

**2008-09
Spending
Plan**

Agency Name: NYS Division of Military and Naval Affairs

Agency Head: Major General Joseph J. Taluto- The Adjutant General

A. Overview of Proposed Plan

A.1 Overall Approach

The New York State Division of Military and Naval Affairs (DMNA) will implement a balanced approach in achieving the goals set forth by the Governor through Budget Bulletin B-1178. This approach will entail multiple aspects of agency operations to include attrition, staff re-alignments, energy conservation, programmatic and purchasing reductions, federal offsets, efficiencies in travel and utilization of existing infrastructure. The agency is, and will conduct a thorough review to achieve fiscal efficiencies and long-term savings of the aforementioned functions, but will not limit itself to those areas. The goal is to realize budget efficiencies, eliminate non-essential spending and continue to deliver core agency functions.

A.2 Achievement of Savings on a Recurring Basis

The agency is currently reviewing all programs to achieve recurring savings on an annual basis. Programs such as the New York Guard and the NYS Military Museum and Veterans Research Center have been analyzed and a determination was made that in order to reach the mandate of Budget Bulletin B-1178, costs can be reduced in both areas. In the area of personal services the agency is instituting an attrition plan, and will only allow overtime for emergency situations in order to achieve additional recurring savings. All managers of DMNA facilities have been instructed to ensure that where economically feasible, energy saving devices are utilized or installed to further maximize utility savings. In addition, DMNA will institute energy efficient technology in newly constructed facilities to achieve increased conservation. Travel is comparatively a minor cost at DMNA, however, where possible, it will be reduced or limited and will be based on necessity to meet critical agency needs. The agency will carefully scrutinize all other requests to expend funds in relation to conferences, publications, contracts, the purchase of equipment and all other areas to ensure a savings. Finally, DMNA will continue leveraging federal funds to offset state costs.

A.3 Protecting Key Priorities

In order to evaluate the priorities related to the agency's core mission DMNA reviewed on-going metrics development that established outcomes, which are required in order to maintain military readiness and the continuation of the flow of federal resources into New York State. Additionally, auxiliary functions are evaluated on a continuous basis, to include performance measures and internal control reviews, which determine programmatic areas where fiscal resources are required. Finally, current external mandates, such as energy conservation mandates and environmental compliance, are reviewed on a continuous basis. As a public protection agency, DMNA's core mission is to maintain a readiness posture for the New York State Organized Militia in the event of an overseas or domestic deployment, and to quickly and effectively respond to civil emergencies, natural or man made disasters and threats to the nations security. Key priorities for DMNA are maintaining armory and airbase infrastructure in the most efficient manner possible. These facilities are critical to

the units assigned to them as well as housing federal equipment. Other priorities include the continuance of the tuition program that encourages recruitment and retention, and protecting the integrity of the existing workforce, while not robust, continues to accomplish agency missions. Finally, The New York State Division of Military and Naval Affairs will continually review the mission requirements of Joint Task Force Empire Shield. This will ensure resources that are sub-allocated from the budget of the New York State Office of Homeland Security are efficiently applied to priority efforts to secure critical infrastructure and transportation entities.

A.4 Treatment of New Initiatives

One new initiative is the purchase of two boats for the New York State Naval Militia Boat Program. This initiative has been reviewed and after careful consideration, and based on current requirements has been reduced to one boat and one truck. This action will result in a recurring savings of approximately \$483,000 in the current state fiscal year. All other new initiatives will be reviewed on a case by case basis using criteria such as available resources and requirements that are necessary in order to meet the agency's core mission.

B. Summary of General Fund Financial Impacts

GENERAL FUND -- SAVINGS SUMMARY			
	Required Reduction	2008-09 Savings	2009-10 Savings
Local Assistance	N/A	N/A	N/A
Personal Service	0	0	0
Non-personal Service	662.6	662.6	662.6
Total State Operations	662.6	662.6	662.6
Capital	0	0	0
TOTAL	662.6	662.6	662.6

GENERAL FUND -- YEAR-TO-YEAR CHANGE, AFTER SAVINGS			
	2007-08 Actual	Revised Projection	Percent Change
Local Assistance	N/A	N/A	N/A
Personal Service	10,468.1	11,634.0	11.1
Non-personal Service	7,235.8	7,850.0	8.5
Total State Operations	17,703.9	19,484.0	10.1
Capital	12,500.0	15,230.0	21.8
TOTAL	30,203.9	34,714.0	14.9

C. Identification of Proposed General Fund Actions**State Operations**

1. Reduction in Museum NPS expenditures	(50.0)	(50.0)	(50.0)
2. Reduction in New York Guard expenditures	(105.0)	(105.0)	(105.0)
3. Non-procurement of one MEBS Boat	(483.0)	0.0	0.0
4. Other Agency's reductions and efficiencies	(24.6)	(24.6)	(24.6)
5. Attrition of a minimum of five positions	0.0	(125.0)	(125.0)
6. Continue to prioritize and evaluate state mission strength	0.0	(357.0)	(357.0)

The above savings for the SFY 2009-10 and SFY 2010-11 are based on the SFY 08-09 Appropriations/Cash.

D. Summary of Impact on Other Funds

OTHER FUNDS -- SAVINGS SUMMARY			
	Required Reduction	2008-09 Savings	2009-10 Savings
Local Assistance	N/A	N/A	N/A
Personal Service	N/A		
Non-personal Service	189.0	189.0	189.0
Total State Operations	189.0	189.0	189.0
Capital		N/A	N/A
TOTAL	189.0	189.0	189.0

OTHER FUNDS -- YEAR-TO-YEAR CHANGE, AFTER SAVINGS			
	2007-08 Actual	Revised Projection	Percent Change
Local Assistance	N/A	N/A	N/A
Personal Service	1,156.0	1,063.0	-8.0
Non-personal Service	3,831.2	3,386.0	-11.6
Total State Operations	4,987.2	4,449.0	-10.8
Capital	N/A	N/A	N/A
TOTAL	4,987.2	4,449.0	-10.8

E. Identification of Proposed Other Fund Actions

State Operations	2008-09 Cash	2009-10 Cash	2010-11 Cash
1. Cash reduction for the Tuition Program (RIRP), which is contingent on decreased anticipated enrollment due to deployments	189.0	189.0	189.0

F. Plan to Manage the Workforce

F.1 Overall Approach

DMNA plans to review and examine positions as they become vacant for possible attrition or realignment of duties. The agency will look to eliminate five positions through attrition over the course of the next two years. Additionally, the agency will stagger and delay all vacancy announcements, so a cost savings can be achieved. It is the agency's position to only allow overtime for emergency situations. Any other overtime requests will be scrutinized to ensure that cost savings are being realized. Supervisors will look to create efficiencies during the normal work day, which will decrease overtime usage.

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

Each position, upon vacancy, will be reviewed for its necessity to the agency. After review, if it is determined that a vacated position is no longer required, it will be abolished as a cost savings measure. In addition, DMNA will look to realign duties where the current position is not serving critical mission duties. In this case, the agency will perform a job analysis and change titles where appropriate to ensure out-of-title situations do not arise.

Workforce Impact -- All Funds	
a. Initial Target: 529 [for reference]	-----
b. Current Fills PP# 3 or 4	493
c. Recurring impact of proposed actions (see Parts C & E)	(2)
d. Recurring impact of vacancy-refilling plan (see F.2)	36
e. Total FTEs March 31, 2009 (line b minus line c, plus/minus line d)	529
f. Change from Initial 2008-09 Target (line a minus line e)	(2)

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
A. Workforce - All Funds													
Est FTEs Month-end													
B. State Operations													
Personal Service													
1st PP	428	428	430	430	443	449	450	455	462	465	470	460	5,370
2nd PP	429	432	429	438	442	448	451	462	462	468	466	447	5,374
3rd PP (if applies)	434	0	0	0	0	0	456	0	0	0	0	0	890
Subtotal PS	1,291	860	859	868	885	897	1,357	917	924	933	936	907	11,634
NPS	445	558	606	555	573	643	660	690	771	751	790	808	7,850
Total Disbursements -- State Ops	1,736	1,418	1,465	1,423	1,458	1,540	2,017	1,607	1,695	1,684	1,726	1,715	19,484
C. Local Assistance													
Program x													
All other local assistance	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Disbursements - Local	0	0	0	0	0	0	0	0	0	0	0	0	0
D. Capital Projects													
State Milcon Projects													
Preservation of Facilities	750	200	200	100	400	200	100	1,080	250	220	300	1,000	4,800
	330	400	500	700	1,400	1,500	750	800	900	1,100	900	1,150	10,430
	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Disbursements - Capital	1,080	600	700	800	1,800	1,700	850	1,880	1,150	1,320	1,200	2,150	15,230

H. Assumptions Underlying the Proposed Plan

One of the key assumptions underlying the proposed plan is the deferment of acquiring a Naval Militia boat, therefore, only one Naval Militia boat and one truck will be purchased. Subsequently, in order to meet targeted cost savings, DMNA must disburse a minimum payment totaling 90 percent of the cost prior to the end SFY 08-09. This assumption is based on the date that the contract is awarded and the timeframe related to the construction of the boat, to include inspections and sea trials. In the event that the aforementioned does not occur DMNA would like to work with DOB to mitigate any adverse impact on the agency in SFY 2009-10. A second assumption references the reduction of the Special Revenue Other Fund, which is contingent on decreased anticipated enrollment in the Recruitment Incentive and Retention Program (RIRP) due to deployments.

I. Management of Risks Inherent in the Plan

Other than meeting the procurement timeline of the Naval Militia boat, the risk associated in implementing this plan during the current fiscal year is minimal. However, increasing energy costs beyond planned inflation at the numerous DMNA airbases and armories, with efficiencies, may cause a structural imbalance to this proposed plan. It should be noted that utilities account for 60 percent of the agencies total General Fund operational budget.

J. Additional Savings Opportunities for 2008-09

Currently, DMNA is in discussions with the federal government to possibly offset state utility expenditures at certain armories for at least six months during SFY 08-09. In addition, the agency will institute a two-year attrition plan for five positions. This plan will realize attrition during the current fiscal year and the following year. Finally, DMNA will administratively increase the rental rates for the use of armories by the private sector, especially in the New York City area in order to further maximize Special Revenue-Other, which will produce savings in the overall DMNA budget.

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

The agency will be re-examining the armory infrastructure to ensure all facilities are fulfilling their maximum intended use. Savings for SFY 2009-10 may be achieved by further offsetting annual utility expenditures of certain armories to federal funds. Additionally, any DMNA related contractual agreements should be re-examined to identify potential savings.