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BUDGET BULLETIN	B-1168	August 12, 2003
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TO: ALL DEPARTMENT AND AGENCY HEADS

FROM: Carole E. Stone *CS*

SUBJECT: Management Assessment Letter

New York State continues to face difficult financial and management challenges resulting from structural budget imbalance. Projected budget gaps for 2004-05 and beyond threaten the significant progress we have made to strengthen the State's financial position and our ability to maintain support for ongoing programs and services.

Prudent and responsible government demands that we address these challenges directly by being more rigorous in our justification of current agency operations and the investment choices we make to fund basic State functions. As managers, we must continue to apply a results-oriented management philosophy -- one that is constantly examining basic operating assumptions, allocation decisions and accepted business practices. Such an approach is essential, if we are to ensure that resources not only are directed to those activities most critical to our core mission and customers, but also contribute to successful program outcomes.

To be effective, this must be a sustained and long-term process. As a first step, I am requesting that all department and agency heads prepare a management performance letter that will provide the Governor with a candid and confidential assessment of the extent to which your agency is currently directing its full resources toward accomplishing its primary mission and fulfilling its priority obligations.

Please submit this letter to me by September 24, 2003. It should be considered confidential policy advice to the Budget Director and should not be included as part of any other budget document or agency submission.

Management Assessment

I expect that this internal examination and resulting analysis will focus on how your resource allocation decisions are linked to your agency's goals and accomplishments. Your assessment should demonstrate how the business plans and functions of your agency contribute to achieving intended program outcomes and do so in more effective

and efficient ways than alternative approaches. Further, I request that you demonstrate how current funding levels not only address service demands, but, more specifically, are contributing to positive and desired program results.

Content

In narrative form, please provide me with the following information:

Mission Statement: To provide context for your assessment, describe briefly the purpose for which your agency was created and how this mission influences agency business and spending decisions.

Agency Priorities: Prioritize all programs within your agency, beginning with a description of the core services you provide, how those programs and services are supported and how they relate to your agency's core mission.

Environmental Assessment: Describe the external environment in which your agency functions and how that environment shapes your mission and priorities. This could include federal and state requirements, public expectations, the role of other state or local entities and changes in the needs and demographics of your customer or consumer base.

Resource Decisions: Explain how the agency has targeted its investments to achieve results, consistent with its mission, priority functions and operating environment. Demonstrate how those funding decisions produced positive performance results.

Accomplishments: Describe how the agency defines and measures success. Identify key accomplishments that furthered the mission and program priorities of your agency. Include examples that have improved the efficiency of agency operations; redirected or restructured resources to better provide appropriate levels of service; increased the value or cost-effectiveness of services; consolidated related functions; or eliminated non-core services.

Alternatives: Discuss opportunities, in this environment of reduced resources, where through increased administrative flexibility, statutory changes or other means, your agency could achieve greater productivity, realize additional savings, improve services and/or eliminate unnecessary functions.

If you have questions about this bulletin, please contact your budget examiner.