Advancing One DASNY and Strengthening our Partnerships

Overview of Accomplishments

Four-and-a-half years ago, I joined DASNY as President and CEO. My goal was to reassert DASNY's industry-leading role as New York State’s and our nation’s premier financier, developer, and builder of social infrastructure. I pledged to undertake a top-to-bottom examination of DASNY’s staff, policies, and procedures to empower staff, improve internal communication, and enhance customer service. Together, we would establish a culture of thoughtful change and continuous improvement across DASNY and integrate DASNY’s financing and construction operations to seamlessly provide solutions to clients. And we would do so while leading on diversity and inclusion.

Today, as I prepare to leave DASNY, we have purposefully built a mission-driven Public Benefit Corporation focused on efficiency, growth, and impact. Together we have charted the course for the future of DASNY. Through our One DASNY initiative, we have we redefined our capabilities around our clients, placing them at the center of DASNY’s mission. We have grown our business by providing additional services and expanding our roster of clients; aligned risk management with our project portfolio and operating environment; and created efficiencies through operational improvements.

Over the course of my administration we have successfully implemented numerous improvements at DASNY. We have streamlined processes, increased the flow of information and the speed of decision-making, leveraged new technology, and increased the flexibility of our financing and project delivery methods. The changes we have put in place ensure and expand DASNY’s role as an essential partner that responds swiftly and expertly to our clients’ increasingly varied and rapidly changing needs. Today, DASNY is stronger, more nimble, and better able than ever to further its public service mission.
Illustrative Improvements

The numerous improvements we have made touch every aspect of DASNY. Presented here are only highlights that illustrate the collective impact of these changes on our operations and, ultimately, serving our clients and advancing our mission.

Diversity and Inclusion

Fostering diversity and inclusion both inside and outside DASNY is central to our mission. We recognize that diversity is one of New York’s and DASNY’s greatest assets. To that end, we have undertaken a number of initiatives to enhance diversity and inclusion at DASNY and across the state. We integrated our Procurement Unit and Opportunity Programs Group, to ensure diversity and inclusion is a centerpiece of our contracting process. We established a Public Finance Diversity Fellowship, to promote diversity within the finance industry. We empaneled many small businesses, minority- or women-owned business enterprises (MWBEs), and service-disabled, veteran-owned businesses (SDVOBs) to provide professional services, built upon our Surety Bond Training Program to expand capacity, and partnered with minority and majority underwriters and bond counsels on numerous financings. Earlier this year we won passage of a bill establishing a pilot program to create targeted, competitive procurement opportunities for small businesses and MWBEs.

Finance

We streamlined and strengthened DASNY’s conduit issuance business to ensure that we continue to effectively provide our not-for-profit clients with timely access to low-cost, tax-exempt and taxable financing. We refocused the program, making it predictable, efficient, fast, and flexible while accounting for and distributing risk. We adopted new financing guidelines for independent institutions, basing them on market conditions and practices and eliminating the time, expense, and uncertainty inherent in prior practice. These changes, which have been well received by our clients and the financial community, provided greater clarity and certainty for our clients and eliminate unnecessary requirements.

Construction

We brought process efficiencies, increased collaboration and integration, and advanced alternative construction delivery methods (e.g., construction manager-build and design-build), offering innovative solutions to clients. These improvements, coupled with upgraded information systems, new project management dashboards, and a better flow of communication have reduced paperwork, sped work, and improved outcomes for our clients.

Market Expansion

DASNY has evolved to respond to the structural changes underway in higher education and healthcare and evolving capital and infrastructure needs across the state. To drive top-line growth and further DASNY’s mission, we have brought new clients to DASNY, expanded our client
service offerings, and improved communications and knowledge sharing within DASNY and with clients. We now know more about our clients’ short-term and long-term plans and needs, are better at anticipating and serving those needs, and are clearly explaining our services and capabilities. New service offerings include hybrid financing, alternative project delivery methods, and a new combination of energy performance contracting and tax-exempt equipment leasing.

Enterprise Risk Management

We implemented a formal decision-making and governance structure for enterprise risk management (ERM) to improve our ability to identify and quantify risks and opportunities in DASNY’s businesses and operations and to better coordinate how we evaluate and manage these risks and opportunities. Making risk management at DASNY clearer and more consistent allows decisions impacting project delivery to be made in a more expeditious manner. The ERM process has been used to evaluate and approve changes to DASNY’s construction contract general conditions, the payment processes for job order contracting and work authorizations, client reimbursement forms for private client financings, and private client certification of tax compliance.

Information Technology

We embraced information technology, implementing integrated, reliable, secure, and scalable systems that promote operational efficiency, streamline and automate manual processes, replace paper-based solutions with electronic workflows, offer self-service capabilities, and promote information transparency. We put in place an electronic payment system, deploying data management dashboards, are implementing a new application that will streamline our grants administration process, and are replacing the Construction Division’s primary project management tool with a cutting-edge platform that will transform our project management process across design, construction, procurement, and finance.

Human Capital

We invested in our human capital, focusing on talent management, diversity and inclusion, employee engagement, and succession-planning and knowledge-development programs to establish continuity within DASNY.
The changes we have made are yielding tremendous results, bringing the benefit of DASNY’s expertise and resources to New Yorkers statewide.

In fiscal year 2019, DASNY led the nation as the number one bond issuer, breaking our financing record by closing approximately $8.7 billion in bond issues. We have:

- issued green bonds, including for Columbia University and New York University;
- completed the largest private client deal in DASNY’s history, an $829 million hybrid financing for New York University;
- brought in new clients and brought back former clients, such as Terence Cardinal Cooke Health Care Center, which hadn’t financed with DASNY since 1998;
- financed for vital institutions statewide, such as Catholic Health System, the Rochester Institute of Technology, Cornell University, and in 2019 alone 54 school districts;
- and shown unprecedented flexibility with hybrid tax-exempt/taxable financing, including a $685 million transaction for Montefiore Health Systems.

Our construction pipeline is larger than ever, with more than 1,050 construction projects valued at approximately $6.9 billion. Existing and new clients are relying on us to deliver priority projects for them and New York State:

- a $250 million Mid-Hudson Forensic Hospital and $275 million South Beach Psychiatric Center for the State Office of Mental Health;
- a $24 million, 263-bed, design-build residence hall in just 13 months at State University of New York (SUNY) Brockport;
- interior design projects at SUNY community colleges across the state;
- a $189 million new academic building for the Fashion Institute of Technology;
- $1.7 billion in active construction projects for the City University of New York;
- the Moynihan Station project and Jacob K. Javits Convention Center expansion;
- an expanding facility maintenance presence with the State Office of Alcoholism and Substance Abuse Services (OASAS) and Office for People With Developmental Disabilities (OPWDD);
- and the $750 million, design-build, State Department of Health Life Sciences Public Health Laboratory.

The impact of our relentless focus on diversity and inclusion is also clear. As diversity increases and our workforce becomes more inclusive, improvements in decision-making, creativity, and innovation ultimately follow. And in fiscal year 2019, DASNY’s cumulative MWBE expenditures exceeded $179 million, representing 33% of total contract expenditures and surpassing Governor Cuomo’s high bar of a 30% MWBE participation rate.