



DASNY

Revised Proposed Operating Budget 2025-2026 Fiscal Year

March 12, 2025

Budget Highlights for 2025-2026 Proposal

- **The total 2025-26 proposed operating budget of \$126,870,242 represents an increase of 6.2% over the total adopted operating budget for the 2024-25 fiscal year. This increase is almost entirely due to projected increases in Personal Services expenses including salaries, retirement and health insurance.**
- **The 2025-26 operating results are expected to show a \$2.6M surplus**, primarily as a result of activity in our Public School Districts program, where administrative fees for the life of the bonds are collected at the bond closing.
- **Proposed 2025-26 FTEs** remain consistent with the projected 2024-25 FTEs and budgeted **Salaries** were increased to account for contractually obligated cost of living increases and step advances. It is anticipated that some salary expenses associated with succession planning will be allocated to reserve funds.
- **Health Insurance** expenses are expected to increase by 11.4% 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 for contractually obligated salary increases.
- **Maintenance & Operations** expenses are projected to increase slightly as DASNY expects to see increases in several categories such as office supplies and miscellaneous expense and computer services.
- **Pass Through Insurance** is projected to increase by 5% in 2025-26 (compared to 2024-25 projected expense), as premiums for property and general liability insurance continue to rise.
- **Post-Employment Benefit (OPEB)** decreased significantly from the adopted 2024-25 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 increase 18% from 2023-24 totals.
- **Private Client Financings** are assumed to be consistent with historical average totals.

2024-2025 Adopted Budget vs. 2025-26 Proposed Budget

	ADOPTED 2024-25 BUDGET	PROPOSED 2025-26 BUDGET	CHANGE	
<u>Personal Service</u>				
Salaries	\$ 53,942,293	\$ 57,358,969	\$ 3,416,676	6.33%
Retirement Contributions	8,313,591	9,245,136	931,545	
Social Security	3,988,474	4,158,080	169,606	
Health Insurance	16,486,172	18,358,164	1,871,992	11.35%
Workers Compensation	347,190	328,000	(19,190)	
Dental & Optical	282,693	385,271	102,578	
Miscellaneous Benefits	581,500	606,500	25,000	
Total Benefits	\$ 29,999,620	\$ 33,081,151	\$ 3,081,531	
Total Personal Services	\$ 83,941,913	\$ 90,440,120	\$ 6,498,207	7.74%
<u>Maintenance & Operations</u>				
Rent & Utilities	2,337,054	2,309,357	(27,697)	
Office Supplies & Miscellaneous Expense	1,301,610	1,577,754	276,144	
Business Travel Expense	433,770	485,640	51,870	
Management & Staff Training	160,307	208,105	47,798	
Publications & Memberships	273,759	281,762	8,003	
Corporate Insurance	1,001,326	1,004,232	2,906	
Non-Capital Equipment & Equipment Leases	114,150	128,700	14,550	
Legal Fees	200,850	200,850	-	
Professional Services	884,200	937,128	52,928	
Computer Services & Equipment	3,489,935	3,570,023	80,088	
Depreciation Expense	413,265	424,952	11,687	
Payment in Lieu of Taxes	125,000	125,000	-	
Total Maintenance & Operations	\$ 10,735,226	\$ 11,253,503	\$ 518,277	4.83%
Total Internal Operating Budget	\$ 94,677,139	\$ 101,693,623	\$ 7,016,484	7.41%
<u>Pass Through Expenses</u>				
Pass Through Insurance	22,808,314	28,993,309	6,184,995	
Post Employment Benefits	(1,971,848)	(8,563,002)	(6,591,154)	
NYS Cost Recovery Fees	1,000,000	1,000,000	0	
Other Program Specific Expenses	2,914,652	3,746,312	831,660	
Total Pass Through Expenses	\$ 24,751,118	\$ 25,176,619	\$ 425,501	
Total Operating Budget	\$ 119,428,257	\$ 126,870,242	\$ 7,441,985	6.23%

2025-2026 Proposed Budget (December) vs. 2025-26 Proposed Budget (March)

	PROPOSED 2025-26 BUDGET (December)	PROPOSED 2025-26 BUDGET (March)	CHANGE	
<u>Personal Service</u>				
Salaries	\$ 57,225,787	\$ 57,358,969	\$ 133,182	0.23%
Retirement Contributions	9,245,136	9,245,136	-	
Social Security	4,137,551	4,158,080	20,529	
Health Insurance	18,234,540	18,358,164	123,624	
Workers Compensation	328,000	328,000	-	
Dental & Optical	377,996	385,271	7,275	
Miscellaneous Benefits	606,500	606,500	-	
Total Benefits	\$ 32,929,723	\$ 33,081,151	\$ 151,428	
Total Personal Services	\$ 90,155,510	\$ 90,440,120	\$ 284,610	0.32%
<u>Maintenance & Operations</u>				
Rent & Utilities	2,291,722	2,309,357	17,635	
Office Supplies & Miscellaneous Expense	1,577,754	1,577,754	-	
Business Travel Expense	485,640	485,640	-	
Management & Staff Training	208,105	208,105	-	
Publications & Memberships	281,762	281,762	-	
Corporate Insurance	1,004,232	1,004,232	-	
Non-Capital Equipment & Equipment Leases	128,700	128,700	-	
Legal Fees	200,850	200,850	-	
Professional Services	937,128	937,128	-	
Computer Services & Equipment	3,570,023	3,570,023	-	
Depreciation Expense	424,952	424,952	-	
Payment in Lieu of Taxes	125,000	125,000	-	
Total Maintenance & Operations	\$ 11,235,868	\$ 11,253,503	\$ 17,635	0.16%
Total Internal Operating Budget	\$ 101,391,378	\$ 101,693,623	\$ 302,245	0.30%
<u>Pass Through Expenses</u>				
Pass Through Insurance	28,993,309	28,993,309	0	
Post Employment Benefits	(8,563,002)	(8,563,002)	(0)	
NYS Cost Recovery Fees	1,000,000	1,000,000	0	
Other Program Specific Expenses	3,746,312	3,746,312	0	
Total Pass Through Expenses	\$ 25,176,619	\$ 25,176,619	\$ 0	
Total Operating Budget	\$ 126,567,997	\$ 126,870,242	\$ 302,245	0.24%

Revenue and Expense Allocation by Program

(in thousands)

	PROJECTED 2024-25		PROPOSED 2025-26		Change
REVENUE*					
Private Institutions	\$ 7,032	5.7%	\$ 6,971	5.4%	\$ (61)
Mental Health	29,058	23.7%	30,611	23.7%	1,553
Municipal Facilities	2,837	2.3%	2,980	2.3%	143
NYS Agencies	17,603	14.4%	19,085	14.8%	1,482
SUNY	16,995	13.9%	17,898	13.9%	903
CUNY	47,832	39.1%	50,468	39.1%	2,637
Other	1,079	0.9%	1,156	0.9%	77
	\$ 122,435	100.0%	\$ 129,168		\$ 6,733
Other Non-Operating Revenue	2,475		2,475		-
Total Revenue	\$ 124,910		\$ 131,643		\$ 6,733
ALLOCATED OPERATING EXPENSES*					
Private Institutions	\$ 6,063	5.0%	\$ 6,341	5.0%	\$ 278
Mental Health	29,422	24.5%	30,553	24.1%	1,131
Municipal Facilities	1,300	1.1%	1,368	1.1%	69
NYS Agencies	17,603	14.6%	19,085	15.0%	1,482
SUNY	16,995	14.1%	17,898	14.1%	903
CUNY	47,832	39.8%	50,468	39.8%	2,637
Other	1,079	0.9%	1,156	0.9%	77
	\$ 120,293	100.0%	\$ 126,869		\$ 6,576
Other Non-Operating Expenses	2,200		2,200		-
Total Expenses	\$ 122,493		\$ 129,069		\$ 6,576
EXCESS (DEFICIENCY) BY PROGRAM					
Private Institutions	\$ 969		\$ 630		\$ (339)
Mental Health	(364)		58		422
Municipal Facilities	1,538		1,612		74
NYS Agencies	-		-		-
SUNY	-		-		-
CUNY	-		-		-
Other	-		-		-
	\$ 2,142		\$ 2,299		\$ 157
Other Non-Operating	275		275		-
Excess (Deficiency) of Revenues over Expenses*	\$ 2,417		\$ 2,574		\$ 157

* Includes Pass Through Revenue or Expenses, if applicable.

Budget and Financial Plan Summary

April 1, 2023 - March 31, 2029

(in thousands)

Budgeted Revenues, Expenditures and Changes in Net Assets

	<u>Actual 2023-24</u>	<u>Projected 2024-25</u>	<u>Proposed 2025-26</u>	<u>Proposed 2026-27</u>	<u>Proposed 2027-28</u>	<u>Proposed 2028-29</u>
REVENUE & FINANCIAL SOURCES						
Operating Revenues:						
Fees for services	\$118,922	\$126,324	\$133,283	\$137,246	\$140,215	\$143,292
Rental & financing income	585	475	475	475	475	475
Other operating revenues						
Non-operating Revenues						
Income on investments	4,943	2,000	2,000	1,500	1,500	1,500
Other non-operating revenues	-3,985	-3,890	-4,115	8,000	8,000	8,000
Total Revenues and Financial Sources	120,465	124,910	131,643	147,221	150,190	153,267
EXPENDITURES						
Operating Expenditures:						
Salaries and wages	\$54,999	\$55,737	\$57,359	\$59,505	\$59,930	\$60,355
Other employee benefits	26,911	30,585	33,081	34,074	35,096	36,149
Office Infrastructure	7,185	7,563	8,561	8,561	8,561	8,561
Legal & Professional services	1,072	1,121	1,138	1,138	1,138	1,138
Other operating expenditures	1,348	1,491	1,554	1,554	1,554	1,554
Total Operating Expenditures	91,515	96,497	101,694	104,832	106,279	107,757
Non-internal operating expenditures	21,519	23,796	25,176	40,689	42,211	43,809
Total Operating Budget	113,034	120,293	126,869	145,521	148,490	151,566
Non-Operating Expenses	3,447	2,200	2,200	1,700	1,700	1,700
Total Expenditures	\$116,481	\$122,493	\$129,069	\$147,221	\$150,190	\$153,266
Excess (Deficit) of revenues over expenditures	\$3,984	\$2,417	\$2,574	\$0	\$0	\$0