



NEW YORK
STATE OF
OPPORTUNITY™

DASNY

Proposed Operating Budget 2017-2018 Fiscal Year

December 31, 2016

Proposed Operating Budget 2017-2018 Fiscal Year

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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, State University of New York, and the NYC Courts.

Budget Headlines for 2017-2018 Proposal

- **The total 2017-18 proposed internal operating budget increases by 2.61% compared to projected 2016-17 expenses, due primarily to an increase in contract-driven expenses for salaries and benefits as well as planned expenses for technology modernization.**
- **The budget for 2017-18 proposes 11% less than was expended on salaries in FY 2010-11.** This decrease has been achieved despite union contract provisions requiring general salary increases and steps which amounted to nearly 27% during those seven years.
 - Since 2008-09, DASNY has reduced staffing 18% from over 600 FTE's to the current staff of 491.
 - The 2017-18 proposed budget for salary expenses increases by 2.3% compared to 2016-17 projected expenses, as DASNY will need to fulfill contractual salary step obligations.
 - DASNY also currently has 32 positions in recruitment as it plans to hire staff within the 515 funded positions to meet workload needs, known retirements and continue efforts to provide for knowledge transfer.
- **DASNY has also decreased non-personnel expenditures by 14% since 2010-11.** The 2017-18 proposed non-personnel budget increases by 4% over current year projections as DASNY plans to make several significant technology upgrades not prioritized in spending plans for the last several years.
- **Proposed increases to up-front financing fees for the first time in 12 years.** The proposed changes will better align revenue and expenses following a thorough review of the fees that are charged to private clients for debt issuance services as a results of recent operating results. Public Finance, Finance and Counsel have met with Executive staff to develop revisions to DASNY's fee structure that better cover costs associated with its services, while at the same time, keeping price sensitivity in mind. In 2015-16, DASNY realized a deficit of \$1.6 million from private institution up-front financing activities.
- **The total number of active construction projects has increased in recent years,** while total construction expenditures have decreased significantly as DASNY has continued to see a shift in construction workload, from large capital projects to smaller rehab projects. (see pages 8 & 9 for further details).
- **2016-17 projected operating results are expected to improve over 2015-16 actual results.** While expenses are projected to increase by nearly \$2 million, the corresponding revenue projections are expected to increase by \$2.7 million, due primarily to a shift in the allocation of costs between public and private clients. **2017-18 operating results are expected to improve over projected 2016-17 results due to proposed revisions to DASNY's fee structure.**

Fee Schedule

(Revised)

Upfront Financing Fees

Private Institutions

- Standard Deals over \$20M \$125,000 (previously \$75,000)
- Publicly Offered Deals under \$20M \$100,000 (previously \$75,000)

Health Care

- Standard Deals \$150,000 (previously \$100,000)
- Complex/Obligated Groups \$150,000 (minimum, additional \$30k added for each borrower for deals with more than 3 borrowers)

Public Libraries/School District over \$20M \$125,000 (previously \$75,000) - will be split if a multiple institution financing
Multiple Issuance Deals Plus \$15,000 each additional issuance

Administrative Fees

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

Healthcare – 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 the first three years with a \$100,000 annual cap.
4 Basis points per series on a declining balance after the first three years with a \$100,000 annual cap.
- Variable Rate
10 Basis points per series on a declining balance for the first three years with a \$100,000 annual cap.
6 Basis points per series on a declining balance after the first three years with a \$100,000 annual cap.

Institutional Cap No single institution* will pay DASNY more than \$250,000 in administrative fees in a given fiscal year.

*Institutions with FHA bonds are not subject to the institutional cap.

Financing Fees

Upfront Financing Fees - Private Institutions

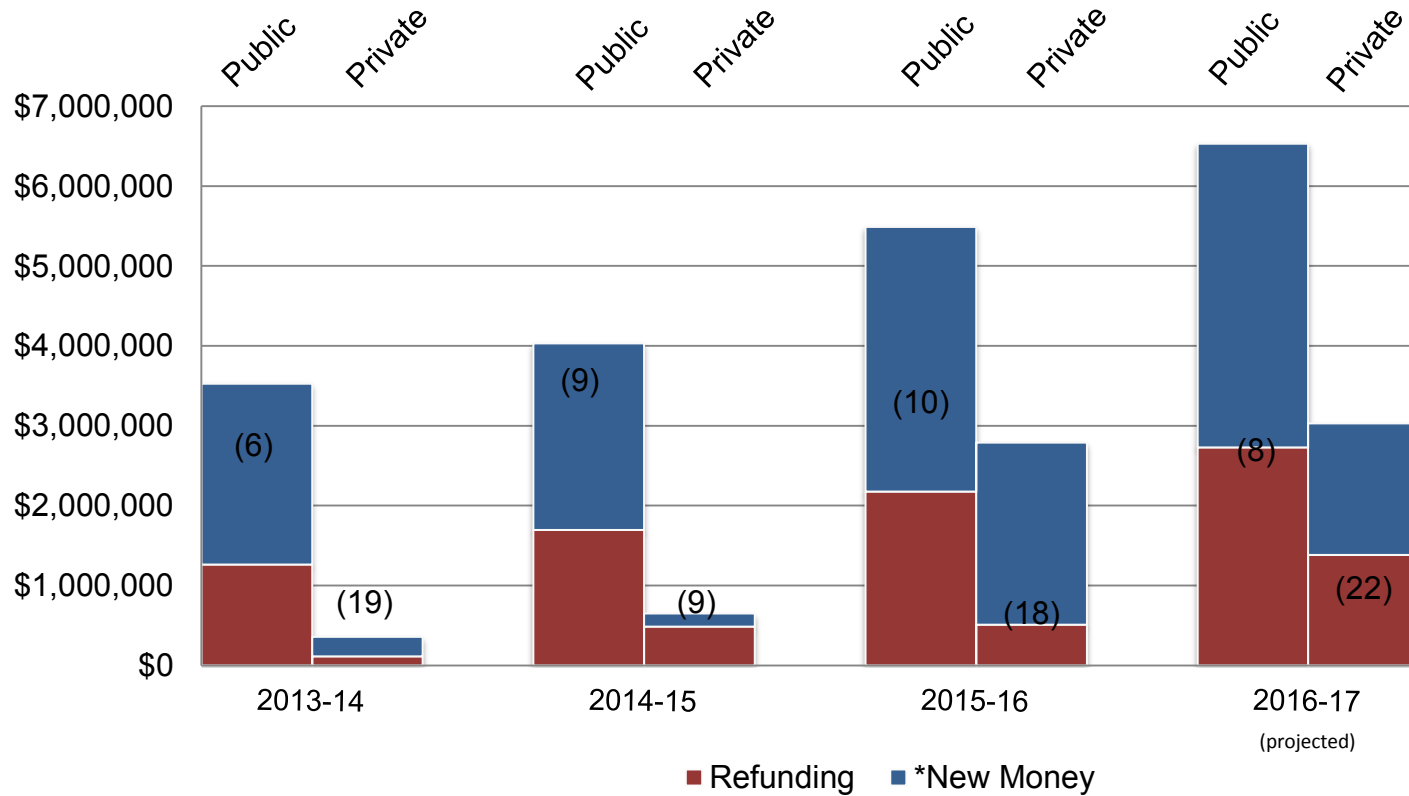
- **Standard Deals – *\$75,000.** In fiscal year 2015-2016, there was a deficiency of \$742,443 for 12 closings and 2 re-offerings. As of December 1, 2016, 9 bond deals have closed resulting in a deficiency of \$440,604. Had the proposed increase to up-front financing fees been in place, these 9 bond deals would have resulted in break-even results. It is estimated 6 additional bond deals will close by March 31, 2017.

Upfront Financing Fees – Health Care

- **Standard Deals – *\$100,000.** In fiscal year 2015-2016, there was a deficiency of \$75,934 for 1 closing and 1 re-offering. As of December 1, 2016, 2 bond deal closed resulting in a deficiency of \$19,923. Had the proposed increase to up-front financing fees been in place, these 2 bond deals would have resulted in a surplus of \$80,077. It is estimated 4 additional bond deals will close by March 31, 2017.
- **Complex/Obligated Groups – starting at *\$150,000.** (complex financings are those which require new general resolutions, substantial new document development, complex financing structure, and/or complex real estate structure). In fiscal year 2015-2016, there were 3 complex bond deals, resulting in a deficiency of \$163,098. As of December 1, 2016, 1 bond deal closed resulting in a surplus of \$28,804. Had the proposed increase to up-front financing fees been in place, this bond deal would have resulted in a surplus of \$78,804. It is estimated no additional bond deals will close by March 31, 2017.

* Current Fee structure

Financing Workload - Dollar Value & Number of Issues (in millions)



*Of the \$1.6B in new money private issuances projected for 2016-17, \$1.2B is for clients who are at the cap for administrative fees

Administrative Fees Projected through Fiscal Year 2023-2024 on Current DASNY Issues

Program	* FY16/17	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24
Independents	\$ 3,528,537	\$ 3,407,777	\$ 3,280,263	\$ 3,103,709	\$ 3,034,252	\$ 2,971,017	\$ 2,891,245	\$ 2,823,960
Healthcare	\$ 2,617,473	\$ 2,531,952	\$ 2,441,429	\$ 2,320,462	\$ 2,260,141	\$ 2,210,746	\$ 2,135,433	\$ 2,015,955
MH Basis Points	\$ 2,144,545	\$ 2,144,545	\$ 2,031,685	\$ 1,839,766	\$ 1,839,766	\$ 1,396,271	\$ 1,396,271	\$ 1,396,271
Total	\$ 8,290,555	\$ 8,084,273	\$ 7,753,377	\$ 7,263,938	\$ 7,134,160	\$ 6,578,035	\$ 6,422,949	\$ 6,236,186

Annual Change		\$ (206,282)	\$ (330,896)	\$ (489,439)	\$ (129,778)	\$ (556,126)	\$ (155,085)	\$ (186,763)
Cumulative Change		\$ (206,282)	\$ (537,178)	\$ (1,026,617)	\$ (1,156,395)	\$ (1,712,520)	\$ (1,867,605)	\$ (2,054,368)

Annual new par value required to offset the projected decrease in annual administrative fee revenues.

6 BP	-	343,802,833	551,494,002	815,731,552	216,296,047	926,876,025	258,475,368	311,271,669
10 BP	-	206,281,700	330,896,401	489,438,931	129,777,628	556,125,615	155,085,221	186,763,001

Prior Year Estimates \$ 8,520,507 \$ 8,307,029 \$ 7,965,720 \$ 7,592,089 \$ 7,475,225 \$ 6,920,226 \$ 6,766,367

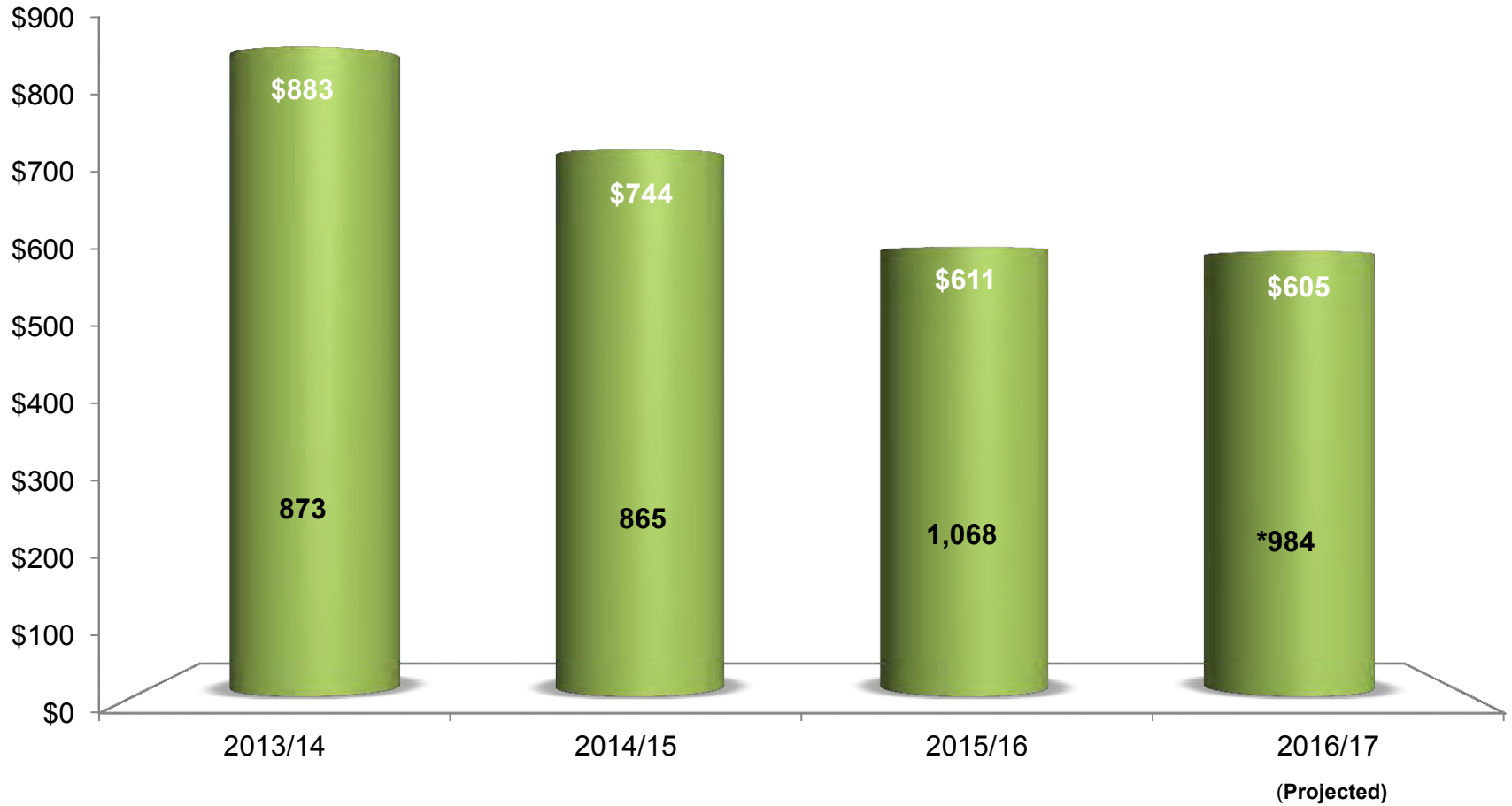
* In 2016-17, DASNY is expecting to issue \$377.8M in new money issues for private institutions that aren't subject to the administrative fee cap.

Independent and Healthcare Institutions - Largest Annual Administrative Fees

Independent Institutions	2016-17 Administrative Fee
Columbia University	\$250,000
Cornell University	\$250,000
Rockefeller University	\$250,000
New York University	\$226,978
Fordham University	\$219,014
Total	\$1,195,992

Private Healthcare	2016-17 Administrative Fee
North Shore Long Island Jewish Medical Center	\$250,000
New York University Hospital Center	\$250,000
Memorial Sloan Kettering Cancer Center	\$250,000
Montefiore Medical Center FHA	\$196,470
Albany Medical Center & Hospital	\$183,939
Total	\$1,130,409

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



* As of 11/30/16

Construction Workload

Current Projects* and the Pipeline

- As of November, 2016, the Authority has a design pipeline and active construction total of 984 projects valued at \$5.8 billion, compared to 1,005 projects valued at \$5.76 billion as of November, 2015.**
- As of November, 2016, DASNY has 233 projects in active construction with a value of \$2.5 billion compared to 303 projects with a value of \$2.5 billion as of November, 2015. This total excludes projects in preliminary design, design or closeout stages.
- There are 459 full and modified service projects, with a value of \$1.925 billion, currently in the design phase. We anticipate that 90 of the active full service projects in pre-design or design, valued at \$265 million, will still be in design in fiscal year 2017-2018.
- For full and modified service programs, the number of projects in the preliminary and design phases is 751, which is 76% of the number of these projects. The projects total \$3.27 billion, which is 56% of the total value of these projects.
- Projects in the CUNY program that are in the preliminary and design phases total 237 projects valued at \$1.7 billion. This is 79% of the number of active CUNY projects and is 72% of the dollar value of the entire program.
- Projects in the SUNY capital and minor capital programs in the preliminary and design phases total 64 projects valued at \$184 million. This is 81% of the number of active SUNY projects and 69% of the dollar value of the entire program.
- Projects in the preliminary and design phases in the OMH and OPWDD programs total 220 projects valued at \$163 million. This is 72% of the number of active OMH and OPWDD projects and is 21% of the dollar value of the entire program.
- Additional projects currently under evaluation as potential work include:
 - Various non-security projects for the NYC Housing Authority (approximately \$48 million);
 - Monroe Community College campus project (approximately \$11 million)
 - SUNY Albany, Buffalo State, Cortland, Geneseo, New Paltz, Oswego, Oneonta and Plattsburgh residence hall rehabilitation projects
 - NYS Department of Health, upgrade of laboratories
 - NYS Office of Mental Health, Central NY Psychiatric Center renovations (approximately \$80 million)

*Total workload data includes both full and modified services programs. Total costs for projects in the pre-design phase are typically early estimates and may not necessarily reflect the full anticipated cost through the construction phase.

**SUNY Community College modified service projects ceased to be carried as part of the active construction workload in April, 2016.

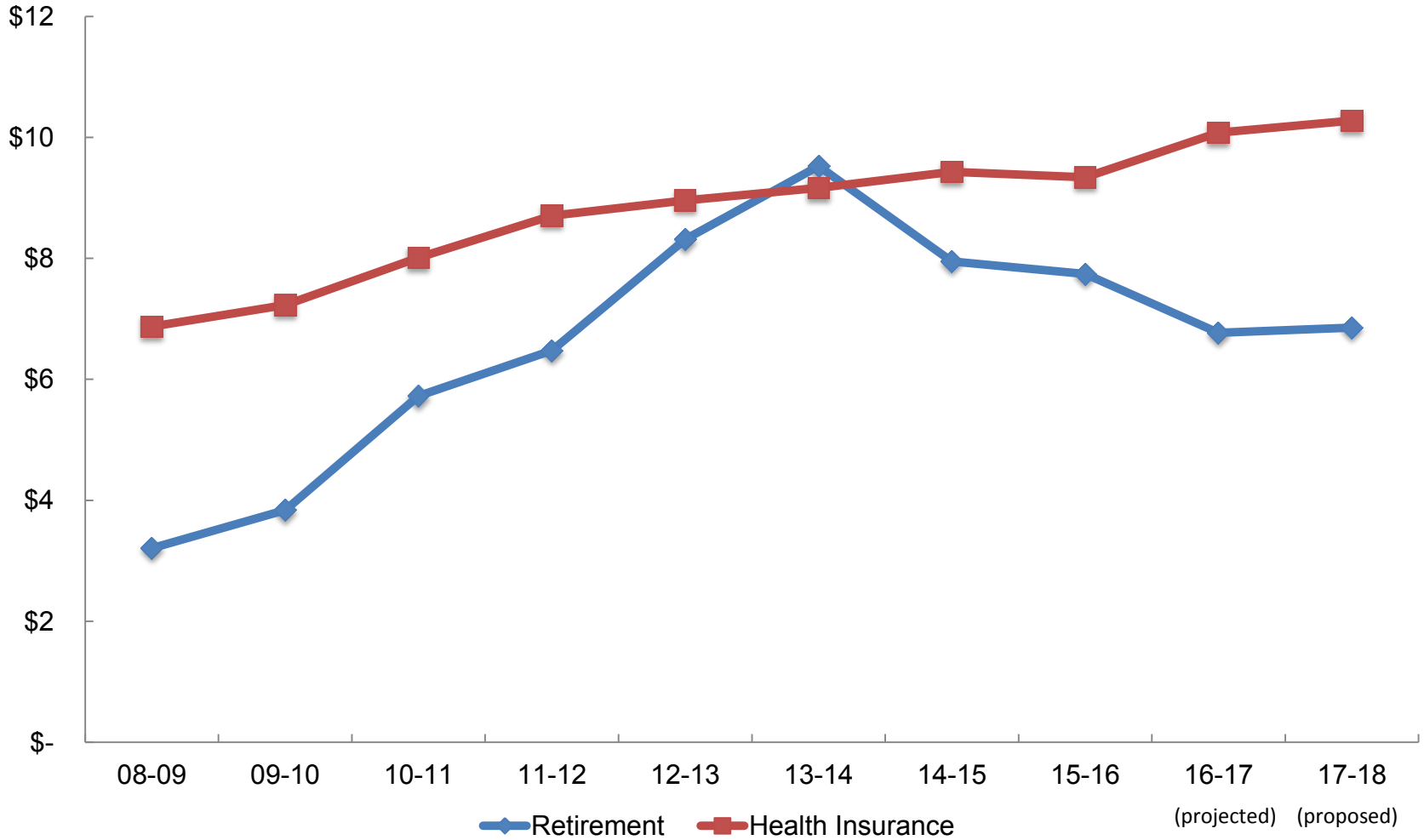
2015-2016 Actual Results through 2017-2018 Proposed Budget

	ACTUAL 2015-2016 EXPENSE	PROJECTED 2016-2017 EXPENSE	PROPOSED 2017-2018 BUDGET
<u>PERSONAL SERVICE</u>			
SALARIES	\$ 45,655,579	\$ 46,272,378	\$ 47,466,386
RETIREMENT CONTRIBUTIONS	\$ 7,707,176	\$ 6,775,657	\$ 6,855,128
SOCIAL SECURITY	\$ 3,271,969	\$ 3,331,611	\$ 3,417,580
HEALTH INSURANCE	\$ 9,503,809	\$ 10,076,060	\$ 10,277,581
WORKERS COMPENSATION	\$ 340,732	\$ 430,000	\$ 450,000
DENTAL & OPTICAL	\$ 377,591	\$ 350,948	\$ 360,000
MISCELLANEOUS BENEFITS	\$ 482,532	\$ 516,325	\$ 523,400
TOTAL BENEFITS	\$ 21,683,809	\$ 21,480,600	\$ 21,883,689
TOTAL PERSONAL SERVICE	\$ 67,339,388	\$ 67,752,979	\$ 69,350,075
<u>MAINTENANCE & OPERATIONS</u>			
RENT & UTILITIES	\$ 1,613,223	\$ 1,774,761	\$ 1,821,900
OFFICE SUPPLIES & MISCELLANEOUS EXPENSE	\$ 747,605	\$ 912,689	\$ 882,250
COMMUNICATIONS	\$ 283,772	\$ 334,500	\$ 346,233
BUSINESS TRAVEL EXPENSE	\$ 838,421	\$ 846,261	\$ 845,297
CORPORATE INSURANCE	\$ 540,226	\$ 492,546	\$ 550,450
NON-CAPITAL EQUIPMENT & EQUIPMENT LEASES	\$ 194,439	\$ 187,934	\$ 203,400
MANAGEMENT & STAFF TRAINING	\$ 195,319	\$ 236,457	\$ 251,218
DIVERSITY TRAINING & COORDINATION	\$ 53,213	\$ 71,524	\$ 80,000
PUBLICATIONS & MEMBERSHIPS	\$ 241,471	\$ 247,210	\$ 245,525
LEGAL FEES	\$ 398,521	\$ 450,000	\$ 550,000
PROFESSIONAL SERVICES	\$ 774,245	\$ 712,548	\$ 728,057
COMPUTER SERVICES & EQUIPMENT	\$ 1,625,495	\$ 2,503,360	\$ 2,660,057
DEPRECIATION EXPENSE	\$ 757,771	\$ 792,608	\$ 823,393
PAYMENT IN LIEU OF TAXES	\$ 125,000	\$ 125,000	\$ 125,000
TOTAL MAINTENANCE & OPERATIONS	\$ 8,388,721	\$ 9,687,399	\$ 10,112,780
CONTINGENCY	\$ -	\$ -	\$ -
TOTAL INTERNAL OPERATING BUDGET	\$ 75,728,109	\$ 77,440,378	\$ 79,462,855
PASS THROUGH INSURANCE	\$ 11,627,712	\$ 12,095,384	\$ 12,572,315
POST EMPLOYMENT BENEFITS	\$ 13,093,065	\$ 12,893,065	\$ 12,693,065
NYS COST RECOVERY FEE	\$ -	\$ -	\$ -
OTHER PROGRAM SPECIFIC EXPENSES	\$ 4,044,680	\$ 4,006,041	\$ 3,789,009
PASS THROUGH EXPENSES	\$ 28,765,457	\$ 28,994,490	\$ 29,054,388
TOTAL OPERATING BUDGET	\$ 104,493,566	\$ 106,434,867	\$ 108,517,243

2017-2018 Proposed Budget Compared to Prior Year Budget

	ADOPTED 2016-2017 BUDGET	PROPOSED 2017-2018 BUDGET	CHANGE	
<u>PERSONAL SERVICE</u>				
SALARIES	\$ 46,461,691	\$ 47,466,386	\$ 1,004,695	2.16%
RETIREMENT CONTRIBUTIONS	\$ 6,743,766	\$ 6,855,128	\$ 111,362	
SOCIAL SECURITY	\$ 3,387,057	\$ 3,417,580	\$ 30,523	
HEALTH INSURANCE	\$ 9,655,869	\$ 10,277,581	\$ 621,712	
WORKERS COMPENSATION	\$ 442,250	\$ 450,000	\$ 7,750	
DENTAL & OPTICAL	\$ 370,000	\$ 360,000	\$ (10,000)	
MISCELLANEOUS BENEFITS	\$ 503,300	\$ 523,400	\$ 20,100	
TOTAL BENEFITS	\$ 21,102,242	\$ 21,883,689	\$ 781,447	
TOTAL PERSONAL SERVICE	\$ 67,563,933	\$ 69,350,075	\$ 1,786,142	2.64%
<u>MAINTENANCE & OPERATIONS</u>				
RENT & UTILITIES	\$ 1,822,029	\$ 1,821,900	\$ (129)	
OFFICE SUPPLIES & MISCELLANEOUS EXPENSE	\$ 806,150	\$ 882,250	\$ 76,100	
COMMUNICATIONS	\$ 324,500	\$ 346,233	\$ 21,733	
BUSINESS TRAVEL EXPENSE	\$ 843,520	\$ 845,297	\$ 1,777	
CORPORATE INSURANCE	\$ 465,640	\$ 550,450	\$ 84,810	
NON-CAPITAL EQUIPMENT & EQUIPMENT LEASES	\$ 215,100	\$ 203,400	\$ (11,700)	
MANAGEMENT & STAFF TRAINING	\$ 248,038	\$ 251,218	\$ 3,180	
DIVERSITY TRAINING & COORDINATION	\$ 80,000	\$ 80,000	\$ -	
PUBLICATIONS & MEMBERSHIPS	\$ 248,579	\$ 245,525	\$ (3,054)	
LEGAL FEES	\$ 500,000	\$ 550,000	\$ 50,000	
PROFESSIONAL SERVICES	\$ 615,502	\$ 728,057	\$ 112,555	
COMPUTER SERVICES & EQUIPMENT	\$ 2,394,500	\$ 2,660,057	\$ 265,557	
DEPRECIATION EXPENSE	\$ 792,608	\$ 823,393	\$ 30,785	
PAYMENT IN LIEU OF TAXES	\$ 125,000	\$ 125,000	\$ -	
TOTAL MAINTENANCE & OPERATIONS	\$ 9,481,166	\$ 10,112,780	\$ 631,614	6.66%
CONTINGENCY	\$ -	\$ -	\$ -	
TOTAL INTERNAL OPERATING BUDGET	\$ 77,045,099	\$ 79,462,855	\$ 2,417,756	3.14%
PASS THROUGH INSURANCE	\$ 12,541,591	\$ 12,572,315	\$ 30,724	
POST EMPLOYMENT BENEFITS	\$ 12,241,616	\$ 12,693,065	\$ 451,449	
NYS COST RECOVERY FEE	\$ -	\$ -	\$ -	
OTHER PROGRAM SPECIFIC EXPENSES	\$ 4,343,424	\$ 3,789,009	\$ (554,415)	
TOTAL PROPOSED OPERATING BUDGET	\$ 106,171,730	\$ 108,517,243	\$ 2,345,513	2.21%

Retirement Contributions & Health Insurance (in millions)



2016-2017 Projected Results Compared to 2017-2018 Proposed Budget

	PROJECTED 2016-2017 EXPENSE	PROPOSED 2017-2018 BUDGET	<u>CHANGE</u>	
<u>PERSONAL SERVICE</u>				
SALARIES	\$ 46,272,378	\$ 47,466,386	\$ 1,194,008	2.58%
RETIREMENT CONTRIBUTIONS	\$ 6,775,657	\$ 6,855,128	\$ 79,471	
SOCIAL SECURITY	\$ 3,331,611	\$ 3,417,580	\$ 85,969	
HEALTH INSURANCE	\$ 10,076,060	\$ 10,277,581	\$ 201,521	
WORKERS COMPENSATION	\$ 430,000	\$ 450,000	\$ 20,000	
DENTAL & OPTICAL	\$ 350,948	\$ 360,000	\$ 9,052	
MISCELLANEOUS BENEFITS	\$ 516,325	\$ 523,400	\$ 7,075	
TOTAL BENEFITS	\$ 21,480,600	\$ 21,883,689	\$ 403,088	
TOTAL PERSONAL SERVICE	\$ 67,752,979	\$ 69,350,075	\$ 1,597,096	2.36%
<u>MAINTENANCE & OPERATIONS</u>				
RENT & UTILITIES	\$ 1,774,761	\$ 1,821,900	\$ 47,139	
OFFICE SUPPLIES & MISCELLANEOUS EXPENSE	\$ 912,689	\$ 882,250	\$ (30,439)	
COMMUNICATIONS	\$ 334,500	\$ 346,233	\$ 11,733	
BUSINESS TRAVEL EXPENSE	\$ 846,261	\$ 845,297	\$ (964)	
CORPORATE INSURANCE	\$ 492,546	\$ 550,450	\$ 57,904	
NON-CAPITAL EQUIPMENT & EQUIPMENT LEASES	\$ 187,934	\$ 203,400	\$ 15,466	
MANAGEMENT & STAFF TRAINING	\$ 236,457	\$ 251,218	\$ 14,761	
DIVERSITY TRAINING & COORDINATION	\$ 71,524	\$ 80,000	\$ 8,476	
PUBLICATIONS & MEMBERSHIPS	\$ 247,210	\$ 245,525	\$ (1,685)	
LEGAL FEES	\$ 450,000	\$ 550,000	\$ 100,000	
PROFESSIONAL SERVICES	\$ 712,548	\$ 728,057	\$ 15,509	
COMPUTER SERVICES & EQUIPMENT	\$ 2,503,360	\$ 2,660,057	\$ 156,697	
DEPRECIATION EXPENSE	\$ 792,608	\$ 823,393	\$ 30,784	
PAYMENT IN LIEU OF TAXES	\$ 125,000	\$ 125,000	\$ -	
TOTAL MAINTENANCE & OPERATIONS	\$ 9,687,399	\$ 10,112,780	\$ 425,381	4.39%
CONTINGENCY	\$ -	\$ -	\$ -	
TOTAL INTERNAL OPERATING BUDGET	\$ 77,440,378	\$ 79,462,855	\$ 2,022,477	2.61%
PASS THROUGH INSURANCE	\$ 12,095,384	\$ 12,572,315	\$ 476,931	
POST EMPLOYMENT BENEFITS	\$ 12,893,065	\$ 12,693,065	\$ (200,000)	
NYS COST RECOVERY FEE	\$ -	\$ -	\$ -	
OTHER PROGRAM SPECIFIC EXPENSES	\$ 4,006,041	\$ 3,789,009	\$ (217,032)	
PASS THROUGH EXPENSES	\$ 28,994,490	\$ 29,054,388	\$ 59,899	
TOTAL OPERATING BUDGET	\$ 106,434,867	\$ 108,517,243	\$ 2,082,376	1.96%

2017-2018 Salaries Budget

2016-2017 BASE SALARY	\$ 47,257,450
PLUS: CONTRACTUAL OBLIGATIONS	\$ <u>751,358</u>
2016 - 2017 BASE SALARY	\$ 48,008,807
LOCATION PAY	\$ 719,289
EXEMPT POOL	\$ 200,000
INTERNSHIP PROGRAM	\$ 75,000
TEMPORARY PERSONNEL	\$ 25,000
OVERTIME ESTIMATE	\$ <u>75,000</u>
SUBTOTAL	\$ 49,103,095
SALARY CREDIT VACANCY CONTROL	\$ <u>(1,636,709)</u>
TOTAL 2017-2018 BUDGETED PAYROLL	\$ 47,466,386

Proposed Changes in Workforce - # of Employees

	<u>BUDGET</u> <u>2010-2011</u>	<u>BUDGET</u> <u>2011-2012</u>	<u>BUDGET</u> <u>2012-2013</u>	<u>BUDGET</u> <u>2013-2014</u>	<u>BUDGET</u> <u>2014-2015</u>	<u>BUDGET</u> <u>2015-2016</u>	<u>BUDGET</u> <u>2016-17</u>	PROPOSED <u>BUDGET</u> <u>2017-18</u>	<u>CHANGE</u> <u>2017-18</u>
TOTAL # OF POSITIONS LISTED IN BUDGET	635	610	598	546	536	527	545	545	0.0%
CHANGE	-11	-25	-12	-52	-10	-9	18	0	
# OF FULL-TIME EQUIVALENT FUNDED POSITIONS	605	574	568	525	505	500	500	515	3.0%
CHANGE	-12	-30	-6	-43	-20	-5	0	15	
PERMANENT EMPLOYEES ON PAYROLL IN DECEMBER	587	544	524	497	490	472	491		
CHANGE	-5	-43	-20	-27	-7	-18	19		

Revenue and Expense Allocation by Program (in thousands)

	ACTUAL 2015-2016		PROJECTED 2016-2017		PROPOSED 2017-2018	
REVENUE (including Revenue for Pass-through Expenses where applicable)						
PRIVATE INSTITUTIONS	\$10,798	10.61%	\$10,603	10.14%	\$11,179	10.37%
SUNY	\$14,562	14.30%	\$15,584	14.90%	\$15,720	14.58%
MENTAL HEALTH	\$28,102	27.60%	\$27,365	26.17%	\$28,292	26.23%
NYS AGENCIES	\$12,759	12.53%	\$16,128	15.42%	\$16,745	15.53%
CUNY	\$30,973	30.42%	\$31,550	30.17%	\$32,638	30.27%
MUNICIPAL FACILITIES	\$4,623	4.54%	3,330	3.19%	3,267	3.03%
	<u>\$101,817</u>	100.00%	<u>\$104,560</u>	100.00%	<u>\$107,841</u>	100.00%
ALLOCATED OPERATING BUDGET (including Pass-through Expenses)						
PRIVATE INSTITUTIONS	\$12,458	11.92%	\$12,547	11.79%	\$11,490	10.59%
SUNY	\$14,562	13.94%	\$15,584	14.65%	\$15,720	14.49%
MENTAL HEALTH	\$26,808	25.65%	\$26,131	24.55%	\$27,029	24.91%
NYS AGENCIES	\$12,759	12.21%	\$16,128	15.15%	\$16,745	15.43%
CUNY	\$30,973	29.64%	\$31,550	29.64%	\$32,638	30.08%
MUNICIPAL FACILITIES	\$4,310	4.12%	\$3,245	3.05%	\$3,112	2.87%
OTHER NYS INITIATIVES	\$2,624	2.51%	\$1,250	1.17%	\$1,783	1.64%
	<u>\$104,493</u>	100.00%	<u>\$106,434</u>	100.00%	<u>\$108,517</u>	100.00%
SURPLUS BY PROGRAM						
PRIVATE INSTITUTIONS	(1,660)		(1,944)		(311)	
MENTAL HEALTH/MUNICIPAL FACILITIES	1,608		1,319		1,418	
LESS OTHER NYS INITIATIVES	<u>(2,624)</u>		<u>(1,250)</u>		<u>(1,783)</u>	
	<u>(2,676)</u>		<u>(1,875)</u>		<u>(677)</u>	

Budget and Financial Plan Summary

April 1, 2015 - March 31, 2021

(in thousands)

Budgeted Revenues, Expenditures and Changes in Net Assets

	Actual 2015-2016	Projected 2016-2017	Proposed 2017-2018	Proposed 2018-2019	Proposed 2019-2020	Proposed 2020-2021
REVENUE & FINANCIAL SOURCES						
Operating Revenues:						
Fees for services	\$ 89,342	\$ 90,997	\$ 94,262	\$ 94,484	\$ 94,134	\$ 93,784
Rental & financing income	\$ 582	\$ 534	\$ 553	\$ 553	\$ 553	\$ 553
Other operating revenues						
Non-operating Revenues						
Income on investments	\$ 2,642	\$ 2,721	\$ 2,803	\$ 2,887	\$ 2,974	\$ 3,063
Other non-operating revenues	\$ 12,475	\$ 13,563	\$ 13,578	\$ 13,378	\$ 13,178	\$ 12,978
Total Revenues and Financial Sources	\$ 105,042	\$ 107,816	\$ 111,196	\$ 111,304	\$ 110,840	\$ 110,379
*EXPENDITURES						
Operating Expenditures:						
Salaries and wages	\$ 45,872	\$ 46,467	\$ 47,667	\$ 48,117	\$ 48,117	\$ 48,117
Other employee benefits	\$ 21,790	\$ 21,584	\$ 21,990	\$ 22,197	\$ 22,197	\$ 22,197
Professional services contracts	\$ 1,640	\$ 1,870	\$ 1,890	\$ 1,890	\$ 1,890	\$ 1,890
Supplies and materials	\$ 528	\$ 647	\$ 621	\$ 621	\$ 621	\$ 621
Other operating expenditures	\$ 6,347	\$ 6,695	\$ 7,734	\$ 7,734	\$ 7,734	\$ 7,734
Total Operating Expenditures	\$ 76,177	\$ 77,263	\$ 79,901	\$ 80,558	\$ 80,558	\$ 80,558
Non-operating Expenditures						
Other non-operating expenditures	\$ 28,723	\$ 28,994	\$ 29,054	\$ 28,854	\$ 28,654	\$ 28,454
Transfers to amounts held for institutions	\$ 2,546	\$ 2,622	\$ 2,701	\$ 2,782	\$ 2,866	\$ 2,952
Transfers to New York State and others	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 107,448	\$ 108,880	\$ 111,656	\$ 112,195	\$ 112,078	\$ 111,964
Capital Contributions						
Excess (deficiency) of revenues and capital contributions over expenditures	\$ (2,406)	\$ (1,064)	\$ (460)	\$ (891)	\$ (1,238)	\$ (1,585)
* Expenditures include 161 Delaware Ave expenses.						
RESERVE FUNDS & CAPITAL OUTLAYS						
Beginning Reserve Fund Balance	\$ 50,635	\$ 50,578	\$ 53,602	\$ 45,036	\$ 41,310	\$ 40,084
** Transfers to Reserves	\$ 1,059	\$ 13,292	\$ 792	\$ 792	\$ 792	\$ 792
Reserve for Replacement (Capital Outlays)	\$ 598	\$ 2,500	\$ 4,090	\$ 1,500	\$ -	\$ -
Fiduciary Fund	\$ 518	\$ 518	\$ 518	\$ 518	\$ 518	\$ -
Healthcare Portfolio Management Fund	\$ -	\$ 3,500	\$ -	\$ -	\$ -	\$ -
**Evolution Reserve Fund	\$ -	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ -
**21 Century Technology Reserve Fund	\$ -	\$ 1,500	\$ 1,500	\$ -	\$ -	\$ -
**Healthcare Transformation Reserve Fund	\$ -	\$ 1,250	\$ 2,250	\$ 1,500	\$ 500	\$ -
Total Reserve Fund & Capital Outlays	\$ 1,116	\$ 10,268	\$ 9,358	\$ 4,518	\$ 2,018	\$ -
Ending Reserve Fund Balance	\$ 50,578	\$ 53,602	\$ 45,036	\$ 41,310	\$ 40,084	\$ 40,876

* Newly established reserves funded from Moral Obligations program (\$8.5M) and Healthcare Portfolio Management Fund (\$3.5M)

2017-2018 Capital Projects/Reserve Funds

Reserve for Replacement:

- Projects completed in the 2016-17 fiscal year will begin depreciating in that fiscal year.
- DASNY has continued various capital maintenance and energy enhancements at 515 Broadway during the 2016-17 fiscal year. Projects included the teardown of chillers, replacement of the variable frequency drives in tower fans, and the replacement of the hot water heater. Some of these projects are expected to continue into 2017-18.
- In addition to the ongoing maintenance enhancements at 515 Broadway, DASNY expects to begin projects to refurbish the roof and replace the exterior caulking on the building.
- DASNY also plans to establish several capital projects related to Information Technology upgrades. These projects 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 are planned 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 Division.
- 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 established the 21st Century Technology Reserve Fund in order to effectively implement the evolutionary change of DASNY's technology platform. Several technology projects will be funded from this reserve.

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 on page 16.

Estimated 2017-2018 Cash Flow DASNY General Operating Fund

<u>April-2017</u>			<u>May-2017</u>			<u>June-2017</u>		
<u>Beginning Bal., Cash & Invest.</u>	<u>Date</u>	<u>Estimate</u>	<u>Beginning Bal., Cash & Invest.</u>	<u>Date</u>	<u>Estimate</u>	<u>Beginning Bal., Cash & Invest.</u>	<u>Date</u>	<u>Estimate</u>
04/01/17		1,287,779.74	05/31/17		3,938,850.45	06/30/17		2,357,310.18
<u>Receipts</u>			<u>Receipts</u>			<u>Receipts</u>		
Estimated Overhead transfer		8,000,000.00	Estimated Overhead transfer		6,100,000.00	Estimated Overhead transfer		6,100,000.00
Total Receipts		8,000,000.00	Total Receipts		6,100,000.00	Total Receipts		6,100,000.00
<u>Disbursements:</u>			<u>Disbursements:</u>			<u>Disbursements:</u>		
Payroll	04/06/17	(1,957,075.62)	DAGOF	05/02/17	(461,924.16)	Payroll	06/01/17	(1,957,075.62)
DAGOF	04/15/17	(1,348,389.24)	Payroll	05/04/17	(1,957,075.62)	DAGOF	06/16/17	(461,924.16)
Payroll	04/20/17	(1,957,075.62)	DAGOF	05/16/17	(461,924.16)	Payroll	06/15/17	(1,957,075.62)
Total Disbursements		(5,262,540.48)	Payroll	05/18/17	(1,957,075.62)	Payroll	06/29/17	(1,957,075.62)
			DAGOF	05/31/17	(1,348,389.24)	DAGOF	06/30/17	(1,348,389.24)
			Total Disbursements		(6,186,388.81)	Total Disbursements		(7,681,540.27)
Ending Balance, Cash & Invest.	04/30/17	4,025,239.26	Ending Balance, Cash & Invest.	05/31/17	3,938,850.45	Ending Balance, Cash & Invest.	06/30/17	2,357,310.18
<u>July-2017</u>			<u>August-2017</u>			<u>September-2017</u>		
<u>Beginning Bal., Cash & Invest.</u>	<u>Date</u>	<u>Estimate</u>	<u>Beginning Bal., Cash & Invest.</u>	<u>Date</u>	<u>Estimate</u>	<u>Beginning Bal., Cash & Invest.</u>	<u>Date</u>	<u>Estimate</u>
07/31/17		2,932,845.54	08/31/17		3,308,380.89	09/30/17		6,083,916.25
<u>Receipts</u>			<u>Receipts</u>			<u>Receipts</u>		
Estimated Overhead transfer		6,300,000.00	Estimated Overhead transfer		6,100,000.00	Estimated Overhead transfer		8,500,000.00
Total Receipts		6,300,000.00	Total Receipts		6,100,000.00	Total Receipts		8,500,000.00
<u>Disbursements:</u>			<u>Disbursements:</u>			<u>Disbursements:</u>		
Payroll	07/13/17	(1,957,075.62)	Payroll	08/10/17	(1,957,075.62)	Payroll	09/07/17	(1,957,075.62)
DAGOF	07/15/17	(461,924.16)	DAGOF	08/15/17	(461,924.16)	DAGOF	09/16/17	(461,924.16)
Payroll	07/27/17	(1,957,075.62)	Payroll	08/24/17	(1,957,075.62)	Payroll	09/21/17	(1,957,075.62)
DAGOF	07/29/17	(1,348,389.24)	DAGOF	08/29/17	(1,348,389.24)	DAGOF	09/30/17	(1,348,389.24)
Total Disbursements		(5,724,464.65)	Total Disbursements		(5,724,464.65)	Total Disbursements		(5,724,464.65)
Ending Balance, Cash & Invest.	07/31/17	2,932,845.54	Ending Balance, Cash & Invest.	08/31/17	3,308,380.89	Ending Balance, Cash & Invest.	09/30/17	6,083,916.25

Estimated 2017-2018 Cash Flow DASNY General Operating Fund

<u>October-2017</u>			<u>November-2017</u>			<u>December-2017</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		6,300,000.00	Estimated Overhead transfer		6,100,000.00	Estimated Overhead transfer		12,300,000.00
Total Receipts		6,300,000.00	Total Receipts		6,100,000.00	Total Receipts		12,300,000.00
<u>Disbursements:</u>			<u>Disbursements:</u>			<u>Disbursements:</u>		
Payroll	10/05/17	(1,957,075.62)	Payroll	11/02/17	(1,957,075.62)	Payroll	12/14/17	(1,957,075.62)
DAGOF	10/17/17	(461,924.16)	DAGOF	11/15/17	(461,924.16)	DAGOF	12/14/17	(461,924.16)
Payroll	10/19/17	(1,957,075.62)	Payroll	11/16/17	(1,957,075.62)	RETIREMENT	12/15/17	(6,855,128.00)
DAGOF	10/31/17	(1,348,389.24)	DAGOF	11/29/17	(1,348,389.24)	Payroll	12/28/17	(1,957,075.62)
Total Disbursements		(5,724,464.65)	Total Disbursements		(7,681,540.27)	Total Disbursements		(12,579,592.65)
Ending Balance, Cash & Invest.	10/31/17	6,659,451.60	Ending Balance, Cash & Invest.	11/30/17	5,077,911.34	Ending Balance, Cash & Invest.	12/31/17	4,798,318.69
<u>January-2018</u>			<u>February-2018</u>			<u>March-2018</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		6,100,000.00	Estimated Overhead transfer		6,100,000.00	Estimated Overhead transfer		3,000,000.00
Total Receipts		6,100,000.00	Total Receipts		6,100,000.00	Total Receipts		3,000,000.00
<u>Disbursements:</u>			<u>Disbursements:</u>			<u>Disbursements:</u>		
Payroll	01/11/18	(1,957,075.62)	Payroll	02/08/18	(1,957,075.62)	Payroll	03/08/18	(1,957,075.62)
DAGOF	01/13/18	(461,924.16)	DAGOF	02/13/18	(461,924.16)	DAGOF	03/15/18	(461,924.16)
Payroll	01/25/18	(1,957,075.62)	Payroll	02/22/18	(1,957,075.62)	Payroll	03/22/18	(1,957,075.62)
DAGOF	01/27/18	(1,348,389.24)	DAGOF	02/27/18	(1,348,389.24)	DAGOF	03/29/18	(1,348,389.24)
Total Disbursements		(5,724,464.65)	Total Disbursements		(5,724,464.65)	Total Disbursements		(5,724,464.65)
Ending Balance, Cash & Invest.	01/31/18	5,173,854.05	Ending Balance, Cash & Invest.	02/28/18	5,549,389.40	Ending Balance, Cash & Invest.	03/31/18	2,824,924.76

Dormitory Authority State of New York
Authority Operating Reserves
as of November 30, 2016

(in millions)

	<u>Fiduciary</u>	<u>MCFFA Reserve</u>	<u>Reserve for Replcmnt</u>	<u>Develop.</u>	<u>Special Interest</u>	<u>Diversity Train & Develop.</u>	<u>D&O Liab. Reserve</u>	<u>OPEB Reserve</u>	<u>Surety Bond Reserve</u>	<u>Healthcare Port. Mgmt</u>	<u>HCRA</u>	<u>Transform Reserve</u>	<u>Evolution Reserve</u>	<u>21st Cent. Tech Reserve</u>
Cash and Investments, April 1, 2016	\$ 3,422	\$ 12,297	\$ 6,041	\$ 4,961	\$ 579	\$ 778	\$ 2,076	\$ 3,861	\$ 3,016	\$ 13,547	\$ 30,206	\$ -	\$ -	\$ -
Receipts:														
Income on Investments	\$ 12	\$ 6	\$ 15	\$ 13	\$ 1	\$ 2	\$ (51)	\$ 16	\$ 12	\$ (171)	171	2	2	1
Contract Settlement						\$ 43								
TEFRA					\$ 84									
Project Reimbursement											20,259			
Transfer From NYC Housing Authority				\$ 50										
Transfer from Healthcare Portfolio Mgmt												3,500		
Transfer To/From SUNY Appr. Rehab											71			
Transfer from Moral Obligations												2,000	4,000	3,000
NYS Deposit											19,600			
Project Interest Payments											464			
Transfer from Westchester Courts	\$ 1,910													
Transfer from DAGOF			\$ 793											
Prior Year Surplus-D&O Liab. Reserve	\$ 76													
Prior Year Surplus-Development Fund	\$ 11													
Prior Year Surplus-Post Employment	\$ 13													
Total Receipts	\$ 2,022	\$ 6	\$ 808	\$ 63	\$ 84	\$ 45	\$ (51)	\$ 16	\$ 12	\$ (171)	\$ 40,565	\$ 5,502	\$ 4,002	\$ 3,001
Disbursements:														
Project Disbursement											14,614			
Transfer to Fid Fund				\$ 11			\$ 76	\$ 13						
Transfer to Health. Transform. Reserve										\$ 3,500				
Other Expenses					\$ 105	\$ 24								
NYC Office	\$ 388													
Various Clients - SEQR Reviews					\$ 2									
DASNY-Chiller Replacement			\$ 8											
DASNY-Replace Liebert Unit			\$ 76											
DASNY-Replace Office Furniture			\$ 36											
DASNY-JD Edwards Updgrade			\$ 30											
Transfer to NYS														
Total Disbursements	\$ 388	\$ -	\$ 150	\$ 11	\$ 107	\$ 24	\$ 76	\$ 13	\$ -	\$ 3,500	\$ 14,614	\$ -	\$ -	\$ -
Cash and Invest., November 30, 2016	\$ 5,056	\$ 12,303	\$ 6,699	\$ 5,013	\$ 556	\$ 799	\$ 1,949	\$ 3,864	\$ 3,028	\$ 9,876	\$ 56,157	\$ 5,502	\$ 4,002	\$ 3,001
Status of Commitments:														
Budgeted	\$ 6,900	\$ 12,000	\$ 2,365	\$ 550						\$ 8,170	\$ 767,662			
Expended	\$ 4,512		\$ 1,446	\$ 550						\$ 8,170	\$ 759,022			
Commitments - November 2016	\$ 43			\$ -						\$ -	\$ -			
Unexpended Balance	\$ 2,345	\$ 12,000	\$ 919	\$ -						\$ -	\$ 8,640			
Uncommitted Balance	\$ 2,711	\$ 303	\$ 5,780	\$ 5,013						\$ 9,876	\$ 47,517			

Appendix A

2017-2018 Budget Timeline

10/07/16	Distribute 2017-2018 budget packages to budget managers for completion.
10/07 - 10/31/16	Review current year activity to date, consult budget managers for their forecasts, research changes in rates and premiums and project total expenditures for 2016-2017.
11/03/16	Update revenue and expense projections by program for 2016-2017 based on labor allocations to date.
10/28/16	All budget requests due to Budget office.
11/10 - 11/21/16	Review budget requests; consult with budget managers for further clarification where needed.
11/18/16	Review preliminary numbers with Executive Management.
12/09/16	2nd review with Executive Management.
12/09/16	Update fee projection based on bond issues sold to date; consult Finance for estimated number and amount of bond issues to be sold by end of fiscal year.
12/09/16	Allocate proposed 2017-2018 revenue and expense by program based on 2017-2018 labor survey.
12/10 - 12/20/16	Finalize all calculations and reports.
12/20/16	Final review with Executive Management.
12/20/16 - 12/28/16	Finalize budget package
12/31/16	Post proposed budget; mail budget package to DASNY Board and others as required by Public Authorities law.
01/11/17	Present proposed 2017-2018 operating budget to DASNY Board.
01/16 - 02/10/17	Board members review and comment.
02/10/17	Update salary budget and classification plan chart; update financial plan.
02/10 - 02/26/17	Review final budget package with Executive Management.
02/26/17	Mail final budget package, including updated salary budget and classification plan chart, to the DASNY Board.
03/08/17	Vote by DASNY Board on resolution to adopt 2017-2018 proposed operating budget.

Appendix C

**SUPPLEMENTAL BUDGET CATEGORY INFORMATION
INTERNAL OPERATING BUDGET
2016-2017 PROJECTED ACTUAL EXPENSE TO 2017-2018 PROPOSED BUDGET**

<u>DESCRIPTION</u>	<u>PROJECTED 2016-2017</u>	<u>PROPOSED 2017-2018</u>	<u>CHANGE</u>	<u>% CHANGE Total Budget</u>
<p>SALARIES The proposed 2017-18 Salaries budget represents a 2.5% increase over 2016-17 projected salaries despite a step advancement for eligible employees in 2017-18. As of December 2016, there were 491 permanent employees on the payroll and DASNY plans on funding 515 full time positions for 2017-18.</p>	\$46,272,378	\$47,466,386	\$1,194,008	1.10%
<p>RETIREMENT CONTRIBUTIONS Contribution rates decreased in 2016-17, and are expected to slightly decrease in 2017-18 for Tier 1 and 2 employees according to the projection DASNY received from NYS. The proposed increase is due to the projected salary base.</p>	\$6,775,657	\$6,855,128	\$79,471	0.07%
<p>SOCIAL SECURITY DASNY's Social Security assessment historically averages approximately 7.2% of the total gross wages paid during the fiscal year.</p>	\$3,331,611	\$3,417,580	\$85,969	0.08%
<p>HEALTH INSURANCE Premiums decreased an average of 1.5% in December 2015 and a 2% increase over projected 2016-2017 expense is proposed for 2017-18 due to anticipated rate increases.</p>	\$10,076,060	\$10,277,581	\$201,521	0.19%
<p>WORKERS COMPENSATION Workers Compensation projected 2016-17 expense is anticipated to be \$12k under budget. The 2017-18 proposed budget includes an expected 5% increase in premium expense.</p>	\$430,000	\$450,000	\$20,000	0.02%
<p>DENTAL\OPTICAL The Authority's dental/optical expense has been very consistent over the years. The proposed 2017-18 budget is \$10k lower than the 2016-17 adopted budget.</p>	\$350,948	\$360,000	\$9,052	0.01%

SUPPLEMENTAL BUDGET CATEGORY INFORMATION
INTERNAL OPERATING BUDGET
2016-2017 PROJECTED ACTUAL EXPENSE TO 2017-2018 PROPOSED BUDGET

<u>DESCRIPTION</u>	<u>PROJECTED 2016-2017</u>	<u>PROPOSED 2017-2018</u>	<u>CHANGE</u>	<u>% CHANGE Total Budget</u>
<p>MISCELLANEOUS BENEFITS Unemployment Insurance (\$5k) and Commuter Expense (\$2k) are proposed to be over projection for 2017-18. All other categories will remain flat.</p>	\$516,325	\$523,400	\$7,075	0.01%
<p>RENT & UTILITIES The 2017-18 proposed budget is in line with the 2016-17 adopted budget. The increase over current year projection is primarily due to the continued escalations for real estate taxes (\$35k) and operating expenses (\$12k) for One Penn Plaza.</p>	\$1,774,761	\$1,821,900	\$47,139	0.04%
<p>OFFICE SUPPLIES & MISCELLANEOUS EXPENSE Included in this category are expenses for office supplies, printing, service contracts, meeting expenses and assorted miscellaneous purposes. The 2017-18 proposed budget includes anticipated decreases in Miscellaneous Expense (\$24k) and Building Maintenance (\$6k).</p>	\$912,689	\$882,250	(\$30,439)	-0.03%
<p>COMMUNICATIONS Included in this category are expenses for all office telephones, portable communication devices, postage and express mail. The proposed 2017-18 budget includes an increase in Other Communication Expenses (\$9.3k) for Polycom Maintenance of our video equipment in the conference rooms. A small increase is also anticipated for Telephone (\$2.4k).</p>	\$334,500	\$346,233	\$11,733	0.01%
<p>BUSINESS TRAVEL EXPENSE This account funds the use of hotels, trains, automobiles, air travel and reimbursements to employees for expenses incurred while traveling on DASNY business. The proposed 2017-18 budget is in line with 2016-17 projections.</p>	\$846,261	\$845,297	(\$964)	0.00%
<p>CORPORATE INSURANCE Included in this category are premiums for various insurance policies, such as property, blanket crime, auto and directors & officers (D&O) liability. Premium expenses are projected to increase 5% in anticipation of external market prices. Industry/Market projections, including the Council of Insurance Agents & Brokers Market Survey report are anticipating increases generally around 10%. Because of this, the 2017-18 proposed budget includes increases in Director's & Officers (\$21k), Property (\$10k), Auto Physical Damage (\$8k), Unallocated Claims (\$6k) & General Liability (\$4k). Travel & Accident (\$9k) is a three year prepaid policy.</p>	\$492,546	\$550,450	\$57,904	0.05%

SUPPLEMENTAL BUDGET CATEGORY INFORMATION
INTERNAL OPERATING BUDGET
2016-2017 PROJECTED ACTUAL EXPENSE TO 2017-2018 PROPOSED BUDGET

<u>DESCRIPTION</u>	<u>PROJECTED 2016-2017</u>	<u>PROPOSED 2017-2018</u>	<u>CHANGE</u>	<u>% CHANGE Total Budget</u>
<p>NON-CAPITAL EQUIPMENT & LEASES Included in this category are replacement vehicles and office equipment for the corporate and field offices. The 2017-18 proposed budget includes a \$13k increase in Automobiles to restore DASNY's fleet to normal levels. Modest increases are also expected across multiple departments for General Equipment.</p>	\$187,934	\$203,400	\$15,466	0.01%
<p>MANAGEMENT & STAFF TRAINING This category includes funding for various training courses for DASNY staff. The proposed 2017-18 budget is \$3k higher than the adopted 2016-17 budget. The \$14.7k increase over projected is all in Department Training. The largest increases are in Upstate Design (\$6k), Financial Management Debt (\$3k) and Internal Audit (\$2.5k). Modest increases are also anticipated across multiple departments.</p>	\$236,457	\$251,218	\$14,761	0.01%
<p>DIVERSITY TRAINING & COORDINATION DASNY engages professional consultants to aid in the delivery of MWBE programs. The proposed 2017-18 budget is in line with the 2016-17 adopted budget. The increase over 2016-17 projections are for MCT Consultants.</p>	\$71,524	\$80,000	\$8,476	0.01%
<p>PUBLICATIONS & MEMBERSHIPS This budget category includes subscriptions for various publications and services such as the Wall Street Journal, The Bond Buyer, Thomson Financial and West Group, as well as, memberships in various professional associations. The 2017-18 proposed budget is in line with 2016-17 projections and the 2016-17 adopted budget.</p>	\$247,210	\$245,525	(\$1,685)	0.00%
<p>LEGAL FEES The expenses associated with this category are incurred when DASNY retains outside counsel for operating purposes. The budget must be sufficient to cover other types of legal expenses that cannot be predicted at this time, but that might arise in the course of doing business. Examples of these types of expenses include those related to Human Resource matters, general liability claims and federal tax compliance issues. Counsel anticipates upgrading the MWBE procedures, revising Construction Contracts, developing Alternative Delivery contracts, entering labor negotiations, undertaking numerous regulatory initiatives and being involved in complex health care issues. The proposed 2017-18 budget is \$50k higher than the 2016-17 adopted budget.</p>	\$450,000	\$550,000	\$100,000	0.09%

**SUPPLEMENTAL BUDGET CATEGORY INFORMATION
INTERNAL OPERATING BUDGET
2016-2017 PROJECTED ACTUAL EXPENSE TO 2017-2018 PROPOSED BUDGET**

<u>DESCRIPTION</u>	<u>PROJECTED 2016-2017</u>	<u>PROPOSED 2017-2018</u>	<u>CHANGE</u>	<u>% CHANGE Total Budget</u>
<p>PROFESSIONAL SERVICES In addition to the annual audit, this account provides funds for trustee/custody fees, payroll services, a contract with NYS Department of Labor for prevailing wage investigations and an agreement with Dunn & Bradstreet for use of their databank in conducting contractor responsibility reviews. The proposed 2017-18 budget includes an increase in Construction Admin (\$14.5k) for a GOSR/HUD audit.</p>	\$712,548	\$728,057	\$15,509	0.01%
<p>COMPUTER SERVICES AND EQUIPMENT The computer services budget generally includes estimates for various equipment, software, maintenance services, licenses, application upgrades and consulting. The proposed 2017-18 budget includes increases for Desktop Software (\$110k), Computer Services (\$97k), General Equipment (\$41k), Computer Operations (\$38k) and Computer Maintenance (\$26k). A portion of these increases are offset by decreases in Computer Consulting (\$98k) Network (\$40k) and Computer Miscellaneous expenses (\$20k).</p>	\$2,503,360	\$2,660,057	\$156,697	0.14%
<p>DEPRECIATION EXPENSE DASNY had two new capital projects that were completed in 2016-17 and will start depreciating in 2017-18. DASNY replaced printers, copiers and fax machines in its main offices with new multi-functional devices. The Liebert cooling unit was also replaced in the computer server room in the Albany office.</p>	\$792,608	\$823,393	\$30,784	0.03%
<p>PAYMENT IN LIEU OF TAXES At the time of land acquisition, DASNY agreed to make an annual PILOT on the corporate headquarters. This item was a term of the purchase agreement for the land.</p>	\$125,000	\$125,000	\$0	0.00%

**SUPPLEMENTAL BUDGET CATEGORY INFORMATION
INTERNAL OPERATING BUDGET
2016-2017 PROJECTED ACTUAL EXPENSE TO 2017-2018 PROPOSED BUDGET**

<u>DESCRIPTION</u>	<u>PROJECTED 2016-2017</u>	<u>PROPOSED 2017-2018</u>	<u>CHANGE</u>	<u>% CHANGE Total Budget</u>
<p>PASS THROUGH INSURANCE This category accounts for the cost of insurance procured by DASNY to protect DASNY's interest in assets held for clients. The SUNY Dorm program and CUNY are the major clients insured in this program. The largest component of this category is Property insurance. Estimates also include broker fees, taxes, and other fees, as well as premiums for Builders' Risk, Boiler & Machinery, and property-related terrorism. Rates are projected to increase in anticipation of market fluctuations resulting in CUNY SR (\$225k), SUNY (\$111k) and CUNY CC (\$69k) having the largest impact. Other modest increases are anticipated across multiple programs.</p>	\$12,095,384	\$12,572,315	\$476,931	0.44%
<p>POST EMPLOYMENT BENEFITS As of fiscal year 2008-09, DASNY was required under Government Accounting Standards Board (GASB) Statement No. 45 to record an expense for the future liability of post employment health care benefits. Future liability is based on active employees. The annual amortized cost for the future liability will decrease as DASNY makes contributions to health insurance programs for its retirees.</p>	\$12,893,065	\$12,693,065	(\$200,000)	-0.18%
<p>NYS COST RECOVERY FEE The cost recovery fee has historically been a fee payable to the State based on the DASNY's use of State resources. Based on discussions with NYS Division of Budget, DASNY isn't expecting to pay a cost recovery fee in 2016-17 or 2017-18.</p>	\$0	\$0	\$0	0.00%
<p>OTHER PROGRAM SPECIFIC EXPENSES This category includes an estimate of the other program operating fund expenses paid by DASNY on behalf of various clients as a pass-through expense. Such expenses include trustee/custody fees, payments on behalf of clients for specialized consultants, mortgage servicing, certain mortgage insurance payments, program specific legal needs and transactions associated with the Mental Health Income fund. The 2017-18 proposed budget includes decreases in Private Institutions (\$114k), Mental Hygiene (\$44k) and Private Healthcare (\$41k) primarily due to Legal Fees.</p>	\$4,006,041	\$3,789,009	(\$217,032)	-0.20%