

2008-09 Spending Plan	NYS Foundation for Science, Technology and Innovation (NYSTAR)
	Ed Reinfurt, Executive Director

A. Overview of Proposed Plan

A.1 Overall Approach

NYSTAR's spending plan coincides with its prioritization efforts to target existing and future resources towards commercialization and research efforts that offer the greatest scientific and economic opportunities. These investments will focus on utilization of existing assets, investments and opportunities.

NYSTAR recognizes the difficult fiscal situation that is faced both this year, and in the future, but must convey that achieving savings in the near term will be challenging. General Fund programmatic spending in FY 07-08 totaled \$38.9 million dollars, which represents the lowest total spending in the past six years. The plan for FY 08-9 has projected disbursements of \$29.65 million and reflects further reductions, including \$729,000 required as part of the 2% Local Assistance and 3.35% State Operations required spending cuts. Specific actions are identified below and in other areas of this plan to reduce programmatic spending, but previous multi-year awards require a minimum level of spending that is difficult to reduce without canceling contractual commitments.

Programmatically, savings will be achieved through a combination of fewer awards and decreasing the dollar value to more succinctly target investments. As an example, individual awards for the Faculty Development program may have a ceiling of \$100,000 or \$200,000 as opposed to the current upper limit of \$750,000. A similar approach is expected for NYSTAR's Technology Transfer Program. Where five or seven award competitions have occurred annually, this may decrease to three to four.

Operational savings will be achieved through curtailment of spending. Travel, contractual services and office purchases will be continually reviewed and reduced wherever possible (specific examples identified in section C). NYSTAR is also discussing shared services and subscription options with other agencies that may yield additional ongoing savings.

Specific appropriations may also be reduced to achieve savings. NYSTAR's High Technology Program provides fixed term matching grants to match Federal awards. As the State's commitment to match the individual awards expire; the state could choose to discontinue its funding.

A.2 Achievement of Savings on a Recurring Basis

The actions described above will all contribute to recurring savings. Reducing award amounts and/or decreasing match commitments to federal dollars for multi-year awards will lessen NYSTAR's ongoing fiscal commitments.

A.3 Protecting Key Priorities

NYSTAR's prioritization process will result in recommendations to the NYSTAR Board and the Executive that identify key assets and investments that are critical to maintain and enhance New York State's technological and research strengths. Additionally, existing Program metrics will continue to be collected and reviewed to highlight the performance and impacts of individual programs.

As new opportunities present themselves, either in the current year or future, the options outlined above allow the Executive to continue to review and pursue investments that are considered priorities.

A.4 Treatment of New Initiatives

NYSTAR is actively working with State and private partners to pursue financial and other support for priorities and new initiatives that are not funded from the General Fund. As an example, in the area of High Performance Computing (HPC), interest has been expressed by the Federal Department of Energy and NYSERDA to support and accelerate HPC energy research and commercialization efforts in relevant areas at New York's universities.

As identified above, initiatives that result from new competitive awards are planned to be for smaller amounts with a more targeted purpose.

B. Summary of General Fund Financial Impacts (000)

GENERAL FUND -- SAVINGS SUMMARY			
	Required Reduction	2008-09 Savings	2009-10 Savings
Local Assistance	593	2,093	593
Personal Service	77	83	83
Non-personal Service	59	65	70
Total State Operations	136	148	153
Capital			
TOTAL	729	2,241	746

GENERAL FUND -- YEAR-TO-YEAR CHANGE, AFTER SAVINGS			
	2007-08 Actual	Revised Projection	Percent Change
Local Assistance	38,785	28,862	(25.6)
Personal Service	2,315	2,232	(3.6)
Non-personal Service	1,764	1,702	(3.5)
Total State Operations	4,079	3,934	(3.6)
Capital			
TOTAL	42,864	32,796	

C. Identification of Proposed General Fund Actions

	2008-09 Cash	2009-10 Cash	2010-11 Cash
GENERAL FUND			
Local Assistance	28,862	25,562	26,062
1 Statutory 2% Reduction –High Tech Program –Enacted	376	376	376
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2 Statutory 2% Reduction –Research & Development Program –Enacted	217	217	217
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3 Re-estimate of competitive award programs.	1,500		
.			
State Operations	3,934	4,023	4,094
4 Reduce utilization of consultant services –fewer expert reviewers will be needed if less award competitions are carried out.	30	40	40
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5 Reduce IT expenditures- the technology plan will be reviewed to modify and extend the lifecycle of IT equipment.	15	15	15
.			
6 Reduce sponsorship opportunities	15	15	15
.			
7 Defer Staff development training – non critical staff training/development opportunities will be eliminated	5		
.			
8 PS - Reduction in planned hires.	83	83	83
Capital Projects			

D. Summary of Impact on Other Funds

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

OTHER FUNDS -- YEAR-TO-YEAR CHANGE, AFTER SAVINGS			
	2007-08 Actual	Revised Proj (08-09)	Percent Change
Local Assistance			
Personal Service			
Non-personal Service			
Total State Operations			
Capital	1,889	3,976	110
TOTAL	1,889	3,976	110

E. Identification of Proposed Other Fund Actions

No other Fund actions are anticipated.

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

Local Assistance

State Operations

Capital Projects

F. Plan to Manage the Workforce

F.1 Overall Approach

NYSTAR has authority to fill 30 positions from the General Fund. Currently there are 26 employees funded from the General Fund.

There are also 3 authorized positions for the state's Venture fund (SBTIF), one of which is currently filled. Positions for the SBTIF have traditionally been funded directly from SBTIF and not from the General Fund.

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

NYSTAR traditionally has a very low turnover rate. Any vacancies that do occur will be reviewed to determine 1) if the position can remain vacant; or 2) the position could be reassigned to address more critical needs elsewhere at NYSTAR.

The small staff levels at NYSTAR do not present significant opportunities for savings if its mission is to be carried out.

That said, NYSTAR will maintain vacancies as long as possible and is currently actively recruiting for only two positions. One would be a Chief Science Advisor to assist the Executive Director with prioritization efforts and review and comment on University or Executive requests for input on scientific proposals/investments.

The second is for an additional person for the Small Business Technology Investment Fund (SBTIF). This fund has operated with a single individual for the past year and risks losing its effectiveness to manage its portfolio or advance commercialization efforts if the shortage is not addressed.

Workforce Impact -- All Funds	
a. Initial Target:	30
b. Current Fills PP# 3 or 4	26
c. Recurring impact of proposed actions (see Parts C & E)	0
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)	28
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	26	26	26	26	27	27	27	28	28	28	28	28	28
B. State Operations													
Personal Service													
1st PP	75	94	86	80	84	84	84	87	87	87	97	87	1,032
2nd PP	111	80	80	80	84	84	84	87	87	87	87	87	1,038
3rd PP (if applies)	77	0	0	0	0	0	84	0	0	0	0	0	161
Subtotal PS	263	174	166	160	168	168	252	174	174	174	184	174	2,231
NPS	0		651	115	117	117	117	117	117	117	117	117	1,702
Total Disbursements -- State Ops	263	174	817	275	285	285	369	291	291	291	301	291	3,933
C. Local Assistance													
High Tech Program	1,717	1,717	1,717	1,717	1,717	1,717	1,717	1,717	1,717	1,717	1,717	1,719	20,606
R & D Program	479	479	479	479	479	479	479	479	479	479	479	479	5,748
All other local assistance	209	209	209	209	209	209	209	209	209	209	209	209	2,508
Total Disbursements - Local	2,405	2,407	28,862										
D. Capital Projects													
Program/project aa	0	0	0	0	0	0	0	0	0	0	0	0	0
Program/project bb	0	0	0	0	0	0	0	0	0	0	0	0	0
Program/project cc	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
Total Disbursements - Capital	0												

H. Assumptions Underlying the Proposed Plan

Programmatically, the plan assumes fewer and more targeted investments will occur in the future. It also presumes that matching appropriations to federal funding opportunities will be carefully examined for appropriate funding levels in the next Enacted Budget.

I. Management of Risks Inherent in the Plan

Most savings identified will be achieved through reductions in Programmatic spending. Universities may share concerns that the State is reducing its commitment to commercialization efforts and advancing the innovation economy.

Additionally, reductions to matching commitments may put certain federal funds that come to New York at risk. While the State's initial matching commitment may have been met, reducing or discontinuing a state match could jeopardize the funding and curtail or eliminate certain research efforts. This research is often carried out with numerous industry partners that also co-invest significant funds at New York universities.

Operational reductions identified will decrease the State's investment in commercialization efforts at universities. It may also reduce NYSTAR's ability to actively support collaboration through opportunities across the state.

J. Additional Savings Opportunities for 2008-09

Identification of additional savings opportunities will continue at NYSTAR, and be highlighted to the Executive as appropriate.

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

Savings that might result from changes to statutory program language are being reviewed and could be incorporated in future Budgets or legislative proposals. NYSTAR has several programs, such as Faculty Development and Technology Transfer Incentive, that are competitively awarded and contain prescriptive language as to recipients and how funds may be spent. The benefits of greater flexibility are significant and will allow us to be more responsive to NYSTAR's priority investments.