



SAGE Commission

December 15, 2011



Introductory Remarks by Antonio Perez

Chairman and CEO of Kodak, SAGE Commission
Co-chair



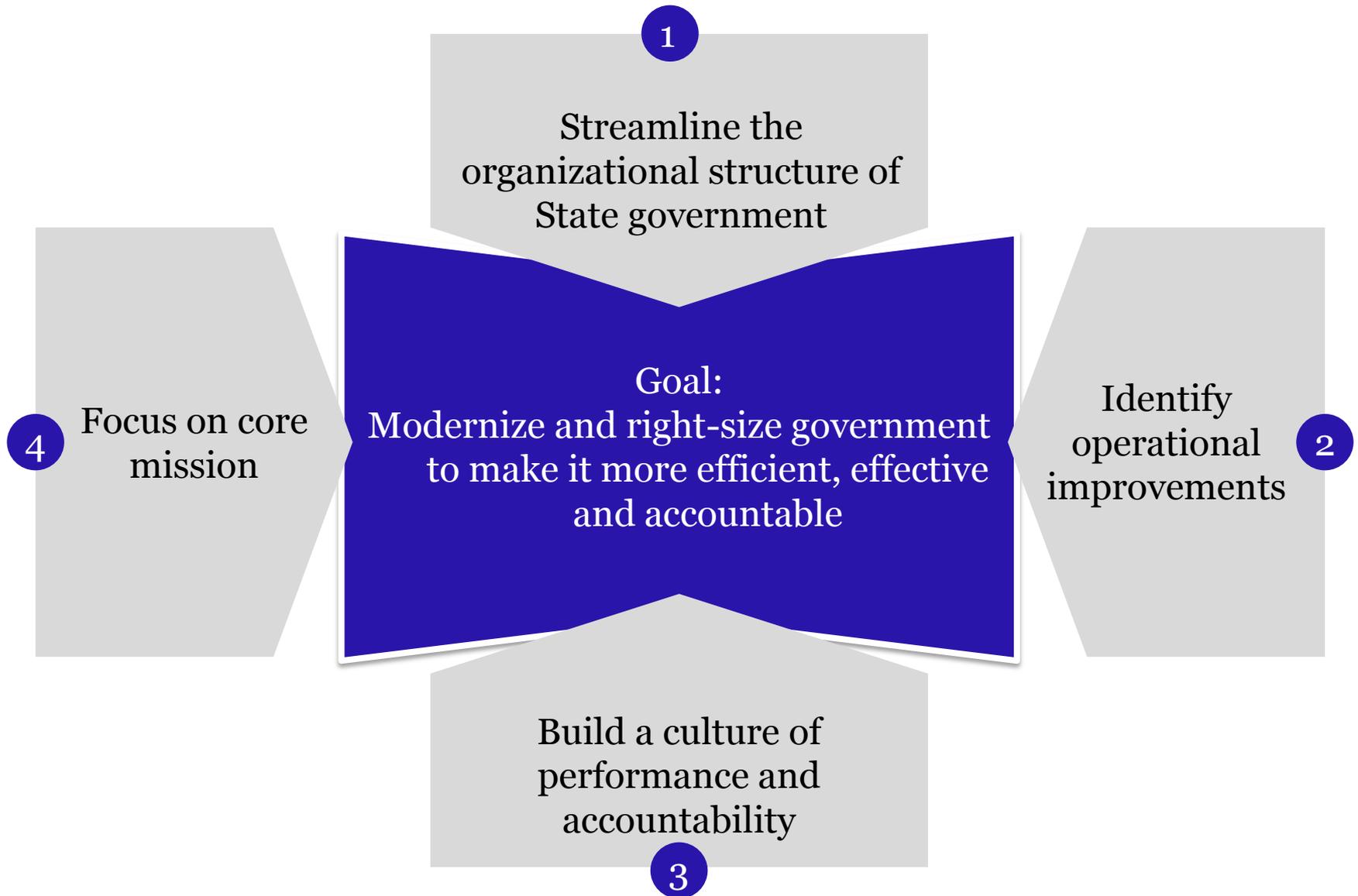
Introductory Remarks by Larry Schwartz Secretary to the Governor



Introductory Remarks by Paul Francis

Director of Agency Redesign and Efficiency,
SAGE Commission Co-chair

Four activities define SAGE's mission and scope



Through these activities, SAGE aims to achieve three key objectives

1

Efficiency: Dollar savings and productivity gains

- Examples:
- Transportation Merger: \$50-82 M, 450-600 FTEs by 2016
 - Business Services: \$63M by 2016, 840 FTEs
 - Strategic Sourcing: \$100M in 2012-13
 - Real Estate: \$9M in 2012-13
 - 5 high ROI Innovation Fund Projects: \$97M
 - Energy Efficiency: \$100M+ by 2016

2

Effectiveness: Improved service to government customers

- Examples:
- Cycle time improvements from Lean Management projects
 - Innovation Fund Project benefits such as increased self-service, “high touch” complaint handling and streamlined permitting
 - Improved outcomes from coordinated management of Workforce Development

3

Accountability: Increased transparency and oversight

- Examples:
- Performance Management System

Agenda

I. Presentations

Organizational Streamlining

Mergers: Transportation

Enterprise Shared Services: Human Resources Services Unit

Functional Center of Excellence: Debt Collection

Coordinated Management of Cross-Cutting Functions: Workforce

Development

Operational Improvements

Business Process Redesign and an Innovation Fund

Lean Management

Energy Efficiency

Building a Culture of Performance and Accountability

Performance Management

Workforce Modernization

Focus on Core Mission

Using the State's Capital More Efficiently: SONYMA Mortgage

Insurance Fund

II. Closing Comments

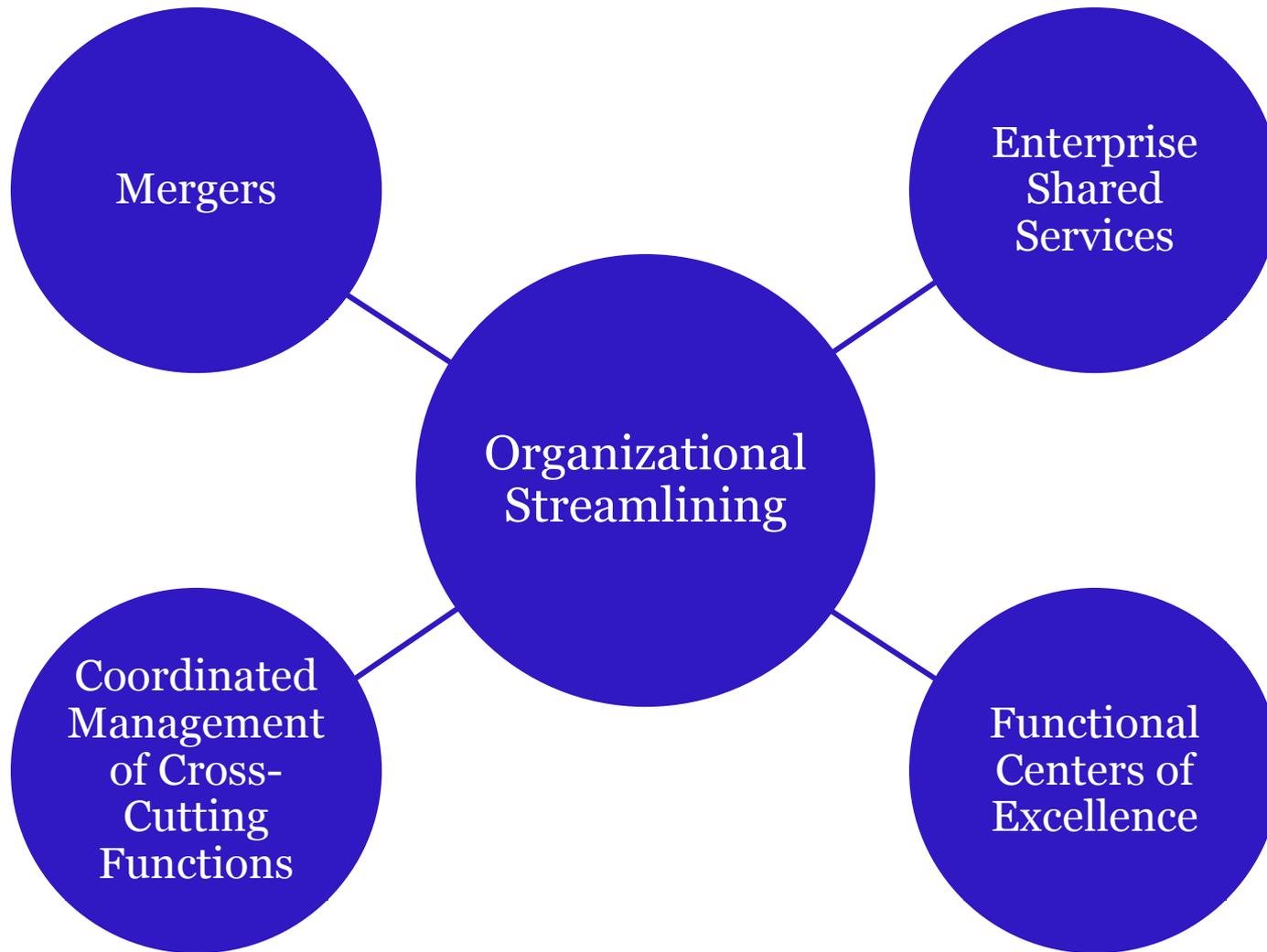


Organizational Streamlining

What is the purpose of organizational streamlining?



SAGE's proposed recommendations include four types of organizational streamlining



- The Department of Transportation (DOT), the Thruway Authority and the Bridge Authority have similar missions—to keep roads and bridges safe and reliable
- Both Thruway and Bridge fund operations and capital expenditures from toll revenue and borrowing in the bond market
- All three entities face the same macro issues of aging infrastructure and the need to fund expensive maintenance improvements

The three transportation agencies have similar assets and functions

		Department of Transportation	Thruway Authority	Bridge Authority
Budget and Agency Scope	Road Miles	15,102	570	12
	Lane Miles	~43,000	2,818	38
	Bridges	Over 7,700 (168 long-span)	811 (15 long-span)	5 (long-span)
	Bridge Deck Surface	83 M sq. ft	14 M sq. ft	2 M sq. ft
	Budget	\$4.0B	\$1.1B	\$47M
	Debt Outstanding	N/A	\$2.9B	\$41M

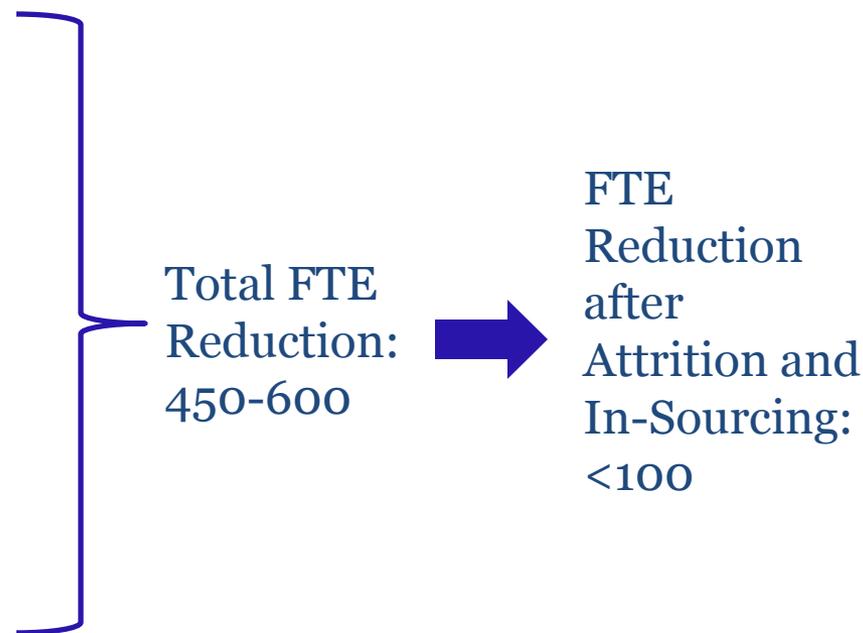
Potential merger savings when fully phased in

Area	Function	Targeted Cost Reduction ¹
Administrative Support Consolidation	Back-office Consolidation	\$2-4 mm
	IT Consolidation	\$1-3 mm
	Joint Purchasing of Materials	\$6 mm
	Office Space Consolidation	\$2-4 mm
Field / Core Activity Consolidation	Engineering Consolidation	\$18-24 mm
	Fleet Consolidation	\$7-15 mm
	Field Facility Consolidation	\$0-2 mm
	Field Labor	\$5-9 mm
Strategic Realignments	Regional Consolidation	\$3-5 mm
	Span of Control	\$6-10 mm
	Coordination with Localities	TBD
	Total	\$50-82 mm¹

¹Based on PwC analysis, May 2011. Savings do not include one-time implementation costs.

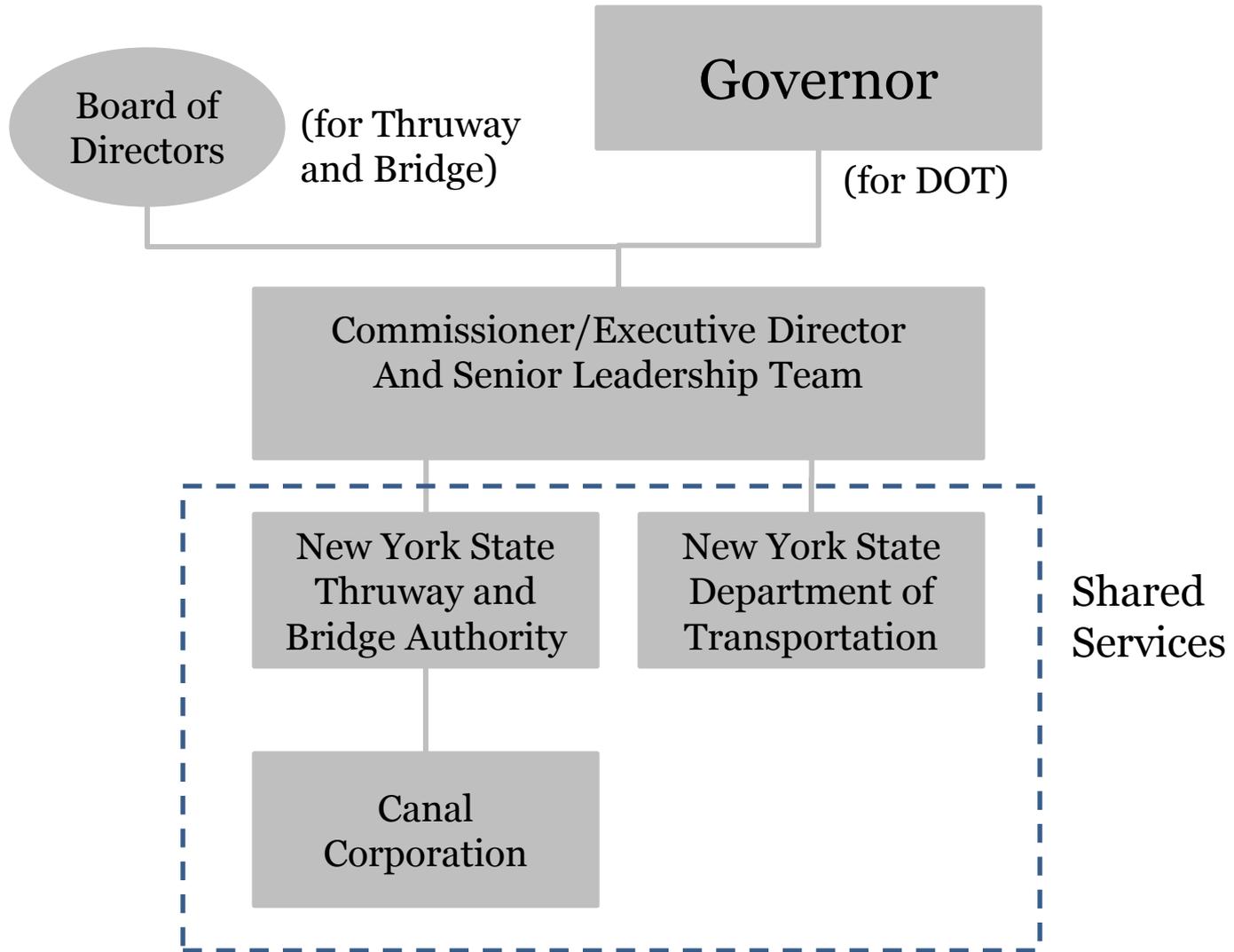
Potential headcount impact is mostly covered by attrition and in-sourcing

	Total Employees (FTEs)
Department of Transportation	8,784
Thruway Authority ¹	2,767 (+ 1,120 part-time toll collectors)
Bridge Authority	137 (+ 62 part-time toll collectors)
Total:	12,870



¹Includes 485 employees of the Canal Corporation

Organizational structure post-merger



Recommendations for a Transportation Merger

1. Merge the Bridge Authority into the Thruway Authority
2. Combine functions and/or shared services between DOT and Thruway/Bridge where feasible
3. Combine DOT and Thruway/Bridge leadership teams

Other potential mergers (1 of 2) (see 5/19/11 SAGE ppt. for more detail)

Office of Mental Health (OMH) / Office of Alcoholism and Substance Abuse Services (OASAS)

- Roughly 40% of people served by OMH and OASAS have a “co-diagnosis” of mental health and substance abuse
- Many providers serve both populations, and both organizations have common relationships with counties, Managed Care Organizations and similar field organizations

Health Division of Central Services/ HHS IT Consolidation

- Despite having similar IT requirements, the agencies run approximately 1,000 different applications, with overlaps and redundancy
- A Division of Central Services could efficiently provide support functions not suitable to be included in a Statewide Department of Enterprise Services
- Agencies should maintain control of Quality Assurance, but co-locating field offices where possible could improve efficiency and coordination

Other potential mergers (2 of 2) (see 5/19/11 ppt. for more detail)

Belleayre / Olympic Redevelopment Authority (ORDA)

- Belleayre Mountain Ski Center is run by DEC and has required capital infusions in each of the past five years to cover operating losses and necessary capital investment
- Community leaders have expressed concern that continued need for funding puts the Center at risk
- Operation of Belleayre by the DEC restricts its flexibility and responsiveness to market needs
- ORDA has the expertise to manage ski centers for the State, with the expectation that Belleayre could become self-sustaining over time

Hudson River Park Trust (HRPT) / Battery Park City Authority (BPCA)

- The Hudson River Park Trust is facing significant capital needs with limited resources given budget pressures
- The Battery Park City Authority is geographically contiguous and has development expertise and other operating synergies that might both streamline costs and help HRPT realize revenue opportunities

Boards and Commissions

- Eliminate or merge defunct or duplicative boards, commissions and task forces to clear out the “underbrush” of State government

1.2 Enterprise Shared Services

- An integrated, enterprise-wide approach that enables immediate and sustainable cost structure reductions while improving customer service
- Savings from shared services are greatest where standardization is possible and decentralization produces redundant and inefficient use of resources

Enterprise Shared Services

Procurement

- Strategic Sourcing
- Contracting
- Vendor Management

Real Estate

- Facility Management
- Leasing
- Space Planning and Moves

Information Technology

- Data Centers
- Telecom
- Email
- Hardware and Applications Support

Call Center Consolidation

- Licensing and Permitting
- Web Services
- Fulfillment

Business Services

- Accounts Payable
- Accounts Receivable
- Purchasing
- Payroll
- Benefits Management

Strategic Sourcing and Real Estate are now being implemented as Enterprise Shared Services

Strategic Sourcing

- Savings estimated at \$100m (All funds) in SFY 2012-13 and almost \$600m (All funds) cumulatively over five years
- 15 categories of spending are currently being sourced in Phase 1 with remaining categories being phased in over the next 18 months

Real Estate

- SFY 2012-13 lease savings estimated at \$9 million
- Albany metropolitan area office space consolidation efforts now underway
- Long-term goal is to create a comprehensive space management program and strategically manage the State's real estate portfolio

Implementation of a Business Services Center should begin soon

- Establishing a Business Services Center (BSC) is a key step towards the vision of centralized Enterprise Shared Services for State government
- The BSC will eventually handle all purchasing, HR, and financial transactions processing for the State, including:
 - Accounts Payable
 - Accounts Receivable
 - Purchasing
 - Payroll
 - Time and Attendance
 - Benefits Management

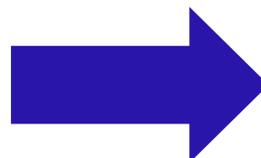
The PwC analysis in May 2011 found that a Business Services Center would produce significant savings when fully operational

Function	Savings %	Rationale
Purchasing	25%	<ul style="list-style-type: none">• SFS implementation and technology improvements will improve Purchasing efficiency• Purchasing processes are less transaction-based than Finance, so the savings will be slightly less
Human Resources	15%	<ul style="list-style-type: none">• Savings will result from process improvements and centralization• Savings are lower than Purchasing, Finance, and benchmarks due to the absence of a unified HR platform and timekeeping system
Finance	30%	<ul style="list-style-type: none">• SFS implementation and technology improvements will result in substantial savings realization, consistent with industry benchmarks

(1) Savings estimates are based on a combination of industry benchmark analysis, evaluation of existing and future system capabilities, and agency interviews

These efficiencies can drive significant savings

	Current State			
Service Group	Core FTE	Support Staff	Total FTE	Labor Cost + Fringe (49%)
Procurement	316	261	577	\$ 48 million
HR	917	759	1,676	\$ 137 million
Finance	665	552	1,217	\$ 104 million
Total	1,898	1,572	3,470	\$ 289 million



Future State			
Core FTE	Support Staff	Total FTE	Labor Cost + Fringe (49%)
237	196	433	\$ 36 million
780	645	1425	\$ 117 million
465	387	852	\$ 73 million
1,482	1,228	2,710	\$ 226 million

The State would save an estimated **\$63 million** in 2016

- Savings accrue based on a phased implementation schedule
- Once an agency has been moved to the Business Services Center, recurring savings are estimated for a period of 5 years until 2016. Agency FTE savings are realized over a period of two years based on the following rate: Year 1 – 65% Savings, Year 2 – 35% Savings. All numbers are rounded to the nearest whole number
- Savings totals do not reflect any one-time implementation costs

Retirement and attrition will absorb most FTE reductions

Estimated Total FTE Reduction/Savings Summary

	FY '12	FY '13	FY'14	FY'15	FY'16	Total (5 Years)
Total Projected Personal Service Savings (Core and Support Staff FTEs)	\$0	\$31 million	\$34 million	\$50 million	\$63 million	\$178 million
FTE Reduction	0	309	207	139	105	760

FTE Impact -Eligibility for Retirement and Estimated Attrition Summary

	FY '12	FY '13	FY'14	FY'15	FY'16	Total (5 Years)
Core FTEs Eligible to Retire *	201	23	41	26	33	324
Support Staff FTEs Eligible to Retire *	88	21	16	22	24	171
Retirement Subtotal	289	44	57	48	57	495
Estimated Attrition†	69	69	69	69	69	345
Total FTEs Eligible for Retirement Plus Estimated Attrition	358	113	126	117	126	840

* FTE's eligible to retire includes all employees reaching 30 years of service or higher and 55 years of age

†Based on the Statewide attrition rate of 2% of FTEs annually

The creation of a Human Resources Services Unit (HRSU) in the Office of General Services (OGS): a first step toward developing a full BSC

HR Services Provided

- Attendance and Leave Administration
- Payroll Administration
- Benefits Administration
- Personnel Management (Performance Appraisal/Development Plans)
- Position Classification
- Recruitment/On-boarding
- Employee Records Management

Agency On-boarding

- Agencies transitioned in phases/waves over 3 years
- Begin with agencies currently utilizing CMA's HRIS and LATS systems – smaller, then progress to medium sized agencies
- Largest agencies on-boarded in “out years.”
- Digital Personal History Folders should be created in advance of agency on-boarding

Recommendations for Enterprise Shared Services

1. Endorse broader move towards Statewide Enterprise Shared Services
2. Establish a Human Resources Services Unit within OGS as the first step to creating a full Business Services Center

- Centers of Excellence make sense for functions that represent the “core competency” of a particular agency but which other agencies also provide as an ancillary activity
- By leveraging its core competence, the Center of Excellence agency can manage the function for other agencies more efficiently and effectively than they can do for themselves
- Examples of potential Centers of Excellence include call centers, debt collection, debt issuance and other functional specialties

The Department of Tax and Finance (DTF) will become the functional Center of Excellence for debt collection

- Debt collection is a core competency of DTF and its scale and state-of-the-art technology make it the logical candidate to serve as a Center of Excellence for the function
- The Higher Education Service Corporation (HESC) pursues debt collection of student loans and is facing a dramatic change in its business model
- Having DTF assume the debt collection functions of HESC will leverage DTF's superior capabilities in predictive analytics, VoIP call center technology and other debt collection capabilities while allowing HESC to focus on its core mission of managing TAP financial aid and oversight of loan portfolio servicing

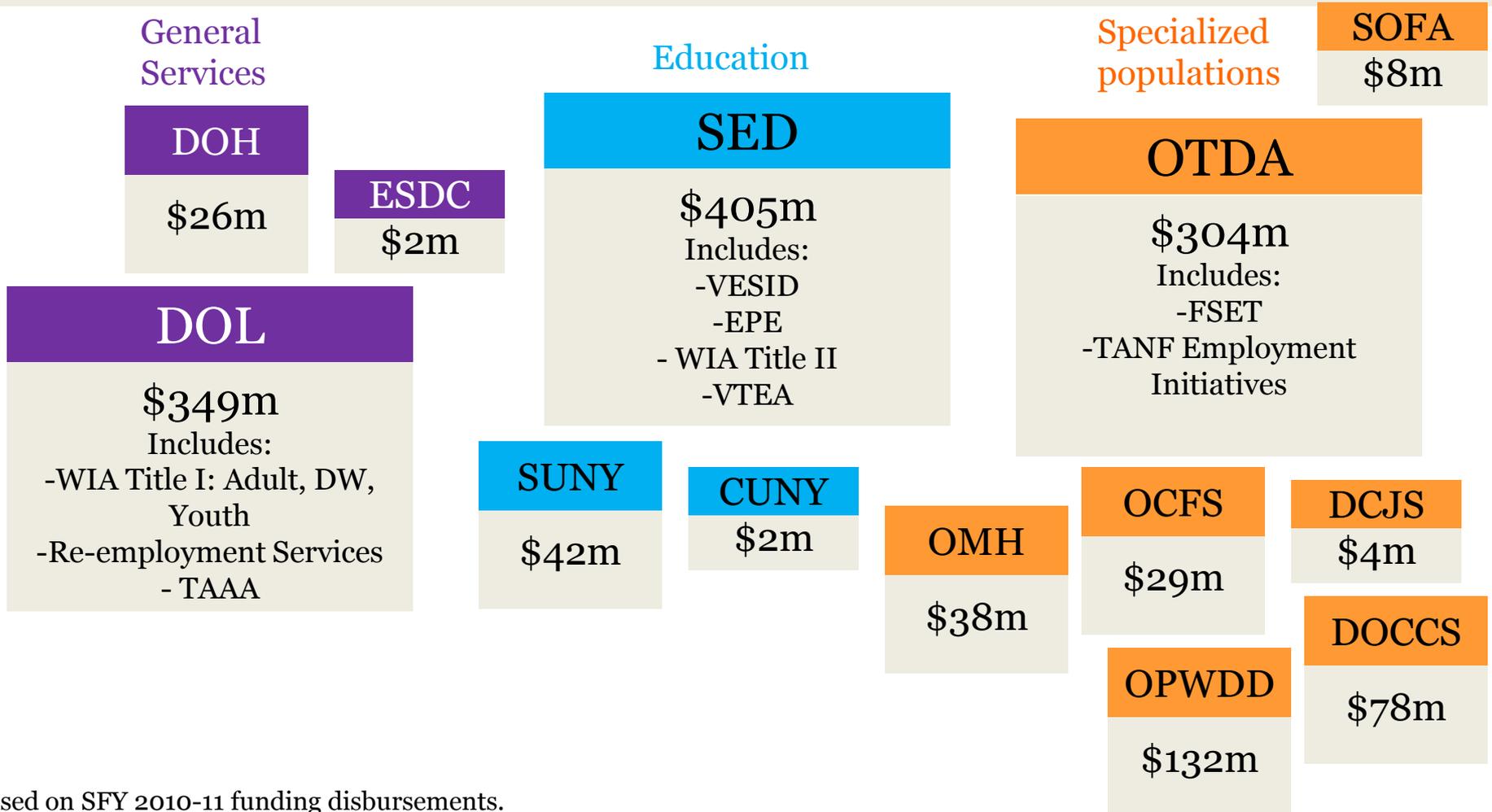
Recommendations for Debt Collection

1. Establish the Department of Taxation and Finance as the Center of Excellence for debt collection
2. Have DTF assume the debt collection functions of HESC, subject to approval from the federal Department of Education
3. Explore whether other agencies could transfer their debt collection functions to DTF
4. Closely monitor performance to measure efficiencies and improved performance

- Many important government functions are “cross-cutting” – *i.e.*, managed by multiple state agencies
- SAGE has examined three cross-cutting functions: Workforce Development, Supportive Housing and Energy Efficiency
- Cross-cutting functions often lack transparency since the Budget reports at the Agency, not the program level
- The lack of coordinated management contributes to a proliferation of *ad hoc* programs and weak accountability for performance

NYS Workforce Development programs are widely dispersed

Over 40 funding streams across 13 agencies with more than \$1.4b in State and Federal spend¹



¹Based on SFY 2010-11 funding disbursements.

No consolidated reporting of program data or performance metrics

Report Card Measure	Rubric Score	Rubric Score	Benchmark/Quartile Rank		
Metric 2.					
Percentage of People in Day Services Receiving SEMP (working age, and all people)					
Ed Po Fo Em Se Re	PERFORMANCE AND ACCOUNTABILITY MATRIX				
	STATE SUMMARY				
	1. Program name	2. SFY	3. Appropriation Level	5. Procurement Methodology	
	FFFS	2011-12	\$393,663,332 (Amount equals \$951,000,000 allocation, plus \$0 transferred in from SFY 10-11 FFFS, less \$357,465,701 budgeted towards Child Welfare Other than Title XX, \$192,797,333 transferred to Title XX, \$6,166,000 in additional Child Care Transfer, \$589,963 budgeted for Non- Residential Domestic Violence and \$317,671 transferred to State Administered Contracts).	Allocation	
	Adult Program Results				
	Reported Information		Negotiated Performance Level	Actual Performance Level	
	Entered Employment Rate		57	55.5	
	Employment Retention Rate		82	78.3	
	Average Earnings		\$12,625	\$14,646	
				153,992	
			277,449		
			154,978		
			198,020		
			\$2,268,507,779		
			154,889		
Outcomes for Adult Special Populations					
Reported Information	Public Assistance Recipients Receiving Intensive or Training Services		Veterans	Individuals With Disabilities	Older Individuals
Entered Employment Rate	46.4	3,587	54.0	39.4	47.3
Employment Retention Rate	70.3	7,725	77.0	72.2	77.9
Average Earnings	\$8,218	11,301	11,155	5,951	17,283
		20,931	14,480	15,102	36,505
		11,155	185,852,017	5,298	17,557
		3,295	11,152	7,337	22,541
		\$18,974,304	\$10,377	\$54,937,542	\$270,709,216
		2,309	5,294	15,429	17,545

Best practice systems standardize the reporting of metrics and program data

NYC, "Workforce Development Quarterly Report," April-June 2011

METRICS*	HRA	SBS	DOE OACE	DYCD	DFTA	NYCHA	TOTAL
Job Placements							
Total # customers served in workforce programs	65,431	44,091	25,465	2,677	975	367	139,100
Total # job placements	18,957	7,918	n/a	121	893	263	28,152
Total # in subsidized jobs	1,917	n/a	n/a	0	858	n/a	2,775
Median wage for customers placed into jobs	\$9.62	\$10.00	n/a	\$12.26	\$725 ¹	\$28.45	-
Total # businesses served	330	3,645	n/a	n/a	152	99	4,226
Top three placement industries							
#1 Industry	Sales Related 13%	Retail Trade 18%	n/a	Healthcare & Social Assistance 22%	Senior Center 80%	Construction 68%	-
#2 Industry	Home Health 11%	Healthcare 16%	n/a	Retail Trade 16%	Government Offices 9%	Administrative Support & Waste Mgmt & Remediation Services 11%	-

Best practice states organize Workforce Development strategically

State	SWIB	Other Key Information
Texas	<ul style="list-style-type: none"> • “Texas Workforce Investment Council” • Independent staff 	<ul style="list-style-type: none"> • 28 programs consolidated into Texas Workforce Commission • Local service integration
North Carolina	<ul style="list-style-type: none"> • “NC Commission on Workforce Development” • Housed in Dept of Commerce 	<ul style="list-style-type: none"> • Economic development board housed in Dept of Commerce; closely aligned to SWIB
Florida	<ul style="list-style-type: none"> • “Workforce Florida” • Public/private organization • 501 c(3) 	<ul style="list-style-type: none"> • Main programs consolidated into Dept. of Economic Opportunity (DEO) • Workforce Florida, DEO and Enterprise Florida (state economic development board) closely aligned
Washington	<ul style="list-style-type: none"> • “Workforce Board” • Nine voting members • Large, independent staff 	<ul style="list-style-type: none"> • Comprehensive performance accountability system
Pennsylvania	<ul style="list-style-type: none"> • Subcommittees • Independent staff 	<ul style="list-style-type: none"> • Under Rendell, Governor-appointed workforce development Czar

Comments from best practice states on improvements in Workforce Development from coordinated management

“**No wrong door** for jobseekers”

“As a result of the structure’s focus on a higher level of policymaking, **business was very engaged**”

“**The customer is really the employer...**they want to deal with one person, one set of paperwork. Reducing duplication will also lower administrative costs”

“We have a **large population of jobseekers**--entry-level, mid-level, high-level--who are **all handled by one system**”

“All of the relevant players will collaborate and **create operational synergies**”

“**All pieces are moving in the same direction** for individuals and employers”

Recommendations for Workforce Development

1. Establish system-wide reporting and standardized performance metrics within the State's proposed Performance Management system
2. Revitalize and reorganize the SWIB to serve as the coordinating body for developing a statewide Workforce Development strategy
3. Increase the role for economic development in Workforce Development efforts
4. Align activities of local WIBs with the statewide Regional Councils

Summary of Organizational Streamlining recommendations (1 of 2)

	Recommendation
1.1 Transportation Merger	Merge Bridge Authority into Thruway Authority
	Combine functions and/or shared services between DOT and Thruway/Bridge where feasible
	Combine DOT and Thruway/Bridge leadership teams
1.2 Business Services Center	Endorse broader move towards Statewide Enterprise Shared Services
	Establish a Human Resources Services Unit within OGS as the first step to creating a full Business Services Center
1.3 Debt Collection	Establish the Department of Taxation and Finance as the Center of Excellence for debt collection
	Have DTF assume the debt collection functions of HESC, subject to approval from the federal Department of Education
	Explore whether other agencies could transfer their debt collection functions to DTF
	Closely monitor performance to measure efficiencies and improved performance

Summary of Organizational Streamlining recommendations (2 of 2)

	Recommendation
1.4 Workforce Development	Establish system-wide reporting and standardized performance metrics within the State's proposed Performance Management system
	Revitalize and reorganize the SWIB to serve as the coordinating body for developing a statewide Workforce Development strategy
	Increase the role for economic development in Workforce Development efforts
	Align activities of local WIBs with the statewide Regional Councils



Operational Improvements

Three types of initiatives play a key role in producing operational improvements that increase efficiency and performance

1 Business process redesign

- Identifying and redesigning processes that touch consumers, businesses, and/or staff to improve service, cost and quality
 - Understanding pain points and opportunities for efficiency and effectiveness gains
-

2 Leveraging technology

- Automating standardized and routine processes or functions
 - Utilizing sophisticated analytics to detect variances and target activities
-

3 Integrating government customer facing activities

- Improving customer service levels to citizens and businesses
- Integration across touch points with the government to make government service delivery more seamless

These projects produce a high ROI, but may need financial support because they require an up-front investment

2.1 Business Process Redesign initiatives increase efficiency and improve performance

2.1

1. Transitioning from paper based forms to e-filings
2. Enhanced technology to support mass customization of form correspondence
3. Expanding government customer self-service through the Internet
4. Using predictive analytics to improve fraud detection and optimization of debt collection
5. Adopting handheld devices and other wireless mobile technology that increases productivity
6. Separating "high touch" from "low touch" inquiries and complaints
7. Using "intelligent" case management systems to streamline permitting
8. Leveraging technology to streamline the adjudicatory hearing process
9. Internally providing needlessly expensive outside services
10. Consolidating overlapping and redundant IT applications

Examples of High ROI Business Process Redesign Projects (1 of 2)

Initiative	Projects	Agency	Project Cost (in \$1,000)	Annual Saving / Revenue Increase (in \$1,000)	Return on Investment
E-forms and filings	The DOS Corporate Filings project will replace the existing paper based filing for corporate entity documents (such as certificates of incorporation) with a Web-based system that automatically populates the State's database.	DOS	\$525	\$1,000	190%
Mass Customization of Form Correspondance	The DMV Client Correspondence Redesign will replace outdated technology with a fully integrated software platform for creating, managing and delivering customer correspondence. Savings come from (i) reduced labor costs to maintain form letter templates and create interactive documents; and (ii) paper, postage and production savings.	DMV	\$1,200	\$1,870	156%
Wireless Mobile Technology	The Parking Automation Program will enable RFI and credit card processing technology at State Park facilities to reduce shrinkage and reduce headcount devoted to manual Vehicle Use Fee collections.	Parks	\$3,000	\$1,825	61%

Examples of High ROI Business Process Redesign Projects (2 of 2)

Initiative	Projects	Agency	Project Cost (in \$1,000)	Annual Saving / Revenue Increase (in \$1,000)	Return on Investment
"Intelligent" Case Management to Streamline Permitting	The DEC State Pollutant Discharge Elimination System (SPDES) development of a centralized data capture system will be established to collect permit, compliance, and enforcement data, using a common Web-based user interface that is accessible by Department staff in central and regional offices, public, partners, and other stakeholders.	DEC	\$3,861	\$2,240 (includes \$1.6 M in avoided costs to regulated entities)	58%
Savings Through Internal Management of Costly Outside Services	The New York State Takeover of the SSI State Supplement Program will enable the State to transfer the administration of State SSI supplementation program from the federal government to the Office of Temporary and Disability Assistance.	OTDA	\$23,877	\$90,000	377%
		Total:	\$32,463	\$96,935	299%

Recommendations for an Innovation Fund to support High Value projects

1. Create a dedicated Innovation Fund to finance Business Process Redesign and efficiency-creating technology projects based on the following criteria:
 - Can be completed in 1-3 years
 - Generate a Return on Investment of at least 30% annually
 - Materially improve agency performance and/or government customer service
2. Size the Innovation Fund to enable all projects meeting these criteria to be financed
3. Expand the existing Enterprise Services Project Management Office so that it can help manage these Innovation Fund projects

Lean Management Projects to Date

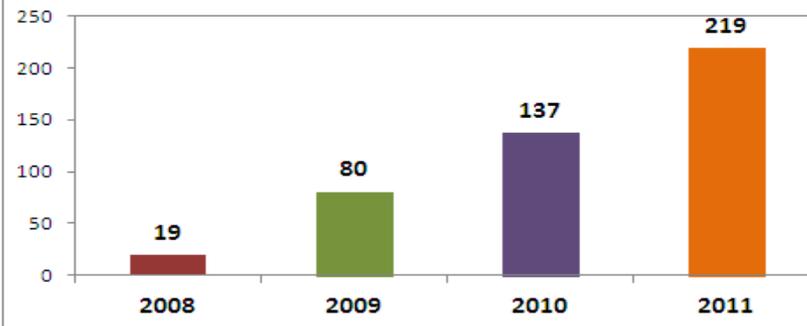
- OASAS RFP process. (May 2010) Realized a 53% savings (146 days) in the total time of the 15-step procurement process compared to the Current State
- OPWDD (Nov 2011) State Auspice Transfer. Process development focused. Current process time estimated to be 300 days +; projected to be 16 weeks.
- DEC (DEC 2011) New Air Quality Permitting
Estimated 250 days+ to projected 121 days max



The LeanOhio Program Office is a key part of improving Ohio state government and works directly with State agencies to provide specialized expertise relating to Lean, Kaizen, and Six Sigma.

Kaizen/5S Events Held

(cumulative by fiscal year)



Minnesota has increasingly used Lean to improve performance in its agencies

Recommendations for a Lean Management Office

1. Hire two Lean Management professionals staff to establish an Office of Lean Management for New York State
2. Conduct 10- 12 Lean events with State agencies in the first year
3. Develop Lean capabilities across state government by conducting Lean training sessions for agency managers

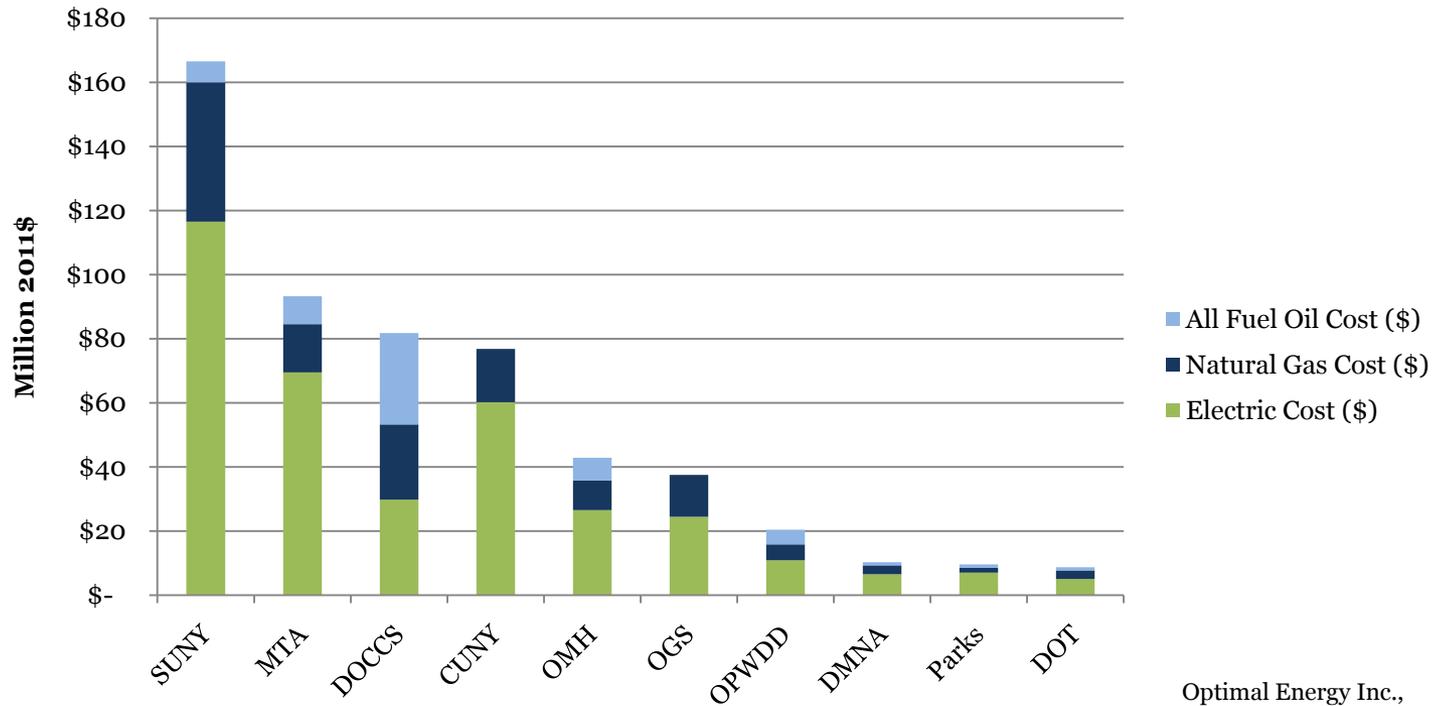
SAGE, working with the Governor's office and the New York State Power Authority, retained Optimal Energy to:

- Examine the economic energy efficiency potential of the ten largest State agencies, which account for 95% of State agencies' energy consumption
- Develop a high-level estimate of potential savings from energy efficiency retrofits and the investment required to achieve those savings

Estimated State energy spending by New York State entities

- New York State spends close to \$550 million dollars per year on energy for major agencies

Estimated SFY 2010/11 State Entity Fuel Expenditures by Fuel



Energy efficiency savings potential

	Energy Savings / Year			Total Costs (Million 2011 \$ PV)	Total Gross Benefits (Million 2011 \$ PV)	Total Net Benefits (Million 2011 \$ PV)	Benefit Cost Ratio
	Electric	Natural Gas	Oil				
No Financial Incentives, No “Cost Adder”	28%	14%	15%	\$424	\$1,281	\$857	3.02
With Financial Incentives and “Cost Adder”	27%	13%	15%	\$472	\$1,261	\$789	2.67

- “With financial incentives” covers 18% of the incremental costs upstate and 5.4% downstate with existing programs
- “Cost adder” includes an additional 27.5% cost to account for project administration, technical feasibility assessments, and design service cost
- Savings do not include synergistic benefits from integrating projects

Recommendations for Energy Efficiency initiative

1. Implement energy efficiency upgrades in all State facilities with an Internal Rate of Return of 10% or greater, with a goal of completing all projects within 4 years and achieving annual Budget savings of \$100+ million per year
 - Fast-track planning
 - Identify and eliminate bottlenecks (*e.g.*, workforce training)
 - Stage construction via portfolio approach to maximize effectiveness of resources
2. Finance projects without using State supported debt, drawing on the resources of NYPA, the Environmental Facilities Corporation, NYSERDA or other State entities where these projects are consistent with their core mission and financial parameters

Summary of Operational Improvement recommendations (1 of 2)

	Recommendation
2.1 Innovation Fund	Create a dedicated Innovation Fund to finance Business Process Redesign and efficiency-creating technology projects based on the following criteria: <ul style="list-style-type: none">• Can be completed in 1-3 years• Generate a Return on Investment of at least 30% annually• Materially improve agency performance and/or government customer service
	Size the Innovation Fund to enable all projects meeting these criteria to be financed
	Expand the existing Enterprise Services Project Management Office so that it can help manage these Innovation Fund projects
2.2 Lean	Hire two Lean Management professionals staff to establish an Office of Lean Management for New York State
	Conduct 10- 12 Lean events with State agencies in the first year
	Develop Lean capabilities across state government by conducting Lean training sessions for agency managers

Summary of Operational Improvement recommendations (2 of 2)

	Recommendation
2.3 Energy Efficiency	Develop a master plan to implement energy efficiency upgrades in all State facilities with an Internal Rate of Return of 10%
	Implement energy efficiency upgrades in all State facilities with an Internal Rate of Return of 10% or greater, with a goal of completing all projects within 4 years and achieving annual Budget savings of \$100+ million per year <ul style="list-style-type: none">• Fast-track planning• Identify and eliminate bottlenecks (e.g., workforce training)• Stage construction via portfolio approach to maximize effectiveness of resources
	Finance projects without using State supported debt, drawing on the resources of NYPA, the Environmental Facilities Corporation, NYSERDA or other State entities where these projects are consistent with their core mission and financial parameters



Building a Culture of Performance and Accountability

A culture of performance is critical for other initiatives to succeed

- A culture that emphasizes accountability and focuses on results is necessary to improve efficiency and effectiveness in State government
- SAGE is pursuing two initiatives to transform the culture of State government:

NY Performs

Developing a performance management system that will serve as a central organizing tool for monitoring and driving agency performance

Workforce Modernization



Identifying ways to modernize and better manage the State workforce

SAGE is piloting a performance management system with 16 agencies

- SAGE selected agencies that, together, are a representative cross-section of the State's diverse functions
- These agencies are working with SAGE to determine the type of information and metrics that this system should include
- SAGE is developing a performance management website

Public
Safety
Cluster

OCFS	DOH	OASAS	OTDA
Parks	Tax	State	DMV
DCJS	DOCCS	SCOC	OMNA
DHSES	State Police	OPDV	OVA

The Performance Management system will have 3 “levels”

Level 1 creates context by showing the key statistics, background information, and key performance measures of an agency

The screenshot shows the NY Performs website interface. At the top, there is a browser address bar with the URL <http://www.nyperforms.ny.gov>. Below the browser bar is the NY Performs logo and a search bar. A navigation menu includes links for [About](#), [News & Resources](#), and [Contact Us](#). A secondary menu lists various categories: [Economy](#), [Education](#), [Health & Human Services](#) (which is highlighted), [Public Safety](#), [Natural Resources](#), [Transportation](#), and [Government & Citizens](#). Below this menu, there is a breadcrumb trail: [Home](#) > [Health & Human Services](#) > [OTDA](#). A dropdown menu labeled "Filter by Agency" is also visible.

The Office of Temporary and Disability Assistance

Contact Information

40 North Pearl Street
Albany, NY 12243
518-473-1090
[OTDA Website](#)
[Email OTDA](#)

Key Statistics

Poverty
Poverty Rate: ##.##%
Alternative Poverty Rate: ##.##%
Poverty Income Threshold (for family of 3):
\$##,###

Child Poverty
Child Poverty Rate: ##.##%
Alternative Child Poverty Rate: ##.##%

Cash Assistance Caseload
Individuals: ###,###
Families: ###,###
Average Value of Cash Assistance (for family of 3): \$#,###

SNAP (Food Stamp) Caseload
Individuals: ###,###
Families: ###,###
Average Value of SNAP Assistance (for family of 3): \$#,###

Workforce Training
Participants: ###,###
Annual Funding: \$###,###

Mission

The Office of Temporary and Disability Assistance's mission is:

- To enhance the economic security of low-income working families
- To assist work-capable public assistance recipients in achieving entry to the workforce
- To assist individuals with priority needs other than work-readiness in accessing appropriate benefits and services
- To enhance child well-being and reduce child poverty

OTDA helps households in need achieve economic security by administering the \$XX billion in temporary cash assistance, food assistance, and heating assistance that the State distributes to XX individuals in need annually. Additionally, the Office helps those receiving assistance work towards economic self-sufficiency by administering workforce training and employment placement programs. This assistance, which is provided using federal, state, and local funding streams, is distributed through the State's 62 counties (organized into 58 Local Social Services Districts), who OTDA supports and supervises.

In addition to this core function, OTDA supervises homeless housing services, oversees the enforcement of child support payments, and determines certain aspects of eligibility for Social Security Disability benefits. Last year, OTDA provided \$XX to construct X new units of housing for the chronically homeless. Additionally, the Agency collected \$132,756,893 in child support payments in 2010.

[Learn more about OTDA's Key Strategic Initiatives](#)
[View all performance measures for OTDA](#)

Key Performance Measures

SNAP Program Access Index

[view detail](#)

Employment Retention Rate of Workforce Training Recipients

[view detail](#)

Reduction in Alternative Poverty Rate Attributable to OTDA

[view detail](#)

Work Engagement Rate for Adults Receiving Cash and Food Assistance

Level 2 describes the key strategic initiatives of the agency and creates accountability for agency execution

The screenshot shows the NY Performs website interface. At the top, there is a navigation bar with the site logo, the text "NY Performs", and a search box labeled "site search". Below this is a horizontal menu with categories: Economy, Education, Health & Human Services, Public Safety, Natural Resources, Transportation (highlighted), and Government & Citizens. A breadcrumb trail reads: Home > Transportation > DMV > Strategic Initiatives. The main heading is "Key Strategic Initiatives". A dropdown menu for "Agency:" is set to "The Department of Motor Vehicles (DMV)".

Improve Efficiency by Increasing DMV's Collaboration with Other State Agencies

DMV | Transportation

Key Project: Develop a coordinated plan to increase the number of organ donor enrollments performed at DMV

36 states and the District of Columbia participate in the Donor Designation Collaborative, which is designed to save and enhance lives through organ, eye and tissue donation. Nationwide, the goal is to obtain a 50% donor designation rate. Presently, New York has only a 12% participation rate. In order to help the DOH increase the number of organ donors in New York, DMV will develop an online link in MyDMV to make it easier for people to link to the DOH registry to designate themselves as organ donors and will also develop an

Related Performance Measures: [# of organ donors enrolled through DMV](#), [organ donor program participation](#)

Key Project: Automate the Voter Registration service available through DMV offices and the DMV website

This project will create a voter registration process that is more efficient for DMV and will make voter registration more convenient to customers by creating an online registration procedure through MyDMV. For in-office transactions, this initiative will automate the receipt and transmittal of voter registration data and improve the accuracy of data transmitted to BOE. In addition, this new voter registration procedure will enable DMV to automate a variety of other business processes that will result in substantial annual savings and vastly

Related Performance Measure: [# of voters registered through DMV](#)

Improve Customer Experience by Increasing Self-Service Transactions

DMV | Transportation

Key Project: Install self-service kiosks at DMV offices, in malls, and in transportation hubs

Kiosks located in DMV offices will be used to supplement the service provided by our staff. Their presence will make office operations more efficient and effective by relieving DMV staff of routine transactions and reduce customer wait times by removing those transactions from the customer lines. Kiosks located off-site in accessible public areas such as large shopping malls and transportation

Level 3 is a “dashboard” of a wider range of performance metrics

The screenshot shows the NY Performs website interface. At the top, there is a browser address bar with the URL 'http://www.nyperforms.ny.gov'. Below the browser bar is the NY Performs logo and a search bar. A navigation menu includes links for 'About', 'News & Resources', and 'Contact Us'. A secondary menu lists various service areas: 'Economy', 'Education', 'Health & Human Services', 'Public Safety' (which is highlighted), 'Natural Resources', 'Transportation', and 'Government & Citizens'. Below this, a breadcrumb trail reads 'Home > Public Safety > DOCCS > All Performance Measures'. The main heading is 'Agency Performance Measures'. A dropdown menu for 'Agency' is set to 'The Department of Corrections and Community Supervision (DOCCS)'. Below the agency dropdown are four tabs: 'Priority Measures', 'Programmatic Measures' (which is selected), 'Cost Efficiency Measures', and 'Administrative Measures'. A search box for filtering measures by keyword is also present. The main content area is a table with the following data:

Measure		YTD 2011	'10-11 % Change
Post-release mandatory discharges	view detail	#,###	##.##%
Merit discharges	view detail	#,###	##.##%
Three-year discharges	view detail	#,###	##.##%
# of VINE registrations	view detail	#,###	##.##%
Undomesticated Parolees - In NYC	view detail	#,###	##.##%
Undomesticated Parolees - Outside NYC	view detail	#,###	##.##%
Parolees in Drug/Alcohol Treatment	view detail	#,###	##.##%
Parolees in Anger Management	view detail	#,###	##.##%
Parolees in Mental Health Programs	view detail	#,###	##.##%
Parolees in Employment/Vocational Educ...	view detail	#,###	##.##%
Parolees in Sex Offender Treatment	view detail	#,###	##.##%
Parolees in Domestic Violence Programs	view detail	#,###	##.##%
Parolees in Academic/College Programs	view detail	#,###	##.##%
Random Drug Tests in Custody - % Positive	view detail	#,###	##.##%

Recommendations for a Performance Management System

1. Deploy a performance management system based on the prototype design
2. On-board all agencies by June 2012
3. Create a dedicated performance unit of 3-5 analysts within DOB or in the Executive Chamber to manage and maintain the performance management system

SAGE has convened a State Workforce Modernization working group to identify ways to improve performance

- The working group, which includes 3 SAGE Commission members and senior leaders and HR professionals from across State government, has performed a preliminary analysis and prepared recommendations
- The group is working with outside experts to conduct a “deeper diagnosis” of the State’s workforce issues
- A stakeholder engagement process will include interviews, focus groups and a survey of the State’s workforce

Problems in the discipline processes make it difficult to impose consequences for poor performance.

Performance appraisals frequently lack consequences and are generally viewed as meaningless

Resource constraints in the Department of Civil Service appear to be hampering its ability to effectively serve State agencies

The content of hiring and promotion exams are not meeting agency needs

1. Pursue civil service reforms that facilitate the entry of mid-level professionals into the Civil Service:
 - Extend the “IT 500” law that sunsets on 12/31/11 and expand it to cover other technical positions where extensive staff augmentation is done today (principally engineers, but also senior nurses and some scientific personnel)
 - Enact “Open Promotion” legislation for IT and other technical positions that permits the use of both Open & Competitive and Promotional lists to fill promotional vacancies

Recommendations for State Workforce Modernization (2 of 2)

2. Implement a computerized testing solution at DCS to streamline the hiring and promotion exam process
3. Develop programs to encourage talented young people and minorities to join the State's workforce
4. Initiate a stakeholder engagement process that includes interviews, focus groups and a survey of the State workforce

Summary of Performance Culture recommendations (1 of 2)

	Recommendation
3.1 Performance Management System	Deploy a performance management system based on the prototype design
	On-board all agencies by June 2012
	Create a dedicated performance unit of 3-5 analysts within DOB or in the Executive Chamber to manage and maintain the performance management system
3.2 Workforce Modernization	<p>Pursue civil service reforms that facilitate the entry of mid-level professionals into the Civil Service:</p> <ul style="list-style-type: none">• Extend the “IT 500” law that sunsets on 12/31/11 and expand it to cover other technical positions where extensive staff augmentation is done today (principally engineers, but also senior nurses and some scientific personnel)• Enact “Open Promotion” legislation for IT and other technical positions that permits the use of both Open & Competitive and Promotional lists to fill promotional vacancies

Summary of Performance Culture recommendations (2 of 2)

	Recommendation
3.2 Workforce Modernization (continued)	Implement a computerized testing solution at DCS to streamline the hiring and promotion exam process
	Develop programs to encourage talented young people and minorities to join the State's workforce
	Initiate a stakeholder engagement process that includes interviews, focus groups and a survey of the State workforce



Focus on Core Mission

- The \$1.5 billion Mortgage Insurance Fund (MIF) is an important resource for affordable housing in NYS
- Very low historical claims (\$10 million annually) compared to the amount of reserves (\$1.5 billion) suggests that this capital could be used more efficiently to increase affordable housing
- SAGE and HCR are exploring reinsurance as a means of preserving strong credit ratings while expanding resources for affordable housing
- Financial reinsurance with a highly rated reinsurer could free up reserves for affordable housing while preserving the MIF's strong credit rating

Recommendation: Increase the amount of capital available for affordable housing by using reinsurance to free up capital

Summary of Focus on Core Mission recommendations

	Recommendation
4.1 More Efficient Use of State Capital	Increase the amount of capital available for affordable housing by using reinsurance to free up capital

- **Regulatory Relief**--Eliminate programs and functions that agencies are legislatively mandated to continue even though they do not advance the agencies' core missions

- **Realign Agency Functions to better align with Core Mission**—Many agencies host programs and functions that are better aligned with the core competency and/or core mission of another agency

- **Rationalize Redundant and Excessive Controls Across Multiple Layers of Government** – Develop recommendations to eliminate overlapping permit requirements and redundant inspections between State agencies and between State and local governments

- **Regional Boundaries** – Create a task force among key agencies (including ESDC, DOT and DEC) to align their regional boundaries and explore how to reduce the number of regions to more efficiently utilize resources and break down silos

- **Increase interoperability** among State and local IT systems, such as the emerging State and NYC Contracts and Grants management system

- **Review and benchmark major spending categories** in order to identify and rank the largest savings opportunities

- **Develop a plan for a “Citizen One Stop”** with a Statewide “311” number, web portal and multi-agency physical customer service “one-stop”



Closing Comments