



Revised Proposed Operating Budget 2024-2025 Fiscal Year

March 13, 2024

Budget Highlights for 2024-2025 Proposal

- **The total 2024-25 proposed operating budget of \$119,428,257 represents a decrease of 12% over the total adopted operating budget for the 2023-24 fiscal year. This decrease is almost entirely due to projected decreases in pass through expenses, as the total proposed 2024-25 internal operating budget is up 3.2% from the adopted 2023-24 internal operating budget.**
- **The 2024-25 operating results are expected to show a \$2.3M surplus**, primarily as a result of adjustments to the allocation of post-employment benefits.
- **Proposed 2024-25 FTEs** remain consistent with the projected 2023-24 FTEs and budgeted **Salaries** were increased to account for contractually obligated cost of living increases and step advances.
- **Health Insurance** expenses are expected to increase by 6% due to higher rates and higher contributions associated with new hires and additional retirees.
- **Retirement contributions** are projected to increase based on projected increases to contribution rates received from the NYS Employees' Retirement System and increases to projected payout based on the implementation of the most recent CSEA collective bargaining agreement.
- **Maintenance & Operations** expenses are projected to increase slightly as DASNY expects to see increases in several categories such as Professional Service and Computer Services, while other categories such as Utilities and Corporate Insurance are decreasing in 2024-25.
- **Pass Through Insurance** is projected to increase by 5% in 2024-25, as premiums for property and general liability insurance continue to rise.
- **Post-Employment Benefit (OPEB)** decreased significantly from the adopted 2023-24 total, primarily due to favorable interest rates in the most recent actuarial valuation. The allocation of these expenses also 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 2024-25** are expected to decrease slightly from 2023-24 projected totals.
- **Private Client Financings** are assumed to be consistent with historical average totals.

2023-2024 Adopted Budget vs. 2024-25 Proposed Budget

	ADOPTED 2023-24 BUDGET	PROPOSED 2024-25 BUDGET	CHANGE	
Personal Service				
Salaries	\$ 54,365,680	\$ 53,942,293	\$ (423,387)	-0.78%
Retirement Contributions	6,623,501	8,313,591	1,690,090	
Social Security	3,934,324	3,988,474	54,150	
Health Insurance	15,398,647	16,486,172	1,087,525	
Workers Compensation	328,072	347,190	19,118	
Dental & Optical	290,000	282,693	(7,307)	
Miscellaneous Benefits	555,500	581,500	26,000	
Total Benefits	\$ 27,130,045	\$ 29,999,620	\$ 2,869,575	
Total Personal Services	\$ 81,495,724	\$ 83,941,913	\$ 2,446,189	3.00%
Maintenance & Operations				
Rent & Utilities	2,615,774	2,337,054	(278,720)	
Office Supplies & Miscellaneous Expense	1,132,556	1,301,610	169,054	
Business Travel Expense	430,085	433,770	3,685	
Management & Staff Training	155,535	160,307	4,772	
Publications & Memberships	275,842	273,759	(2,083)	
Corporate Insurance	1,036,014	1,001,326	(34,687)	
Non-Capital Equipment & Equipment Leases	9,000	114,150	105,150	
Legal Fees	200,800	200,850	50	
Professional Services	697,898	884,200	186,302	
Computer Services & Equipment	3,098,272	3,489,935	391,663	
Depreciation Expense	436,609	413,265	(23,344)	
Payment in Lieu of Taxes	125,000	125,000	-	
Total Maintenance & Operations	\$ 10,213,385	\$ 10,735,226	\$ 521,841	5.11%
Total Internal Operating Budget	\$ 91,709,110	\$ 94,677,140	\$ 2,968,030	3.24%
Pass Through Expenses				
Pass Through Insurance	19,138,963	22,808,314	3,669,351	
Post Employment Benefits	20,687,171	(1,971,848)	(22,659,019)	
NYS Cost Recovery Fees	1,000,000	1,000,000	0	
Other Program Specific Expenses	3,190,646	2,914,652	(275,994)	
Total Pass Through Expenses	\$ 44,016,780	\$ 24,751,117	\$ (19,265,663)	
Total Operating Budget	\$ 135,725,890	\$ 119,428,257	\$ (16,297,633)	-12.01%

2024-2025 Proposed Budget (December) vs. 2024-25 Proposed Budget (March)

	PROPOSED 2024-25 BUDGET (December)	PROPOSED 2024-25 BUDGET (March)	CHANGE	
<u>Personal Service</u>				
Salaries	\$ 54,123,239	\$ 53,942,293	\$ (180,946)	-0.33%
Retirement Contributions	8,313,591	8,313,591	-	
Social Security	4,001,580	3,988,474	(13,106)	
Health Insurance	16,414,039	16,486,172	72,133	
Workers Compensation	347,190	347,190	-	
Dental & Optical	311,746	282,693	(29,053)	
Miscellaneous Benefits	581,500	581,500	-	
Total Benefits	\$ 29,969,646	\$ 29,999,620	\$ 29,974	
Total Personal Services	\$ 84,092,885	\$ 83,941,913	\$ (150,972)	-0.18%
<u>Maintenance & Operations</u>				
Rent & Utilities	2,337,054	2,337,054	-	
Office Supplies & Miscellaneous Expense	1,301,610	1,301,610	-	
Business Travel Expense	433,770	433,770	-	
Management & Staff Training	160,307	160,307	-	
Publications & Memberships	273,759	273,759	-	
Corporate Insurance	1,001,326	1,001,326	-	
Non-Capital Equipment & Equipment Leases	114,150	114,150	-	
Legal Fees	200,850	200,850	-	
Professional Services	884,200	884,200	-	
Computer Services & Equipment	3,489,935	3,489,935	-	
Depreciation Expense	413,265	413,265	-	
Payment in Lieu of Taxes	125,000	125,000	-	
Total Maintenance & Operations	\$ 10,735,226	\$ 10,735,226	\$ -	0.00%
Total Internal Operating Budget	\$ 94,828,111	\$ 94,677,140	\$ (150,972)	-0.16%
<u>Pass Through Expenses</u>				
Pass Through Insurance	22,808,314	22,808,314	-	
Post Employment Benefits	(1,971,848)	(1,971,848)	-	
NYS Cost Recovery Fees	1,000,000	1,000,000	-	
Other Program Specific Expenses	2,914,652	2,914,652	-	
Total Pass Through Expenses	\$ 24,751,117	\$ 24,751,117	\$ -	
Total Operating Budget	\$ 119,579,228	\$ 119,428,257	\$ (150,972)	-0.13%

Revenue and Expense Allocation by Program

(in thousands)

	PROJECTED 2023-24		PROPOSED 2024-25		CHANGE
REVENUE*					
Private Institutions	\$ 6,255	5.5%	\$ 6,571	5.4%	\$ 316
Mental Health	27,301	23.9%	29,159	24.0%	\$ 1,858
Municipal Facilities	2,419	2.1%	2,318	1.9%	\$ (101)
NYS Agencies	21,086	18.4%	22,563	18.6%	\$ 1,477
SUNY	16,147	14.1%	17,144	14.1%	\$ 997
CUNY	41,045	35.9%	43,667	36.0%	\$ 2,622
Other	116	0.1%	38	0.0%	\$ (77)
	\$ 114,369	100.0%	\$ 121,459	100.0%	\$ 7,090
Other Non-Operating Revenue	2,475		2,475		\$ -
Total Revenue	\$ 116,844		\$ 123,934		\$ 7,090
ALLOCATED OPERATING EXPENSES*					
Private Institutions	\$ 4,936	4.4%	\$ 5,160	4.3%	\$ 223
Mental Health	27,469	24.5%	29,479	24.7%	\$ 2,009
Municipal Facilities	1,348	1.2%	1,379	1.2%	\$ 31
NYS Agencies	21,086	18.8%	22,563	18.9%	\$ 1,477
SUNY	16,147	14.4%	17,144	14.4%	\$ 997
CUNY	41,045	36.6%	43,667	36.6%	\$ 2,622
Other	116	0.1%	38	0.0%	\$ (77)
	\$ 112,147	100.0%	\$ 119,428	100.0%	\$ 7,281
Other Non-Operating Expenses	2,200		2,200		\$ -
Total Expenses	\$ 114,347		\$ 121,628		\$ 7,281
EXCESS (DEFICIENCY) BY PROGRAM					
Private Institutions	\$ 1,319		\$ 1,411		\$ 564
Mental Health	(168)		(320)		(64)
Municipal Facilities	1,071		939		627
NYS Agencies	-		-		-
SUNY	-		-		-
CUNY	-		-		-
Other	-		-		-
	\$ 2,222		\$ 2,031		\$ 1,127
Other Non-Operating	275		275		\$ -
Excess (Deficiency) of Revenues over Expenses*	\$ 2,497		\$ 2,306		\$ (191)

* Includes Pass Through Revenue or Expenses, if applicable.

Budget and Financial Plan Summary

April 1, 2022 - March 31, 2028

(in thousands)

Budgeted Revenues, Expenditures and Changes in Net Assets

	Actual 2022-23	Projected 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28
REVENUE & FINANCIAL SOURCES						
Operating Revenues:						
Fees for services	\$105,259	\$112,892	\$120,306	\$123,088	\$125,638	\$128,274
Rental & financing income	481	475	475	475	475	475
Other operating revenues						
Non-operating Revenues						
Income on investments	2,536	2,000	2,000	1,500	1,500	1,500
Other non-operating revenues	1,477	1,477	1,153	13,120	13,120	13,120
Total Revenues and Financial Sources	109,753	116,844	123,934	138,183	140,733	143,369
EXPENDITURES						
Operating Expenditures:						
Salaries and wages	\$48,365	\$51,878	\$53,942	\$55,986	\$56,411	\$56,836
Other employee benefits	24,765	26,585	30,000	30,900	31,827	32,781
Office Infrastructure	7,086	7,462	8,111	8,111	8,111	8,111
Legal & Professional services	748	1,065	1,085	1,085	1,085	1,085
Other operating expenditures	1,806	1,492	1,540	1,540	1,540	1,540
Total Operating Expenditures	82,771	88,482	94,677	97,620	98,972	100,352
Non-internal operating expenditures	21,631	23,665	24,751	38,863	40,060	41,317
Total Operating Budget	104,402	112,147	119,428	136,483	139,033	141,670
Non-Operating Expenses	1,946	2,200	2,200	1,700	1,700	1,700
Total Expenditures	\$106,348	\$114,347	\$121,628	\$138,183	\$140,733	\$143,370
Excess (Deficit) of revenues over expenditures	\$3,405	\$2,497	\$2,306	\$0	\$0	\$0