UPDATE TO ANNUAL INFORMATION STATEMENT

STATE OF NEW YORK

WE ARE NY

October 30, 2023

INTRODUCTION

This second quarter update to the Annual Information Statement for FY 2024 (the "AIS Update") is dated October 30, 2023 (the same date as the release date of the FY 2024 Mid-Year Update to the Financial Plan) and contains information only through that date. The Annual Information Statement for FY 2024 dated June 9, 2023 (the "AIS") and this AIS Update constitute the official disclosure regarding the financial condition of the State of New York (the "State"). This AIS Update, including the Exhibits attached hereto, should be read in its entirety, together with the AIS.

The Division of the Budget (DOB) is responsible for preparing the State's Financial Plan (which includes financial results as well as current and out-year projections) and utilizing such information to present the information that appears in this AIS Update on behalf of the State. In preparing this AIS Update, DOB has also relied on information drawn from other sources, including the Office of the State Comptroller (OSC) and the State Office of the Attorney General.

In this AIS Update, readers will find:

1. Information on the State's current financial projections, including summaries and extracts from the State's FY 2024 Mid-Year Update to the Financial Plan (the "Updated Financial Plan" or "Mid-Year Update") issued by DOB on October 30, 2023. The Updated Financial Plan (which is available on the DOB website, www.budget.ny.gov) includes a summary of second quarter operating results for FY 2024 (quarter ended September 30, 2023) and updates to the State's official financial projections for FY 2024 through FY 2027 (the "Financial Plan period").[1] Except for the specific revisions described in these extracts, the projections (and the assumptions upon which they are based) in the Updated Financial Plan are consistent with the projections set forth in the FY 2024 Enacted Budget Financial Plan (the "Enacted Budget Financial Plan") reflected in the AIS. DOB next expects to update the State's multi-year financial projections with the FY 2025 Executive Budget Financial Plan.

   DOB did not release a first quarterly update to the AIS following the first quarterly update to the FY 2024 Enacted Budget Financial Plan, and this AIS Update reflects second quarter operating results reflected in the FY 2024 Mid-Year Update to the Financial Plan.

2. A discussion of issues and risks that may affect the State's financial projections during FY 2024 or in future fiscal years is provided under the heading "Other Matters Affecting the Financial Plan".
3. Information on other subjects relevant to the State's finances, including summaries of: (a) the Generally Accepted Accounting Principles (GAAP) basis results for the prior three fiscal years, (b) the State's debt and other financing activities, and (c) activities of public authorities and localities.
4. Updated information regarding the State Retirement System.
5. The status of significant litigation that has the potential to adversely affect the State's finances.

[1] The State fiscal year is identified by the calendar year in which it ends. For example, fiscal year 2024 ("FY 2024") is the fiscal year that began on April 1, 2023 and will end on March 31, 2024.

6. Financial Plan tables that summarize actual General Fund receipts and disbursements for FY 2023 and projected receipts and disbursements for FY 2024 through FY 2027 on a General Fund, State Operating Funds and All Governmental Funds basis.

After the end of each quarter, DOB publishes an updated Financial Plan containing financial results and any updates to projections. The Financial Plan, as updated, is the source of financial results and projections in the AIS, as updated.

The annual State budget process and financial reporting cycle begins with the start of a new State fiscal year on April 1 and the enactment of the State's annual budget (the "Enacted Budget"), which may be after the start of the fiscal year. Following the Enacted Budget, DOB publishes the State's Enacted Budget Financial Plan and generally updates it quarterly to reflect results through June 30 (the "First Quarterly Update to the Financial Plan"), September 30 (the "Mid-Year Update to the Financial Plan"), and December 31 (the "Executive Budget Financial Plan"). In addition, the Governor's Executive Budget proposal (the "Executive Budget") is typically submitted to the Legislature in January and the Governor's amendments are due within thirty days following the submission of the Executive Budget, at which time the Executive Budget Financial Plan may be amended (the "Updated Executive Budget Financial Plan"). However, following a gubernatorial election, the Governor's Executive Budget proposal is due on or before the first day of February and amendments are due in early March.

In preparing this AIS Update, DOB has also relied on information drawn from other sources, including the Office of the State Comptroller (OSC). In particular, information contained in the section entitled “State Retirement System” has been furnished by OSC, while information relating to matters described in the section entitled “Litigation” has been furnished by the State Office of the Attorney General. DOB has not undertaken any independent verification of the information contained in these sections of this AIS Update.

During the fiscal year, the Governor, the State Comptroller, State legislators, and others may issue statements or reports that contain predictions, projections, or other information relating to the State's financial position or condition, including potential operating results for the current fiscal year and projected budget gaps for future fiscal years, that may vary materially from the information provided in this AIS Update. Investors and other market participants should, however, refer to this AIS Update, as updated or supplemented, for the most current official information regarding the financial position of the State.

Factors affecting the State’s financial condition are numerous and complex. This AIS Update contains “forward-looking statements” relating to future results and economic performance as defined in the Private Securities Litigation Reform Act of 1995. Since many factors may materially affect fiscal and economic conditions in the State, the forecasts, projections, and estimates should not be regarded as a representation that actual results will not vary. The forward-looking statements contained herein are based on the State's expectations at the time they were prepared and are necessarily dependent upon assumptions, estimates, calculations, and data that it believes are reasonable as of the date made, but that may be incorrect, incomplete or imprecise or not reflective of actual results. Forecasts, projections, and estimates are not intended as representations of fact or guarantees of results. The words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates,” “calculates,” “assumes” and analogous expressions are intended to identify forward-looking statements. Any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially and adversely from projections. Such risks and uncertainties include, but are not limited to, general economic and business conditions; natural calamities; foreign hostilities or wars; domestic or foreign terrorism; changes in political, social, economic and environmental conditions, including climate change and extreme weather events; epidemics or pandemics; cybersecurity events; impediments to the implementation of gap-closing actions; regulatory initiatives and compliance with governmental regulations; litigation; Federal tax law changes; actions by the Federal government to reduce or disallow expected aid, including Federal aid authorized or appropriated by Congress, but subject to sequestration, administrative actions, or other actions that would reduce aid to the State; and various other events, conditions and circumstances. Many of these risks and uncertainties are beyond the control of the State. These forward-looking statements are based on the State's expectations as of the date of this AIS Update.

In addition to regularly scheduled quarterly updates to the AIS, the State may issue AIS supplements or other disclosure notices related to the AIS as events warrant. The State intends to announce publicly whenever an update or a supplement is issued. The State may choose to incorporate by reference all or a portion of the AIS, as updated or supplemented, in official statements or related disclosure documents for State or State-supported debt issuances. The State has filed this AIS Update with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access (EMMA) system. An electronic copy of this AIS Update can be accessed through EMMA at www.emma.msrb.org. An official copy of this AIS Update may be obtained by contacting the New York State Division of the Budget, State Capitol, Albany, NY 12224, Tel: (518) 474-2302.

OSC issued the State's Basic Financial Statements for FY 2023 and the Comptroller's Annual Report to the Legislature on State Funds Cash Basis of Accounting on July 27, 2023 in accordance with the annual statutory deadline. Copies of this report may be obtained by contacting the Office of the State Comptroller, 110 State Street, Albany, NY 12236 and on its website at www.osc.state.ny.us. The Basic Financial Statements for FY 2023 can also be accessed through EMMA at www.emma.msrb.org.

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BUDGETARY AND ACCOUNTING PRACTICES

Significant Budgetary and Accounting Practices

Unless clearly noted otherwise, all financial information is presented on a cash basis of accounting.[2]

The State accounts for receipts and disbursements by the fund in which the activity takes place (such as the General Fund), and the broad category or purpose of that activity (such as State Operations). The Financial Plan tables present State projections and actuals by fund and category.

Fund types of the State include[3]: the General Fund; State Special Revenue Funds, which receive certain dedicated taxes, fees, and other revenues used for specified purposes; Federal Special Revenue Funds, which receive certain Federal receipts; State and Federal Capital Projects Funds, which account for costs incurred in the construction, maintenance, and rehabilitation of roads, bridges, prisons, university facilities, and other infrastructure projects; and Debt Service Funds, which account for the payment of principal, interest, and related expenses for debt issued by the State and on the State's behalf by its public authorities.

The State's **General Fund** receives most State taxes and all income not earmarked for a specified program or activity. State law requires the Governor to submit, and the Legislature to enact, a General Fund Budget that is balanced on a cash basis of accounting. The State Constitution and State Finance Law do not provide a precise definition of budget balance. In practice, the General Fund is considered balanced if sufficient resources are, or are expected to be, available during the fiscal year for the State to: (a) make all planned payments, including Personal Income Tax (PIT) refunds, without the issuance of deficit notes or bonds, or extraordinary cash management actions; (b) restore the balances in the Tax Stabilization Reserve Fund and the Rainy Day Reserve Fund (collectively, the "Rainy Day Reserves") to levels at or above those on deposit when the fiscal year began; and (c) maintain other reserves, as required by law. For purposes of calculating budget balance, the General Fund includes transfers to and from other funds.

The General Fund is the sole financing source for the School Tax Relief (STAR) fund and is typically the financing source of last resort for the State's other major funds, including the Health Care Reform Act (HCRA) Fund, the Dedicated Highway and Bridge Trust Fund (DHBTF), and the Lottery Fund. Therefore, General Fund projections account for any estimated funding shortfalls in these funds. Since the General Fund is required by law to be balanced, the focus of the State's budgetary and gap-closing discussion in the Financial Plan is generally weighted toward the General Fund.

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[2] State Finance Law also requires DOB to prepare a pro forma Financial Plan using, to the extent practicable, Generally Accepted Accounting Principles (GAAP). The GAAP-basis Financial Plan is informational only. DOB does not use it as a benchmark for planning or managing State finances during the fiscal year and does not update it on a quarterly basis. The GAAP-basis Financial Plan follows, to the extent practicable, the accrual methodologies and fund accounting rules applied by OSC in preparation of the audited Basic Financial Statements, but there can be no assurance that the pro forma GAAP financial plan conforms to all GAAP principles.

[3] The State's Fund Structure and listing of funds can be found at https://www.budget.ny.gov/citizen/nyfund/index.html

At times, DOB will informally designate unrestricted balances in the General Fund for specific policy goals (e.g., reserve for economic uncertainties; reserve for timing of payments). These amounts are typically, but not uniformly, identified with the phrase "reserved for." These unrestricted amounts are not held in distinct accounts within the General Fund and may be used for other purposes.

Projections for future years may show budget gaps or budget surpluses in the General Fund. Budget gaps represent the difference between: (a) the projected General Fund disbursements, including transfers to other funds, needed to maintain current service levels and specific commitments, and (b) the projected level of resources, including transfers from other funds, to pay for these disbursements. The General Fund projections are based on many assumptions and are developed by DOB in conjunction with other State agencies. Some projections are based on specific, known information (e.g., a statutory requirement to increase payments to a prescribed level), while others are based on more uncertain or speculative information (e.g., the pace at which a new program will enroll recipients). In general, the multi-year projections assume that money appropriated in one fiscal year will continue to be appropriated in future years, even for programs that were not created in permanent law and that the State has no obligation to fund. Funding levels for nearly all State programs are reviewed annually in the context of the current and projected fiscal positions of the State.

State Operating Funds is a broader measure of spending on operations (as distinct from capital purposes) that is funded with State resources. It includes financial activity in the General Fund, as well as State-funded Special Revenue Funds and Debt Service Funds (spending from Capital Projects Funds and Federal Funds is excluded). As significant financial activity occurs in funds outside the General Fund, the State Operating Funds perspective is, in DOB's view, a more comprehensive measure of operations funded with State resources (e.g., taxes, assessments, fees and tuition). The State Operating Funds perspective eliminates certain distortions in operating activities that may be caused by, among other things, the State's complex fund structure and the transfer of money between funds. For example, the State funds its share of the Medicaid program from both the General Fund and State Special Revenue Funds. The State Operating Funds perspective captures Medicaid disbursements from both fund types, giving a more complete accounting of State-funded Medicaid disbursements. Accordingly, projections often emphasize the State Operating Funds perspective.

The Financial Plan projections reflect certain actions that have affected, or are intended to affect, the amount of annual spending reported on a State Operating Funds basis. Such actions include but are not limited to: payment of certain operating costs using available resources outside the State Operating Funds basis of reporting. If transactions are not executed or reported in a manner consistent with DOB's interpretation of the legislation and legislative intent, annual spending growth in State Operating Funds would be higher than projections.

The State also reports disbursements and receipts activity for All Governmental Funds (All Funds), which includes spending from Capital Projects Funds and Federal Funds, in addition to State Operating Funds. The All Funds basis is the most comprehensive view of the cash-basis financial operations of the State.

The term “actual” or “actuals” is used throughout the Financial Plan and this AIS Update to align with fiscal publications released by OSC. These terms are synonymous with the term “results” also used in the narrative discussion and refer to year-to-date and year-end actual but unaudited performance data.

Differences may occur from time to time between DOB and OSC's financial reports in presentation and reporting of receipts and disbursements. For example, DOB may reflect a net expenditure amount while OSC may report the gross expenditure amount. Any such differences in reporting between DOB and OSC could result in differences in the presentation and reporting for total receipts and disbursements under different fund perspectives (e.g., State Operating Funds and All Funds).

FINANCIAL PLAN OVERVIEW

The following table provides key financial measures for FY 2023 and FY 2024.

FINANCIAL PLAN AT-A-GLANCE: KEY MEASURES (millions of dollars)			
		FY 2024	
	FY 2023 Actuals	First Quarter	Mid-Year
State Operating Funds Disbursements			
Size of Budget	$123,751	$125,331	$123,840
Annual Growth	5.4%	1.3%	0.1%
Other Disbursement Measures			
General Fund (Including Transfers)	$92,799	$104,412	$100,922
Annual Growth	4.4%	12.5%	8.8%
Capital Budget (Federal and State)	$14,024	$17,211	$15,402
Annual Growth	-4.6%	22.7%	9.8%
Federal Operating Aid	$82,687	$86,471	$88,422
Annual Growth	7.1%	4.6%	6.9%
All Funds	$220,462	$229,013	$227,664
Annual Growth	5.3%	3.9%	3.3%
Inflation (CPI)	7.4%	3.5%	3.7%
All Funds Receipts			
Taxes[1]	$113,729	$104,843	$104,112
Annual Growth	8.6%	-7.8%	-8.5%
Miscellaneous Receipts	$31,842	$26,837	$27,858
Annual Growth	14.0%	-15.7%	-12.5%
Federal Receipts (Operating and Capital)	$89,563	$92,654	$94,765
Annual Growth	-6.0%	3.5%	5.8%
Total All Funds Receipts[1]	$235,134	$224,334	$226,735
Annual Growth	3.2%	-4.6%	-3.6%
General Fund Cash Balance	$43,451	$39,537	$42,801
Economic Uncertainties	$13,282	$13,282	$13,282
Extraordinary Monetary Settlements	$1,570	$1,142	$1,142
Pandemic Assistance	$245	$0	$0
Rainy Day Reserves	$6,256	$6,256	$6,256
Timing of PTET/PIT Credits	$14,358	$12,462	$12,182
All Other	$7,740	$6,395	$9,939
Debt			
Debt Service (excluding prepayments) as % All Funds Receipts	2.4%	3.0%	2.8%
State-Related Debt Outstanding	$55,911	$62,621	$58,621
Debt Outstanding as % Personal Income	3.8%	4.0%	3.8%

[1] Excludes the impact of the Pass Through Entity Tax program, which is expected to have no net Financial Plan impact across fiscal years.

Summary

The State's fiscal position strengthened over the past two years, driven by soaring tax collections fueled by a strong rebound on the heels of the COVID pandemic, robust capital gains realizations, and tax increases enacted in FY 2022. Tax receipts[4] grew by 27 percent in FY 2022 (the highest annual growth in 30 years) and nearly 9 percent in FY 2023. This extraordinary level of resources allowed the State to bolster reserves to historic levels, avoid costly debt, and commit additional funding to programs, services and assistance following a decade of spending growth that was held below inflation. Spending was increased substantially to fully fund Foundation Aid for schools; provide significant levels of additional assistance to hospitals and health care providers and workers; expand mental health access; address the solvency of the Metropolitan Transportation Authority (MTA); aid the City of New York for the provision of care for thousands of asylum seekers; and increase funding for many other programs. In May 2022, DOB projected balanced operations in the General Fund over the multi-year Financial Plan period and projected All Funds tax receipts growth at an average rate of 4.2 percent through FY 2027.

However, beginning in FY 2024, tax collections and expectations of slower economic growth led to a reduction in the tax receipts forecast that carried through all years of the Financial Plan period. The Federal government and other states with a personal income tax structure have experienced similar declines. The FY 2024 Enacted Budget projected budget gaps, which were triggered in large part by the downward revisions to expected tax receipts, were estimated at $9.1 billion in FY 2025 growing to $13.4 billion in FY 2027. With this AIS Update, the revised All Funds tax receipts forecast is now projected to decline by $9.6 billion (8.5 percent) in FY 2024 compared to FY 2023 collections.

State finances remain on solid footing, with favorable operating results recorded through the first half of FY 2024. Through September 2023, General Fund receipts, including transfers from other funds, were $2.2 billion higher than estimated in the First Quarterly Update to the Financial Plan, driven mainly by strength in business tax and PTET collections, as well as non-tax receipts. However, personal income tax estimated payments to date continue to fall below expectations. General Fund disbursements, including transfers to other funds, were $792 million below the cash flow estimate, with lower spending across most local aid programs. The General Fund ended September 2023 with a closing cash balance of roughly $48 billion, equal to roughly half of estimated General Fund spending for the entire fiscal year. The State continues to benefit from high interest yields on cash balances that remain at historically high levels inclusive of reserves that have been steadily built up over the last two years and reflect prudent fiscal and debt management practices that bolster liquidity.

In view of results to date, as well as the updated economic outlook, programmatic experience, and implementation of new and expanded services, activities, and other indicators, DOB has made substantial revisions to receipts and spending estimates across nearly all functional areas and financial plan categories in this AIS Update. The revisions are inclusive of additional one-time

[4] Tax receipts and General Fund balance are affected by the Pass-Through Entity Tax (PTET); however, DOB expects that the PTET will, on a multi-year basis, be revenue neutral for the State. The discussion of tax receipts throughout the Financial Plan Overview excludes the impact of PTET, unless otherwise noted. Please see the description under the heading "PTET Financial Plan Impact" for more information.

asylum seeker assistance to the City of New York and a recognition of a continued negative variance in PIT estimated payments that is partly offset by upward adjustments in other tax and revenue categories, as well as a significant reduction to spending estimates across all years of the financial plan. A summary of the revisions appears later in this AIS Update.

In the Mid-Year Update to the Financial Plan, DOB reduced current year General Fund tax receipts by roughly $800 million compared to the First Quarterly Update to the Financial Plan. Other non-tax receipts have been increased in FY 2024 by roughly $800 million to reflect higher investment income earnings, lower debt service payments, and other revisions. General Fund disbursements have been revised downward by $3.5 billion in FY 2024, mainly due to lower than expected spending to date which is projected to continue through the remainder of the fiscal year. The aggregate revisions leave an estimated General Fund surplus of $3.5 billion in the current year that will be carried forward to further reduce the outyear budget gaps, which are now projected to total $4.3 billion in FY 2025, $9.5 billion in FY 2026 and $7.7 billion in FY 2027.

Casting a shadow over the positive operating results are the looming risks of continued State funding pressures for additional asylum seeker assistance and another Federal spending deadline next month. While DOB's updated U.S. and New York economic outlooks have improved with a milder than originally forecasted economic downturn, significant downside risks remain related to forecast risk for January estimated payments and bonus related tax liability, and the potential for a weakening economy with continued price inflation, soaring oil prices, global unrest, continued wars and military action (see the "Economic Outlook" section under "State Financial Plan Multi-Year Projections" herein). DOB continues to monitor tax collection results and economic conditions and will reevaluate the need for further revisions to the multi-year tax receipts forecast with the next quarterly update coinciding with the FY 2025 Executive Budget. To hedge against risks to receipts that may materialize later in the fiscal year or in FY 2025, the Financial Plan continues to carry a transaction risk reserve.

FY 2025 Budget Outlook

The projected General Fund budget gap in FY 2025 of $4.3 billion results from estimated spending growth exceeding the forecasted increase in resources available to support such growth.

In FY 2025, All Funds tax receipts are estimated to increase by $2.4 billion (2.3 percent) over the current year estimate. State Operating Funds spending is currently projected to outpace tax receipts and is projected to increase by $7 billion (5.7 percent) in FY 2025 compared to the estimated FY 2024 level. Much of the increase is attributable to the two largest programs, School Aid and Medicaid, which have recently experienced historic growth. Combined, these two programs have grown by nearly $15 billion or 32 percent over the past 5 years through FY 2024. In FY 2025, Medicaid growth supported by State Funds is projected to total $30.7 billion, an annual increase of $2.9 billion or 10.5 percent from FY 2024 projections. School Aid spending for School Year (SY) 2025 is currently estimated at $35.7 billion, an annual increase of $1.3 billion or 3.8 percent above the SY 2024 level.

In addition, approximately $580 million of the total $1.9 billion in State funding committed to support the City of New York with shelter assistance to asylum seekers in the FY 2024 Enacted Budget, along with revisions herein, is included in the FY 2025 spending estimates. Any commitments of future State support beyond current assumptions will require the identification of resources to support the additional spending.

The Governor will propose a FY 2025 Executive Budget by January 16, 2024, that will include a plan to provide for balanced General Fund operations on a cash basis in FY 2025.

Mid-Year Revisions

The following table summarizes the General Fund revisions reflected in the Mid-Year Update to the Financial Plan followed by a summary. These revisions, as well as adjustments to State and Federal Special Revenue Funds and Capital Projects Fund, have been incorporated into projected receipts and disbursements throughout the Financial Plan.

FY 2024 MID-YEAR UPDATE
GENERAL FUND REVISIONS
SAVINGS/(COSTS)
(millions of dollars)

	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
FIRST QUARTERLY UPDATE SURPLUS/(GAP) ESTIMATE	**0**	**(9,055)**	**(13,873)**	**(13,438)**
Receipts	**(226)**	**1,500**	**3,442**	**3,328**
Tax Receipts	(1,058)	496	2,413	2,513
Debt Service	270	151	276	310
Miscellaneous/Federal Receipts	350	800	700	450
Transfers from Other Funds	212	53	53	55
Disbursements	**3,490**	**1,520**	**1,130**	**1,152**
Assistance and Grants	1,800	545	466	408
Agency Operations	476	880	657	636
Transfers to Other Funds	1,214	95	7	108
Use of/(Deposit to) Reserves	**(3,264)**	**1,709**	**(225)**	**1,236**
Rainy Day Reserve	0	0	0	0
Tax Stabilization Reserve	0	0	0	0
Contingency Reserve	0	0	0	0
Community Projects Reserve	0	0	0	0
Other Reserves	(3,264)	1,709	(225)	1,236
MID-YEAR UPDATE SURPLUS/(GAP) ESTIMATE	**0**	**(4,326)**	**(9,526)**	**(7,722)**

Other reserves include the impact of the changes to the reserve established for timing of PTET/PIT credits, as well as the carryforward of the current year estimated $3.5 billion General Fund surplus to reduce the outyear budget gaps.

Receipts Revisions

Tax Receipts. PIT receipts have been adjusted downward in FY 2024 by $1.55 billion reflecting continued weakness in estimated payments through the first half of the fiscal year which are partly offset by marginally stronger withholding receipts. The net PIT revisions are partly offset by upward revisions in business taxes and consumption and use taxes, to reflect strong collections to date that exceed initial estimates. All Funds personal income tax receipts, the largest contributor to State resources, is projected to decline from the prior year level by 12.8 percent. Results to date continue to substantiate the annual decline.

Debt Service. Downward revisions to estimated debt service payments in each year of the plan period reflect refunding savings, lower than expected debt issuances, and lower bonded capital spending estimates.

Other Receipts/Transfers. Miscellaneous receipts reflect an upward revision consistent with investment income earnings to date, continued higher interest rates and overall cash balances, inclusive of reserves. The estimate for Federal earned revenue and reimbursements transferred to the General Fund have been increased based on experience and revised funding availability.

Disbursement Revisions

The Mid-Year Update to the Financial Plan reflects net downward revisions to disbursements compared to the First Quarterly Update to the Financial Plan across nearly all areas in each year of the Financial Plan period. The revisions reflect spending experience and changes to program assumptions, such as lower participation rates, delayed implementation and slower than projected phase-in of initiatives and program expansions. In addition, projected spending has been lowered to reflect a cautious estimate of disbursements, a practice that provides a cushion for potential receipts shortfalls and unanticipated costs that may materialize within the fiscal year. The reduction in spending estimates has no impact on statewide commitments to program expansion, investments, or operations, but rather reflects updated expectations for spending based on actual results. A summary of the largest revisions to spending estimates is provided below.

Medicaid. Recent favorable Federal rulemaking for Deferred Action for Childhood Arrivals (DACA) under the age of 21 combined with savings related to updated actuarial information and risk assessments for FY 2024 Medicaid Mainstream Managed Care (MMC) rates, retroactive to April 1, 2023, reduce Medicaid spending projections by $2.9 billion in the aggregate through FY 2027.

Social Services. Spending estimates have been revised to reflect lower projected costs in childcare and adoption programs, a reduction in Supplemental Security Income (SSI) caseload, lower spending in the rental supplement program and Empire State Supportive Housing Initiative (ESSHI), and availability of Federal funds to support legal services for tenants facing eviction. In addition, spending estimates have been revised to reflect projected costs for Child Welfare and Public Assistance based on updated claiming experience and participation data.

Mental Hygiene. Lower spending is projected through FY 2025 as anticipated timing delays related to mental hygiene contract payments push costs into future years, State Aid recoveries delayed during the pandemic are recouped, and funding offsets are reconciled.

Education. Downward revisions reflect delays in the implementation of recent statewide universal full-day prekindergarten (SUFPK) expansions, slower spending than previously anticipated for competitive grant programs, and lower growth assumptions based upon an updated Personal Income Growth Index (PIGI) forecast.

Migrant Assistance. The Financial Plan has also been revised to include $358 million in additional costs to support the City of New York with shelter assistance to asylum seekers above the roughly $1.5 billion included in the FY 2024 Enacted Budget Financial Plan. The State has recently agreed to assist the City of New York with sheltering up to 2,000 people at the Floyd Bennett Field for up to one year pursuant to an agreement with the National Park Service. The Financial Plan has been revised to include the estimated rental and service costs totaling $308 million in FY 2024 and 2025 the State will pay on behalf of the City of New York pursuant to a signed agreement. Any additional State reimbursement for shelter costs for any location included in future enacted budgets would drive additional State costs. The State is also providing State-owned land for the City of New York to establish and operate emergency shelter sites for up to 1,000 adult males at Creedmoor Psychiatric Center and recently increased National Guard support by 250 personnel dedicated to assist with case management services. The State has committed to an additional $38 million for case management to help asylum seekers file paperwork to receive work authorization, including persons from Venezuela that the Federal government has designated under Temporary Protected Status to reduce wait time for legal work status, and $12 million for infectious disease screenings and immunizations.

Agency Operations. Spending projections for agency operations have been lowered to account for timing adjustments for the State contributions to State University of New York (SUNY) university center endowments and statewide reductions in personal service and fringe benefit costs as agencies continue to face challenges with staff recruitment and retention.

Transfers to Other Funds. Routine delays and lower spending for capital projects funded with General Fund resources, as well as the timing of bond proceed reimbursements, result in lower transfers to Capital Projects Funds.

General Fund Financial Plan

General Fund receipts are affected by the deposit of dedicated taxes in other funds for debt service and other purposes, the transfer of balances between funds of the State, and other factors. Three significant factors affect reported General Fund tax receipts, as described below.

First, changes in debt service on State-supported revenue bonds affect General Fund tax receipts. The State utilizes bonding programs where tax receipts are deposited into dedicated debt service funds (outside the General Fund) and used to make debt service payments. After satisfying debt service requirements for these bonding programs, the balance is transferred to the General Fund.

Second, the STAR program is funded from PIT receipts, with changes in the State-supported cost of the program affecting reported PIT receipts.

Lastly, beginning in FY 2022, the PTET program began affecting reported General Fund tax collections. The discussion and tables summarizing annual changes below generally exclude the impact of the PTET or show it distinctly. The operation of the PTET program is described under the heading, "PTET Financial Plan Impact" at the end of this section.

General Fund disbursements are affected by the level of financing sources available in other funds, transfers of balances between funds of the State, and other factors that may change annually. For example, education and health care programs are affected by the level of financing sources (i.e., HCRA and lottery/gaming receipts) available in other funds. Projected spending also reflects DOB's cautious estimates of disbursements, a practice that provides a cushion for potential receipts shortfalls and unanticipated costs.

For a more comprehensive discussion of the State's projections for tax receipts, miscellaneous receipts, disbursements, and transfers, presented on a State Funds and All Funds basis, see "State Financial Plan Multi-Year Projections" herein.

FY 2024 Financial Plan

The following table summarizes the projected annual change in General Fund receipts, disbursements, and fund balances from FY 2023 to FY 2024.

GENERAL FUND FINANCIAL PLAN (millions of dollars)				
			Annual Change	
	FY 2023 Actuals	FY 2024 Projected	Dollar	Percent
Opening Fund Balance	**33,053**	**43,451**	**10,398**	**31.5%**
Total Receipts	**103,197**	**100,272**	**(2,925)**	**-2.8%**
Receipts (Excluding PTET)	105,269	102,448	(2,821)	-2.7%
Taxes	96,018	93,897	(2,121)	-2.2%
Miscellaneous Receipts	3,609	4,151	542	15.0%
Federal Receipts	2,351	2,250	(101)	-4.3%
Non-Tax Transfers from Other Funds	3,291	2,150	(1,141)	-34.7%
PTET Receipts	(2,072)	(2,176)	(104)	-5.0%
PIT Credits	(17,016)	(14,936)	2,080	12.2%
Business Taxes	14,944	12,760	(2,184)	-14.6%
Total Disbursements	**92,799**	**100,922**	**8,123**	**8.8%**
Assistance and Grants	62,852	73,255	10,403	16.6%
State Operations	21,622	20,489	(1,133)	-5.2%
Transfers to Other Funds	8,325	7,178	(1,147)	-13.8%
Net Change in Operations	**10,398**	**(650)**	**(11,048)**	**-106.3%**
Closing Fund Balance	**43,451**	**42,801**	**(650)**	**-1.5%**
Statutory Reserves:				
Community Projects	25	23	(2)	
Contingency	21	21	0	
Rainy Day[1]	6,256	6,256	0	
Fund Balance Reserved for:				
Debt Management	2,355	2,436	81	
Economic Uncertainties	13,282	13,282	0	
Labor Settlements/Agency Operations	765	1,765	1,000	
Pandemic Assistance	245	0	(245)	
Undesignated Fund Balance	4,574	5,694	1,120	
Subtotal Excluding Settlements/PTET	**27,523**	**29,477**	**1,954**	
Fund Balance Reserved for:				
Extraordinary Monetary Settlements	1,570	1,142	(428)	
Timing of PTET/PIT Credits	14,358	12,182	(2,176)	

[1] Consists of the Rainy Day Reserve and Tax Stabilization Reserve.

Receipts

General Fund receipts, including transfers from other funds, are estimated to total $100.3 billion in FY 2024, a decrease of $2.9 billion (2.8 percent) from FY 2023.

General Fund tax receipts including transfers after payment of debt service are estimated to total $90.2 billion in FY 2024, a decrease of $10.8 billion (10.7 percent) from FY 2023 excluding the impact of PTET and debt prepayments. The decrease reflects the effects of softening economic conditions on PIT revenues, in addition to declines in Corporate Franchise Tax (CFT) receipts and estate tax receipts. The actual and planned prepayments of debt service due in future years reduce reported PIT receipts in the fiscal year in which the payments are made and increase PIT receipts in the fiscal years in which the debt service was originally scheduled to be paid. Debt prepayments reduce General Fund PIT receipts by $4.1 billion in FY 2023 and increase PIT receipts $3.2 billion in FY 2024. Including these prepayments, but excluding PTET, tax receipts are estimated to decrease by $2.1 billion from FY 2023.

PIT receipts, excluding PTET and debt prepayments, are estimated to total $59.7 billion in FY 2024, a decrease of $10 billion (14.3 percent) from FY 2023. The decrease reflects reduced extension payments for tax year 2022 driven by a strong decline in nonwage income, coupled with declines in current estimated payments, final returns and delinquencies, offset by a decrease in total refunds primarily attributable to the expiration of the 2022 homeowner tax rebate credit.

Consumption/use tax receipts, excluding debt prepayments, are estimated to total $18.1 billion in FY 2024, an increase of $572 million (3.3 percent) from FY 2023. This increase reflects moderate growth in the sales tax base.

Business tax receipts, excluding PTET, are estimated at $9.8 billion in FY 2024, a decrease of $492 million (4.7 percent) from FY 2023. The decrease primarily reflects a decrease in CFT and Bank audit receipts to recent trend levels and a slight increase in refunds.

Other tax receipts, including transfers after payment of debt service on Clean Water/Clean Air (CW/CA) Bonds, are expected to total $2.5 billion in FY 2024, a decrease of $857 million from FY 2023. This is primarily due to the estate tax returning to typical trends following record collections in FY 2023, as well as a decline in real estate transfer tax receipts as the market continues to cool off.

Miscellaneous receipts are projected to increase by $542 million from FY 2023 due to historically high investment income receipts associated with high interest rates and large fund balances associated with the timing of PTET receipts.

Non-tax transfers are estimated to total $2.2 billion in FY 2024, a decrease of $1.1 billion from FY 2023. The change is mainly attributable to the $2 billion Transaction Risk Reserve which reduces transfers from other funds in FY 2024 and is partially offset by higher projected transfers from the Health Care Transformation, Mental Health Services, Tribal State Compact and Indigent Legal Services funds.

Disbursements

General Fund disbursements, including transfers to other funds, are expected to total $100.9 billion in FY 2024, an increase of $8.1 billion (8.8 percent) from FY 2023. The annual change in spending is in large part due to increased funding to fully fund Foundation Aid for schools, provide additional funding to hospitals, health care providers and workers, assist the City of New York with the influx of asylum seekers, and expanded funding for many other programs and services. In addition, the expected expiration of the Enhanced Federal Medical Assistance Percentage (eFMAP) at the end of the third quarter of FY 2024, which has temporarily lowered State-share spending and increased the Federal share of Medicaid costs, drives higher spending in FY 2024.

Assistance and grants spending is estimated to total $73.3 billion in FY 2024, an increase of $10.4 billion from FY 2023. General Fund spending for education and health care represents nearly half of the assistance and grants spending growth. General Fund support for these programs is affected by the level of financing sources (i.e., HCRA and lottery/gaming receipts) available in other funds.

School Aid is estimated to increase by $3.2 billion (12.6 percent) on a State fiscal year basis, primarily reflecting the final year of the phase-in of full funding of the current Foundation Aid formula, expansion of State-funded full-day prekindergarten programming for four-year-old children and assumed growth in expense-based aids.

Medicaid spending is projected to grow by $1.7 billion due to investments in health care and provider reimbursement associated with the authorization to increase the State's minimum wage, offset by savings resulting from the transition of the pharmacy benefit from Managed Care to Medicaid Fee-for-Service, the phase down of the eFMAP extension through December 31, 2023, and actions to maintain spending within the Global Cap.

Other assistance and grants growth is primarily the result of additional assistance to the MTA to address operating shortfalls, initiatives and investments to improve mental health care services, access to affordable housing, additional support for public safety initiatives, wage increases, emergency rental and rental arrears assistance and landlord aid programs, including legal services for tenants facing eviction, and significant level of one-time funding to support asylum seekers services and assistance in the City of New York.

General Fund agency operations costs, including fringe benefits, are expected to total $20.5 billion in FY 2024, a decrease of $1.1 billion from FY 2023, driven primarily by a decline in General State Charges (GSCs) spending and Federal Emergency Management Agency (FEMA) reimbursements for prior year COVID-related eligible spending. State Operations spending growth for executive agencies reflects efforts to assess lead risks and support lead abatement for housing across the State, modernize health reporting systems, conduct additional State Police recruiting classes, provide State matching funds for contributions to the endowments for SUNY's four university centers, increase inpatient beds in State-operated Psychiatric Centers, and provide additional enforcement to curb the illegal sale of cannabis. Additionally, the cost of deploying the National Guard to assist the City of New York with providing care for asylum seekers and other costs associated with development of Section 1115 Medicaid demonstration waivers increase spending in FY 2024. Judiciary spending is projected to increase in FY 2024 driven by increases to the assigned counsel rate for attorneys providing services to indigent persons. Fringe benefit costs are expected to decrease in FY 2024 primarily due to a $920 million payment to the Retiree Health Benefit Trust Fund (RHBTF) and the advancement of certain health insurance payments in FY 2023, partially offset by the increased costs of providing pension benefits to current and retired employees.

General Fund transfers to Other Funds are projected to total $7.2 billion in FY 2024, a decrease of $1.1 billion from FY 2023. The decline is mainly attributable to routine delays and lower spending for capital projects funded with General Fund resources, as well as the timing of bond proceed reimbursements, and lower Health Care Transformation and Dedicated Mass Transportation Trust Fund transfers. These declines are partially offset by increased transfers to SUNY for transformational initiatives at campuses that support innovation, help meet workforce needs, and provide student support.

FY 2024 Closing Balance

Excluding the PTET[5] reserve for the timing of PTET/PIT credits and the reserve for extraordinary monetary settlements to fund existing commitments and projects, DOB projects the State will end FY 2024 with a General Fund cash balance of $29.5 billion, an increase of nearly $2 billion from the FY 2023 closing balance. The increase is mainly due to a planned increase for the reserves for labor settlements/agency operations and additional net resources expected to be available at year-end that are carried forward to reduce the budget gaps in subsequent years. The pandemic assistance reserves is expected to be exhausted in FY 2024 to fund planned commitments delayed from prior years.

[5] Starting in FY 2022, the General Fund balance is affected by the PTET program. Please see the description under the heading "PTET Financial Plan Impact" for more information.

Cash Flow

State Finance Law authorizes the General Fund to borrow money temporarily from available funds held in the Short-Term Investment Pool (STIP). Loans to the General Fund are limited to a term not to exceed four months or the end of the fiscal year, whichever is shorter. The resources that can be borrowed by the General Fund are limited to available balances in STIP, as determined by the State Comptroller. Available balances include money in the State's governmental funds and a relatively small amount of other money belonging to the State that is held in internal service and enterprise funds, as well as certain agency funds. Several accounts in Debt Service Funds and Capital Projects Funds that are part of All Governmental Funds are excluded from the balances deemed available in STIP. These excluded funds consist of bond proceeds and money obligated for debt service payments.

The FY 2024 Enacted Budget continues to authorize short-term financing for liquidity purposes during the fiscal year. In doing so, it provides a tool to help the State manage cashflow, if needed, and more effectively deploy resources. Specifically, the authorization allows for the issuance of up to $3 billion of PIT revenue anticipation notes which mature no later than March 31, 2024. It also allows the State to obtain up to $1 billion in line of credit facilities, which may be drawn through March 31, 2024, subject to available appropriation. Neither authorization allows borrowed amounts to be extended or refinanced beyond their initial maturity. The Financial Plan does not assume the use of short-term financing for liquidity purposes during FY 2024. DOB evaluates cash results regularly and may adjust the use of notes and/or the line of credit based on liquidity needs, market considerations, and other factors.

DOB expects that the General Fund will have sufficient liquidity in FY 2024 to make all planned payments as they become due. The State continues to reserve money on a quarterly basis for debt service payments financed with General Fund resources. Money to pay debt service on bonds secured by dedicated receipts, including PIT bonds and Sales Tax Revenue bonds, continues to be set aside as required by law and bond covenants.

FY 2024 PROJECTED MONTH-END CASH BALANCES APRIL THROUGH SEPTEMBER (ACTUALS)/OCTOBER THROUGH MARCH (PROJECTED) (millions of dollars)	General Fund	Other Funds	All Funds
April 2023	46,939	24,949	71,888
May 2023	40,448	22,301	62,749
June 2023	44,184	26,590	70,774
July 2023	44,319	27,414	71,733
August 2023	42,520	27,254	69,774
September 2023	47,972	25,233	73,205
October 2023	47,114	23,622	70,736
November 2023	44,399	23,373	67,772
December 2023	48,648	24,097	72,745
January 2024	49,859	23,991	73,850
February 2024	46,259	25,269	71,528
March 2024	42,801	20,091	62,892

PTET Financial Plan Impact

The U.S. Department of the Treasury (Treasury) and the Internal Revenue Service (IRS) have determined that State and local income taxes imposed on and paid by a partnership or an S corporation on its income, such as the PTET, are allowable as a Federal deduction to taxable income. In November 2020, the IRS released Notice 2020-75, which announced that the Treasury and IRS intend to issue clarifying regulations with respect to such pass-through taxes.

As part of the State's continuing response to Federal tax law changes, legislation was enacted in FY 2022 to allow an optional PTET on the New York-sourced income of partnerships and S corporations. Qualifying entities that elect to pay PTET pay a tax of up to 10.9 percent on their taxable income at the partnership or corporation level, and their individual partners, members and shareholders receive a refundable PIT credit equal to the proportionate or pro rata share of taxes paid by the electing entity. Additionally, the program includes a resident tax credit that allows for reciprocity with other states that have implemented substantially similar taxes, which currently includes Connecticut and New Jersey.

DOB expects that the PTET will, on a multi-year basis, be revenue neutral for the State. However, because the PTET credits are not necessarily realized by taxpayers within the same fiscal year that PTET revenue is received by the State, the PTET will not be revenue-neutral to the State within each fiscal year. The Financial Plan includes an estimate for PTET within business taxes and the corresponding decrease in PIT receipts. It is expected that the tax benefit accompanying the PTET program will end in 2025 due to the scheduled expiration of the SALT deduction cap under current Federal law. Therefore, the estimates in the Financial Plan reflect the likelihood that entities cease to participate in the later years of the Financial Plan period.

The table below displays the impact of the PTET program on the General Fund, as well as PIT and business taxes. The PTET estimates are excluded from certain tabular presentations in the Financial Plan due to the size of the impact on specific tax categories and because the financial plan impact is expected to be neutral on a multi-year basis. Tables that exclude PTET are noted.

FY 2024 MID-YEAR UPDATE
GENERAL FUND IMPACT OF THE PASS THROUGH ENTITY TAX
SAVINGS/(COSTS)
(millions of dollars)

	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
General Fund Impact	**0**	**0**	**0**	**0**	**0**	**0**
Tax Receipts[1]	16,430	(2,072)	(2,176)	(1,133)	(1,798)	(9,249)
PIT Credits	0	(17,016)	(14,936)	(12,717)	(11,884)	(8,371)
PTET Collections (Business Taxes)	16,430	14,944	12,760	11,584	10,086	(878)
Use of/(Deposit to) Reserve for PTET Refunds	(16,430)	2,072	2,176	1,133	1,798	9,249

[1] The impact of the PTET on Revenue Bond Tax Fund (RBTF) receipts is 50 percent of the impact on Tax Receipts.

In December 2021, electing entities began making estimated PTET payments that were classified as business taxes and totaled $16.4 billion in FY 2022. The entire amount was set aside for purposes of offsetting the decrease in PIT receipts in FY 2023 and beyond. A portion of the reserve balance will cover the difference between PTET collections and related PIT credits and is expected to be depleted when the program utilization ceases.

In tax year 2021, taxpayers could not reduce their current estimated PIT payments for PTET, because enrollment in the PTET was not completed until late 2021 and affected taxpayers were not statutorily authorized to do so. PIT credits may be claimed on the tax return in the following fiscal year, or they can be reflected sooner through reductions in estimated payments.

Taxpayers recognized a substantial portion of PTET PIT credits through current estimated payments beginning tax year 2022 and are expected to continue this behavior in future years. FY 2023 PIT collections were reduced by credits for most tax year 2021 PTET collections (through extensions and refunds) and a portion of tax year 2022 PTET collections (through reductions in current estimated PIT payments).

In FY 2024, the State expects to continue to collect PTET and pay PIT credits connected with the program for tax years 2021 through 2023.

FY 2024 State Operating Funds Spending

STATE OPERATING FUNDS DISBURSEMENTS FY 2023 TO FY 2024 (millions of dollars)				
	FY 2023 Actuals	FY 2024 Projected	Annual Change $	Annual Change %
ASSISTANCE AND GRANTS	**81,877**	**90,589**	**8,712**	**10.6%**
School Aid (School Year Basis)	31,373	34,388	3,015	9.6%
DOH Medicaid	25,468	27,253	1,785	7.0%
Mental Hygiene (Gross)[1]	5,168	5,876	708	13.7%
Transportation	4,569	5,249	680	14.9%
Social Services	4,997	4,781	(216)	-4.3%
Higher Education	2,876	3,139	263	9.1%
Other Education	2,255	2,484	229	10.2%
All Other[2]	5,171	7,419	2,248	43.5%
STATE OPERATIONS/GENERAL STATE CHARGES	**31,393**	**30,613**	**(780)**	**-2.5%**
State Operations	21,190	21,743	553	2.6%
Executive Agencies	11,548	11,503	(45)	-0.4%
University Systems	6,926	7,304	378	5.5%
Elected Officials	2,716	2,936	220	8.1%
General State Charges	10,203	8,870	(1,333)	-13.1%
Pension Contribution	2,045	2,099	54	2.6%
Health Insurance	6,003	4,765	(1,238)	-20.6%
Other Fringe Benefits/Fixed Costs	2,155	2,006	(149)	-6.9%
DEBT SERVICE	**10,481**	**2,638**	**(7,843)**	**-74.8%**
TOTAL STATE OPERATING FUNDS	**123,751**	**123,840**	**89**	**0.1%**
Capital Projects (State and Federal Funds)	**14,024**	**15,402**	**1,378**	**9.8%**
Federal Operating Aid	**82,687**	**88,422**	**5,735**	**6.9%**
TOTAL ALL GOVERNMENTAL FUNDS	**220,462**	**227,664**	**7,202**	**3.3%**

[1] Reflects mental hygiene spending with no adjustments for costs reported under the Medicaid Global Cap and/or OPWDD-related local share expenses that will be funded outside of the DOH Global Cap.

[2] All Other includes spending for certain recovery initiatives; reclassifications between financial plan categories; a reconciliation between school year and State fiscal year spending for School Aid; reconciliation for the net impact of the Mental Hygiene Stabilization Fund and OPWDD Local Share Adjustments related to the Medicaid Global Cap and various other functions.

State Operating Funds encompass the General Fund and a wide range of State activities funded from revenue sources outside the General Fund, including dedicated tax revenues, tuition, income, fees, and assessments. Activities funded with these dedicated revenue sources often have no direct bearing on the State's ability to maintain a balanced budget in the General Fund but are captured in State Operating Funds.

Assistance and Grants

Approximately two-thirds of State spending is for assistance and grants that includes payments to local governments, school districts, health care providers, managed care organizations, and other entities, as well as financial assistance to, or on behalf of, individuals, families, and not-for-profit organizations. School Aid and Medicaid account for half of total State Operating Funds spending.

Over the past two years, assistance and grants funding has increased substantially with enhanced funding for education, health care and nearly all other programs, as well a significant amount of spending for pandemic recovery assistance to support time-limited programs including the Emergency Rental Assistance Program (ERAP), the Landlord Rental Assistance Program (LRAP), assistance to excluded workers, small business assistance, funding for hospitals that are experiencing financial distress as a result of the COVID-19 pandemic, public utility arrears assistance, Healthcare/Direct Care Worker Bonuses, and other targeted initiatives. Most of the one-time pandemic related assistance concluded in FY 2023.

School Aid spending for SY 2024 is estimated at $34.4 billion, excluding Federal prekindergarten grants, representing an annual increase of $3.0 billion (9.6 percent). This annual growth is primarily driven by increased funding for Foundation Aid ($2.6 billion), expense-based reimbursement programs ($225 million), and the expansion of State-funded full-day prekindergarten programming for four-year-old children ($150 million). The growth in Foundation Aid reflects the full funding of the current formula for the first time in its history, marking the final year of the three-year phase-in, and a minimum 3 percent annual increase to fully funded districts that would otherwise not receive a Foundation Aid increase under current law.

Department of Health (DOH) Medicaid assistance and grants spending, excluding the effect of the temporary eFMAP, is estimated at $27.3 billion in FY 2024, an annual increase of 7.0 percent. Medicaid costs reported under the Global Cap are projected to increase by $1.4 billion, consistent with the updated growth index. Higher spending is attributable to enrollment and medical cost inflation, increased rates to nursing homes, increased homecare wages, expanded access to health coverage, and higher provider reimbursements. The remaining growth is attributable to costs reported outside the Global Cap and is mainly driven by minimum wage for health care providers ($190 million) and financial relief to counties and the City of New York associated with full coverage of the local share of spending growth ($182 million). A portion of Medicaid-related expenses of Office for People with Developmental Disabilities (OPWDD) will be funded outside of the DOH Global Cap to provide spending room for healthcare worker bonus payments and other initiatives.

State Medicaid spending is also affected by the Federal government's increased share of Medicaid funding through eFMAP. Beginning January 1, 2020, the Federal government increased its share by 6.2 percent, which will be phased out by the end of the 2023 calendar year. Beginning April 1, 2023, eFMAP started being reduced for each of the three quarters, 5 percent through June 30, 2.5 percent through September 30, and 1.5 percent through December 31. The estimated State benefit of the eFMAP in FY 2023 and FY 2024 is $3.7 billion and $1.6 billion, respectively. State-share savings from eFMAP have and continue to be used to offset increased costs associated with persistently elevated COVID-19 related enrollment, asylum seekers services and assistance, and lost Medicaid Redesign Team II (MRT II) savings due to Federal restrictions regarding program restructuring while the eFMAP remained in place. These costs and most of the eFMAP are outside of the Global Cap and are funded through the Mental Hygiene Stabilization Fund.

Mental Hygiene spending growth provides increased support for targeted investments in services to ensure individuals with developmental disabilities, mental illness, substance use disorders and problem gambling have appropriate access to care. The increases include continued support for prior year initiatives, such as implementation of the nationwide 988 Suicide and Crisis Lifeline, OPWDD housing subsidy enhancements, and Office of Mental Health (OMH) residential investments. Additional funding is included for a 4 percent human services Cost-of-Living Adjustment (COLA), new costs associated with indexing the minimum wage to inflation, establishing and operating 3,500 new OMH residential units, increased support for youth suicide prevention programs and other evidence-based programs serving children, and enhanced mental health services in schools.

Spending for transportation is projected to increase significantly due to one-time funding to the MTA to address extraordinary financial impacts resulting from the pandemic ($305 million, of which $5 million is dedicated to the MTA's Outer Borough Transportation Account), increases to upstate transit operating aid and forecasted increases in dedicated receipts that are collected by the State and remitted to the various transit systems. In FY 2024, spending is expected to grow by $581 million (including one-time State assistance) to the MTA, $33 million for non-MTA downstate transit systems, and $38 million for upstate transit systems. The remaining increases reflect a new Innovative Mobility Initiative for non-MTA transit systems and funding for the State share of operating costs for the Gateway Development Commission.

Social Services spending is projected to decline due to FY 2023 payments for child welfare services claims that had built up over several years, as well as a decline in emergency rental assistance and landlord aid programs. Excluding the timing of these payments, social services spending is projected to increase due to services and assistance to the City of New York for asylum seekers in FY 2024, increases in childcare assistance due to an expanded subsidy eligibility, increased reimbursement for childcare providers and their workforce, and the creation of an employer-supported childcare pilot program. Other Social Services spending increases include investments in permanency resource centers and kinship services, the consolidation of the Empire State and Advantage Afterschool programs under Office of Children and Family Services (OCFS), assistance for foster care agencies adapting to Federal requirements, the indexing of the minimum wage and a 4 percent COLA for the human services workforce, and legal services for tenants facing eviction.

Higher education spending is projected to grow by 9.1 percent in FY 2024, primarily reflecting estimated increases in spending for student financial aid programs, including the continued expansion of Tuition Assistance Program (TAP) for part-time students in degree-granting programs as well as students enrolled in nondegree workforce credentialing programs at public institutions, and increased operating support for City University of New York (CUNY) senior colleges.

Increased funding for other education programs largely reflects the continued impact of an 11 percent SY 2023 COLA for special education program tuition rates and the return of enrollment in such programs to pre-pandemic levels, and a new State-funded initiative to incentivize qualifying low-income public and nonpublic schools to participate in the Community Eligibility Provision (CEP) program, allowing all students in those schools to eat breakfast and lunch at no charge regardless of their families' income.

Other assistance and grants spending growth includes additional funding for public health; energy affordability; and criminal justice programs including Aid to Prosecution, Aid to Defense, Alternative to Incarceration (ATI), Gun Involved Violence Elimination (GIVE) programs, pretrial services, discovery reform funding, and anti-Fentanyl innovation grant funding. The FY 2024 Enacted Budget also provided additional funding for immigration legal services and combating biased-based crimes. In addition, reclassifications and reconciliations also impact spending primarily related to the Mental Hygiene Stabilization Fund and School Aid funding.

State Operations/GSCs

Operating costs for State agencies include salaries, wages, fringe benefits, and Non-Personal Service (NPS) costs (e.g., supplies, utilities) and comprise about a quarter of State Operating Funds spending.

Operational spending for executive agencies is affected by the timing of Federal reimbursement for prior year State costs incurred for pandemic response and recovery efforts; and the payment of salary increases pursuant to existing contracts, including retroactive salary increases. FY 2024 spending growth includes increased spending to support asylum seekers services and assistance efforts, State Police recruiting classes, lead abatement, the opening of new inpatient beds in State-operated Psychiatric Centers, and additional enforcement to curb the illegal sale of cannabis.

University systems spending growth in FY 2024 reflects expected State payments related to the establishment of a $500 million program to match new philanthropic contributions to the endowments of SUNY's university centers. Among other purposes, the earnings on these funds will provide long-term support for campus operations, student scholarships, endowed professorships, innovative research, and the development of new academic fields. It also includes a one-time investment of $75 million for transformational initiatives across all SUNY campuses that support innovation, help meet the workforce needs of the future, and provide needed supports to students. In addition, the Financial Plan includes $163 million in new recurring operating aid support for SUNY State-operated campuses in FY 2024.

The operating costs for the offices of independently elected officials (Attorney General, Comptroller, Judiciary, and Legislature) are projected to increase by a combined $220 million (8.1 percent). The increase is primarily due to planned increases for personnel and contract costs. The FY 2024 Enacted Budget also increased the assigned counsel rate for attorneys providing services to indigent persons.

The decline in General State Charges (GSCs) is mainly due to lower projected health insurance in FY 2024. In FY 2023, the State made a $920 million payment to the State's RHBTF and advanced payments for future health insurance obligations. These one-time payments in FY 2023 partially offset the cost increases for health insurance and workers' compensation claims, driven by medical cost inflation and increases in the average weekly wage.

OTHER MATTERS AFFECTING THE FINANCIAL PLAN

General

This section is intended to provide readers with information on certain fiscal pressures, processes, and recent developments that may have financial plan implications and may not otherwise be described or detailed elsewhere. The emphasis is on risks to financial projections and management, but it also includes other information to provide context for the State's financial operations more broadly. This section includes information on the following topics:

- Financial Plan Projections
- Federal Risks
- Major Operating Programs
- State Labor Force
- Pension Contributions
- State Debt
- Localities and Authorities
- Other Risks and Ongoing Concerns

Financial Plan Projections

The Financial Plan is subject to economic, social, financial, political, public health, and environmental risks and uncertainties, many of which are outside the ability of the State to predict or control. The projections of receipts and disbursements in the Financial Plan are based on reasonable assumptions at the time they were prepared. DOB is unable to provide any assurance that actual results will not differ materially and adversely from these projections.

Receipts. State tax collections are economically sensitive and are affected by the condition of the State and national economies. Uncertainties and risks that may affect the economic and receipts forecasts include, but are not limited to: national and international events; inflation; consumer confidence; commodity prices; supply chain disruptions; major terrorist events; hostilities or war; climate change and extreme weather events; severe epidemic or pandemic events; cybersecurity events; Federal laws and regulations; financial sector compensation; capital gains; and monetary policy affecting interest rates and the financial markets.

The forecast of non-tax receipts and other available resources assumes various transactions will occur as planned, including, but not limited to: receipt of Federal aid as projected; certain payments from public authorities; revenue sharing payments under the Tribal-State Compacts and transfer of available fund balances to the General Fund.

Disbursements. Projections and timing of disbursements are subject to many of the same risks listed above for receipts, as well as assumptions which may have additional risks including, but not limited to: the level of wage and benefit increases for State employees; changes in the size of the State's workforce; factors affecting the State's required pension fund contributions; the availability of Federal reimbursement, including Federal COVID-19 emergency assistance; the receipt of Federal approvals necessary to implement the Medicaid savings actions; unanticipated growth in public assistance programs; the ability of the State to implement cost reduction initiatives, including reductions in State agency operations, when established, and the success with which the State controls expenditures; and the ability of the State and its public authorities to issue securities successfully in public credit markets. Some of these issues are described in more detail herein.

Litigation Risk. The Financial Plan forecast is subject to litigation risk. Litigation against the State may challenge the constitutionality of various actions with fiscal implications. Furthermore, certain adverse decisions may not meet the materiality threshold to warrant a description herein but, in the aggregate, could still negatively affect the forecasts and projections contained in the Financial Plan.

Financial Plan Management. In developing the Financial Plan, DOB attempts to mitigate financial risks, with an emphasis on the General Fund. It does this by, among other things, exercising caution when calculating total General Fund disbursements and managing the accumulation of financial resources. Such resources include but are not limited to: fund balances that are not needed each year, reimbursement for capital advances, and prepayment of expenses subject to available resources, to maintain budget flexibility. DOB routinely executes cash management actions to manage the State's large and complex budget. These actions are intended to improve the State's cash flow, manage resources within and across State fiscal years, adhere to spending targets, and better position the State to address unanticipated costs, including economic downturns, revenue deterioration, and unplanned expenditures. There is no guarantee that such financial resources or cash management actions will be sufficient to address risks that may materialize in a given fiscal year.

In addition, there can be no assurance that the State's financial position will not change materially and adversely from current projections. If this were to occur, the State may be required to take additional gap-closing actions. Such actions may include, but are not limited to, reductions in State agency operations; delays or reductions in payments to local governments or other recipients of State aid; delays in or suspension of capital maintenance and construction; extraordinary financing of operating expenses; and use of non-recurring resources. In some cases, the ability of the State to implement such actions requires the approval of the Legislature and cannot be implemented solely by the Governor.

Federal Risks

The amount and composition of Federal funds received by the State have changed over time because of legislative and regulatory actions at the Federal level and will likely continue to change. The Financial Plan may also be adversely affected by other Federal government actions including audits, disallowances, changes to Federal participation rates or other Medicaid rules, and discretionary spending reductions. Any significant reductions in Federal aid could have a materially adverse impact on the Financial Plan. Health care and human services are the notable areas for potential changes in Federal funding.

Medicaid. Federal funding for Medicaid is subject to review by the Centers for Medicare & Medicaid Services (CMS) every five years and is currently extended through March 31, 2027, which supports the Medicaid Managed Care Programs, Children's Home and Community Based Services (HCBS), and self-direction of personal care services.

In September 2022, the State requested $13.5 billion in new Federal Medicaid funding to address health disparities exacerbated by the COVID-19 pandemic. If approved by CMS, the funding would help support social, physical and behavioral health care services throughout the State. The qualification, however, is that this request may require additional State resources to draw down funding, as the State may be unable to identify sufficient Designated State Healthcare Programs (DSHP) to match the full Federal allocation. Fiscally, the request could also be scaled to the size of existing funding match and/or new State resources could be made available.

Federal Debt Limit. Periodically, Congress needs to act to increase or suspend the debt limit to avoid delaying payments and/or defaulting on debt obligations. A Federal government default on payments, particularly for a prolonged period, could have a materially adverse effect on national and state economies, financial markets, and intergovernmental aid payments. Specific effects on the Financial Plan resulting from a future Federal government default are unknown and impossible to predict. However, data from past economic downturns suggests that the State's revenue loss could be substantial if there was an economic downturn due to a Federal default.

A payment default by the Federal government may also adversely affect the municipal bond market. Municipal issuers, including the State and its public authorities and localities, could face higher borrowing costs and impaired access to capital markets. This would jeopardize planned capital investments and projects. Additionally, the market for and market value of outstanding municipal obligations, including municipal obligations of the State and its public authorities, could be adversely affected.

Federal Tax Law Changes. The Tax Cuts and Jobs Act of 2017 (TCJA) made major changes to the Federal Internal Revenue Code, most of which were effective in tax year 2018. The TCJA made extensive changes to Federal PIT, corporate income taxes, and estate taxes. One key impact of the TCJA on New York State taxpayers is the $10,000 limit on the deductibility of State and Local Tax (SALT) payments, which, until its scheduled expiration after 2025, represents a large increase in the State's effective tax rate relative to historical experience. The Financial Plan estimates of tax receipts assume the SALT deduction cap is not extended or modified after 2025.

Major Operating Programs

Statutory Growth Caps for School Aid and Medicaid

In FY 2012, the State began utilizing spending growth caps intended to limit the year-to-year growth in the State's two largest assistance and grants programs, School Aid and Medicaid.

School Aid. The School Aid growth cap is intended to limit the growth in School Aid to the annual growth in State Personal Income, as calculated in PIGI. The statutory PIGI for School Aid limits School Aid increases to no more than the average annual income growth over a ten-year period. In certain years, the authorized School Aid increases exceeded the indexed levels. The SY 2024 increase of $3.0 billion (9.6 percent) is above the indexed PIGI rate of 4.2 percent. In SY 2025 and beyond, School Aid is projected to increase in line with the rate allowed under the School Aid growth cap.

Medicaid. Over 80 percent of DOH State Funds Medicaid spending growth is subject to the Global Cap. Prior to FY 2023, the Global Cap was previously calculated using the ten-year rolling average of the medical component of the consumer price index (CPI) for all urban consumers and thus allowed for growth attributable to increasing costs, though not increasing utilization. To accommodate growth in factors not indexed under the prior Global Cap, beginning in FY 2023, the allowable spending growth for activities under the Global Cap is set at the five-year rolling average of health care spending, using projections from the CMS Actuary. The FY 2024 Enacted Budget incorporates multi-year revisions to the index consistent with updated CMS Actuary projections issued on March 28, 2022.

The statutory provisions of the Global Cap grant the Commissioner of Health (the "Commissioner") certain powers to limit Medicaid disbursements to the level authorized by the Global Cap and allow for flexibility in adjusting Medicaid projections to meet unanticipated costs resulting from a disaster. The Commissioner's powers are intended to limit the annual growth rate to the levels set by the Global Cap for the then-current fiscal year, through actions which may include reducing reimbursement rates to providers. These actions may be dependent upon timely Federal approvals and other elements of the program that govern implementation. Additional State-share Medicaid spending, outside of the Global Cap, includes State costs for the takeover of Medicaid growth from local governments and reimbursement to providers for increased minimum wage costs. It should be further noted that General Fund Medicaid spending remains sensitive to revenue performance in the State's HCRA fund that finances a portion of DOH State-share Medicaid costs.

Since the enactment of the Global Cap, the portion of actual State Funds Medicaid spending subject to the Global Cap has remained at or below indexed levels. However, in certain fiscal years, DOH has taken management actions, including adjustments to the timing of Medicaid payments consistent with contractual terms, to ensure compliance with the Global Cap. Similarly, in response to initial delays in the Federal approval of planned FY 2022 through FY 2024 State Directed Payments (DPT), the State advanced over $1 billion in state-only payments to certain providers to help them cover their immediate cash flow needs. These State payments were expected to be reimbursed to the State by the providers upon their receipt of Federal DPT funds during FY 2024. While all Federal approvals have been granted with respect to those Federal DPT funds, actual reimbursement of the State could be delayed beyond FY 2024.

Public Health Insurance Programs/Public Assistance

Historically, the State has experienced growth in Medicaid enrollment and public assistance caseloads during economic downturns due mainly to increases in unemployment. Many people who were laid off or otherwise experienced a decrease in family income in 2020 and 2021 due to the COVID-19 pandemic became qualifying enrollees and began to participate in public health insurance programs such as Medicaid, Essential Plan (EP), and Child Health Plus (CHP). Participants in these programs remain eligible for coverage for 12 continuous months regardless of changes in employment or income levels that may otherwise make them ineligible. Estimated costs for increased enrollment are budgeted in the Financial Plan through FY 2025. Beginning in June of 2023, the State resumed eligibility redeterminations for approximately 9 million public health insurance enrollees to be completed over a fourteen-month period, consistent with CMS requirements.

Currently, only non-citizens with certain immigration statuses are eligible for Federal and/or State benefits, including those “Permanently Residing Under Color of Law” (PRUCOL). While the term PRUCOL is not an immigration status, it is a public benefit category used by the Office of Temporary and Disability Assistance (OTDA) for the purposes of determining eligibility for Safety Net Assistance (SNA) and by DOH for determining which non-citizens may be eligible for Medicaid. Administrative actions were taken to align the OTDA and DOH definitions of PRUCOL. As a result, more households may be eligible for SNA, increasing State costs.

Extraordinary Aid to Hospitals

The pandemic further stressed the financial stability of hospitals responsible for supporting medical needs in underserved communities across the State, including those with higher rates of uninsured individuals and government payor mix. Accordingly, the FY 2024 Enacted Budget committed an additional $500 million in one-time resources in FY 2024, in addition to $984 million in ongoing annual base support, to strengthen the financial position of certain financially distressed providers. The importance of the hospital industry to local communities for purposes of accessing critical health care services, as well as other social and economic benefits, creates the potential for increased cost pressure within the Financial Plan should the State continue to assist hospitals.

Opioid Settlement Fund

The Attorney General (AG) and Department of Financial Services (DFS) have reached significant opioid related settlements with several corporations for their roles in helping fuel the opioid epidemic. As a result of the settlements, the State and its subdivisions are expected to receive payments over multiple years extending through 2040 which total more than $2.6 billion. A portion of this total will be paid directly to localities under the terms of the settlements, with the remainder paid to the State. The Financial Plan will be updated pending confirmation of the timing and value of the share of the settlements that the State will receive.

The State's share of these settlements will be deposited into the Opioid Settlement Fund pursuant to Chapter 190 of the Laws of 2021, as amended by Chapter 171 of the Laws of 2022. Money within the Opioid Settlement Fund will be used to supplement funding for substance use disorder prevention, treatment, recovery, and harm reduction services or programs and/or for payment to local governments pursuant to such settlements or judgments.

Money in the Opioid Settlement Fund must be kept separate and not commingled with any other funds and may only be expended following an appropriation consistent with State statute and the terms of any applicable statewide opioid settlement agreement. Detailed descriptions of prior settlements are available in previous Financial Plan publications.

State Labor Force

Labor Negotiations and Agreements

The State negotiates multi-year collective bargaining agreements with its unionized workforce that impact personal service and fringe benefit costs. The State's agreement with the Civil Service Employees Association (CSEA) extends through FY 2026. Similarly, the State reached agreements with Public Employees Federation (PEF) and United University Professions (UUP). The agreement with PEF runs from FY 2024 to FY 2026 and will provide 3 percent across the board salary increases for each year of the contract and a $3,000 bonus in FY 2024. The agreement with UUP runs from FY 2023 to FY 2026 and will provide a 2 percent across the board salary increase in FY 2023 and 3 percent across the board salary increases from FY 2024 to FY 2026. The agreement with UUP will also provide a $1,500 bonus to employees in FY 2025 and FY 2026.

The State has commenced labor negotiations with several unions for successor contracts; however, there can be no assurance that amounts informally reserved in the Financial Plan for labor settlements and agency operations will be sufficient to fund the cost of future labor contracts.

UNION LABOR CONTRACTS

	Contract Period	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
CSEA	FY 2022 - FY 2026	2%	2%	2%	2%	2%	2%	2%	3%	3%	3%
PEF	FY 2020 - FY 2023	2%	2%	2%	2%	2%	2%	2%	3%	3%	3%
UUP	AY 2017 - AY 2022	2%	2%	2%	2%	2%	2%	2%	3%	3%	3%
DC-37	FY 2022 - FY 2023	2%	2%	2%	2%	2%	2%	2%	TBD	TBD	TBD
GSEU	AY 2020 - AY 2023	2%	2%	2%	2%	2%	2%	2%	TBD	TBD	TBD
PBANYS	FY 2020 - FY 2023	2%	2%	2%	2%	2%	2%	2%	TBD	TBD	TBD
NYSTPBA	FY 2019 - FY 2023	1.5%	1.5%	2%	2%	2%	2%	2%	TBD	TBD	TBD
NYSPIA	FY 2019 - FY 2023	1.5%	1.5%	2%	2%	2%	2%	2%	TBD	TBD	TBD
CUNY	AY 2018 - AY 2023	2%	1.5%	2%	2%	2%	2%	2%	TBD	TBD	TBD
Council 82	FY 2017 - FY 2023	2%	2%	2%	2%	2%	2%	2%	TBD	TBD	TBD
NYSCOPBA	FY 2017 - FY 2023	2%	2%	2%	2%	2%	2%	2%	TBD	TBD	TBD

The Judiciary has contracts in place with all 12 unions represented within its workforce, which include CSEA, the New York State Supreme Court Officers Association, the New York State Court Officers Association, the New York State Court Clerks Association, and eight other unions. These contracts cover a five-year period from FY 2022 through FY 2026 with terms consistent with the CSEA agreement.

Pension Contributions[6]

Overview

The State makes annual contributions to the New York State and Local Retirement System (NYSLRS) for employees in the New York State and Local Employees' Retirement Systems (ERS) and the New York State and Local Police and Fire Retirement System (PFRS). This section discusses contributions from the State, including the Judiciary, to the NYSLRS, which account for the majority of the State's pension costs.[7] All projections are based on estimated market returns and numerous actuarial assumptions which, if unrealized, could have a materially adverse effect on these projections.

New York State Retirement and Social Security Law (RSSL) Section 11 directs the actuary for NYSLRS to provide regular reports on the System's experience and to propose assumptions and methods for the actuarial valuations. Employer contribution rates for NYSLRS are determined based on investment performance in the Common Retirement Fund and actuarial assumptions recommended by the Retirement System's Actuary and approved by the State Comptroller. Pension estimates are based on the actuarial report issued in August 2023.

On August 31, 2023, the Comptroller announced an increase in employer contribution rates for both ERS and PFRS which will impact payments in FY 2025. The average employer contribution rate for ERS increased from 13.1 percent to 15.2 percent of payroll, and the average employer contribution rate for PFRS increased from 27.8 percent to 31.2 percent of payroll. The increase in rates was primarily attributed to -4.14 percent return in the Common Retirement Fund, salary increases for active members and administrative expenses. In addition, there was a discretionary 0.6 percent increase in the ERS rate and 1.0 percent increase in the PFRS rate due to understating certain liabilities in the previous billing rates.

As a result of the increases in the employer contribution rates, participants in the Contribution Stabilization Program, which include the State, will have the option to amortize a portion of their FY 2025 ERS and PFRS liability over a period of ten years. The amounts eligible for amortization are to be determined by the System's Actuary and will be reflected in the employer's estimate. The Financial Plan does not assume the use of amortization nor the use of any eligible amounts in the pension reserve fund at this time.

The Financial Plan reflects the actuarial changes approved by the Comptroller, including ERS/PFRS pension estimates of $1.8 billion for FY 2024 based on the October 2023 estimate provided by the Actuary. Approximately $77 million in pension interest savings was achieved from the payment of the State's FY 2024 ERS/PFRS bill in May 2023.

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[6] The information contained under this heading was prepared solely by DOB and reflects the budgetary aspects of pension amortization. The information that appears later in this AIS Update under the section entitled "State Retirement System" was furnished solely by OSC.

[7] The State's aggregate pension costs also include State employees in the Teachers' Retirement System (TRS) for both the SUNY and the State Education Department (SED), the Optional Retirement Program (ORP) for both SUNY and SED, and the New York State Voluntary Defined Contribution Plan (VDC).

The FY 2024 Enacted Budget included legislation that modified the requirements when awarding an accidental disability benefit when the disability was related to the heart, for all NYSLRS members. Furthermore, it enhanced the death and disability benefit paid to PFRS members in the event of incapacity or death due to heart disease. The Financial Plan reflects the cost to the changes which are estimated to be $14.6 million in FY 2024 and approximately $2.1 million annually thereafter.

Estimates for FY 2025 and beyond are developed by DOB. The Comptroller does not forecast pension liability estimates for the later years of the Financial Plan. DOB's forecast assumes growth in the salary base consistent with collective bargaining agreements and a lower rate of return compared to the current assumed rate of return by NYSLRS.

Contribution Stabilization Program

Under legislation enacted in August 2010, the State and local governments may amortize (defer paying) a portion of their annual pension costs. Amortization temporarily reduces the pension costs that must be paid by public employers in a given fiscal year but results in higher costs overall when repaid with interest. The full amount of each amortization must be repaid within ten years at a fixed interest rate determined by OSC. The State and local governments are required to begin repayment on new amortizations in the fiscal year immediately following the year in which the amortization was initiated. The State currently has no outstanding pension amortization liability. The FY 2024 Enacted Budget included legislation to allow public employers the option to terminate participation in the program provided they have paid in full all prior year amortizations. The State currently has no plans to withdraw from the program.

The following table reflects projected pension contributions and prior amortizations exclusively for Executive branch and Judiciary employers participating in ERS and PFRS.

EMPLOYEE RETIREMENT SYSTEM AND POLICE AND FIRE RETIREMENT SYSTEM
IMPACTS OF AMORTIZATION ON PENSION CONTRIBUTIONS
(millions of dollars)

	Statewide Pension Payments[1]					Rates for Determining (Amortization Amount) / Excess Contributions			
Fiscal Year	Normal Costs	(Amortization Amount) / Excess Contributions	Repayment of Amortization	Total Statewide Pension Payments	Interest Rate on Amortization Amount (%)[2]	System Average Normal Rate[3]		Amortization Threshold (Graded Rate)	
						ERS (%)	PFRS (%)	ERS (%)	PFRS (%)
2021[4]	1,827.2	0.0	1,350.3	3,177.5	1.33	14.1	24.4	14.1	24.4
2022[5]	2,107.8	0.0	151.3	2,259.1	1.76	15.8	28.3	15.1	25.4
2023	1,550.9	266.4	0.0	1,817.3	3.61	11.4	27.0	14.1	26.4
2024 Est.	1,799.6	25.4	0.0	1,825.0	4.85	13.1	27.8	13.1	27.4
Projected by DOB[6]									
2025	2,171.0	0.0	0.0	2,171.0	TBD	15.2	31.2	14.1	28.4
2026	2,521.7	0.0	0.0	2,521.7	TBD	16.9	32.5	15.1	29.4
2027	3,272.1	0.0	0.0	3,272.1	TBD	19.4	33.7	16.1	30.4

1 Pension Contribution values in this table do not include pension costs related to the ORP, VDC, and TRS for SUNY and SED, whereas the projected pension costs in other Financial Plan tables include such pension disbursements.

2 Interest rates are determined by the Comptroller based on the market rate of return on comparable taxed fixed income investments (e.g., Ten-Year Treasuries). The interest rate is fixed for the duration of the ten-year repayment period.

3 The system average normal rate represents system-wide amortization-eligible costs (i.e. normal and administrative costs, as well as the cost of certain employer options) as a percentage of the system's total salary base. The normal rate does not include the following costs, which are not eligible for amortization: Group Life Insurance Plan (GLIP) contributions, deficiency contributions, previous amortizations, incentive costs, costs of new legislation in some cases, and prior-year adjustments. "(Amortization Amount) / Excess Contributions" are calculated for each employer in the system using employer-specific normal rates, which may differ from the system

4 Includes $918.1 million in prior year (non-Judiciary) amortization balances under the Contribution Stabilization Program. The prepayment eliminates the State's repayment obligations through FY 2026, and results in roughly $65 million interest savings over the financial plan period.

5 The Judiciary paid off their entire prior year amortization balance in FY 2022 eliminating their repayment obligation through FY 2026 resulting in approximately $8.4 million in interest savings over the financial plan period.

6 Outyear projections are prepared by DOB. The retirement system does not prepare, or make available, outyear projections of pension

The "Normal Costs" column shows the State's underlying pension cost in each fiscal year before the effects of the Contribution Stabilization Program. The "(Amortization Amount)/Excess Contributions" column shows amounts amortized or the excess contributions paid into the pension reserve account. The "Repayment of Amortization" column provides the amount paid in principal and interest towards the outstanding balance on prior-year amortizations. The "Total Statewide Pension Payments" column provides the State's actual or planned pension contribution, including amortization. The "Interest Rate on Amortization Amount (%)" column provides the interest rate at which the State will repay the amortized contribution, as determined by OSC. The remaining columns provide information on the normal rate and graded rate, which are used to determine the maximum allowed amortization amount or the mandatory excess contributions amount for a given fiscal year.

Other Post-Employment Benefits (OPEB)

State employees become eligible for post-employment benefits (e.g., health insurance) if they reach retirement while working for the State; are enrolled in either the New York State Health Insurance Program (NYSHIP) or the NYSHIP opt-out program at the time they reach retirement; and have the required years of eligible service. The cost of providing post-retirement health insurance is shared between the State and the retired employee. Contributions are established by law and may be amended by the Legislature. The State is not required to provide funding above the PAYGO amount necessary to provide current benefits to retirees. The State continues to fund these costs, along with all other employee health care expenses, on a PAYGO basis, meaning the State pays these costs as they become due.

State Debt

Bond Market and Credit Ratings

Successful execution of the Financial Plan is dependent on the State's ability to market bonds. The State finances much of its capital spending, in the first instance, from the General Fund or STIP, which it then reimburses with proceeds from the sale of bonds. An inability of the State to sell bonds or notes at the level or on the timetable it expects could have a material and adverse impact on the State's financial position and the implementation of its Capital Plan. The success of projected public sales of municipal bonds is subject to prevailing market conditions and related ratings issued by national credit rating agencies, among other factors. Future developments in the financial markets, including possible changes in Federal tax law relating to the taxation of interest on municipal bonds, may affect the market for outstanding State-supported and State-related debt.

The major rating agencies -- Fitch, Kroll, Moody's, and S&P -- have assigned the State general credit ratings of AA+, AA+, Aa1, and AA+, respectively. The State's rating has a stable outlook from all four rating agencies. These ratings reflect the State's economic recovery from the COVID-19 pandemic and commitment to strong reserve levels. The most recent rating action was on April 13, 2022, when Moody's raised the State's credit rating from Aa2 to Aa1, noting "a significant increase in resources combined with agile fiscal management that has resulted in balanced or nearly balanced budgets projected through the State's five-year financial plan."

Debt Reform Act Limit

The Debt Reform Act of 2000 ("Debt Reform Act") restricts the issuance of State-supported debt funding to capital purposes only and limits the maximum term of bonds to 30 years. The Debt Reform Act limits the amount of new State-supported debt to 4 percent of State personal income, and new State-supported debt service costs to 5 percent of All Funds receipts. The restrictions apply to State-supported debt issued after April 1, 2000. DOB, as administrator of the Debt Reform Act, determined that the State complied with the statutory caps in the most recent calculation period (FY 2023).

The statute requires that limitations on the amount of State-supported debt and debt service costs be calculated by October 31 of each year and reported in the Mid-Year Financial Plan. If the actual amount of new State-supported debt outstanding and debt service costs for the prior fiscal year are below the caps at that time, State-supported debt may continue to be issued. However, if either the debt outstanding or debt service caps are met or exceeded, the State would be precluded from issuing new State-supported debt until the next annual cap calculation is made and the debt is found to be within the applicable limitations.

As shown in the following tables, actual levels of debt outstanding and debt service costs are in compliance with the statutory caps. From April 1, 2000 through March 31, 2023, the State has issued new debt resulting in $36.7 billion of debt outstanding subject to the debt limit. This is approximately $22.7 billion below the statutory debt limitation. In addition, the debt service costs on this new debt totaled $3.8 billion in FY 2023, or roughly $7.8 billion below the debt service limit.

DEBT OUTSTANDING CAP (millions of dollars)		
	Dollar	Percent
Personal Income (CY 2022)[1]	1,483,802	
Max. Allowable Debt Outstanding	59,352	4.00%
Debt Outstanding Subject to Cap	36,696	2.47%
Remaining Capacity	22,656	1.53%

[1] Bureau of Economic Analysis (BEA).

DEBT SERVICE CAP (millions of dollars)		
	Dollar	Percent
All Funds Receipts (FY 2023)	233,060	
Max. Allowable Debt Service	11,653	5.00%
Debt Service Subject to Cap	3,832	1.64%
Remaining Capacity	7,821	3.36%

The State enacted legislation that suspended certain provisions of the Debt Reform Act for FY 2021 and FY 2022 bond issuances as part of the State's response to the COVID-19 pandemic. Accordingly, State-supported debt issued in FY 2021 and FY 2022 was not limited to capital purposes and is not counted towards the statutory caps on debt outstanding and debt service.

Following this temporary two-year suspension as a result of the COVID-19 pandemic, the provisions of the Debt Reform Act were reinstated for State-supported debt issued in FY 2023 and beyond. One limited exception to the Debt Reform Act remains for issuances undertaken by the State for MTA capital projects which may be issued with maximum maturities longer than 30 years. This allows bonds to be issued over the full useful life of the assets being financed, subject to Federal tax law limitations, and is consistent with the rules that would have been in effect if the projects had been directly financed by the MTA.

Current projections anticipate that State-supported debt outstanding and State-supported debt service will continue to remain below the limits imposed by the Debt Reform Act, in part reflecting the statutory suspension of the debt caps during FY 2021 and FY 2022.

Based on the most recent personal income and debt outstanding forecasts, the available debt capacity under the debt outstanding cap is expected to decline from $22.7 billion in FY 2023 to a low point of $4.0 billion in FY 2028. This calculation includes the estimated impact of funding capital commitments with State bonds. The debt service on State-supported debt subject to the statutory cap is projected at $2.5 billion in FY 2024, or roughly $8.7 billion below the statutory debt service limit.

DEBT OUTSTANDING SUBJECT TO CAP (millions of dollars)								TOTAL STATE-SUPPORTED DEBT (millions of dollars)	
Year	Personal Income	Cap %	Cap $	Debt Outstanding Included in Cap [1]	$ Remaining Capacity	Debt as a % of PI	% Remaining Capacity	Debt Outstanding Excluded from Cap	Supported Debt Outstanding
FY 2023	$1,483,802	4.00%	59,352	36,696	22,656	2.47%	1.53%	19,215	55,911
FY 2024	$1,538,920	4.00%	61,557	39,840	21,717	2.59%	1.41%	18,781	58,621
FY 2025	$1,594,885	4.00%	63,795	46,573	17,222	2.92%	1.08%	17,904	64,477
FY 2026	$1,663,824	4.00%	66,553	53,938	12,615	3.24%	0.76%	17,094	71,032
FY 2027	$1,734,667	4.00%	69,387	61,964	7,423	3.57%	0.43%	16,364	78,328
FY 2028	$1,808,180	4.00%	72,327	68,348	3,979	3.78%	0.22%	15,715	84,063

DEBT SERVICE SUBJECT TO CAP (millions of dollars)								TOTAL STATE-SUPPORTED DEBT SERVICE (millions of dollars)	
Year	All Funds Receipts	Cap %	Cap $	Debt Service Included in Cap [1]	$ Remaining Capacity	DS as a % of Revenue	% Remaining Capacity	Debt Service Excluded from Cap	Total State-Debt Service [2]
FY 2023	$233,060	5.00%	11,653	3,832	7,821	1.64%	3.36%	1,724	5,556
FY 2024	$224,559	5.00%	11,228	2,524	8,704	1.12%	3.88%	3,819	6,343
FY 2025	$219,595	5.00%	10,980	2,277	8,703	1.04%	3.96%	4,786	7,063
FY 2026	$222,170	5.00%	11,108	3,286	7,822	1.48%	3.52%	3,978	7,264
FY 2027	$223,669	5.00%	11,183	3,605	7,578	1.61%	3.39%	4,123	7,728
FY 2028	$233,955	5.00%	11,698	5,070	6,628	2.17%	2.83%	2,979	8,049

[1] Does not include debt issued prior to April 1, 2000. Does not include debt issued in FY 2021 and FY 2022 because the debt caps were temporarily suspended in response to the COVID-19 pandemic, pursuant to Chapter 56 of the Laws of 2020 and Chapter 59 of the Laws of 2021.

[2] Total State-supported debt service is adjusted for prepayments.

The State uses personal income estimates published by the Federal government, specifically the Bureau of Economic Analysis (BEA), to calculate the cap on debt outstanding, as required by statute. The BEA revises these estimates on a quarterly basis and such revisions can be significant. For Federal reporting purposes, BEA reassigns income from the state where it was earned to the state in which a person resides, for situations where a person lives and earns income in different states (the "residency adjustment"). The BEA residency adjustment has the effect of reducing reported New York State personal income because income earned in New York by non-residents regularly exceeds income earned in other states by New York residents. The State taxes all personal income earned in New York, regardless of place of residency.

Debt Cap Changes

Changes in the State's available debt capacity reflect personal income forecast adjustments, debt amortizations, and bond sale results. The decline in personal income estimates for the Mid-Year Update to the Financial Plan decreases outyear debt capacity. The reduction in debt capacity is offset by bond sale adjustments, as shown in the table below, which represent revisions to bond issuances that take into consideration future capital underspending and expected bond sale results. Bond sale adjustments also reflect actual issuances in FY 2024 and reductions in debt as a result of legal defeasances and bond tenders to date. Debt capacity also reflects the suspension of the Debt Reform Act for FY 2021 and FY 2022 issuances in response to the COVID-19 pandemic, as discussed previously. The State may adjust capital spending priorities and debt financing practices from time to time to preserve available debt capacity and stay within the statutory limits, as events warrant.

DEBT OUTSTANDING SUBJECT TO CAP [1]
REMAINING CAPACITY SUMMARY
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
Enacted Budget	**24,767**	**19,258**	**14,118**	**9,819**	**5,143**	**3,725**
Personal Income Forecast Update	(2,111)	(1,720)	(2,038)	(2,251)	(2,370)	(2,475)
Capital Adds/Bond Sale Adjustments	0	1,107	2,521	3,056	2,857	2,483
Defeasance	0	3,072	2,621	1,991	1,793	246
Mid-Year Update	**22,656**	**21,717**	**17,222**	**12,615**	**7,423**	**3,979**

[1] Does not include debt issued in FY 2021 and FY 2022 because the debt cap was temporarily suspended in response to the COVID-19 pandemic, pursuant to Chapter 56 of the Laws of 2020 and Chapter 59 of the Laws of 2021.

Localities and Authorities

Financial Condition of New York State Localities

The State's localities rely in part on State aid to balance their budgets and meet their cash requirements. As such, unanticipated financial needs among localities can adversely affect the State's Financial Plan projections. Localities outside the City of New York, including cities and counties, have also experienced financial problems, and have been allocated additional State assistance during the last several State fiscal years. The Financial Restructuring Board for Local Governments (the "Restructuring Board") aids distressed local governments by performing comprehensive reviews and providing grants and loans on the condition of implementing recommended efficiency initiatives. For additional details on the Restructuring Board, please visit frb.ny.gov.

MTA

The MTA operates public transportation in the City of New York metropolitan area, including subways, buses, commuter rail, and tolled vehicle crossings. The services provided by the MTA and its operating agencies are integral to the economy of the City of New York and the surrounding metropolitan region, as well as to the economy of the State. MTA operations are funded mainly from fare and toll revenue, dedicated taxes, and subsidies from the State and the City of New York.

MTA Capital Plans also rely on significant direct contributions from the State and the City of New York. The State is directly contributing $9.1 billion to the MTA's 2015-19 Capital Plan and $3.1 billion to the MTA's 2020-24 Capital Plan. These State commitment levels represent substantial increases from the funding levels for prior MTA Capital Plans (2010-2014: $770 million; 2005-2009: $1.45 billion). In addition, a substantial amount of new funding to the MTA was authorized in the FY 2020 Enacted Budget as part of a comprehensive reform plan expected to generate an estimated $25 billion in financing for the MTA's 2020-2024 Capital Plan.

The COVID-19 pandemic caused severe declines in MTA ridership and traffic in 2020, and ridership remains significantly below pre-pandemic levels. To offset operating losses to MTA's Financial Plan from the estimated fare, toll, and dedicated revenue loss attributable to the COVID-19 pandemic, significant Federal operating aid has been provided to the MTA from the Coronavirus Aid, Relief, and Economic Security (CARES) Act ($4 billion), Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act ($4.1 billion), and the American Rescue Plan (ARP) Act ($7 billion). The MTA also borrowed $2.9 billion through the Federal Reserve's Municipal Liquidity Facility (MLF).

In the FY 2024 Enacted Budget, the State took substantial action to provide the MTA with additional operating revenues dedicated to help solve the MTA's fiscal crisis due to the effects of the pandemic. This includes an increase in the metropolitan commuter transportation mobility tax (MCTMT) in the City of New York, a one-time State subsidy of $300 million, an increase in the City of New York's contribution to the MTA for the costs of paratransit services, and directing a portion of future casino revenues to the MTA.

Risks to the MTA's current financial projections include, but are not limited to, the level and pace at which ridership will return, the economic conditions of the MTA region, the ability to implement cost controls and savings actions, and the ability to implement biennial fare and toll increases. If additional resources are provided by the State in future years, either through additional subsidies or new revenues, it could have a material and adverse impact on the State's Financial Plan.

Other Risks and Ongoing Concerns

Climate Change

Overview

Climate change poses significant threats to physical, biological, and economic systems in New York and around the world. Hazards and risks related to climate change for the State include, among other things, rising sea levels, increased coastal flooding and related erosion hazards, intensifying storms and wildfires, and more extreme heat. The immediate and long-term effects of climate change could adversely impact the Financial Plan in the current year or in future years. To mitigate and manage these impacts, the Federal government, the State, municipalities, and public utilities continue to undertake a variety of actions to reduce greenhouse gas emissions and adapt existing infrastructure to the changing environment. However, given the size and scope of potential disruptions, there can be no assurance that such efforts will be adequate or timely enough to mitigate the most damaging effects of climate change.

Consequences of Climate Change

Storms affecting the State, including Hurricane Ida (September 2021), Superstorm Sandy (October 2012), Tropical Storm Lee (September 2011), and Hurricane Irene (August 2011), and more recently the severe flooding that swept through the Hudson Valley during the summer of 2023, have demonstrated vulnerabilities in the State's infrastructure (including mass transit systems, power transmission and distribution systems, and other critical lifelines) to extreme weather-driven events, including coastal flooding caused by storm surges and flash floods from rainfall.

Rating agencies are incorporating Environmental, Social, and Governance (ESG) factors into their credit analysis for the State and other issuers. Rising sea levels and their effect on coastal infrastructure have been identified as the primary climate risks for the northeastern United States, including New York State. These risks are heightened by population and critical infrastructure concentration in coastal areas. The release of issuer ESG scores by the rating agencies does not cause a change in the State's overall credit ratings, which are based on financial information in addition to the ESG component. Climate change risks increasingly fall within the maximum maturity term of current outstanding bonds of the State, its public authorities, and municipalities. State bonds may generally be issued with a term of up to 30 years under State statute.

State Response to Climate Change

The State is participating in efforts to reduce greenhouse gas emissions to mitigate the risk of severe impacts from climate change. In 2019, the Climate Leadership and Community Protection Act (CLCPA) was signed into law. The CLCPA set the State on a path toward developing regulations to reduce statewide greenhouse gas emissions by 40 percent below the 1990 level by 2030, and 85 percent below the 1990 level by 2050. Additionally, in accordance with the CLCPA, the State plans to require a minimum of 70 percent of electricity to be generated from renewable sources by 2030 and to fully transition its electricity sector away from carbon emissions by 2040. Several factors may impact the ability to achieve these goals, and, therefore, no assurances can be made that such goals will be met.

The CLCPA created the Climate Action Council (CAC), which was tasked with developing a Scoping Plan with recommendations to reduce greenhouse gas emissions, increase renewable energy usage, and promote climate justice. The CAC approved and adopted the final Scoping Plan on December 19, 2022, which recommended, among other actions, that the State develop a cap-and-invest program to limit greenhouse gas emissions. The State is currently advancing an economywide cap-and-invest program that establishes a declining cap on greenhouse gas emissions, while seeking to limit potential costs to economically vulnerable New Yorkers, invest proceeds in programs that drive emissions reductions in an equitable manner, and maintain the competitiveness of New York businesses and industries. Pursuant to the CLCPA, the Department of Environmental Conservation is required to promulgate rules and regulations that are consistent with meeting the CLCPA's statewide greenhouse gas emission limits.

New York’s electricity system is already part of a regional cap-and-invest program, the Regional Greenhouse Gas Initiative (RGGI). Since RGGI began operation in 2008, the program has helped reduce greenhouse gases from power plants by more than half and raised over $6.7 billion to support cleaner energy solutions amongst its 12 participating states.

Concurrently, the State has been taking regulatory and legislative actions that are intended to limit greenhouse gas emissions, electrify transportation, and generate more electricity from renewable sources. Realization of these actions and their intended outcomes is contingent upon successful implementation, and, therefore, no assurances can be made that such actions will be realized as planned. Major regulatory and legislative actions include:

- Authorizing the New York Power Authority to plan, design, develop, finance, construct, own, operate, maintain and improve renewable energy generating projects;

- Prohibiting building systems and/or equipment that burn fossil fuels in new construction starting December 31, 2025 for any new building seven stories or lower, except large commercial and industrial buildings, and December 31, 2028 for other new buildings;

- Requiring new off-road vehicles and equipment sold in New York to be zero-emissions by 2035 and new medium-duty and heavy-duty vehicles to be zero-emissions by 2045;

- Mandating that by no later than July 1, 2027, school districts and private transportation contractors purchase or lease only zero-emission school buses when purchasing or leasing new school buses, with full fleet conversion and operation of zero-emission school buses required by July 1, 2035;

- Appropriating $200 million in FY 2024 to help low-income families retrofit their homes by adding insulation, installing energy efficient appliances, and switching to clean energy; and

- Appropriating $500 million in FY 2024 to advance the offshore wind industry.

During the November 2022 general election, New York State voters approved the Clean Water, Clean Air, and Green Jobs Bond Act. The $4.2 billion bond act will support capital improvements and enhancements in the following areas: flood risk reduction/restorations; open space, working lands conservation, and recreation; climate change mitigation; and water quality improvement and resilient infrastructure.

Cybersecurity

New York State government, like many other large public and private entities, relies on a large and complex technology environment to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the State and its authorities, agencies and public benefit corporations, as well as its political subdivisions (including counties, cities, towns, villages and school districts) face multiple cyber threats involving, among others, hacking, viruses, ransomware, malware and other attacks on computers and other networks and systems. Entities or individuals may attempt to gain unauthorized access to the State's technology environment for the purposes of misappropriating assets or information or causing operational disruption and damage. In addition, the tactics used in malicious attacks to obtain unauthorized access to networks and systems change frequently and are often not recognized until launched against a target. Accordingly, the State may be unable to fully anticipate these techniques or implement adequate preventative measures.

To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the State invests in multiple forms of cybersecurity and operational controls. The State's Chief Information Security Office (CISO) within the State's Office of Information Technology Services (ITS) maintains policies and standards, programs, and services relating to the security of State government networks, and annually assesses the maturity of certain State agencies' cyber posture through the Nationwide Cyber Security Review. In addition, the CISO maintains the New York State Cyber Command Center team, which operates the New York Security Operations Center (NY SOC), possesses digital forensics capabilities, and manages cyber incident reporting and response. The CISO also distributes real-time advisories and alerts, provides managed security services, and implements statewide information, security awareness and training.

In February 2022, the Governor announced the creation of an information-sharing partnership, a Joint Security Operations Center (JSOC) with the cities of Albany, Buffalo, the City of New York, Rochester, Syracuse, and Yonkers. The JSOC combines local, state, and Federal cyber threat information in order to increase collaboration on threat intelligence, reduce response times, and yield faster and more effective remediation in the event of a major cyber incident. The FY 2024 Enacted Budget provided funding to expand New York's Shared Services Program to help county and local governments and other regional partners acquire and deploy high quality cybersecurity services to bolster their cyber defenses.

Occasionally, intrusions into State digital systems have been detected but they have generally been contained. While cybersecurity procedures and controls are routinely reviewed and tested, there can be no assurance that such security and operational control measures will be completely successful at preventing future cyber threats and attacks. Successful attacks could adversely impact the State, including disrupting business operations, damaging State networks and systems, or State and local infrastructure, and the costs of remediation and recovery could be substantial.

The State has also adopted regulations designed to protect the financial services industry from cyberattacks. Banks, insurance companies and other covered entities regulated by DFS are, unless eligible for limited exemptions, required to: (a) maintain a cybersecurity program, (b) create written cybersecurity policies and perform risk assessments, (c) designate someone with responsibility to oversee the cybersecurity program, (d) annually certify compliance with the cybersecurity regulations, and (e) report to DFS cybersecurity events that have a reasonable likelihood of materially harming any substantial part of the entity's normal operation(s) or for which notice is required to any government body, self-regulatory agency, or supervisory body.

SUNY Downstate Hospital and the Long Island College Hospital (LICH)

In May 2011, the real property and other assets of LICH were transferred to a New York State not-for-profit corporation ("Holdings"), the sole member of which is SUNY. Pursuant to a court-approved settlement in 2014, SUNY agreed to sell the assets acquired from LICH to the Fortis Property group and NYU Langone. The initial closing of the purchase agreement with Fortis was held in September 2015, and a second closing with NYU Langone occurred in March 2020. The final closing at which two remaining portions of the LICH properties would have been conveyed to Fortis did not occur as scheduled, and in 2023 Holdings terminated the purchase and sale agreement. Holdings has commenced litigation against Fortis to recover certain contractually required payments, and that litigation is ongoing. However, DOB has determined that the LICH transaction has been sufficiently resolved that it no longer poses a material risk to the Financial Plan and will discontinue reporting on this transaction at the end of the current Fiscal Year.

STATE FINANCIAL PLAN MULTI-YEAR PROJECTIONS

Introduction

This section presents the State's multi-year Financial Plan projections for receipts and disbursements, with an emphasis on FY 2024 projections.

The State's cash-basis budgeting system, complex fund structure, and practice of earmarking certain tax receipts for specific purposes complicate the discussion of the State's receipts and disbursements projections. Therefore, to minimize the distortions caused by these factors and, equally important, to highlight relevant aspects of the projections, DOB has adopted the following approaches in summarizing the projections:

Receipts. The detailed discussion of tax receipts covers projections for both the General Fund and State Funds (including capital projects). The State and All Funds perspective reflects estimated tax receipts before distribution to various funds and accounts, including tax receipts dedicated to Capital Projects Funds (which fall outside the General Fund and State Operating Funds accounting perspectives). DOB believes this presentation provides a clearer picture of projected receipts, trends, and forecast assumptions, by factoring out the distorting effects of earmarking tax receipts for specific purposes.

Disbursements. Roughly a quarter of projected State-financed spending for operating purposes (excluding transfers) is accounted for outside the General Fund, concentrated primarily in the areas of School Aid, health care, higher education, and transportation. To provide a clear picture of spending commitments, the multi-year projections, growth rates and summary of annual changes are presented, where appropriate, on a State Operating Funds basis.

In evaluating the State's multi-year operating forecast, the reliability of the estimates and projections in the later years of the Financial Plan are typically subject to more substantial revision than those in the current year and first "outyear." Accordingly, in terms of outyear projections, the first "outyear," FY 2025, is the most relevant from a planning perspective. The Financial Plan assumes Federal reimbursement of previously incurred pandemic response and recovery costs. However, there can be no assurance that FEMA will approve claims for the State to receive reimbursement in the amounts or State fiscal years projected in the Financial Plan.

Differences may occur from time to time between DOB and OSC's presentation and reporting of receipts and disbursements in financial reporting. For example, DOB may reflect a net expenditure while OSC may report the gross expenditure. Any such differences in reporting between DOB and OSC could result in differences in the presentation and reporting of receipts and disbursements for discrete funds, as well as differences in the presentation and reporting for total receipts and disbursements under different fund perspectives (e.g., State Operating Funds and All Governmental Funds).

The following tables present the Financial Plan multi-year projections for the General Fund and State Operating Funds, as well as a reconciliation between State Operating Funds projections and General Fund budget gaps.

General Fund Projections

GENERAL FUND PROJECTIONS (millions of dollars)	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
RECEIPTS					
Taxes (After Debt Service)	93,946	91,721	94,350	96,109	96,989
Miscellaneous Receipts	3,609	4,151	3,572	2,961	2,446
Federal Receipts	2,351	2,250	3,645	0	0
Other Transfers	3,291	2,150	1,685	1,608	1,472
Total Receipts	**103,197**	**100,272**	**103,252**	**100,678**	**100,907**
DISBURSEMENTS					
Assistance and Grants	62,852	73,255	78,172	81,837	85,677
School Aid (SFY)	25,645	28,885	30,543	32,224	33,561
Medicaid	19,380	21,098	24,373	26,550	28,522
All Other	17,827	23,272	23,256	23,063	23,594
State Operations	12,507	12,828	14,187	14,544	14,677
Personal Service	9,464	10,421	10,631	10,746	10,923
Non-Personal Service	3,043	2,407	3,556	3,798	3,754
General State Charges	9,115	7,661	8,889	10,069	11,511
Transfers to Other Funds	8,325	7,178	9,024	6,794	6,398
Debt Service	298	227	265	289	338
Capital Projects	4,649	3,702	5,330	3,058	2,585
SUNY Operations	1,491	1,627	1,701	1,735	1,749
All Other	1,887	1,622	1,728	1,712	1,726
Total Disbursements	**92,799**	**100,922**	**110,272**	**113,244**	**118,263**
Use (Reservation) of Fund Balance:	**(10,398)**	**650**	**2,694**	**3,040**	**9,634**
Community Projects	1	2	0	0	0
Debt Management	(1,855)	(81)	576	860	0
Economic Uncertainties	(7,617)	0	0	0	0
Extraordinary Monetary Settlements[1]	267	428	516	286	290
Labor Settlements/Agency Operations	(490)	(1,000)	(1,450)	(1,450)	(1,450)
Pandemic Assistance	1,755	245	0	0	0
Rainy Day Reserve	(2,754)	0	0	0	0
Tax Stabilization Reserve	(183)	0	0	0	0
Timing of PTET/PIT Credits	2,072	2,176	1,133	1,798	9,249
Undesignated Fund Balance	(1,594)	(1,120)	1,919	1,546	1,545
BUDGET SURPLUS/(GAP) PROJECTIONS	**0**	**0**	**(4,326)**	**(9,526)**	**(7,722)**

[1] Reflects transfers of Extraordinary Monetary Settlement funds from the General Fund to the Dedicated Infrastructure Investment Fund, the Environmental Protection Fund, and the Capital Projects Fund.

State Operating Funds Projections

STATE OPERATING FUNDS DISBURSEMENTS
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
RECEIPTS					
Taxes	110,398	100,420	103,863	107,210	108,183
Miscellaneous Receipts/Federal Receipts	27,322	22,732	22,064	18,875	18,633
Total Receipts	**137,720**	**123,152**	**125,927**	**126,085**	**126,816**
DISBURSEMENTS					
Assistance and Grants	81,877	90,589	94,404	97,768	101,754
School Aid (School Year Basis)[1]	31,373	34,388	35,704	37,146	38,613
DOH Medicaid	25,468	27,253	30,137	32,199	34,155
Transportation	4,569	5,249	5,141	5,142	5,140
STAR	1,781	1,667	1,575	1,547	1,520
Higher Education	2,876	3,139	3,209	3,283	3,338
Social Services	4,997	4,781	5,539	5,010	4,973
Mental Hygiene[2]	4,786	6,463	5,635	5,796	6,210
All Other[3]	6,027	7,649	7,464	7,645	7,805
State Operations	21,190	21,743	22,966	24,646	25,013
Personal Service	14,840	15,873	16,085	16,372	16,692
Non-Personal Service	6,350	5,870	6,881	8,274	8,321
General State Charges	10,203	8,870	10,125	11,325	12,791
Pension Contribution	2,045	2,099	2,428	2,791	3,548
Health Insurance	6,003	4,765	5,556	6,179	6,808
All Other	2,155	2,006	2,141	2,355	2,435
Debt Service	10,481	2,638	3,368	4,884	4,868
Capital Projects	0	0	0	0	0
Total Disbursements	**123,751**	**123,840**	**130,863**	**138,623**	**144,426**
Net Other Financing Sources/(Uses)	(2,013)	(856)	(2,947)	(611)	(235)
RECONCILIATION TO GENERAL FUND GAP					
Designated Fund Balances:	(11,956)	1,544	3,557	3,623	10,123
General Fund	(10,398)	650	2,694	3,040	9,634
Special Revenue Funds	(1,501)	907	872	609	523
Debt Service Funds	(57)	(13)	(9)	(26)	(34)
GENERAL FUND BUDGET SURPLUS/(GAP)	**0**	**0**	**(4,326)**	**(9,526)**	**(7,722)**

[1] Does not reflect a significant amount of Federal CRRSA and ARP Act funding for school districts to be distributed over multiple years, such as prekindergarten expansion grants supported by ARP Act funding that appear on the School Aid run.

[2] Multi-year estimates exclude a portion of spending reported under the Medicaid Global Cap that has no impact on mental hygiene service delivery or operations.

[3] All Other includes education, parks, environment, economic development, and public safety, as well as the reconciliation between school year and State fiscal year spending on School Aid.

Economic Outlook[8]

At the onset of 2023, the economic outlook was pessimistic. Elevated inflation, tightening monetary policy, weak industrial production growth, and consumer and business expectations pointed to a recession in 2023. Despite the warning signs, U.S. economic growth has been strong, continuing to create new jobs and expand incomes. The downturn expected by many has been avoided and economic forecasts have been revised to reflect a likely "soft landing." There are still challenges ahead. While far below its peaks in 2022, inflation is persistent, and the impacts of the restrictive monetary policy designed to address it are spreading throughout financial markets and the overall economy. The increased costs of borrowing will likely slow spending and investment and moderate employment growth. Gains seen in wages and personal income are likely to slow in the coming quarters.

U.S. real Gross Domestic Product (GDP) growth is expected to slow from an average pace of 2.4 percent in 2023 to 1.6 percent in 2024. These growth rates are a sign of an economy transitioning from a period of above long-term average growth to slightly below. The U.S. economy should be able to weather the forces inhibiting growth in the short term and avoid a contraction. Currently, DOB does not foresee a sustained downturn in the levels of employment, industrial production, retail and wholesale trade, or personal income. If an unforeseen shock to the U.S. or global economy was to spur an economic downturn in the first half of 2024, it would be relatively short-lived and mild compared to previous recessions experienced in 2001 and 2008-09.

Given robust economic growth and continued strong labor demand, high average wage growth drove more people into the labor force. This increase in labor force participation should be interpreted with caution because it could contribute to an increase in the unemployment rate in 2024 while more people look for jobs. At the same time, early signs suggest businesses are scaling back their open positions, but large-scale layoffs are not expected. DOB forecasts the unemployment rate to rise modestly, to 4.2 percent in 2024 from 3.7 percent in 2023.

New York State employment continued to grow in the first half of 2023, but at a slower pace than the national economy. State total employment is projected to grow by 0.9 percent in FY 2024 and State wage growth is expected to be 2.8 percent. FY 2025 State employment and wage growth rates are forecast to be 0.3 percent and 3.8 percent, respectively.

The unemployment rate is forecasted to rise slowly from 3.7 percent to 4.2 percent in 2024, with inflation remaining elevated for longer than originally projected. Inflation is estimated to be 4.3 percent in 2023 and 3.2 percent in 2024, still above the Federal Reserve's target rate.

8 DOB's U.S. economic forecast incorporates the third estimate of 2023 second-quarter GDP, the August 2023 personal income and outlays estimates, the August 2023 CPI report, and the initial estimate of September 2023 employment. DOB's New York State forecast incorporates the second quarter of 2023 personal income by state data and the first half of 2023 QCEW data.

MAJOR ECONOMIC INDICATORS

	Calendar Year Growth (%)		
	CY 2022 Actual	CY 2023 Estimated	CY 2024 Forecast
Real U.S. Gross Domestic Product (GDP)	1.9	2.4	1.6
Nonfarm Employment			
U.S.	4.3	2.4	0.8
New York State	5.1	1.6	0.2
U.S. Consumer Price Index (CPI)	8.0	4.3	3.2
U.S. Civilian Unemployment Rate	3.6	3.7	4.2
	State Fiscal Year Growth (%)		
	FY 2023 Actual	FY 2024 Estimated	FY 2025 Forecast
Personal Income			
U.S.	4.4	4.9	4.1
New York State*	0.6	3.3	4.1
Wages			
U.S.	6.8	6.1	3.9
New York State	4.9	2.8	3.8
Nonfarm Employment			
U.S.	3.8	2.0	0.6
New York State	4.3	0.9	0.3

Note: * New York State personal income is constructed by using QCEW wages and BEA non-wage income.
Source: Haver Analytics; Moody's Analytics; New York State Department of Labor; DOB staff estimates.

Real Output is Unlikely to Contract in the Near Term

Expectations of a significant downturn in the U.S. economy have either been scaled back or postponed.[9] The U.S. economy grew rapidly in the third quarter of 2023 as expected. Consumer spending, residential investment, international trade, and labor markets point to an above-trend expansion this year. As a result, DOB is no longer projecting a national economic downturn in real output in the second half of 2023. Real GDP is estimated to grow by 2.4 percent in 2023.

Looking ahead, the stronger momentum in 2023 also supports an improved outlook for output growth and real GDP is forecast to increase by 1.6 percent in 2024. However, quarter-on-quarter real GDP growth is still projected to slow in the first half of 2024 due to higher interest rates.

[9] U.S. real GDP exhibited less weakness than previously estimated during the COVID-19 pandemic according to the Bureau of Economic Analysis's (BEA's) latest estimates, which included comprehensive updates of the National Income and Product Accounts (NIPAs) back to 1979. The post-pandemic growth was revised down, however, a slightly stronger momentum was built up in the first two quarters of 2023 with quarterly growth of 2.2 percent and 2.1 percent, respectively.

Price Inflation Pressures Remain Elevated Despite a 2022 Peak

Consumer price inflation has slowed markedly from its peak in mid-2022. Year-over-year change in the Consumer Price Index (CPI) dropped to 3.0 percent in June 2023 from 9.1 percent in June 2022. More recently, however, a sharp increase in global oil prices led to a reacceleration in the price index. As of September 2023, overall inflation, measured by the year-over-year change in the CPI, ticked up to 3.7 percent.

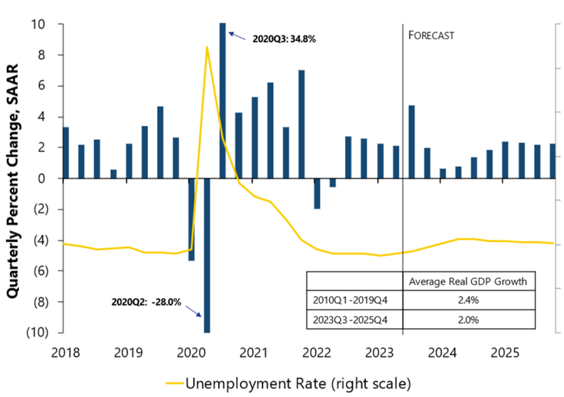
The strength of economic growth over the second half of this year and ongoing job growth suggests inflation pressures will remain elevated. As a result, DOB projects the CPI to grow 4.3 percent in 2023 and 3.2 percent in 2024. Additionally, the trajectory of inflation is likely to remain volatile in the months ahead. Risks related to the Israel-Hamas war could keep oil prices elevated in the months to come, adding to the volatility in inflation and posing a major risk to the improved outlook. In the medium term, as energy prices are expected to decline, overall consumer price inflation is projected to ease to 2.3 percent in 2025, closer to the Fed's inflation target.

U.S. Job Gains are Expected to Slow Down in the First Half of 2024

Strong job growth in 2023 created further economic momentum for 2024 by lifting consumer spending. Fiscal policy and infrastructure investment funded through Federal COVID-19 relief programs and the Infrastructure Investment and Jobs Act have helped keep overall employment levels growing. Monthly job gains jumped to 336,000 in September 2023. The third-quarter job gains average 266,000 per month, accelerating from an average of 201,000 in the second quarter of the year. Total nonfarm employment is estimated to grow 2.4 percent in 2023.

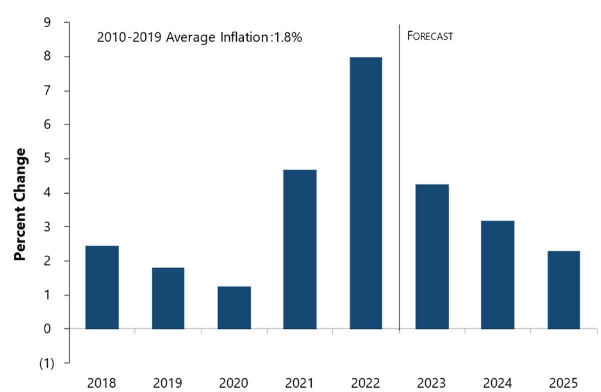
Looking ahead, job gains are expected to slow down significantly in the first half of 2024 with possible mild job losses in the second quarter. However, labor markets will not soften as much as previously expected. Overall, employment is forecasted to grow by 0.8 percent in 2024. Similarly, the quarterly unemployment rate is projected to peak at 4.3 percent by mid-2024. Forecasts for unemployment rates have been revised downward reflecting the moderate economic growth rates now anticipated in 2024.

Real GDP Growth and Unemployment Rate



Source: Haver Analytics/BEA, BLS; DOB staff estimates.

Consumer Price Index (CPI)



Source: Haver Analytics/BLS; DOB staff estimates.

New York State and the City of New York Labor Markets Face Ongoing Challenges

The State's job recovery has been hampered by labor shortages, the highest inflation rates seen in 40 years, rising interest rates, and slowing global growth. The State's total employment remained 1.0 percent below its pre-pandemic level, whereas the nation had regained all its job losses by June 2022. As of September 2023, New York's transportation, warehousing and utilities, finance and insurance, professional and business services, education, and healthcare and social assistance sectors posted net job gains relative to February 2020. The State registered an unemployment rate of 4.0 percent in September 2023 compared to the U.S. rate of 3.8 percent for the same month. The employment situation differs across the State with the City of New York reporting a rate of 5.3 percent, compared to the rest of the State's rate of 3.1 percent.

Following 5.1 percent growth in 2022, the State's total employment is projected to grow by only 1.6 percent in 2023. State employment growth is projected to slow down further in 2024, growing 0.2 percent, largely due to the deceleration of the national economy.

U.S. and New York State Personal Income Growth will be Moderate in 2024

Recent revisions to the Bureau of Economic Analysis's (BEA's) National Income and Product Accounts (NIPAs) revealed that U.S. personal income had been at a much higher level since 2021 than previously estimated. Higher incomes and household saving levels, bolstered by the pandemic income assistance policies, are expected to continue supporting consumer spending, offsetting any negative impacts of tightening credit standards and a resumption of student loan payments.

Consistent with a stronger employment outlook and slowly decelerating hourly earnings growth, DOB revised up U.S. wage growth to 6.4 percent in 2023 and 4.3 percent in 2024. U.S. personal income growth projections are 5.3 percent in 2023 and 4.1 percent in 2024, dragged down by declines in non-wage income components such as dividend income.

State total wages for FY 2024 are projected to grow by 2.8 percent in the Mid-Year Update and State personal income growth for FY 2024 is forecast to be 3.3 percent. State personal income levels were revised downward driven by the BEA's latest release of State personal income data for the second quarter of 2023, in which the quarterly estimates of personal income by state from the first quarter of 1979 through the first quarter of 2023 were revised downwards. The forecasted level for FY 2024 State personal income is $39.0 billion lower than earlier projections.

Financial Markets Begin Feeling the Effects of Tightening Monetary Policy

Since 2021, the Federal Reserve's tightening monetary policy stance to bring inflation back to its target of 2 percent has increased risks of a recession. While this policy stance appears to have reversed the trajectory of rising inflation since 2022, it also made credit more costly. The recent surge in the Treasury bond yields drove up further DOB's projections for all other long-term interest rates from mortgage rates to corporate and municipal bond yields.

Higher long-term rates are expected to become a significant drag on residential and business investment in 2024 and they will also have a much larger effect on access to credit than rate hikes by the Fed alone. Higher interest rates could take a toll on asset prices as well; however, the stock market held up better than expected so far. The S&P 500 stock price index averaged 4,458 in the third quarter of 2023, representing 26.4 percent growth at an annual rate. DOB expects stock prices to respond more negatively to rate spikes and start to decline in the fourth quarter of 2023 and into 2024, providing less support for household spending through the wealth effect.

Given the recent environment for monetary policy and financial markets, DOB forecasts assume one more rate hike before the end of the year, a reversal of the tightening policy after mid-2024, and a slower pace of easing the Federal Funds rate. This is consistent with DOB's revised outlook that reflects the economy's resilience in 2023 and 2024. If the recent increase in the long-term Treasury bond yields is sustained, economic momentum could be further curtailed without the Federal Reserve raising its policy rates.

The Federal Reserve's rapid rate hikes to combat inflation significantly eroded financial and banking sector performance in 2023 and are likely to continue to dampen earnings and profits in 2024. New York Stock Exchange (NYSE) member firms' total revenues increased by 85.6 percent in the first half of 2023. NYSE member firms' revenues net of interest expense saw an increase of only 5.3 percent during the same period. Six major Wall Street investment banks' revenues grew by 11.8 percent in the first three quarters of 2023; however, the banking system crisis in March 2023, commercial real estate loan worries, and an expected U.S. economic slowdown prompted banks to tighten lending standards and set aside funds to cover possible losses stemming from commercial real estate.

Overall indicators of the level of financial market activity were mixed so far in 2023, and DOB expects financial and insurance sector bonuses will continue to decline compared to 2022, but at a slower rate. Following a decline of 41.7 percent in 2022, debt underwriting declined by another 3.0 percent in the first nine months of 2023. Initial public offerings (IPOs) experienced a severe contraction of 94.4 percent in 2022. Although IPOs grew 145.5 percent in the first three quarters of 2023, the monthly average value of the IPOs was less than half of the pre-pandemic monthly average. Therefore, following a decline of 17.0 percent in FY 2023, finance and insurance sector bonuses are projected to experience another year of decline, but with a smaller magnitude of 3.4 percent in FY 2024.

Risks to the Economic Outlook in 2024

While DOB is anticipating the U.S. economy to avoid an outright recession in early 2024, potential external factors could result in the economy failing to meet projections. For instance, an oil price surge due to a broader conflict in the Middle East could lead to a resurgence of inflation and slower economic growth. More persistent inflation could threaten a de-anchoring of inflation expectations and push the Federal Reserve to continue tightening, driving the economy toward a recession. Broader tightening of credit conditions could wreak havoc on financial markets and cause lingering economic problems beyond the financial sector. At higher interest rates, the growing level of national debt could create major imbalances that could adversely affect the economy in the medium term.

Additionally, potential threats from exogenous events remain. While Congress passed a continuing resolution to fund Federal agencies through mid-November 2023, a long-lasting Federal government shutdown in November remains a downside risk to DOB's outlook. In addition, the United Auto Workers (UAW) strike has lasted over a month, hampering the industry and threatening many suppliers that contribute to the supply chain. DOB assumes the UAW strike would not last more than 6 weeks in this update. This reduces GDP growth by about two-tenths of a percentage point in the fourth quarter. However, if work stoppages were to expand to other sectors or last longer than projected, greater uncertainty could take a more serious toll on the economy beyond the auto industry. Other sectors such as entertainment, retail, and health care are also faced with strikes suggesting continued labor market risks.

As the national economy transitions to moderate growth, there are many risks that could directly impact the forecasts for New York personal income and wages in the current fiscal year. Greater than expected national and global economic slowdowns in the upcoming fiscal year could put more downward pressure on demand for New York professional and business services, and result in greater layoffs, lower personal income, and lower wage growth. Continued outmigration is also a major risk to the City of New York and the State. In addition, ongoing stress in the City of New York commercial real estate market may create stronger economic headwinds.

On the other hand, both the U.S. and New York State economies would benefit if inflation remained controlled without further Federal Reserve tightening. A tailwind to the national and State economies could also come from the still high level of excess savings in the economy remaining from the pandemic era income support policies. Infrastructure spending and ongoing fiscal policy stimulus also provide tailwinds. If an expected global and national economic slowdown turns out to be milder than anticipated, the State economy would benefit.

Receipts

Financial Plan receipts include a variety of taxes, fees and assessments, charges for State-provided services, Federal receipts, and other miscellaneous receipts. Multi-year receipts estimates are prepared by DOB with the assistance of the Department of Taxation and Finance (DTF) and other agencies which collect State receipts and are premised on economic analysis and forecasts.

Overall base growth (i.e., growth not due to law changes) in tax receipts is dependent on many factors. In general, base tax receipts growth rates are determined by economic changes including, but not limited to, changes in interest rates, prices, wages, employment, nonwage income, capital gains realizations, taxable consumption, corporate profits, household net worth, real estate prices and gasoline prices. Federal law changes can influence taxpayer behavior, which often alters base tax receipts. State taxes account for approximately half of total All Funds receipts.

Projections of Federal receipts generally correspond to the anticipated spending levels of a variety of programs supported by Federal aid including Medicaid, public assistance, mental hygiene, education, public health, and other activities.

Certain tables in the following section display General Fund tax receipts that exclude amounts transferred to the General Fund in excess of amounts needed for certain debt service obligations (e.g., PIT receipts in excess of the amount transferred for debt service on revenue bonds). General Fund tax receipts are affected by the deposit of dedicated taxes in other funds for debt service and the STAR program. Changes in debt service on State-supported revenue bonds affect General Fund tax receipts. The State utilizes bonding programs where tax receipts are deposited into dedicated debt service funds (outside the General Fund) and used to make debt service payments. After satisfying debt service requirements for these bonding programs, the balance is transferred to the General Fund.

Overview of the Receipts Forecast

All Funds receipts in FY 2024 are projected to total $224.6 billion, a 3.6 percent ($8.5 billion) decrease from FY 2023 results. FY 2024 State tax receipts are projected to decrease $9.7 billion (8.7 percent) from FY 2023 results. A summary of the annual changes of each tax category is provided below with the narrative that follows focused on State/All Funds receipts.

ALL FUNDS RECEIPTS
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
Personal Income Tax	58,776	51,269	-12.8%	55,538	8.3%	59,912	7.9%	70,862	18.3%
Consumption/Use Taxes	20,585	21,932	6.5%	22,427	2.3%	22,960	2.4%	23,582	2.7%
Business Taxes	28,617	25,915	-9.4%	24,897	-3.9%	23,194	-6.8%	12,433	-46.4%
Other Taxes	3,679	2,820	-23.3%	2,509	-11.0%	2,645	5.4%	2,802	5.9%
Total State Taxes	**111,657**	**101,936**	**-8.7%**	**105,371**	**3.4%**	**108,711**	**3.2%**	**109,679**	**0.9%**
Miscellaneous Receipts	31,842	27,858	-12.5%	28,148	1.0%	29,951	6.4%	30,012	0.2%
Federal Receipts	89,563	94,765	5.8%	86,074	-9.2%	83,510	-3.0%	83,981	0.6%
Total All Funds Receipts	**233,062**	**224,559**	**-3.6%**	**219,593**	**-2.2%**	**222,172**	**1.2%**	**223,672**	**0.7%**

Personal Income Tax

FY 2024 PIT receipts are estimated to decrease from FY 2023 reflecting declines in extension payments for tax year 2022, current estimated payments for tax year 2023, final returns, and delinquencies. Total refunds are expected to decline, with underlying growth overshadowed by the influence of PTET[10], an elective tax paid by NYS partnerships and S-corporations for which a corresponding PIT credit may be received. Despite being revenue neutral to the overall Financial Plan across all fiscal years, it is expected that the PTET will have a significant negative impact on PIT collections for as long as the Federal limit on SALT deductions remains in effect. Net PIT collections over this period will be suppressed by reduced estimated payments and elevated refunds, with cumulative impacts equal to total PTET liability.

PERSONAL INCOME TAX
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
STATE/ALL FUNDS	**58,776**	**51,269**	**-12.8%**	**55,538**	**8.3%**	**59,912**	**7.9%**	**70,862**	**18.3%**
Gross Collections	78,151	68,911	-11.8%	71,938	4.4%	76,580	6.5%	88,576	15.7%
Refunds (Incl. State/City Offset)	(19,375)	(17,642)	8.9%	(16,400)	7.0%	(16,668)	-1.6%	(17,714)	-6.3%
GENERAL FUND[1]	**27,607**	**23,968**	**-13.2%**	**26,194**	**9.3%**	**28,409**	**8.5%**	**33,911**	**19.4%**
Gross Collections	78,151	68,911	-11.8%	71,938	4.4%	76,580	6.5%	88,576	15.7%
Refunds (Incl. State/City Offset)	(19,375)	(17,642)	8.9%	(16,400)	7.0%	(16,668)	-1.6%	(17,714)	-6.3%
STAR	(1,781)	(1,667)	6.4%	(1,575)	5.5%	(1,547)	1.8%	(1,520)	1.7%
RBTF	(29,388)	(25,634)	12.8%	(27,769)	-8.3%	(29,956)	-7.9%	(35,431)	-18.3%

[1] Excludes Transfers.

[10] Beginning in FY 2022, the PTET program began affecting reported tax collections. The operation of the PTET program is described under the heading, "PTET Financial Plan Impact" in the General Fund section herein.

The following table summarizes, by component, actual PIT receipts for FY 2023 and forecast amounts through FY 2027.

ALL FUNDS PERSONAL INCOME TAX FISCAL YEAR COLLECTION COMPONENTS (millions of dollars)					
	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
Receipts					
Withholding	52,477	53,508	56,086	58,982	62,038
Estimated Payments	18,428	10,264	10,757	12,258	20,949
Current Year	8,158	5,807	6,647	6,736	15,363
Prior Year[1]	10,270	4,457	4,110	5,522	5,586
Final Returns	5,367	3,530	3,431	3,621	3,817
Current Year	406	367	385	404	424
Prior Year[1]	4,961	3,163	3,046	3,217	3,393
Delinquent	1,879	1,609	1,664	1,719	1,772
Gross Receipts	78,151	68,911	71,938	76,580	88,576
Refunds					
Prior Year[1]	9,767	9,754	9,310	9,280	9,977
Previous Year	1,893	2,277	1,276	1,315	1,350
Current Year[1]	3,000	3,000	3,000	3,000	3,000
Advanced Credit Payment	2,707	908	1,082	1,242	1,418
State/City Offset[1, 2]	2,008	1,703	1,732	1,831	1,969
Total Refunds	19,375	17,642	16,400	16,668	17,714
Net Receipts	**58,776**	**51,269**	**55,538**	**59,912**	**70,862**

[1] These components, collectively, are known as the "settlement" on the prior year's tax liability.
[2] The State/city offset corrects the distribution of tax payments between the State, NYC, Yonkers, and the Metropolitan Commuter Transportation Mobility Tax.

FY 2024 withholding is estimated to increase compared to the prior year, reflecting moderate growth in non-bonus wages offset by projected declines in bonus wages. Current estimated payments for tax year 2023 and extension payments (i.e., prior year estimated) for tax year 2022 are both expected to decrease. The decline in extensions is particularly dramatic, representing the steepest year-over-year decline for this component since the decline experienced in tax year 2008, and is attributed to a sharp decline in capital gains income. Delinquent collections and final return payments are projected to decrease as well, the latter in response to an extraordinary decline in overall nonwage income, in part due to the reversion of unemployment insurance income to a pre-pandemic level. The resulting decline in gross PIT receipts is expected to be partly offset by a decline in total refunds.

Total refunds in FY 2024 are projected to decrease, driven by a combination of decreased advanced credit payments attributable to the Homeowner Tax Rebate Credit expiration and PTET-related current refund payments for tax year 2022. Tax year 2022 PTET credits are also projected to drive a decrease in the State/city offset. These declines are offset by a projected increase in refunds for tax years prior to 2022, driven by tax year 2021 PTET credits. Current refund payments for tax year 2022 are expected to remain nearly flat year-over-year due to underlying growth offset by tax year 2022 PTET credits.

FY 2025 PIT receipts are projected to increase due to growth in both withholding and current estimated payments for tax year 2024, coupled with a projected decline in total refunds. The decline in FY 2025 total refunds is attributable to decreases in current refunds for tax year 2023 and previous year refunds, which are projected to be inflated in FY 2024 due to late realization of tax year 2021 PTET credits. The magnitude of late realization is expected to decline in future years as taxpayers gain familiarity with the PTET program. The decline in current refunds is offset by FY 2024 Enacted Budget legislation which expanded the Empire State Child Credit to include children under the age of four. The increases in net PIT receipts are offset by a projected decline in tax year 2023 extension payments attributable to continued weakness in capital gains income.

PIT receipts for FY 2026 are projected to increase from FY 2025 projections due to growth in gross receipts partly offset by a projected increase in total refunds.

FY 2027 PIT receipts estimates are expected to register double-digit growth due to the scheduled expiration of the Federal SALT deduction cap at the end of 2025. This expiration is expected to eliminate the incentive to participate in the PTET program and, without the associated credits, quarterly estimated payments are projected to return to pre-PTET levels. Furthermore, the forecast assumes that taxpayers will adjust the timing of payments to benefit from unrestricted SALT deductions in tax year 2026, resulting in an increased share of liability paid through current estimated payments (FY 2027) and a reduced share paid through extension payments (FY 2028). Excluding PTET, FY 2027 PIT receipts are estimated to increase by 10.5 percent.

Consumption/Use Taxes

CONSUMPTION/USE TAXES (millions of dollars)									
	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
STATE/ALL FUNDS	20,585	21,932	6.5%	22,427	2.3%	22,960	2.4%	23,582	2.7%
Sales Tax	18,933	19,931	5.3%	20,377	2.2%	20,856	2.4%	21,409	2.7%
Cigarette and Tobacco Taxes	859	823	-4.2%	783	-4.9%	750	-4.2%	720	-4.0%
Vapor Excise Tax	25	25	0.0%	25	0.0%	25	0.0%	25	0.0%
Motor Fuel Tax	179	490	173.7%	491	0.2%	486	-1.0%	482	-0.8%
Highway Use Tax	143	141	-1.4%	143	1.4%	143	0.0%	144	0.7%
Alcoholic Beverage Taxes	282	284	0.7%	287	1.1%	289	0.7%	293	1.4%
Opioid Excise Tax	27	25	-7.4%	25	0.0%	25	0.0%	25	0.0%
Medical Cannabis Excise Tax	13	12	-7.7%	12	0.0%	12	0.0%	12	0.0%
Adult Use Cannabis Tax	0	70	0.0%	158	125.7%	245	55.1%	339	38.4%
Auto Rental Tax[1]	122	131	7.4%	124	-5.3%	127	2.4%	131	3.1%
Peer to Peer Car Sharing Tax	2	0	-100.0%	2	0.0%	2	0.0%	2	0.0%
GENERAL FUND[2]	7,239	9,900	36.8%	10,109	2.1%	10,327	2.2%	10,582	2.5%
Sales Tax	6,663	9,326	40.0%	9,537	2.3%	9,761	2.3%	10,019	2.6%
Cigarette and Tobacco Taxes	265	265	0.0%	258	-2.6%	250	-3.1%	243	-2.8%
Alcoholic Beverage Taxes	282	284	0.7%	287	1.1%	289	0.7%	293	1.4%
Opioid Excise Tax	27	25	-7.4%	25	0.0%	25	0.0%	25	0.0%
Peer to Peer Car Sharing Tax	2	0	-100.0%	2	0.0%	2	0.0%	2	0.0%

[1] No longer includes receipts remitted directly to the MTA without an appropriation as of FY 2020.

[2] Excludes Transfers.

Pursuant to statute, 25 percent of State sales tax receipts were deposited into the Local Government Assistance Tax Fund until the termination of the Fund on October 1, 2022. In FY 2022, the portion deposited into the Sales Tax Revenue Bond Fund was increased to 50 percent (previously 25 percent). Additionally, the portion deposited to the General Fund was temporarily reduced from 50 to 25 percent through October 1, 2022 (i.e., through the first half of FY 2023). FY 2024 General Fund consumption/use tax receipts are projected to significantly increase, mainly due to the statutory elimination of the Local Government Assistance Tax Fund distribution for an entire Fiscal Year in comparison to the part-year impact in FY 2023.

Consumption/use tax receipts for FY 2024 are estimated to increase from FY 2023 results. Sales tax receipts are estimated to increase due to moderate growth in taxable consumption. Cigarette and tobacco tax receipts are estimated to decrease reflecting a continuing trend of declining consumption that is offset by the $1 per pack increase to the State cigarette excise tax that went into effect September 1, 2023. Highway use tax (HUT) collections are estimated to moderately decline. Motor fuel tax receipts are estimated to significantly increase largely due to the expiration of the temporary fuel taxes suspension on gasoline and diesel motor fuel on December 31, 2022. Opioid excise tax receipts are expected to moderately decline, reflecting the continued trend towards lower priced opioids. In addition to $38 million in estimated license and application fees, the State's THC-based and retail excise taxes on the sale of adult-use cannabis products are estimated to generate $32 million during the first full year of receipts. Auto rental tax receipts are estimated to increase as business and leisure travel fully returns to pre-pandemic levels.

FY 2025 consumption/use tax receipts are projected to increase, primarily due to a small projected increase in sales tax receipts. Auto rental tax receipts are estimated to decrease from FY 2024, mainly due to the impact of an expected shift towards the less expensive peer-to-peer car sharing program. The State's THC-based and retail excise taxes on the sale of adult-use cannabis products are estimated to generate $158 million during the second full year of receipts. These increases are partially offset by a continued decline in taxable cigarette consumption combined with a full-year impact of the $1 per pack increase to the State cigarette excise tax.

Consumption/use tax receipts for FYs 2026 and 2027 are projected to increase, largely reflecting a projected increase in sales tax receipts and the continued maturation of the adult-use cannabis market, partially offset by a continued decline in taxable cigarette consumption.

Business Taxes

BUSINESS TAXES (millions of dollars)										
	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
STATE/ALL FUNDS	**28,617**	**25,915**	**-9.4%**	**24,897**	**-3.9%**	**23,194**	**-6.8%**	**12,433**	**-46.4%**
Corporate Franchise Tax	9,017	8,818	-2.2%	8,739	-0.9%	8,683	-0.6%	8,773	1.0%
Corporation and Utilities Tax	525	497	-5.3%	520	4.6%	522	0.4%	523	0.2%
Insurance Tax	2,681	2,723	1.6%	2,735	0.4%	2,806	2.6%	2,928	4.3%
Bank Tax	355	11	-96.9%	212	1827.3%	0	-100.0%	0	0.0%
Pass-Through-Entity Tax	14,944	12,760	-14.6%	11,584	-9.2%	10,086	-12.9%	(878)	-108.7%
Petroleum Business Tax	1,095	1,106	1.0%	1,107	0.1%	1,097	-0.9%	1,087	-0.9%
GENERAL FUND[1]	**17,856**	**16,272**	**-8.9%**	**15,719**	**-3.4%**	**14,789**	**-5.9%**	**9,414**	**-36.3%**
Corporate Franchise Tax	7,291	7,066	-3.1%	6,879	-2.6%	6,813	-1.0%	6,814	0.0%
Corporation and Utilities Tax	408	370	-9.3%	400	8.1%	403	0.8%	402	-0.2%
Insurance Tax	2,381	2,446	2.7%	2,468	0.9%	2,530	2.5%	2,637	4.2%
Bank Tax	304	10	-96.7%	180	1700.0%	0	-100.0%	0	0.0%
Pass-Through-Entity Tax	7,472	6,380	-14.6%	5,792	-9.2%	5,043	-12.9%	(439)	-108.7%
Petroleum Business Tax	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%

[1]Excludes Transfers.

Corporate Franchise Tax (CFT) receipts are estimated to decrease slightly in FY 2024, primarily reflecting a reduction in audit receipts and a slight increase in refunds. Audit receipts are estimated to decrease sharply because FY 2023 results were exceptionally high with many large cases having materialized within FY 2023. Refunds in FY 2024 are estimated to increase as compared to FY 2023 results while gross receipts are estimated to slightly increase following two years of significant increases.

Corporation and Utilities Tax (CUT) receipts for FY 2024 are estimated to decrease over the prior fiscal year, driven primarily by the first utilization of the COVID-19 Utility Debt Relief Tax credit, resulting in lower gross receipts from the utility sector, partially offset by modest growth in gross receipts from the telecommunication sector. Audit receipts are estimated to decrease moderately from FY 2023 levels while refunds are estimated to decrease from FY 2023 levels which were higher than long-term trend levels.

Insurance tax receipts for FY 2024 are estimated to increase modestly, due to projected increases in insurance tax premiums that drive increases in gross receipts, following an increase in FY 2023 gross receipts compared to FY 2022. Audits in FY 2024 are expected to decrease sharply following an unusually strong FY 2023 while refunds are expected to decrease significantly as compared to FY 2023.

PTET collections for FY 2024 are estimated to decrease due to softening economic conditions resulting in lower estimated payments. As noted, DOB expects PTET will be revenue-neutral for the State; however, PTET will not be revenue-neutral within each fiscal year as PTET payments are generally received in the fiscal year prior to PIT credit claims.

Receipts from the repealed bank tax (all from prior liability periods) in FY 2024 are estimated to decrease significantly due to an expectation of lower audit receipts. Petroleum Business Tax (PBT) receipts are estimated to moderately increase from FY 2023 results, primarily due to the net impact of a 5 percent increase in the PBT rate index effective January 1, 2023, paired with a 5 percent decline in the PBT rate index effective January 1, 2024.

Business tax receipts for FY 2025 are projected to decrease due to PTET. This decrease is driven by lower estimated payments, reflecting a decrease in tax year 2024 net partnership income which is partially offset by lower refunds. The decrease in PTET is partially offset by an increase in CUT, insurance tax, bank tax and PBT receipts, driven primarily by an overall increase in business tax audit receipts. CFT is projected to slightly decrease due to increased refunds attributed to the New York City Musical and Theatrical Production credit and the COVID-19 Capital Costs credit.

FY 2026 business tax receipts are projected to increase in CUT and insurance tax while PTET, CFT, PBT, and bank tax receipts are projected to decline. The projected decline in PTET collections is the result of the scheduled expiration of the SALT deduction cap after tax year 2025 under current Federal law.

Business tax receipts for FY 2027 are projected to increase in CFT, CUT and insurance tax, while PBT and PTET are projected to decline. Insurance tax is projected to have the strongest growth due to increases in premiums and overall base growth. FY 2027 represents the last year of receipts due to the scheduled expiration of the SALT deduction previously described.

Other Taxes

OTHER TAXES (millions of dollars)	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
STATE/ALL FUNDS	**3,679**	**2,820**	**-23.3%**	**2,509**	**-11.0%**	**2,645**	**5.4%**	**2,802**	**5.9%**
Estate Tax	2,185	1,597	-26.9%	1,285	-19.5%	1,345	4.7%	1,407	4.6%
Real Estate Transfer Tax	1,472	1,198	-18.6%	1,199	0.1%	1,275	6.3%	1,380	8.2%
Employer Compensation Expense Program	7	10	42.9%	10	0.0%	10	0.0%	0	-100.0%
Pari-Mutuel Taxes	13	13	0.0%	13	0.0%	13	0.0%	13	0.0%
All Other Taxes	2	2	0.0%	2	0.0%	2	0.0%	2	0.0%
GENERAL FUND[1]	**2,204**	**1,617**	**-26.6%**	**1,305**	**-19.3%**	**1,365**	**4.6%**	**1,422**	**4.2%**
Estate Tax	2,185	1,597	-26.9%	1,285	-19.5%	1,345	4.7%	1,407	4.6%
Employer Compensation Expense Program	4	5	25.0%	5	0.0%	5	0.0%	0	-100.0%
Pari-Mutuel Taxes	13	13	0.0%	13	0.0%	13	0.0%	13	0.0%
All Other Taxes	2	2	0.0%	2	0.0%	2	0.0%	2	0.0%

[1] Excludes Transfers.

Other tax receipts for FY 2024 are estimated to decrease from FY 2023 results, primarily due to the receipt of multiple super-large estate tax payments in excess of $100 million in FY 2023, as well as the expectation that real estate transfer activity continues to slow down from record collections in FY 2022 and FY 2023.

FY 2025 other tax receipts are projected to decrease, primarily due to an expected return to a more typical amount of super-large payments and collections. Real estate transfer tax receipts are projected to remain nearly flat as both housing starts, and housing prices are not projected to change significantly compared to the prior year. All Funds other tax receipts in the outyears are projected to increase, largely due to increases in both estate tax and real estate transfer tax receipts, reflecting projected growth in household net worth, housing starts, housing prices and bonuses.

Other tax receipts in the outyears are projected to increase, resulting from projected increases in estate tax receipts, which reflect projected growth in household net worth.

Miscellaneous Receipts

All Funds miscellaneous receipts include moneys received from HCRA financing sources, SUNY tuition and patient income, lottery and gaming receipts for education, assessments on regulated industries, Tribal-State Compact receipts, Extraordinary Monetary Settlements, and a variety of fees. As such, miscellaneous receipts are driven in part by year-to-year variations in health care surcharges and other HCRA resources, bond proceeds, tuition income revenue and other miscellaneous receipts.

MISCELLANEOUS RECEIPTS (millions of dollars)									
	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
ALL FUNDS	**31,842**	**27,858**	**-12.5%**	**28,148**	**1.0%**	**29,951**	**6.4%**	**30,012**	**0.2%**
General Fund	3,609	4,151	15.0%	3,572	-13.9%	2,961	-17.1%	2,446	-17.4%
Special Revenue Funds	21,414	16,273	-24.0%	14,715	-9.6%	15,735	6.9%	15,990	1.6%
Capital Projects Funds	6,363	7,059	10.9%	9,436	33.7%	10,820	14.7%	11,126	2.8%
Debt Service Funds	456	375	-17.8%	425	13.3%	435	2.4%	450	3.4%

General Fund miscellaneous receipts in FY 2024 are projected to increase from FY 2023 results, largely due to the combination of rising interest rates and larger state fund balances, leading to increases to anticipated investment returns, partially offset by lower projected abandoned property, license, fee and reimbursement receipts.

All Funds miscellaneous receipts in FY 2024 are projected to decrease from FY 2023 results, driven by the conservative estimation of non-General Fund revenues partially offset by the projected growth of bond proceeds receipts, primarily due to the increase in bond-eligible capital spending in FY 2024, and the General Fund increases noted above.

All Funds miscellaneous receipts in FY 2025 are projected to increase from FY 2024 estimates, driven by growth in bond proceeds driven by higher bond-eligible capital spending and the timing of reimbursements, partially offset by a projected decline in investment income driven by lower interest rates and non-General Fund revenues. In the later years of the Financial Plan, All Funds miscellaneous receipts reflect the timing of capital reimbursements and a further reduction in investment income attributable to lower forecasted interest rates and reserve balances.

Consistent with past practice, the aggregate receipts projections (i.e., the sum of all projected receipts by individual agencies) in State Special Revenue Funds are centrally adjusted downward to reflect aggregate trends and patterns observed between estimated and actual results over time.

Federal Receipts

FEDERAL RECEIPTS (millions of dollars)									
	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
ALL FUNDS	**89,563**	**94,765**	**5.8%**	**86,074**	**-9.2%**	**83,510**	**-3.0%**	**83,981**	**0.6%**
General Fund	2,351	2,250	-4.3%	3,645	62.0%	0	-100.0%	0	0.0%
Special Revenue Funds	84,618	89,151	5.4%	78,827	-11.6%	79,843	1.3%	80,454	0.8%
Capital Projects Funds	2,523	3,297	30.7%	3,540	7.4%	3,609	1.9%	3,474	-3.7%
Debt Service Funds	71	67	-5.6%	62	-7.5%	58	-6.5%	53	-8.6%

Aid from the Federal government helps to pay for a variety of programs including Medicaid, public assistance, mental hygiene, School Aid, public health, transportation, and other activities. Annual changes to Federal receipts generally correspond to changes in federally-reimbursed spending. Accordingly, DOB typically projects Federal reimbursements will be received in the State fiscal year in which spending occurs, but due to the variable timing of Federal receipts, actual results often differ from projections.

The increase in Federal receipts projections correspond with expected increases in Federal spending, which include increases to Medicaid and FEMA reimbursement of eligible pandemic expenses and other pandemic assistance including categorical aid for schools, childcare, housing, infrastructure, and other purposes which are expected to be received over the multi-year period, partially offset by reductions in emergency rental assistance and eFMAP.

Many of the policies that drive Federal aid may be subject to change. At this time, it is not possible to assess the potential fiscal impact of future policies that may be proposed and adopted. If Federal funding to the State were reduced, this could have a materially adverse impact on the Financial Plan.

Disbursements

The multi-year disbursements projections consider various factors, including statutorily indexed rates intended to limit spending in certain programs, agency staffing levels, program caseloads, inflation, and funding formulas contained in State and Federal law. Factors that affect spending estimates vary by program. For example, public assistance spending is based primarily on anticipated caseloads that are estimated by analyzing historical trends and projected economic conditions. Projections also account for the timing of payments, since not all the amounts appropriated are disbursed in the same fiscal year. Consistent with past practice, the aggregate receipts and spending projections (i.e., the sum of all projected receipts and spending by individual agencies) in State Special Revenue Funds are centrally adjusted downward to reflect aggregate spending trends and patterns observed between estimated and actual results over time.

Assistance and Grants

Assistance and grants spending includes payments to local governments, school districts, health care providers, and other entities, as well as financial assistance to, or on behalf of, individuals, families, and not-for-profit organizations who provide services to individuals. School Aid and health care spending account for most of the State Operating Funds assistance and grants spending. Assistance and grants spending represents approximately two-thirds of total State Operating Funds spending.

Certain factors considered when preparing spending projections for the State's major assistance and grants programs and activities are summarized below. The impact of COVID-19 on unemployment and family income triggered an increase to the public assistance caseload, particularly in the City of New York.

FORECAST FOR SELECTED PROGRAM MEASURES AFFECTING OPERATING ACTIVITIES
(millions of dollars)

	FY 2023 Actuals[1]	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
HEALTH CARE					
Medicaid - Individuals Covered	7,789,300	6,901,410	6,565,333	6,605,101	6,646,008
Essential Plan - Individuals Covered	1,163,584	1,163,500	1,179,993	1,211,267	1,237,391
Child Health Plus - Individuals Covered	405,265	457,936	462,549	471,799	481,235
State Takeover of County/NYC Costs[2]	$5,540	$6,370	$7,253	$8,176	$9,013
CY 2005 Local Medicaid Cap	$3,892	$4,539	$5,239	$5,980	$6,634
FY 2013 Local Takeover Costs	$1,648	$1,831	$2,014	$2,196	$2,379
EDUCATION					
School Aid (School Year-Basis Funding)[3]	$31,373	$34,388	$35,704	$37,146	$38,613
HIGHER EDUCATION					
Public Higher Education Enrollment (FTEs)	458,167	458,167	TBD	TBD	TBD
Tuition Assistance Program (FTEs)	216,000	235,000	TBD	TBD	TBD
PUBLIC ASSISTANCE					
Family Assistance Program (Families)	180,418	209,148	198,646	188,276	211,025
Safety Net Program (Families)	120,957	138,784	130,571	122,396	137,679
Safety Net Program (Singles)	229,043	210,068	207,482	208,728	225,876
MENTAL HYGIENE					
OMH Community Beds	48,088	51,081	54,679	55,449	56,271
OPWDD Community Beds	41,479	42,401	42,535	42,670	42,806
OASAS Community Beds	13,400	13,804	13,854	13,954	14,004
Total	102,967	107,286	111,068	112,073	113,081

[1] Reflects preliminary unaudited actuals.

[2] Reflects the total State cost of taking over the local share of Medicaid growth, which was initially capped at approximately 3 percent annually, then fully transferred to the State as of calendar year 2015. A portion of the State takeover costs are funded from Master Settlement Agreement resources.

[3] Does not reflect a significant amount of Federal CRRSA and ARP Act funding for school districts to be distributed over multiple years, such as prekindergarten expansion grants supported by ARP Act funding that appear on the School Aid run.

Education

School Aid

School Aid supports elementary and secondary education for New York pupils enrolled in the State's 673 major school districts. State aid is provided to districts based on statutory aid formulas and through reimbursement of categorical expenses, such as prekindergarten programs, education of homeless children, and bilingual education. State funding for schools assists districts in meeting locally defined needs, such as the construction of school facilities and the education of students with disabilities.

School Year (July 1 — June 30)

The Financial Plan includes $34.4 billion for School Aid in SY 2024, exclusive of Federal prekindergarten expansion grants, representing an annual increase of approximately $3 billion (9.6 percent). This annual increase includes a $2.6 billion (12.3 percent) increase in Foundation Aid. The growth in Foundation Aid reflects the full funding of the current formula for the first time in its history, marking the final year of the three-year phase-in, and a minimum 3 percent annual increase to fully funded districts that would otherwise not receive a Foundation Aid increase under current law. School Aid growth also includes a $225 million increase in expense-based reimbursement programs such as Transportation Aid and Boards of Cooperative Educational Services (BOCES) Aid and a $150 million increase in State-funded full-day prekindergarten programming for four-year-old children, comprised of a $100 million formula-based allocation and a $50 million grant to be competitively awarded. The Financial Plan also provides $21 million for new competitive grants, including $20 million to support the establishment of new Early College High School and Pathways in Technology Early College High School programs.

In SY 2024, as described above, growth in School Aid largely reflects the final year of the three-year phase-in of full funding of the current Foundation Aid formula, increased support for full-day prekindergarten, and assumed growth in expense-based aids. In SY 2025 and thereafter, however, projected School Aid growth is based on the projected ten-year average growth in State personal income.

SCHOOL AID - SCHOOL YEAR BASIS (JULY 1 - JUNE 30)[1] (millions of dollars)									
	SY 2023	SY 2024	Change	SY 2025	Change	SY 2026	Change	SY 2027	Change
Total	31,373	34,388	3,015	35,704	1,316	37,146	1,442	38,613	1,467
			9.6%		3.8%		4.0%		3.9%

[1] Does not reflect a significant amount of Federal CRRSA and ARP Act funding for school districts to be distributed over multiple years, such as prekindergarten expansion grants supported by ARP Act funding that appear on the School Aid run.

In addition to State School Aid, public schools received $13.0 billion of Federal Elementary and Secondary School Emergency Relief Fund (ESSER) and Governor's Emergency Education Relief (GEER) funds allocated by CRRSA and American Rescue Plan Act of 2021 (ARP). This funding, available for use over multiple years, will continue to help schools safely operate with in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs resulting from the disruptions of the COVID-19 pandemic. Most of these funds ($12.2 billion) are allocated to school districts and charter schools, largely in proportion to their Federal Title I award, and allow for broad local discretion over the funds' use. A total of $629 million of these funds was allocated to school districts as targeted grants to address learning loss from the shutdown of in-person learning through activities such as summer enrichment and comprehensive after-school programs. The remaining $210 million was allocated for the expansion of full-day prekindergarten programs for four-year-old children, grants that the State will gradually take over and fully fund beginning in SY 2025.

State Fiscal Year School Aid

The State finances School Aid from the General Fund, commercial gaming receipts, cannabis sales, mobile sports wagering receipts, and Lottery Fund receipts, including revenues from video lottery terminals (VLTs). Commercial gaming, lottery, mobile sports wagering and cannabis receipts are accounted for and disbursed from dedicated accounts. The amount of School Aid spending financed by mobile sports wagering receipts is expected to increase significantly in FY 2024 due to high revenue collections in FY 2023. Additionally, the amount of School Aid spending financed by Lottery Aid is expected to decrease in FY 2024 due to higher than anticipated revenue collections in FY 2022 that supported increased disbursements in FY 2023.

Because the State fiscal year begins annually on April 1 and the school year begins annually on July 1, the State typically pays approximately 70 percent of the annual school year commitment during the initial State fiscal year and the remaining 30 percent in the first quarter of the following State fiscal year. The table below summarizes the projected sources of School Aid spending on a State fiscal year basis.

SCHOOL AID - STATE FISCAL YEAR BASIS[1,2]
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
TOTAL STATE OPERATING FUNDS	**30,290**	**33,425**	**10.3%**	**35,165**	**5.2%**	**36,601**	**4.1%**	**38,014**	**3.9%**
General Fund Assistance and Grants	25,519	28,745	12.6%	30,404	5.8%	32,084	5.5%	33,421	4.2%
Medicaid	125	140	12.0%	140	0.0%	140	0.0%	140	0.0%
Lottery Aid	2,653	2,303	-13.2%	2,629	14.2%	2,407	-8.4%	2,407	0.0%
VLT Lottery Aid	1,237	1,033	-16.5%	1,026	-0.7%	1,012	-1.4%	1,011	-0.1%
Commercial Gaming	141	138	-2.1%	134	-2.9%	136	1.5%	175	28.7%
Mobile Sports Wagering	615	1,061	72.5%	832	-21.6%	775	-6.9%	779	0.5%
Cannabis Revenue	0	5	0.0%	0	-100.0%	47	0.0%	81	72.3%

1 Does not reflect a significant amount of Federal CRRSA and ARP Act funding for school districts to be distributed over multiple years, such as prekindergarten expansion grants supported by ARP Act funding that appear on the School Aid run.

2 Spending from dedicated revenue sources is capped by appropriation authority as determined at the Enacted Budget and does not necessarily equate to annual revenue collections and/or projections. Gaming details can be found in the Accompanying Notes section (Note 10).

Other Education Funding

The State provides funding and support for various other education-related programs. These include special education services; programs administered by the Office of Prekindergarten through Grade 12 Education; cultural education; higher and professional education programs; and adult career and continuing education services.

OTHER EDUCATION FUNDING (millions of dollars)									
	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
TOTAL STATE OPERATING FUNDS	**2,255**	**2,484**	**10.2%**	**2,718**	**9.4%**	**2,878**	**5.9%**	**3,026**	**5.1%**
Special Education	1,274	1,411	10.8%	1,500	6.3%	1,591	6.1%	1,688	6.1%
All Other Education	981	1,073	9.4%	1,218	13.5%	1,287	5.7%	1,338	4.0%

The State helps fund special education services for approximately 500,000 students with disabilities, from ages 3 to 21. Major programs under the Office of Prekindergarten through Grade 12 address specialized student needs or reimburse school districts for education-related services, including the school breakfast and lunch programs, after-school programs, and other educational grant programs. Cultural education includes aid for operating expenses of the major cultural institutions, State Archives, State Library, and State Museum, as well as support for the Office of Educational Television and Public Broadcasting. Higher and professional education programs monitor the quality and availability of post-secondary education programs, and license and regulate over 50 professions. Adult career and continuing education services focus on the education and employment needs of the State’s adult citizens, ensuring that such individuals have access to a one-stop source for all their employment needs, and are made aware of the full range of services available in other agencies.

Special Education costs are expected to increase from FY 2023 levels due to the continuing impact of an 11 percent COLA increase to provider tuition rates for SY 2023 and the return of enrollment to pre-pandemic levels. These increased tuition costs are paid in the first instance by school districts and counties and partially reimbursed by the State starting in the following year. Outyear spending increases are attributable to projected enrollment and cost growth.

The projected spending increase for All Other Education Programs in FY 2024 is largely attributable to a new State-funded initiative to incentivize qualifying low-income public and nonpublic schools to participate in the Federal CEP program, allowing all students in those schools to eat breakfast and lunch at no charge regardless of their families’ income, as well as one-time aid and grant programs. The projected spending increase in FY 2025 is primarily due to continuation of the new school meal subsidy for CEP-participating schools, anticipated increases in reimbursement to nonpublic schools for Science, Technology, Engineering, and Math (STEM) instruction, charter school supplemental tuition payments paid as reimbursement to school districts, payments to the City of New York for charter school facilities aid, funds to support the development of robust high school-college-workforce pipelines, and the restoration of funding for payment of school districts’ prior year aid claims in FY 2025.

School Tax Relief Program

The STAR program provides school tax relief to taxpayers by exempting the first $30,000 of every eligible homeowner's property value from the local school tax levy. Senior citizens with incomes below $93,200 will receive an $81,400 exemption in FY 2024.

Spending on STAR property tax exemptions reflects reimbursements made to school districts to offset the reduction in the amount of property tax revenue collected from homeowners. Since FY 2017, the STAR exemption program has been gradually transitioned from a spending program to an advance refundable PIT credit program. As a result, first-time homebuyers and homeowners who move receive a refundable PIT credit instead of a property tax exemption. This transition did not change the value of the STAR benefit received by homeowners. As of FY 2020, homeowners who receive a property tax exemption do not receive an increase in their STAR benefit (details below).

The STAR program also includes a credit for income-eligible taxpayers who are residents of the City of New York. The City of New York PIT rate reduction was converted into a State PIT tax credit starting with tax year 2017. As of FY 2019, the City of New York STAR payments are no longer a component of State Operating Funds spending. This change has no impact on the value of the STAR benefit received by taxpayers.

SCHOOL TAX RELIEF (STAR)
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
TOTAL STAR PROGRAM	**1,781**	**1,667**	**-6.4%**	**1,575**	**-5.5%**	**1,547**	**-1.8%**	**1,520**	**-1.7%**
Gross Program Costs	3,265	3,326	1.9%	3,420	2.8%	3,575	4.5%	3,729	4.3%
Personal Income Tax Credit	(1,484)	(1,659)	-11.8%	(1,845)	-11.2%	(2,028)	-9.9%	(2,209)	-8.9%
Basic Exemption	952	841	-11.7%	747	-11.2%	699	-6.4%	678	-3.0%
Gross Program Costs	1,555	1,567	0.8%	1,596	1.9%	1,686	5.6%	1,799	6.7%
Personal Income Tax Credit	(603)	(726)	-20.4%	(849)	-16.9%	(987)	-16.3%	(1,121)	-13.6%
Enhanced (Senior) Exemption	829	826	-0.4%	828	0.2%	848	2.4%	842	-0.7%
Gross Program Costs	979	1,008	3.0%	1,043	3.5%	1,085	4.0%	1,102	1.6%
Personal Income Tax Credit	(150)	(182)	-21.3%	(215)	-18.1%	(237)	-10.2%	(260)	-9.7%
New York City PIT	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Gross Program Costs	731	751	2.7%	781	4.0%	804	2.9%	828	3.0%
Personal Income Tax Credit	(731)	(751)	-2.7%	(781)	-4.0%	(804)	-2.9%	(828)	-3.0%

Starting in FY 2020, all homeowners with incomes above $250,000 were transitioned from the basic exemption benefit program to the advance credit program. Additionally, the zero percent growth cap on the STAR exemption benefit that was included in the FY 2020 Enacted Budget remains in effect. The decline in reported disbursements on STAR exemptions in FY 2024 through FY 2027 can be attributed to these actions. By moving taxpayers to the credit program, the State can more efficiently administer the program while strengthening its ability to prevent abuse. The move from the basic exemption to the credit program does not reduce the value of the benefit received by homeowners.

Higher Education

Assistance and Grants spending for higher education includes funding for CUNY, SUNY, and the Higher Education Services Corporation (HESC).

HIGHER EDUCATION (millions of dollars)									
	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
TOTAL STATE OPERATING FUNDS	**2,876**	**3,139**	**9.1%**	**3,209**	**2.2%**	**3,283**	**2.3%**	**3,338**	**1.7%**
City University	**1,783**	**2,013**	**12.9%**	**2,058**	**2.2%**	**2,121**	**3.1%**	**2,168**	**2.2%**
Senior Colleges	1,539	1,772	15.1%	1,817	2.5%	1,880	3.5%	1,927	2.5%
Community College	244	241	-1.2%	241	0.0%	241	0.0%	241	0.0%
Higher Education Services	**596**	**634**	**6.4%**	**703**	**10.9%**	**714**	**1.6%**	**722**	**1.1%**
Tuition Assistance Program	534	547	2.4%	629	15.0%	642	2.1%	650	1.2%
Scholarships/Awards	55	79	43.6%	66	-16.5%	64	-3.0%	64	0.0%
Aid for Part-Time Study	7	8	14.3%	8	0.0%	8	0.0%	8	0.0%
State University	**497**	**492**	**-1.0%**	**448**	**-8.9%**	**448**	**0.0%**	**448**	**0.0%**
Community College	491	486	-1.0%	444	-8.6%	444	0.0%	444	0.0%
Other/Cornell	6	6	0.0%	4	-33.3%	4	0.0%	4	0.0%

SUNY and CUNY operate 47 four-year colleges and graduate schools with a total enrollment of nearly 371,000 full- and part-time students. SUNY and CUNY also operate 37 community colleges, serving approximately 234,000 students. State funds support a significant portion of SUNY and CUNY operations. In addition to the spending reflected in the above table, the State provides annual subsidies of approximately $1.3 billion for SUNY campus operations through a General Fund transfer and $2 billion to fully support fringe benefit costs of SUNY employees at State-operated campuses. The State is also projected to pay $945 million in FY 2024 for debt service on bond financed capital projects at SUNY and CUNY. In FY 2024, an estimated $330 million in student financial aid support will be transferred from HESC to SUNY. This is the result of an accounting change first implemented in FY 2020 to reflect certain financial aid payments from HESC to SUNY as transfers instead of disbursements.

HESC is New York State's student financial aid agency. HESC oversees State-funded financial aid programs, including the Excelsior Scholarship, TAP, and 26 other scholarship and loan forgiveness programs. Together, these programs provide financial aid to approximately 300,000 students. HESC also partners with OSC in administering the College Choice Tuition Savings program.

Higher education assistance and grants spending is projected to increase by $263 million, or 9.1 percent, from FY 2023 to FY 2024. This spending provides an increase in General Fund operating assistance to CUNY senior colleges. From FY 2023 to FY 2024, assistance and grants spending for the State University is projected to decrease because of nonrecurring funding provided to community colleges in FY 2023. Increased HESC spending is driven by the continued implementation of the expansion of the TAP for part-time students in degree-granting programs, as well as students enrolled in nondegree workforce credentialing programs at public institutions.

Health Care

DOH works with local health departments and social services departments, including the City of New York, to coordinate and administer statewide health insurance programs and activities, including operating the Medicaid program which provides health care coverage to nearly 8 million low-income individuals and long-term care services for the elderly and disabled. Most government-financed health care programs are included under DOH; however, several programs are also supported through multi-agency efforts. In addition to Medicaid and statewide public health programs, assistance and grants spending for health care includes a variety of mental hygiene programs.

DOH also engages in Federally supported initiatives, including Medicaid redesign, public health, and COVID-19 pandemic response efforts. For more information on the Medicaid Redesign Team (MRT) Medicaid Waiver and Federal COVID-19 response efforts please see “Other Matters Affecting the Financial Plan” herein.

Medicaid

Medicaid is a means-tested program that finances health care services for low-income individuals and long-term care services for the elderly and disabled, primarily through monthly premium payments to managed care plans that enroll Medicaid eligible individuals and direct payments to health care providers for services rendered to Medicaid enrollees. Medicaid services include inpatient hospital care, outpatient hospital services, clinics, nursing homes, managed care, prescription drugs, home care, and services provided in a variety of community-based settings (including personal care, mental health, substance abuse treatment, developmental disabilities services, school-based services, and foster care services). The Medicaid program is financed by the Federal government, the State, and counties, including the City of New York. DOB estimates that spending from all sources, including spending by local governments that is not part of the State's All Funds activity, will total $107 billion in FY 2024. The following table shows the estimated disbursements by level of government.

FY 2024 PROJECTED MEDICAID SPENDING [1]
(millions of dollars)

	Spending	Share
Federal	63,989	59.6%
State	34,901	32.5%
Local	8,505	7.9%
Total	**107,395**	**100.0%**

[1] Includes operational costs and the Essential Plan but excludes MSA payments deposited in the Medicaid Escrow Fund.

The State share of DOH Medicaid spending is financed by a combination of the General Fund, HCRA resources, indigent care support, provider assessment revenue, and tobacco settlement proceeds. The General Fund is expected to finance 78 percent of State-share Medicaid costs in FY 2024. In any year, Medicaid costs financed by the General Fund may be affected by several factors, including the Medicaid Global Cap, a statutory annual growth cap that applies to a subset of State-share Medicaid spending, financial resources available in HCRA, and, to a lesser extent, other State Special Revenue Funds, and temporary changes to the Federal share of Medicaid (e.g., eFMAP). The following tables summarize the expected financing shares over the multi-year plan.

STATE-SHARE MEDICAID FINANCING SOURCES [1]
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
General Fund	19,703	21,592	24,894	27,039	29,006
HCRA	4,551	4,462	4,203	4,058	4,041
All Other	1,537	1,693	1,561	1,591	1,592
Total	**25,791**	**27,747**	**30,658**	**32,688**	**34,639**

[1] Includes operational costs and the Essential Plan.

STATE-SHARE MEDICAID FINANCING SOURCES [1]
(percent)

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
General Fund	76.4%	77.8%	81.2%	82.8%	83.9%
HCRA	17.6%	16.2%	13.7%	12.3%	11.6%
All Other	6.0%	6.0%	5.1%	4.9%	4.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

[1] Includes operational costs and the Essential Plan.

See "Factors Affecting Medicaid Funding" and "HCRA Financial Plan" below for more information. Medicaid eligibility and enrollment fluctuate with economic cycles. Enrollment has increased by nearly 1.6 million since March 2020. This enrollment increase has been driven by the steep rise in unemployment triggered by the COVID-19 pandemic, as well as Federal limitations on Medicaid disenrollment activities during the public health emergency (PHE) period. Medicaid enrollment peaked at 8 million in June of FY 2024. As required, eligibility redeterminations have begun and the State continues to monitor enrollment trends.

As unemployment trends towards pre-pandemic levels, enrollment and costs associated with individuals who are temporarily enrolled are projected to decline in FY 2024.

Total Medicaid costs are expected to grow annually due in large part to an increase in high utilization populations, a recent expansion of benefits, and increases to reimbursement rates. Other factors that continue to place upward pressure on State-share Medicaid costs include, but are not limited to, provider reimbursements to cover minimum wage increases; the phase-out of enhanced Federal funding; increased costs and enrollment growth in managed long-term care; and payments to financially distressed hospitals.[11]

The following table summarizes State-share Medicaid spending by agency.

TOTAL DOH MEDICAID SPENDING
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
Medicaid Global Cap[1]	**21,762**	**23,124**	**24,569**	**26,092**	**27,478**
Annual $ Change	1,190	1,362	1,445	1,523	1,386
Annual % Change	5.8%	6.3%	6.2%	6.2%	5.3%
Other Medicaid Not Subject to Global Cap	**4,029**	**4,623**	**6,089**	**6,596**	**7,161**
Minimum Wage	2,223	2,413	2,430	2,441	2,451
Home Care Wages	363	214	1,480	1,795	2,165
Local Takeover Cost[2]	1,648	1,830	2,013	2,195	2,378
MSA Payments (Share of Local Growth)[3]	(362)	(362)	(362)	(362)	(362)
All Other	157	528	528	527	529
Total DOH Medicaid	**25,791**	**27,747**	**30,658**	**32,688**	**34,639**
Annual $ Change	3,501	1,956	2,911	2,030	1,951
Annual % Change	15.7%	7.6%	10.5%	6.6%	6.0%

1 Effective FY 2023, growth is indexed to the five-year rolling average of Medicaid spending projections within the National Health Expenditure Accounts produced by Office of the Actuary in the Centers for Medicare & Medicaid Services.

2 Reflects a portion of the State's costs related to paying the full share of Medicaid program growth on behalf of local governments that is outside of the Global Cap.

3 MSA payments are deposited directly to a Medicaid Escrow Fund to cover a portion of the State's share of local Medicaid growth.

11 There is significant uncertainty regarding Medicaid enrollment and whether Medicaid redeterminations will return enrollment to pre-pandemic trends. The State continues to work with the Urban Institute and other experts and will continue to test and refine the Medicaid enrollment projections utilizing available data.

Factors Affecting Medicaid Funding

Global Cap

The Medicaid Global Cap is a statutory spending cap that applies to a subset of State-share funded Medicaid spending. It is intended to limit the growth of Medicaid costs financed by the General Fund. Since the implementation of the Medicaid Global Cap through FY 2022, the subset of Medicaid spending to which it applied was limited to no greater than the ten-year rolling average of medical price inflation. The FY 2023 Enacted Budget implemented a new Global Cap index based on the five-year rolling average of CMS annual projections of health care spending to better account for enrollment, including specific populations, such as the aging and disabled populations. The new index also accounts for enrollment and population changes, which are significant drivers of costs.

Consistent with the index, the FY 2023 Enacted Budget reflected $8 billion in additional Medicaid spending growth between FY 2023 and 2027. The FY 2024 Enacted Budget accounted for the latest projections published by CMS that further increases Global Cap allowable spending ranging from $224 million to $854 million annually between FY 2023 and FY 2027, providing another $3 billion over the multi-year plan and $11 billion in aggregate increased spending allowance over the five-year period.

As of the adoption of the FY 2024 Enacted Budget, Medicaid spending subject to the Global Cap Index (GCI) was forecasted to remain within the indexed allowance through FY 2025 but exceed the cap beginning in FY 2026 due to projected utilization and costs trends, particularly within Managed Long Term Care. However, the recent favorable Federal rulemaking for DACA under the age of 21 combined with savings related to updated actuarial information and risk assessments for FY 2024 Medicaid MMC rates, retroactive to April 1, 2023, reduce Medicaid spending projections by $2.9 billion through FY 2027. The downward revision to spending eliminates the prior Global Cap deficit projection totaling $525 million through FY 2027 ($242 million in FY 2026 and $283 million in FY 2027) and provides General Fund savings.

MEDICAID GLOBAL CAP INDEX (millions of dollars)						
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	Five-Year Total
FY 2022 Enacted Budget	**21,172**	**21,749**	**22,333**	**22,957**	**23,612**	**111,823**
Annual $ Change	600	577	584	624	655	
Annual % Change	2.9%	2.7%	2.7%	2.8%	2.9%	
New Statutory Index[1]	366	900	1,542	2,280	3,112	8,200
Updated New Statutory Index[2]	224	475	694	854	754	3,001
Increased Spending Allowance	**590**	**1,375**	**2,236**	**3,134**	**3,866**	**11,201**
Index Pursuant to Statue	**21,762**	**23,124**	**24,569**	**26,091**	**27,478**	**123,024**
FY 2024 Enacted Budget	21,762	23,124	24,569	26,333	27,761	123,549
Enacted Budget Over/(Under) Index[3]	**0**	**0**	**0**	**242**	**283**	**525**
FY 2024 Enacted Budget	**21,762**	**23,124**	**24,569**	**26,333**	**27,761**	**123,549**
Annual $ Change	1,190	1,362	1,445	1,764	1,428	
Annual % Change	5.8%	6.3%	6.2%	7.2%	5.4%	
FY 2024 Mid-Year Update[4]	**21,762**	**23,124**	**24,569**	**26,091**	**27,478**	**123,024**
Annual $ Change	1,190	1,362	1,445	1,522	1,387	
Annual % Change	5.8%	6.3%	6.2%	6.2%	5.3%	
Change from FY 2024 Enacted	**0**	**0**	**0**	**(242)**	**(283)**	**(525)**

[1] Effective FY 2023, growth is indexed to the five-year rolling average of Medicaid spending projections within the National Health Expenditure Accounts produced by Office of the Actuary in the Centers for Medicare & Medicaid Services (CMS) as of March 2020.

[2] Reflects the updated five-year rolling average pursuant to CMS March 2022 Report.

[3] The FY 2024 Enacted Budget was projected to spend within the allowable index through FY 2025. Medicaid spending was projected to exceed the cap beginning in FY 2026 due mainly to projected utilization costs and trends.

[4] FY 2024 Mid-Year Update reflects reduced multi-year Managed Care rates and realigns the spending forecast to the Global Cap indexed rate.

The Global Cap applies to an estimated 80 percent of State-share DOH Medicaid spending. Medicaid spending not subject to the Global Cap includes certain Medicaid spending in other agencies, administrative costs, such as the takeover of local administrative responsibilities, costs related to a portion of the takeover of local government expenses, and costs related to State-mandated increases in the minimum wage and other wage enhancements.

TOTAL STATE-SHARE MEDICAID DISBURSEMENTS
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
Department of Health Medicaid	**25,791**	**27,747**	**30,658**	**32,688**	**34,639**
Assistance and Grants	29,120	28,820	30,137	32,199	34,155
State Operations	323	494	521	489	484
eFMAP[1]	(3,652)	(1,567)	0	0	0
Other State Agency Medicaid Spending	**5,504**	**6,792**	**5,663**	**5,538**	**5,895**
Mental Hygiene[2]	5,323	6,587	5,455	5,330	5,687
Foster Care	56	57	60	60	60
Education	125	140	140	140	140
Corrections	0	8	8	8	8
Total State-Share Medicaid (All Agencies)	**31,295**	**34,539**	**36,321**	**38,226**	**40,534**
Annual $ Change		3,244	1,782	1,905	2,308
Annual % Change		10.4%	5.2%	5.2%	6.0%

[1] Includes a portion of the benefit of enhanced Federal share (eFMAP).

[2] Excludes a portion of spending reported under the DOH Medicaid Global Cap that has no impact on mental hygiene service delivery or operations.

Temporary eFMAP

In March 2020, the Federal government signed into law the Families First Coronavirus Response Act (FFCRA) which included a 6.2 percent base increase to the FMAP rate for each calendar quarter occurring during the PHE, with exemptions placed on spending already eligible for enhanced Federal support, including portions of the Affordable Care Act (ACA) expansion. The PHE ended on May 11, 2023.

State Medicaid spending is also impacted by the Federal government's increased share of Medicaid funding through eFMAP during the PHE. The enhanced funding began on January 1, 2020, and pursuant to the 2023 Consolidated Appropriations Act signed into law on December 29, 2022, will be phased out by the end of December 2023: eFMAP was reduced to 5 percent from April 1, 2023 through June 30, 2023, to 2.5 percent from July 1, 2023 through September 30, 2023, and to 1.5 percent from October 1, 2023 through December 31, 2023. The Financial Plan includes a benefit to the State of approximately $1.6 billion in FY 2024 through this enhanced Federal funding.

State-share savings from eFMAP have been, and will be, used to offset increased costs associated with persistently elevated COVID-19 enrollment and lost MRT II savings due to Federal restrictions regarding program restructuring while the eFMAP remains in place.

Minimum Wage and Home Care Wages

Medicaid spending includes the cost of increases in the minimum wage for employees in the health care sector. These costs are not subject to the Global Cap.

The State costs of minimum wage increases in the health care sector are projected to grow by $190 million to roughly $2.4 billion in FY 2024. Home health care workers in the City of New York and certain counties receive supplemental benefits in addition to their base wage. These benefits include paid leave, differential wages, premiums for certain shifts, education, and fringe benefits. The required supplemental benefits typically can be satisfied by increasing the base cash wage for home health care workers by a corresponding amount. As a result, wages for home health care workers in these regions exceed minimum wage levels by $2.54 for the City of New York and $1.67 for Westchester, Nassau, and Suffolk counties. However, State statute exempts the supplemental wages portion of total compensation from the minimum wage calculation to ensure home health care workers in these counties receive incremental growth in wage compensation commensurate with the new minimum wage schedule.

The FY 2024 Enacted Budget authorized wage increases for home health and personal care workers of $1.55 for Downstate and $1.35 for Rest of State, effective January 1, 2024, with additional Statewide wage increases of $0.55 to come January 1, 2025 and January 1, 2026. The increases are partially funded by Home and Community-Based Services (HCBS) eFMAP in FY 2024.

The FY 2024 Enacted Budget also automatically increased the State's minimum wage to keep pace with inflation going forward. After reaching $15 per hour, each region's minimum wage will increase consistent with the year-over-year CPI-W for the Northeast Region. The State cost is expected to be $53 million in FY 2024 growing to $806 million in FY 2027.

Local Medicaid Cap

The local Medicaid Cap was designed to relieve pressure on county property taxes and the City of New York budget by capping local costs and having the State absorb all local program growth above a fixed statutory inflation rate. Beginning in January 2006, counties' Medicaid cost contributions were capped based on 2005 expenditures that were indexed at a growth rate of 3.5 percent in 2006, 3.25 percent in 2007, and 3 percent per year thereafter. In FY 2013, the State committed to phasing out over a three-year period all growth in the local share of Medicaid costs.

The State takeover, which capped local districts' Medicaid costs at calendar year 2015 levels is projected to save local districts a total of $6.4 billion in FY 2024 -- roughly $3.0 billion for counties outside the City of New York and $3.4 billion for the City of New York. The following table provides the multi-year savings to local districts.

LOCAL GOVERNMENT SAVINGS
STATE TAKEOVER OF LOCAL MEDICAID COSTS (2005 CAP AND GROWTH TAKEOVER)
FY 2023 to FY 2027

Region	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Rest of State	2,666,266	2,976,347	3,305,963	3,650,783	3,963,824
New York City	2,874,132	3,394,017	3,946,656	4,524,786	5,049,635
Statewide	5,540,398	6,370,364	7,252,619	8,175,569	9,013,459

Master Settlement Agreement (MSA)

DOB expects to receive payments from tobacco manufacturers under the MSA totaling roughly $362 million annually in perpetuity. State law directs these payments be used to help defray costs of the State's takeover of Medicaid costs for counties and the City of New York. Consistent with State law, the MSA payments are deposited directly to the Medicaid Payment Escrow Fund to offset the non-Federal share of annual Medicaid growth, formerly borne by local governments, which the State now pays on behalf of local governments. The deposit mechanism has no impact on overall Medicaid spending funded with State resources but reduces reported State-supported Medicaid spending accounted for in State Operating Funds.

Health Care Transformation Fund (HCTF)

The HCTF was created in 2018 to account for receipts associated with health care asset sales and conversions. Resources in the HCTF are transferred to any other fund of the State, as directed by the Director of the Budget, to support health care delivery, including for capital investment, debt retirement or restructuring, housing and other social determinants of health, or transitional operating support to health care providers. The HCTF may be used as a repository for future proceeds related to asset sales and conversions, subject to regulatory approvals.

The table below summarizes the actual and projected receipts from several health care provider conversions and acquisitions and the support for health care transformation activities, including subsidies for housing rental assistance, State-only health care payments, capital projects spending to enhance health care information technology, and support for home care delivery.

The Financial Plan maintains the use of $1 billion added in the FY 2023 Enacted Budget to support multi-year investments in home care delivery and sustainability efforts through wage increases.

HEALTH CARE TRANSFORMATION FUND
PURSUANT TO PART FFF OF CHAPTER 59 OF THE LAWS OF 2018
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
Opening Balance	**147**	**563**	**375**	**250**	**125**
Receipts	**579**	**125**	**125**	**125**	**125**
General Fund Transfer	500	125	125	125	125
Centene Payment	68	0	0	0	0
Cigna Payment	7	0	0	0	0
STIP Interest	4	0	0	0	0
Planned Uses	**163**	**313**	**250**	**250**	**250**
Home Care Wages	0	250	250	250	250
Housing Rental Subsidies	73	63	0	0	0
State-Only Payments	46	0	0	0	0
Capital Projects	44	0	0	0	0
Closing Balance	**563**	**375**	**250**	**125**	**0**

Essential Plan

The FY 2015 Enacted Budget authorized the State to participate in the EP, a health insurance program which receives Federal subsidies authorized through the ACA. The EP includes health insurance coverage for legally residing immigrants in New York not eligible for Medicaid, CHP, or other employer-sponsored coverage. Individuals who meet the EP eligibility standards are enrolled through the New York State of Health (NYSOH) insurance exchange, with the cost of insurance premiums subsidized by the State and Federal governments. The Exchange – NYSOH – serves as a centralized marketplace to shop for, compare, and enroll in a health plan. Nearly 1.2 million New Yorkers are expected to be enrolled in the EP in FY 2024, which represents an increase in enrollment from FY 2023 as the end of the Federal PHE causes individuals to shift out of Medicaid and into EP. Growth in outyear enrollment is also due to expanded eligibility under a Federal Section 1332 State Innovation Waiver (the "Waiver").

ESSENTIAL PLAN
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
TOTAL ALL FUNDS SPENDING	6,341	7,605	19.9%	9,369	23.2%	10,068	7.5%	10,572	5.0%
State Operating Funds	65	91	40.0%	95	4.4%	103	8.4%	104	1.0%
Assistance and Grants[1]	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%
State Operations	65	91	40.0%	95	4.4%	103	8.4%	104	1.0%
Federal Operating Funds	6,276	7,514	19.7%	9,274	23.4%	9,965	7.5%	10,468	5.0%

[1] The EP is not a Medicaid program; however, State savings associated with the EP assistance and grants program are realized within the Global Cap, where EP resources are managed.

The FY 2023 Enacted Budget authorized the State to submit a Section 1332 State Innovation Waiver, which was recently submitted to the U.S. Department of Treasury and the U.S. Department of Health and Human Services. This Waiver, if approved, will enable New York State to extend coverage to more low- and moderate-income individuals. The EP currently provides affordable, comprehensive health insurance to more than 1 million New Yorkers, and under the replacement Waiver program, nearly 100,000 more New Yorkers are estimated to gain access to these same benefits. If approved, this Waiver will allow New York State to make important strides in broadening access to affordable health insurance coverage and advancing health equity among the remaining uninsured in the State.

On an All Funds basis, EP spending is anticipated to fluctuate over the Financial Plan period, reflecting a mix of factors. Spending growth in FY 2023 and FY 2024 primarily reflects costs associated with increased enrollment and the expansion of eligibility to individuals with incomes between 200 and 250 percent of the Federal poverty level. The FY 2024 Enacted Budget also includes the shift of pregnant and post-partum women from Medicaid to the EP. This transfer will allow the State to maximize Federal revenue under the EP, while maintaining the same benefits for pregnant and post-partum women. Due to a high Federal reimbursement rate for the EP under current methodology, assistance and grants spending for the EP is not anticipated to drive a commensurate increase in State support.

Public Health/Aging Programs

Public Health includes many programs. CHP, the largest program in this category, provides health insurance coverage for children of low-income families up to the age of 19. The General Public Health Works (GPHW) program reimburses local health departments for the cost of providing certain public health services. The Elderly Pharmaceutical Insurance Coverage (EPIC) program provides prescription drug insurance to seniors. The Early Intervention (EI) program pays for services provided to infants and toddlers under the age of three with disabilities or developmental delays. Many public health programs, such as the EI and GPHW programs, are run by county health departments that are reimbursed by the State for a share of the program costs. State spending projections do not include the county share of these programs. In addition, a significant portion of HCRA spending is included under the Public Health budget.

The State Office for the Aging (SOFA) promotes and administers programs and services for New Yorkers 60 years of age and older. SOFA primarily oversees community-based services (including in-home services and nutrition assistance) provided through a network of county Area Agencies on Aging and local providers.

PUBLIC HEALTH AND AGING (millions of dollars)	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
TOTAL STATE OPERATING FUNDS	**2,180**	**2,324**	**6.6%**	**2,365**	**1.8%**	**2,379**	**0.6%**	**2,401**	**0.9%**
Public Health	**2,011**	**2,132**	**6.0%**	**2,185**	**2.5%**	**2,193**	**0.4%**	**2,214**	**1.0%**
Child Health Plus[1]	753	933	23.9%	970	4.0%	988	1.9%	1,009	2.1%
General Public Health Work	196	225	14.8%	211	-6.2%	211	0.0%	211	0.0%
EPIC	93	63	-32.3%	63	0.0%	63	0.0%	63	0.0%
Early Intervention	113	81	-28.3%	81	0.0%	81	0.0%	81	0.0%
Unadjusted	210	178	-15.2%	178	0.0%	178	0.0%	178	0.0%
Health Services Initiatives Offset	(97)	(97)	0.0%	(97)	0.0%	(97)	0.0%	(97)	0.0%
Workforce Initiatives[2]	51	110	115.7%	110	0.0%	110	0.0%	110	0.0%
General Fund Assistance and Grants	51	92	80.4%	92	0.0%	92	0.0%	92	0.0%
HCRA Program	0	18	0.0%	18	0.0%	18	0.0%	18	0.0%
HCRA Program	436	252	-42.2%	321	27.4%	321	0.0%	321	0.0%
Nourish NY	58	50	-13.8%	50	0.0%	50	0.0%	50	0.0%
All Other	311	418	34.4%	379	-9.3%	369	-2.6%	369	0.0%
Aging	**169**	**192**	**13.6%**	**180**	**-6.3%**	**186**	**3.3%**	**187**	**0.5%**

[1] Increased spending for CHP in FY 2024 and beyond is attributable to the expiration of enhanced Federal resources, including FFCRA eFMAP.

[2] This item represents the local portion workforce Initiatives supported by the General Fund and HCRA Program, an additional $10 million is supported under HCRA State Operations.

Public Health spending grows over the Financial Plan period due to expiration of enhanced Federal resources, including FFCRA eFMAP, for the CHP program. Growth in FY 2024 reflects the timing of FY 2023 payment processing due to COVID-19, fully reflecting GPHW investments originating from FY 2023 and other one-time spending programs. Increased spending in FY 2024 will be partially offset by State savings from the utilization of Federal funding where applicable. Since the PHE and eFMAP were delinked in March 2023, the Federal government has started to phase down eFMAP rather than ending it abruptly. CHP is expected to receive a total of $26.7 million in FY 2024.

The Financial Plan continues SOFA support to address locally identified capacity needs for services to maintain the elderly in their communities, support family and friends in their caregiving roles, reduce future Medicaid costs by intervening earlier with less intensive services, and establish quality reporting and accreditation for assisted living residences and implement quality improvement initiatives in nursing homes to promote transparency. The Financial Plan also reflects funding for a Human Services COLA of 4 percent in FY 2024.

HCRA Financial Plan

HCRA was established in 1996 to help fund a portion of State health care activities and is currently authorized through FY 2026. HCRA resources include surcharges and assessments on hospital revenues, a "covered lives" assessment paid by insurance carriers, and a portion of cigarette tax revenues. These resources are used to fund roughly 25 percent of State-share Medicaid costs, and other programs and health care industry investments including CHP, EPIC, Physician Excess Medical Malpractice Insurance, Indigent Care payments to hospitals serving a disproportionate share of individuals without health insurance; Worker Recruitment and Retention; Doctors Across New York (DANY); Nurses Across New York (NANY); and the Statewide Health Information Network for New York (SHIN-NY)/All-Payer Claims Database (APCD).

HCRA FINANCIAL PLAN
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
OPENING BALANCE	**88**	**91**		**0**		**0**		**0**	
TOTAL RECEIPTS	**6,676**	**6,492**	**-2.8%**	**6,477**	**-0.2%**	**6,326**	**-2.3%**	**6,325**	**0.0%**
Surcharges	4,251	4,037	-5.0%	4,058	0.5%	4,078	0.5%	4,098	0.5%
Covered Lives Assessment[1]	1,052	1,150	9.3%	1,150	0.0%	1,150	0.0%	1,150	0.0%
Cigarette Tax Revenue	595	558	-6.2%	525	-5.9%	500	-4.8%	477	-4.6%
Hospital Assessments	525	505	-3.8%	507	0.4%	510	0.6%	512	0.4%
Excise Tax on Vapor Products	25	25	0.0%	25	0.0%	25	0.0%	25	0.0%
NYC Cigarette Tax Transfer	16	17	6.3%	13	-23.5%	13	0.0%	13	0.0%
EPIC Receipts/ICR Audit Fees	62	50	-19.4%	49	-2.0%	50	2.0%	50	0.0%
Distressed Provider Assistance[2]	150	150	0.0%	150	0.0%	0	-100.0%	0	0.0%
TOTAL DISBURSEMENTS AND TRANSFERS	**6,673**	**6,583**	**-1.3%**	**6,477**	**-1.6%**	**6,326**	**-2.3%**	**6,325**	**0.0%**
Medicaid Assistance Account	4,551	4,462	-2.0%	4,203	-5.8%	4,058	-3.4%	4,041	-0.4%
Medicaid Costs	4,226	4,137	-2.1%	3,878	-6.3%	3,883	0.1%	3,866	-0.4%
Distressed Provider Assistance[2]	150	150	0.0%	150	0.0%	0	-100.0%	0	0.0%
Workforce Recruitment & Retention	175	175	0.0%	175	0.0%	175	0.0%	175	0.0%
Hospital Indigent Care	656	631	-3.8%	631	0.0%	631	0.0%	631	0.0%
HCRA Program Account	442	289	-34.6%	358	23.9%	358	0.0%	359	0.3%
Child Health Plus	764	950	24.3%	990	4.2%	1,009	1.9%	1,030	2.1%
Elderly Pharmaceutical Insurance Coverage	104	74	-28.8%	74	0.0%	74	0.0%	74	0.0%
Qualified Health Plan Administration	36	44	22.2%	46	4.5%	48	4.3%	49	2.1%
Roswell Park Cancer Institute	57	51	-10.5%	51	0.0%	51	0.0%	51	0.0%
SHIN-NY/APCD/Modernization	39	43	10.3%	75	74.4%	45	-40.0%	40	-11.1%
All Other	24	39	62.5%	49	25.6%	52	6.1%	50	-3.8%
ANNUAL OPERATING SURPLUS/(DEFICIT)	**3**	**(91)**		**0**		**0**		**0**	
CLOSING BALANCE	**91**	**0**		**0**		**0**		**0**	

[1] Pursuant to Chapter 820 of the laws of 2021, the Updated HCRA Financial Plan includes $40 million in additional Covered Lives Assessment for Early Intervention.

[2] HCRA Financial Plan includes time limited resources from local county contributions in support of State funded payments to distressed health care providers through the Medicaid program ($150 million annually through FY 2025).

Total HCRA receipts are anticipated to steadily decline over the course of the multi-year plan reflecting the assumption that health care surcharge and assessment collections will remain relatively flat.

HCRA spending in FY 2024 is anticipated to decrease in line with the projected decline in receipts. The Financial Plan reflects over $4 billion in continued support for Medicaid spending, including $150 million annually through FY 2025 to increase support for distressed providers and nearly $1 billion for the CHP program. Estimated growth in CHP spending reflects the expiration of enhanced Federal resources provided through the ACA and expected growth in enrollment and utilization.

HCRA is expected to remain in balance over the Financial Plan period. Under the current HCRA appropriation structure, spending reductions will occur if resources are insufficient to maintain a balanced fund. Any such spending reductions could affect General Fund Medicaid funding or HCRA programs. Conversely, any unanticipated balances or excess resources in HCRA are expected to fund Medicaid costs that would have otherwise been paid from the General Fund.

Mental Hygiene

The Mental Hygiene agencies consist of OPWDD, OMH, Office of Addiction Services and Supports (OASAS), the Council on Developmental Disabilities (CDD), and the Justice Center for the Protection of People with Special Needs (Justice Center). These agencies provide services directly to their clients through State-operated facilities and indirectly through community-based providers. Services are provided for adults with mental illness, children with emotional disturbance, individuals with intellectual and developmental disabilities and their families, people with substance use disorder, and individuals with gambling problems. The service costs are reimbursed by Medicaid, Medicare, third-party insurance, and State funding.

MENTAL HYGIENE
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
TOTAL STATE OPERATING FUNDS	**4,786**	**6,463**	**35.0%**	**5,635**	**-12.8%**	**5,796**	**2.9%**	**6,210**	**7.1%**
People with Developmental Disabilities	**2,917**	**3,121**	**7.0%**	**3,265**	**4.6%**	**3,435**	**5.2%**	**3,621**	**5.4%**
Residential Services	1,471	1,583	7.6%	1,655	4.5%	1,739	5.1%	1,831	5.3%
Day Programs	698	751	7.6%	785	4.5%	825	5.1%	869	5.3%
Clinic	17	18	5.9%	19	5.6%	20	5.3%	21	5.0%
All Other Services (Net of Offsets)	731	769	5.2%	806	4.8%	851	5.6%	900	5.8%
Mental Health	**1,757**	**2,024**	**15.2%**	**2,333**	**15.3%**	**2,685**	**15.1%**	**2,828**	**5.3%**
Adult Local Services	1,441	1,593	10.5%	1,938	21.7%	2,246	15.9%	2,369	5.5%
Children Local Services	316	326	3.2%	395	21.2%	439	11.1%	459	4.6%
MLR/BHET Reinvestment[1]	0	105	0.0%	0	-100.0%	0	0.0%	0	0.0%
Addiction Services and Supports	**493**	**730**	**48.1%**	**632**	**-13.4%**	**618**	**-2.2%**	**657**	**6.3%**
Residential	117	130	11.1%	136	4.6%	144	5.9%	154	6.9%
Other Treatment	216	238	10.2%	253	6.3%	266	5.1%	286	7.5%
Prevention	62	69	11.3%	72	4.3%	77	6.9%	82	6.5%
Recovery	42	46	9.5%	49	6.5%	51	4.1%	55	7.8%
Opioid Settlement Fund[2]	49	167	240.8%	81	-51.5%	33	-59.3%	33	0.0%
Opioid Stewardship Fund[3]	7	27	285.7%	41	51.9%	47	14.6%	47	0.0%
MLR/BHET Reinvestment[1]	0	53	0.0%	0	-100.0%	0	0.0%	0	0.0%
Justice Center	**1**	**1**	**0.0%**	**1**	**0.0%**	**1**	**0.0%**	**1**	**0.0%**
Total DOH Medicaid Global Cap Adjustments[4]	**(382)**	**587**	**253.7%**	**(596)**	**-201.5%**	**(943)**	**-58.2%**	**(897)**	**4.9%**
OPWDD Local Share	15	1,349	8893.3%	307	-77.2%	0	-100.0%	0	0.0%
OPWDD Spending Funded by Global Cap	(397)	(762)	-91.9%	(903)	-18.5%	(943)	-4.4%	(897)	4.9%
TOTAL MENTAL HYGIENE SPENDING	**5,168**	**5,876**	**13.7%**	**6,231**	**6.0%**	**6,739**	**8.2%**	**7,107**	**5.5%**

[1] The Financial Plan reinvests recoveries from Managed Care companies attributable to their underspending against Medical Loss Ratio (MLR) by Health and Recovery Plans and Behavioral Health Expenditure Targets (BHET) by Mainstream MCOs. Predetermined thresholds attribute a percentage of premium spending that must be spent on care for enrollees with any underspending being recovered from insurers.

[2] Pursuant to Section 99-nn of the State Finance Law, the Opioid Settlement Fund consists of funds received by the State as the result of a settlement or judgment against opioid manufacturers, distributors, dispensers, consultants or resellers and will be used to supplement funding for substance use disorder prevention, treatment, recovery, and harm reduction services or programs consistent with statewide opioid settlement agreements.

[3] The Opioid Stewardship Fund consists of funds received by the State through collection of Opioid Stewardship taxes and will be used to supplement funding for substance use disorder prevention, treatment, recovery, and harm reduction services or programs.

[4] Reflects a portion of mental hygiene spending reported under the Medicaid Global Cap that has no impact on mental hygiene service delivery or operations. Adjustments in FY 2024 and FY 2025 reflect OPWDD-related local share expenses that will be funded outside of the DOH Global Cap through use of additional Financial Plan resources.

The Financial Plan includes continued support for individuals with developmental disabilities to ensure appropriate access to care, including funding to expand independent living opportunities, provide choice in service options, and support the return to pre-pandemic utilization levels.

Funding continues to be included to support OMH community services and the transition of individuals to more cost-effective community settings. Service expansion includes increases for residential programs and supported housing units throughout the State, additional peer support services, and targeted services, such as mobile crisis teams to directly assist homeless individuals and the nationwide 988 Suicide and Crisis Lifeline. Additionally, continued investments are made to restore inpatient psychiatric care capacity; recruit psychiatrists, psychiatric nurse practitioners, and other licensed mental health practitioners; and incentivize the provision of specialized treatments for children and families.

Increased funding for OASAS addiction service programs will support not-for-profit providers for addiction prevention, treatment, harm reduction, and recovery programs. In FY 2024, over $100 million in additional resources from the Opioid Stewardship Tax and litigation settlements with pharmaceutical manufacturers and distributors will be targeted at the opioid epidemic through investments in addiction services programs.

The FY 2024 Enacted Budget included funding to increase the minimum wage index with inflation, establish and operate 3,500 new residential units for New Yorkers with mental illness, significantly expand outpatient mental health services, enhance mental health services in schools, and increase funding for Critical Time Intervention (CTI) teams and specialized programs for children. The FY 2024 Enacted Budget also supports a 4 percent COLA for voluntary operated providers.

The level of Mental Hygiene spending reported under the DOH Medicaid Global Cap and/or the OPWDD related local share expenses funded with additional financial plan resources have no impact on mental hygiene service delivery or operations and may fluctuate depending on the availability of resources and other cost pressures within the Medicaid program.

Social Services

OTDA

OTDA assistance and grants programs provide cash benefits and supportive services to low-income families. The State's three main programs are Family Assistance, Safety Net Assistance, and SSI. The Family Assistance program, financed by the Federal government, provides time-limited cash assistance to eligible families. The Safety Net Assistance program, financed by the State and local districts, provides cash assistance for single adults, childless couples, and families that have exhausted their five-year limit on Family Assistance imposed by Federal law. The State SSI supplementation program provides a supplement to the Federal SSI benefit for the elderly, the visually handicapped, and disabled persons.

TEMPORARY AND DISABILITY ASSISTANCE
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
TOTAL STATE OPERATING FUNDS	**2,071**	**2,815**	**35.9%**	**2,362**	**-16.1%**	**1,806**	**-23.5%**	**1,855**	**2.7%**
SSI	555	567	2.2%	600	5.8%	600	0.0%	600	0.0%
Public Assistance Benefits	612	651	6.4%	707	8.6%	653	-7.6%	653	0.0%
Public Assistance Initiatives	10	20	100.0%	12	-40.0%	12	0.0%	12	0.0%
Homeless Housing and Services	121	175	44.6%	354	102.3%	397	12.1%	445	12.1%
Rental Assistance	767	551	-28.2%	115	-79.1%	135	17.4%	135	0.0%
Asylum Seekers Services and Assistance	0	836	0.0%	565	-32.4%	0	-100.0%	0	0.0%
All Other	6	15	150.0%	9	-40.0%	9	0.0%	10	11.1%

DOB's caseload models project a total of 558,000 public assistance recipients in FY 2024. Approximately 209,148 families are expected to receive benefits through the Family Assistance program and 138,784 through the Safety Net Assistance program in FY 2024, an increase in both programs from FY 2023. The caseload for single adults and childless couples supported through the Safety Net Assistance program is projected to be 210,068 in FY 2024, a decrease of 8.3 percent from FY 2023 projections.

OTDA spending in FY 2024 continues funding for the emergency rental assistance and landlord aid programs, including legal services for tenants facing eviction. Spending increases for homeless housing and services reflect a transition from State settlement funds to the General Fund for the ESSHI, which funds supportive housing constructed for vulnerable homeless populations under the Governor's Affordable Housing and Homelessness Plan. This reflects the full estimated costs for the ESSHI program that are shared by multiple agencies.

Growth in Safety Net Assistance spending is driven by an increase in the public assistance caseload, particularly in the City of New York. There is a significant spending increase to support asylum seekers due to the State providing time-limited support to the City of New York for the projected costs of providing services and assistance to the eligible population that has grown in the last year. SSI cost increases are attributed to potential fluctuations in benefit payments. In addition, the FY 2024 Enacted Budget included increased funding for Code Blue, New York State's emergency weather safety plan.

OCFS

OCFS provides funding for foster care, adoption, child protective services, preventive services, delinquency prevention, and childcare. It oversees the State's system of family support and child welfare services administered by local social services districts and community-based organizations. Specifically, child welfare services, financed jointly by the Federal government, the State, and local districts, are structured to encourage local governments to invest in preventive services for reducing out-of-home placement of children. In addition, the Child Care Block Grant, which is also financed by a combination of Federal, State, and local sources, supports childcare subsidies for public assistance and low and middle-income families.

CHILDREN AND FAMILY SERVICES
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
TOTAL STATE OPERATING FUNDS	**2,926**	**1,966**	**-32.8%**	**3,177**	**61.6%**	**3,204**	**0.8%**	**3,118**	**-2.7%**
Child Welfare Service	1,903	695	-63.5%	853	22.7%	853	0.0%	853	0.0%
Foster Care Block Grant	391	399	2.0%	399	0.0%	399	0.0%	399	0.0%
Child Care	151	233	54.3%	1,291	454.1%	1,304	1.0%	1,204	-7.7%
Adoption	132	154	16.7%	160	3.9%	160	0.0%	160	0.0%
Youth Programs	154	102	-33.8%	99	-2.9%	99	0.0%	99	0.0%
Medicaid	56	57	1.8%	60	5.3%	60	0.0%	60	0.0%
Adult Protective/Domestic Violence	54	54	0.0%	54	0.0%	54	0.0%	54	0.0%
Committees on Special Education	0	0	0.0%	29	0.0%	29	0.0%	29	0.0%
All Other	85	272	220.0%	232	-14.7%	246	6.0%	260	5.7%

The FY 2024 Enacted Budget continues funding to maintain the childcare market rate to include 80 percent of providers and expand eligibility for childcare subsidies to more families. In addition, the budget maintains (for one year) the restructured financing approach for residential school placements of children with special needs outside the City of New York that was included in the FY 2023 Enacted Budget, thereby aligning the fiscal responsibility with the school district responsible for the placement.

Additional FY 2024 Enacted Budget actions included consolidating the Empire State and Advantage Afterschool programs under OCFS, which currently have different funding sources and involve different agencies, assisting foster care agencies adapting to Federal requirements as they relate to Institutions for Mental Disease (IMD), investing in permanency resource centers and kinship services, creating a new business navigator program to assist businesses who wish to support their employee's child care needs, creating an employer-supported childcare pilot program generating new financial support for child care, as well as funding for legislative program adds. Payments for the child welfare program will continue to support local districts' services and the year-to-year decline in such spending is attributable to the timing of such payments.

Transportation

The Department of Transportation (DOT) maintains approximately 43,700 State highway lane miles and 7,700 state highway bridges. DOT also partially funds regional and local transit systems, including the MTA; local government highway and bridge construction; and rail, airport, and port programs.

In FY 2024, the State plans to provide $9.4 billion in operating aid to mass transit systems, including $4.1 billion from the direct remittance of various dedicated taxes and fees to the MTA that do not flow through the State's Financial Plan and are thus excluded from the table below. The MTA, the nation's largest transit and commuter rail system, is scheduled to receive $8.5 billion (approximately 91 percent) of the State's mass transit aid.

TRANSPORTATION
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
STATE OPERATING FUNDS SUPPORT	**4,569**	**5,249**	**14.9%**	**5,141**	**-2.1%**	**5,142**	**0.0%**	**5,140**	**0.0%**
Mass Transit Operating Aid:	3,434	3,697	7.7%	3,887	5.1%	3,887	0.0%	3,887	0.0%
Metro Mass Transit Aid	3,273	3,538	8.1%	3,728	5.4%	3,728	0.0%	3,728	0.0%
Public Transit Aid	117	115	-1.7%	115	0.0%	115	0.0%	115	0.0%
18-b General Fund Aid	19	19	0.0%	19	0.0%	19	0.0%	19	0.0%
School Fare	25	25	0.0%	25	0.0%	25	0.0%	25	0.0%
Mobility Tax	244	244	0.0%	244	0.0%	244	0.0%	244	0.0%
NY Central Business District Trust	153	155	1.3%	156	0.6%	158	1.3%	159	0.6%
Dedicated Mass Transit	632	667	5.5%	671	0.6%	671	0.0%	671	0.0%
MTA Fiscal Relief	0	305	100.0%	0	-100.0%	0	0.0%	0	0.0%
AMTAP	106	155	46.2%	155	0.0%	155	0.0%	155	0.0%
Innovative Mobility	0	2	100.0%	4	100.0%	4	0.0%	0	-100.0%
All Other	0	24	100.0%	24	0.0%	23	-4.2%	24	4.3%

Projected operating aid to the MTA and other transit systems mainly reflects the current receipts forecast. A substantial amount of new funding to the MTA was authorized in the FY 2020 Enacted Budget as part of a comprehensive reform plan expected to generate an estimated $25 billion in financing for the MTA's 2020-2024 Capital Plan. This includes a portion of sales tax receipts collected by online marketplace providers on all sales facilitated through their platforms, and implementation and enforcement of regulations associated with the Supreme Court's Wayfair decision that permits a state to require vendors with no physical presence in such state to collect and remit sales tax on sales to instate consumers.

Projected on-budget increases in operating aid for FY 2024 to the MTA and other transit systems include an additional $581 million to the MTA, $33 million for non-MTA downstate transit systems, and $38 million for upstate systems. This includes $305 million in one-time assistance to the MTA to address extraordinary revenue impacts caused by the pandemic, of which $5 million is dedicated to the MTA's Outer Borough Transportation Account. Other new initiatives include $24 million annually for operating costs of the Gateway Development Commission and $2 million to begin funding an Innovative Mobility Initiative for non-MTA systems.

Agency Operations

Agency operations spending consists of Personal Service (PS) and NPS. Fringe benefits (e.g., pensions and health insurance) provided to State employees and retirees, as well as certain fixed costs such as litigation expenses and taxes on public lands, are also part of operating costs and are described separately under GSCs. PS includes salaries of State employees of the Executive, Legislative, and Judicial branches consistent with current negotiated collective bargaining agreements, as well as temporary/seasonal employees. NPS includes real estate rentals, utilities, contractual payments (e.g., consultants, IT, and professional business services), supplies and materials, equipment, and telephone service. Certain agency operating costs of DOT and the Department of Motor Vehicles (DMV) are included in Capital Projects Funds and are not reflected in State Operating Funds.

Over 90 percent of the State workforce is unionized. The largest unions include CSEA, which represents office support staff, administrative personnel, machine operators, skilled trade workers, and therapeutic and custodial care staff; PEF, which represents professional and technical personnel (attorneys, nurses, accountants, engineers, social workers, and institution teachers); UUP, which represents faculty and nonteaching professional staff within the SUNY system; and New York State Correctional Officers and Police Benevolent Association (NYSCOPBA), which represents security personnel (correctional, safety and security officers).

The following table presents certain factors used in preparing the spending projections for agency operations.

FORECAST OF SELECTED PROGRAM MEASURES AFFECTING PERSONAL SERVICE AND FRINGE BENEFITS

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
State Workforce[1]	108,080	120,686	TBD	TBD	TBD
ERS Contribution Rate[2]	14.3%	13.3%	15.3%	17.0%	19.5%
PFRS Contribution Rate[2]	27.0%	27.8%	31.2%	32.5%	33.7%
Employee/Retiree Health Insurance Growth Rates[3]	6.6%	8.7%	9.1%	10.9%	10.0%
PS/Fringe as % of Receipts (All Funds Basis)	11.0%	11.3%	12.2%	12.7%	13.4%

[1] Reflects workforce that is subject to direct Executive control.

[2] ERS / PFRS contribution rate reflects the State's normal and administrative costs, contributions to the Group Life Insurance Plan (GLIP), Chapter 41 of 2016 veteran's pension credit legislation (if applicable) and any graded payments required under the Contribution Stabilization Program.

[3] Reflects normal costs, excluding deposits to the Retiree Health Benefit Trust Fund and the impact of Health Insurance prepayments.

Agency operations spending levels are mainly impacted by workforce levels, employee compensation, and fluctuations in energy and commodity prices.

STATE OPERATING FUNDS - PERSONAL SERVICE/NON-PERSONAL SERVICE COSTS
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
SUBJECT TO DIRECT EXECUTIVE CONTROL[1]	**11,548**	**11,503**	**12,369**	**13,738**	**13,936**
Corrections and Community Supervision	2,672	2,665	2,655	2,653	2,655
Office of Mental Health	1,726	1,750	1,707	1,736	1,803
Office for People with Developmental Disabilities	1,599	1,581	1,592	1,620	1,693
Department of Health	920	1,007	1,060	1,051	1,041
State Police	805	906	946	968	987
Information Technology Services	599	650	676	690	705
Transportation	356	362	362	373	384
Tax and Finance	328	342	342	343	343
Children and Family Services	196	287	302	318	333
Environmental Conservation	238	268	284	288	283
Office of Parks, Recreation and Historic Preservation	199	223	231	235	233
Department of Financial Services	213	217	217	217	217
Education	150	183	186	188	188
Office of Temporary and Disability Assistance	182	174	119	119	119
Labor	61	62	61	61	61
All Other	1,304	826	1,629	2,878	2,891
UNIVERSITY SYSTEMS	**6,926**	**7,304**	**7,657**	**7,962**	**8,125**
State University	6,926	7,304	7,657	7,962	8,125
INDEPENDENT AGENCIES	**391**	**421**	**425**	**431**	**437**
Law	219	242	242	246	248
Audit & Control (OSC)	172	179	183	185	189
TOTAL, EXCLUDING JUDICIARY AND LEGISLATURE	**18,865**	**19,228**	**20,451**	**22,131**	**22,498**
Judiciary	**2,089**	**2,231**	**2,231**	**2,231**	**2,231**
Legislature	**236**	**284**	**284**	**284**	**284**
Statewide Total	**21,190**	**21,743**	**22,966**	**24,646**	**25,013**
Personal Service	14,840	15,873	16,085	16,372	16,692
Non-Personal Service	6,350	5,870	6,881	8,274	8,321

1 Excludes expenses funded by the Coronavirus Relief Fund, as well as costs incurred, or expected to be incurred, in response to the COVID-19 pandemic that are expected to be reimbursed with Federal aid.

Operational spending for executive agencies is affected by the timing of Federal reimbursement of State incurred pandemic response and recovery efforts, and new investments. Agencies with significant growth are summarized below:

- **Department of Corrections and Community Supervision (DOCCS)**. The FY 2024 Enacted Budget included additional funding to expand the State's response to gun violence among the parolee population.

- **OMH.** The FY 2024 Enacted Budget reflected efforts to increase access to mental health care through the expansion of State operated services, including inpatient psychiatric care. These investments are offset by reductions in COVID-related spending and the time-limited pilot program extending two-and-a-half times overtime to certain employees with critical titles.

- **DOH.** The growth in projected spending from FY 2023 reflects increased funding for consulting costs associated with the implementation of Section 1115 Medicaid demonstration waivers, assessment of lead risks and support for lead abatement, modernization of health reporting systems, takeover of the Non-Modified Adjusted Growth Income (MAGI) population, and additional support to counties for Emergency Medical Services; partially offset by the reduced costs associated with the COVID-19 pandemic including home testing kits.

- **State Police.** Funding is increased to support additional State Police recruiting classes in FY 2024. Funding is also increased to expand the Community Stabilization Units and to increase State Police participation on Federal task forces to combat violent crime.

- **Information Technology Services (ITS).** Spending growth in FY 2024 and beyond reflects investments in cyber security, including the JSOC created for the coordination of local, State and Federal cyber security efforts, such as data collection, response efforts and information sharing.

- **OCFS.** Spending in FY 2024 and beyond reflects Statewide costs associated with implementing and supporting Raise the Age reforms, such as comprehensive diversion, probation, and programming services for 16- and 17-year-old youth in the juvenile justice system. Costs will be shifted to other agencies where costs are incurred in a later Financial Plan update.

- **OTDA.** The spending decline from FY 2023 reflects the time-limited spending associated with the ERAP and LRAP.

- **All Other Executive Agencies**. Other spending changes include support for asylum seekers response efforts in the City of New York, including the deployment of National Guard servicemembers to various hotels, homeless shelters, and emergency sites as well as the Port Authority to implement, administer, and effectuate the provision of services at each location. In addition, spending is affected by the timing of Federal reimbursement of State incurred pandemic response and recovery expenses incurred in FY 2021 and FY 2022, including the purchase of COVID-19 test kits for schools and local governments, PPE, durable medical equipment, costs to build out field hospital facilities, testing, and vaccination activities are expected to be reimbursed by FEMA. The Financial Plan assumes reimbursement of $1.2 billion in FY 2024 and $225 million in FY 2025. However, there can be no assurance that FEMA will approve claims for the State to receive reimbursement in the amounts or State fiscal years as projected in the Financial Plan.

- **State University.** The FY 2024 Enacted Budget included one-time funding for State matching contributions to endowments of the four university centers, additional recurring operating aid support for strategic investments at four-year campuses, and funding for nonrecurring transformational initiatives at both four-year campuses and community colleges.

- **Judiciary.** Growth is mainly driven by planned increases in staff hiring and recently implemented collective bargaining agreements. Additionally, there have been increases to the assigned counsel rate for attorneys providing services to indigent persons.

Workforce

In FY 2024, $15.9 billion of the State Operating Funds budget is dedicated to supporting full-time equivalent (FTE) employees under direct Executive control; individuals employed by SUNY and Independent Agencies; employees paid on a nonannual salaried basis; and overtime pay. Roughly 60 percent of the Executive agency workforce is in the mental hygiene agencies and DOCCS.

STATE OPERATING FUNDS
FY 2024 FTEs[1] AND PERSONAL SERVICE SPENDING BY AGENCY
(millions of dollars)

	Dollars	FTEs
SUBJECT TO DIRECT EXECUTIVE CONTROL	**8,988**	**97,990**
Corrections and Community Supervision	2,188	24,548
Office for People with Developmental Disabilities	1,339	18,557
Office of Mental Health	1,336	13,307
State Police	792	6,335
Information Technology Services	330	3,558
Department of Health	327	4,350
Tax and Finance	268	3,785
Environmental Conservation	214	2,430
Children and Family Services	194	2,327
Transportation	183	2,590
Office of Parks, Recreation and Historic Preservation	177	1,795
Department of Financial Services	161	1,391
Education	112	1,443
Workers' Compensation Board	88	1,081
Office of Temporary and Disability Assistance	70	1,002
All Other	1,209	9,491
UNIVERSITY SYSTEMS	**4,501**	**46,090**
State University	4,501	46,090
INDEPENDENT AGENCIES	**2,384**	**18,518**
Law	172	1,611
Audit & Control (OSC)	144	1,631
Judiciary	1,847	15,273
Legislature[2]	221	3
Statewide Total	**15,873**	**162,598**

[1] FTEs represent the number of annual-salaried full-time filled positions (e.g., one FTE may represent a single employee serving at 100 percent full-time, or a combination of employees serving at less than full-time that, when combined, equal a full-time position). The reported FTEs do not include nonannual salaried positions, such as those filled on an hourly, per-diem or seasonal basis.

[2] Legislative employees who are nonannual salaried are excluded from this table.

General State Charges

GSCs spending includes employee-related expenses for fringe benefits the State provides to current and former employees, as well as certain statewide fixed costs. Fringe benefits include health insurance, pensions, workers' compensation coverage, unemployment insurance, survivors' benefits, and dental and vision benefits (some of which are provided through union-specific Employee Benefit Funds). The GSCs budget also pays the Social Security payroll tax, taxes on State-owned lands, Payments in Lieu of Taxes (PILOT), and judgments awarded in the Court of Claims. Many of these payments are mandated by law or collective bargaining agreements. Employee fringe benefits are paid centrally through GSCs in the General Fund. Some agencies with dedicated revenue sources outside of the General Fund partially reimburse the GSCs in the General Fund via the agency fringe benefit assessments.

GSCs spending is projected to increase over the Financial Plan period mostly due to increases in the health insurance program which reflects medical inflation and the potential for increased utilization in non-essential procedures that were postponed during the pandemic. Similarly, the pension program reflects associated costs due to increases in the employer contribution rates.

GENERAL STATE CHARGES
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
TOTAL STATE OPERATING FUNDS	**10,203**	**8,870**	**-13.1%**	**10,125**	**14.1%**	**11,325**	**11.9%**	**12,791**	**12.9%**
Fringe Benefits	**9,786**	**8,421**	**-13.9%**	**9,636**	**14.4%**	**10,823**	**12.3%**	**12,280**	**13.5%**
Health Insurance	5,083	4,765	-6.3%	5,556	16.6%	6,179	11.2%	6,808	10.2%
Retiree Health Benefit Trust Fund	920	0	-100.0%	0	0.0%	0	0.0%	0	0.0%
Pensions	2,045	2,099	2.6%	2,428	15.7%	2,791	15.0%	3,548	27.1%
Social Security	1,120	1,177	5.1%	1,192	1.3%	1,205	1.1%	1,228	1.9%
Workers' Compensation	830	601	-27.6%	640	6.5%	702	9.7%	723	3.0%
Employee Benefits	94	103	9.6%	103	0.0%	121	17.5%	121	0.0%
Dental Insurance	44	57	29.5%	62	8.8%	66	6.5%	66	0.0%
Unemployment Insurance	13	13	0.0%	13	0.0%	13	0.0%	13	0.0%
All Other/Non-State Escrow	(363)	(394)	-8.5%	(358)	9.1%	(254)	29.1%	(227)	10.6%
Fixed Costs	**417**	**449**	**7.7%**	**489**	**8.9%**	**502**	**2.7%**	**511**	**1.8%**
Public Land Taxes/PILOTS	295	308	4.4%	318	3.2%	326	2.5%	335	2.8%
Litigation	122	141	15.6%	171	21.3%	176	2.9%	176	0.0%

The State has and continues to fund employee and retiree health care expenses as they become due, on a PAYGO basis. In FY 2022, the State made its first deposit ($320 million) to RHBTF which was created in FY 2018 to reserve money for the payment of health benefits of retired employees and their dependents. In FY 2023, the State deposited an additional $920 million, bringing the aggregate reserve balance up to $1.2 billion to support the State's post-employment health insurance liability. Future deposits into the fund will be dependent on fiscal conditions.

Higher pension costs are reflective of the increase in the employer contribution rates driven by higher salaries and the annual COLA. In addition, the Common Retirement Fund's investment return of -4.14 percent at the end of FY 2023 will increase the employer contribution rates starting in FY 2025 and beyond.

Workers' compensation reflects current utilization and an increase in the average weekly wage. In FY 2023, the State made a prepayment ($300 million) towards its FY 2024 workers' compensation obligations. The FY 2024 Mid-Year Update carries forward another $300 million prepayment for FY 2025 worker's compensation costs. Similarly, the State made a partial advancement ($180 million) in March 2023 which was applied to the April 2023 Health Insurance payment.

The estimate for Social Security reflects general salary increases pursuant to the recent collective bargaining agreements and current spending trends. Other fringe benefits and fixed costs reflect wage and property tax increases, and current spending trends.

Transfers to Other Funds (General Fund Basis)

General Fund resources are transferred to other funds to finance a range of other activities, including debt service for bonds that do not have dedicated revenues, SUNY operating costs, and certain capital projects.

GENERAL FUND TRANSFERS TO OTHER FUNDS
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
TOTAL TRANSFERS TO OTHER FUNDS	**8,325**	**7,178**	**9,024**	**6,794**	**6,398**
Debt Service	298	227	265	289	338
SUNY University Operations	1,491	1,627	1,701	1,735	1,749
Capital Projects	4,649	3,702	5,330	3,058	2,585
Extraordinary Monetary Settlements:	**267**	**429**	**416**	**286**	**290**
Dedicated Infrastructure Investment Fund	260	351	344	217	220
Clean Water Grants	0	60	60	60	60
Mass Transit Capital	0	2	2	0	0
Health Care	7	16	10	9	10
Dedicated Highway and Bridge Trust Fund	691	51	105	181	115
Environmental Protection Fund	100	100	100	100	100
Other DIIF	0	50	250	118	0
All Other Capital	3,591	3,072	4,459	2,373	2,080
ALL OTHER TRANSFERS	**1,887**	**1,622**	**1,728**	**1,712**	**1,726**
Mobility Tax Trust Account	244	244	244	244	244
State University Hospital IFR Operations Account	314	302	302	302	302
NY Central Business District Trust	153	155	156	158	159
Court Facility Income Account	115	104	104	104	104
Dedicated Mass Transportation Trust Fund	129	65	65	65	65
Health Care Transformation	500	125	125	125	125
All Other	432	627	732	714	727

General Fund transfers to Other Funds are projected to total $7.2 billion in FY 2024, a decrease of $1.1 billion from FY 2023 mainly due to lower capital projects, Health Care Transformation and Dedicated Mass Transportation Trust Fund transfers.

Transfers to capital projects funds are impacted by the timing of bond proceed reimbursements to offset costs initially funded with monetary settlements; bond proceed reimbursements to the capital projects fund; and increased PAYGO capital spending across the Financial Plan period. PAYGO capital spending has increased in an effort to: avoid issuing debt for higher cost taxable bonds and bonds for capital expenditures with short economic useful lives; remain within the statutory debt cap; and allow for a larger DOT capital plan.

The DHBTF receives motor vehicle fees, Petroleum Business Tax (PBT), the motor fuel tax, Highway Use Tax (HUT), the auto rental tax, utilities taxes, and miscellaneous transportation-related fees. These resources are used to pay debt service on transportation bonds, finance capital projects, and pay for certain operating expenses of the DOT and DMV. The General Fund subsidizes DHBTF expenses that are not covered by revenue and bond proceeds. In addition, the FY 2024 Enacted Budget increases transfers to the DHBTF to support a statewide geographic pay differential increasing salaries for most maintenance program positions, including Highway Maintenance Workers, Bridge Repair Assistants, Tree Pruners, and Service and Repair Mechanics and costs associated with the DMV transformation to improve the customer experience and service offerings. The prepayment of DHBTF Bonds results in an increase to debt service transfers from and a corresponding decrease in capital projects transfers to the DHBTF. There is no resulting financial plan impact.

Debt Service

The State pays debt service on all outstanding State-supported bonds. These include General Obligation Bonds for which the State is constitutionally obligated to pay debt service, as well as certain bonds issued by State public authorities, such as Empire State Development (ESD), Dormitory Authority of the State of New York (DASNY), and New York State Thruway Authority (NYSTA). Depending on the credit structure, debt service is financed by transfers from the General Fund and dedicated taxes and fees.

DEBT SERVICE SPENDING PROJECTIONS (millions of dollars)									
	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
General Fund	298	227	-23.8%	265	16.7%	289	9.1%	338	17.0%
Other State Support	10,183	2,411	-76.3%	3,103	28.7%	4,595	48.1%	4,530	-1.4%
Total State Operating Funds	**10,481**	**2,638**	**-74.8%**	**3,368**	**27.7%**	**4,884**	**45.0%**	**4,868**	**-0.3%**

State Operating Funds debt service is projected to be $2.6 billion in FY 2024, of which $227 million is paid from the General Fund and $2.4 billion is paid from other State funds supported by dedicated tax receipts. The General Fund finances debt service payments on General Obligation and service contract bonds. Debt service for other State-supported bonds is paid directly from other dedicated State funds, subject to appropriation, including PIT and Sales Tax Revenue bonds, and DHBTF bonds.

Debt service spending levels are impacted by prepayments. The FY 2024 Enacted Budget Financial Plan reflected prepayments that totaled $6.0 billion in FY 2023. Prior prepayments of $2.2 billion in FY 2021 and $7.6 billion in FY 2022 had a multi-year impact. As shown in the table below, the net impact of these prepayments in prior years increased debt service in FY 2023 and will decrease debt service costs in FY 2024 through FY 2028.

STATE-SUPPORTED DEBT SERVICE (millions of dollars)						
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Base Debt Service	**5,556**	**6,343**	**7,063**	**7,264**	**7,728**	**8,049**
Total Prepayment Adjustment	**4,925**	**(3,705)**	**(3,695)**	**(2,380)**	**(2,860)**	**(2,000)**
Prior Prepayments	(1,075)	(2,255)	(2,395)	(1,630)	(2,360)	0
FY 2023 Prepayment	6,000	(1,450)	(1,300)	(750)	(500)	(2,000)
Mid-Year Update State Debt Service	**10,481**	**2,638**	**3,368**	**4,884**	**4,868**	**6,049**

The FY 2024 Enacted Budget authorized liquidity financing in the form of up to $3.0 billion of PIT notes and $1.0 billion of line of credit facilities in FY 2024 as a tool to manage unanticipated financial disruptions. The Financial Plan does not assume any PIT note issuances or use of the line of credit. DOB evaluates cash results regularly and may adjust the use of notes and/or the line of credit based on liquidity needs, market considerations, and other factors.

The Financial Plan estimates for debt service spending reflect bond sale results, including refundings, projections of future refunding savings, and the adjustment of debt issuances to align with projected bond-financed capital spending. Debt service projections were reduced to reflect the contribution of an additional $3 billion in PAYGO capital spending in lieu of bond issuances. In combination with $6 billion of cash resources added in the FY 2023 Enacted Budget, $9 billion of cash resources have been added since the start of FY 2023. The additional resources will be used to avoid debt issuances for capital expenditures with shorter economic useful lives.

APRIL - SEPTEMBER 2023 OPERATING RESULTS

This discussion provides a summary of operating results for April through September 2023 compared to the projections set forth in the FY 2024 Enacted Budget Financial Plan ("initial estimates") and prior fiscal year results for the same period (April through September 2022).

Summary of General Fund Operating Results

The General Fund ended September 2023 with a balance of $48 billion, $3 billion above the initial estimate. The higher balance was largely driven by higher than projected receipts ($2.2 billion), augmented by lower transfers for capital projects ($749 million) as compared to the initial estimates.

GENERAL FUND OPERATING RESULTS
FY 2024 April to September
(millions of dollars)

			Variance Above/ (Below) Initial Estimate	
	Initial Estimate	**Actuals**	**$**	**%**
OPENING BALANCE	**43,451**	**43,451**	**0**	**0.0%**
Total Receipts	**48,591**	**50,779**	**2,188**	**4.5%**
Taxes:	45,534	47,755	2,221	4.9%
Personal Income Tax[1]	25,268	25,676	408	1.6%
Consumption / Use Taxes[1]	9,162	9,441	279	3.0%
Business Taxes	4,568	5,163	595	13.0%
Pass Through Entity Tax	5,035	5,915	880	17.5%
Other Taxes[1]	1,501	1,560	59	3.9%
Miscellaneous and Federal Receipts	1,841	2,066	225	12.2%
Transfers From Other Funds	1,216	958	(258)	-21.2%
Total Spending	**47,049**	**46,258**	**(791)**	**-1.7%**
Assistance and Grants	33,855	33,916	61	0.2%
Agency Operations (including GSCs)	10,012	9,952	(60)	-0.6%
Transfers to Other Funds	3,182	2,390	(792)	-24.9%
Debt Service Transfer	60	91	31	51.7%
Capital Projects Transfer	1,279	530	(749)	-58.6%
SUNY Operations Transfer	1,179	1,133	(46)	-3.9%
All Other Transfers	664	636	(28)	-4.2%
Change in Operations	**1,542**	**4,521**	**2,979**	**193.2%**
CLOSING BALANCE	**44,993**	**47,972**	**2,979**	**6.6%**

[1] Includes transfers from other funds after debt service.

General Fund Receipts

Through September 2023, General Fund Receipts, including transfers from other funds, totaled $50.8 billion, $2.2 billion (4.5 percent) above the initial estimate.

Personal Income Tax (PIT) receipts were above projections ($408 million) mainly due to stronger than expected withholding, delinquencies and final returns coupled with weaker than expected total refunds, offset by weaker than expected current estimated payments and a stronger than expected state/city offset.

PTET receipts exceeded projections by $880 million due to the timing of estimated payments and refunds. Higher than projected business taxes ($595 million) were attributable to increased gross CFT receipts. Stronger than expected growth in sales tax collections and transfers net of debt service payments primarily drove higher consumption/use tax receipts ($279 million). Miscellaneous receipts, which were also higher than expected, were largely driven by refunds and reimbursements ($142 million) and investment income ($127 million).

General Fund Spending

General Fund disbursements, including transfers to other funds, totaled $46.3 billion, $791 million (1.7 percent) below the initial estimate, due primarily to the timing of transfers for capital projects ($749 million) resulting from the receipt of bond proceeds to reimburse Department of Transportation Consolidated Local Street and Highway Improvement Program spending earlier than planned.

Assistance and Grants spending was $61 million above initial estimates and included the following significant positive and negative variances:

- Medicaid ($1 billion higher) is primarily attributable to the timing of payments related to the implementation of the New York State Medicaid Pharmacy Program (NYRx). Managed Care rates removing pharmacy costs were processed in September, and retroactive credits are pending the re-processing of claims to ensure spending is in line with projections. Overspending is compounded by delays in the recoupment of directed payment template advances.

- All Other Education ($262 million higher) mainly due to accelerated claiming for preschool and summer school special education payments.

- Temporary & Disability Assistance ($185 million lower) due to timing of spending on asylum seekers services and assistance efforts ($137 million), rent supplements ($37 million), and Supplemental Security Income ($31 million), partially offset by higher than projected spending on benefit payments ($79 million) and the Empire State Supportive Housing Initiative ($24 million).

- School Aid ($355 million lower) due primarily to lower than projected spending on competitive grants and categorical programs ($141 million) and Excess Cost Aid payments ($129 million), partially offset by higher than projected Teachers' Retirement System payments ($55 million).

- Mental Hygiene ($416 million lower) due primarily to lower than projected OPWDD programmatic spending ($110 million), including IRA Residential Habilitation, and lower than projected OMH spending ($283 million) for Adult Non-Residential, Adult Residential and Children & Youth Non-Residential programs. Additional underspending was driven by lower than projected Medicaid transfers.

- Lower spending for all other assistance and grants was driven largely by the Division of Criminal Justice Services ($61 million), the Division of Housing and Community Renewal ($39 million), Indigent Legal Services ($30 million), and Empire State Development ($28 million).

Agency operations spending, including fringe benefits, was $60 million below the initial estimate due to lower than projected pension, social security, and litigation payments, partially offset by higher than projected NPS spending, primarily by the Department of Health and the Office of Temporary and Disability Assistance.

Summary of All Governmental Funds Operating Results

All Governmental Funds ended September 2023 with a balance of $73.2 billion, $6.1 billion above the initial estimate driven primarily by higher receipts ($3.8 billion) and lower than projected capital projects spending ($1.4 billion).

ALL GOVERNMENTAL FUNDS COMPARED TO PLANS
FY 2024 April to September
(millions of dollars)

	Initial Estimate	Actuals	Variance Above/ (Below) Initial Estimate $	Variance Above/ (Below) Initial Estimate %
OPENING BALANCE	**65,955**	**65,955**	**0**	**0.0%**
ALL FUNDS RECEIPTS:	**113,826**	**117,653**	**3,827**	**3.4%**
Total Taxes	**49,824**	**51,489**	**1,665**	**3.3%**
Personal Income Tax	26,030	25,981	(49)	-0.2%
Consumption / Use Tax	10,932	11,037	105	1.0%
Business Taxes	6,177	6,876	699	11.3%
Pass Through Entity Tax	5,035	5,915	880	17.5%
Other Taxes	1,650	1,680	30	1.8%
Miscellaneous Receipts	**16,200**	**17,034**	**834**	**5.1%**
Federal Receipts	**47,802**	**49,130**	**1,328**	**2.8%**
ALL FUNDS DISBURSEMENTS:	**112,557**	**110,394**	**(2,163)**	**-1.9%**
STATE OPERATING FUNDS	**59,886**	**59,053**	**(833)**	**-1.4%**
Assistance and Grants	**43,746**	**43,626**	**(120)**	**-0.3%**
School Aid	14,483	14,128	(355)	-2.5%
DOH Medicaid	16,950	17,948	998	5.9%
Higher Education	978	989	11	1.1%
Transportation	2,395	2,390	(5)	-0.2%
Social Services	2,101	1,878	(223)	-10.6%
Mental Hygiene	3,405	2,925	(480)	-14.1%
All Other	3,434	3,368	(66)	-1.9%
State Operations	**15,053**	**14,866**	**(187)**	**-1.2%**
Agency Operations	**10,029**	**10,005**	**(24)**	**-0.2%**
Executive Agencies	4,934	5,064	130	2.6%
University Systems	3,663	3,563	(100)	-2.7%
Elected Officials	1,432	1,378	(54)	-3.8%
Fringe Benefits/Fixed Costs	**5,024**	**4,861**	**(163)**	**-3.2%**
Pension Contribution	1,955	1,915	(40)	-2.0%
Health Insurance	2,369	2,368	(1)	0.0%
Other Fringe Benefits/Fixed Costs	700	578	(122)	-17.4%
Debt Service	**1,087**	**561**	**(526)**	**-48.4%**
CAPITAL PROJECTS (State and Federal Funds)	**7,959**	**6,537**	**(1,422)**	**-17.9%**
FEDERAL OPERATING AID	**44,712**	**44,804**	**92**	**0.2%**
NET OTHER FINANCING SOURCES	**(71)**	**(9)**	**62**	**87.3%**
CHANGE IN OPERATIONS	**1,198**	**7,250**	**6,052**	**505.2%**
CLOSING BALANCE	**67,153**	**73,205**	**6,052**	**9.0%**

Receipts

All Funds receipts totaled $117.7 billion, exceeding initial estimates by $3.8 billion, due largely to higher than initially projected tax collections ($1.7 billion) consistent with the General Fund operating results described earlier, and Federal receipts ($1.3 billion) related to the timing of Federal operating aid spending and reimbursements.

Spending

State Operating Funds spending was $833 million below initial estimates, largely driven by lower debt service payments ($526 million). Lower spending on assistance and grants and State Operations is consistent with the General Fund operating results described earlier.

Capital projects spending was $1.4 billion below initial projections due to routine timing delays of various construction projects, including transportation and economic development projects, and delays in the submission and processing of Smart Schools Bond Act claims.

Federal operating aid spending was $92 million (0.2 percent) above initial projections. The largest variances occurred in the following areas:

- DHSES increased spending ($1.1 billion higher) due to higher than planned Federal aid to localities pass-through reimbursement for previously incurred eligible COVID-19 expenses.

- Medicaid ($888 million lower) related to the timing of Upper Payment Limit (UPL) payments to hospitals and other providers that have been delayed due to pending CMS approval of the corresponding UPL demonstrations.

- Essential Plan spending ($886 million higher) due to higher-than-expected utilization resulting from program expansion.

- School Aid ($789 million lower) primarily due to the timing of COVID-19-related grants.

- OTDA ($716 million lower) attributable to several programs including the Flexible Fund for Family Services ($361 million), Child Care ($205 million), and Emergency Rental Assistance ($203 million).

- OCFS ($387 million higher) driven by increased spending for Child Care ($340 million) and Child Welfare Services ($77 million), partially offset by underspending within the Social Services Block Grant ($30 million).

All Governmental Funds Results Compared to Prior Year

The FY 2024 September All Funds balance, totaling $73.2 billion, was $884 million lower than the prior year due to increased disbursements ($14.2 billion), offset largely by a larger opening fund balance relative to FY 2023 ($12.4 billion).

ALL GOVERNMENTAL FUNDS - RESULTS COMPARED TO PRIOR YEAR
FY 2024 April to September
(millions of dollars)

	Actuals		Increase/(Decrease)	
	FY 2023	FY 2024	$	%
OPENING BALANCE	**53,549**	**65,955**	**12,406**	**23.2%**
ALL FUNDS RECEIPTS:	**116,842**	**117,653**	**811**	**0.7%**
Total Taxes	**58,391**	**51,489**	**(6,902)**	**-11.8%**
Personal Income Tax	33,179	25,981	(7,198)	-21.7%
Pass Through Entity Tax	6,313	5,915	(398)	-6.3%
All Other Taxes	18,899	19,593	694	3.7%
Miscellaneous Receipts	**15,264**	**17,034**	**1,770**	**11.6%**
Federal Receipts	**43,187**	**49,130**	**5,943**	**13.8%**
Bond & Note Proceeds	**0**	**0**	**0**	**0.0%**
ALL FUNDS DISBURSEMENTS:	**96,242**	**110,394**	**14,152**	**14.7%**
STATE OPERATING FUNDS	**52,572**	**59,053**	**6,481**	**12.3%**
Assistance and Grants	**36,130**	**43,626**	**7,496**	**20.7%**
School Aid	13,041	14,128	1,087	8.3%
DOH Medicaid (incl. admin and EP)	12,305	17,948	5,643	45.9%
All Other	10,784	11,550	766	7.1%
State Operations	**15,017**	**14,866**	**(151)**	**-1.0%**
Agency Operations	**9,977**	**10,005**	**28**	**0.3%**
Executive Agencies	5,415	5,064	(351)	-6.5%
University Systems	3,304	3,563	259	7.8%
Elected Officials	1,258	1,378	120	9.5%
Fringe Benefits/Fixed Costs	**5,040**	**4,861**	**(179)**	**-3.6%**
Pension Contribution	1,899	1,915	16	0.8%
Health Insurance	2,317	2,368	51	2.2%
Other Fringe Benefits/Fixed Costs	824	578	(246)	-29.9%
Debt Service	**1,425**	**561**	**(864)**	**-60.6%**
Capital Projects	**0**	**0**	**0**	**0.0%**
CAPITAL PROJECTS (State and Federal Funds)	**5,733**	**6,537**	**804**	**14.0%**
FEDERAL OPERATING AID	**37,937**	**44,804**	**6,867**	**18.1%**
NET OTHER FINANCING SOURCES	**(60)**	**(9)**	**51**	**85.0%**
CHANGE IN OPERATIONS	**20,540**	**7,250**	**(13,290)**	**-64.7%**
CLOSING BALANCE	**74,089**	**73,205**	**(884)**	**-1.2%**

All Funds Receipts

Tax collections through September of FY 2024 were $6.9 billion lower than through the same period in FY 2023. The annual decline in taxes was largely driven by lower PIT receipts, partially offset by year-over-year increases in consumption/use taxes.

PIT receipts declined by $7.2 billion due to a combination of decreased estimated payments and final return payments, coupled with increased current and prior year refunds and State/city offsets. The lower payments were partly offset by increased withholding and delinquencies, coupled with a decrease in advanced credit payments attributable to the expiration of the Homeowner's Tax Rebate Credit. Net PIT decreases were partially offset by growth in consumption/use taxes ($698 million) due largely to increased motor fuel tax receipts, related to the expiration of the temporary fuel tax holiday in December 2022, and growth in sales tax collections.

Miscellaneous receipts were $1.8 billion higher, driven primarily by investment income ($951 million), HCRA ($392 million), the Essential Plan ($227 million), SUNY operations ($190 million), American Rescue Plan receipts ($125 million) and Mental Health Services ($96 million), partially offset by lower bond proceeds related to the timing of reimbursements for various capital programs ($545 million).

Federal receipts through September 2023 were $5.9 billion higher than through the same period in the prior year, consistent with the changes in Federal operating aid described below.

All Funds Spending

State Operating Funds spending totaled $59.1 billion through September of FY 2024, an increase of $6.5 billion (12.3 percent) compared to the same period in FY 2023.

Assistance and grants spending through September was $7.5 billion higher than in the prior year. The largest spending changes include the following:

- Medicaid ($5.6 billion higher) primarily attributable to elevated Fee-for Service claims and Managed Care payments as a result of the NYRx transition, continued growth in Managed Long-Term Care, and lower COVID-19 eFMAP collections due to the phase-out of the enhanced match (which began in April 2023 and will be fully phased-out by December 2023). Additional year-to-year increases in spending were driven by payments to support financially distressed providers and the timing of offline payments. Reductions in spending are expected to occur in the second half of the year, reflective of implementation of new rates and the claiming of Federal offsets.

- School Aid ($1.1 billion higher) due to the final year of the three-year phase-in of full funding of Foundation Aid as reflected in a higher level of appropriated spending in the FY 2024 Enacted Budget.

- Mental Hygiene ($491 million higher) primarily due to a lower Mental Hygiene Stabilization Fund offset ($157 million), higher programmatic spending ($160 million), an increase in spending primarily for the OMH Adult Residential and Non-Residential programs ($83 million) and a higher Local Share Adjustment ($45 million).

- All Other Education ($348 million higher) due to accelerated claiming for preschool and summer school special education payments in the first quarter of FY 2024.

- Temporary & Disability Assistance ($204 million higher) due primarily to a $250 million payment to the City of New York for asylum seekers services and assistance, partially offset by decreased Emergency Rental Assistance and rent supplement spending.

- Children & Families ($104 million lower) due to lower spending on Child Welfare Services ($223 million), partially offset by increased spending on Day Care, Adoption Subsidies and Youth Programs ($102 million).

- All Other Assistance and grants ($322 million lower) primarily due to decreased public service payments ($250 million) and one-time gaming payments from the State to casino-hosting localities in April 2022 ($133 million).

Executive agency operations spending decreased by $351 million from the prior year due largely to FEMA reimbursement for prior year State costs incurred for pandemic response and recovery efforts ($949 million). Excluding the FEMA reimbursement, operational spending increased due to salary increases pursuant to existing labor contracts and targeted increases for certain job titles including nurses, psychiatrists, and direct care staff. Annual fringe benefits spending declined by $179 million, primarily due to lower spending on Workers' Compensation due to the partial prepayment of these obligations in FY 2023.

Debt service spending was $864 million lower, reflecting that the State continues to pay off older credits that traditionally had annual payments early in the fiscal year and the impact of prepayments.

Federal operating spending increased by $6.9 billion over the prior year due primarily to the following:

- Medicaid ($2.7 billion higher) primarily attributable to increased claims growth ($2.4 billion) and the timing of Managed Care Encounter Withholds.

- Essential Plan ($1.8 billion higher) attributable to higher program participation due to an expansion of program eligibility.

- Office of Children and Families ($578 million higher) driven by increased spending on Child Care ($406 million) and Child Welfare Services ($171 million).

- School Aid ($251 million higher) due to the timing of Elementary and Secondary Education Act (ESEA) Title grants ($333 million) and COVID-19-related grants ($145 million), partially offset by lower spending on U.S. Department of Agriculture School Lunch Act Grants ($227 million).

- All Other Education ($121 million higher) due to increased spending on Individuals with Disabilities Education Act (IDEA) grants.

- Temporary & Disability Assistance ($1.2 billion lower) driven by decreased spending on the Emergency Rental Assistance program ($572 million), Flexible Fund for Family Services ($448 million), and the Home Energy Assistance program ($208 million).

All Other Federal spending ($2.5 billion higher) due to increased spending attributable to Federal reimbursements of pandemic related costs passed through to local entities ($2 billion), FEMA reimbursement of COVID-19 test kits purchased in FY 2022 ($949 million), and the Empire State Development Small Business Credit Assistance Initiative ($151 million) to help disadvantaged and very small businesses to recover from the economic effects of COVID-19, offset by the non-recurring coronavirus local fiscal recovery non-entitlement pass through payment made in FY 2023 ($387 million).

GAAP-BASIS RESULTS FOR PRIOR FISCAL YEARS

GAAP-Basis Results for Prior Fiscal Years

The Comptroller prepares Basic Financial Statements and Other Supplementary Information, including a management discussion and analysis, on a GAAP basis for governments as promulgated by the GASB. The Basic Financial Statements and Other Supplementary Information are released in July each year. These statements are audited by independent certified public accountants. The State issued the Basic Financial Statements for FY 2023 on July 27, 2023. The Comptroller also prepares and issues an Annual Comprehensive Financial Report, which, in addition to the components referred to above, also includes an introductory section and a statistical section. The Annual Comprehensive Financial Report for the fiscal year ended March 31, 2023 was issued on September 29, 2023.

The following tables summarize recent governmental funds results on a GAAP basis.

COMPARISON OF ACTUAL GAAP-BASIS OPERATING RESULTS SURPLUS/(DEFICIT) (in millions of dollars)

Fiscal Year Ended	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	All Governmental Funds	Accumulated General Fund Surplus/Deficit
March 31, 2023	15,447	819	(1,334)	(416)	14,516	42,912
March 31, 2022	11,339	1,792	4,352	1,173	18,656	27,465
March 31, 2021	8,600	467	2,596	4,186	15,849	20,312

SUMMARY OF NET POSITION (millions of dollars)

Fiscal Year Ended	Governmental Activities	Business-Type Activities	Total Primary Government
March 31, 2023	46,453	(15,565)	30,888
March 31, 2022	21,168	(18,866)	2,302
March 31, 2021	7,303*	(20,969)**	(13,666)

* The restatement in governmental funds is due to the reclassification of the Tuition Savings account from a General Fund account to a Private Purpose Trust, included within the Fiduciary Funds financial statements.

** The restatement for the business-type activities is a result of a change in accounting policy related to the timing of recording certain asset and debt activity from March 31 to June 30.

The most recent Annual Comprehensive Financial Report and those related to prior fiscal years can be obtained from the Office of the State Comptroller, 110 State Street, Albany, NY 12236 or at the Office of the State Comptroller's website at www.osc.state.ny.us. The Basic Financial Statements can also be accessed through the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) system website at www.emma.msrb.org.

CAPITAL PROGRAM AND FINANCING PLAN OVERVIEW

State PIT Revenue Bond Program

Since 2002, the PIT Revenue Bond Program has been the primary financing vehicle used to fund the State's capital program. Legislation enacted in 2001 provided for the issuance of State PIT Revenue Bonds by the State's Authorized Issuers. The legislation originally required 25 percent of State PIT receipts (excluding refunds owed to taxpayers) to be deposited into the RBTF for purposes of making debt service payments on these bonds, with the excess amounts returned to the General Fund. Over time, additional State revenue sources have been dedicated to the RBTF in order to address the anticipated impact that certain legislative changes could have on the level of State PIT receipts, namely, the enactment of (i) the ECEP and the Charitable Gifts Trust Fund in 2018, and (ii) the PTET in 2021. The legislative changes were implemented to mitigate the effect of the TCJA that, among other things, limited the SALT deduction. In order to preserve coverage in the PIT Revenue Bond program, State legislation was enacted that dedicated 50 percent of ECEP receipts and 50 percent of PTET receipts for deposit to the RBTF for the payment of PIT bonds. In addition, in 2018 legislation was enacted that increased the percentage of PIT receipts dedicated to the payment of PIT bonds from 25 to 50 percent. As a result, 50 percent of PIT receipts, 50 percent of ECEP receipts and 50 percent of PTET receipts (collectively, the "RBTF Receipts") now secure the timely payment of debt service on all PIT bonds.

In the event that (a) the State Legislature fails to appropriate amounts required to make all debt service payments on the State PIT Revenue Bonds or (b) having been appropriated and set aside pursuant to a certificate of the Director of the Budget, financing agreement payments have not been made when due on the State PIT Revenue Bonds, the legislation requires that RBTF Receipts continue to be deposited to the RBTF until amounts on deposit in the Fund equal the greater of 40 percent of the aggregate of annual State PIT receipts, ECEP receipts, and PTET receipts or $12 billion. Debt service on State PIT Revenue Bonds is subject to legislative appropriation, as part of the annual debt service bill.

DOB expects that the ECEP and PTET will be revenue neutral on a multi-year basis for PIT bondholders, although PIT receipts would decrease and ECEP and PTET receipts would increase to the extent that employers elect to participate in the ECEP and qualifying entities elect to pay PTET. However, because the PTET credits are not necessarily realized by taxpayers within the same fiscal year that PTET revenue is received by the State, the PTET will not be revenue-neutral to the State within each fiscal year.

The Charitable Gifts Trust Fund, when created in 2018, had the potential to materially impact the PIT Revenue Bond Program, as deposits to the Charitable Gifts Trust Fund could reduce State PIT receipts by nearly one dollar for every dollar donated. In 2019, the IRS issued final regulations (Treasury Decision 9864) that effectively curtailed further donations to the Charitable Gifts Trust Fund. If Treasury Decision 9864 is upheld in Federal court, taxpayer participation in the Charitable Gifts Trust Fund and the impact on New York State PIT receipts is expected to remain negligible.

As of March 31, 2023, approximately $43.6 billion of State PIT Revenue Bonds were outstanding. The projected PIT Revenue Bond coverage ratios, noted below, are based upon estimates of RBTF Receipts and include projected debt issuances. PIT Revenue Bonds are expected to finance 75 percent of bond issuances annually, excluding GO Bonds, but can be used interchangeably with the Sales Tax Revenue Bond Program as needed.

While DOB routinely monitors the State's debt portfolio across all State-supported credits for refunding opportunities, no future refunding transactions are reflected in the following projected coverage ratios.

PROJECTED PIT REVENUE BOND COVERAGE RATIOS [1]
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
Projected RBTF Receipts	36,863	32,020	33,566	35,004	34,992	39,651
Projected New PIT Bonds Issuances	3,461	4,368	4,276	5,851	6,406	6,163
Projected Total PIT Bonds Outstanding	43,635	43,686	47,187	51,600	56,782	60,982
Projected Maximum Annual Debt Service	3,980	4,264	4,533	5,016	5,556	6,076
Projected PIT Coverage Ratio	9.3	7.5	7.4	7.0	6.3	6.5

[1] Reflects the timing of PTET receipts and subsequent decrease in PIT receipts, which are estimated to be revenue-neutral on a multi-year basis, but are not estimated to be revenue-neutral within each fiscal year.

Sales Tax Revenue Bond Program

Legislation enacted in 2013 created the Sales Tax Revenue Bond program. This bonding program replicates certain credit features of PIT and LGAC revenue bonds and is expected to continue to provide the State with increased efficiencies and a lower cost of borrowing.

The legislation created the Sales Tax Revenue Bond Tax Fund, a sub-fund within the General Debt Service Fund that will provide for the payment of these bonds. The Sales Tax Revenue Bonds are secured originally by dedicated revenues consisting of one cent of the State's four cent sales and use tax. The legislation also provided that upon the satisfaction of all the obligations and liabilities of LGAC, dedicated revenues would increase to 2 cents of the State's four-cent sales and use tax. This occurred when LGAC bonds were fully retired on April 1, 2021. Such sales tax receipts in excess of debt service requirements are transferred to the State's General Fund.

The Sales Tax Revenue Bond Fund has appropriation-incentive and General Fund "reach back" features comparable to PIT bonds. A "lock box" feature restricts transfers back to the General Fund in the event of non-appropriation or non-payment. In addition, in the event that sales tax revenues are insufficient to pay debt service, a "reach back" mechanism requires the State Comptroller to transfer moneys from the General Fund to meet debt service requirements.

The legislation also authorized the use of State Sales Tax Revenue Bonds and PIT Revenue Bonds to finance any capital purpose, including projects that were previously financed through the State's Mental Health Facilities Improvement Revenue Bond program and the DHBTF program. This allowed the State to transition to the use of three primary credits – PIT Revenue Bonds, Sales Tax Revenue Bonds and General Obligation Bonds to finance the State's capital needs. Sales Tax Revenue Bonds are used interchangeably with PIT Revenue Bonds to finance State capital needs. As of March 31, 2023, $10.1 billion of Sales Tax Revenue Bonds were outstanding.

Debt service coverage for the Sales Tax Revenue Bond program reflects estimates of sales and use tax receipts and includes projected debt issuances. Sales Tax Revenue Bonds are expected to finance 25 percent of bond issuances annually, excluding GO Bonds, but can be used interchangeably with the PIT Revenue Bond Program as needed. While DOB routinely monitors the State's debt portfolio across all State-supported credits for refunding opportunities, no future refunding transactions are reflected in the following projected coverage ratios.

PROJECTED SALES TAX REVENUE BOND COVERAGE RATIOS
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
Projected Sales Tax Receipts	8,855	9,326	9,537	9,761	10,019	10,263
Projected New Sales Tax Bonds Issuances	-	2,356	2,105	2,018	2,135	2,054
Projected Total Sales Tax Bonds Outstanding	10,101	12,520	14,509	16,306	18,132	19,433
Projected Maximum Annual Debt Service	1,147	1,147	1,324	1,494	1,674	1,847
Projected Sales Tax Coverage Ratio	7.7	8.1	7.2	6.5	6.0	5.6

Borrowing Plan

STATE DEBT ISSUANCES BY FINANCING PROGRAM (millions of dollars)	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
Personal Income Tax Revenue Bonds	3,461	4,368	4,276	5,851	6,406	6,163
Sales Tax Revenue Bonds	0	2,356	2,105	2,018	2,135	2,054
General Obligation Bonds	0	468	604	534	444	428
Total Issuances	3,461	7,192	6,985	8,403	8,985	8,645

In FY 2024, debt issuances totaling $7.2 billion are planned to finance new capital spending, an increase of $3.7 billion (108 percent) from FY 2023. The increase is largely attributable to the decision to delay two bond sales in FY 2023 totaling over $4 billion due to market volatility, which significantly lowered debt issuances in FY 2023. Bond issuances in FY 2024 will finance capital commitments for economic development and housing ($1.5 billion), education ($1.4 billion), the environment ($837 million), health and mental hygiene ($1.1 billion), State facilities and equipment ($429 million), and transportation ($2.0 billion).

Over the five-year Capital Plan, new debt issuances are projected to total $40.2 billion. This reflects the continued application of $6 billion of PAYGO, included as part of the FY 2023 Enacted Budget, primarily for the reduction of taxable issuances over the Financial Plan period and the dedication of $3 billion in additional PAYGO funding as part of the FY 2024 Enacted Budget. New issuances are expected for economic development and housing ($9.2 billion), education facilities ($6.7 billion), the environment ($3.8 billion), mental hygiene and health care facilities ($5.1 billion), State facilities and equipment ($2.3 billion), and transportation infrastructure ($13.1 billion).

PROJECTED DEBT OUTSTANDING BY CREDIT (millions of dollars)	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
Personal Income Tax Revenue Bonds	43,635	43,686	47,198	51,661	56,911	61,180
Sales Tax Revenue Bonds	10,101	12,520	14,517	16,333	18,182	19,505
General Obligation Bonds	1,836	2,128	2,541	2,868	3,067	3,248
Other Revenue Bonds	291	272	221	171	169	130
Service Contract & Lease Purchase [1]	48	16	0	0	0	0
TOTAL STATE-SUPPORTED	55,911	58,621	64,477	71,032	78,328	84,063

[1] Does not include the RRIF Loan related to the State's contribution to the Gateway Hudson Tunnel Project. This loan will be reflected when the terms are finalized in 2024.

State-Related Debt Service Requirements

The following table presents the current and projected debt service (principal and interest) requirements on State-related debt. State-related debt service is projected at $2.6 billion in FY 2024, a decrease of $7.9 billion (75 percent) from FY 2023, which is due to the prepayment of $7.6 billion in FY 2022 of future debt service costs and an additional prepayment of $6.0 billion in FY 2023. The State is contractually required to make debt service payments prior to bondholder payment dates in most instances and may also elect to make payments earlier than contractually required. The State expects to use three principal bonding programs -- Personal Income Tax Revenue Bonds, Sales Tax Revenue Bonds, and General Obligation Bonds -- to fund all bond-financed capital spending.

ESTIMATED DEBT SERVICE REQUIREMENTS ON EXISTING STATE-RELATED DEBT BY CREDIT STRUCTURE [1]
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected	Total
Personal Income Tax Revenue Bonds	8,532	1,737	2,274	3,639	3,367	4,001	23,550
Sales Tax Revenue Bonds	1,564	595	751	925	1,102	1,631	6,568
General Obligation Bonds	221	201	223	210	215	195	1,265
Other State-Supported Bonds [2 3]	164	105	120	111	184	221	905
All Other State-Related Obligations [2]	31	0	0	0	0	0	31
Total Debt Service	10,512	2,638	3,368	4,884	4,868	6,048	32,319

[1] Reflects existing debt service on debt issued and projected debt service on assumed new debt issuances. Debt service requirements for variable rate bonds are calculated at an assumed rate of 1.76%. Debt service is not adjusted for prepayments.

[2] Excludes Mortgage Loan Commitments and Installation commitments

[3] Includes expected transaction costs associated with the Gateway Hudson Tunnel Project. The annual loan payments under the service contract will be captured as State-related obligations when finalized.

Adjusting debt service shown in the previous table for prepayments, State-related debt service is projected at $6.3 billion in FY 2024, an increase of $756 million (14 percent) from FY 2023. Adjusted State-related debt service is projected to increase from $5.6 billion in FY 2023 to $8.0 billion in FY 2028, an average rate of 7.6 percent annually.

AUTHORITIES AND LOCALITIES

Public Authorities

For the purposes of this section, "authorities" refer to public benefit corporations or public authorities, created pursuant to State law, which are reported in the State's Annual Comprehensive Financial Report. Authorities are not subject to the constitutional restrictions on the incurrence of debt that apply to the State itself and they may issue bonds and notes within the amounts and restrictions set forth in legislative authorization. Certain of these authorities issue bonds under two of the three primary State credits – PIT Revenue Bonds and Sales Tax Revenue Bonds. The State's access to the public credit markets through bond issuances constituting State-supported or State-related debt issuances by certain of its authorities could be impaired and the market price of the outstanding debt issued on its behalf may be materially and adversely affected if any of these authorities were to default on their respective State-supported or State-related debt issuances.

The State has numerous public authorities with various responsibilities, including those which finance, construct and/or operate revenue-producing public facilities. These entities generally pay their own operating expenses and debt service costs on their notes, bonds or other legislatively authorized financing structures from revenues generated by the projects they finance or operate, such as tolls charged for the use of highways, bridges or tunnels; charges for public power, electric and gas utility services; tuition and fees; rentals charged for housing units; and charges for occupancy at medical care facilities. Since the State has no actual or contingent liability for the payment of this type of public authority indebtedness, it is not classified as either State-supported debt or State-related debt. Some public authorities, however, receive monies from State appropriations to pay for the operating costs of certain programs.

There are statutory arrangements that, under certain circumstances, authorize State local assistance payments that have been appropriated in a given year and are otherwise payable to localities to be made instead to the issuing public authorities in order to secure the payment of debt service on their revenue bonds and notes. However, in honoring such statutory arrangements for the redirection of local assistance payments, the State has no constitutional or statutory obligation to provide assistance to localities beyond amounts that have been appropriated therefor in any given year.

As of December 31, 2022 (with respect to the Job Development Authority (JDA) as of March 31, 2023), each of the 16 authorities listed in the following table had outstanding debt of $100 million or more, and the aggregate outstanding debt, including refunding bonds, was approximately $219 billion, only a portion of which constitutes State-supported or State-related debt. Note that the outstanding debt information contained in the following table is the most current information provided by OSC from data submitted by the 16 authorities as of the date of this AIS Update.

OUTSTANDING DEBT OF CERTAIN AUTHORITIES[(1)]
AS OF DECEMBER 31, 2022[(2)]
(millions of dollars)

Authority	State-Related Debt	Authority and Conduit	Total
Dormitory Authority	32,280	23,184	55,464
Metropolitan Transportation Authority	0	30,429	30,429
Port Authority of NY & NJ	0	27,813	27,813
UDC/ESD	18,840	968	19,808
Triborough Bridge and Tunnel Authority	0	17,974	17,974
Housing Finance Agency	0	17,851	17,851
Job Development Authority[(2)]	0	16,004	16,004
Thruway Authority	5,237	6,093	11,330
Long Island Power Authority[(3)]	0	8,705	8,705
Environmental Facilities Corporation	0	5,593	5,593
State of New York Mortgage Agency	0	2,833	2,833
Power Authority	0	2,387	2,387
Energy Research and Development Authority	0	1,608	1,608
Battery Park City Authority	0	811	811
Bridge Authority	0	114	114
Niagara Frontier Transportation Authority	0	112	112
TOTAL OUTSTANDING	56,357	162,479	218,836

Source: Compiled by the Office of the State Comptroller from data submitted by the Public Authorities. Debt classifications by DOB.

(1) Includes only authorities with $100 million or more in outstanding debt which are reported as component units or joint ventures of the State in the Annual Comprehensive Financial Report (ACFR). Includes short-term and long-term debt. Reflects par amounts outstanding for bonds and financing arrangements or gross proceeds outstanding in the case of capital appreciation bonds. Amounts outstanding do not reflect accretion of capital appreciation bonds or premiums received.

(2) All Job Development Authority (JDA) debt outstanding reported as of March 31, 2023. This includes $16 billion in conduit debt issued by JDA's blended component units consisting of $6.1 billion issued by New York Liberty Development Corporation ($1.2 billion of which is also included in the amount reported for Port Authority of NY and NJ), $504 million issued by the Brooklyn Arena Local Development Corporation, and $9.4 billion issued by the New York Transportation Development Corporation.

(3) Includes $3.80 billion of Utility Debt Securitization Authority (UDSA) bonds. Chapter 173 of the Laws of 2013, as amended, authorized UDSA to restructure certain outstanding indebtedness of the Long Island Power Authority (LIPA) and UDSA, as well as to finance system resiliency costs. UDSA is reported as a blended component unit of LIPA in LIPA's audited financial statements.

Localities

There have been severe financial and other adverse impacts on localities throughout the State, but particularly on New York City and the surrounding counties as the initial epicenter of the COVID-19 pandemic. No attempt is made in this AIS Update to assess, at this time, the financial and healthcare impacts on the State's localities.

While the fiscal condition of New York City and other local governments in the State is reliant, in part, on State aid to balance their annual budgets and meet their cash requirements, the State is not legally responsible for their financial condition and viability. Indeed, the provision of State aid to localities, while one of the largest disbursement categories in the State budget, is not constitutionally obligated to be maintained at current levels or to be continued in future fiscal years and the State Legislature may amend or repeal statutes relating to the formulas for and the apportionment of State aid to localities.

The City of New York

The fiscal demands on the State may be affected by the fiscal condition of New York City, which relies in part on State aid to balance its budget and meet its cash requirements. It is also possible that the State's finances may be affected by the ability of New York City, and its related issuers, to market securities successfully in the public credit markets. The official financial disclosure of the City of New York and its related issuers is available by contacting Investor Relations, (212) 788-5864, or contacting the City Office of Management and Budget, 255 Greenwich Street, 8th Floor, New York, NY 10007. The official financial disclosures of the City of New York and its related issuers can also be accessed through the EMMA system website at www.emma.msrb.org. The State assumes no liability or responsibility for any financial information reported by the City of New York. The following table summarizes the debt of New York City and its related issuers.

DEBT OF NEW YORK CITY AND RELATED ENTITIES [1]
AS OF JUNE 30 OF EACH YEAR
(millions of dollars)

Year	General Obligation Bonds	Obligations of TFA [1]	Obligations of STARC Corp. [2]	Obligations of TSASC, Inc.	Hudson Yards Infrastructure Corporation	Other Obligations [3]	Total
2014	41,665	31,038	1,975	1,228	3,000	2,334	81,240
2015	40,460	33,850	2,035	1,222	3,000	2,222	82,789
2016	38,073	37,358	1,961	1,145	3,000	2,102	83,639
2017	37,891	40,696	1,884	1,089	2,751	2,034	86,345
2018	38,628	43,355	1,805	1,071	2,724	2,085	89,668
2019	37,519	46,624	1,721	1,053	2,724	1,901	91,542
2020	38,784	48,978	1,634	1,023	2,724	1,882	95,025
2021	38,574	49,957	0	993	2,677	1,983	94,184
2022	38,845	51,820	0	966	2,557	15,043	109,231
2023	40,093	53,506	0	938	2,519	13,902	110,958

Source: Office of the State Comptroller; The City of New York Annual Comprehensive Financial Report.

(1) Includes amounts for Building Aid Revenue Bonds (BARBs), the debt service on which will be funded solely from future State Building Aid payments that are subject to appropriation by the State and have been assigned by the City of New York to the Transitional Finance Authority (TFA).

(2) A portion of the proceeds of the Sales Tax Asset Receivable Corporation (STARC) bonds were used to retire outstanding Municipal Assistance Corporation bonds. The debt service on STARC bonds was funded from annual revenues provided by the State, subject to annual appropriation. These revenues were assigned to the STARC by the Mayor of the City of New York.

(3) Includes bonds issued by the Fiscal Year 2005 Securitization Corporation, the New York City Educational Construction Fund, the Industrial Development Agency and, beginning in 2010, the New York City Tax Lien Collateralized Bonds. Also included are bonds issued by the Dormitory Authority of the State of New York for education, health and court capital projects, and other long-term leases which will be repaid from revenues of the City or revenues that would otherwise be available to the City if not needed for debt service. Starting in 2022, the City has implemented GASB Statement No. 87 with respect to general lease obligations, and found restatement of prior periods not practical.

The staffs of the Financial Control Board for the City of New York (FCB), the Office of the State Deputy Comptroller (OSDC), the City Comptroller and the Independent Budget Office issue periodic reports on the City's financial plans. Copies of the most recent reports are available by contacting: FCB, 80 Maiden Lane, Suite 402, New York, NY 10038, Attention: Executive Director, http:// fcb.ny.gov/; OSDC, 59 Maiden Lane, 29th Floor, New York, NY 10038, Attention: Deputy Comptroller, http://www.osc.state.ny.us/osdc/; City Comptroller, Municipal Building, 6th Floor, One Centre Street, New York, NY 10007-2341, Attention: Deputy Comptroller for Budget, https://comptroller.nyc.gov/; and IBO, 110 William Street, 14th Floor, New York, NY 10038, Attention: Director, http://www.ibo.nyc.ny.us/.

Other Localities

Certain localities other than New York City have experienced financial problems and have requested and received additional State assistance during the last several State fiscal years. While a relatively infrequent practice, deficit financing by local governments has become more common in recent years. State legislation enacted from 2004 to date includes 30 special acts authorizing bond issuances to finance local government operating deficits. Included in this figure are special acts that extended the period of time related to prior authorizations and modifications to issuance amounts previously authorized. When a local government is authorized to issue bonds to finance operating deficits, the local government is subject to certain additional fiscal oversight during the time the bonds are outstanding as required by the State's Local Finance Law, including an annual budget review by OSC.

In addition to deficit financing authorizations, the State has periodically enacted legislation to create oversight boards in order to address deteriorating fiscal conditions within particular localities. The City of Buffalo and the Counties of Erie and Nassau are subject to varying levels of review and oversight by entities created by such legislation. The City of Newburgh operates under special State legislation that provides for fiscal oversight by the State Comptroller and the City of Yonkers must adhere to a Special Local Finance and Budget Act. The impact on the State of any possible requests in the future for additional oversight or financial assistance cannot be determined at this time and therefore is not included in the Financial Plan projections.

Legislation enacted in 2013 created the Financial Restructuring Board for Local Governments (the "Restructuring Board"). The Restructuring Board consists of ten members, including the State Director of the Budget, who is the Chair, the Attorney General, the State Comptroller, the Secretary of State and six members appointed by the Governor. The Restructuring Board, upon the request of a "fiscally eligible municipality", is authorized to perform a number of functions including reviewing the municipality's operations and finances, making recommendations on reforming and restructuring the municipality's operations, proposing that the municipality agree to fiscal accountability measures, and making available certain grants and loans. To date, the Restructuring Board is currently reviewing or has completed reviews for twenty-six municipalities. The Restructuring Board is also authorized, upon the joint request of a fiscally eligible municipality and a public employee organization, to resolve labor impasses between municipal employers and employee organizations for police, fire and certain other employees in lieu of binding arbitration before a public arbitration panel.

OSC implemented its Fiscal Stress Monitoring System (the "Monitoring System") in 2013. The Monitoring System utilizes a number of fiscal and environmental indicators with the goal of providing an early warning to local communities about stress conditions in New York's local governments and school districts. Fiscal indicators consider measures of budgetary solvency while environmental indicators consider measures such as population, poverty, and tax base trends. Individual entities are then scored according to their performance on these indicators. An entity's score on the fiscal components will determine whether or not it is classified in one of three levels of stress: significant, moderate or susceptible. Entities that do not meet established scoring thresholds are classified as "No Designation".

Based on financial data filed with OSC for the local fiscal years ending in 2022, a total of 14 local governments (5 cities, 4 towns, and 5 villages) and 14 school districts have been placed in a stress category by OSC. The vast majority of local governments (99.0 percent) and school districts (97.9 percent) are not classified in a fiscal stress category.

Like the State, local governments must respond to changing political, economic and financial influences over which they have little or no control, but which can adversely affect their financial condition. For example, the State or Federal government may reduce (or, in some cases, eliminate) funding of local programs, thus requiring local governments to pay these expenditures using their own resources. Similarly, past cash flow problems for the State have resulted in delays in State aid payments to localities. In some cases, these delays have necessitated short-term borrowing at the local level.

Other factors that have had, or could have, an impact on the fiscal condition of local governments and school districts include: the loss of temporary Federal stimulus funding; recent State aid trends; constitutional and statutory limitations on the imposition by local governments and school districts of property, sales and other taxes; the economic ramifications of a pandemic; and for some communities, the significant upfront costs for rebuilding and clean-up in the wake of a natural disaster. Localities may also face unanticipated problems resulting from certain pending litigation, judicial decisions and long-range economic trends. Other large-scale potential problems, such as declining urban populations, declines in the real property tax base, increasing pension, health care and other fixed costs, or the loss of skilled manufacturing jobs, may also adversely affect localities and necessitate requests for State assistance.

Ultimately, localities as well as local public authorities may suffer serious financial difficulties that could jeopardize local access to public credit markets, which may adversely affect the marketability of notes and bonds issued by localities within the State.

The following table summarizes the debt of New York City and its related issuers, and other New York State localities, from 1980 to 2022.

DEBT OF NEW YORK LOCALITIES [(1)]
(millions of dollars)

Locality Fiscal Year Ending	Combined New York City Debt [(2)]		Other Localities Debt [(3)]		Total Locality Debt [(3)]	
	Bonds	Notes	Bonds [(4)]	Notes [(4)]	Bonds [(3)] [(4)]	Notes [(4)]
1980	12,995	0	6,835	1,793	19,830	1,793
1990	20,027	0	10,253	3,082	30,280	3,082
2000	39,244	515	19,093	4,470	58,337	4,985
2010	69,536	0	36,110	7,369	105,646	7,369
2018	89,668	0	35,855	5,737	125,523	5,737
2019	91,542	0	36,661	7,632	128,203	7,632
2020	95,025	0	36,375	8,741	131,400	8,741
2021	94,184	0	36,881	8,157	131,065	8,157
2022	109,231	0	37,590	7,385	146,821	7,385

Source: Office of the State Comptroller; The City of New York Annual Comprehensive Financial Report.

NOTE: For localities other than New York City, the amounts shown for fiscal years ending 1990 may include debt that has been defeased through the issuance of refunding bonds.

(1) Because the State calculates locality debt differently for certain localities (including New York City), the figures above may vary from those reported by such localities. In addition, this table excludes indebtedness of certain local authorities and obligations issued in relation to State lease-purchase arrangements.

(2) Includes bonds issued by New York City and its related issuers, the Transitional Finance Authority, STAR Corporation, TSASC, Inc., the Hudson Yards Infrastructure Corporation, and Treasury obligations (as shown in the table "Debt of New York City and Related Entities" in the section of this document entitled "Authorities and Localities - The City of New York"). Also included are the bonds of the Fiscal Year 2005 Securitization Corporation, the Industrial Development Agency, the Municipal Assistance Corporation, the Samurai Funding Corporation, the New York City Educational Construction Fund, and the Dormitory Authority of the State of New York for education, health and court capital projects, and other long-term leases which will be repaid from revenues of the City or revenues which would otherwise be available to the City if not needed for debt service and, beginning in 2010, the New York City Tax Lien Collateralized Bonds.

(3) Includes bonds issued by localities and certain debt guaranteed by the localities and excludes capital lease obligations (for localities other than New York City), assets held in sinking funds and certain amounts available at the start of a fiscal year for redemption of debt. Starting in 2001, debt for other localities includes installment purchase contracts.

(4) Amounts reflect those set forth on Annual Update Documents provided to OSC by New York State localities. Does not include indebtedness of certain localities that did not file Annual Update Documents (financial reports) with the State Comptroller.

STATE RETIREMENT SYSTEM

THE INFORMATION THAT FOLLOWS UNDER THIS HEADING HAS BEEN PREPARED SOLELY BY THE OFFICE OF THE STATE COMPTROLLER, AND DOB HAS NOT UNDERTAKEN ANY INDEPENDENT VERIFICATION OF SUCH INFORMATION.

As used in this section, the abbreviation CRF refers to the Common Retirement Fund. Elsewhere in this AIS Update, the abbreviation CRF refers to the Coronavirus Relief Fund.

General

This section summarizes key information regarding the New York State and Local Retirement System ("NYSLRS" or the "System") and the Common Retirement Fund ("CRF"). The System was established as a means to pay benefits to the System's participants. The CRF comprises a pooled investment vehicle designed to protect and enhance the long-term value of the System's assets. Greater detail, including the independent auditor's report for the fiscal year ending March 31, 2023, is included in NYSLRS' Annual Comprehensive Financial Report ("NYSLRS' Financial Report") for the fiscal year ended March 31, 2023 and is available on the OSC website at the following address: https://www.osc.ny.gov/files/retirement/resources/pdf/annual-comprehensive-financial-report-2023.pdf.

Additionally, available at the OSC website is the System's asset listing for the fiscal year ended March 31, 2023. The audited financial statements with the independent auditor's report for the fiscal year ended March 31, 2023 is available on the OSC website at the following address: https://www.osc.ny.gov/files/retirement/resources/pdf/asset-listing-2023.pdf.

The Annual Reports to the Comptroller on Actuarial Assumptions from the Retirement System's Actuary - the contents of which explain the methodology used to determine employer contribution rates to the System - issued from 2007 through 2023 are available at the OSC website at: https://www.osc.ny.gov/retirement/resources/financial-statements-and-supplementary-information.

Benefit plan booklets describing how each of the System's tiers works can be accessed at https://www.osc.ny.gov/retire/publications/.

The State Comptroller is the administrative head of NYSLRS, which has the powers and privileges of a corporation and comprises the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS"). The State Comptroller promulgates rules and regulations for the administration and transaction of the business of the System. Pursuant to the State's Retirement and Social Security Law and Insurance Law, NYSLRS is subject to the supervision of the Superintendent of DFS.

The State Comptroller is also the trustee and custodian of the CRF, a trust created pursuant to the Retirement and Social Security Law to hold the System's assets, and, as such, is responsible for investing the assets of the System. Consistent with statutory limitations affecting categories of investment, the State Comptroller, as trustee of the CRF, establishes a target asset allocation and approves policies and procedures to guide and direct the investment activities of the Division of Pension Investment and Cash Management of the Office of the State Comptroller ("Division"). Division employees, outside advisors, consultants and legal counsel provide the State Comptroller with advice and oversight of investment decisions. Outside advisors and internal investment staff are part of the chain of approval that must recommend all investment decisions before final action by the State Comptroller. The Investment Advisory Committee and the Real Estate Advisory Committee, both made up of outside advisors, assist the State Comptroller in his investment duties. The Investment Advisory Committee advises the State Comptroller on investment policies relating to the CRF, reviews the portfolio of the CRF and makes such recommendations as the Committee deems necessary. The Real Estate Advisory Committee reviews and must approve mortgage and real estate investments for consideration by the State Comptroller.

The System engages an independent auditor to conduct an audit of the System's annual financial statements. Furthermore, an Actuarial Advisory Committee meets annually to review the actuarial assumptions and the results of the actuarial valuation of the System. The Actuarial Advisory Committee is composed of current or retired senior actuaries from major insurance companies or pension plans. The System also engages the services of an outside actuarial consultant to perform a statutorily required quinquennial review. At least once every five years, NYSLRS is also examined by DFS; an examination is currently underway. The Comptroller has established within the Retirement System, the Pension Integrity Bureau, the purpose of which is to identify and prevent errors, fraud and abuse. The State Comptroller has also established an Office of Internal Audit to provide the Comptroller with independent and objective assurance and consulting services for the programs and operations of the Office of the State Comptroller, including programs and operations of NYSLRS. The Comptroller's Advisory Audit Committee, established in compliance with DFS regulations, meets three times per year to review the System's audited financial statements and the NYSLRS' Financial Report, and to discuss a variety of financial and investment-related activities. Pursuant to DFS regulations, a fiduciary review of the System for the three-year period ended March 31, 2021 was issued on February 7, 2022.

The System

The System provides pension benefits to public employees of the State and its localities (except employees of New York City, and public school teachers and administrators, who are covered by separate public retirement systems). State employees made up about 31 percent of the System's membership as of March 31, 2023. There were 2,979 public employers participating in the System, including the State, all cities and counties (except New York City), most towns, villages and school districts (with respect to non-teaching employees), and many public authorities.

As of March 31, 2023, 695,504 persons were members of the System, and 514,629 retirees and beneficiaries were receiving pension benefits. Article 5, section 7 of the State Constitution considers membership in any State pension or retirement system to be "a contractual relationship, the benefits of which shall not be diminished or impaired."

Comparison of Benefits by Tier

The System's members are categorized into six tiers depending on date of membership. As of March 31, 2023, approximately 37 percent of ERS members were in Tiers 3 and 4 and approximately 43 percent of PFRS members were in Tier 2. Tier 5 was enacted in 2009 and included significant changes to the benefit structure for ERS members who joined on or after January 1, 2010 and PFRS members who joined on or after January 9, 2010. Tier 6 was enacted in 2012 and included further changes to the benefit structure for ERS and PFRS members who joined on or after April 1, 2012. Approximately 59 percent of ERS members and 51 percent of PFRS members are in Tier 6.

Benefits paid to members vary depending on tier. Tiers vary with respect to employee contributions, retirement age, reductions for early retirement, and calculation and limitation of "final average salary" – generally the average of an employee's three consecutive highest years' salary (for Tier 6 members, final average salary is determined by taking the average of an employee's five consecutive highest years' salary). Legislation enacted on April 9, 2022 means all retirement system members become vested after five years of service credit; prior to this legislation, Tier 5 and 6 members needed ten years of service to be vested. ERS members in Tiers 3, 4 and 5 can begin receiving full retirement benefits at age 62; Tier 3 and 4 members and certain Tier 5 members can retire as early as age 55 with full benefits if they have at least 30 years of service; the full retirement age for Tier 6 is 63 years. The amount of the benefit is based on years of service, age at retirement and the final average salary earned. The majority of PFRS members are in special plans that permit them to retire after 20 or 25 years of service regardless of age. Charts comparing the key benefits provided to members of ERS and PFRS in most of the tiers of the System can be accessed at:

ERS Chart: http://www.osc.ny.gov/retire/employers/tier-6/ers_comparison.php
PFRS Chart: http://www.osc.ny.gov/retire/employers/tier-6/pfrs_comparison.php

Contributions and Funding

Contributions to the System are provided by employers and employees. Employers contribute on the basis of the plan or plans they provide for members. All ERS members joining from mid-1976 through 2009 were required to contribute 3 percent of their salaries. A statutory change in 2000, however, limited the contributions to the first 10 years of membership, but did not authorize refunds where contributions had already exceeded 10 years. All ERS members joining after 2009 and prior to April 1, 2012, and all PFRS members joining after January 9, 2010 and prior to April 1, 2012, are members of Tier 5. All Tier 5 ERS members and 79 percent of the Tier 5 PFRS members are required to contribute 3 percent of their salaries for their career. Members joining on or after April 1, 2012 are in Tier 6, and are required to pay contributions throughout their career on a stepped basis relative to each respective member's wages.[12] Members in Tier 6 of both ERS and PFRS earning $45,000 or less are required to contribute 3 percent of their gross annual wages; members earning between $45,001 and $55,000 are required to contribute 3.5 percent; members earning between $55,001 and $75,000 are required to contribute 4.5 percent; members earning between $75,001 and $100,000 are required to contribute 5.75 percent; and, those earning in excess of $100,000 are required to contribute 6 percent of their gross annual salary. Legislation enacted in April 2022 temporarily removed overtime earned from April 1, 2020 through March 31, 2022 from the calculation of contribution rates that Tier 6 members pay during FY 2022-23 and FY 2023-24.

In order to protect employers from potentially volatile contributions tied directly to the value of the System's assets held by the CRF, the System utilizes a multi-year smoothing procedure. One of the factors used by the System's Actuary to calculate employer contribution requirements is the assumed investment rate of return, which is currently 5.9 percent.[13]

The current actuarial smoothing method recognizes unexpected annual gains and losses (returns above or below the assumed investment rate of return) over an 8-year period.

The amount of future annual employer contribution rates will depend, in part, on the value of the assets held by the CRF as of each April 1, as well as on the present value of the anticipated benefits to be paid by the System as of each April 1. Contribution rates for FY 2025 were released on August 31, 2023. The average ERS rate will increase by 2.1 percent from 13.1 percent of salary in FY 2024 to 15.2 percent of salary in FY 2025, while the average PFRS rate will increase by 3.4 percent from 27.8 percent of salary in FY 2024 to 31.2 percent of salary in FY 2025. Information regarding average rates for FY 2025 may be found in the 2023 Annual Report to the Comptroller on Actuarial Assumptions which is accessible at:
https://www.osc.ny.gov/files/retirement/resources/pdf/actuarial-assumptions-2023.pdf.

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[12] Less than 0.5 percent of the 18,284 PFRS Tier 6 members are non-contributory.

[13] During 2020, the Retirement System's Actuary conducted the statutorily required quinquennial actuarial experience study of economic and demographic assumptions. The assumed investment rate of return is an influential factor in calculating employer contribution rates. In September 2020, the Comptroller announced the assumed rate of return for NYSLRS would remain at 6.8 percent. In August 2021, the Comptroller announced the assumed rate of return for NYSLRS would be lowered from 6.8 percent to 5.9 percent. The 6.8 percent rate of return was used to determine employer contribution rates in FY 2021 and FY 2022. The 5.9 percent rate of return has been used to determine employer contribution rates in FY 2023, FY 2024 and FY 2025.

Legislation adopted with the FY 2011 Enacted Budget (Chapter 57, Laws of 2010) authorized the State and participating employers to amortize a portion of their annual pension costs during periods when actuarial contribution rates exceed thresholds established by the statute. The legislation provided employers with an optional mechanism intended to reduce the budgetary volatility of employer contributions. Amortized amounts must be paid by the State and participating employers in equal annual installments over a ten-year period, and employers may prepay these amounts at any time without penalty. Employers are required to pay interest on the amortized amounts at a rate determined annually by the State Comptroller that is comparable to taxable fixed income investments of a comparable duration. The interest rate on the amount an employer chooses to amortize in a particular rate year is fixed for the duration of the ten-year repayment period. Should the employer choose to amortize in the next rate year, the interest rate on that amortization will be the rate set for that year. The first payment is due in the fiscal year following the decision to amortize pension costs. When contribution rates fall below legally specified levels and all outstanding amortizations have been paid, employers that elected to amortize will be required to pay additional monies into reserve funds, specific to each employer, which will be used to offset their contributions in the future. These reserve funds will be invested separately from pension assets. Over time, OSC expects that this will reduce the budgetary volatility of employer contributions.

The following represents the amortized receivable balance from local participating employers as of March 31, 2023, including the statutory amortization threshold and interest rate, for each respective fiscal year:

CHAPTER 57, LAWS OF 2010

	% of Payroll			
Year	ERS	PFRS	Interest %	Local (dollars in millions)
2011	9.5	17.5	5.00	$ —
2012	10.5	18.5	3.75	—
2013	11.5	19.5	3.00	—
2014	12.5	2.5	3.67	2.5
2015	13.5	21.5	3.15	8.9
2016	14.5	22.5	3.21	8.8
2017	15.1	23.5	2.33	2.3
2018	14.9	24.3	2.84	2.3
2019	14.4	23.5	3.64	2.7
2020	14.2	23.5	2.55	—
2021	14.1	24.4	1.33	—
2022	15.1	25.4	1.76	0.9
2023	14.1	26.4	3.61	—
				$ 28.4

Legislation adopted with the FY 2014 Enacted Budget (Chapter 57, Laws of 2013) included an alternate contribution program (the "Alternate Contribution Stabilization Program") that provides certain participating employers with a one-time election to amortize slightly more of their required contributions than would have been available for amortization under the 2010 legislation. In addition, the maximum payment period was increased from ten years to twelve years. The election is available to counties, cities, towns, villages, BOCES, school districts and the four public health care centers operated in the counties of Nassau, Westchester and Erie. The State is not eligible to participate in the Alternate Contribution Stabilization Program.

The following represents the amortized receivable balance from local participating employers as of March 31, 2023, including the statutory amortization threshold and interest rate, for each respective fiscal year:

CHAPTER 57, LAWS OF 2013				
	% of Payroll			
Year	ERS	PFRS	Interest %	Local
				(dollars in millions)
2014	12.0	20.0	3.76	$ 7.3
2015	12.0	20.0	3.50	15.7
2016	12.5	20.5	3.31	15.9
2017	13.0	21.0	2.63	10.7
2018	13.5	21.5	3.31	11.2
2019	14.0	22.0	3.99	7.0
2020	14.2	22.5	2.87	5.6
2021	14.1	23.0	1.60	6.6
2022	14.6	23.5	2.24	18.2
2023	14.1	24.0	3.70	12.8
				$ 111.0

The total State payment (including Judiciary) due to NYSLRS for FY 2023 was approximately $1.947 billion. The State opted not to amortize under the Contribution Stabilization Program (eligible to amortize in PFRS only) and paid the March 1, 2023 invoice in full.

Chapter 55 of the Laws of 2023 amended the Contribution Stabilization Program (Program) to provide employers more flexible use of reserve funds while preserving the intent of the Program to smooth out pension contributions when rates increase. The Program also limits the size of the reserve fund assets that employers are required to maintain and allows NYSLRS participating employers to withdraw from the Program, subject to approval by the Comptroller, provided all prior year amortizations are paid in full, including interest.

The estimated total State payment (including Judiciary) for FY 2024 is approximately $1.919 billion. Several prepayments (including interest credit) have reduced the estimated total to approximately $11.3 million.

The estimated total State payment (including Judiciary) for FY 2025 is approximately $2.267 billion.

Pension Assets and Liabilities

The System's assets are held by the CRF for the exclusive benefit of members, retirees and beneficiaries. Investments for the System are made by the State Comptroller as trustee of the CRF.

The System reports that the net position restricted for pension benefits as of March 31, 2023 was $249.5 billion (including $2.1 billion in receivables, which consist of employer contributions, amortized amounts, member contributions, member loans, accrued interest and dividends, investment sales and other miscellaneous receivables), a decrease of $24.2 billion or 8.8 percent from the FY 2022 level of $273.7 billion. The decrease in net position restricted for pension benefits from FY 2022 to FY 2023 is primarily the result of the net depreciation of the fair value of the investment portfolio.[14] The System's audited Financial Statement reports a time-weighted investment rate of return of negative 4.4 percent (gross rate of return before the deduction of certain fees) for FY 2023.

Consistent with statutory limitations affecting categories of investment, the State Comptroller, as trustee of the CRF, establishes a target asset allocation and approves policies and procedures to guide and direct the investment activities of the Division of Pension Investment and Cash Management. The purpose of this asset allocation strategy is to identify the optimal diversified mix of assets to meet the requirements of pension payment obligations to members. In the fiscal year ended March 31, 2020, an asset liability analysis was completed, and a long-term policy allocation was adopted as of April 1, 2021. The current long-term policy allocation seeks a mix that includes 47 percent public equities (32 percent domestic and 15 percent international); 24 percent fixed income and cash; and 29 percent alternative investments (10 percent private equity, 9 percent real estate, 4 percent credit, 3 percent opportunistic/absolute return or hedge funds, and 3 percent real assets). Since the implementation of the long-term policy allocation will take several years, transition targets have been established to aid in the asset rebalancing process. [15]

The System reports that the present value of anticipated benefits for current members, retirees, and beneficiaries increased to $333.1 billion (including $174.5 billion for retirees and beneficiaries) as of April 1, 2023, up from $320.1 billion as of April 1, 2022. The funding method used by the System anticipates that the plan net position, plus future actuarially determined contributions, will be sufficient to pay for the anticipated benefits of current members, retirees and beneficiaries. The valuation used by the Retirement Systems Actuary was based on audited net position restricted for pension benefits as of March 31, 2023. Actuarially determined contributions are calculated using actuarial assets and the present value of anticipated benefits. Actuarial assets differed from plan net position on April 1, 2023 in that the determination of actuarial assets utilized a smoothing method, with an eight-year smoothing period, that recognized 12.5 percent of the unexpected loss for FY 2023 and 25 percent of the unexpected gain for FY 2022. Actuarial assets increased from $267.2 billion on April 1, 2022 to $269.6 billion on April 1, 2023.

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[14] On August 17, 2023, the State Comptroller announced that the estimated value of the New York State Common Retirement Fund (Fund) was $254.1 billion at the end of the first quarter of state fiscal year 2023-24. For the three-month period ending June 30, 2023, Fund investments returned an estimated +3.08 percent. The value of the invested assets changes daily.

[15] More detail on the CRF's asset allocation as of March 31, 2023 and long-term policy allocation can be found on page 110 of the NYSLRS' Financial Report for the fiscal year ending March 31, 2023.

The ratio of fiduciary net position to the total pension liability for ERS, as of March 31, 2023, calculated by the System's Actuary, was 90.78 percent. The ratio of the fiduciary net position to the total pension liability for PFRS, as of March 31, 2023, calculated by the System's Actuary, was 87.43 percent.

Detailed "Schedules of Employer Allocation" and "Schedules of Pension Amounts by Employer" can be found on the OSC website at the following link:
https://www.osc.ny.gov/retirement/resources/financial-statements-and-supplementary-information.

The tables that follow show net assets, benefits paid and the actuarially determined contributions that have been made over the last ten years through March 31, 2023. See also "State Retirement System — Contributions and Funding" above.

CONTRIBUTIONS AND BENEFITS
NEW YORK STATE AND LOCAL RETIREMENT SYSTEM (1)
(millions of dollars)

Fiscal Year Ended March 31	Contributions Recorded: All Participating Employers (1) (2)	Local Employers (1) (2)	State (1) (2)	Employees	Total Benefits Paid (3)
2014	6,064	3,691	2,373	281	9,978
2015	5,797	3,534	2,263	285	10,514
2016	5,140	3,182	1,958	307	11,060
2017	4,787	2,973	1,814	329	11,508
2018	4,823	3,021	1,802	349	12,129
2019	4,744	2,973	1,771	387	12,834
2020	4,783	3,023	1,760	454	13,311
2021	5,030	3,160	1,870	492	14,122
2022	5,628	3,578	2,050	578	14,905
2023	4,404	2,847	1,557	657	15,596

Sources: State and Local Retirement System.

(1) Contributions recorded include the full amount of unpaid amortized contributions.

(2) The actuarially determined contribution (ADC) includes the employers' normal costs, the Group Life Insurance Plan amounts, and other supplemental amounts.

(3) Includes payments from the Group Life Insurance Plan, which funds the first $50,000 of any death benefit paid.

NET POSITION RESTRICTED FOR PENSION BENEFITS OF THE
NEW YORK STATE AND LOCAL RETIREMENT SYSTEM (1)
(millions of dollars)

Fiscal Year Ended March 31	Net Assets	Percent Increase / (Decrease) From Prior Year
2014	181,275	10.4%
2015	189,412	4.5%
2016	183,640	-3.0%
2017	197,602	7.6%
2018	212,077	7.3%
2019	215,169	1.5%
2020	198,080	-7.9%
2021	260,081	31.3%
2022	273,719	5.2%
2023	249,508	-8.8%

Sources: State and Local Retirement System.

(1) Includes relatively small amounts held under the Group Life Insurance Plan. Includes some employer contribution receivables. Fiscal year ending March 31, 2023 includes approximately $2.1 billion of receivables.

Additional Information Regarding the System

The NYSLRS' Financial Report contains in-depth and audited information about the System. Among other things, the NYSLRS' Financial Report contains information about the number of members and retirees, salaries of members, valuation of assets, changes in fiduciary net position and information related to contributions to the System. The 2023 NYSLRS' Financial Report is available on the OSC website at the following web address:

https://www.osc.ny.gov/files/retirement/resources/pdf/annual-comprehensive-financial-report-2023.pdf.

1) Information on the number of members and retirees, including the change in the number of members and retirees and beneficiaries since 2013 can be found on page 31 of the NYSLRS' Financial Report at the link noted above. More information on this topic is available in the "Statistical" section of the NYSLRS' Financial Report.

2) A combined basic statement of changes in fiduciary net position can be found on pages 46-47 of the NYSLRS' Financial Report at the link noted above.

3) Schedule of Changes in the Employers' Net Pension Liability and Related Ratios (unaudited) can be found on pages 76-79 at the link noted above.

4) Information on contributions can be found on pages 155-163 of the NYSLRS' Financial Report at the link noted above.

5) A table with the market value of assets, actuarial value of assets and actuarial accrued liability of the CRF since 2013 can be found on page 164 of the NYSLRS' Financial Report at the link noted above.

Information related to the salaries of members can be found on pages 197-201 of the NYSLRS' Financial Report at the link noted above.

LITIGATION

General

The legal proceedings listed below involve State finances and programs and other claims in which the State is a defendant and the potential monetary claims against the State are deemed to be material, meaning in excess of $300 million[16] or involving significant challenges to or impacts on the State's financial policies or practices. As explained below, these proceedings could adversely affect the State's finances in FY 2024 or thereafter. The State intends to describe newly initiated proceedings that the State deems to be material and existing proceedings that the State has subsequently deemed to be material, as well as any material and adverse developments in the listed proceedings, in quarterly updates and/or supplements to the AIS.

For the purpose of the Litigation section of this AIS Update, the State defines "material and adverse developments" as rulings or decisions on or directly affecting the merits of a proceeding that have a significant adverse impact upon the State's ultimate legal position, and reversals of rulings or decisions on or directly affecting the merits of a proceeding in a significant manner, whether in favor of or adverse to the State's ultimate legal position, all of which are above the $300 million materiality threshold described above. The State intends to discontinue disclosure with respect to any individual case after a final determination on the merits or upon a determination by the State that the case does not meet the materiality threshold described above.

The State is party to other claims and litigation, with respect to which its legal counsel has advised that it is not probable that the State will suffer adverse court decisions, or which the State has determined do not, considered on a case-by-case basis, meet the materiality threshold described in the first paragraph of this section. Although the amounts of potential losses, if any, resulting from these litigation matters are not presently determinable, it is the State's position that any potential liability in these litigation matters is not expected to have a material and adverse effect on the State's financial position in FY 2024 or thereafter. The Basic Financial Statements for FY 2023, which OSC issued on July 27, 2023, reported possible and probable awards and anticipated unfavorable judgments against the State.

Adverse developments in the proceedings described below; other proceedings for which there are unanticipated, unfavorable and material judgments; or the initiation of new proceedings could affect the ability of the State to maintain a balanced FY 2024 Financial Plan. The State believes that the Financial Plan includes sufficient reserves to offset the costs associated with the payment of judgments that may be required during FY 2024. These reserves include (but are not limited to) amounts appropriated for Court of Claims payments and projected fund balances in the General Fund. In addition, any amounts ultimately required to be paid by the State may be subject to settlement or may be paid over a multi-year period. There can be no assurance, however, that adverse decisions in legal proceedings against the State would not exceed the amount of all potential Enacted Budget resources available for the payment of judgments, and could therefore adversely affect the ability of the State to maintain a balanced Financial Plan.

[16] The $300 million litigation materiality threshold was newly established by the State at the start of FY 2024. Previously, the litigation materiality threshold established by the State for this section of the AIS and updates thereto was $100 million.

THE INFORMATION THAT FOLLOWS UNDER THIS HEADING HAS BEEN FURNISHED BY THE STATE OFFICE OF THE ATTORNEY GENERAL AND DOB HAS NOT UNDERTAKEN ANY INDEPENDENT VERIFICATION OF SUCH INFORMATION.

Real Property Claims

Over the years, there have been a number of cases in which Native American tribes have asserted possessory interests in real property or sought monetary damages as a result of claims that certain transfers of property from the tribes or their predecessors-in-interest in the 18th and 19th centuries were illegal. Of these cases, only one remains active.

In *Canadian St. Regis Band of Mohawk Indians, et al. v. State of New York, et al.* (NDNY), a consolidated action first instituted in 1982 under the federal Non-Intercourse Act, the tribe plaintiffs seek ejectment and monetary damages for their claim that approximately 15,000 acres in Franklin and St. Lawrence Counties were illegally transferred from their predecessors-in-interest. The United States is an intervenor plaintiff due to the underlying claim that New York violated the Non-Intercourse Act when acquiring Mohawk lands.

The defendants' 2006 motion for judgment on the pleadings, relying on prior decisions in other cases rejecting such land claims, was granted in great part through decisions on July 8, 2013, and July 23, 2013, holding that all claims are dismissed except for claims over the area known as the Hogansburg Triangle and a right of way claim against Niagara Mohawk Power Corporation.

In 2021, the plaintiffs filed motions for partial summary judgment, which defendants opposed.

On March 14, 2022, the Court issued a Memorandum-Decision and Order granting in part, and denying in part, plaintiffs' partial motions for summary judgment. The Court concluded that plaintiffs had established a *prima facie* case under the Non-Intercourse Act and rejected several of the counterclaims and defenses asserted by the State and County defendants. The issue of whether the Hogansburg Triangle claim is barred by the doctrine of laches, however, remains in the case to be resolved after completion of discovery. As such, the Court has not yet rendered a full decision on the merits.

At the Court's direction, the parties have retained a mediator. The mediator held several joint and individual mediation sessions with the parties through the summer and fall of 2022. The case has not yet settled, but the parties have made substantial progress in their negotiations since retaining the mediator.

On June 30, 2023, the parties filed status reports indicating that there has been significant progress in settlement negotiations and that the Memorandum of Understanding is nearly complete. The State and Franklin County reached agreement on guarantee of annual funds. As of October 2023, the parties remain in negotiations over the language of a final settlement agreement.

School Aid

In *Maisto v. State of New York* (formerly identified as *Hussein v. State of New York*), plaintiffs seek a judgment declaring that the State's system of financing public education violates § 1 of article 11 of the State Constitution, on the ground that it fails to provide a sound basic education. In a decision and order dated July 21, 2009, Supreme Court, Albany County, denied the State's motion to dismiss the action. On January 13, 2011, the Appellate Division, Third Department, affirmed the denial of the motion to dismiss. On May 6, 2011, the Third Department granted the defendant leave to appeal to the Court of Appeals. On June 26, 2012, the Court of Appeals affirmed the denial of the State's motion to dismiss.

The trial commenced on January 21, 2015 and was completed on March 12, 2015. On September 19, 2016, the trial court ruled in favor of the State and dismissed the action. On appeal, by decision and order dated October 26, 2017, the Appellate Division reversed the judgment of the trial court and remanded the case for the trial court to make specific findings as to the adequacy of inputs and causation. In a decision and order dated January 10, 2019, Supreme Court, Albany County, found that the State's system of financing public education is adequate to provide the opportunity for a sound basic education. On appeal, by opinion and order dated May 27, 2021, the Appellate Division, Third Department, reversed, and granted a declaration that plaintiffs demonstrated a violation of § 1 of Article 11 of the State Constitution in each of the subject school districts as relates to the at-risk student population. The Appellate Division remitted the matter to the Supreme Court for the State to determine the appropriate remedy. The defendant moved in the Appellate Division for leave to appeal to the Court of Appeals, which the court denied.

Plaintiffs submitted a proposed order addressing an appropriate remedy to the State. The State rejected plaintiffs' proposed order because it sought to provide the subject school districts with State funding in excess of the aid to be received under the fully phased-in Foundation Aid formula. Subsequently, the Court permitted the parties to brief how it should proceed in addressing an appropriate remedy. By Letter Order dated April 6, 2022, the Court permitted the State to brief the historical increases in education aid and the current levels of education funding (state and federal) and whether this funding has sufficiently addressed the constitutional violations found by the Appellate Division, Third Department, in its May 27, 2021, Decision. Justice O'Connor found that the Court's standard of review of the State's proposed remedy is "reasonableness," and that the scope of the remedy should be limited to addressing the "at risk students" in the Plaintiffs-Districts in accordance with the Appellate Division, Third Department's Decision. By Notice of Appeal dated April 27, 2022, the plaintiffs appealed Justice O'Connor's Letter Order. Upon the request of the plaintiffs and consent by the State, Justice O'Connor stayed the lower court proceedings pending the plaintiffs' appeal of the Court's April 6, 2022, Letter Order. The appeal was argued in September 2023 and is awaiting a decision.

Compensation of Assigned Counsel

New York County Lawyers Ass'n, et al. v. State of New York, et al., 156916/2021 (Sup Ct. N.Y. Cty.) is a plenary action in which plaintiffs challenge the compensation rates paid pursuant to County Law Article 18-B, Section 245 of the Family Court Act, and Section 35 of the Judiciary Law for private counsel assigned to represent children and indigent adults. Plaintiffs assert that the low rates prevent children and indigent adults from receiving their constitutional right to effective and meaningful legal representation and sought declaratory and injunctive relief preventing the continued violation and setting new rates. The summons and complaint were filed on July 26, 2021. The State's answer was filed on November 17, 2021. On February 2, 2022, plaintiffs filed an order to show cause and a motion for a preliminary injunction. On April 21, 2022, Justice Headley held a hearing on the preliminary injunction motion and reserved decision. On July 25, 2022, the Court granted the plaintiffs' requested preliminary injunction and ordered payment of an increased rate by the State and the City of $158 per hour, retroactive to February 2, 2022. The preliminary injunction was silent on the funding structure for payment of the increased rates, as such, the structure shall remain as it is under current law and the State will be responsible for increased costs to the Judiciary as applicable to the representation of children pursuant to Judiciary Law Section 35, while the City will be responsible for the increased costs to represent indigent adults in Family Court, Criminal Court, and other court proceedings in New York City as required by County Law Article 18-B. The notice of entry was filed July 26, 2022. On August 25, 2022, the City Defendants filed an original and amended notice of appeal of the Court's decision and order. On or about August 25, 2022, the City also filed a notice of claim to compel the State to assume the costs of the rate increase. As perfected, the City's appeal was limited to whether Supreme Court erred in ordering the pay increase to be retroactive to February 2, 2022. On June 13, 2023, the First Department affirmed the Court's order and denied the City's appeal.

New York State Bar Association v. State of New York, 16091/2022 (Sup. Ct. N.Y. Cty.): This is a plenary action against the State as sole defendant, seeking the same relief as in the New York County Lawyers Association (NYCLA) litigation, but applicable to all 57 non-New York City counties. The Complaint was filed on November 30, 2022. On the same date, Plaintiff filed a Request for Judicial Intervention and a letter to the Court requesting a conference to determine whether briefing on an anticipated preliminary injunction was necessary in light of the injunction issued in NYCLA and, if so, to set a briefing schedule. On December 20, 2022, the State filed a stipulation signed by both parties extending the State's time to answer until January 31, 2023. On January 25, 2023, Plaintiffs filed an order to show cause and motion for a preliminary injunction seeking a rate increase to $164 per hour, consistent with the current federal rate. The State's answer was filed on January 31, 2023, and its opposition to the preliminary injunction motion was filed on March 6, 2023.

On May 3, 2023, the Governor signed a new budget bill that increased the hourly rate of compensation paid to all assigned counsel statewide to $158 per hour, with a cap of $10,000 per case. The changes are retroactive to April 1, 2023. *See* Part GG, FY 2024 Budget, Article VII, Education, Labor and Family Assistance. On May 12, 2023, Plaintiffs withdrew the preliminary injunction motion without prejudice.

Hurrell-Harring v. State of New York, 909435-2022 (Sup. Ct. Albany Cty.): On December 15, 2022, a new suit was filed on behalf of a plaintiff class certified in Hurrell-Harring v. State of New York, contending, among other things, that the State's failure to raise rates for assigned counsel violated a settlement agreement entered in Hurrell-Harring in 2015. In October 2023, the parties resolved the case via Stipulation of Dismissal. The Stipulation extended the settlement period to March 31, 2023.

FINANCIAL PLAN TABLES

Financial Plan Tables

The cash financial plan tables listed below appear on the following pages and summarize actual General Fund receipts and disbursements for fiscal year 2023 and projected receipts and disbursements for fiscal years 2024 through 2027 on a General Fund, State Operating Funds and All Governmental Funds basis.[17]

[17] Differences may occur from time to time between the State's Financial Plan and OSC's financial reports in the presentation and reporting of receipts and disbursements. For example, the Financial Plan may reflect a net expenditure amount while OSC may report the gross amount of the expenditure. Any such differences in reporting between DOB and OSC could result in differences in the presentation and reporting of receipts and disbursements for discrete funds, as well as differences in the presentation and reporting for total receipts and disbursements under different fund perspectives (e.g., State Operating Funds, All Governmental funds).

CASH FINANCIAL PLAN GENERAL FUND (millions of dollars)	FY 2023 Actuals	FY 2024 Mid-Year	Annual $ Change	Annual % Change
Opening Fund Balance	**33,053**	**43,451**	**10,398**	**31.5%**
Receipts:				
Taxes:				
Personal Income Tax	27,607	23,968	(3,639)	-13.2%
Consumption/Use Taxes	7,239	9,900	2,661	36.8%
Business Taxes	17,856	16,272	(1,584)	-8.9%
Other Taxes	2,204	1,617	(587)	-26.6%
Miscellaneous Receipts	3,609	4,151	542	15.0%
Federal Receipts	2,351	2,250	(101)	-4.3%
Transfers from Other Funds:				
PIT in Excess of Revenue Bond Debt Service	20,899	23,938	3,039	14.5%
PTET in Excess of Revenue Bond Debt Service	7,472	6,380	(1,092)	-14.6%
ECEP in Excess of Revenue Bond Debt Service	0	5	5	0.0%
Sales Tax in Excess of LGAC Bond Debt Service	2,198	0	(2,198)	-100.0%
Sales Tax in Excess of Revenue Bond Debt Service	7,291	8,731	1,440	19.8%
Real Estate Taxes in Excess of CW/CA Debt Service	1,180	910	(270)	-22.9%
All Other	3,291	2,150	(1,141)	-34.7%
Total Receipts	**103,197**	**100,272**	**(2,925)**	**-2.8%**
Disbursements:				
Assistance and Grants	62,852	73,255	10,403	16.6%
State Operations:				
Personal Service	9,464	10,421	957	10.1%
Non-Personal Service	3,043	2,407	(636)	-20.9%
General State Charges	9,115	7,661	(1,454)	-16.0%
Transfers to Other Funds:				
Debt Service	298	227	(71)	-23.8%
Capital Projects	4,649	3,702	(947)	-20.4%
SUNY Operations	1,491	1,627	136	9.1%
Other Purposes	1,887	1,622	(265)	-14.0%
Total Disbursements	**92,799**	**100,922**	**8,123**	**8.8%**
Excess (Deficiency) of Receipts Over Disbursements	**10,398**	**(650)**	**(11,048)**	**-106.3%**
Closing Fund Balance	**43,451**	**42,801**	**(650)**	**-1.5%**
Statutory Reserves				
Community Projects	25	23	(2)	
Contingency Reserve	21	21	0	
Rainy Day Reserve	4,638	4,638	0	
Tax Stabilization Reserve	1,618	1,618	0	
Reserved For				
Debt Management	2,355	2,436	81	
Economic Uncertainties	13,282	13,282	0	
Extraordinary Monetary Settlements	1,570	1,142	(428)	
Labor Settlements/Agency Operations	765	1,765	1,000	
Pandemic Assistance	245	0	(245)	
Timing of PTET/PIT Credits	14,358	12,182	(2,176)	
Undesignated Fund Balance	4,574	5,694	1,120	

Source: NYS DOB.

CASH FINANCIAL PLAN
GENERAL FUND
(millions of dollars)

	FY 2024 Mid-Year	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
Receipts:				
Taxes:				
Personal Income Tax	23,968	26,194	28,409	33,911
Consumption/Use Taxes	9,900	10,109	10,327	10,582
Business Taxes	16,272	15,719	14,789	9,414
Other Taxes	1,617	1,305	1,365	1,422
Miscellaneous Receipts	4,151	3,572	2,961	2,446
Federal Receipts	2,250	3,645	0	0
Transfers from Other Funds:				
PIT in Excess of Revenue Bond Debt Service	23,938	25,532	26,349	32,092
PTET in Excess of Revenue Bond Debt Service	6,380	5,792	5,043	(439)
ECEP in Excess of Revenue Bond Debt Service	5	5	5	0
Sales Tax in Excess of LGAC Bond Debt Service	0	0	0	0
Sales Tax in Excess of Revenue Bond Debt Service	8,731	8,785	8,836	8,917
Real Estate Taxes in Excess of CW/CA Debt Service	910	909	986	1,090
All Other	2,150	1,685	1,608	1,472
Total Receipts	**100,272**	**103,252**	**100,678**	**100,907**
Disbursements:				
Assistance and Grants	73,255	78,172	81,837	85,677
State Operations:				
Personal Service	10,421	10,631	10,746	10,923
Non-Personal Service	2,407	3,556	3,798	3,754
General State Charges	7,661	8,889	10,069	11,511
Transfers to Other Funds:				
Debt Service	227	265	289	338
Capital Projects	3,702	5,330	3,058	2,585
SUNY Operations	1,627	1,701	1,735	1,749
Other Purposes	1,622	1,728	1,712	1,726
Total Disbursements	**100,922**	**110,272**	**113,244**	**118,263**
Use (Reservation) of Fund Balance:				
Community Projects	2	0	0	0
Debt Management	(81)	576	860	0
Extraordinary Monetary Settlements	428	516	286	290
Labor Settlements/Agency Operations	(1,000)	(1,450)	(1,450)	(1,450)
Pandemic Assistance	245	0	0	0
Timing of PTET/PIT Credits	2,176	1,133	1,798	9,249
Undesignated Fund Balance	(1,120)	1,919	1,546	1,545
Total Use (Reservation) of Fund Balance	**650**	**2,694**	**3,040**	**9,634**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**0**	**(4,326)**	**(9,526)**	**(7,722)**

Source: NYS DOB.

CASH FINANCIAL PLAN GENERAL FUND (millions of dollars)					
	FY 2024 Enacted	Change	FY 2024 First Quarter	Change	FY 2024 Mid-Year
Receipts:					
Taxes:					
Personal Income Tax	24,693	0	24,693	(725)	23,968
Consumption/Use Taxes	9,797	0	9,797	103	9,900
Business Taxes	15,836	0	15,836	436	16,272
Other Taxes	1,617	0	1,617	0	1,617
Miscellaneous Receipts	3,801	0	3,801	350	4,151
Federal Receipts	2,250	0	2,250	0	2,250
Transfers from Other Funds:		0			
PIT in Excess of Revenue Bond Debt Service	24,496	0	24,496	(558)	23,938
PTET in Excess of Revenue Bond Debt Service	6,520	0	6,520	(140)	6,380
ECEP in Excess of Revenue Bond Debt Service	5	0	5	0	5
Sales Tax in Excess of LGAC Bond Debt Service	0	0	0	0	0
Sales Tax in Excess of Revenue Bond Debt Service	8,575	0	8,575	156	8,731
Real Estate Taxes in Excess of CW/CA Debt Service	970	0	970	(60)	910
All Other	1,938	0	1,938	212	2,150
Total Receipts	**100,498**	**0**	**100,498**	**(226)**	**100,272**
Disbursements:					
Assistance and Grants	75,055	0	75,055	(1,800)	73,255
State Operations:		0			
Personal Service	10,619	0	10,619	(198)	10,421
Non-Personal Service	2,759	0	2,759	(352)	2,407
General State Charges	7,587	0	7,587	74	7,661
Transfers to Other Funds:		0			
Debt Service	217	0	217	10	227
Capital Projects	4,877	0	4,877	(1,175)	3,702
SUNY Operations	1,677	0	1,677	(50)	1,627
Other Purposes	1,621	0	1,621	1	1,622
Total Disbursements	**104,412**	**0**	**104,412**	**(3,490)**	**100,922**
Use (Reservation) of Fund Balance:					
Community Projects	2	0	2	0	2
Debt Management	(81)	0	(81)	0	(81)
Extraordinary Monetary Settlements	428	0	428	0	428
Labor Settlements/Agency Operations	(1,000)	0	(1,000)	0	(1,000)
Pandemic Assistance	245	0	245	0	245
Timing of PTET/PIT Credits	1,896	0	1,896	280	2,176
Undesignated Fund Balance	2,424	0	2,424	(3,544)	(1,120)
		0			
Total Use (Reservation) of Fund Balance	**3,914**	**0**	**3,914**	**(3,264)**	**650**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**0**	**0**	**0**	**0**	**0**

Source: NYS DOB.

CASH FINANCIAL PLAN GENERAL FUND (millions of dollars)	FY 2025 Enacted	Change	FY 2025 First Quarter	Change	FY 2025 Mid-Year
Receipts:					
Taxes:					
Personal Income Tax	26,060	0	26,060	134	26,194
Consumption/Use Taxes	9,895	0	9,895	214	10,109
Business Taxes	15,257	0	15,257	462	15,719
Other Taxes	1,305	0	1,305	0	1,305
Miscellaneous Receipts	2,772	0	2,772	800	3,572
Federal Receipts	3,645	0	3,645	0	3,645
Transfers from Other Funds:		0			
PIT in Excess of Revenue Bond Debt Service	25,396	0	25,396	136	25,532
PTET in Excess of Revenue Bond Debt Service	6,320	0	6,320	(528)	5,792
ECEP in Excess of Revenue Bond Debt Service	5	0	5	0	5
Sales Tax in Excess of LGAC Bond Debt Service	0	0	0	0	0
Sales Tax in Excess of Revenue Bond Debt Service	8,456	0	8,456	329	8,785
Real Estate Taxes in Excess of CW/CA Debt Service	1,009	0	1,009	(100)	909
All Other	1,632	0	1,632	53	1,685
Total Receipts	**101,752**	**0**	**101,752**	**1,500**	**103,252**
Disbursements:					
Assistance and Grants	78,717	0	78,717	(545)	78,172
State Operations:		0			
Personal Service	10,811	0	10,811	(180)	10,631
Non-Personal Service	3,826	0	3,826	(270)	3,556
General State Charges	9,319	0	9,319	(430)	8,889
Transfers to Other Funds:		0			
Debt Service	264	0	264	1	265
Capital Projects	5,410	0	5,410	(80)	5,330
SUNY Operations	1,718	0	1,718	(17)	1,701
Other Purposes	1,727	0	1,727	1	1,728
Total Disbursements	**111,792**	**0**	**111,792**	**(1,520)**	**110,272**
Use (Reservation) of Fund Balance:					
Debt Management	576	0	576	0	576
Extraordinary Monetary Settlements	516	0	516	0	516
Labor Settlements/Agency Operations	(1,450)	0	(1,450)	0	(1,450)
Timing of PTET/PIT Credits	424	0	424	709	1,133
Undesignated Fund Balance	919	0	919	1,000	1,919
Total Use (Reservation) of Fund Balance	**985**	**0**	**985**	**1,709**	**2,694**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(9,055)**	**0**	**(9,055)**	**4,729**	**(4,326)**

Source: NYS DOB.

CASH FINANCIAL PLAN
GENERAL FUND
(millions of dollars)

	FY 2026 Enacted	Change	FY 2026 First Quarter	Change	FY 2026 Mid-Year
Receipts:					
Taxes:					
Personal Income Tax	28,041	0	28,041	368	28,409
Consumption/Use Taxes	10,100	0	10,100	227	10,327
Business Taxes	13,833	0	13,833	956	14,789
Other Taxes	1,365	0	1,365	0	1,365
Miscellaneous Receipts	2,261	0	2,261	700	2,961
Transfers from Other Funds:		0			
PIT in Excess of Revenue Bond Debt Service	25,858	0	25,858	491	26,349
PTET in Excess of Revenue Bond Debt Service	4,658	0	4,658	385	5,043
ECEP in Excess of Revenue Bond Debt Service	5	0	5	0	5
Sales Tax in Excess of LGAC Bond Debt Service	0	0	0	0	0
Sales Tax in Excess of Revenue Bond Debt Service	8,469	0	8,469	367	8,836
Real Estate Taxes in Excess of CW/CA Debt Service	1,091	0	1,091	(105)	986
All Other	1,555	0	1,555	53	1,608
Total Receipts	**97,236**	**0**	**97,236**	**3,442**	**100,678**
Disbursements:					
Assistance and Grants	82,303	0	82,303	(466)	81,837
State Operations:		0			
Personal Service	10,887	0	10,887	(141)	10,746
Non-Personal Service	3,814	0	3,814	(16)	3,798
General State Charges	10,569	0	10,569	(500)	10,069
Transfers to Other Funds:		0			
Debt Service	287	0	287	2	289
Capital Projects	3,049	0	3,049	9	3,058
SUNY Operations	1,752	0	1,752	(17)	1,735
Other Purposes	1,713	0	1,713	(1)	1,712
Total Disbursements	**114,374**	**0**	**114,374**	**(1,130)**	**113,244**
Use (Reservation) of Fund Balance:					
Debt Management	860	0	860	0	860
Extraordinary Monetary Settlements	286	0	286	0	286
Labor Settlements/Agency Operations	(1,450)	0	(1,450)	0	(1,450)
Timing of PTET/PIT Credits	3,023	0	3,023	(1,225)	1,798
Undesignated Fund Balance	546	0	546	1,000	1,546
		0			
Total Use (Reservation) of Fund Balance	**3,265**	**0**	**3,265**	**(225)**	**3,040**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(13,873)**	**0**	**(13,873)**	**4,347**	**(9,526)**

Source: NYS DOB.

CASH FINANCIAL PLAN GENERAL FUND (millions of dollars)	FY 2027 Enacted	Change	FY 2027 First Quarter	Change	FY 2027 Mid-Year
Receipts:					
Taxes:					
Personal Income Tax	33,309	0	33,309	602	33,911
Consumption/Use Taxes	10,312	0	10,312	270	10,582
Business Taxes	8,692	0	8,692	722	9,414
Other Taxes	1,422	0	1,422	0	1,422
Miscellaneous Receipts	1,996	0	1,996	450	2,446
Transfers from Other Funds:		0			
PIT in Excess of Revenue Bond Debt Service	31,338	0	31,338	754	32,092
PTET in Excess of Revenue Bond Debt Service	(584)	0	(584)	145	(439)
ECEP in Excess of Revenue Bond Debt Service	0	0	0	0	0
Sales Tax in Excess of LGAC Bond Debt Service	0	0	0	0	0
Sales Tax in Excess of Revenue Bond Debt Service	8,502	0	8,502	415	8,917
Real Estate Taxes in Excess of CW/CA Debt Service	1,175	0	1,175	(85)	1,090
All Other	1,417	0	1,417	55	1,472
Total Receipts	**97,579**	**0**	**97,579**	**3,328**	**100,907**
Disbursements:					
Assistance and Grants	86,085	0	86,085	(408)	85,677
State Operations:		0			
Personal Service	10,988	0	10,988	(65)	10,923
Non-Personal Service	3,826	0	3,826	(72)	3,754
General State Charges	12,010	0	12,010	(499)	11,511
Transfers to Other Funds:		0			
Debt Service	337	0	337	1	338
Capital Projects	2,676	0	2,676	(91)	2,585
SUNY Operations	1,766	0	1,766	(17)	1,749
Other Purposes	1,727	0	1,727	(1)	1,726
Total Disbursements	**119,415**	**0**	**119,415**	**(1,152)**	**118,263**
Use (Reservation) of Fund Balance:					
Extraordinary Monetary Settlements	290	0	290	0	290
Labor Settlements/Agency Operations	(1,450)	0	(1,450)	0	(1,450)
Timing of PTET/PIT Credits	9,013	0	9,013	236	9,249
Undesignated Fund Balance	545	0	545	1,000	1,545
		0			
Total Use (Reservation) of Fund Balance	**8,398**	**0**	**8,398**	**1,236**	**9,634**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(13,438)**	**0**	**(13,438)**	**5,716**	**(7,722)**

Source: NYS DOB.

CASH FINANCIAL PLAN STATE OPERATING FUNDS FY 2024 (millions of dollars)	General Fund	State Special Revenue Funds	Debt Service Funds	State Operating Funds Total
Opening Fund Balance	**43,451**	**9,113**	**159**	**52,723**
Receipts:				
Taxes	51,757	6,377	42,286	100,420
Miscellaneous Receipts	4,151	15,906	375	20,432
Federal Receipts	2,250	(17)	67	2,300
Total Receipts	**58,158**	**22,266**	**42,728**	**123,152**
Disbursements:				
Assistance and Grants	73,255	17,334	0	90,589
State Operations:				
Personal Service	10,421	5,452	0	15,873
Non-Personal Service	2,407	3,416	47	5,870
General State Charges	7,661	1,209	0	8,870
Debt Service	0	0	2,638	2,638
Capital Projects	0	0	0	0
Total Disbursements	**93,744**	**27,411**	**2,685**	**123,840**
Other Financing Sources (Uses):				
Transfers from Other Funds	42,114	3,183	2,111	47,408
Transfers to Other Funds	(7,178)	1,055	(42,141)	(48,264)
Bond and Note Proceeds	0	0	0	0
Net Other Financing Sources (Uses)	**34,936**	**4,238**	**(40,030)**	**(856)**
Excess (Deficiency) of Receipts and Other Financing Sources (Uses) Over Disbursements	**(650)**	**(907)**	**13**	**(1,544)**
Closing Fund Balance	**42,801**	**8,206**	**172**	**51,179**

Source: NYS DOB.

CASH FINANCIAL PLAN STATE OPERATING FUNDS FY 2025 (millions of dollars)				
	General Fund	**State Special Revenue Funds**	**Debt Service Funds**	**State Operating Funds Total**
Receipts:				
Taxes	53,327	6,491	44,045	103,863
Miscellaneous Receipts	3,572	14,377	425	18,374
Federal Receipts	3,645	(17)	62	3,690
Total Receipts	**60,544**	**20,851**	**44,532**	**125,927**
Disbursements:				
Assistance and Grants	78,172	16,232	0	94,404
State Operations:				
Personal Service	10,631	5,454	0	16,085
Non-Personal Service	3,556	3,276	49	6,881
General State Charges	8,889	1,236	0	10,125
Debt Service	0	0	3,368	3,368
Capital Projects	0	0	0	0
Total Disbursements	**101,248**	**26,198**	**3,417**	**130,863**
Other Financing Sources (Uses):				
Transfers from Other Funds	42,708	3,372	1,650	47,730
Transfers to Other Funds	(9,024)	1,103	(42,756)	(50,677)
Bond and Note Proceeds	0	0	0	0
Net Other Financing Sources (Uses)	**33,684**	**4,475**	**(41,106)**	**(2,947)**
Use (Reservation) of Fund Balance:				
Debt Management	576	0	0	576
Extraordinary Monetary Settlements	516	0	0	516
Labor Settlements/Agency Operations	(1,450)	0	0	(1,450)
Timing of PTET/PIT Credits	1,133	0	0	1,133
Undesignated Fund Balance	1,919	0	0	1,919
Total Use (Reservation) of Fund Balance	**2,694**	**0**	**0**	**2,694**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(4,326)**	**(872)**	**9**	**(5,189)**

Source: NYS DOB.

CASH FINANCIAL PLAN STATE OPERATING FUNDS FY 2026 (millions of dollars)	General Fund	State Special Revenue Funds	Debt Service Funds	State Operating Funds Total
Receipts:				
Taxes	54,890	6,537	45,783	107,210
Miscellaneous Receipts	2,961	15,438	435	18,834
Federal Receipts	0	(17)	58	41
Total Receipts	**57,851**	**21,958**	**46,276**	**126,085**
Disbursements:				
Assistance and Grants	81,837	15,931	0	97,768
State Operations:				
Personal Service	10,746	5,626	0	16,372
Non-Personal Service	3,798	4,427	49	8,274
General State Charges	10,069	1,256	0	11,325
Debt Service	0	0	4,884	4,884
Capital Projects	0	0	0	0
Total Disbursements	**106,450**	**27,240**	**4,933**	**138,623**
Other Financing Sources (Uses):				
Transfers from Other Funds	42,827	3,391	1,611	47,829
Transfers to Other Funds	(6,794)	1,282	(42,928)	(48,440)
Bond and Note Proceeds	0	0	0	0
Net Other Financing Sources (Uses)	**36,033**	**4,673**	**(41,317)**	**(611)**
Use (Reservation) of Fund Balance:				
Debt Management	860	0	0	860
Extraordinary Monetary Settlements	286	0	0	286
Labor Settlements/Agency Operations	(1,450)	0	0	(1,450)
Timing of PTET/PIT Credits	1,798	0	0	1,798
Undesignated Fund Balance	1,546	0	0	1,546
Total Use (Reservation) of Fund Balance	**3,040**	**0**	**0**	**3,040**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(9,526)**	**(609)**	**26**	**(10,109)**

CASH FINANCIAL PLAN STATE OPERATING FUNDS FY 2027 (millions of dollars)	General Fund	State Special Revenue Funds	Debt Service Funds	State Operating Funds Total
Receipts:				
Taxes	55,329	6,720	46,134	108,183
Miscellaneous Receipts	2,446	15,701	450	18,597
Federal Receipts	0	(17)	53	36
Total Receipts	**57,775**	**22,404**	**46,637**	**126,816**
Disbursements:				
Assistance and Grants	85,677	16,077	0	101,754
State Operations:				
Personal Service	10,923	5,769	0	16,692
Non-Personal Service	3,754	4,518	49	8,321
General State Charges	11,511	1,280	0	12,791
Debt Service	0	0	4,868	4,868
Capital Projects	0	0	0	0
Total Disbursements	**111,865**	**27,644**	**4,917**	**144,426**
Other Financing Sources (Uses):				
Transfers from Other Funds	43,132	3,441	1,703	48,276
Transfers to Other Funds	(6,398)	1,276	(43,389)	(48,511)
Bond and Note Proceeds	0	0	0	0
Net Other Financing Sources (Uses)	**36,734**	**4,717**	**(41,686)**	**(235)**
Use (Reservation) of Fund Balance:				
Extraordinary Monetary Settlements	290	0	0	290
Labor Settlements/Agency Operations	(1,450)	0	0	(1,450)
Timing of PTET/PIT Credits	9,249	0	0	9,249
Undesignated Fund Balance	1,545	0	0	1,545
Total Use (Reservation) of Fund Balance	**9,634**	**0**	**0**	**9,634**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(7,722)**	**(523)**	**34**	**(8,211)**

Source: NYS DOB.

CASH RECEIPTS ALL GOVERNMENTAL FUNDS FY 2024 THROUGH FY 2027 (millions of dollars)	FY 2024 Mid-Year	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
Taxes:				
Withholdings	53,508	56,086	58,982	62,038
Estimated Payments	10,264	10,757	12,258	20,949
Final Payments	3,530	3,431	3,621	3,817
Other Payments	1,609	1,664	1,719	1,772
Gross Collections	**68,911**	**71,938**	**76,580**	**88,576**
State/City Offset	(1,703)	(1,732)	(1,831)	(1,969)
Refunds	(15,939)	(14,668)	(14,837)	(15,745)
Reported Tax Collections	**51,269**	**55,538**	**59,912**	**70,862**
STAR (Dedicated Deposits)	0	0	0	0
RBTF (Dedicated Transfers)	0	0	0	0
Personal Income Tax	**51,269**	**55,538**	**59,912**	**70,862**
Sales and Use Tax	19,931	20,377	20,856	21,409
Cigarette and Tobacco Taxes	823	783	750	720
Vapor Excise Tax	25	25	25	25
Motor Fuel Tax	490	491	486	482
Alcoholic Beverage Taxes	284	287	289	293
Opioid Excise Tax	25	25	25	25
Medical Cannabis Excise Tax	12	12	12	12
Adult Use Cannabis Tax	70	158	245	339
Highway Use Tax	141	143	143	144
Auto Rental Tax	131	124	127	131
Peer to Peer Car Sharing Tax	0	2	2	2
Gross Consumption/Use Taxes	**21,932**	**22,427**	**22,960**	**23,582**
LGAC/STBF (Dedicated Transfers)	0	0	0	0
Consumption/Use Taxes	**21,932**	**22,427**	**22,960**	**23,582**
Corporation Franchise Tax	8,818	8,739	8,683	8,773
Corporation and Utilities Tax	497	520	522	523
Insurance Taxes	2,723	2,735	2,806	2,928
Bank Tax	11	212	0	0
Pass Through Entity Tax	12,760	11,584	10,086	(878)
Petroleum Business Tax	1,106	1,107	1,097	1,087
Gross Business Taxes	**25,915**	**24,897**	**23,194**	**12,433**
RBTF (Dedicated Transfers)	0	0	0	0
Business Taxes	**25,915**	**24,897**	**23,194**	**12,433**
Estate Tax	1,597	1,285	1,345	1,407
Real Estate Transfer Tax	1,198	1,199	1,275	1,380
Employer Compensation Expense Program	10	10	10	0
Gift Tax	0	0	0	0
Real Property Gains Tax	0	0	0	0
Pari-Mutuel Taxes	13	13	13	13
Other Taxes	2	2	2	2
Gross Other Taxes	**2,820**	**2,509**	**2,645**	**2,802**
Real Estate Transfer Tax (Dedicated)	0	0	0	0
RBTF (Dedicated Transfers)	0	0	0	0
Other Taxes	**2,820**	**2,509**	**2,645**	**2,802**
Payroll Tax	**0**	**0**	**0**	**0**
Total Taxes	**101,936**	**105,371**	**108,711**	**109,679**
Licenses, Fees, Etc.	580	631	631	629
Abandoned Property	450	450	450	450
Motor Vehicle Fees	1,136	1,220	1,258	1,297
ABC License Fee	71	72	72	70
Reimbursements	66	66	66	66
Investment Income	2,350	1,750	1,100	550
Extraordinary Settlements	33	0	0	0
Other Transactions	23,172	23,959	26,374	26,950
Miscellaneous Receipts	**27,858**	**28,148**	**29,951**	**30,012**
Federal Receipts	**94,765**	**86,074**	**83,510**	**83,981**
Total	**224,559**	**219,593**	**222,172**	**223,672**

Source: NYS DOB.

CASH FINANCIAL PLAN
ALL GOVERNMENTAL FUNDS
FY 2024
(millions of dollars)

	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	All Funds Total
Opening Fund Balance	**43,451**	**23,939**	**(1,594)**	**159**	**65,955**
Receipts:					
Taxes	51,757	6,377	1,516	42,286	101,936
Miscellaneous Receipts	4,151	16,273	7,059	375	27,858
Federal Receipts	2,250	89,151	3,297	67	94,765
Total Receipts	**58,158**	**111,801**	**11,872**	**42,728**	**224,559**
Disbursements:					
Assistance and Grants	73,255	101,764	4,612	0	179,631
State Operations:					
Personal Service	10,421	6,154	0	0	16,575
Non-Personal Service	2,407	6,315	0	47	8,769
General State Charges	7,661	1,600	0	0	9,261
Debt Service	0	0	0	2,638	2,638
Capital Projects	0	0	10,790	0	10,790
Total Disbursements	**93,744**	**115,833**	**15,402**	**2,685**	**227,664**
Other Financing Sources (Uses):					
Transfers from Other Funds	42,114	3,183	4,105	2,111	51,513
Transfers to Other Funds	(7,178)	(1,538)	(907)	(42,141)	(51,764)
Bond and Note Proceeds	0	0	293	0	293
Net Other Financing Sources (Uses)	**34,936**	**1,645**	**3,491**	**(40,030)**	**42**
Excess (Deficiency) of Receipts and Other Financing Sources (Uses) Over Disbursements	**(650)**	**(2,387)**	**(39)**	**13**	**(3,063)**
Closing Fund Balance	**42,801**	**21,552**	**(1,633)**	**172**	**62,892**

Source: NYS DOB.

CASH FINANCIAL PLAN ALL GOVERNMENTAL FUNDS FY 2025 (millions of dollars)	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	All Funds Total
Receipts:					
Taxes	53,327	6,491	1,508	44,045	105,371
Miscellaneous Receipts	3,572	14,715	9,436	425	28,148
Federal Receipts	3,645	78,827	3,540	62	86,074
Total Receipts	**60,544**	**100,033**	**14,484**	**44,532**	**219,593**
Disbursements:					
Assistance and Grants	78,172	93,077	7,199	0	178,448
State Operations:					
Personal Service	10,631	6,153	0	0	16,784
Non-Personal Service	3,556	5,198	0	49	8,803
General State Charges	8,889	1,628	0	0	10,517
Debt Service	0	0	0	3,368	3,368
Capital Projects	0	0	12,680	0	12,680
Total Disbursements	**101,248**	**106,056**	**19,879**	**3,417**	**230,600**
Other Financing Sources (Uses):					
Transfers from Other Funds	42,708	3,372	5,746	1,650	53,476
Transfers to Other Funds	(9,024)	(952)	(996)	(42,756)	(53,728)
Bond and Note Proceeds	0	0	359	0	359
Net Other Financing Sources (Uses)	**33,684**	**2,420**	**5,109**	**(41,106)**	**107**
Use (Reservation) of Fund Balance:					
Debt Management	576	0	0	0	576
Extraordinary Monetary Settlements	516	0	0	0	516
Labor Settlements/Agency Operations	(1,450)	0	0	0	(1,450)
Timing of PTET/PIT Credits	1,133	0	0	0	1,133
Undesignated Fund Balance	1,919	0	0	0	1,919
Total Use (Reservation) of Fund Balance	**2,694**	**0**	**0**	**0**	**2,694**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(4,326)**	**(3,603)**	**(286)**	**9**	**(8,206)**

Source: NYS DOB.

CASH FINANCIAL PLAN ALL GOVERNMENTAL FUNDS FY 2026 (millions of dollars)	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	All Funds Total
Receipts:					
Taxes	54,890	6,537	1,501	45,783	108,711
Miscellaneous Receipts	2,961	15,735	10,820	435	29,951
Federal Receipts	0	79,843	3,609	58	83,510
Total Receipts	**57,851**	**102,115**	**15,930**	**46,276**	**222,172**
Disbursements:					
Assistance and Grants	81,837	90,580	7,822	0	180,239
State Operations:					
Personal Service	10,746	6,327	0	0	17,073
Non-Personal Service	3,798	6,118	0	49	9,965
General State Charges	10,069	1,650	0	0	11,719
Debt Service	0	0	0	4,884	4,884
Capital Projects	0	0	11,061	0	11,061
Total Disbursements	**106,450**	**104,675**	**18,883**	**4,933**	**234,941**
Other Financing Sources (Uses):					
Transfers from Other Funds	42,827	3,391	3,441	1,611	51,270
Transfers to Other Funds	(6,794)	(746)	(1,057)	(42,928)	(51,525)
Bond and Note Proceeds	0	0	352	0	352
Net Other Financing Sources (Uses)	**36,033**	**2,645**	**2,736**	**(41,317)**	**97**
Use (Reservation) of Fund Balance:					
Debt Management	860	0	0	0	860
Extraordinary Monetary Settlements	286	0	0	0	286
Labor Settlements/Agency Operations	(1,450)	0	0	0	(1,450)
Timing of PTET/PIT Credits	1,798	0	0	0	1,798
Undesignated Fund Balance	1,546	0	0	0	1,546
Total Use (Reservation) of Fund Balance	**3,040**	**0**	**0**	**0**	**3,040**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(9,526)**	**85**	**(217)**	**26**	**(9,632)**

Source: NYS DOB.

CASH FINANCIAL PLAN ALL GOVERNMENTAL FUNDS FY 2027 (millions of dollars)					
	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	All Funds Total
Receipts:					
Taxes	55,329	6,720	1,496	46,134	109,679
Miscellaneous Receipts	2,446	15,990	11,126	450	30,012
Federal Receipts	0	80,454	3,474	53	83,981
Total Receipts	**57,775**	**103,164**	**16,096**	**46,637**	**223,672**
Disbursements:					
Assistance and Grants	85,677	91,721	7,824	0	185,222
State Operations:					
Personal Service	10,923	6,473	0	0	17,396
Non-Personal Service	3,754	6,247	0	49	10,050
General State Charges	11,511	1,675	0	0	13,186
Debt Service	0	0	0	4,868	4,868
Capital Projects	0	0	10,577	0	10,577
Total Disbursements	**111,865**	**106,116**	**18,401**	**4,917**	**241,299**
Other Financing Sources (Uses):					
Transfers from Other Funds	43,132	3,441	2,963	1,703	51,239
Transfers to Other Funds	(6,398)	(758)	(941)	(43,389)	(51,486)
Bond and Note Proceeds	0	0	262	0	262
Net Other Financing Sources (Uses)	**36,734**	**2,683**	**2,284**	**(41,686)**	**15**
Use (Reservation) of Fund Balance:					
Extraordinary Monetary Settlements	290	0	0	0	290
Labor Settlements/Agency Operations	(1,450)	0	0	0	(1,450)
Timing of PTET/PIT Credits	9,249	0	0	0	9,249
Undesignated Fund Balance	1,545	0	0	0	1,545
Total Use (Reservation) of Fund Balance	**9,634**	**0**	**0**	**0**	**9,634**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(7,722)**	**(269)**	**(21)**	**34**	**(7,978)**

Source: NYS DOB.

CASHFLOW
GENERAL FUND
FY 2024
(millions of dollars)

	2023 April Actuals	May Actuals	June Actuals	July Actuals	August Actuals	September Actuals	October Projected	November Projected	December Projected	2024 January Projected	February Projected	March Projected	Total
OPENING BALANCE	43,451	46,939	40,448	44,184	44,319	42,520	47,972	47,114	44,399	48,648	49,859	46,259	43,451
RECEIPTS:													
Personal Income Tax	3,727	1,044	2,498	1,713	1,850	2,158	1,120	1,465	2,175	2,377	1,651	2,190	23,968
Consumption/Use Taxes	730	730	969	794	765	970	806	779	997	858	698	804	9,900
Business Taxes	1,116	214	3,047	201	144	3,398	(331)	10	3,628	362	76	4,407	16,272
Other Taxes	170	407	79	63	178	170	299	50	51	51	50	49	1,617
Total Taxes	5,743	2,395	6,593	2,771	2,937	6,696	1,894	2,304	6,851	3,648	2,475	7,450	51,757
Abandoned Property	1	0	0	0	10	100	30	130	0	30	10	139	450
ABC License Fee	6	7	5	5	6	5	7	6	6	7	6	5	71
Investment Income	204	176	192	183	198	202	203	198	198	198	198	200	2,350
Licenses, Fees, etc.	72	47	56	29	83	77	35	30	30	30	40	51	580
Motor Vehicle Fees	13	44	11	16	36	(6)	14	13	15	12	14	43	225
Reimbursements	39	4	96	45	(52)	28	(40)	(20)	12	(35)	11	(22)	66
Extraordinary Settlements	0	0	0	0	0	0	0	33	0	0	0	0	33
Other Transactions	(4)	5	14	50	16	47	29	28	71	29	24	67	376
Total Miscellaneous Receipts	331	283	374	328	297	453	278	418	332	271	303	483	4,151
Federal Receipts	0	0	0	0	0	0	0	0	0	0	0	2,250	2,250
PIT in Excess of Revenue Bond Debt Service	3,731	1,044	2,497	1,560	1,342	2,512	1,120	1,465	2,181	3,790	469	2,227	23,938
PTET in Excess of Revenue Bond Debt Service	49	66	1,269	19	68	1,487	(574)	(6)	1,793	308	156	1,745	6,380
ECEP in Excess of Revenue Bond Debt Service	0	0	0	0	0	0	0	0	1	1	0	3	5
Sales Tax in Excess of LGAC Bond Debt Service	0	0	0	0	0	0	0	0	0	0	0	0	0
Sales Tax in Excess of Revenue Bond Debt Service	614	623	887	686	665	1,009	687	669	888	731	604	668	8,731
Real Estate Taxes in Excess of CW/CA Debt Service	77	86	82	74	86	88	84	75	73	71	64	50	910
All Other	168	190	121	192	166	120	96	196	148	519	172	62	2,150
Total Transfers from Other Funds	4,639	2,009	4,856	2,531	2,327	5,216	1,413	2,399	5,084	5,420	1,465	4,755	42,114
TOTAL RECEIPTS	10,713	4,687	11,823	5,630	5,561	12,365	3,585	5,121	12,267	9,339	4,243	14,938	100,272
DISBURSEMENTS:													
School Aid	1,391	4,485	1,924	347	678	1,831	797	2,124	2,732	1,446	1,163	9,967	28,885
Higher Education	29	24	620	124	71	120	529	34	168	43	548	829	3,139
All Other Education	16	39	270	200	878	62	55	149	178	58	51	516	2,472
Medicaid - DOH	3,477	3,073	1,414	2,512	2,990	1,402	321	1,317	(494)	2,119	1,453	1,514	21,098
Public Health	37	61	77	51	74	69	23	87	96	73	92	104	844
Mental Hygiene	34	94	1,236	196	71	1,267	109	121	1,201	191	757	976	6,253
Children and Families	39	77	146	128	64	248	5	86	430	113	86	541	1,963
Temporary & Disability Assistance	154	126	216	384	148	148	180	290	290	290	290	299	2,815
Transportation	0	40	19	1	51	0	20	43	170	4	29	153	530
Unrestricted Aid	0	13	390	0	0	117	8	1	185	1	3	72	790
All Other	48	(182)	80	54	63	99	121	242	268	840	875	1,958	4,466
Total Assistance and Grants	5,225	7,850	6,392	3,997	5,088	5,363	2,168	4,494	5,224	5,178	5,347	16,929	73,255
Personal Service	785	792	916	746	984	769	756	954	776	983	825	1,135	10,421
Non-Personal Service	121	226	(413)	173	283	183	268	282	327	340	315	302	2,407
Total State Operations	906	1,018	503	919	1,267	952	1,024	1,236	1,103	1,323	1,140	1,437	12,828
General State Charges	657	1,832	481	445	483	489	482	449	480	608	558	697	7,661
Debt Service	38	0	1	56	(2)	(1)	0	0	0	159	(10)	(14)	227
Capital Projects	106	(72)	296	(238)	399	39	685	1,286	1,077	767	752	(1,395)	3,702
SUNY Operations	228	235	304	288	56	20	1	266	34	46	31	118	1,627
Other Purposes	65	315	110	28	69	51	83	105	100	47	25	624	1,622
Total Transfers to Other Funds	437	478	711	134	522	109	769	1,657	1,211	1,019	798	(667)	7,178
TOTAL DISBURSEMENTS	7,225	11,178	8,087	5,495	7,360	6,913	4,443	7,836	8,018	8,128	7,843	18,396	100,922
Excess/(Deficiency) of Receipts over Disbursements	3,488	(6,491)	3,736	135	(1,799)	5,452	(858)	(2,715)	4,249	1,211	(3,600)	(3,458)	(650)
CLOSING BALANCE	46,939	40,448	44,184	44,319	42,520	47,972	47,114	44,399	48,648	49,859	46,259	42,801	42,801

Source: NYS DOB.