

Don't Just Follow the Money; Manage It

Ten years ago today, Governor Andrew Cuomo's Spending and Government Efficiency (SAGE) Commission [opened a portal](#) for New Yorkers to "suggest ways to improve the efficiency and quality of government services." Key among the SAGE Commissions 100 recommendations was to implement a public performance management system to "[serve as both a means for reporting information to the public and a management tool for State officials.](#)"

Unfortunately, even a decade later no such system exists. Yet, the need has never been greater. The past year's pandemic management and this year's massive \$212 billion State budget that includes billions of dollars of new federal aid that should be assiduously used demonstrate New York's compelling need for a comprehensive and transparent performance management system.

Such a system would combine managerial action and accountability with key measures of program performance—what it costs, how it is delivered, whether it operates efficiently, and what is the quality of the service. This would improve operations, show the public how well—or not—resources are being used, and increase both public accountability and support of the State's actions.

New York's initial efforts to mitigate the pandemic highlight the potential benefits of good, and pitfalls of poor, performance management. Early on, the Governor used data to mitigate the pandemic and during daily press conferences to instill public confidence in the State's actions and encourage adherence to public health guidelines. Regular refinements in data used and publicly available, such as regional breakdowns and multiple measures of pandemic impact, were a feature early in the crisis. During the spring and summer, a regional strategy tied re-openings to pre-set benchmarks of public health conditions and treatment capacity.

However, the State's data and actions partially failed to evolve with the pandemic. Last spring's regional benchmark strategy was replaced in fall by a more geographically targeted strategy where benchmarks were inconsistently applied, allowing some places to open when others with seemingly equivalent pandemic-related rates stayed closed. Furthermore, re-openings now are more ad-hoc and not tied to regional or statewide metrics or pre-identified benchmarks, creating a situation where the public may grow wary of the legitimacy of the data and the State's actions.

Instead of backing off performance management, the State should embrace it comprehensively. When so advocated by the SAGE Commission, CBC called it "[perhaps the most important, potentially transformative recommendations.](#)" Last year [CBC recommended a ten-point framework](#) – to be enacted by statute to promote consistency in reporting across agencies, authorities, and administrations -- for such a system based on experience in New York and best practices from states across the country.

Lacking this performance management system, New Yorkers are left with little else but a single, incomplete metric: dollars spent. Every year we hear about the size of the budget, the amount of revenue needed, and the uses of new spending choices. But little, if any, information is released about how investments have improved educational outcomes, workforce development, infrastructure conditions, or public health. Measuring and managing will yield better results for New Yorkers today and tomorrow.

As much as ever, this now is needed to manage the rapidly growing State budget and the influx of billions of dollars in federal aid, which includes \$12 billion in direct fiscal support, \$14 billion for schools,

and billions for other programs. Federal funds will support massive new spending on education, economic relief, and recovery including payments small businesses, excluded workers, cultural institutions, and more. They provide an incredible opportunity to help New York and the State's fiscal outlook; it is critical they be used wisely. The public should be fully, regularly informed about how these funds are flowing; to whom; how efficiently; and their impact on people, the economy and the long-term State budget. Are educational outcomes improving, and for which students? Are rents and mortgages being paid and how is it shoring up renters' and owners' finances? How many restaurants were able to re-open and hire back staff?

Furthermore, this year's total State budget exceeds \$200 billion for the first time, supported by the new federal aid and roughly \$4 billion annually in new tax increases. There rightly is significant focus also on infrastructure investments and "building back better." [Only with a comprehensive system](#) of managerial action and accountability, the right performance metrics, and transparency will the public rest assured their resources are being spent wisely to good effect.

Ten years from now New Yorkers should not still be waiting for this transparency and accountability.