

<b>2008-09 Spending Plan</b>	<b>Agency Name: New York State Energy Research and Development Authority (NYSERDA)</b>
	<b>Agency Head: Vincent A. Delorio, Chairman Robert G. Callender, Vice President for Programs (Acting President)</b>

## A. Overview of Proposed Plan

### A.1 Overall Approach

This plan addresses NYSERDA's financial management plan for those funds appropriated to NYSERDA in the State Budget, including: Special Revenue Funds (funded through assessments on intrastate gas and electric sales collected by the Department of Public Services under Section 18-a of the Public Service Law) for NYSERDA's Energy Research, Development and Demonstration (R&D) Program and its Energy Analysis Program; and Capital Funds for expenses to protect public health and safety at the Western New York Nuclear Service Center (West Valley). NYSERDA has reviewed its expenses in these program areas consistent with Budget Bulletin B-1178 and Governor Paterson's directives.

### A.2 Achievement of Savings on a Recurring Basis

For the R&D Program, recurring savings can be achieved by maintaining the reduced funding level (taking into consideration the 2% reduction in Aid to Localities and 3.35% reduction in State Operations funding) in future years. NYSERDA's program planning budget for funding energy research and development projects annually will be adjusted by reducing spending on the research and development and energy analysis programs through personal and non-personal service efficiencies, taking into consideration non-appropriated funding provided through contributions (equivalent to the other State ratepayer assessments) provided by the New York Power Authority and Long Island Power Authority and also NYSERDA unrestricted revenues such as interest income and project recoupment (royalties) collected from successfully commercialized products funded by NYSERDA.

It should be noted that since the R&D and Energy Analysis programs are funded through Special Revenue utility assessments, there will be no General Fund savings resulting from this reduction. Furthermore, the R&D program provides results which contribute to the State's important energy efficiency, transportation, and renewable energy development goals and also contributes positively to the State's economy. The program provides funding each year to about 100 projects with businesses, municipalities, institutions and universities. The program is administered to provide maximum utilization of the relatively small amount of funding provided, relative to the state's significant needs and opportunities, and the program could easily effectively administer additional funding and provide further benefits. Therefore, reducing the expenditures for energy research and development may have a slight impact on achieving energy and economic development goals.

For the Energy Analysis program, the appropriation for FY08-09 included non-recurring NPS costs associated with technical studies and outreach costs to support the Statewide energy plan being developed under Executive Order No. 2.

For West Valley, there is little discretion in the amount required. The majority of the funding is based on the required 10% share of costs for the West Valley Demonstration Project (90% of which is paid by the U.S. Department of Energy), with the annual expenditures based on the amount appropriated annually in the federal budget. The remaining costs are largely for regulatory compliance and protecting public health and safety at the State Licensed Disposal Area on site, the majority of which are directed by outside regulators. NYSERDA develops its funding request annually based on necessary activities to support these needs.

NYSERDA's State Appropriation Request for FY08-09 was based upon anticipated federal funding, which has subsequently been reduced, so the State appropriation funding for FY08-09 will not be fully expended. In addition, funding provided in prior fiscal year budgets relative to the actual costs incurred in prior fiscal years has resulted in a balance of approximately \$6 million as of March 31, 2008, which can be used to reduce the State appropriation cash spending necessary in FY08-09. This is expected to be a one-time reduction for FY08-09, and since the costs for West Valley have been appropriated in the Capital Budget and are financed with proceeds from bonding, this reduction will translate into future debt service savings. The ability to achieve recurring savings in the future will be predominantly dependent upon federal funding provided for West Valley, and future costs may increase. NYSERDA and U.S. DOE are preparing a joint environmental impact statement which will identify alternatives for the long-term management of the site, and this will have an impact on the long-term recurring costs for the State.

### *A.3 Protecting Key Priorities*

As noted above, the State has important energy efficiency, environmental protection, renewable energy development, and economic development goals which are supported by NYSERDA's R&D and Energy Analysis programs. NYSERDA will manage the funding provided through State appropriation funding to provide the maximum benefits to address these goals.

For West Valley, reaching agreement on the long term management of the site and the responsibilities of the State and federal government are important priorities, and NYSERDA staff continue to maintain communication with the Governor's staff to address these issues.

### *A.4 Treatment of New Initiatives*

As previously discussed, the State appropriation funding for FY08-09 included additional funding to support the development of a new Statewide energy plan.

## **B. Summary of General Fund Financial Impacts**

n/a

## **C. Identification of Proposed General Fund Actions**

n/a

**D. Summary of Impact on Other Funds**

<b>OTHER FUNDS -- SAVINGS SUMMARY</b>			
	Required Reduction	2008-09 Savings	2009-10 Savings
Local Assistance	191,000	191,000	191,000
Personal Service	N/A	130,000	430,000
Non-personal Service	N/A	84,000	1,084,000
Total State Operations	214,000	214,000	1,514,000
Capital		3,870,000	0
<b>TOTAL</b>	<b>405,000</b>	<b>4,275,000</b>	<b>1,705,000</b>

<b>OTHER FUNDS -- YEAR-TO-YEAR CHANGE, AFTER SAVINGS</b>			
	2007-08 Actual	Revised Projection	Percent Change
Local Assistance	10,142,000	9,351,000	(7.8%)
Personal Service	3,248,000	3,745,000	15.3%
Non-personal Service	1,195,000	2,412,000	101.8%
Total State Operations	4,443,000	6,157,000	38.6%
Capital	13,500,000	9,630,000	(28.7%)
<b>TOTAL</b>	<b>28,085,000</b>	<b>25,138,000</b>	<b>(10.5%)</b>

Table D reflects the projections established based on pre-cut cash numbers included in the State Financial Plan. These amounts differ from the amounts requested by the Authority in its budget request: \$10,511,000 for Local Assistance (\$9,542,000 pre-cut cash plan) and \$6,281,000 (not including Fringe Benefits) for State Operations (\$8,035,000 pre-cut cash plan). Fringe benefits were excluded from the non personal service row because they are outside what is defined as "State Operations."

**E. Identification of Proposed Other Fund Actions**

	2008-09 Cash	2009-10 Cash	2010-11 Cash
<b>OTHER FUNDS (Note the fund/s affected by each proposal, in parentheses at the end of each entry)</b>			
<b>Local Assistance</b>			
1. Reduce funding for University of Rochester Laser Fusion Lab transfer.	15,000	15,000	15,000
2. Generate additional interest and project royalty income to fund R&D projects.	176,000	176,000	176,000

	2008-09 Cash	2009-10 Cash	2010-11 Cash
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- 3.
- 4.
- 5.
- 6.
- 7.

### State Operations

- |  |         |           |           |
|--|---------|-----------|-----------|
| 8. Reduce Special Revenue support of the R&D and Energy Analysis programs through Special Revenue attrition and delayed and selective hiring, and non-personal service efficiencies. | 214,000 | 214,000   | 214,000   |
| 9. FY08-09 appropriation included non-recurring costs for update of State Energy Plan for outreach costs (\$300,000) and technical analytical studies (\$1,000,000).                 |         | 1,300,000 | 1,300,000 |

- 10.
- 11.

### Capital Projects

- |  |           |  |  |
|--|-----------|--|--|
| 12. Funding needed for West Valley for FY08-09 is reduced due to reduction in federal funding and prior State funding provided relative to federal funding expenditures. This reduction yields non-recurring savings in FY08-09. | 3,870,000 |  |  |
|--|-----------|--|--|
- 13.
  - 14.
  - 15.

## F. Plan to Manage the Workforce

### F.1 Overall Approach

NYSERDA regularly assesses its staffing levels relative to its programmatic responsibilities and exercises appropriate fiscal stewardship to ensure that staffing levels are necessary and fully utilized. In addition, financial and program management system improvements have permitted, and will continue to permit, NYSERDA to limit staffing increases.

## F.2 Plan for Refill of Vacant Positions (both current and anticipated vacancies)

<b>Workforce Impact -- All Funds</b>	
<b>a. Initial Target:</b>	47.7
b. Current Fills PP# 3 or 4	47.7
c. Recurring impact of proposed actions (see Parts C & E)	(2.1)
d. Recurring impact of vacancy-refilling plan (see F.2)	
e. Total FTEs March 31, 2009 (line b minus line c, plus/minus line d)	45.6
f. Change from Initial 2008-09 Target (line a minus line e)	(2.1)

## G. Monthly Projections: All Funds Workforce; General Fund State Operations/Local/Capital

	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL
<b>A. Workforce - All Funds</b>													
Est FTEs Month-end	45.6	45.6	45.6	45.6	45.6	45.6	45.6	45.6	45.6	45.6	45.6	45.6	
<b>B. State Operations</b>													
Personal Service													
1st PP	944	0	0	944	0	0	944	0	0	944	0	0	3,775
2nd PP	0	0	0	0	0	0	0	0	0	0	0	0	0
3rd PP (if applies)	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal PS	944	0	0	944	0	0	944	0	0	944	0	0	3,775
NPS	596	0	0	596	0	0	596	0	0	596	0	0	2,382
<b>Total Disbursements -- State Ops</b>	<b>1,539</b>	<b>0</b>	<b>0</b>	<b>1,539</b>	<b>0</b>	<b>0</b>	<b>1,539</b>	<b>0</b>	<b>0</b>	<b>1,539</b>	<b>0</b>	<b>0</b>	<b>6,157</b>
<b>C. Local Assistance</b>													
R&D													
	2,338	0	0	2,338	0	0	2,338	0	0	2,338	0	0	9,351
	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0
All other local assistance	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Disbursements - Local</b>	<b>2,338</b>	<b>0</b>	<b>0</b>	<b>2,338</b>	<b>0</b>	<b>0</b>	<b>2,338</b>	<b>0</b>	<b>0</b>	<b>2,338</b>	<b>0</b>	<b>0</b>	<b>9,351</b>
<b>D. Capital Projects</b>													
West Valley													
	0	0	3,375	0	0	2,085	0	0	2,085	0	0	2,085	9,630
	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0
All other Capital Projects	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Disbursements - Capital</b>	<b>0</b>	<b>0</b>	<b>3,375</b>	<b>0</b>	<b>0</b>	<b>2,085</b>	<b>0</b>	<b>0</b>	<b>2,085</b>	<b>0</b>	<b>0</b>	<b>2,085</b>	<b>9,630</b>

## H. Assumptions Underlying the Proposed Plan

See above.

## I. Management of Risks Inherent in the Plan

There are no risks associated with the savings presented in the plan.

**J. Additional Savings Opportunities for 2008-09**

n/a

**K. Potential Future Savings Opportunities/Operational Improvements (indicate if statutory change is required)**

n/a