



INTRODUCTION

With the introduction of the Fiscal 2002 Mayor's Management Report a significant milestone was achieved to provide a focused tool for public accountability. The remaking of the Fiscal 2003 Preliminary Mayor's Management Report continues this effort, building upon the vision to make City service delivery statistics user-friendly and more accessible.

As spelled out in the New York City Charter, the Preliminary Mayor's Management Report (PMMR) differs from the Mayor's Management Report (MMR) in terms of its focus. In summary, the PMMR provides an early update of how the City is performing four months into the fiscal year. In contrast, the Mayor's Management Report, published each September, looks back retrospectively at the City's prior fiscal year performance. Despite these distinctions, the format and content for the PMMR and the MMR have traditionally been very similar, making it difficult to use them as intended.

Recognizing these differences, the Fiscal 2003 PMMR has been re-created as a "performance update". Beginning with this edition, emphasis has been placed, for the first time, on scrutinizing and understanding the four-month statistics that are required to be reported, and identifying potential full year trends, both positive and negative.

Aside from a new analytic focus, the body of information included in the PMMR has been improved by providing the public with additional historical statistics, and enabling readers to quickly identify where changes have been made since the MMR's publication last September. Preliminary agency performance results have also been highlighted in an easy to read format.

The purpose of this Executive Summary is three-fold: (1) to provide a summary update on Citywide performance; (2) to give a progress report on the expansion of the 'My Neighborhood Statistics' website that was launched with last September's Mayor's Management Report; and (3) to describe improvements made to the Fiscal 2003 Preliminary Mayor's Management Report.

PRELIMINARY CITYWIDE PERFORMANCE RESULTS

The economic impact of the September 11th attack on the World Trade Center, the steep decline in Wall Street profits, and a weakening national economy have resulted in plummeting revenues and the need for City government to drastically tighten its belt.

Over the past year the budget has been cut four times resulting in a reduction of more than \$2.6 billion: the Fiscal 2003 budget contained \$1.5 billion in savings; shortly after its adoption, City agencies were asked to trim another 7.5 percent from the current year; the November 2002 Modification to the Financial Plan then pared an additional two percent from Fiscal 2003 and four percent from Fiscal 2004; and the January 2003 Financial Plan imposed a six percent reduction on all City agencies with the exception of uniformed services and the Department of Education, where a three percent cut was mandated.

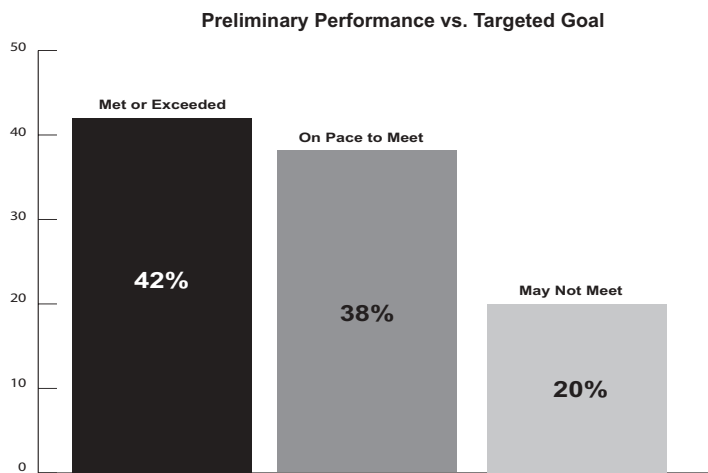
Every effort has been made by City agencies to absorb these reductions by finding ways to more efficiently deliver vital services, to identify services that are not producing results, to eliminate duplicative practices, and to secure alternative sources of revenues to support worthwhile programs. The statistics in the Preliminary Mayor's Management Report indicate that City agencies have largely succeeded in



stretching their resources to do more with less, and that core services have been protected from the budget axe. During the first four months of Fiscal 2003 the 39 Mayoral agencies covered in the PMMR maintained service levels, and generally performed as predicted in the Fiscal 2002 Mayor's Management Report submitted last September.

The PMMR includes a wealth of agency statistics that report on services that affect the lives of New Yorkers. There are two primary ways to assess performance using this information. The first method analyzes the degree to which an agency has met, or is on track to meet annual goals that were established in last September's Mayor's Management Report. The second is to look at how an agency's actual performance in the early part of the fiscal year compares to last year during a comparable timeframe.

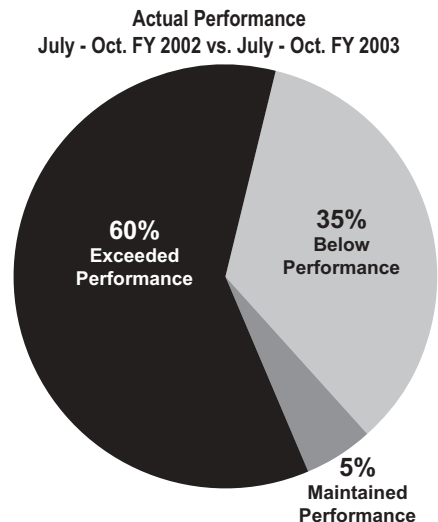
- Status of Agency Performance Goals:** There are 305 agency statistics in the PMMR that have numeric goals that can serve to assess early year performance. With another eight months of Fiscal 2003 to go, 129 of these goals or 42 percent have already been met or are exceeding full year expectations. In many cases these statistics point to a marked improvement in customer service or quality of life measurements. And despite budget constraints, in 15 cases agencies actually set their goals higher, projecting even better service delivery during 2003 than originally anticipated. However, these performance gains are offset by 28 goals that were reduced.



In 176 instances goals did not meet full year expectations four months into the fiscal year. However, statistical trends indicate that 115 of these measurements are on track to meet performance levels by year-end, bringing the anticipated total of "goals met" to 80 percent. The remaining 20 percent or 61 statistics point to either a decline in performance, or uncertainty with respect to meeting the Fiscal 2003 expectations. Out of these 61 under-performing statistics, only nine appear to have been impacted by budget reductions.

- Agency Performance Trends:** In addition to analyzing the 305 statistics where agencies had set goals, another 284 measurements were reviewed where targets were lacking but four-month data was available for this year and last, allowing for trend comparisons of actual performance. This analysis indicates that 60 percent of these performance measurements showed gains over last year, 5 percent have remained constant, and 35 percent were lagging behind last year's figures.

The effects of the September 11th terrorist attacks on the World Trade Center were highlighted in last February's PMMR and should be apparent in reviewing comparative four month data. However, the changes that have been made to the PMMR's format and statistical content make it difficult to track the effects one year later. While World Trade Center impacts are still reflected, many of the statistics that show these effects appear in supplemental information published on the City's website. The PMMR has moved toward tracking and reporting agency results, not workload, which is where the impact of September 11th would be felt most acutely.





In summary, preliminary results for Fiscal 2003 indicate that nearly three-quarters of agency performance measurements have either already met or exceeded targeted expectations, are on pace to meet year-end goals, or are performing at least as well as last year. Overall only a small proportion (three percent) of measurements have been negatively impacted by budget cuts.

Additionally, performance across all types of City services was not uniform for the first four months of the fiscal year. The infrastructure, administrative and community service agencies; and the business and cultural affairs organizations led the way with the strongest performances --- 78 percent of their measurements showed a positive result. The agencies that provide public safety or are involved with legal affairs achieved an overall favorable performance rating of 71 percent. The health, human services and education agencies brought up the rear with 65 percent of their measurements meeting or expected to meet goals, or performing at or better than last year's levels. Agencies have reviewed the preliminary trends to identify operational steps needed to enhance performance, and with eight months remaining in the fiscal year, they have the opportunity to proactively improve services.

For Fiscal 2004 agencies are expecting performance to look much the same as in Fiscal 2003. The PMMR is required to present proposed program performance goals for the next fiscal year reflecting the budgetary decisions made in the January 2003 Financial Plan. The majority or 61 percent of the Fiscal 2004 targets do not differ from those set for the current year, 31 percent were raised and eight percent were lowered. Goals that were downwardly adjusted were impacted by budget reduction in a majority of cases.

EXPANDING AND IMPROVING MY NEIGHBORHOOD STATISTICS

Last September the MMR was brought into the 21st Century by launching 'My Neighborhood Statistics' — an Internet mapping program that allows the public to view locally mapped performance statistics through use of the City's website (nyc.gov/myneighborhoodstats). This Internet application provides users with the ability to quickly display community information based on a street address or intersection. It also provides viewers with color-shaded maps that allow for easy comparisons of highs and lows in different neighborhoods. The Fiscal 2002 Mayor's Management Report piloted this program for 14 diverse measurements.

The website has been widely used by the public. Since its introduction five months ago, My Neighborhood Statistics (MNS) has had more than 50,000 visits. To add to its success, the application has been expanded and enhanced. These changes are summarized below:

- ***The My Neighborhood Statistics website has been redesigned to allow for an expanded number of agencies and measurements.*** MNS has increased the number of covered agencies, growing from its original eight to 14, and the number of performance statistics has more than tripled, increasing from 14 to 49.
- ***Additional information has been provided to enable cross-year and Citywide comparisons.*** Historic neighborhood performance data has been added where possible to enable viewers to see whether their community has improved or deteriorated over time. Citywide statistics have also been provided to add further context.
- ***New functionality allows users to find information more easily and more quickly.*** New features such as agency grouping tabs, keyword search capability, measurement definitions, and agency links provide flexibility that will improve the user experience.
- ***My Neighborhood Statistics data can be saved and opened in several different spreadsheet programs.*** To maximize the utility of the website, the public can save, manipulate and display the information using a number of different programs including MS Excel.



REMAKING THE PMMR AS A PERFORMANCE UPDATE

The PMMR is organized into five sections that are described below. Taken together they provide a snapshot of City performance during the first four months of Fiscal 2003, identify strengths and weaknesses, and forecast expected levels of service for the next fiscal year based on the City's Preliminary Budget.

- ***Performance Overview:*** The overview presents a macro analysis of the statistics included in the PMMR, with agencies aggregated by type of City service (Public Safety and Legal Affairs; Health, Education and Human Services; Infrastructure, Administrative and Community Services; or Business and Cultural Affairs). It summarizes the percentage of performance measurements that are on track to meet targeted goals by year-end. It also provides a comparison of the first four months of the current and past year to determine what proportion of statistics show improvement, stability, or weakening.
- ***Preliminary Performance Highlights:*** Following this macro analysis, specific agency highlights are provided to document noteworthy accomplishments and disappointments. The agency highlights fall into two different categories --- preliminary results relative to established goals, and trend-related findings.
- ***Fiscal 2004 Targets:*** The PMMR sets goals or targets for the upcoming fiscal year taking into account the City's Preliminary Budget. This section provides a summary analysis, by type of City service, of how Fiscal 2003 service levels compare to the newly established Fiscal 2004 targets.
- ***Noteworthy Changes, Additions or Deletions:*** The September 2002 edition of the MMR introduced a tremendous number of new statistics, some of which require minor adjustments to ensure the right information is being tracked, or that the measurement name or definition properly reflects the data that is collected. Additionally, errors, omissions and other substantive changes have been made that require disclosure. This section of the PMMR describes these amendments and eliminates the past practice of adding scores of difficult to read, explanatory footnotes.
- ***Performance Statistics Tables:*** The Fiscal 2003 PMMR introduces new information in a more user-friendly format for the presentation of agency statistics. A key improvement is the ability to quickly track changes that have been made since the MMR publication in September. Traditionally, important revisions could only be tracked through the cumbersome process of comparing the PMMR with the MMR. All changes, whether measurement names, targets, statistics, or budget resources are highlighted in various ways to facilitate their identification.