News from the

Independent

Democratic Conference

For Release- Jan. 10, 2011 **Contact:** Rich Azzopardi 518.859.0586

IDC Issues Recommendations to Streamline State Government

The Independent Democratic Conference today introduced a series of recommendations to Governor Cuomo and his Spending and Government Efficiency (SAGE) Commission that with assist in their goal to rightsize New York's sprawling bureaucracy.

The IDC's recommendations to ***crack down on overtime abuses, develop new accountability standards for outside contractors, review the use of state assets, and eliminate duplicative administrative functions,*** are based upon the work performed by the Senate Task Force on Government Efficiency.

IDC members Jeffrey D. Klein, (D-Bronx/ Westchester), David J. Valesky, (D-Oneida), and Diane Savino, (D-Staten Island/ Brooklyn), serve as members of the Task Force, which during the last year uncovered more than $312 million in questionable spending and potential savings.

"New Yorkers are simply not getting their money's worth from state government," **Senator Klein said.** "We have seen example after example of inefficiencies, duplications of services and outright abuse of state resources. I applaud Governor Cuomo for his commitment to restructuring Albany and we believe the Task Force's work will be a good starting point for this critically important job.

The IDC sent copies of the Task Force's reports and recommendations to Governor Cuomo and SAGE Commission Co-Chair Paul Francis. The materials will be provided to other members of the commission as they are announced.

Senator Savino said: "During these difficult economic times, it is clear that the old ways of doing business simply aren't working anymore. We must look at fresh and innovative ways to find savings—from consolidating bureaucracies, to cutting back on overtime and administrative waste, to reducing our reliance on costly contractors—so that we can bring real relief to New Yorkers, while still providing vital services. I commend Governor Cuomo's efforts to improve government efficiency and look forward to working with the SAGE Commission, as well as my Senate colleagues, in finding ways to craft fiscally sound budgets. "

Senator Valesky said: "The New York State government is too large and ineffective, and has become unsustainable, especially in this difficult economic climate. I strongly support Governor Cuomo's plan, through the SAGE Commission, to restructure the government, and I look forward to continuing the work the Senate Task Force on Government Efficiency has begun."

Senator David Carlucci, (D-Rockland), said: "New Yorkers work hard for their money and deserve to know that their tax dollars are being used in an ethical and efficient manner. Based on the reports by the Senate Task Force on Governmental Efficiency, the Independent Democratic Conference will recommend examining the practice of how we use taxpayer funded assets, the practice of overtime and the consolidation of redundant administrative positions and offices that increase state costs without increasing the effectiveness of services. Such arrangements undermine taxpayers' trust in government and deplete the States' limited financial resources. At a time when we are asking all New

Yorkers to do more with less, we cannot allow such waste and inefficiency to continue. We must work to streamline government while retaining jobs and continuing to provide critical services New Yorkers rely on. I commend Governor Cuomo for making government efficiency a top priority."

The recommendations are based upon Task Force reports that focused on the SUNY system, the State Department of Transportation, the State Department of Correctional Services, and the former Office of Mental Retardation and Developmental Disabilities (now called the Office for People with Developmental Disabilities.)

Based upon these reports, which can be found at www.nysenate.gov/committee/task-force-government-efficiency, the IDC recommends:

Cracking Down on Overtime Abuse

In both Fiscal Year 2008-09 and Fiscal Year 2009-10, the State spent more than $400 million in overtime. In 2009 alone, the Departments of Transportation, Correctional Services and OMRDD, the Task Force discovered a combined spending of $198.4 million in overtime.

The IDC recommends that the administration implement across-the-board caps on the amount of overtime an employee can earn in relation to their salary. Such caps already exist for police and firefighters under Tier V legislation that was enacted in 2009.

It is additionally recommended that all overtime – currently under the authority of agency heads – be subject to approval by the Division of the Budget. This would force agency heads to justify and reassess their reliance on overtime.

Enact Stricter Standards for State Contractors

The Task Force's April 2010 report uncovered millions of dollars in DOT spending on outside contractors for projects and tasks that could have been performed at a lesser cost by in-house workers. The Task Force identified 479 DOT contracts worth $147.5 million that were approved, but expired before the agreed upon project or service was ever started.

While the money was not lost, it was tied up while the state was cutting back on essential services.

The IDC recommends new accountability standards for those who seek to do business with the state.

Categorize and Re-assess the Use of Certain State Assets

The Task Force's investigation into DOCS spending included claims by employees at DOCS that prison wardens were being given the use of luxurious homes near prisons for little, or no, cost. A separate inquiry found that in 2008, OMRDD paid more than $1.9 million for the purchase of two homes to care for 13 client. One of those properties, which included a pool and a hot tub, appraised for $5,000 less than the final purchase price. This price was 63 percent higher than the average area sales price during that time period.

The IDC recommends establishing a comprehensive and centralized database of state assets, and making a determination as to whether these assets should remain under state control. The state must also review policies relating to state-owned "perks," such as apartments and houses.

Eliminate Duplicative Administrative Positions

In the examination of SUNY and DOCS the Task Force found examples of redundant administrative positions and offices that increase State costs without increasing the effectiveness of State services.

The Task Force reviewed the spending of various police forces at SUNY campuses and found a surplus of high priced administrators.

At DOCS, the Task Force focused on several clusters of prisons across the State, i.e., areas in which two, or more correctional facilities are located right next to each other.

Each prison at these clusters had their own independent administrative staff, including payroll and contracting staffs, even though each facility used the same local businesses to provide them with supplies.

The IDC recommends that administrative functions at these various state facilities be consolidated. Assuming these consolidations led to a savings of 20% from the previous cost, the State could save $10 million each year in payroll expenses.

It further recommends that the administration of the SUNY police system be centralized. As part of this centralization, the position of police chief for these local departments would be eliminated and replaced by a single administrator.

Recommendations to the SAGE Commission and the Office of the Governor based on the Findings from the Senate Task Force on Government Efficiency

by Gwendolyn Bluemich & Gabriel Paniza

Introduction

On January 5, 2011, Governor Andrew Cuomo announced in his first State of the State address the creation of a new commission to streamline New York's operations and structure, and improve the delivery of government services, increase accountability and save taxpayers' money. The Governor's 20-member Spending and Government Efficiency (SAGE) Commission is charged with identifying cost efficiencies and proposing recommendations to eliminate at least 20 percent of all agencies and authorities. It began its work on Friday, January 7, and is expected to issue its first report by May 1st this year.[1]

The creation of the SAGE Commission comes at a time when the State faces a $10 billion budget deficit, sluggish job growth, and a bureaucracy that has effectively stunted the government's effectiveness in delivering critical public services without raising New Yorkers' notoriously heavy tax burden. The Commission is expected to play a central role in the Governor's plan to overhaul state government, restructure its operations, and make it more cost effective and efficient for the people of New York.

With its mission to realign government spending with the fiscal realities and needs of the state, the SAGE Commission follows in the footsteps of another entity created to investigate government spending: the Senate Task Force on Government Efficiency. Created on March 2, 2010, this 12-member, bipartisan Task Force had as its mission to investigate spending practices of government agencies and develop recommendations for cost savings.

Under the leadership of Senator Jeff Klein, the Task Force conducted investigations into four government entities, including the State University of New York (SUNY), the Department of Correctional Services (DOCS), the Department of Transportation (DOT), and the Office of Mental Retardation and Developmental Disabilities (OMRDD), identifying millions of dollars in wasteful spending and millions more in potential savings. Following issuance of each Task Force report, a public forum was held to allow for comments, input, and feedback by agency officials, including commissioners, representatives of unions, think tanks, and other entities.[2]

In an effort to assist Governor Cuomo with his plan to restructure state government and identify administrative as well as operational efficiencies, the Independent Democratic Conference (IDC) has outlined the Task Force's main findings and recommendations below.

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[1] Governor Andrew M. Cuomo, "Governor Cuomo Creates Commission to Cut Government Agencies and Authorities by 20 Percent," Press Release, January 5, 2011, retrieved January 7, 2011, from Governor's website: http://www.governor.ny.gov/press/01052011createscommission.

[2] For more information on the Senate Task Force on Government Efficiency or to view press releases, Task Force reports, or public forum transcripts, please visit: http://www.nysenate.gov/committee/task-force-government-efficiency.

Senate Task Force on Government Efficiency: Findings & Recommendations

After reviewing all four agencies under consideration, the Task Force identified as much as $270 million in wasteful spending and $102 million in savings that could be realized through consolidation and more efficient use of resources (Fig.1).

Fig. 1 Summary of Efficiency Findings

Agency	Estimated Savings
State University of New York (SUNY)	$23 million
Department of Correctional Services (DOCS)	$14.6 million
Department of Transportation (DOT)	$60.4 million
Office of Mental Retardation & Developmental Disabilities (OMRDD)	$3.8 million
Sub-total	**$101.8 million**
Agency	**Estimated Waste**
Department of Transportation (DOT)	$210.7 million
Sub-total	**$210.7 million**
Total	**$312.5 million**

Overall, four central themes characterized wasteful spending in each of the agencies under investigation: (1) Overtime, (2) Management of State contracts and reliance on private contractors, (3) State assets, and (4) consolidations.

I. Overtime

Findings

Overtime was first established under the Fair Labor Standards Act of 1937, and since then requires all eligible employees to be compensated one and a half times their regular rates of pay for each hour worked beyond the standard 40-hour work week. The original idea was to prevent employers from taking advantage of their employees, expecting them to put in extra time while denying them additional pay. Yet, while overtime has helped promote worker's rights and enable them to earn a little extra money from time to time, the practice has spiraled out of control. Many workers now depend on overtime as their main source of income while the original premise behind overtime has become lost in bureaucracy. In FY 2008-09 and FY 2009-10, the State spent over $400 million in overtime per year.

The Task Force revealed that all four agencies under investigation spent millions in dollars on overtime. For the three agencies for which the Task Force was able to obtain overtime spending data from 2009 – DOCS, DOT, and OPWDD – the Task Force found a combined spending of $198.4 million just in overtime, an amount of money comparable to the $250 million which the previous administration sought in workforce savings from the various unions representing State

employees. The Senate Task Force was in the forefront of pointing out the vast amounts of money the State spends in overtime.
The Task Force's various investigations showed that the agencies examined had cut their overtime spending from previous years, but were still spending far too much. DOT had done the best job of lowering its high overtime spending, having reduced its overtime spending by 12% from the previous year's spending in 2009. The Task Force estimated that an additional $3.5 million could be saved if overtime was reduced by an additional 10%. At DOCS, the Task Force found that a 5% cut in overtime spending from 2009 levels would save the state $4.6 million. At OPWDD, the Task Force estimated that a 5% cut in overtime spending from CY 2009 would lead to a savings for the State of $3.8 million. The Task Force had other concerns regarding overtime spending beyond the totals being spent. Issues of how much overtime certain employees were earning also stood out.

A pattern that was exhibited by the three agencies for which the Task Force obtained comparable overtime data (DOCS, DOT, and OPWDD) was a highly unequal distribution in terms of overtime earnings. A small number of employees earned a significant portion of overtime, while the bulk of overtime eligible employees earned very little, if any, overtime. As illustrated below, more than a third of all overtime earnings went to less than a tenth of the workforce in these three agencies. Total equality in the allocation of overtime hours is neither feasible nor desirable if it limits the ability of managers to assign the most capable people to make up needed hours; at the same time the extent of the inequality is startling (Figs. 2-4).

Fig 2. Overtime Distribution at DOCS in CY 2009[3]

OVER $75,000	10	$ 886,023.03	0.04%	1%
OVER $50,000	37	$ 2,461,375.19	0.16%	3%
OVER $40,000	107	$ 5,563,759.61	0.47%	6%
OVER $30,000	306	$ 12,343,034.11	1.34%	13%
OVER $20,000	861	$ 25,761,256.19	3.77%	28%
OVER $10,000	2809	$ 52,866,365.97	12.30%	57%
OVER $0.00	22845	$ 93,183,454.41	100%	100%

Fig. 3 Overtime Distribution at DOT in CY 2009[4]

[3]Chart from *Cutting Spending at the Department of Correctional Services*, Report from the Offices of Sen. Klein and Sen. Savino, January 2010. Pg. 11.

[4] Chart adapted from *An Investigation Into the New York State Department of Transportation*, Report by the Senate Task Force on Government Efficiency, April, 2010. Pg. 6.

# Overtime Earners	Amount of OT Earned	Total OT Earnings	% of Total OT Earners	% of Total OT Earnings
5	Over $40,000	210,897.06	0.07	0.6
22	Over $30,000	785,589.04	0.3	2.22
90	Over $20,000	2,390,550.95	1.21	6.75
258	Over $15,000	5,287,631.34	3.48	14.92
736	Over $10,000	10,999,972.93	9.92	31.04
2,797	Over $5,000	25,204,301.57	37.68	71.13
7,423	Over $0	35,436,183.01	100	100

Fig. 4 Overtime Distribution at OPWDD in CY 2009[5]

20	Over $50,000	$ 1,158,165.21	0%	2%
50	Over $40,000	$ 2,480,608.72	0%	4%
148	Over $30,000	$ 5,795,344.01	1%	8%
478	Over $20,000	$ 13,642,147.68	3%	20%
903	Over $15,000	$ 21,020,945.79	5%	30%
1803	Over $10,000	$ 31,945,797.81	10%	46%
4257	Over $5,000	$ 49,174,919.80	25%	70%
17216	More than $0	$ 69,830,994.52	100%	100%

In three of the four agencies the Task Force examined, examples were found of individuals who more than doubled their salaries (Figs. 5-7) merely through overtime earnings (employees earn additional monies beyond their salary and overtime earnings, if any). The Task Force found this to be the case not only for job titles in which the State has had difficulties filling positions, such as with nurses, but also for employees in purely administrative positions or for employees engaged in maintenance positions.

Given that the possibilities of earning overtime at two or three times the regular hourly rate have generally disappeared, for an employee to double their salary means that they have worked one and a half times their regular hours. While in a vacuum there is nothing wrong with an employee working even a very large number of extra hours, this kind of distribution of work does not conform to the notion that the length of the work week that employees in a specific job title agree to should be based on the amount of hours necessary for the responsibilities of the job title to be met. If an agency is having such a difficult time making sure that all the necessary work hours are met and can do so only by asking certain workers to work far beyond their normal agreed upon work hours then that agency needs to re-examine the amount of work being done by the agency, or it needs to re-examine whether staffing is adequate.

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[5] Chart adapted from *Examining Spending At the Office of Mental Retardation and Developmental Disabilities*, Senate Task Force on Government Efficiency, May 2010. Pg, 4.

Fig. 5 Top Overtime Earners in OPWDD in CY 2009[6]

Agency Name	Title	OT Earnings Sum	Salary	Total Earnings	Ratio of OT/ Salary
L. I. DEVELOPMENTAL CENTER	DEV AIDE	$68,996.09	$39,776.00	$115,627.48	173%
L. I. DEVELOPMENTAL CENTER	DEV AIDE	$67,084.59	$40,903.00	$112,329.09	164%
L. I. DEVELOPMENTAL CENTER	DEV ASSNT 2	$66,983.06	$46,739.00	$121,578.19	143%
WESTERN NEW YORK DDSO	DEV AIDE	$65,732.91	$38,593.00	$108,263.16	170%
FINGER LAKES DDSO	DEV ASSNT 2	$63,120.28	$49,030.00	$113,668.41	129%

Fig. 6 High Overtime Earners at DOCS in CY 2009[7]

Agency Name	Title	Salary	OT Earnings	Total Earnings	% of Salary in OT
Bedford Hills	NURSE 2	$55,716.00	$149,290.99	$227,529.96	268%
Bedford Hills	NURSE 2	$56,217.00	$107,406.50	$187,771.24	191%
Bedford Hills	NURSE 2	$56,217.00	$80,562.65	$161,044.80	143%
Bedford Hills	NURSE 2	$56,217.00	$79,138.82	$158,771.24	141%
Bedford Hills	NURSE 2	$56,217.00	$79,120.98	$158,385.94	141%

Fig. 7 High Overtime Earners at SUNY in CY 2008[8]

Title	Salary	OT Earnings 2008	Total Earnings 2008
SUPVR GROUNDS	$ 44,303.76	$ 64,523.71	$ 110,728.70
GROUNDS WORKER	$ 34,831.28	$ 35,409.55	$ 72,142.06
GROUNDS WORKER	$ 33,383.60	$ 34,606.52	$ 69,891.35
Total	$112,518.64	$ 134,539.78	$ 252,762.11

[6] Chart adapted from *Examining Spending At the Office of Mental Retardation and Developmental Disabilities,* Senate Task Force on Government Efficiency, May 2010. Pg, 4.

[7] Chart adapted from *Cutting Spending at the Department of Correctional Services*, Report from the Offices of Sen. Klein and Sen. Savino, January 2010. Pg. 12.

[8] Chart from *Finding Ways to Curb Costs in the State University System of New York*, Report from the Office of Sen. Klein, December 2009. Pg. 4.

The high levels of spending on overtime and the fact that many employees are more than doubling their incomes through overtime spending show that there is a lack of control in allocating and approving overtime at State agencies. The state needs to institute new policies and controls to curb overtime spending.

Recommendations

The IDC understand that overtime spending is sometimes necessary, especially at facilities in which individuals are cared for or housed around the clock, including correctional facilities and group homes. Many agencies have to contend with legally mandated staffing levels created to ensure that adequate care is being provided and the public is being secured properly, yet at the same time, the State is spending hundreds of millions of dollars on overtime. As the administration seeks to make cuts necessary to close the looming budget deficit, this is one area of labor costs on which the State should take a hard line. After all, cutting overtime spending does not involve cutting jobs.

The IDC recommends that the State give the Division of Budget control over the authorization of overtime at the various State agencies in order to curb excessive overtime spending.

The heads of State agencies currently retain independent control over overtime spending; there are no State-wide rules regarding the use of overtime. This allows Agency heads to use overtime as a method of overcoming whatever staffing problems they have. The State needs to force agency heads to justify their overtime spending. The State can look at the model that currently exist in New York City, where agency heads are mandated to get pre-approval and post-approval for overtime from the Office of Management and Budget (OMB). The Division of Budget should issue clear rules regarding the assignment of overtime for all State agencies and bodies. By granting the Division of Budget final control over the assignment of overtime, the State can get a better handle on hundreds of millions of dollars of spending.

The IDC recommends that the Administration end the practice of arbitrary hiring freezes and give agencies more flexibility in determining the workforce necessary to implement those policies that New York State chooses to implement.

The State has had hiring freezes in effect on and off for decades now, and these have not helped limit the growth in the costs of State labor. As was noted earlier, the very high overtime being earned by certain employees can sometimes be the result of inadequate staffing, which forces the remaining employees to carry the burden, many times at an even higher cost. One does not create an effective workforce by denying manager the flexibility to hire when they need. In terms of having the most effective State workforce, the important question to ask is not whether the workforce is too big or small, but whether we have the people we need to implement the tasks that the State wants to implement, and no more.

II. Contracts & Contractors

Findings

In addition to overtime, the Task Force discovered a heavy reliance on outside contractors. For years, state comptrollers, think tanks, and interest groups have sought to determine the cost effectiveness of using state workers over independent contractors, and vice versa. Unions have typically argued that the state could save a significant amount of money by reducing its reliance on outside service providers, whereas contractors have argued that the private sector offers technical expertise and support that is not available in government agencies. In reality, achieving the best possible outcome requires a healthy balance of both contractors and state employees.

The Task Force's April 2010 report uncovered millions of dollars in DOT spending on outside contractors for projects and tasks that could arguably have been performed at a lesser cost by in-house workers. Specific areas of heavy contracting include information technology (IT), engineering design, bridge and construction inspection. According to data provided by the State Comptroller's Office, DOT spent a total of $257 million on consultant services for capital projects in FY 2008-09 alone (Fig.8[9]).

In addition to excessive use of contractors, the Task Force's discovered that the world of state contracts is incredibly complex and so obscure that it lacks appropriate oversight and management. In examining spending at DOT, the Task Force identified 479 contracts worth $147.5 million that were approved but expired before the agreed upon project or service was ever started. In other words, millions of dollars that were originally allocated towards these contracts were put on hold – often for years at a time – but never spent.

According to DOT, contracts that have expired without any money being spent typically involve a local government, utility or railroad that does not bill for its incurred costs in a timely manner. In these cases, the Department said, DOT has to petition for a contract extension in order to have the bills paid. However, even if intergovernmental contracts, grants, and land purchase agreements – the bulk of unfunded and expired contracts – are left out of the equation, this still left 54 contracts with a combined $7.1 million that are unaccounted for (Fig.9).

Moreover, the question arose, what happens to funds that were appropriated to a particular contract or project but never used? According to DOT, if a project does not proceed to completion and the contract is closed, any federal, state, or bond funds would be unencumbered, and they could then be used on other projects. While that may be true, the money that was originally set aside for a particular project ends up being held, sometimes for years, until a decision is finally made to re-appropriate it towards a different project instead – unless, of course, that money was never available to begin with.

Fig.9 DOT Contracts To Date*[10]

Contract Type	# Contracts	Contract Value ($)	Amount Spent ($)	# Expired & Unfunded	Expired & Unfunded

[9] Graph from *An Investigation Into the New York State Department of Transportation*, Report by the Senate Task Force on Government Efficiency, April, 2010. Pg 7

[10] Chart from *An Investigation Into the New York State Department of Transportation*, Report by the Senate Task Force on Government Efficiency, April, 2010. Pg 19.

				Contracts	Contracts ($)
Commodity	96	$32.4 M	$21.3 M	12	$690,100
Construction	1,362	$8.5 B	$4.8 B	9	$5.1 M
Consulting	577	$2.1 B	$1.5 B	5	$750,000
Grants	1,098	$447.4 M	$0.0	86	$35.4 M
Intergovernmental	231	$738.6 M	$238.5 M	16	$64.7 M
Land Purchase	1,124	$227.8 M	$129.9 M	323	$40.3 M
Service	175	$251.2 M	$125.6 M	5	$336,700
Small Dollar	457	$6.8 M	$4.0 M	23	$209,300
Total	**5,120**	**$12.3 B**	**$6.9 B**	**479**	**$147.5 M**
Total (adjusted)	**2,667**	**$10.9 B**	**$6.4 B**	**54**	**$7.1 M**

*Excludes revenue-generating and State repayment contracts.

Recommendations

The IDC recommends that the State invest in continued training and education of its workforce to limit its reliance on private contractors.

In order to maximize the quality and cost effectiveness of state sponsored projects, the public workforce's skill set must be on the same level playing field as that of the private sector. This can only happen through continued training and investment in education. As technology evolves, state employees must be brought up to speed so they have to skills, knowledge, and training to perform the work required. For special, short-term projects that necessitate a unique type skill set not ordinarily required by state employees, private contractors may be used. That is the right balance between public employees and private contractors, and it is a balance that does not exist right now.

The IDC recommends that the SAGE Commission examine the management of State contracts as it determines ways to streamline government and make it more efficient.

As one DOB analyst stated, "it would take an entire army of analysts to weed through every single contract with all of its built-in contingencies" to identify wasteful spending. Cost containment, however, can be achieved by examining contracts more thoroughly in the beginning stages, i.e. conducting cost-benefit analyses of using contractors vs. in-house staff, verifying the accuracy of anticipated expenditures, etc. The IDC greatly encourages the SAGE Commission to look into contract management as it determines ways to streamline government and make it more efficient. A higher level of scrutiny in the way the state conducts business would not only result in greater cost savings but also hold the State accountable for the way it spends taxpayers' money.

III. State Assets

The State of New York owns a sizeable list of assets, including not only State office buildings, historic buildings and monuments, roads, canals, and public lands, but also vehicles and residential buildings. The State also helps agencies doing business with the State to secure assets

to be used for State purposes, even if they are not directly owned by the State. In examining how the State uses its assets, the Task Force found problems with certain assets being used as perks for high level administrators, and also found the State allowing agencies to purchase homes for too much money.

When examining spending at DOCS, the Task Force investigated claims by employees at DOCS that prison wardens were being given the use of luxurious homes near prisons for little or no cost to themselves. The Task Force was able to obtain some photos of these homes (Fig. 10) and after much searching, it was able to find information about the layout of the homes, and how much wardens were being charged for access to these homes.

In the follow-up discussions with the DOCS at the Task Force forum which he attended, Commissioner Fischer disputed the Task Force's findings regarding the use of these homes and whether this is something that DOCS continues to do. The members of the IDC hope that the coming administration sorts the issue out and ensure that the taxpayers of the State get the best return on these assets. The Task Force's attempts to clarify whether these homes were being used in the manner alleged by DOCS employees pointed to a lack of adequate accounting for property owned by the State, at least in a form easily accessible to legislators and also the general public.

In its investigation of OPWDD, the Task Force found two cases in the town of Yorktown in Westchester County (Fig. 11) in which the community strongly objected to the State helping to finance the purchase of two homes costing over well over half a million dollars in order to turn them into community residence for individuals with developmental disabilities. The Task Force found that these homes were being sold at prices significantly above the average price for local home sales. The Task Force's investigation also revealed that one of the properties included a pool in the backyard and that the State spent close to $200,000 to fill in that pool in order to ensure the safety of future residents. In the public forum that followed, OPWDD disputed the notion that the cost of the homes were exorbitant, claiming that the cost per square foot was below the average in Westchester County.

Fig. 10 State Owned home at the Willard Treatment Facility[11]

[11] Photo from *Cutting Spending at the Department of Correctional Services*, Report from the Offices of Sen. Klein and Sen. Savino, January 2010. Pg. 16.

Fig. 11. Home in Yorktown, prior to renovations[12]

[12] Chart adapted from *Examining Spending at the Office of Mental Retardation and Developmental Disabilities*, Senate Task Force on Government Efficiency, May 2010. Pg, 10

Recommendations

The IDC recommends that the State take steps to form a clear, complete, and easy to access inventory of all State assets.

The State needs to get a handle on all of its assets and determine whether they are being used in the most cost-effective manner. Retrieving information on what the state owns is not as simple as it should be. In order to streamline operations in this area, the IDC recommends establishing a comprehensive database of state assets.

Recently, the State attempted to sell some of the minimum security prisons it recently closed and found no buyers. Besides being more creative and thinking outside of the box, the State needs to seriously think about how it will use the various correctional facilities it will be closing, including OCFS facilities and other prisons that are no longer necessary.

The IDC recommends that the State stop using State assets as a means to reward high level employees.

The State must also take a closer look at the type of access that high-level managers are given to state-owned property, such as apartments and houses. Perks such as these make the public weary of government spending without cause. Irrespective of current fiscal constraints, the State should not be in the business of owning or leasing luxury housing with the exception of the Governor's Mansion. Any such assets currently owned by the State should be sold or leased at competitive prices while ensuring, of course, that they are not sold too cheaply to connected buyers. As for vehicles and other physical assets, the State needs to ensure that they are being properly used and maintained.

IV. Consolidations

Findings

In its examination of SUNY and DOCS, the Task Force found examples of redundant administrative positions and offices that increase State costs without increasing the effectiveness of State services.

The Task Force investigated the administrative culture of the various police forces at SUNY campuses and found a system stuffed with far too many high priced administrators. It discovered that individuals with positions such as Chief and Deputy Chief of individual SUNY campus police departments did not need to have any law enforcement experience, something that was confirmed by the SUNY administration itself. There is no defined salary structure for Chiefs, meaning that the Chiefs of some small SUNY police departments might earn more than the chiefs of the campus forces at the largest of the system's campuses (Fig. 12).

Besides the problem of spending money on too many high priced chiefs and their deputies, the Task Force found that the fragmentation of the system meant that there were significant differences in the quality of the training and equipment available to officers at the various campuses. Policies regarding the equipment and training needs of the local SUNY officers are left to the local chiefs and the people who appoint them, local campus presidents. This creates an unequal level of protection for students at different SUNY campuses, and this is clearly unacceptable. No parent should have to worry that the level of protection their child will received might differ between two SUNY campuses.

Due to the fiscal and security concerns that were brought up by the Task Force's investigation, the State Senate passed Senate bill 6928, sponsored by Sen. Klein, that instructed SUNY to abolish the positions of local chiefs of departments and asked the Board of Trustees to name a single individual as the head of all SUNY police officers and give that person the responsibility of creating a unified security policy for all SUNY campuses that still kept in mind the individual needs of different campuses.

Fig. 12 Police Administrative Titles at SUNY Campuses[13]

Title	SUNY Institution	2008 Pay	Salary rate
Assistant Chief Of Police	SUC Plattsburgh	$88,721.02	$85,797.00

[13] Chart from *Finding Ways to Curb Costs in the State University System of New York,* Office of Sen. Klein, December 2009. Pg. 9.

Assistant Chief Of Police	SUNY Stony Brook	$118,381.71	$115,230.00
Assistant Chief Of Police	SUNY College of Optometry	$93,711.97	$93,124.00
Assistant Chief Of Police	SUNY Albany	$94,723.81	$94,176.00
Assistant Chief Of Police	SUNY Buffalo	$88,282.39	$87,949.00
Assistant Chief Of Police	Downstate Medical Center(Hosp)	$119,277.23	$118,844.00
Assistant Chief Of Police	SUNY Buffalo	$97,043.91	$96,742.00
Assistant Chief Of Police	SUNY Binghamton	$107,645.42	$107,369.00
Assistant Chief Of Police	SUC Brockport	$68,697.23	$69,408.00
Assistant Chief Of Police	SUNY Health Science Ct Syracuse	$84,995.83	$90,000.00
Assistant Chief Of Police	SUNY Health Science Ct Syracuse	$63,737.23	$87,865.00
Deputy Chief Of Police	SUNY Binghamton	$90,683.63	$88,496.00
Deputy Chief Of Police	Downstate Medical Center	$99,323.75	$98,174.00
Deputy Chief Of Police	SUNY Binghamton	$75,186.72	$74,392.00
Deputy Chief Of Police	SUNY Albany	$85,229.64	$84,726.00
Deputy Chief Of Police	SUNY Stony Brook	$97,996.54	$97,455.00
Deputy Chief Of Police	Downstate Medical Center	$77,015.69	$76,899.00
Deputy Chief Of Police	Downstate Medical Center(Hosp)	$7,821.25	$87,945.00
Deputy Chief Of Police	SUC Old Westbury	$82,145.99	$90,225.00
Deputy Chief Of Police	SUNY Stony Brook	$106,875.16	$109,760.00
Chief Of Police	SUC Buffalo	$106,796.55	$104,000.00
Chief Of Police	SUNY Albany	$133,350.05	$130,132.00
Chief Of Police	SUC Plattsburgh	$100,606.09	$99,024.00
Chief Of Police	SUC Purchase	$186,657.96	$184,275.00
Chief Of Police	SUNY Alfred	$81,263.48	$80,400.00
Chief Of Police	SUNY Binghamton	$145,435.44	$144,204.00
Chief Of Police	SUC Cortland	$108,583.77	$107,710.00
Chief Of Police	SUC Brockport	$99,285.60	$98,610.00
Chief Of Police	Downstate Medical Center	$142,738.02	$141,813.00
Chief Of Police	SUNY Buffalo	$112,481.45	$111,800.00
Chief Of Police	SUNY Inst. Of Tech. Utica/Rome	$90,105.70	$89,608.00
Chief Of Police	SUNY Health Science Ct Syracuse	$104,626.29	$104,049.00
Chief Of Police	SUC Old Westbury	$111,919.34	$111,302.00
Chief Of Police	Morrisville State College	$86,271.98	$85,803.00
Chief Of Police	SUNY New Paltz	$94,313.60	$93,824.00
Chief Of Police	SUNY College of Tech Delhi	$93,453.52	$93,013.00
Chief Of Police	SUC Oneonta	$114,068.23	$113,535.00

Chief Of Police	SUNY Fredonia	$109,469.76	$109,090.00
Chief Of Police	State University Maritime Coll	$36,030.45	$71,662.00
Chief Of Police	SUC Buffalo	$12,775.32	$95,425.00
Chief Of Police	SUNY Canton	$94,652.67	$95,949.00
Chief Of Police	SUNY Col Agric&Tech Cobleskill	$22,447.46	$73,155.00
Chief Of Police	SUNY ESF	$41,580.02	$77,140.00
Chief Of Police	SUNY Potsdam	$62,569.71	$87,430.00
Chief Of Police	SUNY Potsdam	$18,909.54	$85,000.00
Chief Of Police	SUNY Stony Brook	$134,040.32	$136,000.00
Chief Of Police	SUNY Stony Brook	$113,895.16	$140,000.00
Total		$4,305,823.60	$4,718,529.00

At DOCS, the Task Force discovered several clusters of prisons across the State, areas in which two or more correctional facilities are located right next to each other (Fig. 13). In examining the payroll records of these prisons the Task Force found that each prison at these clusters had their own independent administrative staff, including payroll and contracting staffs, even when all the prisons at the same cluster all used the same local businesses to provide them with supplies. There is no reason for each prison in such a cluster to have a full administrative staff. Commissioner Fischer defended the practice at the Task Force forum by stating that each prison, even ones in clusters, are different and thus they needed different staffs. Yet the recommendation was not to centralize the staff responsible for securing each prison, but instead merging those staff's whose jobs would never require them to step inside a prison, such as personnel and contracting staffs.

The Task Force estimated that if administrative functions at these various State facilities were consolidated at each cluster and assuming these consolidations led to a savings of 20% from the previous cost, the State could save $10 million in yearly payroll expenses.

Recommendations

As the SAGE Commission begins to investigate extraneous agencies and other government bodies, the IDC also greatly encourages the streamlining of existing agencies. The State should centralize and automate as many back office functions as possible, always keeping the mantra of cost effectiveness in mind. In other words, agencies, departments, or job functions should be consolidated or automated only if they are certain to save money, not just for the sake of consolidating or automating, in general.

The IDC recommends that the Administration of the SUNY police system be centralized.

The Administration is urged to work with the SUNY board of trustees to create a more rational and effective system to police the two dozen SUNY campuses that have their own police forces,

not only to cut down on unnecessary administrative costs, but also to ensure that all SUNY students have the same level of protection.

The IDC recommends that DOCS centralize the administrative functions at the various prison clusters run by the agency.

By taking steps to ensure that all back office functions at these state clusters are consolidated, DOCS could save the State millions in payroll costs without endangering the safety of the public. The State should look for other instances in which it could centralize the administration of personnel and contracting functions for State facilities close to each other.

Conclusion

All of the results from the Task Force's investigations point to one central theme: In order to truly achieve cost-savings and improve government efficiency, it is not the size of government that matters, but whether it has what it takes to do the job. Not "small government" or "big government" matters, but *smart* government is key. Every poll of residents in this State has revealed that New Yorkers believe – and rightly so – that they are overtaxed and that the State is a spendthrift. And yet, these polls also show strong support for the core programs that account for the majority of the State's budget.

New Yorkers are currently not getting a value for their buck. Taxes are too high, government is squandering their money, and the services they get in return are below the standard at which they could – and should – be. In order to return the government to the people, state agencies must be vetted, reorganized, and streamlined. It is the IDC's hope that the findings and recommendations laid out this report will provide some guidance in the determine the best course of action to achieve the SAGE Commission's assignment going forward.

As the Governor so pointedly noted in his State of the State address, the time to turn over a new page in the history of New York State is now, and with enough will power and determination, we have the opportunity to succeed.