



NEW YORK STATE SENATOR

David J. Valesky

Senator Valesky Calls for New Approach to State Budgeting, Citing SyraStat Success

DAVID J. VALESKY October 1, 2009

| ISSUE: **FINANCE, GOVERNMENT OPERATIONS, AGENCIES, LEGISLATURE, EXECUTIVE**

SYRACUSE, N.Y.--State Senator David J. Valesky (D-Oneida) is calling for the adoption of performance budgeting for New York state that has worked in Syracuse as part of a long-term strategy to cut spending and improve efficiency in state government. Senator Valesky recently wrote new Lt. Gov. Richard Ravitch, who will be extensively involved in the state budget development, advocating this new approach.

“This model would protect New York State taxpayer dollars by analyzing what works, what doesn’t, and where programs fit into our long-term goals as a state,” Senator Valesky, Vice President Pro-Tempore of the Senate, said. “This approach has worked in cities like Syracuse to eliminate waste and maximize government efficiency.”

A performance-based budgeting model, which has been successful in cutting waste in several cities and states, uses measurable data to assess program and agency performance and to help determine where funds could be saved or spent more wisely. The city of Syracuse’s SyraStat program has realized an estimated \$50 million in savings and efficiencies since its inception in 2001.

“The ultimate goal here is to save money in state government without just cutting services or passing costs on to local government,” said Senator Valesky.

Performance-based budgeting requires the state to clearly identify what a specific program has accomplished and where resources should be reallocated to achieve the most benefit. In the short term, this model would help close budget deficits and stabilize spending by eliminating overlapping services and waste. In the longer term, it could enhance services and protect New York State against future financial crises.

Other states have also had success in implementing performance-based budget models. Maryland’s StateStat program has generated \$350 million in savings in six years by making changes, trimming waste and consolidating services. In one specific example, Virginia was able to achieve nearly \$1 million in savings annually by replacing an outside food service contract at several of its corrections facilities with in-house service.

“For decades, New York has been used as an example of what not to do in developing a budget. We must change the entire culture of the way we allocate taxpayer dollars, and transform the New York State government to be as efficient, effective and accountable as possible,” Senator Valesky said.

A number of New York state agencies already use strategic planning and performance-based models to identify quantifiable outcomes to measure performance, but there has been no plan to move to a comprehensive state-wide performance-based model. Senator Valesky is advocating for the state to implement performance-based budgeting, starting with a select group of agencies and departments, with a long-term goal of including all agencies and the entire budget process within 3 years.

“It may have to be an incremental process, but it is one that needs to start immediately. Some state agencies and programs may already adhere to this model—we need to take the next step and bring everyone together under one set of criteria,” said Senator Valesky. “It has been done successfully in other states, and it can be done in New York.”

##