



Report on Estimated Receipts and Disbursements

State Fiscal Years 2013-14 through 2015-16

November 2013

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Overview

This Report on Estimated Receipts and Disbursements for State Fiscal Year (SFY) 2013-14 through SFY 2015-16, issued pursuant to Section 23 of the State Finance Law (as amended by Chapter 1 of the Laws of 2007), is intended to enhance analysis and discussion of the State's economic condition and the State Budget.

The national economy has slowed in 2013, after growing in 2012 at the fastest pace (2.8 percent) since before the recession. Gross domestic product (GDP), employment and consumer spending are expected to strengthen in 2014. However, risks remain, including continued uncertainty regarding federal fiscal issues.

After ranking 13th among the states in Gross State Product (GSP) growth from 2009 through 2011 and surpassing the national average in employment trends during the period, New York ranked 37th for GSP growth in 2012. Private sector employment in the State is projected to grow by 1.4 percent in 2013, as compared to the projected national gain of 2.0 percent.

Wall Street, a key driver of employment, personal income and tax revenue in the State, continues to work through the fallout from the recent financial crisis and related changes in business patterns and the regulatory environment. In 2012, Wall Street profits more than tripled to \$23.9 billion (the third-highest level on record). Profitability remained strong during the first half of 2013, but the industry is currently dealing with several issues that could limit profitability through the rest of the year.

For SFY 2013-14, tax receipts are expected to rise by 4.7 percent, a relatively modest increase resulting from softness in the national economy. The Office of the State Comptroller projects that the State's tax revenues will grow by 2.5 percent in SFY 2014-15. Among other factors, this estimate reflects the State's repayment of certain business tax credits that had been delayed in previous years. Tax receipts are expected to grow by 5.9 percent in SFY 2015-16, largely as the result of stronger growth in the national economy.

The Office of the State Comptroller's projections for All Funds receipts are \$71 million higher than estimates from the Division of the Budget (DOB) for SFY 2013-14, \$42 million higher in SFY 2014-15 and \$20 million lower in SFY 2015-16, based on DOB's most current projections from the First Quarterly Update to the SFY 2013-14 Enacted Budget Financial Plan.

The Office of the State Comptroller has reported that State tax revenues for the first six months of SFY 2013-14 were \$54.9 million below revised projections presented in DOB's First Quarterly Update to the Financial Plan. While the State has received higher miscellaneous receipts than projected, there is uncertainty regarding several hundred million dollars of other revenues that are included in the revised Financial Plan for the current fiscal year.

Background: “Quick Start” Financial Information Review Process

In order to facilitate the timely adoption of the State Budget, changes to the State Finance Law enacted in 2007 revised the existing “Quick Start” budget process to require the staffs of the Executive, the Senate, the Assembly, and the Comptroller to prepare and make available by November 5 of each year separate reports detailing estimates of receipts and disbursements for the current and ensuing fiscal years. The Office of the State Comptroller interprets this as the current and the two ensuing fiscal years.

The receipts forecast must include estimates of taxes 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 in the functional areas of 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.

By November 15, the Executive, Senate and 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 Executive, the Senate, the Assembly and the Comptroller to be held on or before November 15th 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, in order 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 represent the flow of revenues and expenditures through New York’s Statewide Financial System (SFS). In addition to other information, such data was used to determine receipt and disbursement trends, which were considered in calculating the Office of the State Comptroller’s estimates.

The following tables summarize the Office of the State Comptroller’s estimates compared to DOB’s estimates for receipts and disbursements as contained in the SFY 2013-14 First Quarter Financial Plan Update. The Office of the State Comptroller’s estimates for All Funds receipts and disbursements are based on current law that provides for caps on growth in Medicaid and school aid spending.

Because the statutory cap on Medicaid disbursements applies to disbursements from State Operating Funds, estimates for State Operating Funds are also provided.

Actual and Estimated Receipts and Disbursements, All Funds
SFY 2012-13 through SFY 2015-16
(in millions of dollars)

	2012-13						
	Actual	2013-14	Growth	2014-15	Growth	2015-16	Growth
Receipts							
Office of the State Comptroller	133,175	141,051	5.9%	143,408	1.7%	148,099	3.3%
Division of the Budget	<u>133,175</u>	<u>140,980</u>	<u>5.9%</u>	<u>143,366</u>	<u>1.7%</u>	<u>148,119</u>	<u>3.3%</u>
Difference	-	71		42		(20)	
Disbursements							
Office of the State Comptroller	133,097	141,105	6.0%	145,342	3.0%	150,973	3.9%
Division of the Budget	<u>133,097</u>	<u>141,021</u>	<u>6.0%</u>	<u>145,240</u>	<u>3.0%</u>	<u>150,856</u>	<u>3.9%</u>
Difference	-	84		102		117	

Actual and Estimated Receipts and Disbursements, State Operating Funds
SFY 2012-13 through SFY 2015-16
(in millions of dollars)

	2012-13						
	Actual	2013-14	Growth	2014-15	Growth	2015-16	Growth
Receipts							
Office of the State Comptroller	85,073	87,891	3.3%	90,098	2.5%	93,409	3.7%
Division of the Budget	<u>85,073</u>	<u>87,824</u>	<u>3.2%</u>	<u>90,055</u>	<u>2.5%</u>	<u>93,425</u>	<u>3.7%</u>
Difference	-	66		43		(16)	
Disbursements							
Office of the State Comptroller	88,844	90,723	2.1%	93,856	3.5%	98,215	4.6%
Division of the Budget	<u>88,844</u>	<u>90,716</u>	<u>2.1%</u>	<u>93,837</u>	<u>3.4%</u>	<u>98,190</u>	<u>4.6%</u>
Difference	-	7		19		25	

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

Economic Outlook

National Economy

The national economy has slowed in 2013, after growing in 2012 at the fastest pace (2.8 percent) since before the recession. The slowdown primarily reflects government actions to control the federal budget deficit, including the expiration of the payroll tax cut (which affected consumer spending) and the implementation of automatic government spending reductions (also known as the sequester). The recent impasse in Washington over the federal budget and the federal debt limit, which resulted in a 16-day shutdown of the federal government, further weakened economic growth (by an estimated loss of 0.6 percentage points in the fourth quarter of 2013, according to IHS Global Insight). The November 2013 forecast from IHS Global Insight projects that annual growth in U.S. gross domestic product (GDP) will slow to 1.5 percent in 2013, the lowest rate of increase since the recession ended.

Although consumer income has grown only slightly during the recovery (and the expiration of the payroll tax cut has further limited disposable income this year), household wealth has been rising as a result of the recovery in housing and of rising values for financial assets, such as stocks. Consumers have resumed spending on home remodeling and automobile replacement, which had been delayed during the recession. Although consumer confidence had been on an upward trend since late 2011, it has fallen in recent months as interest rates have risen (including rates for mortgages) and the uncertainty in Washington over fiscal policy has increased. Overall, total consumption spending is projected to slow slightly in 2013, to 1.9 percent from 2.2 percent in 2012.¹

Political uncertainty has also affected business investment (such as in office buildings, plants, equipment and software). Growth in business investment is projected to slow to 2.4 percent in 2013, after growth of 7.3 percent in 2012. Federal government spending is forecast to decline by 4.9 percent in 2013, which would be its largest decline since 1971, as a result of the sequester and other efforts to reduce the federal budget deficit. Defense spending, which accounts for about two-thirds of federal expenditures, is forecast to decline by 6.6 percent, potentially its largest decline in 41 years.

Since the recent recession ended, the nation has added 7.6 million private sector jobs (a gain of 7.0 percent), which represents 86 percent of the jobs lost during the recession. Although the unemployment rate has fallen from its recessionary peak of 10 percent in October 2009, it still remains high at 7.2 percent. Nevertheless, these improvements understate the current stress on the job market as a large number of potential workers continue to encounter difficulties in returning to the market (only 63 percent of the population is either employed or seeking a job, a 30-year low). The pace of private employment gains has slowed since the beginning of 2013, and IHS Global Insight projects that growth in private sector employment will ease to 2.0 percent in 2013, from 2.2 percent in 2012.

¹ Unless otherwise noted, forward-looking economic projections in this section are based on estimates from IHS Global Insight.

The recovery of the housing markets continues, although it has slowed as a result of the recent rise in mortgage rates. This is reflected in smaller increases in home prices and a reduction in new home sales. Nonetheless, the S&P/Case-Shiller Home Price Index indicates that home prices have risen by 16.3 percent since January 2012.

While IHS Global Insight projects that several measures of the national economy will strengthen in 2014, including GDP (to 2.5 percent), employment (1.7 percent), and consumer spending (2.5 percent), several significant risks remain. The recent federal budget agreement only funded the federal government through January 15, 2014, and suspended the federal debt ceiling until February 7, 2014. As a result, political uncertainty will increase as these deadlines approach. The recent risk of a federal government credit default shook global confidence in the United States, causing short-term interest rates to jump and currency valuations to fluctuate. If the nation were to default on its debt, it could lead to a new global financial crisis and a deep recession.

While the government shutdown and its dampening effect on the economy appears to have caused the Federal Reserve to delay its plans to begin changing its low-interest rate policies, interest rates are still projected to rise further in 2014 and 2015. The pace and timing of these increases will determine how deeply they affect future economic growth.

New York State Economy

According to the U.S. Department of Commerce, New York's inflation-adjusted gross state product (GSP) grew by 1.3 percent in 2012, only half of its average annual pace during the early portion of the recovery between 2009 and 2011. Among the 50 states in the nation, New York ranked 37th for GSP growth in 2012, after ranking 13th for the period between 2009 through 2011. The reduction in New York's ranking reflects, in part, stronger growth in other parts of the nation, particularly in the West and the South, where the rebounds in housing and manufacturing have had a greater impact on growth. For 2013, IHS Global Insight estimates that New York State's economic growth will rise to 1.7 percent.

Between October 2009 and August 2013, private employment in New York State increased by 472,000 jobs, which exceeded the number of jobs lost during the recession. The pace of the State's private sector job growth, however, has slowed in 2013, averaging 1.5 percent for the first eight months of the year, compared to 2.0 percent in the first eight months of 2012. Private sector employment in the State is projected to grow by 1.4 percent in 2013, as compared to the projected national gain of 2.0 percent.

Wall Street is a major component of New York State's economy, and securities industry-related activities generate a significant portion of the State's tax revenues. Five years after the bankruptcy of Lehman Brothers, Wall Street has made an impressive comeback. The industry is adapting to regulatory reforms and other challenges, and has been profitable for four consecutive years (including the three best years on record), helped by the Federal Reserve's low interest rate policies.

In 2012, Wall Street profits more than tripled to \$23.9 billion (the third-highest level on record). Profitability remained strong during the first half of 2013, but the industry is currently dealing with several issues that could limit profitability in the second half of the year. These include higher interest rates, litigation costs, and the turmoil in Washington over the federal budget and the debt limit. Further increases in interest rates as the Federal Reserve changes monetary policies, along with future regulatory reforms, could affect profitability over the longer term.

Despite its return to profitability, the industry is smaller than before the financial crisis. Securities industry employment in New York City, which accounts for about 89 percent of the industry's employment in the State, is 13.5 percent lower than before the crisis. Although the industry had begun to add jobs in the early part of the recovery, it has since resumed streamlining, a process that is expected to continue as the industry adapts to its changing regulatory and economic environment.

Projected employment declines in the State's broader financial sector (which includes banking, insurance and real estate in addition to the securities industry) led IHS Global Insight to forecast that wages in the financial sector could decline by 4.4 percent in 2013. As a result, total wages in the State are forecast to grow by only 1.3 percent in 2013, or less than half of the 2.9 percent increase in 2012.

Overall economic growth in New York State is projected to remain relatively subdued in 2014. Forecasts for growth in gross state product (1.6 percent) and employment (1.2 percent) are both slightly lower than in 2013, although wage growth is forecast to strengthen (to 3.8 percent). The risks that could affect national growth would also have a similar impact on New York State.

Receipts

Overview

This report includes the Office of the State Comptroller's forecast for All Funds tax receipts for SFY 2013-14 through SFY 2015-16. This forecast is consistent with an economy that continues to exhibit slow growth in 2013 but is expected to strengthen in the following two years. However, several variables could affect this forecast and increase the difficulty of forecasting tax collections. These include continued uncertainty regarding federal fiscal issues, rising interest rates, high unemployment rates, and the continued weakness in parts of the global economy. As a result, the State's actual tax revenues could deviate from these estimates. Close monitoring is critical to illuminate deviations so that corrective actions can be taken.

After declining by 3.2 percent in SFY 2009-10, tax receipts increased by 5.6 percent annually in SFY 2010-11 and SFY 2011-12, in response to enacted tax law changes, renewed job growth, and the financial sector's return to profitability. In SFY 2012-13, tax receipts increased by 3.1 percent. Tax receipts are expected to rise by 4.7 percent in SFY 2013-14.

Growth in tax receipts is expected to slow to only 2.5 percent in SFY 2014-15, as collections are restrained by the first year of the repayment of deferred business tax

credits to taxpayers and a large decline in personal income tax settlements from the current year. Settlements in SFY 2013-14 have been unusually high due to changes in taxpayer behavior caused by higher federal tax rates that took effect in 2013. For SFY 2015-16, tax receipts are expected to grow by 5.9 percent due to the strengthening of the national economy. (All projections are as compared to the prior fiscal year.)

Personal Income Tax

The Office of the State Comptroller estimates that Personal Income Tax receipts in SFY 2013-14 will increase by \$2.3 billion (5.7 percent) from the previous year. This increase primarily reflects settlements for Personal Income Tax payments related to tax year 2012, with extension payments increasing by 62 percent and final returns increasing by 7.6 percent, offset somewhat by higher refunds (11.4 percent). The growth in settlements came from individuals who accelerated income into 2012 to avoid federal tax changes that took place in January 2013. Withholding Tax collections are expected to increase by 3.5 percent, based on fiscal year wage growth of 3.2 percent in 2013, partially offset by the inflation indexing of tax brackets in 2013 and 2014. Receipts from current-year estimated taxes are expected to decline by 2.0 percent, reflecting the income accelerated into 2012, partially offset by gains in the financial markets.

For SFY 2014-15, Personal Income Tax receipts are expected to increase by 3.5 percent. Growth is expected to be helped by a 7.0 percent increase in Withholding Tax collections as wage growth continues, as well as by a 15 percent increase in current year estimated payments. This will be partly offset by a projected 30 percent decline in extension payments on 2013 income, reflecting the large one-time increase that occurred in the prior fiscal year, and an 8.0 percent increase in refunds. Personal Income Tax receipts in SFY 2015-16 are expected to grow by 6.7 percent. The faster rate of growth is attributable to the expected strengthening in the economy.

User Taxes and Fees

Consumption Tax receipts are forecast to increase by 3.6 percent in SFY 2013-14. This modest level of increase can be attributed mainly to the continued slow growth in the economy. Sales and Use Tax receipts, the largest component of this group, are forecast to increase by 4.9 percent this year, with growth being helped by the impact of new enforcement initiatives. This is partially offset by an expected decrease in cigarette and tobacco tax receipts, primarily attributable to the continued decline in smoking.

Over the remainder of the forecast period, growth in Consumption Tax receipts is expected to continue, averaging 3.6 percent annually. This reflects the continuing increase in income and spending, strength in tourism and the historical downward trend in the use of tobacco products.

Business Taxes

Business Tax receipts are expected to increase by 2.0 percent in SFY 2013-14, reflecting growth in the Corporate Franchise Tax (15 percent), Insurance Taxes (2.2 percent), and the Petroleum Business Taxes (4.4 percent), offset by declines in Corporation and Utilities Taxes (12.7 percent) and the Bank Tax (13 percent). The

anticipated increase in Corporate Franchise Tax collections is due to continued growth in the economy and an expected increase in audit receipts. The projected decline in receipts from Corporation and Utilities Taxes and the Bank Tax reflects the loss of several large audits received in the prior fiscal year that are not expected to recur in the current fiscal year.

Business Tax receipts are expected to decline 6.1 percent in SFY 2014-15 despite a stronger economy, as the repayment of deferred business tax credits begins. In SFY 2015-16, collections are expected to increase by 6.7 percent

Other Taxes

Other Tax receipts, including the MTA Payroll Tax, are expected to increase by 3.0 percent in SFY 2013-14. The increase can be attributed to the continued growth in the economy with Payroll Tax collections expected to increase by 3.3 percent, the Estate Tax by 3.4 percent and the Real Estate Transfer Tax by 2.0 percent.

Other Tax receipts are expected to increase in SFY 2014-15 and SFY 2015-16, by 7.4 percent and 4.7 percent, respectively. Real estate sales should continue to improve, driven by the commercial sector.

General Fund Miscellaneous Receipts and Lottery Receipts

Miscellaneous receipts include fees, fines, and reimbursements, bond proceeds from public authorities, lottery revenue and interest on State investments. The Office of the State Comptroller has identified risks associated with the miscellaneous receipts expected to be received from abandoned property, casino revenue and contributions from public authorities.

General Fund miscellaneous receipts are estimated to decline 4.3 percent in SFY 2013-14, to \$3.5 billion, largely due to the loss of non-recurring receipts received in SFY 2012-13. Miscellaneous receipts in the General Fund include a number of revenue sources that are temporary or non-recurring in nature. For instance, in SFY 2013-14, the General Fund will benefit from a \$250 million payment from the State Insurance Fund (SIF) associated with Worker's Compensation law changes enacted in the SFY 2013-14 Enacted Budget. Over the next four years, \$1.75 billion will flow to the General Fund from SIF for "debt management or fiscal uncertainties" in SFY 2013-14 and "reducing budget gaps" in SFY 2014-15 through SFY 2016-17.

In addition, a temporary assessment on utility bills is projected to produce \$510 million in SFY 2013-14. The SFY 2013-14 Enacted Budget extended this assessment, initially increased in SFY 2008-09, through SFY 2016-17. The General Fund also benefits from settlements, including \$150 million from ING Bank and \$340 million from Standard Chartered Bank in SFY 2012-13, and \$250 million from the Bank of Tokyo-Mitsubishi UFJ and \$10 million from Deloitte Financial Services during the current fiscal year.

In the First Quarter Update to the SFY 2013-14 Enacted Budget Financial Plan, DOB added \$300 million in “potential financial settlements” to its projections for General Fund miscellaneous receipts in coming years (\$50 million in SFY 2014-15, increasing to \$150 million in SFY 2016-17). In SFY 2013-14, General Fund miscellaneous receipts include nearly \$1.3 billion in non-recurring or temporary resources (38 percent of total projected General Fund miscellaneous receipts), as well as nearly \$400 million in miscellaneous receipts that are received outside the General Fund but have direct General Fund impact.²

General Fund miscellaneous receipts are projected to increase 7.2 percent in SFY 2014-15, primarily reflecting the \$1.0 billion payment from SIF, up from \$250 million in SFY 2013-14. General Fund miscellaneous receipts are projected to decline nearly 23 percent in SFY 2015-16, primarily because the payment from SIF then declines back to \$250 million.

All Funds projections for miscellaneous receipts in SFY 2013-14 (most of which is initially collected outside the General Fund) include \$474.3 million from Native American casinos, including \$341.1 million in a negotiated amount for back payments. Of that total, \$304 million will be transferred to the General Fund after payments to local governments.³ In addition, DOB expects to receive \$175 million in proceeds from the conversion of the HIP and GHI insurance companies to for-profit entities.

DOB projects All Funds receipts will increase \$781 million or 3.2 percent in SFY 2014-15, primarily from the increased payment from SIF as discussed above.

Lottery revenues for education (not including administration) from traditional games are expected to increase by 0.6 percent in SFY 2013-14, and revenues from video lottery terminals (VLTs) are expected to increase 2.8 percent. Lottery receipts are projected to increase slightly (0.25 percent) in SFY 2014-15 and by less than 0.2 percent in SFY 2016-17.

DOB has not yet included projections for revenue resulting from the Upstate New York Gaming and Economic Development Act in the Financial Plan. DOB has projected that it expects statewide revenue from the Act to total \$430 million annually, of which \$238 million will be for education (aid to public schools) or property tax relief and \$192 million for local government assistance. The Act is the enabling legislation related to the proposed Constitutional amendment allowing up to seven non-Native American casinos in the State. It includes certain provisions that take effect only if the amendment is approved by voters, others that take effect only if voters reject the amendment, and still others that take effect in any case.

² Certain miscellaneous receipts, such as insurance conversion proceeds, Lottery revenue and revenue from Native American casinos, are actually received in special revenue funds other than the General Fund. However, if there are shortages in those special revenue funds, the General Fund is often used as the backup source of revenue.

³ This funding is initially collected as a miscellaneous receipt in the Tribal State Compact special revenue fund (339.22169). After payments to localities that host the Native American casinos covered under the Tribal State Compact, the remaining revenue is transferred to the General Fund.

Federal Receipts

Federal grants support State spending for Medicaid, transportation, school aid, public health, environmental and energy programs, and other activities. Since State spending for federally financed programs is typically “cash neutral” (i.e., federal receipts equal spending), the Office of the State Comptroller accepts DOB’s federal receipt projections with adjustments according to changes in federally funded disbursements as projected in this report.

In SFY 2013-14, federal receipts are projected to increase \$4.6 billion or 10.7 percent from SFY 2012-13, primarily due to assistance associated with Superstorm Sandy which made landfall just north of Atlantic City, New Jersey on October 29. The associated storm surge flooded much of New York City and Long Island and caused an estimated \$32.8 billion in damage in the State.⁴ DOB currently projects that approximately \$5.1 billion in federally funded disaster assistance will be disbursed in SFY 2013-14, up from \$577 million in SFY 2012-13. DOB projects that federally funded disaster spending will continue through at least SFY 2016-17, with spending projected to decline to just under \$2.5 billion in SFY 2014-15 and just over \$1.0 billion in SFY 2015-16.

Leaving aside disaster assistance, DOB projects other federal receipts will increase \$71 million or just under 0.2 percent in SFY 2013-14. Federal grants for capital spending are projected to increase 4.5 percent or \$95 million. Federal grants for operating costs are projected to increase less than 0.1 percent or \$38 million. Federal grants received in the General Fund and debt service funds are projected to decline \$62 million from SFY 2012-13. Subsequently, total Federal receipts are projected to decline \$171 million in SFY 2014-15 and another \$20 million in SFY 2015-16.

⁴ Governor’s press release, November 26, 2012.

Disbursements

Overview

This report includes a forecast for disbursements for SFY 2013-14 through SFY 2015-16. Chapter 1 of the Laws of 2007 requires forecasts for *State* disbursements. Previously, the Office of the State Comptroller provided projections for spending from All Governmental Funds (All Funds), since federally funded programs are disbursed in the same manner as State-funded programs. However, because Department of Health (DOH) Medicaid spending from State funds is specifically limited in both statute and appropriation authority, the Office of the State Comptroller now includes spending projections from both All Funds and State Operating Funds.

These estimates rely on a variety of data sources, including receipt and disbursement data from New York's Statewide Financial System (and previous Central Accounting System) and information from State agencies, including the State Education Department (SED), DOB, DOH, the Department of Labor (DOL), and the Office of Temporary and Disability Assistance (OTDA). All projections for growth reflect comparisons to the prior fiscal year.

The SFY 2013-14 Enacted Budget – like the prior year's – included appropriations intended to reflect two years' worth of spending in Medicaid and school aid. The Budget also provided limits on future spending growth for Medicaid based on the ten-year average growth in the medical component of the Consumer Price Index (CPI), and for education based on the rate of growth for Personal Income in the State. As a result of these limitations, projected spending in two of the largest major categories of spending in the Budget is constrained, absent action by the Executive and the Legislature to supersede the spending targets. In the SFY 2013-14 Enacted Budget, school aid was increased by an amount that exceeded the cap. Of the \$992 million increase, \$382 million is described as non-recurring "fiscal stabilization" aid. Without this additional funding, aid would have grown \$610 million or approximately 3.0 percent, an increase equal to the statutory cap.⁵

This report provides Medicaid and school aid spending projections based on current law, and provides comparisons to the Financial Plan through SFY 2015-16. Because the Financial Plan reflects spending estimates based on current law limits, these projections were used for Medicaid and school aid. However, estimated spending growth that would occur absent the spending limitations enacted in SFY 2011-12 is also provided for comparative purposes in each program area.

This report does not adjust for actual or planned actions that artificially and temporarily change growth rates such as pre-payments (which artificially increase base year spending while decreasing subsequent year spending, thus implying lower growth). The Office of the State Comptroller's "Report on State Fiscal Year 2013-14 Enacted Budget and Financial Plan" provides an overview of such actions that are included in the SFY 2013-14 Enacted Budget.

⁵ See Sections 3602 (1)(aa through dd) of the Education Law.

SFY 2013-14

For SFY 2013-14, the Office of the State Comptroller projects Medicaid, school aid and public assistance spending from State Operating Funds will total \$37.1 billion, an increase of \$664 million, or 1.8 percent, from SFY 2012-13 levels. Among other factors, this level of increase reflects the limits enacted in SFY 2011-12 that constrained spending from State Operating Funds. All other State Operating Funds spending is projected to total \$53.6 billion, an increase of \$1.2 billion, or 2.3 percent, compared to SFY 2012-13. All other spending includes such categories as debt service, General State Charges and State Operations.

Medicaid, school aid and public assistance spending from All Funds is projected to total \$66.6 billion, which is \$2.6 billion, or 4.2 percent, higher than SFY 2012-13 levels.

SFY 2014-15

For SFY 2014-15, the Office of the State Comptroller estimates Medicaid, school aid, and public assistance from State Operating Funds will total \$38.9 billion, which is an increase of \$1.8 billion, or 4.8 percent, from estimated 2013-14 expenditures. The Office of the State Comptroller projects all other State Operating Funds spending to increase \$1.4 billion, or 2.5 percent, to just under \$55 billion.

Medicaid, school aid, and public assistance spending from All Funds is projected to total \$72.1 billion in SFY 2014-15, which is \$5.4 billion, or 8.2 percent, higher than projected SFY 2013-14 levels.

SFY 2015-16

For SFY 2015-16, the Office of the State Comptroller estimates Medicaid, school aid, and public assistance spending from State Operating Funds will total \$40.5 billion, an increase of \$1.6 billion, or 4.2 percent from the previous year. During this period, all other State Operating Funds spending is projected to increase \$2.7 billion, or 5 percent, to \$57.7 billion.

Medicaid, school aid and public assistance spending from All Funds is projected to total \$76.4 billion in SFY 2015-16, which is \$4.4 billion, or 6.1 percent, higher than SFY 2014-15 levels.

Issue Areas

Medicaid and school aid projections in this section represent increases without enacted spending caps, but with all other changes included in the SFY 2012-13 Enacted Budget, to provide an understanding of the impact of the spending caps on the Budget.

School Aid Projections Without Enacted Spending Limits

For the third year in a row, the SFY 2013-14 Enacted Budget included appropriation language intended to cover two fiscal years. The appropriation is structured so that

spending stays within the school aid cap enacted in the SFY 2011-12 Budget, which allows an overall increase of up to \$610 million in school year (SY) 2013-14 (3.0 percent) to \$20.8 billion. The Legislature and Governor agreed to utilize non-recurring funding that the Governor had initially planned on using for undefined fiscal stabilization. Because this reprogrammed funding is non-recurring, the growth in school aid exceeded the cap.

For SY 2012-13, the cap limited growth in school aid to the average annual growth in Personal Income for the State for SFY 2005-06 through SFY 2009-10. Annual increases in succeeding years are limited to the level of change in Personal Income for the State for SY 2013-14 and thereafter.⁶ It is important to note that the annual cap will grow in relation to the annual growth of Personal Income for New York State, as reported by the Bureau of Economic Analysis. Actual annual growth has averaged 5.5 percent since the statistic was first reported in 1929 (through 2012). However, between 2007 and 2012, annual growth averaged only 2.2 percent, largely because Personal Income actually declined in 2009, for the first time since 1938. Future projections are difficult because of the volatile nature of Personal Income in New York, which is heavily influenced by activity in the financial markets.

In the Mid-Year Update to the SFY 2011-12 Enacted Budget Financial Plan, school aid for SY 2013-14 was projected to reach \$21.4 billion, based on then-current projections for Personal Income. One year later, in the Mid-Year Update to the SFY 2012-13 Enacted Budget Financial Plan, SY 2013-14 school aid was projected to reach just under \$21.1 billion. The Executive's SFY 2013-14 Proposed Budget projected school aid would total only \$20.8 billion in SY 2013-14, based on then-current projections for Personal Income. Between November 2011 and January 2013, school districts saw school aid projections decline nearly \$600 million.

Annual Medicaid spending growth is also limited. But instead of basing the cap on the growth of just one year, as with school aid, the State has instead limited growth in Medicaid spending by a 10-year rolling average annual growth of the medical component of the Consumer Price Index (CPI), which is currently approximately 4.0 percent. If school aid were limited to the 10-year rolling annual average growth rate for Personal Income, growth would be limited to approximately 4.2 percent (average annual growth between 2002 and 2012), but would be significantly more predictable for school districts.

"Allowable Growth," as statutorily defined, allows additional spending within the cap for formula-based and primarily expense-driven programs outside of Foundation Aid and the Gap Elimination Adjustment (GEA).⁷ The various permanent-law formulas used to compute General Support for Public Schools (GSPS) will result in a spending figure larger than allowed under the cap. To stay within allowable growth, the GEA is a downward revision that reduces total general school aid to a targeted amount. If there is funding available under the cap after Allowable Growth is calculated, additional spending or a reduction in the GEA can be authorized pursuant to a chapter of law.

⁶ Aid is statutorily limited to growth in Personal Income from the *State Fiscal Year*, not the calendar year.

⁷ Foundation Aid is the State's largest category of aid to public schools, representing nearly 70 percent of total aid before applying the Gap Elimination Adjustment, which formulaically reduces the total amount of aid by district.

The SFY 2013-14 Enacted Budget increased Foundation Aid by \$172 million from SY 2012-13.⁸ The increase of \$992 million is supplemented with \$75 million in competitive funding for New NY Education Reform Initiatives including full day pre-kindergarten, extended school days or school years, community schools, high performing teachers and early college high school programs. This funding is expected to continue through at least SY 2016-17.

The Enacted Budget also provides appropriations for two State fiscal years' worth of funding for school aid (including GEA), with limits on how much of the appropriations can be used in each State fiscal year. The updated SFY 2013-14 Enacted Budget Financial Plan projects a total increase of \$992 million for SY 2013-14, to \$21.2 billion (\$20.5 billion in SFY 2013-14). The Financial Plan does not detail how this 3.0 percent increase will be apportioned among the various school aid programs; although school aid runs from the Department of Education indicate that \$15.2 billion is for Foundation Aid and the GEA will reduce aid by \$1.6 billion.

According to the updated Financial Plan, GSPS is projected to increase to \$21.95 billion in SY 2014-15 (\$21.7 billion in SFY 2014-15), representing an increase of \$722 million or 3.4 percent for the school year. Again, this increase may be used to adjust total aid or pieces of the total; the two approaches would have the same result in the State's Financial Plan but could produce differing allocations of aid among individual school districts.

The cap enacted last year fundamentally changes how formulas are used to distribute school aid. With the cap in place, formulas can be adjusted to target certain populations and needs and then the GEA, also a formula-driven category, is used to target the reduction so that total aid is within the cap. In the SFY 2013-14 Enacted Budget, approximately \$517 million from the GEA was restored, via another formula.

Because school aid is statutorily limited, the following section of this report illustrates growth if there were no cap.⁹ The following projections illustrate growth without such a cap in order to show how the GEA would have to be increased or other aids reduced. To create these projections, the Office of the State Comptroller used weighted historical average growth of the large expense aids (Transportation, Building, BOCES, Private Excess Cost and High Cost Excess), as well as State aid data reflecting the Enacted Budget. Projections for High Tax Aid and Universal Pre-Kindergarten were kept constant through the projection period. Foundation Aid is increased by the average annual growth from SY 2006-07 to SY 2012-13 of 3.0 percent. (Foundation Aid will be set annually by legislative action; the growth assumed here is not part of an existing schedule.)

The State Education Department is required to provide detailed school aid data by district three times throughout the year – February 15, May 15 and November 15.¹⁰ The

⁸ See School Aid run SA131-4 from the State Education Department, March 22, 2103.

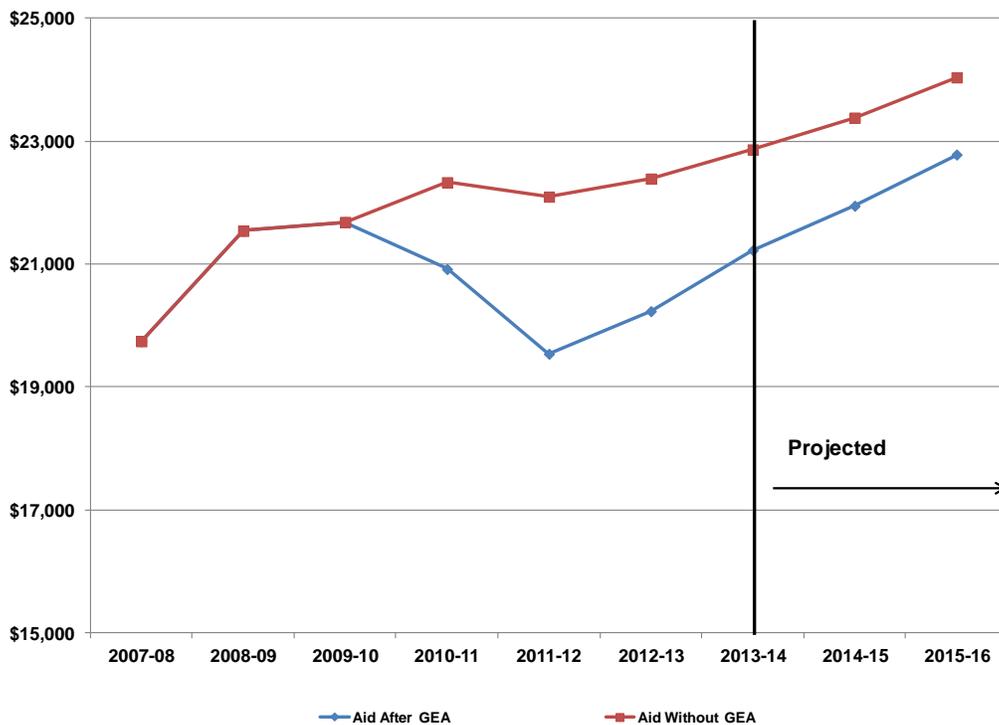
⁹ See §3602(1) (ff) and (gg) of the Education Law.

¹⁰ See §305 of the Education Law. Adjustments to school aid expenditures are often reflected in the first quarter of the following year. Such adjustments tend to neutralize the impact on the current year Financial

November data is used to calculate aid included in the Executive Budget proposal and the February 15 data is typically the base for Enacted Budget spending totals.

The Office of the State Comptroller projects that school aid spending from State Operating Funds will total \$20.5 billion in SFY 2013-14, which is an increase of \$308 million or 1.5 percent over SFY 2012-13.¹¹ All Funds school aid is projected to reach \$23.3 billion in SFY 2013-14. This projection equates to approximately \$21.2 billion on a school-year basis.

Figure 1
Total School Aid – With and Without Gap Elimination Adjustment
 (in millions of dollars on School Year Basis)



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

Projecting non-capped figures for SFY 2014-15 and SFY 2015-16 is difficult because the treatment of Foundation Aid and any application of the GEA is unknown. As previously stated, for the purposes of this report, Foundation Aid is increased by historical average annual growth and expense-based aids are increased by weighted average growth.

Based on an analysis of historical spending trends in various expense-based aids, the Office of the State Comptroller estimates that school aid from State Operating Funds (without any GEA) would increase to \$24.1 billion in SFY 2014-15, an increase of \$3.6 billion, or 17.8 percent over SFY 2013-14. All Funds spending under this scenario is projected to increase \$3.7 billion or 16 percent to \$27.1 billion. This equates to \$23.4

Plan and, therefore, would minimally impact this forecast. This forecast does not consider updated school aid funding data, since such data will not be available until November 15th.

¹¹ Note that this amount is not adjusted for a prepayment of \$107 million made in SFY 2012-13 that was initially planned for SFY 2013-14.

billion on a school-year basis, thus requiring a GEA or other spending reductions of nearly \$1.4 billion to stay within the cap.

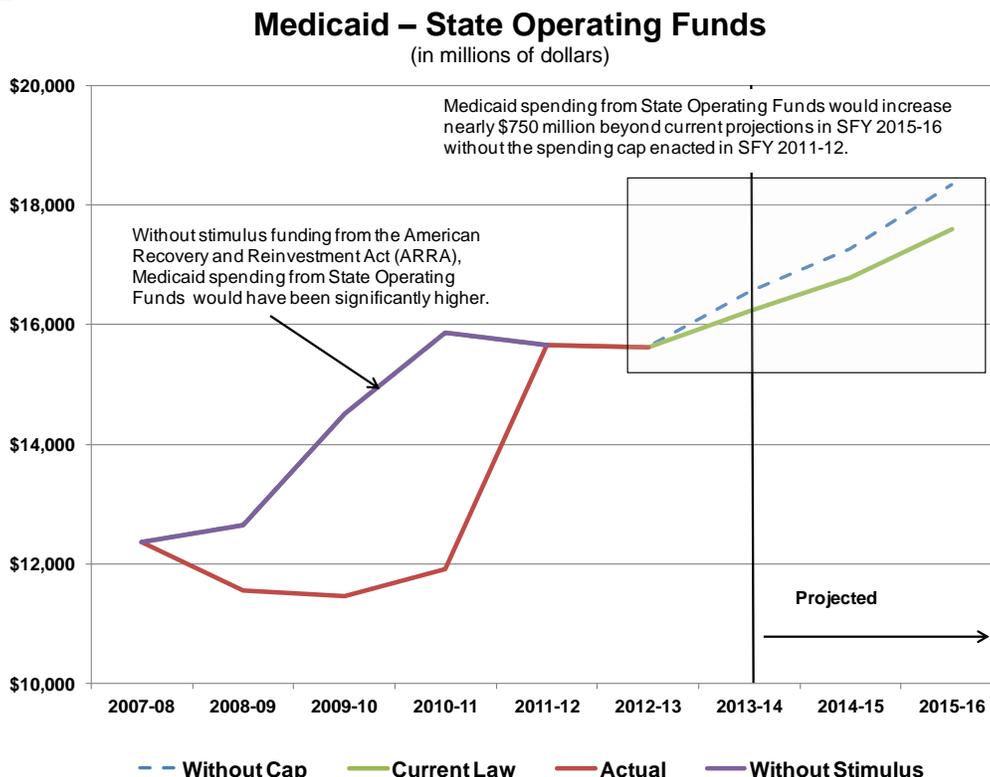
The Office of the State Comptroller estimates that school aid from State Operating Funds (without any GEA) would increase to \$24.5 billion in SFY 2015-16, an increase of \$677 million, or 2.8 percent over SFY 2014-15. All Funds spending is projected to increase \$750 million or 2.8 percent to \$27.8 billion. This equates to just over \$24 billion on a school-year basis, thus requiring a GEA or other spending reductions of nearly \$1.3 billion to stay within the cap.

Medicaid Projections Without Enacted Spending Limits

The SFY 2013-14 Enacted Budget again includes two years' worth of Medicaid spending from DOH (including administration), with a specific limit in State Operating Funds spending for each year. The SFY 2011-12 Enacted Budget included a statutory change that caps future Medicaid spending to the 10-year average of the medical component of the Consumer Price Index – currently projected by DOB at approximately 4.0 percent annually.

In addition, the Enacted Budget again gives the Health Commissioner broad administrative authority to implement cost-saving actions to stay within the cap, provided savings plans are posted on DOH's website and written copies are provided to the Legislature 30 days before any action is taken. While the growth limit for Medicaid spending is in permanent law, the authority provided to the Commissioner to achieve savings through administrative actions currently expires at the end of SFY 2014-15.

Figure 2



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

The SFY 2013-14 Enacted Budget continues the cost-containment measures from various actions recommended by the Medicaid Redesign Team (MRT) and first enacted in the SFY 2011-12 Budget. These measures are projected to hold future spending growth within the spending cap, currently estimated by DOB at approximately 4.0 percent. Average annual growth before these changes was 4.6 percent from SFY 2007-08 through SFY 2011-12, not including additional Federal Medical Assistance Percentage (FMAP) funding from the federal government. Medicaid spending in SFY 2011-12 from State Operating Funds reflects the first year of MRT reductions that were projected to reduce spending by approximately \$2.3 billion.

The largest individual component of the reductions enacted in SFY 2011-12, projected at \$640 million, or approximately 28 percent of total Medicaid savings, was to be attained by health care providers based on their choices with respect to specific cost savings. Although DOB has not updated savings projections for actions enacted in SFY 2011-12, initial projections showed that in SFY 2013-14, savings derived from provider actions to lower costs were projected to exceed \$2.1 billion, increasing to nearly \$2.7 billion in SFY 2014-15. Monthly global cap reports from the Department of Health imply that MRT savings targets are being met as spending rarely exceeds projections, although these reports do not detail actual savings associated with monthly spending. The authority given to the Health Commissioner to reduce Medicaid spending administratively expires at the end of SFY 2014-15. If that authority is not renewed, the State's ability to realize the targeted level of savings over the remainder of the plan could be undermined.

The slow pace of the economic recovery, coupled with increases in demand driven by other factors, could result in higher Medicaid enrollment and program costs. Furthermore, other yet-undetermined actions from the federal government and changes to federal participation rates and other Medicaid rules could increase State costs directly and indirectly associated with Medicaid. The federal Affordable Care Act increases Medicaid enrollment as eligibility is expanded. The majority of this cost is covered with federal grants, so All Funds spending reflects the increased cost, but growth in Medicaid spending from State Operating Funds should slow. In addition, the State continues to move more recipients from a "fee for service" structure to managed care, which is intended to restrain growth in costs.

The Office of the State Comptroller used historical trends derived from service utilization data maintained by DOH, along with actual spending data reported by the Office of the State Comptroller from annual and monthly reports to the Legislature, as well as annual spending data included with DOB's quarterly Financial Plan Updates to estimate Medicaid spending from State Operating Funds and All Funds for SFY 2013-14 and the ensuing two fiscal years. Spending data was adjusted to reflect known actions, such as delayed cycle payments, that would impact cash management.

The following estimates illustrate projected Medicaid growth in the absence of the enacted spending cap and unilateral cost control mechanisms. While enacted spending cuts are included in these estimates, the projected increases are primarily due to increased utilization. Changes in federally funded Medicaid spending are based on DOB projections.

Based on actual spending through September 2013, historical spending and utilization trends, the Office of the State Comptroller estimates that absent the statutory spending limits, DOH Medicaid spending (including administrative costs) in SFY 2013-14 would total \$16.5 billion from State Operating Funds, and \$42.5 billion from All Funds.

For SFY 2014-15, the Office of the State Comptroller projects that absent the statutory spending limits, Medicaid spending would increase to \$17.3 billion (4.3 percent or \$715 million) from State Operating Funds and to \$47.2 billion (11.0 percent or \$4.7 billion) from All Funds.

For SFY 2015-16, the Office of the State Comptroller estimates that absent the statutory spending limits, Medicaid spending would total \$18.3 billion from State Operating Funds, an increase of \$1.1 billion or 6.2 percent, and just under \$51.5 billion from All Funds, representing an increase of \$4.3 billion or 9.1 percent.

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. Those who lose their jobs may face extended periods of unemployment or underemployment in the current economic climate. Officially reported unemployment rates are not a perfect measure of unemployment, as they miss people who have left the workforce and are not actively looking for work anymore (but are supported through means such as savings, credit and family), as well as people who are employed but in temporary or part-time positions paying significantly less than full-time jobs. Current employment and unemployment statistics illustrate that there is a significant number of people who are underemployed or have left the workforce altogether.

According to the Bureau of Labor Statistics, the national unemployment rate was 7.2 percent in September 2013, representing a decline of 0.6 percentage points from September 2012 and 2.8 percentage points from the high of 10 percent in October 2009. While the decline is good news, it's important to note that approximately 53 percent of the unemployed population has been unemployed for 15 weeks or more. When the numbers of people employed part-time (not by choice) and people no longer looking for employment are added, the rate increases to 13.6 percent of the civilian labor force. This underutilization measure also represents a decline from September 2012 (from 14.7 percent). In 2007, the beginning of the Great Recession, the rate was 8.3 percent.

Although historically a lag of between 12 and 18 months has appeared between an economic downturn and a caseload increase, the Great Recession and the slow and sometimes volatile recovery present new challenges in making projections for public assistance. It is increasingly difficult to use existing assumptions when projecting because of the ways in which unemployment has changed in recent years: Not only has the rate remained high by historical standards, but unemployment benefits for many job seekers have been extended for longer periods than in the past.

In the SFY 2011-12 Enacted Budget, financing proportions were changed to eliminate State and local spending for the federal Family Assistance program, thus increasing federal support to 100 percent. Funding for the State Safety Net program was changed from approximately 50 percent each from the State and the counties to 29 percent from the State and 71 percent from the counties.

Using historical trends for unemployment rates, caseloads and spending according to monthly caseload reports issued by the Office of Temporary and Disability Assistance (OTDA), the Office of the State Comptroller estimates that in SFY 2013-14 All Funds spending for public assistance will total \$1.57 billion (including \$426.2 million from State Operating Funds), based on caseloads of 380,052 families and 194,921 singles.

For SFY 2014-15, the Office of the State Comptroller projects public assistance spending will decline by \$5.0 million, or 0.3 percent, to \$1.57 billion (including \$429.1 million from State Operating Funds), based on caseloads of 376,569 families and 198,131 singles.

For SFY 2015-16, the Office of the State Comptroller estimates that spending for public assistance will decline \$1.0 million or 0.06 percent to \$1.57 billion (including \$432.3 million from State Operating Funds), based on caseloads of 374,166 families and 201,394 singles.

Risks

While anticipated disaster assistance from the federal government has begun to flow, significant costs associated with ongoing repair and reconstruction related to Superstorm Sandy and other storms have yet to be determined. Associated risks to the State Financial Plan include the potential for higher-than-expected increases in spending on certain programs, and potential delays in federal reimbursement.

In April and July 2013, the Office of the State Comptroller warned of a number of risks to the Financial Plan. Identified risks included unanticipated events that may require additional spending, as well as anticipated revenues that may fail to materialize. Further action by the federal government regarding reimbursement rates for Medicaid costs associated with facilities for the developmentally disabled could have a significant impact on the Financial Plan. However, slower-than-anticipated growth in the economy and the related effects on tax collections remain the most significant current risks to the Financial Plan.

Other risks specific to the SFY 2013-14 Enacted Budget that were identified previously remain. These include the ability to reach targeted levels of certain miscellaneous receipts such as revenue collected from insurance conversions, Abandoned Property, and new revenue anticipated from public authorities.

Although significant progress has occurred with the last three enacted budgets, the remaining structural imbalance in the State Budget still poses a risk on a broader scale. Structural gaps are projected in each of the next three fiscal years, with DOB projecting All Funds spending to reach \$150.9 billion by SFY 2015-16, as compared to projected All Funds revenue of \$148.1 billion. DOB projects that General Fund spending growth

from SFY 2012-13 through SFY 2015-16 will be 16.1 percent, while General Fund receipts growth is projected to be 11.5 percent over the same period.

Even with the significant spending reductions included in the last three enacted budgets, spending is projected to grow faster than revenues over the next few years. Furthermore, three of the largest spending areas, Medicaid, school aid and State operations, have sustained the bulk of cuts so far and gaps still remain. Looking further out, several of the largest revenue measures created in the past few years are temporary in nature, including temporary higher Personal Income Tax rates, a temporary utility assessment surcharge, and more than \$1.0 billion in funds to be transferred from SIF to the General Fund. Additional budget cuts or revenue increases to address the structural imbalance between recurring revenue and recurring spending, particularly once the temporary revenue measures expire, will require difficult policy choices.

Appendix – Financial Projections

Projections Based on Current Law, Including Enacted Spending Caps

Office of the State Comptroller Estimates for Receipts and Disbursements

State Operating Funds - State Fiscal Year 2013-14

(in millions of dollars)

	<u>Office of the State Comptroller</u>	<u>Division of the Budget</u>	<u>Difference</u>
Receipts:			
Personal Income Tax	42,528	42,543	(15)
Consumer Taxes	14,540	14,511	29
Business Taxes	7,959	7,936	23
Other Taxes (incl. MTA Payroll)	2,964	2,935	29
<i>Total Taxes</i>	<u>67,991</u>	<u>67,925</u>	<u>66</u>
General Fund Miscellaneous Receipts	3,353	3,353	-
Lottery	3,111	3,111	-
Subtotal	74,455	74,389	66
Other Miscellaneous Receipts	13,361	13,361	-
Federal Grants	75	75	-
Total Receipts	<u>87,891</u>	<u>87,824</u>	<u>66</u>
Disbursements:			
Elementary and Secondary Education	20,471	20,471	-
DOH Medicaid (incl. administration)	16,230	16,230	-
Public Assistance	426	414	13
Subtotal	37,127	37,115	13
All Other Disbursements	53,596	53,596	-
Total Disbursements	<u>90,723</u>	<u>90,711</u>	<u>13</u>

Note: Figures may not total due to rounding.

Office of the State Comptroller Estimates for Receipts and Disbursements
State Operating Funds - State Fiscal Year 2014-15

(in millions of dollars)

	<u>Office of the State Comptroller</u>	<u>Division of the Budget</u>	<u>Difference</u>
Receipts:			
Personal Income Tax	44,020	43,999	21
Consumer Taxes	15,089	15,060	29
Business Taxes	7,414	7,457	(43)
Other Taxes (incl. MTA Payroll)	3,192	3,156	36
<i>Total Taxes</i>	<u>69,715</u>	<u>69,672</u>	<u>43</u>
General Fund Miscellaneous Receipts	3,595	3,595	-
Lottery	3,119	3,119	-
Subtotal	76,429	76,386	43
Other Miscellaneous Receipts	13,596	13,596	-
Federal Grants	73	73	-
Total Receipts	<u>90,098</u>	<u>90,055</u>	<u>43</u>
Disbursements:			
Elementary and Secondary Education	21,692	21,692	-
DOH Medicaid (incl. administration)	16,780	16,780	-
Public Assistance	429	410	19
Subtotal	38,901	38,882	19
All Other Disbursements	54,955	54,955	-
Total Disbursements	<u>93,856</u>	<u>93,837</u>	<u>19</u>

Note: Figures may not total due to rounding.

Office of the State Comptroller Estimates for Receipts and Disbursements

State Operating Funds - State Fiscal Year 2015-16

(in millions of dollars)

	Office of the State Comptroller	Division of the Budget	Difference
Receipts:			
Personal Income Tax	46,950	46,928	22
Consumer Taxes	15,619	15,628	(9)
Business Taxes	7,951	8,001	(50)
Other Taxes (incl. MTA Payroll)	3,348	3,326	22
<i>Total Taxes</i>	<u>73,867</u>	<u>73,883</u>	<u>(16)</u>
General Fund Miscellaneous Receipts	2,776	2,776	-
Lottery	3,124	3,124	-
Subtotal	79,767	79,783	(16)
Other Miscellaneous Receipts	13,569	13,569	-
Federal Grants	73	73	-
Total Receipts	<u>93,409</u>	<u>93,425</u>	<u>(16)</u>
Disbursements:			
Elementary and Secondary Education	22,514	22,514	-
DOH Medicaid (incl. administration)	17,591	17,591	-
Public Assistance	432	407	25
Subtotal	40,537	40,512	25
All Other Disbursements	57,678	57,678	-
Total Disbursements	<u>98,215</u>	<u>98,190</u>	<u>25</u>

Note: Figures may not total due to rounding.

Office of the State Comptroller Estimates for Receipts and Disbursements

All Funds - State Fiscal Year 2013-14

(in millions of dollars)

	Office of the State Comptroller	Division of the Budget	Difference
Receipts:			
Personal Income Tax	42,528	42,543	(15)
Consumer Taxes	15,147	15,117	30
Business Taxes	8,636	8,611	25
Other Taxes (incl. MTA Payroll)	3,085	3,054	31
<i>Total Taxes</i>	<u>69,396</u>	<u>69,325</u>	<u>71</u>
General Fund Miscellaneous Receipts	3,353	3,353	-
Lottery	3,111	3,111	-
Subtotal	75,860	75,789	71
Other Miscellaneous Receipts	17,758	17,758	-
Federal Grants	47,433	47,433	-
Total Receipts	<u>141,051</u>	<u>140,980</u>	<u>71</u>
Disbursements:			
Elementary and Secondary Education	23,339	23,339	-
DOH Medicaid (incl. administration)	41,718	41,718	-
Public Assistance	1,574	1,494	80
Subtotal	66,631	66,551	80
All Other Disbursements	74,470	74,470	-
Total Disbursements	<u>141,101</u>	<u>141,021</u>	<u>80</u>

Note: Figures may not total due to rounding.

Office of the State Comptroller Estimates for Receipts and Disbursements

All Funds - State Fiscal Year 2014-15

(in millions of dollars)

	Office of the State Comptroller	Division of the Budget	Difference
Receipts:			
Personal Income Tax	44,020	43,999	21
Consumer Taxes	15,705	15,675	30
Business Taxes	8,106	8,152	(47)
Other Taxes (incl. MTA Payroll)	3,312	3,275	37
Total Taxes	71,143	71,101	42
General Fund Miscellaneous Receipts	3,595	3,595	-
Lottery	3,119	3,119	-
Subtotal	77,857	77,815	42
Other Miscellaneous Receipts	18,289	18,289	-
Federal Grants	47,262	47,262	-
Total Receipts	143,408	143,366	42
Disbursements:			
Elementary and Secondary Education	24,640	24,640	-
DOH Medicaid (incl. administration)	45,881	45,881	-
Public Assistance	1,569	1,461	108
Subtotal	72,090	71,982	108
All Other Disbursements	73,258	73,258	-
Total Disbursements	145,348	145,240	108

Note: Figures may not total due to rounding.

Office of the State Comptroller Estimates for Receipts and Disbursements

All Funds - State Fiscal Year 2015-16

(in millions of dollars)

	Office of the State Comptroller	Division of the Budget	Difference
Receipts:			
Personal Income Tax	46,950	46,928	22
Consumer Taxes	16,248	16,257	(10)
Business Taxes	8,648	8,702	(54)
Other Taxes (incl. MTA Payroll)	3,467	3,445	22
<i>Total Taxes</i>	<u>75,312</u>	<u>75,332</u>	<u>(20)</u>
General Fund Miscellaneous Receipts	2,776	2,776	-
Lottery	3,124	3,124	-
Subtotal	81,212	81,232	(41)
Other Miscellaneous Receipts	18,645	18,645	-
Federal Grants	48,242	48,242	-
Total Receipts	<u>148,099</u>	<u>148,119</u>	<u>(41)</u>
Disbursements:			
Elementary and Secondary Education	25,535	25,535	-
DOH Medicaid (incl. administration)	49,384	49,384	-
Public Assistance	1,568	1,435	134
Subtotal	76,487	76,354	134
All Other Disbursements	74,502	74,502	-
Total Disbursements	<u>150,989</u>	<u>150,856</u>	<u>134</u>

Note: Figures may not total due to rounding.