

**AN ANALYSIS OF PERFORMANCE REPORTING  
IN NEW YORK CITY FOR THE NEW YORK CITY  
CHARTER REVISION COMMISSION**

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## EXECUTIVE SUMMARY

In August of 2004, Mayor Michael R. Bloomberg appointed a Charter Revision Commission to undertake a review of the entire New York City Charter with particular attention to three areas: fiscal stability, administrative judicial reform and governmental efficiency and accountability. This analysis focuses on the third category.

In an attempt to identify the usefulness of Charter-mandated reports with respect to efficiency in management and accountability to the public, we reviewed a selection of 33 reports,<sup>1</sup> including the Mayor's Management Report (MMR); assessed each report against selected criteria of good performance reporting; examined the use of each report through analysis of a survey issued by the Commission; and conducted interviews with selected users of reports.

Our analysis revealed the following findings:

- The most known mandated reports are the MMR, the Executive Budget and the Adopted Budget.
- Many Charter-mandated reports are unknown to users of public information, not used by City managers and citizen advocates, or are in need of improvement.
- The Charter includes both final and process-oriented reports. Process-oriented reports require certain stakeholders, such as the City Council, to be involved in a given process, such as the budget. However, many are either not prepared or not accessible to the public.
- Many reports are difficult to access and would be more useful if available online.
- The MMR has the most potential to reach good performance reporting standards. Its format has promise, but the content could be improved.

Our analysis showed there is insufficient information to recommend elimination of any report outright. Instead, we recommend that before the Commission drafts a referendum for the elimination of such reports, a more comprehensive assessment that allows for input from various stakeholders take place.

### ***System of Performance Reporting***

To facilitate our assessment of New York City's system of performance reporting, we organized the cluster of reports in a way that would clarify their functions and purposes into five types: budgeting reports, capital or infrastructural reports, strategic reports, audit reports, and performance reports. Within each type of reporting were sometimes various iterations of a final report which served to include stakeholders, such as Community Boards or the City Council, in the process. However, while the intent was to require a democratic process, the result appeared somewhat duplicative. In addition, upon preliminary observation of the selection of 33 reports, only the MMR and the Preliminary MMR could be considered performance reports. The other reports, while contributing to

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<sup>1</sup> See Appendix 2 for a complete list.

the government reporting and having potential management functions did not directly address City performance to the public.

***What constitutes good performance reporting?***

When assessing each of the 33 reports individually, we looked to recognized standards in performance reporting. Our research led us to four prevailing sources of good government standards:

- **Government Accounting Standards Board (GASB)** –GASB was organized in 1984 by the Financial Accounting Foundation (FAF) to establish standards of financial accounting and reporting for state and local government entities. The organization’s work is widely recognized and GASB standards for good government and reporting are widely used throughout the nation.
- **International City/County Management Association (ICMA)** – ICMA is the professional and educational organization for chief appointed managers, administrators and assistants in governmental entities throughout the world. Since 1914, ICMA has provided technical and management assistance, training and information resources to its members and local governments worldwide.
- **Harry Hatry** – As a Principal Research Associate and Director of the Public Management Program for The Urban Institute in Washington, D.C., Harry Hatry has been a leader in developing performance management and performance measurement evaluation procedures for public agencies since the early 1970s.
- **Jack Ukeles** – As a private consultant and president of Ukeles Associates, Jack Ukeles has provided assistance to various governmental agencies and organizations in the area of performance management. As a former Executive Director of the Mayor’s Management Advisory Board, former Deputy director of the Office of Operations and former Deputy Director of the Emergency Financial Control Board, Jack Ukeles is familiar with New York City reporting systems and participated in the creation of the first Mayor’s Mangement Report in New York.

From the recommended criteria for good performance reporting cited by each of these sources,<sup>2</sup> we selected six criteria by which to evaluate the 33 reports individually. The criteria were chosen because they overlapped across sets of prevailing standards and were quantifiable and/or usable measures for us to analyze the Charter-mandated reports.

- **Definition of goals and targets:** The purpose and scope of the report should be stated clearly and the report should clearly state the major goals and objectives of the agency or organization and the source for those goals.
- **Multiple levels of reporting:** Performance information should be presented at different levels to allow specific users to find the desired level of detail performance information for their interests and needs.
- **Use of benchmarking:** Performance reports should provide a context by which to assess the measurements reported by comparing performance over time, across regions or across programs.

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<sup>2</sup> See Appendix 1 for the complete list of criteria from each of the four sources.

- **Budget-performance integration:** Performance reports should display, generally by program activity, the funding level being applied to achieve performance goals.
- **Accessibility:** Public performance reports should be easily available and communicated through a variety of mediums and methods suitable to intended users. Information should be reported in a manner that allows different users to access, understand and reach conclusions about the implications of the data.
- **Incorporation of citizen feedback:** Performance reports should incorporate citizen feedback by revising the indicators and measures reported based on citizen response.

In addition, we determined that usefulness and relevance of current reports to the various users was equally important to this analysis, given the number of mandated reports and the resources currently employed by city agencies to comply with such mandates.

### *Preliminary Analysis of Mandated Reports*

Our review of the 33 reports revealed that 13 reports were either difficult to locate online, were not posted, or not produced.<sup>3</sup> Our analysis focused on those reports we were able to locate.

When assessed on the six selected criteria, we found that many of the reports could not be categorized as performance reports. In fact, from this initial assessment it appeared that only the MMR fell within the criteria defining a performance report for public accountability that several of the reports relating to the budget appeared to be instrumental reports for management as well as reports representing the participatory nature of the budget process.<sup>4</sup>

This preliminary assessment focused our analysis on the MMR and budget reports as the central mandated documents among the selection. The remaining reports, together with the MMR and budget reports represent the current system of performance reporting in New York City. (See Diagram 1.)

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<sup>3</sup> The reports that we were unable to locate and were therefore not included in our performance report assessment included:

- Community Board Statements on Preliminary Budget
- Final Strategic Policy Statement
- Borough President Proposed Modifications of Preliminary Budget
- Borough/Community Board Comment on Citywide Statement of Needs
- Council Report on the Preliminary Mayor's Management Report
- Comparison of Adopted Budget and 10 Year Capital Strategy
- Borough Board Budget Priorities
- Preliminary Certificate on Capital Debt and Obligations
- Borough President Response to Executive Budget (for Queens, Staten Island, Manhattan and the Bronx)

<sup>4</sup> On the history of MMR esp. new changes made by Bloomberg

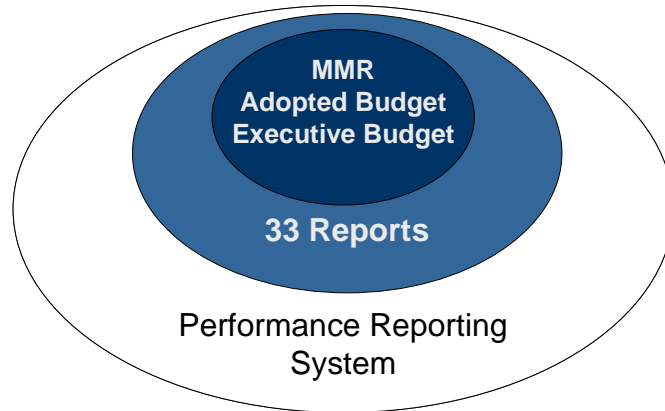


Diagram 1: NYC Performance Reporting System

A lack of significant information about the life of the Charter-mandated reports turned our attention to their users. In order to assess the various uses of the reports we analyzed the results of a survey issued by the Charter Revision Commission to a target sample of known users.

### *User Survey*

In April 2005, the NYC Charter Revision Commission sent out an electronic survey to 84 likely users of 34 Charter-mandated reports<sup>5</sup> and received back 24 completed,<sup>6</sup> a 29% response rate. The survey was intended as a first-pass attempt to identify which reports were most and least useful to known users, which included a mix of top managers or staff from city agencies, research institutes, trade associations, advocacy groups, and citizen-based organizations. The respondents were evenly divided between city agency and non-city agency respondents; 13 surveys were from agency managers or staff (54%), while 11 were from non-agency users (46%).

Limitations of the Survey: While the survey did allow us to make basic observations and generalization on certain mandated reports, it was not designed to be comprehensive, and therefore had numerous limitations:

- Small number of survey responses. While the response rate was relatively strong, 24 results are still not sufficient for a statistical sample.
- The survey was sent to a list of 84 known users of the reports. However, the list of recipients was probably too small and did not include all users.
- The self-selecting nature of the survey questions may have skewed the scores of certain reports, as their results comprised of as few as 5 responses.

<sup>5</sup> The reports listed in the survey were slightly different than the 33 initially evaluated.

<sup>6</sup> While there was a 25<sup>th</sup> respondent, they sent only qualitative comments on various reports. Thus, their results were not included in the quantitative survey analysis, though their recommendations and comments are noted along with the other survey respondents.

- Survey questions were vague, and respondents may have interpreted the meaning differently.
- The survey rating system did not allow for insight into *how* a report was used or known.

Analytic Methodology: The survey asked respondents to rate the user's familiarity with each of the 36 reports, its relevance or usefulness, its frequency of use<sup>7</sup>, and the user's desire to have greater accessibility on the Internet. The survey was designed to be self-selecting, so only users familiar with a given report would then rate it on other categories. In addition, respondents were given the opportunity to provide comments and recommend changes to each report.

In order to identify which reports were most and least important to respondents, we first had to understand the significance of each of the four categories of survey questions.

1. "Familiarity" shows the relative obscurity of a report. Some reports, though mandated and public, are not produced, while others are produced in a partial or sporadic way.
2. "Relevance or usefulness" rates how much the purpose and content of the report aligns with the organization or program.
3. "Frequency of Use" rates how much the respondent uses a report for planning, management, budgeting, research and any other purpose.
4. "Accessibility" rates how much the respondent would like increased Internet access to a report.

We decided that the first three categories speak to the current importance of a report, while the fourth focused more on future changes. Thus, accessibility was analyzed separately.

Findings on Reports' Familiarity: The most known report was the Mayor's Management Report and was familiar to all 24 respondents (100%), while the least known report was the Preliminary Certificate on Capital Debt and Obligations Report, which was known by only 10 of the 24 respondents (40%). The complete list of results on familiarity is shown below in Chart 1.

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<sup>7</sup> The survey asked users to rate the usefulness for each category – planning, budgeting, management, research, and other purposes.

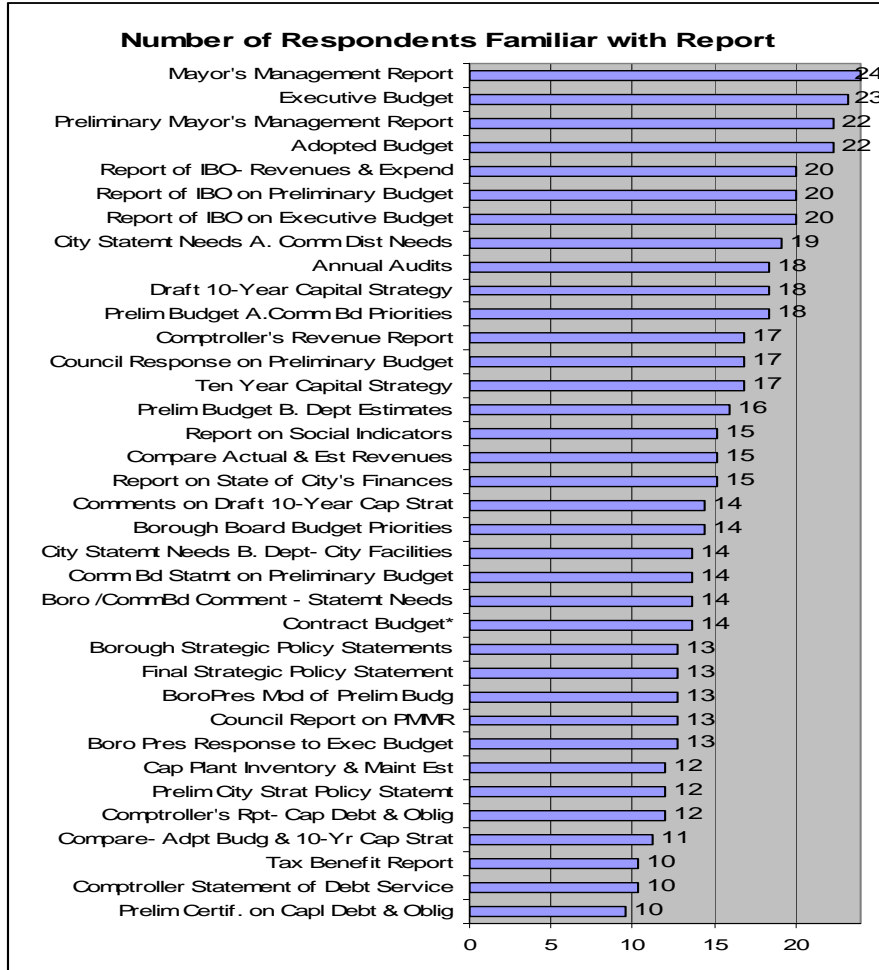


Chart 1 : Survey Results on Familiarity with Mandated Reports

Not surprisingly, report not currently available on the Internet or not produced were rated as least familiar to respondents. However, what was surprising was the number of respondents that cited knowledge of those reports that were no longer produced. This might be explained by the following: respondents had previous knowledge of reports; respondents had heard of the reports but not recently seen or used it; or respondents mistook the report for another.<sup>8</sup>

We also found that well-known reports were not necessarily rated as most relevant or frequently used, while some obscure reports were rated highly in those categories. We might surmise that lesser known reports had skewed responses because of the lower numbers of responses.

Findings on Reports' Relevance: Overall, the two reports that were rated most relevant/useful to the user were the Adopted Budget and the Executive Budget. However, when we looked at City managers' responses separately from non-City agency users, we found dramatic differences. With the exception of the Adopted Budget, the

<sup>8</sup> We found some report titles were different than the title listed in the Charter.

Executive Budget, and the Ten-Year Capital Strategy report, City managers found most of the reports to be less relevant. However, non-City respondents felt that more than half of the reports were relevant, and most of the remainder was somewhat relevant.

City managers and staff found the Adopted Budget and Executive Budget most relevant, with the Ten-Year Capital Strategy report close behind.<sup>9</sup> These three reports were rated relevant, ten reports (%) somewhat relevant, 18 reports less relevant, and five reports completely irrelevant.<sup>10</sup> In contrast, non-City agency respondents felt that 19 of the 36 reports were very relevant, 15 reports (%) were somewhat relevant, and only two reports were a little relevant. Also, these users found different reports to be relevant to their work. The top three reports for relevancy were the Tax Benefit Report, Comparison of the Adopted Budget and 10-Year Capital Strategy Report, and the Contract Budget. However, it should be noted that these three reports were also the lowest ranking reports in terms of familiarity, with rankings of #32, #35, #34 respectively, and thus had low numbers of respondents comprising the score. We might conclude that for these relatively obscure reports, while many are not familiar with them, those that are find the reports relevant.

Findings on Reports' Frequency of Use: The survey showed that the most used reports were the Adopted Budget, Executive Budget, and the Mayor's Management Report. This result is consistent with the top reports for familiarity and relevance. However, although ranked highly, these reports were still only used "sometimes."<sup>11</sup>

As a whole, respondents only rarely used reports. 29 of 36 reports were rated as being between "never-" or "rarely-used", with an additional 17 reports were rated as being between "rarely-" and "sometime used" for activities like budgeting, planning, researching, etc. Even the three most-used reports, the Adopted Budget, Executive Budget, and Mayor's Management Report, were rated as only "sometimes used" by respondents.

However, a clear division in the specific use and overall frequency of use emerged when the results were divided between City agencies respondents and those working outside City agencies. City agency respondents "rarely-" or "never used" the majority of reports

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<sup>9</sup> Respondents rated categories on a 1-5 scale, with 5 being most relevant. The survey results were aggregated and tabulated as follows: 1.0-1.49 not relevant; 1.5-2.49 less relevant; 2.5-3.49 somewhat relevant; 3.5-4.49 relevant; and 4.5-5.0 very relevant.

<sup>10</sup> The reports cited as irrelevant are:

- Comptroller's Revenue Report
- Capital Plant Inventory and Maintenance Estimates
- Preliminary Certificate on Capital Debt and Obligations
- Tax Benefit Report
- Comptroller Statement of Debt Service

<sup>11</sup> Respondents rated categories on a 1-5 scale, with 5 being most used. The survey results were aggregated and tabulated as follows: 1.0-1.49 never used; 1.5-2.49 used rarely; 2.5-3.49 used sometimes; 3.5-4.49 used often; and 4.5-5.0 used very often.



(29 reports), and used the remaining seven reports only “sometimes.” When they *did* sometime use a report, it was most likely for budgeting and planning, and to a lesser degree, management and research. Respondents outside City agencies, however, tended to use the reports more frequently. Four of the reports were cited as “often used,”<sup>12</sup> 11 were “sometimes used”, and 21 were “rarely used.”

Internet Accessibility: The survey analysis made clear that respondents not working in City agencies want to see more reports available on the Internet, whereas City managers and staff are, on average, satisfied with current accessibility. Respondents not working for City agencies cited it would be “more useful” if 26 of 36 reports were online,<sup>13</sup> while the rest of the reports would be “somewhat useful” if online.

Survey Results: Although the number of respondents were low, we looked to see which reports were consistently highly rated and lowly rated. This would provide a quantitative basis for further investigation into the importance of a given report.

We looked for reports that scored lowest in all three categories, i.e. the reports that were the least familiar, least used and least relevant to respondents. However, many reports had scores in categories that were inconsistent in other categories. Some reports were relatively obscure, but scored highly in frequency of use and relevance (*ex: Comparison of Adopted Budget & 10-Yr Capital Strategy*). Conversely, some reports were well known, but rated low for these categories (*ex: Preliminary Budget A. Community Board Priorities*). Therefore, we calculated the survey scores by taking the average of ranks across each of the three categories:

- 1) Determined the average score for each report in each of the three major categories (familiarity, relevance, frequency used).
- 2) Calculated an average score for each report based on the scores for each of the three categories.
- 3) Selected the top and bottom third as representative documents for the most familiar and used and the least familiar and used.

The results of this method yielded the following list of top ranked reports and lowest ranked reports:

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<sup>12</sup> The reports rated as most used by non-City agency respondents were also some of the least known reports. Thus, their results are comprised of only a small number of responses and may not be representative of all non-City agency respondents.

<sup>13</sup> It should be noted that many of the reports are already online. However, the responses may suggest users’ difficulties in finding them.

TOP 12 REPORTS	BOTTOM 12 REPORTS
1) Adopted Budget 2) Executive Budget 3) Mayor's Management Report 4) Preliminary Mayor's Management Report 5) Ten Year Capital Strategy 6) City Statement Needs B. Dept- City Facilities 7) Annual Audits 8) Draft 10-Year Capital Strategy 9) Council Response on Preliminary Budget 10) Report on Social Indicators 11) Contract Budget 12) Report of IBO- Revenues & Expend	25) Compare Actual & Estimated Revenues 26) Borough Pres Response to Exec Budget 27) Tax Benefit Report 28) Comptroller's Revenue Report 29) Comptroller's Rpt- Cap Debt & Obligation 30) Community Board Statement on Preliminary Budget 31) Borough Strategic Policy Statements 32) Preliminary Certification on Capital Debt & Obligation 33) Preliminary City Strategy Policy Statement 34) Cap Plant Inventory & Maintenance Estimate 35) Borough Pres Modification of Preliminary Budget 36) Borough Board Budget Priorities

From this initial list, we sought additional information on the value of the reports to users. We turned to the survey's qualitative comments and recommendations to gain insight. In addition, we conducted interviews of some likely users, plus additional experts.

**Reflections from various users**

Though the results of the survey provided a general idea of the usage of some Charter-mandated reports, it had various limitations. To complement the results of the survey, we conducted a series of interviews with current and former managers and staff of various city agencies, leaders of citizen advocacy groups and elected officials (see Appendix 3). Through this interview process we sought a better understanding of the use of reports by managers and the public as well as an understanding of the process by which agencies prepare and issue mandated reports. In addition, we sought to gauge interviewees' responses to the elimination of reports through the Charter revision process. While the results of this interview process represent only a small part of report users, we were able to find agreement on several issues.

▪ **The Mayor's Management Report presents the best potential for public accountability reporting**

In support of survey results, we received very positive feedback regarding the MMR. Former managers stated that the current format, revised by the Bloomberg administration, is very clear and more comprehensive. Experts referred to the MMR as "state of the art" in terms of its layout and representatives of civic groups told us that the current format is more user-friendly than in the past and several praised the Bloomberg administration for its efforts with respect to this report.

▪ **A Lack of Meaningful Indicators in the Mayor's Management Report**

Civic advocates, elected officials and some former managers commented on the lack of meaningful performance measures in both the MMR and other reports. Some

commented that the indicators included in the MMR for agency performance “seem random” and do not seem connected to “the story about the city” that they want from government data. The Report on Social Indicators that is drafted by the Department of City Planning was cited frequently as providing the type of information on the economy, employment, education, safety and health that is useful. Many commented that while the MMR provides an adequate format for the provision of relevant information, its content could be improved.

▪ **Budget Reports are a resource and are valuable to the participatory process**

Current and former managers told us that several mandated-reports that are prepared in connection with the budget process are “crucial” to management for the purpose of planning. In addition, some civilian advocates and elected officials referred to the budget reports as a resource for people “in the know” to find out how money is being spent in the city. At the same time however, civilian advocates critiqued a number of these reports for their density and inaccessibility to members of the “general public.” A member of a community board and a city councilmember stressed the importance of the budget reports in preserving an inclusive political process in the city. We were informed that community boards, while occasionally not complying with charter-mandates due to a lack of resources, find the budget reports crucial in the process of planning.

▪ **Active Life of Reports Beyond Government**

Civic advocates, former managers and current managers revealed that primarily the MMR, the set of Budget reports and the Report on Social Indicators are used by non-governmental agencies and organizations as a source from which they extract data for the reports they produce. They consider that many of the mandated reports are an aid in the process of civilian oversight of government.

▪ **An Internal System of Management Reporting**

Current and former managers spoke to us about a dual reporting system in city agencies. Former managers told us that there have to be “two sets of books” and two separate processes of report-making because often the measurements required at the mayoral level for agency oversight and the measurements the public wants to gauge government performance are not the same as those required to internally manage an agency. Several current managers explained that they produce a series of reports that are used to manage the individual programs run, to make managerial and supervisory staff accountable for their unit’s work product and to identify problems within their agencies. Frequently, the production of internal management reports and the frequency with which they are released occurs as a separate process than the data gathering and reporting process for charter-mandated reports.

▪ **Fear of Information Loss**

Many interviewees raised the importance of codification. Several former managers felt that valuable reports such as the MMR would not have survived over time, had they not been included in the charter. Citizen group advocates stressed the value of government data and were skeptical when presented with the notion that certain mandated-reports may no longer be useful. Many recounted experiences during the administration of

Mayor Giuliani as examples of the importance of transparency in government and the protection of information.

### **A look outside New York City**

Though New York City led the way with the creation of the Mayor's Management Report in 1975, a movement during the 1980s and 1990s took place throughout the nation to elevate standards of financial accounting and reporting for state and local governmental entities. During that period many cities, counties and municipalities adopted performance-reporting practices that have become benchmarks for government reporting.

Having assessed the current system of mandated reports in New York City and identified some the uses of such reports, we then conducted a survey of strategies employed by other cities for public reporting.<sup>14</sup>

This review was conducted with the understanding that the nature, character and complexity of NYC would pose certain obstacles to a comprehensive best practice evaluation. Strategic comparisons did reveal certain procedures, which appeared to be potentially applicable to NYC.

The highlights of this research include a publicly digestible reporting format and a detailed budgetary breakdown (Phoenix, AZ), community dictated goals and progress indicators (Albuquerque, NM) and benchmarking to both the public and private sectors (San Diego, CA).

### **Conclusions**

Our analysis confirmed that the current array of charter-mandated reports in New York City is not performing well according to both users and to prevailing good governance standards. However, it also revealed that some of the reports currently mandated by the City Charter are useful to some users both inside and outside government.

In particular, the MMR fared best against the six good governance criteria and users who responded to the survey and were interviewed found it a valuable document with the potential for further improvement. There are some improvements that could be made to the content of the MMR, but may be outside the purview of the Charter Revision Commission.<sup>15</sup> The series of documents relating to the budget process were also found to be valuable tools for both management and members of the public. Therefore, we recommend that the MMR and Budget documents continue to be Charter mandated.

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<sup>14</sup> See Appendix 6 for the complete survey of best practices.

<sup>15</sup> Based on good reporting criteria from GASB and our analysis of strategies employed in other cities, it appears that the MMR could be transformed into an improved public accountability tool for the City. This would require that the MMR be reconstructed to have broad categories of interest that would capture the City's health; a simplification of the language and use of basic graphs and illustrations to convey key points; its dissemination both in print and online (esp. HTML format); its publication in several major language groups spoken in NYC.

In addition, this preliminary analysis found that there are several reports that could be considered as candidates for removal from the Charter, as they are either not prepared, unfamiliar or not useful to many users. However, a conclusive recommendation favoring removal of such reports could not be made at this time.

Two factors prevented us from making such a recommendation, the lack of accountability regarding mandated reports and the lack of a forum for discussion of report usage and relevance.

Our research indicated that there is a lack of accountability regarding mandated reports. Some have stopped being prepared for unknown reasons and in other cases processes such as public hearings have replaced the role that certain reports played. We suggest that an auditing process be undertaken, possibly by the Mayor's Office of Operations (based on its jurisdiction as mandated by the NY City Charter § 15) in order to properly assess the state of all Charter mandated reports. This process could identify duplicative reporting as well as areas of reporting where data integration might be possible.

We also found that the lack of a forum for the participation of various stakeholders in the assessment of report usage and relevance is an obstacle in assessing whether such reports have relevance within the process of management and the process of public accountability. While the survey and interviews provided some insight into the value and usage of the various reports, this was a limited exercise as other user- groups, who may oppose a referendum intended to integrate the reporting system based on a fear that crucial data would be eliminated, were not included in this sample.

The production of public information is critical to responsible and accountable government. However the production of mandated reports that are not meaningful either for management or for the public poses a burden on the city. We recommend the following to the New York City Charter Commission:

1. Do not eliminate any reports at this time.
2. Create a forum where various stakeholders, including actors underrepresented in the survey recipient list, can discuss the usage and relevance of individual reports.
3. Conduct an audit of Charter-mandated reports, particularly those identified in our analysis as not used, not prepared, or not known.