



NEW YORK
STATE OF
OPPORTUNITY™

DASNY

Revised Proposed Operating Budget 2020-2021 Fiscal Year

March 4, 2020

Budget Highlights for 2020-2021 Proposal

- **The total 2020-21 proposed operating budget of \$117,215,914 represents an expenditure increase of 1.7% over the projected results for the 2019-20 fiscal year.**
- **The 2020-21 operating results are expected to show a slight surplus.**
- **Proposed 2020-21 FTEs** show no projected increase in FTEs from the 2019-20 projected results (average for the fiscal year).
- **Salaries** include the contractual cost-of-living increases of 2% (\$1.0 million) and step/longevity increases (\$0.56 million).
- **Health Insurance** expenses are expected to increase by 3% due to higher rates and higher contributions associated with additional retirees.
- **Retirement contributions** are projected to increase slightly based on minimal increases to contribution rates received from the NYS Employees' Retirement System.
- **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 disbursements for 2019-20 have increased 6%** over the prior year's value, while maintaining the number of projects at just over 1,000.
- **Private Client Financings** are expected to remain consistent from 2018-19 (17 deals) to 2019-20 projected (17 deals) and into 2020-21 (17 deals).

2020-2021 Proposed Budget 12/31/19 vs. 3/4/20

	12/31 Proposed 2020-2021 BUDGET	3/4 Proposed 2020-2021 BUDGET	<u>CHANGE</u>	
Personal Services				
Salaries	\$ 54,009,351	\$ 53,711,505	\$ (297,846)	-0.55%
Retirement Contributions	7,479,922	7,479,922	-	
Social Security	3,866,281	3,821,653	(44,628)	
Health Insurance	13,405,460	12,983,391	(422,069)	
Workers Compensation	452,839	452,839	-	
Dental & Optical	325,266	337,921	12,655	
Miscellaneous Benefits	568,300	568,300	-	
Total Benefits	\$ 26,098,069	\$ 25,644,027	\$ (454,042)	
Total Personal Services	\$ 80,107,420	\$ 79,355,531	\$ (751,888)	-0.94%
Maintenance & Operations				
Rent & Utilities	1,948,498	1,948,498	-	
Office Supplies & Miscellaneous Expense	955,431	955,431	-	
Business Travel Expense	708,600	708,600	-	
Management & Staff Training	284,280	284,280	-	
Publications & Memberships	290,881	290,881	-	
Communications	342,698	342,698	-	
Corporate Insurance	524,450	524,450	-	
Non-Capital Equipment & Equipment Leases	204,000	204,000	-	
Diversity Training & Coordination	61,750	61,750	-	
Legal Fees	500,000	750,000	250,000	
Professional Services	598,616	598,616	-	
Computer Services & Equipment	2,603,686	2,603,686	-	
Depreciation Expense	855,635	855,635	-	
Payment in Lieu of Taxes	125,000	125,000	-	
Total Maintenance & Operations	\$ 10,003,525	\$ 10,253,525	\$ 250,000	2.50%
Total Internal Operating Budget	\$ 90,110,945	\$ 89,609,056	\$ (501,888)	-0.56%
Pass Through Expenses				
Pass Through Insurance	11,938,417	11,938,417	-	
Post Employment Benefits	11,253,482	11,253,482	-	
NYS Cost Recovery Fees	-	1,000,000	1,000,000	
Other Program Specific Expenses	3,414,958	3,414,958	-	
Total Pass Through Expenses	\$ 26,606,857	\$ 27,606,857	\$ 1,000,000	
Total Operating Budget	\$ 116,717,802	\$ 117,215,914	\$ 498,112	0.43%

2019-2020 Projected Expense vs. 2020-21 Proposed

	PROJECTED 2019-2020 EXPENSE	PROPOSED 2020-21 BUDGET	CHANGE	
<u>Personal Service</u>				
Salaries	\$ 52,156,009	\$ 53,711,505	\$ 1,555,496	2.98%
Retirement Contributions	7,325,909	7,479,922	154,013	
Social Security	3,700,215	3,821,653	121,439	
Health Insurance	12,580,167	12,983,391	403,225	
Workers Compensation	435,750	452,839	17,089	
Dental & Optical	328,079	337,921	9,842	
Miscellaneous Benefits	529,092	568,300	39,208	
Total Benefits	\$ 24,899,211	\$ 25,644,027	\$ 744,816	
Total Personal Services	\$ 77,055,220	\$ 79,355,531	\$ 2,300,311	2.99%
<u>Maintenance & Operations</u>				
Rent & Utilities	1,953,189	1,948,498	(4,691)	
Office Supplies & Miscellaneous Expense	889,908	955,431	65,523	
Business Travel Expense	640,959	708,600	67,641	
Management & Staff Training	231,277	284,280	53,003	
Publications & Memberships	278,389	290,881	12,492	
Communications	342,698	342,698	-	
Corporate Insurance	498,292	524,450	26,158	
Non-Capital Equipment & Equipment Leases	208,543	204,000	(4,543)	
Diversity Training & Coordination	38,343	61,750	23,407	
Legal Fees	949,205	750,000	(199,205)	
Professional Services	674,629	598,616	(76,013)	
Computer Services & Equipment	2,604,259	2,603,686	(573)	
Depreciation Expense	859,511	855,635	(3,875)	
Payment in Lieu of Taxes	125,000	125,000	(0)	
Total Maintenance & Operations	\$ 10,294,201	\$ 10,253,525	\$ (40,676)	-0.40%
Total Internal Operating Budget	\$ 87,349,421	\$ 89,609,056	\$ 2,259,635	2.59%
<u>Pass Through Expenses</u>				
Pass Through Insurance	11,590,696	11,938,417	347,721	
Post Employment Benefits	11,453,482	11,253,482	(200,000)	
NYS Cost Recovery Fees	1,000,000	1,000,000	-	
Other Program Specific Expenses	3,899,836	3,414,958	(484,878)	
Total Pass Through Expenses	\$ 27,944,014	\$ 27,606,857	\$ (337,157)	
Total Operating Budget	\$ 115,293,435	\$ 117,215,914	\$ 1,922,479	1.67%

Revenue and Expense Allocation by Program (in thousands)

	ACTUAL 2018-2019		PROJECTED 2019-20		PROPOSED 2020-21	
REVENUE*						
Private Institutions	\$ 6,683	5.9%	\$ 7,894	6.8%	\$ 7,634	6.5%
Mental Health	30,377	26.6%	28,624	24.7%	29,123	24.8%
Municipal Facilities	2,075	1.8%	1,679	1.5%	1,610	1.4%
NYS Agencies	25,419	22.3%	23,281	20.1%	23,675	20.1%
SUNY	15,220	13.3%	16,807	14.5%	17,232	14.7%
CUNY	34,353	30.1%	37,476	32.4%	38,333	32.6%
	<u>\$ 114,126</u>	<u>100.0%</u>	<u>\$ 115,760</u>	<u>100.0%</u>	<u>\$ 117,607</u>	<u>100.0%</u>
Other Non-Operating Revenue	2,737		1,975		1,990	
Total Revenue	\$ 116,863		\$ 117,735		\$ 119,597	
ALLOCATED OPERATING EXPENSES*						
Private Institutions	\$ 7,995	7.1%	\$ 8,473	7.3%	\$ 8,013	6.8%
Mental Health	28,511	25.2%	28,137	24.4%	28,838	24.6%
Municipal Facilities	1,519	1.3%	1,119	1.0%	1,125	1.0%
NYS Agencies	25,419	22.5%	23,281	20.2%	23,675	20.2%
SUNY	15,220	13.5%	16,807	14.6%	17,232	14.7%
CUNY	34,353	30.4%	37,476	32.5%	38,333	32.7%
	<u>\$ 113,016</u>	<u>100.0%</u>	<u>\$ 115,293</u>	<u>100.0%</u>	<u>\$ 117,216</u>	<u>100.0%</u>
Other Non-Operating Expenses	615		1,105		1,105	
Total Expenses	\$ 113,631		\$ 116,398		\$ 118,321	
EXCESS (DEFICIENCY) BY PROGRAM						
Private Institutions	\$ (1,312)		\$ (579)		\$ (379)	
Mental Health	1,866		486		285	
Municipal Facilities	557		560		485	
NYS Agencies	-		-		-	
SUNY	-		-		-	
CUNY	-		-		-	
	<u>\$ 1,110</u>		<u>\$ 467</u>		<u>\$ 391</u>	
Other Non-Operating	2,122		870		885	
Excess (Deficiency) of Revenues over Expenses*	\$ 3,232		\$ 1,337		\$ 1,276	

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

Budget and Financial Plan Summary
April 1, 2018 - March 31, 2024
(in thousands)

Budgeted Revenues, Expenditures and Changes in Net Assets

	<u>Actual 2018-2019</u>	<u>Projected 2019-2020</u>	<u>Proposed 2020-2021</u>	<u>Proposed 2021-2022</u>	<u>Proposed 2022-2023</u>	<u>Proposed 2023-24</u>
REVENUE & FINANCIAL SOURCES						
Operating Revenues:						
Fees for services	\$98,029	\$101,503	\$103,710	\$104,066	\$104,422	\$104,778
Rental & financing income	473	475	475	475	475	475
Other operating revenues						
Non-operating Revenues						
Income on investments	2,264	1,500	1,515	1,530	1,545	1,561
Other non-operating revenues	16,098	14,257	13,897	13,697	13,497	13,297
Total Revenues and Financial Sources	116,863	117,735	119,597	119,768	119,939	120,111
EXPENDITURES						
Operating Expenditures:						
Salaries and wages	\$52,047	\$52,156	\$53,712	\$54,237	\$54,762	\$55,287
Other employee benefits	24,726	24,899	25,644	25,895	26,145	26,396
Office Infrastructure	7,658	8,009	8,194	8,194	8,194	8,194
Legal & Professional services	1,449	1,624	1,349	1,349	1,349	1,349
Other operating expenditures	730	662	711	711	711	711
Total Operating Expenditures	86,610	87,349	89,609	90,385	91,160	91,936
Non-internal operating expenditures	27,203	27,944	27,607	27,407	27,207	27,007
Total Operating Budget	113,813	115,293	117,216	117,792	118,367	118,943
Non-Operating Expenses	615	1,105	1,105	1,105	1,105	1,105
Total Expenditures	\$114,428	\$116,398	\$118,321	\$118,897	\$119,472	\$120,048
Excess (Deficit) of revenues over expenditures	\$2,435	\$1,337	\$1,276	\$871	\$467	\$63
RESERVE FUNDS & CAPITAL OUTLAYS						
Beginning Reserve Fund Balance	\$58,513	\$57,684	\$56,245	\$53,913	\$53,427	\$53,076
Transfers to Reserves	\$3,221	\$2,129	\$2,068	\$1,663	\$1,259	\$855
Reserve for Replacement (Capital Outlays)	\$1,718	\$1,500	\$2,000	\$500	\$500	\$500
Fiduciary Fund	518	518	0	0	0	0
Healthcare Portfolio Management Fund	0	0	0	0	0	0
Other Reserve Funds	232	150	150	150	150	150
Evolution Reserve Fund	989	750	750	0	0	0
21 Century Technology Reserve Fund	149	150	1,000	1,000	460	0
Healthcare Transformation Reserve Fund	444	500	500	500	500	500
Total Reserve Fund & Capital Outlays	4,050	3,568	4,400	2,150	1,610	1,150
Ending Reserve Fund Balance	\$57,684	\$56,245	\$53,913	\$53,427	\$53,076	\$52,780