

## FINANCIAL PLAN

New York State uses a cash basis Financial Plan to report the amount of money that is collected and spent during the State fiscal year. Each year the Division of Budget develops a plan that shows proposed receipts and disbursements for the coming fiscal year. The plan is then submitted as part of the Executive Budget. It is revised subsequent to enactment of the budget to show the effect of the changes made by the Legislature to the Executive's original budget proposal. The plan is then updated quarterly to reflect actual experience and revised estimates.

### *General Fund*

The Financial Plan divides receipts and disbursements into different fund types. The General Fund is the fund into which most State taxes are deposited and from which State Operations and the state share of local grants are disbursed. The General Fund provides for funding to programs that are not supported by dedicated fees and revenues.

The Executive proposes General Fund disbursements for State Fiscal Year (SFY) 2008-09 of \$56.7 billion, an increase of \$3.15 billion or 5.89 percent above SFY 2007-08. Local Assistance is projected at \$41.9 billion, a \$5.19 billion or 14.2 percent increase above SFY-2007-08 levels.

The Executive estimates General Fund receipts for State Fiscal Year (SFY) 2008-09 at \$56.34 billion, an increase of \$3.17 billion or 6.0 percent above SFY 2007-08; \$1.66 billion higher in PIT, \$329 million higher in User Taxes,

\$954 million higher in Business Taxes, \$164 million higher in Other Taxes, \$206 million lower in Miscellaneous Receipts, \$30 million lower in Federal Grants, \$306 million higher in Transfers from other funds.

### *State Funds*

State Funds, in addition to the General Fund, include non-federal Special Revenue Funds, Debt Service Funds, and Capital Project Funds.

The Executive proposes that in SFY 2008-09, State Funds disbursements increase by \$5.11 billion for a total of \$87.78 billion. This represents an increase of 6.2 percent over SFY 2007-08.

### *All Funds*

All Governmental Funds is a term referring to all State government funds within the following fund types: General, Special Revenue including Federal Funds, Capital Projects, and Debt Service.

The Governor proposes an All Governmental Funds budget of \$124.33 billion, an increase of \$6.02 billion or 5.1 percent over SFY 2007-08 estimates.

General State Charges is estimated at \$5.6 billion, an increase of \$187 million above the previous year. The spending will include \$1.2 billion in pension contribution, \$1.7 billion in employee healthcare insurance and \$1 billion in retiree health care insurance, and social security \$889 million.

## Financial Plan

SFY 2007-08  
(Millions)

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Project Funds	(MEMO) All Funds
<b>Opening Balance</b>	3,045	4,007	233	(432)	6,853
<b>Receipts</b>	53,169	55,446	13,218	7,087	116,834
<b>Disbursement</b>	53,588	56,488	4,350	6,645	118,314
<b>Closing Balance</b>	2,626	3,116	278	(383)	5,637

Figure 9

## Financial Plan

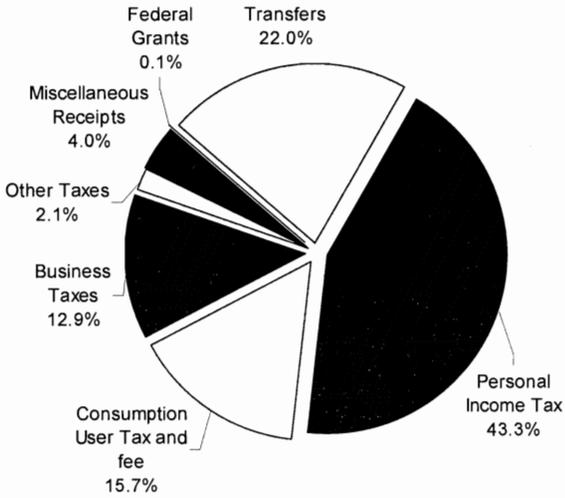
SFY 2008-09  
(Millions)

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Project Funds	(MEMO) All Funds
<b>Opening Balance</b>	2,626	3,116	278	(383)	5,637
<b>Receipts</b>	56,342	57,264	13,807	8,084	123,105
<b>Disbursement</b>	56,742	57,853	4,690	7,922	124,329
<b>Closing Balance</b>	2,226	2,623	307	(375)	4,781

Figure 10

# General Fund Receipts

SFY 2008-09  
(Millions)

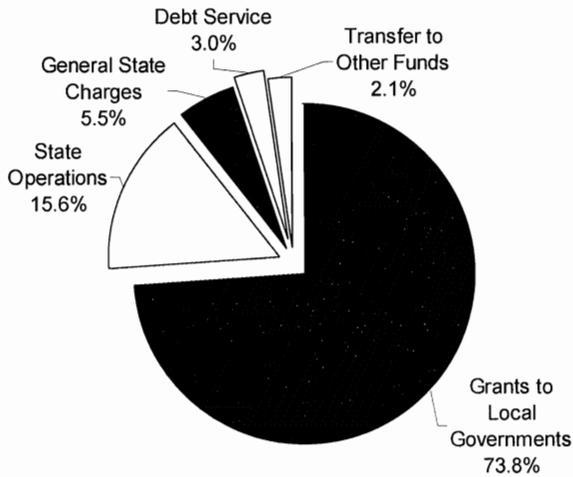


Personal Income Tax	24,391
Consumption User Tax and fee	8,832
Business Taxes	7,254
Other Taxes	1,194
Miscellaneous Receipts	2,238
Federal Grants	41
Transfers	12,392
<b>Total Receipts</b>	<b>\$56,342</b>

Figure 11

# General Fund Disbursements

SFY 2008-09  
(Millions)



Grants to Local Governments	41,860
State Operations	8,863
General State Charges	3,136
Debt Service	1,692
Transfer to Other Funds	1,191
<b>Total Disbursements</b>	<b>\$56,742</b>

Figure 12

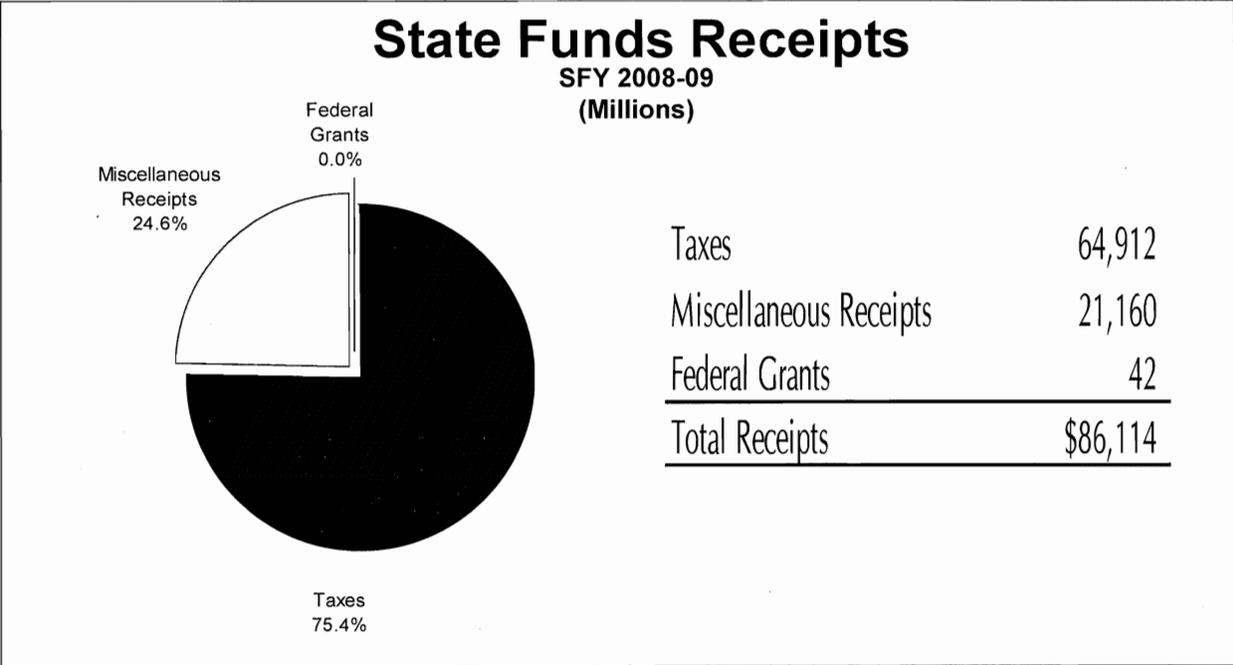


Figure 13

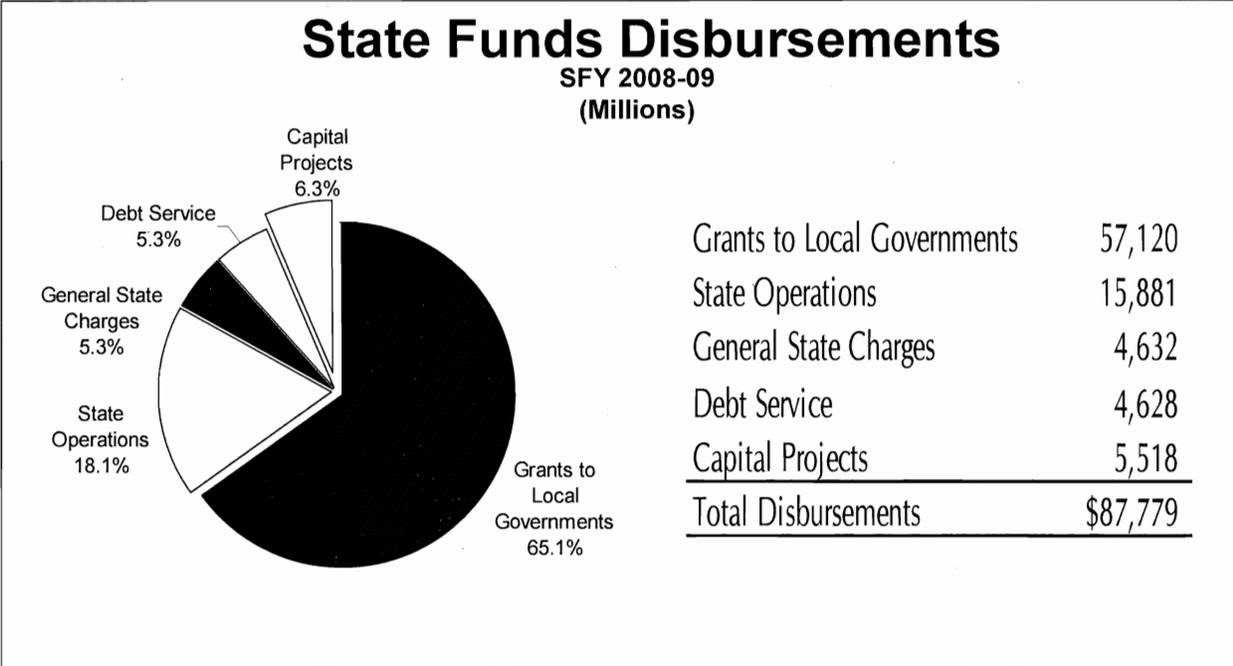


Figure 14

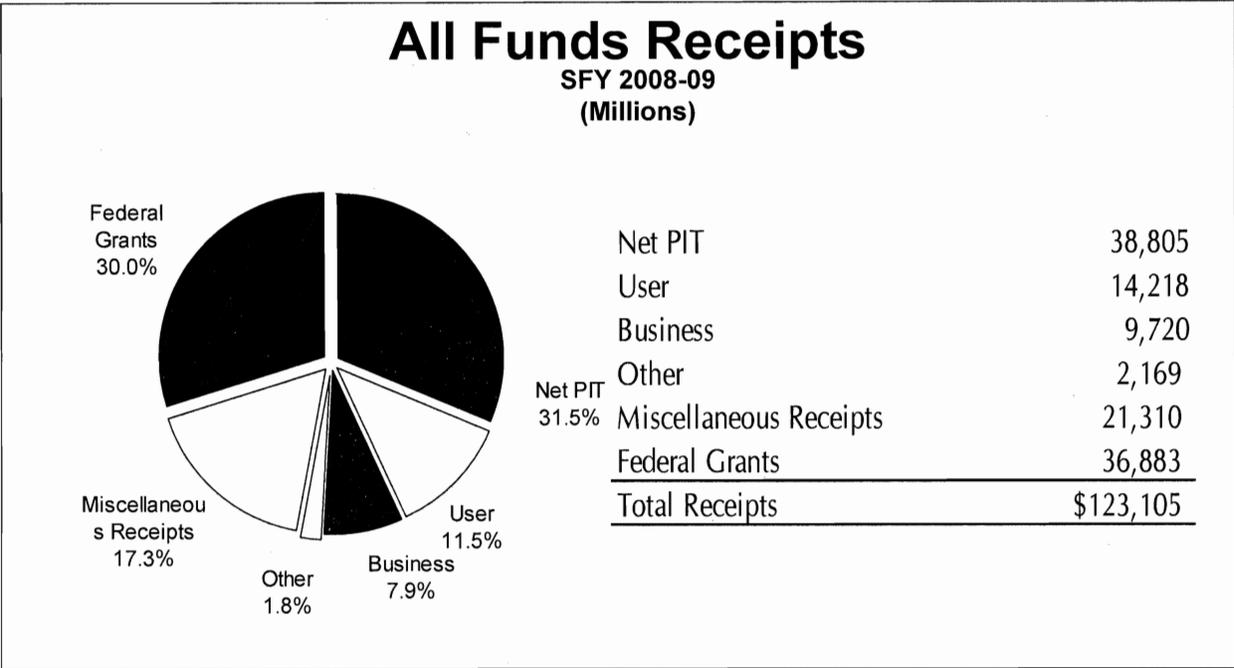


Figure 15

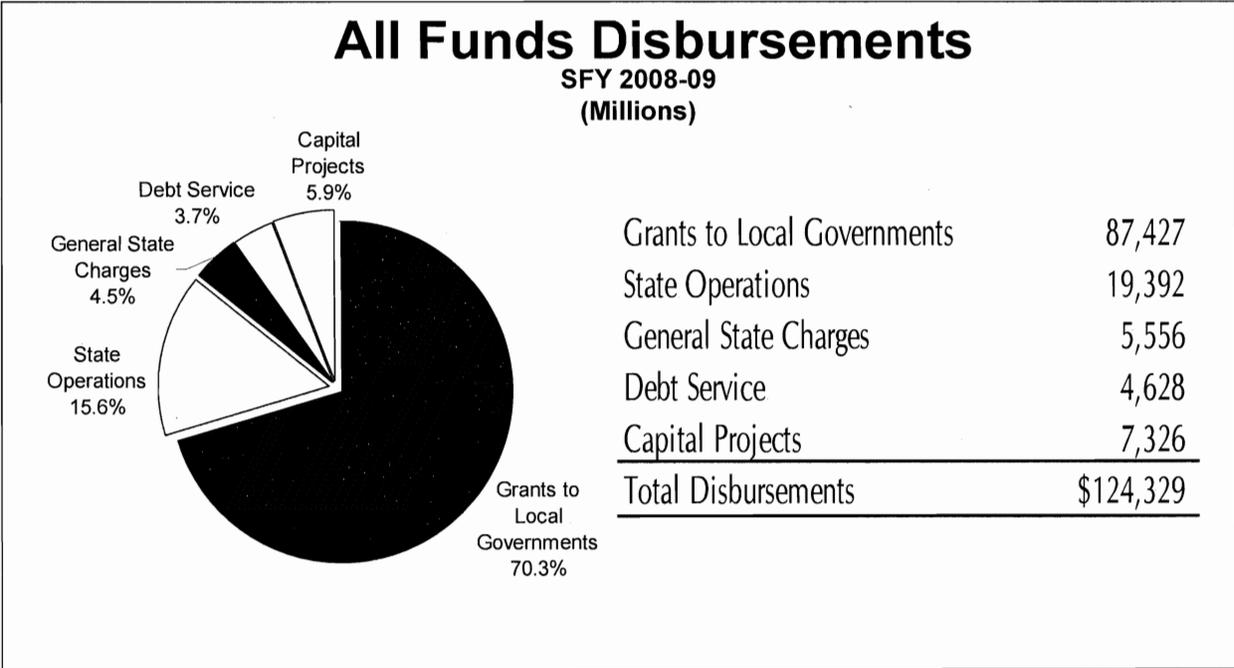


Figure 16

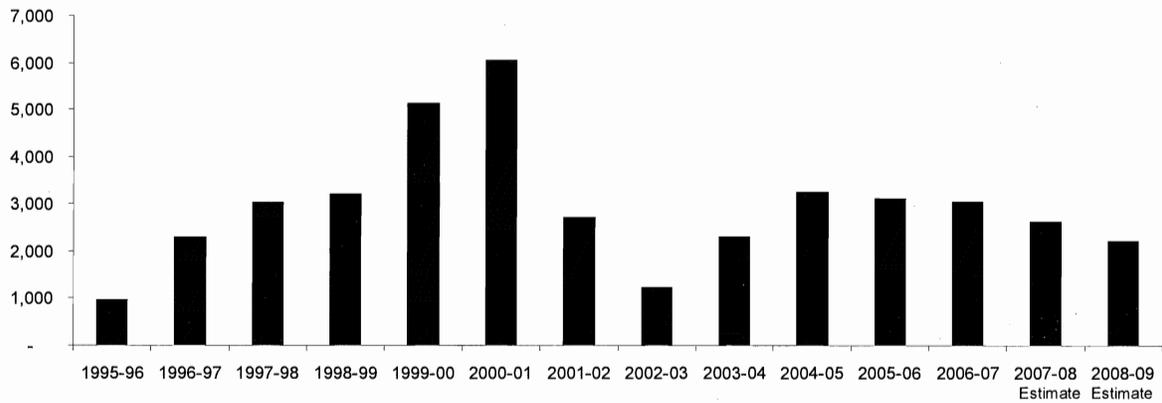
## Closing Fund Balance

General Fund closing fund balance will be made up of the General Reserve and the Restricted Reserves

<b>Restricted Reserve</b>	<b>2007-08</b>	<b>2008-09</b>
Tax Stabilization Reserve Fund	1,031	1,031
Contingency Reserve Fund	21	21
Statutory Rainy Day Reserve Fund	175	175
Community Projects Fund	354	291
<b>General Reserve</b>		
Labor Settlement Reserve	1,045	708
<b>Total</b>	<b>\$2,626</b>	<b>\$2,226</b>

Figure 17

## General Fund Reserves



Source: Office of the State Comptroller: Cash and Annual Enacted Budget Reports and Estimates: Executive Budget

Figure 18

### *General Fund Reserves*

The Executive estimates the SFY 2008-09 General Fund closing balance will be \$2,226 million, \$1,031 million in the Tax Stabilization Reserve Fund, \$21 million in the Contingency Reserve Fund, \$175 million in the Rainy Day Reserve

and \$291 million in Community Project Fund. The Tax Stabilization Reserve Fund is a constitutionally restricted fund that can only be used in the event of a revenue shortfall or deficit during a fiscal year.

## Executive's Estimate of Current Services Budget Gaps (Millions)

### Size of the Gap in the General Fund

	2009-10	2010-11	2011-12
Receipts	58,724	61,343	64,527
Disbursement	62,073	67,181	71,427
Surplus/(Deficit)	(\$3,287)	(\$5,687)	(\$6,821)

**Figure 19**

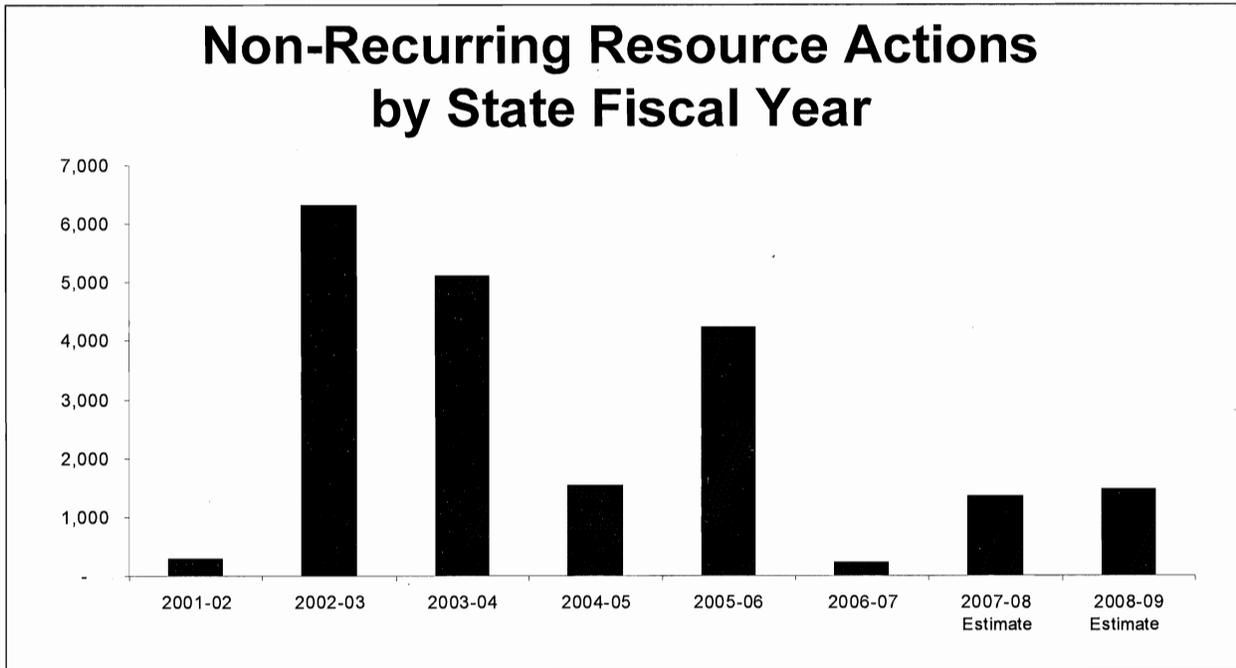
#### *Current Services Gap*

Prior to the recommendations of the Executive Budget, the forecast for current services out-year gaps were calculated at \$6.2 billion in SFY 2009-10, \$7.7 billion in 2010-11 and \$9.5 billion in 2011-12.

The Executive proposes reducing the projected out year gaps by the following: restraining spending in fastest growing programs, particularly healthcare; creative revenue generation such as changing the tax classification of for-profit HMO; and, increasing fees and surcharges.

The Financial Plan for SFY 2009-10, estimates \$58.72 billion in receipts and disbursements of \$62.07 billion, together with the utilization of \$62 million of reserves, and anticipates the General Fund will close the fiscal year with a \$3.29 billion deficit.

The Financial Plan for SFY 2010-11 estimates receipts of \$61.34 billion and disbursements of \$67.18 billion, together with the utilization of \$151 million of reserve, and anticipates the General Fund will close that fiscal year with a \$5.69 billion deficit.



**Figure 20**

#### *Non-Recurring Action*

The Executive budget proposes \$1.476 billion in total non-recurring actions to support General Fund operations. These actions include the use of \$1.14 billion in one time non-recurring actions and \$337 million of labor reserve to finance collective bargaining costs. The Executive anticipated receiving payment for development rights of the racetrack at Belmont Park in Queens, New York. As with previous years, certain funds balances will be swept into the General Fund.

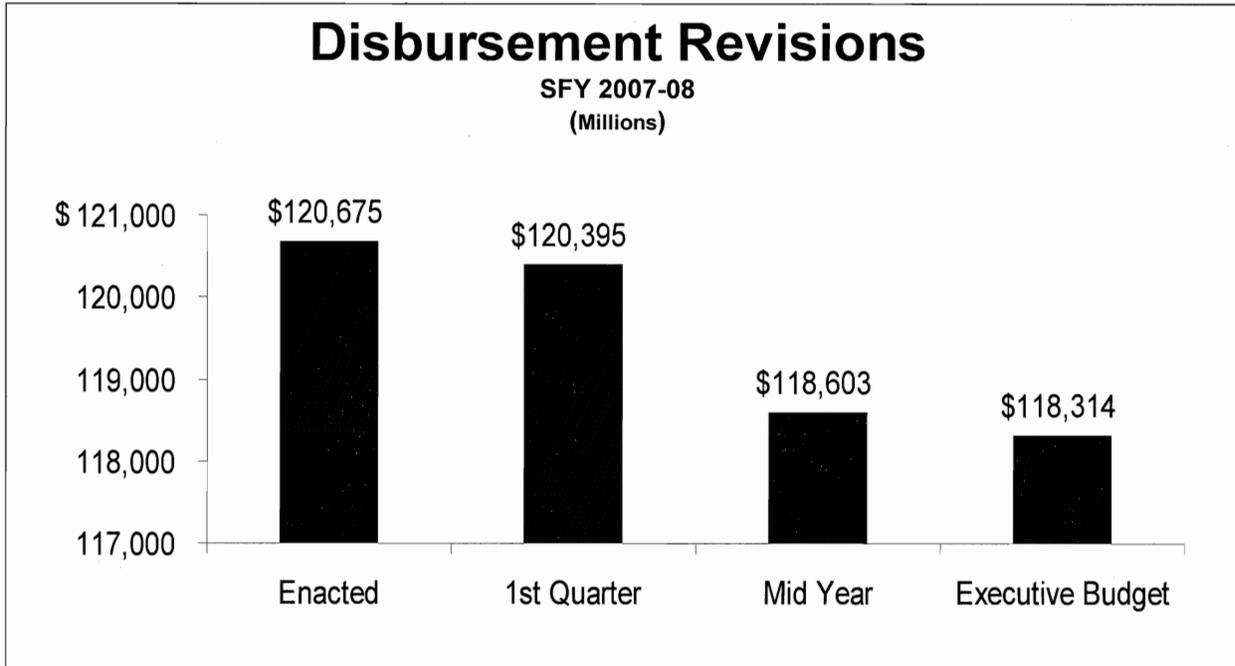


Figure 21

### Executive Budget Financial Plan

SFY 2007-08  
(Millions)

	Enacted	1st Quarter	Mid Year	Executive Budget
Grants to Local Governments	85,654	85,820	84,228	83,966
State Operations	18,726	18,729	18,561	18,630
General State Charges	5,386	5,391	5,373	5,369
Debt Service	4,134	4,128	4,296	4,292
Capital Projects	6,775	6,327	6,145	6,057
<b>Total Disbursements</b>	<b>\$120,675</b>	<b>\$120,395</b>	<b>\$118,603</b>	<b>\$118,314</b>

Figure 22

Table 6

<b>PROPOSED DISBURSEMENTS BY PROGRAM CATEGORY</b>				
<b>ALL FUNDS</b>				
<b>(Dollars in Thousands)</b>				
	<b>Estimated 2007-08</b>	<b>Proposed 2008-09</b>	<b>Change</b>	<b>Percent Change</b>
<b>Health &amp; Social Welfare</b>				
Medical Assistance	\$31,233,203	\$32,500,763	\$1,267,560	4.1
Income Maintenance	3,189,923	3,005,309	(184,614)	(5.8)
Health	6,080,342	6,170,988	90,646	1.5
Other	5,397,439	5,768,821	371,382	6.9
<b>Health - Total</b>	<b>\$45,900,907</b>	<b>\$47,445,881</b>	<b>\$1,544,974</b>	<b>3.4</b>
<b>Education</b>				
School Aid	\$21,768,418	\$23,148,155	\$1,379,737	6.3
State University	5,774,221	5,872,410	98,189	1.7
City University	1,143,206	1,321,507	178,301	15.6
Other	3,930,567	3,936,269	5,702	0.1
<b>Education - Total</b>	<b>\$32,616,412</b>	<b>\$34,278,341</b>	<b>\$1,661,929</b>	<b>5.1</b>
<b>Star Property Tax Relief</b>	<b>\$4,678,570</b>	<b>\$4,712,899</b>	<b>\$34,329</b>	<b>0.7</b>
<b>Mental Health</b>				
Mental Health	\$3,021,671	\$2,644,468	(\$377,203)	(12.5)
Developmentally Disabled	4,424,095	3,515,663	(908,432)	(20.5)
Other	644,367	677,709	33,342	5.2
<b>Mental Health - Total</b>	<b>\$8,090,133</b>	<b>\$6,837,840</b>	<b>(\$1,252,293)</b>	<b>(15.5)</b>
<b>Transportation</b>	<b>6,672,465</b>	<b>\$7,283,622</b>	<b>\$611,157</b>	<b>9.2</b>
<b>Public Protection</b>	<b>\$4,613,012</b>	<b>\$4,720,490</b>	<b>\$107,478</b>	<b>2.3</b>
<b>General Government</b>	<b>\$1,731,422</b>	<b>\$1,845,185</b>	<b>\$113,763</b>	<b>6.6</b>
<b>Parks and the Environment</b>	<b>\$1,212,286</b>	<b>\$1,252,311</b>	<b>\$40,025</b>	<b>3.3</b>
<b>Econ Dev &amp; Govt Oversight</b>	<b>\$1,587,365</b>	<b>\$1,886,907</b>	<b>\$299,542</b>	<b>18.9</b>
<b>All Others</b>				
Local Government Assistance	\$938,461	\$1,136,649	\$198,188	21.1
General State Charges/Misc	3,863,122 *	5,555,509	1,692,387	43.8
Long Term Debt Service	4,291,999	4,628,094	336,095	7.8
Other	2,117,674	2,745,608	627,934	29.7
<b>All Others - Total</b>	<b>\$11,211,256</b>	<b>\$14,065,860</b>	<b>\$2,854,604</b>	<b>25.5</b>
<b>Total</b>	<b>\$118,313,828</b>	<b>\$124,329,336</b>	<b>\$6,015,508</b>	<b>5.1</b>

\*\$1,505,759 billion Medicaid Transparency removed.

Table 7

<b>PROPOSED DISBURSEMENTS BY PROGRAM CATEGORY</b>				
<b>STATE FUND</b>				
<b>(Dollars in Thousands)</b>				
	<b>Estimated</b>	<b>Proposed</b>		<b>Percent</b>
	<b>2007-08</b>	<b>2008-09</b>	<b>Change</b>	<b>Change</b>
<b>Health &amp; Social Welfare</b>				
Medical Assistance	\$11,958,441	\$12,772,021	\$813,580	6.8
Income Maintenance	889,923	671,439	(218,484)	(24.6)
Health	\$4,137,577	\$4,238,545	100,968	0.5
Other	2,935,879	3,170,645	234,766	8.1
<b>Health - Total</b>	<b>\$19,921,820</b>	<b>\$20,852,650</b>	<b>\$930,830</b>	<b>4.3</b>
<b>Education</b>				
School Aid	\$19,945,418	\$21,064,155	\$1,118,737	7.2
State University	5,718,591	5,818,358	99,767	0.0
City University	1,454,606	1,760,801	306,195	15.7
Other	2,947,101	3,019,124	72,023	2.6
<b>Education - Total</b>	<b>\$30,065,716</b>	<b>\$31,662,438</b>	<b>\$1,596,722</b>	<b>5.2</b>
<b>Star Property Tax Relief</b>	<b>\$4,758,570</b>	<b>\$4,712,899</b>	<b>(\$45,671)</b>	<b>(0.7)</b>
<b>Mental Health</b>				
Mental Health	\$2,255,982	\$2,225,255	(\$30,727)	(7.7)
Developmentally Disabled	2,590,747	2,053,266	(537,481)	(22.5)
Other	481,322	523,418	42,096	2.2
<b>Mental Health - Total</b>	<b>\$5,328,051</b>	<b>\$4,801,939</b>	<b>(\$526,112)</b>	<b>(14.7)</b>
<b>Transportation</b>	<b>\$5,317,552</b>	<b>\$5,835,074</b>	<b>\$517,522</b>	<b>7.6</b>
<b>Public Protection</b>	<b>\$4,011,588</b>	<b>\$4,077,699</b>	<b>\$66,111</b>	<b>0.5</b>
<b>General Government</b>	<b>\$1,616,019</b>	<b>\$1,682,126</b>	<b>\$66,107</b>	<b>2.8</b>
<b>Parks and the Environment</b>	<b>\$1,058,936</b>	<b>\$1,098,996</b>	<b>\$40,060</b>	<b>7.2</b>
<b>Econ Dev &amp; Govt Oversight</b>	<b>\$1,743,936</b>	<b>\$2,026,955</b>	<b>\$283,019</b>	<b>0.7</b>
<b>All Others</b>				
Local Government Assistance	\$938,461	\$1,136,649	\$198,188	21.1
General State Charges/Misc	3,620,661	4,632,067	1,011,406	27.9
Long Term Debt Service	4,291,999	4,628,094	336,095	7.8
Other	(\$4,245)	\$632,302	636,547	25.3
<b>All Others - Total</b>	<b>\$8,846,876</b>	<b>\$11,029,112</b>	<b>\$2,182,236</b>	<b>19.0</b>
<b>Total</b>	<b>\$82,669,064</b>	<b>\$87,779,888</b>	<b>\$5,110,824</b>	<b>5.0</b>

Source: Executive Budget.

Table 8

<b>PROPOSED DISBURSEMENTS BY PROGRAM CATEGORY</b>				
<b>GENERAL FUND</b>				
<b>(Dollars in Thousands)</b>				
	<b>Estimated 2007-08</b>	<b>Proposed 2008-09</b>	<b>Change</b>	<b>Percent Change</b>
<b>Health &amp; Social Welfare</b>				
Medical Assistance	\$11,200,918	\$12,222,014	\$1,021,096	9.1
Income Maintenance	899,923	671,439	(228,484)	(25.4)
Health	1,358,111	1,353,501	(4,610)	(0.3)
Other	2,606,539	2,772,466	165,927	6.4
<b>Health - Total</b>	<b>\$16,065,491</b>	<b>\$17,019,420</b>	<b>\$953,929</b>	<b>5.9</b>
<b>Education</b>				
School Aid	\$16,158,380	\$17,361,155	\$1,202,775	7.4
State University	1,777,975	1,743,550	(34,425)	(1.9)
City University	1,014,406	1,192,235	177,829	17.5
Other	2,781,899	2,706,574	(75,325)	(2.7)
<b>Education - Total</b>	<b>\$21,732,660</b>	<b>\$23,003,514</b>	<b>\$1,270,854</b>	<b>5.8</b>
<b>Mental Health</b>				
Mental Health	\$437,070	\$506,900	\$69,830	16.0
Developmentally Disabled	1,412,986	1,417,185	4,199	0.3
Other	126,266	135,098	8,832	7.0
<b>Mental Health - Total</b>	<b>\$1,976,322</b>	<b>\$2,059,183</b>	<b>\$82,861</b>	<b>4.2</b>
<b>Transportation</b>	<b>\$107,424</b>	<b>\$106,568</b>	<b>(\$856)</b>	<b>(0.8)</b>
<b>Public Protection</b>	<b>\$3,508,177</b>	<b>\$3,401,798</b>	<b>(\$106,379)</b>	<b>(3.0)</b>
<b>General Government</b>	<b>\$971,282</b>	<b>\$967,206</b>	<b>(\$4,076)</b>	<b>(0.4)</b>
<b>Parks and the Environment</b>	<b>\$309,064</b>	<b>\$297,910</b>	<b>(\$11,154)</b>	<b>(3.6)</b>
<b>Econ Dev &amp; Govt Oversight</b>	<b>\$451,430</b>	<b>\$423,265</b>	<b>(\$28,165)</b>	<b>(6.2)</b>
<b>All Others</b>				
Local Government Assistance	\$938,461	\$1,136,649	\$198,188	21.1
General State Charges/Misc	2,981,582	3,136,338	154,756	5.2
Long Term Debt Service	1,556,978	1,692,330	135,352	8.7
Other	2,989,440	3,497,507	508,067	17.0
<b>All Other - Total</b>	<b>\$8,466,461</b>	<b>\$9,462,824</b>	<b>\$996,363</b>	<b>11.8</b>
<b>Total</b>	<b>\$53,588,311</b>	<b>\$56,741,688</b>	<b>\$3,153,377</b>	<b>5.9</b>

Source: Executive Budget.

Table 9

<b>Out-year Disbursement Projections - General Fund</b> <b>(Millions of Dollars)</b>							
	2008-09	2009-10	Annual \$ Change	2010-11	Annual \$ Change	2011-12	Annual \$ Change
<b>Grants to Local Governments:</b>	<b>\$41,860</b>	<b>\$45,919</b>	<b>\$4,059</b>	<b>\$49,833</b>	<b>\$3,914</b>	<b>\$53,013</b>	<b>\$3,180</b>
School Aid	17,441	19,234	1,793	21,273	2,039	22,789	1,516
Medicaid (inc. administration)	11,785	13,014	1,229	13,872	858	14,765	893
Medicaid: Takeover Initiatives	939	1,198	259	1,539	341	1,920	381
Mental Hygiene	2,057	2,115	58	2,320	205	2,496	176
Children and Family Services	1,760	1,893	133	2,065	172	2,213	148
Local Government Assistance	1,137	1,376	239	1,440	64	1,410	(30)
Higher Education	2,470	2,540	70	2,602	62	2,623	21
Public Health	644	747	103	796	49	817	21
Other Education Aid	1,702	1,834	132	1,936	102	2,043	107
Temporary / Disability Assistance	1,167	1,240	73	1,240	0	1,242	2
Transportation	105	105	0	105	0	105	0
All Other	653	623	(30)	645	22	590	(55)
<b>State Operations:</b>	<b>\$8,863</b>	<b>\$9,236</b>	<b>\$373</b>	<b>\$9,780</b>	<b>\$544</b>	<b>\$10,046</b>	<b>\$266</b>
Personal Service	6,434	6,680	246	7,114	434	7,293	179
Non-Personal Service	2,429	2,556	127	2,666	110	2,753	87
<b>General State Charges</b>	<b>\$3,136</b>	<b>\$3,806</b>	<b>\$670</b>	<b>\$4,087</b>	<b>\$281</b>	<b>\$4,386</b>	<b>\$299</b>
Pensions	1,216	1,287	71	1,285	(2)	1,342	57
Health Ins. (Active Employees)	1,652	1,790	138	1,950	160	2,127	177
Health Ins. (Retired Employees)	1,039	1,129	90	1,233	104	1,347	114
Medicaid Adjustment	(1,506)	(1,136)	370	(1,135)	1	(1,207)	(72)
All Other	735	736	1	754	18	777	23
<b>Transfers to Other Funds:</b>	<b>\$2,883</b>	<b>\$3,112</b>	<b>\$229</b>	<b>\$3,481</b>	<b>\$369</b>	<b>\$3,982</b>	<b>\$501</b>
Debt Service	1,692	1,680	(12)	1,706	26	1,673	(33)
Capital Projects	366	574	208	930	356	997	67
All Other	825	858	33	845	(13)	1,312	467
<b>TOTAL DISBURSEMENTS</b>	<b>\$56,742</b>	<b>\$62,073</b>	<b>\$5,331</b>	<b>\$67,181</b>	<b>\$5,108</b>	<b>\$71,427</b>	<b>\$4,246</b>
<i>Annual Percent Change</i>		9.4%		8.2%		6.3%	