



NEW YORK
STATE OF
OPPORTUNITY™

DASNY

Revised Proposed Operating Budget 2023-2024 Fiscal Year

March 1, 2023

Budget Highlights for 2023-2024 Proposal

- **The total 2023-24 proposed operating budget of \$132,020,890 represents an increase of 13.4% over the total adopted operating budget for the 2022-23 fiscal year. This increase is almost entirely due to projected increases in pass through expenses, as the total proposed 2023-24 internal operating budget is only up .3% from the adopted 2022-23 internal operating budget.**
- **The 2023-24 operating results are expected to show a \$1.6M surplus**, primarily as a result of adjustments to the allocation of post-employment benefits, as well as anticipated increases to available funding for certain construction clients.
- **Proposed 2023-24 FTEs** remain consistent with the 2022-23 budgeted FTEs and budgeted **Salaries** were increased to account for contractually obligated step advances.
- **Health Insurance** expenses are expected to increase by 6% due to higher rates and higher contributions associated with additional retirees.
- **Retirement contributions** are projected to increase slightly based on projected increases to contribution rates received from the NYS Employees' Retirement System.
- **Maintenance & Operations** expenses are projected to increase slightly as DASNY expects to see increases in several categories that had been impacted by the pandemic (travel, training, office infrastructure, etc.).
- **Pass Through Insurance** is projected to increase by 5% in 2023-24, as premiums for property and general liability insurance continue to rise.
- **Post-Employment Benefit (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 2023-24** are expected to increase slightly from 2022-23 projected totals, as DASNY is forecasting increased design and construction activity with the SUNY, CUNY and OMH programs.
- **Private Client Financings** are assumed to be down slightly from historical average totals and the corresponding revenue projections were adjusted accordingly.

2022-2023 Adopted Budget vs. 2023-24 Proposed Budget

	ADOPTED 2022-23 BUDGET	PROPOSED 2023-24 BUDGET	CHANGE	
Personal Service				
Salaries	\$ 52,476,536	\$ 50,912,680	\$ (1,563,857)	-2.98%
Retirement Contributions	6,132,500	6,623,501	491,001	
Social Security	3,832,563	3,682,324	(150,239)	
Health Insurance	13,780,836	15,398,647	1,617,811	
Workers Compensation	441,034	328,072	(112,962)	
Dental & Optical	315,735	290,000	(25,735)	
Miscellaneous Benefits	716,000	555,500	(160,500)	
Total Benefits	\$ 25,218,668	\$ 26,878,045	\$ 1,659,376	
Total Personal Services	\$ 77,695,205	\$ 77,790,724	\$ 95,519	0.12%
Maintenance & Operations				
Rent & Utilities	2,325,745	2,615,774	290,030	
Office Supplies & Miscellaneous Expense	893,843	1,132,556	238,713	
Business Travel Expense	389,686	430,085	40,399	
Management & Staff Training	102,774	155,535	52,761	
Publications & Memberships	272,035	275,842	3,807	
Corporate Insurance	980,597	1,036,014	55,417	
Non-Capital Equipment & Equipment Leases	109,000	9,000	(100,000)	
Legal Fees	200,300	200,800	500	
Professional Services	677,719	697,898	20,179	
Computer Services & Equipment	3,098,272	3,098,272	-	
Depreciation Expense	883,801	436,609	(447,192)	
Payment in Lieu of Taxes	125,000	125,000	-	
Total Maintenance & Operations	\$ 10,058,772	\$ 10,213,385	\$ 154,614	1.54%
Total Internal Operating Budget	\$ 87,753,976	\$ 88,004,109	\$ 250,133	0.29%
Pass Through Expenses				
Pass Through Insurance	15,003,675	19,138,963	4,135,288	
Post Employment Benefits	9,349,027	20,687,171	11,338,144	
NYS Cost Recovery Fees	1,000,000	1,000,000	0	
Other Program Specific Expenses	3,328,282	3,190,646	(137,636)	
Total Pass Through Expenses	\$ 28,680,984	\$ 44,016,781	\$ 15,335,797	
Total Operating Budget	\$ 116,434,960	\$ 132,020,890	\$ 15,585,929	13.39%

December Proposed Budget vs. March Proposed Budget

	December 31st 2023-24 BUDGET	March 1st 2023-24 BUDGET	CHANGE	
<u>Personal Service</u>				
Salaries	\$ 49,051,931	\$ 50,912,680	\$ 1,860,748	3.79%
Retirement Contributions	6,623,501	6,623,501	-	
Social Security	3,547,743	3,682,324	134,581	
Health Insurance	15,135,721	15,398,647	262,927	
Workers Compensation	328,072	328,072	-	
Dental & Optical	290,000	290,000	-	
Miscellaneous Benefits	555,500	555,500	-	
Total Benefits	\$ 26,480,537	\$ 26,878,045	\$ 397,508	
Total Personal Services	\$ 75,532,468	\$ 77,790,724	\$ 2,258,256	2.99%
<u>Maintenance & Operations</u>				
Rent & Utilities	2,607,735	2,615,774	8,040	
Office Supplies & Miscellaneous Expense	1,132,556	1,132,556	-	
Business Travel Expense	430,085	430,085	-	
Management & Staff Training	155,535	155,535	-	
Publications & Memberships	275,842	275,842	-	
Corporate Insurance	1,036,014	1,036,014	-	
Non-Capital Equipment & Equipment Leases	9,000	9,000	-	
Legal Fees	200,800	200,800	-	
Professional Services	697,898	697,898	-	
Computer Services & Equipment	3,098,272	3,098,272	-	
Depreciation Expense	436,609	436,609	-	
Payment in Lieu of Taxes	125,000	125,000	-	
Total Maintenance & Operations	\$ 10,205,345	\$ 10,213,385	\$ 8,040	0.08%
Total Internal Operating Budget	\$ 85,737,814	\$ 88,004,109	\$ 2,266,296	2.64%
<u>Pass Through Expenses</u>				
Pass Through Insurance	19,138,963	19,138,963	-	
Post Employment Benefits	20,687,171	20,687,171	-	
NYS Cost Recovery Fees	1,000,000	1,000,000	-	
Other Program Specific Expenses	3,190,646	3,190,646	-	
Total Pass Through Expenses	\$ 44,016,781	\$ 44,016,781	\$ -	
Total Operating Budget	\$ 129,754,594	\$ 132,020,890	\$ 2,266,296	1.75%

Revenue and Expense Allocation by Program

(in thousands)

	PROJECTED 2022-23		PROPOSED 2023-24		CHANGE
REVENUE*					
Private Institutions	\$ 6,325	5.1%	\$ 6,125	4.6%	\$ (200)
Mental Health	28,382	22.8%	30,560	22.9%	2,178
Municipal Facilities	2,647	2.1%	2,405	1.8%	(242)
NYS Agencies	24,265	19.5%	25,789	19.3%	1,524
SUNY	16,237	13.0%	17,661	13.2%	1,424
CUNY	44,611	35.8%	48,822	36.6%	4,212
Other	2,084	1.7%	1,939	1.5%	(146)
	\$ 124,552	100.0%	\$ 133,303	100.0%	\$ 8,751
Other Non-Operating Revenue	801		800		
Total Revenue	\$ 125,353		\$ 134,103		\$ 8,750
ALLOCATED OPERATING EXPENSES*					
Private Institutions	\$ 7,057	5.6%	\$ 5,206	3.9%	\$ (1,851)
Mental Health	28,489	22.7%	30,663	23.2%	2,174
Municipal Facilities	2,235	1.8%	1,940	1.5%	(295)
NYS Agencies	24,265	19.3%	25,789	19.5%	1,524
SUNY	16,237	12.9%	17,661	13.4%	1,424
CUNY	45,115	36.0%	48,822	37.0%	3,708
Other	2,084	1.7%	1,939	1.5%	(146)
	\$ 125,482	100.0%	\$ 132,021	100.0%	\$ 6,539
Other Non-Operating Expenses	527		525		
Total Expenses	\$ 126,009		\$ 132,546		\$ 6,537
EXCESS (DEFICIENCY) BY PROGRAM					
Private Institutions	\$ (732)		\$ 919		\$ 1,651
Mental Health	(107)		(103)		4
Municipal Facilities	412		465		53
NYS Agencies	-		-		-
SUNY	-		-		-
CUNY	(504)		-		504
Other	-		-		-
	\$ (930)		\$ 1,282		\$ 2,212
Other Non-Operating	274		275		-
Excess (Deficiency) of Revenues over Expenses*	\$ (656)		\$ 1,557		\$ 2,213

* Includes Pass Through Revenue or Expenses, if applicable.

Budget and Financial Plan Summary (Mid-Year Update)

April 1, 2021 - March 31, 2027

(in thousands)

Budgeted Revenues, Expenditures and Changes in Net Assets

	Actual 2021-22	Projected 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27
REVENUE & FINANCIAL SOURCES						
Operating Revenues:						
Fees for services	\$100,984	\$102,553	\$109,482	\$110,844	\$112,791	\$114,781
Rental & financing income	485	475	475	475	475	475
Other operating revenues						
Non-operating Revenues						
Income on investments	379	326	325	325	325	325
Other non-operating revenues	22,242	21,999	23,821	22,607	22,407	22,207
Total Revenues and Financial Sources	124,090	125,353	134,103	134,251	135,998	137,788
EXPENDITURES						
Operating Expenditures:						
Salaries and wages	\$49,929	\$48,421	\$50,913	\$51,438	\$51,963	\$52,488
Other employee benefits	26,402	24,930	26,878	27,684	28,515	29,370
Office Infrastructure	6,263	7,270	7,717	7,717	7,717	7,717
Legal & Professional services	646	756	899	899	899	899
Other operating expenditures	1,756	1,800	1,598	1,598	1,598	1,598
Total Operating Expenditures	84,997	83,177	88,004	89,335	90,691	92,071
Non-internal operating expenditures	41,532	42,305	44,017	44,391	44,783	45,192
Total Operating Budget	126,529	125,482	132,021	133,727	135,474	137,263
Non-Operating Expenses	390	527	525	525	525	525
Total Expenditures	\$126,919	\$126,009	\$132,546	\$134,252	\$135,999	\$137,788
Excess (Deficit) of revenues over expenditures	-\$2,829	-\$656	\$1,557	\$0	\$0	\$0