

<b>2008-09 Spending Plan</b>	<b>Department of Environmental Conservation</b>
	<b>Commissioner Alexander B. Grannis</b>

## **A. Overview of Proposed Plan**

### *A.1 Overall Approach*

The basis of DEC's financial plan is to eliminate, on a recurring basis, several activities which are not critical to fulfilling the Department's mission, but to do so by redirecting staff through attrition.

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

The elimination of the activities we are proposing to cut will provide recurring savings but the full-annual effect will not be realized until after 2008-2009. Non-personal service items which we have identified were cut with the explicit expectation that the accrued savings would be recurring.

The plan assumes that DEC will make recurring non-personal service savings through different types of reductions. Conferences which require the attendance of more than one person will necessitate the approval by the appropriate Deputy Commissioner, as will out-of-state travel. Enhanced controls over procurements will be implemented and enforced by the Department's financial management system.

### *A.3 Protecting Key Priorities*

DEC's priorities, listed below, will continue to be addressed by Department staff throughout the organization. Reductions proposed by this plan will not reduce priority efforts. In fact, the plan will enable DEC to redirect staff from non-critical activities to priority areas. The enhanced use of technology is critical to serving the public with which DEC interacts.

1. Combat Climate Change
2. Connect New Yorkers to Nature
3. Promote a Toxic Free Future
4. Safeguard New York's Unique Natural Assets
5. Work for Environmental Justice
6. Foster Green and Healthy Communities

7. Other Priorities include: Fair and Effective Enforcement, Partnerships and the Public, Workforce, Science and Technology, Sustainability of DEC's Own Operations and Creating a Regulatory Climate that Fosters Economic Growth While Protecting the Environment and Public Health.

#### A.4 Treatment of New Initiatives

The 2008-09 Enacted Budget includes several major initiatives that are mission-critical to the Department, including RGGI, Invasive Species Task Force, Canal Mitigation Task Force and the Renewable Energy Task Force. These remain high priorities of the Department and remain on the agenda for phased implementation during 2008-09. The Department's 2008-09 spending plan continues to support these essential programs.

The Regional Greenhouse Gas Initiative, or RGGI, is a regional agreement to reduce greenhouse gas emissions from power plants. Overwhelming scientific evidence suggests that a warming climate poses a serious threat to New York's environmental resources and public health. The RGGI participating states are using a market-based approach called cap-and-trade to achieve the reduction in emissions of greenhouse gases. DEC is undertaking rule-making to implement this program.

The cap and trade strategy, includes:

- A multi-state CO2 emissions budget (cap) that will decrease gradually until it is 10 percent lower than at the start;
- A market-based emissions trading system; and
- Support for low-carbon solutions, including energy efficiency and clean renewable energy (such as solar and wind power).

Also, the Department is active in the Governor's Renewable Energy Task Force and has formed an interagency workgroup on carbon capture and sequestration. DEC is exploring policies to incorporate greenhouse gas assessments into environmental reviews and to address the various sources of significant greenhouse gas emissions.

A Sustainability Committee is identifying and implementing ways in which DEC's own operations can be made more sustainable, from duplex printing; to energy-efficient buildings. DEC is collaborating on the interagency procurement committee with OGS to identify categories of green products.

Furthermore, the Department will focus on a reinvigorated effort to integrate environmental justice principles into all department activities.

Finally, the Department has increased the number of children participating at our education camps, including more diversity campers. Additionally, a new *Conservationist for Kids* will be issued to further the goal of connecting children and families back to nature.

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

<b>GENERAL FUND -- SAVINGS SUMMARY (\$ in 000's)</b>			
	Required Reduction	2008-09 Savings	2009-10 Savings
Local Assistance	-240	-240	-240

Personal Service	-3,309	-1,782	-1,252
Non-personal Service	-1,069	-2,618	-3,148
Total State Operations	-4,400	-4,400	-4,400
Capital	0	0	0
TOTAL	-4,400	-4,640	-4,640

<b>GENERAL FUND -- YEAR-TO-YEAR CHANGE, AFTER SAVINGS</b>			
	2007-08 Actual	Revised Projection (1)	Percent Change
Local Assistance	5,877	11,760	+100.0
Personal Service	109,497	106,501	-2.7
Non-personal Service 1/	26,439	28,099	+6.3
Total State Operations	135,936	134,600	-1.0
Capital (Hard Dollar) 2/	42,020	28,028	-33.3
TOTAL	183,833	174,388	-5.1

1/ NPS Savings offset by base adjustments for building leases, other fixed costs and legislative adds.

2/ DEC exceeded its 2007-08 Capital Hard Dollar cash estimate of \$28 million by \$13 million, as a result of one-time payments of \$7.6 million for Jones Inlet and \$4m for New Paltz regional headquarters.

The Department's General Fund Capital Budget of \$28 million in 2008-09 will fund high priority capital projects necessary to maintain over 1,857 facilities covering over 4.5 million acres of land throughout the state and consisting of over 1,900 buildings. The Division of Operations is responsible for the rehabilitation, maintenance and improvement of these DEC facilities. In addition, the Division must inspect and maintain all state-owned land, dam structures, is responsible for the demolition of hazardous and unsafe structures on state-owned, implement Executive Order 111 which requires the Department to reduce its energy consumption, and implement energy efficient practices, ensure that all buildings and facilities are in compliance with state and federal regulations for the safety of the public and the state workforce, remedy any violations with respect to bridge safety, worker and work space safety (OSHA), dam safety, radio towers, building fire and safety codes, disability access (ADA), disposal of toxic waste and the remediation of environmental deficiencies at state-owned sites. The Department's Capital projects also include the maintenance of fish hatchery infrastructure; maintenance of new and existing flood control projects, including major repair or replacement, stabilization in areas of channel bank erosion threatening levees and walls, rehabilitation of concrete walls and flumes and replacement of pump station electrical and mechanical equipment shore protection and coastal erosion projects. The Division of Lands and Forests capital projects are necessary for the stewardship of more than 4.5 million acres of public lands and easements, including the 3 million acre forest preserve in the Adirondack and Catskill Parks; 750,000 acres of state forests; and for developing and implementing unit management plans, (UMPS) for these lands, and boundary

surveys. The Capital Budget will also fund information technology projects to ensure business resiliency and continuance and cyber security.

### C. Identification of Proposed General Fund Actions

	2008-09 Cash	2009-10 Cash	2010-11 Cash
<b>GENERAL FUND</b>			
<b>Local Assistance</b>			
1. General re-estimate	-240	-240	-240
<b>State Operations</b>			
2. Eliminate Reservoir Release payments	-217	-217	-217
3. Redirecting Staff from Freshwater Wetlands Appeals Board	-40	-53	-53
4. Regional Sub-office Consolidation	0	-100	-100
5. Reduction of Replacement Vehicles	-170	-532	-532
6. Collaborate Recreation Advertising Contract with OPRHP	-125	-150	-150
7. Consolidate Spill Dispatch Contract with Enforcement	-62	-105	-105
8. Reduce purchase of IT equipment	-260	-600	-600
9. Reduce Supplies & Materials	-154	-154	-154
10. Reduce Memberships	-35	-35	-35
11. Eliminate Forest Inventory Contract	-330	-330	-330
12. Reduce Contractual Services	-581	-581	-581
13. Achieve GF Savings through workforce management	-1,742	-1,200	-1,200
14. Additional management efficiencies	-684	-343	-343

### D. Summary of Impact on Other Funds

<b>OTHER FUNDS (SRO) -- SAVINGS SUMMARY</b>			
	Required Reduction	2008-09 Savings	2009-10 Savings
Local Assistance	0	0	0
Personal Service	N/A	-2,342	-2,342
Non-personal Service	N/A	-3,731	-3,731
Total State Operations			

Capital		0	0
<b>TOTAL</b>	<b>-6,073</b>	<b>-6,073</b>	<b>-6,073</b>

<b>OTHER FUNDS (SRO) -- YEAR-TO-YEAR CHANGE, AFTER SAVINGS</b>			
	<u>2007-08 Actual</u>	<u>Revised Projection</u>	<u>Percent Change</u>
Local Assistance	N/A		
Personal Service	67,905	69,908	+2.9
Non-personal Service	99,012	92,185	-6.9
Total State Operations	166,917	162,093	-2.9
Capital	N/A	N/A	N/A
<b>TOTAL</b>	<b>166,917</b>	<b>162,093</b>	<b>-2.9</b>

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

	<u>2008-09 Cash</u>	<u>2009-10 Cash</u>	<u>2010-11 Cash</u>
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#### **OTHER FUNDS (Note the fund/s affected by each proposal, in parentheses at the end of each entry)**

##### **Local Assistance**

N/A

##### **State Operations**

- |   |        |        |        |
|---|--------|--------|--------|
| 1. Reduce overall spending across Special Revenue Other funds, including suballocations to other agencies, travel, purchase of office and other equipment, contractual services, temporary service, training and conferences. | -6,073 | -6,073 | -6,073 |
|---|--------|--------|--------|

Personal service savings will be realized through the current vacancy control process to manage attrition and replacement while continuing to achieve the Department's core goals. Approvals to fill vacancies will be limited to critical positions that are required for public health and safety, compliance with regulatory or statutory mandates and revenue production.

The plan will achieve Non-personal service spending savings of 3.35% in 2008-09. The Department's Special Revenue Other Funds will only fund essential activities, consistent with spending controls in place for the General Fund. Spending will be limited in the areas of temporary service staff, contractual services, travel, attendance at training and conferences, bulk mailings, subscriptions,

publications, the purchase of office and information technology equipment, with anticipated reductions, in non-essential purchases, contracts, and activities.

## **F. Plan to Manage the Workforce**

### *F.1 Overall Approach*

Keeping positions filled is critical to the success of fulfilling DEC's mission by addressing the Commissioner's priorities. This plan is predicated on that key element. Redirection of positions related to activities which are being eliminated will also factor into the management of the workforce.

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

Over the past year DEC staff has expended a tremendous amount of effort to add almost 150 filled positions. This has occurred during a period when the number of retirements and separations continue to grow. To address the programmatic impact of losing almost 20 percent of its workforce over the last decade, the filling of jobs has been one of the highest Department priorities. Our approach to this plan is to maintain as many fills as possible while still generating personal service savings through strategic delays in hiring and prioritization of all refills.

All positions which are vacated will be subject to a heightened level of internal review; there will be no automatic backfills on any funding source. Each proposal for refilling will be the subject of a justification to provide evidence of health and safety, mission criticality or revenue generation. Any position which fulfills one of these requirements will then be reviewed by the Deputy Commissioner for Administration for final approval/disapproval. A hiring lag will be imposed which could last from 60 to 90 days depending on the level of the position lost and the difficulty with recruiting a replacement. If attrition occurs on a non-General Fund funding source, position transfers will be necessary to generate General Fund savings. This will be done with care regarding federal grant eligibility and/or matching requirements, as well as regard for Legislative intent.

<b>Workforce Impact -- All Funds</b>	
<b>a. Initial Target: 3,752 [for reference]</b>	<b>3,752</b>
b. Current Fills PP# 3 or 4	3,755
c. Recurring impact of proposed actions (see Parts C & E)	-5
d. Recurring impact of vacancy-refilling plan (see F.2)	-3
e. Total FTEs March 31, 2009 (line b minus line c, plus/minus line d)	3,747
f. Change from Initial 2008-09 Target (line a minus line e)	-5

**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	3,775	3,763	3,756	3,755	3,752	3,752	3,752	3,752	3,752	3,752	3,747	3,743	
<b>B. State Operations</b>													
Personal Service													
1st PP	3,419	3,705	4,060	4,027	4,072	4,066	3,879	4,052	4,047	3,991	3,935	5,820	49,073
2nd PP	4,104	3,707	4,060	4,027	4,072	4,066	3,879	4,052	4,047	3,991	3,935	5,820	49,760
3rd PP (if applies)	3,789	0	0	0	0	0	3,879	0	0	0	0	0	7,668
Subtotal PS	11,312	7,412	8,120	8,054	8,144	8,132	11,637	8,104	8,094	7,982	7,870	11,640	106,501
NPS	2,261	1,100	3,748	4,045	2,450	2,135	1,400	1,250	1,635	1,250	4,000	2,825	28,099
<b>Total Disbursements -- State Ops</b>	<b>13,573</b>	<b>8,512</b>	<b>11,868</b>	<b>12,099</b>	<b>10,594</b>	<b>10,267</b>	<b>13,037</b>	<b>9,354</b>	<b>9,729</b>	<b>9,232</b>	<b>11,870</b>	<b>14,465</b>	<b>134,600</b>
<b>C. Local Assistance</b>													
All local assistance	97	501	31	191	625	1,695	1,581	1,326	1,144	1,403	1,177	1,989	11,760
<b>Total Disbursements - Local</b>	<b>97</b>	<b>501</b>	<b>31</b>	<b>191</b>	<b>625</b>	<b>1,695</b>	<b>1,581</b>	<b>1,326</b>	<b>1,144</b>	<b>1,403</b>	<b>1,177</b>	<b>1,989</b>	<b>11,760</b>
<b>D. Capital Projects</b>													
Admin	359	68	86	40	69	58	83	796	81	748	24	514	2,926
FWMR	80	81	65	36	76	10	96	21	25	40	68	35	633
Lands & Forests	76	96	70	195	(74)	64	(1)	78	49	186	200	468	1,407
Operations	3,106	2,448	1,057	930	1,483	720	1,409	1,027	893	1,314	1,397	1,048	16,832
Recreation	78	65	181	66	155	50	48	36	179	55	42	93	1,048
SHM	0	6	46	1	25	17	25	19	25	195	115	17	491
Water	537	260	451	290	555	371	468	197	206	526	169	241	4,271
Forest Protection	2	39	1	1	42	0	80	49	116	84	2	5	421
<b>Total Disbursements - Capital</b>	<b>4,237</b>	<b>3,063</b>	<b>1,957</b>	<b>1,559</b>	<b>2,331</b>	<b>1,290</b>	<b>2,208</b>	<b>2,223</b>	<b>1,574</b>	<b>3,148</b>	<b>2,017</b>	<b>2,421</b>	<b>28,028</b>

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**H. Assumptions Underlying the Proposed Plan**

As this plan will be implemented during the fiscal year that has already begun, we will be unable to generate full-annual savings for 2008-09. To address the balance of savings needed for the current fiscal year, we will use a combination of strategic delays in hiring and prioritization of all refills. It will not be necessary to incur any layoffs; all staff from eliminated activities will be redirected to other essential functions as attrition occurs. In addition we will generate recurring non-personal service savings from cancellation of memberships, reduction of travel and replacement vehicles and contractual services. In particular, the Department will not expend any additional funds on an advertising contract for the Adirondack and Catskill campgrounds. Rather we will collaborate with the Office of Parks, Recreation and Historic Preservation on a joint coordinated campaign for both park Systems using the existing contract with Reserve America (which manages the reservation system for both agencies). In addition, the Department is terminating its contract with Columbia County to provide Dispatch Services for Emergency Spill Response. Rather we will use the Department's own Dispatch system for Public Protection (Environmental Conservation Officers and Forest Rangers) for oil spill calls.

We will also forgo the expenditure of funds for the Forest Inventory contract for this year with the U.S. forest service and pursue alternative funding sources if/when this work is pursued in the future. Essential to the plan is the reduction of expenditures not only from General-funded programs, but from all Special Revenue Accounts as well. We will then generate General Fund savings through transfers.

#### **I. Management of Risks Inherent in the Plan**

The greatest risk of this plan is the perceived potential loss of services to the public in specific constituency areas. At a time of budget restraints, the Department must be able to address mission-critical activities.

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

Currently there are more than 100 facilities to which staff are assigned throughout the Department; we are investigating closing some of them. Consideration must be given to impacts of Department access by the public, the timing of leases, etc. And although we indicated a savings of \$100,000, the expectation is that the savings may be greater when the analysis is completed.

The Department expects to complete this review by January 2009, taking into consideration current space needs, lease costs and staffing, in order to generate additional outyear savings with a goal of reducing the cost of necessary facilities by 1.5 percent.

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

##### **Electronic Reporting**

DEC is working to establish a standard approach and technical architecture to enable information to be received electronically from the regulated community. Such information could include, permit applications and supporting materials, operating reports, emissions or release reports, petroleum and chemical bulk storage tank registrations, and others. As well as simplifying the reporting process for the regulated community, and thereby reducing burden, such an electronic reporting approach will increase staff efficiencies through reduction of data entry efforts, and would improve timeliness of data collection.



Because of the legal and enforceable nature of many of the documents that may be submitted through an electronic reporting mechanism, there is an important need for formal indication of acceptance and authenticity through some form that can be considered equivalent to a written signature. This implementation action also called for the Department to establish a standard approach for the use and acceptability of electronic signatures or some alternative form of certification such as trading partner agreements to support electronic reporting mechanisms.

A number of programs have implemented or are piloting Web-based electronic reporting from the regulated community, for example, oil and gas well production reports and air quality Title V permit compliance certifications. Although no specific Department-wide standard exists at this time for electronic reporting procedures or electronic signatures, the latter pilot project is expected to establish working standards for the Department.

### **Content Management**

The Department maintains vast resources of information both in structured form, for example, formal databases, and un-structured form, for example, email, documents, images, and so on. There is a growing need to manage this content in an organized and consistent manner which will support access, sharing, and retention.

The need for improved content management is being driven by three main needs, operational efficiency, legal discovery and regulatory compliance. Compliance and regulatory requirements compel the Department to look for new methods and standards to reduce the risks associated with providing conflicting information sources, or worse, no information source at all. . Most important to program staff and management, content management can provide significant resource savings in earned efficiencies, improved business processes and enhanced knowledge management.

The Department currently has multiple content management solutions in place in select business areas, however none are coordinated. This new implementation action was identified with the objective to establish a set of policies to manage and organize the various content types and to identify and implement appropriate tools and security procedures to manage the different content types.