

Targets & Deadlines At First SAGE Commission Meeting

By *Jon Lentz* – City Hall
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The Spending and Government Efficiency Commission, which met for the first time in Albany yesterday, plans to get input from a range of stakeholders to help identify which state agencies and authorities to merge, which to consolidate and which to scrap.

But at least to start out with, the members already have plenty of input from Gov. Andrew Cuomo's staff, which laid out six "clusters," or areas of state government for the SAGE Commission to focus on, including offices that deal with transportation, the environment and health.

And as a result, State Sen. Greg Ball, one of three lawmakers on the commission, came away wondering how much input he and others would really have.

"Not to be a skunk at the picnic, but at the end of the day, if the commission is going to be more than a rubber stamp of suggestions from the governor and his staff, then it's going to be necessary to incorporate both the bottom-up approach, asking for real input from employees, agencies and really tactically involving the commission in strategic discussions that go well beyond the meeting we had today," Ball said.

The guidance should help the commission meet its first deadline. The commission, which will next meet in mid-May, [scrapped a tentative May 1 deadline](#) to submit initial recommendations. Still, its members will have to get off to a quick start to be able to complete initial "reorganization plans" some time before June.

One of the clusters, which focuses on transportation agencies and authorities, could benefit from streamlining that would help during a time when there is little funding for infrastructure, said Derek Utter, deputy director for agency redesign and efficiency in the governor's office.

“The Department of Transportation, the Thruway Authority, and the Bridge Authority essentially perform the same sort of function in the big picture,” Utter told the commission. “They keep our roads and bridges safe and reliable.”

He added, “The solutions that we see ultimately will range from either some shared services along certain functions, up to and including potentially full consolidation.”

The other clusters include:

- environment and natural resources (Department of Environmental Conservation, Parks Recreation & Historic Preservation, Department of State);
- economic development (Empire State Development Corporation and Department of Economic Development);
- information technology;
- health (five operating and two oversight agencies);
- human services (Office of Children and Family Services and Office of Temporary Disability Assistance).

Several mergers and consolidations were included in the recently passed budget, and are expected to save the state more than \$50 million.

“Additional reorganization proposals may be sent to the governor by May of this year so that we could include them in the reorganization plan,” said Paul Francis, co-chair of the commission and a senior advisor to Cuomo. “I believe we’ll look at some other reorganization opportunities after May.”

The group will submit recommendations on operational improvements by November in time to plan the 2012-13 budget. A final report is due June 2012.

State Sen. Liz Krueger said she wanted to target the myriad public authorities and other off-budget government agencies “that seem to operate as their own separate state governments.”

Few of those types of agencies were brought up in the staff’s six clusters. In fact, authorities like the Thruway Authority could be difficult to merge since they have to maintain payments on their bonds.

The commission will face an uphill battle in getting its recommendations implemented and maintained, warned Andre Dua, a McKinsey & Company partner who provided background research for the commission.

“Most of the efforts in states across the country over the last decade have not been very successful,” Dua said. “Many of them have achieved little or nothing in the way of outcomes.”

The more successful efforts had strong backing from the governor, clearly defined goals and effective implementation, he said. One particularly difficult challenge in other states has been getting the Legislature on board.

Michael Balboni, a former state legislator and SAGE member, argued that the group faces an easier task than the Medicaid Redesign Team, whose work involved a wider range of stakeholders.

"Here it's state agencies, and to the extent that the governor can do something by executive order, working with agencies, he can control the agenda," he said.

Other proposals will likely be popular enough to be enacted through legislation, he said, but not all.

"There's another section that are great ideas that will probably find their way into a graveyard and go nowhere," Balboni added.

Cuomo initially proposed a Berger-style commission, whose recommendations would go into effect as long as the Legislature did not veto the plan. A bill passed as part of the government consolidation effort would give the Legislature the power to approve or reject the changes within 30 days.

Francis said that his group's focus would be on operations, not policy.

"This is somewhat in the eye of the beholder, because all but the simplest operational improvements often have some policy implications," he said. "But...we're going to be more effective when we anchor our recommendations in empirical analysis, and less relevant when we are engaging in the policy debates that are before the Legislature."

Several members who couldn't make the trip to Albany attended via conference call. Assembly Member Jane Corwin, one of three lawmakers currently on the commission, did not attend.