



**NEW YORK**  
STATE OF  
OPPORTUNITY™

**DASNY**

# **Revised Proposed Operating Budget 2022-2023 Fiscal Year**

March 2, 2022

## Budget Highlights for 2022-2023 Proposal

- **The total 2022-23 proposed operating budget of \$116,434,960 represents an increase of 1.2% over the total revised operating budget for the 2021-22 fiscal year.**
- **The 2022-23 operating results are expected to show a deficit, due primarily to anticipated revenue shortfall in support of related projected construction activity.** We are actively working on several initiatives to address the anticipated construction division deficit.
- **Proposed 2022-23 FTEs** show an increase of 11 FTEs from the 2021-22 projected results and budgeted **Salaries** were increased accordingly.
- **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 decrease significantly based on projected decreases to contribution rates received from the NYS Employees' Retirement System.
- **Maintenance & Operations** expenses are projected to increase as DASNY expects to incur expenses for several items that were not included in the 2021-22 revised budget, such as new information technology needs, replacement of certain older fleet vehicles and rent for the new office space in Buffalo.
- **Pass Through Insurance** is projected to increase by 5% in 2022-23, 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 2022-23** are expected to increase slightly from 2021-22 projected totals, as DASNY is expecting an uptick from the post COVID levels, led by program increases in SUNY, DOH and new programs such as the Office of Cannabis Management.
- **Private Client Financings** are assumed to be consistent with historical average totals.

## 2021-2022 Revised Budget vs. 2022-23 Proposed Budget

	REVISED 2021-2022 BUDGET	PROPOSED 2022-23 BUDGET	CHANGE	
<b>Personal Service</b>				
<b>Salaries</b>	\$ 50,711,169	\$ 52,476,536	\$ 1,765,367	3.48%
Retirement Contributions	8,505,073	6,132,500	(2,372,573)	
Social Security	3,735,386	3,832,563	97,177	
Health Insurance	13,201,772	13,780,836	579,064	
Workers Compensation	406,612	441,034	34,422	
Dental & Optical	313,011	315,735	2,724	
Miscellaneous Benefits	572,625	716,000	143,375	
<b>Total Benefits</b>	<b>\$ 26,734,480</b>	<b>\$ 25,218,669</b>	<b>\$ (1,515,811)</b>	
<b>Total Personal Services</b>	<b>\$ 77,445,649</b>	<b>\$ 77,695,205</b>	<b>\$ 249,556</b>	<b>0.32%</b>
<b>Maintenance &amp; Operations</b>				
Rent & Utilities	2,247,162	2,325,745	78,583	
Office Supplies & Miscellaneous Expense	870,362	893,843	23,481	
Business Travel Expense	342,345	389,686	47,341	
Management & Staff Training	56,000	102,774	46,774	
Publications & Memberships	255,022	272,035	17,013	
Corporate Insurance	890,073	980,597	90,524	
Non-Capital Equipment & Equipment Leases	5,000	109,000	104,000	
Legal Fees	150,300	200,300	50,000	
Professional Services	550,669	677,719	127,051	
Computer Services & Equipment	2,503,501	3,098,272	594,771	
Depreciation Expense	883,801	883,801	-	
Payment in Lieu of Taxes	125,000	125,000	-	
<b>Total Maintenance &amp; Operations</b>	<b>\$ 8,879,235</b>	<b>\$ 10,058,772</b>	<b>\$ 1,179,537</b>	<b>13.28%</b>
<b>Total Internal Operating Budget</b>	<b>\$ 86,324,884</b>	<b>\$ 87,753,976</b>	<b>\$ 1,429,092</b>	<b>1.66%</b>
<b>Pass Through Expenses</b>				
Pass Through Insurance	14,677,008	15,003,675	326,667	
Post Employment Benefits	9,549,027	9,349,027	(200,000)	
NYS Cost Recovery Fees	1,000,000	1,000,000	-	
Other Program Specific Expenses	3,490,326	3,328,282	(162,044)	
<b>Total Pass Through Expenses</b>	<b>\$ 28,716,361</b>	<b>\$ 28,680,984</b>	<b>\$ (35,377)</b>	
<b>Total Operating Budget</b>	<b>\$ 115,041,245</b>	<b>\$ 116,434,960</b>	<b>\$ 1,393,715</b>	<b>1.21%</b>

## Revenue and Expense Allocation by Program (in thousands)

	REVISED 2021-22		PROJECTED 2022-23		CHANGE
<b>REVENUE*</b>					
Private Institutions	\$ 7,211	6.6%	\$ 6,753	5.9%	\$ (458)
Mental Health	27,791	25.5%	27,573	24.1%	(218)
Municipal Facilities	1,808	1.7%	1,886	1.6%	78
NYS Agencies	22,537	20.6%	24,961	21.8%	2,424
SUNY	12,986	11.9%	13,472	11.8%	486
CUNY	36,809	33.7%	39,950	34.9%	3,141
	<b>\$ 109,142</b>	<b>100.0%</b>	<b>\$ 114,594</b>	<b>100.0%</b>	<b>\$ 5,452</b>
Other Non-Operating Revenue	1,075		801		
<b>Total Revenue</b>	<b>\$ 110,217</b>		<b>\$ 115,396</b>		<b>\$ 5,179</b>
<b>ALLOCATED OPERATING EXPENSES*</b>					
Private Institutions	\$ 8,045	7.0%	\$ 6,662	5.7%	\$ (1,383)
Mental Health	28,247	24.6%	27,573	23.7%	(674)
Municipal Facilities	1,392	1.2%	1,355	1.2%	(37)
NYS Agencies	22,537	19.6%	24,961	21.4%	2,424
SUNY	12,986	11.3%	13,472	11.6%	486
CUNY	41,835	36.4%	42,413	36.4%	578
	<b>\$ 115,042</b>	<b>100.0%</b>	<b>\$ 116,435</b>	<b>100.0%</b>	<b>\$ 1,393</b>
Other Non-Operating Expenses	527		527		
<b>Total Expenses</b>	<b>\$ 115,569</b>		<b>\$ 116,962</b>		<b>\$ 1,393</b>
<b>EXCESS (DEFICIENCY) BY PROGRAM</b>					
Private Institutions	\$ (834)		\$ 91		\$ 925
Mental Health	(456)		-		456
Municipal Facilities	416		531		115
NYS Agencies	-		-		-
SUNY	-		-		-
CUNY	(5,026)		(2,463)		2,563
	<b>\$ (5,900)</b>		<b>\$ (1,841)</b>		<b>\$ 4,059</b>
Other Non-Operating	548		274		-
<b>Excess (Deficiency) of Revenues over Expenses*</b>	<b>\$ (5,352)</b>		<b>\$ (1,567)</b>		<b>\$ 3,785</b>

\* Includes Pass Through Revenue or Expenses, if applicable.

## Budget and Financial Plan Summary

April 1, 2020 - March 31, 2026

(in thousands)

### Budgeted Revenues, Expenditures and Changes in Net Assets

	<u>Actual 2020-21</u>	<u>Projected 2021-22</u>	<u>Proposed 2022-23</u>	<u>Proposed 2023-24</u>	<u>Proposed 2024-25</u>	<u>Proposed 2025-26</u>
<b>REVENUE &amp; FINANCIAL SOURCES</b>						
Operating Revenues:						
Fees for services	\$96,284	\$99,251	\$102,473	\$104,817	\$105,595	\$106,372
Rental & financing income	529	475	475	475	475	475
Other operating revenues						
Non-operating Revenues						
Income on investments	592	600	326	326	326	326
Other non-operating revenues	16,253	11,251	12,121	11,921	11,721	11,521
<b>Total Revenues and Financial Sources</b>	<b>113,658</b>	<b>111,577</b>	<b>115,395</b>	<b>117,539</b>	<b>118,117</b>	<b>118,694</b>
<b>EXPENDITURES</b>						
Operating Expenditures:						
Salaries and wages	\$51,713	\$49,945	\$52,477	\$53,002	\$53,527	\$54,052
Other employee benefits	25,175	26,758	25,219	25,471	25,723	25,976
Office Infrastructure	5,433	6,292	7,191	7,191	7,191	7,191
Legal & Professional services	626	738	878	878	878	878
Other operating expenditures	1,669	1,899	1,989	1,989	1,989	1,989
<b>Total Operating Expenditures</b>	<b>84,616</b>	<b>85,632</b>	<b>87,754</b>	<b>88,531</b>	<b>89,309</b>	<b>90,086</b>
Non-internal operating expenditures	31,250	28,516	28,681	28,481	28,281	28,081
<b>Total Operating Budget</b>	<b>115,866</b>	<b>114,149</b>	<b>116,435</b>	<b>117,012</b>	<b>117,590</b>	<b>118,167</b>
Non-Operating Expenses	524	527	527	527	527	527
<b>Total Expenditures</b>	<b>\$116,390</b>	<b>\$114,676</b>	<b>\$116,962</b>	<b>\$117,538</b>	<b>\$118,117</b>	<b>\$118,694</b>
<b>Excess (Deficit) of revenues over expenditures</b>	<b>-\$2,732</b>	<b>-\$3,099</b>	<b>-\$1,567</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>