



NEW YORK
STATE OF
OPPORTUNITY™

DASNY

Proposed Operating Budget 2016-2017 Fiscal Year

As submitted to the
Board of Directors On
March 9, 2016

Budget Headlines for 2016-2017 Proposal

- **The total 2016-17 proposed internal operating budget of \$106,171,730 represents a decrease of just less than 1% from the total 2015-16 internal operating budget of \$106,607,231. This is due primarily to the elimination of the NYS Cost Recovery Fee, offset by increases in contract-driven expenses for salaries and technology modernization.**
- Minor updates have been made to 2015-16 projected expenses and the 2016-17 proposed budget since the initial budget presentation at the January 12th Board meeting in an effort to reflect the most recent information available. **The proposed 2016-17 internal operating budget is 2% higher than the revised projected spending for 2015-16.**
- The 2016-17 proposed salary budget funds the same number of full-time equivalent positions as in the current year, 500.
- The 2016-17 proposed budget for salary expenses increases by 2.8% compared to 2015-16 projected expenses, as DASNY will need to fulfill contractual salary step obligations.
- DASNY currently has 31 positions in recruitment as it plans to hire staff within the 500 funded positions to meet workload needs, known retirements and provide for knowledge transfer as it plans for the retirement of a projected 20% of the workforce in the next 3-5 years.
- DASNY projects it will collect \$6.6 million in administrative fees from private client bond programs in the 2015-16 fiscal year, which is approximately half the amount it collected 5 years ago. For the past six months DASNY has pursued and implemented client friendly changes to its private institution financing program to re-capture clients and business which have migrated to local financing options.
- DASNY has continued to see a shift in construction workload, from large capital projects to smaller rehab projects. The total number of active construction projects has remained consistent while total construction expenditures have decreased by 42% over the last four years.

2016-2017 Proposed Budget Compared to Prior Year Budget

	ADOPTED 2015-2016 BUDGET	PROPOSED 2016-2017 BUDGET	CHANGE	
<u>PERSONAL SERVICE</u>				
SALARIES	\$ 45,167,257	\$ 46,461,691	\$ 1,294,434	2.87%
RETIREMENT CONTRIBUTIONS	\$ 7,864,820	\$ 6,743,766	\$ (1,121,054)	
SOCIAL SECURITY	\$ 3,247,526	\$ 3,387,057	\$ 139,531	
HEALTH INSURANCE	\$ 9,669,636	\$ 9,655,869	\$ (13,767)	
WORKERS COMPENSATION	\$ 420,000	\$ 442,250	\$ 22,250	
DENTAL & OPTICAL	\$ 377,500	\$ 370,000	\$ (7,500)	
MISCELLANEOUS BENEFITS	\$ 512,300	\$ 503,300	\$ (9,000)	
TOTAL BENEFITS	\$ 22,091,782	\$ 21,102,242	\$ (989,540)	
TOTAL PERSONAL SERVICE	\$ 67,259,039	\$ 67,563,933	\$ 304,894	0.45%
<u>MAINTENANCE & OPERATIONS</u>				
RENT & UTILITIES	\$ 1,705,000	\$ 1,822,028	\$ 117,028	
OFFICE SUPPLIES & MISCELLANEOUS EXPENSE	\$ 833,650	\$ 806,150	\$ (27,500)	
COMMUNICATIONS	\$ 315,670	\$ 324,500	\$ 8,830	
BUSINESS TRAVEL EXPENSE	\$ 838,304	\$ 843,520	\$ 5,216	
CORPORATE INSURANCE	\$ 417,180	\$ 465,640	\$ 48,460	
NON-CAPITAL EQUIPMENT & EQUIPMENT LEASES	\$ 202,050	\$ 215,100	\$ 13,050	
MANAGEMENT & STAFF TRAINING	\$ 216,543	\$ 248,038	\$ 31,495	
DIVERSITY TRAINING & COORDINATION	\$ 95,000	\$ 80,000	\$ (15,000)	
PUBLICATIONS & MEMBERSHIPS	\$ 241,527	\$ 248,579	\$ 7,052	
LEGAL FEES	\$ 500,000	\$ 500,000	\$ -	
PROFESSIONAL SERVICES	\$ 596,475	\$ 615,502	\$ 19,027	
COMPUTER SERVICES & EQUIPMENT	\$ 1,917,100	\$ 2,394,500	\$ 477,400	
DEPRECIATION EXPENSE	\$ 792,609	\$ 792,608	\$ (1)	
PAYMENT IN LIEU OF TAXES	\$ 125,000	\$ 125,000	\$ -	
TOTAL MAINTENANCE & OPERATIONS	\$ 8,796,108	\$ 9,481,166	\$ 685,058	7.79%
CONTINGENCY	\$ -	\$ -	\$ -	
TOTAL INTERNAL OPERATING BUDGET	\$ 76,055,147	\$ 77,045,099	\$ 989,952	1.30%
PASS THROUGH INSURANCE	\$ 9,569,021	\$ 12,541,591	\$ 2,972,570	
POST EMPLOYMENT BENEFITS	\$ 13,728,687	\$ 12,241,616	\$ (1,487,071)	
NYS COST RECOVERY FEE	\$ 4,086,476	\$ -	\$ (4,086,476)	
OTHER PROGRAM SPECIFIC EXPENSES	\$ 3,167,900	\$ 4,343,424	\$ 1,175,524	
TOTAL PROPOSED OPERATING BUDGET	\$ 106,607,231	\$ 106,171,730	\$ (435,501)	-0.41%

2015-2016 Projected Results Compared to 2016-2017 Proposed Budget

	PROJECTED 2015-2016 EXPENSE	PROPOSED 2016-2017 BUDGET	<u>CHANGE</u>	
<u>PERSONAL SERVICE</u>				
SALARIES	\$ 45,172,801	\$ 46,461,691	\$ 1,288,890	2.85%
RETIREMENT CONTRIBUTIONS	\$ 7,742,242	\$ 6,743,766	\$ (998,476)	
SOCIAL SECURITY	\$ 3,262,888	\$ 3,387,057	\$ 124,170	
HEALTH INSURANCE	\$ 9,466,538	\$ 9,655,869	\$ 189,331	
WORKERS COMPENSATION	\$ 436,768	\$ 442,250	\$ 5,483	
DENTAL & OPTICAL	\$ 370,000	\$ 370,000	\$ -	
MISCELLANEOUS BENEFITS	\$ 502,526	\$ 503,300	\$ 775	
TOTAL BENEFITS	\$ 21,780,961	\$ 21,102,242	\$ (678,719)	
TOTAL PERSONAL SERVICE	\$ 66,953,762	\$ 67,563,933	\$ 610,171	0.91%
<u>MAINTENANCE & OPERATIONS</u>				
RENT & UTILITIES	\$ 1,706,444	\$ 1,822,028	\$ 115,584	
OFFICE SUPPLIES & MISCELLANEOUS EXPENSE	\$ 751,312	\$ 806,150	\$ 54,838	
COMMUNICATIONS	\$ 316,697	\$ 324,500	\$ 7,803	
BUSINESS TRAVEL EXPENSE	\$ 825,836	\$ 843,520	\$ 17,684	
CORPORATE INSURANCE	\$ 459,140	\$ 465,640	\$ 6,501	
NON-CAPITAL EQUIPMENT & EQUIPMENT LEASES	\$ 200,879	\$ 215,100	\$ 14,221	
MANAGEMENT & STAFF TRAINING	\$ 172,538	\$ 248,038	\$ 75,500	
DIVERSITY TRAINING & COORDINATION	\$ 52,500	\$ 80,000	\$ 27,500	
PUBLICATIONS & MEMBERSHIPS	\$ 237,502	\$ 248,579	\$ 11,077	
LEGAL FEES	\$ 400,000	\$ 500,000	\$ 100,000	
PROFESSIONAL SERVICES	\$ 620,970	\$ 615,502	\$ (5,468)	
COMPUTER SERVICES & EQUIPMENT	\$ 1,916,423	\$ 2,394,500	\$ 478,077	
DEPRECIATION EXPENSE	\$ 792,608	\$ 792,608	\$ -	
PAYMENT IN LIEU OF TAXES	\$ 125,000	\$ 125,000	\$ -	
TOTAL MAINTENANCE & OPERATIONS	\$ 8,577,849	\$ 9,481,166	\$ 903,317	10.53%
CONTINGENCY	\$ -	\$ -	\$ -	
TOTAL INTERNAL OPERATING BUDGET	\$ 75,531,611	\$ 77,045,099	\$ 1,513,488	2.00%
PASS THROUGH INSURANCE	\$ 12,074,684	\$ 12,541,591	\$ 466,907	
POST EMPLOYMENT BENEFITS	\$ 12,441,616	\$ 12,241,616	\$ (200,000)	
NYS COST RECOVERY FEE	\$ -	\$ -	\$ -	
OTHER PROGRAM SPECIFIC EXPENSES	\$ 5,843,424	\$ 4,343,424	\$ (1,500,000)	
PASS THROUGH EXPENSES	\$ 30,359,724	\$ 29,126,631	\$ (1,233,093)	
TOTAL OPERATING BUDGET	\$ 105,891,335	\$ 106,171,730	\$ 280,395	0.26%

2016-2017 Proposed Budget 12/31/15 vs. 3/9/16

	12/31 Proposed 2015-2016 BUDGET	3/9 Proposed 2016-2017 BUDGET	<u>CHANGE</u>	
<u>PERSONAL SERVICE</u>				
SALARIES	\$ 46,585,429	\$ 46,461,691	\$ (123,738)	-0.27%
RETIREMENT CONTRIBUTIONS	\$ 6,743,766	\$ 6,743,766	\$ -	
SOCIAL SECURITY	\$ 3,396,034	\$ 3,387,057	\$ (8,977)	
HEALTH INSURANCE	\$ 9,526,982	\$ 9,655,869	\$ 128,887	
WORKERS COMPENSATION	\$ 442,250	\$ 442,250	\$ -	
DENTAL & OPTICAL	\$ 370,000	\$ 370,000	\$ -	
MISCELLANEOUS BENEFITS	\$ 503,300	\$ 503,300	\$ -	
TOTAL BENEFITS	<u>\$ 20,982,333</u>	<u>\$ 21,102,242</u>	<u>\$ 119,910</u>	
TOTAL PERSONAL SERVICE	\$ 67,567,761	\$ 67,563,933	\$ (3,828)	-0.01%
<u>MAINTENANCE & OPERATIONS</u>				
RENT & UTILITIES	\$ 1,711,615	\$ 1,822,028	\$ 110,413	
OFFICE SUPPLIES & MISCELLANEOUS EXPENSE	\$ 806,150	\$ 806,150	\$ -	
COMMUNICATIONS	\$ 324,500	\$ 324,500	\$ -	
BUSINESS TRAVEL EXPENSE	\$ 843,520	\$ 843,520	\$ -	
CORPORATE INSURANCE	\$ 465,640	\$ 465,640	\$ -	
NON-CAPITAL EQUIPMENT & EQUIPMENT LEASES	\$ 215,100	\$ 215,100	\$ -	
MANAGEMENT & STAFF TRAINING	\$ 248,038	\$ 248,038	\$ -	
DIVERSITY TRAINING & COORDINATION	\$ 80,000	\$ 80,000	\$ -	
PUBLICATIONS & MEMBERSHIPS	\$ 248,579	\$ 248,579	\$ -	
LEGAL FEES	\$ 500,000	\$ 500,000	\$ -	
PROFESSIONAL SERVICES	\$ 615,502	\$ 615,502	\$ -	
COMPUTER SERVICES & EQUIPMENT	\$ 2,394,500	\$ 2,394,500	\$ -	
DEPRECIATION EXPENSE	\$ 792,608	\$ 792,608	\$ -	
PAYMENT IN LIEU OF TAXES	<u>\$ 125,000</u>	<u>\$ 125,000</u>	<u>\$ -</u>	
TOTAL MAINTENANCE & OPERATIONS	\$ 9,370,752	\$ 9,481,166	\$ 110,413	1.18%
CONTINGENCY	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
TOTAL INTERNAL OPERATING BUDGET	\$ 76,938,514	\$ 77,045,099	\$ 106,585	0.14%
PASS THROUGH INSURANCE	\$ 12,541,591	\$ 12,541,591	\$ -	
POST EMPLOYMENT BENEFITS	\$ 12,241,616	\$ 12,241,616	\$ -	
NYS COST RECOVERY FEE	\$ -	\$ -	\$ -	
OTHER PROGRAM SPECIFIC EXPENSES	<u>\$ 4,343,424</u>	<u>\$ 4,343,424</u>	<u>\$ -</u>	
TOTAL PROPOSED OPERATING BUDGET	\$ 106,065,145	\$ 106,171,730	\$ 106,585	0.10%

Budget and Financial Plan Summary
April 1, 2014 - March 31, 2020
(in thousands)

Budgeted Revenues, Expenditures and Changes in Net Assets

	<u>Actual</u> <u>2014-2015</u>	<u>Projected</u> <u>2015-2016</u>	<u>Proposed</u> <u>2016-2017</u>	<u>Proposed</u> <u>2017-2018</u>	<u>Proposed</u> <u>2018-2019</u>	<u>Proposed</u> <u>2019-2020</u>
<u>REVENUE & FINANCIAL SOURCES</u>						
Operating Revenues:						
Fees for services	\$ 90,861	\$ 91,867	\$ 93,115	\$ 92,765	\$ 92,415	\$ 92,065
Rental & financing income	\$ 493	\$ 493	\$ 493	\$ 493	\$ 493	\$ 493
Other operating revenues						
Non-operating Revenues						
Income on investments	\$ 2,160	\$ 2,225	\$ 2,292	\$ 2,360	\$ 2,431	\$ 2,504
Other non-operating revenues	\$ 13,533	\$ 15,246	\$ 13,568	\$ 13,368	\$ 13,168	\$ 12,968
Total Revenues and Financial Sources	\$ 107,048	\$ 109,831	\$ 109,469	\$ 108,988	\$ 108,509	\$ 108,032
<u>*EXPENDITURES</u>						
Operating Expenditures:						
Salaries and wages	\$ 44,321	\$ 45,337	\$ 46,631	\$ 46,631	\$ 46,631	\$ 46,631
Other employee benefits	\$ 21,797	\$ 21,865	\$ 21,189	\$ 21,189	\$ 21,189	\$ 21,189
Professional services contracts	\$ 1,273	\$ 1,414	\$ 1,591	\$ 1,591	\$ 1,591	\$ 1,591
Supplies and materials	\$ 533	\$ 705	\$ 766	\$ 766	\$ 766	\$ 766
Other operating expenditures	\$ 6,658	\$ 6,589	\$ 7,144	\$ 7,144	\$ 7,144	\$ 7,144
Total Operating Expenditures	\$ 74,582	\$ 75,910	\$ 77,320	\$ 77,320	\$ 77,320	\$ 77,320
Non-operating Expenditures						
Capital assets outlay	\$ 5	\$ 450	\$ 500	\$ -	\$ -	\$ -
Other non-operating expenditures (pass-through)	\$ 29,200	\$ 30,878	\$ 29,645	\$ 29,445	\$ 29,245	\$ 29,045
Transfers to amounts held for institutions	\$ 2,103	\$ 2,166	\$ 2,231	\$ 2,298	\$ 2,367	\$ 2,438
Transfers to New York State and others	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 105,890	\$ 109,404	\$ 109,696	\$ 109,063	\$ 108,932	\$ 108,803
Capital Contributions						
Excess (deficiency) of revenues and capital contributions over expenditures	\$ 1,158	\$ 427	\$ (227)	\$ (75)	\$ (423)	\$ (771)

* Expenditures include NYC rent supplemented from Private Insitutions & 161 Delaware Ave expenses.