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To: Albany County Legislators

From: David Friedfel, Management and Budget

Date: April 2, 2013

Re: NYSUT Financial analysis of Nursing Home Operations

There are a number of issues in the New York State United Teachers "Albany County Nursing Home Financial Analysis 2009-2011," released on March 4, 2013, that I would like to bring to your attention.

First and foremost, this analysis is predicated on the idea that the 'county share' should count as any other revenue, completely ignoring the fact that these are Albany County taxpayer dollars. By their own analysis, the county share of supporting the nursing home has averaged \$10 million between 2009 and 2011. Likewise, although they mention it, they don't accurately reflect the local share of the IGT payment. The local share amounts to an additional \$3.2 million in 2009, \$3.2 million in 2010 and \$2.3 million in 2011.

As far as the shared services charges, like all other departments, the Nursing Home is allocated costs for certain general services that are shared among all departments - including Information Services, the Hall of Records and Human Resources. The combined amount of shared service charges for a full year of operations at the Nursing Home is \$624,176 in 2013. This includes \$199,993 for Human Resources, \$11,924 for the Hall of Records and \$412,259 for Information Services. Given that the Nursing Home has its own maintenance staff, there are no Department of General Services shared service charges allocated to the Nursing Home, even though DGS and DPW have done a considerable amount of work at the Nursing Home in recent years.

Finally, the Nursing home does not have a fiscal year ending on June 30. The County Nursing home operates on a calendar fiscal year. Also, Bollam, Sheedy, Torani and Co. audited the original financial statements; they were not involved in preparing NYSUT's document.