



NEW YORK
STATE OF
OPPORTUNITY™

DASNY

Proposed Operating Budget 2019-2020 Fiscal Year

December 31, 2018

Budget Highlights for 2019-2020 Proposal

- **The total 2019-20 proposed operating budget of \$118,130,455 represents an expenditure increase of 2% over the projected results for the 2018-19 fiscal year.**
- **The 2019-20 operating results are expected to show a slight deficit**, changing from the projected 2018-19 surplus.
- **Proposed FTEs** of 529 reflects no projected increase in FTEs from the 2018-19 adopted budget.
- **Salaries** include the contractual cost-of-living increases of 2% (\$1.0 million) and step/longevity increases (\$0.56 million).
- **Benefits** reflect a 3% increase in health insurance premiums due to higher rates and participation and higher contributions based on the estimate received from the Employee Retirement System. The proposal also funds higher contributions associated with additional retirees.
- **OPEB** expenses reflects a higher portion of DASNY's work to support its public clients, resulting in a shift in our retiree health care costs from private clients. Since this is an employee benefit, we allocate the cost based on payroll. In order to minimize volatility when our support shifts between our public and private clients, we calculate the allocation using a 5-year rolling average of the amount of employee time that has been spent supporting our public and private clients.
- **Projected Construction workload for 2018-19 has decreased 25%** over the prior year's value, while increasing the number of projects to just over 1,000.

2018-2019 Projected Results Compared to 2019-2020 Proposed Budget

	PROJECTED 2018-2019 EXPENSE	PROPOSED 2019-2020 BUDGET	<u>CHANGE</u>	
Personal Services				
Salaries	\$ 52,121,119	\$ 53,690,438	\$ 1,569,319	3.01%
Retirement Contributions	7,339,045	7,667,347	328,302	
Social Security	3,722,955	4,107,319	384,364	
Health Insurance	12,270,247	12,638,355	368,107	
Workers Compensation	533,307	658,915	125,608	
Dental & Optical	362,217	370,800	8,583	
Miscellaneous Benefits	529,661	561,300	31,639	
Total Benefits	\$ 24,757,431	\$ 26,004,035	\$ 1,246,604	
Total Personal Services	\$ 76,878,550	\$ 79,694,473	\$ 2,815,923	3.66%
Maintenance & Operations				
Rent & Utilities	1,972,459	2,014,225	41,766	
Office Supplies & Miscellaneous Expense	859,676	1,064,582	204,906	
Business Travel Expense	759,141	790,585	31,444	
Management & Staff Training	207,530	272,589	65,059	
Publications & Memberships	228,266	270,364	42,098	
Communications	369,228	360,520	(8,708)	
Corporate Insurance	543,579	481,672	(61,907)	
Non-Capital Equipment & Equipment Leases	201,595	220,800	19,205	
Diversity Training & Coordination	92,000	92,000	-	
Legal Fees	490,638	500,000	9,362	
Professional Services	653,215	666,750	13,535	
Computer Services & Equipment	2,597,000	2,545,552	(51,448)	
Depreciation Expense	849,894	850,000	106	
Payment in Lieu of Taxes	125,000	125,000	-	
Total Maintenance & Operations	\$ 9,949,222	\$ 10,254,639	\$ 305,417	3.07%
Total Internal Operating Budget	\$ 86,827,772	\$ 89,949,112	\$ 3,121,340	3.59%
Pass Through Expenses				
Pass Through Insurance	10,921,223	11,358,072	436,849	
Post Employment Benefits	14,000,000	13,800,000	(200,000)	
NYS Cost Recovery Fees	-	-	-	
Other Program Specific Expenses	4,071,092	3,023,271	(1,047,821)	
Total Pass Through Expenses	\$ 28,992,315	\$ 28,181,343	\$ (810,972)	
Total Operating Budget	\$ 115,820,087	\$ 118,130,455	\$ 2,310,368	1.99%

Revenue and Expense Allocation by Program (in thousands)

	ACTUAL 2017-2018		PROJECTED 2018-19		PROPOSED 2019-20	
REVENUE*						
Private Institutions	\$ 8,487	7.6%	\$ 7,350	6.3%	\$ 7,901	6.7%
Mental Health	27,981	25.1%	30,401	26.0%	31,268	26.7%
Municipal Facilities	2,493	2.2%	2,181	1.9%	1,758	1.5%
Other NYS Initiatives	-	0.0%	-	0.0%	-	0.0%
NYS Agencies	25,364	22.8%	24,913	21.3%	23,150	19.7%
SUNY	14,234	12.8%	17,046	14.6%	16,113	13.7%
CUNY	32,878	29.5%	34,973	29.9%	37,034	31.6%
	<u>\$ 111,435</u>	<u>100.0%</u>	<u>\$ 116,864</u>	<u>100.0%</u>	<u>\$ 117,225</u>	<u>100.0%</u>
Other Non-Operating Revenue	1,645		1,679		1,714	
Total Revenue	\$ 113,080		\$ 118,543		\$ 118,938	
ALLOCATED OPERATING EXPENSES*						
Private Institutions	\$ 10,143	9.0%	\$ 7,979	6.9%	\$ 9,661	8.2%
Mental Health	27,101	24.1%	29,023	25.1%	30,606	25.9%
Municipal Facilities	1,934	1.7%	1,887	1.6%	1,566	1.3%
Other NYS Initiatives	845	0.8%	-	0.0%	-	0.0%
NYS Agencies	25,364	22.5%	24,913	21.5%	23,150	19.6%
SUNY	14,234	12.7%	17,046	14.7%	16,113	13.6%
CUNY	32,878	29.2%	34,973	30.2%	37,034	31.4%
	<u>\$ 112,498</u>	<u>100.0%</u>	<u>\$ 115,820</u>	<u>100.0%</u>	<u>\$ 118,130</u>	<u>100.0%</u>
Other Non-Operating Expenses	877		1,265		1,291	
Total Expenses	\$ 113,375		\$ 117,085		\$ 119,422	
EXCESS (DEFICIENCY) BY PROGRAM						
Private Institutions	\$ (1,657)		\$ (629)		\$ (1,760)	
Mental Health	879		1,378		662	
Municipal Facilities	559		295		192	
Other NYS Initiatives	(845)		-		-	
NYS Agencies	-		-		-	
SUNY	-		-		-	
CUNY	-		-		-	
	<u>\$ (1,063)</u>		<u>\$ 1,044</u>		<u>\$ (906)</u>	
Other Non-Operating	768		414		423	
Excess (Deficiency) of Revenues over Expenses*	\$ (295)		\$ 1,458		\$ (483)	

* Includes Pass Through Revenue or Expenses, if applicable. Net of Reserve Allocations

Budget and Financial Plan Summary
April 1, 2017 - March 31, 2023
(in thousands)

Budgeted Revenues, Expenditures and Changes in Net Assets

	<u>Actual 2017-2018</u>	<u>Projected 2018-19</u>	<u>Proposed 2019-2020</u>	<u>Proposed 2020-2021</u>	<u>Proposed 2021-2022</u>	<u>Proposed 2022-2023</u>
REVENUE & FINANCIAL SOURCES						
Operating Revenues:						
Fees for services	\$97,142	\$100,497	\$102,716	\$104,426	\$104,785	\$105,144
Rental & financing income	516	516	516	516	516	516
Other operating revenues						
Non-operating Revenues						
Income on investments	1,129	1,163	1,198	1,234	1,271	1,309
Other non-operating revenues	14,293	16,367	14,509	14,309	14,109	13,909
Total Revenues and Financial Sources	113,080	118,543	118,938	120,484	120,680	120,878
EXPENDITURES						
Operating Expenditures:						
Salaries and wages	\$51,041	\$52,121	\$53,690	\$55,215	\$55,740	\$56,265
Other employee benefits	23,213	24,757	26,004	26,743	26,997	27,251
Office Infrastructure	7,430	8,045	8,389	8,389	8,389	8,389
Legal & Professional services	1,016	1,144	1,167	1,167	1,167	1,167
Other operating expenditures	926	761	699	699	699	699
Total Operating Expenditures	83,626	86,828	89,949	92,213	92,992	93,771
Non-internal operating expenditures	28,873	28,992	28,181	27,981	27,781	27,581
Total Operating Budget	112,499	115,820	118,130	120,194	120,773	121,353
Non-Operating Expenses	877	1,265	1,291	1,291	1,291	1,291
Total Expenditures	\$113,376	\$117,085	\$119,422	\$121,485	\$122,064	\$122,644
Excess (Deficit) of revenues over expenditures	-\$296	\$1,458	-\$483	-\$1,001	-\$1,384	-\$1,766
RESERVE FUNDS & CAPITAL OUTLAYS						
Beginning Reserve Fund Balance	\$61,493	\$58,513	\$51,670	\$47,211	\$44,418	\$43,176
* Transfers to Reserves	\$427	\$2,250	\$309	-\$209	-\$592	-\$974
Reserve for Replacement (Capital Outlays)	\$1,035	\$3,000	\$650	\$500	\$500	\$500
Fiduciary Fund	518	518	518	0	0	0
Healthcare Portfolio Management Fund	0	0	0	0	0	0
Other Reserve Funds	163	150	150	150	150	150
*Evolution Reserve Fund	1,145	925	1,000	930	0	0
*21 Century Technology Reserve Fund	280	750	1,500	470	0	0
*Healthcare Transformation Reserve Fund	266	3,750	950	534	0	0
Total Reserve Fund & Capital Outlays	3,407	9,093	4,768	2,584	650	650
Ending Reserve Fund Balance	\$58,513	\$51,670	\$47,211	\$44,418	\$43,176	\$41,552

2019-20 Operating Budget – Key Assumptions

Salary

<u>Fiscal Year</u>	<u>#FTEs</u>
2016-17 (fiscal year-end)	503
2017-18 (budget)	515
2017-18 (fiscal year-end)	526
2018-19 (current)	520
2019-20 (proposed)	529

- As of 12/14/18, DASNY has 520 full-time equivalent positions (2018-19 budget assumed 529).
- There are 4 additional recruitments where a candidate has been selected, and 5 employees who have confirmed their plans to retire/resign.
- The proposed 2019-20 salary budget includes:
 - \$1M 2% general salary increase per current CBAs
 - \$561k Step advances for eligible union staff
- 2020-21 includes 2% increases for general salary (\$1M/year) and step advances (\$525k/year). 2021-22 only includes projected increases for step advances (see budget and financial plan summary on page 5).

Employee Medical Benefits

- The proposed 2019-20 budget for health insurance includes a projected 3% increase over projected 2018-19 expenses to account for anticipated rate increases and increases in plan participation.
- DASNY's two most popular health insurance plans, Empire Plan and CDPHP, are expected to see rate increases of 0.8% and 5.2% in 2019.
- The monthly payment for health insurance totals \$1.2M, with \$591k paid by DASNY for active employees and \$436k paid for retirees (balance was employee contributions and dental benefit expenses).
- 2018-19 health insurance expenditures are expected to total \$12.3M, with \$7.0 (58%) of the expenses being associated with active employees and the remaining \$5.3 (42%) being associated with retirees.

<u>Fiscal Year</u>	<u>Active Employees</u>	<u>Retirees</u>	<u>Total Expense</u>
2015-16	\$5,613,377 (59.06%)	\$3,890,432 (40.94%)	\$ 9,503,809
2016-17	\$5,957,489 (57.57%)	\$4,391,350 (42.43%)	\$10,348,838
2017-18	\$6,696,477 (58.18%)	\$4,814,394 (41.82%)	\$11,510,871
2018-19 (projected)	\$7,033,233 (57.32%)	\$5,237,014 (42.68%)	\$12,270,247
2019-20 (proposed)	\$7,244,230 (57.32%)	\$5,394,125 (42.68%)	\$12,638,355

- Active DASNY employees currently pay 29% of the cost of family and 16% of the cost of individual coverage. Retirees pay 25% of the cost of family and 10% of the cost of individual coverage but could use any accrued sick leave to cover their contributions (DASNY could pay up to 100% of the employee's contributions in these cases).

Employee NYS Retirement

- The proposed 2019-20 retirement expense reflects the contribution rates in the annual estimate provided by the NYS Employee Retirement System, with a projected 2018-19 payout calculated by DASNY used to calculate the amount due.

Maintenance & Operations

- The proposed 2019-20 Maintenance & Operations budget includes funding for rent/utilities for 3 new field site offices as well as increased funding for auto maintenance and fuel costs.

Bond Administration Fees – Budget Assumptions

- Projected revenue for 2020-21, 2021-22 and 2022-23 include an assumed decrease of \$350k per year due to anticipated defeasance/refunding (historical data below) of private institution bonds (see budget and financial plan summary on page 5).
- In order to generate new administrative fee revenue from private institutions to replace the anticipated \$350k annual reduction in revenue, DASNY would have to issue ~\$800M in new money (assumes 5 basis points on par).

Cost allocation – Public vs. Private

<u>Fiscal Year</u>	<u>Public</u>	<u>Private</u>	<u>Comments</u>
2016-17	89.92%	10.08%	Actual
2017-18	91.90%	8.10%	Actual
2018-19 (adopted)	90.88%	9.12%	Avg. of proj. 17/18 and 18/19 Labor Survey
2018-19 (mid-year)	92.52%	7.48%	based on data as of 10/31/18
2019-20 (proposed)	91.37%	8.63%	

Post-Employment Benefits Adjustment

<u>Fiscal Year</u>	<u>Public</u>	<u>% Public</u>	<u>Private</u>	<u>% Private</u>
2016-17	\$3,112,046	89.33%	(\$3,112,046)	10.67%
2017-18	(\$1,374,796)	88.59%	\$1,374,796	11.41%
2018-19 (adopted)	\$115,623	88.67%	(\$115,623)	11.33%
2018-19 (mid-year)	\$1,367,614	89.47%	(\$1,367,614)	10.53%
2019-20 (proposed)	\$869,635	90.03%	(\$869,635)	9.97%

Upfront Financing Fees– Private Clients

No change from fee structure that was adopted on January 11, 2017

Private Institutions

- Standard Deals over \$20M \$125,000
- Publicly Offered Deals under \$20M \$100,000

Health Care

- Standard Deals \$150,000
- Complex/Obligated Groups \$150,000 (minimum, additional \$30k added for each borrower for deals with more than 3 borrowers)

Other

- Public Libraries/School District \$20M+ \$125,000 (will be split if a multiple institution financing)
- Multiple Issuance Deals Plus \$15,000 each additional issuance

Fees – # of deals and total fees collected

<u>Fiscal Year</u>	<u>Higher Ed</u>		<u>Health Care</u>	
2016-17	16	\$1,235,000	6	\$675,000
2017-18	10	\$1,440,000	3	\$375,000
2018-19 (adopted)	15	\$1,875,000	4	\$500,000
2018-19 (mid-year)	7	\$ 990,000	3	\$450,000
2019-20 (proposed)	10	\$1,250,000	3	\$375,000

Bond Administration Fees – Private Clients

No change from fee structure that was adopted on March 7, 2018

Private Institutions

Borrowers will have the option of paying the first ten years of administrative fees at the time of closing.

- Fixed Rate
 - 6 Basis points per series on a declining balance for 3 years with \$100,000 annual cap.
 - 3 Basis points per series on a declining balance after 3 years with \$100,000 annual cap.
- Variable Rate
 - 6 Basis points per series on a declining balance for 3 years with \$100,000 annual cap.
 - 5 Basis points per series on a declining balance after 3 years with \$100,000 annual cap.

Health Care

Borrowers will have the option of paying the first ten years of administrative fees at the time of closing.

- Fixed Rate
 - 10 Basis points per series on a declining balance for 3 years with \$100,000 annual cap.
 - 4 Basis points per series on a declining balance after 3 years with \$100,000 annual cap.
- Variable Rate
 - 10 Basis points per series on a declining balance for 3 years with \$100,000 annual cap.
 - 6 Basis points per series on a declining balance after 3 years with \$100,000 annual cap.

Institutional Cap - No single institution will pay DASNY more than \$250,000 in administrative fees in each fiscal year (Institutions with FHA bonds are not subject to the institutional cap).

Bond Admin Fees (including TELP and defeasance fees) – Surplus Generating Clients

\$million

<u>Fiscal Year</u>	<u>Higher Education</u>	<u>Health Care</u>	<u>MH</u>	<u>Schools</u>	<u>Total</u>
2016-17	\$3.52 (39.2%)	\$2.93 (32.6%)	\$1.95 (21.7%)	\$0.59	\$9.00
2017-18	\$3.26 (40.6%)	\$2.48 (30.9%)	\$1.81 (22.6%)	\$0.47	\$8.02
2018-19 (adopted)	\$3.06 (41.1%)	\$2.30 (30.9%)	\$1.71 (23.0%)	\$0.37	\$7.44
2018-19 (mid-year)	\$3.19 (45.7%)	\$1.86 (26.5%)	\$1.48 (21.1%)	\$0.47	\$7.00
2019-20 (proposed)	\$3.04 (48.1%)	\$1.85 (29.3%)	\$0.98 (15.5%)	\$0.45	\$6.32

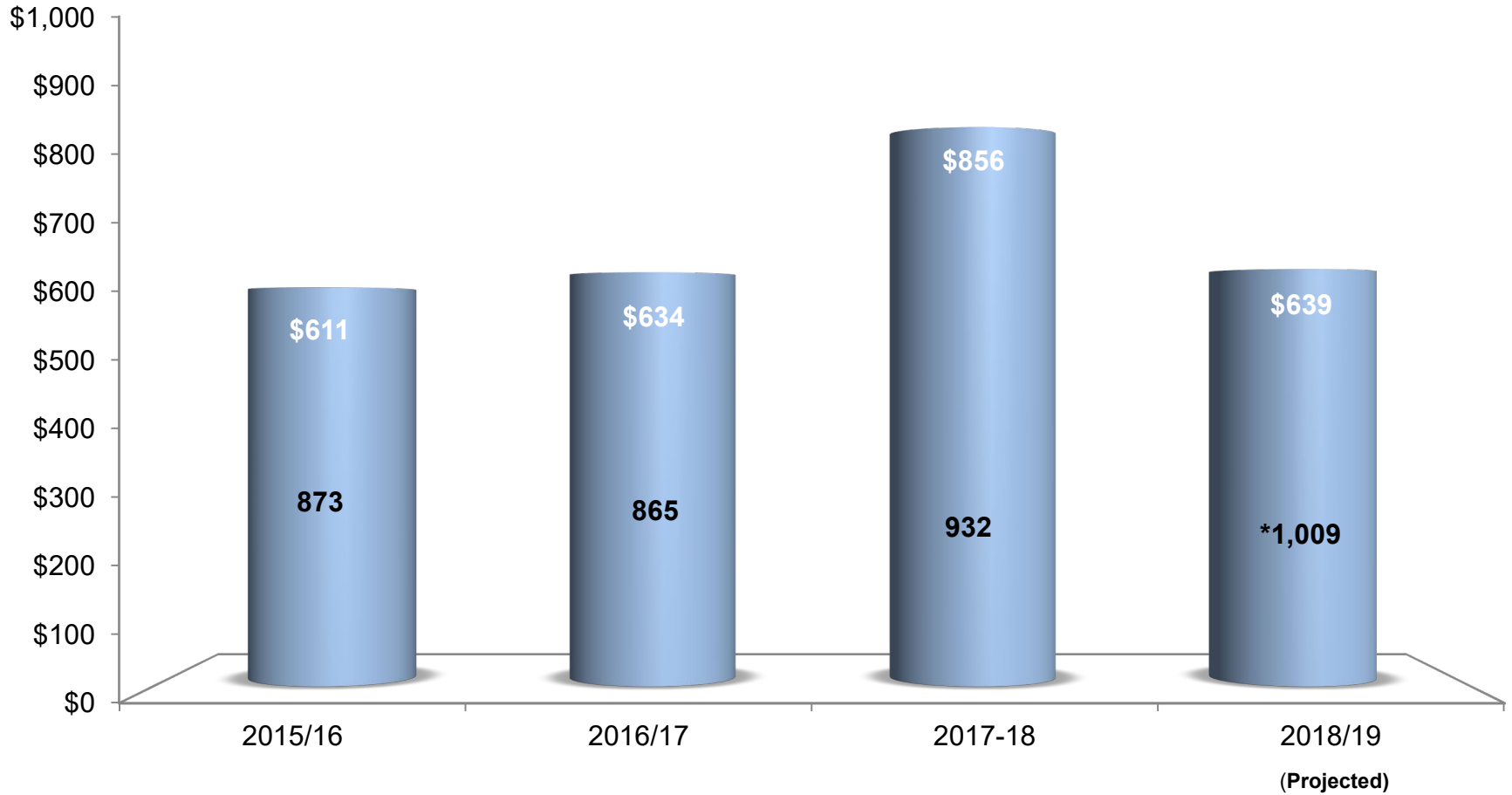
Private Client Defeasances

<u>Fiscal Year</u>	<u>Defeasances</u>	<u>Annual Revenue Loss</u>
2014-15	13	\$804,288
2015-16	13	\$406,930
2016-17	15	\$236,728
2017-18	7	\$441,999
2018-19 (as of 11/30)	7	\$ 78,641

Bond Admin Fees – Largest Administrative Fees

<u>Institution</u>	<u>2017-18 (actual)</u>	<u>2018-19 (actual)</u>	<u>2019-20 (projected)</u>
Columbia University	\$250,000	\$250,000	\$250,000
Cornell University	\$250,000	\$250,000	\$250,000
Memorial Sloan Kettering	\$250,000	\$250,000	\$250,000
New York University	\$250,000	\$250,000	\$250,000
North Shore LIJ Med Center	\$250,000	\$250,000	\$250,000
Rockefeller University	\$250,000	\$250,000	\$250,000
The New School	\$229,317	\$205,042	\$176,455
St. John's University	\$191,883	\$186,154	\$182,516
Fordham University	\$166,193	\$178,868	\$170,555
Montefiore Medical Center	\$196,470	\$148,235	\$100,000
Mount Sinai Hospital Obligated Group	\$147,562	\$146,510	\$145,406
University of Rochester	\$187,229	\$144,393	\$143,330

Construction Workload – Dollar value and number of projects (in millions)



* As of 10/31/18

Appendices

Background

The Dormitory Authority of the State of New York (DASNY) was established in 1944 for the purpose of financing and constructing dormitories for the State Teachers' Colleges to accommodate returning WWII veterans. Over the years, new legislation has enabled DASNY to provide financing and construction services to public and private universities, not-for-profit healthcare facilities, courts, libraries and other institutions that serve the public good. DASNY is also a leader in advancing New York State's public policy initiatives in green construction and diversity in public procurement. Today, some of DASNY's largest clients include City University of New York, NYS Department of Mental Hygiene, and the State University of New York.

2019-2020 Budget Timeline

10/4/18	Distribute 2019-2020 budget packages to budget managers for completion.
10/5 - 11/1/18	Review current year activity to date, consult budget managers for their forecasts, research changes in rates and premiums and project total expenditures for 2018-2019.
10/26/18	All budget requests due to Budget office.
11/5/18	Update revenue and expense projections by program for 2018-2019 based on labor allocations to date.
11/9 - 11/20/18	Review budget requests; consult with budget managers for further clarification where needed.
12/11/18	Review preliminary numbers with Executive Management.
12/18/18	2nd review with Executive Management.
12/11 - 12/22/18	Finalize all calculations and reports.
12/21/18	Final review with Executive Management.
12/24/18 - 12/31/18	Finalize budget package
12/31/18	Post proposed budget; mail budget package to DASNY Board and others as required by Public Authorities law.
1/9/19	Present proposed 2019-2020 operating budget to DASNY Board.
1/9/19 - 3/7/19	Board members review and comment.
2/8/19	Update financial plan.
2/9 - 2/26/19	Review final budget package with Executive Management.
3/1/19	Mail final budget package to the DASNY Board.
3/6/19	Vote by DASNY Board on resolution to adopt 2019-2020 proposed operating budget.

Glossary of Expense Categories

Salaries – Wages paid to DASNY staff.

Retirement Contributions – Annual employer contributions to NYS Employee Retirement System for active DASNY employees.

Social Security – Employer share of required federal tax payment on wages paid to DASNY staff.

Health Insurance – Employer share of health insurance premium expenses for active and retired DASNY staff.

Workers Compensation – Premium costs for DASNY's required Workers Compensation insurance coverage and associated claim payments.

Dental/Optical – Employer share of dental/optical insurance premium expenses for active DASNY staff.

Miscellaneous Benefits – Employer costs for benefits such as parking, commuting expenses/taxes, and tuition benefits.

Rent & Utilities – Monthly rent payments for office space at One Penn Plaza and utilities for DASNY's main offices.

Office Supplies & Miscellaneous Expense – Various building/office expenses such as copier maintenance, building maintenance, service contracts, field site maintenance expenses and marketing costs.

Business Travel Expense – Expenses for employee travel including hotels, train tickets and mileage reimbursement.

Management & Staff Training – Departmental and DASNY-wide training expenses.

Publications & Memberships – Various publications for Public Finance, Construction and Communications as well as professional memberships for DASNY staff.

Communications – Telephone services, postage and express mail services.

Corporate Insurance – Premium costs for various DASNY insurance policies including property, general liability, automobile and directors & officers.

Non-Capital Equipment & Equipment Leases – Equipment purchases that do not meet the criteria for capitalization, including DASNY fleet vehicles and miscellaneous office furniture.

Diversity Training & Coordination – Consulting costs associated with the delivery of DASNY's MWBE programs.

Legal Fees – Outside Counsel for DASNY corporate matters.

Professional Services – Consulting costs including the annual audit, payroll services and public work wage investigator services.

Computer Services & Equipment – Computer maintenance costs, consulting costs, license fees, software costs, computer equipment, etc.

Estimated Depreciation – Depreciation of DASNY's capital assets.

Payment in Lieu of Tax – Annual payment for DASNY's Albany office in lieu of property taxes.

Pass-Through Insurance – Premium expenses for insurance policies that DASNY procures on behalf of its clients, including property and general liability coverage. Costs are billed directly to clients.

Post-Employment Benefits – Expenses for future liability of post-employment health care benefits per Government Accounting Standards Board (GASB) statement 75.

NYS Cost Recovery Fee – Fee payable to NYS based on DASNY use of NYS resources.

Other Program Specific Expenses – Expenses paid by DASNY on behalf of various clients including specialized consultant costs, legal fees and trustee/custody fees.

2018-2019 Adopted Budget vs. Projected Expense

	ADOPTED 2018-2019 BUDGET	PROJECTED 2018-2019 EXPENSE	CHANGE
<u>Personal Service</u>			
Salaries	\$ 52,509,769	\$ 52,121,119	\$ (388,650) -0.74%
Retirement Contributions	7,127,419	7,339,045	211,625
Social Security	3,780,703	3,722,955	(57,749)
Health Insurance	12,118,684	12,270,247	151,563
Workers Compensation	484,557	533,307	48,750
Dental & Optical	360,000	362,217	2,217
Miscellaneous Benefits	546,500	529,661	(16,839)
Total Benefits	\$ 24,417,863	\$ 24,757,431	\$ 339,568
Total Personal Services	\$ 76,927,632	\$ 76,878,550	\$ (49,082) -0.06%
<u>Maintenance & Operations</u>			
Rent & Utilities	1,871,631	1,972,459	100,828
Office Supplies & Miscellaneous Expense	893,844	859,676	(34,168)
Business Travel Expense	811,150	759,141	(52,009)
Management & Staff Training	260,512	207,530	(52,982)
Publications & Memberships	250,621	228,266	(22,355)
Communications	392,472	369,228	(23,244)
Corporate Insurance	499,673	543,579	43,906
Non-Capital Equipment & Equipment Leases	227,950	201,595	(26,355)
Diversity Training & Coordination	80,000	92,000	12,000
Legal Fees	500,000	490,638	(9,362)
Professional Services	643,000	653,215	10,215
Computer Services & Equipment	2,621,467	2,597,000	(24,467)
Depreciation Expense	820,000	849,894	29,894
Payment in Lieu of Taxes	125,000	125,000	-
Total Maintenance & Operations	\$ 9,997,319	\$ 9,949,222	\$ (48,097) -0.48%
Total Internal Operating Budget	\$ 86,924,951	\$ 86,827,772	\$ (97,180) -0.11%
<u>Pass Through Expenses</u>			
Pass Through Insurance	10,921,223	10,921,223	0
Post Employment Benefits	14,100,701	14,000,000	(100,701)
NYS Cost Recovery Fees	-	-	-
Other Program Specific Expenses	3,412,821	4,071,092	658,271
Total Pass Through Expenses	\$ 28,434,745	\$ 28,992,315	\$ 557,570
Total Operating Budget	\$ 115,359,696	\$ 115,820,087	\$ 460,390 0.40%

2017-2018 Actual Expense vs. 2018-19 Projected Expense

	ACTUAL 2017-18 *EXPENSE	PROJECTED 2018-2019 EXPENSE	CHANGE	
Personal Service				
Salaries	\$ 51,471,968	\$ 52,121,119	\$ 649,151	1.26%
Retirement Contributions	6,863,615	7,339,045	475,430	
Social Security	3,658,399	3,722,955	64,556	
Health Insurance	11,510,871	12,270,247	759,376	
Workers Compensation	272,946	533,307	260,361	
Dental & Optical	374,950	362,217	(12,733)	
Miscellaneous Benefits	569,402	529,661	(39,741)	
Total Benefits	\$ 23,250,183	\$ 24,757,431	\$ 1,507,248	
Total Personal Services	\$ 74,722,151	\$ 76,878,550	\$ 2,156,399	2.89%
Maintenance & Operations				
Rent & Utilities	1,741,301	1,972,459	231,158	
Office Supplies & Miscellaneous Expense	883,264	859,676	(23,588)	
Business Travel Expense	783,449	759,141	(24,308)	
Management & Staff Training	184,691	207,530	22,839	
Publications & Memberships	259,660	228,266	(31,394)	
Communications	365,040	369,228	4,188	
Corporate Insurance	527,820	543,579	15,759	
Non-Capital Equipment & Equipment Leases	188,368	201,595	13,227	
Diversity Training & Coordination	29,605	92,000	62,395	
Legal Fees	403,772	490,638	86,866	
Professional Services	612,417	653,215	40,798	
Computer Services & Equipment	2,495,902	2,597,000	101,098	
Depreciation Expense	754,658	849,894	95,236	
Payment in Lieu of Taxes	125,000	125,000	-	
Total Maintenance & Operations	\$ 9,354,947	\$ 9,949,222	\$ 594,275	6.35%
Total Internal Operating Budget	\$ 84,077,098	\$ 86,827,772	\$ 2,750,674	3.27%
Pass Through Expenses				
Pass Through Insurance	9,515,355	10,921,223	1,405,868	
Post Employment Benefits	13,080,506	14,000,000	919,494	
NYS Cost Recovery Fees	-	-	-	
Other Program Specific Expenses	6,277,151	4,071,092	(2,206,059)	
Total Pass Through Expenses	\$ 28,873,012	\$ 28,992,315	\$ 119,303	
Total Operating Budget	\$ 112,950,110	\$ 115,820,087	\$ 2,869,977	2.54%

* \$451,750 in 2017-18 expenses allocated to Reserve Funds

Estimated 2019-2020 Cash Flow DASNY General Operating Fund

<u>April-2019</u>			<u>May-2019</u>			<u>June-2019</u>		
<u>Beginning Bal., Cash & Invest.</u>	<u>Date</u>	<u>Estimate</u>	<u>Receipts</u>	<u>Date</u>	<u>Estimate</u>	<u>Receipts</u>	<u>Date</u>	<u>Estimate</u>
	04/01/19	<u>3,250,000.00</u>						
<u>Receipts</u>			<u>Receipts</u>			<u>Receipts</u>		
Estimated Overhead transfer		7,000,000.00	Estimated Overhead transfer		7,000,000.00	Estimated Overhead transfer		7,000,000.00
Total Receipts		<u>7,000,000.00</u>	Total Receipts		<u>7,000,000.00</u>	Total Receipts		<u>7,000,000.00</u>
<u>Disbursements:</u>			<u>Disbursements:</u>			<u>Disbursements:</u>		
Payroll	04/03/19	(2,228,091.15)	Payroll	05/01/19	(2,228,091.15)	Payroll	06/12/19	(2,228,091.15)
DAGOF	04/15/19	(499,202.25)	DAGOF	05/16/19	(499,202.25)	DAGOF	06/17/19	(499,202.25)
Payroll	04/17/19	(2,228,091.15)	Payroll	05/15/19	(2,228,091.15)	Payroll	06/26/19	(2,228,091.15)
DAGOF	04/30/19	(1,581,958.64)	DAGOF	05/29/19	(2,228,091.15)	DAGOF	06/17/19	(499,202.25)
Total Disbursements		<u>(6,537,343.20)</u>	Total Disbursements		<u>(8,765,434.35)</u>	Total Disbursements		<u>(4,955,384.56)</u>
Ending Balance, Cash & Invest.	04/30/19	<u>3,712,656.80</u>	Ending Balance, Cash & Invest.	05/31/19	<u>1,947,222.45</u>	Ending Balance, Cash & Invest.	06/30/19	<u>3,991,837.89</u>

<u>July-2019</u>			<u>August-2019</u>			<u>September-2019</u>		
<u>Receipts</u>	<u>Date</u>	<u>Estimate</u>	<u>Receipts</u>	<u>Date</u>	<u>Estimate</u>	<u>Receipts</u>	<u>Date</u>	<u>Estimate</u>
Estimated Overhead transfer		7,000,000.00	Estimated Overhead transfer		7,000,000.00	Estimated Overhead transfer		7,000,000.00
Total Receipts		<u>7,000,000.00</u>	Total Receipts		<u>7,000,000.00</u>	Total Receipts		<u>7,000,000.00</u>
<u>Disbursements:</u>			<u>Disbursements:</u>			<u>Disbursements:</u>		
DAGOF	07/02/19	(1,581,958.64)	Payroll	08/07/19	(2,228,091.15)	Payroll	09/04/19	(2,228,091.15)
Payroll	07/10/19	(2,228,091.15)	DAGOF	08/15/19	(499,202.25)	DAGOF	09/16/19	(499,202.25)
DAGOF	07/16/19	(499,202.25)	Payroll	08/21/19	(2,228,091.15)	Payroll	09/18/19	(2,228,091.15)
Payroll	07/24/19	(2,228,091.15)	DAGOF	08/29/19	(1,581,958.64)	DAGOF	09/30/19	(1,581,958.64)
DAGOF	07/31/19	(1,581,958.64)	Total Disbursements		<u>(6,537,343.20)</u>	Total Disbursements		<u>(6,537,343.20)</u>
Total Disbursements		<u>(8,119,301.84)</u>	Ending Balance, Cash & Invest.	08/31/19	<u>3,335,192.85</u>	Ending Balance, Cash & Invest.	09/30/19	<u>3,797,849.65</u>
Ending Balance, Cash & Invest.	07/31/19	<u>2,872,536.05</u>						

Estimated 2019-2020 Cash Flow DASNY General Operating Fund

<u>October-2019</u>			<u>November-2019</u>			<u>December-2019</u>		
<u>Receipts</u>	<u>Date</u>	<u>Estimate</u>	<u>Receipts</u>	<u>Date</u>	<u>Estimate</u>	<u>Receipts</u>	<u>Date</u>	<u>Estimate</u>
Estimated Overhead transfer		7,000,000.00	Estimated Overhead transfer		7,000,000.00	Estimated Overhead transfer		12,000,000.00
Total Receipts		7,000,000.00	Total Receipts		7,000,000.00	Total Receipts		12,000,000.00
<u>Disbursements:</u>			<u>Disbursements:</u>			<u>Disbursements:</u>		
Payroll	10/02/19	(2,228,091.15)	DAGOF	11/13/19	(499,202.25)	Payroll	12/11/19	(2,228,091.15)
DAGOF	10/15/19	(499,202.25)	Payroll	11/13/19	(2,228,091.15)	DAGOF	12/13/19	(499,202.25)
Payroll	10/16/19	(2,228,091.15)	DAGOF	11/27/19	(1,581,958.64)	RETIREMENT	12/15/19	(7,667,346.99)
DAGOF	10/30/19	(1,581,958.64)	Payroll	11/27/19	(2,228,091.15)	Payroll	12/25/19	(2,228,091.15)
Payroll	10/30/19	(2,228,091.15)	Total Disbursements		(6,537,343.20)	DAGOF	12/27/19	(1,581,958.64)
Total Disbursements		(8,765,434.35)				Total Disbursements		(14,204,690.19)
Ending Balance, Cash & Invest.	10/31/19	2,032,415.29	Ending Balance, Cash & Invest.	11/30/19	2,495,072.09	Ending Balance, Cash & Invest.	12/31/19	290,381.91
<u>January-2020</u>			<u>February-2020</u>			<u>March-2020</u>		
<u>Receipts</u>	<u>Date</u>	<u>Estimate</u>	<u>Receipts</u>	<u>Date</u>	<u>Estimate</u>	<u>Receipts</u>	<u>Date</u>	<u>Estimate</u>
Estimated Overhead transfer		7,000,000.00	Estimated Overhead transfer		7,000,000.00	Estimated Overhead transfer		7,000,000.00
Total Receipts		7,000,000.00	Total Receipts		7,000,000.00	Total Receipts		7,000,000.00
<u>Disbursements:</u>			<u>Disbursements:</u>			<u>Disbursements:</u>		
Payroll	01/08/20	(2,228,091.15)	Payroll	02/05/20	(2,228,091.15)	Payroll	03/04/20	(2,228,091.15)
DAGOF	01/14/20	(499,202.25)	DAGOF	02/12/20	(499,202.25)	DAGOF	03/13/20	(499,202.25)
Payroll	01/22/20	(2,228,091.15)	Payroll	02/19/20	(2,228,091.15)	Payroll	03/18/20	(2,228,091.15)
DAGOF	01/29/20	(1,581,958.64)	DAGOF	02/27/20	(1,581,958.64)	DAGOF	03/27/20	(1,581,958.64)
Total Disbursements		(6,537,343.20)	Total Disbursements		(6,537,343.20)	Total Disbursements		(6,537,343.20)
Ending Balance, Cash & Invest.	01/31/20	753,038.71	Ending Balance, Cash & Invest.	02/29/20	1,215,695.51	Ending Balance, Cash & Invest.	03/31/20	1,678,352.31

2019-2020 Capital Projects/Reserve Funds

Reserve for Replacement:

- Projects completed in the 2018-19 fiscal year will begin depreciating in that fiscal year.
- DASNY has continued various capital maintenance and energy enhancements at 515 Broadway during the 2018-19 fiscal year. Projects included replacement of fire security and sound systems and critical maintenance/repair on elevators. Some of these projects are expected to continue into 2019-20.
- In addition to the ongoing maintenance enhancements at 515 Broadway, DASNY began projects to refurbish the roof, replace the solar panels on the roof and replace the exterior caulking on the building. These projects are expected to be completed in 2018-19.
- DASNY also continued several capital projects related to Information Technology upgrades during the 2018-19 fiscal year. These I.T. projects are expected to continue into the 2019-20 fiscal year and include:
 - Updates to Hardware, network and infrastructure applications to provide a more secure environment for DASNY’s software applications and data.
 - Replacement of DASNY’s main construction management software (Contract Manager).
 - Additional software and hardware upgrades to make DASNY more efficient in delivering services to its clients.

Additional Reserve Fund Projects:

- Several projects were implemented for the DASNY Evolution Reserve Fund, including a plan to invest in additional human capital with a focus on furthering knowledge transfer and the review of business processes within the Construction and Public Finance Divisions.
- The Healthcare Transformation Reserve Fund will be utilized to help further DASNY’s efforts in monitoring the credit of troubled healthcare clients in DASNY’s portfolio.
- DASNY continues to utilize the 21st Century Technology Reserve Fund to effectively implement the evolutionary change of DASNY’s technology platform. Several technology projects have been funded from this reserve and are at various stages of completion.

DASNY has no outstanding debt for its own assets and operations, and will not be incurring any debt to finance the above capital projects. Additional details on planned project spending can be found in the Budget & Financial Plan Summary.