

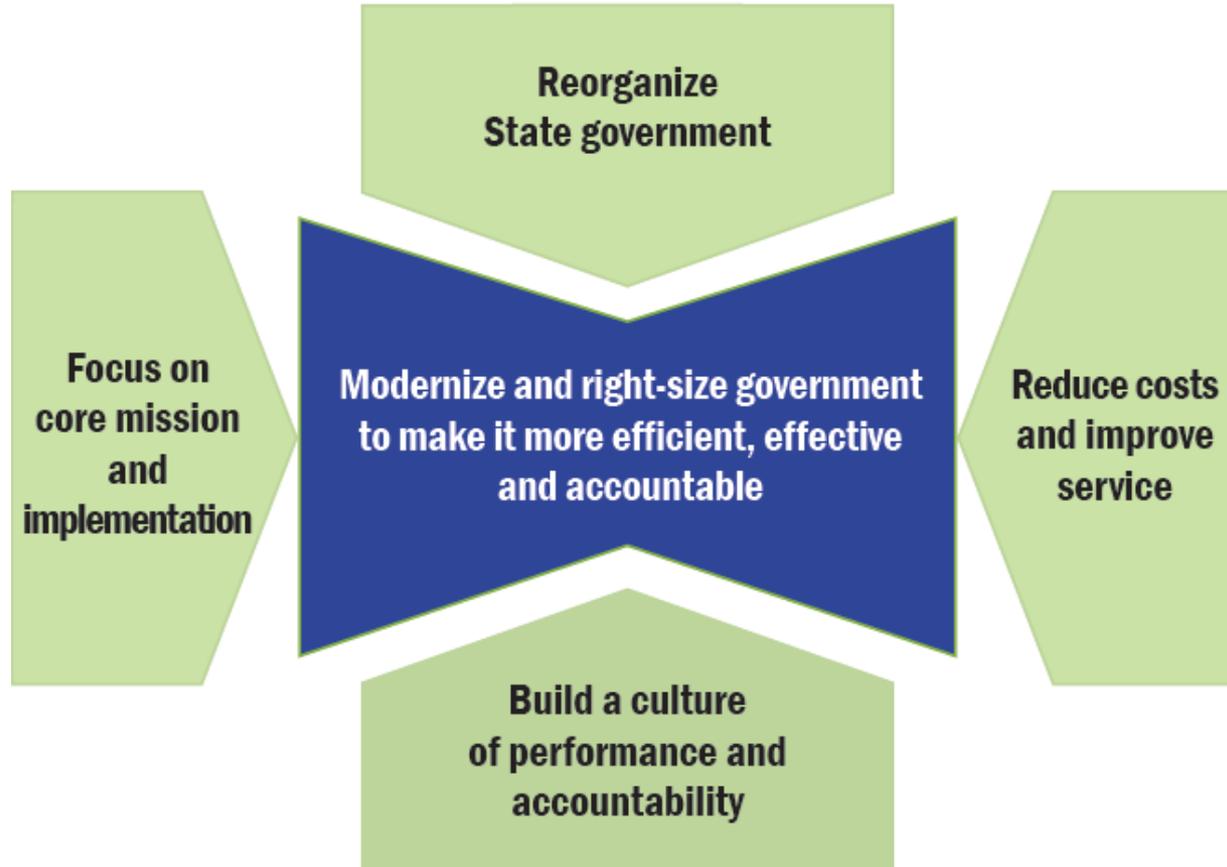


SAGE Commission Final Report

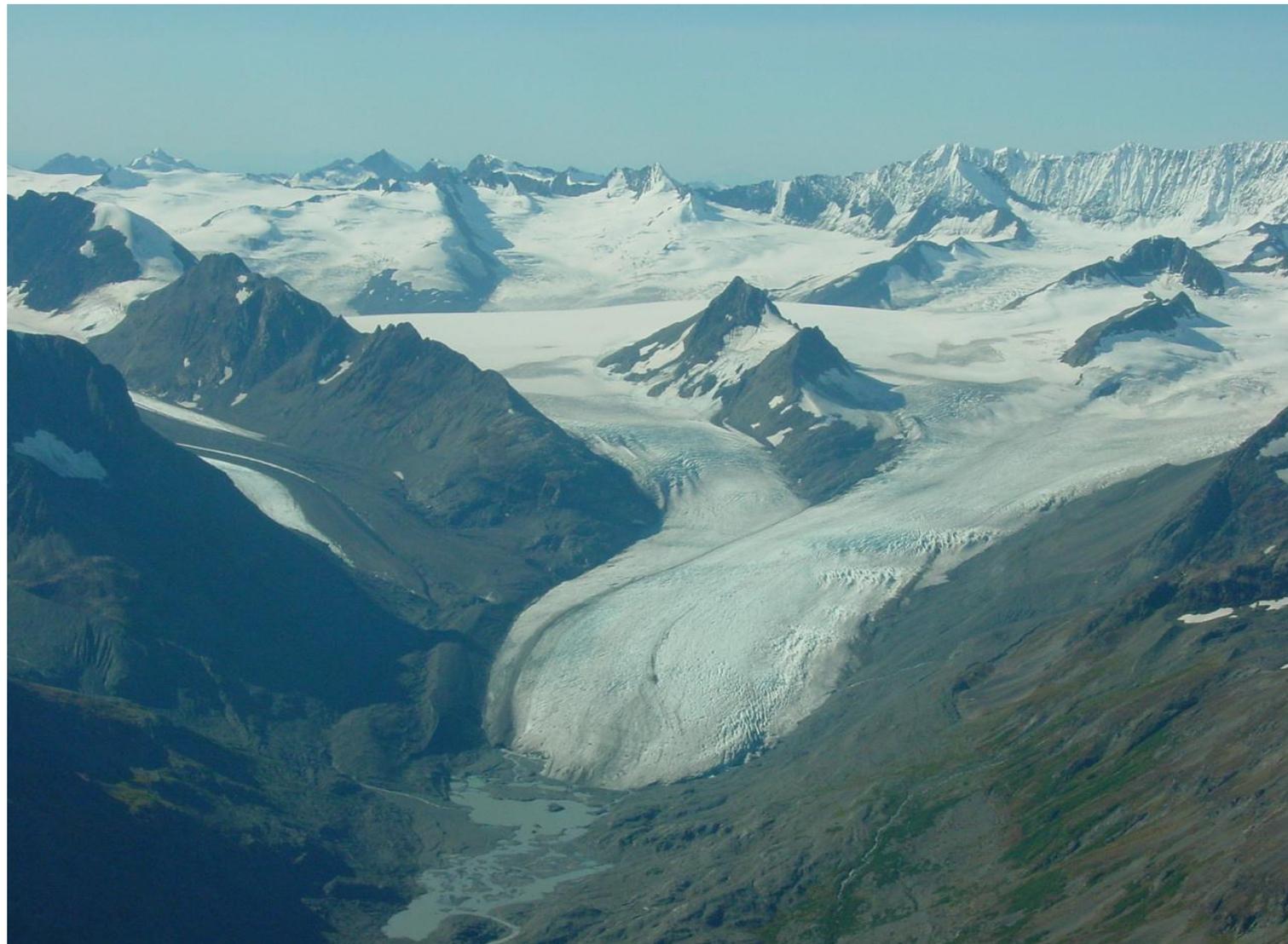
February 12, 2013

The Redesign of State Government

SAGE Commission Charter and Mission



You can't see the glacier move when you watch it every day...



But sweeping change is underway...

SUMMARY OF GOVERNMENT REDESIGN INITIATIVES

	Initiative	Status
Chapter 1: Introduction	The State's Fiscal Situation	
	Global Medicaid Spending Cap	Completed
	School Aid	Completed
	New Collective Bargaining Agreements	Completed
	Tier VI	Completed
	Eliminating Formula Based Spending Increases	Completed

78 initiatives have been completed, are currently in process, or are included in the Governor's 2013-14 Budget Proposal

Chapter 3: Consolidated Functions	Realignment of Functions	
	Creation of Justice Center	Completed
	Belleque Ski Center to ORDA	Completed
	Health and Disabilities Cluster Shared Services	
	Centralize Medicaid Rate-Setting Authority	2013-14 Budget Proposal
	Create a Division of Central Services for the Health Cluster	Future Option
	Coordinated Health Insurance Purchasing	2013-14 Budget Proposal
	Homeless Housing Assistance Program to HCR	2013-14 Budget Proposal
	Milton-Lama Housing Portfolio to HCR	2013-14 Budget Proposal
	Realignment of Overlapping Functions Between DPS and NYSDORA	Future Option
Coastal Zone Management to DEC	Future Option	
Chapter 4: Consolidated Agencies and Authorities	Mergers and Consolidations	
	Department of Financial Services	Completed
	Department of Corrections and Community Supervision	Completed
	Merge of NYSTAT into CCG	Completed
	Merge of CONDUCTOR into State Tax Department and State Security Commission	Completed
	Realization of Long Island Power Authority	2013-14 Budget Proposal
	Merge of the Office of the Health Insurance Council into the Consolidation of Government Office of Enterprise Relations with OES	2013-14 Budget Proposal
	Consolidation of Transportation Agencies and Authorities	2013-14 Budget Proposal
	Merge of Behavioral Health Agencies	Future Option
	Higher Education Services Corporation Consolidation	Future Option
	Merge of Information Policy Library Services into IAC	Future Option
	Administrative Public Safety Agencies Consolidation	Future Option
	Business and Professions Licensing Agency	Future Option
Elimination of Unnecessary Boards and Commissions		
PA Township Commission	Completed	
Empire State Medical Services	2013-14 Budget Proposal	
and additional boards and commissions	Future Option	
Chapter 5: Coordination of Inter-Agency Activities	New Formal Coordination Mechanisms	
	Regional Economic Leadership Council (RELC)	Completed
	Consolidated Funding Application	Completed
	NY State Bank Force Capital Planning	Completed
	Workforce Development Initiatives	
	Reallocation of the State Workforce Investment Board (SWIB)	2013-14 Budget Proposal
	Using Community College Act to Employ Partners	2013-14 Budget Proposal
Consistent Performance Metrics for Workforce Development Programs	2013-14 Budget Proposal	
Other		
Master Plan for Energy Efficiency in All State Facilities	In Process	
Improving Emergency Response	In Process	

PART II: REDUCING COSTS AND IMPROVING SERVICE

Chapter 6: Information Technology Transformation	Enterprise-wide Initiatives	
	Organizational Restructuring	In Process
	IT Infrastructure Modernization	In Process
	Data Center Modernization	In Process
	Digital Network Consolidation	In Process
	Email Consolidation	In Process
Enterprise Identification and Access Management	In Process	
IT-Enabled Business Process Redesign		
Accelerating High ROI / High Impact Projects	In Process	
Rent Regulation System Redesign	In Process	
Workers Compensation System Modernization	In Process	
Chapter 7: Customer Service and Process Improvement	Customer Service Solutions Involving Licensing and Permitting	
	E-Licensing	In Process
	DMV Licensing and Customer Service	In Process
	Reform the State Environmental Quality Review (SEQRA) Process	In Process
	Professional and Business Licensing	In Process
	Contracting and Grants Management	
Streamlining of the MWBE Certification Process	Completed	
Contracting with Not-For-Profits and Other Third-Party Providers	In Process	
Other Process Improvements		
LEAN Process Improvements	In Process	
Design-Build Procurement	Completed*	
Chapter 8: Modernizing the Workforce	Controlling the Cost of New York State Workforce	
	Controlling Wage Increases	Completed
	New Tier VI Pension Plan	Completed
	Increased Employee Contribution for Health Insurance	Completed
	Reduction in Size of Workforce	Completed
	Layoff Avoidance	2013-14 Budget Proposal
	Flexibility in Hiring, Promotion and Transfers	
	Civil Service Law Reform	
	Temporary Project Jobs Expedited Hiring Extension	Future Option
	Open Promotion	Future Option
Promotion List and Expanded Transfer Flexibility	Future Option	
Chapter 9: Performance Management	Performance Management System	
	Screenshots for NY Performs	In Process
	Roll Out Plan for NY Performs	In Process
	Agency-based Performance Management Initiatives	
	Medicaid Redesign Team Dashboard	Completed
	Grading Performance of Third-Party Providers	In Process
"Pay for Success" Program	2013-14 Budget Proposal	
Performance Analytics	In Process	
Review of Public Authorities by the Division of Budget	Future Option	
Increasing Transparency Through Open New York	In Process	
Chapter 10: Core Mission and Implementation	Framework for a Core Mission Review	
	Regulatory Relief from Unnecessary Statutory Mandates	Future Option
	Commercial Activities	In Process
	Competitive Benchmarking	In Process
	Underutilized Assets	In Process
	Align Roles with Local Governments	Future Option
	Implementation	
	Internal Implementation Efforts	In Process
Private Sector Partners	In Process	
Civic Consulting Alliance	In Process	
Executive Loan Program	In Process	

An additional 22 initiatives have been included in the report as options for future consideration

State Government is More Efficient

Savings Upon Full Implementation

Annual Savings (MM)

Consolidation and Rightsizing of Facilities

Closing Excess Prisons	\$174
Community-based Juvenile Justice Strategy	44
Deinstitutionalization of Mental Health and Developmental Disabilities Care	50
Office Space Re-stacking	26

Consolidation of Functions and Enterprise Shared Services

Business Services Center	63
Procurement and Strategic Sourcing	160
Cluster-based Call Centers	18
Coordinated Health Insurance Purchasing	104

Consolidation of Agencies and Authorities

Mergers and Consolidations	75
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Information Technology

Organizational Restructuring	90
IT Infrastructure Modernization	100
High ROI IT Projects	100

Process Improvements

Design-Build Procurement	100*
Energy Efficiency Master Plan	100

Modernizing the Workforce

Tier VI Pension Plan	**
Increased Employee Contribution to Health Insurance	260
Controlling Wage Increases	161

Total

\$1,625

* Represents 10% savings on the estimated amount of annual infrastructure spending affected by the Design-Build authority under the Infrastructure Investment Act. Excludes savings for the Tappan Zee Bridge project which are estimated to be at least \$1 billion.

** The Tier VI pension plan will save the State approximately \$21 billion and localities approximately \$61 billion over the next 30 years.

SAGE Also Makes State Government More Effective

- Reorganization strategies enable well-coordinated operations
- Modernized infrastructure provides agencies with better tools to work with
- Use of the Internet and other technology makes government services more convenient
- Performance management generates insights that enable better decision-making
- Disciplined approach to implementation advances the State's core missions



Highlights of Initiatives

The Report is Organized into Three Parts

Part

Chapter

Part I – Reorganizing State Government

- Chapter 2: Consolidating and Rightsizing of Facilities
- Chapter 3: Consolidation of Functions
- Chapter 4: Consolidation of Agencies and Authorities
- Chapter 5: Consolidation of Interagency Activities

Part II – Reducing Costs and Improving Service

- Chapter 6: IT Transformation
- Chapter 7: Customer Service and Process Improvements
- Chapter 8: Modernizing the Workforce

Part III – Building a Culture of Performance and Accountability

- Chapter 9: Performance Management and Open Government
- Chapter 10: Core Mission and Implementation

Part I: Reorganizing State Government

Problem:

- Unnecessary facilities and overlapping agencies and functions operating in silos

Solution:

- Rightsizing facilities
 - Closure of 9 prisons and 17 other custodial-care facilities
 - 25% excess leased office space fixed by “re-stacking”
- Consolidating functions by using an enterprise-wide shared services model for back office and support operations
- Mergers or consolidations involving 14 agencies and authorities completed or proposed – along with future options – reduces agencies and authorities by 23%
- New formal coordination mechanisms for interagency functions

Part II: Reducing Costs and Improving Service

Problem:

- Inefficient and redundant processes, outdated technology, poor customer service, and need for a more flexible, productive workforce

Solution:

- An IT transformation gives strategic focus, modernizes IT infrastructure, and provides enhanced functionality
 - E-licensing for more than 400 State-issued licenses
 - Initiative to cut DMV office wait times in half
- Not-for-profit contracting reform fixes a 70% late payment problem
- LEAN process improvements reduce inefficient business process cycle times
- The merger of GOER into Civil Service will catalyze changes to make a more productive workforce

Part III: Building a Culture of Performance and Accountability

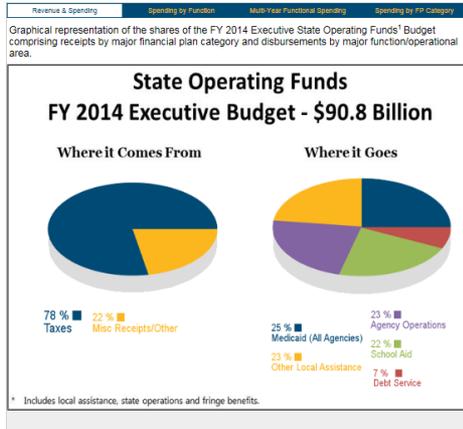
Problem:

- Lack of focus and accountability to improve results

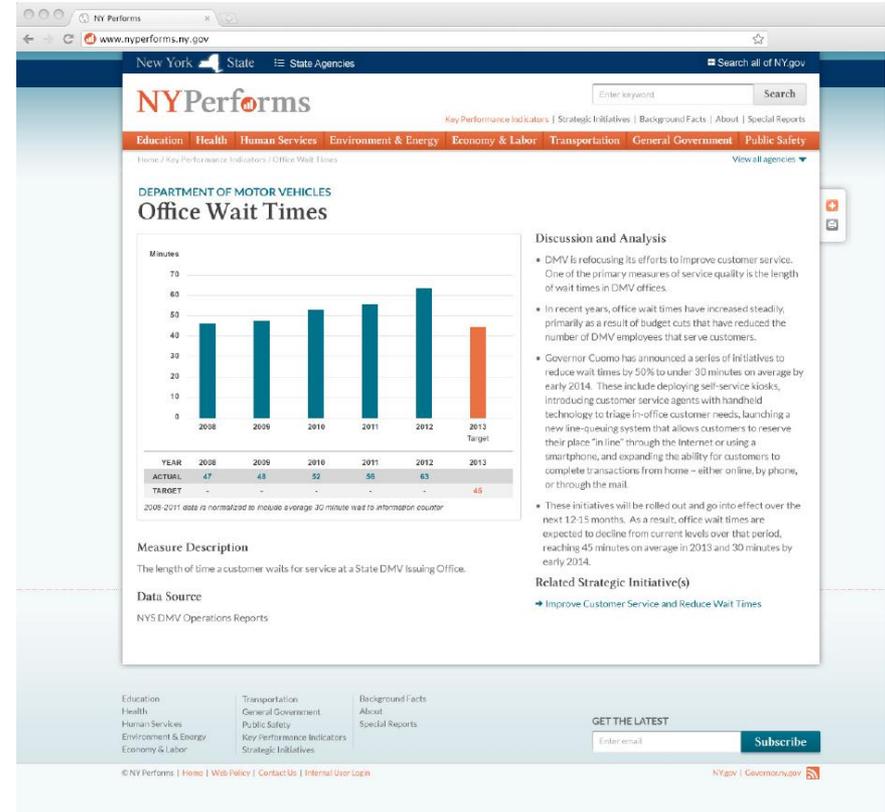


Charts and tables make access to New York's budget data more impactful by illustrating where New York's budget dollars come from and how taxpayer money is being spent.

These visuals are based on data from the Executive Budget Financial Plan for FY 2014, which summarizes the State of New York's official Financial Plan projections for FY 2013 through FY 2017. This data is available for download in machine-readable Microsoft excel format [here](#).



State Operating Funds: The State Funds operating budget comprises the General Fund and other State-supported activities financed by dedicated revenues in State Special Revenue funds, as well as Debt Service funds accounting for the payment of debt service on all tax-financed State long-term debt. All capital spending, regardless of financing source, is included in the Capital budget.



Solution:

- NY Performs – a statewide performance management system to launch by late 2013
- Open NY – initiatives to increase State government transparency and accountability



SAGE Commission

Conclusion