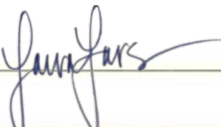



FROM	NAME & TITLE	Laura Larsen, Budget Director 	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 469, City Hall		
	SUBJECT	City Council Bill 23-0372 – Office of CitiStat-Establishment and Administration		

DATE:

TO

The Honorable President and
Members of the City Council
City Hall, Room 400

May 2, 2023

Position: Oppose

The Department of Finance is herein reporting on City Council Bill 23-0372, Office of CitiStat-Establishment and Administration, the purpose of which is to establish an Office of CitiStat outside of the Mayor’s Office. The Office of CitiStat shall hold monthly meetings with 10 principal agencies, establish annual performance plans with the principal agencies, and analyze and make recommendations about City processes to improve performance of City services. This legislation also requires principal agencies to identify a Data-Driven Officer to lead the agency’s work related to the Office and establish an internal CitiStat process.

Background

Established under former Mayor O’Malley in 1999, CitiStat has been a central component of Baltimore’s performance management systems, using data to tackle performance-related issues for City programs and services within individual agencies. In Fiscal 2019, the Office of CitiStat was formally moved into the Mayor’s Office into the Office of Sustainable Solutions (MOSS). Over the years, CitiStat and the City’s performance management approach have evolved to address the changing challenges and needs of the City. Under the Scott Administration, CitiStat is part of a multi-pronged approach to performance management and is used to address challenges that cut across multiple agencies within the Mayor’s Office of Performance and Innovation (OPI).

OPI includes CitiStat, the Innovation Team, Data Fellows program, and the City Performance Team. Current CitiStat meetings focus on the specific issues of crime through PoliceStat and trash, littering, and illegal dumping through CleanStat, which includes the Departments of Public Works (DPW), Transportation (DOT), Recreation and Parks (BCRP), General Services (DGS), and Housing and Community Development (DHCD) to provide cross-agency coordination. The Innovation Team focuses on specific issues, using data and change management to develop solutions. The Data Fellows program embeds data analysts in agencies to support agencies in using data more effectively to improve service delivery. Finally, the new City Performance Team is beginning to develop agency performance plans, which will streamline data collection and reporting for agencies from existing processes.

These programs, in combination with performance tracking in the annual budget process and the Mayor’s Action Plan, are central to ensuring efficient and effective delivery of City services.

This legislation would establish the Office of CitiStat outside of the Mayor’s Office and require 10 principal agencies to have Data-Driven Officers and internal CitiStat processes. The duties of the Office include using data analysis and analytical reviews to make recommendations, establish, and implement process-improvement systems, as well as establish annual performance management agreements to track and evaluate performance. Principal agencies are responsible for identifying a Data-Driven Officer that reports to the agency head to manage the agency’s CitiStat process and partner with the Office on all data requests.

Fiscal Impact

The Department of Finance anticipates a fiscal cost of \$1.9 million annually for the City. This estimate includes the cost of personnel and supplies for the Office of CitiStat, as well as personnel for the principal agencies.

Office of CitiStat

Finance anticipates that the new office will require five new positions, including a Director, two Analysts, an accountant, and an HR Generalist at a cost of \$627,035 annually. This assumes that current CitiStat staff, which includes one Deputy and three analysts, would transition to the Office of CitiStat. Total staffing for the office would be nine positions.

Position	Total Cost
Director	\$ 217,093
CitiStat Analyst I (2)	\$ 245,004
Human Resources	\$ 82,469
Accountant	\$ 82,469
Total	\$ 627,035

In addition, Finance anticipates the Office will require \$100,000 for supplies, equipment, software, and rent.

Principal Agencies

The following agencies are included as Principal Agencies in the legislation: Fire Department, Finance, DGS, Health Department, DHCD, Department of Planning, Police Department, DPW, BCRP, and DOT. Principal agencies are required to identify a Data-Driven Officer and establish an internal CitiStat process. Several of these agencies participate in the current CitiStat process but have varying degrees of internal performance and data teams that focus on CitiStat, as well as other aspects of agency performance. The Health Department and Fire Department have previously had standalone Stat meetings but don’t currently participate in Stat meetings. Planning and Finance have not previously been agencies with standalone Stat meetings, these agencies do not currently have internal processes established to meet the requirements of this legislation.

To ensure agencies meet the requirements of this legislation, Finance anticipates each agency would require one position to serve as the Data-Drive Officer, coordinating with the Office and leading or supporting the development and implementation of an internal CitiStat process. The estimated cost for ten additional positions is \$1.3 million, with an estimated cost of \$130,000 per position.

Other Considerations

The Department of Finance has identified several other considerations for the Council's review based on conversations with partner agencies.

First, performance management for agencies is a function of the executive branch and the specific performance management system and structure should be at the discretion of the executive. Finance is supportive of developing and maintaining strong performance and process improvement processes but is hesitant to legislate that system. Ensuring the Mayor and City Administrator have the flexibility to implement the most effective performance management systems and coordinate across programs and agencies is important in providing efficient and effective service delivery.

Second, this legislation is duplicative of work completed by OPI, specifically the agency performance management agreements. Based on a review of other jurisdictions, performance management offices are often established as stand-alone offices, such as Kansas City and Philadelphia, or are part of the budget office, such as Washington, D.C and Portland. Having two separate offices focused on performance management may cause challenges for agencies and the administration to align and maintain processes.

In terms of the agency performance management agreements, OPI began rolling out the agency performance plan process this spring. This process is closely aligned with the other performance management efforts by the Scott Administration and aims to streamline data collection processes rather than adding an additional reporting requirement. As part of these efforts, BBMR is working with OPI to integrate the performance data reported in agency performance plans into the annual budget process to reduce the reporting burden for agencies.

Third, the legislation as written is prescriptive of how the Office must operate—requiring a certain number of meetings, memos and agendas produced at certain times, and certain reporting structures within the agencies. Some of these details are beneficial, setting clear expectations and timelines. However, it may also limit the flexibility of the Office to meet the changing needs and challenges of the City. In addition, depending on the nature of the agency's work, CitiStat might not be the best forum for certain agencies or services, due to the nature of the work. Enabling flexibility to choose the forum for specific agencies and programs would be beneficial to ensure efficient and effective service delivery.

Conclusion

The Department of Finance supports the intent of this legislation to formalize the operations of CitiStat but is concerned about the cost of the program and implications for coordinating performance management. The City is facing fiscal challenges because of increased costs for education in the coming years and should not establish a new office that may be duplicative of other work across the City.

For the reasons stated above, the Department of Finance opposes City Council Bill 23-0372.

cc: Michael Moiseyev
Nina Themelis