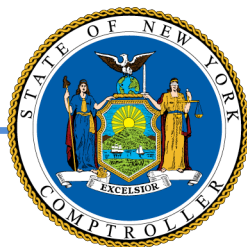

**Report on Estimated
Receipts and Disbursements
State Fiscal Years 2022-23 through 2024-25**



OFFICE OF THE NEW YORK STATE COMPTROLLER
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I. Overview

This Report on Estimated Receipts and Disbursements for State Fiscal Years (SFY) 2022-23 through SFY 2024-25, issued pursuant to Section 23 of the State Finance Law, is intended to enhance analysis and discussion of the State's economic condition and the State Budget.

The Office of the State Comptroller (OSC) estimates that the State's tax revenues in All Funds will decline by 15.7 percent, or \$19.1 billion, in SFY 2022-23 from the previous year. Tax revenues are projected to decline by 4.7 percent in SFY 2023-24, and to increase by 2.5 percent in SFY 2024-25.

OSC's comparisons to the Division of the Budget's (DOB) projections in this report are based on DOB's projections from the First Quarterly Update to the FY 2023 Enacted Budget Financial Plan ("First Quarterly Update") issued in August 2022. OSC's projections for All Funds tax receipts are \$2.6 billion higher than estimates from DOB for SFY 2022-23, \$13.7 billion lower in SFY 2023-24 and \$14.1 billion lower in SFY 2024-25. Projections for total All Funds receipts, which include tax receipts, miscellaneous receipts and federal grants, are similarly different. The potential impact of these estimates on financial plan gaps is unclear due to the particular complexities of forecasting in the current environment.

Projections of tax receipts in this report reflect factors including actual tax receipts through September, which were nearly \$5 billion higher than initial projections made in the SFY 2022-23 Enacted Budget Financial Plan released in May 2022. Revenue projections are inherently subject to a variety of economic risks. In addition, creation of the Pass-Through Entity Tax (PTET) in 2021 and its interaction with the Personal Income Tax (PIT) has added a significant degree of complexity to the forecast. Taxpayer behavior in response to the PTET has been difficult to anticipate, and changes in assumptions about when taxpayers claim PIT credits may affect projected PIT collections in a given fiscal year without altering financial plan gaps. While the OSC considers the revenue projections in this report reasonable and appropriate based on currently available information, uncertainty regarding the national and New York State economies is high, meaning that higher or lower projections may also be considered reasonable.

Economic stimulus and State and local fiscal relief actions by the federal government have played an important role in preventing more severe economic and household impacts from the COVID-19 pandemic, but there is risk going forward as fiscal and budgetary relief winds down. In addition, the condition of the U.S. economy will be heavily influenced by the continued course of the COVID-19 pandemic and responses to it, supply chain disruptions, the extent of continuing high rates of inflation or other conditions that may slow growth or produce another downturn. Projections in this report do not reflect the impacts from any economic disruption; in such an event, tax revenues could fall substantially below these estimates.

The OSC's estimates for All Funds disbursements are \$61 million higher than estimates from DOB for SFY 2022-23, \$36 million higher in SFY 2023-24 and \$20 million higher in SFY 2024-25, based on DOB's most current projections from the First Quarterly Update.

Background: “Quick Start” Financial Information Review Process

The State Finance Law requires the staffs of the Governor, the Temporary President of the Senate, the Speaker of the Assembly and the Comptroller to prepare and make available by November 5 of each year separate reports detailing estimates of “state receipts and state disbursements for the current and ensuing fiscal years.”¹ OSC interprets this provision as requiring estimates for the current and the next two fiscal years.

The receipts forecast must include, but is not limited to, estimates of tax collections on an All Funds basis, lottery receipts and General Fund miscellaneous receipts. The disbursements forecast is required to include, but is not limited to, estimates for spending on Medicaid, public assistance, and elementary and secondary education (School Aid). The underlying factors and data upon which the disbursement estimates are based must be included as well. For purposes of providing estimates and projections on an All Funds basis, OSC’s figures reflect DOB’s projections for federal receipts and disbursements (except with respect to disbursements for public assistance).

By November 15, the Governor, the Temporary President of the Senate and the Speaker of the Assembly are directed to prepare jointly and make available on their respective websites a report on the actual, estimated and projected State receipts and disbursements for the prior, current and ensuing fiscal years.

The statute also requires a public meeting of the staffs of the Governor, the Temporary President of the Senate, the Speaker of the Assembly and the Comptroller to be held on or before November 15 to review financial information jointly, including the economic outlook, receipt forecasts, projected disbursements, and the impact of relevant State and federal statutory provisions on the State’s Financial Plan, to facilitate the timely adoption of a State Budget for the next fiscal year.

Office of the State Comptroller’s Estimates for Receipts and Disbursements

OSC maintains extensive data on receipts and disbursements, which reflect the flow of revenues and expenditures through New York’s Statewide Financial System (SFS), on which it issues monthly reports. OSC’s estimates are based on analysis of such data, along with projections by DOB, recent and projected economic indicators and other information. Unless otherwise indicated, all projections reflect comparisons to the prior fiscal year.

Figures 1 and 2 below summarize OSC’s estimates compared to DOB’s estimates for receipts and disbursements as contained in the First Quarterly Update. This Office’s estimates for All Funds receipts and disbursements reflect a variety of factors, including current law that provides for caps on growth in Medicaid and School Aid spending. Estimates for State Operating Funds are also provided in the Appendix because the statutory cap on Medicaid disbursements applies to disbursements from that fund category.

¹ See Section 23(5) of the State Finance Law.

Figure 1
Actual and Estimated Receipts and Disbursements, All Funds
SFY 2021-22 through SFY 2024-25
(in millions of dollars)

	<u>2021-22</u>	<u>2022-23</u>	<u>Growth</u>	<u>2023-24</u>	<u>Growth</u>	<u>2024-25</u>	<u>Growth</u>
Receipts							
Office of the State Comptroller	191,300	218,882	14.4%	206,604	-5.6%	202,815	-1.8%
Division of the Budget	<u>191,300</u>	<u>216,274</u>	<u>13.1%</u>	<u>220,292</u>	<u>1.9%</u>	<u>216,881</u>	<u>-1.5%</u>
Difference	-	2,608		(13,688)		(14,066)	
Disbursements							
Office of the State Comptroller	186,587	224,017	20.1%	221,648	-1.1%	220,551	-0.5%
Division of the Budget	<u>186,587</u>	<u>223,956</u>	<u>20.0%</u>	<u>221,612</u>	<u>-1.0%</u>	<u>220,531</u>	<u>-0.5%</u>
Difference	-	61		36		20	

Sources: Office of the State Comptroller, Division of the Budget

Figure 2
Actual and Estimated Receipts and Disbursements, State Operating Funds
SFY 2021-22 through SFY 2024-25
(in millions of dollars)

	<u>2021-22</u>	<u>2022-23</u>	<u>Growth</u>	<u>2023-24</u>	<u>Growth</u>	<u>2024-25</u>	<u>Growth</u>
Receipts							
Office of the State Comptroller	106,370	120,887	13.6%	114,038	-5.7%	117,174	2.7%
Division of the Budget	<u>106,370</u>	<u>118,170</u>	<u>11.1%</u>	<u>127,705</u>	<u>8.1%</u>	<u>131,218</u>	<u>2.8%</u>
Difference	-	2,717		(13,667)		(14,044)	
Disbursements							
Office of the State Comptroller	104,207	122,700	17.7%	124,422	1.4%	129,264	3.9%
Division of the Budget	<u>104,207</u>	<u>122,640</u>	<u>17.7%</u>	<u>124,386</u>	<u>1.4%</u>	<u>129,244</u>	<u>3.9%</u>
Difference	-	60		36		20	

Sources: Office of the State Comptroller, Division of the Budget

See the Appendix for more detailed estimates for All Funds and State Operating Funds.

II. Economic Overview

National Economy

As it entered 2022, the national economy was growing strongly. Real Gross Domestic Product (GDP) for 2021 increased by 5.9 percent and the financial markets (as measured by the S&P 500) were over 35 percent higher at the end of the year. However, the Russian invasion of Ukraine, continued supply chain disruptions, and persistent inflation dampened economic growth and roiled the financial markets. As a result, the economy contracted in the first half of the year; real GDP declined by 1.6 percent and 0.6 percent in the first and second quarters, respectively. Economic growth returned in the third quarter, with an increase of 2.6 percent according to the U.S. Bureau of Economic Analysis (BEA), but is expected by S&P Global/IHS Markit (“IHS Markit”) to turn negative again at the end of the year. Despite three quarters of negative growth, the national economy is anticipated by IHS Markit to increase by 1.7 percent in 2022. In 2023, IHS Markit projects the economy to fall into a recession and real GDP to contract by 0.5 percent.²

In 2022, inflation hit its highest level in over 40 years.³ As a result, the Federal Reserve Board (the Fed) began raising interest rates, increasing the federal funds rate five times since March, by a total of 300 basis points. With inflation projected to continue in the remainder of the year, the Blue Chip Economic Consensus anticipates additional rate increases through the end of the year, by an additional 146 basis points.⁴ While inflation is forecasted to slow in 2023, it is projected to remain above the Fed’s target rate of 2 percent, resulting in interest rates remaining at higher levels.

By August 2022, the nation had fully recovered the nearly 22 million jobs lost during the economic shutdown. Jobs continued to be added in September and the unemployment rate was down to 3.5 percent, from 4 percent at the beginning of the year.⁵ IHS Markit expects employment gains to slow in the final quarter of the year with a slight uptick in the unemployment rate. However, for all of 2022, job growth and the unemployment rate are estimated at 4.0 percent and 3.7 percent, respectively. With the expectation of a recession in 2023, employment is projected to fall slightly, by 0.4 percent, with the unemployment rate increasing to 5.1 percent.

According to the BEA, wages through September 2022 increased by 8.5 percent from the third quarter of 2021.⁶ For all employees, wages are estimated to increase by a robust 8.8 percent in 2022. With the projected decline in employment, total wage growth is forecasted to decelerate, increasing by 3.5 percent in 2023.

² Unless otherwise noted, for purposes of this report, projections of economic variables and events are primarily drawn from the S&P Global/IHS Markit Macroeconomic Forecast, October 2022.

³ U.S. Bureau of Labor Statistics, CPI for All Urban Consumers, at <https://www.bls.gov/cpi/data.htm>

⁴ Blue Chip Economic Indicators, Volume 47, No.10, October 2022. On November 2, 2022, the Fed increased interest rates for the sixth time, by an additional 75 basis points, for a total of 375 basis points since March.

⁵ U.S. Bureau of Labor Statistics, Current Employment Statistics, at <https://www.bls.gov/ces/>

⁶ On a seasonally adjusted basis.

New York State Economy

In the first two quarters of 2022, the New York State economy fared better than that of the nation. While the State's real GDP also decreased in the first quarter, it did so at a lower rate, a contraction of 0.5 percent compared to 1.6 percent nationally. In the second quarter, New York was one of only 10 states that had economic growth, its real GDP increasing by 0.7 percent. For all of 2022, the New York economy is estimated by IHS Markit to grow at a faster rate than the nation, 3.0 percent. However, in 2023, it projects real GDP to decline more in the State than nationwide, by 0.8 percent and 0.5 percent, respectively.

Through September 2022, the State recovered approximately 1.7 million, or 83.8 percent, of the nearly 2.0 million jobs it lost in March and April of 2020. In addition, only three industries in the State have returned to pre-pandemic employment levels: information, transportation and utilities, and professional services. Job growth in government and financial activities has faltered: less than one-half of the jobs lost have been recovered. For all of 2022, employment is estimated to increase by 4.5 percent, faster than the estimated growth of 4.0 percent nationally.

According to the Quarterly Census of Employment and Wages, total wages paid in the first quarter of 2022 were 12.1 percent higher than those for the same quarter in 2021 due, in part, to employment gains over the prior year. However, average weekly wages paid in that quarter were only 5.6 percent higher. IHS Markit estimates overall wage growth in 2022 at 9.7 percent, an acceleration from the 8.6 percent increase in 2021.

While the number of jobs is projected to decline nationally in 2023, employment is anticipated to remain flat in New York. However, employment in New York is not expected to return to its pre-pandemic levels. Wages are projected to decelerate in 2023, increasing by 3.3 percent.

For 2022, personal income is estimated to increase by 1.3 percent. The rate appears low due to the absence of the federal stimulus benefits paid in 2021; excluding these payments, 2022 personal income would increase by 7.0 percent. In 2023, personal income is projected to grow by 3.3 percent.

Figure 3 presents selected national and State economic indicators through 2025.

Figure 3
Selected Economic Indicators
(Percentage Change)

UNITED STATES					
	2021	2022	2023	2024	2025
Real GDP	5.9	1.7	(0.5)	1.3	2.0
Employment	2.8	4.0	(0.4)	(0.5)	0.9
Wages	8.8	8.8	3.5	4.1	5.2
Personal Income	7.4	2.1	3.7	4.6	4.9
NEW YORK					
Employment	2.7	4.5	0.0	(0.3)	0.8
Wages	8.6	9.7	3.3	4.0	4.8
Personal Income	5.6	1.3	3.3	4.2	4.5

Source: S&P Global/IHS Markit, October 2022 U.S. and Regional Macroeconomic Forecast
Note: 2021 statistics are actual results, while those for all other years are projections.

III. Receipts

Overview

This section of the report includes the Office of the State Comptroller's estimate of All Funds tax receipts through the end of the current fiscal year, as well as projections for SFYs 2023-24 and 2024-25.

This forecast is consistent with a national economy that is projected by IHS Markit to increase by 1.7 percent in the current calendar year with a contraction and a slow recovery in the next two years; real GDP is projected to decrease by 0.5 percent in 2023 and then grow by 1.3 percent in 2024.⁷ Numerous variables affect the national and State economies, increasing the difficulty of forecasting tax collections. These factors include not only traditional influences such as trends in employment and wages, but also changes in tax rates and the imposition of new tax structures, such as the Pass-Through Entity Tax ("PTET") established in the SFY 2021-22 Enacted Budget, as well as taxpayer behavior in response to those changes.⁸ As a result, the State's actual tax revenues could deviate from these estimates and from those of DOB. Close monitoring is critical to identify deviations in a timely way so that corrective actions can be taken, if necessary.

In SFY 2021-22, All Funds tax receipts totaled \$121.1 billion, an increase of 47.1 percent from the previous year, primarily due to the PTET. OSC estimates total tax receipts in SFY 2022-23 will decrease by 15.7 percent, or \$19.1 billion, to \$102.1 billion. OSC's projection of tax receipts for the current fiscal year is \$2.6 billion above the projection in the First Quarterly Update issued by DOB at the beginning of August. This variance reflects factors including actual tax receipts through September that were \$5.4 billion, or 10.3 percent, above SFY 2021-22 collections, and expectations that receipts from most tax categories during the remainder of the fiscal year will be higher than DOB projections.

While tax receipts in the first half of the fiscal year are generally influenced by strong collections from the filing of annual personal income tax returns, receipts in the second half typically benefit from factors including holiday sales, bonus payments in the finance and insurance sector, and prepayments for business taxes. Tax collections to date in SFY 2022-23 have benefitted from the strong stock market performance in 2021 as well as the increased tax rates enacted last year which resulted in large growth in receipts relating to the settlement of the 2021 tax year. In addition, the new PTET has positively impacted collections in the first half of the fiscal year.

Offsetting a portion of this growth is an economic slowdown and stock market volatility, as well as the impact of inflation and higher interest rates on consumption. As a result, total personal income tax (PIT) collections in SFY 2022-23 are estimated to decrease by 28.3 percent (heavily

⁷ S&P Global/IHS Markit forecasts real GDP to decrease by 1.2 percent in the fourth quarter of 2022 and by 2.3 percent and 0.7 percent in the first and second quarters of calendar year 2023, respectively. Economic growth is projected for the second half of 2023, an increase of 1.2 percent.

⁸ In response to the federal limit on itemized deductions for state and local taxes paid, the PTET is an optional New York State tax on businesses that typically pass-through their net incomes to the members of the businesses (i.e., S-corporations and partnerships). Members of the businesses paying the PTET are allowed to claim a State personal income tax credit equal to their shares of the amount of the PTET paid.

influenced by utilization of PIT credits claimed in the second half of SFY 2022-23 to offset PTET payments made in the 2021 tax year), while those for business and consumption taxes are anticipated to increase by a combined 1.2 percent.

In SFY 2023-24, tax collections are projected to decrease by 4.7 percent. This decline reflects expectations of an economy in recession, as well as continued volatility in the equities markets, which are not expected to return to prior highs. For SFY 2024-25, tax collections are projected to grow by 2.5 percent, as the economy is expected to recover, but the increase is tempered by the expiration of the higher corporate franchise tax rates at the end of 2023.

Specific figures on projected receipts and comparisons to DOB projections appear in the Appendix.

Personal Income Tax

Figure 4
Personal Income Tax Collections
(Millions of Dollars)

	Actual	Projected		
	SFY 2021-22	SFY 2022-23	SFY 2023-24	SFY 2024-25
Total Gross Collections	81,122	78,154	76,120	79,630
Refunds	(10,385)	(27,423)	(29,112)	(30,394)
Net Collections	70,737	50,731	47,008	49,236

PIT receipts are estimated to decrease by \$20 billion, or 28.3 percent, in SFY 2022-23 to \$50.7 billion. This reflects not only the impact of the stock market's volatility on financial sector bonuses at the end of the year, but also taxpayer behavior in relation to the payment of estimated taxes and the claiming of the tax credit for the PTET.

Withholding tax collections in SFY 2022-23 are estimated to decrease by 2.2 percent. Offsetting the increases in employment and wages over the year is a significant decline in bonus payments to be paid at the end of the fiscal year, as well as the first quarter impact of the final phase-in of the lower middle-class tax rates. Collections from estimated payments in the current fiscal year are expected to decrease by 12.5 percent, or \$2.7 billion, from SFY 2021-22. The decline reflects strong receipts from estimated payments made with requests for an extension to file 2021 annual returns which were more than offset by decreased quarterly payments due to an estimated decline in non-wage income.⁹

Refunds in the current fiscal year are estimated to be \$27.4 billion, nearly triple those in SFY 2021-22, an increase of \$16.7 billion.¹⁰ This reflects the impact of taxpayers claiming the credit for the full amount of the PTET paid in the 2021 tax year. Refunds are also higher due to advance payments made for the Homeowner Tax Rebate Credit and the enhanced earned income tax credit (EITC) and enhanced Empire State child tax credit enacted as part of the SFY 2022-23 Enacted Budget.

⁹ Non-wage income includes investment income such as dividends and interest as well as income earned by sole proprietorships and partnerships.

¹⁰ Inclusive of payments made under the State/City offset resulting from the State's administration of the local PIT for New York City and Yonkers.

In SFY 2023-24, PIT collections are projected to decrease by \$3.7 billion, or 7.3 percent. This decline is largely due to the impact of the economic slowdown on employment and wages as well as decreased payments made with the filing of 2022 annual returns. It also reflects higher refunds related to the PTET paid in the 2022 tax year.

In SFY 2024-25, PIT collections are projected to increase by \$2.2 billion, or 4.7 percent, reflecting increased withholding and estimated payment collections, resulting from the recovery of the economy and financial markets.

Consumption and Use Taxes

Consumption and use tax receipts are estimated to increase by \$872 million, or 4.4 percent, in SFY 2022-23 to \$20.5 billion. This increase encompasses a 6.7 percent increase in receipts from the sales tax, the largest source of collections in this category. With inflation estimated at 8.1 percent for 2022, higher prices contributed to higher collections. However, the suspension of the State's sales and excise taxes on motor fuel from June through December will offset a portion of the increased collections.

For SFY 2023-24, collections from consumption and use taxes are projected to increase by 1.9 percent, sales taxes only projected to grow by 0.7 percent. Inflation, while lower than in 2022, is expected to continue to be elevated as slower wage growth and stagnant employment will curb consumption. Collections in this category benefit from the return to historical levels of motor fuel tax collections and the first year of receipts from taxes associated with the legalization of adult-use cannabis. In SFY 2024-25, growth in consumption and use tax receipts is projected to slow further, increasing by 0.3 percent, as employment is anticipated to decline and personal consumption to show little growth.

Business Taxes

Business tax receipts are estimated to decrease by \$292 million, or 1.1 percent, in SFY 2022-23 to \$27.4 billion. This reflects lower corporate profit growth and the economic slowdown. In addition, although the new PTET was enacted in April 2021, it was effective for the full 2021 calendar year. As a result, collections from the PTET in SFY 2021-22 benefitted from an extra quarter of receipts.

In SFY 2023-24, business tax receipts are projected to continue to decrease, but at a faster rate of 2.4 percent, or \$649 million. This reflects slower growth in corporate profits and the financial market. Business tax receipts are projected to experience slight growth in SFY 2024-25 by \$77 million or 0.3 percent, as economic growth is partially offset by the full year impact of the expiration of the increased corporate franchise tax rates at the end of 2023.

Other Taxes

Other Tax receipts are estimated to increase by \$355 million, or 11.6 percent, in SFY 2022-23 to \$3.4 billion. Since they are not due for nine months following a person's death, estate taxes in the current year benefit from the strong financial market growth in 2021. In addition, there has been a similarly high number of very large estates, those with a tax liability over \$25 million, as last year. Despite interest rate increases over the year, receipts from real estate transfer

taxes are estimated to increase by 2.3 percent as a result of both increased home sales and home prices.

In SFY 2023-24, Other Tax collections are projected to decrease by \$830 million, or 24.4 percent. This decrease reflects the absence of the very large estates realized in SFY 2022-23 as well as the decline in the financial markets. Higher interest rates will cause a slowdown in home sales, resulting in lower real estate transfer taxes.

In SFY 2024-25, collections are projected to increase by \$26 million, or 1.0 percent. This increase reflects slight growth in real estate transfer taxes partially offset by a continued decline in estate taxes.

All Funds Miscellaneous Receipts, Including Lottery

Miscellaneous receipts include fees, fines, reimbursements, bond proceeds from public authorities, Lottery revenues, payments from settlements and interest on State investments.

General Fund miscellaneous receipts are estimated to decline by \$557 million, or 24 percent, to \$1.8 billion in SFY 2022-23. Miscellaneous receipts in the General Fund are anticipated to increase by 2.6 percent, or \$46 million, in SFY 2023-24. Miscellaneous receipts are anticipated to increase by 1.5 percent, or \$28 million, in SFY 2023-24.

Receipts from gaming in the State are estimated to total \$4.3 billion in SFY 2022-23, a decline of \$474 million, or 10 percent, from the prior fiscal year. Most of this decrease is attributable to the one-time receipt of \$418 million in outstanding tribal/state compact payments from the Seneca Nation in SFY 2021-22.

Collections from the first full year of mobile sports betting are estimated to be \$357 million in SFY 2022-23, a slight decrease, \$4 million, from SFY 2021-22. The decline is mainly a result of the one-time license fees paid by the platform providers being fully replaced by the tax on the betting revenues. Receipts are projected to increase by \$108 million, to \$465 million, in SFY 2023-24 and then to \$493 million in SFY 2024-25.

Excluding mobile sports betting, all other gaming receipts are projected to be flat over the next two fiscal years. In addition, no collections are projected from the additional casinos in the downstate region that were authorized in the SFY 2022-23 Enacted Budget.

All Funds estimates for miscellaneous receipts in SFY 2021-22 total \$25.8 billion (most of which is initially collected outside the General Fund), representing a decrease of \$4.9 billion or 16.1 percent, primarily because of impact of the short-term borrowing.

All Funds miscellaneous receipts are projected to decline by \$767 million, or 2.7 percent, in SFY 2022-23. Miscellaneous receipts are anticipated to increase by 1.5 percent, or \$412 million, in SFY 2023-24. Miscellaneous receipts are projected to decline \$2.9 billion, or 10.3 percent, in SFY 2024-25, primarily due to lower projected bond proceed collections. Factors that may change such projections include the possibility of additional monetary settlements as well as variances in reimbursements from bond proceeds, in part impacted by the amount of bonds issued.

Federal Receipts

Federal grants support State spending for Medicaid, transportation, education, public health, and environmental and energy programs, as well as other activities. Since SFY 2020-21, federal grants have included funding for pandemic-related costs totaling \$37.3 billion including \$12.7 billion in State and Local Fiscal Recovery Fund relief that will be transferred to the General Fund through SFY 2024-25. Through SFY 2024-25, DOB anticipates at least \$65 billion in federal pandemic assistance with the potential for more if the pandemic emergency is extended.

In SFY 2022-23, federal receipts are projected to decline by \$5.7 billion, or 5.9 percent, from SFY 2021-22 to \$89.7 billion. DOB projects federal receipts will decline nearly \$7.8 billion, or 8.7 percent, in SFY 2023-24 and will fall a further \$3.3 billion, or 4.1 percent, in SFY 2024-25. There is inherent risk in projections associated with service-related spending such as Medicaid and public assistance that may also affect federal reimbursement.

IV. Disbursements

Overview

This report's forecast for disbursements for SFY 2022-23 through SFY 2024-25 relies on a variety of data sources, including receipt and disbursement data from New York's Statewide Financial System (SFS) and information from State agencies, including the State Education Department (SED), DOB, the Department of Health (DOH), the Department of Labor (DOL), and the Office of Temporary and Disability Assistance (OTDA).

The SFY 2022-23 Enacted Budget – like prior years – included appropriations intended to reflect two years' worth of spending in Medicaid. The Budget also changed the statutory limits on future spending growth for State-funded DOH Medicaid expenditures from the 10-year average growth in the medical component of the Consumer Price Index (CPI) to the five-year rolling average of projected health care spending by the Centers for Medicare & Medicaid Services (CMS). Financial Plan spending projections through SFY 2024-25 assume the cap will be extended.

The statutory cap on annual School Aid increases is the 10-year average annual change in personal income beginning in School Year (SY) 2020-21.¹¹ The statutory cap for education assistance has no expiration date. However, the SFY 2022-23 Enacted Budget Financial Plan assumes Foundation Aid (approximately 68 percent of School Aid) will increase annually through SFY 2023-24 until formula targets are reached, as planned in the SFY 2021-22 Enacted Budget (starting with \$1.4 billion in SY 2021-22 and \$1.5 billion in SY 2022-23). As such, School Aid is expected to grow 7.2 percent in the current school year, and 10.6 and 3.9 percent, respectively, in the next two school years. Pandemic-related spending also increases School Aid in the current and subsequent years. However, growth in SY 2024-25 is expected to return to historic levels and within the statutory cap.

This report provides Medicaid and School Aid spending projections from the SFY 2022-23 First Quarterly Update of the Enacted Budget Financial Plan, including the effect of their respective statutory spending caps. This report does not adjust for actual or planned actions that artificially and temporarily change growth rates, such as prepayments (which increase base year spending, while decreasing subsequent year spending, thus resulting in lower reported growth).

OSC estimates that Medicaid, School Aid and public assistance spending from All Funds will total \$119.6 billion in SFY 2022-23, which is \$14 billion, or 13.3 percent, higher than SFY 2021-22 levels. Spending will then fall to \$116.1 billion in SFY 2023-24, a decline of \$3.5 billion, or 3 percent, primarily due to lower projected Medicaid costs as federal reimbursement rates return to historic levels. Spending is projected to increase to \$120.3 billion in SFY 2024-25, which is \$4.2 billion, or 3.7 percent, higher than in SFY 2023-24.

¹¹ For this purpose, personal income within New York State is measured on a State fiscal year basis.

For SFY 2022-23, OSC estimates that Medicaid, School Aid and public assistance spending from State Operating Funds will total \$56.3 billion, an increase of \$5.4 billion, or 10.7 percent, from SFY 2021-22 levels. For SFY 2023-24, spending from State Operating Funds on these items is projected to total \$61.3 billion, an increase of \$5 billion or 8.8 percent from SFY 2022-23, and then rise to \$65.6 billion, an increase of \$4.2 billion or 6.9 percent from the previous year.

All other State Operating Funds spending is projected to total \$56.3 billion in SFY 2022-23, an increase of \$5.4 billion, or 10.7 percent, compared to SFY 2021-22. All other spending includes such categories as debt service, General State Charges, Departmental Operations and local assistance grants outside of the categories listed above, as well as State-funded spending for pandemic relief purposes. It also reflects certain timing-related and other actions that affect reported spending growth (such as debt service prepayments). All other State Operating Funds spending is then projected to increase almost \$5 billion or 8.8 percent to \$61.3 billion, and grow in SFY 2024-25 to \$65.6 billion, an increase \$4.2 million or 6.9 percent.

Specific figures on projected disbursements, and comparisons to DOB projections, appear in the Appendix.

Spending Results to Date

At the mid-point of the fiscal year, spending results for SFY 2022-23 can be measured against recent history, as well as projections set forth in the Financial Plan. Actual spending through September was significantly higher than the same period a year earlier, but lower than the levels projected in the First Quarterly Update.

Through the first six months of SFY 2021-22, spending from State Operating Funds totaled just under \$49 billion. Actual SFY 2022-23 State Operating Funds spending through the comparable six months totaled \$52.6 billion, a year-over-year increase of \$3.6 billion or 7.3 percent. Year-to-date spending was \$3.8 billion below the level initially anticipated and \$1.8 billion below updated projections from the First Quarterly Update.

All Funds spending through the first six months totaled \$96.2 billion, \$4.4 billion or 4.8 percent higher than last year for the same period, but nearly \$10 billion lower than anticipated in the SFY 2022-23 Enacted Budget Financial Plan. Similar to SFY 2020-21, year-to-date spending from federal funds is significantly higher as a percentage of total spending (40.5 percent) as compared to recent history (average of 33.5 percent over the 10 years preceding the pandemic), primarily reflecting federal pandemic assistance, although year-to-date spending from State funds is well below initial projections.

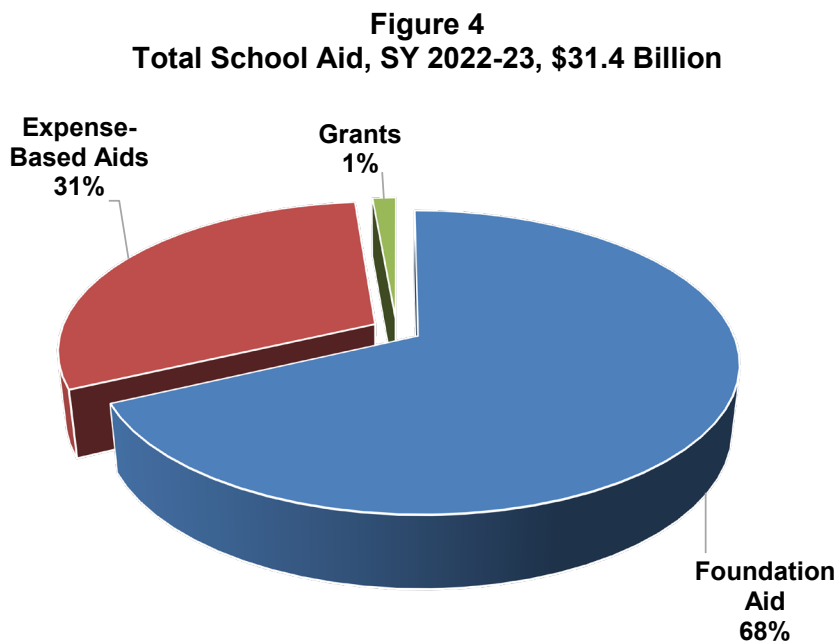
In the First Quarterly Update, DOB has adjusted the monthly cash flow figures to address actual spending, but left year-end spending projections largely unchanged, meaning that spending is anticipated to increase in the second half of the year.

School Aid

Projections for School Aid reflect increases consistent with statutory spending caps and other changes included in previous budgets. State-funded spending in School Year (SY) 2021-22 totaling \$29.3 billion was supplemented by \$2.1 billion in pandemic-related federal assistance. Federal pandemic assistance is expected to total \$5.3 billion in the current year and total \$14.7 billion between SYs 2020-21 and 2024-25.¹²

School Aid or General Support for Public Schools (GSPS) comprises a series of formulas that provide general operating support (for example, Foundation Aid) and reimbursement for a share of specific eligible expenses (for example, Building Aid or Transportation Aid), as well as grant programs that support specific activities for New York State’s 673 major school districts. Factors that can affect School Aid growth include enrollment, school district property and income wealth, student demographics, and fluctuations in claims for various supported expenses. Claims and demographic data are generally updated three times annually.¹³

Policy-makers also affect annual growth in School Aid through legislative changes, which are difficult to project. School Aid is generally negotiated and legislated on a school-year basis. Because the school year begins on July 1 and ends on June 30, the State is funding portions of two school years in any given State fiscal year. Figure 4 shows the distribution of School Aid by category in the current school year.¹⁴



Source: New York State Education Department. Does not include federal pandemic assistance.

¹² The Division of the Budget projects federal pandemic assistance on a State Fiscal Year basis and amounts could differ on a School Year basis. In addition, funding in SY 2024-25 requires federal action to extend authorization to spend.

¹³ Pursuant to Section 305 of the Education Law, the State Education Department provides detailed School Aid data by district three times throughout the year – February 15, May 15 and November 15. November data is typically used to calculate aid in the Executive Budget proposal and February data is typically used to calculate aid for the Enacted Budget.

¹⁴ The figure reflects GSPS at the time of the Enacted Budget. For the purposes of this figure, certain other operating aids, including High Tax Aid and Universal Pre-Kindergarten, have been included in “Expense-Based Aids.” “Grants” consists of competitive grants and all non-computerized aids.

The statutory cap from the prior year's growth is 4.5 percent, as calculated using quarterly measures from BEA.¹⁵ However, spending is projected to exceed the cap on annual growth in SYs 2021-22 through 2023-24 to account for planned annual Foundation Aid increases in those years. According to DOB, growth in school aid will be under the growth cap starting in SY 2024-25.

OSC has relied on estimates provided by DOB that project School Aid spending from State Operating Funds will total \$30.3 billion in SFY 2022-23, which is an increase of \$2.1 billion or 7.5 percent from SFY 2021-22. This projection equates to \$31.4 billion on a school-year basis.

OSC has relied on DOB estimates that project School Aid spending from State Operating Funds would:

- Increase to \$33.5 billion in SFY 2023-24, an increase of \$3.2 billion or 10.7 percent over SFY 2022-23. This equates to \$34.7 billion on a school-year basis.
- Increase to \$35.4 billion in SFY 2024-25, an increase of \$1.9 billion or 5.6 percent over SFY 2023-24. This equates to \$36.0 billion on a school-year basis.

Medicaid

The SFY 2022-23 Enacted Budget again includes two years' authority for Medicaid spending by DOH (including administration costs), with a specific limit in spending from State Operating Funds for each year. Spending projections assume continuation of the Medicaid Global Cap.

Projections of Medicaid disbursements were complicated by developments that affected the application of the Global Cap. Some DOH State Medicaid spending is not subject to the indexed portion of the Global Cap, including a portion of funding for minimum wage increases and the State's takeover of certain local Medicaid costs, according to DOB. DOH has indicated that in certain previous years it has managed the timing of Medicaid payments across fiscal years to ensure compliance with the cap, including between SFY 2014-15 and SFY 2017-18, when such actions ranged from \$50 million to roughly \$435 million.

At the end of SFY 2018-19, DOH deferred \$1.7 billion in certain State-share Medicaid costs, including the final cycle payment to Medicaid Managed Care Organizations as well as other payments, for three business days to SFY 2019-20. In SFY 2019-20, approximately \$1.1 billion was deferred to SFY 2020-21 and \$1.7 billion was deferred into SFY 2021-22. DOB has not expressed whether the deferral will continue, but Financial Plan projections do not indicate that spending would return to original patterns.

Statutory authority given to the Health Commissioner to reduce Medicaid spending administratively, if necessary to remain within targeted levels, expires at the end of SFY 2023-24. DOB projects that ongoing cost-containment measures, as well as additional room under the Global Cap reflecting a newly approved growth index, is intended to ensure compliance

¹⁵ Beginning in SFY 2020-21, the statutory cap on school aid (Personal Income Growth Index) was changed to reflect the average annual growth in New York State personal income over the previous 10 years. Prior to SFY 2020-21, annual growth was limited to annual growth in New York State personal income.

with the Global Cap. DOB estimates allowable growth under the indexed portion of the Global Cap to be 4.7 percent in SFYs 2022-23, 5.2 percent in SFY 2023-24 and 5.4 percent in SFY 2024-25.

The Medicaid disbursement estimates detailed below reflect figures provided by DOB in the First Quarterly Update, which projected Medicaid enrollment in SFY 2022-23 would reach almost 7.5 million covered individuals, representing a 21 percent increase from SFY 2020-21. Current enrollment projections assume a decline of 18.5 percent in SFY 2023-24 to historic levels of about 6.1 million eligible individuals. DOB projects costs will continue to increase even though enrollment is projected to decline, primarily due to continued growth in higher cost enrollees, as well as other associated costs such as increased minimum wage and aid to financially distressed hospitals. Should enrollment remain at elevated levels, the risks to the State budget are notable. For example, unanticipated gross costs of \$20.5 billion could accrue by SFY 2024-25 if no reduction in projected caseloads occurs and per-enrollee costs do not decrease, which would result in unbudgeted State costs of up to \$8.1 billion.

The federal government has increased the reimbursement rate for Medicaid costs as part of its COVID-19 response; it also required continuous coverage be provided for Medicaid recipients. According to DOB, enhanced reimbursement is projected to reduce State costs by \$9.3 billion between SFY 2020-21 and SFY 2022-23. Enhanced funding will remain in place at least through December 2022. However, the public emergency has not ended and could be extended further, resulting in additional federal assistance in the current year.

OSC has relied on DOB estimates projecting total DOH State Medicaid spending (including administrative costs) in SFY 2022-23 at just under \$25.5 billion from State Operating Funds, and \$79.2 billion from All Funds.

OSC has relied on DOB estimates that projected total DOH Medicaid spending would:

- Increase in SFY 2023-24 to \$27.2 billion from State Operating Funds (up by 6.8 percent or \$1.7 billion from the previous year) and to \$75.6 billion from All Funds (a decline of 3.6 percent or \$4.6 billion).
- Total \$29.6 billion from State Operating Funds in SFY 2024-25, a year-over-year increase of \$2.4 billion or 8.7 percent, and \$77.8 billion from All Funds, representing an increase of \$2.2 billion or 2.9 percent.

DOB continues to use payments by tobacco manufacturers under the 1998 Master Settlement Agreement (MSA) to reduce reported Medicaid spending. MSA revenue is supposed to be deposited directly to the off-budget Medicaid Management Information System (MMIS) Escrow Fund, where it is spent without appropriation. DOB's current projections, as detailed above, reflect this action. Reported spending in the First Quarterly Update is reduced by \$362 million annually from SFYs 2022-23 through SFY 2026-27 due to this off-budget spending.

However, the authorization to deposit annual MSA proceeds to the MMIS Escrow Fund was only authorized through March 31, 2021. As a result, no deposit was made in SFY 2021-22 and the anticipated \$362 million instead stopped at the Tobacco Settlement Financing Corporation. According to DOB, this funding will be deposited to the MMIS Escrow Fund when

needed. While the Financial Plan currently plans on future deposits, an extension of this authorization was not included in the SFY 2022-23 Enacted Budget.

Public Assistance

Projections of public assistance caseloads and spending are sensitive to economic fluctuations. As unemployment increases and income falls, the number of persons in need of public assistance typically increases. The current pandemic and its associated economic downturn have resulted in significant increases in public assistance caseloads in New York City. However, caseloads are not growing as rapidly in much of the rest of the State. While caseload increases in previous economic downturns have lagged employment declines, whether this history indicates that increased caseloads across the State are likely remains unclear.

While national and State unemployment rates declined in pre-pandemic years, the pandemic and associated shutdown resulted in significant increases in unemployment. After a sharp upward spike in April 2020, unemployment rates have since declined as the economy recovers.

According to the U.S. Bureau of Labor Statistics (BLS), 34.1 percent of the U.S. unemployed population (16 and older) had been out of work for 15 weeks or more as of September 2022, compared to 48.8 percent in September 2021. As of September 2022, the unemployment rate in New York on a seasonally adjusted basis was 4.3 percent.¹⁶ BLS produces a broader measure, labor market underutilization, which includes the unemployed population counted within the official unemployment rates, but also marginally attached workers, as well as those who are employed part-time for economic reasons.¹⁷ For New York, this measure was 9.9 percent for the third quarter of 2021 through the second quarter of 2022, down slightly from 15.2 percent for the same period in the preceding year.¹⁸

Using historical trends for unemployment and employment, as well as caseloads and spending figures contained in monthly caseload reports issued by the NYS Office of Temporary and Disability Assistance (OTDA), most recently in August 2022, OSC estimates that in SFY 2022-23, All Funds spending for public assistance will total \$1.6 billion (including \$557 million from State Operating Funds), based on caseloads of 291,484 families and 229,993 single recipients. Figure 5 provides more detailed estimates of public assistance caseloads.

For SFY 2023-24, public assistance spending from All Funds is projected to fall by \$39 million, or 2.4 percent, to \$1.59 billion (including \$545 million from State Operating Funds), based on caseloads of 286,630 families and 223,970 single recipients.

For SFY 2024-25, All Funds spending for public assistance is estimated to total \$1.58 billion (including \$544 million from State Operating Funds), a decline of \$9 million or 0.6 percent from the previous year, based on caseloads of 284,804 families and 223,671 single recipients.

¹⁶ September 2022 result is preliminary, New York State Department of Labor.

¹⁷ Marginally attached workers are those who have looked for jobs in the last 12 months, but do not believe any jobs are available. Those who work part-time for economic reasons who want a full-time job, but they either have reduced hours or cannot find a full-time job.

¹⁸ U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics, available at <https://www.bls.gov/lau/stalt.htm>.

Figure 5
Comparison of Actual and Projected Caseloads:
Temporary Assistance for Needy Families (TANF), Safety Net Families and Singles

TANF Families	2021-22	2022-23	Growth	2023-24	Growth	2024-25	Growth
Office of the State Comptroller	163,079	174,285	6.9%	170,580	-2.1%	169,334	-0.7%
Division of the Budget	163,146	162,124	-0.6%	162,593	0.3%	163,206	0.4%
Difference	(67)	12,161		7,987		6,128	
Safety Net Families	2021-22	2022-23	Growth	2023-24	Growth	2024-25	Growth
Office of the State Comptroller	109,768	117,199	6.8%	116,050	-1.0%	115,470	-0.5%
Division of the Budget	107,981	107,777	-0.2%	108,301	0.5%	108,733	0.4%
Difference	1,787	9,422		7,749		6,737	
Safety Net Singles	2021-22	2022-23	Growth	2023-24	Growth	2024-25	Growth
Office of the State Comptroller	199,196	229,993	15.5%	223,970	-2.6%	223,671	-0.1%
Division of the Budget	198,797	202,539	1.9%	208,758	3.1%	217,097	4.0%
Difference	399	27,454		15,212		6,574	
Total Caseloads	2021-22	2022-23	Growth	2023-24	Growth	2024-25	Growth
Office of the State Comptroller	472,043	521,477	10.5%	510,600	-2.1%	508,475	-0.4%
Division of the Budget	469,924	472,440	0.5%	479,652	1.5%	489,036	2.0%
Difference	2,119	49,037		30,948		19,439	

Sources: Office of the State Comptroller, Division of the Budget, OTDA.
Note: SFY 2021-22 figures for Office of the State Comptroller represent actual caseloads based on OTDA data.

V. Risks

While year-to-date tax collections exceed levels initially forecasted with the SFY 2022-23 Enacted Budget, and year-to-date expenditures are below forecast, the Financial Plan outlook remains subject to an elevated level of risk and uncertainty.

While IHS Markit forecasts a mild recession beginning in the final quarter of the current fiscal year and into the start of SFY 2023-24, there is also risk of a more significant downturn due to any combination of factors, including: the impact of higher interest rates and inflation on both consumer and business spending, a prolonged Russian invasion of Ukraine, and any further supply chain difficulties. Projections in this report do not reflect the economic or tax receipt impacts should events result in an economic disruption; such an outcome could dramatically alter this forecast and tax revenues could fall substantially below these estimates.

Outside of economic risk factors, this forecast is complicated by implementation of the PTET and the difficulties of determining taxpayer behavior. While it was applicable to the full 2021 tax year, the PTET only went into effect in October 2021, at which point businesses could choose to participate. Due to this late implementation, participating businesses had the option of remitting an estimated payment for tax year 2021 by December 31 or remitting their full 2021 tax liability when their annual return was due in March; approximately 60 percent of the participating businesses made the December estimated payment.¹⁹ For 2022 and subsequent tax years, participating businesses must make quarterly estimated payments by: March 15, June 15, September 15, and December 15.

In addition, businesses are not required to pay the PTET; participation in this tax structure is optional. As a result, the number of businesses in the program can vary from year to year as they determine whether participation will be a tax benefit for the income-sharing members as well as the business itself. For example, in 2021, nearly 96,000 businesses chose to participate; in 2022, this number, according to DOB, declined to 87,000.

Another complicating factor is the manner in which the income-sharing members claim the offsetting PIT credits and how that influences year-over-year collections. For tax year 2021, these taxpayers were not allowed to offset their final quarterly estimated payment by the amount of the PTET paid. Instead, the taxpayers would claim the credit on 2021 annual returns filed in SFY 2022-23. For 2022 and subsequent tax years, DOB assumed these taxpayers would adjust their quarterly estimated payments for their share of the PTET paid. However, this adjustment does not seem to have occurred on a wide scale and OSC's forecast anticipates taxpayers may continue to claim the credits on their annual returns.²⁰

Changes in taxpayer behavior related to the PTET may affect net collections in a given year, but are not likely to produce "shortfalls" that increase budget gaps; a portion of PTET collections are held in reserve and used to pay the offsetting PIT credits.

¹⁹ Businesses could also request a six-month extension to file their March return and make an estimated payment with that request.

²⁰ While a reduction in quarterly estimated payments would reduce PIT collections in the current fiscal year, a shift to credits being paid with the filing of annual returns would, in turn, reduce PIT collections in the subsequent fiscal year.

Stimulus and relief actions by the federal government have played an important role in preventing more severe economic and human impacts from the COVID-19 pandemic, but there is risk going forward as fiscal and monetary relief winds down. Key federal initiatives providing relief to individuals have lapsed, and the availability of federal financial assistance to State and local governments planned to be used over multiple fiscal years will begin to become unavailable. Moreover, demand for some pandemic relief programs such as emergency rental assistance or utility arrears may not abate and may exceed resources currently allocated. As these relief programs have been funded mostly by federal dollars, pressures to extend them may necessitate allocation of additional State dollars and possibly the creation of new, recurring spending commitments.

Significant growth is forecast in the two largest areas of State spending: Education and Medicaid. The current trajectory of spending in these categories will place pressure on the Financial Plan, particularly as temporary federal relief wanes and tax increases included in the SFY 2021-22 Enacted Budget sunset at the end of 2023 (corporate franchise taxes) and 2027 (personal income taxes). A key short-term risk is in the costs associated with Medicaid. On October 13, 2022, the federal emergency was extended for another 90 days until January 11, 2023; this emergency provides additional resources for states, but also comes with a requirement for continuous enrollment. DOB projects Medicaid enrollment will return to near pre-pandemic levels in SFY 2023-24 (an expected decline of almost 1.4 million enrollees, or nearly 19 percent) after the federal public health emergency ends. Such a rate of decline would be unprecedented; if it does not occur or takes longer than anticipated, the State could face billions more in unplanned costs.

The State's reliance on certain SFY 2021-22 Enacted Budget actions, including temporary PIT increases, entails a degree of risk. The temporary PIT rate increase results in PIT revenues being more highly dependent on high-income taxpayers which typically derive income from more volatile sources. These taxpayers are very dependent on the financial markets, which influence bonuses paid to high-wage Wall Street employees as well as capital gains, which history shows can be volatile. With record stock market levels in 2020 and 2021, PIT collections benefitted from increased bonuses and other market-related income. In the current year, the stock market, as measured by the S&P 500, has dropped by nearly 21 percent. In 2009, when the market declined by a similar magnitude, taxable income declined by over \$46 billion.

Although State results for the current fiscal year have been positive, financial challenges are poised to increase. At the end of SFY 2021-22, the State had \$3.3 billion in the rainy day reserves and \$5.7 billion set aside for economic uncertainties, for a total of just under \$9 billion. The SFY 2022-23 Enacted Budget indicates plans to contribute an additional \$5.1 billion to these "principal reserves" by the end of SFY 2022-23. OSC continues to recommend that plans to increase rainy day fund balances be implemented on or ahead of schedule if circumstances permit; substantial reserves improve the flexibility to weather revenue shortfalls.

Appendix - Financial Projections

Projections Based on Current Law, Including Enacted Spending Caps

Office of the State Comptroller Estimates for Receipts and Disbursements
All Funds - State Fiscal Year 2022-23
(in millions of dollars)

	<u>Office of the State Comptroller</u>	<u>Division of the Budget</u>	<u>Difference</u>
Receipts:			
Personal Income Tax	50,731	48,450	2,281
Consumer Taxes	20,493	20,219	274
Business Taxes	27,431	27,958	(527)
Other Taxes	3,408	2,828	580
<i>Total Taxes</i>	<u>102,063</u>	<u>99,455</u>	<u>2,608</u>
General Fund Miscellaneous Receipts	1,768	1,768	-
Lottery	3,890	3,890	-
Subtotal	107,721	105,113	2,608
Other Miscellaneous Receipts	21,507	21,507	-
Federal Grants	89,654	89,654	-
Total Receipts	<u>218,882</u>	<u>216,274</u>	<u>2,608</u>
Disbursements:			
Elementary and Secondary Education	38,777	38,777	-
DOH Medicaid (incl. administration)	79,201	79,201	-
Public Assistance	1,631	1,490	141
Subtotal	119,608	119,468	141
All Other Disbursements	104,408	104,488	(80)
Total Disbursements	<u>224,017</u>	<u>223,956</u>	<u>61</u>

Sources: Office of the State Comptroller, Division of the Budget
Note: Figures may not total due to rounding.

Office of the State Comptroller Estimates for Receipts and Disbursements
All Funds - State Fiscal Year 2023-24
(in millions of dollars)

	<u>Office of the State Comptroller</u>	<u>Division of the Budget</u>	<u>Difference</u>
Receipts:			
Personal Income Tax	47,008	59,710	(12,702)
Consumer Taxes	20,892	21,140	(248)
Business Taxes	26,782	27,311	(529)
Other Taxes	2,578	2,787	(209)
<i>Total Taxes</i>	<u>97,260</u>	<u>110,948</u>	<u>(13,688)</u>
General Fund Miscellaneous Receipts	1,814	1,814	-
Lottery	3,557	3,557	-
Subtotal	102,631	116,319	(13,688)
Other Miscellaneous Receipts	22,206	22,206	-
Federal Grants	81,767	81,767	-
Total Receipts	<u>206,604</u>	<u>220,292</u>	<u>(13,688)</u>
Disbursements:			
Elementary and Secondary Education	38,904	38,904	-
DOH Medicaid (incl. administration)	75,575	75,575	-
Public Assistance	1,592	1,505	87
Subtotal	116,070	115,983	87
All Other Disbursements	105,578	105,629	(51)
Total Disbursements	<u>221,648</u>	<u>221,612</u>	<u>36</u>

Sources: Office of the State Comptroller, Division of the Budget
Note: Figures may not total due to rounding.

Office of the State Comptroller Estimates for Receipts and Disbursements
All Funds - State Fiscal Year 2024-25
(in millions of dollars)

	Office of the State Comptroller	Division of the Budget	Difference
Receipts:			
Personal Income Tax	49,236	61,432	(12,196)
Consumer Taxes	20,956	21,543	(587)
Business Taxes	26,859	27,816	(957)
Other Taxes	2,604	2,930	(326)
<i>Total Taxes</i>	<u>99,655</u>	<u>113,721</u>	<u>(14,066)</u>
General Fund Miscellaneous Receipts	1,842	1,842	-
Lottery	3,555	3,555	-
Subtotal	105,052	119,118	(14,066)
Other Miscellaneous Receipts	19,318	19,318	-
Federal Grants	78,445	78,445	-
Total Receipts	<u>202,815</u>	<u>216,881</u>	<u>(14,066)</u>
Disbursements:			
Elementary and Secondary Education	40,942	40,942	-
DOH Medicaid (incl. administration)	77,790	77,790	-
Public Assistance	1,583	1,524	59
Subtotal	120,316	120,257	59
All Other Disbursements	100,235	100,274	(39)
Total Disbursements	<u>220,551</u>	<u>220,531</u>	<u>20</u>

Sources: Office of the State Comptroller, Division of the Budget
Note: Figures may not total due to rounding.

Office of the State Comptroller Estimates for Receipts and Disbursements
State Operating Funds - State Fiscal Year 2022-23
(in millions of dollars)

	<u>Office of the State Comptroller</u>	<u>Division of the Budget</u>	<u>Difference</u>
Receipts:			
Personal Income Tax	50,731	48,450	2,281
Consumer Taxes	20,122	19,832	290
Business Taxes	26,895	27,328	(433)
Other Taxes	3,151	2,571	580
<i>Total Taxes</i>	<u>100,898</u>	<u>98,181</u>	<u>2,717</u>
General Fund Miscellaneous Receipts	1,768	1,768	-
Lottery	3,890	3,890	-
Subtotal	106,556	103,839	2,717
Other Miscellaneous Receipts	11,929	11,929	-
Federal Grants	2,402	2,402	-
Total Receipts	<u>120,887</u>	<u>118,170</u>	<u>2,717</u>
Disbursements:			
Elementary and Secondary Education	30,296	30,296	-
DOH Medicaid (incl. administration)	25,492	25,492	-
Public Assistance	557	497	60
Subtotal	56,345	56,285	60
All Other Disbursements	66,355	66,355	-
Total Disbursements	<u>122,700</u>	<u>122,640</u>	<u>60</u>

Sources: Office of the State Comptroller, Division of the Budget
Note: Figures may not total due to rounding.

Office of the State Comptroller Estimates for Receipts and Disbursements
State Operating Funds - State Fiscal Year 2023-24
(in millions of dollars)

	<u>Office of the State Comptroller</u>	<u>Division of the Budget</u>	<u>Difference</u>
Receipts:			
Personal Income Tax	47,008	59,710	(12,702)
Consumer Taxes	20,286	20,528	(242)
Business Taxes	26,139	26,653	(514)
Other Taxes	2,321	2,530	(209)
<i>Total Taxes</i>	<u>95,754</u>	<u>109,421</u>	<u>(13,667)</u>
General Fund Miscellaneous Receipts	1,814	1,814	-
Lottery	3,557	3,557	-
Subtotal	101,125	114,792	(13,667)
Other Miscellaneous Receipts	10,613	10,613	-
Federal Grants	2,300	2,300	-
Total Receipts	<u>114,038</u>	<u>127,705</u>	<u>(13,667)</u>
Disbursements:			
Elementary and Secondary Education	33,534	33,534	-
DOH Medicaid (incl. administration)	27,226	27,226	-
Public Assistance	545	508	36
Subtotal	61,305	61,269	36
All Other Disbursements	63,117	63,117	-
Total Disbursements	<u>124,422</u>	<u>124,386</u>	<u>36</u>

Sources: Office of the State Comptroller, Division of the Budget
Note: Figures may not total due to rounding.

Office of the State Comptroller Estimates for Receipts and Disbursements
State Operating Funds - State Fiscal Year 2024-25
(in millions of dollars)

	<u>Office of the State Comptroller</u>	<u>Division of the Budget</u>	<u>Difference</u>
Receipts:			
Personal Income Tax	49,236	61,432	(12,196)
Consumer Taxes	20,351	20,931	(580)
Business Taxes	26,218	27,161	(943)
Other Taxes	2,347	2,673	(326)
<i>Total Taxes</i>	<u>98,153</u>	<u>112,197</u>	<u>(14,044)</u>
General Fund Miscellaneous Receipts	1,842	1,842	-
Lottery	3,555	3,555	-
Subtotal	103,550	117,594	(14,044)
Other Miscellaneous Receipts	9,934	9,934	-
Federal Grants	3,690	3,690	-
Total Receipts	<u>117,174</u>	<u>131,218</u>	<u>(14,044)</u>
Disbursements:			
Elementary and Secondary Education	35,404	35,404	-
DOH Medicaid (incl. administration)	29,605	29,605	-
Public Assistance	544	524	20
Subtotal	65,552	65,532	20
All Other Disbursements	63,712	63,712	-
Total Disbursements	<u>129,264</u>	<u>129,244</u>	<u>20</u>

Sources: Office of the State Comptroller, Division of the Budget
Note: Figures may not total due to rounding.

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