

Roswell Park Comprehensive Cancer Center

Section 203 Budget Filing

Fiscal Year 2026 - 2027
PROPOSED



January 31, 2026

Public Authority Relationship with Unit of Government

203.6(a)

Roswell Park Comprehensive Cancer Center

The institute was founded in 1898 and became a State Institute in 1911. In 1971, it was one of the first three institutions certified as a comprehensive cancer center by the National Cancer Institute. As such, it is committed to combat cancer through basic research, clinical research and treatment, and professional and public education. Presently, there are 57 such centers designated in the United States. The institute is a 157 licensed bed facility and an ambulatory care center containing 15 multidisciplinary care centers with a staff of over 4,000 members, including clinical staff physicians, residents, fellows, and research staff. The primary physical plant covers several city blocks in downtown Buffalo.

The operation of the Institute transferred from the New York Department of Health to the RPCI Corporation on January 1, 1999. In order to meet the demands of the changing health care marketplace and to promote the strengths and capabilities of the Institute, Chapter 5 of the Laws of 1997 added a new Title 4 to Article 10-c of the Public Authorities Law authorizing the RPCI Corporation. This legislative authorization was intended to change the Institute's governance structure to afford it market and managerial flexibility. Among the special powers granted by the legislation to the Corporation were the powers to contract with the State to operate, manage, superintend and control the Institute, and to establish, collect, and adjust fees, rental and other charges in connection with the operation of the Institute.

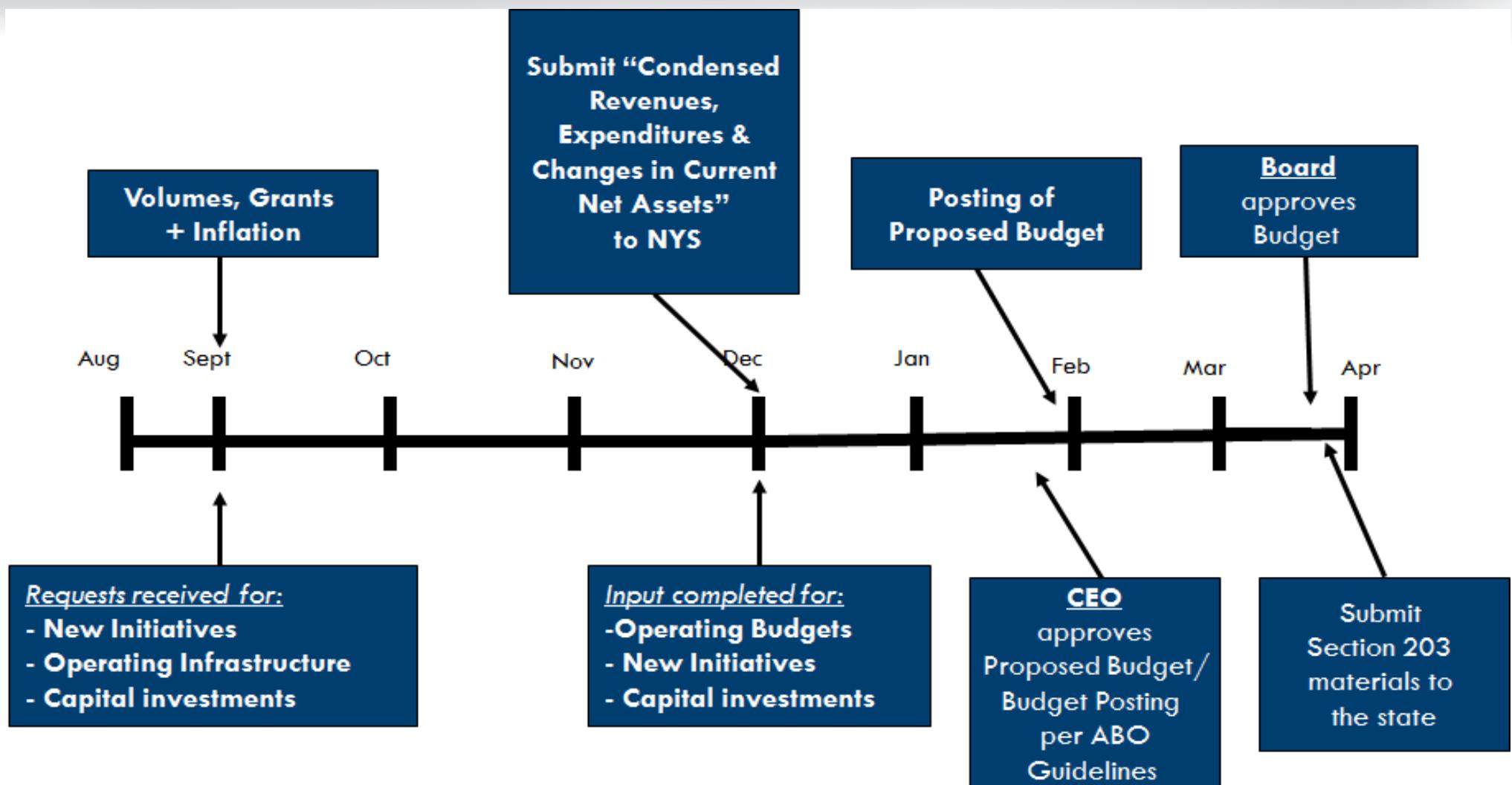
Pursuant to subdivision 2 of Section 403 of the Public Health Law, added by such chapter, the Department of Health, acting on behalf of the State, entered into an Operating Agreement with RPCI Corporation pursuant to which operating responsibility for the Institute was transferred to RPCI Corporation effective January 1, 1999, and giving RPCI Corporation substantial independence operating the Institute, including the power to establish operating budgets, to establish and implement strategic business plans, to create subsidiary and affiliated entities, to enter into affiliations and alliances with other health care providers and to establish, collect and adjust fees, rentals and other charges in connection with the operation of the Institute. Revenues generated by the Corporation as a result of operating the Institute are considered to be revenues of the State for the purpose of its bond payment, and are required to be deposited into the Roswell Park Cancer Institute Debt Service Account of the Health Income Fund for payment of debt service on the Bonds. The Department of Health retains responsibility for paying debt service on the Bonds. After allowing for accumulation of a debt service reserve for the Institute, the remaining revenues are transferred to Roswell Park Cancer Institute Income Account of the Health Income Fund. After allowing for a balance for refunds these revenues are, in turn, transferred to RPCI Corporation.

RPCI Corporation's responsibility is to ensure the fiscal and programmatic integrity of the facility. To achieve this objective, the Corporation has updated the strategic plan for the Institute which includes major programmatic and scientific, as well as, fiscal goals. Some of the key goals include the recruitment of top tier clinical and scientific talent; developing a methodology to monitor the effectiveness of programs and faculty; enhancing financial viability through revenue and expense controls; building a strong and profitable biotechnology transfer program in collaboration with peer facilities; emphasis on clinical and translational research; as well as developing and implementing new clinical trials and establishing a cancer disease management and clinical outcomes program.

The Institute is a formally designated unit of the Graduate School of the University of New York at Buffalo and has numerous affiliation agreements with other educational institutions and hospitals. Training provided by the Institute under these arrangements includes medical, nursing and medical research.

Roswell Park Budget Process Timeline

203.6(b)



- Revenue assumptions:
 - Base volumes
 - Admits 8.2%
 - Days 7.5%
 - Outpatient Visits 4.2%
 - Rate assumptions
 - Payer rates as negotiated
 - Governmental payer rates per regulations
- Sources of revenues:
 - Includes private and governmental contracts, grants and donations, and funding from New York State
- Staffing:
 - At current levels, adjusted for productivity standards, new initiatives, strategic research initiatives and infrastructure
- Future collective bargaining costs:
 - Bargaining unit increases for FY27 include Step and COLA per negotiated contracts

- Inflation:
 - Salaries – Steps and COLA factored in as previously noted
 - Fringe Benefits – increased consistent with salaries
 - Pharmaceuticals (inflation, utilization, new therapies) = 10%
 - Medical supplies, blood supplies, office supplies, purchased services = 3.0%
- Programmatic Goals:
 - Continued expansion of local community presence
 - Implementation of Roswell Park's strategic plan, including
 - Expand adoptive cellular therapy as new treatments options become available for patients
 - Expand access to Roswell Park through WNY and statewide collaborative opportunities
 - Structure an innovative cancer program to deliver transformational science, including Immunotherapy and personalized medicine
 - Implementation of strategic research initiatives
 - Expand capabilities for commercializing Roswell Park innovations
 - Significant capital investment to upgrade existing IT systems, expand capacity and maintain currency for clinical technology

Challenges and Obstacles — External Forces

203.6(d)

- Labor/Workforce Instability
 - Recruitment and retention
 - Rising employment costs
- Durable/Sustained Inflation
- Drug Reimbursement
- Continued Uncertainty of Federal Budget
 - NCI Funding
 - Medicare & Medicaid reimbursement
 - DSH funding
- Managed Care
 - Increasing role of national insurance companies for commercial and Medicare Advantage plans
 - Increasing use of limited and tiered networks and ACO's
 - Benefit designs continue to require higher cost share (copays/coinsurance/deductible) for patients for certain services

Budgeted Revenues, Expenditures and Changes in Current Net Assets (in 000's)

203.6(e)/203.6(g)

	Last Year (Actual) FY25	Current Year (Estimated) FY26	Proposed Budget FY27	Proposed FY28	Proposed FY29	Proposed FY30
REVENUE & FUNDING SOURCES						
<i>Operating Revenues</i>						
Charges for Services	\$ 1,139,748	\$ 1,249,270	\$ 1,403,740	\$ 1,618,797	\$ 1,728,961	\$ 1,846,400
Other Operating revenues	29,707	34,344	31,616	32,543	32,456	32,464
<i>Non-operating Revenues</i>						
Investment earnings	22,847	18,822	13,732	16,822	19,437	18,605
State subsidies/grants	110,767	106,767	106,767	106,767	106,767	106,767
Federal subsidies/grants	—	—	—	—	—	—
<i>Proceeds from the issuance of debt</i>	—	160,481	15,125	75,000	25,000	—
Total Revenues and Funding Sources	\$ 1,303,069	\$ 1,569,685	\$ 1,570,980	\$ 1,849,929	\$ 1,912,621	\$ 2,004,236
EXPENDITURES						
<i>Operating expenditures</i>						
Salaries and Wages	\$ 449,863	\$ 495,833	\$ 562,316	\$ 620,912	\$ 655,303	\$ 691,280
Other Employee Benefits	140,339	161,964	194,886	223,208	245,056	268,080
Professional Services and Contracts	161,618	169,370	175,652	201,727	201,469	211,581
Supplies and Materials	533,886	564,782	616,861	684,114	728,747	769,941
Other operating expenditures	7,970	12,224	12,528	13,423	14,705	15,491
<i>Non-operating expenditures</i>						
Payment of principal on bonds and financing arrangements	15,234	93,904	—	—	—	—
Interest and other fiscal charges on debt	4,775	7,346	10,798	12,342	15,358	15,570
Capital asset outlay	56,410	66,066	115,527	64,449	59,738	53,159
Total Expenditures	\$ 1,370,095	\$ 1,571,488	\$ 1,688,568	\$ 1,820,175	\$ 1,920,376	\$ 2,025,102
Capital Contributions	7,250	13,278	42,579	560	250	—
<i>"Excess (deficiency) of revenues and capital contributions over expenditures"</i>	\$ (59,776)	\$ 11,474	\$ (75,009)	\$ 30,314	\$ (7,505)	\$ (20,866)

Cash Flow Projections

(in millions)

203.5(h)

	Projected FY26	Budgeted FY27	Budgeted FY28	Budgeted FY29	Budgeted FY30
Excess/(Deficiency) of revenues and capital contributions over expenditures	\$ 11.5	\$ (75.0)	\$ 30.3	\$ (7.5)	\$ (20.9)
Other Changes in Unrestricted Cash	(44.8)	0.3	(27.7)	(13.7)	(36.0)
Cash Impact from Operations	\$ (33.3)	\$ (74.7)	\$ 2.6	\$ (21.3)	\$ (56.9)

Projected Operating Revenues -- Net Patient Service Revenue (Charges for Services) (in 000's)

203.5(d)

	FY26 Projected	FY27 Budget	FY28 Budget	FY29 Budget	FY30 Budget
<u>Volume Statistics</u>					
Admits	5,548	6,003	6,349	6,517	6,580
Days	42,403	45,579	48,598	49,804	50,237
Visits	336,300	350,574	377,852	387,270	393,074
<u>Direct Patient Service Revenue</u>					
RPCI IP Revenue	\$ 280,744	\$ 314,312	\$ 332,836	\$ 355,114	\$ 371,637
RPCI OP Revenue	815,566	862,500	978,544	1,055,604	1,147,653
Other	96,779	101,233	104,268	106,586	108,855
RPCI Total	\$ 1,193,089	\$ 1,278,045	\$ 1,415,648	\$ 1,517,304	\$ 1,628,145
CPP IP Revenue	\$ 19,964	\$ 22,206	\$ 23,309	\$ 24,726	\$ 25,613
CPP OP Revenue	71,740	77,117	86,316	90,994	95,079
CPP Total	\$ 91,705	\$ 99,323	\$ 109,626	\$ 115,720	\$ 120,692
Total Direct Patient Service Revenue	\$ 1,284,794	\$ 1,377,368	\$ 1,525,274	\$ 1,633,024	\$ 1,748,837
Other RPCI Patient Service Revenue	\$ 4,426	\$ (322)	\$ (447)	\$ (1,325)	\$ (1,455)
Other CPP Patient Service Revenue	670	670	670	670	670
Total Other Patient Service Revenue	\$ 5,096	\$ 348	\$ 223	\$ (655)	\$ (785)
Total Net Patient Service Revenue	\$ 1,289,890	\$ 1,377,716	\$ 1,525,497	\$ 1,632,369	\$ 1,748,052
RPCI Provision for Bad Debts	\$ 47,355	\$ 24,637	\$ 24,520	\$ 23,717	\$ 24,970
CPP Provision for Bad Debts	9,175	2,483	2,193	2,083	2,172
Total Provision for Bad Debts	\$ 56,530	\$ 27,120	\$ 26,713	\$ 25,800	\$ 27,142
Total Net Patient Service Revenue	\$ 1,233,360	\$ 1,350,596	\$ 1,498,784	\$ 1,606,569	\$ 1,720,910
Net of Provision for Bad Debt					
Grants and Contracts	15,911	53,145	120,013	122,392	125,489
Total Charges for Services	\$ 1,249,270	\$ 1,403,740	\$ 1,618,797	\$ 1,728,961	\$ 1,846,400

Projected Operating Revenues — Other Operating Revenue (in 000's)

203.5(d)

<u>(in thousands)</u>	FY26	FY27	FY28	FY29	FY30
	Projected	Budget	Budget	Budget	Budget
Cafeteria	\$ 1,907	\$ 1,964	\$ 1,984	\$ 2,003	\$ 2,024
Parking	2,890	2,940	2,969	2,999	3,029
Rebates (VHA)	3,350	3,350	3,384	3,417	3,452
Other Operating Revenues (PC's/JV's)	13,227	10,769	10,819	10,869	10,919
Network Affiliations, Agreements & Partnerships	4,055	2,268	1,934	1,956	1,979
LSB - UB Reimbursement	1,667	1,900	1,919	1,938	1,958
New Programs funded through Alliance	2,406	2,540	2,182	1,961	1,658
WNY Partnership/Rest of NY Initiatives	3,250	3,250	3,283	3,315	3,348
State Funding (ESD)	—	1,986	2,085	2,189	2,298
All Other	1,124	990	2,398	2,226	2,227
Projected Operating Revenues	\$ 34,344	\$ 31,616	\$ 32,543	\$ 32,456	\$ 32,464

Salary & Fringe and Non Personnel Service Operating Expense (in 000's)

203.5(e)/203.5(f)

	FY26 Projected	FY27 Budget	FY28 Budget	FY29 Budget	FY30 Budget
<u>Salaries</u>					
Salaries and Wage Costs	\$ 495,833	\$ 562,316	\$ 620,912	\$ 655,303	\$ 691,280
TOTAL Personnel Service Expense	\$ 495,833	\$ 562,316	\$ 620,912	\$ 655,303	\$ 691,280
<u>Fringe</u>					
NYS Pension Expense & TIAA CREF	\$ 45,157	\$ 52,868	\$ 58,498	\$ 64,103	\$ 69,500
Health Insurance: Active	45,644	52,648	60,545	69,627	80,071
Health Insurance: OPEB Payments	19,427	20,981	22,660	24,473	26,430
Other Fringe	51,736	68,389	81,504	86,853	92,078
TOTAL Fringe Expense	\$ 161,964	\$ 194,886	\$ 223,208	\$ 245,056	\$ 268,080
Note: The fringe expense includes the cash payments for NYS Pension & OPEB, but does not include the accrued cost.					
<u>Non Personnel Service Operating Expense</u>					
Professional Services & Contracts	\$ 169,370	\$ 175,652	\$ 201,727	\$ 201,469	\$ 211,581
Pharmaceuticals	\$ 458,878	\$ 503,110	\$ 555,162	\$ 592,338	\$ 626,851
Medical, Blood, Other Supplies	105,904	113,751	128,952	136,409	143,090
Supplies & Materials	\$ 564,782	\$ 616,861	\$ 684,114	\$ 728,747	\$ 769,941
Other Operating Expenditures	\$ 12,224	\$ 12,528	\$ 13,423	\$ 14,705	\$ 15,491
TOTAL Non Personnel Service Expense	\$ 746,376	\$ 805,041	\$ 899,264	\$ 944,921	\$ 997,013

Reconciliation FY26 Budget to FY26 Projected (in millions)

203.6(f)

	<u>(in millions)</u>
Excess (Deficiency) Revenues over Expenses (FY26 Budget)	\$ 96.8
Clinical Margin (volume driven)	(16.1)
Third Party Revenue (Medicare ICR Settlement/HCRA)	7.3
Margin Optimization Initiatives	11.0
Proceeds from Issuance of Debt	(88.7)
Timing of Capital & Strategic Investments	(2.5)
All Other	3.7
Excess (Deficiency) Revenues over Expenses (FY26 Projected)	\$ 11.5

FY 2027 Budgeted # of FTE's and # of Employees

203.6(h)

<u>Functional Classification</u>	Total # Employees	Total # Full Time	Total # FTE's
Clinical / Clinical Research / Academic	2,907	2,539	2,688
Scientific / Academic	238	210	221
Administrative and Other	890	784	825
Total All Functional Areas	4,035	3,533	3,734

Sources of Funding:

The Source of funding for the projected workforce is:

Patient Service Revenues - Government and Private Payers

Grants and Contracts

Donations

New York State Funding

New Revenue Enhancement and Cost Reduction Initiatives

203.6(i)

As part of the Institute's long range strategic plan, investments are being made in clinical operations. These investments are critical to meeting the projected demand for oncology services and expanding access to Roswell Park's services.

Revenue Enhancements and Cost Reduction Initiatives:

	(\$ in Millions)
Clinical Growth	\$16.6M
Margin Optimization Initiatives	\$14.6M

FY2026 to FY2030 Material Non-Recurring Resources

203.6(j)

The Institute is projecting non-recurring capital contribution revenues of approximately \$13.3M in FY26, \$42.6M in FY27, \$0.6M in FY28, \$0.3M in FY29 and \$0.0M in FY30. These contributions are expected to assist in funding the continued growth at Roswell Park.

FY27 Material Shift in Resources Between Years

203.6(k)

Capital Projects and Strategic Investments can span multiple years. These projects are approved prior to initiation, and due to the magnitude of certain projects there can be an approved balance to carry forward to the next fiscal year. Carry over balances are determined and approved by executive leadership as part of the planning process for the next fiscal year.

Borrowed Debt Outstanding (in millions)

203.5(g)/203.6(l)

	in Millions				
	Proposed		Projection		
	Budget	Projection	FY29	FY30	
Borrowed Debt Outstanding	FY27	FY28	FY29	FY30	
1 DASNY Debt issuance 8/20/25					
Debt outstanding at March 31st year end	\$ 175.1				

1 On August 20, 2025, DASNY issued debt in the amount of \$175,140,000. Under the terms of issuance interest ranges from 4.8% to 5.5% per annum with interest and principal payments due through 2055. The bond proceeds were used to refinance the Scott Bieler Amherst Center Mortgage and reimbursement of capital spend.

Scheduled Debt Service Payment	in 000's	
	Bonds	
<i>For the Year ending March 31</i>	Principal	Interest
2026	—	3,309
2027	—	9,094
2028	—	9,094
2029	—	9,094
2030	—	9,094
2031-2035	57,620	38,920
Thereafter	117,520	79,425
	\$175,140	\$158,032

*All debt is issued. There is currently no proposed debt.

Capital Summary (in 000's)

203.6(m)

	FY27 Budget
Facilities and Infrastructure	\$ 71,256
Clinical, Scientific & Administrative Equipment	26,465
Information Technology	17,806
Total Capital Expenditures	\$ 115,527

CERTIFICATION

By checking this box, I certify that the OSC Budget Request (Part 203) submission is complete and to the best of my knowledge and belief after reasonable inquiry, the information provided in this submission is accurate and correct. This information has been presented to and accepted by the authority's board.

Chief Financial Officer
Roswell Park Cancer Institute Corporation

Presented to The Roswell Park Board of Directors on March 25, 2026
Approved by the Board of Director's on March 25, 2026