

# N.Y. government redesign tackled

## New task forces sets sights on consolidation

7:47 PM, Apr. 25, 2011 -- [pressconnects.com](http://pressconnects.com)

ALBANY -- A task force aimed at cutting state government indicated Monday that it may look at consolidating or combining state agencies and services for transportation, the environment, health and disabilities, human services and other areas.

The Spending and Government Efficiency (SAGE) Commission is undertaking the first comprehensive review and redesign of state government since 1927. It met for the first time Monday as it aims to reduce the number of state agencies, authorities and commissions by 20 percent.

The group is expected to meet again in mid-May and could have some recommendations at that time. The panel is scheduled to submit a report to the governor's administration in November so the proposals could be used in developing the 2012-13 state budget, said Paul Francis, co-chairman of the commission. The task force's final recommendations are due next June.

The governor can submit a reorganization plan to the Legislature, which can amend it once to allow for negotiation, and then it has to vote the plan up or down, said Francis, a former state budget director who is now the governor's director of agency redesign and efficiency.

He co-chairs the SAGE Commission with Antonio Perez, chairman and CEO of Rochester-based Eastman Kodak Co.

"Kodak is headquartered in New York. The majority of our employees, the majority of retirees, the majority of our supplies, the majority of our research is done in New York state," Perez said when asked why he became involved in the work. "So the health of the state is incredibly important for us."

State officials made some headway in downsizing state government with the 2011-12 budget, which took effect April 1. That includes consolidating the Department of Correctional Services and Division of Parole and combining the departments of Banking and Insurance.

A presentation made to the SAGE Commission on day said the Department of Transportation, Thruway Authority and Bridge Authority are all responsible for keeping roads and bridges safe and reliable.

"Solutions range from shared services for certain functions to a full functional consolidation," said Derek Utter, deputy director of agency redesign.

Several state agencies have distinct but similar missions, including the Department of Environmental Conservation and the Office of Parks, Recreation and Historic Preservation, as well as the DEC and Department of State, Utter said.

The state Office of Children and Family Services and the Office of Temporary and Disability Assistance previously were taken care of by one agency -- the Department of Social Services, Utter said in his presentation.

Five operating agencies and two oversight agencies are responsible for the state's health and disabilities system, he said.

SAGE Commission member Andy Spano, former Westchester County executive, said he has experience running a large county government and working with state government, and "I have always felt that there were improvements that could be made at both ends."

He said at the end of the roughly two-hour meeting that he would like the commission process to be "less bureaucratic. I would like to see more involvement, for instance, from the employees of the state government.

Gannett's Albany Bureau reported last week some of the group's members were major donors to Cuomo's campaign for governor last year. Some of the companies and unions affiliated with members spent about \$660,000 last year on lobbying in Albany -- including \$216,000 by the AFL-CIO, \$96,000 by IBM and \$79,000 by Eastman Kodak Co.

Nearly half of the 25-member commission contributed to Cuomo's campaign for governor.

Sen. Liz Krueger, D-Manhattan, said it's important to look at government consolidation from the perspective of "consumers" of state government.

"If you look from the bottom-up as opposed to the top-down, you may find that you come up with different conclusions," she said.

The Cuomo administration is working with the State University of New York's Nelson A. Rockefeller Institute of Government on redesigning New York government. The Rockefeller Foundation provided an \$881,250 grant to the Rockefeller Institute, an unrelated entity, to pay for management consultants from McKinsey & Co. to assist with the work. About \$705,000 of the grant is for professional fees and the rest is for expenses, said Robert Ward, deputy director of the institute.

McKinsey & Co. has been researching other states that have undertaken efforts to redesign government. The processes have yielded change in only about one-third of the state, and of those, less than half reported implementing a significant portion of recommendations.

Some of the critical factors in success are clearly defining the scope and goals of the commission, having the governor take a lead role in reform, building a "culture of reform" and creating the momentum to keep it going, means for successfully implementing the changes and tracking their success, and others, McKinsey & Co. said.

The New York State Health Foundation gave the Rockefeller Institute \$70,262 to assist in research and analysis on a reorganization plan for state health-related agencies, Ward said.