ANNUAL INFORMATION STATEMENT

STATE OF NEW YORK

WE ARE NY

May 24, 2024

INTRODUCTION

This Annual Information Statement for FY 2025 (AIS) is dated May 24, 2024 (the same date as the release date of the FY 2025 Enacted Budget Financial Plan) and contains information only through that date, unless otherwise noted. This AIS constitutes the official disclosure regarding the financial condition of the State of New York (the "State") and related matters and replaces the AIS dated June 9, 2023 and all updates and supplements issued in connection therewith. By statute, DOB is responsible for preparing and updating the State's Financial Plan (which includes financial results as well as current and out-year projections). DOB then utilizes the Financial Plan results and projections to present the information that appears in this AIS on behalf of the State. Historically, the AIS has been updated on a quarterly basis, and it may be supplemented from time to time as developments warrant. This AIS, including the Exhibits attached hereto, should be read in its entirety, together with any updates and supplements that may be issued during the fiscal year.

In this AIS, readers will find:

1. Information on the State's current financial projections, including summaries and extracts from the State's fiscal year 2025 (FY 2025)[1] Enacted Budget Financial Plan (the “Enacted Budget Financial Plan” or “Financial Plan”) issued by the Division of the Budget (DOB) on May 24, 2024. The Financial Plan sets forth the State’s official financial projections for FY 2025 through FY 2028 (the “Financial Plan period”). It includes, among other things, information on the major components of the FY 2025 General Fund gap-closing plan, future potential General Fund budget gaps, multi-year projections of receipts and disbursements for the State's operating funds, the impact on debt measures, and the anticipated debt issuances required to support planned capital spending. This AIS is dated the same date as the release date of the Financial Plan and contains information only through this date, except for certain explanatory information not contained in the Financial Plan which DOB has determined does not materially change the projections contained in the Financial Plan.

   DOB expects to complete the first quarterly update to the FY 2025 Enacted Budget Financial Plan in July 2024. However, given (i) the relatively short period of time since the release date of the FY 2025 Enacted Budget Financial Plan, and (ii) DOB's current analysis of preliminary operating results for the first quarter of FY 2025, DOB does not anticipate that there will be material changes in the State's financial condition to mandate the release of a first quarterly update to the AIS. **Accordingly, DOB does not anticipate that it will be preparing and releasing a first quarterly update to this AIS and instead expects the next update of this AIS to be released following the mid-year update to the Enacted Budget Financial Plan.**

2. A discussion of issues and risks that may affect the State's financial projections during FY 2025 or in future fiscal years is provided under the heading “Other Matters Affecting the Financial Plan”.

[1] The State fiscal year is identified by the calendar year in which it ends. For example, fiscal year 2025 (“FY 2025”) is the fiscal year that began on April 1, 2024 and will end on March 31, 2025.

3. Information on other subjects relevant to the State's finances, including summaries of: (a) operating results for the three prior fiscal years (presented on a cash basis of accounting), (b) the State's revised economic forecast and a profile of the State economy, (c) the State's debt and other financing activities, (d) activities of public authorities and localities, and (e) information regarding State government employment.
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.

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, in State fiscal years where a gubernatorial election occurs, 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, 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.

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. Investors and other market participants should, however, refer to this AIS, 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 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.

Note that all FY 2024 financial results contained within this AIS are unaudited and preliminary. The annual independent audit of the State’s Basic Financial Statements for the fiscal year ending March 31, 2024 is expected to be completed by July 28, 2024. Both the Comptroller’s Annual Report to the Legislature on State Funds Cash Basis of Accounting and the State’s Basic Financial Statements are due by July 28, 2024. These reports will contain the final FY 2024 financial results. Copies may be obtained by contacting the Office of the State Comptroller, 110 State Street, Albany, NY 12236. The Basic Financial Statements for FY 2023 are available in electronic form at www.osc.state.ny.us and at www.emma.msrb.org.

In addition to regularly scheduled quarterly updates to this AIS, the State may issue AIS supplements or other disclosure notices related to this 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 this AIS in official statements or related disclosure documents for State or State-supported debt issuances. The State has filed this AIS with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access (EMMA) system. An electronic copy of this AIS can be accessed through EMMA at www.emma.msrb.org. An official copy of this AIS may be obtained by contacting the New York State Division of the Budget, State Capitol, Albany, NY 12224, Tel: (518) 474-2302.

Usage Notice

This AIS has been prepared and made available by the State pursuant to its contractual undertakings under various continuing disclosure agreements (CDAs) entered into by the State in connection with financings of the State, as well as certain issuers, including public authorities of the State, that may depend in whole or in part on State appropriations as sources of payments of their respective bonds, notes or other obligations.

This AIS is available in electronic form on the DOB website at www.budget.ny.gov. Such availability does not imply that there have been no changes in the financial position of the State subsequent to the posting of this information. Maintenance of this AIS on the DOB website, or on the EMMA website, is not intended as a republication of the information herein on any date subsequent to its release date. No incorporation by reference or republication of any information contained on any website is intended or shall be deemed to have occurred as a result of the inclusion of any website address in this AIS.

Neither this AIS nor any portion thereof may be: (i) included in a preliminary official statement, official statement, or other offering document, or incorporated by reference therein, unless DOB has expressly consented thereto following a written request to the State of New York, Division of the Budget, State Capitol, Albany, NY 12224, or (ii) considered to be continuing disclosure in connection with any offering unless a CDA relating to the offered series of bonds or notes has been executed by DOB. Any such use, or incorporation by reference, of this AIS or any portion thereof in a preliminary official statement, official statement, or other offering document or continuing disclosure filing without such consent and agreement by DOB is unauthorized and the State expressly disclaims any responsibility with respect to the inclusion, intended use, and updating of this AIS if so misused.

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 the Division of the Budget 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 fully to GAAP.

[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 jointly financed (Federal, State, and Local) 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, then 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 to align with fiscal publications released by the State Comptroller. 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 financial reports in presentation and reporting of receipts and disbursements. For example, DOB may reflect a net disbursement 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

FINANCIAL PLAN AT-A-GLANCE: KEY MEASURES (millions of dollars)	FY 2024 Actuals	FY 2025 Projected
State Operating Funds Disbursements (Unadjusted)		
Size of Budget	$128,473	$132,042
Annual Growth	3.8%	2.8%
State Operating Funds Disbursements (Adjusted)[1]		
Size of Budget	$127,049	$139,330
Annual Growth	5.7%	9.7%
Other Disbursement Measures		
General Fund (Including Transfers)	$100,117	$107,772
Annual Growth	7.9%	7.6%
Capital Budget (State and Federal)	$14,708	$17,642
Annual Growth	4.9%	19.9%
Federal Operating Aid	$91,686	$89,484
Annual Growth	10.9%	-2.4%
All Funds	$234,867	$239,168
Annual Growth	6.5%	1.8%
Inflation (CPI)	3.5%	3.0%
All Funds Receipts[2]		
Taxes, excluding PTET	$106,668	$109,920
Annual Growth	-6.2%	3.0%
Miscellaneous Receipts	$33,755	$31,685
Annual Growth	6.0%	-6.1%
Federal Receipts (Operating and Capital)	$94,276	$94,202
Annual Growth	5.3%	-0.1%
Total All Funds Receipts, excluding PTET	$234,699	$235,807
Annual Growth	-0.2%	0.5%
General Fund Cash Balance	$46,331	$48,515
Principal Reserves	$20,068	$21,568
Timing of PTET/PIT Credits	$14,137	$15,001
Extraordinary Monetary Settlements	$1,110	$691
All Other	$11,016	$11,255
Debt		
Debt Service (excluding prepayments) as % All Funds Receipts	3.0%	1.3%
State-Related Debt Outstanding	$54,319	$62,508
Debt Outstanding as % Personal Income	3.5%	3.9%

1 Spending growth is routinely impacted by planned prepayments, timing-related transactions and reimbursements. Adjusted State Operating Funds disbursements excludes these large transactions. Both unadjusted and adjusted spending includes non-recurring grants and aid, extraordinary assistance related to asylum seekers and migrants, and other one-time payments that drive growth in FY 2025.

2 The Financial Plan impact of the Pass-Through Entity Tax program is expected to be revenue neutral for the State and is excluded from tax receipts herein, unless otherwise noted.

Overview

The Governor submitted the FY 2025 Executive Budget, with amendments, to the Legislature on February 15, 2024. DOB estimated that the Executive Budget, if adopted without modification, would have provided for balanced General Fund operations in FY 2025, leaving budget gaps of $5 billion in FY 2026, $5.2 billion in FY 2027, and $9.9 billion in FY 2028, totaling $20.1 billion.

On March 28, 2024, the Legislature enacted the annual debt service appropriations, without amendment, in advance of the new fiscal year that began on April 1. On April 15, 2024, the Governor and legislative leaders reached agreement on the outlines of the budget, and the Legislature completed final action on the budget bills on April 20, 2024. The Governor completed her review of the budget bills on May 1, 2024. DOB estimates that the budget enacted by the Legislature and approved by the Governor is balanced in FY 2025, as required by law. The Legislative session concluded on June 8, 2024. The Legislature did not adopt any legislation with significant fiscal impacts.

The final budget agreement includes key elements proposed by the Governor in her Executive Budget. The Enacted Budget does not increase taxes; expands access to affordable housing; enhances public safety, including combatting retail theft; provides increased funding for schools, health care, child care, mental health access, higher education, increased wages, and expanded service delivery; and continues aid to the City of New York for the provision of care for thousands of asylum seekers and migrants. The Enacted Budget also provides further increases to fund schools; hospitals; other health care providers and workers; mental health access and care; university systems; tuition assistance expansion; temporary municipal assistance; enhanced pension benefits for Tier 6 State and local employees; and a supplemental child tax credit for eligible families through the Empire State Child Credit. In addition, the Financial Plan includes $58 million in non-recurring funding for the Medical Indemnity Fund to maintain minimum funding levels that allow for continued enrollment.

In FY 2025, State Operating Funds spending is projected to total $132 billion, an increase of nearly $3.6 billion (2.8 percent) from FY 2024. Spending growth is routinely impacted by planned prepayments and timing-related transactions and reimbursements. Excluding these transactions, and consistent with prior Executive presentations, spending growth is projected at 9.7 percent. However, FY 2025 spending includes nearly $5 billion in non-recurring additions and investments, including extraordinary assistance related to asylum seekers and migrants, and other one-time payments. Excluding these actions, adjusted FY 2025 spending would increase by approximately 6 percent.

The Enacted Budget Financial Plan includes an updated economic forecast and revisions to receipts and spending estimates across all fiscal years, as well as savings over multiple years recognized from the management of prior year resources. DOB estimates these revisions and resources are sufficient in FY 2025 to both fund the negotiated additions and restorations to the budget and allow for an increase to reserves needed to maintain the 15 percent of spending benchmark. Compared to the FY 2025 Executive Budget projections, the cumulative gaps over the Financial Plan period (FY 2026 through FY 2028) are reduced by nearly one-third, from $20.1 billion to $13.9 billion, due mainly to the upward revisions in projected receipts reflected in the Enacted Budget Financial Plan. The gaps in the outyears are now projected at $2.3 billion in FY 2026, $4.3 billion in FY 2027, and $7.3 billion in FY 2028.

All Funds tax receipts for FY 2024 were higher than projected, exceeding both the initial projection at the start of FY 2024 and the last projection in the FY 2025 Executive Budget Financial Plan. At the time the initial projections were prepared, economic forecasters were expecting a global economic slowdown, rising unemployment, and warning of geopolitical uncertainty which were expected to weaken revenues. In contrast to the recession scenarios expected at the outset of 2023, higher than expected real Gross Domestic Product (GDP) growth rates, robust growth in labor markets with low unemployment, improving incomes as well as performance-related bonuses, particularly in the finance and insurance sectors, supported better than expected growth in income tax revenues. The improved performance and bonuses boosted receipts in the last quarter of FY 2024, which, combined with disbursements falling substantially below budgeted levels, resulted in the State ending FY 2024 in a stronger overall position[4].

Resources available at the close of FY 2024 have been carried forward through the prepayment of expenses and advances to reduce costs in future years of the Financial Plan, and as available fund balances for use in future years. In addition, the fiscal conditions at year-end supported a $250 million deposit to the Retiree Health Benefit Trust Fund (RHBTF) in March 2024. The positive FY 2024 results, in part, are reflected through forecast revisions across all years of the Financial Plan as upward revisions in projected receipts and downward adjustments to spending.

The State's financial position is expected to remain strong over the multi-year plan. However, outyear budget gaps are projected as spending growth is expected to exceed available resources and will need to be addressed in future years. Nonetheless, Rainy Day Reserves have increased to the highest levels in history, debt levels remain steady with no growth in debt outstanding over the past decade, historic liquidity levels are delivering high investment returns, new reserves have been established for future costs, and excess resources have been managed to benefit future years and reduce reliance on costly debt. At the same time, the State has made notable investments in services and programs, significantly increasing assistance to schools and health care providers, while expanding and adding funds in nearly every other area of the budget. To protect these investments from a future economic shock or downturn, and to maintain the benchmark of 15 percent of spending, the Enacted Budget Financial Plan reflects an additional $1.5 billion deposit to the Rainy Day Reserves, bringing the Principal Reserves balance to $21.1 billion[5]. In addition, the Enacted Budget includes a continued $250 million annual deposit to the RHBTF which will be dependent on fiscal conditions.

DOB expects the General Fund to end FY 2025 with a balance of $48.5 billion. Nearly half of the balance consists of Principal Reserves to protect essential services in the event of an economic downturn. The remaining balance is comprised of other reserves that were previously pledged to reduce outyear gaps, manage risks, and support future costs that include tax refunds and liabilities, capital projects, and potential labor agreements.

4 A detailed summary of FY 2024 results is provided in the "FY 2024 Preliminary Year End Results" herein.

5 Excludes $500 million set aside that is programmed in FY 2026 for asylum seeker assistance.

DOB expects that the General Fund will have sufficient liquidity in FY 2025 to make all planned payments as they become due, and the General Fund balance will continue to benefit the State by providing high levels of investment income due to elevated market interest rates. DOB continues to reserve money on a quarterly basis for debt service payments that are financed with General Fund resources. Money to pay debt service on bonds secured by dedicated receipts, including PIT bonds and Sales Tax bonds, continues to be set aside as required by law and bond covenants.

Summary of Revisions to the Executive Budget Proposal

The following table summarizes revisions to the multi-year projections that were contained in the Executive Budget Financial Plan, including routine forecast revisions to the multi-year forecast of receipts and disbursements based on operating results since the last update in January 2024. A more detailed table of the revisions appears in the section entitled, "FY 2025 General Fund Financial Plan."

FY 2025 GENERAL FUND FINANCIAL PLAN REVISIONS TO EXECUTIVE BUDGET ESTIMATES: SAVINGS/(COSTS) (millions of dollars)				
	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
EXECUTIVE BUDGET SURPLUS/(GAP) ESTIMATE	**0**	**(4,974)**	**(5,229)**	**(9,943)**
Negotiated Changes	**(3,131)**	**(1,363)**	**(1,341)**	**(1,198)**
Spending	(2,773)	(1,347)	(1,295)	(1,152)
Non-Recurring	(2,085)	(90)	0	0
Recurring	(206)	(208)	(216)	(196)
Restorations/Modifications	(482)	(1,049)	(1,079)	(956)
Revenue	(358)	(16)	(46)	(46)
Non-Recurring	(350)	0	0	0
Recurring	0	(1)	(31)	(31)
Restorations/Modifications	(8)	(15)	(15)	(15)
Resources/Forecast Revisions	**3,131**	**3,997**	**2,311**	**3,891**
Tax Receipts, excluding PTET	2,595	1,863	2,159	2,536
Other Forecast Revisions/Timing	2,286	2,384	402	1,605
Deposit to Reserves	(1,750)	(250)	(250)	(250)
ENACTED SURPLUS/(GAP) ESTIMATE	**0**	**(2,340)**	**(4,259)**	**(7,250)**

Negotiated Changes

The Enacted Budget includes a net $3.1 billion of additional General Fund spending in FY 2025 compared to the FY 2025 Executive Budget proposal. The adds consist of recurring and non-recurring costs, including restorations and modifications to proposals included in the FY 2025 Executive Budget.

Recurring spending additions carry an estimated cost of roughly $200 million annually. The largest recurring costs include: increasing the cost-of-living adjustment (COLA) from a proposed 1.5 percent up to 2.84 percent, with a 1.7 percent increase for specific support, direct care, clinical, and non-executive administrative staff; expanding tuition assistance program benefits through a minimum award increase from $500 to $1,000 and raising the Tuition Assistance Program (TAP) income threshold; and enhancing retirement benefits for Tier 6 employees by reducing the final average salary calculation window from five to three years.

Non-recurring spending and revenue additions that were added through negotiations with the Legislature and are not continued in subsequent years of the Financial Plan are estimated at roughly $2.4 billion in FY 2025. The largest one-time spending additions include: $500 million to assist distressed hospitals; $350 million in supplemental payments to hospitals and nursing homes; $300 million for the Healthcare Safety Net Transformation Program intended to improve the sustainability of safety net healthcare providers; $350 million for a supplemental child tax credit; $179 million for additional State funding provided to the State University of New York (SUNY) and City University of New York (CUNY); $50 million for temporary municipal assistance in both FY 2025 and FY 2026; and $450 million for funding a variety of program areas and organizations.

In addition, the final budget agreement included the restoration (i.e., rejection) or modification of numerous Executive proposals totaling $490 million in FY 2025, including: rejection of the Executive proposal to provide significant relief for local governments and State taxpayer supported costs by lowering interest charged on judgments against the State and local governments from as high as 9 percent (currently authorized) to a fair-market based interest rate; modification of the inflation factor used to calculate the proposed School Year (SY) 2025 Foundation Aid increase from 2.4 percent to 2.8 percent; and restoration of several proposed Medicaid savings actions.

The cost of restorations is offset partly by negotiated Medicaid changes, including savings from the cost effective administration of the Consumer Directed Personal Assistance Program (CDPAP) by using a single entity akin to the practice of other States, and other available Medicaid resources and forecast revisions.

The FY 2025 Enacted Budget also creates the Healthcare Stability Fund (HSF) and directs the State Medicaid Director to seek Centers for Medicare & Medicaid Services (CMS) approval to implement a Managed Care Organization (MCO) tax, which is like those currently imposed by other states. For example, California's recently approved approach imposes differential rates between Medicaid plans and non-Medicaid plans, thereby minimizing the impact on the commercial insurance market. Prospective revenue generated from the MCO tax will be deposited into the HSF and is expected to be available to fund investments in the health care delivery system and/or offset current State Medicaid costs. However, no such MCO tax revenue is currently assumed in the Financial Plan. In FY 2025, $350 million in one-time General Fund resources will be transferred to the HSF to support $200 million in hospital investments and $150 million in nursing homes, assisted living programs, and hospice. Future HSF activity is dependent on a successful execution of the MCO tax proposal and, as such, there is no State or Federal funding or spending projections beyond FY 2025 in the HSF.

Funding is also included for the Rockefeller Institute of Government, in consultation with various State agencies, to conduct a study of the Foundation Aid formula. The study will assess the current Foundation Aid formula and provide recommendations for its update and modification, with any proposed modifications to be fiscally sustainable for the State, local taxpayers, and school districts. The Institute is required to produce a report of its findings and recommendations by December 1, 2024.

Resources and Forecast Revisions

In FY 2025, the combination of upward revisions to both tax and non-tax receipts, available resources and savings generated from operations in FY 2024, and downward revisions to spending based on prior year results, are more than sufficient to fund the new initiatives and costs included in the FY 2025 Enacted Budget. These resources also support a $1.5 billion deposit to the Rainy Day Reserves, a $250 million deposit to the RHBTF, and a planned $1.5 billion prepayment of FY 2026 expenses.

Tax receipts have been increased annually in comparison to the Executive Budget forecast, based mainly on the improved economic forecast, prior year results, and April 2024 receipts. PIT withholding and current estimated payments finished well above their respective FY 2024 targets in the last public forecast. In addition, stronger FY 2025 wage and tax year 2024 nonwage growth projections resulted in substantial upward revisions to these PIT components. Similarly, corporate franchise tax projections have been increased to reflect stronger year-end results that carry into the outyears and upward revisions to projected corporate profits.

Other resources and forecast revisions reflect increases to non-tax receipts; the management of resources across multiple years, including prepayments and advances; and adjustments to the use of unrestricted balances carried forward from prior years. In FY 2025, the State expects to recoup $1.5 billion from providers related to hospital advances made in prior years, as well as hospital contract advances made in prior years. Investment income has been increased by $800 million in FY 2025, reflecting continued higher interest rates. In addition, $116 million will be allocated from operational reserves to fund retroactive costs associated with the recently settled New York State Correctional Officers and Police Benevolent Association (NYSCOPBA) contract. The forecasts for HCRA and gaming receipts have been revised upward, providing an offset to General Fund spending for Medicaid and School Aid, respectively. Other changes include downward revisions to spending across State operating programs, based on continued underspending experienced in recent years, as well as updated forecasts and programmatic assumptions.

FY 2025 Enacted Budget Financial Plan Summary

The Enacted Budget Financial Plan reflects the FY 2025 Enacted Budget and accompanying legislation, as well as routine quarterly revisions to the projections of receipts and spending in all fiscal years based on prior year and current year results to date, updated forecasts, management of resources across fiscal years, and adjustments to programmatic assumptions.

The Enacted Budget increases FY 2025 State Operating Funds spending by $12.3 billion (9.7 percent) compared to the prior fiscal year, adjusted for the routine management of resources, execution of prepayments, and fluctuations in the timing of transactions across fiscal years that impact reported spending growth. More than one-third of the growth is driven by increased spending on School Aid and Medicaid.

School Aid

The State provides a substantial amount of financial support for public schools through State formula aids and other grants. For over a decade, New York has ranked the highest in the nation for per pupil spending. In SY 2022, New York spent $29,873 per pupil, 91 percent more than the national average of $15,633 per pupil.[6] In SY 2024, approximately 2.5 million kindergarten through 12th grade students are enrolled in the State's public schools, including 181,000 students enrolled in charter schools. Compared to SY 2014 levels, enrollment in the State's public schools has declined by roughly 9 percent (231,000 students). Despite these enrollment declines, State aid has continued to increase each year. From SY 2021 to SY 2024, total School Aid grew by an average of $2.3 billion (7.7 percent) per year (excluding the SY 2022 Pandemic Adjustment restoration), driven primarily by the three-year phase-in of full funding of the Foundation Aid formula. In addition to State aid, school districts have continued to raise revenue through local property tax increases, which when combined with State aid increases and Federal COVID-19 pandemic related assistance, have afforded many districts the ability to amass substantial reserves and surplus balances.

Adding to historic increases in funding over the past three years, the Enacted Budget includes $35.9 billion for School Aid in SY 2025, an increase of approximately $1.4 billion (4.1 percent) from SY 2024, inclusive of the State's full takeover of funding for prekindergarten expansion grants previously supported with Federal American Rescue Plan Act of 2021 (ARP) funds. Excluding the State funds needed to support this takeover, the School Aid increase for SY 2025 totals $1.3 billion (3.8 percent). This growth reflects a $934 million (3.9 percent) Foundation Aid increase, driven primarily by the application of a 2.8 percent inflation factor in the Foundation Aid formula.

Since SY 2022, State-funded School Aid will have increased by over $6.6 billion (22.6 percent), inclusive of the Enacted Budget's increase.

[6] Based on U.S. Census Bureau, *2022 Annual Survey of School System Finances*.

Medicaid

The New York State Medicaid Program provides health and long-term care coverage to lower-income children, pregnant women, adults, seniors, and people with disabilities, and is financed jointly by the Federal, State, and Local governments. New York receives the minimum Federal Medicaid matching share of roughly 50 percent. The State has capped local districts' costs at calendar year 2015 levels, shifting the increased costs to the State and saving the City of New York and counties an estimated $7.4 billion in FY 2025. The State offers some of the most comprehensive and extensive Medicaid benefits in the nation, including optional services such as coverage for pharmacy and personal care services, spending $4,114 per capita based on the latest CMS data (Federal Fiscal Year 2022)[7], which was more than any other state. New York's per capita spending was 5 percent higher than the next highest state, New Mexico, which spent $3,906 per capita. Nearly 7.6 million (39 percent) New Yorkers are currently covered by Medicaid. When combined with other public insurance coverage, New York has the highest percentage of people covered by publicly funded medical insurance (Medicaid, Child Health Plus (CHP) and Essential Plan (EP)) in the nation.

In addition to traditional reimbursements, the Medicaid program is also a large contributor of funding to hospitals and nursing homes through various supplemental payment and assistance programs. Medicaid spending growth continues to escalate with increasing utilization of the system, primarily for Managed Long Term Care (MLTC), which is rising with an aging population. In FY 2025, Medicaid spending is projected to total $30.9 billion, an increase of $3.1 billion (11.3 percent) from FY 2024 levels, including $768 million in savings initiatives.

State-share Medicaid spending, including administrative costs, is projected to be $9 billion (40 percent) higher in FY 2025 than the levels recorded three years prior in FY 2022.

Other Spending Growth

In addition to significant investments made in the past two years, the FY 2025 Budget provides increased funding to other program enhancements and initiatives, including expanding mental health services for children and teens through school and pediatric health care settings; supporting SUNY and CUNY; expanding tuition assistance; increasing pregnant and postpartum services; granting the Department of Financial Services (DFS) authority to hold insurers accountable for mental health coverage; addressing the opioid epidemic; advancing a plan consistent with the recent Federal government waiver approval to improve health care delivery; law enforcement activities; and increasing access to swimming and instruction.

The Enacted Budget also adds substantial new capital funding for Artificial Intelligence (AI) research and innovation; economic development initiatives; energy affordability improvements; incentives for communities to grow their housing stock; and storm and flood risk remediation and protection.

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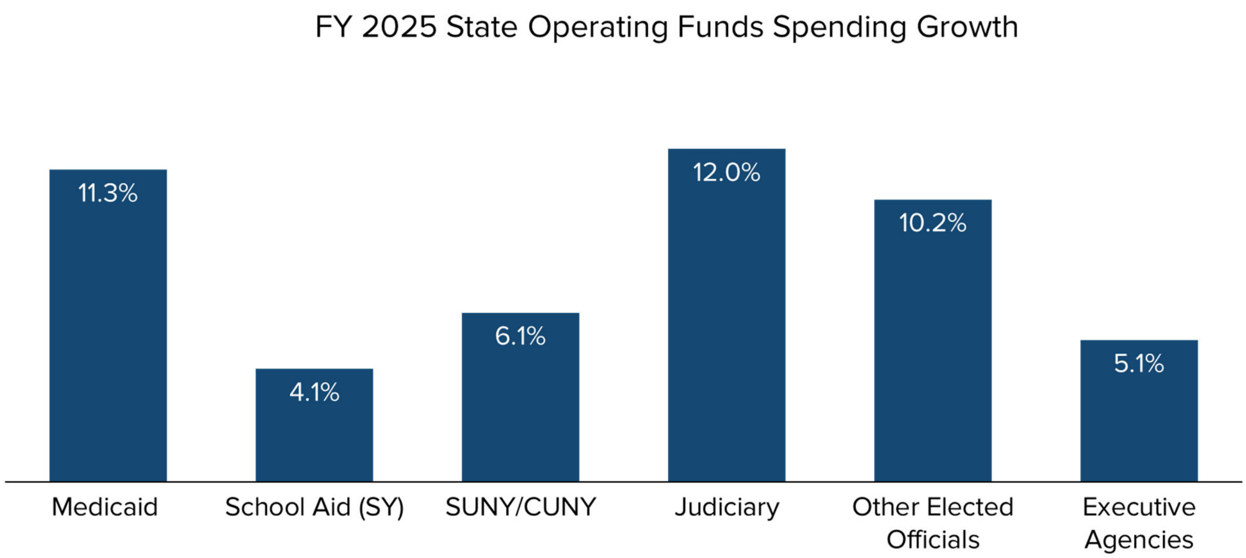
[7] Excludes District of Columbia. Based on U.S. Census Bureau data and the 2022 Centers for Medicare and Medicaid Services Financial Report, Expenditure Reports From MBES/CBES.

State Spending

FY 2025 State Operating Funds spending growth is driven largely by extraordinary assistance related to asylum seekers and migrants, one-time payments, Medicaid, School Aid, SUNY/CUNY, and all branches of State government as agencies continue to restore service capacity and workforce levels to pre-COVID-19 pandemic levels. These spending levels are supported by revenue growth, as well as the routine management of resources, including the execution of prepayments and advances that lower spending in FY 2025.



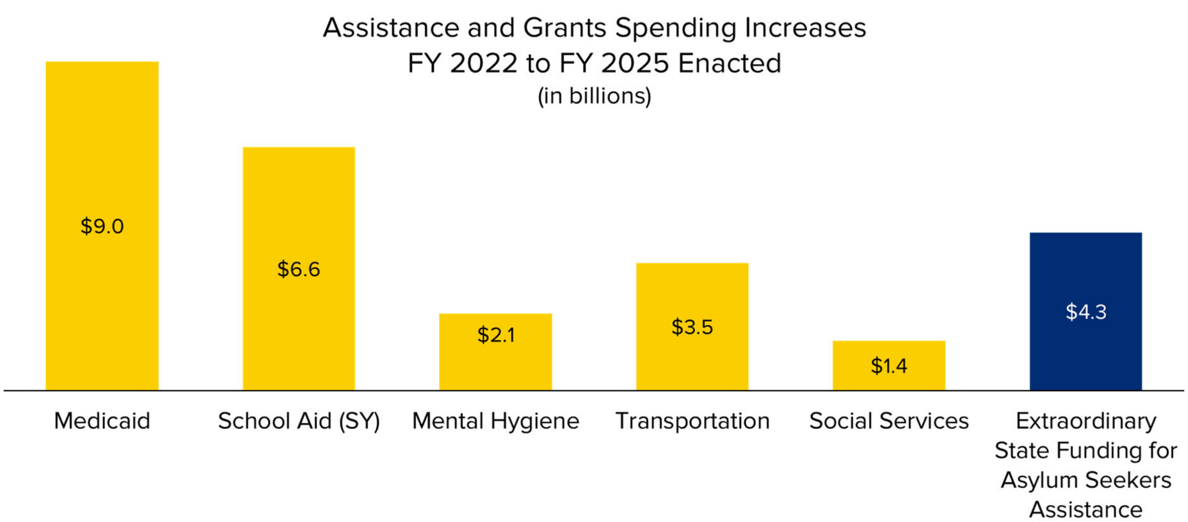
The level of Medicaid spending growth is driven largely by sustained increases in enrollment relative to pre-COVID-19 pandemic levels; expansion of benefits; higher reimbursement rates; and growing utilization of the State's MLTC program by the State's aging population, including CDPAP.

Spending growth is routinely impacted by planned prepayments and timing-related transactions and reimbursements. In FY 2025, spending growth reflects the payment of FY 2025 pension expenses in FY 2024; delayed recoupment from providers of excess payments attributable to State-only Medicaid payments that were previously advanced and are now expected in FY 2025; the expiration of the temporary enhanced Federal Medical Assistance Percentage (eFMAP) which lowered State costs in FY 2024; COVID-19 pandemic-related Federal Emergency Management Agency (FEMA) reimbursements that are expected to lower spending to offset costs accounted for in prior years; and the impact of prior year debt service prepayments. Accounting for these transactions, State Operating Funds spending is projected to total $132 billion, an increase of nearly $3.6 billion (2.8 percent) from FY 2024.

Including spending for capital projects and spending supported by the Federal government, All Funds spending is estimated to total $239.2 billion in FY 2025, an increase of $4.3 billion (1.8 percent), from FY 2024 spending results. The increase in All Funds spending outside of State Operating Funds is attributable to significant increases in capital projects spending consistent with approved and projected capital commitments, partly offset by the end of increased Federal funding and reimbursements for COVID-19 pandemic-related recovery and assistance.

FY 2025 ENACTED BUDGET SPENDING ESTIMATES (millions of dollars)				
	FY 2024 Actuals	FY 2025 Projected	$ Change	% Change
State Operating Funds	**128,473**	**132,042**	**3,569**	**2.8%**
School Aid (School Year Basis)	34,484	35,889	1,405	4.1%
Medicaid	27,804	30,932	3,128	11.3%
All Other Assistance and Grants	27,120	31,878	4,758	17.5%
Agency Operations	31,639	33,914	2,275	7.2%
Debt Service	6,002	6,717	715	11.9%
Resource Management/Timing:				
Planned Pension Prepayment	1,596	(1,596)	(3,192)	-
Hospital Advance/Recoupment	1,497	(1,497)	(2,994)	-
Temporary eFMAP	(1,703)	0	1,703	-
FEMA Reimbursement	(961)	(500)	461	-
Prior Year Debt Service Prepayments	995	(3,695)	(4,690)	-
Federal Operating	**91,686**	**89,484**	**(2,202)**	**-2.4%**
Capital Projects	**14,708**	**17,642**	**2,934**	**19.9%**
All Funds	**234,867**	**239,168**	**4,301**	**1.8%**
State Operating Funds (Adjusted)	**127,049**	**139,330**	**12,281**	**9.7%**

Spending for assistance and grants has grown from $72 billion in FY 2022, adjusted to exclude COVID-19 pandemic assistance and recovery spending, to over $97 billion in projected spending for FY 2025. The $25 billion (35 percent) increase reflects historic investments over the preceding years in education, health care and other assistance and program growth.



State funding for Asylum Seekers Assistance includes total proposed commitment through FY 2026, including operational expenses.

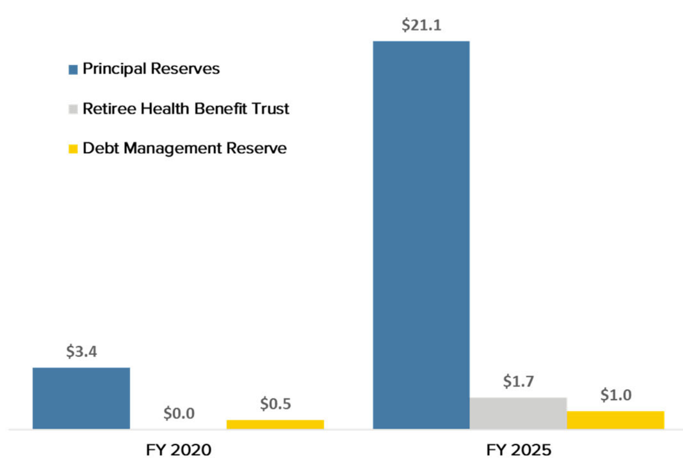
Reserves and Risks

The Financial Plan faces looming economic risks, including: slowing economic growth; continued price inflation; rising consumer debt default; geopolitical uncertainties; programmatic cost pressures; uncertainty about the fiscal conditions of outside entities relying on State assistance; risks due to the State's dependence on Federal funding and approvals; and uncertainty about the timing and feasibility of implementing cost savings actions.

While the DOB forecast of receipts and spending is based on current law and reasonable assumptions as of the time it was prepared, the timing and impact of an economic slowdown or downturn is highly unpredictable, and thus necessitates a prudent level of reserves to hedge against these risks.

In October 2021, the Governor committed to building the State's reserves to 15 percent of State Operating Funds spending to ensure that it could honor its commitments through good and bad times and delivered on this commitment in FY 2023. The FY 2025 Enacted Budget preserves this commitment by utilizing available resources in the current year to add $1.5 billion to Rainy Day Reserves, $250 million to the RHBTF, and $500 million to the economic uncertainties reserve for future costs.

Reserves Increased $20 Billion – More than 6 Times the Level 5 Years Ago

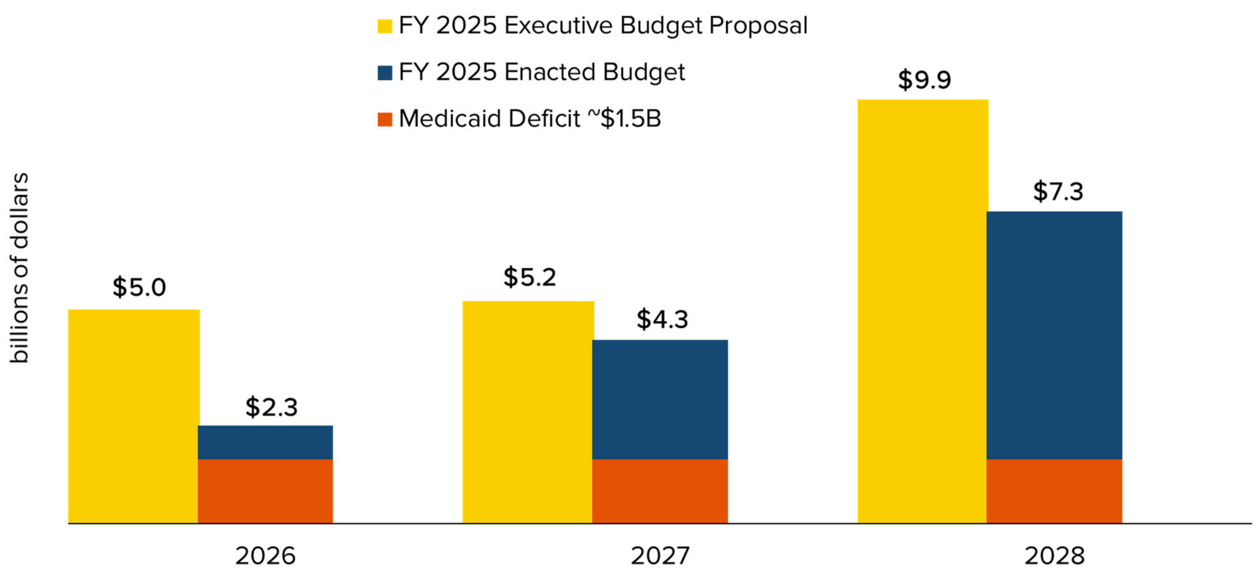


- **Principal Reserves** include the statutory Rainy Day Reserve Funds and the informal Reserve for Economic Uncertainties, excluding $500 million dedicated to fund a portion of State funding for asylum seeker assistance in FY 2026.

- **Retiree Health Benefit Trust Fund** is for health benefits of retired employees and their dependents and is excluded from the General Fund balance.

- **Debt Management Reserve** is an informal reserve that can be used for any debt related purpose, excluding funds dedicated to fund capital investments in FY 2026.

Outyear Budget Gaps



The outyear budget gaps are the result of a structural imbalance between the forecasted levels of spending growth and available resources. The long-term, historical average annual growth rate for tax receipts, which support roughly 80 percent of State Operating Funds spending, is approximately 4 percent. Roughly half of the State Operating Funds budget supports the State's two largest program areas – health care and education – and those programs account for approximately two-thirds of the growth since FY 2022, reflecting historic, recurring funding increases for schools and the health care system. The gaps include Medicaid spending projections that exceed the Global Cap spending allowance beginning in FY 2026, which is partly due to $1.7 billion in additional State spending over the multi-year Financial Plan to leverage roughly $6 billion in additional Federal Medicaid funding, as well as upward revisions reflecting sustained enrollment levels and spending for MLTC.

While these investments continue and spending is expected to grow by just over 5 percent on average through FY 2028, tax receipts[8] are projected to grow on average by 3.5 percent annually over the Financial Plan period from FY 2024 levels, resulting in a structural imbalance in the later years of the Financial Plan.

[8] 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 exclude the impact of PTET, unless otherwise noted.

The projected budget gaps do not reflect the use of any Principal Reserves to balance operations in any year but do include the use of a $2 billion annual Transaction Risk Reserve, which is included to guard against unexpected declines in receipts or costs related to transaction risk execution. The projected budget gaps also include a substantial amount of savings from the management of prior year resources used to prepay and advance debt service costs and other liabilities, as well as the carry forward of prior year fund balances. Absent these resources, debt service and other spending would be higher and drive gaps above current projections.

In addition, the projected budget gaps for FY 2027 and FY 2028 are impacted by anticipated State and Federal tax law changes, and related taxpayer behavior. FY 2027 projections include a one-time acceleration of between $3 and $4 billion in estimated PIT tax receipts due to the scheduled expiration of the Federal State and Local Tax (SALT) deduction cap at the end of 2025 and the expectation that taxpayers will seek to benefit from unlimited SALT deductibility beginning in tax year 2026. If the Federal government extends or revises the SALT deduction cap, the acceleration would likely not occur, which would reduce tax receipts and increase the budget gap for FY 2027 by a concomitant amount. For more information, see “Other Matters Affecting the Financial Plan” herein.

Lastly, the FY 2028 projected budget gap reflects the initial impact of the current law sunset at the end of tax year 2027 of higher tax rates for high income filers, reverting the schedule to a single top rate of 8.82 percent. DOB estimates that if the current rate schedule were extended, then PIT withholding receipts would increase by an amount in the range of $750 million to $1 billion in the last quarter of FY 2028.

The State will continue to evaluate multi-year growth assumptions across all programs to ensure long-term sustainability within projected resources. If the FY 2026 Budget is balanced with recurring savings, inclusive of Medicaid savings to adhere to the Global Cap limit, then the budget gaps in the outyears would be reduced to less than $2 billion for FY 2027 and $5 billion for FY 2028.

Summary of Revisions Compared to FY 2024 Mid-Year Projections

The following table and narrative provide a summary of the impact of the FY 2025 Enacted Budget actions and forecast revisions on General Fund operations, starting with the FY 2024 Mid-Year Update Estimate.

FY 2025 ENACTED BUDGET FINANCIAL PLAN -- GENERAL FUND REVISIONS (millions of dollars)	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
MID-YEAR UPDATE SURPLUS/(GAP) ESTIMATE	**(4,326)**	**(9,526)**	**(7,722)**	**(16,475)**
Receipts	**6,704**	**6,622**	**1,001**	**3,262**
Tax Receipts	5,380	3,359	889	3,139
Tax Receipts, excluding PTET	3,383	4,065	3,837	3,437
PTET/PIT Receipts (Financial Plan Neutral)	1,997	(706)	(2,948)	(298)
Debt Service	376	2,007	124	370
Other Receipts/Transfers	948	1,256	(12)	(247)
Disbursements	**2,500**	**(538)**	**(466)**	**727**
Assistance and Grants	768	37	(129)	846
School Aid	254	499	798	1,452
SY 2025 Foundation Aid Adjustment	165	247	264	281
School Aid Growth Based on CPI	0	242	730	1,331
Lottery/Gaming	398	442	266	298
All Other	(309)	(432)	(462)	(458)
Medicaid	327	(1,008)	(994)	(814)
Revised Forecast/Enrollment	(993)	(2,396)	(2,341)	(2,252)
1115 Waiver	(451)	(474)	(501)	(385)
Savings Actions	768	1,155	1,155	1,155
HCBS eFMAP	366	0	0	0
HCRA Resources/All Other	637	707	693	668
All Other Assistance and Grants	187	546	67	208
State Operations	1,966	105	(534)	(297)
Executive Operations	579	380	(363)	(300)
Legislature/Judiciary (incl. fringe benefits)	(297)	(297)	(297)	(297)
Other Elected Officials	(22)	(22)	(22)	(22)
Fringe Benefits/Fixed Costs	1,706	44	148	322
Transfers to Other Funds	(234)	(680)	197	178
Capital Projects	215	(731)	93	57
SUNY Operating	(66)	(30)	(12)	(12)
All Other	(383)	81	116	133
Use of/(Deposit to) Reserves	**(4,878)**	**1,102**	**2,928**	**5,236**
Rainy Day Reserves/Economic Uncertainties	(1,500)	500	0	0
Timing of PTET/PIT Credits (Financial Plan Neutral)	(1,997)	706	2,948	298
All Other Reserves	(1,381)	(104)	(20)	4,938
ENACTED BUDGET SURPLUS/(GAP) ESTIMATE	**0**	**(2,340)**	**(4,259)**	**(7,250)**

Receipts

Tax Receipts. Based on FY 2024 results and the updated economic forecast, DOB has made upward revisions to the tax receipts forecast across all years of the Financial Plan, primarily in PIT and business tax receipts. Tax receipts estimates for PTET and related PIT credits are offset by adjustments to the use of or deposit to PTET reserves to cover credits claimed in subsequent years. In addition, the Enacted Budget includes the following tax law changes:

- **Extend the Itemized Deduction Limit on High Income Filers.** The Enacted Budget extends the itemized deduction limitation on filers with New York Adjusted Gross Income greater than $10 million, which is estimated to provide additional resources beginning in FY 2026.

- **Supplemental Child Tax Credit.** The Enacted Budget provides a one-year supplement to the existing Empire State Child Credit.

- **Other Tax Actions.** The Enacted Budget also includes a new newspaper and broadcast media jobs tax credit, closes a loophole related to PIT and business taxes, provides for the filing of amended sales tax returns, and extends other taxes, exemptions, and credits, including the sales tax exemption on vending machines for an additional year, through May 31, 2025.

Debt Service. Costs are lowered in all years of the Financial Plan due to the prepayment of debt service costs due in these years in FY 2024 and planned in FY 2025, and refundings and ongoing debt management, which lower the dedicated tax receipts needed to support debt service and increase dedicated tax receipts to the General Fund. These savings are partially offset in FY 2026 and beyond by the financing of the capital adds and initiatives included in the Enacted Budget.

Other Receipts/Transfers. Available resources in other funds, including upward revisions to estimated Mental Hygiene Federal revenue, will be transferred to the General Fund to support continued and new spending. In addition, projected investment income has been revised upward in FY 2025 and FY 2026 to reflect the near-term forecast for interest rate levels and overall investment pool.

Disbursements

Assistance and Grants. General Fund spending for assistance and grants is projected to total $77.4 billion in FY 2025, an increase of $8.3 billion (12 percent). This spending is impacted by the level of resources outside of the General Fund available to support spending, particularly in education and health programs. Compared to the Mid-Year Update to the Financial Plan, assistance and grants spending is lowered in aggregate over the multi-year Financial Plan reflecting reduced growth rates and savings achieved through various cost controls and resources. In addition, DOB has revised estimates of spending across nearly all functional areas based on programmatic experience and other indicators, including the expectation that spending below projections in recent years will continue.

The Financial Plan provides $35.9 billion for School Aid in SY 2025, an increase of approximately $1.4 billion (4.1 percent), inclusive of the State's full takeover of funding for prekindergarten expansion grants previously supported with Federal ARP funds. Excluding the State funds needed to support this takeover, the School Aid increase for SY 2025 totals $1.3 billion (3.8 percent). This growth reflects a $934 million (3.9 percent) Foundation Aid increase driven largely by the formula's inflation factor, which the Enacted Budget sets at 2.8 percent for SY 2025. School Aid growth also fully funds the projected $366 million increase under current law for expense-based reimbursement programs. Additionally, this increase reflects the annualization of the historic $3.0 billion SY 2024 School Aid increase, which was driven primarily by the final year of the three-year phase in of the Foundation Aid formula.

Financial Plan projections for SY 2026 and beyond have been updated and are based on estimated growth in Foundation Aid and expense-based aids, reflecting DOB's inflation forecast and recent annual expense-based aid growth, respectively. These revisions result in lower projected outyear spending compared to the Mid-Year Update to the Financial Plan. Previously, outyear Financial Plan estimates assumed growth in School Aid consistent with the estimated ten-year average growth in State personal income. In addition, upward revisions to estimated resources available to finance School Aid spending in the State's Mobile Sports Wagering, Video Lottery Terminals (VLTs) and Lottery Funds offset General Fund spending for School Aid.

Medicaid spending in the General Fund is projected to increase due to medical cost increases; enrollment remaining elevated above pre-COVID-19 pandemic levels; expansion of benefits; increases to reimbursement rates; and growing aging and high utilization populations. Other factors that continue to place upward pressure on State-share Medicaid costs include, but are not limited to, provider reimbursements to cover home health 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.

The Financial Plan includes significant upward revisions to reflect updated enrollment and cost forecasts consistent with recent experience and updated data, which increase spending by $8.2 billion from FY 2025 through FY 2028. In addition, the State recently received approval from the CMS for $6 billion in new Federal funding over three years to help support social, physical, and behavioral health care services contingent on a New York matching commitment of $1.7 billion over the same period. The Financial Plan includes the additional State resources expected per this agreement.

To control rising Medicaid costs, the Enacted Budget includes routine revisions, savings, and program management actions, as well as audit recoveries and efforts to eliminate inappropriate payments. Savings actions total $768 million in FY 2025 and include the transition to a single Statewide Fiscal Intermediary for the CDPAP; reducing facility capital payments; and removing the 1 percent surplus payments provided to MCOs attributable to the pharmacy benefit transition from the MCO premiums back to Fee for Service effective April 2023.

Additionally, the Financial Plan includes $64 million in reductions to Managed Care quality pool programs and $75 million in savings from unallocated underspending in the Nursing Home Vital Access Provider Assurance Program (VAPAP), bringing the total annual pool to $25 million in emergency one-time, State-only funding for financially distressed nursing homes. Beginning in

FY 2026, Medicaid spending is projected to exceed the allowable amount under the Global Cap Index. Accordingly, the State expects to develop actions that will provide recurring savings and reduce the cost of healthcare delivery while preserving access and level of care.

The Enacted Budget includes increased spending for all other assistance and grants for planned investments and expansions; including a 2.84 percent COLA; various public health and youth employment programs; expanded TAP eligibility and awards, increased general operating support for CUNY; State funding for asylum seeker assistance; public safety and combatting crime; and one-time aid to municipalities. Other spending increases include additional assistance to distressed hospitals and safety net providers that are funded outside of the Medicaid Global Cap through the Mental Hygiene Stabilization Fund (MHSF). These increases are partly offset by lower spending attributable to the expected repayment of $1.5 billion of State-only payments from distressed providers; certain accounting reclassifications between financial plan categories; and revised spending forecasts across many functional areas, reflecting continued spending below initial projections experienced in prior years inherent to the practice of conservative budgeting.

In addition, lower spending reflects the use of available Temporary Assistance for Needy Families (TANF) funding to support increasing child care costs to maintain continuity in the level and eligibility of child care subsidies; available Mortgage Insurance Fund resources to fund housing and homelessness programs; and a new limit on eligibility for Unrestricted Aid to Independent Colleges and Universities, also known as Bundy Aid, to institutions with endowment assets of less than $750 million.

State Operations. Spending for operations, including wages and fringe benefits, is projected to increase in FY 2025, excluding the impact of the prepayment of FY 2025 pension expenses in FY 2024, and lower FEMA reimbursements expected to offset prior year COVID-19 pandemic related costs compared to FY 2024. The increased costs reflect general salary increases and expansion of services and new initiatives, including mental health access and capacity, and cybersecurity and technology investments. The increased spending is partly offset with savings expected from eliminating excess capacity within the correctional system, ongoing agency efficiencies in delivering services, and reduced consultant spending.

Executive agency operational spending is reduced compared to the Mid-Year Update to the Financial Plan to reflect the planned reduction of excess prison capacity resulting from continued prison population declines; reductions in consulting services; improvements in procurement efficiencies; certain accounting reclassifications between financial plan categories; and the expected continuation of lower than projected spending experienced in prior years inherent to the practice of conservative budgeting. In addition, DOB has increased expected FEMA reimbursements, which lower reported spending, based on continued review and submission of prior-year eligible costs incurred by multiple agencies.

These savings are partly offset by added costs related to contractual general salary increases, particularly in the later years; asylum seeker assistance; investments in cybersecurity and information technology (IT); expanded access to inpatient psychiatric and mental health services; and continued staffing increases across various agencies to address post-COVID-19 pandemic staffing shortages.

The Enacted Budget must include without modification the appropriations submitted annually by the Legislature and Judiciary.

- The judiciary budget increases annual operating spending, including fringe benefits, by $288 million annually to fund judicial pay raises for State judges, general salary increases for non-judicial staff, a paid parental leave program, staffing increases to return to pre-COVID-19 pandemic workforce levels, new court clerks and attorneys, mental health court expansion, and costs associated with four court officer academy classes. In addition, the judicial budget request includes funding to support twenty new judgeships, and twenty-eight family court and five City of New York housing court judges.

- Operating spending for the Legislature increases by $9 million annually to fund general salary increases for legislative staff and operational expenses.

Attorney General (AG) operational spending, excluding fringe benefits, is increased by $13 million annually to support increased caseloads driven by recently enacted legislation and general salary increases. Operating spending for OSC, excluding fringe benefits, is increased by $9 million annually to reflect general salary and operational increases.

Fringe benefit and fixed costs savings in FY 2025 reflect the payment in FY 2024 of the $1.6 billion FY 2025 Employees' Retirement System (ERS) / Police and Fire Retirement System (PFRS) pension bill, which included estimated interest savings totaling $99 million that accrued to the State. Savings in all other years reflect updated projections for various fringe benefit categories.

Transfers to Other Funds. The Enacted Budget reduces transfers from the General Fund to capital projects funds, which is primarily related to the early retirement of bonds that lower the necessary transfer to the DHBTF for debt service. This reduction is partially offset by the addition of new capital initiatives that will be supported by the General Fund, including a new electronic medical health records system for the Office of Mental Health (OMH) and additional funding for judicial facilities renovation, safety, and technology upgrades for court rooms. In FY 2026, $1 billion for capital expenses is expected to be flipped from bond financed to Pay-As-You-Go (PAYGO) capital, which reduces the State's debt burden and costly interest expense as rates are expected to remain elevated through FY 2026.

The State will provide $67 million to support SUNY operating costs, including those related to various State of the State initiatives, including, but not limited to, funding for the Empire State Service Corps and Empire AI, in addition to support for the State Weather Risk Communication Center at the University at Albany and TAP tuition credits.

The Enacted Budget includes $350 million in one-time General Fund resources transferred to the HSF in FY 2025. Other revisions include $35 million in additional support for Department of Health (DOH) health facilities, and an increased transfer to the Judiciary's Court Facilities Incentive Aid Fund for civil legal aid, court facilities maintenance/cleaning costs, and enterprise-wide technology enhancements. Additionally, up to $100 million of State support is added for operating expenses at the State University Health Sciences Center at Brooklyn and/or the SUNY Hospital at Brooklyn, pursuant to a plan approved by the Director of the Budget. Other downward revisions to transfers reflect updated forecasts based on prior year transfer activity and projected support levels needed outside of the General Fund.

Use of/(Deposit to) Reserves

Changes to reserves reflect the impact of a $1.5 billion deposit to Rainy Day Reserves, revised estimates of PTET related tax receipts, updated projections of spending supported by the extraordinary monetary settlements reserve, use of the labor reserve to fund the retroactive cost of the recently settled NYSCOPBA contract, and management of prior year resources planned to reduce gaps in future years. In addition, the Financial Plan previously planned to continue annual deposits to the reserve for future labor and operational costs; however, the Financial Plan reflects the discontinuation of the deposits in the outyears consistent with the recognition of additional operational costs and labor agreements reached to date. The existing $3.1 billion reserve is maintained for similar labor agreements with unsettled labor unions in future years.

Extraordinary State Funding for Asylum Seeker Assistance

Beginning in FY 2024, the State provided extraordinary funding and support to assist the City of New York with the humanitarian crisis that has brought thousands of asylum seekers to the City of New York. To date, New York State has received little to no Federal funding assistance to manage thousands of asylum seekers despite repeated requests.

State management and coordination of the funding and assistance spans multiple agencies, including staffed personnel at City emergency response centers and the deployment of hundreds of Division of Military and Naval Affairs (DMNA) National Guard members to aid in the crisis response and provide support. Reimbursement for short term shelter services for migrant individuals and families and Safety Net Assistance for asylum seekers who are eligible is administered by the Office of Temporary and Disability Assistance (OTDA). Infectious disease testing and vaccination activities, and the provision of coverage to eligible individuals through the State's public health insurance programs is supported by DOH. Other State agencies, including the Division of Homeland Security and Emergency Services (DHSES), the Department of State (DOS) and the Office of General Services (OGS) are assisting nonprofit organizations, providing reimbursement for shelter sites, and supporting case management and legal services.

The State is covering the cost of the Humanitarian Emergency Response and Relief Center (HERRC) at three sites and has made multiple State-owned sites available for use as shelters.

The State commits a total of $4.3 billion in extraordinary State Funding for asylum seeker assistance through FY 2026 reflecting an additional $2.4 billion added in the FY 2025 Enacted Budget above the $1.9 billion previously committed. The table below summarizes the extraordinary State Funding for asylum seeker assistance estimated to be spent through FY 2024 and planned over the multi-year Financial Plan, including revisions to reflect the timing of previously unspent funds. The Governor has pledged to use $500 million from reserves to fund a portion of the support in FY 2026. The Financial Plan does not include any extraordinary funding beyond FY 2026 but does include recurring spending of roughly $70 million annually related to social safety net programs associated with elevated caseload driven by this population, and routine funding.

ASYLUM SEEKER ASSISTANCE
STATE OPERATING FUNDS
(in millions)

	Actuals		Projected		
	FY 2023	FY 2024	FY 2025	FY 2026	TOTAL
Total State Funding	**27**	**895**	**2,623**	**773**	**4,318**
Original NYC Support	0	500	596	0	1,096
Additional NYC Support	0	0	530	530	1,060
Additional Aid to NYC and Costs for Randall's Island, Creedmoor, and Floyd Bennett	0	19	794	146	959
National Guard Deployment	27	163	262	0	452
Medicaid/Vaccines/Disease Testing	0	137	173	15	325
Safety Net Assistance	0	26	67	67	160
Asylum Seeker Resettlement	0	8	27	5	40
Case Management/Legal Services/All Other	0	42	174	10	226
Use of Economic Uncertainties Reserves	**0**	**0**	**0**	**(500)**	**(500)**

General Fund Financial Plan Overview

The State's General Fund receives most State taxes and other income not earmarked for a specified program or activity and is required by law to be balanced.

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.

- 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.

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

- 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 represent roughly 70 percent of total State Operating Funds spending and 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 Operating Funds and/or All Funds basis, see "State Financial Plan Multi-Year Projections" section herein.

FY 2025 Enacted Budget General Fund Financial Plan

The following table summarizes the projected annual change in General Fund receipts, disbursements, and fund balances from FY 2024 results to FY 2025 projected.

GENERAL FUND FINANCIAL PLAN (millions of dollars)				
			Annual Change	
	FY 2024 Actuals	FY 2025 Projected	Dollar	Percent
Opening Fund Balance	**43,451**	**46,331**	**2,880**	**6.6%**
Total Receipts	**102,997**	**109,956**	**6,959**	**6.8%**
Receipts, excluding PTET	103,218	109,092	5,874	5.7%
Taxes	92,148	99,242	7,094	7.7%
Miscellaneous Receipts	4,878	4,460	(418)	-8.6%
Federal Receipts	2,250	3,645	1,395	62.0%
Non-Tax Transfers from Other Funds	3,942	1,745	(2,197)	-55.7%
PTET Receipts	(221)	864	1,085	491.0%
PIT Credits	(14,176)	(13,884)	292	2.1%
Business Taxes	13,955	14,748	793	5.7%
Total Disbursements	**100,117**	**107,772**	**7,655**	**7.6%**
Assistance and Grants	69,119	77,404	8,285	12.0%
State Operations	21,951	21,110	(841)	-3.8%
Transfers to Other Funds	9,047	9,258	211	2.3%
Net Change in Operations	**2,880**	**2,184**	**(696)**	**-24.2%**
Closing Fund Balance	**46,331**	**48,515**	**2,184**	**4.7%**
Statutory Reserves:				
Community Projects	25	25	0	
Contingency	21	21	0	
Rainy Day Funds	6,256	7,756	1,500	
Fund Balance Reserved for:				
Debt Management	2,436	1,860	(576)	
Economic Uncertainties	13,812	13,812	0	
Labor Settlements/Agency Operations	1,765	3,099	1,334	
All Other Reserves/Balances	6,769	6,250	(519)	
Subtotal Excluding Settlements/PTET	**31,084**	**32,823**	**1,739**	
Fund Balance Reserved for:				
Extraordinary Monetary Settlements	1,110	691	(419)	
Timing of PTET/PIT Credits	14,137	15,001	864	

Receipts

General Fund receipts, including transfers from other funds, are estimated to total nearly $110 billion in FY 2025, an increase of $7 billion (6.8 percent) from FY 2024. As noted earlier, receipt levels in the General Fund may be significantly impacted by the deposit of dedicated taxes in other funds for debt service and PTET. Excluding the impact of debt prepayments and PTET, total General Fund tax receipts, including transfers after the payment of debt service, are estimated to total $96 billion in FY 2025, an increase of $2.5 billion (2.7 percent) from FY 2024. The increase reflects forecasts of moderate economic and wage growth, which are expected to drive modest growth in tax receipts. The following discussion of annual changes in tax receipts exclude the impact of PTET and debt prepayments.

PIT receipts are estimated to total $64.3 billion in FY 2025, an increase of $2.3 billion (3.8 percent) from the prior year. The increase reflects growth in withholding, current estimated payments for tax year 2024, extension payments for tax year 2023, final returns, and delinquencies. These increases are partly offset by higher expected total refunds due, primarily driven by prior year refunds for tax year 2023.

Consumption/use tax receipts are estimated to total $18.4 billion in FY 2025, an increase of $296 million (1.6 percent) from FY 2024. This increase reflects a slow-down in the sales tax base, as well as a projected increase in adult-use cannabis receipts as this burgeoning market continues to expand throughout the State.

Business tax receipts increase primarily reflects an increase in gross Corporate Franchise Tax (CFT) receipts and audit receipts from both the bank tax and CFT.

Other tax receipts, including transfers after payment of debt service on Clean Water/Clean Air (CW/CA) Bonds, are expected to total $2.3 billion in FY 2025, a decrease of $499 million from FY 2024. This is primarily due to the expectation that super-large estate tax payments return to more typical trends in FY 2025.

Non-tax receipts reflect a reduction in abandoned property receipts and the continued practice of budgeting for a $2 billion transaction risk reserve that partially offsets total projected transfers from other funds and provides a hedge against risks to receipts that may materialize later in the fiscal year. These declines are partly offset by an increase in the final use of Federal ARP funds in FY 2025 consistent with Federal treasury rules.

Disbursements

General Fund disbursements, including transfers to other funds, are expected to total $107.8 billion in FY 2025, an increase of $7.7 billion (7.6 percent) from FY 2024. The annual change in spending is in large part due to increased funding for Foundation Aid, Medicaid, and continued time-limited support to the City of New York for asylum seeker assistance.

Approximately 80 percent of assistance and grants spending are supported by the General Fund and is estimated to total $77.4 billion in FY 2025, an increase of $8.3 billion (12 percent) from FY 2024. General Fund spending for education and health care represents over half of the assistance and grants spending growth. General Fund support for these programs is also affected by the level of financing sources (i.e., HCRA and lottery/gaming receipts) available in other funds. In addition, other assistance and grants growth is primarily the result of continued State support of an expanded level and eligibility of child care subsidies and victim of crime assistance previously funded with Federal resources; added child welfare services funding for local social services districts; increased operating support to SUNY and CUNY senior colleges; and asylum seeker assistance.

The General Fund supports roughly two-thirds of the cost of agency operations and fringe benefits. State Operations is impacted by the prepayment of the FY 2025 pension obligation in FY 2024, certain accounting reclassifications between financial plan categories, FEMA reimbursements for prior year COVID-19 pandemic related eligible spending, and the payment of retroactive salary increases. Excluding these transactions, General Fund State Operations spending growth is expected to increase by roughly 10 percent. The largest drivers of growth include rising health insurance costs for State employees, the cost of enhanced pension benefits for Tier 6 State employees, Judicial staffing and operational increases, general salary increases consistent with existing collective bargaining agreements, investments in cybersecurity and information technology, and continued staffing increases across various agencies.

General Fund transfers to support capital projects is expected to increase consistent with projected capital commitments and funding growth and the timing of bond proceed reimbursements. Other transfer increases are attributable to additional State operating aid for SUNY and one-time funding for the new Healthcare Stability Fund. General Fund transfers in FY 2025 are also impacted by accounting reclassifications between financial plan categories related to DBHTF debt service, and revised support projections across programs and funds.

FY 2025 Closing Balance

Excluding designated funds in the PTET[9] reserve for the timing of PTET/PIT credits and extraordinary monetary settlements to fund existing commitments and projects, DOB projects the State will end FY 2025 with a General Fund cash balance of $32.8 billion, an increase of $1.7 billion from the prior year closing balance. The increase is mainly due to a deposit to the Rainy Day Reserves and planned increases to the reserve for labor settlements/agency operations, partially offset by the scheduled use of debt management reserves to fund capital expenses.

[9] 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.

Negotiated Changes to the Executive Budget

The following table summarizes the negotiated additions, restorations, modifications, and revisions to the FY 2025 Executive Budget General Fund proposal.

CHANGES TO THE EXECUTIVE BUDGET FINANCIAL PLAN
GENERAL FUND
(millions of dollars)

	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
EXECUTIVE BUDGET SURPLUS/(GAP) ESTIMATE	**0**	**(4,974)**	**(5,229)**	**(9,943)**
NEGOTIATED RESTORATIONS/ADDS	**(3,131)**	**(1,363)**	**(1,341)**	**(1,198)**
Spending Restorations/Adds	**(2,773)**	**(1,347)**	**(1,295)**	**(1,152)**
New Spending Adds:	(2,291)	(298)	(216)	(196)
Distressed Hospital Assistance	(500)	0	0	0
Supplemental Hospital/Nursing Home Payments	(350)	0	0	0
Healthcare Safety Net Transformation Program	(300)	0	0	0
Additional 1.34% Human Services COLA (2.84% Total)	(116)	(116)	(116)	(116)
SUNY/CUNY Operating Assistance	(75)	(25)	0	0
SUNY Hospital Debt Service Forgiveness	(79)	0	0	0
Tuition Assistance Program Expansion	(48)	(61)	(61)	(61)
Tier 6 Pension Benefits	(58)	(58)	(58)	(58)
Temporary Municipal Assistance	(50)	(50)	0	0
Additional Competitive Arts Grants	(40)	0	0	0
Asian American Pacific Islander Support & Protection	(30)	0	0	0
Additional Hunger Prevention and Nutrition Assistance Program	(23)	0	0	0
Office of New Americans and Immigration Legal Services	(20)	0	0	0
All Other Spending Adds	(181)	46	42	47
Legislative Table Adds	(421)	(34)	(23)	(8)
Restorations/Modifications:	(482)	(1,049)	(1,079)	(956)
Medicaid	(233)	(567)	(735)	(731)
Unallocated Long-Term Care Savings	*(200)*	*(200)*	*(200)*	*(200)*
Unallocated Medicaid Savings	*(200)*	*(200)*	*(200)*	*(200)*
Discontinue Wage Parity for CDPAS	*(200)*	*(401)*	*(401)*	*(401)*
CDPAP Fiscal Intermediaries Modification	*200*	*504*	*504*	*504*
Reduce MC/MLTC Quality Pool Funding	*(48)*	*(48)*	*(48)*	*(48)*
Competitively Procure Managed Care Organizations	*0*	*(150)*	*(300)*	*(300)*
Restructure Adult Health Homes	*0*	*(125)*	*(125)*	*(125)*
All Other Medicaid Restorations	*(53)*	*(53)*	*(72)*	*(72)*
Resources/Revisions	*268*	*106*	*107*	*111*
Foundation Aid	(178)	(299)	(252)	(126)
NYSHIP Interest and Arrears Collections	(20)	(80)	0	0
Committee on Special Education	0	(29)	(29)	(29)
All Other	(51)	(74)	(63)	(70)
Tax Law/Receipts	**(358)**	**(16)**	**(46)**	**(46)**
Not Accepted:	(8)	(15)	(15)	(15)
Implement Sales Tax on Vacation Rentals	(8)	(15)	(15)	(15)
Modified/New:	(350)	(1)	(31)	(31)
Supplemental Empire State Child Credit	(350)	0	0	0
Journalism Tax Credit	0	0	(30)	(30)
All Other	0	(1)	(1)	(1)
RESOURCES AND FORECAST REVISIONS	**3,131**	**3,997**	**2,311**	**3,891**
Tax Receipts, excluding PTET	2,595	1,863	2,159	2,536
FY 2024 and FY 2025 Debt Prepayments	0	2,000	200	500
Forecast Revisions/Resource Timing	1,773	384	202	1,105
Hospital Advance/Recoupment	397	0	0	0
Principal Reserve Deposit	(1,500)	0	0	0
Retiree Health Benefit Trust Fund Deposit	(250)	(250)	(250)	(250)
Use Operational Reserve for Retroactive Payments	116	0	0	0
ENACTED BUDGET SURPLUS/(GAP) ESTIMATE	**0**	**(2,340)**	**(4,259)**	**(7,250)**

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 OSC. 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 Enacted Budget continues to authorize short-term financing for liquidity purposes during the fiscal year. In doing so, it maintains 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, 2025. Borrowed amounts cannot be extended or refinanced beyond the initial maturity. The Financial Plan does not assume the use of short-term financing for liquidity purposes. DOB evaluates cash results regularly and may adjust the use of notes based on liquidity needs, market considerations, and other factors.

DOB expects that the General Fund will have sufficient liquidity in FY 2025 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 2025 PROJECTED MONTH-END CASH BALANCES
APRIL (ACTUALS)/MAY THROUGH MARCH (PROJECTED)
(millions of dollars)

	General Fund	Other Funds	All Funds
April 2024	49,055	23,191	72,246
May 2024	45,080	22,401	67,481
June 2024	47,526	23,708	71,234
July 2024	46,078	23,132	69,210
August 2024	44,900	23,793	68,693
September 2024	49,200	20,689	69,889
October 2024	44,450	21,183	65,633
November 2024	41,473	20,697	62,170
December 2024	45,518	19,643	65,161
January 2025	47,366	20,855	68,221
February 2025	45,238	22,648	67,886
March 2025	48,515	15,007	63,522

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 include 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 PTET program will cease to be utilized after tax year 2025 due to the scheduled expiration of the SALT deduction cap under current Federal law. Therefore, the estimates in the Financial Plan reflect the assumption 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.

FY 2025 ENACTED BUDGET
GENERAL FUND IMPACT OF THE PASS THROUGH ENTITY TAX
SAVINGS/(COSTS)
(millions of dollars)

	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected	Total
General Fund Impact	0	0	0	0	0	0	0	0
Tax Receipts[1]	16,430	(2,072)	(221)	864	(2,504)	(12,197)	(300)	0
PIT Credits	0	(17,016)	(14,176)	(13,884)	(14,956)	(10,858)	(300)	(71,190)
PTET Collections (Business Taxes)	16,430	14,944	13,955	14,748	12,452	(1,339)	0	71,190
Use of/(Deposit to) Reserve for PTET Refunds	(16,430)	2,072	221	(864)	2,504	12,197	300	0

[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 through extensions and refunds, or they can be reflected sooner through reductions in estimated payments. Taxpayers recognized a substantial portion of tax year 2021 PTET PIT credits through current estimated payments beginning tax year 2022. The State estimates that similar behavior occurred in tax year 2023 and this behavior is expected to reoccur in future years.

State Operating Funds Spending Summary

The following table summarizes the projected annual change in State Operating Funds spending from FY 2024 actuals to FY 2025 projected levels, followed by a brief summary of the changes.

STATE OPERATING FUNDS DISBURSEMENTS
FY 2024 TO FY 2025
(millions of dollars)

	FY 2024 Actuals	FY 2025 Projected	Annual Change $	Annual Change %
ASSISTANCE AND GRANTS	**89,202**	**97,202**	**8,000**	**9.0%**
School Aid (School Year Basis)	34,484	35,889	1,405	4.1%
DOH Medicaid	27,804	30,932	3,128	11.3%
Mental Hygiene, excluding MHSF	5,278	6,457	1,179	22.3%
Social Services	4,399	6,617	2,218	50.4%
Transportation	5,237	5,149	(88)	-1.7%
Higher Education	3,122	3,474	352	11.3%
Other Education	2,457	2,796	339	13.8%
All Other	6,421	5,888	(533)	-8.3%
STATE OPERATIONS/GENERAL STATE CHARGES	**32,274**	**31,818**	**(456)**	**-1.4%**
State Operations	21,578	23,248	1,670	7.7%
Executive Agencies	12,309	12,938	629	5.1%
FEMA Reimbursements	(962)	(500)	462	48.0%
University Systems	7,402	7,654	252	3.4%
Judiciary	2,151	2,409	258	12.0%
Other Elected Officials	678	747	69	10.2%
General State Charges	10,696	8,570	(2,126)	-19.9%
Pension Contribution	3,734	734	(3,000)	-80.3%
Health Insurance	5,106	5,743	637	12.5%
Other Fringe Benefits/Fixed Costs	1,856	2,093	237	12.8%
DEBT SERVICE	**6,997**	**3,022**	**(3,975)**	**-56.8%**
TOTAL STATE OPERATING FUNDS	**128,473**	**132,042**	**3,569**	**2.8%**
Capital Projects (State and Federal Funds)	**14,708**	**17,642**	**2,934**	**19.9%**
Federal Operating Aid	**91,686**	**89,484**	**(2,202)**	**-2.4%**
TOTAL ALL GOVERNMENTAL FUNDS	**234,867**	**239,168**	**4,301**	**1.8%**

State Operating Funds encompass the General Fund and a wide range of State activities funded from dedicated revenue sources that are received outside the General Fund, including tax revenues, tuition, income, fees, and assessments. Many programs, services and 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. However, certain dedicated revenue sources support spending that impacts General Fund spending as revenues fluctuate. 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.

Assistance and Grants

Most State spending is for assistance and grants that include 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 nearly 70 percent of assistance and grants spending and roughly half of total State Operating Funds spending.

Over the past three years, assistance and grants funding has increased substantially with increased funding for education, health care, and nearly all other major program areas, as well as a significant amount of spending for time-limited asylum seeker assistance.

School Aid spending for SY 2025 is estimated at $35.9 billion, representing an annual increase of $1.4 billion (4.1 percent), inclusive of the State's full takeover of funding for prekindergarten expansion grants previously supported with Federal ARP funds. Excluding the State funds needed to support this takeover, the School Aid increase for SY 2025 totals $1.3 billion (3.8 percent). This annual growth reflects a $934 million (3.9 percent) increase for Foundation Aid driven largely by the formula's inflation factor, which the Enacted Budget sets at 2.8 percent for SY 2025. School Aid growth also fully funds the projected $366 million increase under current law for expense-based reimbursement programs.

DOH Medicaid assistance and grants spending, excluding the effect of the temporary eFMAP, is estimated at $30.9 billion in FY 2025, an annual increase of $3.1 billion (11.3 percent). Medicaid costs reported under the Global Cap are projected to increase by $1.6 billion in FY 2025, consistent with the updated growth index. Higher spending is attributable to increased MLTC enrollment and price growth as well as increased home and personal care utilization and costs, expanded access to health coverage, and higher provider reimbursements. Additionally, the FY 2025 Enacted Budget includes $350 million in one-time funding to support a new Healthcare Stability Fund for investments in hospitals, nursing homes, assisted living programs, and hospice programs. The remaining $1.5 billion in growth attributable to costs reported outside of the Global Cap is mainly driven by home care and minimum wage for health care providers ($1.3 billion) and financial relief to counties and the City of New York associated with full coverage of the local share of spending growth ($183 million). Additional funding for distressed hospitals ($500 million) and the Healthcare Safety Net Transformation Program ($300 million) is excluded from Medicaid spending and the Global Cap and rather funded by through the MHSF/Local Share Adjustment (LSA). Likewise, in FY 2024, a portion of Medicaid-related expenses of the Office for People with Developmental

Disabilities (OPWDD) were funded outside of the DOH Global Cap to provide room to fund State-only hospital payments that are expected to be recouped in FY 2025.

State Medicaid spending is also affected by the Federal government's increased share of Medicaid funding through eFMAP. In FY 2024, $1.7 billion in State-share savings from eFMAP was used to offset increased costs associated with persistently elevated COVID-19 pandemic related enrollment, asylum seeker 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 savings are outside of the Global Cap and are funded through the Mental Hygiene Stabilization Fund.

Mental Hygiene spending growth supports targeted investments in services to ensure individuals with developmental disabilities, mental illness, substance use disorders and problem gambling have appropriate access to care. FY 2025 spending levels include the continued commitment to expand mental health access and care, a 2.84 percent COLA, increased supported housing investments to account for annual property-related cost increases, new service opportunities for people with intellectual and developmental disabilities, and expanding the Special Olympics in New York State.

More than half of Social Services spending increases are driven by the funding for services and assistance to the City of New York for asylum seekers. Other growth reflects continued investments and expansion of child care, inclusive of reduced amounts of Federal aid to support costs, the Empire State Supportive Housing Initiative (ESSHI), child welfare services reimbursed to counties, Supplemental Security Income, Safety Net Assistance, Rent Supplement, After School Programs and a 2.84 percent COLA for eligible programs. Spending for the Emergency Rental Assistance Program (ERAP) and Landlord Rental Assistance Program (LRAP) are expected to decline in FY 2025 as the pandemic assistance programs wind down.

Transportation spending is projected to decrease due to a one-time $305 million State payment to the Metropolitan Transportation Authority (MTA) in FY 2024 to address extraordinary financial impacts resulting from the COVID-19 pandemic, partially offset by a projected increase in dedicated transit revenue available to fund mass transit.

Higher education spending is projected to grow by 11.3 percent in FY 2025 inclusive of the projected disbursement of the State endowment match to SUNY's four University Centers. Increased spending for TAP and other scholarship programs includes expansion through higher maximum income thresholds for TAP eligibility, minimum TAP awards, and the expansion of TAP for part-time students at proprietary institutions. Funding is also increased for SUNY and CUNY community colleges and an additional $112 million in State Aid for operating support to CUNY senior colleges.

Increased funding for All Other Education Programs in FY 2025 is largely driven by the continued impact of a 6.25 percent SY 2024 COLA for special education program tuition rates and continuation of the 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.

All other assistance and grants spending includes certain pandemic related 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 hospital advance/recoupment, and various other programs and functions. The decline in other spending is due mainly to the delay in provider's remittance of prior-year State-only hospital advances, resulting in $1.5 billion in additional spending in FY 2024 that is expected to be repaid in FY 2025; time limited funding for Health care and Direct care workers bonuses (both funded with Financial Plan resources through MHSF); and a non-recurring investment in energy affordability. This decline is partially offset by additional funding for public health, including CHP; State support for victim of crime assistance previously funded with Federal resources; dedicated resources to combat retail theft; domestic violence initiatives; Indigent Legal Services (ILS); temporary municipal assistance; and State matching funds provided under the Public Campaign Finance program.

State Operations/General State Charges (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.

Growth in operational spending for executive agencies is driven primarily by general salary increases consistent with existing collective bargaining agreements, investments in cybersecurity and IT, the cost of deploying the National Guard to assist the City of New York with providing care for asylum seekers, and modest staffing increases across various agencies as agencies continue to address post-COVID-19 pandemic staffing shortages. Federal reimbursement for prior year State costs incurred for COVID-19 pandemic response and recovery efforts is projected to decline year over year.

SUNY operational spending growth reflects expenses for SUNY State-operated campuses and hospitals, inclusive of additional State aid for operating expenses at the State University Health Sciences Center at Brooklyn and/or the SUNY Hospital at Brooklyn. SUNY operating costs are funded by a combination of tuition and fee revenue and General Fund transfers provided annually for direct State operating support and student financial aid support ($1.8 billion in FY 2025). In addition, the State pays the fringe benefit costs of employees at SUNY State-operated campuses, projected to be roughly $2 billion in FY 2025, which is excluded from operational spending growth. The State also continues to pay a share of the debt service costs on bond financed capital projects at SUNY, totaling approximately $581 million in FY 2025.

The Judiciary spending plan includes a substantial increase in FY 2025 (12 percent) to support judicial pay raises for State judges, general salary increases for non-judicial staff, implementing a paid parental leave program, staffing increases to return to pre-COVID-19 pandemic workforce levels, new court clerks and attorneys, and costs associated with four court officer academy classes. The Judicial budget also includes funding for twenty new judgeships, twenty-eight family court and five City of New York housing court judges, including support staff for each. Funding also supports four court officer academy classes, implementation of the paid parental leave program, increase support for child and civil legal service providers, expand mental health court services, support several anti-bias and justice initiatives, accommodate court facility cleaning costs, and provide for health insurance and pension cost increases.

The operating costs for the offices of independently elected officials (Attorney General, Comptroller, and Legislature) are projected to grow by 10.2 percent. This growth is driven by payments for salary increases pursuant to existing contracts, increased staffing to support increased caseloads caused by recently enacted legislation, and general salary increases for legislative staff.

The decline in GSCs is due mainly to the prepayment of FY 2025 pension obligations, partially offset by rising health insurance costs, attributed to the escalating cost of health care and prescription drugs, and the cost of enhanced pension benefits for Tier 6 State employees.

Debt Service

The State pays annual debt service on all outstanding State-supported debt issuances, which is affected by the routine prepayment of future debt service costs in prior fiscal years. Adjusting for prepayments, State-related debt service is projected at $6.7 billion in FY 2025, an increase of 12 percent from FY 2024.

OTHER MATTERS AFFECTING THE FINANCIAL PLAN

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

- Federal Risks
- Financial Plan Projections
- State Labor Costs
- State Debt
- Localities and Authorities
- Other Risks and Ongoing Concerns

Federal Risks

The amount and composition of Federal funds received by the State fluctuate over time as legislative and regulatory actions at the Federal government level often change. Specific Federal government actions that pose an ongoing risk to the Financial Plan include audits, disallowances, changes to Federal participation rates or other Medicaid rules, discretionary spending reductions, and the expected need for Congress to increase or suspend the debt limit to avoid delaying payments and/or defaulting on debt obligations. In addition, 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.

Debt Limit. 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 a Federal default triggered an economic downturn.

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 Aid Reductions. Any significant reductions in Federal aid could have a materially adverse impact on the Financial Plan. Health care and human services programs and assistance receive significant Federal funding and may be particularly affected by potential changes in Federal aid.

Federal funding for Medicaid is subject to review by 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 CDPAP that permits enrollees to manage and self-direct providers of personal care services.

In September 2022, the State requested $13.5 billion in new Federal Medicaid funding, over a five-year period, to address health disparities exacerbated by the COVID-19 pandemic. On January 9, 2024, CMS approved a $5.8 billion waiver over a three-year term in response to the State's request. The funding will enable New York to help support social, physical, and behavioral health care services throughout the State. However, the anticipated agreement requires a total of $1.7 billion in additional State resources, which have been assumed in the Financial Plan over the same period. Given the time limit on the Federal funding, these services are expected to be discontinued at the end of the term absent an extension by the Federal government. Accordingly, there is no State or Federal funding included in the Financial Plan projections beyond the term period.

Financial Plan Projections

The Financial Plan projections and the assumptions they are based on are subject to a myriad of risks, including, but not limited to, economic, social, financial, political, public health, and environmental risks and uncertainties. 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, as well as State and Federal tax law changes, and related taxpayer behavior and migration. 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 largest component of State tax revenue comes from PIT. Beginning in Tax Year 2021, the State created new PIT brackets for individuals earning over $5 million annually creating a more progressive state income tax system. The top PIT rate is currently 10.9 percent and includes less than 0.1 percent of taxpayers. These brackets expire at the end of tax year 2027 with the three current brackets reverting to a single bracket rate of 8.82 percent.

<u>Tax Cuts and Jobs Act of 2017 (TCJA)</u>. The TCJA made extensive changes to Federal PIT, corporate income taxes, and estate taxes, most of which were effective in tax year 2018. One key impact of the TCJA on New York State taxpayers is the $10,000 limit on the deductibility of SALT payments, which represents a large increase in the State's effective tax rate relative to historical experience. Many provisions of the TCJA are scheduled to expire at the end of 2025, including the SALT deduction cap. Consistent with the Internal Revenue Code, revenue projections within the Financial

Plan assume these Federal provisions will expire without replacement and taxpayer behavior will revert to pre-TCJA activity. These assumptions suggest that when the SALT deduction cap expires, taxpayers will no longer utilize the optional PTET nor participate in the optional Employer Compensation Expense Program (ECEP), and they will accelerate payments in tax year 2026 (FY 2027) to take advantage of the SALT deduction cap sunset. It should be noted that PTET and ECEP are independent of the TCJA and are not scheduled to sunset. As such, it is possible that taxpayer utilization of these programs will continue regardless of changes in Federal policies. If PTET utilization continues beyond 2025, the anticipated decline in PTET receipts currently projected in FY 2027 will be mitigated, but PTET, as a program, will remain revenue neutral. However, if the SALT deduction cap is extended, then FY 2027 receipts, exclusive of PTET revenues and credits, are expected to be revised downward by between $3 billion and $4 billion (all else being equal). The revision would be based on expectations for taxpayer payment timing behavior; specifically, taxpayers decelerating PIT payments due to the inability to take advantage of uncapped SALT deductions. As DOB gains additional clarity on Federal tax policies and their implication on PTET and ECEP utilization, the estimates of receipts will be revised in future quarterly Financial Plan updates to reflect any changes.

Non-Tax Receipts. The projection of non-tax receipts and other available resources assumes various transactions will occur as planned, including, but not limited to receipt of Federal aid; certain payments from public authorities; revenue sharing payments under the Tribal-State Compacts; and the collection of fines, fees, and other receipts at levels to support operations, offset General Fund costs and enable transfer of available fund balances to the General Fund. It should be noted that General Fund Medicaid and School Aid spending remains sensitive to the performance of dedicated revenues, such as HCRA and Gaming receipts, used to finance a portion of these program costs.

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 pandemic emergency assistance; the receipt of Federal approvals necessary to implement the Medicaid savings actions; unanticipated growth in public assistance programs, including the assumed level of utilization of newly expanded benefits; 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 below.

Public Health Insurance Programs/Public Assistance. Medicaid spending growth is largely driven by the aging population's utilization of the State's MLTC program and other programs serving seniors and individuals enrolled in both Medicaid and Medicare. These programs comprise roughly 60 percent of total Medicaid Global Cap spending and the share is expected to rise to nearly 70 percent by 2028 as the baby boomer population ages. By 2030, 23 percent of the State's population is expected to be over age 65, up from 9 percent in 2000. This is expected to place a substantial amount of pressure on the Global Cap limit and is a main driver of the current Global Cap imbalance beginning in FY 2026. There can be no assurance that costs will not exceed projections in the later years of the Financial Plan absent savings and/or rate reductions.

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 qualified to enroll and began to participate in public health insurance programs such as Medicaid, EP, and CHP. Due to Federal requirements, participants in these programs remained eligible for coverage for 12 continuous months regardless of changes in employment or income levels that may otherwise make them ineligible.

In June 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. Based on experience to date, disenrollment is significantly less than initially projected, and the State is expected to retain a greater proportion of COVID-19 era enrollees than other states. The State now estimates over 700,000 people will remain enrolled relative to pre-COVID-19 pandemic levels of enrollment. There can be no assurance that actual enrollment will not exceed these levels, which would drive higher spending in the multi-year Financial Plan.

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 OTDA for the purposes of determining eligibility for Safety Net Assistance and by DOH for determining Medicaid eligibility. Administrative actions taken in May 2023 to align the OTDA and DOH definitions of PRUCOL are expected to result in more households becoming eligible for Safety Net Assistance and increase State costs. There can be no assurance that the number of eligible households and related costs will not exceed projections in the later years of the Financial Plan.

Hospital Assistance. The State provides a substantial amount of supplemental funding to private and not-for-profit hospitals beyond traditional Medicaid reimbursement rates and payments through various programs and grants, including the VAPAP, Vital Access Provider (VAP) Program, Graduate Medical Education Incentive Program, and various other programs. Currently, 75 of 261 New York hospitals (29 percent) are deemed financially distressed – a 200 percent increase from FY 2017 that has driven a concomitant 432 percent increase in Federal/State fiscal assistance to these entities. Many hospitals responsible for supporting medical needs in underserved communities across the State, including those with higher rates of uninsured individuals and government payor mix, have been further stressed financially due to the pandemic. Despite hospitals in the State receiving roughly $11 billion in COVID-19 pandemic related assistance from the Federal government, many continue to struggle. As a result, the State has provided substantial targeted funding to certain facilities. These payments are in addition to recurring annual hospital assistance of $984 million provided in aggregate to all hospitals statewide. From FY 2023 through FY 2025, supplemental State support will total more than $1.8 billion – $800 million in FY 2023 of which $100 million was added to the recurring base support; $500 million in FY 2024; and $500 million planned in FY 2025. The FY 2025 Enacted Budget also provides a new investment of $300 million in State support associated with the Safety Net Transformation program to fund projects and partnerships to promote financial sustainability of provider systems, subject to approval.

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, including employment opportunities and sustainability, creates the potential for increased cost pressure within the Financial Plan should the State continue to provide supplemental payments to hospitals. There can be no assurance that the State will not continue to commit to additional funding, as many facilities, including those which are not currently fiscally distressed, continue to seek State financial support.

Statutory Growth Caps for School Aid and Medicaid. Beginning in FY 2012, the State enacted 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. Both caps have been modified since initial implementation and have been impacted by administrative and other actions over the past several years.

The School Aid growth cap limits growth to the annual growth in State Personal Income, as calculated in the Personal Income Growth Index (PIGI). The statutory PIGI for School Aid is based on the average annual income growth over a ten-year period. However, the authorized School Aid increases have exceeded the indexed levels in certain years. Most recently, School Aid increases in SY 2022 through SY 2024 substantially exceeded the PIGI, due to the State's commitment to phase in full funding of the Foundation Aid formula. The final year of this phase-in was completed in SY 2024 driving an annual increase of $3.0 billion (9.4 percent) compared to the indexed PIGI rate of 4.2 percent. The increase in State-funded School Aid for SY 2025 of $1.4 billion (4.1 percent) increases Foundation Aid by 3.9 percent and is slightly above the indexed PIGI rate of 3.7 percent. The Financial Plan projections for SY 2026 and beyond assume that School Aid growth will be based on estimated growth in Foundation Aid and expense-based aids and are below the PIGI rate.

The FY 2025 Enacted Budget includes funding for the Rockefeller Institute of Government, in consultation with various State agencies, to conduct a study of the Foundation Aid formula. The study will assess the current formula and provide recommendations for its update and modification, with any proposed modifications to be fiscally sustainable for the State, local taxpayers, and school districts. The Institute is required to produce a report of its findings and recommendations by December 1, 2024.

Nearly 80 percent of DOH State Funds Medicaid spending growth is subject to the Global Cap that is intended to establish a limit for Medicaid growth. Additional State-share Medicaid spending, outside of the Global Cap, has increased to include supplemental hospital payments, health care bonus payments, and other costs, in addition to State costs for the takeover of Medicaid growth from local governments and reimbursement to providers for increased minimum wage costs. Prior to FY 2023, the Global Cap was 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 utilization, beginning in FY 2023 the Global Cap was amended to be calculated using the five-year rolling average of health care spending, using projections from the CMS Actuary. The CMS Actuary updates the projections annually and DOB incorporates the revisions into the multi-year forecast with the Enacted Budget, as applicable. The new Global Cap index added a substantial amount of allowable Medicaid growth – over $16 billion covering the six-year period from FY 2023 through FY 2028.

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 that 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.

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 Managed Care Directed Payment Template (DPT), the State advanced payments of over $2.2 billion in State-only payments to certain providers to help them cover their immediate cash flow needs. These advanced payments are expected to be remitted to the State by the providers upon their receipt of Federally approved DPT funds. While all prior year Federal approvals have been granted with respect to those DPT funds, approximately $1.5 billion in provider reimbursements to the State are in various phases of the administrative remittance process. Pursuant to the existing reimbursement structure, DOH assumes full remittance of the $1.5 billion in State advances within FY 2025 to remain under the Global Cap.

Opioid Settlement Fund. The Attorney General and DFS have reached significant opioid related settlements with several corporations for their roles in fueling the opioid epidemic. As a result of the settlements, the State and its subdivisions are expected to receive payments totaling more than $2.7 billion over multiple years extending through 2040. A portion of these payments will go 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 State share of the settlement payments.

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. The Opioid Settlement Fund resources will be used to supplement funding for substance use disorder prevention, treatment, recovery, and harm reduction services or programs and/or for payments to local governments pursuant to such settlements or judgments.

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, in the aggregate, these litigation matters could still negatively affect the forecasts and projections contained in the Financial Plan.

Financial Plan Risk 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 expenses. 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 gap-closing actions to preserve General Fund balance. 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.

State Labor Costs

Since the last AIS Update, several unions have ratified comparable agreements, retroactive to April 1, 2023, including the New York State Correctional Officers and Police Benevolent Association (NYSCOPBA), the Police Benevolent Association of New York State (PBANYS), and the District Council 37 Rent Regulation Services Unit (DC-37 RRSU). Additionally, the State has achieved a comparable tentative agreement with the Council 82 Security Supervisors Unit (C82 SSPU), subject to ratification by the membership.

The State has commenced labor negotiations with remaining 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.

STATE 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 2024 - FY 2026	2%	2%	2%	2%	2%	2%	2%	3%	3%	3%
NYSCOPBA	FY 2024 - FY 2026	2%	2%	2%	2%	2%	2%	2%	3%	3%	3%
PBANYS	FY 2024 - FY 2026	2%	2%	2%	2%	2%	2%	2%	3%	3%	3%
UUP (SUNY)	AY 2023 - AY 2026	2%	2%	2%	2%	2%	2%	2%	3%	3%	3%
DC-37 (RRSU)	FY 2024 - FY 2026	2%	2%	2%	2%	2%	2%	2%	3%	3%	3%
GSEU	AY 2020 - AY 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
Council 82	FY 2017 - FY 2023	2%	2%	2%	2%	2%	2%	2%	TBD	TBD	TBD

SUNY reached an agreement with United University Professions (UUP) that runs from Academic Year (AY) 2023 to AY 2026 and provides a 2 percent across-the-board salary increase for AY 2023 and 3 percent across-the-board salary increases from AY 2024 to AY 2026. The agreement with UUP will also provide a $1,500 bonus to employees in AY 2025 and AY 2026.

The Judiciary has contracts in place with all unions represented within its workforce, including the Civil Service Employees Association (CSEA) and DC-37 and exclusive Judiciary unions such as 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.

Employee Pension Benefits.[10] The State and the Judiciary make annual contributions to the New York State and Local Retirement System (NYSLRS) for employees in the New York State and Local ERS and PFRS. This section discusses contributions to the NYSLRS, which account for most of the State's pension costs.[11] 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.

[10] 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.

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

On August 31, 2023, the Comptroller announced an increase in employer contribution rates for both ERS and PFRS which will impact expenses 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 attributable to a negative 4.14 percent investment return in the Common Retirement Fund compared to an expected 5.9 percent rate of return, 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 an understatement of certain liabilities in the previous billing rates.

As a result of the increases in the employer contribution rates, participants in the Contribution Stabilization Program 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 estimated bill. The Financial Plan does not currently assume the State will amortize.

In March 2024, the State prepaid $1.6 billion or 92 percent of the FY 2025 ERS/PFRS pension estimate due on March 1, 2025. The remaining balance was paid in advance of the due date in May 2024. The prepayment generates State interest savings, and the State expects to continue to prepay this expense as fiscal conditions permit.

The Comptroller does not forecast pension liability estimates on a multi-year basis, requiring DOB to forecast cost for the three outyears. DOB's multi-year pension forecast assumes growth in the salary base consistent with collective bargaining agreements and a lower rate of return compared to the current rate of return assumed by NYSLRS.

The FY 2025 Enacted Budget includes legislation that enhances retirement benefits for Tier 6 members. The first action permanently reduces the member's final average salary calculation from five to three years, providing parity with earlier Tier members. The second action extends through April 1, 2026, a provision to exclude overtime when determining a Tier 6 member's variable income contribution, which was first enacted in FY 2023. The annual costs of these reforms are reflected in the Financial Plan and are estimated to be $57 million and $1.4 million, respectively.

Pension 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 that exceed a fixed increase. 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 exclusively for the Executive branch and Judiciary employers participating in ERS and PFRS.

EMPLOYEE RETIREMENT SYSTEM AND POLICE AND FIRE RETIREMENT SYSTEM PENSION CONTRIBUTIONS (millions of dollars)							
	Statewide Pension Payments[1]			Rates for Determining Amortization Amount / Excess Contributions			
Fiscal Year	Normal Costs	(Amortization Amount) / Excess Contributions	Total Statewide Pension Payments	System Average Normal Rate[2]		System Average Graded Rate	
				ERS (%)	PFRS (%)	ERS (%)	PFRS (%)
2024	3,435.5	25.4	3,460.9	13.1	27.8	13.1	27.4
2025	447.6	0.0	447.6	15.2	31.2	14.1	28.4
DOB Projections[3]							
2026	2,547.1	0.0	2,547.1	16.2	32.5	15.1	29.4
2027	3,072.5	0.0	3,072.5	17.9	33.7	16.1	30.4
2028	3,727.5	0.0	3,727.5	19.6	34.9	17.1	31.4

[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. State payments are recorded on a cash basis based on the fiscal year in which the payment was made. In March 2024, the State prepaid $1.6 billion or 92 percent of the FY 2025 ERS/PFRS pension estimate due on March 1, 2025. The remaining balance was paid in advance of the due date in May 2024.

[2] The System average rate represents the average normal contribution rate over all retirement plans in each system for a given fiscal year. It is calculated by dividing the total normal contributions by the total billable salary from all participating employers in a system for the fiscal year.

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

The "Normal Costs" reflects 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 "Total Statewide Pension Payments" is the State's actual or planned pension contribution, including amortization and excess contributions.

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.

The State has deposited nearly $1.5 billion to the RHBTF which was created in FY 2018 as a qualified trust under GASBS No. 75 and is authorized to reserve money for the payment of health benefits of retired employees and their dependents. Under current law, the State may deposit into the RHBTF, in any given fiscal year, up to 1.5 percent of the total then-current unfunded actuarial accrued OPEB liability ($62.5 billion on March 31, 2023). The Enacted Budget includes a continued $250 million annual deposit to the RHBTF that will be dependent on fiscal conditions.

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 to the Internal Revenue Code 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, with certain limited exceptions for long-lived MTA projects, generally 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 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.

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. 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 $25.9 billion in FY 2024 to a low point of $800 million in FY 2029. 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 $3.8 billion in FY 2025 inclusive of prior year prepayments, or roughly $8.0 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 2024	$1,557,496	4.00%	62,300	36,418	25,882	2.34%	1.66%	17,901	54,319
FY 2025	$1,623,550	4.00%	64,942	44,172	20,770	2.72%	1.28%	17,033	61,205
FY 2026	$1,690,835	4.00%	67,633	53,049	14,584	3.14%	0.86%	16,234	69,283
FY 2027	$1,759,335	4.00%	70,373	63,337	7,036	3.60%	0.40%	15,521	78,858
FY 2028	$1,830,671	4.00%	73,227	70,758	2,469	3.87%	0.13%	14,926	85,684
FY 2029	$1,905,147	4.00%	76,206	75,406	800	3.96%	0.04%	14,318	89,724
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 2024	$234,478	5.00%	11,724	4,108	7,616	1.75%	3.25%	1,894	6,002
FY 2025	$236,670	5.00%	11,833	3,847	7,986	1.63%	3.37%	2,870	6,717
FY 2026	$235,350	5.00%	11,767	5,016	6,751	2.13%	2.87%	2,260	7,276
FY 2027	$233,435	5.00%	11,672	6,102	5,570	2.61%	2.39%	1,699	7,801
FY 2028	$243,921	5.00%	12,196	5,185	7,011	2.13%	2.87%	2,976	8,161
FY 2029	$248,204	5.00%	12,410	7,413	4,997	2.99%	2.01%	1,260	8,673

[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.

Enacted Budget - Debt Cap Changes. In the FY 2025 Enacted Budget, the State includes new bond-financed capital commitments that add $1.2 billion in new debt over the five-year Capital Plan period. The capital spending increases are offset by the FY 2025 Enacted Budget personal income forecast, greater underspending on capital projects than previously assumed, $1 billion of new PAYGO capital spending, and reductions in debt because of legal defeasances to date. 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 2024 Actuals	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected
Executive Budget as Amended	**23,461**	**17,891**	**12,153**	**6,048**	**2,226**	**352**
Personal Income Forecast Update	565	1,005	1,044	1,031	1,026	1,039
Capital Adds	0	(222)	(540)	(882)	(1,103)	(1,138)
Capital Re-Estimates/Bond Sale Adjustments	166	814	645	(179)	(372)	(111)
Defeasances	1,690	1,282	1,282	1,018	692	658
Enacted Budget	**25,882**	**20,770**	**14,584**	**7,036**	**2,469**	**800**

[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

The State's localities and certain public authorities rely in part on State financial assistance to meet their commitments and expenses. Unanticipated financial needs among localities and the MTA can create pressure for the State to assist and may adversely affect the State's Financial Plan projections.

Financial Condition of New York State Localities. The largest driver of costs for most counties is Medicaid; however, the State has taken over all the growth in the program since FY 2007 and funds the entire cost of minimum wage and homecare wage increases. In addition, certain localities outside the City of New York, including cities and counties, have 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, including $15 billion from congestion pricing revenues.

On June 5, 2024, Governor Hochul announced that the implementation of congestion pricing in Manhattan, which had been expected to go into effect on June 30, 2024, would be paused for an indeterminate amount of time. Congestion pricing was expected to raise $1 billion of revenue annually to fund $15 billion of the MTA's 2020-2024 Capital Plan. The MTA and the State are evaluating the impact on 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. 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. This included 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, the timing of which is uncertain, to the MTA.

Risks to the MTA 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, the ability to implement biennial fare and toll increases, and the ability to fully fund the 2020-2024 Capital Plan. If additional resources are provided by the State, 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. Climate change poses significant threats to physical, biological, and economic systems in New York and around the world. The immediate and long-term effects of climate change could adversely impact the Financial Plan in the current year or in future years. Climate change risks also increasingly fall within the maximum maturity term of current outstanding bonds of the State, which may generally be issued with a term of up to 30 years under State statute, as well as bonds issued by public authorities and municipalities. 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.

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.

To mitigate and manage the impacts of climate change, 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.

In 2019, the State enacted the Climate Leadership and Community Protection Act (CLCPA). The CLCPA set the State on a path toward reducing 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 plans to fully transition its electricity sector to zero emissions by 2040. Several factors may impact the ability to achieve these goals and directives, and, therefore, no assurances can be made that such objectives 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 many other actions, that the State develop an economywide 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 (DEC) is required to promulgate rules and regulations to ensure the State meets 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 $7.5 billion to support cleaner energy solutions amongst its 11 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, but not limited to, 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, standards, programs, and services relating to the security of State government networks. The CISO is responsible for annually assessing the maturity of certain State agencies' cybersecurity postures through the Nationwide Cybersecurity Review. In addition, the CISO maintains the New York State Cyber Command Center team, which 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 training.

The State has also developed partnerships with local governments to better address cybersecurity threats. In February 2022, the Governor announced the creation of an information-sharing partnership, the Joint Security Operations Center (JSOC). The JSOC is a partnership between the State and 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 2025 Enacted Budget continues funding for New York's Shared Services Program, which helps 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, harming State networks and systems, and damaging 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.

ECONOMICS AND DEMOGRAPHICS

The demographic and statistical data in this section, which have been obtained from the sources indicated, do not represent all factors that may have a bearing on the State's fiscal and economic affairs. Further, such information requires economic and demographic analysis to assess its significance and may be interpreted differently by individual experts. Note that the economic and demographic analyses in this section form the basis of the overall economic forecast and receipts projections incorporated into this AIS and are updated as of the time those projections were prepared.

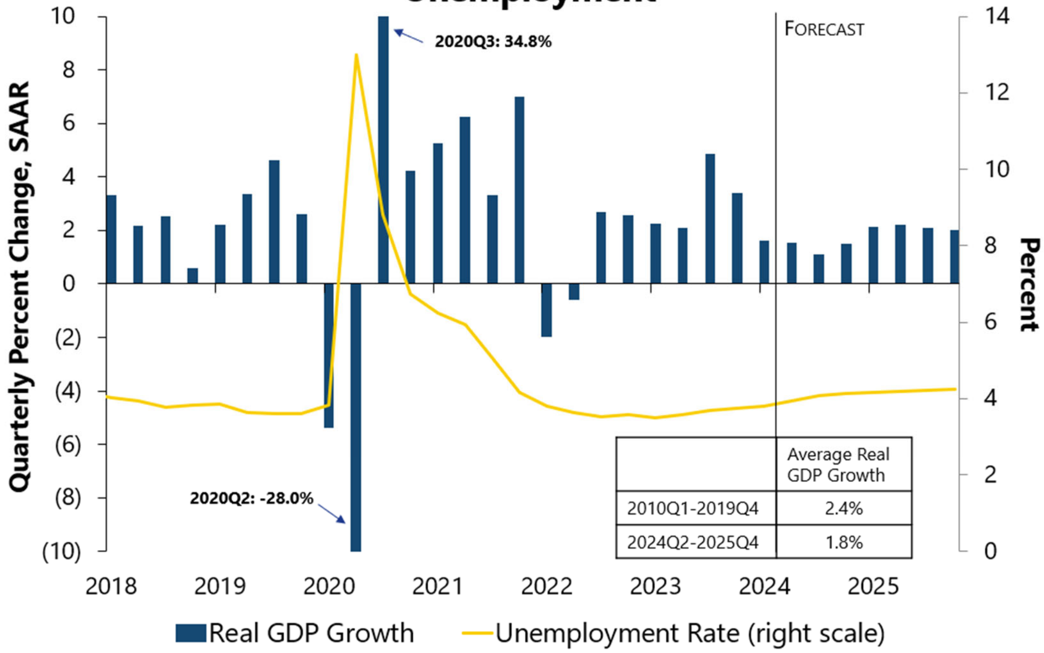
Economic Outlook

As the State begins the new fiscal year, the economic outlook remains strong.[12] National economic output growth is expected to continue despite slowing compared to recent years. National employment growth will also slow, but remain positive, over the next two fiscal years. This represents a return to normalcy from the red-hot labor market of recent years. U.S. unemployment rate will move upwards, but not reach levels seen during recessions. While labor markets moderate, growth in wages and personal income will remain strong which presents positive news for the State's revenues. Despite this return to normalcy in output and employment, elevated inflation levels are projected to persist. Prices will continue to grow faster than the 2.0 percent target rate set by the Federal Reserve over the next two years.

DOB's current outlook on the U.S. economy reflects the strength in incoming data but also accounts for near-term constraints to growth due to persistent inflation and elevated interest rates, as well as other geopolitical or policy risks. DOB expects the quarterly rate of real GDP growth to shift down to a healthy but slightly below-trend pace over the remaining three quarters of 2024. This would result in a slight slowdown in annual average growth from 2.5 percent in 2023 to 2.4 percent in 2024. Looking further ahead, a restrictive monetary policy, as well as moderating business and consumer spending, should bring economic growth down to around 1.8 percent in 2025. The U.S. unemployment rate is projected to gradually rise to 4.2 percent in 2025 as job gains continue to decelerate and more new immigrants enter the labor force looking for jobs.

[12] DOB's U.S. economic forecast incorporates the third estimate of 2023 fourth-quarter GDP, March 2024 personal income and outlays estimates, the March 2024 CPI report, and the initial estimate of March 2024 employment. DOB's New York State forecast incorporates the fourth quarter of 2023 personal income and QCEW data. In this document, CY refers to the calendar year and FY refers to the State fiscal year. Dates of figures relating to the State fiscal year are referenced with a FY prefix. CY prefix is used for national figures whenever it is necessary to avoid confusion.

Economic Growth Likely to Dip Mid-year with Slight Rise in Unemployment



	Average Real GDP Growth
2010Q1-2019Q4	2.4%
2024Q2-2025Q4	1.8%

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

In contrast to the buoyant U.S. economic growth, the New York State economy is still grappling with the aftermath of the pandemic's impact. The State's employment grew rapidly in 2023 as service sectors continued their rebound. However, such high growth is unlikely to be maintained going forward. Employment growth is expected to slow down to 0.8 percent in 2024 due to a lack of population growth and slowing global and national economies.

Taking a closer look at the determinants of State tax receipts reveals that State wages and personal income are nevertheless expected to improve in FY 2025 from the previous year. Prolonged high interest rates are likely to continue to exert pressure on banks' profits. However, Federal Reserve rate cuts anticipated later in the fiscal year could boost aggregate income growth in the State despite slowing employment growth. Bonuses in the finance and insurance sectors are expected to reverse the small decline seen in FY 2024 to a modest growth rate of 7.3 percent in FY 2025. The State's total wage growth is forecast to improve from a rate of 3.4 percent in FY 2024 to 4.0 percent in FY 2025. As a result, State personal income is estimated to grow by 3.7 percent in FY 2024, with a projected increase to 4.5 percent in FY 2025 as bonus growth improves.

ECONOMIC INDICATORS FOR THE UNITED STATES
(Calendar Year)

	2019	2020	2021	2022	2023	2024 [1]
Gross Domestic Product						
Nominal ($ billions)	$21,521.4	$21,322.9	$23,594.0	$25,744.1	$27,360.9	$28,705.7
Percent Change	4.2	(0.9)	10.7	9.1	6.3	4.9
Real ($ billions)	$20,692.1	$20,234.1	$21,407.7	$21,822.0	$22,376.9	$22,907.2
Percent Change	2.5	(2.2)	5.8	1.9	2.5	2.4
Personal Income						
($ billions)	$18,356.2	$19,629.0	$21,407.7	$21,840.8	$22,978.4	$24,121.8
Percent Change	4.7	6.9	9.1	2.0	5.2	5.0
Nonfarm Employment						
(millions)	150.9	142.2	146.3	152.5	156.1	158.7
Percent Change	1.3	(5.8)	2.9	4.3	2.3	1.7
Unemployment Rate (%)	3.7	8.1	5.4	3.6	3.6	4.0
Consumer Price Index						
(1982-84=100)	255.7	258.8	271.0	292.6	304.7	314.4
Percent Change	1.8	1.2	4.7	8.0	4.1	3.2

Sources: U.S. Bureau of Economic Analysis; U.S. Bureau of Labor Statistics. Table reflects revisions by source agencies to figures for prior years.

[1] As projected by DOB, based on National Income and Product Account, employment and CPI data released through March 2024.

ECONOMIC INDICATORS FOR NEW YORK STATE
(Calendar Year)

	2020	2021	2022	2023	2024 [1]
Personal Income					
($ billions)	$1,405.0	$1,508.1	$1,483.8	$1,557.5	$1,623.5
Percent Change	4.6	7.3	(1.6)	5.0	4.2
Nonfarm Employment					
(thousands)	8,563.0	8,791.1	9,236.4	9,434.2	9,505.8
Percent Change	(10.0)	2.7	5.1	2.1	0.8
Wages					
(thousands)	$712.8	$775.2	$828.5	$862.2	$893.3
Percent Change	(0.7)	8.8	6.9	4.1	3.6
Unemployment Rate (NSA, %)	9.9	7.1	4.4	4.2	4.3

Sources: Personal income data are based on U.S. Bureau of Economic Analysis; employment and wage data come from NYS Department of Labor; unemployment rate data come from U.S. Bureau of Labor Statistics. Table reflects revisions by source agencies to data for prior years.

[1] As projected by DOB, based on National Income and Product Account and employment data released

ECONOMIC INDICATORS FOR NEW YORK STATE (State Fiscal Year)					
	2021	2022	2023	2024	2025 [1]
Personal Income					
($ billions)	$1,435.7	$1,465.4	$1,476.1	$1,530.2	$1,598.7
Percent Change	8.2	2.1	0.7	3.7	4.5
Nonfarm Employment					
(thousands)	8,329.5	8,920.6	9,307.3	9,457.8	9,520.2
Percent Change	(12.6)	7.1	4.3	1.6	0.7
Wages					
(thousands)	$711.6	$800.1	$841.0	$869.3	$904.4
Percent Change	(2.0)	12.4	5.1	3.4	4.0
Unemployment Rate (NSA, %)	10.9	6.2	4.1	4.2	4.4

Sources: Personal income data are based on U.S. Bureau of Economic Analysis; employment and wage data come from NYS Department of Labor; unemployment rate data come from U.S. Bureau of Labor Statistics. Table reflects revisions by source agencies to data for prior years.

[1] As projected by DOB, based on National Income and Product Account and employment data released

Recent Developments

The U.S. economy exceeded expectations in 2023 and ended the year with a higher-than-expected fourth quarter real GDP growth rate of 3.4 percent (annualized, quarter-over-quarter). This strong growth performance provides forward momentum for the U.S. economy in 2024. Many of the downside risks that could slow growth did not materialize early in the new year. U.S. economic data in the first quarter of 2024 revealed a moderating yet still robust national economy against a backdrop of persistent price inflation and high interest rates.

State tax receipts ended FY 2024 higher than projected at the time of the FY 2024 enacted budget. At the end of 2022 and early 2023, economic forecasters were calling for a global economic slowdown, rising unemployment, and warned of geopolitical uncertainty which were expected to drag down revenues. The U.S. economy performed much better than its global peers throughout 2023 resulting in higher than expected real GDP growth rates and robust growth in labor markets with low unemployment. Concerns about the negative impact of global and domestic political and other shocks -- including a banking crisis, a possible government shutdown, and the Ukraine war -- did not materialize, and, indeed, gave way to greater confidence in the resilience of the U.S. economy. As pandemic era direct assistance and employment support funding waned, additional fiscal spending from the Inflation Reduction Act (IRA) and the Infrastructure Investment and Jobs Act (IIJA) supported job growth and business investment. In contrast to the recession scenarios expected at the outset of 2023, improving incomes as well as performance related bonuses, particularly in the finance and insurance sectors, supported better than expected growth in income tax revenues. Healthy financial market performance, mainly due to economic performance but also partly attributed to the pause in interest rate hikes by the Federal Reserve by mid-year, drove capital gains. While inflation remained high, it started to trend down. Job growth along with improving purchasing power of U.S. households helped fuel consumer spending, especially in the services sectors.

The U.S. economy started CY 2024 with a 1.6 percent annualized real GDP growth rate in the first quarter, significantly below 4.9 percent and 3.4 percent growth in the last two quarters of CY 2023, and even weaker than the 2.2 percent annual growth averaged between CY 2002 and CY 2023. Output growth was mainly held back by trade and inventories, two volatile categories where large swings tend to be reversed in subsequent quarters. Growth in fundamental components of the economy remained strong including residential investment and consumer demand, particularly for services. Final sales to domestic purchasers (real GDP less trade and inventories) grew at a solid rate of 2.8 percent in the first quarter of CY 2024, following 3.5 percent quarterly growth in the second half of CY 2023. Consumer spending remained an important source of growth, supported by the strong hiring momentum in the U.S. labor market and solid growth of wages and households' balance sheets.

The U.S. economy seems to be headed towards a soft landing from historically high growth in the years following the global pandemic. This scenario is regarded favorably as inflation comes down without a large increase in unemployment or a downturn in economic growth. The employment situation report for April started FY 2025 with signs that the labor market is cooling. The unemployment rate rose a tenth to 3.9 percent. Average hourly earnings growth slowed to 3.9 percent year-over-year, the first time below 4.0 percent since June 2021. These subdued gains in April suggest the labor market could relieve some of the upward pressure on inflation.

While inflation cooled significantly over the past year, progress toward the Federal Reserve's 2 percent inflation target stalled in the first quarter of 2024. The year-over-year change in the CPI ticked up to 3.5 percent in March, and rising oil prices present a further near-term threat. The Fed's preferred metric, the personal consumption expenditures (PCE) price index rose by an annualized rate of 3.4 percent in the first quarter of 2024 from 1.8 percent in the fourth quarter of 2023. As a result, the Federal Reserve expressed less confidence in the speed of falling inflation (or disinflation) at its May meeting and signaled a later start of the widely-expected rate cut cycle. April's CPI report, released after the Fed's May meeting, provided welcome news with consumer price inflation slightly down to 3.4 percent year-over-year. Policymakers will need several more months of encouraging disinflation news before shifting to looser monetary policy.

Overall, recent monthly developments in economic indicators suggest interest rates won't fall quickly and could stay even higher for longer than expected. Borrowing costs that had started to fall in late 2023 are back up. As a result, business investment, real estate sales, and consumer spending on big-ticket items will be restrained. While DOB's baseline scenario does not include a recession, some forward looking indicators and recession probability forecasts still suggest a high risk for an economic downturn over the next twelve months.

Real Output Growth in 2024

The strong momentum of the second half of 2023 and still solid fundamentals reflected by data in the first four months of 2024 should support the continued expansion of the economy in the remainder of 2024. However, DOB expects real GDP to slow below its trend growth rate on a quarter-over-quarter basis in 2024, reflecting an outlook for an economy gliding to a soft landing where inflation comes under control without a significant economic slowdown or rise in unemployment. Several factors underpin this baseline outlook:

1. **Elevated interest rates:** As mortgage rates increased in April on an expectation of delayed policy rate easing from the Fed, residential investment is likely to retreat from its double-digit growth in the first quarter.

2. **Fading fiscal tailwinds:** The spike in structures investment during 2023 was driven by fiscal policies, namely the CHIPS Act and the IRA. Meanwhile, state and local government investment was buoyed by the IIJA. The slowdown in structures and government investment in the first quarter of 2024 suggests that the tailwind to private and public investment from fiscal policy might be fading along with recent gains in government spending and employment.

3. **Strong dollar, soft global growth prospects, and geopolitical uncertainty:** These global factors will likely weigh on U.S. economic growth through international trade and global financial market channels.

On an annual average basis, DOB forecasts real GDP to increase by 2.4 percent in 2024 and 1.8 percent in 2025.

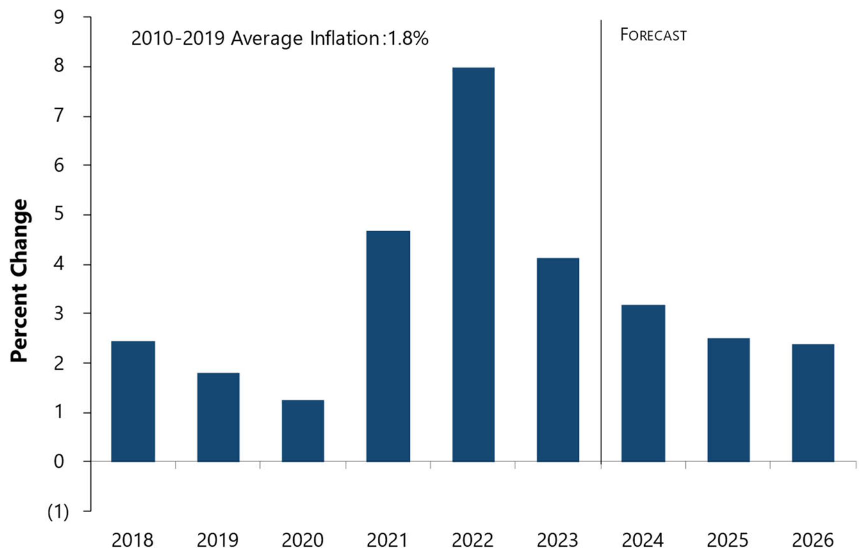
Consumer Price Inflation

Consumer price inflation proved to be more persistent than expected, increasing in the first quarter of 2024. Year-over-year change in the headline CPI rose from 3.1 percent in January to 3.5 percent in March 2024. This increase indicated a reversal of the steady progress made over the course of 2023. April's CPI inflation moved in the right direction when the year-over-year change in the headline index ticked down to 3.4 percent suggesting the slight uptick in early 2024 is likely temporary. Still, the strength of GDP and ongoing job growth suggest CPI inflation will remain elevated above three percent in 2024. Various alternative measures of inflation which take into account outliers or especially stubborn sectors which push up overall price measures (e.g. shelter inflation) suggest inflationary factors in the economy may be more widespread rather than being limited to a few volatile sectors.[13]

While the trajectory of inflation is likely to remain volatile in the months ahead, DOB forecasts the headline CPI inflation will gradually ease from 4.1 percent growth in 2023 to 3.2 percent in 2024 and 2.5 percent in 2025. The PCE deflator, Federal Reserve's preferred measure of inflation in setting monetary policy, will not fall to 2.0 percent, the target rate, before the final quarter of 2024.

[13] See, for example, the trimmed mean CPI produced by the Federal Reserve Bank of Cleveland or the trimmed mean PCE inflation rate produced by the Federal Reserve Bank of Dallas.

Consumer Price Inflation Could Fall Slower Than Expected



Source: Haver Analytics/BLS; DOB staff estimates.

Employment Outlook in 2024 and Beyond

The U.S. labor market's strength and resilience have continued to surprise observers throughout 2023 and early 2024. While labor demand may be cooling as the economy settles into a new and more moderate growth path, labor supply has been improving, supported by higher labor participation rates as well as increased levels of immigration. The better balance of supply and demand in labor markets could help to explain why unemployment and inflation have not responded to interest rate hikes as strongly as expected. Nonfarm payrolls grew by a still robust 245.5 thousand per month on average in the first four months of 2024 down from 298.3 thousand in the first four months of 2023. Such a sign of a gradual easing labor market should help reduce concerns that inflation will reaccelerate and thus force the Federal Reserve to resume rate hikes.

DOB expects the pace of hiring will continue to moderate in the coming months as demand for workers gradually cools. This is partly due to slower economic growth, which should keep inflation in check by keeping aggregate demand and supply roughly in balance. However, robust labor supply growth, particularly among foreign-born workers, and resilient economic activity suggest that employment growth might moderate more gradually than expected. Total nonfarm employment growth is estimated to gradually decelerate from 2.3 percent in 2023 to 1.7 percent in 2024 and 0.9 percent in 2025. Thus, some inflationary pressures will remain through the end of 2024 and into 2025.

Meanwhile, DOB incorporated new U.S. population projections reflecting faster immigration growth in this forecast. More people entering the labor force and looking for jobs will likely boost the unemployment rate which is projected to rise from the current level of 3.9 percent and peak at 4.2 percent by 2025.

New York State Labor Markets

New York State's employment growth rates have been slowing since the beginning of 2023 due to labor shortages, elevated interest rates, and slowing global and national economic growth. The State's economic and employment recovery lagged the national recovery in the years following the global pandemic. During this period, the State's exposure to global financial market volatility and the effects of the Federal Reserve's contractionary monetary policies on the State were heightened. In 2023, the State saw average job gains of 12,330 per month, down from an average of 20,990 per month in 2022. Persistently high inflation is expected to prolong elevated interest rates, creating additional obstacles to employment growth in the State by slowing growth in the financial sector as well as other interest-sensitive sectors such as construction.

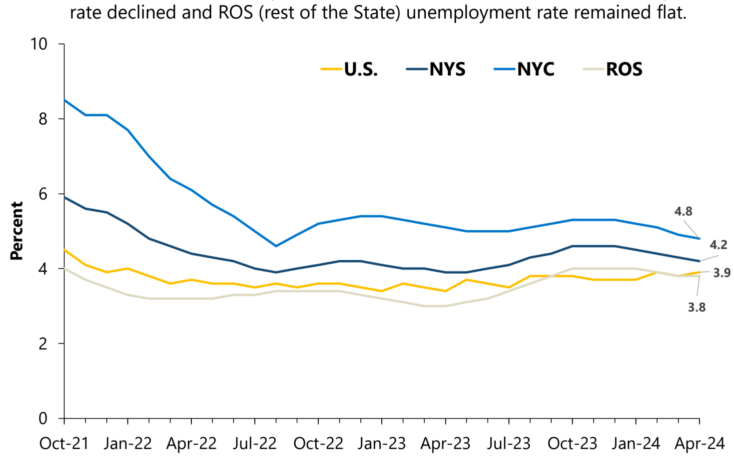
Higher rates of out-migration due to remote work and soaring housing costs after the pandemic exacerbated the State's declining population trend. This contributed to a further slowdown in employment growth in the State's economy. The recent influx of international migration has offset some of this decline, but employment growth in many industries is likely to remain constrained. State employment is projected to increase by 0.8 percent in CY 2024, roughly half as fast as the U.S. economy, following a 2.1 percent growth rate in CY 2023.

The State's recent employment growth performance has been uneven across many industrial sectors. Employment in eight of the State's major sectors is still below their February 2020 pre-pandemic peaks. The size of the jobs deficit ranges from a gap of 1.7 percent in the government sector to a gap of 7.6 percent in the retail trade sector. In contrast, only four major sectors posted net job gains as of April 2024 relative to February 2020: financial services (1.3 percent), professional and business services (3.1 percent), transportation and utilities sector (4.8 percent), and education and health care (6.4 percent).

The State's unemployment rate has been fluctuating near 4.3 percent since 2022, generally higher than that of the nation. The national unemployment rate for April 2024 was 3.9 percent, lower than the State's rate of 4.2 percent for the same month. The statewide unemployment rate is affected disproportionally by the City of New York which posted an unemployment rate of 4.8 percent in April. The unemployment rate in the rest of the State was 3.8 percent.

Unemployment Rate

In April, the US unemployment rose whereas the NYS and NYC unemployment rate declined and ROS (rest of the State) unemployment rate remained flat.



Source: Moody's Analytics; NYS DOL.

New York State Economic Composition

The State's economy is diverse, with a large share of the nation's financial activities, information, education, and health services employment, and a small share of the nation's farming and mining activity. The State's location, air transport facilities, and natural harbors have made it an important hub for international commerce. Travel and tourism constitute an important part of the economy. Like the rest of the nation, New York has a declining proportion of its workforce engaged in manufacturing and an increasing proportion engaged in service industries.

Manufacturing: Manufacturing employment continues to stagnate as a share of total State nonfarm employment, as in most other states. As a result, New York's economy is less reliant on this sector than in the past. However, it remains an important sector of the State economy, particularly for the upstate region, which hosts higher concentrations of manufacturers.

Trade, Transportation, and Utilities: As defined under the North American Industry Classification System (NAICS), the trade, transportation, and utilities supersector accounts for the second largest component of State nonfarm employment but only the fifth largest when measured by wage share. This sector accounts for a smaller share of employment and wages for the State than for the nation.

Financial Activities: New York City is the nation's leading center for banking and finance. For this reason, this sector is far more important for the State than for the nation. Although this sector accounts for less than one-tenth of all nonfarm jobs in the State, it accounts for one-fifth of total wages.

Other Service Sectors: The remaining service-producing sectors include information, professional and business services, private education and healthcare, leisure and hospitality services, and other services. When combined, these industries account for over half of all nonfarm jobs in New York. Information, education and health, and other services account for a higher percentage of total State employment than for the nation.

Agriculture: Farming is an important part of the State's rural economy, although it constitutes only 0.2 percent of the total State GDP. According to the New York State Department of Agriculture and Markets, New York is the fifth largest dairy producer in the nation.

Government: Federal, State, and local governments comprise the third largest sector in terms of nonfarm jobs. Public education is the source of over 40 percent of total State and local government employment.

THE COMPOSITION OF NONFARM EMPLOYMENT AND WAGES (2023) (Percent)	Employment		Wages	
	New York	U.S.	New York	U.S.
Natural Resources and Mining	0.1	0.4	0.1	0.8
Construction	4.0	5.1	3.8	5.4
Manufacturing	4.4	8.3	3.7	9.3
Trade, Transportation, and Utilities	15.3	18.5	11.0	15.4
Information	2.9	1.9	5.3	3.9
Financial Activities	7.7	5.9	20.1	9.4
Professional and Business Services	14.3	14.6	18.8	19.4
Educational and Health Services	22.9	16.2	15.4	13.6
Leisure and Hospitality	9.4	10.6	5.1	5.2
Other Services	4.0	3.7	2.8	3.1
Government	15.0	14.6	13.9	14.5

Sources: U.S. Bureau of Labor Statistics; U.S. Bureau of Economic Analysis.

The importance of the various sectors of the State's economy relative to the national economy is shown in the above table, which compares nonfarm employment and wages by sector for the State and the nation. Construction accounts for a smaller share of employment for the State than for the nation, while the combined service industries account for a larger share. The share of total wages originating in the financial activities sector is particularly large for the State relative to the nation. Thus, the State is likely to be less affected than the nation during an economic recession concentrated in manufacturing and construction, but more affected by one concentrated in the services sector.

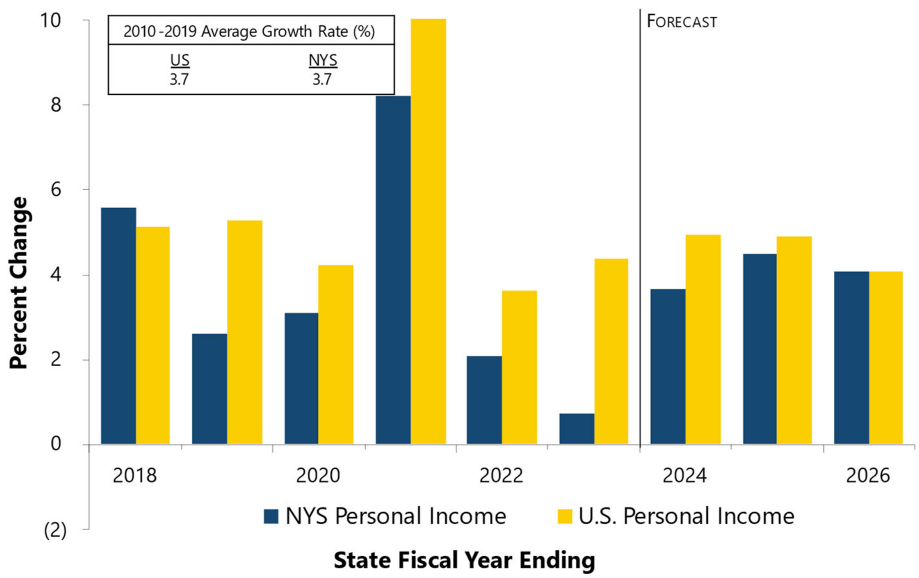
U.S. and New York State Personal Income Growth

Tight labor market conditions have been driving robust employment and labor compensation growth in the U.S. economy. However, wage growth is likely to slow in CY 2024, beginning with the second quarter. Upward pressure on wages seen in the post-pandemic years will be somewhat relieved as labor market tightness measures return to their pre-pandemic levels. Average hourly earnings, a timely indicator of wage growth, showed its year-over-year growth rate in April fell below 4.0 percent for the first time in nearly three years.

Consistent with gradually cooling job growth and slowly decelerating hourly earnings growth, DOB projects U.S. wage growth to slow in the coming quarters. Wages should grow at an annual average pace of 5.4 percent in CY 2024, down from 6.3 percent in CY 2023. With nonwage income (particularly rental and interest income) growth also moderating, U.S. personal income is projected to grow by 5.0 percent in CY 2024, slightly down from 5.2 percent growth in CY 2023. Such an income outlook suggests that consumer spending is likely to soften as the year progresses but should remain strong enough to keep the economy in expansion.

In contrast to the nation, New York State personal income will grow by 4.3 percent in CY 2024 following 4.0 percent growth in CY 2023, before slowing slightly to 4.1 percent in CY 2025. These comparatively slower growth rates contribute to the current estimates of growth of personal income in FY 2024 which remains weaker than the national rate.[14] Total wages in FY 2024 are estimated to grow by 3.4 percent for the State, a marked deceleration from 5.1 percent in FY 2023. Looking further ahead, total State wage growth is projected to rebound to 4.0 percent for FY 2025 as the outlook for bonus growth improves as discussed below. State personal income grew by 3.7 percent in FY 2024 according to DOB estimates and should pickup to a growth rate of 4.5 percent in FY 2025.

U.S. and NYS Personal Income Growth



Source: NYS Department of Labor; Bureau of Economic Analysis (BEA), DOB staff estimates.
Note: New York State Personal Income is constructed by using QCEW wages and BEA non-wage income. FY 2024 data is DOB's estimate.

Finance and Insurance Sector Bonuses in FY 2025

Finance and insurance sector bonuses have a significant impact on New York State's personal income and tax revenue. These sectors' bonuses are estimated to have declined by 1.8 percent in FY 2024, following a decline of 15.6 percent in the previous year. The declines were driven by weak bank profits, stemming from the lower levels of dealmaking activities and higher interest payments to customers and debt servicing.

In FY 2025, a rebound in finance and insurance sector bonuses is expected to provide a tailwind for State wage and personal income growth. DOB projects the sector's bonuses will grow by 7.3 percent in FY 2025, a reversal from the declines in the previous two years. The strong performance of stock markets through May pointing to robust earnings generated by economic growth in CY 2024 underlies an improvement in the projected bank profits this year. Thus, bonuses

[14] Since State revenues are based on the State fiscal year (FY), the remainder of this discussion is focused on growth rates based on the State fiscal year rather than calendar year (CY).

are expected to improve. However, profit gains are likely to be limited by uncertainties surrounding geopolitical tensions and the upcoming presidential election in the United States while economic growth is likely to be more moderate than expected by investors. The period of elevated interest rates until later in CY 2024 will continue to squeeze banks' profits due to high funding costs, dampened loan demand, and weakened borrower repayment capacity.

Interest Rates

Overall financial market conditions are expected to remain tight in CY 2024 and create headwinds for the economy primarily because of high interest rates and cautious lending standards. That means households might have difficulty accessing credit, and residential and business investments might experience a significant drag from high borrowing costs. A further tightening of financial conditions than expected could create more volatility in financial markets and cause lingering economic problems beyond the financial sector.

High long-term rates, which kept the economy from overheating and high inflation expectations from taking root so far, are projected to remain at the current elevated level for the rest of 2024. Over the past several months, long-term borrowing costs continued to rise. The 10-year Treasury yield ended April at 4.7 percent, 70 basis points higher than its level at the beginning of 2024. The 30-year fixed-rate mortgage rose to 7.7 percent at the end of April, its highest since last November. The surge in the Treasury bond yields drove up DOB's projections for all other long-term interest rates from mortgage rates to corporate and municipal bond yields.

The high interest rate environment anticipated for the next couple of years could take a toll on asset prices as well. The S&P 500 stock price index averaged 4,996 in the first quarter of 2024, representing 24.8 percent growth from a year ago. DOB expects equity markets to soften during the remainder of 2024, providing less support for household spending through a diminished wealth effect as households could feel more restrained in terms of their assets and available resources.

Given the recent environment for monetary policy and financial markets, DOB anticipates that the Federal Reserve will start a loosening cycle with two 25-basis-point rate cuts later in the second half of 2024. This is consistent with an outlook that reflects the economy's resilience in 2024.

Risks to the Economic Outlook

Forecasters have been revising up their 2024 economic outlook as recent forward-looking indicators have been providing more favorable growth signals than anticipated at the beginning of the year. More investment and, more broadly, technological innovation, could lift productivity growth and support the potential of the U.S. economy to generate sustainable long-run economic growth at higher real GDP growth rates than assumed in DOB's baseline scenario.

Nonetheless, there are still considerable risks and uncertainties that could weigh on the resiliency of the U.S. economy. These downside risks for DOB's baseline economic outlook presented above are discussed briefly below.

- Stock market volatility: Equity markets performed well recently. The resulting valuations suggest equities could be overvalued and due for a so-called price correction, often a more than 10 percent drop in stock prices. If stock prices pull back more than expected from recent highs, investors could lose confidence triggering selloffs in the short run. This would affect employment and investment as well as consumer spending adversely.

- Weakness in the commercial real estate sector: Commercial property owners face the dual headwinds of lower demand and higher financing costs. If the market were to collapse, rising delinquencies on commercial real estate loans could bring failures to the banking sector as well as the nonbank financial system. While the primary impact of these developments would be felt regionally, most significantly through regional banks, it is possible they could trigger a wider financial market crisis.

- Exogenous shocks: Renewed supply-delivery disruptions could cause an increase in shipping costs and goods prices. For example, the recent Baltimore Bridge collapse highlighted localized vulnerabilities in supply chains for both raw materials and manufactured goods, such as automotive and farm equipment. Elsewhere, concerns about shipping traffic through the Suez Canal in the Middle East and the Panama Canal in the Western Hemisphere are ongoing. Food price stability is vulnerable to outbreaks of disease and pandemics in the food supply chain (e.g. H5N1 bird flu is causing outbreaks in poultry and U.S. dairy cows potentially leading to increases in food prices). In addition, a broader geopolitical conflict in the Middle East (or elsewhere) could cause oil price spikes that, if sustained, could cause major disruptions in production and cost of goods. Intensifying trade wars and tariff retaliation would also make imported goods more expensive to consumers around the world.

- **Monetary policy errors:** DOB's baseline scenario does not foresee that policy rates will deviate significantly from the Federal Reserve's expected rate path announced in its regular communications. However, the timing and duration of high interest rates carry inherent risks. Due to the highly uncertain length of the lag between the Federal Reserve's actions and economic activity, it is still possible that the monetary tightening undertaken by the Federal Reserve might prove to have been more restrictive than seen so far. If the current degree of tightening is more than initially thought or if interest rates are held at a high level longer than necessary, the Federal Reserve could slow the economy more than it intended, cause financial instability or push the economy into recession. It is also possible that the Federal Reserve could initiate a rate-cutting cycle too soon or at a pace so fast that could overheat the economy with a return to higher inflation reading.

- **Economic policy uncertainty:** Uncertainty in fiscal policies affecting the level of federal spending and tax rates will increase until after the general elections in the fall. A large degree of economic policy uncertainty will likely remain high at least until the expiring provisions of the 2017 Tax Cuts and Jobs Act are replaced or resolved. The outlook for longer-term fiscal and international trade policies throughout 2025 and beyond is also as yet undetermined.

- **Growing level of national debt:** If interest rates remain elevated for longer than expected, debt service requirements could create major economic imbalances and reduce private investment, threatening long-term economic growth.

New York State-Specific Risks

While the State economy is faced with many of the same risks as the national economy, as home to the world's financial capital, New York has significantly greater exposure to monetary policy shifts and the volatility of financial markets. Some of these risks would create outsize negative impacts on the State's economy.

- **Weakness in the commercial real estate sector:** The high interest rate environment coupled with high office vacancy rates due to remote work caused declining commercial real estate property values, and rising delinquencies on commercial real estate loans. These could bring new challenges to the regional banking industry in New York even if they don't set off a broader national or global financial crisis.

- **Stock market volatility:** Any shocks to the banking industry or a downturn in equity markets could trigger a broader wave of layoffs, sluggish bonuses and wage growth, and significantly lower taxable capital gains realizations than reflected in the current forecast.

- **Strong U.S. dollar:** A persistently strong currency might dampen job growth in sectors reliant on international tourism and exports.

Structural Shifts in the State Economy

The COVID-19 pandemic resulted in several structural shifts in the State economy for which longer-term impacts are still partially unknown. These shifts pose risks to the State's economy while at the same time making forecasting more difficult:

- Population decline: New York State has shed population in the post-COVID-19 pandemic years. A recent release of the Census population showed a State population loss of 3.1 percent between April 2020 and July 2023. While most states gained population in 2023, New York experienced the highest population loss.[15]

- Out-migration: The acceleration of out-migration during the COVID-19 pandemic was more significant in New York City. This trend, coupled with high costs of living, poses ongoing risks of population loss and exacerbating labor shortages. Along with the rise of remote work, soaring housing costs accelerated population shifts away from coastal cities and toward more affordable areas.

- Remote work: Remote work is also partially responsible for increased out-migration. Businesses that rely heavily on commuter traffic, such as leisure and hospitality, transportation, and administrative and support services, have experienced the greatest challenges due to remote work. In April 2024, 57.3 percent of workers swiped their cards at their NYC offices on the busiest day of the week. After steady post-pandemic increases, the rate has been stable since summer 2023.

A more substantial return to an in-office working environment, particularly in densely populated urban areas like New York City, would likely result in a boost to those industries that serve a substantial commuter customer base, including facilities support services, business support services, office administrative support services, and local eating and drinking establishments. Additionally, stronger global growth could also bring more tourism spending to the State, resulting in stronger growth in the leisure and hospitality and other tourism-related sectors than is reflected in this forecast.

[15] The State's labor force declined during the first four months of 2024; in April, the labor force shrank by 7,800 people, primarily due to 7,721 unemployed people leaving the work force. As a result, the statewide labor force participation rate decreased from 61.4 percent to 61.3 percent in April 2024. Meanwhile, New York City had sizable increases in its labor force in early 2024; the City added 7,941 people to its labor force in April, due to the rise in the number of employed people. The rest of the State's labor force has been declining since November 2023, and the pace of the decline intensified in 2024.

Economic and Demographic Trends

In the calendar years 1990 through 1998, the State's rate of economic growth was somewhat slower than that of the nation. During the 1990-91 recession, the State, like much of the Northeast, experienced a greater economic contraction than the nation as a whole and was slower to recover. However, the situation improved subsequently. In 1999, for the first time in 13 years, State employment growth surpassed that of the nation, and in 2000 their growth rates were nearly the same. In 2001, the September 11 attack resulted in a downturn in New York that was more severe than for the nation. In contrast, the State's labor market fared better than that of the nation during the 2008 recession, though New York experienced a historically large wage decline in 2009. The State's unemployment rate was higher than the national rate from 1991 to 2004. The State's rate fell below the nation's for much of the Great Recession in 2008 and 2009 and remained so until November 2011. The State's unemployment rate rose above the national rate in December 2011 but fell below yet again in May 2015, where it remained competitive with the nation's rate until the second half of 2016. As the early epicenter of the COVID-19 pandemic, New York was hit especially hard economically, with its unemployment rate soaring well above the nation's rate throughout the pandemic. Correspondingly, New York had a more severe employment decline than the nation in 2020, and its job recovery has lagged the nation since then.

New York is the fourth most populous state in the nation, after California, Texas, and Florida, and has a relatively high level of personal wealth. The following table compares population changes in the State and the United States since 1980. Between April 2020 and July 2023, the nation's total population continued to increase by 1.0 percent, whereas the population of the State decreased by 3.1 percent.

COMPARATIVE POPULATION FIGURES

	New York			U.S.	
	Total Population (000s)	% Change from Preceding Period	Percentage of U.S. Population	Total Population (000s)	% Change from Preceding Period
1980	17,558	(3.7)	7.8	226,546	11.5
1990	17,990	2.5	7.2	248,710	9.8
2000	18,976	5.5	6.7	281,422	13.2
2010	19,378	2.1	6.3	308,746	9.7
2020	20,201	4.2	6.1	331,449	7.4
2023	19,571	(3.1)	5.8	334,915	1.0

Note: All population numbers are based on the Decennial Census, except for 2023.
Source: U.S. Census Bureau.

Total State nonfarm employment has declined as a share of national nonfarm employment compared with the 1980s and 1990s. The following historical table compares these levels and the rate of unemployment for the State and the nation.

NONFARM EMPLOYMENT AND UNEMPLOYMENT RATE FOR NEW YORK AND THE UNITED STATES					
	Employment (NSA, 000s)		New York as Percent of U.S. Employment	Unemployment Rate (NSA, %)	
	New York	U.S.		New York	U.S.
1980	7,207	90,533	8.0	7.4	7.1
1990	8,204	109,527	7.5	5.3	5.6
2000	8,619	132,011	6.5	4.5	4.0
2010	8,545	130,345	6.6	8.7	9.6
2020	8,815	142,186	6.2	9.9	8.1
2023	9,711	156,051	6.2	4.2	3.6

Note: Nonfarm employment and unemployment rates are generated from separate surveys.
Source: U.S. Bureau of Labor Statistics.

State per capita personal income has historically been significantly higher than the national average, although the ratio has varied substantially over time. Because New York City is an employment center for a multi-state region, State personal income measured on a residence basis understates the relative importance of the State to the national economy and the size of the base to which State taxation applies. The following table compares per capita personal incomes for the State and the nation.

PER CAPITA PERSONAL INCOME (Income in Dollars)			
	New York	U.S.	Ratio New York/U.S.
1980	$11,006	$10,184	1.08
1990	$23,992	$19,619	1.22
2000	$35,955	$30,551	1.18
2010	$48,579	$40,557	1.20
2020	$69,886	$59,151	1.18
2023	$79,581	$68,531	1.16

Source: U.S. Bureau of Economic Analysis.

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 2025 projections.

The State budgets on a cash-basis, using a complex fund structure that earmarks certain tax receipts for specific purposes, which often complicates the reporting and discussion of the State's receipts and disbursements projections. To reduce potential distortions caused by these factors and to highlight relevant aspects of the projections, DOB has adopted the following approaches in summarizing projections:

Receipts. To facilitate the receipts discussion, State and All Funds receipts reflect 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) to provide a clearer picture of projected receipts, trends, and forecast assumptions, and avoid the distortions created by earmarking tax receipts for specific purposes.

Disbursements. To provide a clear representation of spending commitments, the multi-year spending projections, growth rates and summary of annual changes are presented on a State Operating Funds basis to account for spending that is accounted for in dedicated Special Revenue Funds, primarily for School Aid, health, higher education, and transportation. Roughly a quarter of projected State-financed spending for operating purposes (excluding transfers) is reported outside the General Fund.

The Budget development process includes a comprehensive evaluation of the State's multi-year operating forecast; however, 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 2026, is the most relevant from a planning perspective.

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 2024 Actuals	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
RECEIPTS					
Taxes (After Debt Service)	91,927	100,106	101,475	98,002	108,747
Miscellaneous Receipts	4,878	4,460	3,962	2,419	2,083
Federal Receipts	2,250	3,645	0	0	0
Other Transfers	3,942	1,745	1,863	1,487	1,547
Total Receipts	**102,997**	**109,956**	**107,300**	**101,908**	**112,377**
DISBURSEMENTS					
Assistance and Grants	69,119	77,404	81,800	85,806	88,845
School Aid (SFY)	28,843	30,282	31,719	32,757	33,576
Medicaid	20,599	24,046	27,558	29,517	31,223
All Other	19,677	23,076	22,523	23,532	24,046
State Operations	12,300	13,800	14,356	15,232	15,337
Personal Service	9,997	11,136	11,197	11,846	12,108
Non-Personal Service	2,303	2,664	3,159	3,386	3,229
General State Charges	9,651	7,310	10,152	11,490	12,598
Transfers to Other Funds	9,047	9,258	7,474	6,201	7,229
Debt Service	239	286	299	327	333
Capital Projects	5,798	5,116	3,789	2,492	3,657
SUNY Operations	1,535	1,767	1,765	1,761	1,761
All Other	1,475	2,089	1,621	1,621	1,478
Total Disbursements	**100,117**	**107,772**	**113,782**	**118,729**	**124,009**
Use (Reservation) of Fund Balance:	**(2,880)**	**(2,184)**	**4,142**	**12,562**	**4,382**
Debt Management	(81)	576	860	0	0
Economic Uncertainties	(530)	0	500	0	0
Extraordinary Monetary Settlements	460	419	278	368	45
Labor Settlements/Agency Operations	(1,000)	(1,334)	0	0	0
Pandemic Assistance	245	0	0	0	0
Rainy Day Reserve	0	(1,500)	0	0	0
Timing of PTET/PIT Credits	221	(864)	2,504	12,197	300
Undesignated Fund Balance	(2,195)	519	0	(3)	4,037
BUDGET SURPLUS/(GAP) PROJECTIONS	**0**	**0**	**(2,340)**	**(4,259)**	**(7,250)**

State Operating Funds Projections

STATE OPERATING FUNDS PROJECTIONS
(millions of dollars)

	FY 2024 Actuals	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
RECEIPTS					
Taxes	104,930	109,301	110,650	109,152	120,649
Miscellaneous Receipts/Federal Receipts	29,992	26,668	23,311	21,075	20,965
Total Receipts	**134,922**	**135,969**	**133,961**	**130,227**	**141,614**
DISBURSEMENTS					
Assistance and Grants	89,202	97,202	100,809	103,779	106,713
School Aid (School Year Basis)	34,484	35,889	36,954	37,859	38,710
DOH Medicaid	27,804	30,932	34,076	36,003	37,651
Transportation	5,237	5,149	5,334	5,331	5,333
STAR	1,608	1,575	1,547	1,520	1,447
Higher Education	3,122	3,474	3,506	3,510	3,434
Social Services	4,399	6,617	5,506	5,032	5,068
Mental Hygiene, excluding MHSF	5,278	6,457	6,917	7,323	7,500
All Other	7,270	7,109	6,969	7,201	7,570
State Operations	21,578	23,248	24,955	26,031	26,357
Personal Service	15,749	16,978	17,103	17,881	18,282
Non-Personal Service	5,829	6,270	7,852	8,150	8,075
General State Charges	10,696	8,570	11,429	12,791	13,922
Pension Contribution	3,734	734	2,829	3,362	4,025
Health Insurance	5,106	5,743	6,389	7,122	7,493
All Other	1,856	2,093	2,211	2,307	2,404
Debt Service	6,997	3,022	2,896	4,741	5,660
Total Disbursements	**128,473**	**132,042**	**140,089**	**147,342**	**152,652**
Net Other Financing Sources/(Uses)	(3,096)	(2,799)	(1,214)	(245)	(1,096)
RECONCILIATION TO GENERAL FUND GAP					
Designated Fund Balances:	(3,353)	(1,128)	5,002	13,101	4,884
General Fund	(2,880)	(2,184)	4,142	12,562	4,382
Special Revenue Funds	(528)	1,058	863	556	521
Debt Service Funds	55	(2)	(3)	(17)	(19)
GENERAL FUND BUDGET SURPLUS/(GAP)	**0**	**0**	**(2,340)**	**(4,259)**	**(7,250)**

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.

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. Accordingly, 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).

Overview of the Receipts Forecast

All Funds receipts in FY 2025 are projected to total $236.7 billion, a 0.9 percent ($2.2 billion) increase from FY 2024 results. FY 2025 State tax receipts, excluding PTET, are projected to increase $3.3 billion (3.0 percent) from FY 2024 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 2024 Actuals	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change	FY 2028 Projected	Change
Personal Income Tax	53,839	56,995	5.9%	60,166	5.6%	71,362	18.6%	81,732	14.5%
Consumption/Use Taxes	21,865	22,446	2.7%	22,992	2.4%	23,609	2.7%	24,126	2.2%
Business Taxes	27,695	28,792	4.0%	26,260	-8.8%	12,794	-51.3%	13,218	3.3%
Other Taxes	3,048	2,551	-16.3%	2,695	5.6%	2,847	5.6%	3,029	6.4%
Total State Taxes	**106,447**	**110,784**	**4.1%**	**112,113**	**1.2%**	**110,612**	**-1.3%**	**122,105**	**10.4%**
Net PTET/PIT Receipts[1]	221	(864)	-491.0%	2,504	389.8%	12,197	387.1%	300	-97.5%
Total State Taxes, excluding PTET	**106,668**	**109,920**	**3.0%**	**114,617**	**4.3%**	**122,809**	**7.1%**	**122,405**	**-0.3%**
Miscellaneous Receipts	33,755	31,685	-6.1%	34,774	9.7%	33,676	-3.2%	31,799	-5.6%
Federal Receipts	94,276	94,202	-0.1%	88,463	-6.1%	89,150	0.8%	90,018	1.0%
Total All Funds Receipts	**234,478**	**236,671**	**0.9%**	**235,350**	**-0.6%**	**233,438**	**-0.8%**	**243,922**	**4.5%**

[1] Net PTET/PIT Receipts is the difference between the estimated realization of PTET credits by PIT filers and the PTET receipts from entities.

Personal Income Tax

FY 2025 PIT receipts are estimated to increase from FY 2024, reflecting increases in all major gross receipts components, partially offset by modest growth in total refunds. PIT receipts are expected to be heavily influenced by PTET[16], 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 2024 Actuals	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change	FY 2028 Projected	Change
STATE/ALL FUNDS (Excl. PTET)[1]	**68,015**	**70,879**	**4.2%**	**75,122**	**6.0%**	**82,220**	**9.4%**	**82,032**	**-0.2%**
PTET/PIT Credits	14,176	13,884	-2.1%	14,956	7.7%	10,858	-27.4%	300	-97.2%
STATE/ALL FUNDS	**53,839**	**56,995**	**5.9%**	**60,166**	**5.6%**	**71,362**	**18.6%**	**81,732**	**14.5%**
Gross Collections	70,999	74,889	5.5%	78,825	5.3%	91,026	15.5%	96,809	6.4%
Refunds (Incl. State/City Offset)	(17,160)	(17,894)	-4.3%	(18,659)	-4.3%	(19,664)	-5.4%	(15,077)	23.3%
GENERAL FUND[2]	**25,312**	**26,922**	**6.4%**	**28,536**	**6.0%**	**34,161**	**19.7%**	**39,419**	**15.4%**
Gross Collections	70,999	74,889	5.5%	78,825	5.3%	91,026	15.5%	96,809	6.4%
Refunds (Incl. State/City Offset)	(17,160)	(17,894)	-4.3%	(18,659)	-4.3%	(19,664)	-5.4%	(15,077)	23.3%
STAR	(1,608)	(1,575)	2.1%	(1,547)	1.8%	(1,520)	1.7%	(1,447)	4.8%
RBTF	(26,919)	(28,498)	-5.9%	(30,083)	-5.6%	(35,681)	-18.6%	(40,866)	-14.5%

[1]State/All Funds (Excl. PTET) reflects PIT receipts increased by the estimated cost of PTET credit realization. STATE/ALL Funds represents actual (unadjusted) PIT receipts.
[2]Excludes Transfers.

[16] 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 Financial Plan Overview section herein.

The following table summarizes, by component, actual PIT receipts for FY 2024 and forecast amounts through FY 2028.

ALL FUNDS PERSONAL INCOME TAX FISCAL YEAR COLLECTION COMPONENTS
(millions of dollars)

	FY 2024 Actuals	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
Receipts					
Withholding	54,699	57,486	60,432	63,487	65,848
Estimated Payments	10,779	11,707	12,453	21,349	24,520
Current Year	6,331	6,867	7,081	15,538	16,838
Prior Year[1]	4,448	4,840	5,372	5,811	7,682
Final Returns	3,650	3,781	3,971	4,167	4,362
Current Year	405	400	419	439	459
Prior Year[1]	3,245	3,381	3,552	3,728	3,903
Delinquent	1,871	1,915	1,969	2,023	2,079
Gross Receipts	70,999	74,889	78,825	91,026	96,809
Refunds					
Prior Year[1]	10,011	10,534	11,001	11,657	7,669
Previous Year	1,879	1,926	1,965	2,000	1,235
Current Year[1]	3,196	3,000	3,000	3,000	3,000
Advanced Credit Payment	821	1,002	1,162	1,338	1,482
State/City Offset[1,2]	1,253	1,432	1,531	1,669	1,691
Total Refunds	17,160	17,894	18,659	19,664	15,077
Net Receipts[3]	**53,839**	**56,995**	**60,166**	**71,362**	**81,732**
PTET/PIT Credits	14,176	13,884	14,956	10,858	300
Net Receipts, Excluding PTET[4]	**68,015**	**70,879**	**75,122**	**82,220**	**82,032**

[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.

[3] Net Receipts represents actual (unadjusted) PIT receipts.

[4] Net Receipts, Excluding PTET, presents PIT receipts increased by the estimated cost of PTET credit realization.

FY 2025 withholding is estimated to increase compared to the prior year, reflecting moderate growth in both bonus and non-bonus wages. Current estimated payments for tax year 2024 and extension payments (i.e., prior year estimated) for tax year 2023 are both expected to increase. The growth in extensions - despite an estimated decrease in tax year 2023 non-wage income - reflects a disproportionately steep decline in FY 2024 (tax year 2023) current estimated payments relative to liability and the need to "catch up" through settlement payments, while the projected growth in FY 2025 current estimated payments is consistent with an increase in tax year 2024 non-wage income. Delinquent collections and final return payments are projected to increase as well.

Total refunds in FY 2025 are projected to increase, driven by increases in refunds for tax year 2023 (prior year refunds), refunds for tax years previous to 2023, advanced credit payments (generally STAR credits), and the State/city offset. These increases are partially offset by a scheduled decrease in the administrative refund cap (current year refunds). The FY 2025 prior year refunds estimate includes the influence of the one-time supplemental Empire State Child Credit payments effectuated by FY 2025 Enacted Budget legislation.

FY 2026 PIT receipts are projected to increase due to growth in withholding, total estimated payments, final returns, and delinquencies, partially offset by a modest increase in projected total refunds. The increase in FY 2026 total refunds is primarily driven by refunds for tax year 2024 (prior year refunds), which are expected to produce moderate underlying growth coupled with the contrasting influences of an increase in PTET-related refunds and expiration of the one-time Empire State Child Credit payments.

FY 2027 PIT receipts 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, current estimated payments are projected to return to pre-PTET levels. Furthermore, the forecast assumes between $3 and $4 billion in estimated payments will be accelerated from extension payments (FY 2028) into current estimated payments (FY 2027) as taxpayers seek to benefit from unlimited SALT deductibility beginning tax year 2026.

FY 2028 PIT receipts are projected to increase from FY 2027 due to growth in all components coupled with a sharp decrease in total refunds. Withholding is projected to increase despite the scheduled expiration of the current top PIT rates after tax year 2027. The expected decline in refunds is attributable to the absence of tax year 2026 PTET-related refunds.

Consumption/Use Taxes

CONSUMPTION/USE TAXES (millions of dollars)									
	FY 2024 Actuals	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change	FY 2028 Projected	Change
STATE/ALL FUNDS	**21,865**	**22,446**	**2.7%**	**22,992**	**2.4%**	**23,609**	**2.7%**	**24,126**	**2.2%**
Sales Tax	19,903	20,371	2.4%	20,864	2.4%	21,418	2.7%	21,940	2.4%
Cigarette and Tobacco Taxes	842	829	-1.5%	793	-4.3%	759	-4.3%	728	-4.1%
Vapor Excise Tax	24	24	0.0%	24	0.0%	24	0.0%	24	0.0%
Motor Fuel Tax	487	484	-0.6%	484	0.0%	480	-0.8%	476	-0.8%
Highway Use Tax	139	140	0.7%	141	0.7%	142	0.7%	144	1.4%
Alcoholic Beverage Taxes	275	276	0.4%	278	0.7%	279	0.4%	280	0.4%
Opioid Excise Tax	22	20	-9.1%	20	0.0%	20	0.0%	20	0.0%
Medical Cannabis Excise Tax	9	5	-44.4%	4	-20.0%	4	0.0%	4	0.0%
Adult Use Cannabis Tax	33	158	378.8%	245	55.1%	339	38.4%	363	7.1%
Auto Rental Tax[1]	131	137	4.6%	137	0.0%	142	3.6%	145	2.1%
Peer to Peer Car Sharing Tax	0	2	0.0%	2	0.0%	2	0.0%	2	0.0%
GENERAL FUND[2]	**9,872**	**10,091**	**2.2%**	**10,315**	**2.2%**	**10,567**	**2.4%**	**10,805**	**2.3%**
Sales Tax	9,315	9,534	2.4%	9,765	2.4%	10,024	2.7%	10,268	2.4%
Cigarette and Tobacco Taxes	260	259	-0.4%	250	-3.5%	242	-3.2%	235	-2.9%
Alcoholic Beverage Taxes	275	276	0.4%	278	0.7%	279	0.4%	280	0.4%
Opioid Excise Tax	22	20	-9.1%	20	0.0%	20	0.0%	20	0.0%
Peer to Peer Car Sharing Tax	0	2	0.0%	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.

All Funds consumption/use tax receipts for FY 2025 are estimated to increase from FY 2024 results. Sales tax receipts are estimated to increase due to moderate growth in taxable consumption, particularly in the services sector. Cigarette and tobacco tax receipts are estimated to decrease reflecting a continuing trend of declining consumption. Motor fuel tax receipts are estimated to experience a minor decrease, partially attributable to an increase in refunds, as consumption remains relatively flat year-over-year. Opioid excise tax receipts are expected to moderately decline, reflecting the continued long-term decline in opioid consumption, as well as the market's shift toward prescribing opioids in the lower wholesale acquisition cost tier, which has a reduced tax rate. Medical cannabis excise tax receipts are estimated to decline by more than 40 percent, as the Enacted Budget reduced the excise tax rate from 7 percent to 3.15 percent. The monies will now be evenly split between the manufacturing county and the distributing county. Adult-use cannabis taxes are projected to significantly increase as the State's cannabis market expands during the second full year of receipts. These estimates are unaffected by the repeal of the THC-based potency tax in the Enacted Budget, which is replaced with a wholesale excise tax of 9 percent. This tax structure change applies to sales starting June 1, 2024, while the existing State and local retail excise tax rates remain unchanged at 9 and 4 percent, respectively. Auto rental tax receipts have rebounded to pre-pandemic levels and are also estimated to increase in FY 2025.

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). General Fund consumption/use tax receipts for FY 2025 are projected to increase, as the increase in State sales tax receipts more than offsets the marginal decreases to cigarette and tobacco tax and opioid tax receipts, coupled with the marginal increases to alcoholic beverage tax and peer-to-peer car sharing tax receipts.

FY 2026 consumption/use tax receipts are projected to increase, primarily due to a small projected increase in sales tax receipts. Most consumption/use taxes are projected to experience flat tax receipt growth in FY 2026, including auto rental, motor fuel, and vapor tax, or see marginal projected growth in receipts, as is the case with highway use tax and alcoholic beverage taxes. Adult-use cannabis taxes are projected to see another significant increase in receipts as the cannabis market continues to grow. However, the increases above are partially offset by a continued decline in taxable cigarette consumption and a further reduction in medical cannabis excise tax receipts as the reduced tax rate will be effective for the full fiscal year.

Consumption/use tax receipts for FYs 2027 and FY 2028 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 2024 Actuals	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change	FY 2028 Projected	Change
STATE/ALL FUNDS (Excl. PTET)[1]	**13,739**	**14,044**	**2.2%**	**13,808**	**-1.7%**	**14,134**	**2.4%**	**13,218**	**-6.5%**
Pass-Through-Entity Tax	(13,956)	(14,748)	-5.7%	(12,452)	15.6%	1,340	110.8%	0	-100.0%
STATE/ALL FUNDS	**27,695**	**28,792**	**4.0%**	**26,260**	**-8.8%**	**12,794**	**-51.3%**	**13,218**	**3.3%**
Corporate Franchise Tax	9,262	9,295	0.4%	9,201	-1.0%	9,407	2.2%	8,375	-11.0%
Corporation and Utilities Tax	554	603	8.8%	591	-2.0%	596	0.8%	592	-0.7%
Insurance Tax	2,813	2,879	2.3%	2,999	4.2%	3,121	4.1%	3,251	4.2%
Bank Tax	1	212	21100.0%	0	-100.0%	0	0.0%	0	0.0%
Pass-Through-Entity Tax	13,956	14,748	5.7%	12,452	-15.6%	(1,340)	-110.8%	0	100.0%
Petroleum Business Tax	1,109	1,055	-4.9%	1,017	-3.6%	1,010	-0.7%	1,000	-1.0%
GENERAL FUND[2]	**17,425**	**18,038**	**3.5%**	**16,667**	**-7.6%**	**9,999**	**-40.0%**	**9,889**	**-1.1%**
Corporate Franchise Tax	7,525	7,446	-1.0%	7,308	-1.9%	7,424	1.6%	6,532	-12.0%
Corporation and Utilities Tax	401	468	16.7%	457	-2.4%	461	0.9%	458	-0.7%
Insurance Tax	2,521	2,570	1.9%	2,676	4.1%	2,784	4.0%	2,899	4.1%
Bank Tax	0	180	0.0%	0	-100.0%	0	0.0%	0	0.0%
Pass-Through-Entity Tax	6,978	7,374	5.7%	6,226	-15.6%	(670)	-110.8%	0	100.0%
Petroleum Business Tax	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%

[1]State/All Funds (Excl. PTET) reflects Business Taxes receipts without the impact of PTET.
[2]Excludes Transfers.

CFT receipts in the General Fund are estimated to decrease slightly in FY 2025, primarily reflecting an increase in refunds. FY 2024 refund levels were at their lowest amount since FY 2015 and are expected to return to historical levels. The estimated increase in refunds is partially offset by an estimated modest increase in gross receipts and significant increase in audit receipts after FY 2024 levels falling below historic trend levels.

Corporation and Utilities Tax (CUT) receipts for FY 2025 are estimated to increase significantly over the prior fiscal year after FY 2024 was significantly impacted by the COVID-19 Utility Debt Relief Tax Credit, which resulted in lower gross receipts from the utility sector. Gross receipts from the telecommunication sector are estimated to slightly decline as compared to FY 2024 levels. Audit receipts are estimated to decrease from FY 2024 levels while refunds are estimated to decrease from FY 2024 levels which were higher than long-term trend levels.

Insurance tax receipts for FY 2025 are estimated to increase modestly due to projected increases in insurance tax premiums driving gross receipts, following two years of significant growth. Audits are expected to decrease while refunds are expected to increase slightly as compared to FY 2024.

PTET collections for FY 2025 are estimated to increase due to higher tax year 2024 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 2025 are estimated to increase significantly due to an expectation of higher audit receipts. Petroleum Business Tax (PBT) receipts are estimated to decrease from FY 2024 results, primarily due to two successive rate index decreases, as the net impact of a 5 percent decrease in the PBT rate index effective January 1, 2024 is compounded by another projected 5 percent decline effective January 1, 2025.

Business tax receipts for FY 2026 are projected to decrease primarily due to PTET. This decrease in PTET receipts is the result of the scheduled expiration of the SALT deduction cap after tax year 2025 under current Federal law. CFT, CUT and PBT receipts are also projected to decrease, with an increase in insurance tax receipts partially offsetting the overall business tax receipts decrease. The decrease in CFT receipts is driven by an increase in refunds, while PBT receipts reflect a small decrease in consumption.

Business tax receipts for FY 2027 are projected to increase in CFT, CUT and insurance tax, while PTET and PBT are projected to decline. CFT receipts are projected to show the largest increase due to a projected increase in gross receipts. FY 2027 represents the last year of projected PTET receipts due to the scheduled expiration of the SALT deduction cap previously described and is comprised primarily of refunds, partially offset by final return payments.

Business tax receipts for FY 2028 are projected to increase in the insurance tax, while CFT, CUT and PBT are projected to decline. The decrease in CFT receipts is driven by the expiration of the temporary tax rates set to expire after tax year 2026.

Other Taxes

OTHER TAXES (millions of dollars)									
	FY 2024 Actuals	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change	FY 2028 Projected	Change
STATE/ALL FUNDS	**3,048**	**2,551**	**-16.3%**	**2,695**	**5.6%**	**2,847**	**5.6%**	**3,029**	**6.4%**
Estate Tax	1,856	1,375	-25.9%	1,437	4.5%	1,503	4.6%	1,568	4.3%
Real Estate Transfer Tax	1,165	1,147	-1.5%	1,230	7.2%	1,331	8.2%	1,448	8.8%
Employer Compensation Expense Program	14	15	7.1%	15	0.0%	0	-100.0%	0	0.0%
Pari-Mutuel Taxes	12	12	0.0%	12	0.0%	12	0.0%	12	0.0%
All Other Taxes	1	2	100.0%	1	-50.0%	1	0.0%	1	0.0%
GENERAL FUND[1]	**1,876**	**1,397**	**-25.5%**	**1,458**	**4.4%**	**1,516**	**4.0%**	**1,581**	**4.3%**
Estate Tax	1,856	1,375	-25.9%	1,437	4.5%	1,503	4.6%	1,568	4.3%
Employer Compensation Expense Program	7	8	14.3%	8	0.0%	0	-100.0%	0	0.0%
Pari-Mutuel Taxes	12	12	0.0%	12	0.0%	12	0.0%	12	0.0%
All Other Taxes	1	2	100.0%	1	-50.0%	1	0.0%	1	0.0%

[1]Excludes Transfers.

FY 2025 other tax receipts are projected to decrease from FY 2024, primarily due to an expected return to a more typical amount of super-large payments and collections from the estate tax. Also, real estate transfer tax receipts are projected to decrease slightly as the average housing price is projected to decline marginally compared to the prior year.

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.

Miscellaneous Receipts

MISCELLANEOUS RECEIPTS (millions of dollars)									
	FY 2024 Actuals	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change	FY 2028 Projected	Change
ALL FUNDS	**33,755**	**31,685**	**-6.1%**	**34,774**	**9.7%**	**33,676**	**-3.2%**	**31,799**	**-5.6%**
General Fund	4,878	4,460	-8.6%	3,962	-11.2%	2,419	-38.9%	2,083	-13.9%
Special Revenue Funds	23,430	19,092	-18.5%	19,225	0.7%	18,506	-3.7%	18,723	1.2%
Capital Projects Funds	4,941	7,746	56.8%	11,191	44.5%	12,331	10.2%	10,557	-14.4%
Debt Service Funds	506	387	-23.5%	396	2.3%	420	6.1%	436	3.8%

General Fund miscellaneous receipts in FY 2025 are estimated to decrease from FY 2024 results, largely due to lower projected abandoned property, license, fee, and reimbursement receipts.

All Funds miscellaneous receipts in FY 2025 are estimated to decrease from FY 2024 results, driven by the conservative estimation of non-General Fund revenues and the reduction of General Fund receipts, partially offset by the projected growth of bond proceeds receipts, primarily due to the increase in bond-eligible capital spending in FY 2025 and the increased use of PAYGO capital resources, primarily from General Fund transfers, in FY 2024. In addition, the aggregate receipts projections (i.e., the sum of all projected receipts by individual agencies) in State Special Revenue Funds are adjusted downward to reflect aggregate trends and patterns observed between estimated and actual results over time.

All Funds miscellaneous receipts in FY 2026 are projected to increase from FY 2025 estimates, driven by bond proceed income due to higher projected bond-eligible capital spending and decreased use of PAYGO capital resources, primarily from General Fund transfers, partly offset by a projected decline in investment-income.

In the later years of the Financial Plan, All Funds miscellaneous receipts reflect the timing of capital reimbursements and a continued decline in investment income attributable to lower forecasted interest rates and available balances.

Federal Receipts

FEDERAL RECEIPTS (millions of dollars)									
	FY 2024 Projected	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change	FY 2028 Projected	Change
ALL FUNDS	**94,276**	**94,202**	**-0.1%**	**88,463**	**-6.1%**	**89,150**	**0.8%**	**90,018**	**1.0%**
General Fund	2,250	3,645	62.0%	0	-100.0%	0	0.0%	0	0.0%
Special Revenue Funds	89,222	87,266	-2.2%	84,720	-2.9%	85,596	1.0%	86,454	1.0%
Capital Projects Funds	2,744	3,229	17.7%	3,685	14.1%	3,501	-5.0%	3,519	0.5%
Debt Service Funds	60	62	3.3%	58	-6.5%	53	-8.6%	45	-15.1%

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 changes in Federal receipts projections correspond with expected changes in Federal spending across the Financial Plan period, which include increases to Medicaid, Public Health, Transportation, and Education ARP funds, partially offset by declines in Federal pandemic assistance such as the expiration of COVID-19 eFMAP and ERAP, and the wind-down of other various pandemic assistance including childcare, housing, infrastructure, and other purposes. In addition, Federal receipts reflect an increase in the final use of Federal ARP funds in FY 2025 consistent with Federal treasury rules.

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.

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

	FY 2024 Actuals[1]	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
HEALTH CARE					
Medicaid - Individuals Covered	7,292,559	6,766,673	6,766,092	6,764,150	6,763,986
Essential Plan - Individuals Covered	1,266,722	1,443,169	1,436,052	1,457,672	1,479,674
Child Health Plus - Individuals Covered	493,206	547,367	558,314	569,480	580,869
State Takeover of County/NYC Costs[2]	$6,451	$7,400	$8,258	$9,026	$9,712
CY 2005 Local Medicaid Cap	$4,620	$5,386	$6,062	$6,647	$7,151
FY 2013 Local Takeover Costs	$1,831	$2,014	$2,196	$2,379	$2,561
EDUCATION					
School Aid (School Year-Basis Funding)[3]	$34,484	$35,889	$36,954	$37,859	$38,710
HIGHER EDUCATION					
Public Higher Education Enrollment (FTEs)	475,772	475,772	TBD	TBD	TBD
Tuition Assistance Program (FTEs)	213,000	261,000	TBD	TBD	TBD
PUBLIC ASSISTANCE					
Family Assistance Program (Families)	187,583	190,791	190,573	189,199	187,540
Safety Net Program (Families)	129,168	131,836	131,570	130,409	128,998
Safety Net Program (Singles)	270,983	284,342	297,258	310,853	325,332
MENTAL HYGIENE					
OMH Community Beds	49,742	51,943	54,420	55,110	55,560
OPWDD Community Beds[4]	44,003	44,375	44,816	45,332	45,932
OASAS Community Beds	13,553	13,841	14,022	14,202	14,252
Total	107,298	110,159	113,258	114,644	115,744

[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] SY 2024 does not reflect a significant amount of federal ARP Act funding for school districts that was distributed over multiple school years, including prekindergarten expansion grants initially supported by this funding that appear on the School Aid run. These prekindergarten expansion grants will be State-funded beginning in SY 2025 and are included in the table for SY 2025 and after.

[4] OPWDD Community Beds actuals and estimates now include self-directed rental subsidies (SDRS).

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 $35.9 billion for School Aid in SY 2025, representing an annual increase of approximately $1.4 billion (4.1 percent), inclusive of the State's full takeover of funding for prekindergarten expansion grants previously supported with Federal ARP funds. Excluding the State funds needed to support this takeover, the School Aid increase for SY 2025 totals $1.3 billion (3.8 percent) and includes a $934 million (3.9 percent) increase in Foundation Aid. The Foundation Aid increase is driven largely by the formula's inflation factor, which the Enacted Budget sets at 2.8 percent for SY 2025. School Aid growth also fully funds the projected $366 million increase under current law for expense-based reimbursement programs such as Transportation Aid and Boards of Cooperative Educational Services (BOCES) Aid.

In SY 2026 and beyond, growth in School Aid reflects estimated growth in Foundation Aid and expense-based aids, reflecting DOB's inflation forecast and recent annual expense-based aid growth, respectively.

SCHOOL AID - SCHOOL YEAR BASIS (JULY 1 - JUNE 30)[1]
(millions of dollars)

	SY 2024	SY 2025	Change	SY 2026	Change	SY 2027	Change	SY 2028	Change
Total	**34,484**	**35,889**	**1,405**	**36,954**	**1,065**	**37,859**	**905**	**38,710**	**851**
			4.1%		3.0%		2.4%		2.2%

[1] SY 2024 does not reflect a significant amount of Federal ARP Act funding that was distributed to school districts over multiple school years, including prekindergarten expansion grants initially supported by this funding that appear on the School Aid run. These prekindergarten expansion grants will be State-funded beginning in SY 2025 and are included in the table for SY 2025 and thereafter.

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 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 Lottery and VLT Aid is expected to increase in FY 2025 due to higher than anticipated revenue collections in FY 2024. Additionally, the amount of School Aid spending financed by mobile sports wagering receipts is expected to decrease slightly in FY 2025 due to higher than anticipated revenue collections in FY 2023 that were subsequently used to support disbursements in FY 2024.

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]
(millions of dollars)

	FY 2024 Actuals	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change	FY 2028 Projected	Change
TOTAL STATE OPERATING FUNDS	**33,383**	**35,347**	**5.9%**	**36,537**	**3.4%**	**37,477**	**2.6%**	**38,329**	**2.3%**
General Fund Assistance and Grants	28,692	30,142	5.1%	31,578	4.8%	32,618	3.3%	33,436	2.5%
Medicaid	151	140	-7.3%	140	0.0%	140	0.0%	140	0.0%
Lottery Aid	2,303	2,807	21.9%	2,480	-11.6%	2,398	-3.3%	2,398	0.0%
VLT Lottery Aid	1,033	1,096	6.1%	1,025	-6.5%	1,034	0.9%	1,036	0.2%
Commercial Gaming	138	122	-11.6%	128	4.9%	166	29.7%	166	0.0%
Mobile Sports Wagering	1,061	1,040	-2.0%	1,139	9.5%	1,040	-8.7%	1,072	3.1%
Cannabis Revenue	5	0	-100.0%	47	0.0%	81	72.3%	81	0.0%

[1] FY 2024 and FY 2025 do not reflect a significant amount of Federal ARP Act funding that was distributed to school districts over multiple school years, including prekindergarten expansion grants initially supported by this funding that appear on the School Aid run. These prekindergarten expansion grants will be State-funded beginning in SY 2025 and are included in the table for FY 2025 and thereafter.

Spending on School Aid from dedicated revenue sources is capped by appropriation authority as determined at the Enacted Budget. Therefore, spending shown in the table above does not necessarily equate to annual revenue collections and projections.

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 2024 Actuals	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change	FY 2028 Projected	Change
TOTAL STATE OPERATING FUNDS	**2,457**	**2,796**	**13.8%**	**2,849**	**1.9%**	**2,994**	**5.1%**	**3,142**	**4.9%**
Special Education	1,408	1,507	7.0%	1,597	6.0%	1,694	6.1%	1,795	6.0%
All Other Education	1,049	1,289	22.9%	1,252	-2.9%	1,300	3.8%	1,347	3.6%

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 2024 levels due to the continuing impact of a 6.25 percent COLA increase to provider tuition rates implemented in SY 2024 and the return of enrollment to pre-COVID-19 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.

Spending for All Other Education Programs in FY 2025 is projected to increase by 22.9 percent, largely driven by the continuation of an FY 2024 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; one-time aid and grant programs; reimbursement to nonpublic schools for State-mandated activities; reimbursement to nonpublic schools for Science, Technology, Engineering, and Math (STEM) instruction; and payments to the City of New York for charter school facilities aid. Lower projected FY 2026 spending is attributable to the discontinuation of one-time aid and grant programs funded in the FY 2025 Enacted Budget. Outyear spending is largely attributable to reimbursements for school meals, nonpublic schools, and charter schools.

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 $98,700 will receive an $84,000 exemption in FY 2025.

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.

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 and, as of FY 2019, is 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 2024 Actuals	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change	FY 2028 Projected	Change
TOTAL STAR PROGRAM	**1,608**	**1,575**	**-2.1%**	**1,547**	**-1.8%**	**1,520**	**-1.7%**	**1,447**	**-4.8%**
Gross Program Costs	3,152	3,291	4.4%	3,427	4.1%	3,562	3.9%	3,638	2.1%
Personal Income Tax Credit	(1,544)	(1,716)	-11.1%	(1,880)	-9.6%	(2,042)	-8.6%	(2,191)	-7.3%
Basic Exemption	791	747	-5.6%	699	-6.4%	663	-5.2%	580	-12.5%
Gross Program Costs	1,415	1,556	10.0%	1,646	5.8%	1,744	6.0%	1,776	1.8%
Personal Income Tax Credit	(624)	(809)	-29.6%	(947)	-17.1%	(1,081)	-14.1%	(1,196)	-10.6%
Enhanced (Senior) Exemption	817	828	1.3%	848	2.4%	857	1.1%	867	1.2%
Gross Program Costs	991	1,003	1.2%	1,045	4.2%	1,077	3.1%	1,116	3.6%
Personal Income Tax Credit	(174)	(175)	-0.6%	(197)	-12.6%	(220)	-11.7%	(249)	-13.2%
New York City PIT	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Gross Program Costs	746	732	-1.9%	736	0.5%	741	0.7%	746	0.7%
Personal Income Tax Credit	(746)	(732)	1.9%	(736)	-0.5%	(741)	-0.7%	(746)	-0.7%

All homeowners with incomes above $250,000 were transitioned from the basic exemption benefit program to the advance credit program in FY 2020. Additionally, a zero percent growth cap on the STAR exemption benefit remains in effect. The decline in reported disbursements on STAR exemptions in FY 2025 through FY 2028 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 2024 Actuals	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change	FY 2028 Projected	Change
TOTAL STATE OPERATING FUNDS	**3,122**	**3,474**	**11.3%**	**3,506**	**0.9%**	**3,510**	**0.1%**	**3,434**	**-2.2%**
City University	**2,005**	**2,121**	**5.8%**	**2,166**	**2.1%**	**2,199**	**1.5%**	**2,234**	**1.6%**
Senior Colleges	1,764	1,876	6.3%	1,920	2.3%	1,953	1.7%	1,988	1.8%
Community College	241	245	1.7%	246	0.4%	246	0.0%	246	0.0%
Higher Education Services	**579**	**699**	**20.7%**	**714**	**2.1%**	**729**	**2.1%**	**744**	**2.1%**
Tuition Assistance Program	535	633	18.3%	656	3.6%	671	2.3%	686	2.2%
Scholarships/Awards	40	58	45.0%	50	-13.8%	50	0.0%	50	0.0%
Aid for Part-Time Study	4	8	100.0%	8	0.0%	8	0.0%	8	0.0%
State University	**538**	**654**	**21.6%**	**626**	**-4.3%**	**582**	**-7.0%**	**456**	**-21.6%**
Community College	464	476	2.6%	452	-5.0%	452	0.0%	452	0.0%
Other/Cornell	74	178	140.5%	174	-2.2%	130	-25.3%	4	-96.9%

As of Fall 2023 enrollment data, SUNY and CUNY operate 47 four-year colleges and graduate schools with a total enrollment of roughly 364,000 full- and part-time students. SUNY and CUNY also operate 37 community colleges, serving approximately 236,000 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 nearly $2.0 billion in annual support for the fringe benefit costs of all employees at SUNY State-operated campuses; approximately $1.4 billion for SUNY campus operations via an annual General Fund transfer; and an estimated $836 million for debt service payments on bond financed capital projects at SUNY and CUNY in FY 2025. Additionally, an estimated $330 million in student financial aid support will continue to be transferred from HESC to SUNY in FY 2025. This is the result of an accounting change first implemented in FY 2020 to reflect certain financial aid payments made 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 $352 million, or 11.3 percent, from FY 2024 to FY 2025. This spending includes an increase in General Fund operating assistance to CUNY senior colleges. In addition, assistance and grants spending for the State University is projected to increase due to the timing of disbursements of the State endowment match to SUNY University Centers and the continuation of funding for transformational initiatives at State University community colleges. Increased HESC spending is driven by an increase in the maximum income threshold for TAP eligibility across all award schedules, an increase in the minimum TAP award, as well as the expansion of TAP for part-time students to proprietary 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. The combined benefit of the State's health insurance programs is to provide health care coverage to nearly 9 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 Waivers 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. According to the most recent Center for Medicare and Medicaid Services Data, New York is the second largest program in terms of spending, behind California, which spends roughly 32 percent more in gross expenditures and covers more than 13 million people. 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 nearly $113 billion in FY 2025. The following table shows the estimated disbursements by level of government.

MEDICAID SPENDING[1] (millions of dollars)					
	FY 2024 Actuals	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
Federal	**66,754**	**67,767**	**66,622**	**68,859**	**69,685**
	60.1%	60.0%	57.6%	57.3%	56.6%
State (DOH)	**28,188**	**31,309**	**34,432**	**36,354**	**38,005**
	25.4%	27.7%	29.8%	30.2%	30.9%
State (Other Agencies)	**7,672**	**5,298**	**5,817**	**6,172**	**6,534**
	6.9%	4.7%	5.0%	5.1%	5.3%
Local	**8,505**	**8,638**	**8,838**	**8,838**	**8,838**
	7.7%	7.6%	7.6%	7.4%	7.2%
Total	**111,119**	**113,012**	**115,709**	**120,223**	**123,062**

[1] Includes operational costs and FY 2024 Essential Plan spending.

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. 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 2024 Actuals	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
General Fund	**20,983**	**24,423**	**27,914**	**29,868**	**31,577**
	74.4%	78.0%	81.1%	82.1%	83.1%
HCRA	**6,058**	**5,526**	**5,478**	**5,446**	**5,388**
	21.5%	17.7%	15.9%	15.0%	14.2%
All Other	**1,147**	**1,360**	**1,040**	**1,040**	**1,040**
	4.1%	4.3%	3.0%	2.9%	2.7%
Total	**28,188**	**31,309**	**34,432**	**36,354**	**38,005**

[1] Includes operational costs and FY 2024 Essential Plan spending.

Enrollment

Medicaid eligibility and enrollment fluctuate with economic cycles. Due to the steep rise in unemployment triggered by the COVID-19 pandemic, as well as Federal limitations on Medicaid disenrollment activities before the expiration of the public health emergency (PHE) on May 11, 2023, Medicaid enrollment has increased significantly since March 2020. The State resumed eligibility redeterminations for the nearly 9 million total public health insurance enrollees, to be completed over a fourteen-month period, consistent with CMS requirements. Based on experience to date, disenrollment is expected to be significantly less than initially projected and the State estimates almost half of the COVID-19 era enrollment increase will remain, driving elevated enrollment costs through FY 2028.

Accordingly, total Medicaid costs are expected to grow annually, due in large part to an increase in high utilization and aging 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 services for seniors and dual eligibles; and payments to financially distressed hospitals.

The following table summarizes State-share Medicaid spending by agency and the interplay of the MHSF/LSA accounting mechanism between DOH and OPWDD.

TOTAL STATE-SHARE MEDICAID DISBURSEMENTS
(millions of dollars)

	FY 2024 Actuals	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
Department of Health Medicaid	**28,188**	**31,309**	**34,432**	**36,354**	**38,005**
Assistance and Grants	29,507	30,932	34,076	36,003	37,651
State Operations	384	377	356	351	354
eFMAP[1]	(1,703)	0	0	0	0
Other State Agency Medicaid Spending	**7,672**	**5,298**	**5,817**	**6,172**	**6,534**
Mental Hygiene[2]	5,924	6,454	6,700	7,022	7,175
MHSF/LSA	1,536	(1,364)	(1,091)	(1,058)	(849)
Foster Care	59	60	60	60	60
Education	151	140	140	140	140
Corrections	2	8	8	8	8
Total State-Share Medicaid (All Agencies)	**35,860**	**36,607**	**40,249**	**42,526**	**44,539**
Annual $ Change		747	3,642	2,277	2,013
Annual % Change		2.1%	9.9%	5.7%	4.7%

[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.

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 changes, including specific populations, such as the aging and disabled populations, which are significant drivers of costs.

Consistent with the index, the FY 2025 Enacted Budget accounts for the latest projections published by CMS by further increasing allowable Global Cap spending annually between FY 2025 and FY 2028, providing another $386 million over the multi-year plan and nearly $16 billion in aggregate increased spending allowance over the five-year period.

Medicaid spending, subject to the Global Cap Index (GCI), is 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.

MEDICAID GLOBAL CAP INDEX
(millions of dollars)

	FY 2024 Actuals	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected	Five-Year Total
Prior CPI Index (May 2022)	**21,749**	**22,333**	**22,957**	**23,612**	**24,226**	**114,877**
Annual $ Change	577	584	624	655	614	3,054
Annual % Change	2.7%	2.7%	2.8%	2.9%	2.6%	
Increased Spending Under the New Cap[1]	**1,516**	**2,499**	**3,293**	**3,904**	**4,422**	**15,634**
New CMS Index	**23,265**	**24,832**	**26,250**	**27,516**	**28,648**	**130,511**
FY 2025 Enacted Budget	23,265	24,832	27,799	29,158	30,191	135,245
Enacted Budget Over/(Under) Index[2]	**0**	**0**	**1,549**	**1,642**	**1,543**	**4,734**
FY 2025 Enacted Budget	**23,265**	**24,832**	**27,799**	**29,158**	**30,191**	**135,245**
Annual $ Change	1,503	1,567	2,967	1,359	1,033	8,429
Annual % Change	6.9%	6.7%	11.9%	4.9%	3.5%	

[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 and updated five-year rolling average pursuant to CMS March 2022 and June 2023 reports.

[2] The Medicaid forecast is projected to spend within the allowable index through FY 2025. Medicaid spending is projected to exceed the cap beginning in FY 2026 due mainly to projected utilization costs and trends.

The Global Cap applies to nearly 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 DOH MEDICAID SPENDING (millions of dollars)	FY 2024 Actuals	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
Medicaid Global Cap[1]	**23,265**	**24,832**	**26,250**	**27,516**	**28,648**
Annual $ Change	1,503	1,567	1,418	1,266	1,132
Annual % Change	6.9%	6.7%	5.7%	4.8%	4.1%
FY 2025 Enacted Budget Forecast[2]	**0**	**0**	**1,549**	**1,642**	**1,543**
Other Medicaid Not Subject to Global Cap	**4,923**	**6,477**	**6,633**	**7,196**	**7,814**
Minimum Wage	2,413	2,430	2,441	2,451	2,462
Home Care Wages	214	1,480	1,795	2,165	2,590
Local Takeover Cost[3]	1,830	2,013	2,195	2,378	2,561
MSA Payments (Share of Local Growth)[4]	(62)	(325)	(325)	(325)	(325)
All Other	528	529	527	527	526
Healthcare Stability Fund	0	350	0	0	0
Total DOH Medicaid	**28,188**	**31,309**	**34,432**	**36,354**	**38,005**
Annual $ Change	2,397	3,121	3,123	1,922	1,651
Annual % Change	9.3%	11.1%	10.0%	5.6%	4.5%
Hospital Advances/Recoupment[5]	1,497	(1,497)	0	0	0
Adjusted DOH Medicaid[5]	**29,685**	**29,812**	**34,432**	**36,354**	**38,005**
Annual $ Change	3,894	127	4,620	1,922	1,651
Annual % Change	15.1%	0.4%	15.5%	5.6%	4.5%

[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 the Office of the Actuary in the Centers for Medicare & Medicaid Services.

[2] The Medicaid forecast is projected to spend within the allowable index through FY 2025. Gap-closing savings will be necessary in FY 2026 through FY 2028 to ensure Medicaid spending in future years adheres to the Global Cap indexed rate.

[3] 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.

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

[5] In response to initial delays in the Federal approval of planned FY 2022 through FY 2024 State directed payments, the State advanced over $2.2 billion in State-only payments to distressed providers for immediate cash flow relief. The provider reimbursements to the State are expected to be delayed, resulting in $1.5 billion in additional Medicaid spending in FY 2024 that is anticipated to be repaid in FY 2025.

FY 2025 Enacted State Operating Funds Budget Actions

The FY 2025 Enacted Budget includes $768 million in savings actions (growing to nearly $1.2 billion when fully annualized) to control rising Medicaid costs. The most significant savings actions include:

Transition to a Single Statewide Fiscal Intermediary (FI) & Recalibrate Administrative Reimbursement. New York's CDPAP allows Medicaid enrollees that are determined eligible for personal care services to select their own caregiver, which can include friends or family members. The cost of CDPAP has grown 1,200 percent since 2016, with State costs expected to continue to escalate at unsustainable levels. In response to this expansion, hundreds of private businesses, known as FIs, have emerged that provide payroll functions and administrative support for an administrative fee that is paid by the Medicaid program. Nearly all other States with CDPAP programs utilize one or only a few FIs. The FY 2025 Enacted Budget requires the State to implement a single FI to oversee CDPAP that will absorb administrative and payroll functions from hundreds of existing FIs to more cost effectively administer the program. There is no change to care or services authorized through the CDPAP or any disruption to care expected, and the transition to a single FI is expected to be complete by the end of FY 2025.

Remove the 1 Percent Across-the-Board Increase for Health Plans. Removes the 1 percent surplus payments provided to MCOs, which was previously provided to support administrative costs that were associated with managing the Medicaid pharmacy benefit, which was transitioned to Fee for Service Medicaid, effective April 2023.

Reduce Managed Care and Managed Long-Term Care Quality Pools. Makes reductions to the Managed Care quality pool programs, which provide funding to health plans that meet certain quality benchmarks.

Increase in Expected Audit Recoveries. Consistent with the Office of the Medicaid Inspector (OMIG) and the Attorney General's authority to detect fraudulent, abusive, and wasteful practices within the Medicaid program, the Global Cap assumes $100 million in additional annual recoveries related to overpayments, fraud, and/or payments which should not have been made to health care providers and facilities. The increased audit recoveries reflect prior year investments into program integrity and criminal investigations returning to pre-pandemic levels.

Reduce the Capital Rate Add-on for Hospitals and Nursing Homes. Reduces the Medicaid capital rate add-on for hospitals and nursing homes by 10 percent. Specialty pediatric nursing homes are exempt from this capital reduction.

Reduce the Nursing Home VAPAP. Reduces the Nursing Home VAPAP pool by $75 million to reflect underspending, bringing the total annual pool to $25 million in emergency one-time, State-only funding for financially distressed nursing homes.

FY 2025 ENACTED BUDGET
STATE OPERATING FUNDS -- SAVINGS/(COSTS)
DEPARTMENT OF HEALTH - MEDICAID GLOBAL CAP
(millions of dollars)

	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
FY 2025 Base Surplus/(Gap)	**(591)**	**(2,040)**	**(2,060)**	**(2,051)**
Forecasted Enrollment Projections	(402)	(356)	(281)	(201)
FY 2025 Base Surplus/(Gap) with Enrollment	**(993)**	**(2,396)**	**(2,341)**	**(2,252)**
Newly Signed Legislation	(5)	(26)	(26)	(26)
Updated Statutory Global Cap Index	263	158	38	(72)
Delay in Recoupment of Hospital Advances	951	0	0	0
Financial Plan Support of Delayed Hospital Recoupments	(951)	0	0	0
FY 2025 Revised Surplus/(Gap)	**(735)**	**(2,264)**	**(2,329)**	**(2,350)**
Enacted Budget Actions	**768**	**1,155**	**1,155**	**1,155**
Reduce Hospital Capital Rate Add-on by 10%	22	43	43	43
Unallocated Nursing Home VAPAP Reduction	75	75	75	75
Reduce Nursing Home Capital Rate Add-on by 10% (Excluding NH Pediatric Beds)	27	27	27	27
Transition to One Statewide Fiscal Intermediary & Recalibrate Administrative Reimbursement	200	504	504	504
Institute Plan Penalty for Electronic Visit Verification (EVV) Non-Compliance	0	20	20	20
Reduce Mainstream Managed Care (MMC) Quality Pool	34	34	34	34
Reduce Managed Long-Term Care (MLTC) Quality Pool	30	30	30	30
Require Dual-Eligible Special Needs Plans (DSNPs) to Cover Medicaid Dental Benefits in Medicar	3	10	10	10
Remove 1% Across the Board Increase for Health Plans	204	204	204	204
Streamline Medicaid Drug Cap	5	10	10	10
Pharmacy Enhancements and Integration Specialty Drug Management	9	25	25	25
Reduce Coverage for Certain Over-the-Counter (OTC) Pharmaceuticals	18	32	32	32
Procurement Savings and Efficiencies	5	5	5	5
OHIP Non-Personal Service Reduction	25	25	25	25
Increase in Expected Audit Recoveries	100	100	100	100
Modify Early Intervention Billing	11	11	11	11
Other Budget Actions	**460**	**103**	**104**	**107**
Pediatric Clinic Rate Increase	(1)	(1)	(1)	0
Support Essential Plan Operations with Federal Funds	95	104	105	107
Available HCBS eFMAP	366	0	0	0
1115 Waiver	**(451)**	**(474)**	**(501)**	**(385)**
Medicaid Hospital Global Budget Initiative	(275)	(275)	(275)	(275)
Patient Centered (PCMH) Enhancement for Adults/Kids	(74)	(74)	(99)	(99)
SUD Amendment	22	22	22	22
Continuous Eligibility for Kids (0-6) in Medicaid and CHIP	(7)	(30)	(32)	(33)
1115 Additional State Match	(117)	(117)	(117)	0
State of the State Investments	**(42)**	**(69)**	**(69)**	**(69)**
Early Intervention Rate Increases	(6)	(7)	(7)	(7)
Increase Reimbursement for Providers Serving Individuals w/Disabilities	(5)	(10)	(10)	(10)
Increase Rates for MH Provided in Integrated Settings	(21)	(42)	(42)	(42)
Expand Coverage for Adverse Childhood Experience Screening	(1)	(1)	(1)	(1)
Mental Hygiene Medicaid	(8)	(8)	(8)	(8)
Ensuring Access to Comprehensive Gender-Affirming Treatments (Medicaid)	(1)	(1)	(1)	(1)
FY 2025 Enacted Budget Surplus/(Gap)	**0**	**(1,549)**	**(1,640)**	**(1,542)**
Non-Global Cap Revisions Financed by the Financial Plan (Excluded from Above)	**(1,150)**	**0**	**0**	**0**
Financially Distressed and Safety-Net Hospitals Support	(500)	0	0	0
Healthcare Safety Net Transformation Program	(300)	0	0	0
Hospital One-Time Investment (HSF)	(200)	0	0	0
Nursing Home/ALP/Hospice One-Time Investment (HSF)	(150)	0	0	0

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 Federal Medical Assistance Percentage (FMAP) rate (retroactive to January 1, 2020) 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, with the expiration of the Federal government's increased share of Medicaid spending (phased down to 1.5 percent) through December 2023. In FY 2024, State-share savings of $1.7 billion from eFMAP were used to offset increased costs associated with elevated COVID-19 enrollment and lost MRT II savings due to Federal restrictions regarding program restructuring while the eFMAP remained in place. No State-share savings are assumed in FY 2025 or beyond.

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 be over $2.4 billion in FY 2025. 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 State authorized wage increases for home health and personal care workers of $1.55 for downstate and $1.35 for the rest of the 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 HCBS eFMAP in FY 2025 but revert to nearly all General Fund support beginning in FY 2026.

The State 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 was $53 million in FY 2024 and is projected to grow to over $1.1 billion in FY 2028.

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 and indexed to 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 $7.4 billion in FY 2025 -- roughly $3.4 billion for counties outside the City of New York and $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 2024 to FY 2028

Region	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Rest of State	3,006,371	3,361,031	3,681,743	3,968,519	4,224,955
New York City	3,444,355	4,038,984	4,576,695	5,057,508	5,487,451
Statewide	6,450,726	7,400,015	8,258,438	9,026,027	9,712,406

Master Settlement Agreement (MSA)

DOB expects to receive a perpetual payment from tobacco manufacturers under the MSA consistent with consumption and inflation adjustments authorized in the agreement. New York State law directs these payments be used to help defray the costs of the State's takeover of Medicaid expenses for counties and the City of New York. 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.

Healthcare Stability Fund (HSF)

Health care costs in New York rose sharply in the aftermath of the COVID-19 pandemic and continue to increase at unsustainable rates, creating pressure on the government funded Medicaid program and safety-net providers. In an effort to expand resources to fund these growing costs, the State is pursuing Federal approval of a MCO tax similar to those imposed by many other states including New Jersey, Louisiana, Michigan, Illinois, and California. The State is currently exploring options that reflect California's recently approved approach, which imposes differential rates between Medicaid plans and non-Medicaid plans. By utilizing differential rates, the tax structure would minimize the impact on the commercial insurance market and generate additional resources for the State to offset any State costs associated with the non-Federal share of related Medicaid premium costs.

Pursuant to the FY 2025 Enacted Budget, the Healthcare Stability Fund (HSF) is established to receive and distribute any revenue generated from the prospective MCO tax. The potential resources that accrue to the HSF are expected to be available to fund investments in the health care delivery system and/or offset current State Medicaid costs. In FY 2025, the Financial Plan includes $350 million in one-time General Fund resources that will be transferred to the HSF to support $200 million in hospital investments, and $150 million in investments for nursing homes, assisted living programs, and hospice. Future investments or spending from the HSF fund will be dependent on CMS approval and successful execution of an MCO tax, therefore no State or Federal funding is included in the Financial Plan projections beyond FY 2025.

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 IT, and support for home care delivery.

The Financial Plan maintains the use of nearly $1 billion 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 2024 Actuals	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
Opening Balance	**563**	**375**	**250**	**125**	**0**
Receipts	**154**	**125**	**125**	**125**	**0**
General Fund Transfer	125	125	125	125	0
STIP Interest	29	0	0	0	0
Planned Uses	**342**	**250**	**250**	**250**	**0**
Home Care Wages	214	250	250	250	0
Housing Rental Subsidies	128	0	0	0	0
Closing Balance	**375**	**250**	**125**	**0**	**0**

Public Health/Aging Programs

The State administers more than 150 separate programs to promote public health and wellbeing and provide access to quality health services for New Yorkers. CHP, the single 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 Work (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 with disabilities or developmental delays who are under the age of three. 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 2024 Actuals	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change	FY 2028 Projected	Change
TOTAL STATE OPERATING FUNDS	**2,125**	**2,622**	**23.4%**	**2,526**	**-3.7%**	**2,561**	**1.4%**	**2,609**	**1.9%**
Public Health	**1,952**	**2,415**	**23.7%**	**2,338**	**-3.2%**	**2,373**	**1.5%**	**2,409**	**1.5%**
Child Health Plus[1]	883	1,107	25.4%	1,140	3.0%	1,175	3.1%	1,210	3.0%
General Public Health Work	213	203	-4.7%	206	1.5%	206	0.0%	206	0.0%
EPIC	76	63	-17.1%	63	0.0%	63	0.0%	63	0.0%
Early Intervention	109	71	-34.9%	41	-42.3%	41	0.0%	41	0.0%
Unadjusted	197	168	-14.7%	138	-17.9%	138	0.0%	138	0.0%
Health Services Initiatives Offset	(88)	(97)	-10.2%	(97)	0.0%	(97)	0.0%	(97)	0.0%
Workforce Initiatives[2]	0	24	0.0%	94	291.7%	94	0.0%	94	0.0%
General Fund Assistance and Grants	0	6	0.0%	76	1166.7%	76	0.0%	76	0.0%
HCRA Program	0	18	0.0%	18	0.0%	18	0.0%	18	0.0%
HCRA Program	250	369	47.6%	321	-13.0%	321	0.0%	321	0.0%
Nourish NY	42	50	19.0%	50	0.0%	50	0.0%	50	0.0%
All Other	379	528	39.3%	423	-19.9%	423	0.0%	424	0.2%
Aging	**173**	**207**	**19.7%**	**188**	**-9.2%**	**188**	**0.0%**	**200**	**6.4%**

[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 is projected to grow by 23.7 percent in FY 2025 but grow by less than 2 percent annually over the remaining years of the Financial Plan period. Growth in FY 2025 reflects increased CHP reimbursement rates, an increase in reimbursement rates for the EI program services and support across various other public health programs, including the nutrition assistance programs and the American Indian Health Program. The annual growth in public health spending is partly offset by administrative savings, including reforms to the EI program service delivery.

Over the multi-year period, the expiration of enhanced Federal resources, including FFCRA eFMAP for the CHP program, drives recurring costs. Similarly, the Financial Plan maintains funding to address the needs of individuals living in underserved communities by ensuring surplus agricultural products are rerouted through the State's network of food banks; monitoring and providing support for unforeseen public health emergencies; reducing infant, child, and maternal mortality; improving maternal mental health; easing access to gender-affirming care; and maintaining on-going workforce investments to safeguard access and delivery to health care.

The Financial Plan maintains support for SOFA to address locally identified capacity needs, including: retention of the elderly in their communities; support for family and friends in their caregiving roles; reduction of future Medicaid costs by intervening earlier with less intensive services; establishment of quality reporting and accreditation for assisted living residences; and implementation of quality improvement initiatives in nursing homes to promote transparency.

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 2024 Actuals	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change	FY 2028 Projected	Change
OPENING BALANCE	**91**	**55**		**0**		**0**		**0**	
TOTAL RECEIPTS	**7,411**	**7,273**	**-1.9%**	**7,269**	**-0.1%**	**7,266**	**0.0%**	**7,242**	**-0.3%**
Surcharges	4,810	4,810	0.0%	4,830	0.4%	4,850	0.4%	4,850	0.0%
Covered Lives Assessment[1]	1,169	1,150	-1.6%	1,150	0.0%	1,150	0.0%	1,150	0.0%
Cigarette Tax Revenue	582	570	-2.1%	543	-4.7%	517	-4.8%	493	-4.6%
Hospital Assessments	574	507	-11.7%	510	0.6%	512	0.4%	512	0.0%
Excise Tax on Vapor Products	24	24	0.0%	24	0.0%	24	0.0%	24	0.0%
NYC Cigarette Tax Transfer	13	13	0.0%	13	0.0%	13	0.0%	13	0.0%
EPIC Receipts/ICR Audit Fees/Interest	89	49	-44.9%	49	0.0%	50	2.0%	50	0.0%
Distressed Provider Assistance[2]	150	150	0.0%	150	0.0%	150	0.0%	150	0.0%
TOTAL DISBURSEMENTS AND TRANSFERS	**7,447**	**7,328**	**-1.6%**	**7,269**	**-0.8%**	**7,266**	**0.0%**	**7,242**	**-0.3%**
Medicaid Assistance Account	5,449	4,895	-10.2%	4,847	-1.0%	4,815	-0.7%	4,757	-1.2%
Medicaid Costs	5,124	4,570	-10.8%	4,522	-1.1%	4,490	-0.7%	4,432	-1.3%
Distressed Provider Assistance[2]	150	150	0.0%	150	0.0%	150	0.0%	150	0.0%
Workforce Recruitment & Retention	175	175	0.0%	175	0.0%	175	0.0%	175	0.0%
Hospital Indigent Care	598	631	5.5%	631	0.0%	631	0.0%	631	0.0%
HCRA Program Account	257	405	57.6%	358	-11.6%	358	0.0%	357	-0.3%
Child Health Plus	897	1,126	25.5%	1,161	3.1%	1,196	3.0%	1,232	3.0%
Elderly Pharmaceutical Insurance Coverage	88	74	-15.9%	74	0.0%	74	0.0%	74	0.0%
Qualified Health Plan Administration	38	53	39.5%	51	-3.8%	50	-2.0%	49	-2.0%
Roswell Park Cancer Institute	51	55	7.8%	51	-7.3%	51	0.0%	51	0.0%
SHIN-NY/APCD/Modernization	42	45	7.1%	45	0.0%	40	-11.1%	40	0.0%
All Other	27	44	63.0%	51	15.9%	51	0.0%	51	0.0%
ANNUAL OPERATING SURPLUS/(DEFICIT)	**(36)**	**(55)**		**0**		**0**		**0**	
CLOSING BALANCE	**55**	**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 resources from local county contributions in support of State funded payments to distressed health care providers through the Medicaid program.

Total HCRA receipts are anticipated to remain steady over the course of the multi-year plan and reflect the assumption that health care surcharge and assessment collections will remain relatively flat while cigarette tax revenues will moderately decline, concurrent with cigarette consumption. These declines are offset by $150 million in annual revenues set aside to support distressed providers through Medicaid program payments.

HCRA spending over the same plan period reflects over $4.5 billion in continued support for Medicaid spending, including the $150 million set aside for distressed providers and $1.1 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, utilization, and reimbursements rates. Additionally, to support new enrollment associated with the Medical Indemnity Fund, the Financial Plan includes $58 million in non-recurring funding; these FY 2025 resources will support new enrollment through March 31, 2025, and are in addition to the $52 million in ongoing annual base support.

As of the FY 2025 Enacted Budget, 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 problem gambling. The service costs are reimbursed by Medicaid, Medicare, third-party insurance, and State funding.

MENTAL HYGIENE
(millions of dollars)

	FY 2024 Actuals	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change	FY 2028 Projected	Change
TOTAL STATE OPERATING FUNDS	**6,814**	**5,093**	**-25.3%**	**5,826**	**14.4%**	**6,265**	**7.5%**	**6,651**	**6.2%**
People with Developmental Disabilities	**2,974**	**3,337**	**12.2%**	**3,552**	**6.4%**	**3,734**	**5.1%**	**3,925**	**5.1%**
Residential Services	1,480	1,678	13.4%	1,773	5.7%	1,862	5.0%	1,956	5.0%
Day Programs	745	845	13.4%	892	5.6%	937	5.0%	984	5.0%
Clinic	18	20	11.1%	22	10.0%	23	4.5%	24	4.3%
All Other Services (Net of Offsets)	731	794	8.6%	865	8.9%	912	5.4%	961	5.4%
Mental Health	**1,767**	**2,393**	**35.4%**	**2,747**	**14.8%**	**2,936**	**6.9%**	**2,937**	**0.0%**
Adult Local Services	1,572	1,842	17.2%	2,225	20.8%	2,378	6.9%	2,379	0.0%
Children Local Services	179	462	158.1%	522	13.0%	558	6.9%	558	0.0%
MLR/BHET Reinvestment[1]	16	89	456.3%	0	-100.0%	0	0.0%	0	0.0%
Addiction Services and Supports	**536**	**726**	**35.4%**	**617**	**-15.0%**	**652**	**5.7%**	**637**	**-2.3%**
Residential	113	135	19.5%	142	5.2%	151	6.3%	155	2.6%
Other Treatment	208	251	20.7%	264	5.2%	280	6.1%	287	2.5%
Prevention	60	72	20.0%	76	5.6%	81	6.6%	83	2.5%
Recovery	40	48	20.0%	51	6.3%	55	7.8%	55	0.0%
Opioid Settlement Fund[2]	90	141	56.7%	37	-73.8%	38	2.7%	38	0.0%
Opioid Stewardship Fund[3]	11	41	272.7%	47	14.6%	47	0.0%	19	-59.6%
MLR/BHET Reinvestment[1]	14	38	171.4%	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]	**1,536**	**(1,364)**	**-188.8%**	**(1,091)**	**20.0%**	**(1,058)**	**3.0%**	**(849)**	**19.8%**
OPWDD Local Share	1,427	650	-54.4%	27	-95.8%	27	0.0%	27	0.0%
OPWDD Spending Funded by Global Cap	(842)	(1,063)	-26.2%	(1,118)	-5.2%	(1,085)	3.0%	(876)	19.3%
OPWDD Offset for Hospital Recoupment	951	(951)	-200.0%	0	100.0%	0	0.0%	0	0.0%
TOTAL MENTAL HYGIENE SPENDING	**5,278**	**6,457**	**22.3%**	**6,917**	**7.1%**	**7,323**	**5.9%**	**7,500**	**2.4%**

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 In response to initial delays in the Federal approval of planned FY 2022 through FY 2024 State directed payments, the State advanced State-only payments to distressed providers for immediate cash flow relief. In FY 2024, provider reimbursements to the State were delayed, resulting in additional Medicaid spending that is anticipated to be repaid in FY 2025.

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-COVID-19 pandemic utilization levels.

Funding continues to be included to support OMH community services and the transition of individuals from inpatient to community settings. Additional investments in supported housing account for annual property-related cost increases and help ensure existing housing is maintained as new units are developed. Other additional funding for OMH services includes expanding the Loan Repayment Program, supporting mental health specialists in mental health courts, additional intensive Forensic Assertive Community Treatment (FACT) teams, funding for mobile care units that provide hot showers, hygiene kits, linkage to critical care for unhoused individuals, and mental health supports for first responders.

Increased funding for OASAS addiction service programs will support not-for-profit providers for addiction prevention, treatment, harm reduction, and recovery programs. Similarly, the multi-year Financial Plan includes over $500 million in additional resources from the Opioid Stewardship Tax and litigation settlements with pharmaceutical manufacturers and distributors that will be targeted at the overdose epidemic through investments in addiction services programs.

The Financial Plan also continues 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 2025 Enacted Budget also supports a 2.84 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 Supplemental Security Income (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 2024 Actuals	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change	FY 2028 Projected	Change
TOTAL STATE OPERATING FUNDS	**2,313**	**3,830**	**65.6%**	**2,588**	**-32.4%**	**1,972**	**-23.8%**	**1,995**	**1.2%**
SSI	543	590	8.7%	590	0.0%	590	0.0%	590	0.0%
Public Assistance Benefits	665	774	16.4%	755	-2.5%	777	2.9%	800	3.0%
Public Assistance Initiatives	16	33	106.3%	12	-63.6%	29	141.7%	29	0.0%
Homeless Housing and Services	151	295	95.4%	392	32.9%	440	12.2%	440	0.0%
Rental Assistance	422	187	-55.7%	152	-18.7%	125	-17.8%	125	0.0%
Asylum Seeker Assistance	508	1,930	279.9%	676	-65.0%	0	-100.0%	0	0.0%
All Other	8	21	162.5%	11	-47.6%	11	0.0%	11	0.0%

DOB's caseload models project a total of 606,969 public assistance recipients in FY 2025. Approximately 190,791 families are expected to receive benefits through the Family Assistance program and 131,836 through the Safety Net Assistance program in FY 2025, an increase in both programs from FY 2024. The caseload for single adults and childless couples supported through the Safety Net Assistance program is projected to be 284,342 in FY 2025, an increase of 4.9 percent from FY 2024 actuals.

OTDA spending in FY 2025 reflects decreased projections for Rental Assistance as the pandemic-related Emergency Rental Assistance and Landlord Assistance programs wind down, partially offset by increases for Homeless Housing and Services that reflect the continued transition from State settlement funds to the General Fund for 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 ESSHI 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.

Office of Children and Family Services (OCFS)

OCFS provides funding for foster care, adoption, child protective services, preventive services, delinquency prevention, and child care. 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 child care subsidies for public assistance and low and middle-income families.

CHILDREN AND FAMILY SERVICES (millions of dollars)									
	FY 2024 Actuals	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change	FY 2028 Projected	Change
TOTAL STATE OPERATING FUNDS	**2,086**	**2,787**	**33.6%**	**2,918**	**4.7%**	**3,060**	**4.9%**	**3,073**	**0.4%**
Child Welfare Service	695	806	16.0%	806	0.0%	806	0.0%	806	0.0%
Foster Care Block Grant	398	400	0.5%	400	0.0%	400	0.0%	400	0.0%
Child Care	432	908	110.2%	1,096	20.7%	1,229	12.1%	1,229	0.0%
Adoption	156	161	3.2%	161	0.0%	161	0.0%	161	0.0%
Youth Programs	163	106	-35.0%	102	-3.8%	102	0.0%	102	0.0%
Medicaid	59	60	1.7%	60	0.0%	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	100.0%	29	0.0%	29	0.0%
All Other	129	292	126.4%	210	-28.1%	219	4.3%	232	5.9%

The FY 2025 Enacted Budget continues State support for child care subsidies previously funded with Federal resources and provides additional funding to child care providers who meet certain quality standards, provide services to certain populations, or are open during non-traditional work hours. In addition, the budget maintains for one year, the restructured financing approach for residential school placements of children with special needs outside New York City that was included in the FY 2024 Enacted Budget, thereby aligning the fiscal responsibility with the school district responsible for the placement.

Additional FY 2025 Enacted Budget actions include providing a 2.84 percent COLA for eligible programs, increased support for the Supervision and Treatment Services for Juveniles Program, and one-time funding for community-based organizations.

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 2025, the State plans to provide $8.8 billion in operating aid to mass transit systems, including $3.7 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 $7.9 billion (approximately 90 percent) of the State's mass transit aid.

TRANSPORTATION
(millions of dollars)

	FY 2024 Actuals	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change	FY 2028 Projected	Change
STATE OPERATING FUNDS SUPPORT	**5,237**	**5,149**	**-1.7%**	**5,334**	**3.6%**	**5,331**	**-0.1%**	**5,333**	**0.0%**
Mass Transit Operating Aid:	3,691	3,889	5.4%	4,078	4.9%	4,078	0.0%	4,078	0.0%
Metro Mass Transit Aid	3,532	3,728	5.5%	3,916	5.0%	3,916	0.0%	3,916	0.0%
Public Transit Aid	115	117	1.7%	118	0.9%	118	0.0%	118	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	155	156	0.6%	158	1.3%	159	0.6%	161	1.3%
Dedicated Mass Transit	667	647	-3.0%	644	-0.5%	644	0.0%	644	0.0%
MTA Fiscal Relief	305	0	-100.0%	0	0.0%	0	0.0%	0	0.0%
AMTAP	155	182	17.4%	181	-0.5%	181	0.0%	181	0.0%
Innovative Mobility	0	4	100.0%	4	0.0%	0	-100.0%	0	0.0%
All Other	20	27	35.0%	25	-7.4%	25	0.0%	25	0.0%

Projected operating aid to the MTA and other transit systems reflects the current receipts forecast. The projected $88 million decrease in spending is due to the nonrecurrence of $305 million in FY 2024 one-time funding to the MTA to address extraordinary financial impacts resulting from the pandemic. This decrease is partially offset in FY 2025 by a $217 million projected increase, which includes an additional $34 million for non-MTA downstate transit systems (5.6 percent growth per system over the prior year) and a $27 million increase in upstate transit aid (8.7 percent growth). Not including one-time aid, MTA assistance is projected to grow by $145 million. The Innovative Mobility and All Other categories are scheduled to increase by $11 million.

Agency Operations

Agency operations spending consists of 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; Public Employees Federation (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 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 2024 Actuals	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
State Workforce[1]	111,267	121,520	TBD	TBD	TBD
ERS Contribution Rate[2]	13.3%	15.8%	16.8%	18.5%	21.9%
PFRS Contribution Rate[2]	27.8%	31.2%	33.0%	34.3%	35.5%
Employee/Retiree Health Insurance Growth Rates[3]	8.7%	9.1%	10.9%	10.0%	10.0%
PS/Fringe as % of Receipts (All Funds Basis)	11.8%	11.3%	12.6%	13.6%	13.7%

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 2024 Actuals	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
SUBJECT TO DIRECT EXECUTIVE CONTROL	**11,347**	**12,438**	**13,971**	**14,835**	**14,934**
Corrections and Community Supervision	2,679	2,805	2,732	2,733	2,787
Office of Mental Health	1,857	1,883	1,937	2,026	2,015
Office for People with Developmental Disabilities	1,653	1,670	1,756	1,829	1,798
Department of Health	1,000	766	903	892	888
State Police	853	965	987	1,006	1,025
Information Technology Services	651	720	704	719	720
Transportation	386	363	373	384	395
Tax and Finance	330	345	348	350	350
Children and Family Services	219	306	322	337	350
Environmental Conservation	253	293	292	289	292
Office of Parks, Recreation and Historic Preservation	229	246	251	252	252
Department of Financial Services	230	218	218	218	218
Education	163	203	198	200	202
Office of Temporary and Disability Assistance	206	132	132	132	132
Labor	55	62	62	62	62
All Other	583	1,461	2,756	3,406	3,448
UNIVERSITY SYSTEMS	**7,402**	**7,654**	**7,822**	**8,028**	**8,247**
State University	7,402	7,654	7,822	8,028	8,247
INDEPENDENT AGENCIES	**421**	**454**	**460**	**466**	**474**
Law	237	262	266	268	272
Audit & Control (OSC)	184	192	194	198	202
TOTAL, EXCLUDING JUDICIARY AND LEGISLATURE	**19,170**	**20,546**	**22,253**	**23,329**	**23,655**
Judiciary	**2,151**	**2,409**	**2,409**	**2,409**	**2,409**
Legislature	**257**	**293**	**293**	**293**	**293**
Statewide Total	**21,578**	**23,248**	**24,955**	**26,031**	**26,357**
Personal Service	15,749	16,978	17,103	17,881	18,282
Non-Personal Service	5,829	6,270	7,852	8,150	8,075

Operational spending for executive agencies is affected by the timing of Federal reimbursement of State incurred COVID-19 pandemic response and recovery efforts, contractual general salary increases, inflation and new investments. Excluding general salary increases and inflation, agency spending changes include:

- **Department of Corrections and Community Supervision (DOCCS).** The FY 2025 Enacted Budget allows the State to act expeditiously to right-size and eliminate excess capacity by allowing for the closure of up to five correctional facilities with 90 days' notice. This will allow for an increase in the operational efficiency of the correctional system. Resources are also provided for costs associated with the NYSCOPBA collective bargaining agreement.

- **OMH.** The FY 2025 Enacted Budget includes funding to open another 125 State-operated inpatient psychiatric beds, including 15 for children and adolescents, 85 for adults, and 25 forensic; 75 new Transition to Home Units (THU) that will provide housing and supports to individuals with mental illness experiencing homelessness; and a new electronic health records system.

- **DOH.** The growth in projected spending from FY 2024 reflects increased funding for costs associated with the public health emergency unwind call center, modernization of health reporting systems, funding for DOH to continue hiring to their Full-Time Equivalent (FTE) target, and additional support to counties for Emergency Medical Services.

- **State Police.** Funding is increased to support the deployment of a dedicated State Police team to build cases against organized retail theft rings and create a new State Police enforcement unit dedicated to this purpose.

- **ITS.** Spending growth reflects investments in the IT workforce and cybersecurity, including the JSOC created for the coordination of local, State and Federal cybersecurity efforts, such as data collection, response efforts and information sharing.

- **OCFS.** Spending in FY 2025 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.

- **DEC.** The FY 2025 Enacted Budget includes funding for bond act staffing, the migration of the agency into the Statewide Financial System, and operating costs for the cap-and-invest and CLCPA programs.

- **Office of Parks, Recreation, and Historic Preservation.** Funding growth is largely driven by the expansion of operations related to the NYSWIMs program, increased staffing for park police academies, and other site and facility operations.

- **OTDA.** The spending decline from FY 2024 reflects the time-limited spending associated with the ERAP and LRAP, partially offset by the administration of a federally funded summer food benefit program for low-income students who had been unable to receive free school meals while schools had been closed.

- **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 service members 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 impacted by the timing of Federal reimbursement of State incurred COVID-19 pandemic response and recovery expenses incurred from FY 2021 through FY 2024, including the purchase of COVID-19 test kits for schools and local governments, personal protective equipment (PPE), durable medical equipment, costs to build out field hospital facilities, testing, and vaccination activities which are expected to be reimbursed by FEMA. The Financial Plan realized roughly $960 million in reimbursements during FY 2024 and expects to receive an additional $500 million in reimbursements for 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.** Spending growth reflects additional operating aid support at four-year campuses, partially offset by the reclassification of SUNY endowment funding from state operations to assistance and grants consistent with promulgated accounting guidance, resulting in no Financial Plan impact.

- **Judiciary.** Increases from FY 2024 include Judiciary staffing requests to fund judicial pay raises for State judges, general salary increases for non-judicial staff, twenty new judgeships, twenty-eight family court judges, five City of New York housing judges, as well as new support staff and other staffing initiatives aimed at returning to pre-COVID-19 pandemic fill levels including new court clerks and attorneys. The Judiciary also requested funding to hold four court officer academy classes; implement a paid parental leave program, provide funding for child and civil legal service providers; expand mental health court services, anti-bias and justice initiatives, and court facility cleaning and maintenance costs.

Workforce

In FY 2025, $17.0 billion of the State Operating Funds budget is dedicated to supporting 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 2025 FTEs[1] AND PERSONAL SERVICE SPENDING BY AGENCY
(millions of dollars)

	Dollars	FTEs
SUBJECT TO DIRECT EXECUTIVE CONTROL	**9,600**	**98,797**
Corrections and Community Supervision	2,344	23,119
Office for People with Developmental Disabilities	1,421	18,730
Office of Mental Health	1,468	14,520
State Police	867	6,436
Information Technology Services	350	3,707
Department of Health	350	4,502
Tax and Finance	273	3,828
Environmental Conservation	245	2,430
Children and Family Services	216	2,328
Transportation	183	2,590
Office of Parks, Recreation and Historic Preservation	200	1,862
Department of Financial Services	163	1,391
Education	117	1,476
Workers' Compensation Board	92	1,086
Office of Temporary and Disability Assistance	70	1,017
All Other	1,241	9,775
UNIVERSITY SYSTEMS	**4,820**	**46,854**
State University	4,820	46,854
INDEPENDENT AGENCIES	**2,558**	**19,107**
Law	188	1,677
Audit & Control (OSC)	154	1,659
Judiciary	1,993	15,768
Legislature[2]	223	3
Statewide Total	**16,978**	**164,758**

[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

GSC 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 GSC 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 the General Fund. Some agencies with dedicated revenue sources outside of the General Fund partially reimburse the General Fund via the agency fringe benefit assessments process.

GSC spending over the Financial Plan period is primarily driven by the increased costs of health care services, with NYSHIP projections correlating with the growth rates in the hospital, medical and pharmaceutical industries. Similarly, the pension program reflects the prepayment of $1.6 billion of the FY 2025 non-Judiciary pension estimate at the end of fiscal year 2024, rather than when it comes due on March 1, 2025, generating approximately $99 million in interest savings. The growth in the outyears reflects projected costs associated with conservative pension fund investment returns resulting in higher employer contribution rates.

Programmatically, the State has and continues to fund employee and retiree health care expenses as they become due, on a PAYGO basis. To help limit the State's exposure to these post-employment liabilities, the State made its third deposit to the RHBTF for $250 million at the close of FY 2024, bringing the aggregate trust fund balance up to nearly $1.5 billion for the payment of health benefits of retired employees and their dependents. Similarly, the Financial Plan assumes $250 million in annual deposits if fiscal conditions permit. Under current law, the State may deposit into the RHBTF, in any given fiscal year, up to 1.5 percent of the total then-current unfunded actuarial accrued OPEB liability.

The estimate for Social Security reflects general salary increases pursuant to collective bargaining agreements and current spending trends. Growth for workers' compensation reflects current utilization and an increase in the average weekly wage. Other fringe benefits and fixed costs reflect wage and property tax increases and forecasted spending trends.

GENERAL STATE CHARGES (millions of dollars)									
	FY 2024 Actuals	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change	FY 2028 Projected	Change
TOTAL STATE OPERATING FUNDS	**10,696**	**8,570**	**-19.9%**	**11,429**	**33.4%**	**12,791**	**11.9%**	**13,922**	**8.8%**
Fringe Benefits	**10,172**	**8,101**	**-20.4%**	**10,933**	**35.0%**	**12,285**	**12.4%**	**13,406**	**9.1%**
Health Insurance	4,856	5,493	13.1%	6,139	11.8%	6,872	11.9%	7,243	5.4%
Retiree Health Benefit Trust Fund	250	250	0.0%	250	0.0%	250	0.0%	250	0.0%
Pensions	3,734	734	-80.3%	2,829	285.4%	3,362	18.8%	4,025	19.7%
Social Security	1,191	1,229	3.2%	1,268	3.2%	1,308	3.2%	1,349	3.1%
Workers' Compensation	570	602	5.6%	653	8.5%	696	6.6%	740	6.3%
Employee Benefits	96	103	7.3%	111	7.8%	112	0.9%	114	1.8%
Dental Insurance	56	62	10.7%	68	9.7%	70	2.9%	72	2.9%
Unemployment Insurance	12	13	8.3%	13	0.0%	13	0.0%	13	0.0%
All Other/Non-State Escrow	(593)	(385)	35.1%	(398)	-3.4%	(398)	0.0%	(400)	-0.5%
Fixed Costs	**524**	**469**	**-10.5%**	**496**	**5.8%**	**506**	**2.0%**	**516**	**2.0%**
Public Land Taxes/PILOTS	308	318	3.2%	326	2.5%	335	2.8%	344	2.7%
Litigation	216	151	-30.1%	170	12.6%	171	0.6%	172	0.6%

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 2024 Actuals	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
TOTAL TRANSFERS TO OTHER FUNDS	**9,047**	**9,258**	**7,474**	**6,201**	**7,229**
Debt Service	239	286	299	327	333
SUNY University Operations	1,535	1,767	1,765	1,761	1,761
Capital Projects	5,798	5,116	3,789	2,492	3,657
Extraordinary Monetary Settlements:	**461**	**419**	**278**	**271**	**42**
Dedicated Infrastructure Investment Fund	351	345	216	220	40
Clean Water Grants	84	60	60	46	0
Mass Transit Capital	0	3	1	0	0
Health Care	26	11	1	5	2
Dedicated Highway and Bridge Trust Fund	798	118	124	153	441
Environmental Protection Fund	100	118	100	100	100
Other DIIF	0	300	118	0	0
All Other Capital	4,439	4,161	3,169	1,968	3,074
ALL OTHER TRANSFERS	**1,475**	**2,089**	**1,621**	**1,621**	**1,478**
Mobility Tax Trust Account	244	244	244	244	244
State University Hospital IFR Operations Account	324	302	302	302	302
NY Central Business District Trust	155	156	158	159	161
Court Facility Income Account	114	123	123	123	123
Dedicated Mass Transportation Trust Fund	66	65	65	65	65
Health Care Transformation	125	125	125	125	0
Healthcare Stability Fund	0	350	0	0	0
All Other	447	724	604	603	583

General Fund transfers to Other Funds are projected to total $9.3 billion in FY 2025, representing a net increase of $211 million from FY 2024, mainly due to lower capital transfers offset by increased State support for SUNY's operations and $350 million in one-time General Fund resources that will be transferred to the Healthcare Stability Fund to support $200 million in hospital investments, and $150 million in nursing homes, assisted living programs, and hospice.

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 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, 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, as needed, subsidizes DHBTF expenses that are not covered by revenue and bond proceeds. 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), for which debt service is subject to annual appropriation by the State Legislature. 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 2024 Actuals	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change	FY 2028 Projected	Change
General Fund	239	286	19.7%	299	4.5%	327	9.4%	333	1.8%
Other State Support	6,758	2,736	-59.5%	2,597	-5.1%	4,414	70.0%	5,327	20.7%
Total State Operating Funds	**6,997**	**3,022**	**-56.8%**	**2,896**	**-4.2%**	**4,741**	**63.7%**	**5,660**	**19.4%**

State Operating Funds debt service is projected to be $3 billion in FY 2025, of which $286 million is paid from the General Fund and $2.7 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, including expected payments to the Gateway Development Commission (GDC) relating to the Hudson Tunnel Project. 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 2025 Enacted Budget Financial Plan reflects prepayments that totaled $4.7 billion in FY 2024 and planned prepayments of $1.5 billion in FY 2025. As shown in the table below, the net impact of these prepayments and prior year prepayments increased debt service costs in FY 2024 and will decrease debt service costs in FY 2025 through FY 2029.

STATE DEBT SERVICE (millions of dollars)						
	FY 2024 Actuals	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected
Base Debt Service	**6,002**	**6,717**	**7,276**	**7,801**	**8,160**	**8,673**
Total Prepayment Adjustment	**995**	**(3,695)**	**(4,380)**	**(3,060)**	**(2,500)**	**(2,000)**
Prior Prepayments	(3,705)	(3,695)	(2,380)	(2,860)	(2,000)	0
FY 2024 Prepayment	4,700	(1,500)	(500)	(200)	(500)	(2,000)
FY 2025 Prepayment	0	1,500	(1,500)	0	0	0
Enacted Budget State Debt Service	**6,997**	**3,022**	**2,896**	**4,741**	**5,660**	**6,673**

The FY 2025 Enacted Budget authorizes liquidity financing in the form of up to $3 billion of PIT notes as a tool to manage unanticipated financial disruptions. The Financial Plan does not assume any PIT note issuances. DOB evaluates cash results regularly and may adjust the use of notes 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 $10 billion of PAYGO capital resources that were added in the past three budgets, which includes new PAYGO spending of $1 billion that was added in the FY 2025 Enacted Budget.

FEDERAL AID

The Federal government influences the economy and budget of New York State through grants, direct spending on its own programs such as Medicare and Social Security, and through Federal tax policy. The State's income tax system interacts with the Federal system. Changes to the Federal tax code have significant flow-through effects on State tax burdens and concomitantly on State tax receipts. Federal resources support vital services such as health care, education, and transportation, as well as severe weather and emergency response and recovery. Federal policymakers may place conditions on grants, mandate certain state actions, preempt state laws, change SALT bases and taxpayer behavior through tax policies, and influence industries through regulatory action. Any changes to Federal policy or funding levels could have a materially adverse impact on the Financial Plan.

Routine Federal aid supports programs for vulnerable populations and those living at or near the poverty level. Such programs include Medicaid, TANF, Elementary and Secondary Education Act (ESEA) Title I grants, and Individuals with Disabilities Education Act (IDEA) grants. Other Federal resources are directed at infrastructure and public protection.

In response to the COVID-19 PHE, the Federal government enacted several laws between March 2020 and March 2021 to provide financial assistance to state and local governments, schools, hospitals, transit systems, businesses, families and individuals for COVID-19 pandemic response and recovery. The State also received additional Federal aid in the form of enhanced Unemployment Insurance funding, which is reported under Proprietary and Fiduciary Funds and is excluded from All Governmental Funds.

Federal Funds spending continues to include a significant, though declining, amount of COVID-19 pandemic assistance. Estimates in FY 2025 include significant COVID-19 pandemic assistance funds for education and Federal reimbursement of COVID-19 pandemic related spending incurred in prior fiscal years.

Since the passage of Federal COVID-19 response laws, the Federal government has also passed significant legislation dealing with transportation infrastructure, climate and energy policy, and advanced manufacturing. The State continues to leverage these Federal investments to meet its policy goals.

FEDERAL FUNDS DISBURSEMENTS (millions of dollars)					
	FY 2024 Actuals	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
DISBURSEMENTS					
Medicaid	53,707	54,768	54,359	56,090	56,270
Health	12,737	15,313	15,402	15,961	16,671
Social Welfare	5,183	5,192	5,145	5,129	5,131
Education	4,682	4,458	4,387	4,387	4,387
Public Protection	1,285	1,326	1,337	1,303	1,301
Transportation	1,983	2,370	2,828	2,887	2,889
All Other[1]	1,756	1,644	1,643	1,667	1,735
Pandemic Assistance[2]	13,184	7,738	1,347	69	0
Child Care Funds	761	294	0	0	0
Education ARP Funds	2,467	4,185	0	0	0
FFCRA/COVID eFMAP, including local passthrough	2,061	0	0	0	0
ARP HCBS eFMAP	1,241	728	0	0	0
Education Supplemental Appropriations Act	1,573	168	0	0	0
Emergency Rental Assistance Program (ERAP)	325	0	0	0	0
Education CARES Act Funds	0	10	0	0	0
FEMA Reimbursement of Eligible Pandemic Expenses	961	500	0	0	0
FEMA Local Pass-Through Funding	3,350	1,500	1,100	0	0
Homeowner Assistance Program	52	0	0	0	0
Home Energy Assistance Program (HEAP)	43	0	0	0	0
Coronavirus Capital Projects Fund	69	69	69	69	0
State Small Business Credit Initiative	165	135	98	0	0
FHWA Surface Transportation Block Grant	115	150	80	0	0
Total Disbursements	**94,517**	**92,810**	**86,450**	**87,493**	**88,384**

1 All Other includes housing and homeless services, economic development, mental hygiene, parks, environment, higher education, and general government areas.

2 Pandemic Assistance excludes $12.7 billion in State aid provided through the American Rescue Plan Act, as this funding is reflected as a receipt to Federal Funds and transfer to the General Fund.

- **Medicaid/Health.** Funding shared by the Federal government helps support health care costs for over nine million New Yorkers, including more than two million children. Medicaid is the single largest category of Federal funding. The Federal government also provides support for several health programs administered by DOH, including the EP (discussed below).

- **Social Welfare.** Federal funding helps with several programs managed by OTDA, including TANF-funded public assistance benefits and the Flexible Fund for Family Services, Home Energy Assistance Program (HEAP), Supplemental Nutrition Assistance Program (SNAP), and Child Support. Funding from the Federal government also supports programs managed by OCFS, including Child Care, Child Welfare Services, Adult Protective & Domestic Violence Services, Foster Care, and Adoption Subsidies.

- **Education.** Federal funding supports K-12 education, special education, and Higher Education. Like Medicaid and the social services programs, significant portions of Federal education funding are directed toward vulnerable New Yorkers, such as students in schools with high poverty levels, students with disabilities, and higher education students who qualify for programs such as Pell grants and Work-Study.

- **Public Protection.** Federal funding supports various programs and operations of the State Police, DOCCS, the Office of Victim Services, DHSES, and DMNA. Federal funds are also distributed by the State to municipalities to support a variety of public safety programs.

- **Transportation.** Federal resources support infrastructure investments in highway and transit systems throughout the State, including funding participation in ongoing transportation capital plans. The Infrastructure Investment and Jobs Act increased the amount of Federal resources available to the State to fund capital costs associated with transportation projects.

- **All Other.** Other programs supported by Federal resources include housing, economic development, mental hygiene, parks and environmental conservation, and general government uses.

COVID-19 Pandemic Assistance

The Federal government enacted six major laws between March 2020 and March 2021 in response to the COVID-19 pandemic and issued Major Disaster Declarations for all states. These one-time funds to aid states in their response to and recovery from COVID-19 continue to wind down.

New York State was awarded $12.75 billion under the State and Local Fiscal Recovery Fund (SLFRF) program included in ARP, of which the State will utilize the remaining $3.65 billion program balance in FY 2025. In addition, notable funding streams that will continue to disburse funds in FY 2025 include:

- **Education Funds.** The ARP and the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) granted additional education funding for Elementary and Secondary School Emergency Relief Fund and Emergency Assistance for Nonpublic Schools (EANS) programs, as well as funding for homeless education, IDEA, library services and the arts. The State expects to expend nearly $4.4 billion in FY 2025.

- **Child Care Funds.** The CARES, CRRSA, and ARP granted additional funding to aid in stabilizing the child care sector, of which nearly $300 million in remaining funds are expected to be utilized in FY 2025.

- **ARP HCBS eFMAP.** The ARP also provided a temporary 10 percentage point increase to the FMAP for certain Medicaid HCBS through March 31, 2022. In accordance with Maintenance of Effort requirements on ARP HCBS eFMAP eligibility, the State has delayed the implementation of certain MRT II savings actions so that the State can receive an estimated $2.6 billion in eFMAP for HCBS expenditures across health and mental hygiene programs ($589 million in FY 2023, $1.3 billion in FY 2024 and $728 million in FY 2025). CMS guidelines require the use of additional funding to supplement existing State funding, not supplant existing resources, and the State has until March 31, 2025, to expend its earned eFMAP in accordance with the submitted spending plan. The State intends to claim the remaining $728 million of eFMAP in the first quarter of FY 2025.

  The State, as required by CMS, submitted an initial spending plan and narrative detailing the use of the temporary eFMAP on July 8, 2021. Following the initial submission, CMS requires states to submit quarterly spending plan updates and semi-annual spending plan narratives. To date, CMS has provided approval for all submitted spending plan proposals.

- **FEMA Reimbursement of Eligible Pandemic Expenses.** The State has applied for FEMA reimbursement for expenses incurred to date related to emergency protective measures due to the COVID-19 pandemic, including home test kits for schools. There is 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.

- **FEMA Local Pass-Through Funding.** Funding from this program is assumed to flow through the Financial Plan to reimburse local entities for their Federal share of COVID-19 claims submitted to FEMA.

- **Coronavirus Capital Projects Fund.** The ARP created the Coronavirus Capital Projects Fund to provide funding to carry out critical capital projects that directly enable work, education, and health monitoring, including remote options, in response to the COVID-19 PHE. The State has been allocated $345 million for the program and will continue to disburse these funds in concert with the additional broadband investments.

- **State Small Business Credit Initiative.** This program provides funding to empower small businesses to access capital needed to invest in job-creating opportunities.

- **Federal Highway Administration (FHWA) Surface Transportation Block Grant.** This emergency funding was provided under the CRRSA Act to address COVID-19 impacts related to Highway Infrastructure Programs and is expected to continue to disburse through FY 2026.

Essential Plan

The State is participating 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 1.4 million New Yorkers are expected to be enrolled in the EP in FY 2025, which represents an increase in enrollment from FY 2024 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[1]
(millions of dollars)

	FY 2024 Actuals	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change	FY 2028 Projected	Change
Disbursements	**9,745**	**12,271**	**25.9%**	**12,263**	**-0.1%**	**12,769**	**4.1%**	**13,416**	**5.1%**
Assistance and Grants	9,658	11,576	19.9%	12,160	5.0%	12,665	4.2%	13,309	5.1%
State Operations[2]	87	695	698.9%	103	-85.2%	104	1.0%	107	2.9%

[1] Effective April 1, 2024 , New York's fully federally funded Section 1332 Waiver mirrors the EP initial 1331 Waiver with expanded eligibility to certain residents with household incomes up to 250% of the Federal Poverty Level (FPL).

[2] FY 2024 includes $87 million in State funded disbursements. Effective FY 2025, all state operations are expected to be fully federally funded.

The FY 2023 Enacted Budget authorized the State to submit a Section 1332 State Innovation Waiver to the U.S. Department of Treasury and the U.S. DOH and Human Services. Pursuant to the recently approved March 2024 Waiver, New York State may extend coverage to more low- and moderate-income individuals, through the expanded EP. Prior to the new Waiver, both the State and Federal governments shared in the costs of the EP, under Section 1331 of the ACA. To the extent that Federal funds are sufficient to support operational costs of the program, the new Waiver is expected to be fully Federally funded. Beginning in FY 2025, most new EP spending will be paid under the new Waiver, which is valid through December 31, 2028.

Under the original EP, Federal funding was received in advance pursuant to a formula that calculated what EP enrollees would have received had they enrolled in a qualified health plan and deposited 95 percent of that value into the EP Trust Fund. These funds are earmarked exclusively for eligible expenses under Section 1331 Waiver, which are limited to reducing premiums, reducing cost sharing, and providing additional benefits for EP enrollees. Due to restrictions on eligible expenses, advances have exceeded disbursements resulting in a fund balance of $9.1 billion as of March 31, 2024. With approval of the Section 1332 Waiver, effective April 1, 2025, this accumulated balance is suspended for the life of the Waiver and will not be available to support EP costs. This balance will continue to earn interest that is payable to the Federal government. The balance of the advances will be maintained until the Federal government authorizes additional expenditures. Pursuant to the Section 1332 Waiver, Federal payments will be made as costs are incurred, resulting in no further accumulation of fund balance.

All Funds EP spending is anticipated to fluctuate over the Financial Plan period, reflecting a mix of factors. Spending growth in the outyears primarily reflects costs associated with increased enrollment and expanded eligibility to individuals with incomes between 200 and 250 percent of the Federal poverty level. This growth is also in part caused by the unwind of the PHE as a portion of individuals disenrolled from Medicaid are moving on to the EP. Due to the current Federal reimbursement methodology for the EP, assistance and grants spending for the EP is not anticipated to exceed available Federal resources and drive a commensurate increase in State support.

Federal Impact on All Funds Spending

ALL FUNDS
ENACTED BUDGET CHANGES
(in millions)

	FY 2025	FY 2026	FY 2027	FY 2028
EXECUTIVE AMENDMENT ESTIMATE	**232,752**	**241,061**	**246,241**	**251,122**
Annual $ Growth	*1,148*	*8,309*	*5,180*	*4,881*
Annual % Growth	*0.5%*	*3.6%*	*2.1%*	*2.0%*
Spending Revisions	**6,416**	**1,714**	**4,563**	**4,929**
State Operating Funds	2,774	(92)	2,029	1,897
State Capital Funds	(830)	180	356	717
Federal Funds	4,472	1,626	2,178	2,315
Essential Plan	671	33	47	63
Medicaid Actions	3,469	1,794	2,062	2,184
Federal Claims Rebasing	2,502	1,876	1,993	2,116
Discontinue Wage Parity for CDPAP	200	401	401	401
Hospital One-Time Investment	200	0	0	0
Unallocated Medicaid Savings	200	200	200	200
CDPAP & MLTC Reforms	100	200	200	200
Unallocated Long-Term Care Reduction	100	0	0	0
One Statewide FI & Recalibrate Admin Reimbursement	(200)	(504)	(504)	(504)
All Other Medicaid Actions	367	(379)	(228)	(229)
Education ARP Funds Re-estimate	455	0	0	0
State Small Business Credit Initiative Re-estimate	48	98	0	0
Drinking Water State Revolving Fund Re-estimate	0	(187)	0	0
All Other	(171)	(112)	69	68
ENACTED BUDGET ESTIMATE	**239,168**	**242,775**	**250,804**	**256,051**
Annual $ Growth	*4,301*	*3,607*	*8,029*	*5,247*
Annual % Growth	*1.9%*	*1.5%*	*3.3%*	*2.1%*

PRIOR FISCAL YEARS

The State reports its financial results on the cash basis of accounting, showing receipts and disbursements; and the GAAP basis (including modified accrual and full accrual), as prescribed by GAAP, showing revenues and expenditures. With the exception of FY 2024 financial results, the State's GAAP-basis financial results set forth in this section have been audited. Note that the FY 2024 financial results included in this AIS are preliminary and unaudited.

Cash-Basis Results for Prior Fiscal Years

General Fund FY 2022 Through FY 2024

The General Fund is the principal operating fund of the State and is used to account for all financial transactions, except those required by law to be accounted for in another fund. It is the State's largest single fund and receives most State taxes and other resources not dedicated to particular purposes. General Fund moneys in prior fiscal years were also transferred to other funds, primarily to support certain State share Medicaid payments, capital projects and debt service payments in other fund types. In some cases, the fiscal year results provided below may exclude certain timing-related transactions which have no net impact on operations.

In the cash basis of accounting, the State defines a balanced budget in the General Fund in any given fiscal year as (a) the ability to make all planned payments anticipated in the Financial Plan, including tax refunds, without the issuance of deficit bonds or notes or extraordinary cash management actions, (b) the restoration of the balances in the Rainy Day Reserves to a level equal to or greater than the level at the start of the fiscal year, and (c) maintenance of other designated balances, as required by law.

The General Fund balance has increased by $13.3 billion from FY 2022 to FY 2024, driven by extraordinary tax collections that allowed significant increases in reserves, as well as the establishment of a reserve for payment of PTET/PIT tax credits[17] in FY 2022 which totaled $14.1 billion at the end of FY 2024. In addition, over $16 billion has been added to principal reserve balances since FY 2021, including the completion of $10.6 billion of planned deposits and set asides to principal reserves at the end of FY 2023 – two years ahead of the initial plan laid out in October 2021. The balance in principal reserves is just over $20 billion, an amount equal to approximately 16 percent of actual FY 2024 State Operating Fund disbursements, which is complimented by additional reserves for debt management and future operating costs.

The following table summarizes General Fund results for the prior three fiscal years.

[17] As part of the State's continuing response to Federal tax law changes, legislation was enacted in FY 2022 to allow an optional Pass Through Entity Tax (PTET) on New York-sourced income of partnerships and S corporations. The State collects PTET and pays PIT credits in connection with the PTET program. DOB expects that the PTET will, on a multi-year basis, be revenue neutral for the State with the reserve covering the difference between the PTET collections and related PIT credits.

GENERAL FUND RECEIPTS AND DISBURSEMENTS
FY 2022 THROUGH FY 2024
(millions of dollars)

	FY 2022	FY 2023	FY 2024
OPENING FUND BALANCE	9,161	33,053	43,451
Personal Income Tax (1)	33,464	27,607	25,312
Consumption/User Taxes:			
Sales and Use Tax(2)	4,122	6,665	9,315
Cigarette and Tobacco Tax	293	265	260
Alcoholic Beverage Taxes	277	282	275
Opioid Excise Tax	29	27	22
Subtotal	4,721	7,239	9,872
Business Taxes:			
Corporation Franchise Tax	5,818	7,291	7,525
Corporation and Utilities Taxes	434	408	401
Insurance Taxes	2,214	2,381	2,521
Bank Tax	16	304	0
Pass-Through Entity Tax(1)	8,215	7,472	6,978
Subtotal	16,697	17,856	17,425
Other Taxes:			
Estate and Gift Taxes	1,386	2,185	1,856
Pari-Mutuel Tax	13	13	12
Other Taxes(1)	8	6	8
Subtotal	1,407	2,204	1,876
Miscellaneous Receipts & Federal Grants	6,825	5,960	7,128
Transfers from Other Funds:			
PIT in Excess of Revenue Bond Debt Service	26,055	20,899	21,748
PTET in Excess of Revenue Bond Debt Service	8,215	7,472	6,978
Sales Tax in Excess of Revenue Bond Debt Service	5,572	7,291	7,839
Sales Tax in Excess of LGAC Debt Service	4,121	2,198	0
Real Estate Taxes in Excess of CW/CA Debt Service	1,479	1,180	877
All Other Transfers	4,254	3,291	3,942
Subtotal	49,696	42,331	41,384
TOTAL RECEIPTS	112,810	103,197	102,997
Grants to Local Governments:			
School Aid	24,783	25,645	28,844
Medicaid - DOH	16,153	19,380	20,598
All Other Local Aid	17,448	17,827	19,677
State Operations:			
Personal Service	8,063	9,464	9,997
Non-Personal Service	3,675	3,043	2,303
General State Charges	8,983	9,115	9,651
Transfers to Other Funds:			
In Support of Debt Service	340	298	239
In Support of Capital Projects	6,818	4,649	5,798
SUNY Operations	1,385	1,491	1,535
All Other Transfers	1,270	1,887	1,475
Subtotal	9,813	8,325	9,047
TOTAL DISBURSEMENTS	88,918	92,799	100,117
Excess (Deficiency) of Receipts and Other Financing Sources over Disbursements and Other Financing Uses	23,892	10,398	2,880
CLOSING FUND BALANCE	33,053	43,451	46,331

Sources: NYS Office of the State Comptroller. Financial Plan categorical detail by NYS Division of the Budget.

(1) Excludes tax receipts that flow into the Revenue Bond Tax Fund (RBTF) in the first instance and are then transferred to the General Fund after debt service obligation is satisfied.

(2) Excludes sales tax in excess of LGAC Debt Service and Sales Tax Revenue Bond Fund.

FY 2024

The State ended FY 2024 in balance on a cash basis in the General Fund, based on preliminary unaudited results. General fund receipts, including transfers from other funds, totaled $103.0 billion. General Fund disbursements, including transfers from other funds, totaled $100.1 billion. The State ended FY 2024 with a General Fund balance of $46.3 billion, an increase of $2.9 billion from FY 2023 results. The higher balance reflects a set aside for asylum seeker assistance, an increase for the reserves for labor settlements/agency operations, and additional net resources available at year-end that were carried forward to reduce the budget gaps in subsequent years.

FY 2023

The State ended FY 2023 in balance on a cash basis in the General Fund. General fund receipts, including transfers from other funds, totaled $103.2 billion. General Fund disbursements, including transfers from other funds, totaled $92.8 billion. The State ended FY 2023 with a General Fund balance of $43.5 billion, an increase of $10.4 billion from FY 2022 results. The higher balance reflects the deposit of $10.6 billion to the State's principal reserves, partially offset by use of prior year resources as planned to fund certain commitments and operations in FY 2023.

FY 2022

The State ended FY 2022 in balance on a cash basis in the General Fund. General Fund receipts, including transfers from other funds, totaled $112.8 billion. General Fund disbursements, including transfers to other funds, totaled $88.9 billion. The State ended FY 2022 with a General Fund balance of $33.1 billion, an increase of $23.9 billion from FY 2021 results. A large share of the higher balance reflects $16.4 billion in PTET collections and $1.1 billion in eligible public safety payroll expenses moved to the CRF, partly offset by prepayments and advances totaling $9 billion. Excluding these transactions, the General Fund ended March 2022 with a balance of $24.4 billion, an increase of $15.3 billion from FY 2021 results.

All Funds FY 2022 Through FY 2024

The All Funds Financial Plan records the operations of the four governmental fund types: the General Fund, special revenue funds, capital projects funds, and debt service funds. It is the broadest measure of State governmental activity and includes spending from Federal funds and capital projects funds.

ALL GOVERNMENTAL FUNDS RECEIPTS AND DISBURSEMENTS
FY 2022 THROUGH FY 2024
(millions of dollars)

	FY 2022	FY 2023	FY 2024
OPENING BALANCE	**18,751**	**53,549**	**65,956**
ALL FUNDS RECEIPTS:	**244,375**	**233,060**	**234,478**
Total Taxes	**121,136**	**111,656**	**106,447**
Personal Income Tax	70,737	58,776	53,840
Pass Through Entity Tax	16,430	14,944	13,955
All Other Taxes	33,969	37,936	38,652
Miscellaneous Receipts	**27,932**	**31,841**	**33,755**
Federal Receipts	**95,307**	**89,563**	**94,276**
Bond & Note Proceeds	**0**	**0**	**0**
ALL FUNDS DISBURSEMENTS:	**209,339**	**220,460**	**234,867**
STATE OPERATING FUNDS	**117,404**	**123,750**	**128,473**
Assistance and Grants	**74,998**	**81,877**	**89,202**
School Aid	28,274	30,290	33,383
DOH Medicaid (incl. admin and EP)	21,972	25,467	27,804
All Other	24,752	26,120	28,015
State Operations	**29,861**	**31,392**	**32,274**
Agency Operations	**19,836**	**21,189**	**21,578**
Executive Agencies	10,773	11,547	11,347
University Systems	6,515	6,926	7,402
Elected Officials	2,548	2,716	2,829
Fringe Benefits/Fixed Costs	**10,025**	**10,203**	**10,696**
Pension Contribution	2,492	2,045	3,734
Health Insurance	5,699	6,003	5,106
Other Fringe Benefits/Fixed Costs	1,834	2,155	1,856
Debt Service	**12,545**	**10,481**	**6,997**
CAPITAL PROJECTS (State and Federal Funds)	**14,704**	**14,024**	**14,708**
FEDERAL OPERATING AID	**77,231**	**82,686**	**91,686**
NET OTHER FINANCING SOURCES	**(238)**	**(193)**	**345**
CHANGE IN OPERATIONS	**34,798**	**12,407**	**(44)**
CLOSING BALANCE	**53,549**	**65,956**	**65,912**

FY 2024

The FY 2024 All Funds closing balance totaled $65.9 billion, $44 million below FY 2023. This stable closing balance was due to a higher opening fund balance ($12.4 billion) and net growth in receipts ($1.4 billion), which supported higher disbursements ($14.4 billion). More than half of the increase in disbursements compared to FY 2023 was attributable to Federal operating aid ($9 billion).

Total tax collections in FY 2024 were $5.2 billion or 4.7 percent lower than FY 2023, mostly driven by a decrease in PIT receipts ($4.9 billion). FY 2024 PIT collections reflected lower estimated payments and final return payments, coupled with increased current and prior year refunds. Declines in PIT payments were partly offset by increased withholding and decreases in advanced credit payments attributable to the expiration of the Homeowner’s Tax Rebate Credit and the State/City offset. PTET collections also decreased ($989 million), due to lower estimated payments and higher refunds.

All other tax receipts increased by $716 million in FY 2024, primarily due to growth in consumption/use taxes ($1.3 billion). The growth reflected higher sales tax receipts and increased motor fuel tax receipts related to the expiration of the temporary fuel tax holiday in December 2022.

The decline in total FY 2024 tax collections was offset by increases in Federal operating aid and miscellaneous receipts. Federal receipts increased by $4.7 billion, reflecting the timing of spending and reimbursements from Federal aid. Miscellaneous receipts were also $1.9 billion higher than in FY 2023, primarily due to higher investment income ($2.4 billion).

The increase in disbursements in FY 2024 primarily reflects increased spending on assistance and grants ($7.3 billion) from State Operating Funds, as well as higher Federal operating spending ($9.0 billion) compared to FY 2023. Within the State Operating Funds category, the higher spending on assistance and grants was partially offset by a decrease in debt service payments ($3.5 billion) due to the timing of prepayments.

State Operating Funds spending totaled $128.5 billion in FY 2024, an increase of $4.7 billion (3.8 percent) compared to FY 2023. Within this category, assistance and grants spending was $7.3 billion higher than in the prior year. The largest changes within assistance and grants were as follows:

- School Aid ($3.1 billion higher) due primarily to the final year of the three-year phase-in of Foundation Aid.

- Medicaid ($2.3 billion higher) attributable primarily to continued claims growth ($3.4 billion), offset partially by increases in the Local Cap Contribution ($663 million) and increased pharmacy rebate offsets ($621 million).

- Mental Hygiene ($2 billion higher) due to a $1.9 billion increase in mental hygiene spending moved out of the Global Cap through the Local Share Adjustment and Mental Hygiene Stabilization Fund.

- Children and Family Services ($841 million lower) due primarily to non-recurring spending for Child Welfare Services ($1.2 billion) for settled and advanced claims.

In addition, spending on State operations from State Operating Funds increased by $882 million in FY 2024, reflecting underlying growth in salary costs. Within the executive agency operations category, pandemic-related FEMA reimbursements received in FY 2024 (roughly $960 million) more than offset cost growth. For fringe benefits, increased spending ($493 million) reflected the prepayment of future pension obligations in FY 2024 ($1.6 billion), partially offset by a smaller deposit to the Retiree Health Benefit Trust Fund compared to FY 2023.

Debt Service spending from State Operating Funds was $3.5 billion lower due to the net impact of debt service prepayments executed in FY 2024 and prior years ($3.9 billion).

Federal operating spending increased by $9 billion over the prior year due primarily to the following:

- EP ($3.5 billion higher) attributable to increased rates and higher program participation due to an expansion of program eligibility.

- Medicaid ($3.3 billion higher) primarily attributable to growth in claims.

- Children and Family Services ($1.2 billion higher) driven by increased spending on Child Care ($749 million) and Child Welfare Services ($399 million).

- Temporary & Disability Assistance ($1.1 billion lower) driven primarily by decreased spending on the Emergency Rental Assistance Program ($449 million), the Home Energy Assistance Program ($208 million), Child Care ($187 million), and Pandemic Emergency Assistance ($124 million).

- All Other Federal spending ($1.5 billion higher) increased due to Federal reimbursements of pandemic-related costs passed through to local entities ($1.2 billion).

FY 2023

The FY 2023 All Funds closing balance totaled $66.0 billion, $12.4 billion above FY 2022. The growth was attributable to a larger opening balance ($34.8 billion), offset by lower receipts ($11.3 billion) and higher disbursements ($11.1 billion) compared to the prior year.

The decline in receipts primarily reflects lower tax collections ($9.5 billion). PIT receipts decreased by $12 billion in FY 2023, largely due to the PTET program and the timing of PTET credit realization during FY 2022 and FY 2023. In FY 2022, taxpayers were statutorily prohibited from adjusting tax year 2021 current estimated PIT payments based on anticipated PTET credits. This restriction did not apply for tax year 2022, and FY 2023 PIT collections reflect the realization of a high concentration of PTET credits from both tax years 2021 and 2022. PTET collections also decreased by $1.5 billion in FY 2023, primarily because five quarters of PTET collections were reflected in FY 2022 and FY 2023 was the first year in which PTET refunds were issued.

The decline in PIT and PTET receipts in FY 2023 was offset by growth in other tax categories compared to FY 2022. Higher business tax collections ($2.4 billion) were driven by increased Corporate Franchise Tax receipts, insurance gross receipts, and audits. Consumption/use tax collections grew by $964 million mostly due to stronger-than-expected sales tax collections, partially offset by the temporary suspension of the sales and motor fuel excise taxes (on gasoline and diesel motor fuel) from June 2022 through December 2022.

Non-tax miscellaneous receipts increased by $3.9 billion in FY 2023, primarily due to the timing of reimbursements for various capital programs ($1.4 billion) and higher investment income ($1.1 billion). Federal grants decreased by $5.7 billion, largely due to the receipt of $12.75 billion in ARP aid in FY 2022.

The increase in disbursements in FY 2023 primarily reflects increased spending on assistance and grants ($6.9 billion) from State Operating Funds, as well as higher spending from Federal grants ($5.5 billion) compared to FY 2022.

State Operating Funds spending totaled $123.8 billion in FY 2023, an increase of $6.3 billion (5.4 percent) compared to FY 2022. Within this category, assistance and grants spending through March was $6.9 billion higher than in the prior year. The largest spending changes within assistance and grants were as follows:

- Medicaid ($3.5 billion higher) primarily attributable to enrollment growth in Managed Care associated with the Public Health Emergency and Federal requirement prohibiting the disenrollment of recipients ($1.8 billion); increased Fee for Service Spending related to higher utilization and prices ($689 million); and increased spending in the Vital Access Provider Assurance Program related to advancement of the Federal share of directed payment template payments for distressed hospitals ($2 billion). The higher spending is partially offset by increased COVID eFMAP collections in FY 2023 ($812 million) and Federal Family Planning credits ($108 million) that were not claimed in FY 2022.

- School Aid ($2 billion higher) due to planned General Aid payment increases ($675 million) related to the second year of the three-year phase-in of full funding of Foundation Aid, education payments supported by higher Mobile Sports Wagering receipts ($517 million), increased disbursements supported by Lottery and VLT receipts ($630 million), and higher Teacher Retirement System payments ($141 million).

- Office of Children and Family Services ($1.1 billion higher) primarily attributable to higher spending for Child Welfare Services ($1.2 billion) and Day Care ($49 million), partially offset by reduced spending on Foster Care Block Grant payments ($55 million) and Adult Protective Services ($52 million).

Executive agency operations spending from State Operating Funds increased by $1.4 billion in FY 2023, largely because eligible State costs were offset by the Federal CRF in FY 2022. Debt Service decreased by $2.1 billion in FY 2023, due to prior prepayments of FY 2023 debt service.

Federal operating aid increased by $5.5 billion over the prior year due predominantly to the following:

- Medicaid ($5.1 billion higher) primarily attributable to significantly higher claims-based spending ($3.4 billion) caused by Federal MOE restrictions on disenrollment during the Public Health Emergency and increased rates ($1.3 billion), higher Fee-for-Service expenditures resulting from increased utilization and price increases ($1.2 billion) and increased Managed Long-Term Care spending ($879 million). Additional increased year-to-year spending is attributable to higher COVID eFMAP collections ($860 million), the claiming of Federal Community First Choice Option credits ($761 million), and Family Planning credits ($108 million) that were not claimed by the State in FY 2022.

- School Aid ($2.3 billion higher) primarily due to increased spending from COVID-19 related grants ($2.1 billion).

FY 2022

The FY 2022 All Funds closing balance totaled $53.5 billion, $34.6 billion above FY 2021. The growth was attributable to a larger opening balance ($4.5 billion) and higher receipts ($53.1 billion), including $16.4 billion of PTET collections, partly offset by higher spending ($22.8 billion). Receipts growth, excluding PTET, includes growth in tax receipts ($22.3 billion) and Federal aid ($17.2 billion) inclusive of pandemic-related aid.

Tax collections increased in every category compared to FY 2021. PIT collections were $15.8 billion (28.7 percent) higher than the previous year driven by substantial growth in total estimated payments, final returns and delinquencies coupled with a decrease in current year refunds and the state/city offset. Consumption/use tax collections grew by $3.5 billion due to a recovery in sales tax collections, which were depressed in 2020 by taxpayers' behavioral responses to COVID-19 closures and stay-at-home orders. Higher business taxes collections ($18.9 billion) were driven mainly by PTET collections ($16.4 billion) and strong CFT gross receipts.

Federal grants in FY 2022 were $17.2 billion higher than FY 2021. This increase includes the net increase in extraordinary Federal aid to the State ($12.75 billion in ARP aid received in May 2021 offset by $5.1 billion in CRF aid received in April 2020), and other pandemic related aid, including education aid and emergency rental assistance, as well as growth in ordinary Federal operating aid.

Through March 2022, State Operating Funds spending totaled $117.4 billion in FY 2022, an increase of $13.2 billion (12.7 percent) from FY 2021.

Assistance and grants spending through March 2022 was $9.9 billion higher than in the prior year. The largest areas of change include the following.

- Mental Hygiene ($2.7 billion) spending reflects changes in funding reported under the Medicaid Global Cap, a delay of non-Medicaid payments in FY 2021, and the timing of COVID-19 related payments.

- Medicaid ($2.6 billion) spending growth is due to higher claims spending ($1.7 billion) associated with the Federal PHE restriction on disenrolling members during the pandemic, Managed Care/Managed Long-Term Care (MC/MLTC) Encounter Withhold payments ($518 million) that were new in FY 2022, and lower COVID eFMAP collections ($491 million) due to the claiming of 14 months in FY 2021 (for the period of January 2020 to February 2021) and 11 months claimed in FY 2022 (for the period of March 2021 to January 2022).

- Department of Labor ($2.0 billion) spending increased due to the inception of the new Excluded Workers Program in FY 2022.

- School Aid spending growth ($1.5 billion) is primarily due to an increase in General Aid payments ($1.4 billion) related to the first year of the three-year phase-in of the Foundation Aid formula and the full restoration of the $1.1 billion Pandemic Adjustment State aid reduction that was implemented in SY 2021, as well as an increase in payments related to the Teacher Retirement System ($124 million).

Executive agency operations spending growth ($1.7 billion) is driven primarily by the purchase of COVID test kits ($905 million), a reduction in the amount of eligible payroll costs being offset through the CRF, and the payment of deferred FY 2021 General Salary Increases for CSEA, DC-37, NYSCOPBA, Police Investigators Association (PIA), Police Benevolent Association (PBA), Unified Court System (UCS), Management Confidential (MC), UUP and the new PEF settlement.

Increased fringe benefits spending ($2.1 billion) includes normal costs increases for employee benefits and repayments and advances executed in FY 2022. As provided for in the CARES Act, the State took advantage of the interest free deferral of Social Security payments in FY 2021 and repaid the deferred payments in two equal installments of $278 million in November 2021 and March 2022. In addition, the State advanced monies to the health insurance escrow fund for future Health Insurance costs ($724 million).

Lower debt service spending is largely due to the repayment of the FY 2021 liquidity financing ($4.5 billion) and the net impact of debt service prepayments executed in FY 2021 and FY 2022 ($9.7 billion).

Higher Capital Projects spending (State and Federal) was due to uncertainty surrounding the COVID-19 pandemic in April and May of 2020, resulting in lower than usual spending in FY 2021. DOT ($431 million), DEC ($306 million) and DOH ($245 million) had the highest levels of year-to-year spending growth. In addition, the State made $1.5 billion more in payments to the MTA in FY 2022 than in FY 2021, including a $931 million advance made to the MTA in March of 2022 to support the MTA's 2015-2019 capital plan.

Increased Federal operating spending growth ($7.2 billion) was due predominantly to the following:

- Social Services ($3.5 billion higher) due to a resumption of regular Social Services program payments relative to FY 2021 and the allocation of nearly $1.7 billion in emergency rental assistance in FY 2022.

- Medicaid ($3.1 billion higher) due largely to higher claim spending ($3.8 billion) associated with increased enrollment and HCBS Federal financial participation payments ($702 million); partially offset by the ending of the DSRIP program in FY 2021 ($727 million) and delays in timing of credits.

- School Aid ($2.9 billion higher) due primarily to spending from K-12 COVID-19 relief grants ($1.8 billion) and Elementary and Secondary Education Act grants ($444 million) as well as increased U.S. Department of Agriculture School Lunch Act claims ($670 million).

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 expects to issue the Basic Financial Statements for FY 2024 on July 25, 2024. 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, 2024 is expected to be issued later in the current calendar year.

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

A copy of the Capital Plan can be obtained by contacting the Division of the Budget, State Capitol, Albany, NY 12224, (518) 474-8282, and it is also posted at www.budget.ny.gov.

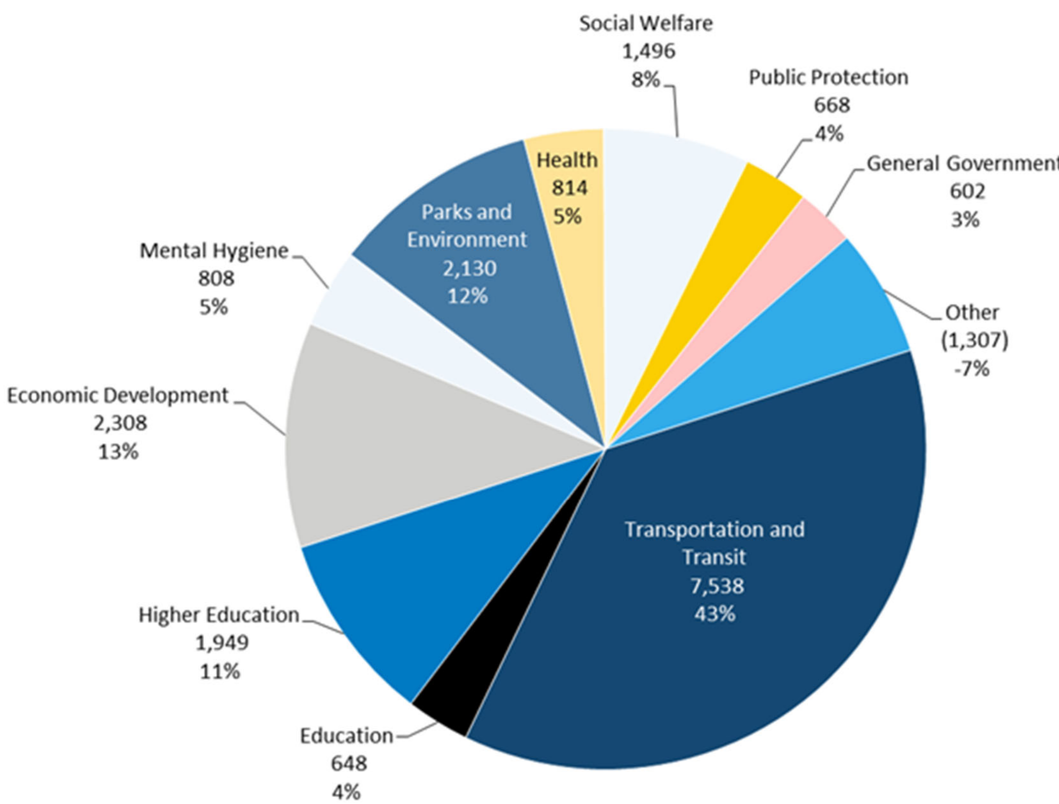
Capital Plan

The total commitment and disbursement levels in the Capital Plan reflect, among other things, projected capacity under the State's statutory debt limit, anticipated levels of Federal aid, and the timing of capital activity based on known needs and historical patterns. The following capital projects information relates to FY 2025.

FY 2025 Capital Projects Spending

Spending on capital projects is projected to total $17.7 billion in FY 2025. Overall, capital spending in FY 2025 is projected to increase by $2.9 billion or 20 percent from FY 2024.

FY 2025 Capital Spending by Function
$17,654
(millions of dollars)



In FY 2025, transportation and transit spending is projected to total $7.5 billion, which represents 43 percent of total capital spending. Economic development spending accounts for 13 percent, higher education spending accounts for 11 percent, and spending related to parks and the environment represents 12 percent. The remaining 21 percent comprises spending for health care, mental hygiene, social welfare, public protection, education, general government, and the all other category, which includes Special Infrastructure Account spending.

Overall transportation and transit spending is projected to increase by $1.4 billion (22 percent) from FY 2024 to FY 2025. The growth is attributable to projected increased spending by DOT for the continuation of major road and bridge projects as well as the continuation of the State's $3.1 billion contribution to the MTA's 2020-24 Capital Plan.

Parks and environment spending is estimated to increase by $377 million (22 percent) in FY 2025, primarily reflecting the continued phase-in of the $5.5 billion clean water drinking grants program, increased capital support for State parks, NY SWIMS, and spending from the $4.2 billion Clean Water, Clean Air, and Green Jobs Bond Act.

Economic development spending is projected to increase by $1.2 billion (108 percent) in FY 2025. This reflects new investments, such as the Empire AI Consortium, and ON-RAMP. The spending increase includes continued spending for the EmPower Plus New York Funding program, the State's offshore wind port infrastructure and supply chain, and ConnectALL broadband expansion. The plan also continues to invest in programs created to promote regional economic development, including spending from the Buffalo Billion program, the URI, the DRI and NY Forward, Lake Ontario REDI, and REDCs.

Spending for health care is projected to increase by $140 million (21 percent) in FY 2025. The increase is due to spending from Health Care Restructuring Program grant awards and spending related to five rounds of the Health Care Facility Transformation Program.

Spending for social welfare is projected to increase by $382 million (34 percent) in FY 2025, primarily reflecting ongoing spending from the prior housing plan and the phase-in of funding from the $25 billion housing plan, of which the State is providing $5.7 billion in direct capital assistance.

Education spending is projected to increase by $248 million (62 percent) in FY 2025. The increase is largely due to continued spending from the Smart Schools Bond Act, health and safety projects in nonpublic schools, and improvements at State-owned schools, including Native American schools and the schools for the blind and the deaf.

Higher education spending is projected to increase by $452 million (30 percent) in FY 2025, which is primarily related to maintaining SUNY and CUNY campus facilities in a state of good repair and making strategic investments in new facilities.

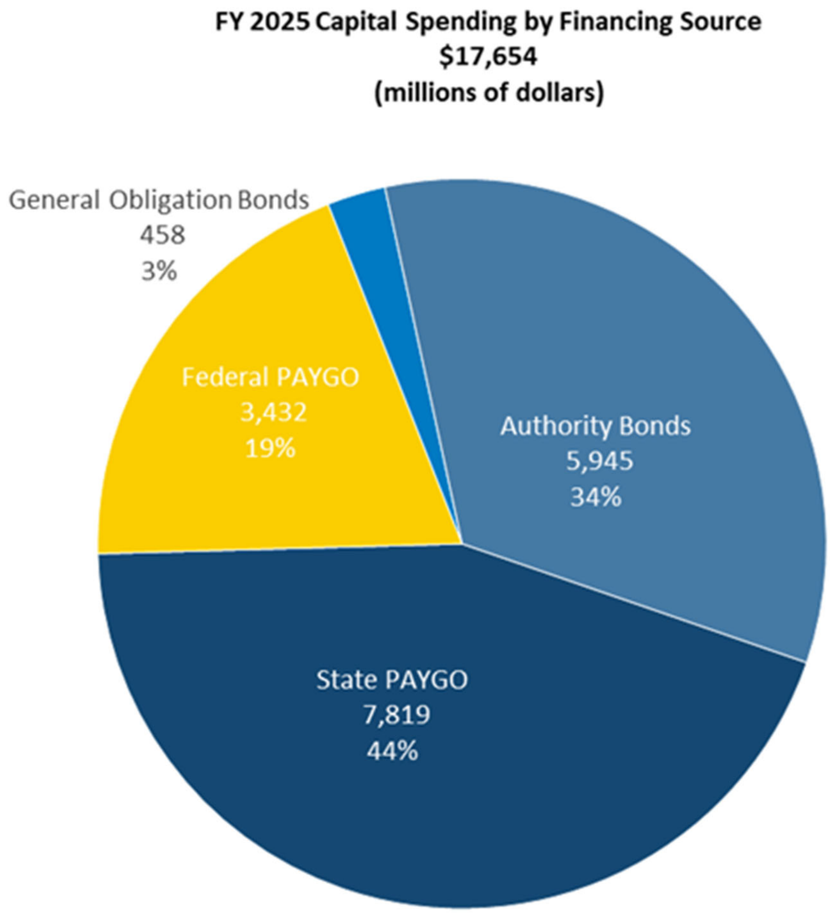
Spending for public protection is projected to increase by $8 million (1 percent) in FY 2025. Public protection capital funding supports maintaining DOCCS, DHSES, DMNA, and DSP infrastructure. In addition, FY 2025 continues spending for capital investments in communities with high gun violence and another round of the SCAHC grant program.

Mental hygiene capital spending is anticipated to increase by $195 million (32 percent) in FY 2025, reflecting continued investment in mental health facilities.

General governmental capital spending is projected to increase by $243 million (68 percent) in FY 2025, which includes the maintenance of State facilities and State information technology projects.

Spending in the All Other category is projected to decrease by $1.7 billion (456 percent). Total planned capital disbursements are reduced by $2 billion, or approximately 10 percent, in each year of the Capital Plan, consistent with spending trends for the past ten years.

Financing FY 2025 Capital Projects Spending



In FY 2025, the State plans to finance 37 percent of capital projects spending with long-term bonds and 63 percent with cash and Federal aid. Most of the long-term bonds (93 percent) will be issued on behalf of the State as personal income tax revenue bonds or sales tax revenue bonds through public authorities. All authority debt issued on behalf of the State is approved by the State legislature, acting on behalf of the people, and the issuing authority's board of directors, and in most instances, is subject to approval by the PACB. Authority Bonds, as defined in the Capital Plan, do not include debt issued by authorities that are backed by non-State resources. State cash resources (PAYGO) will finance 44 percent of capital spending. Federal aid is expected to fund 19 percent of the State's FY 2025 capital spending, primarily for transportation. Year-to-year, total PAYGO support is projected to increase from FY 2024 to FY 2025 by $2.3 billion, with State PAYGO increasing by $1.8 billion and Federal PAYGO support increasing by $498 million. Bond-financed spending is projected to increase by $597 million, with Authority Bond spending increasing by $736 million and General Obligation Bond spending decreasing by $140 million.

Financing Plan

New York State, including its public authorities, is one of the largest issuers of municipal debt in the United States, ranking second among the states, behind California, in the aggregate amount of debt outstanding. As of March 31, 2024, State-related debt outstanding totaled $54.3 billion excluding capital leases and mortgage loan commitments, equal to approximately 3.5 percent of New York personal income. The State's debt levels are typically measured by DOB using two categories: *State-supported debt* and *State-related debt*.

State-supported debt represents obligations of the State that are paid from traditional State resources (i.e., tax revenue) and have a budgetary impact. It includes General Obligation debt, to which the full faith and credit of the State has been pledged, and lease purchase and contractual obligations of public authorities and municipalities, where the State's legal obligation to make payments to those public authorities and municipalities is subject to and paid from annual appropriations made by the Legislature. These include the State PIT Revenue Bond program and the State Sales Tax Revenue Bond program. The State's debt reform caps on debt outstanding and debt service apply to State-supported debt.

State-related debt is a broader measure of State debt which includes all debt that is reported in the State's GAAP-basis financial statements, except for unamortized premiums and accumulated accretion on capital appreciation bonds. These financial statements are audited by external independent auditors and published by OSC on an annual basis. The debt reported in the GAAP-basis financial statements includes General Obligation debt, other State-supported debt as defined in the State Finance Law, and installation commitments and mortgage loan commitments. This category also includes inter-governmental loans, where no bonds are issued but the State has agreed to pay annual loan payments to another governmental entity. Inter-governmental loans include annual payments to the Gateway Development Commission (GDC) to fund the State's commitment for the Gateway Hudson Tunnel Project. In addition, State-related debt reported by DOB includes State-guaranteed debt, moral obligation financings and certain contingent-contractual obligation financings, where debt service is paid from non-State sources in the first instance, but State appropriations are available to make payments if necessary. These financings are not reported as debt in the State's GAAP-basis financial statements.

The State's debt does not encompass, and does not include, debt that is issued by, or on behalf of, local governments and secured (in whole or in part) by State local assistance aid payments. For example, certain State aid to public schools paid to school districts or New York City has been pledged by those local entities to help finance debt service for locally-sponsored and locally-determined financings. Additionally, certain of the State's public authorities issue debt supported by non-State resources (e.g., NYSTA revenue bonds, Triborough Bridge and Tunnel Authority (TBTA) revenue bonds, MTA revenue bonds and DASNY dormitory facilities revenue bonds) or issue debt on behalf of private clients (e.g., DASNY's bonds issued for not-for-profit colleges, universities, and hospitals). This debt, however, is not treated by DOB as either State-supported debt or State-related debt because it (i) is not issued by the State (nor on behalf of the State), and (ii) does not result in a State obligation to pay debt service. Instead, this debt is accounted for in the respective financial statements of the local governments or other entity responsible for the issuance of such debt and is similarly treated.

The issuance of General Obligation debt is undertaken by OSC. All other State-supported and State-related debt is issued by the State's financing authorities (known as "Authorized Issuers" in connection with the issuance of PIT and Sales Tax Revenue Bonds) acting under the direction of DOB, which coordinates the structuring of bonds, the timing of bond sales, and decides which programs are to be funded in each transaction. The Authorized Issuers for PIT Revenue Bonds are DASNY, ESD, NYSTA, the Environmental Facilities Corporation (EFC), and the New York State Housing Finance Agency (HFA) and the Authorized Issuers for Sales Tax Revenue Bonds are DASNY, ESD, and NYSTA. Prior to any issuance of new State-supported debt and State-related debt, approval is required by the State Legislature, DOB, the issuer's board, and in certain instances, PACB and the State Comptroller.

The State uses three primary bond programs, Personal Income Tax Revenue Bonds, Sales Tax Revenue Bonds, and to a lesser extent General Obligation Bonds to finance capital spending. These bonding programs, as well as older programs that are no longer being issued under but continue to have debt outstanding are described in more detail below.

OUTSTANDING STATE-SUPPORTED AND STATE-RELATED DEBT [1,2]
(millions of dollars)

	FY 2022	FY 2023	FY 2024
State-Supported Debt	**61,936**	**55,911**	**54,319**
Personal Income Tax Revenue Bonds	46,681	43,635	40,179
Sales Tax Revenue Bonds	12,444	10,101	11,483
General Obligation	1,996	1,836	2,128
Service Contract & Lease Purchase	140	48	258
Other Revenue Bonds	675	291	271
Other State Financings	**621**	**237**	**202**
MBBA Prior Year School Aid Claims	30	0	0
Installation Commitments	530	178	145
Mortgage Loan Commitments	61	59	57
TOTAL STATE-RELATED DEBT [3]	62,557	56,148	54,521

1 Source: NYS DOB. Except Mortgage Loan Commitments which are taken from the ACFR for FY 2022 and FY 2023. Mortgage Loan Commitments and Installation Commitments are estimated by DOB for FY 2024.

2 Reflects par amounts outstanding for bonds and financing arrangements or gross proceeds outstanding in the case of capital appreciation bonds. Amounts do not reflect accretion of capital appreciation bonds or premiums received.

3 Installation commitments and mortgage loan commitments are included in all figures and references to State-related debt in this AIS unless otherwise specifically noted.

State-Supported Debt Outstanding

State-supported debt includes General Obligation Bonds, State PIT Revenue Bonds, Sales Tax Revenue Bonds, and lease purchase and service contract obligations of public authorities and municipalities. Payment of all obligations, except for General Obligation Bonds, cannot be made without annual appropriation by the State Legislature, but the State's credits have different security features, as described in this section. The Debt Reform Act of 2000 limits the amount of new State-supported debt issued since April 1, 2000. Legislation included in the FY 2021 and FY 2022 Enacted Budgets authorized the exclusion of all State-supported debt issued in FY 2021 and FY 2022 from the calculation of the debt caps. See "Financial Plan Overview — Other Matters Affecting the Financial Plan — Debt Reform Act Limit" herein for more information.

Legislation included in the FY 2025 Enacted Budget authorizes short-term financing for liquidity purposes during FY 2025. In doing so, it maintained a tool to help the State manage cashflow if unanticipated financial disruptions arise. Specifically, the authorization allows for the issuance of up to $3 billion of PIT revenue anticipation notes that mature no later than March 31, 2025. Borrowed amounts cannot be extended or refinanced beyond the initial maturity. The Financial Plan does not currently assume the use of short-term financing for liquidity purposes. DOB evaluates cash results regularly and may adjust the use of notes based on liquidity needs, market considerations, and other factors.

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, 2024, approximately $40.2 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 comprise 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 2024 Actuals	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected
Projected RBTF Receipts	33,904	35,879	36,317	35,011	40,866	41,736
Projected New PIT Bonds Issuances	2,325	5,266	7,163	8,023	6,713	6,154
Projected Total PIT Bonds Outstanding	40,179	45,122	50,818	57,867	62,960	65,861
Projected Maximum Annual Debt Service	4,023	4,351	4,864	5,439	5,920	6,196
Projected PIT Coverage Ratio	8.4	8.2	7.5	6.4	6.9	6.7

[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 prior 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 by dedicated revenues consisting of two cents of the State's four cent sales and use tax. 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, 2024, $11.5 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 comprise 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 2024 Actuals	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected
Projected Sales Tax Receipts	9,309	9,535	9,765	10,024	10,268	10,521
Projected New Sales Tax Bonds Issuances	2,209	1,755	2,388	2,674	2,238	2,051
Projected Total Sales Tax Bonds Outstanding	11,483	13,221	15,440	17,889	19,562	20,790
Projected Maximum Annual Debt Service	1,085	1,195	1,366	1,557	1,717	1,794
Projected Sales Tax Coverage Ratio	8.6	8.0	7.2	6.4	6.0	5.9

General Obligation Financings

With limited exceptions for emergencies, the State Constitution prohibits the State from undertaking a long-term General Obligation borrowing (i.e., borrowing for more than one year) unless it is authorized in a specific amount for a single work or purpose by the Legislature and approved by voter referendum. There is no constitutional limitation on the amount of long-term General Obligation debt that may be so authorized and subsequently incurred by the State. The State Constitution provides that General Obligation Bonds, which can be paid without an appropriation, must be paid in equal annual principal installments or installments that result in substantially level or declining debt service payments, mature within 40 years after issuance, and begin to amortize not more than one year after the issuance of such bonds. However, general obligation housing bonds must mature within 50 years after issuance, with principal amortization commencing no more than three years after issuance.

General Obligation debt is currently authorized for transportation, environment, housing and education purposes. Transportation-related bonds are issued for State and local highway and bridge improvements, mass transportation, rail, aviation, canal, port and waterway programs and projects. Environmental bonds are issued to fund environmentally sensitive land acquisitions, air and water quality improvements, municipal non-hazardous waste landfill closures and hazardous waste site cleanup projects. Education-related bonds are issued to fund enhanced education technology in schools, with eligible projects including infrastructure improvements to bring high-speed broadband to schools and communities in their school districts and the purchase of classroom technology for use by students. Additionally, these bonds will enable long-term investments in full-day pre-kindergarten through the construction of new pre-kindergarten classroom space.

General Obligation Bonds must be approved directly by the voters at a general election. Only one General Obligation offering, limited to a single work or purpose, may be voted on in a general election. General Obligation bond-financed spending accounts for approximately 2 percent of total spending over the Capital Plan. The Capital Plan assumes the continued implementation of ten previously authorized bond acts (five for transportation, four for environmental and recreational programs, and one for education), as well as spending for the $4.2 billion Clean Water, Clean Air, and Green Jobs Bond Act that was approved by voters in November 2022.

As of March 31, 2024, approximately $2.1 billion of General Obligation Bonds were outstanding. See “Exhibit B — State-Related Bond Authorizations” for information regarding the levels of authorized, authorized but unissued, and outstanding General Obligation debt by bond act.

The State Constitution permits the State to undertake short-term General Obligation borrowings without voter approval in anticipation of the receipt of (i) taxes and revenues, by issuing general obligation tax and revenue anticipation notes (TRANs), and (ii) proceeds from the sale of duly authorized but unissued General Obligation bonds, by issuing bond anticipation notes (BANs). General Obligation TRANs must mature within one year from their date of issuance and cannot be refunded or refinanced beyond such period. However, since 1990, the State's ability to issue general obligation TRANs that mature in the same State fiscal year in which they were issued has been limited due to the enactment of fiscal reforms.

General Obligation BANs may only be issued for the purposes and within the amounts for which bonds may be issued pursuant to General Obligation authorizations, and must be paid from the proceeds of the sale of bonds in anticipation of which they were issued or from other sources within two years of the date of issuance or, in the case of BANs for housing purposes, within five years of the date of issuance. In order to provide flexibility within these maximum term limits, the State has previously used the BANs authorization to conduct a commercial paper program to fund disbursements eligible for General Obligation bond financing.

State-Supported Lease-Purchase and Other Contractual-Obligation Financings

Prior to the 2002 commencement of the State's PIT Revenue Bond program, public authorities or municipalities issued other lease purchase and contractual-obligation debt. These types of debt, where debt service is payable from moneys received from the State and is subject to annual State appropriation, are not general obligations of the State.

Debt service payable to certain public authorities from State appropriations for such lease-purchase and contractual obligation financings are paid from general resources of the State. Although these financing arrangements involve a contractual agreement by the State to make payments to a public authority, municipality or other entity, the State's obligation to make such payments is expressly made subject to appropriation by the Legislature and the actual availability of money to the State for making the payments. As of March 31, 2024, approximately $258 million of State-supported lease-purchase and other contractual obligation financings were outstanding.

Legislation first enacted in FY 2011, and extended through June 30, 2026, authorizes the State to set aside moneys in reserve for debt service on general obligation, lease-purchase, and service contract bonds. Pursuant to a certificate filed by the Director of the Budget with the State Comptroller, the Comptroller is required to transfer from the General Fund such reserved amounts on a quarterly basis in advance of required debt service payment dates. The State currently has no plans to issue lease-purchase or other contractual-obligation financings.

Dedicated Highway and Bridge Trust Fund Bonds

DHBTF bonds were issued for State transportation purposes and are backed by dedicated motor fuel, gas and other transportation-related taxes and fees, subject to appropriation. As of March 31, 2024, approximately $223 million of DHBTF bonds were outstanding. The State currently has no plans to issue additional DHBTF bonds but could in the future if market conditions warrant.

State-Related Obligations Outstanding

State-related debt is a broader measure of debt that includes State-supported debt, as discussed above, and contingent-contractual obligations, moral obligations, State-guaranteed debt, intergovernmental loans, and other debt.

Contingent-Contractual Obligation Financing

Contingent-contractual debt, included in State-related debt, is debt where the State enters into a statutorily authorized contingent-contractual obligation via a service contract to pay debt service in the event there are shortfalls in revenues from other non-State resources pledged or otherwise available to pay the debt service. As with State-supported debt, except for General Obligation bonds, all payments are subject to annual appropriation. There is no State contingent-contractual debt outstanding.

State-Guaranteed Financings

Pursuant to specific constitutional authorization, the State may also directly guarantee certain public authority obligations. Payments of debt service on State guaranteed bonds and notes are legally enforceable obligations of the State. The only current authorization provides for the State guarantee of the repayment of certain borrowings for designated projects of the New York State Job Development Authority (JDA). However, all JDA bonds guaranteed by the State have been paid off, and the State does not anticipate any future JDA indebtedness to be guaranteed by the State. The State has never been called upon to make any direct payments pursuant to any such guarantees.

Other State Financings

Other State financings relate to the issuance of debt by a public authority, including capital leases and mortgage loan commitments.

Intergovernmental Loans

Intergovernmental loans represent loans where no bonds are issued but the State has agreed to pay annual loan payments, subject to appropriation, to another governmental entity. Accordingly, intergovernmental loans are classified as State-related debt and are not subject to the State's debt cap.

Legislation authorizes the Budget Director to enter into a financing agreement with GDC to make payments to GDC in an amount sufficient to allow GDC to make payments on a New York RRIF loan, subject to annual appropriation by the State Legislature, to support the State's capital commitment to the Gateway Hudson Tunnel Project. Pursuant to the legislative authorization, the State Budget Director will enter into a contractual obligation with GDC that obligates the State to seek appropriations annually in future budgets and, if appropriated, to provide to GDC an amount each year sufficient to make all payments on the RRIF loan. Such payments are expected to be funded from the State's General Fund. The legislation also includes the authorization to set aside funds quarterly in advance of payments due to GDC for the Hudson Tunnel Project.

The State's share of the Gateway Hudson Tunnel Project is currently estimated at $1.3 billion, inclusive of financing costs, based on the January 2024 financial plan for the project. Debt outstanding projections for FY 2025 currently reflect the full $1.3 billion amount that is expected to be drawn on the RRIF loan through 2038, including capitalized interest. Following the RRIF loan closing which is currently expected in July 2024, debt outstanding for FY 2025 and subsequent years will be revised in the next update to the AIS to reflect the projected draw schedule.

Borrowing Plan

STATE DEBT ISSUANCES BY FINANCING PROGRAM (millions of dollars)						
	FY 2024 Actuals	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected
Personal Income Tax Revenue Bonds	2,325	5,266	7,163	8,023	6,713	6,154
Sales Tax Revenue Bonds	2,209	1,755	2,388	2,674	2,238	2,051
General Obligation Bonds	468	458	413	298	313	395
Service Contract Bonds	242	0	0	0	0	0
Total Issuances	5,244	7,479	9,964	10,995	9,264	8,600

Debt issuances totaling $7.5 billion are planned to finance capital project spending in FY 2025, an increase of $2.2 billion (43 percent) from FY 2024. The year-over-year growth is largely attributable to increased capital spending which is projected for FY 2025. Bond issuances in FY 2025 will finance capital commitments for economic development and housing ($1.6 billion), education ($1.3 billion), the environment ($683 million), health and mental hygiene ($813 million), State facilities and equipment ($429 million), and transportation ($2.6 billion).

Over the five-year Capital Plan, new debt issuances are projected to total $46.3 billion. This reflects the application of $10 billion of PAYGO to supplant bond issuances, including $1 billion added in the FY 2025 Enacted Budget Financial Plan. New issuances are expected for economic development and housing ($10.2 billion), education facilities ($7.8 billion), the environment ($4.2 billion), mental hygiene and health care facilities ($5.0 billion), State facilities and equipment ($2.7 billion), and transportation infrastructure ($16.4 billion).

PROJECTED DEBT OUTSTANDING BY CREDIT (millions of dollars)						
	FY 2024 Actuals	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected
Personal Income Tax Revenue Bonds	40,179	45,122	50,818	57,867	62,960	65,861
Sales Tax Revenue Bonds	11,483	13,221	15,440	17,889	19,562	20,790
General Obligation Bonds	2,128	2,399	2,613	2,692	2,790	2,983
Other Revenue Bonds	271	221	170	168	130	90
Service Contract	258	242	242	242	242	0
Gateway Development Corporation	0	1,303	1,303	1,303	1,303	1,303
TOTAL STATE-RELATED	54,319	62,508	70,586	80,161	86,987	91,027

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 $3.0 billion in FY 2025, a decrease of $4.0 billion (57 percent) from FY 2024, which is affected by the prepayment of $4.7 billion in FY 2024 of future debt service costs, additional prepayments in previous fiscal years, and an assumed prepayment of $1.5 billion planned for FY 2025. 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 2024 Actuals	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected	Total
Personal Income Tax Revenue Bonds	5,221	2,100	1,765	3,392	3,863	4,314	20,655
Sales Tax Revenue Bonds	1,471	562	800	960	1,407	1,738	6,938
General Obligation Bonds	209	260	246	250	232	204	1,401
Other State-Supported Bonds [2]	96	97	80	133	155	415	976
Gateway Development Corporation	0	3	5	6	4	2	20
Total Debt Service	6,997	3,022	2,896	4,741	5,661	6,673	29,990

[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

Adjusting debt service shown in the previous table for prepayments, State-related debt service is projected at $6.7 billion in FY 2025, an increase of 12 percent from FY 2024. Adjusted State-related debt service is projected to increase to $8.7 billion in FY 2029, an average rate of 6.6 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, 2023 (with respect to the Job Development Authority (JDA) as of March 31, 2023), each of the 15 authorities listed in the following table had outstanding debt of $100 million or more, and the aggregate outstanding debt, including refunding bonds, was approximately $213 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 15 authorities as of the date of this AIS.

OUTSTANDING DEBT OF CERTAIN AUTHORITIES[1]
AS OF DECEMBER 31, 2023[2]
(millions of dollars)

Authority	State-Related Debt	Authority and Conduit	Total
Dormitory Authority	31,024	23,973	54,997
Port Authority of NY & NJ	0	27,529	27,529
Metropolitan Transportation Authority	0	23,338	23,338
Triborough Bridge and Tunnel Authority	0	21,475	21,475
Housing Finance Agency	0	17,908	17,908
UDC/ESD	16,683	943	17,626
Job Development Authority[2]	0	16,004	16,004
Thruway Authority	4,822	5,979	10,801
Long Island Power Authority[3]	0	9,065	9,065
Environmental Facilities Corporation	0	5,455	5,455
Power Authority	0	3,080	3,080
State of New York Mortgage Agency	0	3,024	3,024
Energy Research and Development Authority	0	1,533	1,533
Battery Park City Authority	0	1,071	1,071
Bridge Authority	0	112	112
TOTAL OUTSTANDING	52,529	160,489	213,018

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 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 $3.66 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 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 31 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 Cities of Dunkirk and Newburgh operate 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 2023, a total of 6 non-calendar fiscal year end local governments (all villages) and 16 school districts have been placed in a stress category by OSC. Additionally, of the local governments with a December 31, 2022 fiscal year end, 9 — including 5 cities and 4 towns — were placed in a fiscal stress category by OSC. The vast majority of local governments (98.9 percent) and school districts (97.6 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 2023.

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
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	38,118	7,300	147,349	7,300
2023	110,958	0	30,871	6,770	141,829	6,770

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 GOVERNMENT EMPLOYMENT

As of March 31, 2024, the State had approximately 176,585 annual salaried FTE employees within agencies subject to direct Executive control (111,267 FTEs), the University Systems (61,019 FTEs) and the Independently Elected Agencies (4,299 FTEs). These figures do not include non-annual salaried employees or employees of the Legislature and Judiciary. The State workforce is projected to total 186,915 FTEs at the end of FY 2025, following investments included in the FY 2025 Enacted Budget.

HISTORICAL SUMMARY OF EXECUTIVE BRANCH WORKFORCE
ANNUAL SALARIED FTEs
ALL FUNDS

Date	Subject to Direct Executive Control	Grand Total
3/31/2014	118,492	180,041
3/31/2015	117,807	179,620
3/31/2016	117,862	180,220
3/31/2017	117,907	181,436
3/31/2018	117,397	181,599
3/31/2019	117,967	182,799
3/31/2020	118,193	183,715
3/31/2021	111,230	175,559
3/31/2022	106,690	169,340
3/31/2023	108,080	171,422
3/31/2024	111,267	176,585

WORKFORCE SUMMARY ALL FUNDS FY 2023 THROUGH FY 2025	FY 2023 Actuals (03/31/23)	FY 2024 Actuals (03/31/24)	FY 2025 Estimate (03/31/25)
Major Agencies			
Children and Family Services, Office of	2,746	2,833	2,887
Corrections and Community Supervision, Department of	23,694	22,544	25,064
Education Department, State	2,541	2,552	2,909
Environmental Conservation, Department of	2,885	3,075	3,313
Financial Services, Department of	1,265	1,290	1,391
General Services, Office of	1,679	1,706	1,853
Health, Department of	4,539	4,927	6,209
Information Technology Services, Office of	3,096	3,570	3,757
Labor, Department of	2,705	2,740	2,817
Mental Health, Office of	13,507	14,127	15,268
Motor Vehicles, Department of	2,923	3,070	3,228
Parks, Recreation and Historic Preservation, Office of	2,099	2,324	2,453
People with Developmental Disabilities, Office for	16,686	17,870	19,133
State Police, Division of	5,543	5,767	6,521
Taxation and Finance, Department of	3,450	3,469	3,828
Temporary and Disability Assistance, Office of	1,855	1,861	1,937
Transportation, Department of	8,150	8,293	8,495
Workers' Compensation Board	946	946	1,086
Subtotal - Major Agencies	**100,309**	**102,964**	**112,149**
Minor Agencies	**7,771**	**8,303**	**9,371**
Subtotal - Subject to Direct Executive Control	**108,080**	**111,267**	**121,520**
University Systems			
City University of New York	13,267	13,358	13,511
State University Construction Fund	133	130	145
State University of New York	45,623	47,531	46,854
Subtotal - University Systems	**59,023**	**61,019**	**60,510**
Independently Elected Agencies			
Audit and Control, Department of	2,528	2,446	2,915
Law, Department of	1,791	1,853	1,970
Subtotal - Independently Elected Agencies	**4,319**	**4,299**	**4,885**
Grand Total	**171,422**	**176,585**	**186,915**

Source: NYS DOB, as provided with the FY 2025 Enacted Budget Report published in June 2024.

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, 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. 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. Legislation enacted on April 20, 2024 changed the calculation and limitation of "final average salary" for Tier 6 members from the average of an employee's five consecutive highest years' salary to the average of an employee's three consecutive highest years' salary. 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.[18] 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.[19]

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

[19] The assumed investment rate of return is an influential factor in calculating employer contribution rates. 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 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

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 total State payment (including Judiciary) due to NYSLRS for FY 2024 was approximately $1.926 billion. The State opted not to amortize under the Contribution Stabilization Program (eligible to amortize in PFRS only) and paid the March 1, 2024 invoice in full.

The estimated total State payment (including Judiciary, but excluding costs attributable to enacted legislation) for FY 2025 is approximately $2.096 billion. Several prepayments (including interest credit) have fulfilled this estimated obligation, and costs attributable to enacted legislation will be finalized after December 31, 2024.

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.[20] 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. [21]

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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[20] On February 13, 2024, the State Comptroller announced that the estimated value of the Fund was $259.9 billion at the end of the third quarter of state fiscal year 2023-24. For the three-month period ending December 31, 2023, Fund investments returned an estimated 6.18%. The value of the invested assets changes daily.

[21] 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[22] 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 2025 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, 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 2025 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 2025 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 2025. 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.

[22] 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

Canadian St. Regis Band of Mohawk Indians, et al. v. State of New York, et al. , 82 CV 783 (NDNY) (consolidated with 82 CV 1114, and 89 CV 829), is 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 2,000 acres over the area known as the Hogansburg Triangle 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. In March 2022, the Court concluded that plaintiffs had established a *prima facie* case under the Non-Intercourse Act. The parties are negotiating potential settlement, putting a final decision on the merits by the Court on hold. At this time, it is unknown what future financial impact this claim may have on the State's ability to maintain a balanced Financial Plan.

School Aid

In *Maisto v. State of New York* (formerly identified as *Hussein v. State of New York*), 8997-08 (Sup. Ct. Albany Cty.), plaintiffs seek a judgment declaring that the State's system of financing public education violates section 1 of article 11 of the State Constitution, on the ground that it fails to provide a sound basic education. In 2021, after trial and appeals, the Appellate Division, Third Department, held that plaintiffs demonstrated a violation of Article 11, § 1 in each of the subject school districts with respect 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 matter remains with the Supreme Court. At this time, it is unknown what future financial impact this claim may have on the State's ability to maintain a balanced Financial Plan.

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 asserted that the low rates prevent children and indigent adults from receiving their constitutional right to effective and meaningful legal representation and they sought declaratory and injunctive relief preventing the continued violation and setting new rates. In July 2022, the Court granted the plaintiffs' requested preliminary injunction and ordered payment of an increased rate by the State and the City of New York of $158 per hour, retroactive to February 2, 2022. The preliminary injunction was silent on the funding structure for payment of the increased rates. Accordingly, the structure remained as established by statute, with the State 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. In May 2023, Governor Hochul 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, with changes retroactive to April 1, 2023. *See* Part GG, FY 2024 Budget, Article VII, Education, Labor and Family Assistance. While plaintiffs received much of the relief requested, the matter remains open and plaintiffs may seek further intervention. At this time, it is unknown what future financial impact this claim may have on the State's ability to maintain a balanced Financial Plan.

New York State Bar Association v. State of New York, 16091/2022 (Sup. Ct. N.Y. Cty.), 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. In January 2023, Plaintiffs moved for a preliminary injunction seeking a rate increase to $164 per hour, consistent with the current federal rate. In May 2023, Governor Hochul 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, with changes retroactive to April 1, 2023. *See* Part GG, FY 2024 Budget, Article VII, Education, Labor and Family Assistance. Plaintiffs subsequently withdrew the preliminary injunction motion without prejudice. While plaintiffs received much of the relief requested, the matter remains open and they may seek further intervention. At this time, it is unknown what future financial impact this claim may have on the State's ability to maintain a balanced Financial Plan.

Adult Survivors Act Claims

Under New York's Adult Survivors Act, survivors of sexual assault that occurred when they were 18 or older were given one year to sue their abusers, regardless of when the abuse occurred. The one-year "lookback" window ran from November 24, 2022, through November 23, 2023. While the window was open, more than 1600 claims were filed against the State, with many filed in the window's last weeks. Allegations include abuse from at least as early as the 1980's and seek damages, in some cases, of up to $25 million. The State is in the early stages of evaluating the individual claims. At this time, it is unknown what future financial impact these claims may have on the State's ability to maintain a balanced Financial Plan.

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 2024 and projected receipts and disbursements for fiscal years 2025 through 2028 on a General Fund, State Operating Funds and All Governmental Funds basis.[23]

[23] 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 2024 Actuals	FY 2025 Projected	Annual $ Change	Annual % Change
Opening Fund Balance	**43,451**	**46,331**	**2,880**	**6.6%**
Receipts:				
Taxes:				
Personal Income Tax	25,312	26,922	1,610	6.4%
Consumption/Use Taxes	9,872	10,091	219	2.2%
Business Taxes	17,425	18,038	613	3.5%
Other Taxes	1,876	1,397	(479)	-25.5%
Miscellaneous Receipts	4,878	4,460	(418)	-8.6%
Federal Receipts	2,250	3,645	1,395	62.0%
Transfers from Other Funds:				
PIT in Excess of Revenue Bond Debt Service	21,748	26,446	4,698	21.6%
PTET in Excess of Revenue Bond Debt Service	6,978	7,374	396	5.7%
ECEP in Excess of Revenue Bond Debt Service	0	8	8	100.0%
Sales Tax in Excess of LGAC Bond Debt Service	0	0	0	0.0%
Sales Tax in Excess of Revenue Bond Debt Service	7,839	8,973	1,134	14.5%
Real Estate Taxes in Excess of CW/CA Debt Service	877	857	(20)	-2.3%
All Other	3,942	1,745	(2,197)	-55.7%
Total Receipts	**102,997**	**109,956**	**6,959**	**6.8%**
Disbursements:				
Assistance and Grants	69,119	77,404	8,285	12.0%
State Operations:				
Personal Service	9,997	11,136	1,139	11.4%
Non-Personal Service	2,303	2,664	361	15.7%
General State Charges	9,651	7,310	(2,341)	-24.3%
Transfers to Other Funds:				
Debt Service	239	286	47	19.7%
Capital Projects	5,798	5,116	(682)	-11.8%
SUNY Operations	1,535	1,767	232	15.1%
Other Purposes	1,475	2,089	614	41.6%
Total Disbursements	**100,117**	**107,772**	**7,655**	**7.6%**
Excess (Deficiency) of Receipts Over Disbursements	**2,880**	**2,184**	**(696)**	**-24.2%**
Closing Fund Balance	**46,331**	**48,515**	**2,184**	**4.7%**
Statutory Reserves				
Community Projects	25	25	0	
Contingency Reserve	21	21	0	
Rainy Day Reserve	4,638	6,138	1,500	
Tax Stabilization Reserve	1,618	1,618	0	
Reserved For				
Debt Management	2,436	1,860	(576)	
Economic Uncertainties	13,812	13,812	0	
Extraordinary Monetary Settlements	1,110	691	(419)	
Labor Settlements/Agency Operations	1,765	3,099	1,334	
Timing of PTET/PIT Credits	14,137	15,001	864	
Undesignated Fund Balance	6,769	6,250	(519)	

Source: NYS DOB.

CASH FINANCIAL PLAN
GENERAL FUND
(millions of dollars)

	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
Receipts:				
Taxes:				
Personal Income Tax	26,922	28,536	34,161	39,419
Consumption/Use Taxes	10,091	10,315	10,567	10,805
Business Taxes	18,038	16,667	9,999	9,889
Other Taxes	1,397	1,458	1,516	1,581
Miscellaneous Receipts	4,460	3,962	2,419	2,083
Federal Receipts	3,645	0	0	0
Transfers from Other Funds:				
PIT in Excess of Revenue Bond Debt Service	26,446	28,358	32,324	37,031
PTET in Excess of Revenue Bond Debt Service	7,374	6,226	(670)	0
ECEP in Excess of Revenue Bond Debt Service	8	8	0	0
Sales Tax in Excess of LGAC Bond Debt Service	0	0	0	0
Sales Tax in Excess of Revenue Bond Debt Service	8,973	8,965	9,064	8,861
Real Estate Taxes in Excess of CW/CA Debt Service	857	942	1,041	1,161
All Other	1,745	1,863	1,487	1,547
Total Receipts	**109,956**	**107,300**	**101,908**	**112,377**
Disbursements:				
Assistance and Grants	77,404	81,800	85,806	88,845
State Operations:				
Personal Service	11,136	11,197	11,846	12,108
Non-Personal Service	2,664	3,159	3,386	3,229
General State Charges	7,310	10,152	11,490	12,598
Transfers to Other Funds:				
Debt Service	286	299	327	333
Capital Projects	5,116	3,789	2,492	3,657
SUNY Operations	1,767	1,765	1,761	1,761
Other Purposes	2,089	1,621	1,621	1,478
Total Disbursements	**107,772**	**113,782**	**118,729**	**124,009**
Use (Reservation) of Fund Balance:				
Community Projects	0	0	0	0
Contingency Reserve	0	0	0	0
Debt Management	576	860	0	0
Economic Uncertainties	0	500	0	0
Extraordinary Monetary Settlements	419	278	368	45
Labor Settlements/Agency Operations	(1,334)	0	0	0
Rainy Day Reserve	(1,500)	0	0	0
Tax Stabilization Reserve	0	0	0	0
Timing of PTET/PIT Credits	(864)	2,504	12,197	300
Undesignated Fund Balance	519	0	(3)	4,037
Total Use (Reservation) of Fund Balance	**(2,184)**	**4,142**	**12,562**	**4,382**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**0**	**(2,340)**	**(4,259)**	**(7,250)**

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
Opening Fund Balance	**46,331**	**9,642**	**104**	**56,077**
Receipts:				
Taxes	56,448	6,550	46,303	109,301
Miscellaneous Receipts	4,460	18,130	387	22,977
Federal Receipts	3,645	(16)	62	3,691
Total Receipts	**64,553**	**24,664**	**46,752**	**135,969**
Disbursements:				
Assistance and Grants	77,404	19,798	0	97,202
State Operations:				
Personal Service	11,136	5,842	0	16,978
Non-Personal Service	2,664	3,567	39	6,270
General State Charges	7,310	1,260	0	8,570
Debt Service	0	0	3,022	3,022
Capital Projects	0	0	0	0
Total Disbursements	**98,514**	**30,467**	**3,061**	**132,042**
Other Financing Sources (Uses):				
Transfers from Other Funds	45,403	3,793	2,000	51,196
Transfers to Other Funds	(9,258)	952	(45,689)	(53,995)
Bond and Note Proceeds	0	0	0	0
Net Other Financing Sources (Uses)	**36,145**	**4,745**	**(43,689)**	**(2,799)**
Excess (Deficiency) of Receipts and Other Financing Sources (Uses) Over Disbursements	**2,184**	**(1,058)**	**2**	**1,128**
Closing Fund Balance	**48,515**	**8,584**	**106**	**57,205**

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	56,976	6,620	47,054	110,650
Miscellaneous Receipts	3,962	18,912	396	23,270
Federal Receipts	0	(17)	58	41
Total Receipts	**60,938**	**25,515**	**47,508**	**133,961**
Disbursements:				
Assistance and Grants	81,800	19,009	0	100,809
State Operations:				
Personal Service	11,197	5,906	0	17,103
Non-Personal Service	3,159	4,652	41	7,852
General State Charges	10,152	1,277	0	11,429
Debt Service	0	0	2,896	2,896
Capital Projects	0	0	0	0
Total Disbursements	**106,308**	**30,844**	**2,937**	**140,089**
Other Financing Sources (Uses):				
Transfers from Other Funds	46,362	3,338	1,966	51,666
Transfers to Other Funds	(7,474)	1,128	(46,534)	(52,880)
Bond and Note Proceeds	0	0	0	0
Net Other Financing Sources (Uses)	**38,888**	**4,466**	**(44,568)**	**(1,214)**
Use (Reservation) of Fund Balance:				
Debt Management	860	0	0	860
Economic Uncertainties	500	0	0	500
Extraordinary Monetary Settlements	278	0	0	278
Timing of PTET/PIT Credits	2,504	0	0	2,504
Total Use (Reservation) of Fund Balance	**4,142**	**0**	**0**	**4,142**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(2,340)**	**(863)**	**3**	**(3,200)**

Source: NYS DOB.

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	56,243	6,800	46,109	109,152
Miscellaneous Receipts	2,419	18,200	420	21,039
Federal Receipts	0	(17)	53	36
Total Receipts	**58,662**	**24,983**	**46,582**	**130,227**
Disbursements:				
Assistance and Grants	85,806	17,973	0	103,779
State Operations:				
Personal Service	11,846	6,035	0	17,881
Non-Personal Service	3,386	4,723	41	8,150
General State Charges	11,490	1,301	0	12,791
Debt Service	0	0	4,741	4,741
Capital Projects	0	0	0	0
Total Disbursements	**112,528**	**30,032**	**4,782**	**147,342**
Other Financing Sources (Uses):				
Transfers from Other Funds	43,246	3,359	1,824	48,429
Transfers to Other Funds	(6,201)	1,134	(43,607)	(48,674)
Bond and Note Proceeds	0	0	0	0
Net Other Financing Sources (Uses)	**37,045**	**4,493**	**(41,783)**	**(245)**
Use (Reservation) of Fund Balance:				
Extraordinary Monetary Settlements	368	0	0	368
Timing of PTET/PIT Credits	12,197	0	0	12,197
Undesignated Fund Balance	(3)	0	0	(3)
Total Use (Reservation) of Fund Balance	**12,562**	**0**	**0**	**12,562**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(4,259)**	**(556)**	**17**	**(4,798)**

Source: NYS DOB.

CASH FINANCIAL PLAN
STATE OPERATING FUNDS
FY 2028
(millions of dollars)

	General Fund	State Special Revenue Funds	Debt Service Funds	State Operating Funds Total
Receipts:				
Taxes	61,694	6,630	52,325	120,649
Miscellaneous Receipts	2,083	18,418	436	20,937
Federal Receipts	0	(17)	45	28
Total Receipts	**63,777**	**25,031**	**52,806**	**141,614**
Disbursements:				
Assistance and Grants	88,845	17,868	0	106,713
State Operations:				
Personal Service	12,108	6,174	0	18,282
Non-Personal Service	3,229	4,805	41	8,075
General State Charges	12,598	1,324	0	13,922
Debt Service	0	0	5,660	5,660
Capital Projects	0	0	0	0
Total Disbursements	**116,780**	**30,171**	**5,701**	**152,652**
Other Financing Sources (Uses):				
Transfers from Other Funds	48,600	3,230	1,824	53,654
Transfers to Other Funds	(7,229)	1,389	(48,910)	(54,750)
Bond and Note Proceeds	0	0	0	0
Net Other Financing Sources (Uses)	**41,371**	**4,619**	**(47,086)**	**(1,096)**
Use (Reservation) of Fund Balance:				
Extraordinary Monetary Settlements	45	0	0	45
Timing of PTET/PIT Credits	300	0	0	300
Undesignated Fund Balance	4,037	0	0	4,037
Total Use (Reservation) of Fund Balance	**4,382**	**0**	**0**	**4,382**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(7,250)**	**(521)**	**19**	**(7,752)**

Source: NYS DOB.

CASH RECEIPTS ALL GOVERNMENTAL FUNDS FY 2025 THROUGH FY 2028 (millions of dollars)	FY 2025	FY 2026	FY 2027	FY 2028
Taxes:				
Withholdings	57,486	60,432	63,487	65,848
Estimated Payments	11,707	12,453	21,349	24,520
Final Payments	3,781	3,971	4,167	4,362
Other Payments	1,915	1,969	2,023	2,079
Gross Collections	**74,889**	**78,825**	**91,026**	**96,809**
State/City Offset	(1,432)	(1,531)	(1,669)	(1,691)
Refunds	(16,462)	(17,128)	(17,995)	(13,386)
Reported Tax Collections	**56,995**	**60,166**	**71,362**	**81,732**
STAR (Dedicated Deposits)	0	0	0	0
RBTF (Dedicated Transfers)	0	0	0	0
Personal Income Tax	**56,995**	**60,166**	**71,362**	**81,732**
Sales and Use Tax	20,371	20,864	21,418	21,940
Cigarette and Tobacco Taxes	829	793	759	728
Vapor Excise Tax	24	24	24	24
Motor Fuel Tax	484	484	480	476
Alcoholic Beverage Taxes	276	278	279	280
Opioid Excise Tax	20	20	20	20
Medical Cannabis Excise Tax	5	4	4	4
Adult Use Cannabis Tax	158	245	339	363
Highway Use Tax	140	141	142	144
Auto Rental Tax	137	137	142	145
Peer to Peer Car Sharing Tax	2	2	2	2
Gross Consumption/Use Taxes	**22,446**	**22,992**	**23,609**	**24,126**
LGAC/STBF (Dedicated Transfers)	0	0	0	0
Consumption/Use Taxes	**22,446**	**22,992**	**23,609**	**24,126**
Corporation Franchise Tax	9,295	9,201	9,407	8,375
Corporation and Utilities Tax	603	591	596	592
Insurance Taxes	2,879	2,999	3,121	3,251
Bank Tax	212	0	0	0
Pass Through Entity Tax	14,748	12,452	(1,340)	0
Petroleum Business Tax	1,055	1,017	1,010	1,000
Gross Business Taxes	**28,792**	**26,260**	**12,794**	**13,218**
RBTF (Dedicated Transfers)	0	0	0	0
Business Taxes	**28,792**	**26,260**	**12,794**	**13,218**
Estate Tax	1,375	1,437	1,503	1,568
Real Estate Transfer Tax	1,147	1,230	1,331	1,448
Employer Compensation Expense Program	15	15	0	0
Gift Tax	0	0	0	0
Real Property Gains Tax	0	0	0	0
Pari-Mutuel Taxes	12	12	12	12
Other Taxes	2	1	1	1
Gross Other Taxes	**2,551**	**2,695**	**2,847**	**3,029**
Real Estate Transfer Tax (Dedicated)	0	0	0	0
RBTF (Dedicated Transfers)	0	0	0	0
Other Taxes	**2,551**	**2,695**	**2,847**	**3,029**
Payroll Tax	**0**	**0**	**0**	**0**
Total Taxes	**110,784**	**112,113**	**110,612**	**122,105**
Licenses, Fees, Etc.	630	631	629	629
Abandoned Property	550	450	450	450
Motor Vehicle Fees	1,210	1,259	1,268	1,282
ABC License Fee	60	60	60	60
Reimbursements	66	66	66	66
Investment Income	2,550	2,100	550	200
Extraordinary Settlements	0	0	0	0
Other Transactions	26,619	30,208	30,653	29,112
Miscellaneous Receipts	**31,685**	**34,774**	**33,676**	**31,799**
Federal Receipts	**94,202**	**88,463**	**89,150**	**90,018**
Total	**236,671**	**235,350**	**233,438**	**243,922**

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
Opening Fund Balance	**46,331**	**20,794**	**(1,317)**	**104**	**65,912**
Receipts:					
Taxes	56,448	6,550	1,483	46,303	110,784
Miscellaneous Receipts	4,460	19,092	7,746	387	31,685
Federal Receipts	3,645	87,266	3,229	62	94,202
Total Receipts	**64,553**	**112,908**	**12,458**	**46,752**	**236,671**
Disbursements:					
Assistance and Grants	77,404	105,193	6,315	0	188,912
State Operations:					
Personal Service	11,136	6,554	0	0	17,690
Non-Personal Service	2,664	6,548	0	39	9,251
General State Charges	7,310	1,656	0	0	8,966
Debt Service	0	0	0	3,022	3,022
Capital Projects	0	0	11,327	0	11,327
Total Disbursements	**98,514**	**119,951**	**17,642**	**3,061**	**239,168**
Other Financing Sources (Uses):					
Transfers from Other Funds	45,403	3,793	5,519	2,000	56,715
Transfers to Other Funds	(9,258)	(1,446)	(574)	(45,689)	(56,967)
Bond and Note Proceeds	0	0	359	0	359
Net Other Financing Sources (Uses)	**36,145**	**2,347**	**5,304**	**(43,689)**	**107**
Excess (Deficiency) of Receipts and Other Financing Sources (Uses) Over Disbursements	**2,184**	**(4,696)**	**120**	**2**	**(2,390)**
Closing Fund Balance	**48,515**	**16,098**	**(1,197)**	**106**	**63,522**

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	56,976	6,620	1,463	47,054	112,113
Miscellaneous Receipts	3,962	19,225	11,191	396	34,774
Federal Receipts	0	84,720	3,685	58	88,463
Total Receipts	**60,938**	**110,565**	**16,339**	**47,508**	**235,350**
Disbursements:					
Assistance and Grants	81,800	98,806	7,850	0	188,456
State Operations:					
Personal Service	11,197	6,621	0	0	17,818
Non-Personal Service	3,159	6,414	0	41	9,614
General State Charges	10,152	1,674	0	0	11,826
Debt Service	0	0	0	2,896	2,896
Capital Projects	0	0	12,165	0	12,165
Total Disbursements	**106,308**	**113,515**	**20,015**	**2,937**	**242,775**
Other Financing Sources (Uses):					
Transfers from Other Funds	46,362	3,338	4,186	1,966	55,852
Transfers to Other Funds	(7,474)	(1,244)	(853)	(46,534)	(56,105)
Bond and Note Proceeds	0	0	377	0	377
Net Other Financing Sources (Uses)	**38,888**	**2,094**	**3,710**	**(44,568)**	**124**
Use (Reservation) of Fund Balance:					
Debt Management	860	0	0	0	860
Economic Uncertainties	500	0	0	0	500
Extraordinary Monetary Settlements	278	0	0	0	278
Timing of PTET/PIT Credits	2,504	0	0	0	2,504
Total Use (Reservation) of Fund Balance	**4,142**	**0**	**0**	**0**	**4,142**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(2,340)**	**(856)**	**34**	**3**	**(3,159)**

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	56,243	6,800	1,460	46,109	110,612
Miscellaneous Receipts	2,419	18,506	12,331	420	33,676
Federal Receipts	0	85,596	3,501	53	89,150
Total Receipts	**58,662**	**110,902**	**17,292**	**46,582**	**233,438**
Disbursements:					
Assistance and Grants	85,806	98,803	8,315	0	192,924
State Operations:					
Personal Service	11,846	6,753	0	0	18,599
Non-Personal Service	3,386	6,524	0	41	9,951
General State Charges	11,490	1,699	0	0	13,189
Debt Service	0	0	0	4,741	4,741
Capital Projects	0	0	11,400	0	11,400
Total Disbursements	**112,528**	**113,779**	**19,715**	**4,782**	**250,804**
Other Financing Sources (Uses):					
Transfers from Other Funds	43,246	3,359	2,883	1,824	51,312
Transfers to Other Funds	(6,201)	(1,032)	(720)	(43,607)	(51,560)
Bond and Note Proceeds	0	0	262	0	262
Net Other Financing Sources (Uses)	**37,045**	**2,327**	**2,425**	**(41,783)**	**14**
Use (Reservation) of Fund Balance:					
Extraordinary Monetary Settlements	368	0	0	0	368
Timing of PTET/PIT Credits	12,197	0	0	0	12,197
Undesignated Fund Balance	(3)	0	0	0	(3)
Total Use (Reservation) of Fund Balance	**12,562**	**0**	**0**	**0**	**12,562**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(4,259)**	**(550)**	**2**	**17**	**(4,790)**

Source: NYS DOB.

CASH FINANCIAL PLAN ALL GOVERNMENTAL FUNDS FY 2028 (millions of dollars)	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	All Funds Total
Receipts:					
Taxes	61,694	6,630	1,456	52,325	122,105
Miscellaneous Receipts	2,083	18,723	10,557	436	31,799
Federal Receipts	0	86,454	3,519	45	90,018
Total Receipts	**63,777**	**111,807**	**15,532**	**52,806**	**243,922**
Disbursements:					
Assistance and Grants	88,845	99,595	6,981	0	195,421
State Operations:					
Personal Service	12,108	6,894	0	0	19,002
Non-Personal Service	3,229	6,582	0	41	9,852
General State Charges	12,598	1,725	0	0	14,323
Debt Service	0	0	0	5,660	5,660
Capital Projects	0	0	11,793	0	11,793
Total Disbursements	**116,780**	**114,796**	**18,774**	**5,701**	**256,051**
Other Financing Sources (Uses):					
Transfers from Other Funds	48,600	3,230	4,049	1,824	57,703
Transfers to Other Funds	(7,229)	(756)	(1,055)	(48,910)	(57,950)
Bond and Note Proceeds	0	0	270	0	270
Net Other Financing Sources (Uses)	**41,371**	**2,474**	**3,264**	**(47,086)**	**23**
Use (Reservation) of Fund Balance:					
Extraordinary Monetary Settlements	45	0	0	0	45
Timing of PTET/PIT Credits	300	0	0	0	300
Undesignated Fund Balance	4,037	0	0	0	4,037
Total Use (Reservation) of Fund Balance	**4,382**	**0**	**0**	**0**	**4,382**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(7,250)**	**(515)**	**22**	**19**	**(7,724)**

Source: NYS DOB.

CASHFLOW
GENERAL FUND
FY 2025
(millions of dollars)

	2024 April Actuals	May Projected	June Projected	July Projected	August Projected	September Projected	October Projected	November Projected	December Projected	2025 January Projected	February Projected	March Projected	Total
OPENING BALANCE	46,331	49,055	45,080	47,526	46,078	44,900	49,200	44,450	41,473	45,518	47,366	45,238	46,331
RECEIPTS:													
Personal Income Tax	3,650	1,954	2,427	2,059	1,741	2,309	1,111	1,384	2,515	2,646	2,639	2,487	26,922
Consumption/Use Taxes	754	746	977	811	788	969	792	799	977	851	703	924	10,091
Business Taxes	1,224	49	3,213	132	116	3,535	(259)	64	4,134	410	68	5,352	18,038
Other Taxes	185	154	105	106	106	106	106	106	109	105	105	104	1,397
Total Taxes	5,813	2,903	6,722	3,108	2,751	6,919	1,750	2,353	7,735	4,012	3,515	8,867	56,448
Abandoned Property	0	0	0	0	10	100	30	130	0	30	10	240	550
ABC License Fee	5	5	5	5	5	5	5	5	5	5	5	5	60
Investment Income	238	217	210	209	210	209	209	210	209	209	210	210	2,550
Licenses, Fees, etc.	73	40	50	60	60	55	45	35	60	40	55	57	630
Motor Vehicle Fees	44	22	29	12	31	11	4	29	12	15	13	46	268
Reimbursements	75	50	(60)	40	(40)	(15)	(40)	12	30	(30)	20	24	66
Extraordinary Settlements	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Transactions	16	21	49	17	6	78	17	6	60	17	2	47	336
Total Miscellaneous Receipts	451	355	283	343	282	443	270	427	376	286	315	629	4,460
Federal Receipts	0	0	0	0	0	0	0	0	0	0	0	3,645	3,645
PIT in Excess of Revenue Bond Debt Service	3,650	1,953	2,427	1,949	1,437	2,309	1,111	1,384	2,520	4,103	1,042	2,561	26,446
PTET in Excess of Revenue Bond Debt Service	23	18	1,422	2	52	1,494	(460)	15	2,286	198	47	2,277	7,374
ECEP in Excess of Revenue Bond Debt Service	0	0	0	0	0	0	0	0	4	1	0	3	8
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	620	650	879	703	690	873	688	702	882	738	625	923	8,973
Real Estate Taxes in Excess of CW/CA Debt Service	79	82	79	72	84	86	75	67	67	49	71	46	857
All Other	153	303	271	151	138	405	123	153	267	130	157	(506)	1,745
Total Transfers from Other Funds	4,525	3,006	5,078	2,877	2,401	5,167	1,537	2,321	6,026	5,219	1,942	5,304	45,403
TOTAL RECEIPTS	10,789	6,264	12,083	6,328	5,434	12,529	3,557	5,101	14,137	9,517	5,772	18,445	109,956
DISBURSEMENTS:													
School Aid	1,806	5,008	1,903	454	791	1,974	848	1,974	2,862	1,247	1,155	10,260	30,282
Higher Education	25	30	738	124	66	190	553	30	129	142	577	870	3,474
All Other Education	27	72	297	783	141	87	82	256	363	103	66	506	2,783
Medicaid - DOH	3,585	2,674	1,800	2,739	2,168	1,564	2,593	2,315	2,095	2,699	1,771	(1,956)	24,047
Public Health	15	82	121	98	134	72	75	80	83	(152)	71	141	820
Mental Hygiene	66	157	803	166	70	838	176	115	1,066	121	543	770	4,891
Children and Families	33	141	251	249	332	331	177	166	267	49	163	625	2,784
Temporary & Disability Assistance	33	223	478	164	159	409	159	159	409	159	159	1,319	3,830
Transportation	0	57	20	7	57	1	7	50	17	7	34	0	257
Unrestricted Aid	1	15	392	3	52	119	9	3	188	3	2	66	853
All Other	118	130	(550)	81	166	(52)	167	118	(57)	475	495	2,292	3,383
Total Assistance and Grants	5,709	8,589	6,253	4,868	4,136	5,533	4,846	5,266	7,422	4,853	5,036	14,893	77,404
Personal Service	838	1,002	856	1,021	820	841	1,019	842	1,031	887	886	1,093	11,136
Non-Personal Service	167	258	249	133	162	165	139	181	262	165	334	449	2,664
Total State Operations	1,005	1,260	1,105	1,154	982	1,006	1,158	1,023	1,293	1,052	1,220	1,542	13,800
General State Charges	670	630	569	613	479	552	604	528	579	615	776	695	7,310
Debt Service	24	0	0	30	(1)	(3)	6	0	0	257	(12)	(15)	286
Capital Projects	283	(524)	718	840	859	655	1,619	839	673	815	831	(2,492)	5,116
SUNY Operations	226	265	417	246	41	70	2	322	27	11	22	118	1,767
Other Purposes	148	19	575	25	116	416	72	100	98	66	27	427	2,089
Total Transfers to Other Funds	681	(240)	1,710	1,141	1,015	1,138	1,699	1,261	798	1,149	868	(1,962)	9,258
TOTAL DISBURSEMENTS	8,065	10,239	9,637	7,776	6,612	8,229	8,307	8,078	10,092	7,669	7,900	15,168	107,772
Excess/(Deficiency) of Receipts over Disbursements	2,724	(3,975)	2,446	(1,448)	(1,178)	4,300	(4,750)	(2,977)	4,045	1,848	(2,128)	3,277	2,184
CLOSING BALANCE	49,055	45,080	47,526	46,078	44,900	49,200	44,450	41,473	45,518	47,366	45,238	48,515	48,515

Source: NYS DOB.

EXHIBIT A TO AIS – SELECTED STATE GOVERNMENT SUMMARY

State Government Organization

The State has a centralized administrative system with most executive powers vested in the Governor. The State has four officials elected in statewide elections, the Governor, Lieutenant Governor, Comptroller and Attorney General. These officials serve four-year terms that next expire on December 31, 2026.

Name	Office	Party Affiliation	First Elected
Kathy Hochul	Governor	Democrat	2022
Antonio Delgado	Lieutenant Governor	Democrat	2022
Thomas P. DiNapoli	Comptroller	Democrat	2007
Letitia James	Attorney General	Democrat	2018

The Governor and Lieutenant Governor are elected jointly. The Comptroller and Attorney General are chosen separately by the voters during the election of the Governor. The Governor appoints the heads of most State departments, including the Director of the Budget. DOB is responsible for preparing the Governor's Executive Budget, negotiating that budget with the State Legislature, and implementing the budget once it is adopted, which includes updating the State's fiscal projections quarterly. DOB is also responsible for coordinating the State's capital program and debt financing activities. The Comptroller is responsible for auditing the disbursements, receipts and accounts of the State, as well as for auditing State departments, agencies, public authorities and municipalities. The Comptroller is also charged with managing the State's General Obligation debt and most of its investments (see "Appropriations and Fiscal Controls" and "Investment of State Moneys" below). The Attorney General is the legal advisor to State departments, represents the State and certain public authorities in legal proceedings and opines upon the validity of all State General Obligation bonds and notes.

The State Legislature is presently composed of a 63-member Senate and a 150-member Assembly, all elected from geographical districts for two-year terms, expiring December 31, 2024. The Legislature meets annually, generally for about six months, and remains formally in session the entire year.

Appropriations and Fiscal Controls

The State Constitution requires the Comptroller to audit the accrual and collection of State revenues and receipts and to audit vouchers before payment as well as all official accounts. Generally, no State payment may be made unless the Comptroller has audited it. Additionally, the State Constitution requires the Comptroller to prescribe such methods of accounting as are necessary for the performance of the foregoing duties.

Disbursements from State and Federal funds are limited to the level of authorized appropriations. In most cases, State agency contracts depend upon the existence of an appropriation and the availability of that appropriation as certified by the Director of the Budget. Generally, most State contracts for disbursements in excess of $50,000 require prior approval by the Comptroller. The threshold is higher for certain contracts, including SUNY and CUNY ($75,000), State University Healthcare Facilities ($150,000), the OGS Business Services Center ($85,000), OGS centralized contracts ($125,000) and purchases from an OGS centralized contract ($200,000). In addition, the Comptroller has the discretion to identify and review certain public authority contracts valued at $1.0 million or greater that are either awarded without competition or which are paid using State-appropriated funds.

The Governor has traditionally exercised substantial authority in administering the State Financial Plan by limiting certain disbursements after the Legislature has enacted appropriation bills and revenue measures. The Governor may, primarily through DOB, limit certain spending by State departments, and delay construction projects to control disbursements through (i) reserves on the level of appropriation segregation and (ii) quarterly spending controls, both of which are established within the Statewide Financial System. The State Court of Appeals has held that, even in an effort to maintain a balanced Financial Plan, neither the Governor nor the Director of the Budget has the authority to refuse to make a local assistance disbursement mandated by law.

Investment of State Moneys

The Comptroller is responsible for the investment of substantially all State moneys. By law, such moneys may be invested only in obligations issued or guaranteed by the Federal government or the State, obligations of certain Federal agencies that are not guaranteed by the Federal government, certain general obligations of other states, direct obligations of the State's municipalities and obligations of certain public authorities, certain short-term corporate obligations, certain bankers' acceptances, and certificates of deposit secured by legally qualified governmental securities. All securities in which the State invests moneys held by funds administered within the State Treasury must mature within twelve years of the date they are purchased.

The Comptroller invests General Fund moneys, bond proceeds, and other funds not immediately required to make payments through STIP, which is comprised of joint custody funds (Governmental Funds, Internal Service Funds, Enterprise Funds and Private Purpose Trust Funds), as well as several sole custody funds including the Tobacco Settlement Fund.

The Comptroller is authorized to make temporary loans from STIP to cover temporary cash shortfalls in certain funds and accounts resulting from the timing of receipts and disbursements. The Legislature authorizes the funds and accounts that may receive loans each year, based on legislation submitted with the Executive Budget. Loans may be granted only for amounts that the Director of the Budget certifies are "receivable on account" or can be repaid from the current operating receipts of the fund (i.e., loans cannot be granted in expectation of future revenue enhancements). The General Fund is authorized to receive temporary loans from STIP for a period not to exceed four months or the end of the fiscal year, whichever is shorter.

The State Comptroller repays loans from the first cash receipts into the borrowing fund or account. The total outstanding balance of loans from STIP at March 31, 2024 was $5.663 billion, a decrease of $48 million from the outstanding loan balance of $5.711 billion at March 31, 2023.

Accounting Practices, Financial Reporting and Budgeting

Historically, the State has accounted for, reported and budgeted its operations on a cash basis. Under this form of accounting, receipts are recorded at the time money or checks are deposited in the State Treasury, and disbursements are recorded at the time a check or electronic payment is released. As a result, actions and circumstances, including discretionary decisions by certain governmental officials, can affect the timing of payments and deposits and therefore can significantly affect the cash amounts reported in a fiscal year.

The State also has an accounting and financial reporting system based on GAAP and currently formulates a GAAP financial plan. GAAP for governmental entities requires use of the accrual basis of accounting for the government-wide financial statements which includes governmental and business-type activities and component units. Revenues are recorded when they are estimated to have been earned and expenses are recorded when a liability is estimated to have been incurred, regardless of the timing of related cash flows. Governmental fund financial statements are prepared using the modified accrual basis of accounting. Under modified accrual procedures, revenues are recorded when they become both measurable and available within 12 months of the end of the current fiscal period to finance expenditures; expenditures are recorded in the accounting period for which the liability is incurred to the extent it is expected to be paid within the next 12 months with the exception of expenditures such as debt service, compensated absences, and claims and judgments. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Non-exchange grants and subsidies such as local assistance grants and public benefit corporation subsidies are recognized as expenditures when all requirements of the grant and or subsidy have been satisfied.

EXHIBIT B TO AIS – STATE-RELATED BOND AUTHORIZATIONS

EXHIBIT B – STATE-RELATED BOND AUTHORIZATIONS

Bond authorizations reflected in the following tables represent authorizations where there are remaining amounts authorized, but unissued, or where there is debt outstanding.

STATE-RELATED DEBT
FY 2025 BOND CAPS AND DEBT OUTSTANDING
(millions of dollars) [1]

Type of Cap (Gross or Net)*	Program [2]	FY 2025 Bond Caps	Authorized But Unissued [3]	Debt Outstanding [4] As of 3/31/24
Education:				
Gross	SUNY Educational Facilities [5]	18,988	4,240	8,385
Net	SUNY Upstate Community Colleges [6]	1,365	328	645
Gross	CUNY Educational Facilities [7]	11,763	3,135	4,292
Net	School District Capital Outlay Grants	140	40	0
Net	Transportation Transition Grants	80	12	0
Net	Higher Education Capital Matching Grants	425	212	59
Net	EXCEL	2,600	15	766
Net	Library Facilities	411	163	72
Net	Cultural Education Storage Facilities	79	69	0
Net	State Longitudinal Data System	20	10	0
Net	SUNY 2020 Challenge Grants	660	446	123
Net	Private Special Education	397	369	22
Environment:				
Net	Environmental Infrastructure Projects [8]	10,867	6,917	2,481
Net	Hazardous Waste Remediation	2,200	797	627
Net	Riverbank State Park	78	18	0
Net	Water Pollution Control (SRF)	1,170	283	0
State Facilities:				
Net	Empire State Plaza	133	13	0
Net	Division of State Police Facilities	538	363	98
Net	Division of Military & Naval Affairs	297	167	106
Net	State Office Buildings and Other Facilities	1,855	923	619
Net	Judiciary Improvements	38	1	1
Net	OSC State Buildings	52	0	9
Net	OGS State Buildings and Other Facilities [9]	165	51	21
Net	Equipment Acquisition (COPs) [10]	784	106	0
Net	Food Laboratory	41	1	15
Net	OFT Facilities	21	18	0
Net	Courthouse Improvements	76	0	19
Gross	Prison Facilities	10,299	1,814	3,288
Net	Homeland Security	523	231	111
Gross	Youth Facilities	1,067	521	163
Net	Storm Recovery Capital	450	450	0
Net	Information Technology	1,743	1,026	336
Net	Nonprofit Infrastructure Capital Investment Program	170	81	61
Net	Statewide Equipment	593	562	20
Health/Mental Hygiene:				
Net	Department of Health Facilities (inc. Axelrod)	495	3	48
Gross	Mental Health Facilities	12,922	4,211	2,920
Net	HEAL NY Capital Program	750	95	91
Net	Capital Restructuring Program	5,153	3,475	1,378
Transportation:				
Gross	Consolidated Highway Improvement Program (CHIPS)	14,845	3,834	3,317
Net	Dedicated Highway & Bridge Trust	21,458	4,755	3,472
Net	High Speed Rail	22	14	4
Net	Transportation Initiatives	15,241	9,669	4,534
Net	MTA Transportation Facilities	12,516	4,840	6,342
N/A	MTA Service Contract	2,005	0	515
Net	Transportation (TIFIA)	750	750	0

EXHIBIT B – STATE-RELATED BOND AUTHORIZATIONS

STATE-RELATED DEBT
FY 2025 BOND CAPS AND DEBT OUTSTANDING
(millions of dollars) [1]

	Type of Cap (Gross or Net)*	Program	FY 2025 Bond Caps	Authorized But Unissued [2]	Debt Outstanding [3] As of 3/31/24
Economic Development:					
	Gross	Housing Capital Programs	14,526	9,765	1,372
	Net	Community Enhancement Facilities (CEFAP)	424	36	7
	Net	University Technology Centers (incl. HEAT) [11]	248	13	0
	Net	Bio-Tech Facilities	10	10	0
	Net	Strategic Investment Program	216	12	5
	Net	Regional Economic Development (Fund 002) [12]	1,190	32	24
	Net	NYS Economic Development (2004) [13]	346	0	8
	Net	Regional Economic Development (2004) [14]	243	197	7
	Net	High Technology and Development	249	47	24
	Net	Regional Economic Development/SPUR	90	11	5
	Net	Buffalo Inner Harbor	50	0	2
	Net	Economic Development 2006 (Various) [15]	2,310	247	577
	Net	Javits Convention Center	1,350	350	813
	Net	Bronx Stadium (Yankees)	75	0	12
	Net	NYS Ec Dev Stadium Parking ('06)	75	69	1
	Net	State Modernization Projects (RIOC Tram, etc.)	50	15	0
	Net	2008 and 2009 Economic Development Initiatives	1,269	66	130
	Net	H.H. Richardson Complex/Darwin Martin House	84	0	16
	Net	Economic Development Initiatives	20,878	15,018	2,756
	Net	State and Municipal Facilities	3,184	1,955	700
	Net	Empire Station Complex	1,300	1,300	0
GO:					
	Gross	General Obligation	23,635	5,935	2,128
Other State-Supported:					
	N/A	Secured Hospitals [16]	N/A	N/A	0
	N/A	STARC [16]	N/A	N/A	722
	N/A	NYPA [17]	N/A	N/A	49
Total State-Supported Debt			**228,046**	**90,107**	**54,319**
Other State Financings:					
Installation Commitments and Mortgage Loan Commitments [18]					202
Total State-Related Debt [19]					**54,521**

Totals may not add due to rounding.

** Gross caps include cost of issuance fees. Net caps do not.*

Source: NYS DOB

(1) Includes only authorized programs that are active at March 31, 2022 or have outstanding program balances or both.

(2) Excludes programs that have repaid all oustanding debt and have program balances of $2 million or less, and SUNY Dormitory Facilities that are no longer financed with State-supported bonds

(3) Amounts issued may exceed the stated amount authorized by premiums, by providing for the cost of issuance, reserve fund requirements and, in certain circumstances, refunding bonds. In some cases, Authorized but Unissued bond cap amounts have been reduced by the higher of (i) net bond proceeds available to fund program, or (ii) par amount of bonds issued.

(4) Reflects par amounts outstanding for bonds and financing arrangements or gross proceeds outstanding in the case of capital appreciation bonds. Amounts do not reflect accretion of capital appreciation bonds or premiums received.

(5) Authorization also includes any amount necessary to refund outstanding Housing Finance Agency State University Construction Bonds, all of which have been refunded.

(6) Authorization applies to bonds issued after March 31, 2002, prior to that date there was no limit.

(7) The amount outstanding includes CUNY Community Colleges bonds for which the State pays debt service. The total amount authorized for CUNY Senior Colleges was unlimited for resolutions adopted prior to 7/1/85 and limited to $8.315 billion for both CUNY Senior and CUNY Community Colleges for resolutions adopted after 7/1/85.

(8) Includes bonds issued for West Valley, DEC Environmental Infrastructure Projects, Environmental Protection Fund, Onondaga Lake, and the Office of Parks and Recreation and Historic Preservation.

(9) Includes debt outstanding for OGS Buildings: 44 Holland Ave., 50 Wolf Rd., 625 Broadway Ave., Hampton Plaza, and DOT Region 1.

(10) Authorized amounts includes Certificates of Participation, which have been issued as bonds after March 31, 2003.

(11) Includes authorizations for Science and Technology Center (Syracuse), Super Computer Center (Cornell), Center for Telecommunications (Columbia), HEAT, Center for Industrial Innovation (City of Troy), Center for Advanced materials (Clarkson), Center for Electro-Optic (Rochester), Center for Neural Sciences (NYU) and Center for Incubator Facilities.

(12) Includes bonds issued for Community Capital Assistance Program (CCAP), Rebuilding the Empire State Through Opportunities in Regional Economies Program (RESTORE), Empire Opportunity Fund (EOF), Generating Employment Through New York Science Program (Gen*NY*sis), Multi-Modal Transportation Program, and Center of Excellence Program (Laws of 2002).

(13) Includes bonds to be issued for economic development projects outside cities of 1 million or more in population.

(14) Includes bonds issued for the EOF, RESTORE and CCAP.

(15) Includes bonds to be issued for economic development and environmental projects.

(16) Legislation included as part of the FY 2022 Enacted Budget authorized the refunding of all outstanding NYC STARC debt and DASNY Secured Hospital debt in FY 2022.

(17) Legislation included as part of the FY 2023 Enacted Budget and amended in the FY 2024 Enacted Budget authorized $475 million of debt to be issued for the refunding of NYPA capital leases with State agencies.

(18) Estimated.

(19) Installation commitments and mortgage loan commitments are included in all figures and references to State-related debt in this AIS unless otherwise specifically noted.

STATE GENERAL OBLIGATION DEBT [1]
as of March 31, 2024
(In Millions)

Purpose / Year Authorized	Total Authorized	Authorized but Unissued [2]	Total Debt Outstanding [3]
Transportation Bonds:			
Rebuild and Renew New York Transportation Bonds (2005)			
Highway Facilities/Other Transportation (Excluding MTA)			
Highway Facilities	Note 4	Note 4	$ 411
Mass Transit - DOT	Note 4	Note 4	9
Rail & Port	Note 4	Note 4	73
Canals & Waterways	Note 4	Note 4	3
Aviation	Note 4	Note 4	36
Subtotal Highway Facilities/Other Transportation (Excluding MTA	$ 1,450	$ 42	532
Mass Transit - Metropolitan Transportation Authority	1,450	114	870
Accelerated Capacity and Transportation Improvements of the Nineties (1988)	3,000	20	6
Rebuild New York Through Transportation Infrastructure Renewal (1983)			
Highway Related Projects [5]	1,064	21	Note 6
Ports, Canals, and Waterways [5]	49	-	-
Rapid Transit, Rail and Aviation Projects [5]	137	-	Note 7
Energy Conservation Through Improved Transportation (1979)			
Local Streets and Highways	100	-	-
Rapid Transit and Rail Freight	400	-	Note 8
Transportation Capital Facilities (1967)			
Highways	1,250	-	-
Mass Transportation	1,000	-	-
Aviation	250	-	Note 9
Total Transportation Bonds	**10,150**	**197**	**1,408**
Environmental Bonds:			
Clean Water/Clean Air (1996)			
Air Quality	230	28	1
Safe Drinking Water	355	-	-
Clean Water	790	50	210
Solid Waste	175	-	6
Environmental Restoration	200	21	27
Clean Water, Clean Air and Green Jobs Environmental Bonds (2022			
Flood Restoration and Risk Reduction	Note 10	Note 10	-
Open Space Land Conservation and Recreation	Note 10	Note 10	-
Climate Change Mitigation	Note 10	Note 10	-
Water Quality Improvement and Resilient Infrastructure	Note 10	Note 10	-
NY Natural Resources	Note 10	Note 10	-
Subtotal Clean Water, Clean Air and Green Jobs Environmental Bo	4,200	4,200	-
Environmental Quality (1986)			
Land and Forests	250	1	1
Solid Waste Management	1,200	32	40
Environmental Quality (1972)			
Air	150	12	-
Land and Wetlands	350	3	2
Water	650	1	4
Outdoor Recreation Development (1966)	200	Note 11	-
Pure Waters (1965)	1,000	16	14
Park and Recreation Land Acquisition (1960 and 1962)	100	1	-
Total Environmental Bonds	**9,850**	**4,365**	**305**
Education Bonds:			
Smart Schools (2014)	2,000	1,374	415
Total Education	**2,000**	**1,374**	**415**
Housing Bonds:			
Low-Income Housing (through 1958)	960	8	-
Middle-Income Housing (through 1958)	150	1	-
Urban Renewal (1958)	25	1	-
Total Housing Bonds	**1,135**	**10**	**-**
TOTAL GENERAL OBLIGATION DEBT	**$ 23,135**	**$ 5,946**	**$ 2,128**

Source: Office of the State Comptroller

(1) This table reflects General Obligation (GO) Bond Acts where there is a remaining authorized but unissued amount and/or a remaining debt outstanding balance.
(2) With the issuance of the Series 2023ABCD bonds, certain eligible GO capital expenditures were reimbursed with approximately $226 million in pay-as-you-go (PAYGO) funds, in lieu of the issuance of taxable GO bonds. This includes $7.4 million of Rebuild and Renew New York Transportation Bonds (2005) - Highway Facilities/Other Transportation (Excluding MTA) purposes, $213.6 million of Smart Schools (2014) purposes, $4.6 million of Clean Water/Clean Air (1996) - Clean Water purposes and $400 thousand of Clean Water/Clean Air (1996) - Solid Waste purposes.
(3) Reflects unaudited amounts.
(4) The Legislature did not provide any limitation on bonds to be issued for specific project categories or programs authorized within the Highway Facilities/Other Transportation (excluding MTA) Purpose.
(5) Authorizations have been adjusted to reflect reallocations made by Chapter 54 of the Laws of 1990.
(6) This amount rounds to zero, but there was a debt outstanding balance of $3,187 at March 31, 2024.
(7) This amount rounds to zero, but there was a debt outstanding balance of $414,817 at March 31, 2024.
(8) This amount rounds to zero, but there was a debt outstanding balance of $331,484 at March 31, 2024.
(9) This amount rounds to zero, but there was a debt outstanding balance of $147,599 at March 31, 2024.
(10) The Legislature provided the following limitations on bonds to be issued for specific project categories or programs authorized within the Clean Water, Clean Air and Green Jobs Environmental Bond Act: Flood Restoration and Risk Reduction (not less than $1.1 billion), Open Space Land Conservation and Recreation Projects (Up to $650 million), Climate Change Mitigation (Up to $1.5 billion), and Water Quality Improvement and Resilient Infrastructure (Not less than $650 million).
(11) This amount rounds to zero, but there was an authorized but unissued balance of $230,000 at March 31, 2024.

EXHIBIT C TO AIS – PRINCIPAL STATE TAXES AND FEES

Personal income taxes are imposed on the New York source income of individuals, estates and trusts. Personal income taxes accounted for nearly 51 percent of All Government Funds tax receipts during FY 2024. The State tax adheres closely to the definitions of adjusted gross income and itemized deductions used for Federal personal income tax purposes, with certain modifications. Receipts from this tax are sensitive to changes in economic conditions in the State and to taxpayers' responses to Federal and State law changes. New York allows a standard deduction of $16,050 for married couples filing jointly, with lower deductions for the other types of filers. New York also allows a $1,000 exemption for dependents. The current top three brackets, which apply marginal tax rates between 9.65 percent and 10.9 percent, are scheduled to expire after the 2027 tax year. Beginning in tax year 2028, these brackets are replaced by a single bracket with an 8.82 percent marginal tax rate.

Taxpayers with incomes above $1 million are limited to deducting 50 percent of their Federal charitable contributions as their only New York itemized deduction. For tax years 2010 through 2029, taxpayers with incomes above $10 million may deduct only 25 percent of their Federal charitable contributions deductions as their only itemized deduction.

New York also allows several credits against the tax. Significant credits include the: Empire State Child Credit, household credit, credit for taxes paid to other states, investment tax credit, child and dependent care credit, real property tax circuit breaker credit, earned income tax credit, long-term care insurance credit, college tuition credit, STAR credit for new homeowners, New York City STAR PIT credit, and the pass-through entity tax credit.

Legislation enacted in 2022 accelerated the phase-in of the Middle-Class Tax Cut; established one-time supplemental earned income tax credit and Empire State Child Credit payments; enhanced the investment tax credit for farm employers; enhanced and extended the farm workforce retention credit; created a farm employer overtime credit; established a credit for geothermal energy systems; enhanced and expanded the small business subtraction modification; expanded the financial institution data management program; and established a homeowner tax rebate credit.

Legislation enacted in 2023 expanded the Empire State Child Credit to include children under four years of age as eligible children and modified the investment tax credit to make it refundable for eligible farmers for five years.

Legislation enacted in 2024 established one-time supplemental Empire State Child Credit payments and extended the itemized deduction limitation on taxpayers with incomes above $10 million for an additional five years.

User taxes and fees consist of several taxes on consumption, the largest of which is the State sales and compensating use tax. The discussion below describes each tax and summarizes recent significant enacted legislation.

The *sales and use tax* is imposed, in general, on the receipts from the sale of all tangible personal property unless specifically exempted, and all services are exempt unless specifically enumerated. The current State sales tax rate is 4 percent. 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). These funds are intended to support debt service payments on bonds issued under the State's sales tax revenue bond programs. Excess receipts above the debt service requirements are subsequently transferred to the General Fund.

Although there are numerous exemptions, the most significant are: food; clothing and footwear items costing less than $110; drugs; medicine and medical supplies; residential energy; capital improvements and installation charges; machinery and equipment used in manufacturing; trade in allowances; and goods sold to Federal, State or local governments.

Legislation enacted in 2022 extended the existing sales tax exemption for certain vending machine purchases for an additional year; and suspended the State and MCTD sales taxes on gasoline and diesel fuel from June 1, 2022 through December 31, 2022.

Legislation enacted in 2023 extended the existing sales tax exemption for certain vending machine purchases for an additional year; and extended the existing sales and use tax exemption for businesses to locate or relocate in the Murray Street area and lower Manhattan for an additional four years.

Legislation enacted in 2024 extended the existing sales tax exemption for certain vending machine purchases for an additional year; extended certain sales tax exemptions related to the Dodd-Frank Protection Act for one year; permanently extended the authorization to manage delinquent sales tax vendors to improve compliance; provided for the filing of amended sales tax returns; and created a sales tax exemption for residential energy storage systems.

The State imposes a *tax on cigarettes* at the rate of $5.35 per package of 20 cigarettes and imposes a *tax on other tobacco products* equal to 75 percent of the wholesale price. The tax on cigarettes was raised from $4.35 to $5.35 per pack effective September 1, 2023. The revenue derived from the tax is split, with 24 percent of receipts deposited in the General Fund and the balance deposited in the Tobacco Control and Insurance Initiatives Pool established by the Health Care Reform Act of 2000.

Legislation enacted in 2023 increased the cigarette tax rate to $5.35 per pack and provided penalties for retail dealers who refused inspections by the State.

Legislation enacted in 2024 codified existing practice for little cigars to be taxed at a prorated amount.

The State imposes a *vapor products excise tax* at a rate of 20 percent of the retail price.

Legislation enacted in 2020 prohibited the sale or distribution of e-cigarettes or vapor products that have a characterizing flavor.

The State imposes *motor fuel* and *diesel motor fuel taxes* at 8 cents per gallon upon the sale, generally for highway use, of gasoline and diesel fuel. All motor fuel taxes have been deposited in the dedicated transportation funds since April 1, 2001. Legislation enacted in 2022 suspended the motor fuel excise tax on gasoline and diesel fuel from June 1, 2022 through December 31, 2022.

Legislation enacted in 2023 required distributors of motor fuel and diesel motor fuel to collect, report, and remit taxes on every gallon of fuel sold, including the additional gallons realized from temperature fluctuations.

The State imposes *alcoholic beverage excise taxes* at various rates on liquor, beer, wine and specialty beverages. The tax rate on beer is 14 cents per gallon and the tax rate on wine is 30 cents per gallon. The tax rate on liquor at or above 24 percent alcohol content is $1.70 per liter, and the tax rate on liquor between 2 and 24 percent alcohol content is 67 cents per liter. Legislation enacted in 2012 removed an unconstitutional exemption provided to certain small beer brewers and replaced the benefit with personal and business tax credits that yield similar tax relief to small brewers that produce in New York State.

Legislation enacted in 2023 increased the production credit for wine and both liquor types to equal the tax rate per volume.

The State imposes the *highway use tax* (HUT) which consists of three revenue sources: the truck mileage tax, related highway use permit fees and the fuel use tax. The truck mileage tax is levied on commercial vehicles, at rates graduated by vehicle weight, based on miles traveled on State highways. Prior to April 13, 2016, highway use registration certificates (original or renewed) were $15 and decals were $4. Legislation enacted in 2016 reduced the registration and decal fees from $19 to $1.50 per vehicle and directed the revenue from these fees to a newly created HUT Administration Account. The fuel use tax is an equitable complement to the State's motor fuel tax and sales tax paid by those who purchase fuel outside of the State but consume it in New York. It is levied on commercial vehicles having three or more axles or a gross vehicle weight of more than 26,000 pounds. Currently, all collections from the highway use tax, aside from HUT registration fees, are deposited in the DHBTF.

The State imposes an *auto rental tax* on charges for the rental or use in this State of a passenger car with a gross vehicle weight of 9,000 pounds or less. Receipts are deposited in the DHBTF. Legislation enacted in 2009 increased this tax rate from 5 percent to 6 percent and also imposed a supplemental tax of 5 percent in the MCTD. Monies from this supplemental tax are deposited in the MTA Aid Trust Account of the MTA Financial Assistance Fund. Legislation enacted in 2019 increased the supplemental tax rate within the MCTD to 6 percent and changed the process for remitting MCTD tax revenue to the MTA; receipts are directly remitted to the MTA without appropriation. Additionally, legislation enacted in 2019 raised new revenues for the upstate transit systems by expanding the supplemental tax to counties outside of the MCTD.

The State imposes an excise tax for the use of a shared vehicle under the peer-to-peer car sharing program. A three percent tax is imposed on all peer-to-peer car sharing trips within the State, with receipts to be deposited in the General Fund. An additional three percent tax is imposed on peer-to-peer car sharing trips within the MCTD, with receipts to be deposited in the MTA's Special Assistance Fund – Corporate Account. Lastly, an additional three percent tax is imposed on peer-to-peer car sharing trips outside the MCTD, with receipts to be deposited in the Public Transportation Systems Operating Assistance Fund. This tax is to be administered and collected jointly with the State sales tax.

The State imposes a *medical cannabis tax* on registered organizations that dispense medical cannabis. Legislation enacted in 2024 reduced the excise tax from 7 percent to 3.15 percent, where the tax receipts will now be evenly split between manufacturing counties and distributing counties.

The State imposes a 4 percent assessment on transportation network companies (TNCs) that operate outside of New York City. Municipalities have the option to license TNCs. All revenues are deposited in the General Fund. This tax became effective in June 2017.

The State imposes an *opioid excise tax* on the first sale of opioids within the State by registered organizations that dispense opioids. The excise tax varies based on the per unit wholesale cost of an opioid; a quarter of a cent per morphine milligram equivalent if the wholesale cost is less than fifty cents and one and one-half cents per morphine milligram equivalent if the wholesale cost is fifty cents or more. This tax became effective in July 2019.

The State imposes both a wholesale excise tax and a retail excise tax on adult-use cannabis. The wholesale excise tax is paid on the sale of a product from a distributor to a retailer at a rate of 9 percent. The retail excise tax is imposed at a rate of 9 percent of the retail price charged to the consumer. All adult-use cannabis revenues are to be deposited in the New York State Cannabis Revenue Fund. After covering reasonable costs to administer the program and implement the law, the remaining fund balance is then distributed in the following manner: 40 percent to the State Lottery Fund for education, 40 percent to the Community Grants Reinvestment Fund, and 20 percent to the Drug Treatment and Public Education Fund. Legislation enacted in 2024 repealed the former THC-based tax that was levied based on the type of product sold from a distributor to a retailer, which is effective until June 1, 2024.

Business taxes include a general business corporation franchise tax as well as specialized franchise taxes on insurance companies, certain transportation and transmission companies, a recently enacted pass-through entity tax that applies to partnerships and S corporations, and a cents per gallon based levy on businesses engaged in the sale or importation for sale of various petroleum products. The discussion below describes each tax and summarizes recent significant enacted legislation.

The *corporation franchise tax* is the largest of the business taxes, and the State's third largest source of revenue. It is imposed on all domestic general business corporations and foreign general business corporations which do business or conduct certain other activities in the State. The tax is imposed, generally, at a rate of 6.5 percent of taxable income allocated to New York. Taxable income is defined as Federal taxable income with certain modifications. The tax includes two other bases: the capital and fixed dollar minimum. The taxpayer must pay under the base which produces the highest tax.

Legislation enacted in 2022 included new credits for COVID-19 expenses for small businesses, the phase out of no. 6 heating oil, and digital gaming media productions. The NYC musical and theatrical production credit, credit for companies who provide transportation to individuals with disabilities, workers with disabilities credit, brownfield cleanup program tax credits, New York youth jobs program tax credits, and Empire State apprenticeship tax credit, and Empire State film production and post-production credits were all extended. The Hire a Vet credit was extended and enhanced while an additional credit for the recipients of the Restaurant Return to Work credit was created to ensure the original allocation was fully utilized. Additionally, the Low Income Housing credit aggregate caps were increased.

Legislation enacted in 2023 included the extension of the following tax credits: commercial production tax credit, credit for the rehabilitation of historic properties, and the NYC musical and theatrical production credit, and the grade no. 6 heating oil conversion credit. The Empire State film production and post-production tax credits were extended and enhanced in several ways, the most significant being an increase in the annual cap from $420 million to $700 million. A tax credit for the creation and expansion of childcare was included and the temporary tax rates originally enacted in 2022 were extended an additional three years through 2026.

Legislation enacted in 2024 included the establishment of two new tax credits: 1) the newspaper and broadcast media jobs program, which includes two tax credit components to incentivize the hiring and retaining of jobs in these media sectors, and 2) the commercial security tax credit to support business owners in addressing retail theft by offsetting some of the costs of retail theft prevention measures.

Receipts from the *corporation and utilities taxes* are primarily attributable to taxes imposed on transportation and transmission companies, utility services and telecommunication services. Legislation enacted in 2021 created a new credit to provide debt relief for utilities in arrears as a result of the COVID-19 pandemic.

Insurance taxes are imposed on insurance corporations, insurance brokers and certain insurers that operate in New York State. Non-life insurers are subject to a premiums tax. Accident and health premiums are taxed at the rate of 1.75 percent and all other premiums are taxed at the rate of 2 percent. The insurance tax on life insurers ranges from 1.5 percent to 2 percent of premiums after taking into account the tax on income allocated to New York State. Other taxes are imposed on certain brokers and independently procured insurance.

The State imposed a *franchise tax on banking corporations* at a basic tax rate of 7.1 percent of entire net income with certain exclusions, and subject to special rates for institutions with three other tax bases similar to the *corporate franchise tax* until December 31, 2014. Beginning with tax years on and after January 1, 2015, all former bank taxpayers are now subject to tax under the corporate franchise tax.

As part of the State's continuing response to Federal tax law changes, in 2021 the State enacted an optional *pass-through-entity tax (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 will receive a refundable tax 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.

The State imposes a *petroleum business tax* on the privilege of operating a petroleum business in the State. This tax is measured by the quantity of various petroleum products imported into the State for sale or use. The tax is imposed at various cents per gallon rates depending on the type of petroleum product. The cents per gallon tax rates are indexed to reflect petroleum price changes but are limited to changes of no more than 5 percent of the tax rate in any one year. Legislation enacted in 2022 exempted tugboats and towboats from the petroleum business tax. Legislation enacted in 2023 required distributors of motor fuel and diesel motor fuel to collect, report, and remit taxes on *every* gallon of fuel sold, including the additional gallons realized from temperature fluctuations.

Other tax revenues include taxes on pari-mutuel wagering, the estate tax, taxes on real estate transfers, certain other minor taxes, and residual receipts following the repeal of the real property gains tax and the gift tax.

The State imposes an *estate tax* on the estates of deceased New York residents, and on that part of a nonresident's net estate made up of real and tangible personal property located within New York State. Legislation enacted in 2014 comprehensively reformed the estate tax to decouple from Federal law. The unified threshold of $1 million (associated with the State's prior "pick-up tax" methodology) was replaced with an applicable credit equal to the tax on a basic threshold amount. The basic threshold amount equals the Federal basic threshold amount pursuant to Federal law as it existed on December 1, 2017, with annual inflation indexing for those dying on or after January 1, 2019. The credit, similar to the pick-up tax, phases out from the threshold amount to 5 percent above that threshold amount. If a taxable estate is more than 105 percent of the threshold, then the entire taxable estate is taxed, not just the portion of the estate above the threshold. Gifts taxable under Section 2053 of the Internal Revenue Code that were not otherwise included in Federal Gross Estate and that were made during the three years ending on the date of death must be added to the New York Gross Estate. However, gifts made while the decedent was a nonresident of New York State and gifts made prior to April 1, 2014, or after January 1, 2019, are not included. Legislation enacted in 2019 extended this three-year gift addback rule effective January 16, 2019, until January 1, 2026, as well as required a binding New York State QTIP election be made on State estate tax returns. Reflecting the composition of many decedents' estates in New York, collections of this tax are influenced at least in part by fluctuations in the equity markets.

The *real estate transfer tax* applies to each real property conveyance, subject to certain exceptions, at a rate of $2 for each $500 of consideration or fraction thereof. There is an additional real estate transfer tax of 1 percent of the sales price applicable to residences where consideration is $1 million or more. Legislation enacted in 2010 reduced the statutorily fixed deposit to the EPF from $199.3 million to $119.1 million. Legislation enacted in 2022 increased the statutorily fixed deposit to the EPF from $119.1 million to $257.35 million. The remaining receipts are deposited in the Clean Water/Clean Air (CW/CA) Debt Service Fund.

Legislation enacted in 2019 imposed an additional real estate transfer tax in New York City on each commercial real property conveyance of at least $2 million and each residential real property conveyance of at least $3 million at a rate of $1.25 for each $500 of consideration or fraction thereof. It also imposed an additional progressive real estate transfer tax in New York City on each residential real property conveyance of at least $2 million using a graduated tax rate schedule starting at 0.25 percent for residential property conveyances of at least $2 million but less than $3 million and topping out at 2.9 percent on residential property conveyances $25 million and above. All revenues from these taxes are directed to the MTA's Central Business District tolling capital lockbox.

The State levies *pari-mutuel taxes* on pari-mutuel wagering activity conducted at New York State horse racetracks, Off-Track Betting (OTB) facilities or through a racetrack or OTB facility's app or online platform. Additionally, if a New York State resident places a simulcast wager using an out-of-State Advanced Deposit Wagering (ADW) website, a market origin fee equal to five percent of handle is imposed. Five percent of the market origin fee is designated as pari-mutuel tax collections for the State. Legislation originally enacted in the 1990s, and continually extended as of 2024, reduced on-track rates by as much as 90 percent at thoroughbred and harness tracks and certain simulcasting provisions.

Legislation enacted in 2023 authorized a capital appropriation by the State to loan NYRA monies to make racetrack improvements and demolish and rebuild the grandstand at Belmont Racetrack. NYRA capital monies will be intercepted for 20 years in order to pay for the full amount of the loan, including interest. Horse racing at Aqueduct Racetrack will move to Belmont Racetrack following completion of the renovations.

Other taxes include a 3 percent tax on both gross receipts and broadcasting rights from boxing and wrestling exhibitions, limited to $50,000 in tax due for both pieces per event. Effective December 2024, for all other authorized combative sports, a tax of 3 percent of the admissions charge and 3 percent on broadcasting rights and digital streaming are imposed, with the broadcasting and streaming portion limited to $50,000 in tax due per event.

Legislation enacted in 2021 repealed the 4 percent tax on the charge for admissions to racetracks and simulcast theaters, which was replaced with the State sales tax.

Legislation enacted in 2024, effective December 2024, reduced the gross receipts tax rate for all other authorized combative sports admissions charges from 8.5 percent to 3 percent.

Miscellaneous receipts and other revenues include various fees, fines, tuition, license revenues, lottery revenues, investment income, assessments on various businesses (including healthcare providers), and abandoned property. Miscellaneous receipts also include minor amounts received from the Federal government and deposited directly in the General Fund.

Gaming miscellaneous receipts includes traditional lottery, Video Lottery Terminal (VLT) games, commercial gaming, interactive fantasy sports, mobile sports wagering, and Tribal State Compact.

Legislation enacted in 2022 authorized the process for awarding the three remaining commercial gaming facility licenses.

Legislation enacted in 2023 changed the revenue distribution for the three additional commercial gaming facility licenses depending on where they are awarded, and if they are awarded to specific current facilities.

Alcohol license fees are imposed on those who sell alcoholic beverages in New York. The fees vary depending on the type and location of the establishment or premises operated by the licensee, as well as the class of beverage for which the license is issued.

Motor vehicle fees are derived from a variety of sources, including motor vehicle registration fees and driver licensing fees, which together account for most motor vehicle fee revenue. Legislation enacted in 2019 expanded access to standard (not for federal purposes), non-commercial driver licenses or learner permits for all undocumented immigrants, age 16 or older, who reside in New York State.

The Public Safety Communications Surcharge is collected by wireless communications service suppliers from their customers. The surcharge is $1.20 per month per device used to access this service. Legislation enacted in 2017 expanded the surcharge to prepaid purchases of mobile communication services, with purchases subject to a 90-cent surcharge. Local governments, including those that do not currently impose the surcharge on mobile plan contracts, can also opt in for a 30-cent surcharge on prepaid purchases. This surcharge supports the State's public safety activities and funds the Statewide Interoperable Communications Grant program.

EXHIBIT D TO AIS – GLOSSARY OF FINANCIAL TERMS

The following glossary, which is an integral part of this AIS, includes certain terms that are used herein.

Appropriation: An appropriation is a statutory authorization against which liabilities may be incurred during a specific year, and from which disbursements may be made, up to a stated amount, for the purposes designated. Appropriations generally are authorizations, rather than mandates, to spend, and disbursements from an appropriation need not, and generally do not, equal the amount of the appropriation. An appropriation represents maximum spending authority. Appropriations may be adopted at any time during the fiscal year.

Bond Anticipation Note or *BANs:* A bond anticipation note is a short-term obligation, the principal of which is paid from the proceeds of the bonds in anticipation of which such note is issued.

Business-type Activities: As defined under GAAP, "business-type activities" describe those operations that are financed in whole or in part by fees charged to external parties for goods or services. These activities are usually reported in enterprise funds and include the Lottery, Unemployment Insurance Benefit, SUNY, and CUNY senior colleges.

Capital Projects Funds: Capital Projects Funds, one of the four GAAP-defined governmental fund types, account for financial resources of the State to be used for the acquisition or construction of major capital facilities (other than those financed by Special Revenue Funds (SRFs), Proprietary Funds and Fiduciary Funds).

Cash Basis Accounting: Accounting, budgeting and reporting of financial activity on a cash basis results in the recording of receipts at the time money or checks are deposited in the State Treasury and the recording of disbursements at the time a check is drawn, regardless of the fiscal period to which the receipts or disbursements relate.

Community Projects Fund: The State created this fund within the General Fund in 1996 to finance certain community projects for the Legislature and the Governor. The State transfers moneys from other General Fund accounts into the Community Projects Fund, as provided by law. Spending out of the Community Projects Fund is governed by specific appropriations for each account in the Fund but cannot exceed the cash balance for that account.

Contingency Reserve Fund: This fund was established in 1993 to assist the State in financing the costs of any extraordinary known or anticipated litigation. Deposits to this fund are made from the General Fund.

Contractual-Obligation Financing: Contractual-obligation financing is an arrangement pursuant to which the State makes periodic payments to a public benefit corporation under a contract having a term not less than the amortization period of debt obligations issued by the public benefit corporation in connection with such contract. Payments made by the State are used to pay debt service on such obligations and are subject to annual appropriation by the Legislature and the availability of moneys to the State for the purposes of making contractual payments.

Debt Reduction Reserve Fund or *DRRF:* The State created the DRRF in 1998 to accumulate surplus revenues to pay debt service costs on State-supported bonds, retire or defease such bonds, and to finance capital projects. Use of DRRF funds requires an appropriation.

Debt Service: Debt service refers to the payment of principal and interest on bonds, notes, or other evidences of indebtedness, including interest on BANs and TRANs, in accordance with the respective terms thereof.

Debt Service Funds: DSFs, one of the four GAAP-defined governmental fund types, account for the accumulation of resources (including receipts from certain taxes, transfers from other funds and miscellaneous revenues, such as dormitory room rental fees, which are dedicated by statute for payment of lease-purchase rentals) for the payment of general long-term debt service and related costs and payments under lease-purchase and contractual-obligation financing arrangements.

Disbursement: A disbursement is a cash outlay and in the General Fund includes transfers to other funds.

Executive Budget: The Executive Budget is the Governor's constitutionally mandated annual submission to the Legislature which contains a recommended program for the forthcoming fiscal year. The Executive Budget is an overall plan of recommended appropriations. It projects disbursements and expenditures needed to carry out the Governor's recommended program and receipts and revenues expected to be available for such purpose. The recommendations contained in the Executive Budget serve as the basis for the State Financial Plan (defined below) which is adjusted after the Legislature acts on the Governor's submission. Under the State Constitution, the Governor is required each year to propose an Executive Budget that is balanced on a cash basis.

Expenditure: An expenditure, in GAAP terminology, is a decrease in net financial resources as measured under the modified accrual basis of accounting. In contexts other than GAAP, the State uses the term expenditure to refer to a cash outlay or disbursement.

Expenses: Expenses, in GAAP terminology, are a decrease in net financial resources as measured in the government-wide financial statements under the accrual basis of accounting.

Fiduciary Funds: Fiduciary Funds refers to a GAAP-defined fund type which accounts for assets held by the State in a trustee capacity or as agent for individuals, private organizations and other governmental units and/or other funds. These funds are custodial in nature and do not involve the measurement of operations. Although the Executive Budget for a fiscal year generally contains operating plans for Fiduciary Funds, and their results are included in the Comptroller's GAAP-based financial statements. They are not included in the State Financial Plan.

Financial Plan: See State Financial Plan.

Fiscal Year: The State's fiscal year commences on April 1 and ends on March 31. The term fiscal year refers to the fiscal year of the State unless the context clearly indicates otherwise.

Fund Accounting: The system of accounting used to track the amount of money allocated to various operations on the basis of GAAP funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise the fund's assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

GAAP: GAAP refers to generally accepted accounting principles for state and local governments, which are the uniform minimum standards of and guidelines for financial accounting and reporting prescribed by GASB. GAAP requires that the government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as are the enterprise funds, component units and the fiduciary funds financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. The modified accrual basis of accounting recognizes revenues when they become both measurable and available to finance expenditures. Expenditures and related liabilities are recognized in the accounting period they are incurred to the extent they are expected to be paid within the next 12 months, under the modified accrual basis of accounting.

General Fund: The General Fund, one of the four GAAP-defined governmental fund types, is the major operating fund of the State and receives all receipts that are not required by law to be deposited in another fund, including most State tax receipts and certain fees, transfers from other funds and miscellaneous receipts from other sources.

General Obligation bonds: Long-term obligations of the State, used to finance capital projects. These obligations must be authorized by the voters in a general election, are issued by the Comptroller, and are backed by the full faith and credit of the State. Under current provisions of the Constitution, only one bond issue may be put before the voters at each general election, and it must be for a single work or purpose. Debt service must be paid from the first available taxes whether or not the Legislature has enacted the required appropriations for such payments.

General State Charges: Costs mandated by statute or court decree or by agreements negotiated with employee unions for which the State is liable, including: pensions; health, dental and optical benefits; payments on behalf of State employees for Social Security; unemployment insurance benefits; employee benefit programs; court judgments and settlements; assessments for local improvements; and taxes on public lands.

Governmental Activities: Governmental activities, defined under GAAP, describes those operations that are generally financed through taxes, intergovernmental revenues, and other nonexchange revenues and are reported in the governmental funds.

Governmental Funds: Governmental funds refers to a category of GAAP-defined funds which account for most governmental functions and which, for the State, include: the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds. The State's projections of receipts and disbursements in Governmental Funds comprise the State Financial Plan.

Interfund Transfers: Under GAAP fund accounting principles, each fund is treated as a separate fiscal and accounting unit with limitations on the kinds of disbursements to be made. Movement of monies between funds are accounted for as "interfund transfers".

Lease-Purchase Financing: Lease-purchase financing is an arrangement pursuant to which the State leases facilities from a public benefit corporation or municipality for a term not less than the amortization period of the debt obligations issued by the public benefit corporation or municipality to finance acquisition and construction, and pays rent which is used to pay debt service on the obligations. At the expiration of the lease, title to the facility vests in the State in most cases. Generally, the State's rental payments are expressly subject to annual appropriation by the Legislature and availability of moneys to the State for the purposes thereof.

Local Assistance/Assistance and Grants: Disbursements of State grants to counties, cities, towns, villages, school districts and other local entities, certain contractual payments to localities, and financial assistance to, or on behalf of, individuals and not-for-profit organizations.

Moral obligation debt: Long-term bonds issued by certain State public benefit corporations which are essentially supported by their own revenues. Moral obligation debt is not incurred pursuant to a referendum, is not State-supported debt, and is not backed by the full faith and credit of the State. However, the authorities selling such obligations have been allowed to establish procedures where, under certain conditions, the State may be requested to meet deficiencies in debt service reserve funds supporting such bonds. An appropriation must be enacted by the Legislature to meet any such request.

Official Statement: A disclosure document prepared to accompany an issuance of bonds, notes and certificates of participation offered for sale by the State or its public authorities. Its primary purpose is to provide prospective bond or note purchasers sufficient information to make informed investment decisions. It describes, among other things, the issuer, the project or program being financed and the security behind the bond issue.

PAYGO financing: The use of current State resources (as opposed to bonds or other borrowing) to finance capital projects. Also referred to as "hard dollar" financing.

Rainy Day Reserve Fund: This fund was created in 2007 pursuant to law to account for funds set aside for use during economic downturns or in response to a catastrophic event, as defined in the law. The economic downturn clause is triggered after five consecutive months of decline in the State's composite index of business cycle indicators. The reserve may have a maximum balance equal to 25 percent of projected General Fund spending during the then-current fiscal year.

Receipts: Receipts consist of cash actually received during the fiscal year and in the General Fund include transfers from other funds.

Revenue Accumulation Fund: This fund holds certain tax receipts temporarily before their deposit into other funds.

Revenues: Revenues, in GAAP terminology, are an increase in net financial resources, as measured for the government-wide financial statements under the accrual basis of accounting and for the governmental funds under the modified accrual basis of accounting. In contexts other than GAAP, the State uses the term revenues to refer to income or receipts.

Short-Term Investment Pool or *STIP:* The combination of available cash balances in funds within the State's General Checking Account for investment purposes.

Special Revenue Funds: SRFs, one of the four GAAP-defined governmental fund types, account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects), such as Federal grants, that are legally restricted to specified purposes.

State Financial Plan: The State Financial Plan sets forth projections of State receipts and disbursements in the governmental fund types for each fiscal year and is prepared by the Division of the Budget, based initially upon the recommendations contained in the Executive Budget. After the budget is enacted, the State Financial Plan is adjusted to reflect revenue measures, appropriation bills and certain related bills enacted by the Legislature. It serves as the basis for the administration of the State's finances by the Director of the Budget and is updated quarterly during the fiscal year.

State Funds: "State funds" refer to a category of funds which includes the General Fund and all other State-controlled moneys, excluding Federal grants. This category captures all governmental disbursements except spending financed with Federal grants.

State-guaranteed debt: Debt authorized by the voters to be sold by three public authorities: the Job Development Authority, the New York State Thruway Authority, and the Port Authority of New York and New Jersey. State-guaranteed bonds issued for the Thruway Authority and the Port Authority were fully retired on July 1, 1995 and December 31, 1996, respectively. Such debt is backed by the full faith and credit of the State.

State Operations: Operating costs of State departments and agencies, the Legislature and the Judiciary, including salaries and other compensation for most State employees.

State-related debt: In this broad category, DOB combines all forms of debt for which the State is liable, either directly or on a contingent basis, including all State-supported debt and State-guaranteed and moral obligation debt.

State-supported debt: This category includes all obligations for which the State appropriates money that is used to pay debt service, including General Obligation debt, lease-purchase and contractual-obligation debt, including PIT Revenue Bonds and Sales Tax Revenue Bonds.

Tax and Revenue Anticipation Notes or *TRANs:* Notes issued in anticipation of the receipt of taxes and revenues, direct or indirect, for the purposes and within the amounts of appropriations theretofore made.

Refund Reserve Account: The refund reserve account is used to account for General Fund resources set aside at fiscal year-end to guard against economic downturns and revenue shortfalls and pay for tax refunds. There is no requirement that moneys withdrawn from this account be replaced.

Tax Stabilization Reserve Fund: Created to provide a reserve to finance a cash-basis operating deficit in the General Fund at the end of the fiscal year, and to make temporary loans to the General Fund during the year. Annual deposits may not exceed 0.2 percent of General Fund spending, and the balance may not exceed 2 percent of General Fund spending. These amounts may be borrowed by the General Fund temporarily and repaid within the same fiscal year. They may also be borrowed to cover an operating deficit at year end, but these loans must be repaid within six years in no fewer than three annual installments.

EXHIBIT E TO AIS – GLOSSARY OF ACRONYMS

ACA	Affordable Care Act
AG	Attorney General
AI	Artificial Intelligence
AIM	Aid and Incentives for Municipalities
AMTAP	Additional Mass Transportation Assistance Program
APCD	All-Payer Claims Database
ARP	American Rescue Plan Act of 2021
ATB	Across-the-Board
ATI	Alternative to Incarceration
AY	Academic Year (July 1 through June 30) – SUNY/CUNY
BANs	Bond Anticipation Notes
BEA	Bureau of Economic Analysis
BLS	Bureau of Labor Statistics
BOCES	Boards of Cooperative Educational Services
CAC	Climate Action Council
CARES Act	Coronavirus Aid, Relief, and Economic Security Act
CDD	Council on Developmental Disabilities
CDPAP	Consumer Directed Personal Assistance Program
CEP	Community Eligibility Provision
CFT	Corporate Franchise Tax
CHP	Child Health Plus
CISO	Chief Information Security Office
CLCPA	Climate Leadership and Community Protection Act of 2019
CMS	Centers for Medicare & Medicaid Services
COLA	Cost-of-Living Adjustment
COVID-19	Coronavirus Disease 2019
CPI	Consumer Price Index
CRF	Coronavirus Relief Fund
CRRSA	Coronavirus Response and Relief Supplemental Appropriations Act
CSE	Committees on Special Education
CSEA	Civil Service Employees Association
CTI	Critical Time Intervention
CUNY	City University of New York
CUT	Corporation and Utilities Tax
CW/CA	Clean Water/Clean Air
DANY	New York County District Attorney
DASNY	Dormitory Authority of the State of New York
DEC	Department of Environmental Conservation
DFS	Department of Financial Services
DHBTF	Dedicated Highway and Bridge Trust Fund
DHCR	Division of Housing and Community Renewal
DHSES	Division of Homeland Security & Emergency Services
DIIF	Dedicated Infrastructure Investment Fund
DMNA	Division of Military and Naval Affairs
DMV	Department of Motor Vehicles
DOB	Division of the Budget
DOCCS	Department of Corrections and Community Supervision
DOH	Department of Health
DOL	Department of Labor
DOS	Department of State
DOT	Department of Transportation
DPT	Directed Payment Template
DRI	Downtown Revitalization Initiative
DS	Debt Service
DTF	Department of Taxation and Finance

EANS	Emergency Assistance for Nonpublic Schools
ECEP	Employer Compensation Expense Program
eFMAP	Enhanced Federal Medical Assistance Percentage
EI	Early Intervention
EP	Essential Plan
EPF	Environmental Protection Fund
EPIC	Elderly Pharmaceutical Insurance Coverage
ERAP	Emergency Rental Assistance Program
ERS	Employees' Retirement System
ESEA	Elementary and Secondary Education Act
ESD	Empire State Development
ESG	Environmental, Social and Governance
ESSHI	Empire State Supportive Housing Initiative
FACT	Forensic Assertive Community Treatment
FEMA	Federal Emergency Management Agency
FFCRA	Families First Coronavirus Response Act
FFFS	Flexible Fund for Family Services
FFY	Federal Fiscal Year (October 1 Through September 30)
FHWA	Federal Highway Administration
FMAP	Federal Medical Assistance Percentage
FRB	Financial Restructuring Board
FTE	Full-Time Equivalent
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GASBS	Governmental Accounting Standards Board Statement
GCI	Global Cap Index
GDC	Gateway Development Commission
GDP	Gross Domestic Product
GFOA	Government Finance Officers Association
GIVE	Gun Involved Violence Elimination
GLIP	Group Life Insurance Plan
GPHW	General Public Health Work
GSCs	General State Charges
GSEU	Graduate Student Employees Union
GSI	General Salary Increases
HCBS	Home and Community-Based Services
HCRA	Health Care Reform Act
HCTF	Health Care Transformation Fund
HEAP	Home Energy Assistance Program
HERRC	Humanitarian Emergency Response and Relief Center
HESC	Higher Education Services Corporation
HHS	Health and Human Services
HMO	Health Maintenance Organization
HSF	Healthcare Stability Fund
HUT	Highway Use Tax
ICP	Indigent Care Payments
ICR	Institutional Cost Reports
IDEA	Individuals with Disabilities Education Act
IGT	Intergovernmental Transfers
IIJA	Infrastructure Investment and Jobs Act
IPCC	Intergovernmental Panel on Climate Change of the United Nations
IRA	Inflation Reduction Act
IRS	Internal Revenue Service
IT	Information Technology
ITS	Information Technology Services
JSOC	Joint Security Operations Center

LFY	Local Fiscal Year
LGAC	Local Government Assistance Corporation
LLC	Limited Liability Company
LRAP	Landlord Rental Assistance Program
LSA	Local Share Adjustment
M/C	Management Confidential
MCO	Managed Care Organization
MCTD	Metropolitan Commuter Transportation District
MCTMT	Metropolitan Commuter Transportation Mobility Tax
MHSF	Mental Hygiene Stabilization Fund
MLTC	Managed Long-Term Care
MMC	Mainstream Managed Care
MOE	Maintenance of Effort
MRT II	Medicaid Redesign Team II
MSA	Master Settlement Agreement
MTA	Metropolitan Transportation Authority
MTOAF	Mass Transportation Operating Assistance Fund
NAIRU	Non-Accelerating Inflation Rate of Unemployment
NANY	Nurses Across New York
NIPAs	National Income and Product Accounts
NPS	Non-Personal Service
NYC	New York City
NYPA	New York Power Authority
NYS	New York State
NYSCA	New York State Council on the Arts
NYSCOPBA	New York State Correctional Officers and Police Benevolent Association
NYSE	New York Stock Exchange
NYSHIP	New York State Health Insurance Program
NYSLRS	New York State and Local Retirement System
NYSOH	New York State of Health
NYSPIA	New York State Police Investigators Association
NYSTA	New York State Thruway Authority
NYSTPBA	Police Benevolent Association of the New York State Troopers
OAG	Office of the Attorney General
OASAS	Office of Addiction Services and Supports
OCFS	Office of Children and Family Services
OFAC	Office of Foreign Assets Control
OGS	Office of General Services
OMH	Office of Mental Health
OMIG	Office of the Medicaid Inspector General
OPEB	Other Post-Employment Benefits
OPWDD	Office for People with Developmental Disabilities
ORP	Optional Retirement Program
OSC	Office of the State Comptroller
OTDA	Office of Temporary and Disability Assistance
PAYGO	Pay-As-You-Go
PBA	Police Benevolent Association
PBANYS	Police Benevolent Association of New York State
PBT	Petroleum Business Tax
PCE	Personal Consumption Expenditures
PEF	Public Employees Federation
PFRS	Police and Fire Retirement System
PHE	Public Health Emergency
PIA	Police Investigators Association
PIGI	Personal Income Growth Index
PILOT	Payments in Lieu of Taxes
PIT	Personal Income Tax

PMT	Payroll Mobility Tax
PPE	Personal Protective Equipment
PPO	Preferred Provider Organization
PRUCOL	Permanently Residing Under Color of Law
PS	Personal Service
PSC	Public Service Commission
PTET	Pass-Through Entity Tax
QCEW	Quarterly Census of Employment and Wages
RBTF	Revenue Bond Tax Fund
REDC	Regional Economic Development Councils
REDI	Resiliency and Economic Development Initiative
RFP	Request for Proposals
RGGI	Regional Greenhouse Gas Initiative
RHBTF	Retiree Health Benefit Trust Fund
RSSL	Retirement and Social Security Law
SALT	State and Local Tax
SED	State Education Department
SFE	State Funds Equivalent
SNA	Safety Net Assistance
SFY	State Fiscal Year (April 1 Through March 31)
SHIN-NY	Statewide Health Information Network for New York
SLFRF	State and Local Fiscal Recovery Fund
SNAP	Supplemental Nutrition Assistance Program
SOFA	State Office for the Aging
SSI	Supplemental Security Income
STAR	School Tax Relief
STCs	Special Terms and Conditions
STEM	Science, Technology, Engineering, and Math
STIP	Short-Term Investment Pool
SUNY	State University of New York
SY	School Year (July 1 through June 30)
TANF	Temporary Assistance for Needy Families
TAP	Tuition Assistance Program
TCJA	Tax Cuts and Jobs Act of 2017
THU	Transition to Home Units
TRS	Teachers' Retirement System
TY	Tax Year (January 1 Through December 31)
UCS	Unified Court System
UI	Unemployment Insurance
URI	Upstate Revitalization Initiative
U.S.	United States
UUP	United University Professions
VAP	Vital Access Provider
VAPAP	Vital Access Provider Assurance Program
VDC	Voluntary Defined Contribution
VLT	Video Lottery Terminal