Toward A Performance and Accountability Management System for New York City Government

A Report to the New York City Charter Revision Commission

Jacob B. Ukeles, Ph. D.

President,
Ukeles Associates., Inc.

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Purpose

This report outlines an approach to using the Charter to build a commitment to performance and accountability into the fabric of New York City government. The Charter cannot create the impulse for performance management: that comes from leadership, organizational culture and an informed electorate. The Charter cannot make performance and accountability central elements in New York City's government, but the Charter can provide critically important <u>tools</u> for better management, and can make those tools a requirement. If the Charter contains a coherent structure for planning and reporting in support of performance and accountability, it supports the institutionalization of these aspects of good government.

A commitment to performance means that two questions are constantly and consistently on the table:

1) How well are we doing?

2) How can we do better?

A commitment to accountability means that there is a hierarchy of responsibility — workers are accountable to managers, managers are accountable to elected officials, elected officials are accountable to the public.

A performance-driven, high-accountability government is one in which one finds:

- a definition of "good performance" and a way to measure performance;

- people are held accountable for their performance;

- people have control over the resources needed to do their job;

- good performance is rewarded, and poor performance is improved.

The Charter Today

New York City's Charter, as currently constituted, contains many provisions related to performance and accountability. But does it provide a **_coherent structure_** in support of performance and accountability? The answer appears to be "no," for ten reasons:

There are 33 separate performance and accountability-related planning and reporting documents in the Charter, plus additional sub-parts.[*] One of the by-products of the information age is information overload. It is hard to look at the list of separate documents required by the Charter without seeing information overload. Who can possibly make sense of so much information?

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[*]These documents are not the only charter-mandated or administrative code-mandated reports. Commission staff identified 66 additional reporting documents in the Charter and 76 in the Administrative Code.

Second, even a cursory look at the list shows a great deal of overlap and duplication — seven different documents refer to strategy or priority.

Third, in many instances, reports deal either with City spending OR with results, rarely with both — thus obscuring the critical question — how big a bang is the citizen getting for the buck?

Fourth, some documents are plans (i.e., they look ahead); some are reports (i.e., they look back and describe what happened); and some are both, like the Mayor's Management Report. It is not always clear why in one case we have a plan and in other cases a report.

Fifth, we know who gets the report, but who is it really for and who really uses it? Every report or document that is produced represents significant time and energy — let us be certain that the report is useful and is used. Perhaps it was developed originally for some purpose that has gone away or for some person who is no longer on the scene.

Sixth, shouldn't one be able to trace the connections between different reports, so that together they add up to a picture about where the City government is going and what the results have been? It is very difficult to construct the relationship among reports so that there is a coherent story.

Seventh, there are some critical elements missing from the Charter. For example, there is no formal requirement for a four-year financial plan that has become so much a part of City management under the soon-to-sunset Control Board.

Eighth, the current Charter seems oblivious to the challenges and opportunities inherent in the electronic reality of the Internet.

Ninth, it is not obvious why some reports cover one year, some two years, and some four years (in one case, ten years); some multi-year plans are rolling (revised every year); and others appear at periodic intervals (e.g. every four years).

Tenth, the confusion is exacerbated by the apparently random difference in the level of detail in the Charter, for example, in some cases the content of a report is prescribed in great detail and in other cases there is a general reference to a category of data.

Preceding Charter Revision Commissions added layers to the City's structure for managing performance and accountability, each responding to specific legitimate concerns and interests. But the question before the community today should be: Is the public interest today best served by this accretion of past responses OR could we do a better job if we stepped back, and designed a new coherent system of planning and reporting to support better government performance and greater accountability?

The design of such a system, or more likely, set of systems needs to be done carefully, mindful of the large number of interested constituencies and inherent complexity of measuring performance in the public arena. Such a process of re-design needs to balance consistency and continuity in City government with the need for each City administration to develop and implement its own style of governance and management.

Recommendations

1. The Charter Revision Commission should recommend the establishment of a Commission on Government Performance and Accountability with a fixed life (e.g. three to five years).

The Commission should carefully review the sources, antecedents and reasons for each of the processes and documents in the current Charter relevant to performance and accountability; develop design principles for rationalizing the current process; recommend the appropriate performance and accountability systems for City government; and recommend processes, plans and reports that should support performance and accountability. The Commission should recommend specific changes to the City Charter as well as suggesting elements to be imbedded in the Administrative Code. Since one of the goals of this effort is to introduce greater coherence, the Commission's recommendations should be in the form of an Omnibus Bill, following the general form of the national Base Realignment and Closure Commission used to recommend military installations that should be restructured or closed.

The goals of the Commission should be seven-fold:

- To articulate clearly the rationale for each element in the City's performance and accountability system(s).

- To articulate clearly how and by whom each element in the system is to be used, and how it is to be prepared.

- To integrate related plans and reports within performance and accountability systems.

- To reduce the number of separate plans and reports.

- To clarify the relationship among different systems (e.g. operations and finances).

- To make plans and reports more user-friendly and accessible (including greater use of the internet).

- To rationalize the frequency and duration of plans and reports and to rationalize the level of specificity.

2. The Charter's framework in support of governmental performance and accountability should be restructured into four systems:

- **Strategic Policy Planning and Reporting**
- **Infrastructure Planning and Reporting**
- **Operations Planning and Reporting**
- **Financial Planning and Reporting**

1. Strategic Policy Planning and Reporting. The broadest level of performance and accountability is the policy and program level. The purpose of this system is to ensure that the City government defines and monitors a coherent and thoughtful set of policies, programs, services and regulations to enhance the economic and social well-being of the people of the City of New York.[*]

   The Mayor is accountable to the public for the City's policies and programs, and in turn holds department heads accountable. The Borough Presidents need to ensure that policies and programs that make sense at the citywide level also make sense at the borough level; Community Boards need to make sure that policies and programs that make sense at the citywide or borough scale, also make sense in relation to community needs.

2. Infrastructure Planning and Reporting. The City's policies and programs are supported by a physical infrastructure composed of buildings and other facilities. The quality of the City's infrastructure has a major impact on the City's ability to deliver programs and services as well as a having a direct impact on the quality of life in the City. The current Charter contains 6 reports dealing with infrastructure, but the relationship between the different reports is less than clear. The City's fiscal crisis in the 1970's reduced its ability to build and maintain infrastructure and the Charter contains reporting requirements of extraordinary specificity and complexity in an effort to forestall a collapse of the City's infrastructure. The City should have an infrastructure strategy and it should be based on a factual assessment of needs so that the Mayor can set appropriate priorities.

3. Operations Planning and Reporting. The City's strategic policies and program are, in effect, carried out through the day-to-day operations of City government. This is the programmatic counterpart to the City's infrastructure which deals with

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[*] The last section of this report includes an illustration of a Charter chapter on Strategic Policy Planning and Reporting

the physical side of City government. The City needs a system to insure that strategic policy is carried into operations. This is one area of the Charter where a Commission could very well decide the Charter needs to say more rather than less.

First, the Mayor's Management Report and Preliminary Mayor's Management Report each includes both a plan (looking forward) and a report (looking backward). The report and the plan should appear in separate documents, each appearing once a year.   The Mayor's Management Plan should identify the service and programs the Mayor plans for the ensuing fiscal year, as well as the indicators used to monitor progress. The Mayor's Management Report should report on actual results against plan.

Second, the Charter should recognize that the Mayor's Management Plan itself should summarize Operations Plans of each department, and the Mayor's Management Report should summarize the Operations Reports of each department.

Third, the Charter should recognize that reporting against plans of both departments and the Mayor should be frequent, and should provide the basis for regular dialogue about how City performance can be improved.

And fourth, consistency with the City's budget needs to be a key part of the City's Management Plan (see below).

4. <u>Financial Planning and Reporting.</u> The City's financial planning is the third element carrying out the strategic policy system.   One might envision two subsystems—one focused on the capital budget—which needs to connect with and carry out the infrastructure plan (system 2), and a second subsystem, focused on the expense budget which needs to connect with and carry out the Management Plan (system 3).

The current Charter describes an extremely complex and thorough set of processes and documents related to budget processes, much of which has been in place for a very long time. In many ways the budgeting process is the most politically sensitive part of the entire performance accountability arena; so one has to proceed with caution.

It is clear however, that the extra-Charter processes and documents related to the City's four–year financial plan needs to be integrated into the existing financial planning and reporting elements in the Charter.

Illustration: A Strategic Policy Planning and Reporting System

A chapter on Strategic policy planning and reporting would integrate and rationalize five existing elements of the current Charter: **report on social indicators (Sec. 16); the draft strategic policy statement and the final strategic policy statement (Sec 17); the borough strategic policy statements (Sec 82), and the district needs statements (Sec. 2800).***

NEW YORK CITY CHARTER
CHAPTER __: Strategic Policy Planning and Reporting
a. On or before July 1ˢᵗ of _____, and every four years thereafter, the City Planning Department shall submit to the Mayor a report on the economy, security, social and environmental state of the City. The report shall include accepted indices, such as unemployment, poverty, child welfare, housing quality, homelessness, health, physical environment, crime, and such other indices as the Mayor shall require by executive order or the council shall require by local law.
Such report shall contain: (1)for each of the indices specified in the report, the reasonably available statistical data, for the previous four years, on such conditions in the City and, where possible, in boroughs and community districts; and a comparison of this data with such relevant national, regional or other standards or averages as the department deems appropriate; (2) for each of the indices specific in the report, a forecast for the ensuing four years (3) a narrative discussion of the implications of these conditions and trends for City policy.

b. On or before the fifteenth day of November of nineteen hundred ninety, and every four years thereafter, the Mayor shall prepare a draft version of a strategic policy plan for the City. The Mayor shall present the draft Plan to a combined meeting of the borough presidents, council, and community boards. The draft Plan shall be placed on the City's website with an opportunity for citizen comments. Such draft Plan shall include (i) a response to the City Planning Department Report (subsection a above); (ii) a summary of the most significant long-term issues faced by the City in trying to improve the economy, security, social and environmental state of the City; (iii) proposed strategic goals related to such issues; and (iv) proposed policies for meeting such strategic goals.

c. On or before the first day of January in each year following the publication of the draft Strategic Plan, each Borough President shall prepare an analysis of the impact of the draft strategic plan on the economy, security, social and environmental state of the borough they represent. In preparing their impact analysis, the Borough presidents shall consult with the community needs statements prepared by boards in their boroughs.

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* Of these five reports, only the social indicators report and the district needs statements are prepared on a regular basis.

d. On or before the first day of February of nineteen hundred ninety-one, and every four years thereafter, the Mayor shall prepare a final version of the Strategic Policy Plan for the City. The final version of the Plan shall also include such changes and revisions as the Mayor deems appropriate after reviewing the comments received on the draft strategic plan. In preparing such final version, the Mayor shall consider the impact statements prepared by the borough presidents pursuant to (c) above. The Plan shall be submitted to the Council, the Borough Presidents, the community Boards and shall be placed on the City's website.

e. Each year, the Mayor shall prepare a strategic progress report, outlining the steps taken to implement the policies in the four-year strategic policies report, and the impact of those steps of the quality of life in the City in relation to the indices for measuring progress included in the 4-year Strategic Polices plan. The Mayor may propose amendments to the strategic policies plan as part of the strategic progress report.