



NATURAL RESOURCES BOARD

Dewey Building
National Life Drive
Montpelier, Vermont 05620-3201

TO: Jim Reardon, Commissioner of Finance and Management

FROM: Ron Shems, Chair *RS*
Lou Borie, Executive Director *LB*

DATE: December 5, 2014

SUBJECT: FY 2015 Spending Reduction Plan, Benefit Rate Increases, and Act 179 Efficiency and Enhancement Savings

The Natural Resources Board has developed a plan to reduce its FY 2015 authorized spending by the assigned target of \$13,598. This includes spending reductions of \$12,049 and efficiency savings of \$1,549.

Spending Reduction Plan

The NRB has reviewed its FY 2015 authorized spending and has developed the following plan to achieve spending reductions totaling \$12,049.

NRB proposes to reduce spending in major object categories by the following amounts:

Operating Expenses	\$ 12,049
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These spending reductions are further detailed below:

Litigation Expenses	\$ 2,000
Repair and Maintenance	\$ 500
Office Supplies	\$ 2,000
Telephone	\$ 2,000
Meals (Staff, Board and District Commissioners)	\$ 1,000
Contractual (IT)	\$ 1,500
IT Equipment (Computers)	<u>\$ 3,049</u>
Total Spending Reductions	\$12,049

Act 179 Efficiency and Enhancement Savings

NRB will achieve Efficiency Savings in the following Operating Expense categories:



Postage	\$ 500
Auto Rental	\$ 1,049
Total Efficiency Savings	\$ 1,549

Benefit Rate Increases

We estimate that the impact of benefit rate increases on our FY 2015 budget is \$40,000. NRB does not have the ability to absorb this upward pressure in FY 2015 without significant impacts on the implementation of the Act 250 program or a reduction in force. As discussed earlier with Commissioner Reardon, we propose to use Special Funds from NRB's FY 2015 Special Fund surplus to offset the impacts of the benefit rate increase in FY 2015. The impact of benefit rate increases in FY 2016 and future years will be addressed through NRB's FY 2016 budget and Fee Bill.

Summary

NRB proposes to reduce spending and achieve efficiency savings as outlined above, totaling \$13,598 in FY 2015 spending. The reductions will have an impact on NRB's ability to participate in court proceedings related to appeals and enforcement (Litigation Expenses) and may have an impact on our ability to fully deploy our SharePoint Database solution in FY 2015 (Contractual – IT), however we believe we can achieve these spending reductions without a significant impact on NRB's primary mission, the implementation of the Act 250 program.