



Two Penn Plaza ■ Fifth Floor ■ New York, New York 10121

## Testimony on FY 2017 Mayor's Management Report Oversight Delivered to the NYC Council Committee on Governmental Operations

October 18, 2017

Thank you for the opportunity to testify. My name is Mariana Alexander, and I am a Research Associate for the Citizens Budget Commission (CBC). CBC is a nonpartisan civic organization whose mission is to achieve constructive change in the finances and services of New York State and New York City government.

The Fiscal Year 2017 Mayor's Management Report (MMR), published in mid-September of 2017, is intended to inform the public and this City Council about the volume and quality of services the City provides. Since the MMR's inception CBC has followed its evolution closely, making recommendations on how the report can be strengthened and using its contents to inform our work. CBC has previously advocated that the MMR should:

- 1) Increase emphasis on outcomes by tracking the impact services have rather than merely reporting inputs and outputs;
- 2) Focus on efficiency by developing unit cost measures in every service area;
- 3) Meaningfully connect spending on services with service outcomes so that investments are better informed by agency performance; and,
- 4) Develop citizen satisfaction measures.

Progress on these recommendations has been mixed. Some agencies have increased reporting of outcome measures adding insight into performance, particularly the social service agencies. Several agencies, however, continue to focus solely on input and output measures. In terms of focusing on efficiency, the report's inclusion of unit cost measures has regressed. When CBC first recommended increasing the use of unit cost measures in 2006, 16 agencies reported a total of 48 unit cost indicators; however, in the 2017 MMR only 10 agencies reported a total of 40 unit cost measures.

The City has made more progress in developing the performance budgeting function of the MMR. CBC is pleased to see the City Council integrates MMR metrics in its preliminary budget reports and that the Mayor's Office of Operations included agency budgeted spending, by Unit of Appropriation, linked to relevant indicators in the fiscal year 2017 MMR. However, Units of Appropriation are often too broadly defined to assess programmatic spending. The City should focus instead on linking indicators with

spending categories as reported in the Budget Function Analysis, which should be expanded beyond the 15 agencies it currently includes.

CBC reiterates its previous recommendations that the MMR should focus on cost-efficiency, enhance reporting of service outcomes, and meaningfully connect spending with outcomes.

CBC finds a critical perspective to be missing from the MMR – that of the City’s residents. Only 35 of the approximately 2,000 indicators included in the report capture the public’s perception or satisfaction with the delivery of city services. These 35 indicators ask residents to rate their experience with a particular service, for example, inpatient satisfaction at NYC Health+Hospitals, or visitor’s satisfaction with customer service at the Department of Housing Preservation and Development’s Tenant Resources division. These limited measures capture only a small share of services that the City provides and lead to a gap in understanding the City’s performance and whether it is meeting the needs of its residents.

To begin to fill that gap, CBC enlisted the National Research Center (NRC) to conduct a citywide survey of resident satisfaction in January 2017. The survey results were mailed to all City Council members and Community Boards. NRC performed a nearly identical survey at the behest of the City in 2008, providing a benchmark to assess change over time. Questions were asked about quality of life and satisfaction with local government service delivery. The survey was distributed to 72,000 households and 9,873 households responded – a sufficiently robust sample size to allow for comparisons between borough, community district, and other demographic variables.

A brief overview of the survey’s results reveals that 44 percent of New Yorkers surveyed rated the overall quality of NYC government services as excellent or good. When asked to rate specific services; however, responses varied widely. Residents were positive about fire and emergency medical services, household garbage pick-up and libraries, but expressed dissatisfaction with street and road maintenance, public education, and social safety-net services. Survey results for satisfaction with individual city services showed statistically significant changes from 2008 for 11 of the 21 city services queried; however, overall satisfaction with city services was not significantly different.<sup>1</sup> Half of survey respondents (51 percent) considered quality of life in New York City to be good or excellent, and residents reported adequate access to health care services and feeling safe in parks and subways. Survey respondents were less positive about the cleanliness of neighborhoods, rat control, street noise, air quality, and traffic.

The quality of life and service satisfaction metrics give important data about the public’s perception of City government performance and whether it is meeting residents’ needs. Pairing survey results with existing MMR indicators would add depth to the report and lend insight to current indicators. For example, a key metric for the Department of Sanitation is the share of City streets rated acceptably clean. In the 2017 MMR, 95.9 percent of New York City streets met cleanliness standards; however, CBC’s survey indicated that 19.8 percent of respondents described the cleanliness of their neighborhood

---

<sup>1</sup> Satisfaction with bus services, snow removal, storm water drainage and sewer maintenance, and public education and after school programs improved between fiscal year 2008 and 2016, while satisfaction with fire protection, emergency medical services, 311, NYC.gov, parking enforcement, and homeless services declined.

as poor. In addition, 53.2 percent of Non-Hispanic Whites rated their neighborhood cleanliness as excellent or good, compared to only 40.6 percent of Black or African American respondents.

The MMR reported air quality complaints received by the Department of Environmental Protection decreased 30.2 percent between fiscal years 2008 and 2017.<sup>2</sup> The 2008 survey showed 77 percent of respondents reported air quality in the city to be poor or fair, declining to 64 percent in 2017 and thereby supporting the MMR metric.

To begin to integrate resident feedback into the MMR, CBC makes the following recommendations:

- 1) Conduct regular surveys that capture perception about quality of life and municipal services in order to measure progress over time;
- 2) Incorporate resident satisfaction metrics in each agency's MMR reporting; design survey questions to validate and/or add depth to current metrics.
- 3) Encourage agencies to respond directly to survey results, develop action plans to address resident concerns relevant to their missions, and be held accountable for lack of progress on relevant measures; and
- 4) Develop surveys representative of the city's demographics and geography.

Thank you for the opportunity to speak on this topic. I am happy to answer questions.

---

<sup>2</sup> There were 12,625 air complaints in fiscal year 2008 and 8,807 complaints in fiscal year 2017.

*Founded in 1932, the Citizens Budget Commission is a nonpartisan, nonprofit civic organization devoted to influencing constructive change in the finances and services of New York State and New York City governments.*