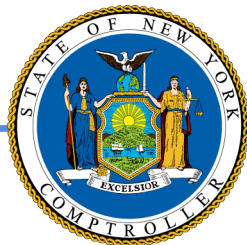

Report on Estimated Receipts and Disbursements

State Fiscal Years 2020-21 through 2022-23



OFFICE OF THE NEW YORK STATE COMPTROLLER
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I. Overview

This Report on Estimated Receipts and Disbursements for State Fiscal Year (SFY) 2020-21 through SFY 2022-23, 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 estimates that the State's tax revenues will decline by 5.6 percent or \$4.7 billion in SFY 2020-21 compared to the previous year. Such revenues are projected to grow by 1.6 percent in SFY 2021-22, and to increase by 4.3 percent in SFY 2022-23.

The Office of the State Comptroller's projections for All Funds tax receipts are \$3.8 billion higher than estimates from the Division of the Budget (DOB) for SFY 2020-21, \$4.1 billion higher in SFY 2021-22 and just under \$3.5 billion higher in SFY 2022-23. These and other comparisons to DOB projections in this report are based on DOB's projections from the FY 2021 Mid-Year Update to the Enacted Budget Financial Plan (Mid-Year Update), issued in October 2020. Projections for overall All Funds receipts, which include tax receipts, miscellaneous receipts and federal grants, are similarly \$3.8 billion higher than estimates from DOB for SFY 2020-21, \$4.1 billion higher in SFY 2021-22 and nearly \$3.5 billion higher in SFY 2022-23.

Projections of tax receipts in this report reflect factors including actual tax receipts through September, which were \$1.1 billion above the August projection by DOB in its First Quarterly Update to the Financial Plan. Revenue projections are inherently subject to a variety of risks. While the Office of the State Comptroller 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 such that somewhat higher or lower projections may also be considered reasonable.

Stimulus and relief actions by the federal government have played an important role in preventing more severe economic and human impacts from the recession associated with the COVID-19 pandemic. It is currently unclear whether Washington will undertake further economic stimulus and relief actions. Given such uncertainty, the Office of the State Comptroller's projections of economic activity and tax receipts do not assume further action. The condition of the U.S. economy will be heavily influenced by the path of the COVID-19 pandemic and responses to it. While a "second wave" of coronavirus infections in New York State remains possible, it is not feasible to estimate the likelihood of such an outcome. Projections in this report do not reflect the economic nor tax receipt impacts from a potential "second wave"; if such an outcome does occur, tax revenues could fall substantially below the estimates herein.

The Office of the State Comptroller's estimates for All Funds disbursements are \$120 million higher than estimates from DOB for SFY 2020-21, \$102 million higher in SFY 2021-22 and \$23 million higher in SFY 2022-23, based on DOB's most current projections from the Mid-Year Update. The Midyear Update projects \$10.2 billion in budget control spending reductions this fiscal year that also affect projected spending in subsequent years. The estimates in this report assume the spending reductions projected by DOB will occur.

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 The Office of the State Comptroller interprets this provision as requiring estimates for the current and the next two ensuing 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, this Office’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 internet 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

The Office of the State Comptroller 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. This Office’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 the Office of the State Comptroller’s estimates compared to DOB’s estimates for receipts and disbursements as contained in the Mid-Year Update. This Office’s estimates for All Funds receipts and disbursements reflect a variety of factors, including

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

current law that provides for caps on growth in Medicaid and School Aid spending. Estimates for State Operating Funds are also provided because the statutory cap on Medicaid disbursements applies to disbursements from that fund category.

Figure 1

**Actual and Estimated Receipts and Disbursements, All Funds
SFY 2019-20 through SFY 2022-23**
(in millions of dollars)

| | <u>2019-20</u> | <u>2020-21</u> | <u>Growth</u> | <u>2021-22</u> | <u>Growth</u> | <u>2022-23</u> | <u>Growth</u> |
|---------------------------------|----------------|----------------|---------------|----------------|---------------|----------------|---------------|
| Receipts | | | | | | | |
| Office of the State Comptroller | 177,435 | 192,070 | 8.2% | 175,507 | -8.6% | 177,025 | 0.9% |
| Division of the Budget | <u>177,435</u> | <u>188,303</u> | 6.1% | <u>171,370</u> | -9.0% | <u>173,537</u> | 1.3% |
| Difference | - | 3,767 | | 4,137 | | 3,488 | |
| Disbursements | | | | | | | |
| Office of the State Comptroller | 172,982 | 189,957 | 9.8% | 181,480 | -4.5% | 183,106 | 0.9% |
| Division of the Budget | <u>172,982</u> | <u>189,837</u> | 9.7% | <u>181,378</u> | -4.5% | <u>183,083</u> | 0.9% |
| Difference | - | 120 | | 102 | | 23 | |

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

Figure 2

**Actual and Estimated Receipts and Disbursements, State Operating Funds
SFY 2019-20 through SFY 2022-23**
(in millions of dollars)

| | <u>2019-20</u> | <u>2020-21</u> | <u>Growth</u> | <u>2021-22</u> | <u>Growth</u> | <u>2022-23</u> | <u>Growth</u> |
|---------------------------------|----------------|----------------|---------------|----------------|---------------|----------------|---------------|
| Receipts | | | | | | | |
| Office of the State Comptroller | 104,223 | 99,495 | -4.5% | 95,995 | -3.5% | 98,841 | 3.0% |
| Division of the Budget | <u>104,223</u> | <u>95,720</u> | -8.2% | <u>91,843</u> | -4.1% | <u>95,350</u> | 3.8% |
| Difference | - | 3,775 | | 4,152 | | 3,491 | |
| Disbursements | | | | | | | |
| Office of the State Comptroller | 102,160 | 97,942 | -4.1% | 101,510 | 3.6% | 104,913 | 3.4% |
| Division of the Budget | <u>102,160</u> | <u>97,908</u> | -4.2% | <u>101,496</u> | 3.7% | <u>104,935</u> | 3.4% |
| Difference | - | 34 | | 14 | | (22) | |

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

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

II. Economic Overview

National Economy

In February 2020, the U.S. economic expansion – the longest recorded in the National Bureau of Economic Research’s tracking of business cycles dating to the 1850s – ended. With the COVID-19 pandemic taking hold and shutdowns being imposed in much of the country in mid-March, the national economy went into recession, with annualized real Gross Domestic Product (GDP) declining by 5.0 percent in the first quarter. As the shutdown continued into April and the economy slowly began to re-open in May and June, real GDP realized its largest quarterly decline since 1947, falling 31.4 percent (annualized) in the second quarter.² With further re-opening, albeit with certain ongoing restrictions, real GDP in the third quarter increased significantly, with annualized growth of 33.1 percent, according to the Bureau of Economic Analysis’s initial estimate for the quarter. While recovery is expected to continue in the fourth quarter, real GDP is projected to remain below its pre-pandemic level at the end of the year, with the national economy contracting by 3.5 percent for all of 2020. In 2021, real GDP is projected to expand by 3.7 percent, returning to its 2019 level. Projections of economic variables in this section are drawn from the IHS Markit Macroeconomic Forecast for October 2020, unless otherwise indicated.

In March and April 2020, employment decreased by nearly 22.2 million jobs nationally. Through September, just over half of these jobs, 11.4 million, were recovered, representing a decline of 6.8 percent on a seasonally adjusted basis from December 2019. The unemployment rate increased from 4.4 percent in March to 14.7 percent in April before improving to 7.9 percent as of September.

Employment is estimated to decrease by 5.5 percent for all of 2020, after increasing by 1.4 percent in 2019. While growth of 3.3 percent is anticipated in 2021, total employment is not expected to return to 2019 levels until 2022. The unemployment rate is projected to decrease to 5.0 percent as of 2022.

Total wages are estimated to increase by 0.2 percent in 2020, after rising 4.7 percent in 2019. Wage growth is projected to accelerate to 6.0 percent in 2021.

New York State Economy

In New York, the pandemic struck earlier and the economy has been hit harder than in other states. From December 2019 through the end of April 2020, the State lost over 1.9 million jobs on a seasonally adjusted basis. By the end of September, nearly 808,000 of these jobs, 42

² U.S. Bureau of Economic Analysis.

percent, were recovered. Job gains in that five-month period were primarily in the private sector, as government employment declined slightly.

Key indicators including those for employment, wages and personal income in New York in 2020 are expected to show trends similar to those for the nation as a whole. For all of 2020, employment is estimated to decrease by 10.1 percent, following the 1.1 percent gain in 2019.

IHS Markit estimates New York State wages will decline by 3.3 percent in 2020, after increasing by 4.5 percent in 2019. However, personal income is estimated to increase by 5.3 percent in 2020. This increase primarily reflects the impact of the federal Coronavirus Aid, Relief and Economic Security (CARES) Act passed in March and other federal stimulus and relief efforts, including economic stimulus payments and enhanced unemployment benefits.

Similar to the national employment trend, job growth in New York is projected to rebound in 2021, with an overall gain of 3.2 percent. Wages are also anticipated to show gains in 2021, rising by 6.1 percent, slightly better than in the nation as a whole. Given the economic impact of fiscal stimulus from the federal government in 2020 and the uncertainty as to any additional relief in 2021, personal income is projected to decline by 2.4 percent.

While employment counts and other indicators of economic activity reflect ongoing impacts from the COVID-19 pandemic, and such impacts are expected to continue for some time, certain indicators are currently more positive than may have been expected earlier this year. The State's overall tax revenues through September were \$1 billion higher than DOB's April forecast and \$1.1 billion higher than its projection in the First Quarterly Update issued in August. In May, DOB projected U.S. GDP would decline by 5.7 percent in 2020, and IHS projected a drop of 7.3 percent; as of October those forecasts had improved to declines of 3.6 percent and 3.5 percent, respectively. In May, DOB projected New York personal income would rise by 0.8 percent while IHS forecast a 0.1 percent decline; their October projections reflected growth of 2.3 percent and 5.3 percent, respectively.

While New York has regained fewer than half of the 1.9 million jobs lost in March and April, lingering employment losses are disproportionately in sectors with comparatively lower average wages. Because of this, the impact on tax revenues from reduced employment is less than would be expected if job losses were concentrated in higher-paying industries, including those where bonuses are part of the compensation mix.

Figure 3 presents selected economic indicators at the State and national levels through 2023.

Figure 3

**Selected Economic Indicators
(Percentage Change)**

| UNITED STATES | | | | | |
|----------------------|-------------|-------------|-------------|-------------|-------------|
| | 2019 | 2020 | 2021 | 2022 | 2023 |
| Real GDP | 2.2 | -3.5 | 3.7 | 3.2 | 2.8 |
| Employment | 1.4 | -5.5 | 3.3 | 2.6 | 1.8 |
| Wages | 4.7 | -0.2 | 6.0 | 5.7 | 4.7 |
| Personal Income | 3.9 | 7.4 | -2.4 | 4.4 | 4.5 |
| NEW YORK | | | | | |
| Employment | 1.1 | -10.1 | 3.2 | 4.8 | 2.2 |
| Wages | 4.5 | -3.3 | 6.1 | 7.1 | 5.0 |
| Personal Income | 4.0 | 5.3 | -2.4 | 4.6 | 4.3 |

Source: IHS Markit, October 2020 U.S. and Regional Macroeconomic Forecast
Note: 2019 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 All Funds tax receipts for SFYs 2021-22 and 2022-23.

This forecast is consistent with a national economy that is projected to contract by 3.5 percent in the current calendar year but then to grow by more than 3.0 percent in each of the next two years. 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 the length and severity of the current pandemic and the uncertainty as to any additional fiscal stimulus provided by the federal government. As a result, the State's actual tax revenues could deviate from these estimates and from those of the Division of the Budget. Close monitoring is critical to identify deviations in a timely way so that corrective actions can be taken, if necessary.

In SFY 2019-20, All Funds tax receipts totaled \$82.9 billion, an increase of 9.7 percent from the previous year. Through the first six months of SFY 2020-21, total tax revenues were \$2.8 billion or 6.7 percent lower than the same period in SFY 2019-20. 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 have been depressed by widespread shutdowns in the first quarter of the fiscal year as a result of the COVID-19 pandemic, followed by only partial resumption in business activity so far. Total personal income tax (PIT) collections are estimated to decrease by 4.0 percent in SFY 2020-21. In addition, business and consumption taxes are estimated to decrease by a combined 8.5 percent in SFY 2020-21. Overall, total tax receipts are estimated to decrease by 5.6 percent to \$78.2 billion.

The Office of the State Comptroller's projection of tax receipts for the current fiscal year, while \$4.7 billion lower than actual receipts in the previous year, is \$3.8 billion above DOB's projection in the Mid-Year Update issued by DOB in October. This variance reflects factors including actual tax receipts through September that were \$1.1 billion above the First Quarterly Update projection by DOB in August, and expectations that receipts from both PIT withholding and sales tax during the remainder of the fiscal year will be higher than DOB projections.

Stimulus and relief actions by the federal government have played an important role in preventing more severe economic and human impacts from the recession. For example, unemployment benefits totaling more than \$50 billion in New York, much of that representing newly enacted federal programs, have provided essential support to well over 2 million workers. Given the uncertainty as to further actions by the federal government, the Office of the State Comptroller's projections of economic activity and tax receipts assume no further action. As

discussed further in the Risks section of this report, the condition of the U.S. economy will be heavily influenced by the path of the COVID-19 pandemic and responses to it. While a “second wave” of coronavirus infections in New York State remains possible, it is not feasible to estimate the likelihood of such an outcome. Projections in this report do not reflect the economic nor tax receipt impacts from a potential “second wave”; if such an outcome does occur, tax revenues could fall substantially below the estimates herein.

In SFY 2021-22, tax collections are projected to increase modestly, by 1.6 percent. This increase reflects expectations of continued gains in the overall economy. The impact of this economic growth is constrained by a projected reduction in PIT collections resulting from the estimated decline in personal income in calendar year 2020, which affects payments made with the filing of annual tax returns in 2021.

For SFY 2022-23, tax collections are projected to grow by 4.3 percent, an acceleration from the growth in SFY 2021-22. This increase would reflect an expanding economy in SFY 2022-23 as well the previous year.

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

Personal Income Tax

Personal income tax receipts are estimated to decrease by \$2.2 billion, or 4.0 percent, in SFY 2020-21. The decline in collections would be larger if not for the shift of \$500 million in refunds into April 2021 and the expiration of the Property Tax Relief Credit at the end of 2019.

Withholding tax collections in SFY 2020-21 are estimated to decrease by 2.1 percent, primarily due to declines in both employment and wages. Collections from estimated payments and final returns in the current fiscal year are expected to decrease by 9.3 percent, or \$1.9 billion, from SFY 2019-20 levels. This reflects declines in quarterly estimated payments, due to an expectation of decreases in non-wage income throughout the year.

In SFY 2021-22, PIT collections are projected to decrease by \$732 million, or 1.4 percent. While employment and wage growth are expected to rebound during the year, the decline in receipts is due to lower payments made with final returns and extension requests reflecting the decrease in personal income in calendar year 2020. In SFY 2022-23, PIT collections are projected to increase by \$2.3 billion, or 4.6 percent. This anticipated strong growth reflects increased withholding collections, as wages and employment are estimated to continue to grow, as well as personal income growth in calendar year 2021.

Consumption and Use Taxes

Consumption and use tax receipts are estimated to decrease by \$2 billion, or 11.4 percent, in SFY 2020-21. This decline primarily reflects an estimated decrease of 12.1 percent in the largest source of receipts in this category, sales tax collections, as the pandemic has adversely impacted retail shops and restaurants.

For SFY 2021-22, collections in consumption and use taxes are projected to recoup the losses of SFY 2020-21, increasing by 13.1 percent. Personal consumption is projected to increase 6.6 percent after decreasing by 4.4 percent in the previous year. In SFY 2022-23, consumption and use tax collections are projected to return to more moderate growth, 4.2 percent, due to a continued increase in personal consumption.

Business Taxes

Business tax receipts are estimated to decrease by \$244 million, or 2.7 percent, in SFY 2020-21. All categories of business taxes are expected to realize declines as a result of the weak economy. Lower oil prices and reduced gasoline consumption are anticipated to result in a 13.6 percent drop in petroleum business taxes. Constraining the year-over-year decline are continued audit collections from the repealed bank tax.

In SFY 2021-22, business tax receipts are projected to continue to decrease, falling 2.5 percent, or \$221 million. This reflects a projected decline in corporate profits and no additional collections under the bank tax. Business tax receipts are projected to increase in SFY 2022-23 by \$170 million or 2.0 percent. This reflects expected growth in corporate profits as well as increased insurance tax collections.

Other Taxes

Other Tax receipts are estimated to decrease by \$218 million, or 9.9 percent, in SFY 2020-21. Receipts from real estate transfer taxes are projected to decline as a result of lower home sales.

In SFY 2021-22, Other Tax collections are projected to increase by \$114 million, or 5.7 percent. This growth reflects additional estate and gift tax collections as household net worth is projected to continue to rise, in addition to higher real estate transfer taxes resulting from increased home sales.

In SFY 2022-23, collections are projected to increase by \$149 million, or 7.1 percent. This expected increase reflects continued growth in both estate and real estate transfer taxes.

General Fund Miscellaneous Receipts and Lottery Receipts

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

General Fund miscellaneous receipts are estimated to increase by \$3.7 billion or 118 percent in SFY 2020-21, to \$6.9 billion. This primarily reflects the receipt of \$4.5 billion in proceeds from short-term notes issued for cash flow needs. There is an accompanying cost of \$4.4

billion associated with repayment before the end of the fiscal year.³ The General Fund has also received \$600 million in monetary settlements to date in SFY 2020-21. Miscellaneous receipts in the General Fund are anticipated to decline by 74.6 percent or \$5.1 billion in SFY 2021-22, primarily due to the expected one-time nature of short-term borrowing in SFY 2020-21 and an expectation of a continued decrease in monetary settlements. Miscellaneous receipts are anticipated to fall by 1.3 percent or \$23 million in SFY 2022-23.

All Funds estimates for miscellaneous receipts in SFY 2020-21 total \$30.7 billion (most of which is initially collected outside the General Fund), an increase of \$1.3 billion or 4.5 percent.

All Funds miscellaneous receipts are projected to decrease by \$5.3 billion or 17.3 percent in SFY 2021-22, primarily because of the short-term borrowing described above. Miscellaneous receipts are anticipated to decline by 5.1 percent or \$1.3 billion in SFY 2022-23. 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.

Lottery revenues for education (not including administration) from traditional games are expected to decline by 18.6 percent to \$2.2 billion in SFY 2020-21, and revenues from video lottery terminals (VLTs) are expected to also decline 42.8 percent to \$558 million. Both sources are significantly affected by pandemic shutdowns. Total Lottery receipts are projected to rebound to \$3.1 billion in SFY 2021-22 and then rise slightly to \$3.2 billion in SFY 2022-23. DOB projects revenue for education from commercial casinos will total \$89 million in SFY 2020-21, increasing to \$136 million in SFY 2022-23.

Federal Receipts

Federal grants support State spending for Medicaid, transportation, education, public health, and environmental and energy programs, as well as other activities. In SFY 2020-21, federal grants include certain funding for pandemic-related costs as well as funding for the Lost Wages Supplemental Payment Assistance program.

In SFY 2020-21, federal receipts are projected to increase by just under \$18 billion, or 27.6 percent, from SFY 2019-20. DOB projects federal receipts will decline nearly \$12.5 billion or 15 percent in SFY 2021-22, and will fall a further \$576 million or 0.8 percent in SFY 2022-23.

³ The General Fund received \$4.5 billion in proceeds, including \$118 million of note premium. The notes are expected to be repaid in full by the end of SFY 2020-21.

IV. Disbursements

Overview

This report includes forecasts for disbursements for SFY 2020-21 through SFY 2022-23. These estimates rely 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 2020-21 Enacted Budget – like the prior year’s – included appropriations intended to reflect two years’ worth of spending in Medicaid. The Budget also extended through SFY 2021-22 statutory limits on future spending growth for State-funded DOH Medicaid expenditures based on the ten-year average growth in the medical component of the Consumer Price Index (CPI), and Financial Plan spending projections through SFY 2023-24 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) 2020-21.⁴ The statutory cap for education assistance has no expiration date. As a result of these limitations, projected disbursements in two of the largest categories of spending are intended to be constrained, absent action by the Executive and the Legislature to supersede the spending targets.

This report provides Medicaid and School Aid spending projections from the 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).

Spending totals assume \$10.2 billion in unidentified reductions will occur during SFY 2020-21, as currently projected in the Mid-Year Update.⁵ While such reductions may not occur, depending on developments with regard to federal assistance and other factors, they represent the most current Financial Plan projections published by the Executive.

For SFY 2020-21, the Office of the State Comptroller estimates that Medicaid, School Aid and public assistance spending from State Operating Funds will total just under \$47.5 billion, a decline of \$2.2 billion, or 4.4 percent, from SFY 2019-20 levels. Among other factors, this level reflects an estimated \$3.3 billion in spending reductions adopted in the SFY 2020-21 Enacted Budget, as offset by additional federal funding for Medicaid through December 31, 2020. All other State Operating Funds spending is projected to total \$50.4 billion, a decline of \$2 billion,

⁴ For this purpose, personal income within New York State is measured on a State fiscal year basis.

⁵ The Division of the Budget does not reflect spending reductions in the estimates of individual agency and program spending levels, but instead presents them cumulatively as adjustments to total spending. As such, the spending reductions are included in the financial plan tables in the Appendices to this report, in the “All Other Disbursements” line.

or 3.9 percent, compared to SFY 2019-20. All other spending includes such categories as debt service, General State Charges, Departmental Operations and local assistance grants outside of the categories listed above. It also reflects certain timing-related and other actions that limit reported spending growth.

Medicaid, School Aid and public assistance spending from All Funds is estimated to total \$101.7 billion in SFY 2020-21, which is \$7.2 billion, or 7.6 percent, higher than SFY 2019-20 levels.

For SFY 2021-22, Medicaid, School Aid and public assistance spending from State Operating Funds is projected to total \$52 billion, an increase of \$4.5 billion or 9.5 percent from estimated SFY 2020-21 expenditures. All other State Operating Funds spending is projected to decline \$933 million or 1.8 percent to \$49.5 billion.

Medicaid, School Aid, and public assistance spending from All Funds is projected to total \$103.4 billion in SFY 2021-22, which is \$1.7 billion or 1.6 percent higher than projected SFY 2020-21 levels.

For SFY 2022-23, Medicaid, School Aid, and public assistance spending from State Operating Funds is projected to total \$54.1 billion, an increase of \$2.1 billion or 4 percent from the previous year. During this period, all other State Operating Funds spending is projected to increase \$1.3 billion or 2.7 percent to \$50.9 billion.

Medicaid, School Aid and public assistance spending from All Funds is projected to total \$104.9 billion in SFY 2022-23, which is nearly \$1.5 billion or 1.4 percent higher than in SFY 2021-22.

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 2020-21 can be measured against recent history, as well as projections set forth in the Financial Plan. Actual spending through September was well below the same period a year earlier as well as lower than the levels projected in the Enacted Budget Financial Plan, issued by DOB in late April.

Through the first six months of SFY 2019-20, State Operating Funds spending totaled \$49.0 billion. Actual SFY 2020-21 State Operating Funds spending through the comparable six months totaled \$44.7 billion, a year-over-year decrease of \$4.3 billion. To address the fiscal impacts of the COVID-19 crisis, the Enacted Budget Financial Plan assumed a total of \$10.1 billion in budget control spending reductions during the current fiscal year. Through September 30, DOB estimates that roughly \$2.6 billion in spending has been withheld pursuant to the budget reduction authority provided in the Enacted Budget, the vast majority of which reflects reduced local assistance spending. Adjusting for these withheld amounts, SFY 2020-21 actual spending results are about \$1.7 billion less than in the prior fiscal year. DOB indicates that the withheld funds may become outright spending reductions later, although that is uncertain.

The SFY 2020-21 Enacted Budget Financial Plan, issued by DOB in April, projected State Operating Funds spending totaling \$47.7 billion through the fiscal year's mid-point (see Figure 4). As mentioned above, actual spending totaled \$44.7 billion, \$3.0 billion below that anticipated level. The \$47.7 billion of spending estimated in the Enacted Budget Financial Plan reflected an assumed \$2.4 billion in budget control spending reductions from levels otherwise expected through this point of the year, as compared to the \$2.6 billion in withheld spending DOB has reported through September. Adjusting for this difference, actual spending results are roughly \$2.8 billion below the levels projected in April.

Figure 4

**SFY 2020-21
Total State Operating Funds Spending to Date (dollars in millions)**

| | April | May | June | July | August | September | Total |
|------------------------|---------|---------|----------|---------|---------|--|-----------------|
| Actual Spending | \$4,373 | \$7,970 | \$10,710 | \$5,646 | \$5,375 | \$10,620 | \$44,694 |
| SFY 2019-20 | 7,004 | 11,902 | 7,955 | 6,350 | 5,673 | 10,113 | 48,997 |
| Variance | (2,631) | (3,932) | 2,755 | (704) | (298) | 507 | (4,303) |
| | | | | | | <i>Budget Reductions through September</i> | (2,639) |
| | | | | | | <i>Variance Net of Budget Reductions</i> | (1,664) |
| Enacted Budget | 4,301 | 9,393 | 13,609 | 4,928 | 5,808 | 9,665 | 47,704 |
| Variance | 72 | (1,423) | (2,899) | 718 | (433) | 955 | (3,010) |
| | | | | | | <i>Assumed Budget Reductions vs. Actuals through September</i> | (247) |
| | | | | | | <i>Variance Net of Budget Reductions</i> | (2,763) |

Sources: Comptroller's Monthly Reports on Cash Basis of Accounting, DOB's FY 2021 Enacted Budget Financial Plan.

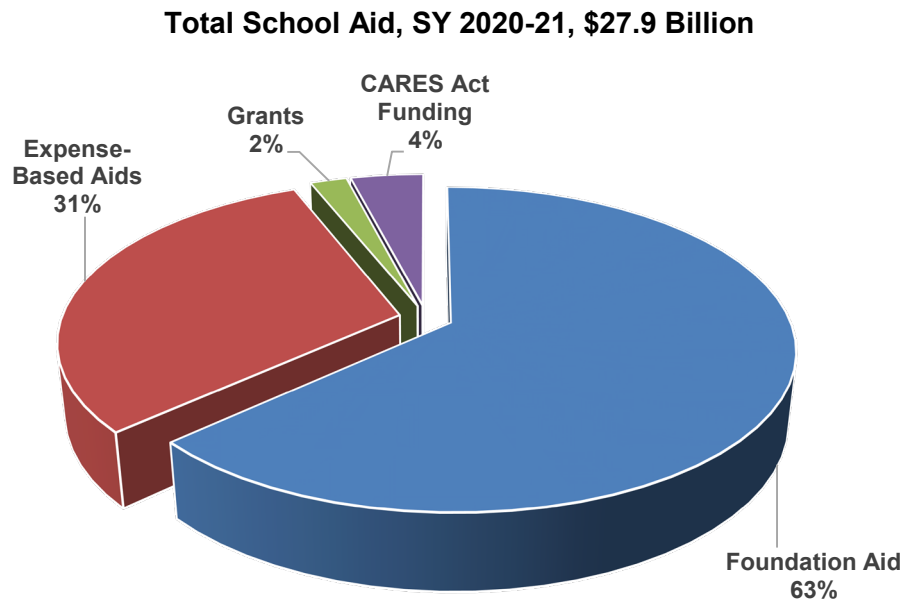
School Aid

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) 2020-21 was previously reduced by \$1.1 billion in response to the pandemic's fiscal impacts, and is subject to additional spending reductions in SFY 2020-21 that are yet to be determined. Federal funding established under the CARES Act, part of the federal response to the COVID-19 pandemic, effectively replaces the \$1.1 billion reduction in State funds.

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 Excess Cost Aid), as well as

grant programs that support specific activities for New York State’s 673 school districts.⁶ 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.⁷ 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 5 shows the distribution of School Aid by category in the current school year.⁸

Figure 5



The SFY 2011-12 Enacted Budget included legislation limiting future growth in School Aid to growth in State personal income. However, the six most recent enacted budgets before the SFY 2019-20 Enacted Budget have provided aid increases above the level set by the growth index, while the School Aid increase in the SFY 2019-20 Enacted Budget was under the index. Beginning with the SFY 2020-21 Enacted Budget, the statutory cap from the prior year’s growth

⁶ School districts receive support for certain programs outside of GSPS; funding for these programs is not a part of this forecast.

⁷ 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.

⁸ 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 \$205 million in competitive grants and all non-computerized aids.

will be the 10-year average growth rate of personal income, which was 4 percent this year, according to DOB.

The Office of the State Comptroller has relied on estimates provided by DOB that project School Aid spending from State Operating Funds will total \$26.9 billion in SFY 2020-21, which is a decline of \$462 million or 1.7 percent from SFY 2019-20. This projection equates to \$26.8 billion on a school-year basis. This decline in spending from State Operating Funds is offset by approximately \$1.1 billion in one-time funding provided through the federal CARES Act, bringing the school year total to \$27.9 billion.

The Office of the State Comptroller has relied on DOB estimates that project School Aid spending from State Operating Funds would:

- Increase to \$27.4 billion in SFY 2021-22, an increase of \$547 million or 2 percent over SFY 2020-21. This equates to \$27.9 billion on a school-year basis.
- Increase to \$28.4 billion in SFY 2022-23, an increase of \$1 billion or 3.7 percent over SFY 2021-22. This equates to \$28.9 billion on a school-year basis.

DOB has indicated that the projections for SY 2021-22 through SY 2022-23 were consistent with projections for the personal income growth index. The November 15, 2020 School Aid data will provide the first estimates of GSPS for SY 2021-22 based on submitted claims and demographic information. It will also show revisions for the current school year. In some years, database revisions have resulted in significant changes in School Aid.

Medicaid

The SFY 2020-21 Enacted Budget again includes two years' authority for Medicaid spending by DOH (including administration costs), with a specific limit in State Operating Funds spending for each year. Spending projections assume the continued authorization of the Medicaid Global Cap.

Projections of Medicaid disbursements were complicated by developments that affected the application of the statutory cap on certain Medicaid spending. In SFY 2011-12, legislation was enacted to limit the year-to-year growth in certain DOH State funds Medicaid spending to the ten-year rolling average of the medical component of the CPI (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.

Approximately \$3.2 billion in spending reductions from State Operating Funds were included in the SFY 2020-21 Enacted Budget, including \$2.2 billion in Medicaid Redesign Team (MRT II) actions, to address the structural imbalance in Medicaid spending.

DOB estimates allowable growth under the indexed portion of the Global Cap to be 2.9 percent in SFYs 2020-21 and 2021-22, and 3.0 percent in each of the two following fiscal years (the cap was extended through SFY 2021-22 in the SFY 2020-21 Enacted Budget). DOB projects that ongoing cost-containment measures and other actions to address the imbalance in Medicaid spending will hold future spending growth to allowable increases under the DOH Medicaid Global Cap. It is unclear whether Medicaid spending will be reduced further pursuant to the large, unspecified spending reductions anticipated in the Mid-Year Update. 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 2021-22.

The Medicaid disbursement estimates detailed below reflect figures provided by DOB. Such estimates are from DOB's Mid-Year Update to the Financial Plan. In that update, DOB increased projections for Medicaid enrollment in SFY 2020-21 from 6.2 million covered individuals, representing a decline from SFY 2019-20, to over 7.1 million, representing growth of 15.6 percent from the previous year. Enrollment data from the Department of Health illustrates significant monthly growth beginning in March 2020, with an increase of 4.8 percent for the six months through September over the same period last year. If this growth continues, actual enrollment levels could exceed DOB's updated projections, potentially resulting in overall spending exceeding current estimates.

The federal government has increased the reimbursement rate for Medicaid costs as part of its COVID-19 response. According to DOB, this initially provided the State with \$1.45 billion in additional federal funding, which was increased by an estimated \$786 million when the Secretary of Health and Human Services (HHS) extended the enhanced rate through September 2020, for a total of approximately \$2.2 billion. On October 2, 2020, the Secretary extended the emergency into the first quarter of 2021. Enhanced funding will remain in place through March 2021 unless emergency status is revoked before January 2021, and is already set to continue through December 31 because of a previous extension of the emergency by the Secretary. For October through December, DOB estimates the State will receive \$746 million in enhanced funding. If the State also receives comparable funding for January through March 2021, total additional funding would likely exceed the current Financial Plan estimate by that amount.

The Office of the State Comptroller has relied on DOB estimates projecting total DOH State Medicaid spending (including administrative costs) in SFY 2020-21 at \$20.2 billion from State Operating Funds, and \$69.3 billion from All Funds.

The Office of the State Comptroller has relied on DOB estimates that project total Medicaid spending would:

- Increase in SFY 2021-22 to \$24.2 billion from State Operating Funds (up by 19.7 percent or \$4 billion from the previous year) and to \$70.9 billion from All Funds (an increase of 2.3 percent or \$1.6 billion).
- Total \$25.2 billion from State Operating Funds in SFY 2022-23, a year-over-year increase of \$1.1 billion or 4.4 percent, and \$71.8 billion from All Funds, representing an increase of \$906 million or 1.3 percent.

DOB continues to use payments by tobacco manufacturers under the 1998 Master Settlement Agreement (MSA) to reduce reported Medicaid spending. MSA revenue is deposited directly to the off-budget Medicaid Management Information System Escrow Fund, where it is spent without appropriation. DOB's current projections, as detailed above, reflect this action. Reported spending in the Mid-Year Update is reduced by \$362 million annually from SFYs 2020-21 through SFY 2022-23, due to this off-budget spending.

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 recent years, the pandemic and associated shutdowns have resulted in significant increases in unemployment. After a sharp upward spike in April, unemployment rates have since declined as the economy begins to recover, yet remain elevated from recent historical levels.

According to the federal Bureau of Labor Statistics (BLS), nearly 47.5 percent of the U.S. unemployed population (16 and older) had been out of work for 15 weeks or more as of September 2020. As of September 2020, the unemployment rate in New York on a seasonally adjusted basis was 9.7 percent.⁹ BLS produces a measure of labor market underutilization that includes the unemployed population that has actively looked for work in the past four weeks, as well as the number of people who are employed part-time (not by choice), and those unemployed who have not actively looked for work. For New York, this measure was 14.3 percent for the fourth quarter of 2019 through the third quarter of 2020.¹⁰ This rate is almost double that of the same period last year, and only slightly lower than the last high of 14.9 percent for the period from the second quarter of 2010 through the first quarter of 2011. The

⁹ Preliminary, New York State Department of Labor.

¹⁰ U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics, available at <https://www.bls.gov/lau/stalt.htm>.

measure indicates labor market underutilization higher than that shown by the commonly cited unemployment rate.

Using historical trends for unemployment and employment, as well as caseloads and spending figures contained in monthly caseload reports issued by the Office of Temporary and Disability Assistance (OTDA), the Office of the State Comptroller estimates that in SFY 2020-21, All Funds spending for public assistance will total \$1.7 billion (including \$549 million from State Operating Funds), based on caseloads of 290,950 families and 204,276 single recipients. Figure 6 provides more detailed estimates of public assistance caseloads.

Figure 6

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

| TANF Families | 2019-20 | 2020-21 | Growth | 2021-22 | Growth | 2022-23 | Growth |
|---------------------------------|----------------|----------------|---------------|----------------|---------------|----------------|---------------|
| Office of the State Comptroller | 177,356 | 180,793 | 1.9% | 177,359 | -1.9% | 169,865 | -4.2% |
| Division of the Budget | 178,038 | 171,392 | -3.7% | 166,404 | -2.9% | 165,110 | -0.8% |
| Difference | (682) | 9,401 | | 10,955 | | 4,755 | |
| Safety Net Families | 2019-20 | 2020-21 | Growth | 2021-22 | Growth | 2022-23 | Growth |
| Office of the State Comptroller | 116,637 | 110,157 | -5.6% | 109,571 | -0.5% | 109,141 | -0.4% |
| Division of the Budget | 105,016 | 101,741 | -3.1% | 99,351 | -2.3% | 98,373 | -1.0% |
| Difference | 11,621 | 8,416 | | 10,220 | | 10,768 | |
| Safety Net Singles | 2019-20 | 2020-21 | Growth | 2021-22 | Growth | 2022-23 | Growth |
| Office of the State Comptroller | 181,758 | 204,276 | 12.4% | 201,016 | -1.6% | 191,217 | -4.9% |
| Division of the Budget | 191,424 | 196,052 | 2.4% | 201,179 | 2.6% | 206,590 | 2.7% |
| Difference | (9,666) | 8,224 | | (163) | | (15,373) | |
| Total Caseloads | 2019-20 | 2020-21 | Growth | 2021-22 | Growth | 2022-23 | Growth |
| Office of the State Comptroller | 475,751 | 495,226 | 4.1% | 487,946 | -1.5% | 470,223 | -3.6% |
| Division of the Budget | 474,478 | 469,185 | -1.1% | 466,934 | -0.5% | 470,073 | 0.7% |
| Difference | 1,273 | 26,041 | | 21,012 | | 150 | |

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

Note: SFY 2019-20 figures for Office of the State Comptroller represent actual caseloads based on OTDA data.

For SFY 2021-22, public assistance spending from All Funds is projected to decline by \$42 million, or 2.5 percent, to \$1.63 billion (including \$537 million from State Operating Funds), based on caseloads of 286,930 families and 201,016 single recipients.

For SFY 2022-23, All Funds spending for public assistance is estimated to total \$1.55 billion (including \$510 million from State Operating Funds), a decline of \$77 million or 4.7 percent from the previous year, based on caseloads of 279,006 families and 191,217 single recipients.

V. Risks

Midway through the fiscal year, the SFY 2020-21 Financial Plan remains subject to significant risks and uncertainties.

DOB has been able to mitigate potentially severe cash flow challenges resulting from the impacts of the COVID-19 crisis by using federal relief and stimulus funds for liquidity, as well as through considerable short-term borrowing and other actions. The State's General Fund balance was \$15.4 billion as of September 30. While that unusually high figure reflected \$4.5 billion in short-term borrowing proceeds that are expected to be repaid before the end of the fiscal year and more than \$2.6 billion in withheld payments, the General Fund balance remains strong by historical standards. Still, careful cash management and timely access to the municipal bond markets will be necessary for DOB to effectively manage cash flow issues throughout the rest of the year.

The Mid-Year Update assumes the issuance of a combined total of \$14.7 billion of State-supported debt during SFY 2020-21, more than triple the amount issued last year. This includes \$10.3 billion of State-supported bonds to finance the State's capital plan, along with \$4.4 billion of short-term notes and lines of credit to help address the State's cash flow challenges. The bond market's uncertain ability to absorb such levels of new debt issuances represents a risk to the budget.

Uncertainty regarding tax revenues and spending pressures poses risks to both cash flow and the State's ability to maintain budget balance for the fiscal year. As indicated earlier in this report, it is unclear whether the Executive will implement spending reductions that are assumed but not specified in the Mid-Year Update. In addition, a large portion of the savings tied to the gap-closing plan in the current year is back-loaded into the latter months of the fiscal year. Over two-thirds of the \$8 billion in gap-closing savings identified in the Financial Plan General Fund cash flow table are expected to come in the last two months of the State's Fiscal Year – 59 percent in March alone. At the same time, 74 percent of General Fund disbursements are projected to have been spent by that point. This leaves little flexibility to make adjustments if actual spending is greater and/or revenues are materially worse than projected. Despite the current level of General Fund balance discussed above, these conditions pose a risk that undesirable actions such as rolling cash-flow borrowing into SFY 2021-22, further significant delays in payments or other steps may be considered at the end of the fiscal year.

After school aid, the Medicaid program is the largest item of State Operating Funds expenditure in the Budget, accounting for \$24.2 billion or approximately 24 percent of such spending projected in SFY 2021-22. Financing for this large and complicated program has been under strain in recent years. The SFY 2020-21 Enacted Budget addressed a portion of the problem by enacting measures which, when coupled with administrative actions (including continuation and expansion of savings begun last year), are anticipated to generate about \$2.2 billion in State Medicaid savings. However, the timing of savings attributable to these actions is unclear.

Federal legislation that temporarily increased the federal medical assistance percentage (FMAP) matching rate for state Medicaid programs and subsequent guidance prohibit states receiving the funding from changing certain Medicaid eligibility standards, methodologies or procedures. It is unclear whether the Medicaid reductions identified in the 2020-21 Financial Plan as “to be determined” will be implemented in addition to the \$2.2 billion in Medicaid savings actions. The timing of both sets of actions is linked at least in part to the expiration of the temporary increase in FMAP funding, which ends on a final date that has not yet been determined by the federal Department of Health and Human Services. DOB’s current estimate of the temporary FMAP increase assumes that the federal government will terminate the relevant emergency period at the end of December 2020, and that there will be no loss of State savings associated with enacted Medicaid Redesign Team II actions. However, uncertainty remains as to when such actions may be implemented, heightening the risk that overall gap-closing targets may not be achieved.

Any cuts in Medicaid funding may exacerbate existing financial pressures on the State’s health care industry, already straining under the weight of the COVID-19 pandemic. Reductions in State funding would generally drive reductions in federal matching funding. Due to the countercyclical nature of the Medicaid program, enrollment and spending often rise as the economy weakens. Policy makers must be sensitive to the financial condition of hospitals, nursing homes and other providers that vulnerable populations and other people rely upon for their health care needs. The risks to health care providers are further intensified by the current COVID-19 pandemic, which may yet produce even more strain on the State’s health care institutions.

Even before the COVID-19 pandemic, the Medicaid program was subject to various financial risks, including reductions in the federal Medicaid disproportionate share hospital payments (now scheduled to take effect in December 2020) and the federal denials of State requests to extend and continue federal Medicaid waiver funding to improve health outcomes, control costs and achieve efficiencies in the State’s health care system.

Appendix - Financial Projections

Projections Based on Current Law, Including Enacted Spending Caps¹¹

Office of the State Comptroller Estimates for Receipts and Disbursements
All Funds - State Fiscal Year 2020-21
(in millions of dollars)

| | <u>Office of the State Comptroller</u> | <u>Division of the Budget</u> | <u>Difference</u> |
|-------------------------------------|--|-----------------------------------|-------------------|
| Receipts: | | | |
| Personal Income Tax | 51,508 | 49,046 | 2,462 |
| Consumer Taxes | 15,974 | 14,404 | 1,570 |
| Business Taxes | 8,752 | 8,945 | (193) |
| Other Taxes | 1,994 | 2,066 | (72) |
| <i>Total Taxes</i> | <u>78,228</u> | <u>74,461</u> | <u>3,767</u> |
| General Fund Miscellaneous Receipts | 6,896 | 6,896 | - |
| Lottery | 3,464 | 3,464 | - |
| Subtotal | 88,588 | 84,821 | 3,767 |
| Other Miscellaneous Receipts | 20,424 | 20,424 | - |
| Federal Grants | 83,058 | 83,058 | - |
| Total Receipts | <u>192,070</u> | <u>188,303</u> | <u>3,767</u> |
| Disbursements: | | | |
| Elementary and Secondary Education | 30,720 | 30,720 | - |
| DOH Medicaid (incl. administration) | 69,304 | 69,304 | - |
| Public Assistance | 1,671 | 1,551 | 120 |
| Subtotal | 101,695 | 101,575 | 120 |
| All Other Disbursements | 88,262 | 88,262 | - |
| Total Disbursements | <u>189,957</u> | <u>189,837</u> | <u>120</u> |

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

¹¹ The Division of the Budget does not reflect planned spending reductions in the estimates of individual agency and program spending levels, but instead as a bottom line adjustment to total spending. As such, reductions are included in the tables in the Appendix in the "All Other Disbursements" line.

Office of the State Comptroller Estimates for Receipts and Disbursements
All Funds - State Fiscal Year 2021-22
(in millions of dollars)

| | Office of the State Comptroller | Division of the Budget | Difference |
|-------------------------------------|--|-----------------------------------|-------------------|
| Receipts: | | | |
| Personal Income Tax | 50,776 | 47,975 | 2,801 |
| Consumer Taxes | 18,064 | 16,439 | 1,625 |
| Business Taxes | 8,531 | 8,874 | (343) |
| Other Taxes | 2,108 | 2,054 | 54 |
| <i>Total Taxes</i> | <u>79,479</u> | <u>75,342</u> | <u>4,137</u> |
| General Fund Miscellaneous Receipts | 1,753 | 1,753 | - |
| Lottery | 2,992 | 2,992 | - |
| Subtotal | 84,224 | 80,087 | 4,137 |
| Other Miscellaneous Receipts | 20,716 | 20,716 | - |
| Federal Grants | 70,567 | 70,567 | - |
| Total Receipts | <u>175,507</u> | <u>171,370</u> | <u>4,137</u> |
| Disbursements: | | | |
| Elementary and Secondary Education | 30,839 | 30,839 | - |
| DOH Medicaid (incl. administration) | 70,897 | 70,897 | - |
| Public Assistance | 1,629 | 1,527 | 102 |
| Subtotal | 103,365 | 103,263 | 102 |
| All Other Disbursements | 78,115 | 78,115 | - |
| Total Disbursements | <u>181,480</u> | <u>181,378</u> | <u>102</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 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 | 53,099 | 50,732 | 2,367 |
| Consumer Taxes | 18,816 | 17,090 | 1,726 |
| Business Taxes | 8,701 | 9,403 | (702) |
| Other Taxes | <u>2,257</u> | <u>2,161</u> | <u>96</u> |
| <i>Total Taxes</i> | <i>82,874</i> | <i>79,386</i> | <i>3,488</i> |
| General Fund Miscellaneous Receipts | 1,776 | 1,776 | - |
| Lottery | <u>3,080</u> | <u>3,080</u> | <u>-</u> |
| Subtotal | 87,730 | 84,242 | 3,488 |
| Other Miscellaneous Receipts | 19,304 | 19,304 | - |
| Federal Grants | <u>69,991</u> | <u>69,991</u> | <u>-</u> |
| Total Receipts | <u>177,025</u> | <u>173,537</u> | <u>3,488</u> |
| Disbursements: | | | |
| Elementary and Secondary Education | 31,504 | 31,504 | - |
| DOH Medicaid (incl. administration) | 71,803 | 71,803 | - |
| Public Assistance | <u>1,552</u> | <u>1,529</u> | <u>23</u> |
| Subtotal | 104,858 | 104,836 | 23 |
| All Other Disbursements | <u>78,247</u> | <u>78,247</u> | <u>-</u> |
| Total Disbursements | <u>183,106</u> | <u>183,083</u> | <u>23</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 2020-21

(in millions of dollars)

| | <u>Office of the State Comptroller</u> | <u>Division of the Budget</u> | <u>Difference</u> |
|-------------------------------------|--|-----------------------------------|-------------------|
| Receipts: | | | |
| Personal Income Tax | 51,508 | 49,046 | 2,462 |
| Consumer Taxes | 15,443 | 13,879 | 1,564 |
| Business Taxes | 8,189 | 8,368 | (179) |
| Other Taxes | 1,875 | 1,947 | (72) |
| <i>Total Taxes</i> | <u>77,015</u> | <u>73,240</u> | <u>3,775</u> |
| General Fund Miscellaneous Receipts | 6,896 | 6,896 | - |
| Lottery | 3,464 | 3,464 | - |
| Subtotal | 87,375 | 83,600 | 3,775 |
| Other Miscellaneous Receipts | 12,069 | 12,069 | - |
| Federal Grants | 51 | 51 | - |
| Total Receipts | <u>99,495</u> | <u>95,720</u> | <u>3,775</u> |
| Disbursements: | | | |
| Elementary and Secondary Education | 26,766 | 26,766 | - |
| DOH Medicaid (incl. administration) | 20,183 | 20,183 | - |
| Public Assistance | 549 | 516 | 34 |
| Subtotal | 47,499 | 47,466 | 34 |
| All Other Disbursements | 50,442 | 50,442 | - |
| Total Disbursements | <u>97,942</u> | <u>97,908</u> | <u>34</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 2021-22
(in millions of dollars)

| | Office of the State Comptroller | Division of the Budget | Difference |
|-------------------------------------|--|-----------------------------------|-------------------|
| Receipts: | | | |
| Personal Income Tax | 50,776 | 47,975 | 2,801 |
| Consumer Taxes | 17,479 | 15,838 | 1,641 |
| Business Taxes | 7,906 | 8,249 | (343) |
| Other Taxes | 1,989 | 1,935 | 54 |
| <i>Total Taxes</i> | <u>78,149</u> | <u>73,997</u> | <u>4,152</u> |
| General Fund Miscellaneous Receipts | 1,753 | 1,753 | - |
| Lottery | 2,992 | 2,992 | - |
| Subtotal | 82,894 | 78,742 | 4,152 |
| Other Miscellaneous Receipts | 13,049 | 13,049 | - |
| Federal Grants | 52 | 52 | - |
| Total Receipts | <u>95,995</u> | <u>91,843</u> | <u>4,152</u> |
| Disbursements: | | | |
| Elementary and Secondary Education | 27,313 | 27,313 | - |
| DOH Medicaid (incl. administration) | 24,151 | 24,151 | - |
| Public Assistance | 537 | 523 | 14 |
| Subtotal | 52,001 | 51,987 | 14 |
| All Other Disbursements | 49,509 | 49,509 | - |
| Total Disbursements | <u>101,510</u> | <u>101,496</u> | <u>14</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)

| | Office of the State Comptroller | Division of the Budget | Difference |
|-------------------------------------|--|-----------------------------------|-------------------|
| Receipts: | | | |
| Personal Income Tax | 53,099 | 50,732 | 2,367 |
| Consumer Taxes | 18,224 | 16,483 | 1,741 |
| Business Taxes | 8,068 | 8,782 | (714) |
| Other Taxes | 2,138 | 2,042 | 96 |
| <i>Total Taxes</i> | <u>81,530</u> | <u>78,039</u> | <u>3,491</u> |
| General Fund Miscellaneous Receipts | 1,776 | 1,776 | - |
| Lottery | 3,080 | 3,080 | - |
| Subtotal | 86,386 | 82,895 | 3,491 |
| Other Miscellaneous Receipts | 12,404 | 12,404 | - |
| Federal Grants | 51 | 51 | - |
| Total Receipts | <u>98,841</u> | <u>95,350</u> | <u>3,491</u> |
| Disbursements: | | | |
| Elementary and Secondary Education | 28,338 | 28,338 | - |
| DOH Medicaid (incl. administration) | 25,213 | 25,213 | - |
| Public Assistance | 510 | 532 | (22) |
| Subtotal | 54,061 | 54,083 | (22) |
| All Other Disbursements | 50,852 | 50,852 | - |
| Total Disbursements | <u>104,913</u> | <u>104,935</u> | <u>(22)</u> |

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

Note: Figures may not total due to rounding.

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