal year relative to program performance goals;

(3) a statement of the status of the agency's internal control environment and systems, including a summary of any actions taken during the previous fiscal year, and any actions being taken during the current fiscal year to strengthen the agency's internal control environment and system;

(4) a summary of rulemaking actions undertaken by the agency during the past fiscal year including

(a) the number of rulemaking actions taken,

(b) the number of such actions which were not noticed in the regulatory agenda prepared for such fiscal year, including a summary of the reasons such rules were not included in such regulatory agenda, and

(c) the number of such actions which were adopted under the emergency rulemaking procedures;

(5) a summary of the procurement actions taken during the previous fiscal year, including: (i) for each of the procurement methods specified in section three hundred twelve, the number and dollar value of the procurement contracts entered into during such fiscal year; and (ii) for all procurement contracts entered into pursuant to a procurement method other than that specified in paragraph one of subdivision a of section three hundred twelve, the number and dollar value of such procurement contracts by each of the reasons specified in paragraph one of subdivision b of section three hundred

twelve; and

(6) an appendix indicating the relationship between the program performance goals included in the management report pursuant to paragraph two of this subdivision and the corresponding expenditures made pursuant to the adopted budget for the previous fiscal year[.] and

(7) citizen satisfaction survey responses that gauge how the public perceives services rendered by city agencies.

§3. This local law shall take effect immediately.

MT
MD
LS# 628
4/29/04

MEASUREMENT INDICATORS

INDICATOR = provides evidence that a certain condition exists or certain results have/have not been achieved

INPUT = a measurement of the resources –physical, human, financial – devoted to a particular program or intervention

OUTPUT = a measurement of activities or work performances; quantity of goods and services produced and the efficiency of production (e.g. the # of days of instruction or the number of citations issued for canine littering).

OUTCOME = a measurement of the end results of government action (e.g. improvement in air quality).

**EVALUATING THE STRUCTURE AND CONTENT OF THE
MAYOR'S MANAGEMENT REPORT**

Douglas Muzzio
School Of Public Affairs, Baruch College,CUNYⁱ

Committees on Oversight and Investigations and Government Operations
December 10, 2014

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De BLASIO MMR

The Sept 2014 MMR – the second of the de Blasio administration – reported on City agency performance from July 1, 2013 to June 30, 2014, spanning both the Bloomberg and de Blasio administrations. The report has retained and moved forward in some of areas noted above, providing

- narratives on key administration initiatives: Universal Pre-K, Vision Zero, Housing New York, the Young Men’s Initiative as well as climate change, including Sandy recovery
- metrics for these initiatives (Unfortunately the measures are output, rather than outcome and don’t include any customer/resident survey data)

- “Focus on Equity” statements from each agency on efforts to promote “fair delivery and quality services to New Yorkers” which briefly summarize agency activities but do not explicitly address agency issues of equality/fairness and how to measure them. I presume that Operations is developing equality/inequality indicators to measure the nature and extent of inequality over time to assess agency/program/policy success in producing more equitable outcomes.ⁱⁱ
- agency performance measures tied to explicit and clearly articulated goals

MAJOR DEFICIENCIES

This testimony addresses the two major long-standing deficiencies of the MMR: the lack of resident surveying and the absence of linkage between budget and performance. There are certainly other areas of improvement not at all addressed here. My focus is on resident surveying as it has been in my previous Council testimonies.

LACK OF RESIDENT SURVEYS

The Sept 2014 MMR, like all its predecessors across six mayoral administrations, lacks comprehensive, uniform, recurring surveys of its residents as an integral feature of its performance assessment and reporting.

Consensus on Value of Resident Surveys

A consensus exists among government officials, management experts, and program analysts that government services must be “customer driven.” Government organizations should pay attention to residents’ perceptions and assessments of the quality of the services they provide.

- “The best way to encourage good performance is to measure it, and the best indicator of government performance is citizen satisfaction” (International City and County Managers Association)
- “Surveys of customers have begun to be perceived nationally, if not internationally, as a major source of evaluation feedback of public services and as an important component of public accountability” (Urban Institute)
- “It is important for reported performance to include measures of citizen and customer perceptions about the results of the service or program. Without this information against which to compare other, more quantitative measures of performance, a complete picture of results is not obtained” (Government Accounting Standards Board)

Resident Survey Use in U.S.

Resident surveys are used widely by U.S. municipalities to evaluate the impacts and quality of their services.

FIGURE 1

Philadelphia, for instance, uses both agency data and resident survey data in its “Mayor’s Report on City Services,” that city’s equivalent of New York’s MMR. The beginning of the

Philadelphia 2004 report presents “Citizen Satisfaction Highlights,” including five-year trend data on satisfaction on select (13) municipal services.

Resident surveys provide a perspective on municipal services not available from other sources. As noted by the Controller’s Office for the City and County of San Francisco, “One of the most direct ways to measure the outcomes of the City’s effort – that is, the extent to which services are having their desired efforts – is to ask the users of those services.”

Municipal/county resident surveys have been/are variously conducted, located in different governmental offices, in mode of survey conduct, in sampling, and whether the survey data are employed by managers and policy-makers.

FIGURE 2

Benefits of Resident Surveys

Resident surveys concentrate on the outcomes or the results of government services – how satisfied people are with their schools and parks, how safe they feel in their neighborhoods. Most administrative measures – including those derived from survey data – focus on inputs and outputs. While these are certainly important for internal accountability, public accountability – what the public wants from government – centers on results. Additionally, resident surveys allow for the analysis of individual differences in how people use and experience city services – for example, difference by race, ethnicity, age, and gender. Most administrative measures of service quality cannot identify who uses and how they are affected by the service.

In a study of what citizens want from local government performance reporting, the Government Accounting Standards Board found that outcomes and resident perceptions were the performance measures of most interest to the general public. The Independent Budget Office has recommended that the city ‘identify and report on results that matter to the public and reflect the way the public sees and uses city services.’

Rigorously constructed and conducted and appropriately analyzed surveys give residents “voice,” enhancing the quality of governance. Resident surveys are possibly the most efficient, if not the only, way to obtain information on:

- constituents’ satisfaction with the quality of specific services and facilities, including the identification of problem areas
- facts such as the number and characteristics of users and non-users of various services (and the frequency and form of use)
- reasons why specific services/facilities are disliked or not used
- community needs assessment; identification of high priority but inadequate community services, potential demands for new services
- residents’ opinion on various community issues, including feelings of confidence or trust toward government and specific agencies/officials
- residents’ assessment of real policy options. Results provide guidance (but not mandates) for official action.

- resident surveys can provide socio-economic and demographic data to complement/supplement other sources.

Resident Surveys and Policy

Resident surveys, as outcome data, can inform decision makers and managers throughout the policy process:

- Policy formulation: Help public officials to determine what residents need, want, prefer, or demand; help make choices, set priorities, change practices
- Policy implementation: Help public managers determine how best to deliver services. As long as respondents have some knowledge about an implementation issue, questions can concern projects, programs, procedures.
- Policy evaluation: With service delivery, the consumer's perception is the pertinent reality. Even the most efficient department is not doing its job well if residents are not satisfied with the various dimensions of department output – e.g. quality, timeliness, range, scope, accuracy, reliability, convenience, utility, prices.

Previous NYC Resident Surveys, 2000, 2001, 2009

In 2000 and 2001, the Baruch College Survey Unit (I was co-director) conducted resident surveys for the New York City Council under then-Speaker Vallone, the data and reports of which were presented to the Committee on Government Operations.

The first was a telephone survey of 2132 adult residents of the five boroughs of NYC who were contacted in English and Spanish between August 1 and August 28, 2000. The second was based on telephone interviews of 2020 adult New York City residents contacted between July 17 and August 28, 2001. Survey questions were designed to determine use patterns and satisfaction with a broad range of City services, as well as their views on the overall quality of life in the City and their confidence in City government, among other matters. The surveys were not continued by the newly-elected Speaker in 2002. Those reports are available.

In 2009, the Bloomberg administration with Public Advocate Gotbaum conducted a city-wide "customer" survey with serious conceptual and analytical flaws and not followed up. Nor incorporated, it seems, in any city performance measurement report/database. It was extensively, and clearly reported and presented on the website.

www.nyc.gov/html/ops/html/data/feedback.shtml

Customer Satisfaction in the MMR

In 2012, only two agencies reported customer satisfaction in the PMMR – Department of Design and Construction and the 311 Customer Service Center. In 2014, the Office of Operations queried city agencies on how they collected and reported for MMR indicator "Number of agency customers surveyed for overall customer satisfaction." [2014?]. Twenty-four agencies replied.

Agency practices varied "significantly in all aspects of determining customer satisfaction levels."ⁱⁱⁱ Among the findings:

- most MMR agencies do not collect customer satisfaction data that could reliably considered measures of satisfaction at either the goal or agency level
- agencies used a variety of survey modes – Web, mail, in person. None used telephone surveying.
- agency-designed and administered surveys predominated
- the universe of customers surveyed ranged from a small segment of an agency's constituency to a significant percentage of all "customer" groups
- the amount in information requested varied considerably by agency
- the number of completed surveys also varies considerably by agency

The 2014 MMR

A common feature of each reporting agency is a section titled "Agency Customer Service". A subheading is titled "Customer Experience." This is not so; what is measured are agency outputs, not customer outcomes. The three standard agency "Customer Service" measures are: "E-mails routed and responded to in 14 days"; "Letters routed and responded to in 14 days"; "Completed customer request for interpretation."

A preliminary review of the Sept 2014 MMR found six agencies that report some form of customer data:

- **Parks:** "Respondents who rated parks acceptable for overall condition"
- **311:** "Customer satisfaction index" [3 of 6 years]
- **HRA:** "Customer satisfaction rating for Public Health Insurance Program services 'good' or 'excellent'"
- **DoE:** "Customers rating service good or better (%)(as applicable)"
- **NYCHA:** "Customers rating service good or better (%)(as applicable)"
- **DoITT:** "Rate of overall customer satisfaction"

I was unable to locate (probably my fault) any discussion in the document or website of the universe sampled, sampling method, dates of conduct, method of contact, number of respondents contacted/interviewed, questionnaires/question wording and order, frequency of contact. This information may be publicly accessible at other City data portals.

NO LINKAGE OF PERFORMANCE AND BUDGETS

Since 1977, the City Charter has required the P/MMR to include for each agency "proposed performance goals and measures for the next fiscal year reflecting budgetary decisions made as of the date of submission of the preliminary budget [Chap 1, Sect 12(b)(2)] The Charter also requires that the P/MMR contains appendices:

1. Setting forth the relationship between these performance goals and measures and the appropriations contained in the preliminary budget

2. Indicating the relationship between the program performance goals included in the P/MMR and “the corresponding expenditures made pursuant to the adopted budget of the previous fiscal year”

The Charter mandate has never been complied through six mayoralties: Beame, Koch, Dinkins, Giuliani, Bloomberg, and de Blasio. The Charter requires the P/MMR to relate performance measures to proposed budget appropriations so that the Council, its mandated recipient, can consider what agencies have accomplished or produced with the resources allocated, and the effect of budget proposals during the budget process. (See Citizens Budget Commission, "Managing for Results in New York City Government: A Review of Current Practices, Nov 2006, pp. 11-17.)

RECOMMENDATIONS FOR OPERATIONS

- Linking MMR measures with agency budgets

Represents substantial efforts, both technical and political. Analyses conducted by the Office of Operations for the MMR Roundtable examined option/avenues as well as significant operational and conceptual difficulties They will not happen this or next or the next after that. The Office of Operations professionals need the resources and the active support of the Mayor and the First Deputy Mayor, particularly in dealing with some City agencies.

RECOMMENDATIONS FOR COUNCIL

- PASS LEGISLATION SIMILAR TO INTRO 370 (2005) WHICH CALLED FOR MANDATING THAT THE MAYOR’S MANAGEMENT REPORT INCLUDE CITIZEN SATISFACTION SURVEY RESPONSES
- Use by Council committees of MMR in Council budget – and other -- hearings

FIGURE 1: RESIDENT SURVEY USE IN MAJOR U.S. CITIES

Hundreds of U.S. counties, cities, and other local governments survey their residents regularly.

Of the twenty largest U.S. cities, eleven conduct resident satisfaction surveys regularly.

1. New York	No*	11. Austin	Yes
2. Los Angeles	No	12. Indianapolis	No
3. Chicago	No	13. Jacksonville	No
4. Houston	No	14. San Francisco	Yes
5. Philadelphia	Yes	15. Columbus	No**
6. Phoenix	Yes	16. Charlotte	Yes***
7. San Antonio	Yes	17. Fort Worth	No
8. San Diego	Yes	18. Detroit	Yes
9. Dallas	Yes	19. El Paso	Yes
10. San Jose	Yes	20. Memphis	No

*In 2000 and 2001, the New York City Council funded citywide resident satisfaction surveys. In 2009 citywide resident satisfaction survey was conducted by the Mayor's Office of Operations and the New York City Public Advocate.

** The last publicly available survey appears to be 2002 but city regularly surveys residents on issues e.g. recycling.

*** Mecklenburg County.

Sources: 2013 U.S. Census update on city ranking, author analysis of surveying.

**FIGURE 2: WHERE (WHEN), WHO, HOW, WHAT
SELECT U.S. CITIES CONDUCTING RESIDENT SURVEYS;**

	WHO CONDUCTS?	HOW MANY? HOW?	PERFORMANCE INDICATORS?
Philadelphia (2004)	independent pollster	1101 telephone	yes
Phoenix (2006)	Independent pollster	700 telephone	yes
San Diego (2004)	Independent pollster	600 telephone	no
Portland (2006)	City Auditor	2742 mail	yes
Dallas (2006)	National Citizen Survey (ICMA)	1657 mail	yes
San Jose (2006)	independent pollster	1000 telephone	yes
San Francisco (2007)	City Controller	3,685 by mail (73%), telephone (20%), Internet (7%)	no
Austin (2005)	independent pollster	1126 by mail	yes

ⁱ E-mail: dmuzz@aol.com

Work: 646.660.6781

ⁱⁱ CUNY's Institute of State and Local Governance is producing such multi-variate equality/inequality indicators. Baruch Survey Research will be surveying New York adult residents.

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: 12/10/14

(PLEASE PRINT)

Name: MINDY TARLOW

Address: _____

I represent: MAYOR'S OFFICE OF OPERATIONS

Address: _____

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THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: _____

(PLEASE PRINT)

Name: TINA CHIU

Address: _____

I represent: MAYOR'S OFFICE OF OPERATIONS

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: _____

(PLEASE PRINT)

Name: Guenevere Knowles

Address: _____

I represent: Mayor's Office of Operations

Address: _____

◆ Please complete this card and return to the Sergeant-at-Arms ◆

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THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: _____

(PLEASE PRINT)

Name: Doug Turetsky

Address: _____

I represent: Indigent Budget Office

Address: 100 William St

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THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

MMR ☐ in favor ☐ in opposition
Hezany

Date: 12/10/14

(PLEASE PRINT)

Name: PAUL EPSTEIN

Address: 60 Cooper St, #4G, NY, NY 10034

I represent: Myself

Address: (25 Ave)

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: _____

(PLEASE PRINT)

Name: Prudence Katze

Address: 148 Lafayette, 12th Floor

I represent: Reinvent Albany

Address: _____

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I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: 12/10/14

Name: Rachael Janss (PLEASE PRINT)

Address: 299 Broadway Suite 700

I represent: Citizens Union

Address: _____

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: _____

Name: DOUGLAS MUZZIO (PLEASE PRINT)

Address: 41 POPKAR AVE, POMERON PARK NJ

I represent: MYSELF 07441

Address: ABOVE

Please complete this card and return to the Sergeant-at-Arms