ANNUAL INFORMATION STATEMENT

STATE OF NEW YORK

WE ARE NY

June 9, 2023

TABLE OF CONTENTS

INTRODUCTION

This Annual Information Statement for FY 2024 (AIS) is dated June 9, 2023 (the same date as the release date of the FY 2024 Enacted Budget Financial Plan) and contains information only through that date. 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 29, 2022 and all updates and supplements issued in connection therewith. DOB is responsible for preparing the State's Financial Plan (which includes financial results as well as current and out-year projections) and utilizing such information to present the information that appears in this AIS on behalf of the State. The AIS is generally updated on a quarterly basis after the close of each of the first three quarters of the State's fiscal year, and 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 2024 (FY 2024)[1] Enacted Budget Financial Plan (the “Financial Plan”) issued by the Division of the Budget (DOB) on June 9, 2023. The Financial Plan sets forth the State’s official financial projections for FY 2024 through FY 2027 (the “Financial Plan period”). It includes, among other things, information on the major components of the FY 2024 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. While the disclosure contained in this AIS is derived from the Financial Plan, this AIS contains updates to information set forth in the Financial Plan which DOB has determined do not materially change the projections contained in the Financial Plan.

   DOB expects to complete the first quarterly update to the FY 2024 Enacted Budget Financial Plan in July 2023. Given (i) the relatively short period of time since the release date of the FY 2024 Enacted Budget Financial Plan, and (ii) DOB's current analysis of preliminary operating results for the first quarter of FY 2024, DOB does not anticipate significant changes in the State's financial condition that would mandate the release of disclosure in 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 2024 or in future fiscal years is provided under the heading “Other Matters Affecting the Financial Plan”.

3. Information on other subjects relevant to the State’s finances, including summaries of: (a) 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.

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

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.

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

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

In preparing this AIS, 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 2023 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, 2023 is expected to be completed by July 28, 2023. 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, 2023. These reports will contain the final FY 2023 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 2022 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 to all GAAP principles.

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

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

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

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

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

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

The term “actual” or “actuals” is used throughout the Financial Plan and this AIS 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's financial reports in presentation and reporting of receipts and disbursements. For example, DOB may reflect a net expenditure amount while OSC may report the gross expenditure. Any such differences in reporting between DOB and OSC could result in differences in the presentation and reporting for total receipts and disbursements under different fund perspectives (e.g., State Operating Funds and All Funds).

FINANCIAL PLAN OVERVIEW

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

FINANCIAL PLAN AT-A-GLANCE: KEY MEASURES (millions of dollars)	FY 2023 Actuals	FY 2024 Projected
State Operating Funds Disbursements		
Size of Budget	$123,751	$125,331
Annual Growth	5.4%	1.3%
Other Disbursement Measures		
General Fund (Including Transfers)	$92,799	$104,412
Annual Growth	4.4%	12.5%
Capital Budget (Federal and State)	$14,024	$17,211
Annual Growth	-4.6%	22.7%
Federal Operating Aid	$82,687	$86,471
Annual Growth	7.1%	4.6%
All Funds	$220,462	$229,013
Annual Growth	5.3%	3.9%
Inflation (CPI)	7.4%	3.5%
All Funds Receipts		
Taxes[1]	$113,729	$104,843
Annual Growth	8.6%	-7.8%
Miscellaneous Receipts	$31,842	$26,837
Annual Growth	14.0%	-15.7%
Federal Receipts (Operating and Capital)	$89,563	$92,654
Annual Growth	-6.0%	3.5%
Total All Funds Receipts[1]	$235,134	$224,334
Annual Growth	3.2%	-4.6%
General Fund Cash Balance	$43,451	$39,537
Economic Uncertainties	$13,282	$13,282
Extraordinary Monetary Settlements	$1,570	$1,142
Pandemic Assistance	$245	$0
Rainy Day Reserves	$6,256	$6,256
Timing of PTET/PIT Credits	$14,358	$12,462
All Other	$7,740	$6,395
Debt		
Debt Service (excluding pre-payments) as % All Funds Receipts	2.4%	3.0%
State-Related Debt Outstanding	$55,911	$62,621
Debt Outstanding as % Personal Income	3.6%	4.0%

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

Overview

The Governor submitted the FY 2024 Executive Budget, with amendments, to the Legislature on March 3, 2023. DOB estimated that the Executive Budget, if adopted without modification, would have provided for balanced General Fund operations in FY 2024, leaving projected budget gaps of $5.1 billion in FY 2025, $8.6 billion in FY 2026, and $7.2 billion in FY 2027, totaling roughly $21 billion. The gaps were principally due to the downward revisions in projected tax receipts at that time.

On March 31, 2023, the Legislature enacted the annual debt service appropriations, without amendment, in advance of the new fiscal year that began on April 1. The Governor and Legislative leaders reached agreement on the outlines of the budget for FY 2024 at the end of April, and the Legislature completed final action on the budget bills on May 2, 2023. The Governor completed her review of the budget bills on May 12, 2023.

The final budget agreement includes key elements proposed by the Governor in her Executive Budget, including fully funding existing commitments, such as the third and final year of the Foundation Aid phase-in funding; a comprehensive plan to put the Metropolitan Transportation Authority (MTA) on stable financial footing; adding substantial new operating and capital aid for health care; providing extraordinary funding for services to asylum seekers; expanding mental health inpatient, outpatient, and supportive services; providing matching funds to increase the State University of New York (SUNY) centers' endowments; providing a monthly discount on electric utility bills for moderate-income customers; and increasing the minimum wage and funding the cost for State service providers. The final agreement provides additional funding for many areas of the budget including increased operating aid for university systems, expansion of free school meals, aid for legal defense and discovery for indigent and low-income individuals, rent arrears assistance, and expansion of the Empire State Child Credit to include children under four years of age.

DOB estimates that the budget enacted by the Legislature and approved by the Governor is balanced in FY 2024, as required by law. The Enacted Budget Financial Plan includes savings and resources in FY 2024 that DOB estimates will be sufficient both to fund the negotiated additions and restorations to the budget, and fully cover downward revisions to tax receipts described later. The gaps in the outyears are projected at $9.1 billion in FY 2025, $13.9 billion in FY 2026, and $13.4 billion in FY 2027. The increase in the gaps over the Financial Plan period (FY 2025 through FY 2027) are principally due to additional downward revisions in projected tax receipts reflected in the Enacted Budget Financial Plan.

The Legislative session is expected to conclude in June 2023. DOB does not anticipate any legislation with significant fiscal impacts will be approved.

FY 2023 Results

At the close of FY 2023, the State completed the final deposits needed to reach the administration's goal of bringing principal reserves to a minimum of 15 percent of State Operating Funds spending. The increase in reserves was supported by the extraordinary growth in tax collections over the past two years. Principal reserves now total $19.5 billion (16 percent of State Operating Funds spending) and are complemented by additional reserves for debt management, future operational costs[4], and a transaction risk reserve.

The State ended FY 2023 in a stronger overall position in comparison to the estimates in both the initial FY 2023 Enacted Budget Financial Plan and the FY 2024 Executive Budget Financial Plan. Results reflected both strong receipts and disbursements that fell substantially below budgeted levels. The excess resources that were available at the close of FY 2023 have been carried forward through available balances and reserves, as well as used to prepay future expenses to reduce costs in future years of the Financial Plan. (See "FY 2023 Preliminary Year End Results" herein.)

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.

FY 2024 GENERAL FUND FINANCIAL PLAN
REVISIONS TO EXECUTIVE BUDGET ESTIMATES: SAVINGS/(COSTS)
(millions of dollars)

	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
EXECUTIVE BUDGET SURPLUS/(GAP) ESTIMATE	**0**	**(5,079)**	**(8,597)**	**(7,159)**
Tax Receipts[1]	**(5,623)**	**(5,291)**	**(5,399)**	**(5,818)**
Negotiated Changes	**0**	**(1,090)**	**(1,248)**	**(1,589)**
Adds:	(1,842)	(1,204)	(1,270)	(1,611)
Spending	(1,939)	(1,205)	(1,265)	(1,597)
Recurring	(770)	(1,043)	(1,219)	(1,551)
Non-Recurring	(1,152)	(116)	0	0
Restorations	(17)	(46)	(46)	(46)
Revenue	97	1	(5)	(14)
Available Resources/Offsets	1,842	114	22	22
Other Forecast Revisions	**5,623**	**2,405**	**1,371**	**1,128**
Prepayments/Advances/Other Resources	3,401	1,176	251	25
All Other	2,222	1,229	1,120	1,103
ENACTED SURPLUS/(GAP) ESTIMATE	**0**	**(9,055)**	**(13,873)**	**(13,438)**

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

[4] The Financial Plan includes an informal set aside of funds in the General Fund balance available for unexpected and new costs of Executive agencies inclusive of, but not limited to, future labor agreements, inflationary costs or other critical needs.

In FY 2024, the combination of available resources generated from operations in FY 2023 and downward revisions to spending based on prior year results are sufficient to offset the new initiatives and costs, as well as the downward revisions to tax receipts beginning in FY 2024.

A more detailed table of the revisions appears in the section entitled, “FY 2024 General Fund Financial Plan.”

Tax Receipts

Tax receipts, excluding Pass-Through Entity Tax (PTET), have been decreased by over $5 billion annually in comparison to the Executive Budget forecast, due primarily to weaker than expected April PIT receipts from extension payments and final returns. Collections for April and May 2023 are projected to be roughly $4.6 billion below the last public forecast[5], particularly in extension payments and higher refunds, and are consistent with the experiences of comparable PIT-dependent states, as well the Federal government. The drop in tax receipts appears to be related to a decline in tax year 2022 liability, which is most directly attributable to a sharp decrease in nonwage income, with weakness in capital gains serving as the primary driver. This decline is the basis for the substantial downward revisions to tax receipts in the Enacted Budget Financial Plan. (See “State Financial Plan Multi-Year Projections – Receipts” herein.)

Negotiated Changes

The FY 2024 Enacted Budget authorized a net $1.9 billion in spending additions to the General Fund in FY 2024 compared to the Executive Budget proposal. The additions to the General Fund consist of recurring and non-recurring costs. Recurring additions carry an estimated net cost of $770 million in FY 2024, annualizing to nearly $1.6 billion in the outyears of the Financial Plan. The largest recurring costs include increases in the minimum wage, additional operating aid for university systems, increased rates for health care and human services providers, expansion of free school meals, and aid for legal defense and discovery for indigent and low-income individuals.

Excluding distressed hospital assistance and other Medicaid additions that are funded by resources within the Global Cap Index, non-recurring additions are estimated at roughly $1.2 billion in FY 2024. The largest one-time spending additions include rent arrears ($391 million) to support additional tenants and families, including the New York City Housing Authority and other public housing residents and recipients of Federal Section 8 vouchers, and discretionary additions ($390 million) for individual program areas. In addition, the final budget agreement excluded several Executive revenue proposals, such as the ban on flavored tobacco, but expanded the Empire State Child Credit to include children under four years of age.

The negotiated changes in FY 2024 are offset by available resources and balances carried forward from FY 2023, and the use of the Indigent Legal Services Fund to offset aid for legal defense.

[5] FY 2024 Executive Budget Updated for Governor's Amendments and Forecast Revisions Financial Plan dated March 3, 2023.

Other Forecast Revisions

The Financial Plan includes revisions to reflect the management of surplus resources generated in FY 2023 to be used in subsequent years. Actions taken consisted of the prepayment of debt service and fringe benefit expenses due in future years and capital advances to the MTA, as well as carrying forward available balances and Federal reimbursements that have been programmed for use in FY 2024, in part to offset spending that carried over from FY 2023. In addition, discretionary deposits to the Retiree Health Benefit Trust Fund (RHBTF) in future years will be made pending fiscal conditions. Furthermore, the timing of transfers from the health care transformation fund have been revised over the multi-year plan to partially offset the cost of home care wage increases.

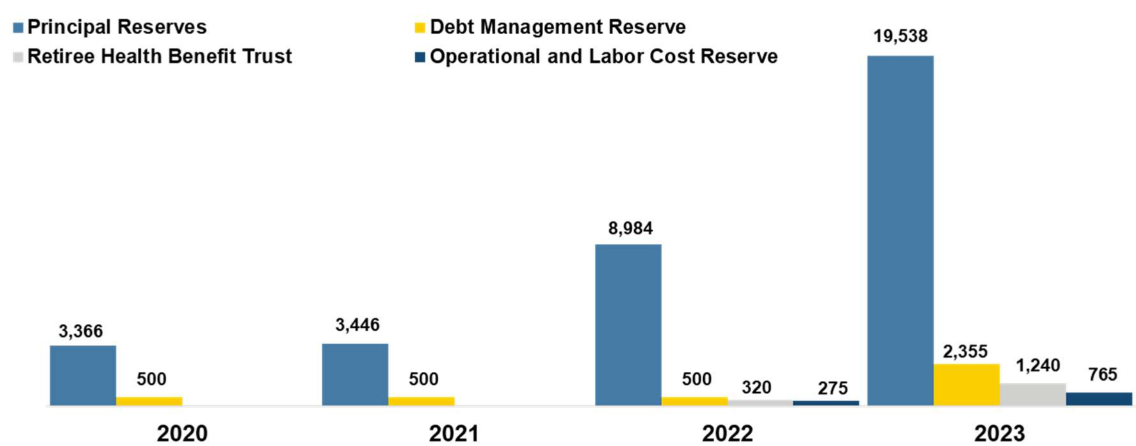
DOB has made other revisions to the Executive Budget Financial Plan projections of non-tax receipts and spending in all years based on prior year results, as well as updated forecasts and programmatic assumptions. The revisions include higher investment income and lower disbursements across numerous program areas and fringe benefit costs. In addition, the Financial Plan has been updated to reflect the full cost to the State of the bonus payments to eligible healthcare workers. The Centers for Medicare & Medicaid Services (CMS) has provided initial guidance indicating that the Federal government is unlikely to provide Federal matching funds for the bonus payments executed to date. The State is continuing to negotiate with CMS to find an acceptable process for documenting and claiming a Federal share.

FY 2024 Enacted Budget Financial Plan Highlights

Reserves and Risks

Economic turning points create heightened risks to the Financial Plan. In the two recessions prior to COVID, tax receipts fell more steeply and for a longer period than originally expected. While the DOB forecast is based on reasonable assumptions, the impact of an economic slowdown is highly unpredictable. A second, new risk has been created by the PTET program, which has introduced a high degree of uncertainty in the level and timing of expected PIT tax collections. Lastly, the State is dependent on a range of Federal approvals to implement savings measures and receive reimbursement for costs it has incurred in the first instance. The Financial Plan maintains a reserve for such transaction risks, in addition to the principal reserves and other reserves for specific purposes (e.g., future operational and labor costs).

$20 BILLION ADDED TO RESERVES SINCE 2020



Excludes other statutory and informal reserves for dedicated purposes (e.g., PTET, pandemic assistance, and undesignated fund balances)

Principal Reserves[6]. The State completed the entire $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 current balance in principal reserves is just over $19.5 billion, an amount equal to approximately 16 percent of projected FY 2024 State Operating Funds disbursements.

[6] DOB defines principal reserves as the two "rainy day" reserves (consisting of the Tax Stabilization Reserve and the Rainy Day Reserve) and the portion of the General Fund balance informally designated for economic uncertainties.

The FY 2024 Enacted Budget includes legislation that increases the amount the State is permitted to set aside in statutory reserves by increasing the maximum allowable balance for the Rainy Day Reserve from 15 percent to 25 percent, and the maximum annual deposit from 3 percent to 15 percent, of projected General Fund spending in the current year.

A deposit to the Rainy Day Reserve Fund is anticipated to be made at the end of FY 2024 depending on fiscal and economic conditions, including any material decline in tax collections. The allocation of principal reserves may be adjusted in future updates dependent on fiscal conditions and consistent with the allowable balance and deposit authorization for the Rainy Day Reserve.

Debt Management Reserve Fund. To ensure the State can abide by the limits imposed by the Debt Reform Act, $1 billion has been set aside in the debt management reserve.

RHBTF[7]. In FY 2022, the State made its first deposit to the RHBTF, which was created in FY 2018 to reserve money for the payment of health benefits of retired employees and their dependents. In FY 2023, deposits previously planned in later years ($600 million) were accelerated for a total deposit of $920 million, consistent with the statutory limit of 1.5 percent of the actuarial accrued liability. The balance in the reserve totals $1.2 billion. Future deposits will be dependent on fiscal conditions.

Operational/Labor Cost Reserve. The Financial Plan includes an informal set aside of funds in the General Fund balance available for unexpected and new costs of Executive agencies inclusive of, but not limited to, future labor agreements, inflationary costs or other critical needs. These funds are included in the General Fund balance and are not included in spending estimates.

The State recently reached a tentative labor agreement with the Public Employees Federation (PEF) for the three-year period from FY 2024 through FY 2026. The agreement is subject to ratification by union membership and the votes are expected to take place in the coming months. The tentative agreement includes 3 percent salary increases for each year of the agreement and a one-time bonus of $3,000, as well as other one-time payments that are expected to be partly offset by expected health insurance benefit savings. In the past, agencies have been required to fund general salary increases within existing budgets through efficiencies and other savings initiatives. However, certain one-time payments are expected to be covered with the General Fund reserve.

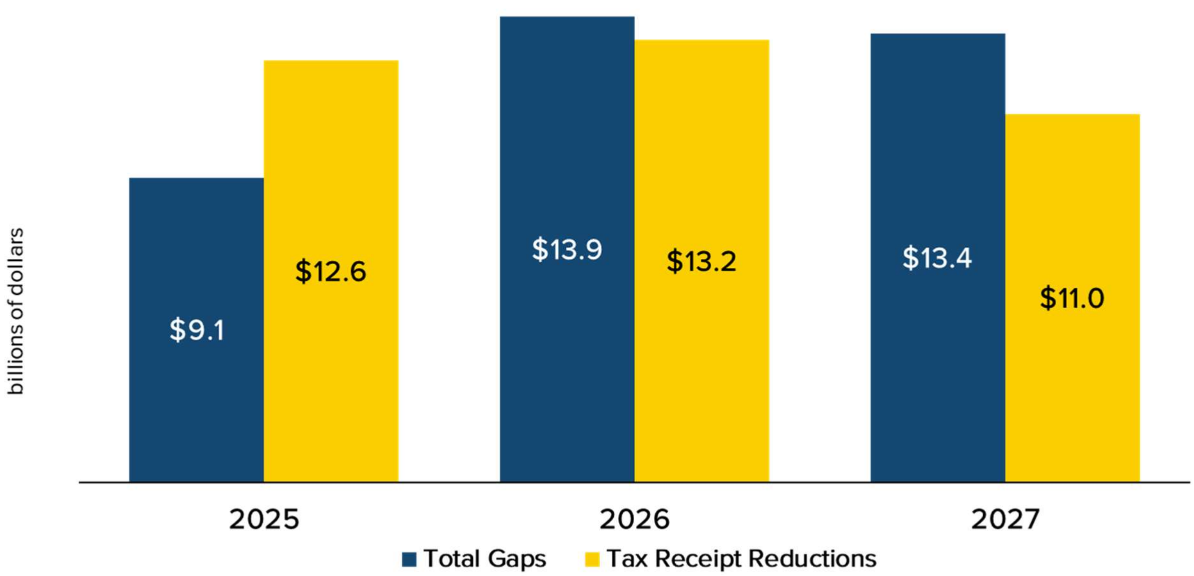
The State also reached a tentative agreement with United University Professions (UUP) representing SUNY employees for the four-year period from Academic Year 2023 through Academic Year 2026, which is also subject to ratification and includes general salary increases of 2 percent in FY 2023 followed by 3 percent salary increases for each of the next three years, as well as other payments and modifications to health insurance benefits. The cost of the UUP agreement is expected to be funded by SUNY except for related fringe benefits costs currently paid by the State, and onetime payments related to negotiated labor agreements.

[7] The RHBTF is a trust fund for the payment of health benefits of retired employees and their dependents and is not included in the General Fund balance. The reserves establish an asset against the State's post-employment health insurance liability.

Outyear Budget Gaps

The Enacted Budget Financial Plan projects outyear budget gaps of $9.1 billion in FY 2025, $13.9 billion in FY 2026, and $13.4 billion in FY 2027[8], a total of roughly $36 billion over three years. The budget gaps that have opened in each year are due principally to the downward revisions in projected tax receipts, which have been lowered by nearly $37 billion (FY 2025 to FY 2027) in comparison to the May 2022 forecast included in the FY 2023 Enacted Budget Financial Plan. If the FY 2025 Budget is balanced with recurring savings, the projected budget gap for FY 2026 would be $4.8 billion. The projected budget gaps do not reflect the use of any reserves to balance operations.

OUTYEAR BUDGET GAPS AND TAX RECEIPTS REDUCTIONS



Cash Position

DOB expects that the General Fund will have sufficient liquidity in FY 2024 to make all planned payments as they become due. 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.

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[8] FY 2027 tax receipts projections assume the scheduled expiration of the State and Local Tax (SALT) deduction cap after December 31, 2025 under current Federal law, as well as the likelihood that NYS taxpayers will pay a greater share of liability through quarterly estimated payments in tax year 2026 to take advantage of the expiration. The impact on NYS tax receipts projections is an acceleration of tax receipts into FY 2027. If the SALT deduction cap is extended, the projection of tax receipts for FY 2027 will be reduced and the FY 2027 budget gap calculation will increase by a comparable amount.

State Spending

The Financial Plan projects that State Operating Funds spending will total $125.3 billion in FY 2024, an increase of $1.6 billion, or 1.3 percent, from FY 2023. The decline in all other spending reflects the management of surplus resources generated in prior years, which consist of the prepayment of debt service and fringe benefit expenses due in future years.

FY 2024 ENACTED BUDGET SPENDING (millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	$ Change	% Change
All Funds	**220,462**	**229,013**	**8,551**	**3.9%**
State Operating Funds	**123,751**	**125,331**	**1,580**	**1.3%**
School Aid (School Year Basis)	31,383	34,414	3,031	9.7%
Medicaid	25,468	27,253	1,785	7.0%
All Other	66,900	63,664	(3,236)	-4.8%

Debt Service

Debt service spending consists of the payment of principal, interest, and related expenses on State-supported debt. Prepayments executed in prior years, as well as prepayments in FY 2023, have a substantial impact on total debt service spending. The table below provides a summary of the impact of prepayments on debt service expenses.

STATE-SUPPORTED DEBT SERVICE (millions of dollars)

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Base Debt Service	**5,556**	**6,603**	**7,213**	**7,538**	**8,037**	**8,228**
Total Prepayment Adjustment	**4,925**	**(3,705)**	**(3,695)**	**(2,380)**	**(2,860)**	**(2,000)**
Prior Prepayments	(1,075)	(2,255)	(2,395)	(1,630)	(2,360)	0
FY 2023 Prepayment	6,000	(1,450)	(1,300)	(750)	(500)	(2,000)
Enacted Budget State Debt Service	**10,481**	**2,898**	**3,518**	**5,158**	**5,177**	**6,228**

Summary of Actions and Revisions Compared to Base Projections

The following table and narrative provide a summary of the impact of the FY 2024 Enacted Budget actions and revisions on General Fund operations, starting with the "base" estimates[9].

FY 2024 ENACTED BUDGET FINANCIAL PLAN (millions of dollars)	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
UPDATED "BASE" BUDGET SURPLUS/(GAP) ESTIMATE	**214**	**(6,813)**	**(7,418)**	**(5,465)**
Receipts	**(1,584)**	**(4,124)**	**(5,579)**	**(9,285)**
Tax Receipts	(5,236)	(4,927)	(5,392)	(8,773)
Forecast Revisions	(5,623)	(5,291)	(5,399)	(5,818)
PTET Forecast Revisions	400	(206)	(745)	(3,259)
Other Tax Receipts Changes	(13)	570	752	304
Debt Service Reestimates	10	123	157	54
Payment of Future Debt Service	1,450	550	0	0
Other Receipts/Transfers	2,192	130	(344)	(566)
Disbursements	**(123)**	**(1,748)**	**(2,296)**	**(2,772)**
Assistance and Grants	(3,123)	(1,850)	(2,372)	(2,680)
Education	56	410	28	18
Medicaid	(1,363)	(656)	(1,075)	(1,014)
eFMAP extension through Dec. 31, 2023	1,315	0	0	0
Asylum Seekers Services and Assistance	(944)	(355)	0	0
Minimum Wage/Home Care Wages	30	(314)	(605)	(964)
Bonus for Healthcare and Direct Care Workers	(823)	(256)	0	0
Mental Hygiene	(62)	(226)	(255)	(277)
Public Health/Aging	(105)	(34)	(23)	(23)
Social Services/Housing	(550)	(64)	(57)	(67)
Environment/Energy	(212)	(50)	(50)	(50)
Higher Education	(98)	(138)	(155)	(164)
Public Safety	(360)	(333)	(241)	(237)
Transportation	(381)	(78)	(78)	(74)
All Other	375	243	139	173
Agency Operations, including GSCs	1,338	(117)	284	301
Executive Agency Operations	(100)	(532)	(497)	(486)
Asylum Seekers Services and Assistance	(162)	0	0	0
Healthcare Worker Bonus	(54)	(27)	0	0
FEMA Reimbursement	800	0	0	0
State Police Recruiting Classes	(67)	(46)	(47)	(48)
SUNY Endowment Funding	(250)	(250)	0	0
Legislature/Judiciary (incl. fringe benefits)	(42)	(42)	(31)	(24)
Fringe Benefits/Fixed Costs	1,213	780	859	859
Transfers to Other Funds	1,662	219	(208)	(393)
Capital Projects	1,511	579	190	23
SUNY Operations	(203)	(226)	(260)	(274)
All Other	354	(134)	(138)	(142)
Use of/(Deposit to) Reserves	**1,493**	**3,630**	**1,420**	**4,084**
Accelerate Principal Reserve Deposits	2,448	2,926	0	0
Timing of PTET/PIT Credits	(400)	206	745	3,259
All Other Reserves	(555)	498	675	825
ENACTED BUDGET SURPLUS/(GAP) ESTIMATE	**0**	**(9,055)**	**(13,873)**	**(13,438)**

[9] The baselevel estimates, which were completed in February 2023, represent the projected surpluses and gaps before any changes proposed by the Governor or enacted by the Legislature, as well as subsequent revisions to the forecast of receipts, disbursements, and available resources.

Receipts

Tax Receipts. The estimates for tax receipts have been reduced in each year of the Financial Plan, consistent with collections through May 2023 and DOB's updated economic forecast.

In addition, the FY 2024 Enacted Budget extends through tax year 2026 the Article 9-A tax rates on taxpayers with business income over $5 million and the alternative capital base tax rate for certain taxpayers. Other tax changes include various extensions, enforcement initiatives and reforms including the extension of credits for historic property rehabilitation, New York City musical and theatrical productions, and farmers, as well as a new credit for child care expansion and the inclusion of children under four years of age to the Empire State Child Credit.

Debt Service. Revisions reflect savings from lower bond issuances due to increased PAYGO resources and slower than expected capital spending, as well as additional debt service prepayments made in FY 2023 that reduce debt service costs in future years.

Other Receipts/Transfers. The Financial Plan includes a $1.4 billion increase to the estimated investment income the State expects to generate consistent with higher interest rates and liquidity. Other changes include a reduction to the Transaction Risk Reserve, which is maintained at $2 billion annually, and revisions to certain planned transfers due to the availability of revenues and balances in other funds that are earmarked to support new investments. Other changes include restatements and adjustments between debt service transfers, resulting from the prepayment of DHBTF Bonds which increases debt service transfers from, along with a corresponding decrease in capital projects transfers. There is no resulting Financial Plan impact.

Disbursements

Assistance and Grants

School Aid. The Financial Plan provides $34.4 billion in State aid to schools for school year (SY) 2024, an increase of $3 billion (9.7 percent). Including Federal prekindergarten expansion grants, schools will receive $34.5 billion. This growth primarily reflects a $2.6 billion (12.3 percent) Foundation Aid increase, including a minimum 3 percent annual increase to fully funded districts that would otherwise not receive a Foundation Aid increase under current law. The growth in Foundation Aid largely reflects the full funding of the current formula for the first time in its 17-year history, marking the final year of the three-year phase-in of full funding. School Aid growth also includes a $225 million increase in expense-based aid and a $150 million increase in State-funded full-day prekindergarten programming for four-year-old children.

The decrease in projected General Fund disbursements for education shown in the previous table primarily reflects additional resources in the State's Lottery, Mobile Sports, Video Lottery Terminals (VLTs) and Commercial Gaming Funds available to finance School Aid spending.

Medicaid Global Cap. Global Cap spending growth in FY 2024 is estimated at $1.4 billion. The Global Cap index has been revised based on updated CMS annual projections of health care spending. The revised rates provide additional Medicaid spending of $475 million in FY 2024 growing to $754 million in FY 2027. Medicaid spending is currently projected to exceed the cap by $242 million in FY 2026 and $283 million in FY 2027. The higher cost is mainly attributable to higher-than-expected enrollment, utilization and spending trends. The Governor’s healthcare commission will examine and recommend reforms to improve quality and reduce costs.

The FY 2024 Enacted Budget includes several investments in health care, including $500 million in assistance for financially distressed hospitals, increasing and/or adding Medicaid reimbursement for hospitals, nursing homes and assisted living providers, primary care, school-based health centers, transportation services, and additional types of mental health providers in community health centers. In addition, the Financial Plan includes savings which began on April 1, 2023, due to the transition of the prescription drug program for all Medicaid members enrolled in Mainstream Managed Care to the State run Medicaid Pharmacy Program. With this transition, the State will pay pharmacies directly for drugs and supplies on behalf of Medicaid members. Transitioning the pharmacy benefit from Managed Care to Medicaid Fee-for-Service will result in significant savings to the State, most of which will be reinvested back into healthcare. Other actions include expanding the Medicaid Buy-in program so more disabled persons can continue to work without the risk of losing health benefits and supporting critical primary and preventative care for Medicaid enrollees that will help improve population health and reduce preventable hospitalizations and emergency room visits.

To maintain spending within the Global Cap, the State will utilize a portion of the Affordable Care Act (ACA) Enhanced Federal Medical Assistance Percentage (eFMAP) savings to offset growth in Medicaid costs borne by the State rather than counties ($219 million). Other actions include shifting pregnancy coverage to the Essential Plan (EP) ($41 million in FY 2024 and $165 million annually thereafter); and aligning the timing of expanded coverage for certain groups with the Federal waiver submission ($172 million).

eFMAP Extension. The Federal FY 2023 Omnibus Appropriations bill extended eFMAP through the end of the 2023 calendar year but at declining levels. Beginning April 1, 2023, eFMAP is reduced over the next three quarters from 6.2 percent to 5 percent through June 30, 2.5 percent through September 30, and 1.5 percent through December 31.

Asylum Seekers Services and Assistance. The FY 2024 Enacted Budget provides support to New York City for services and assistance for asylum seekers, including shelter cost reimbursement.

Minimum Wage/Home Care Wages.

The FY 2024 Enacted Budget includes increasing the minimum wage for home care and non-home care workers. The increases will benefit hundreds of thousands of minimum wage workers across New York State and assist them to meet the rising cost of living, which results in increased State assistance to mental hygiene, health care and social services providers supported by the State.

For non-homecare workers, the FY 2024 Enacted Budget authorizes increasing the minimum wage on January 1, 2024 to $16 per hour in New York City and Nassau, Suffolk, and Westchester counties, and to $15 in the remainder of the State, followed by an additional $0.50 increase each year in 2025 and 2026, and then indexing to inflation annually thereafter.

For home health and personal care workers, the FY 2024 Enacted Budget authorizes increasing the minimum wage, effective January 1, 2024, by $1.55 downstate and $1.35 in the rest of the State, with additional Statewide minimum wage increases of $0.55 to come January 1, 2025 and January 1, 2026. Pending CMS approval, the increases are anticipated to be partially funded by HCBS eFMAP in FY 2024.

Bonus for Healthcare and Direct Care Workers. In FY 2023, healthcare, direct care and other critical safety workers earning less than $125,000 annually began receiving a State-funded bonus payment of up to $3,000. The amount of the bonus is based on hours worked and length of time in service. The program runs through April 1, 2024 and the timing of payments is dependent on claims submission. As such, the Financial Plan has been revised to reflect payments continuing into FY 2024 and FY 2025.

In addition, the State previously expected Federal matching funds of roughly $1.3 billion for the bonus payments made to eligible healthcare workers.[10] Based on initial CMS feedback, the Financial Plan has been revised to reflect the State paying the entire costs of these bonus payments between FY 2023 and FY 2025. This ensures funding has been included in the event of a final determination that these costs are ineligible for Federal matching funds; however the State is continuing to negotiate with CMS to find an acceptable process for documenting and claiming a Federal share.

Mental Hygiene. The FY 2024 Enacted Budget includes investments across the continuum of care for mental health and continued support for community-based services, including residential programs. Specifically, this includes establishing and operating 3,500 new residential units for people with mental illness, including 1,500 Supportive Housing beds, 900 transitional step-down beds, 600 licensed apartment treatment beds and 500 community residence-single room occupancy (CR-SRO) beds. Outpatient mental health services throughout the State will be significantly expanded by funding twelve new Comprehensive Psychiatric Emergency Programs; 42 new Assertive Community Treatment teams; 26 new Certified Community Behavioral Health Clinics, including an Indigent Care Program to ensure providers are reimbursed for care; eight new Safe Options Support teams; the expansion of the Critical Time Intervention (CTI) initiative started in 2022; 42 new Health Home Plus Care Managers; and start-up funding and operating costs for expanded clinic capacity at 20 sites. The FY 2024 Enacted Budget also expands mental health services for children and families, enhances suicide prevention programs, strengthens supportive housing programs, and supports the 4 percent Cost of Living Adjustment (COLA) for voluntary operated providers.

Public Health/Aging. The FY 2024 Enacted Budget adds funding for the Hunger Prevention and Nutrition Assistance Program (HPNAP), tobacco control, cancer services as well as a 4 percent COLA for SOFA consistent with the other Human Services agencies.

Social Services/Housing. The FY 2024 Enacted Budget provides funding to ensure continuity in the level of childcare subsidies; expands eligibility for child care subsidies to more families; creates an employer-supported child care pilot program to provide new financial support for child care; and continues funding for the emergency rental assistance and landlord aid programs, including legal services for tenants facing eviction. Other significant increases include investments in permanency resource centers and kinship services, consolidating afterschool program funding in the Office of Children and Family Services (OCFS), assisting foster care agencies with Federal provisions related to Institutions for Mental Disease (IMD), indexing of the minimum wage, and providing a 4 percent COLA for the human services workforce. These investments are offset by the restructured financing approach for residential school placements of children with special needs outside New York City and utilization of Mortgage Insurance Fund (MIF) resources to fund housing and homelessness programs.

[10] Beginning with the FY 2023 Mid-Year Update to the Financial Plan, dated November 2022, DOB noted considerable risk that CMS may not approve all of the Federal matching funds for the healthcare bonus payments and that the General Fund would incur unbudgeted costs of up to $1.3 billion through FY 2025 in the event the Federal matching funds are not approved.

Environment/Energy. The FY 2024 Enacted Budget includes $200 million in funding to expand the Energy Affordability Program to consumers who have not been previously eligible. The program will provide income-eligible customers with a discount on their monthly electric and/or gas bills.

Higher Education. The FY 2024 Enacted Budget adds $93 million in recurring annual operating support for City University of New York (CUNY) campuses starting in Academic Year 2024 and a multiyear commitment to provide CUNY with general operating aid increases of $36 million in each of the following two academic years (2025 and 2026).

Public Safety. The FY 2024 Enacted Budget includes increased support for Prosecutors and Defenders, Alternative to Incarceration (ATI), the Gun Involved Violence Elimination (GIVE) program, re-entry services, and additional funding to assist in the implementation of criminal discovery laws and pretrial services. The FY 2024 Enacted Budget also includes funding to combat the flow of fentanyl, including the establishment of an Anti-Fentanyl Innovation Grant, as well as support to hire additional crime and data analysts focused on fentanyl distribution and deaths.

Transportation. The FY 2024 Enacted Budget includes one-time State assistance to the MTA to address extraordinary revenue impacts caused by the pandemic ($305 million, of which $5 million is dedicated to the MTA's Outer Borough Transit Account) and increases to upstate transit operating aid to match the year to year increase in on-budget, traditional MTA aid. Other initiatives include $24 million annually for operating costs of the Gateway Development Commission and $2 million to begin funding an Innovative Mobility Initiative for non-MTA systems.

All Other Assistance and Grants. The FY 2024 Enacted Budget includes increased funding for various other programs and initiatives including recurring assistance to the City of Albany, the Liberty Defense Project and the Office of New Americans, various programs administered by the Empire State Development Corporation, immigration legal services and combating bias-based crimes. In addition, all other spending includes a reconciliation for the net impact of the Mental Hygiene Stabilization Fund and OPWDD Local Share Adjustments related to the Medicaid Global Cap.

The FY 2024 Enacted Budget also includes $80 million in FY 2024 and $134 million in annual outyear support for a new State-funded initiative to incentivize qualifying low-income public and nonpublic schools to participate in the Federal Community Eligibility Provision (CEP) program, allowing all students in those schools to eat breakfast and lunch at no charge regardless of their families' income.

Agency Operations

Agency Operations. The growth in executive agency budgets reflects funding to meet critical service needs, as well as efforts to assess lead risks and support lead abatement in housing across the State and modernize health reporting systems. In addition, funding is included to support consulting costs associated with development of Section 1115 Medicaid demonstration waivers that have allowed the State to implement a managed care program that provides comprehensive and coordinated health care to Medicaid patients. Increased funding for agency operations also supports inpatient beds in State-operated Psychiatric Centers, expanded State Police community stabilization units, enhanced parole supervisions programs, investments in information technology including the Joint Security Operations Center (JSOC), geographical wage adjustments, and additional enforcement to curb the illegal sale of cannabis.

Asylum Seekers Services and Assistance. The Division of Military and Naval Affairs (DMNA) has deployed national guard servicemembers to various hotels, homeless shelters, and emergency sites throughout New York City to implement, administer, and effectuate the provision of services.

State Police Recruiting Classes. Increased funding will support additional State Police recruiting classes in FY 2024.

SUNY Endowment Funding. The State will provide $1 in State funds (up to $500 million) for every $2 in private contributions to the endowments of SUNY's four university centers: Buffalo, Binghamton, Albany, and Stony Brook. The endowment funds are expected to be used to provide long-term support for campus operations, student scholarships, research, endowed professorships, and the development of new academic fields.

Legislature/Judiciary. The FY 2024 Enacted Budget reflects budget requests submitted by the Legislature and Judiciary. The Judiciary requested increases in annual operating spending to fund expected hiring, three planned Court Officer Academy classes, the addition of 34 new Judgeships, and collective bargaining increases implemented in March 2023. Additionally, there have been increases to the assigned counsel rate for attorneys providing services to indigent persons. Spending increases for the Legislature are mainly driven by personnel costs for legislative staff, as well as increases for member salaries.

Fringe Benefits/Fixed Costs. The fringe benefit projections have been lowered to account for the management of surplus resources generated in FY 2023 used to prepay fringe benefit expenses due in FY 2024, revised projections for employee health insurance and pension expenses, and future deposits to the RHBTF dependent on fiscal conditions.

Transfer to Other Funds

Capital Projects. The FY 2024 Enacted Budget reduces transfers to various capital projects funds, including: the DHBTF, due to the State's prepayment of dedicated bonds, described above; the Dedicated Infrastructure Investment Fund (DIIF), which is related to slower than anticipated program spending and an updated timeline for the construction of the stadium in Orchard Park; and the State Capital Project Fund, related to the timing of bond proceeds reimbursements. The reduction in transfers is partially offset by new investments for residential energy-efficiency upgrades, health care transformation, and the development of technology systems associated with pre-trial discovery laws.

SUNY Operations. The FY 2024 Enacted Budget provides $163 million ($122 million in FY 2024) in new recurring general operating support for SUNY campuses and a multiyear commitment to provide SUNY with general operating aid increases of $54 million in each of the following two academic years (2025 and 2026). Another $75 million in State aid to SUNY in Academic Year 2024 ($56 million in FY 2024) will fund transformational initiatives at campuses that support innovation, help meet workforce needs, and provide student support.

Other Transfers. Transfers reflect a revised schedule for funding the health care transformation fund.

Reserve Changes

The previously planned deposits to principal reserves in FY 2024 ($2.4 billion) and FY 2025 ($2.9 billion) were accelerated and completed in FY 2023. In addition, revisions to the estimated PTET/PIT tax credit payments are offset by the reserve set aside for this purpose. Other changes include the use of available, accumulated surpluses that were carried forward to lower the projected outyear budget gaps and revisions to spending supported by the Monetary Settlements Reserve.

General Fund Financial Plan

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

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

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

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

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

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

FY 2024 Enacted Budget Financial Plan

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

GENERAL FUND FINANCIAL PLAN (millions of dollars)				
			Annual Change	
	FY 2023 Actuals	FY 2024 Projected	Dollar	Percent
Opening Fund Balance	**33,053**	**43,451**	**10,398**	**31.5%**
Total Receipts	**103,197**	**100,498**	**(2,699)**	**-2.6%**
Receipts (Excluding PTET)	105,269	102,394	(2,875)	-2.7%
Taxes	96,018	94,405	(1,613)	-1.7%
Miscellaneous Receipts	3,609	3,801	192	5.3%
Federal Receipts	2,351	2,250	(101)	-4.3%
Non-Tax Transfers from Other Funds	3,291	1,938	(1,353)	-41.1%
PTET Receipts	(2,072)	(1,896)	176	8.5%
PIT Credits	(17,016)	(14,936)	2,080	12.2%
Business Taxes	14,944	13,040	(1,904)	-12.7%
Total Disbursements	**92,799**	**104,412**	**11,613**	**12.5%**
Assistance and Grants	62,852	75,055	12,203	19.4%
State Operations	21,622	20,965	(657)	-3.0%
Transfers to Other Funds	8,325	8,392	67	0.8%
Net Change in Operations	**10,398**	**(3,914)**	**(14,312)**	**-137.6%**
Closing Fund Balance	**43,451**	**39,537**	**(3,914)**	**-9.0%**
Statutory Reserves:				
Community Projects	25	23	(2)	
Contingency	21	21	0	
Rainy Day[1]	6,256	6,256	0	
Fund Balance Reserved for:				
Consensus Revenue	0	0	0	
Debt Management	2,355	2,436	81	
Economic Uncertainties	13,282	13,282	0	
Labor Settlements/Agency Operations	765	1,765	1,000	
Pandemic Assistance	245	0	(245)	
Undesignated Fund Balance	4,574	2,150	(2,424)	
Subtotal Excluding Settlements/PTET	**27,523**	**25,933**	**(1,590)**	
Fund Balance Reserved for:				
Extraordinary Monetary Settlements	1,570	1,142	(428)	
Timing of PTET/PIT Credits	14,358	12,462	(1,896)	

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

Receipts

General Fund receipts, including transfers from other funds, are estimated to total $100.5 billion in FY 2024, a decrease of $2.7 billion (2.6 percent) from FY 2023. Excluding the impact of the PTET program, total receipts are projected to decrease by $2.9 billion (2.7 percent) from FY 2023.

Tax receipts, excluding the impact of PTET and debt prepayments, but including transfers after payment of debt service, are estimated to total $90.7 billion in FY 2024, a decrease of $10.2 billion (10.1 percent) from FY 2023. The decrease reflects the effects of a mild recession on PIT revenues, in addition to declines in Corporate Franchise Tax (CFT) receipts and estate tax receipts. The actual and planned prepayments of debt service due in future years reduce reported PIT receipts in the fiscal year in which the payments are made and increase PIT receipts in the fiscal years in which the debt service was originally scheduled to be paid. Debt prepayments reduce General Fund PIT receipts by $4.9 billion in FY 2023 and increase PIT receipts $13.7 billion in FY 2024. Including these prepayments, tax receipts are estimated to decrease by $1.6 billion from FY 2023.

PIT receipts, excluding PTET and debt prepayments, but including transfers after payment of debt service, are estimated to total $60.4 billion in FY 2024, a decrease of $10 billion (14.2 percent) from FY 2023. The decrease reflects reduced extension payments for tax year 2022 driven by a strong decline in nonwage income, coupled with declines in final returns and delinquencies, offset by a decrease in total refunds primarily attributable to the expiration of the 2022 homeowner tax rebate credit.

Consumption/use tax receipts, including transfers after payment of debt service on Sales Tax Revenue Bonds, are estimated to total $18.4 billion in FY 2024, an increase of $1.6 billion (9.8 percent) from FY 2023. This increase reflects moderate growth in the sales tax base (2.7 percent).

Business tax receipts, excluding PTET, are estimated at $9.3 billion in FY 2024, a decrease of $1.1 billion (10.3 percent) from FY 2023. The decrease primarily reflects a decrease in CFT gross receipts, reflecting a projected decline in corporate profits, and a decrease in audit receipts to recent trend levels.

Other tax receipts, including transfers after payment of debt service on Clean Water/Clean Air (CW/CA) Bonds, are expected to total $2.6 billion in FY 2024, a decrease of $797 million from FY 2023. This is primarily due to the estate tax returning to typical trends following record receipt collections in FY 2023, as well as a decline in real estate transfer tax receipts as the market continues to cool off.

Miscellaneous receipts are projected to increase by $192 million from FY 2023 due to historically high investment income receipts associated with high interest rates and large fund balances associated with the timing of PTET receipts.

Non-tax transfers are estimated to total $1.9 billion in FY 2024, a decrease of $1.4 billion from FY 2023. The change is mainly attributable to an increase in the Transaction Risk Reserve compared to FY 2023 which reduces transfers from other funds, partially offset by increases in transfers from the Health Care Transformation, Mental Health Services, Tribal State Compact and Indigent Legal Services funds.

Disbursements

General Fund disbursements, including transfers to other funds, are expected to total $104.4 billion in FY 2024, an increase of $11.6 billion (12.5 percent) from FY 2023. The annual change in spending is in part due to the expected expiration of the eFMAP at the end of the third quarter of FY 2024. The higher Federal matching rate has temporarily lowered State-share spending and increased the Federal share of Medicaid costs.

Assistance and grants spending is estimated to total $75.1 billion in FY 2024, an increase of $12.2 billion from FY 2023. General Fund spending for education and health care represents most of the assistance and grants spending growth. General Fund support for these programs is affected by the level of financing sources (i.e., HCRA and lottery/gaming receipts) available in other funds, as well as the impact of an over $2 billion drop in eFMAP savings. School Aid is estimated to increase by $3.3 billion (12.8 percent) on a State fiscal year basis, primarily reflecting the final year of the phase-in of full funding of the current Foundation Aid formula, a $150 million investment in State-funded full-day prekindergarten programming for four-year old children and assumed growth in expense-based aids.

Medicaid spending is projected to grow by $1.7 billion due to investments in health care and provider reimbursement associated with the authorization to increase the State's minimum wage, offset by savings resulting from the transition of the pharmacy benefit from Managed Care to Medicaid Fee-for-Service, the phase down of the eFMAP extension through December 31, 2023, and actions to maintain spending within the Global Cap. Other assistance and grants growth is primarily the result of additional assistance to the MTA to address operating shortfalls, initiatives and investments to improve mental health care services, access to affordable housing, additional support for public safety initiatives, wage increases, emergency rental and rental arrears assistance and landlord aid programs including legal services for tenants facing eviction, and significant one-time funding to support asylum seekers services and assistance in New York City.

General Fund agency operations costs, including fringe benefits, are expected to total $21 billion in FY 2024, a decrease of $657 million from FY 2023, driven primarily by a decline in General State Charges (GSCs) spending that partially offsets the increase in State Operations spending. The growth in executive agency budgets reflects efforts to assess lead risks and support lead abatement for housing across the State, modernize health reporting systems, conduct additional State Police recruiting classes, provide State matching funds for contributions to the endowments for SUNY's four university centers, increase inpatient beds in State-operated Psychiatric Centers, and provide additional enforcement to curb the illegal sale of cannabis. Additionally, the cost of deploying the National Guard to assist New York City with providing care for asylum seekers and consulting costs associated with development of Section 1115 Medicaid demonstration waivers increase spending in FY 2024. Judiciary spending is projected to increase in FY 2024 driven by increases to the assigned counsel rate for attorneys providing services to indigent persons. Fringe benefit costs are expected to decrease in FY 2024 primarily due to a $920 million payment to the RHBTF and the advance of certain health insurance and workers compensation payments in FY 2023, partially offset by the increased costs of providing pension benefits to current and retired employees.

General Fund transfers to Other Funds are projected to total $8.4 billion in FY 2024, an increase of $67 million from FY 2023. The growth is mainly attributable to increased transfers for capital projects reflecting an increase in planned Pay-As-You-Go (PAYGO) capital spending and increased transfers to SUNY for transformational initiatives at campuses that support innovation, help meet workforce needs, and provide student support; partially offset by lower Health Care Transformation and Dedicated Mass Transportation Trust Fund transfers.

FY 2024 Closing Balance

Excluding the PTET[11] reserve for the timing of PTET/PIT credits and the reserve for extraordinary monetary settlements to fund existing commitments and projects, DOB projects the State will end FY 2024 with a General Fund cash balance of $25.9 billion, a decrease of $1.6 billion from FY 2023. The reserves for debt management and labor settlements are projected to increase by just over $1 billion. The balance available for all other purposes is expected to decline due to the planned use of prior year resources to fund certain commitments and operations in FY 2024.

[11] 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 2024 Executive Budget proposal.

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

	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
EXECUTIVE BUDGET SURPLUS/(GAP) ESTIMATE	**0**	**(5,079)**	**(8,597)**	**(7,159)**
TAX RECEIPTS[1]	**(5,623)**	**(5,291)**	**(5,399)**	**(5,818)**
NEGOTIATED CHANGES	**0**	**(1,090)**	**(1,248)**	**(1,589)**
Spending Restorations/Adds	**(1,939)**	**(1,205)**	**(1,265)**	**(1,597)**
New Spending Adds:	(1,735)	(903)	(941)	(1,020)
Rent Arrears	(391)	0	0	0
University System Operating Assistance	(197)	(230)	(308)	(330)
Additional 1.5% Human Services COLA (4% Total)	(121)	(121)	(121)	(121)
Discovery and Defense Aid Support	(120)	(120)	(120)	(120)
18-b Assigned Counsel (County Assistance)	(92)	(92)	0	0
School Lunch Expansion	(80)	(134)	(134)	(134)
Minimum Wage	(14)	(45)	(93)	(158)
Legislative Table Adds	(390)	(24)	0	0
All Other	(330)	(137)	(165)	(157)
Medicaid	(187)	(256)	(278)	(531)
Distressed Hospital Assistance	(500)	0	0	0
NYC/County Assistance (eFMAP)	(405)	(270)	0	0
Additional Hospital/Nursing Home Rate Increases	(232)	(232)	(232)	(232)
Minimum Wage/Home Care Wages	44	(269)	(512)	(806)
Other Adds/Resources	906	515	466	507
Restorations/Modifications:	(17)	(46)	(46)	(46)
Committee on Special Education	0	(29)	(29)	(29)
Market Based Interest Rate on Judgments	(3)	(3)	(3)	(3)
All Other	(14)	(14)	(14)	(14)
Tax Law/Receipts Changes	**97**	**1**	**(5)**	**(14)**
Not Accepted:	105	200	192	183
Flavored Tobacco Ban Rejection	116	222	214	205
Eliminate Quick Draw Restrictions	(11)	(22)	(22)	(22)
Modified/New:	(8)	(199)	(197)	(197)
ESCC Expansion to Children Ages 0-4	0	(179)	(179)	(179)
All Other	(8)	(20)	(18)	(18)
AVAILABLE RESOURCES/OFFSETS	**1,842**	**114**	**22**	**22**
Consensus Revenue Reserve	800	0	0	0
Prior Year Fund Balance	491	0	0	0
Transaction Risk Reserve	437	0	0	0
Indigent Legal Services Fund Offset	114	114	22	22
RESOURCES/FORECAST REVISIONS	**5,623**	**2,405**	**1,371**	**1,128**
Investment Income	1,400	550	200	0
All Other Forecast/Cost Revisions	822	679	920	1,103
FY 2023 Prepayments	1,030	550	0	0
Capital Advances	376	376	376	0
Prior Year Fund Balances	445	0	0	0
Federal Offsets	800	0	0	0
Retiree Health Reserve Deposits	375	375	0	150
Health Care Transformation Reserve	375	(125)	(125)	(125)
ENACTED BUDGET SURPLUS/(GAP) ESTIMATE	**0**	**(9,055)**	**(13,873)**	**(13,438)**

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

Cash Flow

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

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

The State continues to reserve money on a quarterly basis for debt service payments financed with General Fund resources. Money to pay debt service on bonds secured by dedicated receipts, including PIT bonds and Sales Tax Revenue bonds, continues to be set aside as required by law and bond covenants.

FY 2024 PROJECTED MONTH-END CASH BALANCES APRIL (ACTUALS)/MAY THROUGH MARCH (PROJECTED) (millions of dollars)			
	General Fund	Other Funds	All Funds
April 2023	46,939	24,949	71,888
May 2023	40,411	23,062	63,473
June 2023	42,860	24,658	67,518
July 2023	42,403	24,491	66,894
August 2023	42,214	24,157	66,371
September 2023	44,993	22,160	67,153
October 2023	42,264	21,314	63,578
November 2023	39,225	20,361	59,586
December 2023	43,131	21,539	64,670
January 2024	44,528	21,347	65,875
February 2024	42,491	21,515	64,006
March 2024	39,537	19,960	59,497

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 tax benefit accompanying the PTET program will end in 2025 due to the scheduled expiration of the SALT deduction cap under current Federal law. Therefore, the estimates in the Financial Plan reflect the likelihood that entities cease to participate in the later years of the Financial Plan period.

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

FY 2024 ENACTED BUDGET
GENERAL FUND IMPACT OF THE PASS THROUGH ENTITY TAX
SAVINGS/(COSTS)
(millions of dollars)

	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
General Fund Impact	0	0	0	0	0	0
Tax Receipts[1]	16,430	(2,072)	(1,896)	(424)	(3,023)	(9,013)
PIT Credits	0	(17,016)	(14,936)	(13,064)	(12,339)	(7,845)
PTET Collections (Business Taxes)	16,430	14,944	13,040	12,640	9,316	(1,168)
Use of/(Deposit to) Reserve for PTET Refunds	(16,430)	2,072	1,896	424	3,023	9,013

[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. The accompanying tax credits result in decreased PIT collections beginning in April 2022. In FY 2024, the State expects to continue to collect PTET and pay PIT credits connected with the program for tax years 2021 through 2023. A portion of the reserve balance will cover the difference between PTET collections and related PIT credits.

FY 2023 PIT collections were reduced by an estimated $17.0 billion due to PTET credits and All Funds receipts were reduced by a net $2.1 billion, due to timing. PIT credits may be claimed on the tax return in the following fiscal year, or they can be reflected sooner through reductions in estimated payments. 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. Taxpayers recognized a substantial portion of PTET PIT credits through current estimated payments beginning tax year 2022 and are expected to continue this behavior in future years. FY 2023 PIT collections were reduced by credits for most tax year 2021 PTET collections (through extensions and refunds) and a portion of tax year 2022 PTET collections (through reductions in current estimated PIT payments).

FY 2024 State Operating Funds Spending

STATE OPERATING FUNDS DISBURSEMENTS FY 2023 TO FY 2024 (millions of dollars)				
	FY 2023 Actuals	FY 2024 Projected	Annual Change $	Annual Change %
ASSISTANCE AND GRANTS	**81,877**	**91,558**	**9,681**	**11.8%**
School Aid (School Year Basis)	31,383	34,414	3,031	9.7%
DOH Medicaid	25,468	27,253	1,785	7.0%
Mental Hygiene (Gross)[1]	5,168	6,167	999	19.3%
Transportation	4,569	5,249	680	14.9%
Social Services	4,997	4,890	(107)	-2.1%
Higher Education	2,876	3,141	265	9.2%
Other Education	2,255	2,560	305	13.5%
All Other[2]	5,161	7,884	2,723	52.8%
STATE OPERATIONS/GENERAL STATE CHARGES	**31,393**	**30,875**	**(518)**	**-1.7%**
State Operations	21,190	22,071	881	4.2%
Executive Agencies	11,548	11,598	50	0.4%
University Systems	6,926	7,537	611	8.8%
Elected Officials	2,716	2,936	220	8.1%
General State Charges	10,203	8,804	(1,399)	-13.7%
Pension Contribution	2,045	2,131	86	4.2%
Health Insurance	6,003	4,845	(1,158)	-19.3%
Other Fringe Benefits/Fixed Costs	2,155	1,828	(327)	-15.2%
DEBT SERVICE	**10,481**	**2,898**	**(7,583)**	**-72.3%**
TOTAL STATE OPERATING FUNDS	**123,751**	**125,331**	**1,580**	**1.3%**
Capital Projects (State and Federal Funds)	**14,024**	**17,211**	**3,187**	**22.7%**
Federal Operating Aid	**82,687**	**86,471**	**3,784**	**4.6%**
TOTAL ALL GOVERNMENTAL FUNDS	**220,462**	**229,013**	**8,551**	**3.9%**

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

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

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

Assistance and Grants

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

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

School Aid spending for SY 2024 is estimated at $34.4 billion, excluding Federal prekindergarten grants, representing an annual increase of $3.0 billion (9.7 percent). This annual growth is primarily driven by increased funding for Foundation Aid ($2.6 billion), expense-based reimbursement programs ($225 million), and the expansion of State-funded full-day prekindergarten programming for four-year-old children ($150 million). The growth in Foundation Aid reflects the full funding of the current formula for the first time in its history, marking the final year of the three-year phase-in, and a minimum 3 percent annual increase to fully funded districts that would otherwise not receive a Foundation Aid increase under current law.

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

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

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

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

Social Services increases include funding for services and assistance to New York City for asylum seekers in FY 2024, emergency rental assistance and landlord aid programs including legal services for tenants facing eviction, increases in child care assistance due to an expanded subsidy eligibility, increased reimbursement for child care providers and their workforce, and the creation of an employer-supported child care pilot program. Other Social Services actions include investments in permanency resource centers and kinship services, the consolidation of the Empire State and Advantage Afterschool programs under OCFS, assistance for foster care agencies adapting to Federal requirements, the indexing of the minimum wage and a 4 percent COLA for the human services workforce. There is also increased funding for Code Blue, New York's emergency weather safety plan, and increases in the Empire State Supportive Housing Initiative (ESSHI). Payments for the child welfare program will continue to support local districts' services and the year-to-year decline in such spending is attributable to the timing of such payments.

Higher education spending is projected to grow by 9.2 percent in FY 2024, primarily reflecting estimated increases in spending for student financial aid programs, including the continued expansion of Tuition Assistance Program (TAP) for part-time students in degree-granting programs as well as students enrolled in nondegree workforce credentialing programs at public institutions, and increased operating support for CUNY senior colleges.

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

Other assistance and grants spending growth includes additional funding for energy affordability; and criminal justice programs including: Aid to Prosecution, Aid to Defense, ATI, GIVE programs, pretrial services, discovery reform funding, and anti-Fentanyl innovation grant funding. The FY 2024 Enacted Budget also provides additional funding for immigration legal services and combating biased based crimes. This increased spending is more than offset by time-limited pandemic recovery initiatives including small business assistance, public utility arrears assistance, and one time funding for the Office of Cannabis Management Social Equity Fund and World University Games.

State Operations/GSCs

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

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

University systems spending growth in FY 2024 reflects expected State payments related to the establishment of a $500 million program to match new philanthropic contributions to the endowments of SUNY's university centers. Among other purposes, the earnings on these funds will provide long-term support for campus operations, student scholarships, endowed professorships, innovative research, and the development of new academic fields. It also includes a one-time investment of $75 million for transformational initiatives across all SUNY campuses that support innovation, help meet the workforce needs of the future, and provide needed supports to students. In addition, the Financial Plan includes $120 million in new recurring operating aid support for SUNY State-operated campuses in FY 2024.

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

The decline in GSCs spending is primarily attributable to a payment into the State's Retiree Health Insurance Trust Fund of $920 million in FY 2023. Additionally, at the end of FY 2023, the State made certain prepayments of the Workers' Compensation and Health insurance obligations for FY 2024. These one-time non-recurring payments in FY 2023 partially offset the cost increases for health insurance and workers' compensation claims, driven by medical cost inflation and increases in the average weekly wage.

OTHER MATTERS AFFECTING THE FINANCIAL PLAN

General

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

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

Financial Plan Projections

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

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

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

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

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

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

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

Federal Risks

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

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

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

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

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

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

Major Operating Programs

Statutory Growth Caps for School Aid and Medicaid

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

School Aid. The School Aid growth cap is intended to limit the growth in School Aid to the annual growth in State Personal Income, as calculated in the Personal Income Growth Index (PIGI). The statutory PIGI for School Aid limits School Aid increases to no more than the average annual income growth over a ten-year period. In certain years, the authorized School Aid increases exceeded the indexed levels. The SY 2024 increase of $3.0 billion (9.7 percent) is above the indexed PIGI rate of 4.2 percent. In SY 2025 and beyond, School Aid is projected to increase in line with the rate allowed under the School Aid growth cap.

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

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

Since the enactment of the Global Cap, the portion of actual State Funds Medicaid spending subject to the Global Cap has remained at or below indexed levels. However, in certain fiscal years, DOH has taken management actions, including adjustments to the timing of Medicaid payments consistent with contractual terms, to ensure compliance with the Global Cap.

Public Health Insurance Programs/Public Assistance

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

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

Extraordinary Aid to Hospitals

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

Opioid Settlement Fund

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

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

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

State Labor Force

Labor Negotiations and Agreements

The State negotiates multi-year collective bargaining agreements with its unionized workforce that impact personal service and fringe benefit costs. The State's agreement with the Civil Service Employees Association (CSEA) extends through FY 2026, but all other contracts are now expired.

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

UNION LABOR CONTRACTS

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

The State recently reached tentative agreements with PEF and UUP. Both agreements are subject to ratification by the respective membership of each union. The agreement with PEF runs from FY 2024 to FY 2026 and would provide 3 percent across the board salary increases for each year of the contract and a $3,000 bonus in FY 2024. The agreement with UUP runs from FY 2023 to FY 2026 and would provide a 2 percent across the board salary increase in FY 2023 and 3 percent across the board salary increases from FY 2024 to FY 2026. The tentative agreement with UUP would also provide a $1,500 bonus to employees in FY 2025 and FY 2026. If these tentative agreements are ratified, this table will be revised accordingly in future updates.

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

Pension Contributions[12]

Overview

The State makes annual contributions to the New York State and Local Retirement System (NYSLRS) for employees in the New York State and Local Employees' Retirement Systems (ERS) and the New York State and Local Police and Fire Retirement System (PFRS). This section discusses contributions from the State, including the Judiciary, to the NYSLRS, which account for the majority of the State's pension costs.[13] 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 Systems' 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 2022.

On September 1, 2022, the Comptroller announced an increase in employer contribution rates for both ERS and PFRS which will impact payments in FY 2024. The average employer contribution rate for ERS increased from 11.6 percent to 13.1 percent of payroll, and the average employer contribution rate for PFRS increased from 27 percent to 27.8 percent of payroll. The increase in rates was primarily attributed to salary increases for active members and a 3 percent COLA increase to most retirees' pension benefits. State law requires that COLA payments be calculated based on 50 percent of the annual rate of inflation, as measured at the end of the State fiscal year (March 31). The annual COLA increase is required to be at least 1 percent, but no more than 3 percent, and is applied to the first $18,000 of a retiree's pension.

In addition to the change in contribution rates, the Comptroller authorized a change in the asset smoothing methodology from five to eight years. Asset smoothing is used to mitigate the impact to employer contribution rates as a result of any unexpected gains or losses in annual investment returns. This is achieved by recognizing any deviation from the assumed rate of return, currently at 5.9 percent, in equal proportions. Increasing the asset smoothing methodology from five to eight years will dampen the effects of year-to-year volatility in the Common Retirement Fund's returns and the impact on employer rates.

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[12] 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 under the section entitled "State Retirement System" was furnished solely by OSC.

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

The Financial Plan reflects the actuarial changes approved by the Comptroller, including revised ERS/PFRS pension estimates of $1.9 billion for FY 2024 based on the February 2023 estimate provided by the Actuary. Approximately $77 million in pension interest savings was achieved from the payment of the State's FY 2024 ERS/PFRS bill in May 2023.

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

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

Contribution Stabilization Program

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

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

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

	Statewide Pension Payments[1]					Rates for Determining (Amortization Amount) / Excess Contributions			
Fiscal Year	Normal Costs[2]	(Amortization Amount) / Excess Contributions	Repayment of Amortization	Total Statewide Pension Payments	Interest Rate on Amortization Amount (%)[3]	System Average Normal Rate[4]		Amortization Threshold (Graded Rate)	
						ERS (%)	PFRS (%)	ERS (%)	PFRS (%)
2021[5]	1,827.2	0.0	1,350.3	3,177.5	1.33	14.1	24.4	14.1	24.4
2022[6]	2,107.8	0.0	151.3	2,259.1	1.76	15.8	28.3	15.1	25.4
2023	1,550.9	281.9	0.0	1,832.8	3.61	11.4	27.0	14.1	26.4
2024 Est.	1,844.0	35.1	0.0	1,879.1	TBD	13.1	27.8	13.1	27.4
Projected by DOB[7]									
2025	2,346.1	0.0	0.0	2,346.1	TBD	15.0	29.6	14.1	28.4
2026	2,921.7	0.0	0.0	2,921.7	TBD	17.4	31.3	15.1	29.4
2027	3,772.1	0.0	0.0	3,772.1	TBD	20.5	33.1	16.1	30.4

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

2 Normal costs include payments from amortizations prior to FY 2011, which ended in FY 2016 as a result of early repayments.

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

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

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

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

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

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

Other Post-Employment Benefits (OPEB)

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

State Debt

Bond Market and Credit Ratings

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

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

Debt Reform Act Limit

The Debt Reform Act of 2000 ("Debt Reform Act") restricts the issuance of State-supported debt funding to capital purposes only and limits the maximum term of bonds to 30 years. The 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 2022).

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

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

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

Based on the most recent personal income and debt outstanding forecasts, the available debt capacity under the debt outstanding cap is expected to decline from $24.8 billion in FY 2023 to a low point of $3.7 billion in FY 2028. This calculation includes the estimated impact of funding capital commitments with State bonds. The debt service on State-supported debt subject to the statutory cap is projected at $2.6 billion in FY 2024, or roughly $8.5 billion below the statutory debt service limit.

DEBT OUTSTANDING SUBJECT TO CAP (millions of dollars)								TOTAL STATE-SUPPORTED DEBT (millions of dollars)	
Year	Personal Income	Cap %	Cap $	Debt Outstanding Included in Cap [1]	$ Remaining Capacity	Debt as a % of PI	% Remaining Capacity	Debt Outstanding Excluded from Cap	Supported Debt Outstanding
FY 2023	$1,536,577	4.00%	61,463	36,696	24,767	2.39%	1.61%	19,215	55,911
FY 2024	$1,581,924	4.00%	63,277	44,019	19,258	2.78%	1.22%	18,602	62,621
FY 2025	$1,645,833	4.00%	65,833	51,715	14,118	3.14%	0.86%	17,717	69,432
FY 2026	$1,720,106	4.00%	68,804	58,985	9,819	3.43%	0.57%	16,903	75,888
FY 2027	$1,793,913	4.00%	71,757	66,614	5,143	3.71%	0.29%	16,171	82,785
FY 2028	$1,870,050	4.00%	74,802	71,077	3,725	3.80%	0.20%	15,411	86,488
DEBT SERVICE SUBJECT TO CAP (millions of dollars)								TOTAL STATE-SUPPORTED DEBT SERVICE (millions of dollars)	
Year	All Funds Receipts	Cap %	Cap $	Debt Service Included in Cap [1]	$ Remaining Capacity	DS as a % of Revenue	% Remaining Capacity	Debt Service Excluded from Cap	Total State-Debt Service [2]
FY 2023	$233,060	5.00%	11,653	2,652	9,001	1.14%	3.86%	2,904	5,556
FY 2024	$222,437	5.00%	11,122	2,575	8,547	1.16%	3.84%	4,029	6,604
FY 2025	$217,115	5.00%	10,856	3,106	7,750	1.43%	3.57%	4,107	7,213
FY 2026	$217,986	5.00%	10,899	3,589	7,310	1.65%	3.35%	3,949	7,538
FY 2027	$220,630	5.00%	11,031	6,574	4,457	2.98%	2.02%	1,463	8,037
FY 2028	$231,056	5.00%	11,553	6,784	4,769	2.94%	2.06%	1,444	8,228

[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 2024 Enacted Budget, the State added new bond-financed capital commitments that are expected to add $1 billion in new debt over the five-year Capital Plan period, which is in addition to $4 billion of new capital proposed in the FY 2024 Executive Budget. The capital spending increases are offset by higher underspending on capital projects than previously assumed, the assumption that the State will issue bonds on a slower schedule, and $3 billion of new PAYGO capital spending. Debt capacity also reflects the suspension of the Debt Reform Act for FY 2021 and FY 2022 issuances in response to the COVID-19 pandemic, as discussed previously. The State may adjust capital spending priorities and debt financing practices from time to time to preserve available debt capacity and stay within the statutory limits, as events warrant. In addition, the State has set aside $1 billion in a debt management reserve that can be used, as needed, for debt management actions in the future, which is not reflected in the chart below.

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

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
Executive Budget as Amended	**21,609**	**14,609**	**10,052**	**6,400**	**2,004**	**290**
Personal Income Forecast Update	590	574	594	703	794	921
Capital Adds	0	(208)	(432)	(701)	(899)	(966)
Capital Re-Estimates	0	1,802	506	(855)	(848)	(421)
Bond Sale Adjustments	2,568	1,473	1,423	1,371	1,317	1,258
Capital PAYGO - Issuances Offset ($3 Billion)	0	1,008	1,975	2,901	2,775	2,643
Enacted Budget	**24,767**	**19,258**	**14,118**	**9,819**	**5,143**	**3,725**

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

Localities and Authorities

Financial Condition of New York State Localities

The State's localities rely in part on State aid to balance their budgets and meet their cash requirements. As such, unanticipated financial needs among localities can adversely affect the State's Financial Plan projections. Localities outside New York City, including cities and counties, have also experienced financial problems, and have been allocated additional State assistance during the last several State fiscal years. In 2013, the Financial Restructuring Board for Local Governments was created to aid distressed local governments. The Restructuring Board performs comprehensive reviews and provides 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 New York City metropolitan area, including subways, buses, commuter rail, and tolled vehicle crossings. The services provided by MTA and its operating agencies are integral to the economy of New York City 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 New York City.

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

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

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

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

Other Risks and Ongoing Concerns

Climate Change

Overview

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

Consequences of Climate Change

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

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

State Response to Climate Change

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

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 recommends, among other actions, that the State develop a cap-and-invest program to limit greenhouse gas emissions. Pursuant to the CLCPA, by January 1, 2024 the Department of Environmental Conservation is required to draft and circulate rules and regulations that are consistent with meeting the CLCPA's statewide greenhouse gas emission limits.

New York's electricity system is already part of a regional cap-and-invest style program, the Regional Greenhouse Gas Initiative (RGGI). Since RGGI was established in 2005, the program has helped reduce greenhouse gases from power plants by more than half and raised nearly $6 billion to support cleaner energy solutions amongst its 12 participating states.

Concurrently, the State has been taking regulatory and legislative actions that are intended to limit greenhouse gas emissions, electrify transportation, and generate more electricity from renewable sources. There can be no assurances that such actions, or their intended outcomes, will be realized as planned. Major regulatory and legislative actions include:

- Authorizing the New York Power Authority (NYPA) 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 all 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 to help low-income families retrofit their homes by adding insulation, installing energy efficient appliances, and switching to clean energy; and

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

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

Cybersecurity

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

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

In February 2022, the Governor announced the creation of a JSOC that will serve as the center for joint local, state, and Federal cybersecurity efforts, including data collection, response efforts and information sharing. A partnership launched with New York City and other major cities and cybersecurity leaders across the State, the JSOC is intended to provide a statewide view of the cyber-threat landscape. The initiative is designed to increase collaboration on threat intelligence, reduce response times, and yield faster and more effective remediation in the event of a major cyber incident. The FY 2024 Enacted Budget provides funding to expand the shared services program to help 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. The results of any successful attacks could adversely impact business operations and/or damage State digital networks and systems, or State and local infrastructure, and the costs of remediation could be substantial.

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

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

In May 2011, the real property and other assets of LICH were transferred to a New York State not-for-profit corporation ("Holdings"), the sole member of which is SUNY. Pursuant to a court-approved settlement in 2014, SUNY agreed to sell the assets acquired from LICH to the Fortis Property group and NYU Langone. The initial closing of the purchase agreement with Fortis was held in September 2015, and a second closing with NYU Langone occurred in March 2020. A final closing at which two remaining portions of the LICH properties will be conveyed to Fortis has not yet occurred. The final closing is conditioned on various contractual provisions. However, DOB has determined that the LICH transaction has been sufficiently resolved that it no longer poses a material risk to the Financial Plan and will discontinue reporting on this transaction at the end of the current Fiscal Year.

STATE FINANCIAL PLAN MULTI-YEAR PROJECTIONS

Introduction

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

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

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

Disbursements. Roughly 30 percent of projected State-financed spending for operating purposes (excluding transfers) is accounted for outside the General Fund, concentrated primarily in the areas of School Aid, health care, higher education, and transportation. To provide a clear picture of spending commitments, the multi-year projections and growth rates are presented, where appropriate, on both a General Fund and State Operating Funds basis.

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

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

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

General Fund Projections

GENERAL FUND PROJECTIONS
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
RECEIPTS					
Taxes (After Debt Service)	93,946	92,509	93,703	93,420	94,166
Miscellaneous Receipts	3,609	3,801	2,772	2,261	1,996
Federal Receipts	2,351	2,250	3,645	0	0
Other Transfers	3,291	1,938	1,632	1,555	1,417
Total Receipts	**103,197**	**100,498**	**101,752**	**97,236**	**97,579**
DISBURSEMENTS					
Assistance and Grants	62,852	75,055	78,717	82,303	86,085
School Aid (SFY)	25,645	28,937	30,623	32,311	33,694
Medicaid	19,380	21,087	24,373	26,793	28,806
All Other	17,827	25,031	23,721	23,199	23,585
State Operations	12,507	13,378	14,637	14,701	14,814
Personal Service	9,464	10,619	10,811	10,887	10,988
Non-Personal Service	3,043	2,759	3,826	3,814	3,826
General State Charges	9,115	7,587	9,319	10,569	12,010
Transfers to Other Funds	8,325	8,392	9,119	6,801	6,506
Debt Service	298	217	264	287	337
Capital Projects	4,649	4,877	5,410	3,049	2,676
SUNY Operations	1,491	1,677	1,718	1,752	1,766
All Other	1,887	1,621	1,727	1,713	1,727
Total Disbursements	**92,799**	**104,412**	**111,792**	**114,374**	**119,415**
Use (Reservation) of Fund Balance:	**(10,398)**	**3,914**	**985**	**3,265**	**8,398**
Community Projects	1	2	0	0	0
Consensus Revenue	0	0	0	0	0
Debt Management	(1,855)	(81)	576	860	0
Economic Uncertainties	(7,617)	0	0	0	0
Extraordinary Monetary Settlements[1]	267	428	516	286	290
Labor Settlements/Agency Operations	(490)	(1,000)	(1,450)	(1,450)	(1,450)
Pandemic Assistance	1,755	245	0	0	0
Rainy Day Reserve	(2,754)	0	0	0	0
Tax Stabilization Reserve	(183)	0	0	0	0
Timing of PTET/PIT Credits	2,072	1,896	424	3,023	9,013
Undesignated Fund Balance	(1,594)	2,424	919	546	545
BUDGET SURPLUS/(GAP) PROJECTIONS	**0**	**0**	**(9,055)**	**(13,873)**	**(13,438)**

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

State Operating Funds Projections

STATE OPERATING FUNDS DISBURSEMENTS
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
RECEIPTS					
Taxes	110,398	101,442	103,193	104,683	105,544
Miscellaneous Receipts/Federal Receipts	27,322	21,141	20,542	17,716	17,931
Total Receipts	**137,720**	**122,583**	**123,735**	**122,399**	**123,475**
DISBURSEMENTS					
Assistance and Grants	81,877	91,558	94,790	98,335	102,469
School Aid (School Year Basis)[1]	31,383	34,414	35,760	37,219	38,723
DOH Medicaid	25,468	27,253	30,137	32,441	34,438
Transportation	4,569	5,249	5,141	5,142	5,140
STAR	1,781	1,717	1,610	1,562	1,535
Higher Education	2,876	3,141	3,276	3,348	3,415
Social Services	4,997	4,890	4,902	4,549	4,612
Mental Hygiene[2]	4,786	7,433	6,237	6,221	6,565
All Other[3]	6,017	7,461	7,727	7,853	8,041
State Operations	21,190	22,071	23,068	24,450	24,798
Personal Service	14,840	16,023	16,111	16,358	16,602
Non-Personal Service	6,350	6,048	6,957	8,092	8,196
General State Charges	10,203	8,804	10,555	11,825	13,290
Pension Contribution	2,045	2,131	2,623	3,195	4,052
Health Insurance	6,003	4,845	5,696	6,279	6,808
All Other	2,155	1,828	2,236	2,351	2,430
Debt Service	10,481	2,898	3,518	5,158	5,177
Capital Projects	0	0	0	0	0
Total Disbursements	**123,751**	**125,331**	**131,931**	**139,768**	**145,734**
Net Other Financing Sources/(Uses)	(2,013)	(2,223)	(3,016)	(591)	(317)
RECONCILIATION TO GENERAL FUND GAP					
Designated Fund Balances:	(11,956)	4,971	2,157	4,087	9,138
General Fund	(10,398)	3,914	985	3,265	8,398
Special Revenue Funds	(1,501)	1,070	1,182	849	774
Debt Service Funds	(57)	(13)	(10)	(27)	(34)
GENERAL FUND BUDGET SURPLUS/(GAP)	**0**	**0**	**(9,055)**	**(13,873)**	**(13,438)**

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

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

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

Receipts

Financial Plan receipts results and projections 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.

Where noted, 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 2024 are projected to total $222.4 billion, a 4.6 percent ($10.6 billion) decrease from FY 2023 results as the Statewide slowdown takes shape. FY 2024 State tax receipts are projected to decrease $8.7 billion (7.8 percent) from FY 2023 results. A summary of the annual changes of each tax category is provided below.

ALL FUNDS RECEIPTS
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
Personal Income Tax	58,776	52,819	-10.1%	55,341	4.8%	59,206	7.0%	69,688	17.7%
Consumption/Use Taxes	20,585	21,715	5.5%	21,975	1.2%	22,477	2.3%	23,006	2.4%
Business Taxes	28,617	25,533	-10.8%	24,771	-3.0%	21,745	-12.2%	11,453	-47.3%
Other Taxes	3,679	2,880	-21.7%	2,609	-9.4%	2,750	5.4%	2,887	5.0%
Total State Taxes	**111,657**	**102,947**	**-7.8%**	**104,696**	**1.7%**	**106,178**	**1.4%**	**107,034**	**0.8%**
Miscellaneous Receipts	31,842	26,837	-15.7%	27,942	4.1%	29,234	4.6%	29,449	0.7%
Federal Receipts	89,563	92,654	3.5%	84,477	-8.8%	82,578	-2.2%	84,148	1.9%
Total All Funds Receipts	**233,062**	**222,438**	**-4.6%**	**217,115**	**-2.4%**	**217,990**	**0.4%**	**220,631**	**1.2%**

Personal Income Tax

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

PERSONAL INCOME TAX
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
STATE/ALL FUNDS	**58,776**	**52,819**	**-10.1%**	**55,341**	**4.8%**	**59,206**	**7.0%**	**69,688**	**17.7%**
Gross Collections	78,151	70,461	-9.8%	72,541	3.0%	76,938	6.1%	88,173	14.6%
Refunds (Incl. State/City Offset)	(19,375)	(17,642)	8.9%	(17,200)	2.5%	(17,732)	-3.1%	(18,485)	-4.2%
GENERAL FUND[1]	**27,607**	**24,693**	**-10.6%**	**26,060**	**5.5%**	**28,041**	**7.6%**	**33,309**	**18.8%**
Gross Collections	78,151	70,461	-9.8%	72,541	3.0%	76,938	6.1%	88,173	14.6%
Refunds (Incl. State/City Offset)	(19,375)	(17,642)	8.9%	(17,200)	2.5%	(17,732)	-3.1%	(18,485)	-4.2%
STAR	(1,781)	(1,717)	3.6%	(1,610)	6.2%	(1,562)	3.0%	(1,535)	1.7%
RBTF	(29,388)	(26,409)	10.1%	(27,671)	-4.8%	(29,603)	-7.0%	(34,844)	-17.7%

[1]Excludes Transfers.

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

ALL FUNDS PERSONAL INCOME TAX FISCAL YEAR COLLECTION COMPONENTS (millions of dollars)	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
Receipts					
Withholding	52,477	53,108	55,686	58,582	61,638
Estimated Payments	18,428	12,464	12,010	13,266	21,196
Current Year	8,158	8,007	8,589	9,045	17,363
Prior Year[1]	10,270	4,457	3,421	4,221	3,833
Final Returns	5,367	3,280	3,181	3,371	3,567
Current Year	406	367	385	404	424
Prior Year[1]	4,961	2,913	2,796	2,967	3,143
Delinquent	1,879	1,609	1,664	1,719	1,772
Gross Receipts	78,151	70,461	72,541	76,938	88,173
Refunds					
Prior Year[1]	9,767	9,754	10,110	10,344	10,748
Previous Year	1,893	2,277	1,276	1,315	1,350
Current Year[1]	3,000	3,000	3,000	3,000	3,000
Advanced Credit Payment	2,707	908	1,082	1,242	1,418
State/City Offset[1]	2,008	1,703	1,732	1,831	1,969
Total Refunds	19,375	17,642	17,200	17,732	18,485
Net Receipts	**58,776**	**52,819**	**55,341**	**59,206**	**69,688**

[1]These components, collectively, are known as the "settlement" on the prior year's tax liability.

FY 2024 withholding is estimated to increase compared to the prior year, reflecting moderate growth in non-bonus wages offset by projected declines in bonus wages. Current estimated payments for tax year 2023 and extension payments (i.e., prior year estimated) for tax year 2022 are both expected to decrease. The decline in extensions is particularly dramatic, representing the steepest year-over-year decline for this component since tax year 2008 (FY 2010), and is attributed to a sharp decline in capital gains income. Delinquent collections and final return payments are projected to decrease as well, the latter in response to an extraordinary decline in overall nonwage income, in part due to the reversion of unemployment insurance income to a pre-pandemic level. The resulting decline in gross PIT receipts is expected to be partly offset by a decline in total refunds.

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

General Fund PIT receipts are net of deposits to the STAR Fund, which provides property tax relief, and RBTF, which supports debt service payments on State PIT revenue bonds. The FY 2024 STAR transfer is expected to decline slightly. PIT RBTF receipts are statutorily set to 50 percent of net PIT receipts, and FY 2024 RBTF receipts therefore reflect the decrease in All Funds receipts noted above. FY 2024 General Fund PIT receipts are expected to decrease due to these changes.

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

The FY 2025 STAR transfer is expected to decline. The FY 2025 RBTF is projected to increase based on the increase in FY 2025 All Funds receipts. General Fund PIT receipts for FY 2025 are also expected to increase, driven by changes to All Funds receipts, the STAR transfer, and RBTF receipts.

All Funds PIT receipts for FY 2026 are projected to increase from FY 2025 projections. Gross PIT receipts are projected to increase as well, offset by a projected increase in total refunds.

General Fund PIT receipts for FY 2026 are expected to increase, reflecting an increase in All Funds PIT receipts coupled with a further decrease in the STAR transfer, partially offset by an increase in RBTF receipts.

The FY 2027 All Funds and General Fund PIT receipts estimates are both expected to register double-digit growth due to the scheduled expiration of the Federal SALT deduction cap at the end of 2025. This expiration will eliminate the incentive to participate in the PTET program and, without the associated credits, quarterly estimated payments are projected to return to pre-PTET levels. Furthermore, the forecast assumes that taxpayers will adjust the timing of payments to benefit from unrestricted SALT deductions in tax year 2026, resulting in an increased share of liability paid through current estimated payments (FY 2027) and a reduced share paid through extension payments (FY 2028). Excluding PTET, All Funds PIT receipts are estimated to increase by 8.4 percent.

Consumption/Use Taxes

CONSUMPTION/USE TAXES (millions of dollars)	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
STATE/ALL FUNDS	**20,585**	**21,715**	**5.5%**	**21,975**	**1.2%**	**22,477**	**2.3%**	**23,006**	**2.4%**
Sales Tax	18,934	19,724	4.2%	19,931	1.0%	20,380	2.3%	20,841	2.3%
Cigarette and Tobacco Taxes	858	823	-4.1%	784	-4.7%	751	-4.2%	720	-4.1%
Vapor Excise Tax	25	25	0.0%	25	0.0%	25	0.0%	25	0.0%
Motor Fuel Tax	179	490	173.7%	491	0.2%	486	-1.0%	482	-0.8%
Highway Use Tax	143	141	-1.4%	143	1.4%	143	0.0%	144	0.7%
Alcoholic Beverage Taxes	282	284	0.7%	287	1.1%	289	0.7%	293	1.4%
Opioid Excise Tax	27	25	-7.4%	25	0.0%	25	0.0%	25	0.0%
Medical Cannabis Excise Tax	13	12	-7.7%	12	0.0%	12	0.0%	12	0.0%
Adult Use Cannabis Tax	0	70	0.0%	158	125.7%	245	55.1%	339	38.4%
Auto Rental Tax[1]	122	119	-2.5%	115	-3.4%	116	0.9%	119	2.6%
Peer to Peer Car Sharing Tax	2	2	0.0%	4	100.0%	5	25.0%	6	20.0%
GENERAL FUND[2]	**7,239**	**9,797**	**35.3%**	**9,895**	**1.0%**	**10,100**	**2.1%**	**10,312**	**2.1%**
Sales Tax	6,663	9,222	38.4%	9,321	1.1%	9,531	2.3%	9,746	2.3%
Cigarette and Tobacco Taxes	265	265	0.0%	259	-2.3%	251	-3.1%	243	-3.2%
Alcoholic Beverage Taxes	282	284	0.7%	287	1.1%	289	0.7%	293	1.4%
Opioid Excise Tax	27	25	-7.4%	25	0.0%	25	0.0%	25	0.0%
Peer to Peer Car Sharing Tax	2	1	-50.0%	3	200.0%	4	33.3%	5	25.0%

[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 2024 are estimated to increase from FY 2023 results. Sales tax receipts are estimated to increase due to a moderate increase in taxable consumption (i.e., estimated sales tax base increase of 2.7 percent). Cigarette and tobacco tax receipts are estimated to decrease reflecting a continuing trend of declining consumption as well as a $1 increase to the State cigarette excise tax. Highway use tax (HUT) collections are estimated to moderately decline. Motor fuel tax receipts are estimated to significantly increase largely due to the expiration of the temporary fuel taxes suspension on gasoline and diesel motor fuel on December 31, 2022. Opioid excise tax receipts are expected to moderately decline, reflecting the continued trend towards lower priced opioids. In addition to $38 million in estimated license and application fees, the State's THC-based and retail excise taxes on the sale of adult-use cannabis products are estimated to generate $32 million during the first full year of receipts.

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.

FY 2024 General Fund consumption/use tax receipts are projected to significantly increase, mainly due to the statutory elimination of the Local Government Assistance Tax Fund distribution for the entire fiscal year.

All Funds consumption/use tax receipts for FY 2025 are projected to moderately increase primarily due to a projected increase in sales tax receipts (projected sales tax base growth close to 1 percent). The peer-to-peer car sharing tax is estimated to moderately increase, reflecting the continued slow growth and expansion of an emerging new industry. Auto rental tax receipts are estimated to decrease from FY 2024, mainly due to the increasing impact of a gradual shift towards the less expensive peer-to-peer car sharing program. The State's THC-based and retail excise taxes on the sale of adult-use cannabis products are estimated to generate $158 million during the second full year of receipts. These increases are partially offset by a continued decline in taxable cigarette consumption.

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

General Fund consumption/use tax receipts are projected to increase in fiscal years 2025 through 2027 primarily due to the All Funds trends noted above.

Business Taxes

BUSINESS TAXES (millions of dollars)	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
STATE/ALL FUNDS	**28,617**	**25,533**	**-10.8%**	**24,771**	**-3.0%**	**21,745**	**-12.2%**	**11,453**	**-47.3%**
Corporate Franchise Tax	9,017	7,945	-11.9%	7,631	-4.0%	7,915	3.7%	7,981	0.8%
Corporation and Utilities Tax	525	431	-17.9%	535	24.1%	518	-3.2%	523	1.0%
Insurance Tax	2,681	2,775	3.5%	2,858	3.0%	2,899	1.4%	3,030	4.5%
Bank Tax	355	236	-33.5%	0	-100.0%	0	0.0%	0	0.0%
Pass-Through-Entity Tax	14,944	13,040	-12.7%	12,640	-3.1%	9,316	-26.3%	(1,168)	-112.5%
Petroleum Business Tax	1,095	1,106	1.0%	1,107	0.1%	1,097	-0.9%	1,087	-0.9%
GENERAL FUND[1]	**17,856**	**15,836**	**-11.3%**	**15,257**	**-3.7%**	**13,833**	**-9.3%**	**8,692**	**-37.2%**
Corporate Franchise Tax	7,291	6,316	-13.4%	5,961	-5.6%	6,176	3.6%	6,159	-0.3%
Corporation and Utilities Tax	408	326	-20.1%	413	26.7%	399	-3.4%	402	0.8%
Insurance Tax	2,381	2,474	3.9%	2,563	3.6%	2,600	1.4%	2,715	4.4%
Bank Tax	304	200	-34.2%	0	-100.0%	0	0.0%	0	0.0%
Pass-Through-Entity Tax	7,472	6,520	-12.7%	6,320	-3.1%	4,658	-26.3%	(584)	-112.5%
Petroleum Business Tax	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%

[1] Excludes Transfers.

All Funds CFT receipts are estimated to decrease in FY 2024, reflecting a reduction in gross receipts due to softening economic conditions. Audit receipts are estimated to decrease sharply because FY 2023 results were exceptionally high with many large cases having materialized within FY 2023. Refunds are estimated to increase as compared to FY 2023 results.

All Funds Corporation and Utilities Tax (CUT) receipts for FY 2024 are estimated to decrease over the prior fiscal year, driven primarily by a further weakening of collections from the telecommunications sector and some weakness in the utility sector, both of which result in lower gross receipts. Audit receipts are estimated to decrease moderately from FY 2023 levels while refunds are estimated to increase significantly reflecting utilization of the Covid-19 Utility Debt Relief tax credit.

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

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

Receipts from the repealed bank tax (all from prior liability periods) in FY 2024 are estimated to decrease due to an expectation of lower audit receipts. Petroleum Business Tax (PBT) receipts are estimated to moderately increase from FY 2023 results, primarily due to the impact of a 5 percent increase in the PBT rate index effective January 1, 2023, paired with an estimated 1.3 percent decline in the PBT rate index effective January 1, 2024.

General Fund business tax receipts for FY 2024 are estimated to increase due to the trends in CFT, PTET, CUT, bank, and insurance tax receipts described above.

General Fund and All Funds business tax receipts for FY 2025 are projected to decrease, primarily reflecting a decrease in audit collections and an increase in refunds attributed to the New York City Musical and Theatrical Production credit and the COVID-19 Capital Costs credit. This is partially offset by an overall increase in gross receipts.

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

General Fund and All Funds business tax receipts for FY 2027 are projected to increase in CUT and insurance tax, while PBT, CFT, and PTET decline. Insurance tax is projected to have the strongest growth due to increases in premiums and overall base growth.

Other Taxes

OTHER TAXES (millions of dollars)	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
STATE/ALL FUNDS	**3,679**	**2,880**	**-21.7%**	**2,609**	**-9.4%**	**2,750**	**5.4%**	**2,887**	**5.0%**
Estate Tax	2,185	1,597	-26.9%	1,285	-19.5%	1,345	4.7%	1,407	4.6%
Real Estate Transfer Tax	1,472	1,258	-14.5%	1,299	3.3%	1,380	6.2%	1,465	6.2%
Employer Compensation Expense Program	7	10	42.9%	10	0.0%	10	0.0%	0	-100.0%
Pari-Mutuel Taxes	13	13	0.0%	13	0.0%	13	0.0%	13	0.0%
All Other Taxes	2	2	0.0%	2	0.0%	2	0.0%	2	0.0%
GENERAL FUND[1]	**2,204**	**1,617**	**-26.6%**	**1,305**	**-19.3%**	**1,365**	**4.6%**	**1,422**	**4.2%**
Estate Tax	2,185	1,597	-26.9%	1,285	-19.5%	1,345	4.7%	1,407	4.6%
Employer Compensation Expense Program	4	5	25.0%	5	0.0%	5	0.0%	0	-100.0%
Pari-Mutuel Taxes	13	13	0.0%	13	0.0%	13	0.0%	13	0.0%
All Other Taxes	2	2	0.0%	2	0.0%	2	0.0%	2	0.0%

[1] Excludes Transfers.

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

General Fund other tax receipts for FY 2024 are estimated to decrease, mainly due to an estimated decrease in estate tax receipts due to the reason noted above.

All Funds other tax receipts for FY 2025 are projected to decrease, primarily due to an expected return to a more typical amount of super-large payments and collections, which is slightly offset by a projected increase in real estate transfer tax receipts as bonuses and housing prices are expected to increase. All Funds other tax receipts in the outyears are projected to increase, largely due to increases in both estate tax and real estate transfer tax receipts, reflecting projected growth in household net worth, housing starts, housing prices and bonuses.

General Fund other tax receipts for FY 2025 are projected to decline due to the reasons noted above. Other tax receipts in the outyears are projected to increase, resulting from projected increases in estate tax receipts, which reflect projected growth in household net worth.

Miscellaneous Receipts

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

MISCELLANEOUS RECEIPTS
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
ALL FUNDS	**31,842**	**26,837**	**-15.7%**	**27,942**	**4.1%**	**29,234**	**4.6%**	**29,449**	**0.7%**
General Fund	3,609	3,801	5.3%	2,772	-27.1%	2,261	-18.4%	1,996	-11.7%
Special Revenue Funds	21,414	15,029	-29.8%	14,033	-6.6%	15,316	9.1%	15,778	3.0%
Capital Projects Funds	6,363	7,629	19.9%	10,752	40.9%	11,262	4.7%	11,265	0.0%
Debt Service Funds	456	378	-17.1%	385	1.9%	395	2.6%	410	3.8%

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

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

All Funds miscellaneous receipts in FY 2025 are projected to increase from FY 2024 estimates, driven by growth in bond proceeds driven by higher bond-eligible capital spending and the timing of reimbursements, partially offset by the conservative estimation of investment income and non-General Fund revenues. In the later years of the Financial Plan, All Funds miscellaneous receipts reflect the timing of capital reimbursements and continued conservative estimation of investment income.

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

Federal Receipts

FEDERAL RECEIPTS (millions of dollars)	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
ALL FUNDS	**89,563**	**92,654**	**3.5%**	**84,477**	**-8.8%**	**82,578**	**-2.2%**	**84,148**	**1.9%**
General Fund	2,351	2,250	-4.3%	3,645	62.0%	0	-100.0%	0	0.0%
Special Revenue Funds	84,618	87,040	2.9%	77,230	-11.3%	78,911	2.2%	80,621	2.2%
Capital Projects Funds	2,523	3,297	30.7%	3,540	7.4%	3,609	1.9%	3,474	-3.7%
Debt Service Funds	71	67	-5.6%	62	-7.5%	58	-6.5%	53	-8.6%

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

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

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

Disbursements

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

Assistance and Grants

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

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

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

	FY 2023 Actuals[1]	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
HEALTH CARE					
Medicaid - Individuals Covered	7,789,300	6,901,410	6,565,333	6,605,101	6,646,008
Essential Plan - Individuals Covered	1,163,584	1,163,500	1,179,993	1,211,267	1,237,391
Child Health Plus - Individuals Covered	405,265	457,936	462,549	471,799	481,235
State Takeover of County/NYC Costs[2]	$5,540	$6,370	$7,253	$8,176	$9,013
CY 2005 Local Medicaid Cap	$3,892	$4,539	$5,239	$5,980	$6,634
FY 2013 Local Takeover Costs	$1,648	$1,831	$2,014	$2,196	$2,379
EDUCATION					
School Aid (School Year-Basis Funding)[3]	$31,383	$34,414	$35,760	$37,219	$38,723
HIGHER EDUCATION					
Public Higher Education Enrollment (FTEs)	458,167	458,167	TBD	TBD	TBD
Tuition Assistance Program (FTEs)	216,000	235,000	TBD	TBD	TBD
PUBLIC ASSISTANCE					
Family Assistance Program (Families)	180,418	209,148	198,646	188,276	211,025
Safety Net Program (Families)	120,957	138,784	130,571	122,396	137,679
Safety Net Program (Singles)	229,043	210,068	207,482	208,728	225,876
MENTAL HYGIENE					
OMH Community Beds	48,088	51,081	54,679	55,449	56,079
OPWDD Community Beds	41,479	42,401	42,535	42,670	42,806
OASAS Community Beds	13,400	13,804	13,854	13,954	14,004
Total	102,967	107,286	111,068	112,073	112,889

[1] Reflects preliminary unaudited actuals.

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

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

Education

School Aid

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

School Year (July 1 — June 30)

The Financial Plan includes $34.4 billion for School Aid in SY 2024, exclusive of Federal prekindergarten expansion grants, representing an annual increase of approximately $3 billion (9.7 percent). This annual increase includes a $2.6 billion (12.3 percent) increase in Foundation Aid. The growth in Foundation Aid reflects the full funding of the current formula for the first time in its history, marking the final year of the three-year phase-in, and a minimum 3 percent annual increase to fully funded districts that would otherwise not receive a Foundation Aid increase under current law. School Aid growth also includes a $225 million increase in expense-based reimbursement programs such as Transportation Aid and Boards of Cooperative Educational Services (BOCES) Aid and a $150 million increase in State-funded full-day prekindergarten programming for four-year-old children, comprised of a $100 million formula-based allocation and a $50 million grant to be competitively awarded. The FY 2024 Enacted Budget also provides $21 million for new competitive grants, including $20 million to support the establishment of new Early College High School and Pathways in Technology Early College High School (P-TECH) programs.

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

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

	SY 2023	SY 2024	Change	SY 2025	Change	SY 2026	Change	SY 2027	Change
Total	**31,383**	**34,414**	**3,031**	**35,760**	**1,346**	**37,219**	**1,459**	**38,723**	**1,504**
			9.7%		3.9%		4.1%		4.0%

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

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

State Fiscal Year School Aid

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

Because the State fiscal year begins on April 1 and the school year begins 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 three months of the following State fiscal year. The table below summarizes the projected sources of School Aid spending on a State fiscal year basis.

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

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
TOTAL STATE OPERATING FUNDS	**30,290**	**33,477**	**10.5%**	**35,262**	**5.3%**	**36,695**	**4.1%**	**38,150**	**4.0%**
General Fund Local Assistance	25,519	28,797	12.8%	30,484	5.9%	32,170	5.5%	33,555	4.3%
Medicaid	125	140	12.0%	140	0.0%	140	0.0%	140	0.0%
Lottery Aid	2,653	2,303	-13.2%	2,629	14.2%	2,407	-8.4%	2,407	0.0%
VLT Lottery Aid	1,237	1,033	-16.5%	1,030	-0.3%	1,014	-1.6%	1,013	-0.1%
Commercial Gaming	141	138	-2.1%	147	6.5%	142	-3.4%	175	23.2%
Mobile Sports Wagering	615	1,061	72.5%	832	-21.6%	775	-6.9%	779	0.5%
Cannabis Revenue	0	5	0.0%	0	-100.0%	47	0.0%	81	72.3%

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

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

Other Education Funding

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

OTHER EDUCATION FUNDING (millions of dollars)									
	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
TOTAL STATE OPERATING FUNDS	**2,255**	**2,560**	**13.5%**	**2,751**	**7.5%**	**2,905**	**5.6%**	**3,052**	**5.1%**
Special Education	1,274	1,426	11.9%	1,520	6.6%	1,612	6.1%	1,708	6.0%
All Other Education	981	1,134	15.6%	1,231	8.6%	1,293	5.0%	1,344	3.9%

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

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

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

School Tax Relief Program

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

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

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

SCHOOL TAX RELIEF (STAR)
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
TOTAL STAR PROGRAM	**1,781**	**1,717**	**-3.6%**	**1,610**	**-6.2%**	**1,562**	**-3.0%**	**1,535**	**-1.7%**
Gross Program Costs	3,289	3,393	3.2%	3,460	2.0%	3,582	3.5%	3,727	4.0%
Personal Income Tax Credit	(1,508)	(1,676)	-11.1%	(1,850)	-10.4%	(2,020)	-9.2%	(2,192)	-8.5%
Basic Exemption	952	891	-6.4%	787	-11.7%	740	-6.0%	718	-3.0%
Gross Program Costs	1,555	1,617	4.0%	1,636	1.2%	1,727	5.6%	1,840	6.5%
Personal Income Tax Credit	(603)	(726)	-20.4%	(849)	-16.9%	(987)	-16.3%	(1,122)	-13.7%
Enhanced (Senior) Exemption	829	826	-0.4%	823	-0.4%	822	-0.1%	817	-0.6%
Gross Program Costs	979	1,008	3.0%	1,038	3.0%	1,059	2.0%	1,077	1.7%
Personal Income Tax Credit	(150)	(182)	-21.3%	(215)	-18.1%	(237)	-10.2%	(260)	-9.7%
New York City PIT	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Gross Program Costs	755	768	1.7%	786	2.3%	796	1.3%	810	1.8%
Personal Income Tax Credit	(755)	(768)	-1.7%	(786)	-2.3%	(796)	-1.3%	(810)	-1.8%

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

Higher Education

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

HIGHER EDUCATION (millions of dollars)	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
TOTAL STATE OPERATING FUNDS	**2,876**	**3,141**	**9.2%**	**3,276**	**4.3%**	**3,348**	**2.2%**	**3,415**	**2.0%**
City University	**1,783**	**2,041**	**14.5%**	**2,058**	**0.8%**	**2,121**	**3.1%**	**2,168**	**2.2%**
Senior Colleges	1,539	1,800	17.0%	1,817	0.9%	1,880	3.5%	1,927	2.5%
Community College	244	241	-1.2%	241	0.0%	241	0.0%	241	0.0%
Higher Education Services	**596**	**642**	**7.7%**	**770**	**19.9%**	**779**	**1.2%**	**799**	**2.6%**
Tuition Assistance Program	534	543	1.7%	684	26.0%	701	2.5%	721	2.9%
Scholarships/Awards	55	87	58.2%	74	-14.9%	66	-10.8%	66	0.0%
Aid for Part-Time Study	7	12	71.4%	12	0.0%	12	0.0%	12	0.0%
State University	**497**	**458**	**-7.8%**	**448**	**-2.2%**	**448**	**0.0%**	**448**	**0.0%**
Community College	491	452	-7.9%	444	-1.8%	444	0.0%	444	0.0%
Other/Cornell	6	6	0.0%	4	-33.3%	4	0.0%	4	0.0%

SUNY and CUNY operate 47 four-year colleges and graduate schools with a total enrollment of nearly 371,000 full- and part-time students. SUNY and CUNY also operate 37 community colleges, serving approximately 234,000 students. State funds support a significant portion of SUNY and CUNY operations. In addition to the spending reflected in the above table, the State provides annual subsidies of approximately $1.3 billion for SUNY campus operations through a General Fund transfer and $2 billion to fully support fringe benefit costs of SUNY employees at State-operated campuses. The State is also projected to pay $964 million in FY 2024 for debt service on bond financed capital projects at SUNY and CUNY. In FY 2024, an estimated $330 million in student financial aid support will be transferred from HESC to SUNY. This is the result of an accounting change first implemented in FY 2020 to reflect certain financial aid payments from HESC to SUNY as transfers instead of disbursements.

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

Higher education assistance and grants spending is projected to increase by $265 million, or 9.2 percent, from FY 2023 to FY 2024. This spending provides an increase in General Fund operating assistance to CUNY senior colleges. From FY 2023 to FY 2024, assistance and grants spending for the State University decreased because of nonrecurring investments and timing of payments related to workforce development programs. Increased HESC spending is driven by the continued implementation of the expansion of the TAP for part-time students in degree-granting programs, as well as students enrolled in nondegree workforce credentialing programs at public institutions.

Health Care

DOH works with local health departments and social services departments, including New York City, to coordinate and administer statewide health insurance programs and activities, including operating the Medicaid program which provides health care coverage to 7.8 million low-income individuals and long-term care services for the elderly and disabled. Most government-financed health care programs are included under DOH, however, several programs are also supported through multi-agency efforts. In addition to Medicaid and statewide public health programs, assistance and grants spending for health care includes a variety of mental hygiene programs.

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

Medicaid

Medicaid is a means-tested program that finances health care services for low-income individuals and long-term care services for the elderly and disabled, primarily through monthly premium payments to managed care plans that enroll Medicaid eligible individuals and direct payments to health care providers for services rendered to Medicaid enrollees. Medicaid services include inpatient hospital care, outpatient hospital services, clinics, nursing homes, managed care, prescription drugs, home care, and services provided in a variety of community-based settings (including personal care, mental health, substance abuse treatment, developmental disabilities services, school-based services, and foster care services). The Medicaid program is financed by the Federal government, the State, and counties, including New York City. 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 $109 billion in FY 2024. The following table shows the estimated disbursements by level of government.

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

	Spending	Share
Federal	64,603	59.5%
State	35,564	32.7%
Local	8,505	7.8%
Total	**108,672**	**100.0%**

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

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

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

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
General Fund	19,703	21,581	24,894	27,282	29,290
HCRA	4,551	4,486	4,203	4,058	4,041
All Other	1,537	1,680	1,561	1,590	1,591
Total	**25,791**	**27,747**	**30,658**	**32,930**	**34,922**

[1] Includes operational costs and the Essential Plan.

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

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

[1] Includes operational costs and the Essential Plan.

See "Factors Affecting Medicaid Funding" and "HCRA Financial Plan" below for more information.
Medicaid eligibility and enrollment fluctuate with economic cycles. Enrollment has increased by nearly 1.6 million since March 2020. This enrollment increase has been driven by the steep rise in unemployment triggered by the COVID-19 pandemic, as well as Federal limitations on Medicaid disenrollment activities during the public health emergency period. The Financial Plan forecast assumes that enrollment levels will peak at nearly 7.9 million in June of FY 2024 and decline thereafter in the later part of FY 2025.

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

Total Medicaid costs are expected to grow annually due in large part to an increase in 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 minimum wage increases; the phase-out of enhanced Federal funding; increased costs and enrollment growth in managed long-term care; and payments to financially distressed hospitals[14].

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

TOTAL DOH MEDICAID SPENDING
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
Medicaid Global Cap[1]	**21,762**	**23,124**	**24,569**	**26,092**	**27,478**
Annual $ Change	1,190	1,362	1,445	1,523	1,386
Annual % Change	5.8%	6.3%	6.2%	6.2%	5.3%
FY 2024 Enacted Budget Forecast[2]	0	0	0	242	283
Other Medicaid Not Subject to Global Cap	**4,029**	**4,623**	**6,089**	**6,596**	**7,161**
Minimum Wage	2,223	2,413	2,430	2,440	2,451
Home Care Wages	363	214	1,480	1,795	2,165
Local Takeover Cost[3]	1,648	1,830	2,013	2,195	2,378
MSA Payments (Share of Local Growth)[4]	(362)	(362)	(362)	(362)	(362)
All Other	157	528	528	528	529
Total DOH Medicaid	**25,791**	**27,747**	**30,658**	**32,930**	**34,922**
Annual $ Change	3,501	1,956	2,911	2,272	1,992
Annual % Change	15.7%	7.6%	10.5%	7.4%	6.0%

[1] Effective FY 2023, growth is indexed to the 5-year rolling average of Medicaid spending projections within the National Health Expenditure Accounts produced by Office of the Actuary in the Centers for Medicare & Medicaid Services.

[2] The Medicaid forecast is projected to spend within the allowable index through FY 2025. Gap-closing savings will be necessary in FY 2026 and FY 2027 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.

[14] There is a great deal of uncertainty regarding Medicaid enrollment levels and the timing of levels returning to pre-pandemic trends. The State continues to work with Urban Institute and other independent experts and will continue to test and refine the Medicaid enrollment projections utilizing available data.

FY 2024 Enacted State Operating Funds Budget Actions

FY 2024 ENACTED BUDGET
STATE OPERATING FUNDS -- SAVINGS/(COSTS)
DEPARTMENT OF HEALTH - MEDICAID GLOBAL CAP
(millions of dollars)

	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
FY 2024 Base Surplus/(Gap)	**(1,226)**	**(1,390)**	**(2,096)**	**(2,091)**
Forecasted Enrollment Projections	(547)	(140)	(396)	(412)
Financial Plan Adjustment for COVID Enrollment	547	(87)	**0**	**0**
Newly Signed Legislation	(6)	(7)	(7)	(7)
Updated New Statutory Global Cap Index	475	694	854	754
FY 2024 Revised Surplus/(Gap)	**(757)**	**(930)**	**(1,645)**	**(1,756)**
Enacted Budget Actions	**938**	**1,345**	**1,818**	**1,888**
SUNY Disproportionate Share Hospital (DSH)	(72)	(106)	(53)	(53)
Voluntary Hospital Indigent Care Reduction	43	43	43	43
Removal of Nursing Home Staffing Pool	94	94	94	94
Increase Nursing Home Reimbursement by 6.5% (up to 7.5% total, subject to FFP)	(205)	(205)	(205)	(205)
Increase Assisted Living Program (ALPs) reimbursement by 6.5%	(12)	(12)	(12)	(12)
DOH Veterans Home Investment	2	2	2	2
FY 2024 Medical Loss Ratio (MLR) Increase for MLTC & MMC	0	67	0	0
Managed Long-Term Care Plans (MLTCP) Reforms	0	52	52	52
Discontinue MLTC Distressed Plan Pool	15	15	15	15
Delay Implementation of Undocumented Coverage Expansion for 65+	172	0	0	0
Keep Pregnancy Coverage in Essential Plan	41	165	165	165
NYRx Transition	410	548	557	562
Support for Ryan White Centers (NYRx)	(30)	(30)	(30)	(30)
FQHC/DTC Supplemental Payments (NYRx)	(135)	(135)	(135)	(135)
Increase Hospital Inpatient Reimbursement by 7.5% (NYRx)	(319)	(319)	(319)	(319)
Additional NYRx Reinvestment	(35)	(35)	(35)	(35)
Utilize Available Federal Funding	219	439	774	808
Recalibrate Health Home Program	30	70	70	70
Financially Distressed Hospital Support	(500)	0	0	0
Increase Hospital Outpatient Reimbursement by 6.5%	(77)	(77)	(77)	(77)
Wage Parity Savings	115	469	500	534
Additional QIVAP Support	(71)	(87)	0	0
Prior Year State Funding Advance Recoveries	178	0	0	0
Available HCBS eFMAP to Offset Home Care Minimum Wage	214	0	0	0
Additional 1.5% OSA COLA	(30)	(30)	(30)	(30)
FP Support of OSA COLA	30	30	30	30
Timing of Payments and Other Revisions	860	386	411	408
State of the State Investments	**(181)**	**(415)**	**(415)**	**(415)**
Expand Medicaid Buy-In for those with Disabilities	0	(60)	(60)	(60)
Benchmarking Primary Care Reimbursement to 80% of Medicare	(18)	(35)	(35)	(35)
Establish Adverse Childhood Screening Rates	(5)	(19)	(19)	(19)
Establish Reimbursement for Community Health Workers	(9)	(35)	(35)	(35)
Expand Nutritionist Coverage to All	(14)	(18)	(18)	(18)
Increase Supportive Housing Funding	(15)	(30)	(30)	(30)
Integrated Licensure Standards	(16)	(33)	(33)	(33)
Ensure Adequate Transportation Rates	(14)	(18)	(18)	(18)
Mental Hygiene Medicaid	(59)	(114)	(114)	(114)
All Other SOTS	(31)	(53)	(53)	(53)
FY 2024 Enacted Budget Surplus/(Gap)	**0**	**0**	**(242)**	**(283)**
Non-Global Cap Medicaid Revisions (Excluded from Above)	**1,220**	**(269)**	**(512)**	**(806)**
Asylum Seekers Services and Assistance	(125)	0	0	0
Home Health Aides Minimum Wage Increase	(53)	(269)	(512)	(806)
Delay $1 Home Care Wage to 1/1/24	97	0	0	0
COVID eFMAP	1,301	0	0	0

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. From FY 2013, when the Global Cap was put in place, through FY 2022, the subset of Medicaid spending to which it applied was limited to no greater than the ten-year rolling average of medical price inflation. The FY 2023 Enacted Budget implemented a new Global Cap index based on the five-year rolling average of CMS annual projections of health care spending to better account for enrollment, including specific populations, such as the aging and disabled populations. The new index also accounts for enrollment and population changes, which are significant drivers of costs.

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

The Global Cap is balanced through FY 2025; however, Medicaid spending is projected to exceed the cap beginning in FY 2026 due mainly to projected utilization and costs trends. The deficits are projected at $242 million in FY 2026 and $283 million in FY 2027. The State will monitor Medicaid spending on an ongoing basis. Additionally, the Governor's healthcare commission will examine and recommend reforms to improve quality and reduce costs.

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

[1] Effective FY 2023, growth is indexed to the 5-year rolling average of Medicaid spending projections within the National Health Expenditure Accounts produced by Office of the Actuary in the Centers for Medicare & Medicaid Services (CMS) as of March 2020.

[2] Reflects the updated 5-year rolling average pursuant to CMS March 2022 Report.

[3] The Medicaid forecast is projected to spend within the allowable index through FY 2025. Gap-closing savings will be necessary in FY 2026 and FY 2027 to ensure Medicaid spending in future years adheres to the Global Cap indexed rate.

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

TOTAL STATE-SHARE MEDICAID DISBURSEMENTS
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
Department of Health Medicaid	**25,791**	**27,747**	**30,658**	**32,930**	**34,922**
Assistance and Grants	29,120	28,820	30,137	32,441	34,438
State Operations	323	494	521	489	484
eFMAP[1]	(3,652)	(1,567)	0	0	0
Other State Agency Medicaid Spending	**5,504**	**7,455**	**6,234**	**6,110**	**6,325**
Mental Hygiene[2]	5,323	7,243	6,022	5,898	6,113
Foster Care	56	64	64	64	64
Education	125	140	140	140	140
Corrections	0	8	8	8	8
Total State-Share Medicaid (All Agencies)	**31,295**	**35,202**	**36,892**	**39,040**	**41,247**
Annual $ Change		3,907	1,690	2,148	2,207
Annual % Change		12.5%	4.8%	5.8%	5.7%

[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.

Temporary eFMAP

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

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

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

Minimum Wage and Home Care Wages

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

The State costs of minimum wage increases in the health care sector are projected to grow by $190 million to roughly $2.4 billion in FY 2024. Home health care workers in New York City 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 New York City and $1.67 for Westchester, Nassau, and Suffolk counties. However, State statute exempts the supplemental wages portion of total compensation from the minimum wage calculation to ensure home health care workers in these counties receive incremental growth in wage compensation commensurate with the new minimum wage schedule.

The FY 2024 Enacted Budget authorized wage increases for home health and personal care workers of $1.55 for Downstate and $1.35 for Rest of State, effective January 1, 2024, with additional Statewide wage increases of $0.55 to come January 1, 2025 and January 1, 2026. Pending CMS approval, the increases are anticipated to be partially funded by HCBS eFMAP in FY 2024.

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

Local Medicaid Cap

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

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

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

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

Master Settlement Agreement (MSA)

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

Health Care Transformation Fund (HCTF)

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

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

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

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

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

Essential Plan

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

ESSENTIAL PLAN
(millions of dollars)

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

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

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

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

Public Health/Aging Programs

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

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

PUBLIC HEALTH AND AGING
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
TOTAL STATE OPERATING FUNDS	**2,180**	**2,312**	**6.1%**	**2,365**	**2.3%**	**2,379**	**0.6%**	**2,401**	**0.9%**
Public Health	**2,011**	**2,120**	**5.4%**	**2,185**	**3.1%**	**2,193**	**0.4%**	**2,214**	**1.0%**
Child Health Plus[1]	753	933	23.9%	970	4.0%	988	1.9%	1,009	2.1%
General Public Health Work	196	225	14.8%	211	-6.2%	211	0.0%	211	0.0%
EPIC	93	63	-32.3%	63	0.0%	63	0.0%	63	0.0%
Early Intervention	113	81	-28.3%	81	0.0%	81	0.0%	81	0.0%
Unadjusted	210	178	-15.2%	178	0.0%	178	0.0%	178	0.0%
Health Services Initiatives Offset	(97)	(97)	0.0%	(97)	0.0%	(97)	0.0%	(97)	0.0%
Workforce Initiatives[2]	51	110	115.7%	110	0.0%	110	0.0%	110	0.0%
General Fund Assistance and Gra	51	92	80.4%	92	0.0%	92	0.0%	92	0.0%
HCRA Program	0	18	0.0%	18	0.0%	18	0.0%	18	0.0%
HCRA Program	436	228	-47.7%	321	40.8%	321	0.0%	321	0.0%
Nourish NY	58	50	-13.8%	50	0.0%	50	0.0%	50	0.0%
All Other	311	430	38.3%	379	-11.9%	369	-2.6%	369	0.0%
Aging	**169**	**192**	**13.6%**	**180**	**-6.3%**	**186**	**3.3%**	**187**	**0.5%**

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

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

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

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

HCRA Financial Plan

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

HCRA FINANCIAL PLAN
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
OPENING BALANCE	**88**	**91**		**0**		**0**		**0**	
TOTAL RECEIPTS	**6,676**	**6,492**	**-2.8%**	**6,477**	**-0.2%**	**6,326**	**-2.3%**	**6,325**	**0.0%**
Surcharges	4,251	4,037	-5.0%	4,058	0.5%	4,078	0.5%	4,098	0.5%
Covered Lives Assessment[1]	1,052	1,150	9.3%	1,150	0.0%	1,150	0.0%	1,150	0.0%
Cigarette Tax Revenue	595	558	-6.2%	525	-5.9%	500	-4.8%	477	-4.6%
Hospital Assessments	525	505	-3.8%	507	0.4%	510	0.6%	512	0.4%
Excise Tax on Vapor Products	25	25	0.0%	25	0.0%	25	0.0%	25	0.0%
NYC Cigarette Tax Transfer	16	17	6.3%	13	-23.5%	13	0.0%	13	0.0%
EPIC Receipts/ICR Audit Fees	62	50	-19.4%	49	-2.0%	50	2.0%	50	0.0%
Distressed Provider Assistance[2]	150	150	0.0%	150	0.0%	0	-100.0%	0	0.0%
TOTAL DISBURSEMENTS AND TRANSFERS	**6,673**	**6,583**	**(0)**	**6,477**	**(0)**	**6,326**	**(0)**	**6,325**	**(0)**
Medicaid Assistance Account	4,551	4,486	(0)	4,203	(0)	4,058	(0)	4,041	(0)
Medicaid Costs	4,226	4,161	-1.5%	3,878	-6.8%	3,883	0.1%	3,866	-0.4%
Distressed Provider Assistance[2]	150	150	0.0%	150	0.0%	0	-100.0%	0	0.0%
Workforce Recruitment & Retention	175	175	0.0%	175	0.0%	175	0.0%	175	0.0%
Hospital Indigent Care	656	631	-3.8%	631	0.0%	631	0.0%	631	0.0%
HCRA Program Account	442	265	-40.0%	358	35.1%	358	0.0%	359	0.3%
Child Health Plus	764	950	24.3%	990	4.2%	1,009	1.9%	1,030	2.1%
Elderly Pharmaceutical Insurance Coverage	104	74	-28.8%	74	0.0%	74	0.0%	74	0.0%
Qualified Health Plan Administration	36	45	25.0%	46	2.2%	48	4.3%	49	2.1%
Roswell Park Cancer Institute	57	51	-10.5%	51	0.0%	51	0.0%	51	0.0%
SHIN-NY/APCD/Modernization	39	43	10.3%	75	74.4%	45	-40.0%	40	-11.1%
All Other	24	38	58.3%	49	28.9%	52	6.1%	50	-3.8%
ANNUAL OPERATING SURPLUS/(DEFICIT)	**3**	**(91)**		**0**		**0**		**0**	
CLOSING BALANCE	**91**	**0**		**0**		**0**		**0**	

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

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

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

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

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

Mental Hygiene

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

MENTAL HYGIENE
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
TOTAL STATE OPERATING FUNDS	**4,786**	**7,433**	**55.3%**	**6,237**	**-16.1%**	**6,221**	**-0.3%**	**6,565**	**5.5%**
People with Developmental Disabilities	**2,917**	**3,122**	**7.0%**	**3,260**	**4.4%**	**3,431**	**5.2%**	**3,624**	**5.6%**
Residential Services	1,471	1,584	7.7%	1,652	4.3%	1,737	5.1%	1,833	5.5%
Day Programs	698	751	7.6%	784	4.4%	824	5.1%	869	5.5%
Clinic	17	18	5.9%	19	5.6%	20	5.3%	21	5.0%
All Other Services (Net of Offsets)	731	769	5.2%	805	4.7%	850	5.6%	901	6.0%
Mental Health	**1,757**	**2,309**	**31.4%**	**2,397**	**3.8%**	**2,522**	**5.2%**	**2,630**	**4.3%**
Adult Local Services	1,441	1,837	27.5%	2,002	9.0%	2,111	5.4%	2,202	4.3%
Children Local Services	316	367	16.1%	395	7.6%	411	4.1%	428	4.1%
MLR/BHET Reinvestment[1]	0	105	0.0%	0	-100.0%	0	0.0%	0	0.0%
Addiction Services and Supports	**493**	**735**	**49.1%**	**633**	**-13.9%**	**620**	**-2.1%**	**658**	**6.1%**
Residential	117	130	11.1%	136	4.6%	143	5.1%	155	8.4%
Other Treatment	216	239	10.6%	248	3.8%	266	7.3%	286	7.5%
Prevention	62	70	12.9%	74	5.7%	77	4.1%	82	6.5%
Recovery	42	49	16.7%	53	8.2%	54	1.9%	55	1.9%
Opioid Settlement Fund[2]	49	167	240.8%	81	-51.5%	33	-59.3%	33	0.0%
Opioid Stewardship Fund[3]	7	27	285.7%	41	51.9%	47	14.6%	47	0.0%
MLR/BHET Reinvestment[1]	0	53	0.0%	0	-100.0%	0	0.0%	0	0.0%
Justice Center	**1**	**1**	**0.0%**	**1**	**0.0%**	**1**	**0.0%**	**1**	**0.0%**
Total DOH Medicaid Global Cap Adjustments[4]	**(382)**	**1,266**	**431.4%**	**(54)**	**-104.3%**	**(353)**	**-553.7%**	**(348)**	**1.4%**
OPWDD Local Share	15	1,349	8893.3%	308	-77.2%	0	-100.0%	0	0.0%
OPWDD Spending Funded by Global Cap	(397)	(83)	79.1%	(362)	-336.1%	(353)	2.5%	(348)	1.4%
TOTAL MENTAL HYGIENE SPENDING	**5,168**	**6,167**	**19.3%**	**6,291**	**2.0%**	**6,574**	**4.5%**	**6,913**	**5.2%**

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

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

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

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

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

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

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

The FY 2024 Enacted Budget includes 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 CTI teams and specialized programs for children. The FY 2024 Enacted Budget also supports a 4 percent COLA for voluntary operated providers.

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

Social Services

OTDA

OTDA assistance and grants programs provide cash benefits and supportive services to low-income families. The State's three main programs are Family Assistance, Safety Net Assistance, and 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 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
TOTAL STATE OPERATING FUNDS	**2,071**	**2,929**	**41.4%**	**2,179**	**-25.6%**	**1,813**	**-16.8%**	**1,862**	**2.7%**
SSI	555	622	12.1%	632	1.6%	632	0.0%	632	0.0%
Public Assistance Benefits	612	560	-8.5%	632	12.9%	578	-8.5%	578	0.0%
Public Assistance Initiatives	10	20	100.0%	12	-40.0%	12	0.0%	12	0.0%
Homeless Housing and Services	121	205	69.4%	404	97.1%	447	10.6%	495	10.7%
Rental Assistance	767	716	-6.6%	135	-81.1%	135	0.0%	135	0.0%
Asylum Seekers Services and Assistance	0	792	0.0%	355	-55.2%	0	-100.0%	0	0.0%
All Other	6	14	133.3%	9	-35.7%	9	0.0%	10	11.1%

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

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

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

OCFS

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

CHILDREN AND FAMILY SERVICES
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
TOTAL STATE OPERATING FUNDS	**2,926**	**1,961**	**-33.0%**	**2,723**	**38.9%**	**2,736**	**0.5%**	**2,750**	**0.5%**
Child Welfare Service	1,903	461	-75.8%	461	0.0%	461	0.0%	461	0.0%
Foster Care Block Grant	391	399	2.0%	399	0.0%	399	0.0%	399	0.0%
Child Care	151	419	177.5%	1,205	187.6%	1,204	-0.1%	1,204	0.0%
Adoption	132	175	32.6%	175	0.0%	175	0.0%	175	0.0%
Youth Programs	154	102	-33.8%	99	-2.9%	99	0.0%	99	0.0%
Medicaid	56	64	14.3%	64	0.0%	64	0.0%	64	0.0%
Adult Protective/Domestic Violence	54	54	0.0%	54	0.0%	54	0.0%	54	0.0%
All Other	85	287	237.6%	237	-17.4%	251	5.9%	265	5.6%

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

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

Transportation

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

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

TRANSPORTATION
(millions of dollars)

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

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

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

Agency Operations

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

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

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

FORECAST OF SELECTED PROGRAM MEASURES AFFECTING PERSONAL SERVICE AND FRINGE BENEFITS

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
State Workforce[1]	108,080	120,684	TBD	TBD	TBD
ERS Contribution Rate[2]	14.3%	13.3%	15.2%	17.6%	20.7%
PFRS Contribution Rate[2]	27.0%	27.8%	29.6%	31.3%	33.1%
Employee/Retiree Health Insurance Growth Rates	5.3%	-19.3%	17.5%	10.2%	8.4%
PS/Fringe as % of Receipts (All Funds Basis)	11.0%	11.4%	12.6%	13.2%	13.8%

[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.

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

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

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
SUBJECT TO DIRECT EXECUTIVE CONTROL[1]	**11,548**	**11,598**	**12,391**	**13,712**	**13,831**
Corrections and Community Supervision	2,672	2,662	2,652	2,651	2,652
Office of Mental Health	1,726	1,678	1,683	1,695	1,749
Office for People with Developmental Disabilities	1,599	1,581	1,591	1,619	1,639
Environmental Conservation	238	269	285	289	284
Department of Health	920	1,072	1,069	1,051	1,041
State Police	805	955	950	968	987
Information Technology Services	599	668	677	691	706
Transportation	356	362	362	373	384
Children and Family Services	196	326	332	337	340
Tax and Finance	328	342	342	343	343
Office of Parks, Recreation and Historic Preservation	199	223	231	235	233
Department of Financial Services	213	217	217	217	217
Education	150	183	186	188	188
Office of Temporary and Disability Assistance	182	119	119	119	119
Labor	61	62	61	61	61
All Other	1,304	879	1,634	2,875	2,888
UNIVERSITY SYSTEMS	**6,926**	**7,537**	**7,737**	**7,792**	**8,015**
State University	6,926	7,537	7,737	7,792	8,015
INDEPENDENT AGENCIES	**391**	**421**	**425**	**431**	**437**
Law	219	242	242	246	248
Audit & Control (OSC)	172	179	183	185	189
TOTAL, EXCLUDING JUDICIARY AND LEGISLATURE	**18,865**	**19,556**	**20,553**	**21,935**	**22,283**
Judiciary	**2,089**	**2,231**	**2,231**	**2,231**	**2,231**
Legislature	**236**	**284**	**284**	**284**	**284**
Statewide Total	**21,190**	**22,071**	**23,068**	**24,450**	**24,798**
Personal Service	14,840	16,023	16,111	16,358	16,602
Non-Personal Service	6,350	6,048	6,957	8,092	8,196

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

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

- **DOCCS**. The FY 2024 Enacted Budget includes additional funding to expand the State's response to gun violence among the parolee population.

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

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

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

- **ITS.** Spending growth in FY 2024 and beyond reflects investments in cyber security, including the JSOC created for the coordination of local, state and Federal cyber security efforts, including data collection, response efforts and information sharing.

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

- **Office of Temporary and Disability Assistance**. The spending decline from FY 2023 reflects the time limited spending associated with the ERAP and LRAP.

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

- **State University.** The FY 2024 Enacted Budget includes one-time funding for state matching contributions to endowments of the four university centers, additional operating aid support for strategic investments at campuses, and other SUNY transformation initiatives.

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

Workforce

In FY 2024, $16.0 billion of the State Operating Funds budget is dedicated to supporting Full-Time Equivalent (FTE) employees under direct Executive control; individuals employed by SUNY and Independent Agencies; employees paid on a nonannual salaried basis; and overtime pay. Roughly 60 percent of the Executive agency workforce is in the mental hygiene agencies and DOCCS.

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

	Dollars	FTEs
SUBJECT TO DIRECT EXECUTIVE CONTROL	**9,112**	**97,988**
Corrections and Community Supervision	2,185	24,548
Office for People with Developmental Disabilities	1,339	18,557
Office of Mental Health	1,309	13,307
State Police	842	6,335
Department of Health	354	4,350
Information Technology Services	339	3,558
Tax and Finance	268	3,785
Children and Family Services	234	2,327
Environmental Conservation	214	2,430
Transportation	183	2,590
Office of Parks, Recreation and Historic Preservation	177	1,795
Department of Financial Services	161	1,391
Education	112	1,443
Office of Temporary and Disability Assistance	70	1,002
Workers' Compensation Board	88	1,081
All Other	1,237	9,489
UNIVERSITY SYSTEMS	**4,527**	**45,880**
State University	4,527	45,880
INDEPENDENT AGENCIES	**2,384**	**18,518**
Law	172	1,611
Audit & Control (OSC)	144	1,631
Judiciary	1,847	15,273
Legislature[2]	221	3
Statewide Total	**16,023**	**162,386**

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

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

General State Charges

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

GSCs spending is projected to increase over the Financial Plan period mostly due to increases in the health insurance program which reflects medical inflation and the potential for increased utilization in non-essential procedures that were postponed during the pandemic. Similarly, the pension program reflects associated costs increases in the employer contribution rates due to the State Comptroller's actuarial adjustments within the NYSLRS, higher salaries, and the annual COLA.

GENERAL STATE CHARGES
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
TOTAL STATE OPERATING FUNDS	**10,203**	**8,804**	**-13.7%**	**10,555**	**19.9%**	**11,825**	**12.0%**	**13,290**	**12.4%**
Fringe Benefits	**9,786**	**8,330**	**-14.9%**	**10,070**	**20.9%**	**11,327**	**12.5%**	**12,783**	**12.9%**
Health Insurance	5,083	4,845	-4.7%	5,696	17.6%	6,279	10.2%	6,808	8.4%
Retiree Health Benefit Trust Fund	920	0	-100.0%	0	0.0%	0	0.0%	0	0.0%
Pensions	2,045	2,131	4.2%	2,623	23.1%	3,195	21.8%	4,052	26.8%
Social Security	1,120	1,177	5.1%	1,190	1.1%	1,203	1.1%	1,226	1.9%
Workers' Compensation	830	301	-63.7%	650	115.9%	702	8.0%	723	3.0%
Employee Benefits	94	106	12.8%	115	8.5%	123	7.0%	123	0.0%
Dental Insurance	44	57	29.5%	62	8.8%	66	6.5%	66	0.0%
Unemployment Insurance	13	13	0.0%	13	0.0%	13	0.0%	13	0.0%
All Other/Non-State Escrow	(363)	(300)	17.4%	(279)	7.0%	(254)	9.0%	(228)	10.2%
Fixed Costs	**417**	**474**	**13.7%**	**485**	**2.3%**	**498**	**2.7%**	**507**	**1.8%**
Public Land Taxes/PILOTS	295	309	4.7%	318	2.9%	326	2.5%	335	2.8%
Litigation	122	165	35.2%	167	1.2%	172	3.0%	172	0.0%

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

Higher pension costs are reflective of the increase in the employer contribution rates due to the State Comptroller's actuarial adjustments within the NYSLRS, higher salaries, and the annual COLA. The FY 2024 Enacted Budget changed certain eligibility requirements for awarding accidental disability benefits when the disability is related to diseases of the heart while enhancing the benefit paid to certain impacted members. Costs associated with these changes are $14.6 million in FY 2024 and $2.1 million annually thereafter.

Workers' compensation reflects current utilization and an increase in the average weekly wage. In FY 2023, the State made a prepayment ($300 million) towards its FY 2024 workers' compensation obligations. Similarly, the State made a partial advancement ($180 million) in March 2023 which was applied to the April 2023 Health Insurance payment.

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

Transfers to Other Funds (General Fund Basis)

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

GENERAL FUND TRANSFERS TO OTHER FUNDS
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
TOTAL TRANSFERS TO OTHER FUNDS	**8,325**	**8,392**	**9,119**	**6,801**	**6,506**
Debt Service	298	217	264	287	337
SUNY University Operations	1,491	1,677	1,718	1,752	1,766
Capital Projects	4,649	4,877	5,410	3,049	2,676
Extraordinary Monetary Settlements:	**267**	**428**	**417**	**286**	**290**
Dedicated Infrastructure Investment Fund	260	350	345	216	220
Clean Water Grants	0	60	60	60	60
Mass Transit Capital	0	2	2	1	0
Health Care	7	16	10	9	10
Dedicated Highway and Bridge Trust Fund	691	65	114	189	123
Environmental Protection Fund	100	100	100	100	100
Other DIIF	0	50	250	118	0
All Other Capital	3,591	4,234	4,529	2,356	2,163
ALL OTHER TRANSFERS	**1,887**	**1,621**	**1,727**	**1,713**	**1,727**
Mobility Tax Trust Account	244	244	244	244	244
State University Hospital IFR Operations Account	314	302	302	302	302
NY Central Business District Trust	153	155	156	158	159
Court Facility Income Account	115	104	104	104	104
Dedicated Mass Transportation Trust Fund	129	65	65	65	65
Health Care Transformation	500	125	125	125	125
All Other	432	626	731	715	728

General Fund transfers to Other Funds are projected to total $8.4 billion in FY 2024, an increase of $67 million from FY 2023 mainly due to higher capital projects funding, offset by lower Health Care Transformation and Dedicated Mass Transportation Trust Fund transfers.

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

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

Debt Service

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

DEBT SERVICE SPENDING PROJECTIONS
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
General Fund	298	217	-27.2%	264	21.7%	287	8.7%	337	17.4%
Other State Support	10,183	2,681	-73.7%	3,254	21.4%	4,871	49.7%	4,840	-0.6%
Total State Operating Funds	**10,481**	**2,898**	**-72.3%**	**3,518**	**21.4%**	**5,158**	**46.6%**	**5,177**	**0.4%**

State Operating Funds debt service is projected to be $2.9 billion in FY 2024, of which $217 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. Debt service for other State-supported bonds is paid directly from other dedicated State funds, subject to appropriation, including PIT and Sales Tax Revenue bonds, and DHBTF bonds.

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

STATE-SUPPORTED DEBT SERVICE
(millions of dollars)

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Base Debt Service	**5,556**	**6,603**	**7,213**	**7,538**	**8,037**	**8,228**
Total Prepayment Adjustment	**4,925**	**(3,705)**	**(3,695)**	**(2,380)**	**(2,860)**	**(2,000)**
Prior Prepayments	(1,075)	(2,255)	(2,395)	(1,630)	(2,360)	0
FY 2023 Prepayment	6,000	(1,450)	(1,300)	(750)	(500)	(2,000)
Enacted Budget State Debt Service	**10,481**	**2,898**	**3,518**	**5,158**	**5,177**	**6,228**

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

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

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 2023 financial results, the State's GAAP-basis financial results set forth in this section have been audited. Note that the FY 2023 financial results included in this AIS are preliminary and unaudited.

Cash-Basis Results for Prior Fiscal Years

General Fund FY 2021 Through FY 2023

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 over $34 billion from FY 2021 to FY 2023, driven by extraordinary tax collections over the past two years that allowed significant increases in reserves, as well as the establishment of a reserve for payment of PTET/PIT tax credits[15] in FY 2022 which totaled $14.4 billion at the end of FY 2023. 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 $19.5 billion, an amount equal to approximately 16 percent of projected 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.

[15] 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 2021 THROUGH FY 2023 (millions of dollars)	FY 2021	FY 2022	FY 2023
OPENING FUND BALANCE	8,944	9,161	33,053
Personal Income Tax [1]	25,456	33,464	27,607
Consumption/User Taxes:			
Sales and Use Tax[2]	6,639	4,122	6,665
Cigarette and Tobacco Tax	310	293	265
Alcoholic Beverage Taxes	271	277	282
Opioid Excise Tax	30	29	27
Subtotal	7,250	4,721	7,239
Business Taxes:			
Corporation Franchise Tax	3,890	5,818	7,291
Corporation and Utilities Taxes	417	434	408
Insurance Taxes	1,976	2,214	2,381
Bank Tax	137	16	304
Pass-Through Entity Tax[1]	0	8,215	7,472
Subtotal	6,420	16,697	17,856
Other Taxes:			
Estate and Gift Taxes	1,538	1,386	2,185
Pari-Mutuel Tax	10	13	13
Other Taxes[1]	1	8	6
Subtotal	1,549	1,407	2,204
Miscellaneous Receipts & Federal Grants	7,515	6,825	5,960
Transfers from Other Funds:			
PIT in Excess of Revenue Bond Debt Service	18,578	26,055	20,899
PTET in Excess of Revenue Bond Debt Service	0	8,215	7,472
Sales Tax in Excess of Revenue Bond Debt Service	1,278	5,572	7,291
Sales Tax in Excess of LGAC Debt Service	3,238	4,121	2,198
Real Estate Taxes in Excess of CW/CA Debt Service	783	1,479	1,180
All Other Transfers	2,245	4,254	3,291
Subtotal	26,122	49,696	42,331
TOTAL RECEIPTS	74,312	112,810	103,197
Grants to Local Governments:			
School Aid	23,127	24,783	25,645
Medicaid - DOH	13,871	16,153	19,380
All Other Local Aid	11,984	17,448	17,827
State Operations:			
Personal Service	7,154	8,063	9,464
Non-Personal Service	2,950	3,675	3,043
General State Charges	7,032	8,983	9,115
Transfers to Other Funds:			
In Support of Debt Service	326	340	298
In Support of Capital Projects	4,540	6,818	4,649
SUNY Operations	1,229	1,385	1,491
All Other Transfers	1,883	1,270	1,887
Subtotal	7,978	9,813	8,325
TOTAL DISBURSEMENTS	74,095	88,918	92,799
Excess (Deficiency) of Receipts and Other Financing Sources over Disbursements and Other Financing Uses	217	23,892	10,398
CLOSING FUND BALANCE	9,161	33,053	43,451

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 2023

The State ended FY 2023 in balance on a cash basis in the General Fund, based on preliminary unaudited results. General fund receipts, including transfers from other funds, totaled $103.2 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.

FY 2021

The State ended FY 2021 in balance on a cash basis in the General Fund. General Fund receipts, including transfers from other funds, totaled $74.3 billion. General Fund disbursements, including transfers to other funds, totaled $74.1 billion. The State ended FY 2021 with a General Fund balance of $9.2 billion, an increase of $217 million from FY 2020 results.

All Funds FY 2021 Through FY 2023

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 2021 THROUGH FY 2023
(millions of dollars)

	FY 2021	FY 2022	FY 2023
OPENING BALANCE	**14,285**	**18,751**	**53,549**
ALL FUNDS RECEIPTS:	**191,300**	**244,375**	**233,060**
Total Taxes	**82,376**	**121,136**	**111,656**
Personal Income Tax	54,967	70,737	58,776
Pass Through Entity Tax	0	16,430	14,944
All Other Taxes	27,409	33,969	37,936
Miscellaneous Receipts	**30,772**	**27,932**	**31,841**
Federal Receipts	**78,152**	**95,307**	**89,563**
Bond & Note Proceeds	**0**	**0**	**0**
ALL FUNDS DISBURSEMENTS:	**186,588**	**209,339**	**220,460**
STATE OPERATING FUNDS	**104,207**	**117,404**	**123,750**
Assistance and Grants	**65,087**	**74,998**	**81,877**
School Aid	26,787	28,274	30,290
DOH Medicaid (incl. admin and EP)	19,346	21,972	25,467
All Other	18,954	24,752	26,120
State Operations	**25,924**	**29,861**	**31,392**
Agency Operations	**18,006**	**19,836**	**21,189**
Executive Agencies	9,114	10,773	11,547
University Systems	6,237	6,515	6,926
Elected Officials	2,655	2,548	2,716
Fringe Benefits/Fixed Costs	**7,918**	**10,025**	**10,203**
Pension Contribution	3,406	2,492	2,045
Health Insurance	4,415	5,699	6,003
Other Fringe Benefits/Fixed Costs	96	1,834	2,155
Debt Service	**13,196**	**12,545**	**10,481**
CAPITAL PROJECTS (State and Federal Funds)	**12,331**	**14,704**	**14,024**
FEDERAL OPERATING AID	**70,050**	**77,231**	**82,686**
NET OTHER FINANCING SOURCES	**(48)**	**(238)**	**(193)**
CHANGE IN OPERATIONS	**4,664**	**34,798**	**12,407**
CLOSING BALANCE	**18,949**	**53,549**	**65,956**

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 local assistance ($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, local assistance spending through March was $6.9 billion higher than in the prior year. The largest local assistance spending changes 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.

Local assistance 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).

FY 2021

All Funds ended FY 2021 with a balance of $18.9 billion, $4.7 billion above FY 2020. The higher balance is attributable to higher receipts, which are partly offset by higher spending as summarized below.

Higher receipts reflect PIT collections that were higher than in FY 2020 by $1.3 billion (2.4 percent), primarily due to growth in withholding and final returns, augmented by a decline in advanced credit payments related to the expiration of the Property Tax Relief Credit. The growth in PIT collections was offset by a decrease in total estimated payments driven by a decline in the growth of nonwage income not related to unemployment insurance and by an increase in current year refunds. Consumption/use tax collections were significantly lower ($1.9 billion) than the prior year due to substantial declines in sales tax and motor fuel tax receipts due to the pandemic. Lower business taxes ($204 million) were attributable to reduced CFT and gross insurance taxes combined with lower PBT collections, partially offset by higher CFT audits and lower CFT refunds.

The receipt of $4.5 billion in note proceeds from the FY 2021 liquidity financing, along with increased income from SUNY, resulted in annual growth in miscellaneous receipts ($1.3 billion). Offsetting this growth, significant declines were observed in lottery receipts ($554 million), HCRA receipts ($425 million), other licenses/fees ($199 million), and investment income ($137 million), all of which were negatively impacted by the COVID-19 pandemic. In addition, receipts from extraordinary monetary settlements decreased ($187 million). Receipts also reflect a decrease in reimbursements of capital projects from bond proceeds ($900 million).

Federal grants were $13.1 billion higher in FY 2021 than in FY 2020, largely due to the receipt of Federal CARES Act funding, funding for the Lost Wages Assistance (LWA) program, eFMAP and emergency rental assistance.

State Operating Funds spending totaled $104.2 billion in FY 2021, an increase of $2 billion (2.0 percent) from FY 2020 due primarily to the prepayment of debt service obligations and pension amortizations, offset by reduced disbursements in local assistance and agency operations.

Local assistance spending was $3.6 billion lower than in the prior year, mainly due to a decline in Medicaid ($2.4 billion) attributable to COVID-19 Federal funding which had the effect of reducing State spending ($3.4 billion). State share costs associated with increased pandemic-related enrollment ($912 million) and timing of offline payments ($107 million) eroded the value of the eFMAP benefit.

Local assistance payments totaling $1.4 billion were delayed from FY 2020 to FY 2021 due to interruptions and uncertainty caused by the pandemic. These payments affected spending levels for higher education, social welfare, public health, transportation, and mental hygiene. The delay partly offset the overall reduction in local assistance spending.

Other significant variances in local assistance spending include:

- Timing delays attributable to the ongoing payment review and withholding process, as well as claiming and processing delays. Impacted areas include student financial aid ($148 million), Preschool Special Education and Summer School Special Education programs ($189 million), Non-Public School Aid ($137 million) and various other education programs ($162 million).

- General Aid payments for School Aid ($190 million) reflect lower expense-based aid claims and the offset of a portion of State support to school districts with Federal CARES Act funds. The portion of School Aid supported by Lottery revenues also declined ($186 million) due to lower receipt projections.

- TRS payments ($238 million) reflect a lower employer contribution rate consistent with the forecasted pension portfolio.

- STAR ($157 million lower) reflects the transition of beneficiaries from the STAR benefit program to the STAR PIT credit.

Lower spending in executive agency operations was driven by the reclassification of certain eligible FY 2021 expenses to the Federal CRF, one-time NYSCOPBA collective bargaining retroactive payments made in FY 2020, the withholding of general salary increases, execution of 10 percent State Operations reductions and general underspending. Fringe benefit spending declined due to the deferment of Social Security payments, as permitted under the CARES Act, and increased reimbursement of fringe costs from Federal funds due to the reclassification of eligible personal service expenses to the CRF. These declines were partially offset by the repayment of pension amortizations ($918 million) and higher health insurance payments ($111 million).

Higher debt service spending is largely due to the repayment of the FY 2021 liquidity financing ($4.5 billion) and the impact of debt service prepayments ($3.1 billion).

Higher capital projects spending ($333 million) reflects higher spending on capital projects for the MTA ($825 million), DHCR ($202 million) and other agencies. This growth is offset by underspending in SIA ($455 million), Environmental Conservation ($241 million), ESD ($154 million), and SUNY ($126 million).

Federal operating spending growth ($11.2 billion) mainly reflects the LWA payments, temporary eFMAP, and public health and safety costs charged to the Federal CRF.

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 2023 on July 28, 2023. The Comptroller also prepares and issues an Annual Comprehensive Financial Report, which, in addition to the components referred to above, also includes an introductory section and a statistical section. The Annual Comprehensive Financial Report for the fiscal year ended March 31, 2023 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, 2022	11,339	1,792	4,352	1,173	18,656	31,651
March 31, 2021	8,600	467	2,596	4,186	15,849	20,338
March 31, 2020	355	(296)	(900)	(79)	(920)	3,736

SUMMARY OF NET POSITION (millions of dollars)

Fiscal Year Ended	Governmental Activities	Business-Type Activities	Total Primary Government
March 31, 2022	25,354	(18,862)	6,492
March 31, 2021	7,303*	(20,969)**	(13,666)
March 31, 2020	(5,240)	(8,375)	(13,615)

* 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.

ECONOMICS AND DEMOGRAPHICS

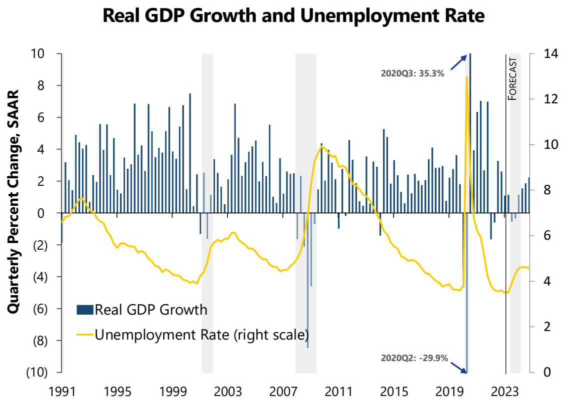
The demographic and statistical data in this section, which have been obtained from the sources indicated, do not represent all factors that may have a bearing on the State's fiscal and economic affairs. Further, such information requires economic and demographic analysis to assess its significance and 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.

The U.S. Economy

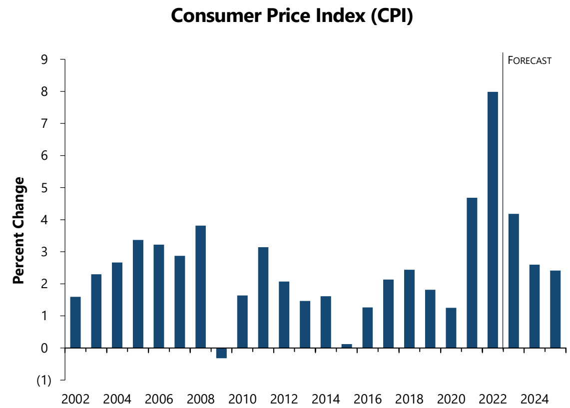
Financial turmoil following the collapse of Silicon Valley Bank and Signature Bank in March 2023 has triggered further credit tightening, restraining economic growth in the nation. However, a systemic crisis like the one in 2008 has, to date, been averted and equity markets are now trending broadly higher since their March lows. Recent data on the U.S. labor market and consumer spending indicate that overall economic conditions in the first half of 2023 held up better than previously anticipated. Moreover, Congress passed the Fiscal Responsibility Act that suspends the debt ceiling through January 1, 2025, averting a government default crisis. However, a mild downturn is still anticipated to take place toward the second half of this year and into 2024.

According to the second estimate released by the Bureau of Economic Analysis (BEA), U.S. real Gross Domestic Product (GDP) did not contract in the first quarter of 2023, contrary to the economic forecast consensus, but rather growth decelerated to an annual rate of 1.3 percent from the strong rebound of 3.2 percent in the third quarter and 2.6 percent in the fourth quarter of 2022. Meanwhile, the U.S. labor market maintained robust hiring momentum into the second quarter of 2023. Monthly payroll job gains averaged around 317,000 in April and May of 2023, slightly up from an average of 312,000 in the first three months of the year. Although job growth in some sectors is slowing, announced job cuts have yet to translate into persistent payroll employment declines. However, the unemployment rate went up to 3.7 percent in May 2023 after falling to a 53-year low of 3.4 percent in the prior month.

Consumer price inflation trended lower, albeit slowly, from its peak in mid-2022. The year-over-year change in the consumer price index (CPI) drifted down to 4.9 percent as of April 2023, significantly above the Federal Reserve's target of 2.0 percent. The Federal Open Market Committee (FOMC) settled on a 25-basis-point rate hike at its May 2023 meeting, pushing the federal funds rate target to 5.00 - 5.25 percent. However, the Federal Reserve has signaled that they might pause in June, as tightening in bank lending standards may substitute for additional rate hikes. Meanwhile, the World Health Organization (WHO) announced in May that COVID-19 no longer constitutes a public health emergency of international concern, confirming that global inflationary pressures generated by COVID-era supply chain disruptions have subsided.



Note: Note: Shaded areas represent U.S. recessions.
Source: Haver Analytics/BEA, BLS; DOB staff estimates.



Source: Haver Analytics/BLS; DOB staff estimates.

U.S. Economic Forecast

DOB's U.S. economic forecast incorporates the advance estimate of 2023 first-quarter GDP, the April 2023 personal income and outlays estimates, the April 2023 CPI report, and the initial estimate of April 2023 employment.

Real GDP is projected to grow 1.2 percent in 2023, followed by a weaker growth of 0.9 percent in 2024. Total nonfarm employment is estimated to grow 1.9 percent in 2023. Mild declines in employment are expected between the third quarter of 2023 and the first quarter of 2024, resulting in an annual decline of 0.1 percent in 2024 employment. The unemployment rate is projected to peak at 4.6 percent by mid-2024. Accordingly, the outlook for U.S. wages and personal income is projected to be weaker in 2024 relative to 2023. DOB projects personal income growth of 3.9 percent in 2024, following 5.3 percent growth in 2023.

Although core CPI inflation is trending downward, recent volatility in energy prices added uncertainty to the headline price index. DOB's estimate for 2023 headline CPI inflation is 4.2 percent on an annual average basis. Deflationary pressures from credit tightening are expected to slow down headline CPI inflation to 2.6 percent in 2024. As a result, DOB predicts that the FOMC will pause its rate hike and hold off on reversing its rate policy until its March 2024 meeting, when inflation cools off and the unemployment rate rises above the Non-Accelerating Inflation Rate of Unemployment, or NAIRU.

Since financial markets showed resilience under the recent banking turmoil and debt ceiling battle, the Budget Division estimates that the S&P 500 stock price index will decline 1.0 percent on an annual average basis in 2023. Stock prices are expected to have bottomed out in the first quarter of this year and will display moderate growth going forward, providing modest support for household spending through the wealth effect.

ECONOMIC INDICATORS FOR THE UNITED STATES (Calendar Year)	2018	2019	2020	2021	2022	2023 [1]
Gross Domestic Product						
Nominal ($ billions)	$20,533.1	$21,381.0	$21,060.5	$23,315.1	$25,462.7	$26,787.0
Percent Change	5.4	4.1	(1.5)	10.7	9.2	5.2
Real ($ billions)	$18,609.1	$19,036.1	$18,509.1	$19,609.8	$20,014.1	$20,260.5
Percent Change	2.9	2.3	(2.8)	5.9	2.1	1.2
Personal Income						
($ billions)	$17,683.8	$18,587.0	$19,832.3	$21,294.8	$21,777.2	$22,967.5
Percent Change	5.0	5.1	6.7	7.4	2.4	5.3
Nonfarm Employment						
(millions)	148.9	150.9	142.2	146.3	152.6	155.5
Percent Change	1.6	1.3	(5.8)	2.9	4.3	1.9
Unemployment Rate (%)	3.9	3.7	8.1	5.4	3.6	3.8
Consumer Price Index						
(1982-84=100)	251.1	255.7	258.9	271.0	292.6	304.8
Percent Change	2.4	1.8	1.3	4.7	8.0	4.2

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 2023.

DOB expects the national economy to enter a mild downturn, but there are many risks that could potentially deepen the recession in this forecast. If the ongoing stress in the regional banking sector were to spread to other financial institutions, more tightening in lending standards could further undermine the growth of GDP. Moreover, if inflation proves more persistent than expected, threatening a de-anchoring of inflation expectations, the Federal Reserve could continue tightening beyond DOB's forecast, pushing the economy into a deeper recession.

Conversely, if inflation turns out to be more responsive to monetary tightening than previously anticipated or if rate-sensitive sectors prove resilient to rate hikes and tighter financial conditions, the anticipated economic downturn may be shorter and less severe than originally projected or avoided altogether. Moreover, ending the war in Ukraine or faster recovery from the COVID outbreaks in China could help ease lingering supply chain pressures. If the recovery of supply chains translates into lower inflation than anticipated and allows for a quicker easing of monetary conditions, real GDP could show stronger growth than projected in this forecast.

The New York State Economy[16]

New York State has continued to recover from pandemic-related job losses through March 2023; however, job gains reversed in April. According to Current Employment Statistics (CES) data, the State lost 25,000 jobs in April 2023, with the number of jobs remaining 1.7 percent below its pre-pandemic level, whereas the nation had regained all of its job losses by June 2022. The State's job recovery has been hampered by labor shortages, the highest inflation in 40 years, rising interest rates leading to a bear market in equities, and slowing global growth. As of April 2023, only four major sectors posted net job gains relative to February 2020: transportation, warehousing and utilities, finance and insurance, professional and business services, and healthcare and social assistance. The State posted an unemployment rate of 4.0 percent in April 2023 compared to the U.S. unemployment rate of 3.4 percent for the same month. The statewide unemployment rate for April was pulled up by New York City, which posted a rate of 5.4 percent, compared to the rest of the State's rate of 2.9 percent.

Stricter lending standards and caution in hiring triggered by the banking system turmoil, coupled with a looming national recession later in 2023, are expected to slow down the State's labor market recovery significantly. Following growth of 5.0 percent in 2022, the State's total employment is projected to grow by 0.9 percent in 2023. State employment is projected to grow by only 0.1 percent in 2024, due to the projected slowdown of the national economy starting in the second half of 2023.

NYSE member firms' total revenues increased by 12.0 percent in 2022. However, the Federal Reserve's rapid rate hikes to combat inflation significantly eroded NYSE member firms' revenues net of interest expense, which saw a decline of 14.8 percent. Six major Wall Street investment banks enjoyed revenue growth of 12.6 percent in the first quarter of 2023; however, the banking system crisis, debt ceiling worries, and a likely U.S. economic recession have prompted banks to tighten lending standards and set aside more money to cover possible defaults. Debt underwriting declined by 42.0 percent, and IPOs experienced a severe contraction of 94.4 percent in 2022. This negative growth trend extended into the first quarter of 2023, which posted another 22.9 percent drop in debt underwriting and a 6.6 percent decline in IPOs. Therefore, following a decline of 22.3 percent in SFY 2023, finance and insurance sector bonuses are projected to experience another year of decline, but with a smaller magnitude of 5.3 percent in SFY 2024. State total wages for SFY 2024 are projected to grow by 2.4 percent, following 3.1 percent estimated growth for SFY 2023. State personal income is estimated to grow by 1.3 percent for SFY 2023, followed by a projected growth of 3.5 percent for SFY 2024.

As the national economy heads toward a downturn in 2023, there are many risks to the forecast for New York personal income and wages for the current fiscal year. Continued high inflation could lead to additional unanticipated monetary tightening by the Federal Reserve. The recent bank failures may trigger stricter regulations in the banking system. Deeper than expected national and global recessions in the upcoming fiscal year could put more downward pressure on both national and global demand for New York professional and business services, and result in greater layoffs, and lower personal income and wage growth. Continued outmigration could also result in

[16] DOB's New York State economic forecast incorporates the 2022 fourth quarter BEA State personal income report released on March 31, 2023.

employment and wage declines. Ongoing stress in the New York City commercial real estate market may create stronger economic headwinds and put more strains on the City and the State economies. The potential rise of geopolitical tensions poses significant risks to the global economy. On the positive side, if inflation continues to fall without much need for further Federal Reserve tightening, the banking system crisis is contained, and the global and national economic slowdown is milder, State personal income growth could be stronger than anticipated.

ECONOMIC INDICATORS FOR NEW YORK STATE
(Calendar Year)

	2019	2020	2021	2022	2023 [1]
Personal Income					
($ billions)	$1,362.3	$1,442.6	$1,524.1	$1,536.6	$1,581.9
Percent Change	3.9	5.9	5.6	0.8	3.0
Nonfarm Employment					
(thousands)	9,515.5	8,563.0	8,791.1	9,229.0	9,312.5
Percent Change	1.2	(10.0)	2.7	5.0	0.9
Unemployment Rate (NSA, %)	3.8	9.8	7.0	4.3	4.6

Sources: Personal income data are based on U.S. Bureau of Economic Analysis; employment 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 through March 2023.

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 State's economy is diverse, with a comparatively 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 (2022)
(Percent)

	Employment		Wages	
	New York	U.S.	New York	U.S.
Natural Resources and Mining	0.1	0.4	0.1	0.8
Construction	4.1	5.1	3.9	5.3
Manufacturing	4.5	8.4	3.8	9.3
Trade, Transportation, and Utilities	15.6	18.8	11.2	15.5
Information	3.1	2.0	6.0	4.2
Financial Activities	7.7	5.9	20.0	9.7
Professional and Business Services	14.3	14.8	18.8	19.6
Educational and Health Services	22.5	16.0	14.9	13.3
Leisure and Hospitality	9.1	10.4	4.9	5.0
Other Services	4.0	3.7	2.7	3.0
Government	15.1	14.5	13.7	14.2

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.

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 11th 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.

The following table compares population changes in the State and the United States since 1980. Between April 2020 and July 2022, the nation's total population continued to increase by 0.5 percent, whereas the population of the State decreased by 2.1 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	20,108	3.8	6.1	331,449	7.4
2022	19,677	(2.1)	5.9	333,288	0.5

Note: All population numbers are based on the Decennial Census, except for 2022.
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	109,526	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	8,814	142,186	6.2	9.8	8.1
2022	9,519	152,575	6.2	4.3	3.7

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	$11,001	$10,180	1.08
1990	$23,990	$19,621	1.22
2000	$36,090	$30,672	1.18
2010	$48,768	$40,683	1.20
2020	$71,743	$59,763	1.20
2022	$78,089	$65,423	1.19

Source: U.S. Bureau of Economic Analysis.

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.

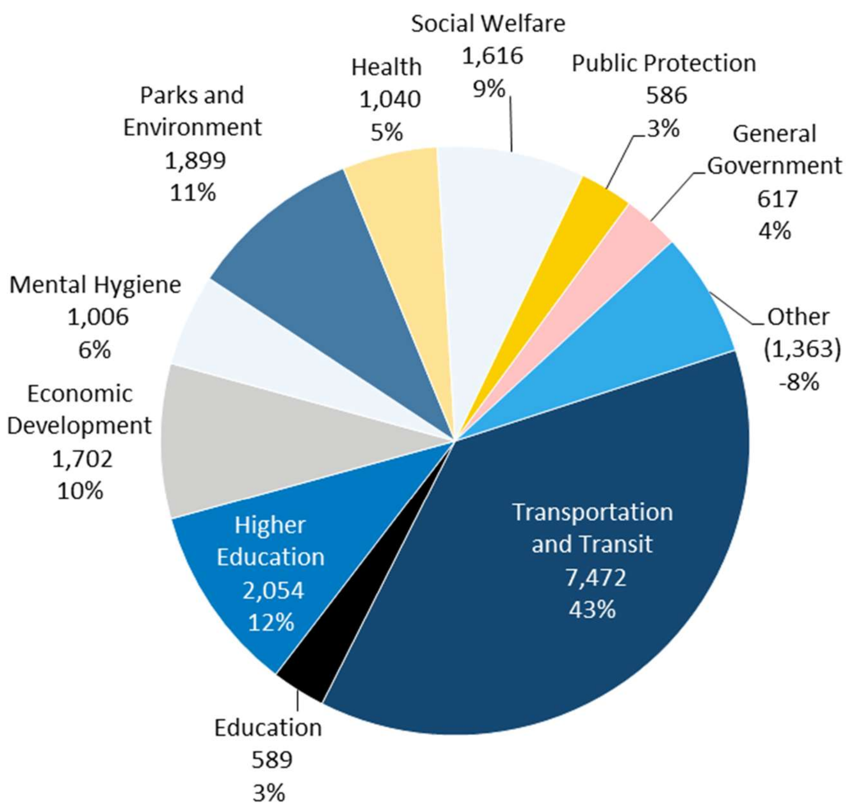
Capital Plan

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 2024.

FY 2024 Capital Projects Spending

Spending on capital projects is projected to total $17.2 billion in FY 2024. Overall, capital spending in FY 2024 is projected to increase by $3.2 billion or 23 percent from FY 2023.

FY 2024 Capital Spending by Function
$17,218
(millions of dollars)



In FY 2024, transportation and transit spending is projected to total $7.5 billion, which represents 43 percent of total capital spending. Economic development spending accounts for 10 percent, higher education spending accounts for 12 percent, and spending related to parks and the environment represents 11 percent. The remaining 24 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 $544 million (7.8 percent) from FY 2023 to FY 2024. The growth is attributable to $1.5 billion in projected increased spending by DOT for the continuation of major road and bridge projects and annual increases in local road and bridge support from the State; and offset by a decrease in spending for the MTA, which is attributable to a $1.1 billion acceleration of funding from the State -- from FY 2024 to FY 2023 -- for the MTA's 2015-19 and 2020-24 Capital Plans.

Parks and environment spending is estimated to increase by $557 million (42 percent) in FY 2024, primarily reflecting the continued phase-in of the $5 billion clean water drinking grants program, increased capital support for State parks, and spending from the $4.2 billion Clean Water, Clean Air, and Green Jobs Bond Act.

Economic development spending is projected to increase by $834 million (96 percent) in FY 2024. This reflects spending from the new EmPower Plus New York Funding program, continued investments such as the State's offshore wind port infrastructure and supply chain, ConnectALL broadband expansion, and regional economic and community development programs. The plan also continues to invest in programs created to promote regional economic development, including spending from both phases of the Buffalo Billion program, the Upstate Revitalization Initiative (URI), the Downtown Revitalization Initiative (DRI) and NY Forward, Lake Ontario Resiliency and Economic Development Initiative (REDI), and Regional Economic Development Councils (REDCs).

Spending for health care is projected to increase by $515 million (98 percent) in FY 2024. The increase is due to spending from Health Care Restructuring Program grant awards; the continued phase-in of spending related to rounds one through four of the Health Care Facility Transformation Program; and initial spending from a $1 billion proposal to support the new, fifth round of the program.

Spending for social welfare is projected to increase by $861 million (114 percent) in FY 2024, 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 $318 million (117 percent) in FY 2024. The increase is due to continued spending from the Smart Schools Bond Act.

Higher education spending is projected to increase by $703 million (52 percent) in FY 2024, which is primarily related to the ongoing maintenance and preservation of SUNY and CUNY facilities and infrastructure. The growth includes spending for research labs at the University at Buffalo and Stony Brook University, and investments to upgrade system-wide information technology systems.

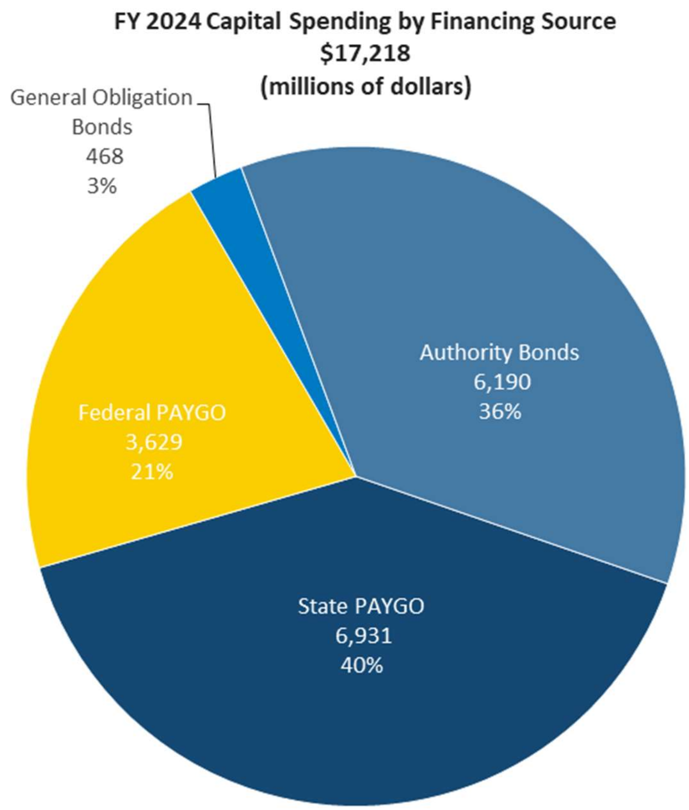
Spending for public protection is projected to decrease by $71 million (11 percent) in FY 2024. Public protection capital funding supports maintaining and operating DOCCS, DHSES, DMNA, and DSP infrastructure. In addition, FY 2024 includes spending for a new capital investment in communities with high gun violence, spending to support technology upgrades in NYC related to discovery reform legislation, and another round of the SCAHC grant program.

Mental hygiene capital spending is anticipated to increase by $508 million (102 percent) in FY 2024, reflecting continued investment in mental health facilities, a new $890 million investment to expand housing capacity, and nearly $80 million to expand inpatient and outpatient services.

General governmental capital spending is projected to increase by $184 million (42 percent) in FY 2024, which is mainly attributable to maintenance of State facilities and State information technology projects.

Spending in the All Other category is projected to decrease by $1.8 billion (444 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 2024 Capital Projects Spending



In FY 2024, the State plans to finance 39 percent of capital projects spending with long-term bonds and 61 percent with cash and Federal aid. Most of the long-term bonds (93 percent) will be issued on behalf of the State 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 certain instances, is subject to approval by the Public Authorities Control Board (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, including monetary settlements, will finance 40 percent of capital spending. Federal aid is expected to fund 21 percent of the State's FY 2024 capital spending, primarily for transportation. Year-to-year, total PAYGO support is projected to increase from FY 2023 to FY 2024 by $4.0 billion, with State PAYGO increasing by $2.7 billion and Federal PAYGO support increasing by $1.3 billion. Bond-financed spending is projected to decrease by $791 million, with Authority Bond spending decreasing by $1.0 billion and General Obligation Bond spending increasing by $255 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, 2023, State-related debt outstanding totaled $62.6 billion excluding capital leases and mortgage loan commitments, equal to approximately 4.0 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, certain debt of the Municipal Bond Bank Agency (MBBA) issued to finance prior year school aid claims and capital leases 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]
(millions of dollars)

	FY 2021	FY 2022	FY 2023
State-Supported Debt	**58,714**	**61,936**	**55,911**
Personal Income Tax Revenue Bonds	43,769	46,681	43,635
Sales Tax Revenue Bonds	10,716	12,444	10,101
General Obligation	2,170	1,996	1,836
Local Government Assistance Corporation	90	0	0
Service Contract & Lease Purchase	1,111	140	48
Other Revenue Bonds	858	675	291
Contingent-Contractual Obligation Financings	**100**	**0**	**0**
DASNY/MCFFA - Secured Hospital Program	100	0	0
Other State Financings	**587**	**621**	**237**
MBBA Prior Year School Aid Claims	68	30	0
Installation Commitments	458	530	178
Mortgage Loan Commitments	61	61	59
TOTAL STATE-RELATED DEBT [2]	59,401	62,557	56,148

Source: NYS DOB. Except Mortgage Loan Commitments which are taken from the ACFR for FY 2021 and FY 2022. Mortgage Loan Commitments and Installation Commitments are estimated by DOB for FY 2023.

[1] 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] 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 2024 Enacted Budget authorized short-term financing for liquidity purposes during FY 2024. 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, 2024. It also allows up to $1 billion in line of credit facilities, which are limited to a maximum of one year in duration and may be drawn through March 31, 2024 subject to available appropriation. Neither authorization allows borrowed amounts to be extended or refinanced beyond their initial maturity. The Financial Plan does not currently assume short-term liquidity financing during FY 2024. DOB evaluates cash results regularly and may adjust the use of notes and/or the line of credit based on liquidity needs, market considerations, and other factors.

State PIT Revenue Bond Program

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

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

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

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

As of March 31, 2023, approximately $47.8 billion of State PIT Revenue Bonds were outstanding. The projected PIT Revenue Bond coverage ratios, noted below, are based upon estimates of RBTF Receipts and include projected debt issuances. PIT Revenue Bonds are expected to finance 75 percent of bond issuances annually, excluding GO Bonds, but can be used interchangeably with the Sales Tax Revenue Bond Program as needed.

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

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

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
Projected RBTF Receipts	36,863	32,935	33,996	34,266	34,260	39,191
Projected New PIT Bonds Issuances	3,461	5,311	5,425	6,385	6,406	5,961
Projected Total PIT Bonds Outstanding	43,635	47,845	52,086	56,437	61,464	63,838
Projected Maximum Annual Debt Service	4,446	4,810	5,175	5,704	6,244	6,392
Projected PIT Coverage Ratio	8.3	6.8	6.6	6.0	5.5	6.1

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

Sales Tax Revenue Bond Program

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

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

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

The legislation also authorized the use of State Sales Tax Revenue Bonds and PIT Revenue Bonds to finance any capital purpose, including projects that were previously financed through the State's Mental Health Facilities Improvement Revenue Bond program and the DHBTF program. This allowed the State to transition to the use of three primary credits – PIT Revenue Bonds, Sales Tax Revenue Bonds and General Obligation Bonds to finance the State's capital needs. Sales Tax Revenue Bonds are used interchangeably with PIT Revenue Bonds to finance State capital needs. As of March 31, 2023, $12.3 billion of Sales Tax Revenue Bonds were outstanding.

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

PROJECTED SALES TAX REVENUE BOND COVERAGE RATIOS
FY 2023 THROUGH 2028
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
Projected Sales Tax Receipts	8,855	9,222	9,322	9,532	9,747	9,941
Projected New Sales Tax Bonds Issuances	0	2,382	2,488	2,196	2,135	1,987
Projected Total Sales Tax Bonds Outstanding	10,101	12,332	14,554	16,383	18,052	19,221
Projected Maximum Annual Debt Service	996	1,105	1,315	1,500	1,680	1,763
Projected Sales Tax Coverage Ratio	8.9	8.3	7.1	6.4	5.8	5.6

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.

Most General Obligation debt-financed spending in the Capital Plan is authorized under eleven previously approved bond acts (five for transportation, five for environmental and recreational programs and one for education purposes). The majority of projected general obligation bond-financed spending supports authorizations for the 2005 Rebuild and Renew New York Bond Act and the $2 billion Smart Schools Bond Act, which was approved by voters in November 2014. In November 2022, voters approved the $4.2 billion Clean Water, Clean Air, and Green Jobs Bond Act to fund environmental restoration and climate mitigation projects across the State.

As of March 31, 2023, approximately $2.2 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 the fiscal reform program which created LGAC. LGAC bonds were fully retired on April 1, 2021.

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. In FY 2024, the State is authorized to enter into up to $1.0 billion of line of credit facilities supported by a State service contract. The FY 2024 Enacted Budget does not currently assume any use of the line of credit in FY 2024. As of March 31, 2023, approximately $48 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, including the line of credit facility authorized in the FY 2024 Enacted Budget.

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, 2023, 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 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, mortgage loan commitments and MBBA prior year school aid claims. Regarding the MBBA prior year school aid claims, the municipality assigns specified State and local assistance payments it receives to the MBBA or the bond trustee to ensure that debt service payments are made. The State has no legal obligation to make any debt service payments or to continue to appropriate local assistance payments that are subject to the assignment. As of March 31, 2023, there are no MBBA prior year school aid claims bonds outstanding.

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. The FY 2023 Enacted Budget included legislation that authorizes the Budget Director to enter into a financing agreement with the GDC to make debt service payments on the RRIF loan, subject to annual appropriation by the State Legislature to support the $2.35 billion State capital commitment for the Gateway Hudson Tunnel Project. The FY 2024 Enacted Budget increases the authorization enacted last year to $2.85 billion to reflect increased project costs in line with the October 2022 financial plan. DOB expects to increase this authorization in the FY 2025 Executive Budget to align with the cost estimates in the April 2023 financial plan or subsequent financial plans. With legislative authorization, the State Budget Director is expected to enter into a contractual obligation with the GDC that obligates the State to seek appropriations annually in future budgets and, if appropriated, to provide to the 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 revised legislation also included the permanent authorization to set aside funds quarterly in advance of payments due to GDC for the Hudson Tunnel Project.

Borrowing Plan

STATE DEBT ISSUANCES BY FINANCING PROGRAM (millions of dollars)	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
Personal Income Tax Revenue Bonds	3,461	5,311	5,425	6,385	6,406	5,961
Sales Tax Revenue Bonds	0	2,382	2,488	2,196	2,135	1,987
General Obligation Bonds	0	468	604	534	444	428
Total Issuances	3,461	8,161	8,517	9,115	8,985	8,376

In FY 2024, debt issuances totaling $8.2 billion are planned to finance new capital spending, an increase of $4.7 billion (136 percent) from FY 2023. The increase is largely attributable to the decision to delay two bond sales in FY 2023 totaling over $4 billion due to market volatility, which significantly lowered debt issuances in FY 2023. Bond issuances in FY 2024 will finance capital commitments for economic development and housing ($1.8 billion), education ($1.4 billion), the environment ($729 million), health and mental hygiene ($1.0 billion), State facilities and equipment ($482 million), and transportation ($2.7 billion).

Over the five-year Capital Plan, new debt issuances are projected to total $43.2 billion. This reflects the continued application of $6 billion of PAYGO, included as part of the FY 2023 Enacted Budget, primarily for the reduction of taxable issuances over the Plan and the dedication of $3 billion in additional PAYGO funding as part of the FY 2024 Enacted Budget. New issuances are expected for economic development and housing ($9.7 billion), education facilities ($7.3 billion), the environment ($3.9 billion), mental hygiene and health care facilities ($5.5 billion), State facilities and equipment ($2.5 billion), and transportation infrastructure ($14.3 billion).

PROJECTED DEBT OUTSTANDING BY CREDIT (millions of dollars)	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
Personal Income Tax Revenue Bonds	43,635	47,845	52,086	56,437	61,464	63,838
Sales Tax Revenue Bonds	10,101	12,332	14,554	16,383	18,052	19,221
General Obligation Bonds	1,836	2,157	2,571	2,898	3,101	3,299
Other Revenue Bonds	291	271	221	170	168	130
Service Contract & Lease Purchase [1]	48	16	0	0	0	0
TOTAL STATE-SUPPORTED	55,911	62,621	69,432	75,888	82,785	86,488

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

State-Related Debt Service Requirements

The following table presents the current and projected debt service (principal and interest) requirements on State-related debt. State-related debt service is projected at $2.9 billion in FY 2024, a decrease of $7.6 billion (72 percent) from FY 2023, which is due to the prepayment of $7.6 billion in FY 2022 of future debt service costs and an additional prepayment of $6.0 billion in FY 2023. The State is contractually required to make debt service payments prior to bondholder payment dates in most instances and may also elect to make payments earlier than contractually required. The State expects to use three principal bonding programs -- Personal Income Tax Revenue Bonds, Sales Tax Revenue Bonds, and General Obligation Bonds -- to fund all bond-financed capital spending.

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

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected	Total
Personal Income Tax Revenue Bonds	8,532	1,955	2,311	3,777	3,534	4,138	24,247
Sales Tax Revenue Bonds	1,564	647	865	1,062	1,245	1,675	7,058
General Obligation Bonds	221	201	223	210	215	195	1,265
Other State-Supported Bonds [2 3]	164	95	119	109	183	220	890
All Other State-Related Obligations [2]	31	0	0	0	0	0	31
Total Debt Service	10,512	2,898	3,518	5,158	5,177	6,228	33,491

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

[2] Excludes Mortgage Loan Commitments and Installation commitments

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

Adjusting debt service shown in the previous table for prepayments, State-related debt service is projected at $6.6 billion in FY 2024, an increase of $448 million (18 percent) from FY 2023. Adjusted State-related debt service is projected to increase from $5.6 billion in FY 2023 to $8.2 billion in FY 2028, an average rate of 8.0 percent annually.

AUTHORITIES AND LOCALITIES

Public Authorities

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

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

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

As of December 31, 2022 (with respect to JDA as of March 31, 2022), each of the 16 authorities listed in the following table had outstanding debt of $100 million or more, and the aggregate outstanding debt, including refunding bonds, was approximately $217 billion, only a portion of which constitutes State-supported or State-related debt. Note that the outstanding debt information contained in the following table is the most current information provided by OSC from data submitted by the 16 authorities as of the date of this AIS.

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

Authority	State-Related Debt	Authority and Conduit	Total
Dormitory Authority	32,280	23,184	55,464
Metropolitan Transportation Authority	0	30,429	30,429
Port Authority of NY & NJ	0	27,813	27,813
UDC/ESD	18,840	968	19,808
Triborough Bridge and Tunnel Authority	0	17,974	17,974
Housing Finance Agency	0	17,851	17,851
Job Development Authority(2)	0	14,390	14,390
Thruway Authority	5,237	6,093	11,330
Long Island Power Authority(3)	0	8,705	8,705
Environmental Facilities Corporation	0	5,593	5,593
State of New York Mortgage Agency	0	2,833	2,833
Power Authority	0	2,387	2,387
Energy Research and Development Authority	0	1,608	1,608
Battery Park City Authority	0	811	811
Bridge Authority	0	114	114
Niagara Frontier Transportation Authority	0	112	112
TOTAL OUTSTANDING	56,357	160,865	217,222

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

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

(2) All Job Development Authority (JDA) debt outstanding reported as of March 31, 2022. This includes $14.4 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), $490 million issued by the Brooklyn Arena Local Development Corporation, and $7.8 billion issued by the New York Transportation Development Corporation.

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

Localities

There have been severe financial and other adverse impacts on localities throughout the State, but particularly on New York City and the surrounding counties as the initial epicenter of the COVID-19 pandemic. No attempt is made in this AIS 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
2013	41,592	29,202	1,985	1,245	3,000	2,394	79,418
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

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 29 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 Cities of Buffalo and Troy, and the Counties of Erie and Nassau are subject to varying levels of review and oversight by entities created by such legislation. The City of Newburgh operates under special State legislation that provides for fiscal oversight by the State Comptroller and the City of Yonkers must adhere to a Special Local Finance and Budget Act. The impact on the State of any possible requests in the future for additional oversight or financial assistance cannot be determined at this time and therefore is not included in the Financial Plan projections.

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

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

Based on financial data filed with OSC for the local fiscal years ending in 2022, a total of 5 non-calendar fiscal year end local governments (all villages) and 14 school districts have been placed in a stress category by OSC. Additionally, of the local governments with a December 31, 2021 fiscal year end, 8 — 6 cities and 2 towns — were placed in a fiscal stress category by OSC. The vast majority of local governments (99.0 percent) and school districts (97.9 percent) are not classified in a fiscal stress category.

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

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

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

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

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

Locality Fiscal Year Ending	Combined New York City Debt [(2)]		Other Localities Debt [(3)]		Total Locality Debt [(3)]	
	Bonds	Notes	Bonds [(4)]	Notes [(4)]	Bonds [(3)(4)]	Notes [(4)]
1980	12,995	0	6,835	1,793	19,830	1,793
1990	20,027	0	10,253	3,082	30,280	3,082
2000	39,244	515	19,093	4,470	58,337	4,985
2010	69,536	0	36,110	7,369	105,646	7,369
2018	89,668	0	35,855	5,737	125,523	5,737
2019	91,542	0	36,661	7,632	128,203	7,632
2020	95,025	0	36,375	8,741	131,400	8,741
2021	94,184	0	36,799	8,144	130,983	8,144
2022	109,231	0	31,275	6,849	140,506	6,849

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, 2023, the State had approximately 171,422 annual salaried FTE employees within agencies subject to direct Executive control (108,080 FTEs), the University Systems (59,023 FTEs) and the Independently Elected Agencies (4,319 FTEs). These figures do not include non-annual salaried employees or employees of the Legislature and Judiciary. The State workforce is projected to total 185,010 FTEs at the end of FY 2024, following significant investments included in the FY 2024 Enacted Budget which are intended to regrow the workforce to pre-pandemic levels.

HISTORICAL SUMMARY OF EXECUTIVE BRANCH WORKFORCE
ANNUAL SALARIED FTEs
ALL FUNDS

Date	Subject to Direct Executive Control	Grand Total
3/31/2013	119,756	180,802
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

WORKFORCE SUMMARY ALL FUNDS FY 2022 THROUGH FY 2024			
	FY 2022 Actuals (03/31/22)	FY 2023 Actuals (03/31/23)	FY 2024 Estimate (03/31/24)
Major Agencies			
Children and Family Services, Office of	2,542	2,746	2,886
Corrections and Community Supervision, Department of	24,950	23,694	26,493
Education Department, State	2,534	2,541	2,876
Environmental Conservation, Department of	2,815	2,885	3,313
Financial Services, Department of	1,224	1,265	1,391
General Services, Office of	1,685	1,679	1,845
Health, Department of	4,438	4,539	6,057
Information Technology Services, Office of	2,967	3,096	3,608
Labor, Department of	2,744	2,705	2,817
Mental Health, Office of	12,834	13,507	14,055
Motor Vehicles, Department of	2,942	2,923	3,228
Parks, Recreation and Historic Preservation, Office of	2,095	2,099	2,374
People with Developmental Disabilities, Office for	16,178	16,686	18,960
State Police, Division of	5,390	5,543	6,420
Taxation and Finance, Department of	3,413	3,450	3,785
Temporary and Disability Assistance, Office of	1,781	1,855	1,922
Transportation, Department of	7,883	8,150	8,495
Workers' Compensation Board	943	946	1,081
Subtotal - Major Agencies	**99,358**	**100,309**	**111,606**
Minor Agencies	**7,332**	**7,771**	**9,078**
Subtotal - Subject to Direct Executive Control	**106,690**	**108,080**	**120,684**
University Systems			
City University of New York	13,243	13,267	13,511
State University Construction Fund	136	133	145
State University of New York	44,877	45,623	45,880
Subtotal - University Systems	**58,256**	**59,023**	**59,536**
Independently Elected Agencies			
Audit and Control, Department of	2,614	2,528	2,887
Law, Department of	1,780	1,791	1,903
Subtotal - Independently Elected Agencies	**4,394**	**4,319**	**4,790**
Grand Total	**169,340**	**171,422**	**185,010**

Source: NYS DOB, as provided with the FY 2024 Enacted Budget Report published in June 2023.

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, 2022, is included in NYSLRS' Annual Comprehensive Financial Report ("NYSLRS' Financial Report") for the fiscal year ended March 31, 2022 and is available on the OSC website at the following address: https://www.osc.state.ny.us/files/retirement/resources/pdf/annual-comprehensive-financial-report-2022.pdf.

Additionally, available at the OSC website is the System's asset listing for the fiscal year ended March 31, 2022. The audited financial statements with the independent auditor's report for the fiscal year ended March 31, 2022 is available on the OSC website at the following address: https://www.osc.state.ny.us/files/retirement/resources/pdf/asset-listing-2022.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 2022 are available at the OSC website at: https://www.osc.state.ny.us/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.state.ny.us/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, 2022. There were 2,972 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, 2022, 685,450 persons were members of the System, and 507,923 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, 2022, approximately 41 percent of ERS members were in Tiers 3 and 4 and approximately 48 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 54 percent of ERS members and 46 percent of PFRS members are in Tier 6.

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

ERS Chart: http://www.osc.state.ny.us/retire/employers/tier-6/ers_comparison.php
PFRS Chart: http://www.osc.state.ny.us/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.[17] 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.[18]

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 2024 were released on September 1, 2022. The average ERS rate will increase by 1.5 percent from 11.6 percent of salary in FY 2023 to 13.1 percent of salary in FY 2024, while the average PFRS rate will increase by 0.8 percent from 27.0 percent of salary in FY 2023 to 27.8 percent of salary in FY 2024. Information regarding average rates for FY 2024 may be found in the 2022 Annual Report to the Comptroller on Actuarial Assumptions which is accessible at:
https://www.osc.state.ny.us/files/retirement/resources/pdf/actuarial-assumptions-2022.pdf.

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[17] Less than 0.5 percent of the 16,027 PFRS Tier 6 members are non-contributory.

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

Legislation enacted in 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, 2022, 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	27.9
2014	12.5	2.5	3.67	35.1
2015	13.5	21.5	3.15	40.4
2016	14.5	22.5	3.21	26.0
2017	15.1	23.5	2.33	3.2
2018	14.9	24.3	2.84	2.7
2019	14.4	23.5	3.64	3.1
2020	14.2	23.5	2.55	—
2021	14.1	24.4	1.33	—
2022	15.1	25.4	1.76	1.1
				$ 139.5

The FY 2014 Enacted Budget 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, 2022, 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	$ 31.9
2015	12.0	20.0	3.50	59.5
2016	12.5	20.5	3.31	47.7
2017	13.0	21.0	2.63	38.6
2018	13.5	21.5	3.31	40.0
2019	14.0	22.0	3.99	10.3
2020	14.2	22.5	2.87	7.9
2021	14.1	23.0	1.60	31.1
2022	14.6	23.5	2.24	19.6
				$ 286.6

The State paid off all outstanding amortizations under the Contribution Stabilization Program on March 29, 2021 for non-Judiciary and on October 1, 2021 for Judiciary. The total State payment (including Judiciary) due to NYSLRS for FY 2022 was approximately $2.247 billion. The State opted not to amortize under the Contribution Stabilization Program and paid the March 1, 2022 invoice in full.

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

The total State payment (including Judiciary) for FY 2023 is approximately $1.947 billion. Multiple prepayments (including interest credit) reduced the total due on March 1, 2023 to approximately $27.5 million. The State made the $27.5 million payment on February 22, 2023.

The estimated total State payment (including Judiciary) for FY 2024 is approximately $1.932 billion. Several prepayments (including interest credit) have reduced the estimated total to approximately $22.5 million.

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, 2022 was $273.7 billion (including $2.4 billion in receivables, which consist of employer contributions, amortized amounts, member contributions, member loans, accrued interest and dividends, investment sales and other miscellaneous receivables), an increase of $13.6 billion or 5.2 percent from the FY 2021 level of $260.1 billion. The increase in net position restricted for pension benefits from FY 2021 to FY 2022 is primarily the result of the net appreciation of the fair value of the investment portfolio.[19] The System's audited Financial Statement reports a time-weighted investment rate of return of 9.5 percent (gross rate of return before the deduction of certain fees) for FY 2022.

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. [20]

The System reports that the present value of anticipated benefits for current members, retirees, and beneficiaries increased to $320.1 billion (including $166.6 billion for retirees and beneficiaries) as of April 1, 2022, up from $308.8 billion as of April 1, 2021. 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, 2022. 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, 2022 in that the determination of actuarial assets restarted a smoothing method, with an eight-year smoothing period, that recognized 12.5 percent of the unexpected gain for FY 2022. Actuarial assets increased from $260.1 billion on April 1, 2021 to $267.3 billion on April 1, 2022.

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[19] On February 10, 2023, the State Comptroller announced that the New York State Common Retirement Fund's ("Fund") time-weighted estimated return (gross of certain investment fees) for the three-month period ended December 31, 2022 was 4.51 percent. The Fund ended the quarter with an estimated value of $242.3 billion in invested assets. The value of the invested assets changes daily.

[20] More detail on the CRF's asset allocation as of March 31, 2022 and long-term policy allocation can be found on page 110 of the NYSLRS' Financial Report for the fiscal year ending March 31, 2022.

The ratio of fiduciary net position to the total pension liability for ERS, as of March 31, 2022, calculated by the System's Actuary, was 103.65 percent. The ratio of the fiduciary net position to the total pension liability for PFRS, as of March 31, 2022, calculated by the System's Actuary, was 98.66 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.state.ny.us/retirement/resources/financial-statements-and-supplementary-information?redirect=legacy.

The tables that follow show net assets, benefits paid and the actuarially determined contributions that have been made over the last ten years. 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)]
2013	5,336	3,386	1,950	269	9,521
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

Sources: State and Local Retirement System.

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

(2) The actuarially determined contribution (ADC) include 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
2013	164,222	7.1%
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%

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, 2022 includes approximately $2.4 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 2022 NYSLRS' Financial Report is available on the OSC website at the following web address:

https://www.osc.state.ny.us/files/retirement/resources/pdf/annual-comprehensive-financial-report-2022.pdf.

1) Information on the number of members and retirees, including the change in the number of members and retirees and beneficiaries since 2012 can be found on page 30 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 page 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 2012 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[21] 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 2023 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 this 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 2023 or thereafter. The Basic Financial Statements for FY 2022, which OSC issued on July 27, 2022, reported possible and probable awards and anticipated unfavorable judgments against the State.

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

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

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

Real Property Claims

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

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

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

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

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

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

On May 31, 2023, the parties filed status reports indicating that they are still in the process of negotiating certain aspects of the settlement. The Court has directed that additional status reports be submitted on or before June 30, 2023.

School Aid

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

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

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

Compensation of Assigned Counsel

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

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

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

Hurrell-Harring v. State of New York, 909435-2022 (Sup. Ct. Albany Cty.): On December 15, 2022, a new suit was filed on behalf of a plaintiff class certified in Hurrell-Harring v. State of New York, contending, among other things, that the State's failure to raise rates for assigned counsel violated a settlement agreement entered in Hurrell-Harring in 2015.

On January 25, 2023, the Plaintiff class moved for a preliminary injunction seeking the doubling of assigned counsel program rates. On February 16, 2023, Defendants opposed the preliminary injunction motion and moved to dismiss, arguing that the 2015 settlement agreement did not require any particular funding directed to the assigned counsel program. On April 7, 2023, Justice Connolly denied Plaintiffs' motion for a preliminary injunction and Defendants' motion to dismiss. Defendants answered the complaint on April 21, 2023, and the parties are seeking court guidance on a discovery schedule.

FINANCIAL PLAN TABLES

Financial Plan Tables

The cash financial plan tables listed below appear on the following pages and summarize actual General Fund receipts and disbursements for fiscal year 2023 and projected receipts and disbursements for fiscal years 2024 through 2027 on a General Fund, State Operating Funds and All Governmental Funds basis.[22]

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

CASH FINANCIAL PLAN GENERAL FUND (millions of dollars)	FY 2023 Actuals	FY 2024 Projected	Annual $ Change	Annual % Change
Opening Fund Balance	**33,053**	**43,451**	**10,398**	**31.5%**
Receipts:				
Taxes:				
Personal Income Tax	27,607	24,693	(2,914)	-10.6%
Consumption/Use Taxes	7,239	9,797	2,558	35.3%
Business Taxes	17,856	15,836	(2,020)	-11.3%
Other Taxes	2,204	1,617	(587)	-26.6%
Miscellaneous Receipts	3,609	3,801	192	5.3%
Federal Receipts	2,351	2,250	(101)	-4.3%
Transfers from Other Funds:				
PIT in Excess of Revenue Bond Debt Service	20,899	24,496	3,597	17.2%
PTET in Excess of Revenue Bond Debt Service	7,472	6,520	(952)	-12.7%
ECEP in Excess of Revenue Bond Debt Service	0	5	5	0.0%
Sales Tax in Excess of LGAC Bond Debt Service	2,198	0	(2,198)	-100.0%
Sales Tax in Excess of Revenue Bond Debt Service	7,291	8,575	1,284	17.6%
Real Estate Taxes in Excess of CW/CA Debt Service	1,180	970	(210)	-17.8%
All Other	3,291	1,938	(1,353)	-41.1%
Total Receipts	**103,197**	**100,498**	**(2,699)**	**-2.6%**
Disbursements:				
Assistance and Grants	62,852	75,055	12,203	19.4%
State Operations:				
Personal Service	9,464	10,619	1,155	12.2%
Non-Personal Service	3,043	2,759	(284)	-9.3%
General State Charges	9,115	7,587	(1,528)	-16.8%
Transfers to Other Funds:				
Debt Service	298	217	(81)	-27.2%
Capital Projects	4,649	4,877	228	4.9%
SUNY Operations	1,491	1,677	186	12.5%
Other Purposes	1,887	1,621	(266)	-14.1%
Total Disbursements	**92,799**	**104,412**	**11,613**	**12.5%**
Excess (Deficiency) of Receipts Over Disbursements	**10,398**	**(3,914)**	**(14,312)**	**-137.6%**
Closing Fund Balance	**43,451**	**39,537**	**(3,914)**	**-9.0%**
Statutory Reserves				
Community Projects	25	23	(2)	
Contingency Reserve	21	21	0	
Rainy Day Reserve	4,638	4,638	0	
Tax Stabilization Reserve	1,618	1,618	0	
Reserved For				
Consensus Revenue	0	0	0	
Debt Management	2,355	2,436	81	
Economic Uncertainties	13,282	13,282	0	
Extraordinary Monetary Settlements	1,570	1,142	(428)	
Labor Settlements/Agency Operations	765	1,765	1,000	
Pandemic Assistance	245	0	(245)	
Timing of PTET/PIT Credits	14,358	12,462	(1,896)	
Undesignated Fund Balance	4,574	2,150	(2,424)	

Source: NYS DOB.

CASH FINANCIAL PLAN
GENERAL FUND
(millions of dollars)

	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
Receipts:				
Taxes:				
Personal Income Tax	24,693	26,060	28,041	33,309
Consumption/Use Taxes	9,797	9,895	10,100	10,312
Business Taxes	15,836	15,257	13,833	8,692
Other Taxes	1,617	1,305	1,365	1,422
Miscellaneous Receipts	3,801	2,772	2,261	1,996
Federal Receipts	2,250	3,645	0	0
Transfers from Other Funds:				
PIT in Excess of Revenue Bond Debt Service	24,496	25,396	25,858	31,338
PTET in Excess of Revenue Bond Debt Service	6,520	6,320	4,658	(584)
ECEP in Excess of Revenue Bond Debt Service	5	5	5	0
Sales Tax in Excess of LGAC Bond Debt Service	0	0	0	0
Sales Tax in Excess of Revenue Bond Debt Service	8,575	8,456	8,469	8,502
Real Estate Taxes in Excess of CW/CA Debt Service	970	1,009	1,091	1,175
All Other	1,938	1,632	1,555	1,417
Total Receipts	**100,498**	**101,752**	**97,236**	**97,579**
Disbursements:				
Assistance and Grants	75,055	78,717	82,303	86,085
State Operations:				
Personal Service	10,619	10,811	10,887	10,988
Non-Personal Service	2,759	3,826	3,814	3,826
General State Charges	7,587	9,319	10,569	12,010
Transfers to Other Funds:				
Debt Service	217	264	287	337
Capital Projects	4,877	5,410	3,049	2,676
SUNY Operations	1,677	1,718	1,752	1,766
Other Purposes	1,621	1,727	1,713	1,727
Total Disbursements	**104,412**	**111,792**	**114,374**	**119,415**
Use (Reservation) of Fund Balance:				
Community Projects	2	0	0	0
Consensus Revenue	0	0	0	0
Debt Management	(81)	576	860	0
Economic Uncertainties	0	0	0	0
Extraordinary Monetary Settlements	428	516	286	290
Labor Settlements/Agency Operations	(1,000)	(1,450)	(1,450)	(1,450)
Pandemic Assistance	245	0	0	0
Rainy Day Reserve	0	0	0	0
Tax Stabilization Reserve	0	0	0	0
Timing of PTET/PIT Credits	1,896	424	3,023	9,013
Undesignated Fund Balance	2,424	919	546	545
Total Use (Reservation) of Fund Balance	**3,914**	**985**	**3,265**	**8,398**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**0**	**(9,055)**	**(13,873)**	**(13,438)**

Source: NYS DOB.

CASH FINANCIAL PLAN
STATE OPERATING FUNDS
FY 2024
(millions of dollars)

	General Fund	State Special Revenue Funds	Debt Service Funds	State Operating Funds Total
Opening Fund Balance	**43,451**	**9,113**	**159**	**52,723**
Receipts:				
Taxes	51,943	6,342	43,157	101,442
Miscellaneous Receipts	3,801	14,662	378	18,841
Federal Receipts	2,250	(17)	67	2,300
Total Receipts	**57,994**	**20,987**	**43,602**	**122,583**
Disbursements:				
Assistance and Grants	75,055	16,503	0	91,558
State Operations:				
Personal Service	10,619	5,404	0	16,023
Non-Personal Service	2,759	3,242	47	6,048
General State Charges	7,587	1,217	0	8,804
Debt Service	0	0	2,898	2,898
Capital Projects	0	0	0	0
Total Disbursements	**96,020**	**26,366**	**2,945**	**125,331**
Other Financing Sources (Uses):				
Transfers from Other Funds	42,504	3,233	1,929	47,666
Transfers to Other Funds	(8,392)	1,076	(42,573)	(49,889)
Bond and Note Proceeds	0	0	0	0
Net Other Financing Sources (Uses)	**34,112**	**4,309**	**(40,644)**	**(2,223)**
Excess (Deficiency) of Receipts and Other Financing Sources (Uses) Over Disbursements	**(3,914)**	**(1,070)**	**13**	**(4,971)**
Closing Fund Balance	**39,537**	**8,043**	**172**	**47,752**

Source: NYS DOB.

CASH FINANCIAL PLAN STATE OPERATING FUNDS FY 2025 (millions of dollars)				
	General Fund	State Special Revenue Funds	Debt Service Funds	State Operating Funds Total
Receipts:				
Taxes	52,517	6,316	44,360	103,193
Miscellaneous Receipts	2,772	13,695	385	16,852
Federal Receipts	3,645	(17)	62	3,690
Total Receipts	**58,934**	**19,994**	**44,807**	**123,735**
Disbursements:				
Assistance and Grants	78,717	16,073	0	94,790
State Operations:				
Personal Service	10,811	5,300	0	16,111
Non-Personal Service	3,826	3,082	49	6,957
General State Charges	9,319	1,236	0	10,555
Debt Service	0	0	3,518	3,518
Capital Projects	0	0	0	0
Total Disbursements	**102,673**	**25,691**	**3,567**	**131,931**
Other Financing Sources (Uses):				
Transfers from Other Funds	42,818	3,389	1,654	47,861
Transfers to Other Funds	(9,119)	1,126	(42,884)	(50,877)
Bond and Note Proceeds	0	0	0	0
Net Other Financing Sources (Uses)	**33,699**	**4,515**	**(41,230)**	**(3,016)**
Use (Reservation) of Fund Balance:				
Debt Management	576	0	0	576
Extraordinary Monetary Settlements	516	0	0	516
Labor Settlements/Agency Operations	(1,450)	0	0	(1,450)
Timing of PTET/PIT Credits	424	0	0	424
Undesignated Fund Balance	919	0	0	919
Total Use (Reservation) of Fund Balance	**985**	**0**	**0**	**985**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(9,055)**	**(1,182)**	**10**	**(10,227)**

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	53,339	6,423	44,921	104,683
Miscellaneous Receipts	2,261	15,019	395	17,675
Federal Receipts	0	(17)	58	41
Total Receipts	**55,600**	**21,425**	**45,374**	**122,399**
Disbursements:				
Assistance and Grants	82,303	16,032	0	98,335
State Operations:				
Personal Service	10,887	5,471	0	16,358
Non-Personal Service	3,814	4,229	49	8,092
General State Charges	10,569	1,256	0	11,825
Debt Service	0	0	5,158	5,158
Capital Projects	0	0	0	0
Total Disbursements	**107,573**	**26,988**	**5,207**	**139,768**
Other Financing Sources (Uses):				
Transfers from Other Funds	41,636	3,408	1,615	46,659
Transfers to Other Funds	(6,801)	1,306	(41,755)	(47,250)
Bond and Note Proceeds	0	0	0	0
Net Other Financing Sources (Uses)	**34,835**	**4,714**	**(40,140)**	**(591)**
Use (Reservation) of Fund Balance:				
Debt Management	860	0	0	860
Extraordinary Monetary Settlements	286	0	0	286
Labor Settlements/Agency Operations	(1,450)	0	0	(1,450)
Timing of PTET/PIT Credits	3,023	0	0	3,023
Undesignated Fund Balance	546	0	0	546
Total Use (Reservation) of Fund Balance	**3,265**	**0**	**0**	**3,265**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(13,873)**	**(849)**	**27**	**(14,695)**

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	53,735	6,594	45,215	105,544
Miscellaneous Receipts	1,996	15,489	410	17,895
Federal Receipts	0	(17)	53	36
Total Receipts	**55,731**	**22,066**	**45,678**	**123,475**
Disbursements:				
Assistance and Grants	86,085	16,384	0	102,469
State Operations:				
Personal Service	10,988	5,614	0	16,602
Non-Personal Service	3,826	4,321	49	8,196
General State Charges	12,010	1,280	0	13,290
Debt Service	0	0	5,177	5,177
Capital Projects	0	0	0	0
Total Disbursements	**112,909**	**27,599**	**5,226**	**145,734**
Other Financing Sources (Uses):				
Transfers from Other Funds	41,848	3,458	1,706	47,012
Transfers to Other Funds	(6,506)	1,301	(42,124)	(47,329)
Bond and Note Proceeds	0	0	0	0
Net Other Financing Sources (Uses)	**35,342**	**4,759**	**(40,418)**	**(317)**
Use (Reservation) of Fund Balance:				
Extraordinary Monetary Settlements	290	0	0	290
Labor Settlements/Agency Operations	(1,450)	0	0	(1,450)
Timing of PTET/PIT Credits	9,013	0	0	9,013
Undesignated Fund Balance	545	0	0	545
Total Use (Reservation) of Fund Balance	**8,398**	**0**	**0**	**8,398**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(13,438)**	**(774)**	**34**	**(14,178)**

Source: NYS DOB.

CASH RECEIPTS
ALL GOVERNMENTAL FUNDS
FY 2024 THROUGH FY 2027
(millions of dollars)

	FY 2024	FY 2025	FY 2026	FY 2027
Taxes:				
Withholdings	53,108	55,686	58,582	61,638
Estimated Payments	12,464	12,010	13,266	21,196
Final Payments	3,280	3,181	3,371	3,567
Other Payments	1,609	1,664	1,719	1,772
Gross Collections	**70,461**	**72,541**	**76,938**	**88,173**
State/City Offset	(1,703)	(1,732)	(1,831)	(1,969)
Refunds	(15,939)	(15,468)	(15,901)	(16,516)
Reported Tax Collections	**52,819**	**55,341**	**59,206**	**69,688**
STAR (Dedicated Deposits)	0	0	0	0
RBTF (Dedicated Transfers)	0	0	0	0
Personal Income Tax	**52,819**	**55,341**	**59,206**	**69,688**
Sales and Use Tax	19,724	19,931	20,380	20,841
Cigarette and Tobacco Taxes	823	784	751	720
Vapor Excise Tax	25	25	25	25
Motor Fuel Tax	490	491	486	482
Alcoholic Beverage Taxes	284	287	289	293
Opioid Excise Tax	25	25	25	25
Medical Cannabis Excise Tax	12	12	12	12
Adult Use Cannabis Tax	70	158	245	339
Highway Use Tax	141	143	143	144
Auto Rental Tax	119	115	116	119
Peer to Peer Car Sharing Tax	2	4	5	6
Gross Consumption/Use Taxes	**21,715**	**21,975**	**22,477**	**23,006**
LGAC/STBF (Dedicated Transfers)	0	0	0	0
Consumption/Use Taxes	**21,715**	**21,975**	**22,477**	**23,006**
Corporation Franchise Tax	7,945	7,631	7,915	7,981
Corporation and Utilities Tax	431	535	518	523
Insurance Taxes	2,775	2,858	2,899	3,030
Bank Tax	236	0	0	0
Pass Through Entity Tax	13,040	12,640	9,316	(1,168)
Petroleum Business Tax	1,106	1,107	1,097	1,087
Gross Business Taxes	**25,533**	**24,771**	**21,745**	**11,453**
RBTF (Dedicated Transfers)	0	0	0	0
Business Taxes	**25,533**	**24,771**	**21,745**	**11,453**
Estate Tax	1,597	1,285	1,345	1,407
Real Estate Transfer Tax	1,258	1,299	1,380	1,465
Employer Compensation Expense Program	10	10	10	0
Gift Tax	0	0	0	0
Real Property Gains Tax	0	0	0	0
Pari-Mutuel Taxes	13	13	13	13
Other Taxes	2	2	2	2
Gross Other Taxes	**2,880**	**2,609**	**2,750**	**2,887**
Real Estate Transfer Tax (Dedicated)	0	0	0	0
RBTF (Dedicated Transfers)	0	0	0	0
Other Taxes	**2,880**	**2,609**	**2,750**	**2,887**
Payroll Tax	**0**	**0**	**0**	**0**
Total Taxes	**102,947**	**104,696**	**106,178**	**107,034**
Licenses, Fees, Etc.	580	631	631	629
Abandoned Property	450	450	450	450
Motor Vehicle Fees	1,136	1,220	1,258	1,297
ABC License Fee	71	72	72	70
Reimbursements	66	66	66	66
Investment Income	2,000	950	400	100
Extraordinary Settlements	33	0	0	0
Other Transactions	22,501	24,553	26,357	26,837
Miscellaneous Receipts	**26,837**	**27,942**	**29,234**	**29,449**
Federal Receipts	**92,654**	**84,477**	**82,578**	**84,148**
Total	**222,438**	**217,115**	**217,990**	**220,631**

Source: NYS DOB.

CASH FINANCIAL PLAN ALL GOVERNMENTAL FUNDS FY 2024 (millions of dollars)	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	All Funds Total
Opening Fund Balance	**43,451**	**23,939**	**(1,594)**	**159**	**65,955**
Receipts:					
Taxes	51,943	6,342	1,505	43,157	102,947
Miscellaneous Receipts	3,801	15,029	7,629	378	26,837
Federal Receipts	2,250	87,040	3,297	67	92,654
Total Receipts	**57,994**	**108,411**	**12,431**	**43,602**	**222,438**
Disbursements:					
Assistance and Grants	75,055	98,988	5,329	0	179,372
State Operations:					
Personal Service	10,619	6,100	0	0	16,719
Non-Personal Service	2,759	6,141	0	47	8,947
General State Charges	7,587	1,608	0	0	9,195
Debt Service	0	0	0	2,898	2,898
Capital Projects	0	0	11,882	0	11,882
Total Disbursements	**96,020**	**112,837**	**17,211**	**2,945**	**229,013**
Other Financing Sources (Uses):					
Transfers from Other Funds	42,504	3,233	5,260	1,929	52,926
Transfers to Other Funds	(8,392)	(1,305)	(907)	(42,573)	(53,177)
Bond and Note Proceeds	0	0	368	0	368
Net Other Financing Sources (Uses)	**34,112**	**1,928**	**4,721**	**(40,644)**	**117**
Excess (Deficiency) of Receipts and Other Financing Sources (Uses) Over Disbursements	**(3,914)**	**(2,498)**	**(59)**	**13**	**(6,458)**
Closing Fund Balance	**39,537**	**21,441**	**(1,653)**	**172**	**59,497**

Source: NYS DOB.

CASH FINANCIAL PLAN ALL GOVERNMENTAL FUNDS FY 2025 (millions of dollars)	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	All Funds Total
Receipts:					
Taxes	52,517	6,316	1,503	44,360	104,696
Miscellaneous Receipts	2,772	14,033	10,752	385	27,942
Federal Receipts	3,645	77,230	3,540	62	84,477
Total Receipts	**58,934**	**97,579**	**15,795**	**44,807**	**217,115**
Disbursements:					
Assistance and Grants	78,717	91,330	7,420	0	177,467
State Operations:					
Personal Service	10,811	5,999	0	0	16,810
Non-Personal Service	3,826	5,004	0	49	8,879
General State Charges	9,319	1,628	0	0	10,947
Debt Service	0	0	0	3,518	3,518
Capital Projects	0	0	13,997	0	13,997
Total Disbursements	**102,673**	**103,961**	**21,417**	**3,567**	**231,618**
Other Financing Sources (Uses):					
Transfers from Other Funds	42,818	3,389	5,806	1,654	53,667
Transfers to Other Funds	(9,119)	(919)	(996)	(42,884)	(53,918)
Bond and Note Proceeds	0	0	505	0	505
Net Other Financing Sources (Uses)	**33,699**	**2,470**	**5,315**	**(41,230)**	**254**
Use (Reservation) of Fund Balance:					
Debt Management	576	0	0	0	576
Extraordinary Monetary Settlements	516	0	0	0	516
Labor Settlements/Agency Operations	(1,450)	0	0	0	(1,450)
Timing of PTET/PIT Credits	424	0	0	0	424
Undesignated Fund Balance	919	0	0	0	919
Total Use (Reservation) of Fund Balance	**985**	**0**	**0**	**0**	**985**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(9,055)**	**(3,912)**	**(307)**	**10**	**(13,264)**

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	53,339	6,423	1,495	44,921	106,178
Miscellaneous Receipts	2,261	15,316	11,262	395	29,234
Federal Receipts	0	78,911	3,609	58	82,578
Total Receipts	**55,600**	**100,650**	**16,366**	**45,374**	**217,990**
Disbursements:					
Assistance and Grants	82,303	89,758	7,870	0	179,931
State Operations:					
Personal Service	10,887	6,172	0	0	17,059
Non-Personal Service	3,814	5,920	0	49	9,783
General State Charges	10,569	1,650	0	0	12,219
Debt Service	0	0	0	5,158	5,158
Capital Projects	0	0	11,587	0	11,587
Total Disbursements	**107,573**	**103,500**	**19,457**	**5,207**	**235,737**
Other Financing Sources (Uses):					
Transfers from Other Funds	41,636	3,408	3,412	1,615	50,071
Transfers to Other Funds	(6,801)	(712)	(1,057)	(41,755)	(50,325)
Bond and Note Proceeds	0	0	498	0	498
Net Other Financing Sources (Uses)	**34,835**	**2,696**	**2,853**	**(40,140)**	**244**
Use (Reservation) of Fund Balance:					
Debt Management	860	0	0	0	860
Extraordinary Monetary Settlements	286	0	0	0	286
Labor Settlements/Agency Operations	(1,450)	0	0	0	(1,450)
Timing of PTET/PIT Credits	3,023	0	0	0	3,023
Undesignated Fund Balance	546	0	0	0	546
Total Use (Reservation) of Fund Balance	**3,265**	**0**	**0**	**0**	**3,265**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(13,873)**	**(154)**	**(238)**	**27**	**(14,238)**

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	53,735	6,594	1,490	45,215	107,034
Miscellaneous Receipts	1,996	15,778	11,265	410	29,449
Federal Receipts	0	80,621	3,474	53	84,148
Total Receipts	**55,731**	**102,993**	**16,229**	**45,678**	**220,631**
Disbursements:					
Assistance and Grants	86,085	92,205	7,893	0	186,183
State Operations:					
Personal Service	10,988	6,318	0	0	17,306
Non-Personal Service	3,826	6,050	0	49	9,925
General State Charges	12,010	1,675	0	0	13,685
Debt Service	0	0	0	5,177	5,177
Capital Projects	0	0	10,879	0	10,879
Total Disbursements	**112,909**	**106,248**	**18,772**	**5,226**	**243,155**
Other Financing Sources (Uses):					
Transfers from Other Funds	41,848	3,458	3,034	1,706	50,046
Transfers to Other Funds	(6,506)	(723)	(941)	(42,124)	(50,294)
Bond and Note Proceeds	0	0	408	0	408
Net Other Financing Sources (Uses)	**35,342**	**2,735**	**2,501**	**(40,418)**	**160**
Use (Reservation) of Fund Balance:					
Extraordinary Monetary Settlements	290	0	0	0	290
Labor Settlements/Agency Operations	(1,450)	0	0	0	(1,450)
Timing of PTET/PIT Credits	9,013	0	0	0	9,013
Undesignated Fund Balance	545	0	0	0	545
Total Use (Reservation) of Fund Balance	**8,398**	**0**	**0**	**0**	**8,398**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(13,438)**	**(520)**	**(42)**	**34**	**(13,966)**

Source: NYS DOB.

CASHFLOW
GENERAL FUND
FY 2024
(millions of dollars)

	2023 April Actuals	May Projected	June Projected	July Projected	August Projected	September Projected	October Projected	November Projected	December Projected	2024 January Projected	February Projected	March Projected	Total
OPENING BALANCE	43,451	46,939	40,411	42,860	42,403	42,214	44,993	42,264	39,225	43,131	44,528	42,491	43,451
RECEIPTS:													
Personal Income Tax	3,727	1,059	2,547	1,540	1,850	2,292	1,087	1,446	2,264	2,713	2,196	1,972	24,693
Consumption/Use Taxes	730	735	961	791	759	924	795	770	990	840	686	816	9,797
Business Taxes	1,116	157	2,685	102	124	2,902	(273)	90	3,276	399	128	5,130	15,836
Other Taxes	170	413	103	104	104	104	104	104	104	103	102	102	1,617
Total Taxes	5,743	2,364	6,296	2,537	2,837	6,222	1,713	2,410	6,634	4,055	3,112	8,020	51,943
Abandoned Property	1	0	0	0	10	100	30	130	0	30	10	139	450
ABC License Fee	6	7	6	5	6	7	7	5	6	6	5	5	71
Investment Income	204	176	162	162	162	162	162	162	162	162	162	162	2,000
Licenses, Fees, etc.	72	101	20	20	70	50	35	40	50	30	40	52	580
Motor Vehicle Fees	13	45	32	12	34	11	14	13	15	12	14	10	225
Reimbursements	39	(66)	72	(40)	(48)	61	(40)	35	7	15	1	30	66
Extraordinary Settlements	0	0	0	0	0	0	0	33	0	0	0	0	33
Other Transactions	(4)	2	53	19	18	79	19	18	65	19	18	70	376
Total Miscellaneous Receipts	331	265	345	178	252	470	227	436	305	274	250	468	3,801
Federal Receipts	0	0	0	0	0	0	0	0	0	0	0	2,250	2,250
PIT in Excess of Revenue Bond Debt Service	3,731	1,059	2,547	1,387	1,237	2,292	1,087	1,446	2,324	4,105	1,238	2,043	24,496
PTET in Excess of Revenue Bond Debt Service	49	61	1,123	(28)	32	1,280	(408)	7	1,616	282	146	2,360	6,520
ECEP in Excess of Revenue Bond Debt Service	0	0	0	0	0	0	0	0	1	1	0	3	5
Sales Tax in Excess of LGAC Bond Debt Service	0	0	0	0	0	0	0	0	0	0	0	0	0
Sales Tax in Excess of Revenue Bond Debt Service	614	628	848	670	649	853	678	659	882	717	592	785	8,575
Real Estate Taxes in Excess of CW/CA Debt Service	77	60	89	90	98	89	73	80	77	79	78	80	970
All Other	168	190	219	134	145	360	130	143	273	227	289	(340)	1,938
Total Transfers from Other Funds	4,639	1,998	4,826	2,253	2,161	4,874	1,560	2,335	5,173	5,411	2,343	4,931	42,504
TOTAL RECEIPTS	10,713	4,627	11,467	4,968	5,250	11,566	3,500	5,181	12,112	9,740	5,705	15,669	100,498
DISBURSEMENTS:													
School Aid	1,391	4,485	1,977	407	794	1,957	1,046	1,975	2,713	1,431	1,126	9,635	28,937
Higher Education	29	24	675	34	46	170	549	42	151	37	557	827	3,141
All Other Education	16	39	275	357	63	453	153	44	296	69	94	688	2,547
Medicaid - DOH	3,477	3,073	1,333	2,375	2,414	1,182	1,788	2,648	840	1,816	821	(680)	21,087
Public Health	37	61	84	67	70	61	59	92	105	72	97	39	844
Mental Hygiene	34	94	1,474	174	77	1,462	210	114	1,541	154	882	1,006	7,222
Children and Families	39	77	18	143	143	321	143	143	321	143	143	324	1,958
Temporary & Disability Assistance	154	126	364	219	219	278	199	204	235	296	300	335	2,929
Transportation	0	40	28	2	45	2	2	45	172	2	30	162	530
Unrestricted Aid	0	13	390	1	1	118	8	1	185	1	3	74	795
All Other	48	(178)	119	110	132	142	366	126	124	1,135	1,153	1,788	5,065
Total Assistance and Grants	5,225	7,854	6,737	3,889	4,004	6,146	4,523	5,434	6,683	5,156	5,206	14,198	75,055
Personal Service	785	789	969	775	948	769	766	943	760	1,035	865	1,215	10,619
Non-Personal Service	121	213	(456)	233	20	312	251	227	152	413	386	887	2,759
Total State Operations	906	1,002	513	1,008	968	1,081	1,017	1,170	912	1,448	1,251	2,102	13,378
General State Charges	657	1,832	591	439	521	494	513	444	502	604	582	408	7,587
Debt Service	38	0	0	27	(2)	(3)	1	0	0	178	(10)	(12)	217
Capital Projects	106	(72)	730	(259)	(182)	956	88	777	(16)	860	668	1,221	4,877
SUNY Operations	228	235	306	299	41	70	2	296	27	61	22	90	1,677
Other Purposes	65	304	141	22	89	43	85	99	98	36	23	616	1,621
Total Transfers to Other Funds	437	467	1,177	89	(54)	1,066	176	1,172	109	1,135	703	1,915	8,392
TOTAL DISBURSEMENTS	7,225	11,155	9,018	5,425	5,439	8,787	6,229	8,220	8,206	8,343	7,742	18,623	104,412
Excess/(Deficiency) of Receipts over Disbursements	3,488	(6,528)	2,449	(457)	(189)	2,779	(2,729)	(3,039)	3,906	1,397	(2,037)	(2,954)	(3,914)
CLOSING BALANCE	46,939	40,411	42,860	42,403	42,214	44,993	42,264	39,225	43,131	44,528	42,491	39,537	39,537

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) and OGS centralized contracts ($125,000). 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, 2023 was $5.711 billion, a decrease of $225 million from the outstanding loan balance of $5.936 billion at March 31, 2022.

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 2024 BOND CAPS AND DEBT OUTSTANDING (millions of dollars) [1]				
Type of Cap (Gross or Net)*	Program [2]	FY 2024 Bond Caps	Authorized But Unissued [3]	Debt Outstanding [4] As of 3/31/23
Education:				
Gross	SUNY Educational Facilities [5]	18,111	3,719	8,886
Net	SUNY Upstate Community Colleges [6]	1,227	259	663
Gross	CUNY Educational Facilities [7]	11,314	2,925	4,596
Net	School District Capital Outlay Grants	140	40	0
Net	Transportation Transition Grants	80	12	0
Net	Higher Education Capital Matching Grants	385	205	28
Net	EXCEL	2,600	27	962
Net	Library Facilities	367	121	76
Net	Cultural Education Storage Facilities	79	69	0
Net	State Longitudinal Data System	20	10	0
Net	SUNY 2020 Challenge Grants	660	448	121
Net	Private Special Education	322	305	12
Environment:				
Net	Environmental Infrastructure Projects [8]	9,336	6,188	1,885
Net	Hazardous Waste Remediation	2,200	933	551
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	376	96
Net	Division of Military & Naval Affairs	247	156	71
Net	Alfred E. Smith Building	89	0	0
Net	Sheridan Ave. (Elk St.) Parking Garage	25	0	0
Net	State Office Buildings and Other Facilities	1,713	886	562
Net	Judiciary Improvements	38	1	1
Net	OSC State Buildings	52	0	9
Net	Albany Parking Garage (East)	41	0	0
Net	OGS State Buildings and Other Facilities [9]	165	51	32
Net	Equipment Acquisition (COPs) [10]	784	106	0
Net	Food Laboratory	41	1	21
Net	OFT Facilities	21	18	0
Net	Courthouse Improvements	76	0	22
Gross	Prison Facilities	9,866	1,670	3,403
Net	Homeland Security	502	240	93
Gross	Youth Facilities	1,015	480	164
Net	Storm Recovery Capital	538	538	0
Net	Information Technology	1,354	666	395
Net	Nonprofit Infrastructure Capital Investment Program	170	93	52
Net	Statewide Equipment	493	471	15
Health/Mental Hygiene:				
Net	Department of Health Facilities (inc. Axelrod)	495	3	68
Gross	Mental Health Facilities	12,418	4,126	2,834
Net	HEAL NY Capital Program	750	95	91
Net	Capital Restructuring Program	5,153	3,881	1,057
Transportation:				
Gross	Consolidated Highway Improvement Program (CHIPS)	13,949	2,938	3,895
Net	Dedicated Highway & Bridge Trust	20,649	3,945	4,324
Net	High Speed Rail	22	14	4
Net	Transportation Initiatives	12,308	7,408	4,092
Net	MTA Transportation Facilities	12,516	5,430	6,093
N/A	MTA Service Contract	2,005	0	550
Net	Transportation (TIFIA)	750	750	0

STATE-RELATED DEBT FY 2024 BOND CAPS AND DEBT OUTSTANDING (millions of dollars) (1)				
Type of Cap (Gross or Net)*	Program	FY 2024 Bond Caps	Authorized But Unissued (2)	Debt Outstanding (3) As of 3/31/23
Economic Development:				
Gross	Housing Capital Programs	13,635	9,027	1,771
Net	Community Enhancement Facilities (CEFAP)	424	37	7
Net	University Technology Centers (incl. HEAT) (11)	248	13	0
Net	Sports Facilities	145	0	0
Net	Bio-Tech Facilities	10	10	0
Net	Strategic Investment Program	216	13	5
Net	Regional Economic Development (Fund 002) (12)	1,190	36	40
Net	NYS Economic Development (2004) (13)	346	0	12
Net	Regional Economic Development (2004) (14)	243	198	6
Net	High Technology and Development	249	55	25
Net	Regional Economic Development/SPUR	90	12	6
Net	Buffalo Inner Harbor	50	0	2
Net	Economic Development 2006 (Various) (15)	2,310	256	658
Net	Javits Convention Center	1,350	350	813
Net	Queens Stadium (Mets)	75	0	0
Net	Bronx Stadium (Yankees)	75	0	14
Net	NYS Ec Dev Stadium Parking ('06)	75	69	2
Net	State Modernization Projects (RIOC Tram, etc.)	50	15	0
Net	2008 and 2009 Economic Development Initiatives	1,269	80	173
Net	H.H. Richardson Complex/Darwin Martin House	84	0	18
Net	Economic Development Initiatives	17,656	11,998	3,005
Net	State and Municipal Facilities	3,184	2,209	505
Net	Empire Station Complex	1,300	1,300	0
LGAC:				
Net	Local Government Assistance Corporation	4,700	0	0
GO:				
Gross	General Obligation	23,635	6,508	1,836
Other State-Supported:				
N/A	Secured Hospitals (16)	N/A	N/A	24
N/A	STARC (16)	N/A	N/A	1,094
N/A	NYPA (17)	N/A	N/A	170
Total State-Supported Debt		**219,612**	**82,104**	**55,911**
Other State Financings:				
MBBA Special Purpose School Aid Bonds				0
Installation Commitments and Mortgage Loan Commitments (18)				237
Total State-Related Debt (19)				**56,148**

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.

EXHIBIT B – STATE-RELATED BOND AUTHORIZATIONS

STATE GENERAL OBLIGATION DEBT [1]
as of March 31, 2023
(In Millions)

Purpose/Year Authorized	Total Authorized	Authorized but Unissued	Total Debt Outstanding [2]
Transportation Bonds:			
Rebuild and Renew New York Transportation Bonds (2005)			
Highway Facilities/Other Transportation (Excluding MTA)			
Highway Facilities	Note 3	Note 3	$ 468
Mass Transit - DOT	Note 3	Note 3	11
Rail & Port	Note 3	Note 3	79
Canals & Waterways	Note 3	Note 3	4
Aviation	Note 3	Note 3	37
Subtotal Highway Facilities/Other Transportation (Excluding MTA)	$ 1,450	$ 42	599
Mass Transit - Metropolitan Transportation Authority	1,450	386	643
Accelerated Capacity and Transportation Improvements of the Nineties (1988)	3,000	20	7
Rebuild New York Through Transportation Infrastructure Renewal (1983)			
Highway Related Projects [4]	1,064	21	Note 5
Ports, Canals, and Waterways [4]	49	-	-
Rapid Transit, Rail and Aviation Projects [4]	137	-	1
Energy Conservation Through Improved Transportation (1979)			
Local Streets and Highways	100	-	-
Rapid Transit and Rail Freight	400	-	1
Transportation Capital Facilities (1967)			
Highways	1,250	-	-
Mass Transportation	1,000	-	-
Aviation	250	-	Note 6
Total Transportation Bonds	**10,150**	**469**	**1,251**
Environmental Bonds:			
Clean Water/Clean Air (1996)			
Air Quality	230	28	1
Safe Drinking Water	355	-	-
Clean Water	790	54	230
Solid Waste	175	-	6
Environmental Restoration	200	21	30
Clean Water, Clean Air and Green Jobs Environmental Bonds (2022)			
Flood Restoration and Risk Reduction	Note 7	Note 7	-
Open Space Land Conservation and Recreation	Note 7	Note 7	-
Climate Change Mitigation	Note 7	Note 7	-
Water Quality Improvement and Resilient Infrastructure	Note 7	Note 7	-
NY Natural Resources	Note 7	Note 7	-
Subtotal Clean Water, Clean Air and Green Jobs Environmental Bonds	4,200	4,200	-
Environmental Quality (1986)			
Land and Forests	250	1	2
Solid Waste Management	1,200	33	54
Environmental Quality (1972)			
Air	150	12	-
Land and Wetlands	350	3	3
Water	650	2	3
Outdoor Recreation Development (1966)	200	Note 8	-
Pure Waters (1965)	1,000	20	11
Park and Recreation Land Acquisition (1960 and 1962)	100	1	-
Total Environmental Bonds	**9,850**	**4,375**	**340**
Education Bonds:			
SMART Schools Bond Act (2014)	2,000	1,597	244
Total Education	**2,000**	**1,597**	**244**
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**	**$ 6,451**	**$ 1,835**

Source: Office of the State Comptroller

(1) This table reflects General Obligation Bond Acts where there is a remaining authorized but unissued amount and/or a remaining debt outstanding balance.
(2) Reflects unaudited amounts.
(3) 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.
(4) Authorizations have been adjusted to reflect reallocations made by Chapter 54 of the Laws of 1990.
(5) This amount rounds to zero, but there was a debt outstanding balance of $6,221.00 at March 31, 2023.
(6) This amount rounds to zero, but there was a debt outstanding balance of $498,510.00 at March 31, 2023.
(7) 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).
(8) This amount rounds to zero, but there was an authorized but unissued balance of $230,000 at March 31, 2023.

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 53 percent of All Government Funds tax receipts during FY 2023. 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 2024, 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 2021 established a temporary high-income PIT surcharge which replaced the previous 8.82 percent marginal tax rate with a 9.65 percent marginal tax rate. Furthermore, this legislation established new brackets starting at $5 million and $25 million in taxable income with marginal tax rates of 10.3 percent and 10.9 percent, respectively. Other significant 2021 legislation established an optional pass-through entity tax; decoupled from the Federal Opportunity Zones program; established a new real property tax relief credit; extended the farm workforce retention credit for three years; scheduled the conversion of existing mobile home STAR exemptions to PIT STAR credits; and exempted MTA COVID-19 death benefits from taxation.

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.

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 (also see discussion below); 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 2021 eliminated the racing admissions tax and replaced it with the State sales tax; extended certain sales tax exemptions related to the Dodd-Frank Protection Act for three years; made technical corrections to the sales tax remote vendor registration; extended the sales tax exemption for alternative fuels for an additional five years; codified into law the existing sales tax exemption for breast pumps and certain replacement parts; extended the existing sales tax exemption for certain vending machine purchases for an additional year; clarified when sales tax is due on the full (not discounted) retail price of a purchase if a rebate, discount, or similar price reduction is used, and the vendor is fully reimbursed by a third party; and modified the sales tax treatment of vehicle leases with terminal rental adjustment clauses (TRACs) to authorize lessees or lessors, depending on the circumstance, to claim a SUT refund/credit for tax paid in the event the lessor refunds the lessee at the end of the lease term.

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.

The State imposes a *tax on cigarettes* at the rate of $4.35 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 $2.75 to $4.35 per pack on July 1, 2010. Legislation enacted in 2023 raises this rate up 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 2019 imposed a vapor products tax at a rate of 20 percent of retail sales and required purchasers of tobacco and vapor products to be 21 years of age or older. Legislation enacted in 2020 prohibited the sale or distribution of e-cigarettes or vapor products that have a characterizing flavor. Legislation enacted in 2021 bolstered the 2020 enacted changes to aid in enforcement of the sale of untaxed cigarette or tobacco products by requiring retailer dealers with a revoked license to dispose of their cigarette and tobacco inventory. Legislation enacted in 2023 provided penalties for retail dealers who refused inspections by the State.

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 2021 extended the existing tax exemption for alternative fuels for an additional five years. 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 2020 standardized the tax exemption on inter-distributor sales by extending the exemption to every registered distributor; and repealed the one cent per liter tax levied on liquor containing less than two percent of alcohol by volume, simplifying the ABT return process and move towards web-based filing. Legislation enacted in 2021 further simplified the ABT return process for certain filers by allowing for annual, instead of quarterly, returns. 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 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. Legislation enacted in 2021 reduced the filing frequency and reporting requirements for certain monthly and quarterly filers.

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 a *medical cannabis tax* on registered organizations that dispense medical marihuana. This excise tax of 7 percent is levied on gross receipts from medical marihuana and is entirely deposited into the Medical Marihuana Trust Fund. This tax became effective in January 2016. Legislation enacted in 2021 authorized the transfer of the previously undistributed portion of tax revenues to the newly established New York State Cannabis Revenue Fund. Legislation enacted in 2022 replaced the aforementioned transfer of the previously undistributed portion of tax revenues to the New York State Cannabis Revenue Fund with a direct deposit into the Fund.

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 THC-based tax and a retail excise tax on adult-use cannabis. The THC-based tax is paid on the sale of a product from a distributor to a retailer and varies based on the product type. Cannabis flower is taxed at five-tenths of one cent per milligram of total THC; concentrated cannabis is taxed at a rate of eight-tenths of one cent per milligram of total THC; and cannabis edible product is taxed at a rate of three cents per milligram of total THC. 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.

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.

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 2021 included a temporary tax increase for tax years 2021 through 2023 and new credits for restaurants, NYC musical and theatrical productions, and employer childcare. The Rehabilitation of Historic Properties tax credit was enhanced for small projects while the Musical and Theatrical Production credit was extended and enhanced. The Hire a Vet credit and Empire State film production and post-production credits were extended for one year while the Low Income Housing credit and Economic Transformation and Facility Redevelopment Program tax credits were extended for five years. The CFT was decoupled from the Federal Opportunity Zone Program benefits that previously flowed through to the CFT.

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.

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 2021 extended the existing tax exemption for alternative fuels for an additional five years. 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 wagering activity conducted at horse racetracks, simulcast theaters and Off-Track Betting (OTB) parlors throughout the State. Legislation enacted in 2008, and extended annually since, reinstated lower 2005 pari-mutuel tax rates.

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 September 2016, for all other authorized combative sports, a tax of 8.5 percent of the admissions charge and 3 percent on broadcasting rights and digital streaming, 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.

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 2020 amended sports wagering lounge restrictions and allowed for the building of a new equine drug testing lab.

Legislation enacted in 2021 allowed certain draw games to be offered twice daily (instead of only once daily) and authorized a competitive bidding process for mobile sports wagering licenses. Mobile sports wagering tax revenue is directed to education, except for $6 million to problem gambling and $5 million for a statewide youth sports grant and education program. However, in FY 2022, problem gambling and the youth sports program each received 1 percent of non-license fee revenue. Revenues from the $25 million license fee per platform provider, totaling $200 million, were directed entirely to education. Additionally, legislation was included that allowed commercial gaming facilities to petition the Gaming Commission for a temporary reduction in the slot tax rate to assist facilities in hiring and retaining employees.

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. Additionally, legislation was enacted which would allow for the redevelopment of Belmont by loaning the franchised corporation pursuant to section 206 of PML an amount to be paid back per a repayment agreement with the State.

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, or more frequently as necessary, 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, Sales Tax Revenue Bonds, LGAC and certificates of participation. While tax supported debt (obligations supported by State taxes) represents the majority of obligations in this category, obligations supported by other State revenues (such as dormitory fees or patient revenues) are also included.

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

AAA	Area Agencies on Aging
ACA	Affordable Care Act
AG	Attorney General
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
AXA	AXA Equitable Life Insurance Company
AY	Academic Year (July 1 through June 30) – SUNY/CUNY
BANs	Bond Anticipation Notes
BEA	Bureau of Economic Analysis
BLS	Bureau of Labor Statistics
BNPP	BNP Paribas, S.A., New York Branch
BOCES	Boards of Cooperative Educational Services
CAC	Climate Action Council
CANS	Child and Adolescent Needs and Strengths
CARES Act	Coronavirus Aid, Relief, and Economic Security Act
CEP	Community Eligibility Provision
CES	Current Employment Statistics
CFT	Corporate Franchise Tax
CFY	City Fiscal Year
CHP	Child Health Plus
CHUBB	Chubb Group Holdings Inc. and Illinois Union Insurance Company
CIGNA	Cigna Health and Life Insurance Company
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
CPRSA	Coronavirus Preparedness and Response Supplemental Appropriations Act
CRF	Coronavirus Relief Fund
CRRSA	Coronavirus Response and Relief Supplemental Appropriations Act
CR-SRO	Community Residence-Single Room Occupancy
CSE	Committees on Special Education
CSEA	Civil Service Employees Association
CSX	CSX Transportation, Inc.
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
DDPC	Developmental Disabilities Planning Council
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
DOS	Department of State
DOT	Department of Transportation
DRI	Downtown Revitalization Initiative
DS	Debt Service
DSH	Disproportionate Share Hospital
DSHP	Designated State Healthcare Programs
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
ESSER	Elementary and Secondary School Emergency Relief Fund
ESSHI	Empire State Supportive Housing Initiative
FEMA	Federal Emergency Management Agency
FFCRA	Families First Coronavirus Response Act
FFP	Federal Financial Participation
FFY	Federal Fiscal Year (October 1 Through September 30)
FHWA	Federal Highway Administration
FMAP	Federal Medical Assistance Percentage
FOMC	Federal Open Market Committee's
FPG	Fortis Property Group
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
GDP	Gross Domestic Product
GEER	Governor's Emergency Education Relief
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
HAF	Homeownership Assistance Fund
HCBS	Home and Community-Based Services
HCRA	Health Care Reform Act
HCTF	Health Care Transformation Fund
HEAP	Home Energy Assistance Program
HESC	Higher Education Services Corporation
HFNY	Healthy Families New York
HHS	Health and Human Services
HMO	Health Maintenance Organization
HPNAP	Hunger Prevention and Nutrition Assistance and Homeowner Protection Program
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
IMD	Institutions for Mengal Disease
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
JOLTS	Job Openings and Labor Turnover Survey
JSOC	Joint Security Operations Center
LFY	Local Fiscal Year
LGAC	Local Government Assistance Corporation
LICH	Long Island College Hospital
LLC	Limited Liability Company
LRAP	Landlord Rental Assistance Program
LSA	Local Share Adjustment
LTSS	Long Term Service and Support
LWA	Lost Wages Assistance
M/C	Management Confidential
MCTD	Metropolitan Commuter Transportation District
MCTMT	Metropolitan Commuter Transportation Mobility Tax
MHSF	Mental Hygiene Stabilization Fund
MIF	Mortgage Insurance Fund
MLF	Municipal Liquidity Facility
MC/MLTC	Managed Care/Managed Long-Term Care
MOE	Maintenance of Effort
MRT	Medicaid Redesign Team
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
NMS	New Medical Site
NPS	Non-Personal Service
NYC	New York City
NYHER	New York Health Equity Reform
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
NYU	New York University
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

OMH	Office of Mental Health
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
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
P-TECH	Pathways in Technology Early College High School
PTET	Pass-Through Entity Tax
QCEW	Quarterly Census of Employment and Wages
RBS	RBS Financial Products Inc. (formally Greenwich Capital Financial Products, Inc.)
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
RHY	Runaway Homeless Youth
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
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
TRS	Teachers' Retirement System
TY	Tax Year (January 1 Through December 31)
UBS	UBS Securities LLC and UBS Real Estate Securities Inc.
UCS	Unified Court System

UI	Unemployment Insurance
URI	Upstate Revitalization Initiative
U.S.	United States
UUP	United University Professions
VDC	Voluntary Defined Contribution
VLT	Video Lottery Terminal
WHO	World Health Organization