

# STATE OF NEW YORK



## FINANCIAL CONDITION REPORT

For Fiscal Year Ended  
March 31, 2013

**Thomas P. DiNapoli, State Comptroller**

# STATE OF NEW YORK



## FINANCIAL CONDITION REPORT

**For Fiscal Year Ended  
March 31, 2013**

### MESSAGE FROM THE COMPTROLLER

I am pleased to present the State of New York's Financial Condition Report for the fiscal year ended March 31, 2013.

New York State has had a long history of structural budgetary imbalance and multibillion dollar out-year deficits. However, progress toward long-term budget balance has been made over the last three years. The State has also made efforts to control costs in areas that have historically dominated spending growth. Recent agreements with Native American tribes ended numerous disputes and restored funding for the State and local governments from Native American casinos.

The damage caused by Superstorm Sandy and changes in how the federal government reimburses the State for the care of individuals with developmental disabilities have created new and unprecedented fiscal challenges. While the State Fiscal Year (SFY) 2013-14 Enacted Budget reflects many difficult decisions needed to address these issues and continue the progress of the recent past, it depends on nearly \$5 billion in non-recurring resources to sustain recurring expenses, representing 8 percent of General Fund spending. Although the Division of the Budget currently projects the Financial Plan to remain balanced in the current year, as these non-recurring resources phase out, the State's remaining structural imbalance reappears.

It is important that New Yorkers understand how the significant changes enacted over the last few years will affect our future, and

recognize the issues that lie ahead. This report is intended to promote an informed dialogue by illustrating key trends in our economy as well as in our State and local budgets.

Despite the progress made in reducing the State's structural deficit, the State currently faces projected budget gaps of \$1.7 billion in SFY 2014-15 and \$2.9 billion in SFY 2015-16 and 2016-17. While these gaps are not trivial, they are also significantly smaller than projections from just a few short years ago.

A truly sustainable fiscal course will become more attainable if the State implements comprehensive reform of our budgetary and debt practices, as I have recommended repeatedly. I encourage every citizen to learn more about the fiscal, economic and social challenges facing New York and to participate fully in the public debate on these vitally important issues.

Fortunately, it remains the case that New York has tremendous economic and social assets. These include: an industrious, well-educated workforce; innovative businesses, including a world-class financial sector; a broad and strong network of human service organizations; exceptional facilities for education and culture; and a well-developed infrastructure. The more effectively we face the challenges mentioned above, the better we will position the Empire State to build on its great assets for a stronger future.



**Thomas P. DiNapoli,  
State Comptroller**

**This report and the Comprehensive Annual Financial Report may also be obtained from the Office of the State Comptroller's website at [www.osc.state.ny.us](http://www.osc.state.ny.us).**

**This report, or any portion thereof, may be reproduced without permission.**

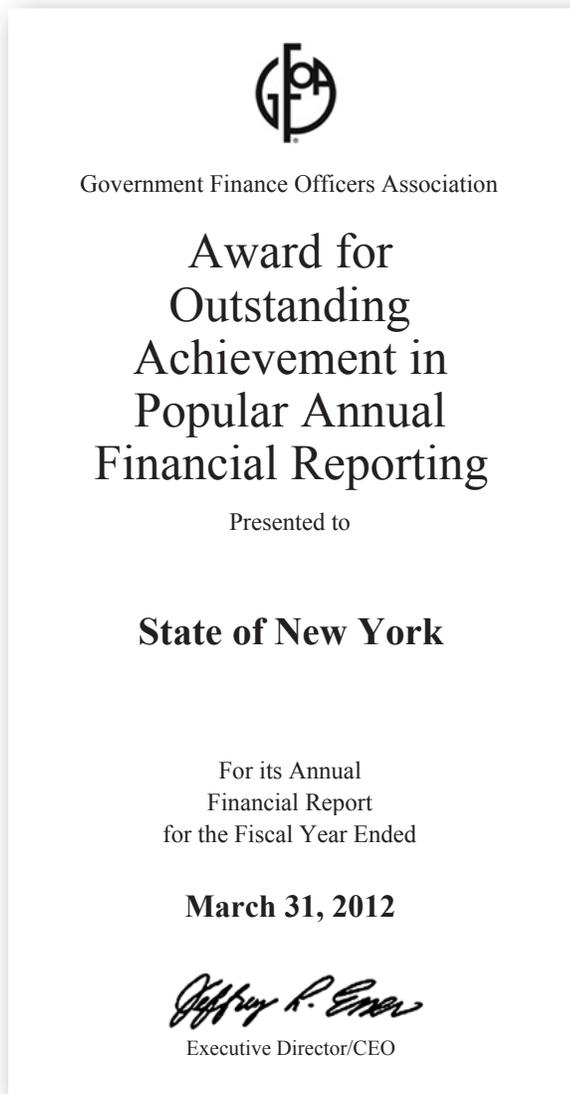
# COMPTROLLER'S 2013 REPORT ON THE FINANCIAL CONDITION OF NEW YORK STATE

This report provides citizens with an overview of the financial condition of New York State. It presents selected financial, economic, and demographic information in an easy-to-understand format.

It also presents basic information on trends in State receipts (revenues) and spending (disbursements), the State's financial position as measured by Generally Accepted Accounting Principles (GAAP), and selected economic and demographic trends affecting the State. This report fills an information need not met by the traditional, more detailed financial reports issued by the Comptroller's Office, and is meant to complement these other reports, not replace them. Detailed accounting data can be found in reports such as the Comprehensive Annual Financial Report.

Financial condition is a broad concept aimed at assessing the ability of a government to meet current and future financial and service obligations. This report examines the State's ability to deliver acceptable levels of services at acceptable levels of taxation, while achieving budget balance and making required debt service payments and pension contributions.

The Office of the State Comptroller was honored this past year when it received the Award for Outstanding Achievement in Popular Annual Financial Reporting from the Government Finance Officers Association for the 2012 Financial Condition Report.



## CONTENTS

<i>Government-Wide Financial Data . . . . .</i>	<i>2-3</i>	<i>New York's Public Authorities . . . . .</i>	<i>15</i>
<i>Fund Financial Data . . . . .</i>	<i>4</i>	<i>Local Government . . . . .</i>	<i>16-17</i>
<i>Total Receipts . . . . .</i>	<i>5</i>	<i>Debt . . . . .</i>	<i>18-19</i>
<i>Total Spending . . . . .</i>	<i>6</i>	<i>Economic and Demographic Trends . . . . .</i>	<i>20-21</i>
<i>Capital . . . . .</i>	<i>7</i>	<i>Taxes: Where New York Stands . . . . .</i>	<i>22-23</i>
<i>Public Health . . . . .</i>	<i>8</i>	<i>Implications for the Future . . . . .</i>	<i>24-25</i>
<i>Public Welfare . . . . .</i>	<i>9</i>	<i>Appendix 1: State Funds Spending by Major Service Function . . . . .</i>	<i>26</i>
<i>Public Safety . . . . .</i>	<i>10</i>	<i>Appendix 2: Federal Funds Spending by Major Service Function . . . . .</i>	<i>27</i>
<i>Environment . . . . .</i>	<i>11</i>	<i>Appendix 3: State Receipts by Major Source . . . . .</i>	<i>28</i>
<i>Elementary and Secondary Education . . . . .</i>	<i>12</i>	<i>Data Sources . . . . .</i>	<i>29</i>
<i>Higher Education . . . . .</i>	<i>13</i>		
<i>Transportation . . . . .</i>	<i>14</i>		

## GOVERNMENT-WIDE FINANCIAL DATA

New York State's government-wide financial statements include a Statement of Net Position and a Statement of Activities, both of which distinguish between the State's governmental and business-type activities. (Component Unit data not shown.)

### GOVERNMENTAL ACTIVITIES

Most of the State's basic services are reported here, including education, public health, public welfare, public safety, transportation, environment and recreation, support and regulation of business, general government, and interest on long-term debt. Federal grants, personal income taxes, consumption and use taxes, business and other taxes, lottery revenues, and bond proceeds finance most of these activities.

### BUSINESS-TYPE ACTIVITIES

Revenues are received by the State from its customers to help it cover all or part of the cost of certain services it provides. The State's Lottery Fund, Unemployment Insurance Benefit Fund, the State University of New York (SUNY) and the City University of New York – Senior Colleges (CUNY) are reported here.

### Condensed Statement of Activities — Primary Government For the year ended March 31, 2013 (amounts in millions)

Functions/Programs	Expenses	Program Revenues	Net (Expenses) Revenues
<b>Governmental activities:</b>			
Education	\$31,125	\$3,709	(\$27,416)
Public health	55,042	34,972	(20,070)
Public welfare	15,931	12,689	(3,242)
Public safety	8,264	2,211	(6,053)
Transportation	8,928	3,248	(5,680)
Environment and recreation	1,376	608	(768)
Support and regulate business	1,423	1,882	459
General government	7,394	3,876	(3,518)
Interest on debt	1,823	43	(1,780)
<b>Total governmental activities</b>	<b>131,306</b>	<b>63,238</b>	<b>(68,068)</b>
<b>Business-type activities:</b>			
Lottery	5,914	8,934	3,020
Unemployment insurance	6,718	6,474	(244)
State University of New York	9,940	5,952	(3,988)
City University of New York	3,022	1,503	(1,519)
<b>Total business-type activities</b>	<b>25,594</b>	<b>22,863</b>	<b>(2,731)</b>
<b>Total primary government</b>	<b>\$156,900</b>	<b>\$86,101</b>	<b>(70,799)</b>
<b>General revenues and net transfers:</b>			
Taxes			67,931
Other			2,907
Net transfers			(365)
<b>Total general revenues and net transfers</b>			<b>70,473</b>
<b>Change in Net Position</b>			<b>(326)</b>

### Condensed Statement of Net Position — Primary Government

As of March 31, 2013 (amounts in millions)

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and investments	\$9,319	\$6,857	\$16,176
Receivables, net	23,045	4,084	27,129
Internal balances	(129)	867	738
Other assets	719	301	1,020
Capital assets	84,822	13,087	97,909
<b>Total Assets</b>	<b>117,776</b>	<b>25,196</b>	<b>142,972</b>
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources from derivative activities	153	103	256
<b>Total Deferred Outflows of Resources</b>	<b>153</b>	<b>103</b>	<b>256</b>
<b>Liabilities</b>			
Tax refunds payable	9,430	—	9,430
Payable to local governments	6,322	—	6,322
Accrued liabilities and accounts payable	7,491	2,375	9,866
Other liabilities due within one year	5,443	4,435	9,878
Liabilities due in more than one year	62,972	19,411	82,383
<b>Total Liabilities</b>	<b>91,658</b>	<b>26,221</b>	<b>117,879</b>
<b>Net Position</b>			
Net investment in capital assets	67,162	1,390	68,552
Restricted for debt service and other purposes	3,489	1,222	4,711
Unrestricted deficits	(44,380)	(3,534)	(47,914)
<b>Total Net Position</b>	<b>\$26,271</b>	<b>(\$922)</b>	<b>\$25,349</b>

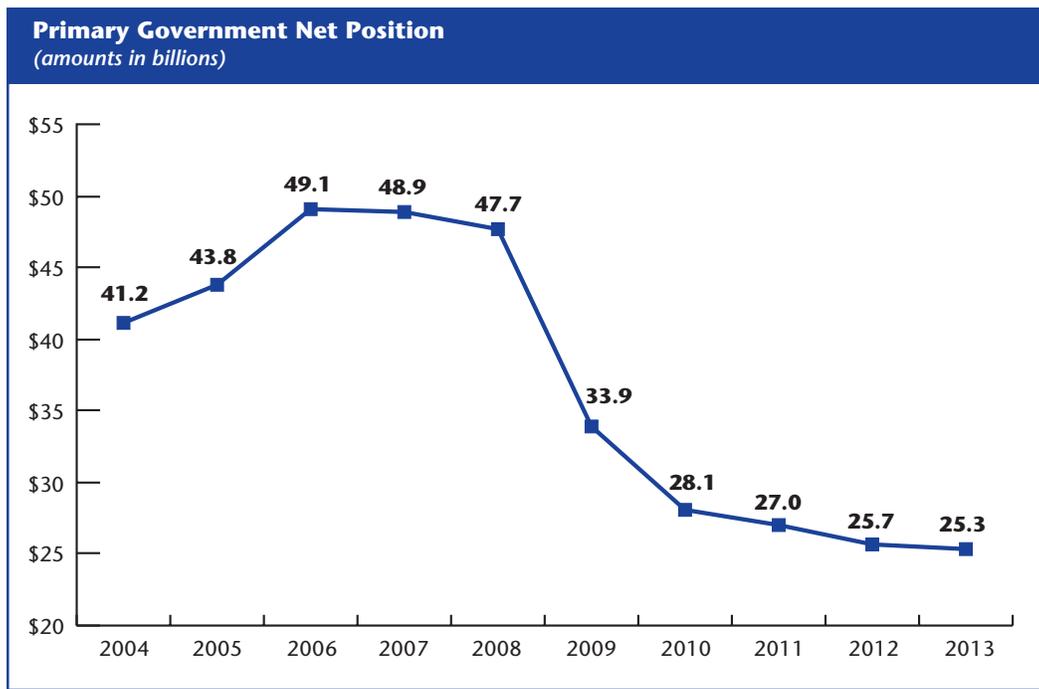
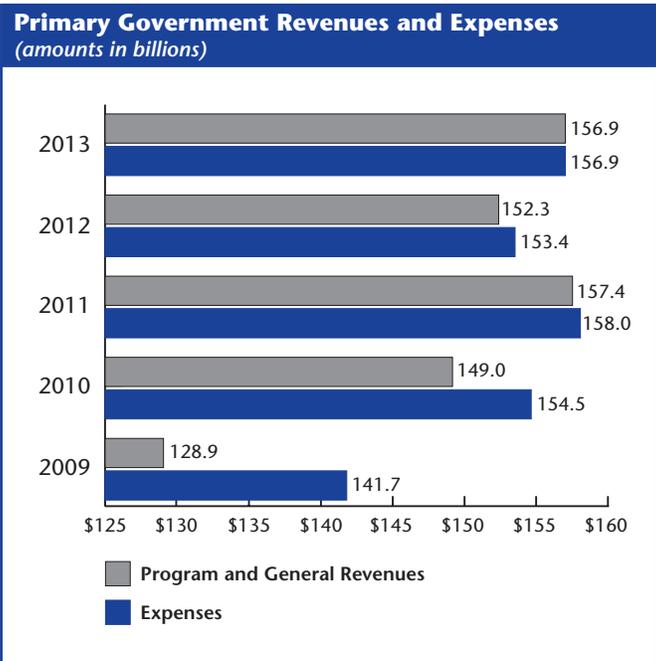
### GOVERNMENT-WIDE FINANCIAL STATEMENTS

The full accrual method of accounting, which is also used by many businesses, recognizes revenues and expenses when the earning process is complete, regardless of when cash is received or disbursed. This results in a long-term perspective on finances.

The Statement of Net Position reports the State's total assets, deferred outflows of resources (the consumption of net assets applicable to a future reporting period) and liabilities. This Statement reports the difference between assets and deferred outflows of resources, and liabilities in three categories: Net Investment in Capital Assets, Restricted Net Position and Unrestricted Net Position.

The Statement of Activities reports the expenses of each of the State’s programs, reduced by the revenues generated by those programs, to arrive at net program expense. The net program expense is then reduced by general revenues (internally dedicated resources, taxes and other items not included as program revenues) and other gains and losses to arrive at the change in net position for the year.

*For prior years’ comparative government-wide data, please see the Statistical Section of the Comprehensive Annual Financial Report (CAFR) (Net Position by Component, Changes in Net Position, and Program Revenues by Function schedules). For an overview of the reasons for changes in revenues and expenses, please see the Management’s Discussion and Analysis in the CAFR.*



## FUND FINANCIAL DATA

The State also prepares fund financial statements. Funds represent sources of funding and spending for particular purposes. The General Fund is used to report sources of funds and expenditures that are not required to be accounted for in another separate fund. In New York, significant sources of funds that normally would be reported in the General Fund have been pledged or dedicated to other funds for repayment of debt or project funding and are therefore reported in other governmental funds.

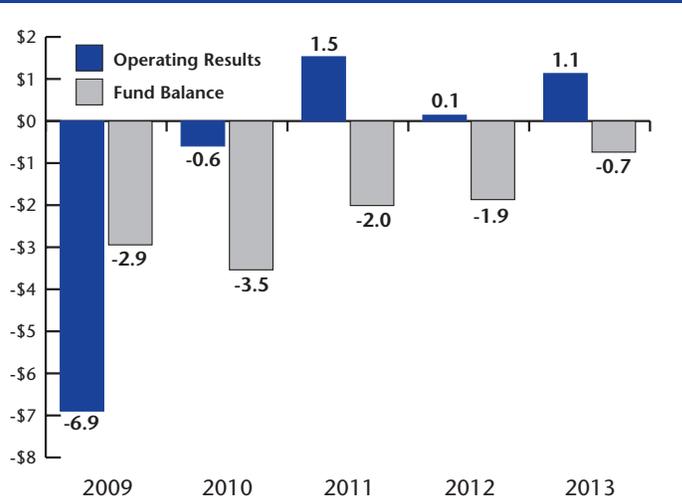
Fund financial statements provide a short-term view of government finances. Thus, payment of fund expenditures from proceeds of long-term borrowing will not have any impact on the fund balance, because the liability to repay the borrowing is not reported in the fund.

The relationship between fund operating results and accumulated fund balance (or deficit) is graphically depicted at right. Operating results are the net change in fund balance in a reporting period; the amount by which the accumulated fund balance increased or decreased during the reporting period.

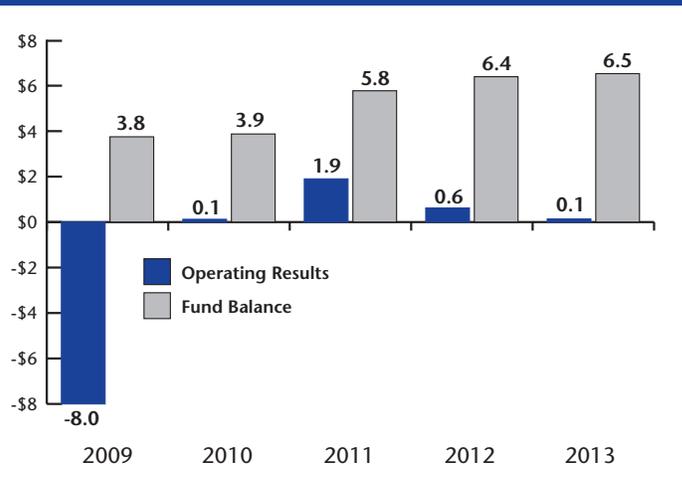
- As of the year ended March 31, 2013, the State’s governmental funds reported a combined operating surplus of \$136 million, increasing the combined fund balance from \$6.4 billion at April 1, 2012 to \$6.5 billion at March 31, 2013.
- The combined governmental funds operating surplus included a \$1.1 billion surplus in the General Fund. While General Fund expenditures exceeded revenues, the surplus occurred as a result of transfers to the General Fund from other funds. The General Fund accumulated fund deficit decreased from \$1.9 billion at April 1, 2012 to \$739 million at March 31, 2013.

***For more detail, please see the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) in the Comprehensive Annual Financial Report.***

**General Fund Operating Results versus Accumulated Surplus (Deficit)**  
(amounts in billions)



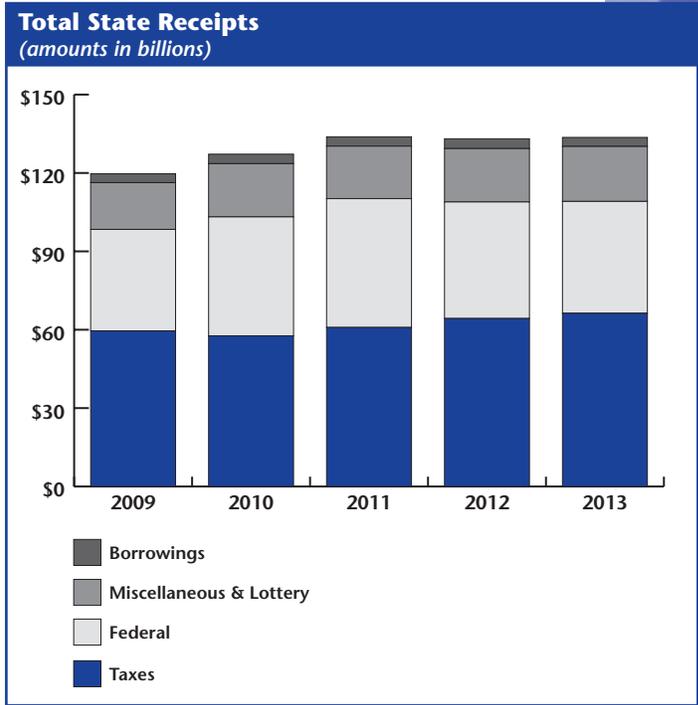
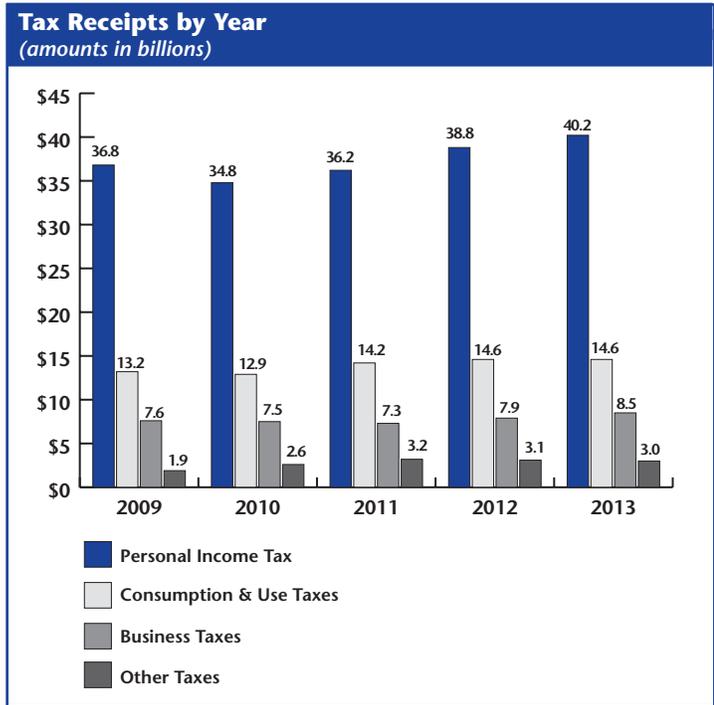
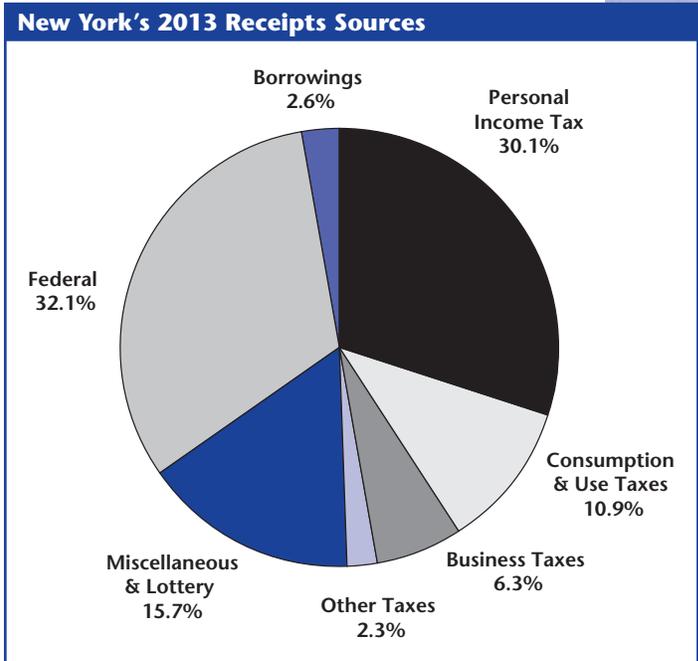
**Governmental Funds Operating Results versus Accumulated Surplus**  
(amounts in billions)



## TOTAL RECEIPTS

Revenues are affected by economic changes and changes in federal and State policies. Tax base is a measure of the State's ability to generate revenue. A decreasing tax base may force spending reductions and/or increased taxes. Receipts are revenues that have been recorded on a cash basis. Appendix 3 contains State receipts by major source for the past five fiscal years.

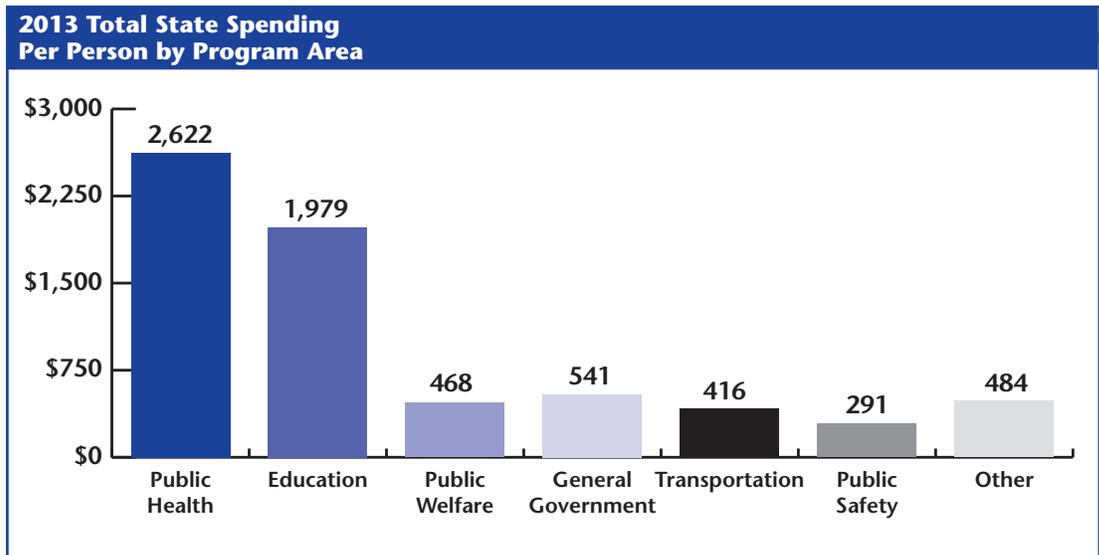
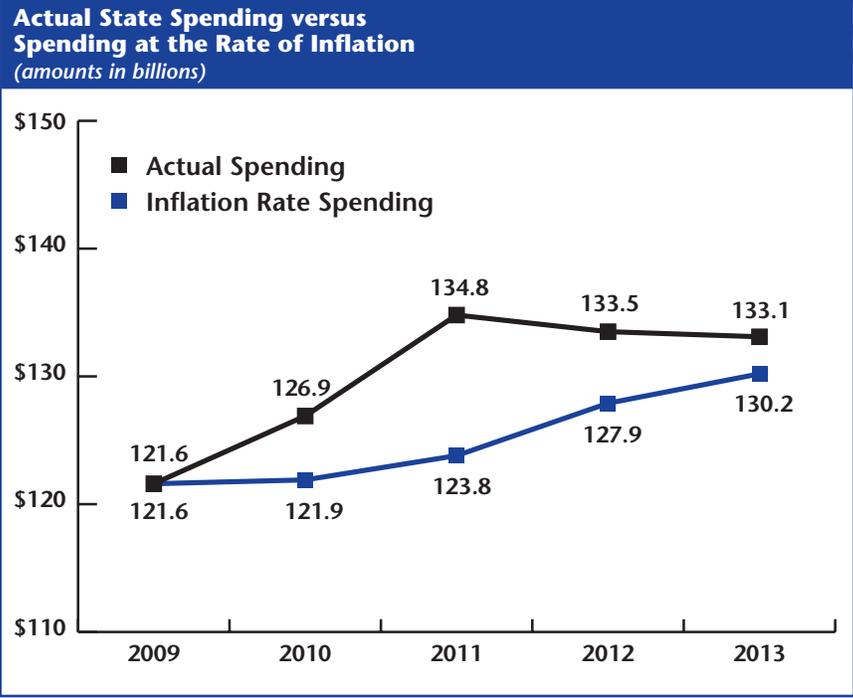
- Receipts have increased \$13.9 billion (11.6 percent) since 2009.
- In 2013, total tax receipts of \$66.3 billion represented an 11.3 percent increase over 2009 tax receipts.
- Receipts from the federal government increased 10.3 percent since 2009. Medicaid was responsible for the largest increase in federal cash receipts. During fiscal years 2009 through 2013, the State received additional federal funding under the American Recovery and Reinvestment Act (ARRA).
- Personal income tax and consumer (consumption and use) taxes accounted for 41.0 percent of 2013 receipts, and have increased 9.5 percent since 2009.
- During fiscal year 2013, the State experienced a 3.8 percent increase in personal income tax receipts – its largest tax revenue source.



## TOTAL SPENDING

Spending data can be used to evaluate the State’s program priorities and, when compared to revenue data, can be used to measure the State’s ability to support continuing programs. Appendices 1 and 2 show State spending on a cash basis by major program and funding source for the past five fiscal years.

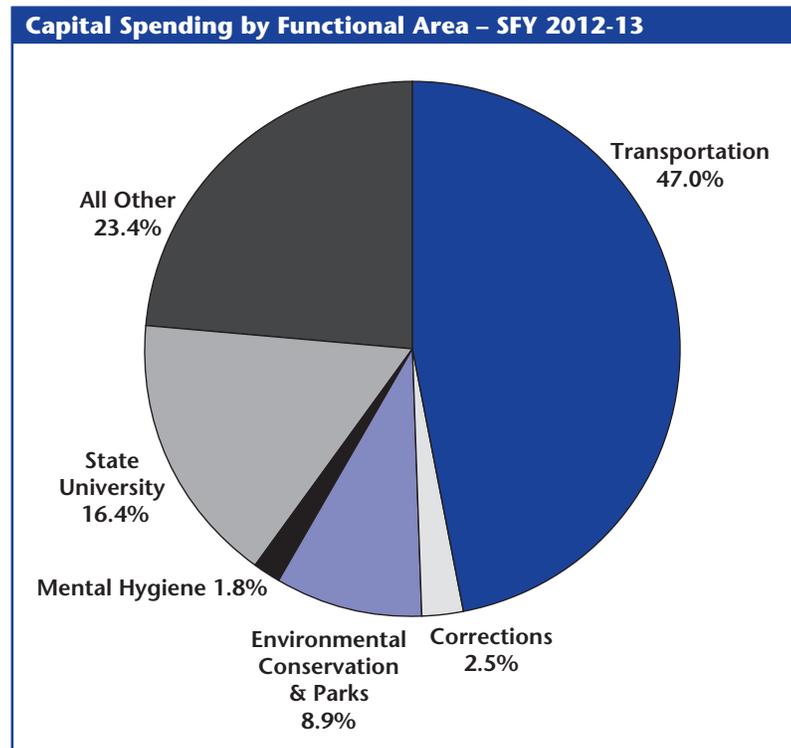
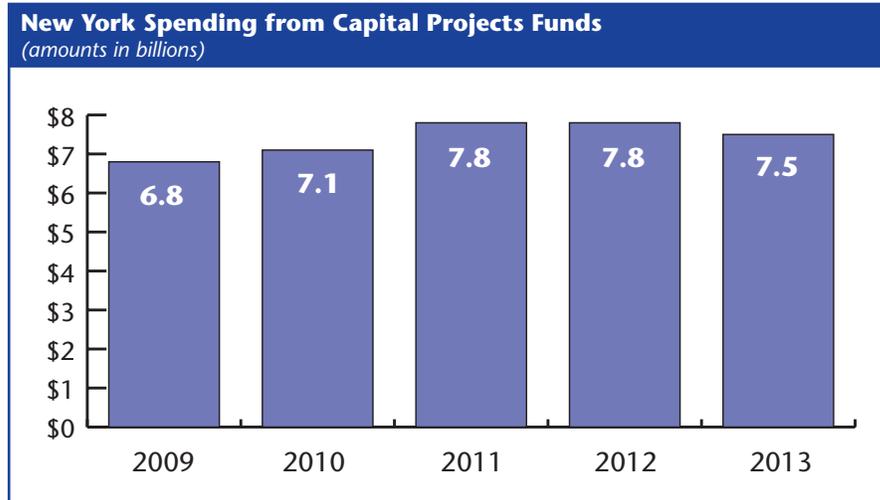
- State spending, including spending from federal funds, totaled \$133.1 billion in 2013, a decrease of \$407 million (0.3 percent) from the prior year.
- Since 2009, growth in State spending (9.5 percent) has outpaced inflation (Consumer Price Index of 7.1 percent).
- State spending has been partially paid for by borrowing \$17.8 billion since 2009, including \$3.5 billion in 2013.
- New York’s spending in 2013 was \$6,801 per person.
- Public health and education spending represents 67.7 percent of total State spending.



**CAPITAL**

The deterioration of capital assets can have a direct impact on the State’s economy and its ability to attract and retain business. Capital assets include not only highways and bridges, but also education, government, health and recreation facilities.

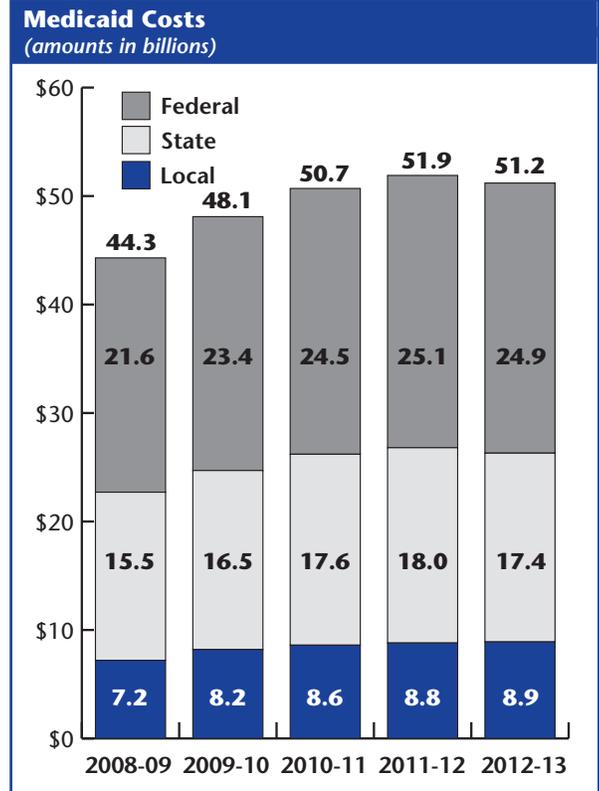
- Overall, capital spending in 2013 was \$709 million (10.4 percent) higher than in 2009. The largest increases occurred in State University and Environmental Conservation and Parks capital spending.
- In 1994, the pay-as-you-go share of non-federal capital financing was 51 percent. Since then, pay-as-you-go financing has averaged 39 percent.
- In the current Capital Program and Financing Plan, spending is projected to average \$9.2 billion per year through 2017-18. At the same time, the share of non-federal capital spending financed on a pay-as-you-go basis is projected to average 31 percent over the five-year period.
- As of March 31, 2013, the State reported \$97.9 billion in capital assets, an increase of \$2.5 billion or 2.6 percent from the prior year. Capital assets include buildings and building improvements, construction in progress, equipment, land, land improvements, land preparation, intangible assets and infrastructure, such as roads and bridges.



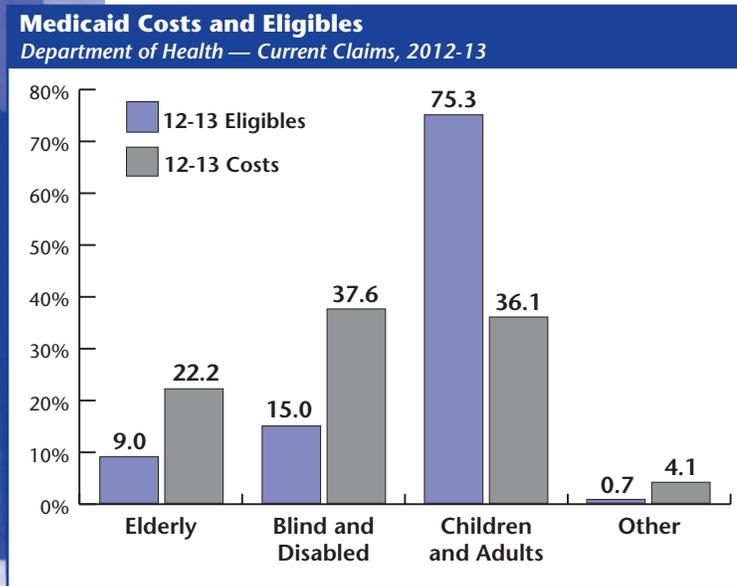
**PUBLIC HEALTH**

■ Combined local, State and federal spending for New York Medicaid claims decreased by \$756.6 million, or 1.5 percent, to \$51.2 billion, while the average monthly number of eligible recipients grew by 221,898, or 4.5 percent, to nearly 5.2 million in SFY 2012-13.<sup>1</sup> The spending decrease is the first since SFY 2006-07, while the growth in eligible recipients is larger than last year's increase, as well as the average annual increase over the past five years. The last time the State experienced a decrease in the number of eligible Medicaid recipients was SFY 2007-08. The State has been able to reduce spending and accommodate much of the growth in eligible recipients by enrolling such recipients in managed care plans. Managed care enrollment increased by 360,415, or 10.8 percent, to 3,712,622 average monthly beneficiaries in SFY 2012-13.

■ Children accounted for the largest portion of the average monthly increase in eligible recipients, growing by 106,964, or 5.9 percent, to 1,918,348. The number of adults with Medicaid coverage, including those on Family Health Plus, increased by 82,453, or 4.4 percent, to 1,972,057. The number of elderly eligible recipients increased by 19,256, or 4.3 percent, to 462,684, while the number of blind and disabled recipients increased by 14,408, or 1.9 percent, to 770,244. The number of other eligible recipients, including immigrants, decreased by 1,184, or 3.1 percent, to 37,231.



■ While children and adults continue to comprise three-quarters of all average monthly eligible recipients, they account for 36.1 percent of overall Department of Health (DOH) Medicaid costs. Elderly, blind and disabled recipients make up about a quarter of eligible recipients, but account for 59.8 percent of Medicaid costs.



■ Family Health Plus, the program implemented in SFY 2001-02 for adults without health insurance, but with income or resources too high to qualify for regular Medicaid, saw a 4.0 percent increase in average monthly eligible recipients in SFY 2012-13 and a 3.4 percent increase in costs. The average monthly number of eligible recipients increased by nearly 17,344, to 455,441, while year-to-year costs increased by \$56.5 million, to over \$1.7 billion, in SFY 2012-13.



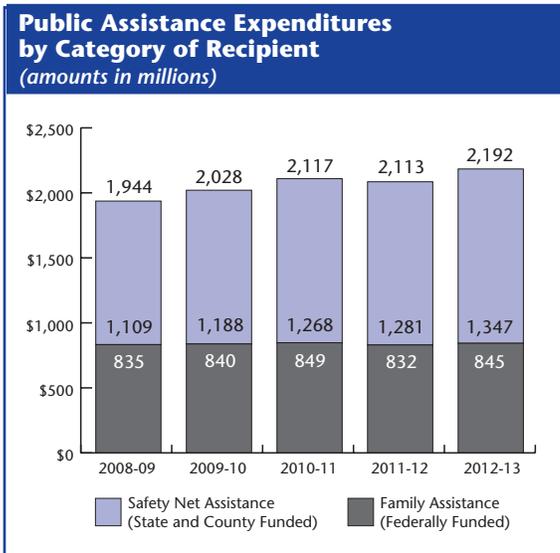
<sup>(1)</sup> Unreconciled paid claims from the Department of Health

**PUBLIC WELFARE**

■ The number of public assistance recipients in New York increased for the fourth straight year in SFY 2012-13 (although more slowly than before), largely due to higher Safety Net Assistance (SNA) enrollment among New York City adults. After declining in SFY 2011-12, public assistance spending also increased last year, largely due to higher SNA expenditures among New York City adults. Statewide, the number of SNA recipients and expenditures grew in SFY 2012-13, reflecting the increases in New York City. While the State reported fewer Family Assistance (FA) recipients last year, expenditures increased because of higher FA spending in New York City. Outside New York City, the numbers of SNA and FA recipients, as well as associated spending, were slightly higher in SFY 2012-13.

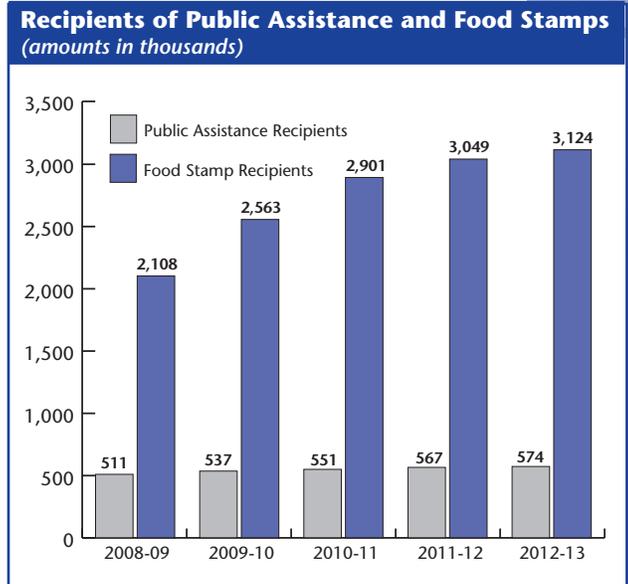
■ The average monthly number of public assistance recipients grew by 7,393, or 1.3 percent, to 574,308 in SFY 2012-13, which is about half the increase in each of the two previous fiscal years and a quarter of the increase in SFY 2009-10. This trend reflects the slow recovery from the worst economic downturn since the Great Depression. The number of recipients in New York City increased by 4,864, or 1.4 percent, to 350,961 in SFY 2012-13; the number of recipients in the rest of the State increased by 2,530, or 1.1 percent, to 223,347 in SFY 2012-13.

■ Statewide public assistance expenditures increased by \$78.7 million, or 3.7 percent, to \$2.2 billion in SFY 2012-13, after decreasing by \$4.3 million, or 0.2 percent, in SFY 2011-12. Public assistance spending in New York City increased by \$76.5 million, or 6.0 percent, to \$1.35 billion in SFY 2012-13, while spending in the rest of the State increased by \$2.3 million, or 0.3 percent, to \$838.0 million in SFY 2012-13. SNA expenditures, which accounted for 61.5 percent of total public assistance spending, increased by \$66.2 million, or 5.2 percent, to \$1.35 billion in SFY 2012-13; in New York City, SNA expenditures increased by \$64.1 million, or 7.6 percent, to \$906.7 million. FA expenditures increased by \$12.5 million, or 1.5 percent, to \$845.0 million last year; in New York City, FA expenditures increased by \$12.4 million, or 2.9 percent, to \$447.1 million in SFY 2012-13.

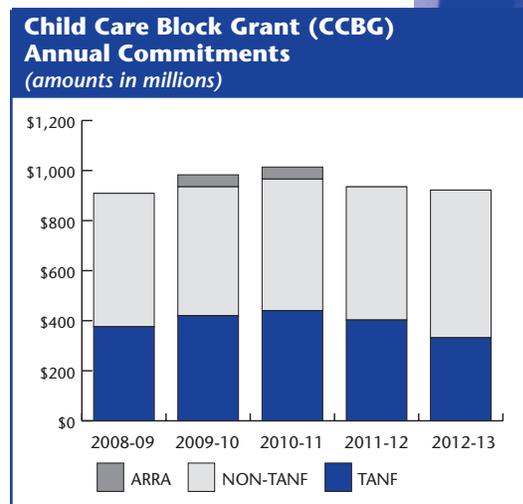


three previous State fiscal years. Food stamp expenditures in New York City increased by \$71.4 million, or 2.1 percent, to \$3.5 billion in SFY 2012-13, and \$90.7 million, or 4.5 percent, to \$2.1 billion in the rest of the State. Average monthly recipients increased by 24,339, or 1.3 percent, to 1.85 million in New York City, and by 50,637, or 4.1 percent, to 1.28 million in areas outside of New York City.

■ Child Care Block Grant subsidies for low-income families transitioning from public assistance, financed by a combination of federal, State and local sources, decreased by \$13 million, or 1.4 percent, to \$922 million in SFY 2012-13. This decrease largely reflects the discontinuation of General Fund grants to increase the quality of certain child care providers and a legislative add to increase working families' access to child care subsidies. Additional General Fund spending of \$71 million offsets a corresponding decrease in federal Temporary Assistance for Needy Families (TANF) child care subsidies. This decrease reflects competing demands for TANF block grant funding, including an increase in public assistance caseloads.

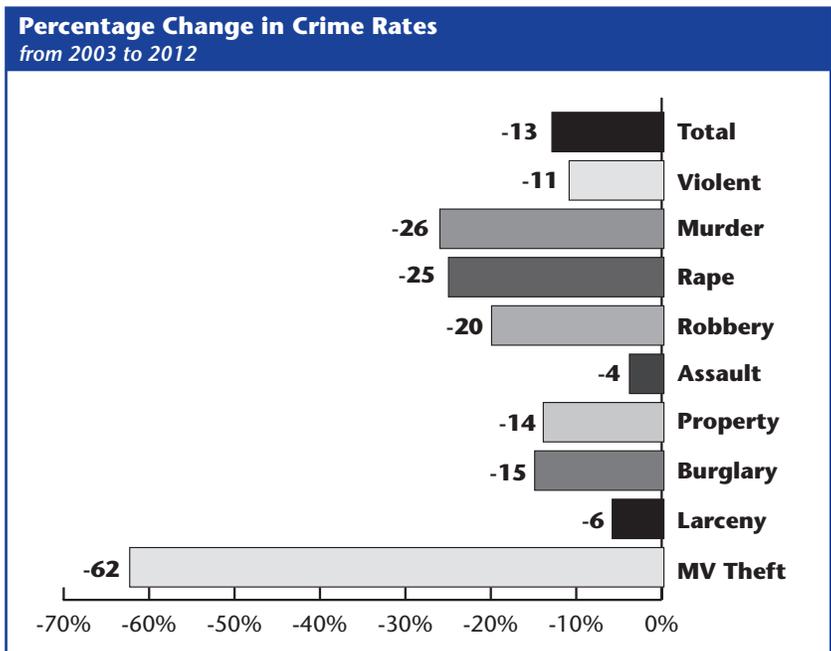
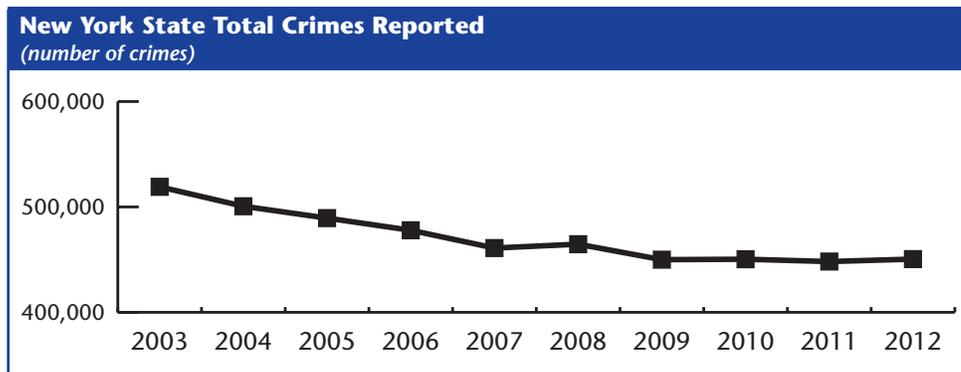
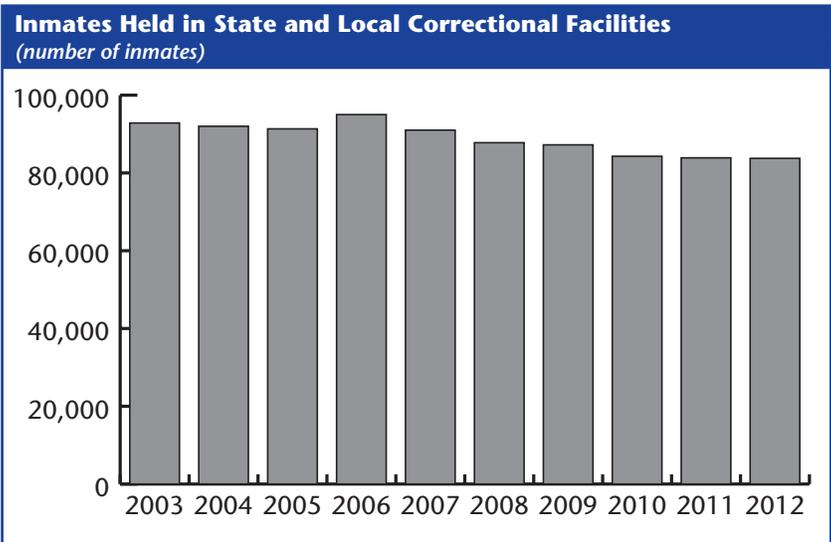


■ For the second consecutive year, the State's Food Stamp Program, funded by the federal government, experienced slower growth in recipients and expenditures than was seen during and immediately after the last recession. Average monthly recipients increased by 74,976, or 2.5 percent, to 3.1 million individuals in SFY 2012-13. Expenditures grew by \$162.1 million, or 3.0 percent, to \$5.6 billion last year. Until SFY 2011-12, the Food Stamp Program had recorded double-digit growth in recipients and expenditures in each of the



## PUBLIC SAFETY

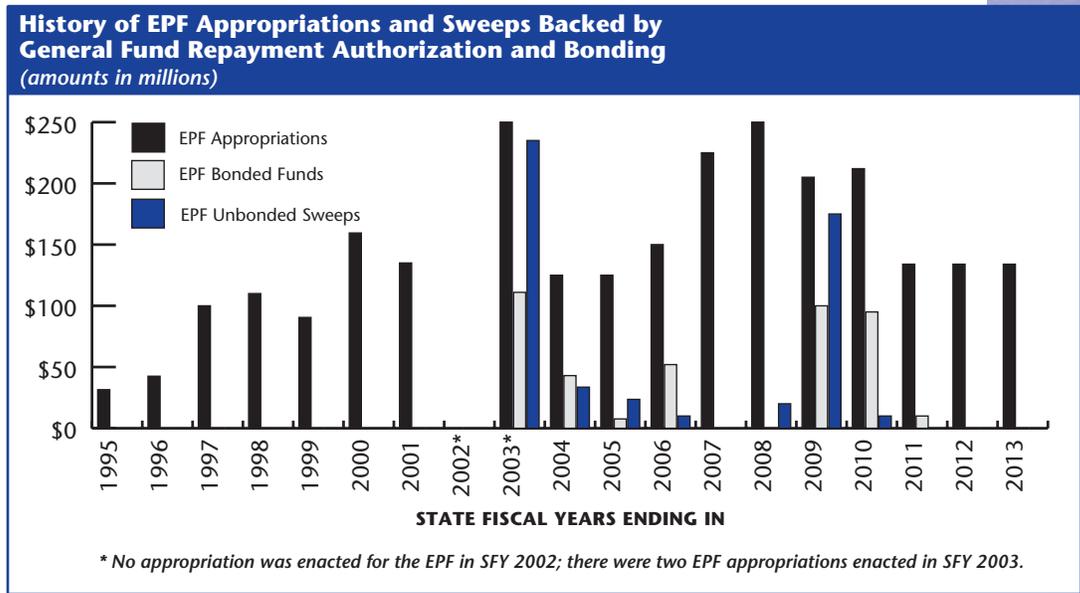
- A total of 83,755 inmates were held in 136 State and local correctional facilities at the end of 2012 (including 59 State correctional facilities, 61 county jail facilities, and 16 New York City correctional facilities).
- Overall, there was a decline in the inmate population of more than 9,000 (9.8 percent) since the end of 2003. In 2011, the State closed seven prison facilities with 3,800 beds.
- The total number of crimes reported in New York State declined by 68,598, or 13.2 percent, from 2003 to 2012. This trend is illustrated by the falling crime rates across all major categories of crimes.



**ENVIRONMENT**

■ Since it was established in 1993, the Environmental Protection Fund (EPF) has been New York State’s primary source of capital funding for conservation and recreational purposes. However, the SFY 2012-13 Enacted Budget contained significant new capital appropriations for environmental purposes from the Executive’s New York Works program.

■ In SFY 2012-13, \$134 million was appropriated to the EPF, an amount equal to the SFY 2011-12 appropriation level. In SFY 2012-13, New York Works funding of \$101.7 million and \$94.3 million was appropriated in the New York State Department of Environmental Conservation budget and the New York State Office of Parks, Recreation and Historic Preservation budget, respectively.



■ A significant amount of spending on environmentally related energy programs occurs through the New York State Energy, Research and Development Authority (NYSERDA). NYSEDA’s budget for SFY 2012-13 projects the expenditure of \$427.9 million on programs including: delivery of energy efficiency services, Green Jobs/Green New York, The Renewable Portfolio Standard and the Energy Efficiency Portfolio Standard. Of the revenues supporting these expenditures, only \$29.3 million is appropriated in the State Budget.

■ The largest share of NYSEDA revenue, \$563.7 million, is generated by assessments on energy consumption as ordered by the New York State Public Service Commission and through auction of allowances through the New York State Regional Greenhouse Gas Initiative. In addition, approximately \$37.2 million in federal ARRA grants supported energy efficiency programs.

**Energy**

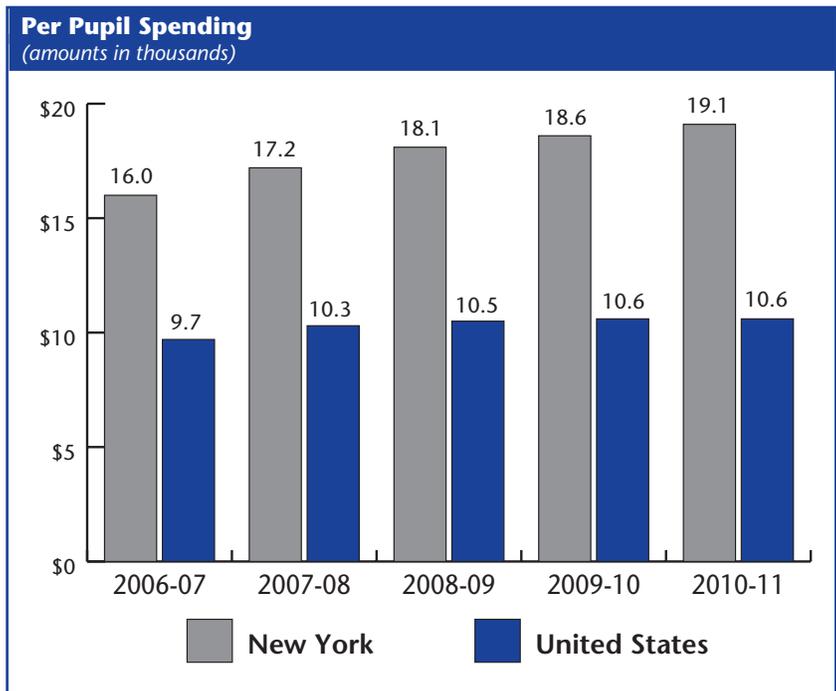
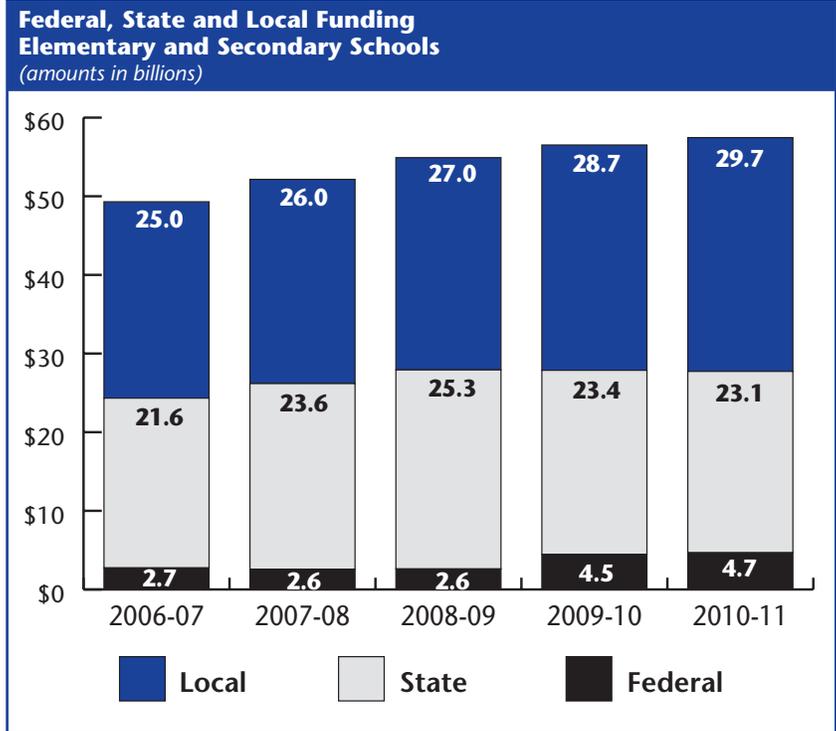
- The U.S. Energy Information Agency reported that in 2010 New York State was second lowest in per-capita energy use.
- New York State had the fourth highest average electric prices in the U.S. in 2011.
- In 2011, 24 percent of electricity consumed in New York State came from renewable generating sources.

**Agriculture**

- New York’s farms generated \$4.4 billion in cash receipts from commodities in 2011.
- New York was the third leading milk producing state with 12.8 billion pounds produced and \$2.5 billion in cash receipts in 2011.

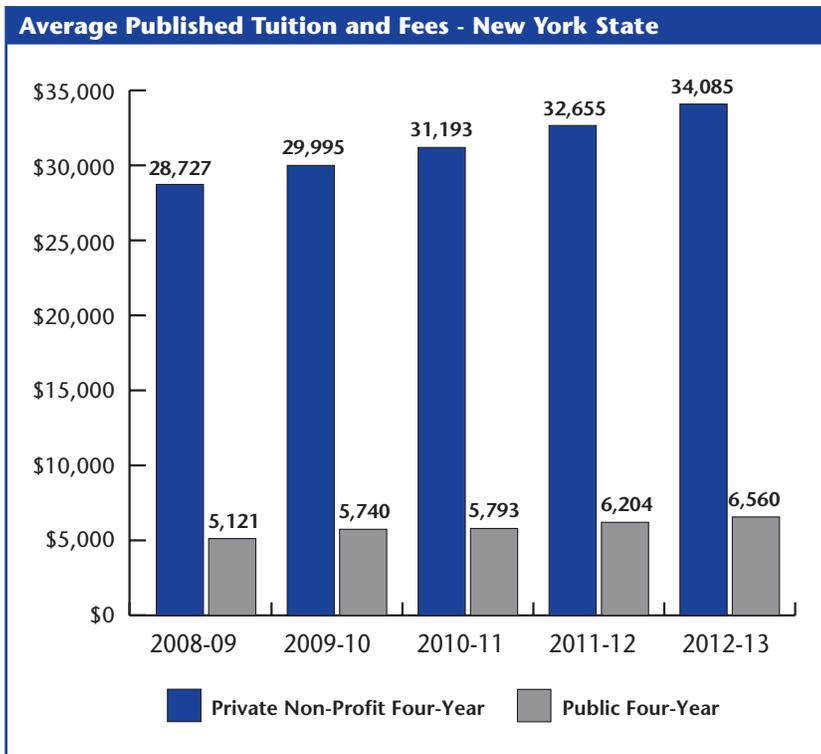
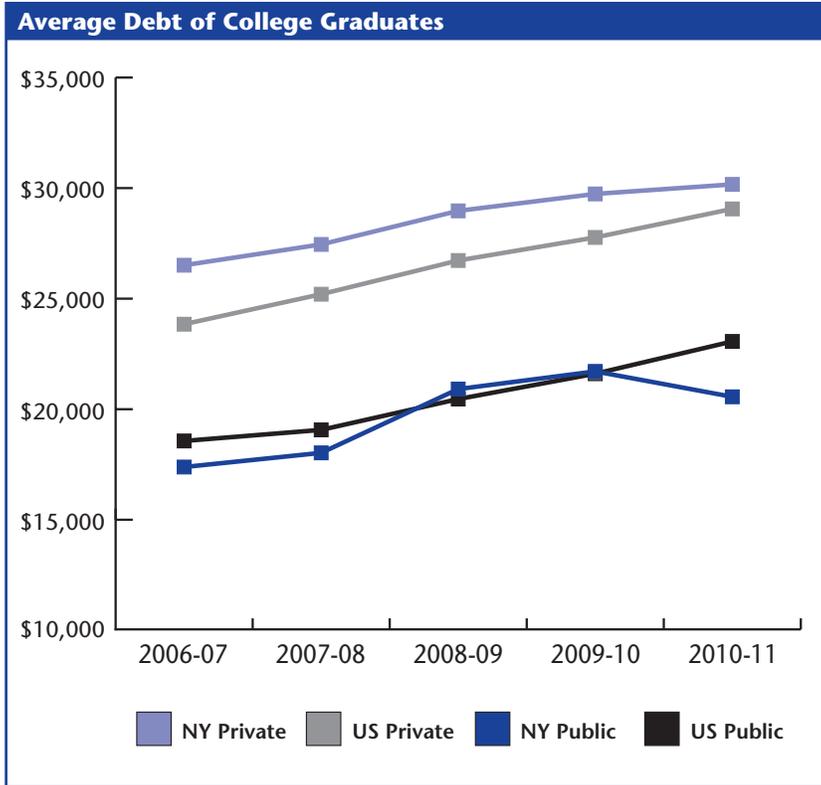
## ELEMENTARY AND SECONDARY EDUCATION

- According to the U.S. Census Bureau, for the 2010-11 school year, New York was the highest among the states in per pupil expenditures for public elementary and secondary education, at \$19,076, representing an increase of 2.5 percent from the previous year. This amount is 80.6 percent higher than the national average of \$10,560 per pupil, which declined by 0.5 percent from the 2010-11 school year.
- Over the last five years, annual per pupil spending has increased an average of 4.5 percent in New York, compared to 2.2 percent for the nation.
- In 2010-11, support for public elementary and secondary schools came from State, local, and federal sources in the amounts of \$23.1 billion, \$29.7 billion, and \$4.7 billion, respectively. State support includes the School Tax Relief Program (STAR), totaling \$3.2 billion in 2010-11.
- In school budgets proposed for the 2013-14 school year, property tax increases averaged 3.1 percent, up from the 2.2 percent increase last year, closely reflecting the 3.1 percent average annual increase from 2007 to 2012.



## HIGHER EDUCATION

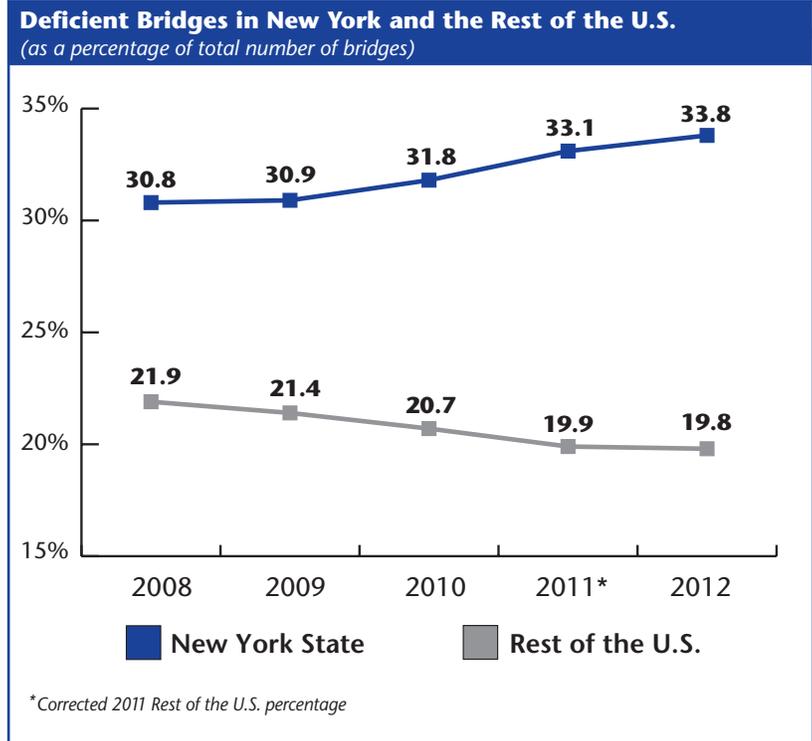
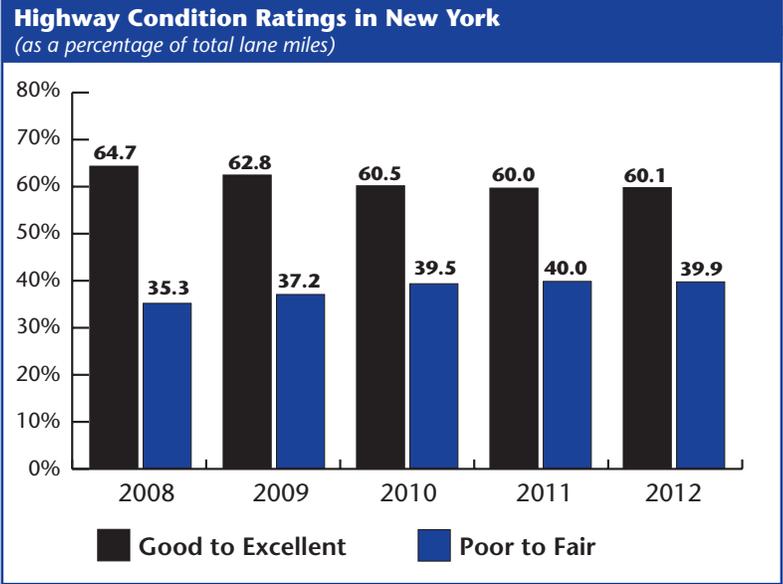
- In calendar year 2012, there were 900,593 full-time and 373,001 part-time students in degree-credit enrollments in New York higher education institutions. New York has a higher proportion of private colleges than most states, with 187 independent and proprietary colleges accounting for nearly 45 percent of statewide full-time equivalent (FTE) enrollment.
- Average costs of tuition and fees for full-time, in-state students in the 2012-13 academic year were \$6,910 for the State University of New York (SUNY) and \$5,903 for the City University of New York (CUNY). Average full-time tuition and fees at two-year community colleges totaled \$4,360 at SUNY and \$4,373 at CUNY.
- Nearly 384,000 students received State Tuition Assistance Program (TAP) awards in the 2011-12 academic year, totaling \$920 million.
- The State spent \$255 per person on higher education in FY 2012-13, ranking New York 22nd in the nation for higher education spending per capita.
- In 2011, 60 percent of college graduates in New York left school with debt, which is down from 62 percent in 2007. The national average was 57 percent in 2007 and increased to 59 percent in 2011.



## TRANSPORTATION

Data on the condition of highways and bridges, as provided by the State Department of Transportation, provide insight into the quality of infrastructure which is used daily by residents and businesses.

- The State is responsible for maintaining more than 42,600 lane miles of highway.
- The number of highway lane miles rated poor/fair has increased by 14.4 percent since 2008.
- In 2012, 60.1 percent of the State's highways were rated good to excellent, a 4.6 percent decline since 2008.
- The State is responsible for maintaining more than 7,875 bridges, of which 33.8 percent were rated deficient in 2012 as compared to 30.8 percent in 2008.
- The State's 2012 percentage (33.8 percent) of deficient bridges compares to the nationwide percentage of 19.8 percent. A deficient rating means a bridge is either structurally or functionally deficient, but not a current safety threat.



## NEW YORK'S PUBLIC AUTHORITIES

Public authorities are legally separate entities that are created by government to provide services to the public as well as to State and local governments. While public authorities are generally supported through revenues derived from their activities, State and local governments do, in some cases, provide financial assistance and support for operating and other expenses. New Yorkers pay for public authorities in the form of rates, tolls or fees, and New York taxes offset authority-related tax exemptions and pay the debt service on certain authority-issued debt.

- As of December 31, 2012, the 19 public authorities shown in the chart below had debt outstanding of \$100 million or more. The aggregate debt outstanding, including refunding bonds, of these public authorities was more than \$170 billion, only a portion of which constitutes State debt.
- Public authorities and subsidiaries that submit annual employee data to the Comptroller via the Public Authorities Reporting Information System (PARIS) reported over 148,000 employees in 2012.\*
- Public authorities and subsidiaries that submit annual procurement data to the Comptroller via PARIS reported making payments of more than \$11 billion pursuant to contracts in 2012.\*

The fiscal stability of the State is related in part to the fiscal stability of certain public authorities closely related to the State. The State's access to public credit markets could be impaired if certain public authorities closely associated to the State were to default on their obligations.

\* The data contained in PARIS and used in this report is self-reported by the authorities. Not all authorities have complied with reporting requirements for 2012.

### Source: Office of the State Comptroller

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

<sup>(2)</sup> All Job Development Authority (JDA) debt outstanding reported as of March 31, 2013. This includes \$7 billion in conduit debt issued by JDA's blended component units consisting of \$6.5 billion issued by New York Liberty Corporation (\$1.2 billion of which is also included in the amount reported for Port Authority of NY and NJ) and \$511 million issued by the Brooklyn Arena Local Development Corporation. In addition, JDA has \$15 million in State-guaranteed bonds outstanding.

<sup>(3)</sup> Includes debt previously issued by New York State Medical Care Facilities Finance Agency, which was consolidated with the Dormitory Authority on September 1, 1995.

<sup>(4)</sup> Includes \$155 million in bonds issued by the Energy Research and Development Authority (ERDA) and included in amounts reported for both Long Island Power Authority and ERDA.

### Outstanding Debt of Certain Authorities <sup>(1)</sup> as of December 31, 2012 <sup>(2)</sup> (amounts in millions)

Authority	Total Debt	State Debt
Dormitory Authority <sup>(3)</sup>	\$46,157	\$25,194
Metropolitan Transportation Authority	23,095	400
Port Authority of NY & NJ	21,898	—
Thruway Authority	14,411	11,121
Housing Finance Agency	11,135	995
UDC/ESDC	9,464	8,505
Triborough Bridge and Tunnel Authority	8,395	—
Environmental Facilities Corporation	7,275	801
Job Development Authority <sup>(2)</sup>	7,026	15
Long Island Power Authority <sup>(4)</sup>	6,757	—
Energy Research and Development Authority <sup>(4)</sup>	3,426	—
State of New York Mortgage Agency	3,019	—
Local Government Assistance Corporation	2,836	2,836
Tobacco Settlement Financing Corporation	2,411	2,411
Power Authority	1,746	—
Battery Park City Authority	1,032	—
Municipal Bond Bank Agency	611	294
Niagara Frontier Transportation Authority	162	—
Bridge Authority	123	—
<b>TOTAL OUTSTANDING</b>	<b>\$170,979</b>	<b>\$52,572</b>

## LOCAL GOVERNMENT

In the aftermath of the recession of 2008-09, many of New York’s local governments are still struggling with its repercussions: unemployment is still relatively high, local and intergovernmental revenues are only beginning to recover, and many local governments have spent down existing fund balances in order to balance budgets over the past few years. In addition, some local governments – including many of the State’s cities – struggle with ongoing challenges, including population loss, a deteriorating industrial sector, and property value stagnation.

Although many local governments have emerged from these challenges fiscally healthy, these economic pressures have pushed some local governments in New York State into a condition of chronic budget shortfall, or fiscal stress. This stress may manifest itself as continued or large operating deficits, depleted available fund balance, low levels of cash on hand, high debt levels, or a combination of these factors. Whatever guise it takes, fiscal stress shows that a local government is in danger of being unable to continue to operate and provide its citizens with needed services.

### Revenues

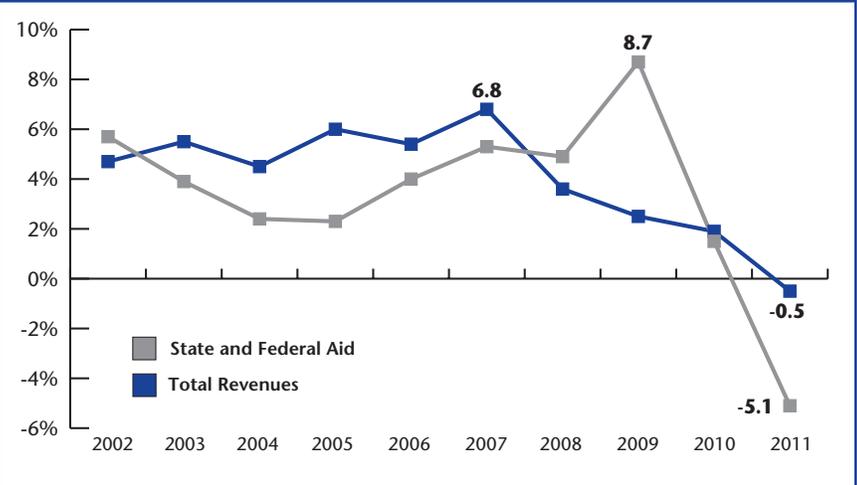
A number of local government revenue sources have been constrained in recent years. Property taxes have been affected not only by the statutory tax levy limit, but by property value decreases since 2008. County sales tax collections, although growing in most counties, declined sharply from late 2008 through 2009, and are growing off that lower baseline.

State and federal aid to local governments and school districts has had a major effect on total revenues as well. These, unlike sales tax revenues, grew in 2009 and even 2010 due to temporary federal aid from ARRA. But in 2011, with ARRA largely gone and State Aid being held almost flat, combined State and federal aid to local governments declined sharply, dragging total revenues down.

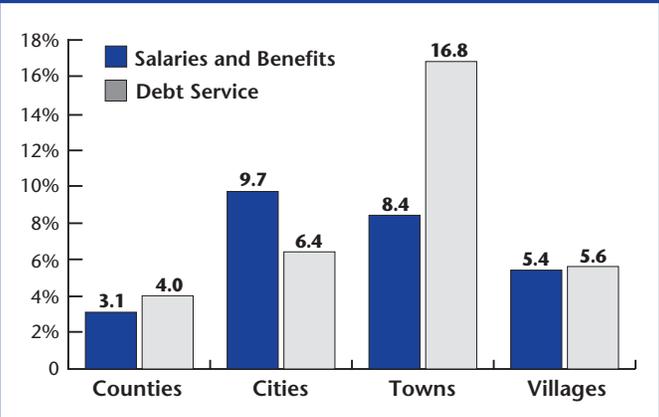
### Expenditures

As local governments that are experiencing economic difficulties reduce discretionary spending for supplies, training, and pay-as-you-go capital investments, the percentage of revenues going to “fixed costs” such as staff salaries and debt service increases. Although the percentage of revenues going to such costs varies by type of government, it has risen for all classes.

**Change in Local Government Revenues**  
**Percentage Change Over Prior Year**  
*(excludes New York City)*



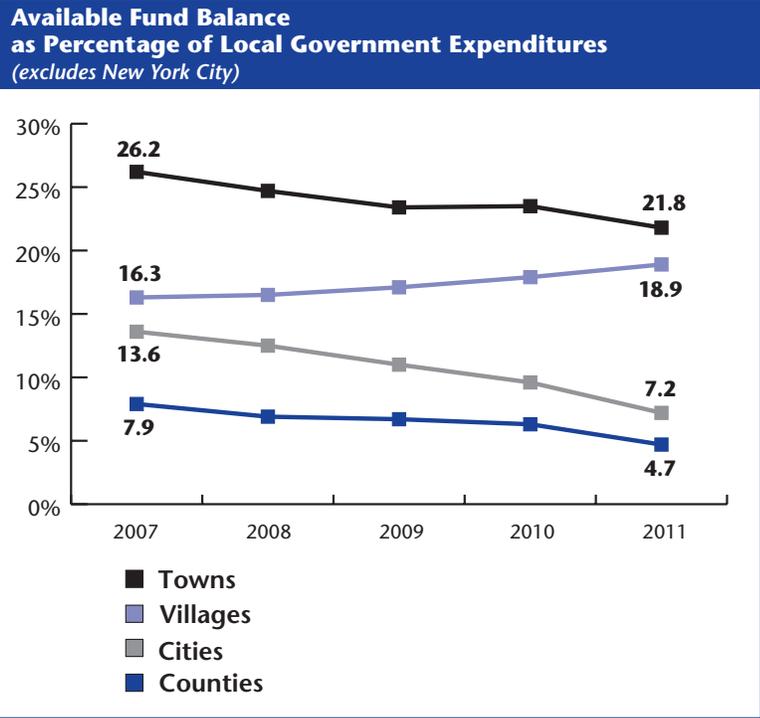
**Growth in “Fixed Costs”**  
**as a Percentage of Total Revenues, 2007-2011**  
*(excludes New York City)*



**Fiscal Stress**

Reduced revenue and high fixed costs over time have led many local governments to draw down available fund balances over the past few years. City balances are down by almost half since 2007, and counties, which have always maintained relatively low balances compared with other classes, are even lower than cities. Even towns, which have typically had high fund balances, have been drawing them down over the past few years.

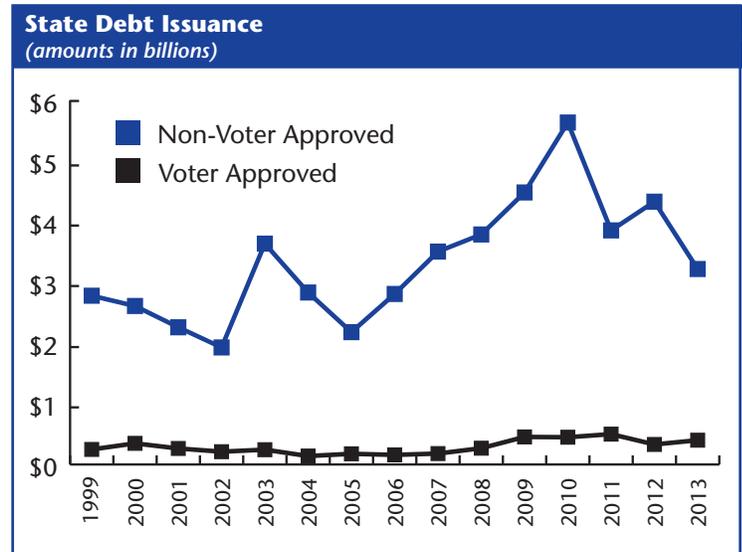
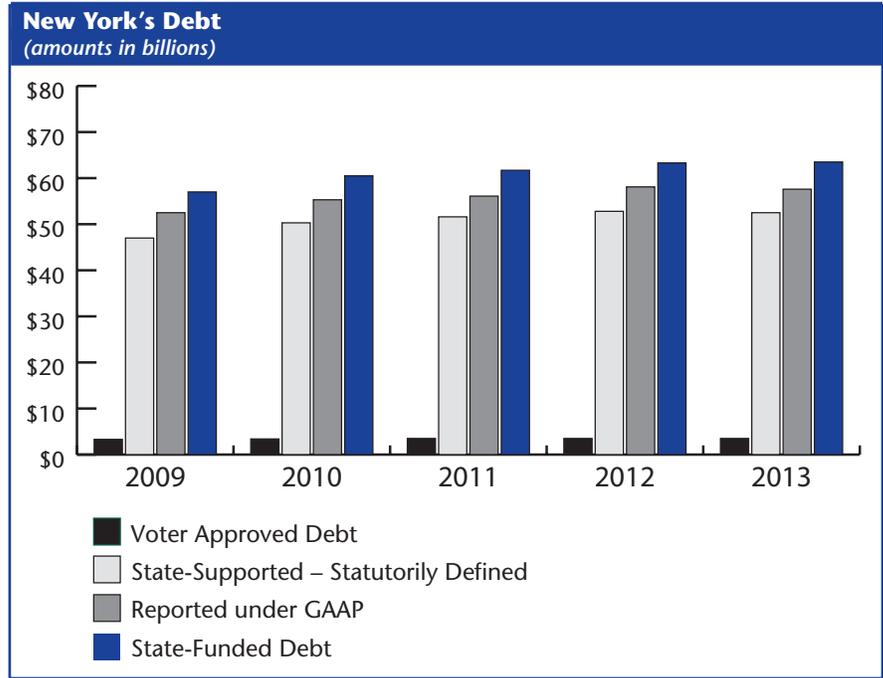
In order to help the State’s local officials and taxpayers identify warning signs of stress, the Comptroller has created the Fiscal Stress Monitoring System (FSMS) to help identify early warning signs of financial problems. The system has four classifications, based on nearly two dozen financial and environmental indicators developed with input from local officials. The information is meant to prompt a more thoughtful discussion at the local level as to how communities can manage in these challenging budgetary and economic times and avoid a full financial crisis. Along with this information, the Comptroller is providing local governments and citizens with new and existing tools to predict and help prevent future stress, including self-assessment, long-term financial planning, legal analysis, and technical assistance.



## DEBT

The debt burden of a governmental entity directly affects its ability to provide current services as well as its long-term fiscal health. Existence of high levels of government borrowing may:

- Indicate that the State is unable to support current programs with current revenues.
  - Force future program reductions, increased taxation or additional borrowing when future resources are needed to repay debt.
  - Limit capacity to finance additional capital assets, budgetary deficits and capital grants.
- Several different measurements of the State's debt burden are reported at March 31, 2013:
    - Constitutionally recognized (voter approved) general obligation debt (\$3.5 billion).
    - State-Supported debt as statutorily defined in the Debt Reform Act of 2000 (\$52.5 billion).
    - Debt reported in accordance with full accrual accounting - GAAP (\$57.6 billion).
    - State-Funded debt (\$63.5 billion). This category has been defined by the State Comptroller as a comprehensive measurement of the State's debt burden. It includes all instances where the State makes payments with State resources, directly or indirectly, to a public authority, bank trustee or municipal issuer to enable them to make payments on debt issued for State purposes. Over 94 percent of the debt counted within this category was issued by public authorities and without voter approval.
  - Since 2009, State-Funded debt increased by 11 percent while voter approved debt, by far the smallest category of debt, increased by 6 percent. State-Supported debt and debt recognized in accordance with GAAP increased 12 percent and 10 percent, respectively.
  - In 2012, New York State was the second most indebted state behind California and had nearly twice as much debt as the third most indebted state. New York State also ranked fifth among all states in debt per person.
  - On March 31, 2013, New York's State-Funded debt outstanding per person was \$3,246, which was equal to 6.2 percent of personal income.

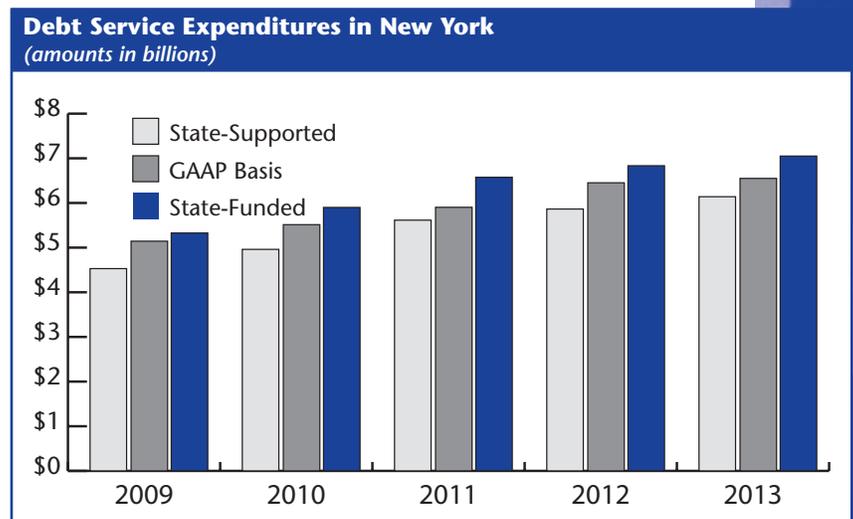
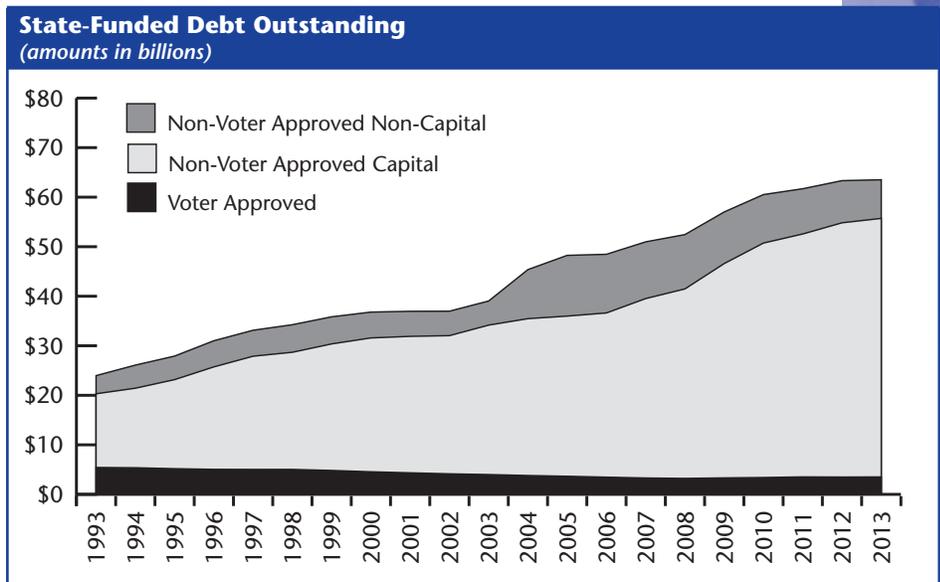


- The SFY 2013-14 Enacted Five-Year Capital Program & Financing Plan projects that the State will issue 1.3 times more debt than it will retire, with \$24.7 billion in new State-Supported debt issuance and \$19 billion in State-Supported debt retirement, through March 31, 2018. The State is experiencing a period of reduced debt capacity in part due to past excessive use of debt and current and recent economic conditions.
- Based upon scheduled repayment dates, the State’s accumulated deficit financing (\$5.5 billion as of March 31, 2013) will not be fully repaid until fiscal year 2026. This includes bonds issued by the New York Local Government Assistance Corporation, the Municipal Bond Bank Agency, and the Tobacco Settlement Financing Corporation (TSFC). There is an additional \$2.3 billion in debt outstanding associated with budget relief issued by the Sales Tax Asset Receivable Corporation (STARC), which will not be fully repaid until 2034, as well as debt associated with the sale of the Attica Correctional Facility.

- Debt service has historically been one of the fastest growing categories of the budget. In SFY 2012-13, \$204 million in State-Supported debt service initially planned for SFY 2013-14 was paid early, artificially increasing disbursements in SFY 2012-13 and lowering disbursements in SFY 2013-14. State-Funded debt service totaled \$7.1 billion in SFY 2012-13 and is expected to grow to \$8.6 billion by 2018 based on projected issuance and retirement amounts from New York State and New York City.

- Significant differences exist between debt reported under the State-Funded measurement (cash reporting) criteria and debt reported under Generally Accepted Accounting Principles (GAAP): State-Funded debt includes certain obligations that are not recognized as a State liability under GAAP, including \$2.1 billion in bonds outstanding issued in fiscal year 2005 that will be repaid from future sales tax revenues of the State and \$6.1 billion in bonds outstanding issued by New York City’s Transitional Finance Authority (TFA) since fiscal year 2007 that will be repaid with pledged local assistance payments from the State; debt reported under GAAP but not counted in the State-Funded debt measurement includes bond premiums (\$2.7 billion), accumulated accretion on capital appreciation bonds (\$66 million), and vendor financed capital lease obligations and mortgage loan commitments (\$405 million).

- The State’s general obligation bond ratings on March 31, 2013 were assigned as follows: Aa2 by Moody’s Investors Service, AA by Fitch Ratings, and AA by Standard & Poor’s (S&P) Rating Services. These ratings are two steps below AAA, the highest investment grade rating.



## ECONOMIC AND DEMOGRAPHIC TRENDS

---

Economic and demographic trends affect both the demand for State services (such as education, Medicaid, social services and economic development) and the level of revenues that can be generated to fund these services.

In 2012, the national and State economies continued their slow recovery from the most serious recession since the Depression. Government spending and employment declined, contributing to slower economic growth. The pace of overall job growth eased, the unemployment rate remained high, and the recovery did not benefit all parts of the State equally. Nonetheless, on a statewide basis, employment increased to its prerecession level. Profitability on Wall Street rebounded, but financial firms continued to restructure and the industry started to shed jobs again. The residential housing market began to show signs of recovery, although sale prices remain well below prerecession highs. Tourism remained strong in the State, especially in the downstate region. More specific economic and demographic trends are highlighted below.

- Although the nation's Gross Domestic Product grew at a slightly faster pace in 2012, the rate of growth (2.2 percent) remained well below the prerecession pace. Economic growth in New York was weaker than for the nation, with the Gross State Product (which accounts for 7.7 percent of the nation's economy), rising by 1.3 percent, only marginally faster than the gain in 2011.
- Since the end of the recession, job recovery had been stronger in New York than in other parts of the nation. Between October 2009 (when employment reached a recessionary low) and March 2013, New York added 381,000 jobs, or 116 percent of the jobs lost during the recession. This was much stronger than the job recovery in the nation (which had regained 69 percent of its recessionary job losses), and ranked fifth among all 50 states. More recently, however, job growth in the nation has strengthened (to 1.7 percent in 2012) while the pace of gains in New York has eased slightly (to 1.3 percent).
- Between October 2009 and March 2013, the State added 440,600 private sector jobs, most notably in the business services, education and health care services, and leisure and hospitality (i.e., tourism-related) sectors, where employment rose to exceed prerecession levels. Other sectors, including manufacturing, construction and finance, had not yet recovered all the jobs lost during the recession. The gains in the private sector were partially offset by the decline of nearly 60,000 government jobs during this period.
- Despite the job gains, New York State's unemployment rate remained high by historical standards. The rate had declined earlier in the recovery, but then began to rise again in late 2011 and early 2012 as more people began looking for work and the State's labor force expanded. Since July 2012, the unemployment rate has again been declining, to 8.2 percent in March 2013.
- Wall Street is an important component of the State's economy and generates about 14 percent of the State's tax revenues. In 2012, profitability in the industry rebounded, with the broker/dealer operations of New York Stock Exchange member firms reporting \$23.9 billion in profits, which was three times the level in 2011. Firms also recorded strong profits of \$6.6 billion during the first quarter of 2013.
- The State Comptroller estimated that cash bonuses paid to New York City securities industry employees during the 2012 bonus season increased by 8 percent. Part of the increase in cash bonuses was due to the realization of deferrals from prior years.
- Personal income in New York State increased for the third consecutive year in 2012, growing by 2.4 percent to more than \$1 trillion. The rate of income growth, however, was only about half the rate in 2011. The slowdown primarily reflected weakness in wage income, held down by the 19 percent decline in Wall Street bonuses for 2011, which were paid in the first quarter of 2012.

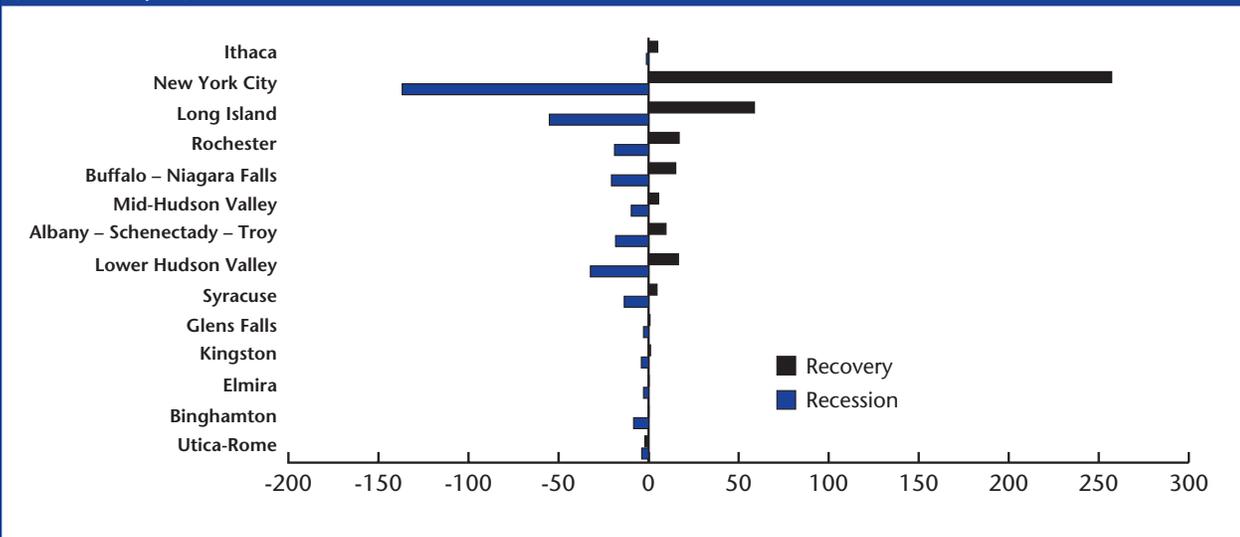
- New York’s population has been growing slowly, rising by 2.1 percent between 2000 and 2010 (which ranked 46th among the states) to reach 19.4 million. During this period, population growth was driven by gains in New York City and the City’s suburbs (Nassau, Rockland, Suffolk and Westchester counties). Together, these downstate areas were home to 12.5 million people, or more than 63 percent of the State’s population. The State’s population is estimated to have grown by 0.9 percent between 2010 and 2012, driven by continued strong gains in the downstate region.

**Job Growth and Average Employment Levels — New York State versus the United States**  
 Percent change compared to one year earlier  
 (levels are in thousands of jobs)

	New York State		United States	
	2012 Level	Percent Change	2012 Level	Percent Change
Manufacturing	458.2	-0.1%	11,919	1.6%
Mining and Construction	316.5	1.2%	6,422	2.4%
Trade, Transportation & Utilities	1,509.2	1.5%	25,516	1.8%
Information	260.6	2.0%	2,678	0.1%
Financial Activities	682.7	0.0%	7,786	1.2%
Professional and Business Services	1,168.3	3.0%	17,930	3.5%
Educational and Health Services	1,763.2	1.7%	20,319	2.2%
Leisure and Hospitality	800.9	4.3%	13,746	2.9%
Other Services	379.3	1.8%	5,437	1.4%
Government	1,460.4	-1.5%	21,917	-0.8%
<b>Total Nonfarm</b>	<b>8,799.9</b>	<b>1.3%</b>	<b>133,739</b>	<b>1.7%</b>

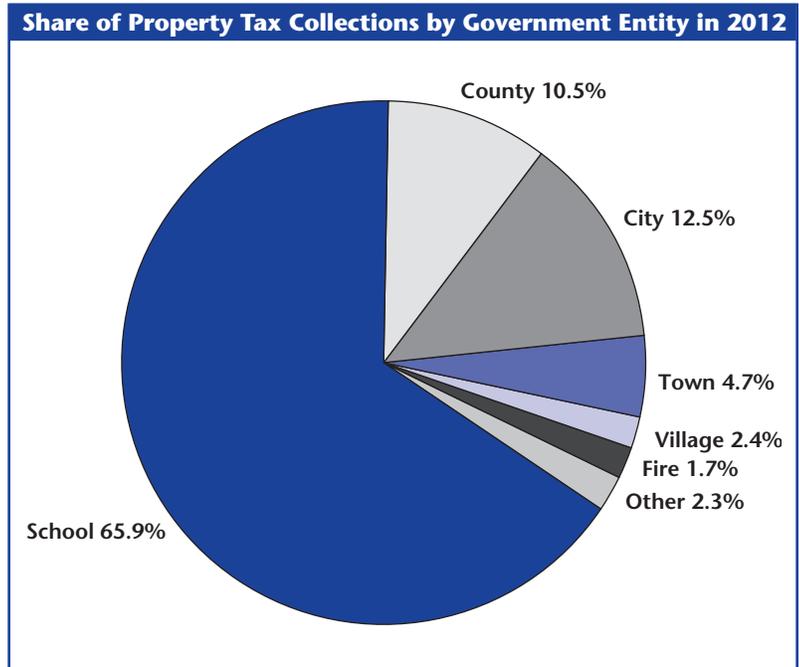
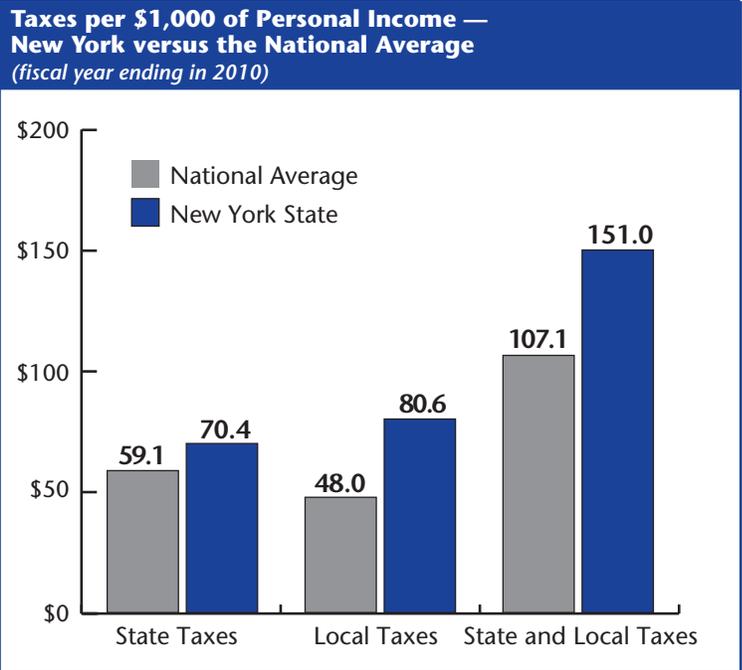
- Although New York State has added more jobs during the recovery than it lost in the recession, employment gains have been uneven across the State’s metropolitan areas. Through March 2013, New York City had added nearly twice as many jobs as it lost in the recession. Long Island and the Ithaca metropolitan area had also added more jobs than were lost in the recession, but the recovery has progressed more slowly in many upstate areas.

**Change in Employment by Metro Area**  
 (thousands of jobs)

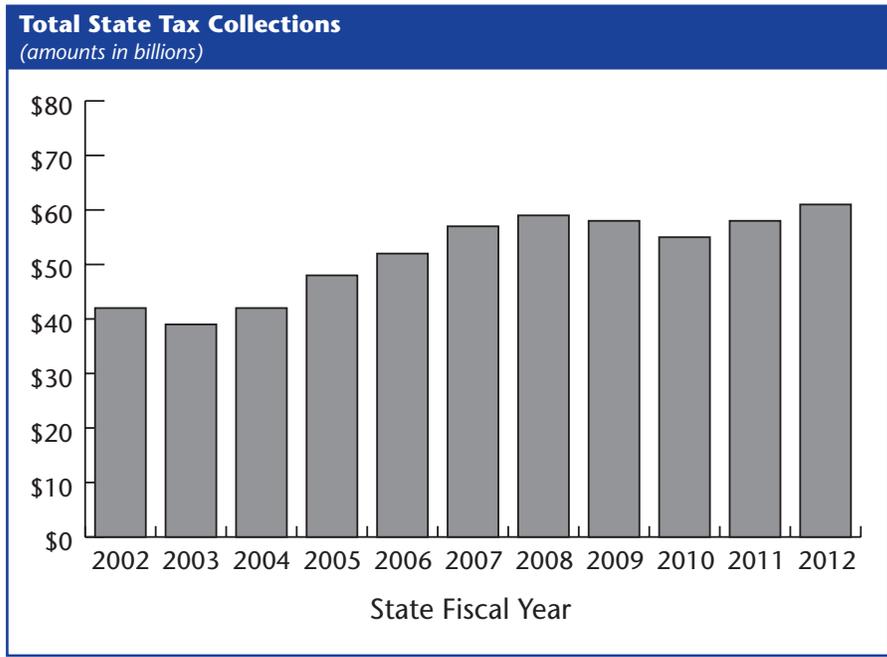
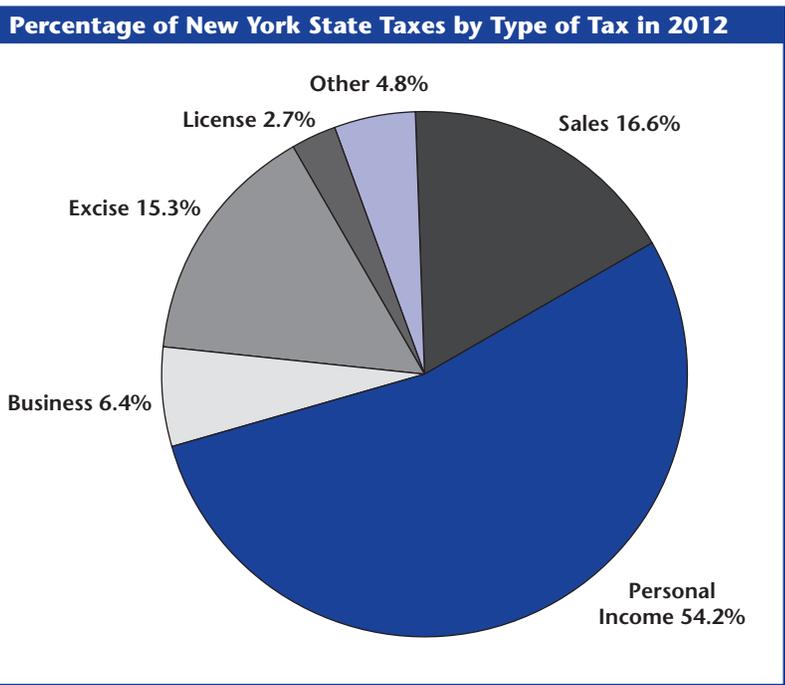


## TAXES: WHERE NEW YORK STANDS

- In SFY 2010 (the latest year for which national data is available), New York’s combined State and local tax revenues were 40.9 percent above the national average per \$1,000 of personal income. Local taxes were 67.9 percent above the national average while State taxes were 19.0 percent above the national average.
- New York has the second highest combined State and local taxes as a percentage of personal income in the nation with local taxes ranking first and State taxes ranking twelfth.
- Local property tax levies grew by 76 percent from 2002 to 2012, almost three times the rate of inflation during the period (28 percent).
- In 2012, New York State’s local governments and other taxing jurisdictions collected almost \$52 billion in property tax. Nearly two-thirds was collected by school districts.



- New York relies more heavily on the personal income tax as a source of revenue than most states.
- In 2012, Personal Income Tax as a percentage of total taxes was 54.2 percent in New York while the national average was 35.3 percent.
- Total New York State tax collections grew by 47.8 percent from 2002 to 2012, to \$61.4 billion, although growth was uneven as the nation faced two recessions during this period.



## IMPLICATIONS FOR THE FUTURE

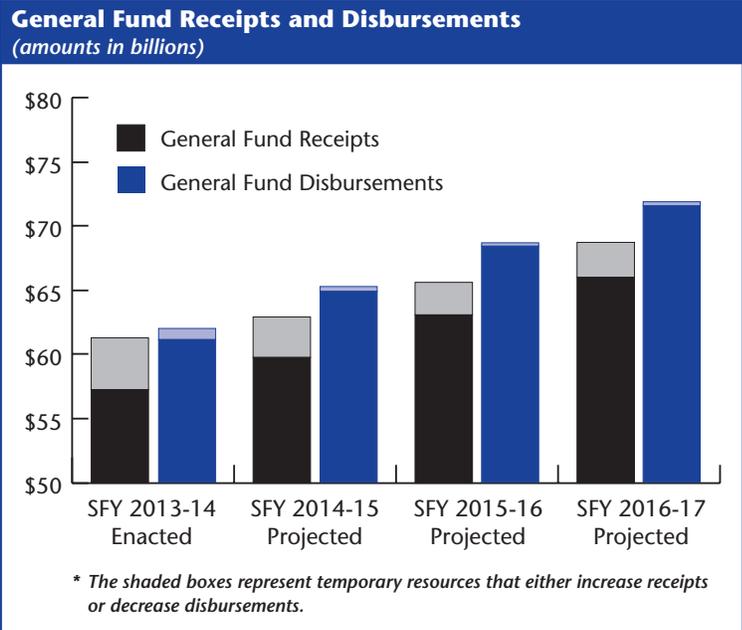
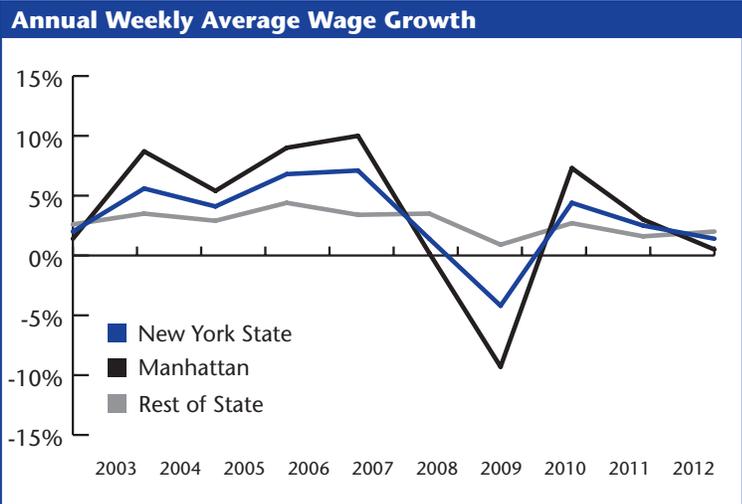
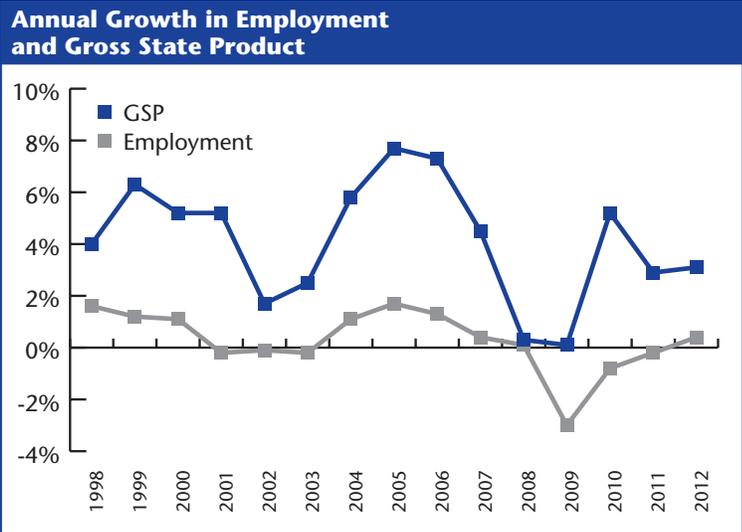
The State's economic picture is showing signs of improvement. The Great Recession took a significant toll on New York's economy and while recent data is encouraging, growth is slow. Employment declined significantly from 2008 to 2010 and, while the State outperformed the nation during and immediately after the recession, over the past year its job growth has returned to levels below the national average.

Average wages tend to decline when employment declines but average weekly wages for the State declined significantly more than employment during the Great Recession, driven primarily by wages earned in Manhattan.

During the recession, the State's structural budget imbalance worsened as revenue declined and demands for services increased. Since 2008, when the downturn began in New York, the State has enacted a number of expenditure and revenue actions to bridge the gap between receipts and disbursements. The State also received approximately \$13 billion from the federal ARRA, much of which offset disbursements normally made from State funds.

The SFY 2011-12 Enacted Budget closed a General Fund gap of \$10 billion and reduced projected out-year gaps by over \$43 billion, partly by imposing statutory limits on growth in education and Medicaid expenditures. The actions taken three years ago have significantly reduced the State's structural imbalance. However, serious challenges remain. The SFY 2013-14 Enacted Budget includes nearly \$5 billion in State sourced non-recurring or temporary resources. Since the budget was enacted, the State has received well over \$500 million in non-recurring resources that were not part of the enacted Financial Plan. While non-recurring resources may appropriately be used for certain non-recurring purposes such as repayment of high-cost debt or one-time capital investments, their use for general budgetary support obscures the State's structural imbalance.

Debt capacity, as measured by the cap on State-Supported debt outstanding, is currently projected to decline to \$571 million in SFY 2015-16, partially because of recent economic conditions, but also because of increased issuance of debt, especially in the years leading up to and including the Great Recession. Through the end of SFY 2012-13, the Executive has managed the timing of debt financed capital spending, among other things, to preserve debt capacity.

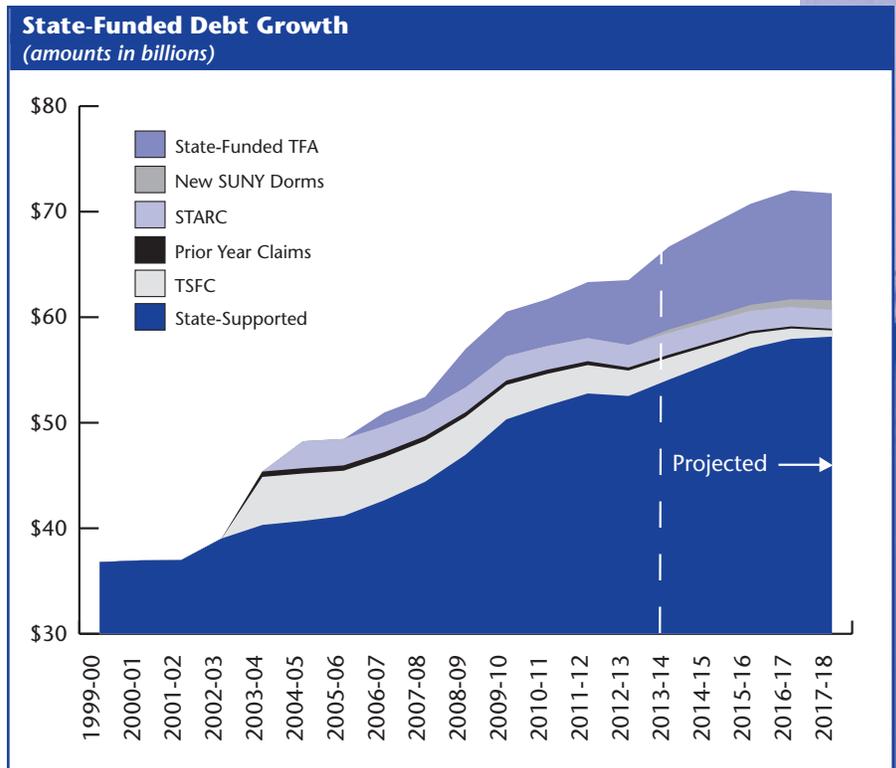


The SFY 2013-14 Enacted Budget included a measure to remove a category of debt that had previously been counted under the State’s statutory caps on debt outstanding and debt service. The measure provided that SUNY dormitory debt service costs would no longer be paid through a State appropriation. Instead, the Dormitory Authority of the State of New York would issue bonds under a new credit backed solely by dorm fees with no State appropriations required. This would take debt service spending for SUNY dormitories off-budget and allow new debt to be excluded from the State’s statutory debt caps. This measure, in effect, increases the State’s capacity under its debt cap by placing this debt outside the legal limit, raising questions as to the effectiveness of the existing debt limits.

As reported, State-Supported debt has increased an average of 2.8 percent annually since the Debt Reform Act was enacted. However, when including all the other debt that is funded with State resources, average annual growth increases to 4.2 percent.

Comptroller DiNapoli’s Strategy for Fiscal Reform includes measures that would ensure fiscal stability and strengthen the State’s finances by reforming how budgets are created (process and documents), implemented and planned. The Comptroller’s statutory and constitutional reform package includes the following:

- Require three-year plans to close any projected budget deficits.
- Increase reserves.
- Restrict the use of non-recurring resources to non-recurring expenses.
- Strengthen the capital planning process.
- Enact comprehensive debt reform, including a new Constitutional limit on State debt.
- Enhance transparency in budget documents.



## APPENDIX 1 STATE FUNDS SPENDING BY MAJOR SERVICE FUNCTION <sup>(1)</sup>

(amounts in millions)

State Funds Spending for the Fiscal Year Ended March 31:	2009	2010	2011	2012	2013
<b>EDUCATION</b>	<b>\$33,606</b>	<b>\$32,304</b>	<b>\$35,087</b>	<b>\$33,963</b>	<b>\$35,050</b>
Public Schools	22,523	20,022	23,466	21,440	22,231
School Tax Relief (STAR)	3,224	3,411	3,234	3,233	3,286
State University of New York	5,844	6,208	6,120	6,904	7,134
City University of New York	1,067	1,638	1,310	1,335	1,366
Tuition Assistance Program	812	847	815	926	893
Higher Education Services Corporation	87	132	95	91	117
Cultural Programs	49	46	47	34	23
<b>STAR PROPERTY TAX REBATES</b>	<b>1,212</b>	<b>2</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>PUBLIC HEALTH</b>	<b>21,590</b>	<b>21,422</b>	<b>21,797</b>	<b>25,384</b>	<b>25,365</b>
Health and Mental Health Services	9,027	9,011	8,498	8,800	7,683
Medical Assistance (Medicaid)	12,563	12,411	13,299	16,584	17,682
<b>PUBLIC WELFARE</b>	<b>4,049</b>	<b>4,128</b>	<b>3,911</b>	<b>3,945</b>	<b>3,934</b>
Public Welfare	3,596	3,694	3,499	3,561	3,460
Public Housing	232	235	205	180	244
Employment Services	221	199	207	204	230
<b>PUBLIC SAFETY</b>	<b>4,011</b>	<b>4,330</b>	<b>3,925</b>	<b>3,902</b>	<b>4,171</b>
Criminal Justice & Correctional Alternatives	1,240	1,323	1,185	1,007	968
Emergency Management & Security Services	118	119	112	181	263
Prisons and Reformatories	2,653	2,888	2,628	2,714	2,940
<b>TRANSPORTATION</b>	<b>5,238</b>	<b>6,028</b>	<b>6,474</b>	<b>6,488</b>	<b>6,616</b>
Traffic Safety	220	225	219	205	184
Transportation	5,018	5,803	6,255	6,283	6,432
<b>ENVIRONMENT AND RECREATION</b>	<b>1,030</b>	<b>939</b>	<b>864</b>	<b>799</b>	<b>899</b>
Environmental Protection	613	561	558	532	642
Parks, Recreation & Historic Preservation	417	378	306	267	257
<b>SUPPORT AND REGULATE BUSINESS</b>	<b>1,155</b>	<b>1,001</b>	<b>1,240</b>	<b>1,394</b>	<b>1,071</b>
Commerce, Industry & Agriculture	812	738	994	1,160	577
Regulate Business	343	263	246	234	494
<b>SHARE GENERAL REVENUES WITH LOCAL GOVERNMENTS</b>	<b>1,240</b>	<b>1,274</b>	<b>1,058</b>	<b>976</b>	<b>977</b>
<b>REPAY BORROWED MONEY AND REDUCE DEBT</b>	<b>4,530</b>	<b>4,961</b>	<b>5,615</b>	<b>5,864</b>	<b>6,138</b>
<b>GENERAL GOVERNMENT</b>	<b>9,218</b>	<b>9,655</b>	<b>10,148</b>	<b>10,479</b>	<b>10,301</b>
Executive Agencies	1,186	1,171	1,079	1,045	1,089
Office of the State Comptroller	186	177	174	168	170
Office of the Attorney General	199	182	168	167	159
Legislature	222	226	223	197	203
Court Administration	1,967	2,005	2,028	1,949	1,927
Pension Contributions & Other Employee Benefits	5,152	5,457	6,060	6,530	6,351
Other	306	437	416	423	402
<b>TOTAL STATE FUNDS SPENDING</b>	<b>\$86,879</b>	<b>\$86,044</b>	<b>\$90,119</b>	<b>\$93,194</b>	<b>\$94,522</b>

<sup>(1)</sup> In April 2012, New York State implemented a new central accounting system, Statewide Financial System (SFS), and chart of accounts structure. Functional categories may not be comparable to prior years.

## APPENDIX 2 FEDERAL FUNDS SPENDING BY MAJOR SERVICE FUNCTION <sup>(1)</sup>

(amounts in millions)

<b>Federal Funds Spending for the Fiscal Year Ended March 31:</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>EDUCATION</b>	<b>\$3,733</b>	<b>\$4,619</b>	<b>\$6,566</b>	<b>\$5,188</b>	<b>\$3,679</b>
Public Schools	3,515	4,227	6,062	4,879	3,382
State University of New York	206	311	403	302	291
City University of New York	—	14	33	—	—
Tuition Assistance Program	8	62	59	1	—
Higher Education Services Corporation	4	4	8	4	6
Cultural Programs	—	1	1	2	—
<b>PUBLIC HEALTH</b>	<b>23,051</b>	<b>27,652</b>	<b>29,094</b>	<b>26,383</b>	<b>25,949</b>
Health and Mental Health Services	1,292	1,319	1,599	1,582	1,812
Medical Assistance (Medicaid)	21,759	26,333	27,495	24,801	24,137
<b>PUBLIC WELFARE</b>	<b>5,362</b>	<b>5,632</b>	<b>5,623</b>	<b>5,561</b>	<b>5,232</b>
Public Welfare	4,909	5,045	5,057	5,039	4,688
Public Housing	15	13	16	31	38
Employment Services	438	574	550	491	506
<b>PUBLIC SAFETY</b>	<b>400</b>	<b>579</b>	<b>518</b>	<b>593</b>	<b>1,532</b>
Criminal Justice & Correctional Alternatives	204	374	255	406	112
Emergency Management & Security Services	152	184	233	183	1,420
Prisons and Reformatories	44	21	30	4	—
<b>TRANSPORTATION</b>	<b>1,479</b>	<b>1,572</b>	<b>1,785</b>	<b>1,530</b>	<b>1,521</b>
Traffic Safety	16	17	19	22	24
Transportation	1,463	1,555	1,766	1,508	1,497
<b>ENVIRONMENT AND RECREATION</b>	<b>175</b>	<b>201</b>	<b>415</b>	<b>386</b>	<b>327</b>
Environmental Protection	164	192	408	377	319
Parks, Recreation & Historic Preservation	11	9	7	9	8
<b>SUPPORT AND REGULATE BUSINESS</b>	<b>13</b>	<b>11</b>	<b>13</b>	<b>17</b>	<b>19</b>
Commerce, Industry & Agriculture	12	10	12	15	17
Regulate Business	1	1	1	2	2
<b>SHARE GENERAL REVENUES WITH LOCAL GOVERNMENTS</b>	<b>116</b>	<b>229</b>	<b>274</b>	<b>317</b>	<b>36</b>
<b>GENERAL GOVERNMENT</b>	<b>364</b>	<b>338</b>	<b>418</b>	<b>335</b>	<b>280</b>
Executive Agencies	110	71	129	40	12
Office of the Attorney General	26	27	23	25	24
Court Administration	6	6	6	7	5
Pension Contributions and Other Employee Benefits	222	234	260	263	239
<b>TOTAL FEDERAL FUNDS SPENDING</b>	<b><u>\$34,693</u></b>	<b><u>\$40,833</u></b>	<b><u>\$44,706</u></b>	<b><u>\$40,310</u></b>	<b><u>\$38,575</u></b>

<sup>(1)</sup> In April 2012, New York State implemented a new central accounting system, Statewide Financial System (SFS), and chart of accounts structure. Functional categories may not be comparable to prior years.

### APPENDIX 3 STATE RECEIPTS BY MAJOR SOURCE

(amounts in millions)

State Receipts for the Fiscal Year Ended March 31:	2009	2010	2011	2012	2013
<b>TOTAL TAXES</b>	<b>\$59,571</b>	<b>\$57,667</b>	<b>\$60,869</b>	<b>\$64,299</b>	<b>\$66,300</b>
<b>PERSONAL INCOME TAX</b>	<b>36,840</b>	<b>34,751</b>	<b>36,209</b>	<b>38,768</b>	<b>40,227</b>
<b>CONSUMER TAXES</b>	<b>13,237</b>	<b>12,852</b>	<b>14,205</b>	<b>14,571</b>	<b>14,616</b>
Sales and Use	10,985	10,527	11,538	11,875	11,989
Cigarette/Tobacco Products	1,340	1,366	1,616	1,633	1,551
Motor Fuel	504	507	516	502	493
Beverage	206	226	230	238	246
Highway Use	141	137	129	132	145
Auto Rental	61	76	95	104	109
MCTD Taxicab Ride	—	13	81	87	83
<b>BUSINESS TAXES</b>	<b>7,604</b>	<b>7,458</b>	<b>7,279</b>	<b>7,878</b>	<b>8,463</b>
Corporation Franchise	3,220	2,511	2,846	3,176	3,009
Corporation and Utilities	863	953	814	797	894
Insurance	1,181	1,491	1,351	1,413	1,508
Bank	1,233	1,399	1,178	1,392	1,912
Petroleum Business	1,107	1,104	1,090	1,100	1,140
<b>OTHER TAXES</b>	<b>1,890</b>	<b>2,606</b>	<b>3,176</b>	<b>3,082</b>	<b>2,994</b>
Real Property Gains	—	(1)	—	—	—
Estate and Gift	1,165	866	1,219	1,078	1,015
Pari-Mutuel	23	19	17	17	17
Real Estate Transfer	701	493	580	610	756
Racing and Exhibition	1	1	1	1	1
MCTD Mobility	—	1,228	1,359	1,376	1,205
<b>GAMING — LOTTERY INCOME, VLT &amp; CASINO</b>	<b>2,800</b>	<b>2,951</b>	<b>3,210</b>	<b>2,975</b>	<b>3,213</b>
<b>FEDERAL RECEIPTS</b>	<b>38,833</b>	<b>45,524</b>	<b>49,304</b>	<b>44,610</b>	<b>42,843</b>
<b>OTHER RECEIPTS</b>	<b>15,097</b>	<b>17,433</b>	<b>16,880</b>	<b>17,451</b>	<b>17,791</b>
Student Tuition and Fees (SUNY/CUNY)	2,279	2,501	2,585	2,706	2,809
Patient/Client Care	1,585	1,818	1,766	2,323	2,438
Income from Investments	225	106	28	28	27
Abandoned Property	692	569	640	756	716
Unclaimed Bottle Deposits	—	46	118	101	114
Refunds & Reimbursements	1,039	1,296	1,193	1,089	1,020
Public Benefit Corporations <sup>(1)</sup>	679	622	278	218	260
Regulatory Assessments	1,876	3,038	2,568	2,582	2,407
EPIC Fees and Rebates	203	202	203	141	24
Public Asset Sale-Non Profit Conversion	233	95	—	—	—
Transfers from Public Goods Pool	3,274	3,808	4,081	4,096	4,137
Miscellaneous Licenses, Fees and Other	3,012	3,332	3,420	3,411	3,839
<b>BORROWED AND ADDED TO DEBT</b>	<b>3,391</b>	<b>3,621</b>	<b>3,583</b>	<b>3,762</b>	<b>3,461</b>
Bonds and Notes Issued by the State	457	448	525	352	434
Public Authority Financings	2,934	3,173	3,058	3,410	3,027
<b>TOTAL RECEIPTS</b>	<b>\$119,692</b>	<b>\$127,196</b>	<b>\$133,846</b>	<b>\$133,097</b>	<b>\$133,608</b>

<sup>(1)</sup> Includes general receipts and Public Authority cost recoveries.

# STATE OF NEW YORK



## FINANCIAL CONDITION REPORT

**For Fiscal Year Ended  
March 31, 2013**

## THOMAS P. DINAPOLI STATE COMPTROLLER

### Comptroller's Office of Public Information

110 State Street, 15th Floor  
Albany, New York 12236  
(518) 474-4015  
email: [finrep@osc.state.ny.us](mailto:finrep@osc.state.ny.us)

**This report and the  
Comprehensive Annual Financial Report  
may also be obtained from the  
Office of the State Comptroller's website at  
[www.osc.state.ny.us](http://www.osc.state.ny.us).**

**This report, or any portion thereof,  
may be reproduced without permission.**

## DATA SOURCES

City of New York Department of Correction  
City University of New York  
Fitch Ratings  
IHS Global Insight  
Institute for College Access and Success  
Moody's Investors Service  
NYC Office of Management and Budget  
NYS Commission of Correction  
NYS Department of Corrections and  
Community Supervision  
NYS Department of Health  
NYS Department of Labor  
NYS Department of Taxation and Finance  
NYS Department of Transportation  
NYS Division of the Budget

NYS Division of Criminal Justice Services  
NYS Education Department  
NYS Higher Education Services Corporation  
NYS Office of the State Comptroller  
NYS Office of Temporary and Disability Assistance  
RealtyTrac  
Securities Industry and Financial Markets Association  
Standard and Poor's Rating Services  
State University of New York  
Statistical View of America — Congressional Quarterly  
The Center for the Study of Education Policy,  
Illinois State University  
U.S. Commerce Department — Bureau of the Census and  
Bureau of Economic Analysis  
U.S. Department of Labor — Bureau of Labor Statistics  
U.S. Energy Information Agency



Printed on Recycled Paper