

Attachment A. Budget Narrative

The following budget narrative describes the budget categories and a detailed description of the budget outlined in section 7 of the workplan and SF-424A attached to this proposal. Table 1 and Table 2 provide an overview of the budget category totals by year and the total budgets for each measure, respectively.

Table 1. Budget Categories by Year

BUDGET BY YEAR							
COST-TYPE	CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Direct Costs	TOTAL PERSONNEL	\$65,001	\$66,951	\$68,960	\$71,028	\$73,159	\$345,099
	TOTAL FRINGE BENEFITS	\$41,230	\$42,467	\$43,741	\$45,053	\$46,405	\$218,896
	TOTAL TRAVEL	\$306	\$1,476	\$306	\$1,476	\$306	\$3,868
	TOTAL EQUIPMENT	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL SUPPLIES	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL CONTRACTUAL	\$2,050,000	\$3,050,000	\$4,050,000	\$5,050,000	\$6,050,000	\$20,250,000
	TOTAL OTHER	\$39,542,664	\$39,570,983	\$24,463,633	\$15,586,558	\$15,640,670	\$134,804,509
	TOTAL DIRECT	\$41,699,200	\$42,731,877	\$28,626,640	\$20,754,116	\$21,810,540	\$155,622,372
	TOTAL INDIRECT	\$18,213	\$18,760	\$19,322	\$19,902	\$20,499	\$96,697
TOTAL		\$41,717,414	\$42,750,636	\$28,645,962	\$20,774,018	\$21,831,039	\$155,719,069

Table 2. Total Budget by Measure

BUDGET BY MEASURE			
Measure Number	Project Name	Total Cost	% of Total
1	Organics Recycling	\$20,910,692	13%
2	Natural Refrigerants	\$57,503,868	37%
3	Clean Cooling/Heating Centers	\$37,045,899	24%
4	Energy Performance Contracting	\$40,258,610	26%
TOTAL		\$155,719,069	100%

The following sections detail the budget by GHG emission reduction measure and budget category.

Measure 1: Support Organics Recycling

This measure proposes funding for the personnel, fringe benefits, contractual, and indirect budget categories.

- Personnel \$345,099
 - NYSDEC will hire one new Environmental Program Specialist 1 (entry level) to assist implement out this measure. This equates to 100% of 1 FTE. The current salary for this

position is \$65,001, plus 3% salary increases each year through the duration of the budget period. This salary and the associated yearly increases are determined through union negotiations.

- Fringe \$218,896
 - NYSDEC calculates fringe benefits at a rate of 63.43% of annual salary. The total fringe costs are based on 63.43% of 1 Environmental Program Specialist FTE per year. Fringe benefits include disbursements incurred by the State for the benefit of its employees and includes the costs to the State, as an employer, for retirement plans, Social Security, health insurance, dental insurance, Worker's Compensation, Survivor's Benefits, unemployment insurance and the State's contribution to the Employee Benefit Funds pursuant to agreements with the various bargaining units.
- Contractual \$20,250,000
 - Contractual costs include funding for projects implemented pursuant to the measure description (\$20,000,000) and funding to procure a contractor that would measure and report to NYSDEC on the metrics related to program implementation (\$250,000).
 - NYSDEC will release a Request for Applications to develop 40 new contracts with local governments or non-profits to establish organics programs. The programs could include a new facility, expanded facility, equipment purchases to enable organics diversion, and/or education and outreach related to organics diversion. Projects will vary in size; the budget assumes an average cost of \$500,000 per project. NYSDEC intends to ramp up project completion over time, so the budget assumes \$2,000,000 in the first year, increasing by \$1,000,000 per year through the end of the grant period.
 - NYSDEC will procure a contractor to measure and report on various metrics related to measure implementation (e.g., pounds of food waste diverted). The budget allocates \$250,000 for this purpose, evenly distributed throughout the grant period.
- Indirect \$96,967
 - The indirect costs are associated with 1 new FTE at a salary of \$65,001, plus 3% salary increases each year through the duration of the budget period. NYSDEC calculates indirect costs at a rate of 28.02% of annual salary. Indirect costs include, but are not limited to, physical overhead, space occupancy, utilities, information technology, and central service agency costs.

Measure 2: Phase Out Hydrofluorocarbons and Support Natural Refrigerants

This measure proposes funding for the travel and other budget categories.

- Travel \$3,868
 - This budget would support NYSDEC staff to travel to workshops, workforce training events, and/or outreach events related to the implementation of this measure. NYSDEC anticipates two two-day workshops will take place during year two and year four of the grant period, focused on workforce training and beneficiary outreach. Two agency staff would attend each workshop. To support that need, the budget includes round trip train travel, two-night hotel accommodations, and two days of per-diem for each staff member attending each workshop. Additionally, NYSDEC anticipates frequent day-long outreach events and has therefore budgeted for annual travel averaging 250 miles, budgeted using the 2024 federal mileage reimbursement rate of \$0.67 per mile. The budget accounts for an average of six additional days of per-diem stipend for any

extended travel days. The travel budget was calculated using federal GSA rates for hotels, travel, and meals and incidental expenses, and uses an average based on rate differentials between New York City and upstate New York.

- Other \$57,500,000
 - NYSDEC proposes \$50,000,000 be made available to fund projects to replace refrigeration equipment that uses HFCs with equipment that uses natural refrigerants and \$7,500,000 be made available to a third-party program administrator to implement the overall measure.
 - In order to successfully implement this program, NYSDEC would competitively procure a non-profit third-party program administrator to manage all aspects of this measure. The program administrator would administer competitive grants to eligible entities, as described in the workplan, to install 100 full or partial natural refrigeration systems with ultra-low or zero GWP. NYSDEC proposes making \$7,500,000 available for this purpose, which reflects 15% of the overall program. The program administrator could use these funds to pay for administrative costs including but not limited to staff and fringe benefits, metrics tracking, program outreach, and travel. This funding would be distributed evenly across the grant period at \$1,500,000 per year.
 - As described, NYSDEC proposes \$50,000,000 be used to pay for the purchase and installation of 100 full or partial natural refrigeration systems with ultra-low or zero GWP. This funding would be distributed evenly over the grant period at \$10,000,000 per year, equating to 20 projects per year. To account for the varying costs of full or partial replacements, and various equipment sizes, the measure assumes an average system cost of \$500,000.

Measure 3: Create Green Community Cooling/Heating Centers

This measure proposes funding for the other budget category. This reflects a subaward to NYSERDA. Additional detail on how NYSERDA intends to allocate its subaward is included in this narrative.

- Other \$37,045,899
 - NYSDEC will subaward funds to NYSERDA to implement Measure 3 in the amount of \$37,045,899.
 - This includes \$715,205 for NYSERDA personnel and fringe to implement measures, ensure consistent and accurate reporting according to EPA requirements, and ensure appropriate and timely expenditures of funds. According to NYSERDA's Indirect Cost Billing Agreement for where Code of Federal Regulations (CFR) 2 C.F.R. 200 applies, NYSERDA will include a 68.85% fringe rate on all personnel charges.
 - This includes \$10,800 to compensate disadvantaged community stakeholders for their input on program activities, as described in section 4.b of the workplan. Stakeholders are prequalified to receive compensation from NYSERDA through a Request for Qualifications and are compensated according to standardized rates.
 - This includes \$1,552,922 to procure staff augmentation contractors at NYSERDA. Staff augmentation contractors will work alongside NYSERDA staff, integrating into teams to support delivery of programs. NYSERDA anticipates bringing 1 FTE on board to assist with this measure. In the event that it is more advantageous

to do so for budgetary or programmatic reasons, NYSERDA may directly hire staff rather than use staff augmentation contractors.

- NYSERDA will procure design services on behalf of 18 entities for \$1,800,000. It will also procure support contractor(s) to provide technical assistance related to accessing incentives, operating equipment to maximize emissions reductions and thermal resiliency co-benefits, and trainings on energy and thermal resilience. These services will cost \$2,200,000.
- NYSERDA will provide \$30,000,000 in subawards to community-based organizations and municipal partners to implement this measure.
- This includes \$766,972 in indirect costs. This reflects 41.65% for Labor Overhead and 51.97% for G&A expenses, levied on personnel expenses. In addition, NYSERDA is required to charge a 1.01% cost recovery fee that applies to all expenses, including contractual and personnel-related overhead expenses.

Measure 4: Support Advanced Energy Performance Contracting for Local Governments

This measure proposes funding for the other budget category. This reflects a subaward to NYSERDA. Additional detail on how NYSERDA intends to allocate its subaward is included in this narrative.

- Other \$40,258,610
 - NYSDEC will subaward funds to NYSERDA to implement Measure 4 in the amount of \$40,258,610.
 - This includes \$785,984 for NYSERDA personnel and fringe to implement measures, ensure consistent and accurate reporting according to EPA requirements, and ensure appropriate and timely expenditures of funds. According to NYSERDA's Indirect Cost Billing Agreement for where Code of Federal Regulations (CFR) 2 C.F.R. 200 applies, NYSERDA will include a 68.85% fringe rate on all personnel charges.
 - This includes \$10,800 to compensate disadvantaged community stakeholders for their input on program activities, as described in section 4.b of the workplan. Stakeholders are prequalified to receive compensation from NYSERDA through a Request for Qualifications and are compensated according to standardized rates.
 - This includes \$3,623,485 to procure staff augmentation contractors at NYSERDA. Staff augmentation contractors will work alongside NYSERDA staff, integrating into teams to support delivery of programs. NYSERDA anticipates bringing 3 FTEs on board to assist with this measure. In the event that it is more advantageous to do so for budgetary or programmatic reasons, NYSERDA may directly hire staff rather than use staff augmentation contractors.
 - NYSERDA will procure contractors that provide phase 1 predevelopment support to 50 communities for \$8,500,000.
 - NYSERDA will provide \$26,500,000 in subawards to local governments for Phase 2 design and Phase 3 implementation support for EPCs.
 - This includes \$838,340 in indirect costs. This reflects 41.65% for Labor Overhead and 51.97% for G&A expenses, levied on personnel expenses. In addition,

NYSERDA charges a 1.01% cost recovery fee that applies to all expenses, including contractual and personnel-related overhead expenses.