



Division of  
the Budget

## IMPROVING GOVERNMENT EFFICIENCY



Use of **design-build**  
for transportation projects

**SAVED \$31.8 MILLION**

and a **cumulative 33.5 years**  
of construction time

### SINCE ITS INCEPTION IN 2013

**NYS Lean Program** has completed **more than 850 process improvement projects**, involving more than **37,000 state employees**.



### SINCE ITS CREATION IN 2013

the **Grants Gateway**, has helped **over 9,700 not-for-profit organizations** register with the State, and **more than 6,900 organizations** have completed the prequalification process.



## Budget Highlights

**Protect the Sanctity of Elections and Improve Voter Access.** The FY 2019 Executive Budget advances legislation that will bring campaign disclosure laws to bear on social media platforms, including keeping foreign entities from purchasing political advertisements. It will also expand voter access through early voting and same day registration

**NYC Subway Action Plan.** The plan to improve the subway system and lay the foundation for modernizing the New York City Subway was initiated less than 30 days after Governor Cuomo declared a state of emergency.

**The Office Space Optimization Plan.** The plan provides for optimization of both State owned and leased space. An initial 5-year investment (FY 18 - FY 22) in rehabilitating State-owned buildings through the annual funding of the Office Space Optimization Plan will result in a net savings of approximately \$20 million after 10 years, with additional savings in perpetuity.

It is more important than ever that government has the public trust. Under Governor Cuomo's leadership, New York State is building a results-driven service delivery system that is restoring the public's faith in government. New Yorkers have every right to expect performance from their government. The State must be effective in accomplishing its responsibilities, and it must honor the covenant of being entrusted with public funds.

## Overview

Performance management is a framework utilized by high-performing private-sector and public-sector organizations that will make the State's delivery of services more efficient, cost-effective, transparent, and accountable.

State agencies are collaborating to focus on efforts that support their core missions, align with strategic priorities, and set performance goals accordingly. They are measuring outcomes against those goals to deliver a streamlined, smarter and more effective government.

## Integration of Management and Budget

To support the Governor's efforts, the Division of the Budget (DOB) is integrating the investment of State resources with a review of program and policy delivery outcomes. The mission includes the review of agency performance, and a continued emphasis on government performance throughout the State. The synthesis of management and budget functions will ensure that the policies, programs, and projects contained in the Budget are delivered in a timely, cost effective manner.

## Enhanced Use of Data and Evidence

Evidence-based policymaking uses research and program results data to inform policy, management, and budget decisions. It drives dollars to programs that have been proven to be effective. New York State's performance management framework utilizes evidence-based policymaking to reduce wasteful spending by evaluating cost effectiveness, allowing the State to expand successful programs and strengthen accountability. Focusing on outcomes makes it easier to promote accountability.

## Government Accountability and Transparency

### Enterprise Risk Management

The Special Counsels for Ethics, Risk, and Compliance created an Enterprise Risk Management (ERM) program to assist agencies in navigating 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 a siloed approach. As a part of Governor Cuomo's statewide framework for ethics, risk and compliance, ERM allows mitigation strategies to be shared for risks identified in multiple agencies.

Integration of ERM into day-to-day operations allows 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 continuous process that allows agencies to identify and mitigate issues on ongoing basis.

In FY 2018, a pilot ERM program began in five State agencies, with additional agencies scheduled to roll out the program in FY 2019.

### Performance Management Projects

#### Effective Management of Statewide Capital Planning and Assets

Capital planning is critical to water, sewer, transportation, education, health care and other essential public services. It is an integral component of any economic development program and strategic plan. The Governor's New York Works Task Force helped centralize the State's capital planning to leverage and integrate the funding into economic development planning statewide.

In 2016, the State continued to improve its capital planning process by launching a diagnostic effort to assess the current capital planning process, evaluate project delivery, and catalog the State's capital assets.

### Performance Profile

#### Delivering Projects Cheaper.

In FY 2018, 15 critical infrastructure projects were completed using the design-build project delivery method, at a total cost of \$923.8 Million. New York State saved \$31.8 million by using design-build.

#### Delivering Projects Faster.

The design-build method, project delivery was reduced by 804 Days. The cumulative amount of time saved using the design-build method is 33.5 years.

#### Supporting a variety of

**infrastructure needs.** DOT completed 11 bridge repair and replacement projects at an average estimated savings of \$1.3 million per project; 3 roadway projects at an average estimated savings of \$5.3 million per project; and one railway project estimated to have save \$1.2 million using the design-build method.

Building on these previous efforts, the State is collecting central project level data for outcome tracking and decision-making. Benefits to this approach include the improved alignment of capital spending with strategic priorities, more active management of the State portfolio of capital assets, and the use of outcome-based feedback and prioritization to ensure project selection best meets the needs of New York State. Improvements in project tracking will help the State execute capital projects on-time and on-budget. These efforts aim to improve both the cost-effectiveness and efficiency of our capital project delivery process, yielding better public services across all sectors.

## **NYS Real Estate Center of Excellence**

A 2014 audit by the New York State Comptroller confirmed that the Office of General Services' (OGS) efforts to reorganize leased state agency office space saved New York taxpayers \$33.1 million over a three-year period, exceeding savings goals by \$7 million. The initiative, known as "ReStacking" consolidated the use of existing space throughout the portfolio of state-owned and leased space. The first phase of this process created large sections of vacant space that, in turn, could be used to house agencies and employees currently occupying leased space. Since 2014, these efforts have continued within OGS through the New York State Real Estate Center (REC).

Governor Cuomo tasked the REC with the proactive and strategic management of the State's real estate portfolio. The REC manages 31 million square feet of space, of which 11 million is leased. The Office Space Optimization Plan uses the same principles that produced success during the ReStacking initiative, through the utilization of both State and leased space to maintain optimal occupancy levels, identifying opportunities for consolidating existing office space and eliminating unnecessary and costly leases. The Center enables OGS to manage the real estate portfolio holistically in a data-driven, efficient and cost-effective manner by:

- Maintaining a centralized inventory of all State real estate assets, right-sizing the portfolio through acquisition and disposition, and seeking asset monetization opportunities;
- Centralizing the real estate planning and development function, and minimizing financial, operating, and scheduling risks for the State;
- Providing energy management governance and supporting the Governor's EO88 initiative, which directs agencies and authorities to improve the energy efficiency of State buildings; and
- Serving as the State's primary resource for real estate matters, by providing services in developing policy, strategic initiatives, and performance metrics, identifying and introducing private industry real estate management best practices, proactively identifying opportunities to reduce cost while supporting the State's mission, and standardizing facility management and leasing practices of State agencies.

## NYS Lean Program

Since its creation in 2013, the NYS Lean Program has worked to support the State of New York's goal of maximizing efficiency. Since then, 38 state agencies and authorities have executed hundreds of projects, engaged thousands of State employees and impacted millions of New Yorkers.

At the enterprise level, the program led several large-scale efforts in 2017 which pulled together many agencies to operate as One NY, including work with:

- 7 State agencies and the Governor's Not-for-Profit Team to reduce risk to not-for-profit organizations by executing critical service contracts on-time, which will ensure prompt payment.
- 23 Office of Mental Health facilities to reduce patient length-of-stay and improve quality of care; part of the agency's transformation to make Lean the management methodology used statewide.
- 17 State agency HR offices and NYS ITS to standardize and streamline new employee onboarding to increase new hire productivity.
- The Governor's Office and multiple agencies on the Paid Family Leave program launch team to establish real-time, multi-process monitoring to ensure a successful roll-out.

In November, the NYS Lean program hosted its fourth annual Lean Learning Day, which brought together over 800 participants, in person and via web-stream, ranging from front-line State employees to agency leaders up to and including commissioners. Lean Learning Day has become the seminal annual event for those looking to achieve higher quality outcomes in shorter time frames.

During 2018, the program plans for large-scale accelerated agency transformation with roll-out of an additional process improvement model. Utilizing this model, known as NYS Lean In Situ, agencies will quickly see the work, surface the issues, and solve problems. Agencies will use data to inform problem solving and leverage minimal resources for maximum return on investment.

As a cumulative result of these endeavors, the State of New York is making large strides with existing resources to improve government efficiency and responsiveness.

## Digital Innovation

In 2013, Governor Cuomo issued an Executive Order directing State agencies to, for the first time, review and catalog data they collect and make that data publicly available on the State's new Open Data website.

## Open.ny.gov

The Open.ny.gov initiative is designed to help State agencies and local governments by fostering research, promoting informed decision-making, and enhancing collaboration. It is a shared resource for localities across the State, providing unified access to government data and helping local governments cut down costs and improve efficiency, in addition to increasing transparency.

For example, in 2016 the New York State Energy Research and Development Authority (NYSERDA) made available on Open NY residential and small commercial solar projects currently in development in New York State through NY-Sun, an integral component of the Governor's Reforming the Energy Vision (REV). Private-sector companies are able to access this data, and determine areas of opportunity to leverage existing investments to bring to scale New York's sustainable, self-sufficient solar industry. New York State is also using data analytics to combat the spread of opioid abuse, prevent payments for fraudulent tax returns, and improve service delivery for health and social services agencies.

## OpenBudget.ny.gov

The Open Budget website provides easy, single-stop access to New York's wealth of budget data, including comprehensive machine-readable raw financial data along with tools and charts to make that information more understandable. The result is:

- Unprecedented access and transparency to New York's budget;
- Open access to easy-to-use tools, charts and data;
- Improved government performance; and
- Enhanced citizen engagement and trust.

## Grants Gateway

Since 2013, the New York State Grants Gateway has served as a single point of entry for not-for-profit organizations and other vendors to review and apply for grants with State agencies. The front end of the Grants Gateway, the Grants Opportunity Portal, provides a simple way for potential applicants to browse, search for, and view available funding opportunities. Not-for-profit organizations that want to apply for State grant opportunities must register with Grants Gateway and complete the Prequalification process. Prequalification streamlines the grant application and contracting process by ensuring that not-for-profit organizations meet basic standards and are in good standing before they apply for funding. Prequalification also provides not-for-profits with a single repository to store organizational documents such as their IRS Form 990 and Charities Registration, thus eliminating the need to provide the same documents to multiple State agencies.

There are 22 State agencies that use the Grants Gateway, more than 9,700 registered not-for-profit organizations, and more than 6,900 organizations that have completed the Prequalification process. There are currently 262 competitive grant opportunities, more than 10,000 applications submitted, and more than 7,000 contracts in the system. Of the more than 7,000 contracts in the system, over 5,900 are fully executed for a total of over \$4.2 Billion in funding.

The FY 2018 Enacted Budget included \$2.4 million in innovation funding to enhance Grants Gateway. This investment supported Grants Gateway integration with the Statewide Financial System and online payments.

## **New Initiatives to Continue Delivery of High Performance Government**

### **Voter Access**

Ultimately, high performance government can only succeed if its citizens are engaged in our democratic process and have confidence in the electoral system. The FY 2019 Executive Budget supports Governor Cuomo's plan to ensure that elections in New York State remain fair and transparent, and that all New Yorkers have full opportunity to participate. Legislation is advanced to expand the definition of political communication to include paid internet and digital advertisement; require digital platforms to maintain a public file of all political advertisements purchased; and require online platforms to make reasonable efforts to ensure that foreign entities are not purchasing political advertisements to influence the American electorate. In addition, voter access to the election process will be improved through the Governor's proposal to institute early voting in the State by requiring every county to offer residents access to an early voting poll site during the 12 days leading up to Election Day, modernizing the process through which citizens can register to vote, and allowing for same day registration.

### **MTA Action Plan**

In 2017, Governor Cuomo declared a state of emergency for the Metropolitan Transportation Authority (MTA). The Governor called on the MTA to immediately address the safety, infrastructure and technology concerns facing the transit system and its riders. Within 30-days of the declaration, the MTA launched the NYC Subway Action Plan to stabilize and improve the subway system, and lay the foundation for modernizing the New York City Subway. The Plan's first phase began immediately and will deliver improvements within one year, with a focus on better customer experience through increased reliability and capacity, enhanced stations and safety, and clear and accurate communication.

In total, Phase I of the NYC Subway Action Plan – stabilize to modernize – includes more than 30 tangible actions. Phase II of the Subway Action Plan will focus on modernizing the system. Phase II incorporates ideas from the Genius Challenge, and addresses systemic and system-wide improvements.

## Design Build

Under Governor Cuomo’s leadership, New York State continues to streamline the process for undertaking critical infrastructure improvements, allowing projects to be completed at faster paces with lower prices. The design-build approach authorizes New York State to hire a single entity to perform both design and construction under one contract. Design-build projects require high levels of collaboration between the design and construction disciplines, input from multiple trades into the design, and a single entity bearing responsibility for the project. This increased accountability, combined with efficiencies achieved by only undertaking one procurement, produces significant time and budgetary savings.

To further enhance the efficient delivery of critical infrastructure and other capital projects, the Budget includes legislation that would expand the set of entities authorized to utilize the design-build contracting method to include the Dormitory Authority of the State of New York, the Empire State Development Corporation, the Office of General Services, the Department of Health and the New York State Olympic Regional Development Authority.