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**Testimony of Kevin Koshar, Chief of Staff
On Proposed Charter Revisions
to Eliminate the Preliminary Mayor's Management Report
Before the Joint Hearing of the
Committees on Charter Revision and Governmental Operations**

October 16, 2003

Good morning, Majority Leader Rivera, Chairman Perkins, and members of the Committees. I am Kevin Koshar, chief of staff at the Independent Budget Office. Thank you for the opportunity to testify this morning.

The Charter Revision Commission created by Mayor Bloomberg has proposed amending City Charter section 12 to eliminate the Preliminary Mayor's Management Report (PMMR), released each year in February. The reasons the Commission advanced in support of eliminating the PMMR were that technology has made it obsolete, but more importantly because, to quote the Commission's report, "its value as a tool for New Yorkers to assess service delivery or for City agencies to improve performance is also questionable." The Commission attributes this deficiency in part to the timing of its release, which comes just after the release of the Mayor's Preliminary Budget for the coming fiscal year, and incorporates just four months of reporting for the current fiscal year.

This conclusion echoes IBO's own previous testimony before the Governmental Operations Committee when you were considering the Mayor's proposed reforms to the management report in the spring of 2002. We noted then that the release dates of both the preliminary and final reports were poorly timed to be of much use to the Council in its consideration of the Mayor's budget proposal. The Mayor's Management Report (MMR) release date each September is poorly timed if it is to have maximum influence on budget decisions for the upcoming fiscal year, decisions that are typically made in the spring. While the PMMR is better timed for budget deliberations, it is both a bit too early in the process and lacking in full year performance data.

A broader question, however, is whether the MMR—either the preliminary version or the final—is genuinely helpful in making resource decisions. The City Council has the responsibility to approve a municipal budget that spends resources effectively and efficiently. In that context, it is more important than ever to assess the impact of resource allocation decisions on municipal services, and to make informed judgments about the quality of the services we provide. Despite many improvements in the clarity of the PMMR and the Mayor's Management Report they are still imperfect tools for understanding the fundamental priorities of the administration and whether those priorities are being achieved.

The two reports have been made more concise, more readable and more accessible on the Internet with new data about specific neighborhoods around the city. These are all useful improvements, but the fundamental need is to identify whether city agencies are achieving their core objectives. As just one example, if the core mission of the fire department is to prevent loss of life in fires, how effective has it been at doing that, and what initiatives are planned to save more lives? We learn from the MMR that civilian fire fatalities rose in 2003 from their record low in 2002. What might have been the cause of the increase? Was it specific to a borough or boroughs? If response time was essentially unchanged then was there some other factor present, perhaps a decline in the number of inspections by fire prevention staff? Is there some fire fighting equipment that should be expeditiously purchased in the coming year's budget that would help the fire department reduce the chance of injury or death to its own members or the public? Or is equipment adequate but the need emerging for more public education campaigns? There may well be a link to budget priorities as this indicator is closely examined.

Without a link between objectives, resources, and outcomes, no one—the Mayor, agency managers, the City Council, or the public—can evaluate the effectiveness of programs. If a version of the MMR could be released to coincide with the release of the Mayor's Executive Budget, the Council would have crucial performance information in hand as the budget was finalized for the upcoming fiscal year. Equally important would be a link between budgetary resources and agency performance goals. An even more far-reaching alternative—but one that has been adopted by some state and city governments nationwide—would be to combine the MMR and the Executive Budget into one document that lays out the mayor's budget requests for agencies, his key priorities for those agencies, and their past, current and proposed performance on core agency outcomes.

How well city agencies “score” on service delivery is critically important as the Mayor and City Council make hard choices about allocating scarce resources. The lack of clear and timely information that measures the results of city services and links them to resource decisions limits what might be done to improve them—and hampers public debate on where city resources are best spent.

In conclusion, simply eliminating the PMMR does nothing to further these objectives. If, however, elimination were to be accompanied by a shift of a more current MMR to a release date around the time of the Mayor's Executive Budget, the Council would have crucial information in hand as you finalize the budget for the upcoming year.

Thank you.