



Division of
the Budget

DELIVERING HIGH PERFORMANCE GOVERNMENT



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JUSTICE CENTER

improved process for Administrative Death Reviews, **reducing the backlog by 80 percent** and **shortening the cycle time from 376 days to 80 days.**

DOL

Improved the processing of Work Opportunity Tax Credits, **eliminating a backlog of 7,500 units within just three weeks.**

OCFS

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Performance Profile

Continuous Improvement Through Lean. To date, 46 state agencies and authorities are participating in the Lean program, having executed thousands of process-improvement projects. Examples include:

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- **OCFS:** reduced the lead time for caseworkers to complete a Child Protective Services investigation and identify next steps for the child and family. The cycle was reduced from 130 days to 71.

Since taking office, Governor Cuomo has remained steadfast in his commitment to right-size state government, improve performance, increase accountability and save taxpayers money. Under his leadership, New York State is focused on delivering service outcomes that not only meet the needs of New Yorkers, but also restore the public's trust in government.

In support of these efforts, the Division of the Budget (DOB) is using performance management to align State resources with program, policy, and service delivery objectives, focusing on improving agency activities and providing a continued emphasis on outcomes across the State. This synthesis of management and budget functions continues to ensure that the policies, programs and projects contained in the Budget are delivered in a timely, cost-effective manner and achieve the expected results.

Overview

DOB's performance management approach includes a strategic framework for making the State more efficient, accountable, and transparent. This approach, called Lean, commonly utilized by high-performing private-sector and public-sector organizations, enables a more efficient, cost-effective, transparent, and accountable delivery of services.

Today, New Yorkers demand speedy transactions and accurate information supported by technology, and expectations will only continue to grow. The State is at the forefront of delivering superior service through innovative and collaborative approaches to project management and accountability.

State agencies are working across the enterprise to collaborate on efforts that support their core missions, align with strategic priorities and leverage best practices. Staff are developing performance strategies to achieve service delivery goals and are measuring performance outcomes against those goals to deliver a streamlined, smarter and more effective government.

Building Capacity Across the State

Strategic planning is an essential component of performance management. Strategic plans allow an organization to reflect on their core mission objectives – the services they deliver to their customers; identify their strengths, opportunities for innovation and growth; and pinpoint areas where improvements are critical.

In the summer of 2018, DOB and the Executive Chamber partnered to host hands-on training workshops to help agencies continue to refine and strengthen their strategic plans. The workshops focused on the link between specific performance strategies and quality service outcomes; Lean process improvement techniques; and Enterprise Risk Management.

During the strategic planning process, 34 percent of New York State agencies identified the rapidly evolving information technology environment as both an opportunity to provide improved services and a threat to on-going operations. Given this emphasis on technology, DOB asked agencies to align all agency information technology initiatives with the core mission and vision of the agency. Agencies prioritized IT projects based on:

- goals, risks, costs and return on investment;
- enterprise standards, leveraging expertise and enhanced security;
- project's cost, including recurring operations; and
- replacement need for vulnerable, mission critical systems.

In addition to the strategic planning process, DOB's performance management efforts include coordinated guidance to agencies in areas including procurement, asset management and project planning, helping agencies work to deliver priority projects on-time and within budget. DOB is helping agencies coordinate and communicate more effectively across the enterprise and with external partners. DOB is also encouraging agencies to ensure that all agency policies and procedures reflect best practices for effective internal controls.

Policies supporting effective internal controls in operations should:

- support the agency's mission;
- be well documented;
- be frequently updated; and
- be consistent across departments.

Through performance management DOB also provides agencies with coordinated assistance in planning for, participating in, responding to, and complying with the results of performance audits. The passage of the New York State Governmental Accountability, Audit and Internal Control Act of 1987 (Internal Control ACT) requires State agencies and other organizations to promote and practice good internal control and to provide

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The massive effort to modernize and expand Upstate airports is being completed in less than two years for each project.

Elmira-Corning Airport used a total combined investment of \$61.5 million to complete renovations that feature a larger terminal, improved baggage handling, enhanced security and new food and beverage options.

Greater Rochester International Airport used a total combined investment of \$79.4 million to provide, enhanced accessibility, state-of-the-art security monitoring and a new passenger drop off area.

Hancock International Airport used a total investment of \$62.4 million to build larger terminal, modernized ticketing and baggage handling facilities, and enclosed pedestrian bridges.

Plattsburgh International Airport used a combined investment of \$42.9 to complete a customs facility and air cargo receiving and distribution center. Projects are currently in design for Albany International Airport and Ithaca Tompkins Regional Airport.

accountability for their activities. Under the State Constitution, the Office of the State Comptroller has the authority to conduct financial, compliance and performance audits of all State Agencies. In addition, Federal law, under the Single Audit Act, requires each state to obtain an annual, independent audit of all its Federal expenditures.

As agencies continue to adopt a more strategic approach to operations, they must consider Enterprise Risk Management (ERM). ERM provides a roadmap to navigate the varied and complex forms of risk. ERM allows agencies to methodically identify and prioritize the full spectrum of risks across their organizations and strategically manage risk holistically, rather than in a siloed approach.

The Special Counsel for Ethics, Risk and Compliance is facilitating the integration of ERM, helping agencies to leverage opportunities and avoid, mitigate, and transfer risk, resulting in more resilient, effective, and efficient programs. The benefits of ERM include a more efficient use of State resources, more substantive compliance with internal control and audit filings, and ultimately, a process that allows Agencies to identify and mitigate issues on an on-going basis.

Fostering a Culture of Continuous Improvement

The New York State Lean Program is delivering on the Governor's commitment to improve government service and reduce costs for taxpayers. Lean is a process improvement tool inspired by private-sector manufacturers to streamline their operations. Originally made popular by Toyota, today almost every Fortune 100 company has a Lean or Lean Six Sigma program.

Governor Cuomo launched the program for the State in 2013 at the recommendation of his Spending and Government Efficiency (SAGE) Commission. Lean engages frontline state workers to improve their own processes to remove unnecessary steps and streamline government services, instead of using expensive outside consultants.

To date, 46 state agencies and authorities are participating, and have executed more than 1,000 process-improvement projects. More than 45,000 state employees have been engaged and more than 1,100 of these employees have been trained as NYS Empire Belts.

During 2018, the program executed large-scale accelerated agency transformation with roll-out of the NYS Lean In-situ process improvement model. In situ is rooted in the belief that the employees who perform the work are the most knowledgeable and best situated to recommend change. Utilizing this model, agencies were positioned to speed up problem-solving to create results. Agencies used the data to inform problem solving and leverage minimal resources for maximum return on investment.

The NYS Lean Program will continue to aggressively tackle issues facing New York State by working with agencies, authorities and other partners to evaluate current processes and provide guidance on efficient ways to improve service.

Ensuring a Return on Investment

Performance is now at the core of every State investment, and continued funding is dependent on achieving results. A prime example is the State's chief economic development vehicle, the Excelsior Jobs Program, designed specifically to protect taxpayer investments. Excelsior encourages vigorous economic development activity while having a strict job creation component, a certification process for business investments, and limited eligibility criteria focused on attracting and developing high-performing industries. Outcomes are all but assured.

Excelsior provides credits to businesses that invest in New York tax savings, but such credits are authorized only after the pledged business investments have been made and the jobs have been created and filled. This ensures that the project receiving Excelsior credits is already generating tax revenues that far exceed the value of the tax credit, and that may be invested in other public priorities.

The Excelsior Jobs Program was the primary economic development vehicle for attracting Amazon, the largest economic development project in New York State history. Amazon's establishment of a new corporate headquarters in Long Island City, Queens is creating up to 40,000 jobs over the next 15 years with an average salary of more than \$150,000. In 2019, Amazon will occupy up to 500,000 square feet at One Court Square while working to construct 4 million square feet of commercial space on Long Island City's waterfront over the next decade, with expansion opportunities for up to 8 million square feet over the next 15 years. The project is expected to create an average of 1,300 direct construction jobs annually through 2033 and to create more than 107,000 total direct and indirect jobs overall. The project provides a 9:1 return on investment; more than \$14 billion in new tax revenue for the State and a net of \$13.5 billion in new City tax revenue over the next 25 years. As with all Excelsior projects, tax credits are tied to job creation and investment.

Increasing Opportunity through State Contracting

Governor Cuomo is committed to increasing opportunity, including by encouraging Minority and Women Owned Business Enterprises (MWBE). The Governor's MWBE program set aggressive utilization goals and is monitoring New York State's procurement process to ensure achievement. In 2010, the MWBE utilization rate for State contracting was just under 10 percent of the State's total discretionary spending by contracting agencies. In 2014, Governor Cuomo set the MWBE utilization goal to 30 percent of State contracting. State contract spending with MWBE firms has grown from less than \$100 million in 2010 to \$2.6 billion. More than \$14 billion in State contracts have been awarded to MWBEs in areas including transportation, construction, information technology, and financial and professional services, making New York State's MWBE participation the highest in the nation. The key to the success of the program are efforts that both promote the development of business enterprises and monitor the engagement of MWBE businesses in every arena of State contracting.

In addition, the State offers programs that provide MWBEs with the capital necessary to win larger contracts. The New York State Surety Bond Program, launched in 2012, was established to provide technical and financial assistance to help MWBEs and small businesses secure the surety bonding required to bid on State contracts. Additionally, since 2014, the Bridge to Success Loan Program has invested more than \$20 million to expand access to short term bridge loans for New York State Certified MWBEs. Qualified businesses are provided the short-term support they need to access State contracts. Since its inception, the program has provided 153 loans totaling over \$24 million supporting more than \$201 million in contracts for New York State MWBEs.

Improving Transparency in Education

New York schools are funded at the highest level per pupil of any state— 86 percent above the national average. But spending totals alone are an imperfect metric for ensuring access to high-quality education. The more important question is whether poorer schools are funded equitably.

The School Aid formula is highly progressive at the school district level, directing the vast majority of aid to school districts identified by the State Education Department as being high-need, but most school districts have multiple schools, each with a unique profile and student population. Yet the State had never collected and disseminated data on how funds are distributed within a school district at the school building level. As a result, neither the sufficiency of funding for all students nor the efficacy of the existing local/State partnership for education funding was fully understood.

At Governor Cuomo's insistence, the FY 2019 Enacted Budget included landmark legislation directing school districts to report school-level financial data for every school in the State to the Division of Budget and State Education Department. This data has already uncovered funding inequities in the State's highest need schools and is helping the public better understand how funding decisions made at the local level interact with school performance, race, poverty, and student need. Through this initiative, New York is taking an important step towards a more transparent, more equitable education system as this data will help inform parents, lawmakers and the public about how school funding decisions interact with school performance, race, poverty and student need.

Working Together Across Local Governments

Through Governor Cuomo's County-wide Shared Services Initiative local governments are provided with resources to consolidate services, create efficiencies and save taxpayer money. Beginning in 2017, eligible counties can generate property tax savings through collaboration among local governments across the State. The Initiative provides local governments with the specific tools required to work together.

First, the Chief Executive Office of each eligible county must establish a Shared Services Panel including representation from mayors, school districts, and special improvement districts. Next, the panel must develop a Property Tax Savings Plan outlining new actions to achieve savings. Plans that create and demonstrate savings across multiple local jurisdictions may be eligible for

a one-time match of the net savings resulting from new actions implemented pursuant to the plan.

Actions could include the sharing or consolidation of general government departments, public safety or transportation functions, or other resources. Last year, New York counties collaborated to share municipal engineering departments, telecommunications and asset management; consolidated fire districts, waters system metering and highway services; and reorganized regional water infrastructure.

In total, over the past two years, 53 counties – approximately 93 percent of counties subject to the initiative – filed shared services plans with the State. These 53 counties contain 98.5 percent of the State's population outside of New York City and have identified a total of 567 projects with \$260.6 million in recurring local property tax savings.

Delivering on the Promise of a High-Performance Government

Governor Cuomo's unwavering commitment to ensuring New York State government is both effective and efficient has been the catalyst for realigning and modernizing the way State agencies do business and continues to drive new reform efforts.

- **Eliminating Duplicative Efforts and Driving Enterprise-wide Shared Services.** State agencies will be required to enter all agency functions into a database, creating full transparency into agency operations. DOB will perform an analysis of the data and begin designing enterprise-wide shared services that not only consolidate functions, but use Lean techniques and evidence-based programs to improve performance and customer service. Agencies will also complete a process inventory of their processes.
- **Harnessing the Power of Financial Data.** New York State will invest \$10 million in the Statewide Financial System (SFS) over the next 3 fiscal years to fund enterprise projects that enhance planning improvements in DOB's Capital Database; automate inter-agency billing to decrease manual oversight; and enhance the SFS data analytics platform, agency business functions and the employee travel process. This initiative will reduce redundancy and improve transaction times, freeing staff to perform higher value tasks. It will also identify optimization opportunities statewide to achieve better spending management, productivity gains and internal controls.
- **Enterprise-wide Emergency Response Asset Management.** The State's commitment to maintaining the health and safety of every New Yorker is exemplified in Governor Cuomo's efforts to ensure emergency response assets and equipment are prepared and ready to be deployed. Furthering these efforts, New York State will establish the Enterprise-Wide Equipment Fund. This dedicated funding source will allow for the centralization and prioritization of equipment, including heavy equipment, across the state enterprise. In addition to new funding for equipment, the State will create 10 Fleet Maintenance Centers, located regionally and staffed to ensure that all state equipment and assets are appropriately maintained and ready to be deployed. Fleet Maintenance Centers are the first step forward in creating New York State facilities that

can be used by all agencies – breaking down barriers to collaboration, maintaining a focus on disaster response – while building the management capacity needed to leverage the State’s enterprise-wide purchasing power, maintenance contracts, parts and inventory supply chain, and warranty dollars.

Restoring Public Trust, Strengthening Democracy

The public’s faith in its government is fundamental to a successful democracy that truly represents the people. To restore the people’s power in New York State government, the Executive Budget as part of the Governor’s Justice Agenda advances measures that cut out the influence of corporate donors and opens up the democratic process by knocking down barriers to voting.

Increasing Trust in the Democratic System

- **Establish Public Campaign Financing.** The Executive Budget establishes public campaign financing that provides State matching grants for small dollar donations from individuals and restricts participating candidates from taking corporate donations. For those seeking to represent New Yorkers this means they can spend more time listening to and working for ordinary voters.
 - Provides 6:1 public matching funds for small donations of up to \$175 per candidate.
 - Public matching funds are limited based on the office sought and are as follows:
 - Governor – \$8 million
 - Lieutenant Governor, Attorney General, and Comptroller – \$4 million
 - Senate – \$375,000
 - Assembly – \$175,000
- **Close the LLC Loophole.** For too long, Limited Liability Corporations (LLCs) have been treated as individual people rather than as corporate entities. This creates a loophole through which one individual can set up multiple LLCs and make maximum campaign contributions through each, providing them with outsized influence. The Budget closes this LLC loophole.
- **Ban Corporate Donations.** The Supreme Court’s decision in the United Citizens case tore down barriers to corporate money, enabling it to take over the elections system. The Budget bans corporate campaign contributions, restoring power to the people.
- **Expose Dark Money in Politics.** The Citizens United case also opened the door for outside groups to influence elections by funneling money through 501(c)(4) groups, which then use those funds to engage in issue advertising, disseminating sophisticated ads that bypass traditional disclosure requirements. These groups also funnel millions of dollars to Super PACs. The Budget requires that these 501(c)(3) and 501(c)(4) organizations that choose to inject themselves in the political marketplace disclose the

extent and nature of their expenditures used to influence the debate on public issues, and the identity of large donors who facilitate that speech. The provision imposes no limitations on the speech of these non-profit organization or the amount of money that may be donated to, or spent by, them.

- **Require State Office Candidates to Disclose Tax Returns.** Currently, candidates face no requirement to disclose their tax returns, which provide a critical window into whether politicians are following the same laws as their constituents, and that they are free of conflicts of interest when enacting public policy. The Budget mandates that candidates for State Assembly and State Senate disclose the past five years of tax returns to the State Board of Elections as a condition of getting on the ballot for a general election. Candidates for statewide office will be required to provide 10 years of tax returns.
- **Expand FOIL to the Legislature.** The New York Freedom of Information Law governs the public's right to access government records and provide transparency for citizens. But transparency cannot just be limited to the Executive. The Budget advances a reform to FOIL so that it applies equally to the Legislature.
- **Reduce the Influence of Lobbyists.** Lobbyists represent their clients' interests and can have outsized influence through relationships built over the years. Transparency is the antidote and the Budget enhances lobbyist reporting requirements and places additional controls on their influence, by:
 - Increasing penalties on lobbyists for violations or failure to comply with reporting requirements;
 - enacting a code of conduct for lobbyists;
 - preventing political consultants from lobbying the elected officials they worked for.
 - lowering threshold for lobbying disclosures to \$500;
 - prohibiting lobbyists from making loans to candidates;
 - requiring lobbyists to file lists of all political contributions with JCOPE and provides greater transparency into the source of lobbyists funds; and
 - expanding the bar on leaving government service and becoming a lobbyist from two years to five, and making it apply to elected officials, their staff, and State agency staff.
- **Ban Employees from Campaign Volunteering.** The Executive Budget bans current government employees from volunteering for campaigns of elected officials for whom they work.

- **Expand Financial Disclosure to Local Officials.** More than 30,000 state elected officials, and their employees, are required to file disclosure statements with the Joint Commission on Public Ethics each year. The Budget expands this to require local elected officials to submit basic financial information to JCOPE, so that the people of New York State can have the information they need about the people who they choose to represent them at all levels of government.

Strengthening Democracy by Empowering Voters

- **Vote by Mail.** The State constitution currently restricts absentee ballots to only those people who provide a qualifying reason, such as absence from the county on Election Day or an illness or disability. The Budget advances a constitutional amendment to make absentee ballots available to any eligible voter, no matter their reason for wanting one.
- **Early Voting.** Early voting makes voting more convenient for voters whose professional or family obligations make it difficult to physically get to the polls on Election Day, and reduces lines on election day. The Budget allows for 12 days of early voting with at least one poll site for every 50,000 voters, with a cap of seven per county.
- **Same Day Registration.** The New York State Constitution currently prohibits a voter from registering to vote less than 10 days before an election and still be able to vote in that election. The Budget advances an amendment to the State constitution to eliminate this outdated but formidable barrier to the ballot box.
- **Automatic Voter Registration and Registration of Minors.** The Budget advances legislation that changes the paradigm on voter registration from requiring voters from affirmatively asking to be registered, to automatically registering unless they affirmatively ask not to be registered. It also allows 16 and 17-year-olds to pre-register to vote, meaning that a voter will automatically be registered on his or her 18th birthday. These changes will boost turnout and strengthen our democratic process.
- **Synchronize Federal and State Elections.** For far too long, New York State has held separate primary elections for State and Federal elections. This confuses voters and is a waste of administrative resources. The Budget advances legislation that unifies State and Federal primaries.
- **Leave for Voting.** For many voters, the modern work schedule is incompatible with existing polling hours. For this reason, the Budget ensures that workers are afforded the time necessary to vote without loss of wages.
- **Open Polls Earlier Upstate for Primaries.** State Election Law currently prohibits poll places from opening before noon in primary elections only in upstate New York. New Yorkers everywhere are entitled to the same opportunity to vote, and legislation in the Budget fixes this issue by ensuring that voting hours are extended for primary elections upstate to match those voting hours across the rest of the State.



Delivering High Performance Government

- **Make Registration Portable.** When New Yorkers move to a different county, their voter registration does not move with them. This unnecessarily complicates a voter's registration status and requires the voter to re-register with his or her new local board of elections as if he or she were registering for this first time. Legislation in the Budget ensures that when a voter moves elsewhere in the State, his or her voter registration will seamlessly go with them, removing an obstacle to the ballot box.