NEW ISSUES – BOOK-ENTRY ONLY

In the opinion of the Attorney General of the State of New York (the "Attorney General"), under existing law and assuming compliance with the tax covenants described herein, interest on the Series 2023A Tax-Exempt Bonds, the Series 2023B Tax-Exempt Bonds and the Series 2023C Tax-Exempt Refunding Bonds (collectively, the "Series 2023 Tax-Exempt Bonds") is excludable from gross income for Federal income tax purposes and is not a specific preference item for purposes of the Federal alternative minimum tax imposed on individuals; however, for tax years beginning after December 31, 2022, interest on the Series 2023 Tax-Exempt Bonds held by certain corporations that are subject to the federal corporate alternative minimum is included in the computation of "adjusted financial statement income" for purposes of the federal alternative minimum tax imposed on such corporations. The Attorney General is further of the opinion that, assuming compliance with the tax covenants described herein, interest on the Series 2023 Tax-Exempt Bonds is exempt from personal income taxes of the State of New York (the "State") and its political subdivisions, including The City of New York and the City of Yonkers, as described more fully herein.

Interest on the Series 2023D Taxable Bonds will be subject to Federal income taxes and personal income taxes imposed by the State and any political subdivision thereof, including The City of New York and the City of Yonkers.

See "PART I – SECTION 4 – TAX MATTERS" herein regarding certain other tax considerations.

STATE OF NEW YORK
GENERAL OBLIGATION BONDS

$216,035,000 Series 2023A Tax-Exempt Bonds
$242,075,000 Series 2023B Tax-Exempt Bonds
$104,445,000 Series 2023C Tax-Exempt Refunding Bonds
$10,160,000 Series 2023D Taxable Bonds

Dated: Date of Delivery **Due: As shown on inside cover**

The Series 2023A Tax-Exempt Bonds (the "Series 2023A Tax-Exempt Bonds"), the Series 2023B Tax-Exempt Bonds (the "Series 2023B Tax-Exempt Bonds"), the Series 2023C Tax-Exempt Refunding Bonds (the "Series 2023C Tax-Exempt Refunding Bonds") and the Series 2023D Taxable Bonds (the "Series 2023D Taxable Bonds" and, together with the Series 2023 Tax-Exempt Bonds, the "Bonds") will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Bonds. Purchasers will not receive certificates representing their ownership interests in the Bonds purchased. See "PART I – SECTION 1 – DESCRIPTION OF THE BONDS – Book-Entry-Only System." The Bonds will mature on the dates and bear interest at the rates and will have yields as shown on the inside cover page hereof. Interest on the Bonds will be payable beginning on March 15, 2024 and semi-annually thereafter on each September 15 and March 15 until maturity. The Bonds will be subject to redemption prior to maturity as set forth herein.

The Bonds will be general obligations of the State, and the full faith and credit of the State will be pledged to the payment of the principal of and interest on the Bonds.

Under State law, the Bonds are legal investments for State-chartered banks and trust companies, savings banks, insurance companies, fiduciaries and investment companies and may be accepted by the State Comptroller and the State Superintendent of Financial Services where the deposit of obligations is required by law.

The Bonds are offered when, as and if issued and subject to receipt of an opinion by the Attorney General that the Bonds are valid and enforceable obligations of the State. See Exhibit B to Part I of this Official Statement.

The Bonds are offered subject to prior sale, when, as and if issued by the State and accepted by the Underwriters, subject to the legal approval of the Attorney General. Certain legal matters in connection with the Bonds will be passed upon by Norton Rose Fulbright US LLP and BurgherGray LLP, co-counsel to the Underwriters.

Public Resources Advisory Group, New York, New York, is acting as financial advisor to the State in connection with the issuance of the Bonds. The Bonds will be available for delivery through the facilities of DTC on or about October 11, 2023.

BofA Securities, Inc. **Ramirez & Co., Inc.**

Loop Capital Markets **RBC Capital Markets** **Siebert Williams Shank & Company**

Dated: September 28, 2023

STATE OF NEW YORK GENERAL OBLIGATION BONDS

AMOUNTS, MATURITIES, INTEREST RATES, AND YIELDS OR PRICES

$216,035,000 Series 2023A Tax-Exempt Bonds
(Base CUSIP Number†: 649791)

Amount	Maturity March 15	Interest Rate	Yield	CUSIP†	Amount	Maturity March 15	Interest Rate	Yield	CUSIP†
$ 3,860,000	2025	5.00%	3.62%	RU6	$13,250,000	2034	5.00%	3.48%*	SD3
$ 8,965,000	2026	5.00%	3.51%	RV4	$13,915,000	2035	5.00%	3.59%*	SE1
$ 9,420,000	2027	5.00%	3.40%	RW2	$14,610,000	2036	5.00%	3.73%*	SF8
$ 9,885,000	2028	5.00%	3.36%	RX0	$15,340,000	2037	5.00%	3.88%*	SG6
$10,385,000	2029	5.00%	3.37%	RY8	$16,105,000	2038	5.00%	4.00%*	SH4
$10,900,000	2030	5.00%	3.38%	RZ5	$16,915,000	2039	5.00%	4.07%*	SJ0
$11,445,000	2031	5.00%	3.40%	SA9	$17,755,000	2040	5.00%	4.13%*	SK7
$12,020,000	2032	5.00%	3.43%	SB7	$18,645,000	2041	5.00%	4.19%*	SL5
$12,620,000	2033	5.00%	3.45%	SC5					

$242,075,000 Series 2023B Tax-Exempt Bonds
(Base CUSIP Number†: 649791)

Amount	Maturity March 15	Interest Rate	Yield	CUSIP†	Amount	Maturity March 15	Interest Rate	Yield	CUSIP†
$ 4,315,000	2025	5.00%	3.62%	SM3	$14,850,000	2034	5.00%	3.48%*	SW1
$10,055,000	2026	5.00%	3.51%	SN1	$15,590,000	2035	5.00%	3.59%*	SX9
$10,550,000	2027	5.00%	3.40%	SP6	$16,370,000	2036	5.00%	3.73%*	SY7
$11,085,000	2028	5.00%	3.36%	SQ4	$17,190,000	2037	5.00%	3.88%*	SZ4
$11,630,000	2029	5.00%	3.37%	SR2	$18,050,000	2038	5.00%	4.00%*	TA8
$12,215,000	2030	5.00%	3.38%	SS0	$18,945,000	2039	5.00%	4.07%*	TB6
$12,830,000	2031	5.00%	3.40%	ST8	$19,900,000	2040	5.00%	4.13%*	TC4
$13,465,000	2032	5.00%	3.43%	SU5	$20,895,000	2041	5.00%	4.19%*	TD2
$14,140,000	2033	5.00%	3.45%	SV3					

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* Priced at the stated yield to the March 15, 2033 optional redemption date at a redemption price of 100%.

$104,445,000 Series 2023C Tax-Exempt Refunding Bonds
(Base CUSIP Number†: 649791)

Amount	Maturity March 15	Interest Rate	Yield	CUSIP†	Amount	Maturity March 15	Interest Rate	Yield	CUSIP†
$ 900,000	2024	5.00%	3.60%	TE0	$ 9,005,000	2032	5.00%	3.43%	TL4
$ 2,425,000	2025	5.00%	3.62%	TF7	$14,255,000	2033	5.00%	3.45%	TM2
$ 4,155,000	2027	5.00%	3.40%	TG5	$ 2,305,000	2034	5.00%	3.48%*	TN0
$12,925,000	2029	5.00%	3.37%	TH3	$ 4,165,000	2035	5.00%	3.59%*	TP5
$26,190,000	2030	5.00%	3.38%	TJ9	$ 670,000	2036	5.00%	3.73%*	TQ3
$25,480,000	2031	5.00%	3.40%	TK6	$ 1,970,000	2037	5.00%	3.88%*	TR1

$10,160,000 Series 2023D Taxable Bonds
(Base CUSIP Number†: 649791)

Amount	Maturity September 15	Interest Rate	Price	CUSIP†
$10,160,000	2024	5.50%	100%	TS9

† Copyright, ABA. CUSIP numbers are assigned by, and managed on behalf of the ABA by, an organization not affiliated with the State. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Bonds, and neither the State nor the Underwriters make any representation with respect to such numbers or undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP numbers for a specific maturity are subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

* Priced at the stated yield to the March 15, 2033 optional redemption date at a redemption price of 100%.

No dealer, broker, salesperson or other person has been authorized by the State or the Underwriters to give any information or to make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been so authorized. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds or any other securities of the State by any person or in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information herein has been furnished solely by the State and by other sources that are believed by the State to be reliable, but it is not guaranteed as to its accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the financial condition of the State since the date hereof. This Official Statement is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, in whole or in part, for any other purposes. The Underwriters may offer and sell Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page hereof. The offering prices may be changed from time to time by the Underwriters. No representations are made or implied by the State or the Underwriters as to any offering of any derivative instruments.

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OFFICIAL STATEMENT

OF

THE STATE OF NEW YORK

RELATING TO THE ISSUE AND SALE OF

GENERAL OBLIGATION BONDS

$216,035,000 Series 2023A Tax-Exempt Bonds
$242,075,000 Series 2023B Tax-Exempt Bonds
$104,445,000 Series 2023C Tax-Exempt Refunding Bonds
$10,160,000 Series 2023D Taxable Bonds

INTRODUCTION

This Official Statement of the State of New York (the "State"), including the cover page, inside cover page and exhibits, is provided for the purpose of setting forth information in connection with the sale of $216,035,000 aggregate principal amount of its Series 2023A Tax-Exempt Bonds (the "Series 2023A Tax-Exempt Bonds"), $242,075,000 aggregate principal amount of its Series 2023B Tax-Exempt Bonds (the "Series 2023B Tax-Exempt Bonds"), $104,445,000 aggregate principal amount of its Series 2023C Tax-Exempt Refunding Bonds (the "Series 2023C Tax-Exempt Refunding Bonds" and, together with the Series 2023A Tax-Exempt Bonds and the Series 2023B Tax-Exempt Bonds, the "Series 2023 Tax-Exempt Bonds") and $10,160,000 aggregate principal amount of its Series 2023D Taxable Bonds (the "Series 2023D Taxable Bonds"). The Series 2023 Tax-Exempt Bonds and the Series 2023D Taxable Bonds are collectively referred to herein as the "Bonds." The Bonds are general obligations of the State and the full faith and credit of the State will be pledged to the payment of the principal of and interest on the Bonds.

The Series 2023A Tax-Exempt Bonds are being issued for the purposes and in the principal amounts as set forth below:

Purpose	Amount
Clean Water/Clean Air	
Clean Water	$ 3,698,143
Air Quality	183,867
Environmental Quality 1972	
Water	1,566,290
Pure Water	3,614,056
Rebuild and Renew New York Transportation Bonds	
Aviation	181,897
Smart Schools Bonds	
Smart Schools	206,790,747
	$216,035,000

The Series 2023B Tax-Exempt Bonds are being issued for the purpose and in the principal amount as set forth below:

Purpose	Amount
Rebuild and Renew New York Transportation Bonds MTA – Mass Transit..	$242,075,000

The Series 2023C Tax-Exempt Refunding Bonds are being issued to provide funds to currently refund a portion of certain outstanding general obligation bonds of the State through (i) the redemption of certain outstanding general obligation bonds of the State on a date not more than ninety (90) days after the date of issuance of the Series 2023C Tax-Exempt Refunding Bonds (the "Redeemed Bonds"), and (ii) the purchase of Target Bonds (hereinafter defined) tendered for purchase pursuant to the Invitation, as described below, on the date of issuance of the Series 2023C Tax-Exempt Refunding Bonds (the "Purchased Bonds" and, together with the Redeemed Bonds, the "Refunded Bonds"). The series, principal amounts and the maturity dates of the Refunded Bonds, as well as which of the Refunded Bonds are Redeemed Bonds and which are Purchased Bonds, are as shown in Exhibit C – BONDS TO BE REDEEMED OR PURCHASED.

The State has retained BofA Securities, Inc. to act as Lead Dealer Manager and Loop Capital Markets LLC to act as Co-Dealer Manager (collectively, the "Dealer Managers") in connection with an offer to tender certain general obligation bonds of the State. On September 12, 2023, the State released an "Invitation to Offer Bonds for Purchase" (the "Invitation") inviting owners of certain maturities of the State's outstanding general obligation bonds described herein (the "Target Bonds") to tender all or a portion of such bonds for cash purchase by the State. The Invitation was made by the State, with the assistance of the Dealer Managers. The purchase price of Purchased Bonds will be paid from a portion of the proceeds of the Series 2023C Tax-Exempt Refunding Bonds, as described herein. See "PART I – SECTION 2 – PLAN OF FINANCING – Refunding Plan." The Dealer Managers will be paid a fee and will be reimbursed for any expenses they incur as the Dealer Managers of the Tender Offer (hereinafter defined). The Dealer Managers are also Underwriters of the Bonds. See "PART I – SECTION 6 – UNDERWRITING."

The Series 2023D Taxable Bonds are being issued for the purpose and in the principal amount as set forth below:

Purpose	Amount
Rebuild and Renew New York Transportation Bonds MTA – Mass Transit..	$10,160,000

The Bonds mature on the dates and bear interest at the respective interest rates set forth on the inside cover page of this Official Statement.

This Official Statement consists of three parts, Part I (including Exhibits A through D), Part II and Part III.

Part I sets forth information concerning the Bonds – the rights of Bondholders, the payment and redemption provisions of the Bonds, the use of proceeds of the Bonds, and certain other information relating to the Bonds.

Part II sets forth or includes by reference information concerning the State of New York, including information relating to the State's current fiscal year, prior fiscal years, economic background, financing activities, State organization and procedures, the State's public authorities and localities and certain litigation involving the State in the form of the Annual Information Statement of the State of New York dated June 9, 2023 (the "AIS"), prepared by the State Division of the Budget ("DOB"). The AIS contains information only through its date. Part II sets forth the sections of the AIS entitled "Introduction", "Budgetary and Accounting Practices", "Financial Plan Overview", "Other Matters Affecting the Financial Plan", "State Financial Plan Multi-Year Projections" and "Financial Plan Tables." The remaining sections of the AIS set forth under the headings "Prior Fiscal Years", "Economics and Demographics", "Capital Program and Financing Plan Overview", "Authorities and Localities", "State Government Employment", "State Retirement System", "Litigation" and "Exhibits A through E" are included by cross-reference. The AIS has been electronically filed with the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access ("EMMA") system.

Part III includes by reference the Basic Financial Statements and Other Supplementary Information of the State for the fiscal year ended March 31, 2023, dated July 27, 2023, which were electronically filed with the MSRB through its EMMA system on July 28, 2023. The State's Basic Financial Statements and Other Supplementary Information are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and are independently audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. KPMG LLP, the State's independent auditor, has not been engaged to perform and has not performed, since the date of its report included in Part III, any procedures on the financial statements addressed in that report. KPMG LLP also has not performed any procedures relating to this Official Statement.

This Official Statement should be read in its entirety, including the Exhibits hereto. Parts II and III contain important information about the State, which has been provided by the State and from sources believed by the State to be reliable.

DOB has assisted the Office of the State Comptroller in assembling the information contained herein. Quotations, summaries and explanations of laws of the State contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof.

PART I: INFORMATION CONCERNING THE BONDS BEING OFFERED

SECTION 1 – DESCRIPTION OF THE BONDS

General

The Bonds will constitute general obligations of the State to which its full faith and credit will be pledged. The Bonds will be issued pursuant to the authority contained in Article VII, Sections 11, 12 and 13 of the State Constitution, Sections 56, 57 and 61 of the State Finance Law and appropriation acts enacted by the State Legislature.

The Bonds will be dated the date of delivery. Principal on the Series 2023A Tax-Exempt Bonds and the Series 2023B Tax-Exempt Bonds will be payable on March 15, 2025, and on each March 15 thereafter, until maturity, as shown on the inside cover page hereof. Principal on the Series 2023C Tax-Exempt Refunding Bonds will be payable on March 15, 2024 and thereafter, until maturity, as shown on the inside cover page hereof. Principal on the Series 2023D Taxable Bonds will be payable on September 15, 2024, as shown on the inside cover page hereof. Interest on the Bonds will be payable on March 15, 2024 and semi-annually thereafter on each September 15 and March 15 until maturity.

Rights of the Bondholders

The State Constitution requires that the Legislature shall annually provide by appropriation for the payment of interest on and installments of principal of all State bonds as the same shall fall due, including contributions to all sinking funds for such bonds, and further provides that, if at any time the Legislature shall fail to make any such appropriation, the Comptroller shall set apart from the first revenues thereafter received applicable to the General Fund of the State a sum sufficient to pay such interest, installments of principal or contributions to such sinking funds, as the case may be, and shall so apply the moneys thus set apart. In such circumstances, the Comptroller may be required to set aside and so apply such revenues at the suit of any holder of such bonds. The State has always made payments of interest on and installments of principal of all State bonds when due. Under the State Constitution, in the event of the defeasance of the Bonds, the holders of the Bonds shall have no further rights against the State for payment of the Bonds or any interest thereon.

The State Constitution does not provide for the contingency where an appropriation for debt service on bonds has been made but moneys are unavailable on the payment date. If the above-described set-aside provisions of the State Constitution were inapplicable in that situation, the holder of any bond could recover a judgment against the State in the State Court of Claims for principal and interest due, and the Comptroller would be required to pay the judgment, after audit, upon presentation to him of a certified copy of the judgment. Judgments against the State may not be enforced by levy and execution against property of the State, and such enforcement is limited to the amount of moneys appropriated by the Legislature and legally available for such purpose. Because the State has never defaulted on the payment of principal of or interest on its obligations, there has never been any occasion to test a bondholder's remedies in this circumstance.

State law provides for the impoundment of State taxes and revenues in advance of the maturity of tax and revenue anticipation notes ("TRANs") issued during any fiscal year and for the deposit of such impounded moneys in a special account for the benefit of the holders of such notes. If, in any fiscal year in which such impoundment legislation is in effect, the Legislature shall have appropriated a sufficient amount to pay debt service on outstanding bonds but there shall be insufficient moneys free of such impoundment to pay such debt service when due, the holder of such TRANs may have a claim to taxes and revenues deposited or to be deposited in such special account superior to that of bondholders, including holders of the Bonds. There is no judicial decision determining the relative rights of holders of notes and bonds of the State in this or any similar circumstance.

Redemption Prior to Maturity

Optional Redemption for the Series 2023 Tax-Exempt Bonds. The Comptroller reserves to the State the right to redeem, on and after March 15, 2033, the Series 2023 Tax-Exempt Bonds maturing on or after March 15, 2034 and then outstanding, in whole or in part, at any time, priority among maturities to be directed by the State, and by lot, to be chosen by The Depository Trust Company ("DTC") or any successor and its Participants, within a maturity at par plus accrued interest to the date fixed for redemption.

Notice of Redemption. The State will give notice of any such redemption, to the registered owners of the Bonds to be redeemed at their addresses as they appear in the registration books of the State or its fiscal agent, not less than twenty nor more than sixty days prior to the redemption. So long as all of the Bonds remain immobilized in the custody of DTC, any such notice of redemption of any Bond will be delivered only to DTC. DTC is responsible for notifying DTC Participants of such redemption and DTC Participants and Indirect Participants are responsible for notifying Beneficial Owners of such redemption. The State is not responsible for sending notices to Beneficial Owners. Interest will cease to accrue on the Bonds called for redemption from and after the date fixed for redemption thereof.

The State may provide conditional notice of redemption, which may state that such redemption is conditioned upon the receipt of moneys or any other event. If such conditions are not met, such redemption shall not occur and the State is to give notice, as soon thereafter as practicable, in the same manner, to the same persons, as notice of such redemption was given as described above. Additionally, any such conditional redemption notice may be rescinded no later than one Business Day prior to the date specified for redemption by written notice by the State given, as soon thereafter as practicable, in the same manner, to the same persons, as notice of such redemption was given.

Book-Entry-Only System

Beneficial ownership interests in each Series and maturity of the Bonds will be available in book-entry-only form, in the principal amount of $5,000 or integral multiples thereof. Purchasers of beneficial ownership interests in the Bonds will not receive certificates representing their interests in the Bonds purchased.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each Series and maturity of the Bonds, totaling the aggregate principal amount of the Bonds of each Series, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC rules applicable to Participants are on file with the Securities and Exchange Commission.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive bond certificates representing their ownership interests in the Bonds, except in the event that the use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial

Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners.

Redemption notices shall be sent to DTC. If less than all of the Bonds of a particular Series and maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series and maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the State as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal and interest payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the State on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, The Bank of New York Mellon (the "Fiscal Agent"), or the State, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the State or the Fiscal Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

The State and the Fiscal Agent may treat DTC (or its nominee) as the sole and exclusive registered owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, giving any notice permitted or required to be given to registered owners, registering the transfer of the Bonds, or other action to be taken by registered owners and for all other purposes whatsoever. The State and the Fiscal Agent shall not have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person that is not shown on the registration books of the State (kept by the Fiscal Agent) as a registered owner, with respect to: the accuracy of any records maintained by DTC or any Participant; the payment or timeliness of payments by DTC or any Participant of any amount in respect of the principal of, or premium, if any, or interest on the Bonds; any notice which is permitted or required to be given to registered owners thereunder or under the conditions to transfers or exchanges adopted by the State; the selection by DTC or any Participant or Indirect Participant of any beneficial owners to receive payment in the event of a partial redemption of the Bonds; or other action taken by DTC as a registered owner. Interest and principal will be paid by the Fiscal Agent to DTC, or its nominee. Disbursement of such payments to the Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the Participants or the Indirect Participants.

SO LONG AS CEDE & CO. (OR SUCH OTHER NOMINEE AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF ALL THE BONDS, REFERENCES HEREIN TO THE OWNERS, HOLDERS OR BONDHOLDERS OF THE BONDS (OTHER THAN UNDER "SECTION 4 ─ TAX MATTERS",

"SECTION 11 — CONTINUING DISCLOSURE UNDER SEC RULE 15c2-12" AND EXHIBIT D HEREIN) SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS.

For every transfer and exchange of beneficial ownership of the Bonds, a Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

DTC may discontinue providing its services as depository with respect to a Series of the Bonds at any time by giving reasonable notice to the State and discharging its responsibilities with respect thereto under applicable law, or the State may terminate its participation in the system of book-entry transfer through DTC at any time by giving notice to DTC. In either event, the State may retain another securities depository for the Bonds or may direct the Fiscal Agent to deliver bond certificates in accordance with instructions from DTC or its successor. If the State directs the Fiscal Agent to deliver such bond certificates, such Bonds may thereafter be exchanged for an equal aggregate principal amount of Bonds of the applicable Series in other authorized denominations and of the same maturity as set forth on the inside cover page hereof, upon surrender thereof at the principal corporate trust office of the Fiscal Agent, who will then be responsible for maintaining the registration books of the State.

The foregoing description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal of and interest and other payments with respect to the Bonds to Direct Participants, Indirect Participants and Beneficial Owners, confirmation and transfer of beneficial ownership interest in such Bonds and other related transactions by and between DTC, the Direct Participants, the Indirect Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the Direct Participants, the Indirect Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters but should instead confirm the same with DTC or the Participants, as the case may be.

THE STATE AND FISCAL AGENT CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC OR DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE BONDS OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC OR DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE STATE AND FISCAL AGENT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC OR THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE BONDS.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND NEITHER THE STATE NOR THE UNDERWRITERS MAKE ANY REPRESENTATIONS TO THE COMPLETENESS OR THE

ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

SECTION 2 – PLAN OF FINANCING

Estimated Sources and Uses of Funds

The following table sets forth the sources and uses of funds with respect to the Bonds:

Sources	**Series 2023A**	**Series 2023B**	**Series 2023C**	**Series 2023D**
Principal Amount	$216,035,000.00	$242,075,000.00	$104,445,000.00	$10,160,000.00
Original Issue Premium	18,305,802.40	20,512,505.90	10,166,093.00	-
Payment from the State for Costs of Issuance	137,317.00	177,813.00	-	7,847.00
Total Sources	$234,478,119.40	$262,765,318.90	$114,611,093.00	$10,167,847.00

Uses	**Series 2023A**	**Series 2023B**	**Series 2023C**	**Series 2023D**
Deposit to Escrow Fund to pay Redeemed and Purchased Bonds	-	-	$113,522,144.38	-
Deposit to Bond Proceeds Funds	$233,360,492.21	$261,479,087.00	-	$10,141,496.69
Underwriters' Discount*	980,310.19	1,108,418.90	738,503.94	18,503.31
Costs of Issuance	137,317.00	177,813.00	350,444.68	7,847.00
Total Uses	$234,478,119.40	$262,765,318.90	$114,611,093.00	$10,167,847.00

* Includes Dealer Manager fees and expenses.

Application of Series 2023A Tax-Exempt Bonds, Series 2023B Tax-Exempt Bonds and Series 2023D Taxable Bonds Proceeds

A portion of the net proceeds of the Series 2023A Tax-Exempt Bonds will be used to finance capital expenditures made during prior or current State fiscal years for Clean Water/Clear Air, Environmental Quality 1972, Pure Water, Rebuild and Renew New York Transportation and Smart School Bonds purposes.

A portion of the net proceeds of each of the Series 2023B Tax-Exempt Bonds and the Series 2023D Taxable Bonds will be used to finance capital expenditures made during prior State fiscal years for Rebuild and Renew New York Transportation Bonds purposes. Such proceeds will be paid to the Metropolitan Transportation Authority ("MTA") and applied by the MTA to redeem certain bonds of the MTA, the proceeds of which were used for such purpose.

Refunding Plan

The net proceeds of the Series 2023C Tax-Exempt Refunding Bonds (the "Refunding Proceeds") are being issued to provide funds to refund the Refunded Bonds. The Series, principal amounts and the maturity dates of the Refunded Bonds, as well as which of the Refunded Bonds are Redeemed Bonds and which are Purchased Bonds, are as shown in Exhibit C – BONDS TO BE REDEEMED OR PURCHASED. The Comptroller has determined that the refunding transaction will achieve actual debt service savings in each fiscal year during the term to maturity of the Series 2023C Tax-Exempt Refunding Bonds and will provide savings on a present value basis over the life of the Series 2023C Tax-Exempt Refunding Bonds, based on the difference between the debt service payable on such Series 2023C Tax-Exempt Refunding Bonds issued for refunding purposes and the debt service payable on the Refunded Bonds.

Redeemed Bonds. The Refunding Proceeds to be used to pay the redemption price of the Redeemed Bonds will be deposited with The Bank of New York Mellon (the "Escrow Agent") pursuant to one or more escrow deposit agreements (collectively, the "Escrow Agreement") to be entered into, at or prior to the issuance of the Bonds, between the State and the Escrow Agent. Such proceeds will be used to acquire non-callable direct obligations of the United States government (the "Government Obligations"), the principal of and interest on which when due will be sufficient, together with any other moneys deposited with the Escrow Agent under the Escrow Agreement, to redeem the Refunded Bonds at the applicable redemption price on the applicable date of redemption, together with interest to become due on such Refunded Bonds on or prior to the applicable redemption date. The Government Obligations acquired by the Escrow Agent with the Refunding Proceeds pursuant to the Escrow Agreement, together with a small cash deposit of Refunding Proceeds, will be deposited in an irrevocable escrow fund (the "Escrow Fund") established under the Escrow Agreement and pledged to secure the payment of the Refunded Bonds until redemption or maturity. Upon the deposit of the Refunding Proceeds with the Escrow Agent as described above, the Refunded Bonds shall be deemed to be paid and shall no longer be deemed outstanding, and the holders thereof shall be paid solely out of the Government Obligations and moneys held by the Escrow Agent pursuant to the Escrow Agreement. Accordingly, the redemption price of the Refunded Bonds, together with interest to become due thereon, will be payable solely from the Escrow Fund.

Purchased Bonds. On September 12, 2023, the State released the Invitation, inviting owners of the Target Bonds to tender all or a portion of such Target Bonds for cash purchase by the State (the "Tender Offer") on the terms and conditions described in the Invitation.

The Invitation was made by the State with the assistance of the Dealer Managers. The purpose of the Tender Offer was to provide the State the opportunity to retire the Target Bonds with proceeds of the Series 2023C Tax-Exempt Refunding Bonds on the date of issuance of the Bonds (the "Settlement Date").

The Invitation expired by its terms on September 26, 2023. On September 27, 2023, the State accepted $133,680,000 aggregate principal amount of the Purchased Bonds. The Purchased Bonds will be cancelled.

The Purchased Bonds are listed in "Exhibit C – BONDS TO BE REDEEMED OR PURCHASED."

SECTION 3 – LEGAL INVESTMENT

Under existing State law, the Bonds are legal investments for the State (except for State money set aside to repay any State TRANs) and for municipalities, school districts, fire districts, State chartered banks and trust companies, savings banks, savings and loan associations, credit unions and insurance companies organized under the laws of the State subject to applicable statutory requirements. There are no State statutory restrictions on the purchase of the Bonds by investment companies.

The Bonds may be accepted by the Comptroller and by State agencies and localities in situations where a supplier or contractor is required to deposit securities to secure performance of a contract. The Bonds may also be accepted by the Comptroller and the State Superintendent of Financial Services where State law requires the deposit of securities.

With a few exceptions and subject to any contrary provisions in any agreement with noteholders or bondholders or other contracts, the Bonds are legal investments for public authorities in the State. The Bonds may be accepted by public authorities where the deposit of obligations is required to secure performance of contractors.

SECTION 4 – TAX MATTERS

The following is a summary of certain of the United States Federal income tax and State of New York personal income tax consequences of the ownership of the Bonds as of the date hereof. Each prospective investor should consult with its own tax advisor regarding the application of United States Federal income tax laws, as well as any state, local, foreign or other tax laws, to its particular situation.

Tax-Exempt Bonds

The Code sets forth certain requirements that must be met after the Series 2023 Tax-Exempt Bonds have been validly issued and delivered in order that interest on the Series 2023 Tax-Exempt Bonds will be and will remain excludable from gross income pursuant to Section 103 of the Code. Such requirements may include the rebating of certain amounts earned from the investment of the proceeds of the Series 2023 Tax-Exempt Bonds. Rebates of any such amounts are subject to future appropriation by the State Legislature. The Tax Certificate to be prepared and executed by the Comptroller and dated as of the date of delivery of the Series 2023 Tax-Exempt Bonds (the "Certificate"), which will be delivered concurrently with the delivery of the Series 2023 Tax-Exempt Bonds, will contain provisions and procedures regarding compliance with the requirements of the Code. The Comptroller, in executing the Certificate, will certify that he expects to be able to and will comply with the provisions and procedures set forth therein. The Comptroller will also certify in the Certificate that, to the extent authorized by law, he will do and perform all acts and things necessary or desirable to assure that interest paid on the Series 2023 Tax-Exempt Bonds is excludable from gross income under Section 103 of the Code. By the time the Series 2023 Tax-Exempt Bonds have been delivered, the Comptroller will also have received certificates from other governmental officers and entities, including the MTA, relating to the use of the proceeds of the Series 2023 Tax-Exempt Bonds, including proceeds of obligations refinanced by the Series 2023 Tax-Exempt Bonds.

Assuming compliance with the provisions and procedures set forth in the Certificate and subsequent rebating and other requirements, the Attorney General is of the opinion that, under the Code and other existing statutes, regulations, administrative rulings, and court decisions, interest on the Series 2023 Tax-Exempt Bonds is excludable from the gross income of the recipient thereof for Federal income tax purposes pursuant to Section 103 of the Code and that such interest will not be treated as a specific preference item in calculating the alternative minimum tax on individuals that may be imposed under the Code; however, for tax years beginning after December 31, 2022, interest on the Series 2023 Tax-Exempt Bonds held by certain corporations that are subject to the federal corporate alternative minimum is included in the computation of "adjusted financial statement income" for purposes of the federal alternative minimum tax imposed on such corporations. Assuming compliance with the provisions and procedures set forth in the Certificate and subsequent rebating and other requirements, it is further the opinion of the Attorney General that such interest is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof, including The City of New York and the City of Yonkers.

The Attorney General expresses no opinion regarding any other federal, state or local tax consequences with respect to the Series 2023 Tax-Exempt Bonds. The Attorney General renders her opinion under existing law as of the date of issue, and assumes no obligation to update her opinion after the issue date to reflect any future action, fact or circumstance, or change in law or interpretation, or otherwise. The Attorney General expresses no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for Federal income tax purposes of interest on the Series 2023 Tax-Exempt Bonds, or under state and local law.

Bond Premium

In general, if an owner acquires a Series 2023 Tax-Exempt Bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Series 2023 Tax-Exempt Bond after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "bond premium" on that Series 2023 Tax-Exempt Bond (a "Premium Bond"). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner's yield over the remaining term of the Premium Bond, determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such Premium Bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for Federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

Collateral Tax Consequences

Ownership of tax-exempt obligations may result in tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty and life insurance companies, corporations subject to the environmental tax, certain foreign corporations doing business in the United States, certain S Corporations, individuals who otherwise qualify for the earned income credit or who are recipients of Social Security or railroad retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Series 2023 Tax-Exempt Bonds should consult their tax advisors as to applicability of any such consequences.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Series 2023 Tax-Exempt Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Series 2023 Tax-Exempt Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Series 2023 Tax-Exempt Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service.

Legislation

Current and future legislative proposals, if enacted into law, clarification of the Code or state or local tax law or court decisions may cause interest on the Series 2023 Tax-Exempt Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Series 2023 Tax-Exempt Bonds. Prospective purchasers of the Series 2023 Tax-Exempt Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which the Attorney General is expected to express no opinion.

Taxable Bonds

The Attorney General expresses no opinion regarding any federal, state or local tax consequences with respect to the Series 2023D Taxable Bonds.

Certain taxpayers that are required to prepare certified financial statements with certain regulatory or governmental agencies may be required to recognize income, gain or loss with respect to the Series 2023D Taxable Bonds at the time such income, gain or loss is taken into account on such financial statements instead of under the rules described below.

Tax Status of the Taxable Bonds

The following discussion is a summary of the principal United States Federal income tax consequences of the acquisition, ownership and disposition of the Series 2023D Taxable Bonds by purchasers who are U.S. Holders. As used herein, the term “U.S. Holder” means a beneficial owner of a Series 2023D Taxable Bond that is for United States Federal income tax purposes (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) an estate the income of which is subject to United States Federal income taxation regardless of its source or (iv) a trust whose administration is subject to the primary jurisdiction of a United States court and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust.

The Series 2023D Taxable Bonds will be treated, for Federal and State and local income tax purposes, as a debt instrument. Accordingly, interest will be included in the income of the holder as it is paid (or, if the holder is an accrual method taxpayer, as it is accrued) as interest. Interest on the Series 2023D Taxable Bonds will be subject to Federal income taxes and personal income taxes imposed by the State and any political subdivision thereof, including The City of New York and the City of Yonkers.

Although the Series 2023D Taxable Bonds are expected to trade “flat,” that is, without a specific allocation to accrued interest, for Federal income tax purposes, a portion of the amount realized on a sale attributed to the Series 2023D Taxable Bonds will be treated as accrued interest and thus will be taxed as ordinary income to the seller (and will not be subject to tax in the hands of the buyer).

Market Discount

If a holder purchases the Series 2023D Taxable Bonds subsequent to its initial issuance for an amount that is less than the principal amount of the Series 2023D Taxable Bonds or its adjusted issue price if issued with OID (generally its accreted value), and such difference is not considered to be de minimis, then such discount will represent market discount that ultimately will constitute ordinary income (and not capital gain). Further, absent an election to accrue market discount currently, upon a sale or exchange of a Series 2023D Taxable Bond, a portion of any gain will be ordinary income to the extent it represents the amount of any such market discount that was accrued through the date of sale. In addition, absent an election to accrue market discount currently, the portion of any interest expense incurred or continued to carry a market discount Series 2023D Taxable Bond that does not exceed the accrued market discount for any taxable year, will be deferred.

Backup Withholding

Purchasers of the Series 2023D Taxable Bonds who are U.S. holders and who are neither a corporation or other exempt recipient of payments of principal, interest or accrued OID or sale proceeds upon disposition prior to maturity of the Series 2023D Taxable Bonds, nor a holder who provides a correct taxpayer identification number may be subject to backup withholding requirements under Section 3406 of the Code.

Defeasance of Taxable Bonds

Defeasance of any Series 2023D Taxable Bond may result in a deemed reissuance thereof for Federal income tax purposes, meaning that such Series 2023D Taxable Bond will be treated as having been sold or exchanged as of the date of such defeasance for a new obligation which is represented by such defeased Series 2023D Taxable Bond. In such event a holder of a defeased Series 2023D Taxable Bond will recognize taxable gain or loss equal to the difference between the amount realized from such deemed sale or exchange (less any accrued qualified stated interest which will be taxable as such) and the holder's adjusted tax basis in such Series 2023D Taxable Bond.

Foreign Investors

This summary of tax considerations generally does not address the tax consequences to an investor who is not a U.S. Holder. Distributions on the Series 2023D Taxable Bonds to a non-U.S. Holder that has no connection with the United States other than holding its Series 2023D Taxable Bonds generally will be made free of withholding tax, as long as that holder has complied with certain tax identification and certification requirements. Prospective purchasers of the Series 2023D Taxable Bonds who are not U.S. Holders should consult their tax advisors regarding the federal, state and local, and foreign tax consequences of purchasing and holding the Series 2023D Taxable Bonds.

SECTION 5 – RATINGS

The Bonds have been assigned ratings of "Aa1" by Moody's Investors Service, Inc., "AA+" by S&P Global Ratings and "AA+" by Fitch Ratings.

Ratings reflect only the respective views of such organizations, and an explanation of the significance of such ratings must be obtained from the rating agency furnishing the same. There is no assurance that a particular rating will continue for any given period of time or that any such rating will not be revised downward or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any such downward revision or withdrawal of any such ratings may have an adverse effect on the market price of the Bonds. A securities rating is not a recommendation to buy, sell or hold securities.

SECTION 6 – UNDERWRITING

BofA Securities, Inc., on behalf of the Underwriters of Bonds (the "Underwriters"), has agreed, subject to the terms of a Purchase Contract with the State relating to the Bonds (the "Purchase Contract"), to purchase the Bonds from the State. The Purchase Contract provides, in part, that subject to certain conditions, the Underwriters will purchase the Bonds from the State at a purchase price of $618,853,664.96 (representing the principal amount of the Bonds, plus original issue premium of $48,984,401.30 and less an underwriters' discount of $2,845,736.34) and will make a public offering of the Bonds at prices that are not in excess of the public offering price or prices (or less than the yields) stated on the inside cover pages of this Official Statement. The Underwriters will be obligated to purchase all of the Bonds if any Bonds are purchased. The Bonds may be offered and sold to certain dealers (including the Underwriters) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriters.

BofA Securities, Inc. and Loop Capital Markets LLC are also acting as the Dealer Managers in connection with the Tender Offer described in "PART I – SECTION 2 – PLAN OF FINANCING – Refunding Plan – Purchased Bonds." The Purchased Bonds were tendered to the State under the terms of the Invitation with the assistance of the Dealer Managers, in their capacity as the Dealer Managers for the Tender Offer and not as Underwriters of the Bonds. As part of the Underwriters' compensation, the Dealer Managers will be paid a fee and reimbursed for any expenses they incur as the Dealer Managers of the Tender Offer.

The following paragraphs have been provided by the Underwriters:

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform various investment banking services for the State, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the State. In addition, to the extent an Underwriter or an affiliate thereof holds any of the Refunded Bonds, such Underwriter or affiliate, as applicable, would receive a portion of the proceeds from the issuance of the Bonds contemplated herein in connection with the refunding of the Refunded Bonds.

In addition, certain of the Underwriters may have entered into distribution agreements with other broker-dealers (that have not been designated by the State as Underwriters) for the distribution of the offered bonds at the original issue prices. Such agreements generally provide that the relevant Underwriter will share a portion of its underwriting compensation or selling concession with such broker-dealers.

SECTION 7 – VERIFICATION OF MATHEMATICAL COMPUTATIONS

American Municipal Tax-Exempt Compliance Corp. dba AMTEC, of Avon, Connecticut, and Michael Torsiello, C.P.A. (an independent Certified Public Accountant), of Morrisville, North Carolina (together, the "Verification Agent"), will verify from the information provided to them the mathematical accuracy as of the date of the closing on the Bonds of the computations contained in the provided schedules to determine that the anticipated receipts from the securities and cash deposits, to be held in escrow, will be sufficient to pay, when due, the principal, interest and call premium payment requirements, if any, of the Redeemed Bonds. The Verification Agent will express no opinion on the assumptions provided to them.

SECTION 8 – OPINION OF ATTORNEY GENERAL

The Attorney General will deliver a legal opinion to the Comptroller on the date of delivery of the Bonds, in substantially the form attached as Exhibit B to Part I of this Official Statement, as to the validity and binding effect of the Bonds, and the extent to which interest on the Bonds is exempt from Federal and State income taxes.

SECTION 9 – LITIGATION

No litigation is pending or, to the knowledge of the Attorney General, threatened against or affecting the State seeking to restrain or enjoin the issuance, sale or delivery of the Bonds or in any way contesting or affecting the validity of the Bonds.

Litigation is pending in which the State is a party. For a description of certain litigation affecting the State, see the section entitled "Litigation" in Part II of this Official Statement.

SECTION 10 – CLOSING CERTIFICATE

Concurrently with the delivery of the Bonds, the State will furnish: (i) a certificate signed by the Comptroller of the State of New York and dated as of the date of the delivery of and payment for the Bonds certifying with respect to Parts I and III of the Official Statement, but not with respect to Part II of the Official Statement, that as of the date of the Official Statement furnished by the State in relation to the sale of the Bonds, Parts I and III of the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, subject to the condition that, while information in Parts I and III of the Official Statement obtained from sources other than the State is not certified as to accuracy, completeness or fairness, he has no reason to believe and does not believe that such information is materially inaccurate or misleading; and (ii) a certificate signed by the Director of the Budget of the State of New York and dated as of the date of the delivery of and payment for the Bonds certifying with respect to Part II of the Official Statement, but not with respect to Parts I and III of the Official Statement, that as of the date of the Official Statement furnished by the State in relation to the sale of the Bonds and as of the date of delivery of the Bonds, Part II of the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, subject to the condition that, while information in Part II of the Official Statement obtained from sources other than the State is not certified as to accuracy, completeness or fairness, he has no reason to believe and does not believe that such information is materially inaccurate or misleading, and subject to the further condition that with regard to the statements and information in Part II under the caption "Litigation" such statements and information as to legal matters are given to the best of his information and belief, having made such inquiries as he deems appropriate with the Department of Law of the State of New York, without further independent investigation.

SECTION 11 – CONTINUING DISCLOSURE UNDER SEC RULE 15c2-12

In order to assist the Underwriters of the Bonds to comply with the provisions of paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission ("Rule 15c2-12"), the State will undertake in a written agreement for the benefit of the Holders of the Bonds (the "Disclosure Agreement") to provide continuing disclosure of certain financial and operating data concerning the State (collectively, the "Annual Information"), notices of certain events described in the Disclosure Agreement (the "Notices") in accordance with the requirements of Rule 15c2-12 and the annual financial statements. The Division of the Budget will electronically file with the MSRB, through its EMMA system, the Annual Information on or before 120 days after the end of each State fiscal year, commencing with the fiscal year ending March 31, 2024. The Comptroller is required by existing law to issue audited annual financial statements of the State prepared in accordance with GAAP within 120 days after the close of the State fiscal year, and the Comptroller will undertake to electronically file with the MSRB, through its EMMA system, the State's annual financial statements prepared in accordance with GAAP and audited by an independent firm of certified public accountants in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, provided, however, that if audited financial statements are not then available, unaudited financial statements shall be so filed no later than 120 days after the end of the State's fiscal year and such audited financial statements shall be electronically filed with the MSRB, through its EMMA system, if and when such statements are available. In addition, the Comptroller will also undertake to electronically file with the MSRB, through its EMMA system, any Notice in a timely manner not in excess of ten business days after the occurrence of any of the fourteen events described in the Disclosure Agreement. The proposed form of the Disclosure Agreement is attached hereto as PART I - EXHIBIT D. Copies of the Disclosure Agreement when executed by the parties thereto on the date of the initial delivery of the Bonds will be on file at the Office of the State Comptroller.

The State has not in the previous five years failed to comply, in any material respect, with any such agreements pursuant to Rule 15c2-12.

STATE OF NEW YORK
Thomas P. DiNapoli
State Comptroller

By: /s/ Thomas P. DiNapoli

PART I - EXHIBIT A

BOND AUTHORIZATIONS

The following is a listing of the purposes for which the voters of the State, at general elections in November, have authorized the issuance of general obligation bonds, as required by Article VII, Section 11 of the State Constitution for which authorization to issue additional debt remains. The listing includes the respective dates of authorization. The Table of Issuance and Bonds Outstanding that follows presents the total amount of general obligation debt authorized, authorized but unissued prior to and after the issuance of the Bonds and outstanding prior to the issuance of the Bonds and prior to the redemption of the Refunded Bonds. The total amount of general obligation debt authorized, authorized but unissued, and outstanding as of March 31, 2023 by purpose is set forth in the table of State General Obligation Debt in Part II of this Official Statement in the section entitled "Exhibit B – State Related Bond Authorizations."

Accelerated Capacity and Transportation Improvements of the Nineties Bonds

The Accelerated Capacity and Transportation Improvements of the Nineties Bond Act (Chapter 261, Section 50, of the Laws of 1988) authorized the creation of a State debt in an aggregate amount not exceeding $3.0 billion to provide moneys to be used for preserving, enhancing, restoring and improving the quality of the State's highway and bridge infrastructure system by the construction, reconstruction, capacity improvement, replacement, reconditioning and preservation of State highways and parkways, and bridges thereon, and municipal bridges not on the State highway system.

Clean Water/Clean Air Bonds

The Clean Water/Clean Air Bond Act of 1996 (Chapter 412 of the Laws of 1996) authorized the creation of a State debt in an aggregate amount not exceeding $1.750 billion for the single purpose of preserving, enhancing, restoring and improving the quality of the State's environment by the accomplishment of projects and the funding of activities by State agencies, public authorities and public benefit corporations, municipalities and other governmental entities and not-for-profit corporations for and related to protecting, improving, and enhancing the quality of drinking water and the enhancement of water bodies; by providing funds to open space, and for parks, historic preservation, and heritage area improvements; by providing funds for solid waste projects; by providing funds for the restoration of contaminated properties, and by providing funds for air quality projects. Such programs and their respective maximum debt authorizations are as follows: (1) for the creation of a State safe drinking water program ($355 million), (2) for preserving, enhancing, restoring and improving the quality of water ($790 million), (3) for solid waste projects ($175 million), (4) for restoring and improving contaminated areas and returning them to productive use ($200 million), and (5) for preserving, enhancing, restoring and maintaining the quality of the air ($230 million).

Clean Water, Clean Air and Green Jobs Environmental Bonds

The Clean Water, Clean Air and Green Jobs Environmental Bond Act of 2022 (Part NN of Chapter 58 of the Laws of 2022) authorized the creation of a State debt in an aggregate amount not exceeding $4.2 billion to provide monies for the single purpose of making environmental improvements that preserve, enhance, and restore New York's natural resources and reduce the impact of climate change by funding capital projects for: (1) restoration and flood risk reduction (not less than $1.1 billion); (2) open space land conservation and recreation (up to $650 million); (3) climate change mitigation (up to $1.5 billion); and (4) water quality improvement and resilient infrastructure (not less than $650 million).

Environmental Quality 1972 Bonds

The Environmental Quality Bond Act (Chapter 658 of the Laws of 1972) authorized the creation of a State debt in an aggregate amount not exceeding $1.150 billion for the purpose of preserving, enhancing, restoring and improving the quality of the State's environment for three basic programs, each of which contains its own maximum debt authorization. Such programs and their respective limitations on the use of proceeds are as follows: (1) for the preservation, enhancement, restoration and improvement of the quality of water ($650 million); (2) for the preservation, enhancement, restoration and improvement of the quality of air ($150 million); and (3) for the preservation, enhancement, restoration and improvement of the quality of land ($350 million).

Environmental Quality 1986 Bonds

The Environmental Quality Bond Act of 1986 (Chapter 511 of the Laws of 1986) authorized the creation of a State debt in an aggregate amount not exceeding $1.450 billion to provide moneys to be used for preservation, enhancement, restoration and improvement of the quality of the State's environment by the remediation of sites containing hazardous wastes; by the closure of municipal landfills; by the acquisition of land or interests in land within the Adirondack and Catskill parks; by the acquisition of environmentally sensitive areas, including areas of aquifer recharge, exceptional scenic beauty, exceptional forest character, open space, pine barrens, public access, trailways, unique character, wetlands and wildlife habitat; and by the improvement, restoration and rehabilitation of State and municipal historic sites, the acquisition, development and improvement of municipal park and recreation facilities and the development of urban cultural parks; and by the acquisition, improvement, restoration and rehabilitation of historic properties owned or to be acquired by not-for-profit corporations. The programs authorized and their respective debt authorizations are as follows: (1) for hazardous waste site remediation and municipal non-hazardous waste landfill closure ($1.2 billion), of which up to $100 million shall be available to municipalities to assist in the closure of municipal landfills; and (2) for acquisition of forest preserve and environmentally sensitive lands, and for the acquisition, development, improvement and restoration of real property for conservation, recreation, and historic preservation purposes ($250 million).

Housing Bonds and Urban Renewal Bonds

Article XVIII, Section 3 of the State Constitution, which took effect January 1, 1939, authorized the creation of a State debt in an aggregate amount not exceeding $300 million for the purpose of making loans to any city, town, village, public corporation or limited profit housing corporation for the construction of low rent housing for persons of low income as defined by law and for the clearance, replanning, reconstruction and rehabilitation of substandard and unsanitary areas, and for recreational and other facilities incidental or appurtenant thereto. Subsequently, in each of the years 1947, 1949, 1954 and 1958, the voters approved the creation of additional housing debt in the amounts of $135 million, $300 million, $200 million and $200 million, respectively. The $300 million of original authorization was not segregated by type of housing project. Subsequent authorizations, however, were designated for low income housing, middle income housing or urban renewal.

Outdoor Recreation Development Bonds

The Outdoor Recreation Development Bond Act (Chapter 558 of the Laws of 1965) authorized the creation of a State debt in an aggregate amount not exceeding $200 million to provide moneys to be used, in such manner and upon such terms and conditions as the Legislature may prescribe, for development and acquisition of lands for outdoor recreation purposes, including parks, forest recreation areas, marine facilities and historic sites.

Park and Recreation Land Acquisition Bonds

The Park and Recreation Land Acquisition Bond Act (Chapter 522 of the Laws of 1960) and the Park and Recreation Land Acquisition Bond Act of 1962 (Chapter 443 of the Laws of 1962) authorized the creation of a State debt in an aggregate amount not exceeding $100 million to provide moneys to be used for the purpose of temporarily financing the acquisition of predominately open or natural lands, for conservation and outdoor recreation development particularly in and near rapidly growing urban and suburban areas to meet future needs of an expanding population, for the acquisition of additional State park lands, and for State grants to cities, counties, towns and villages and to cities, counties, towns and villages on behalf of improvements districts in acquiring similar lands for municipal parks for matching Federal funds which may from time to time be made available by Congress for such purposes.

Pure Waters Bonds

The Pure Waters Bond Act (Chapter 176 of the Laws of 1965) authorized the creation of a State debt in an aggregate amount not exceeding $1.0 billion to provide moneys to be used for the non-local share of the costs of construction, reconstruction and improvement by a political subdivision or a public benefit corporation of the State of facilities for the purpose of treating, neutralizing, or stabilizing sewage, including treatment or disposal plants and for other necessary facilities to ensure pure water for the State. The non-local share to be financed by the State may not exceed 60% of the total cost.

Rebuild New York Through Transportation Infrastructure Renewal Bonds

The Rebuild New York Through Transportation Infrastructure Renewal Bond Act (Chapter 836 of the Laws of 1983) authorized the creation of a State debt in an aggregate amount not exceeding $1.250 billion to provide moneys to be used for the preservation, enhancement, restoration and improvement of the quality of the State's transportation infrastructure system by the construction, reconstruction, improvement, reconditioning and preservation of State highways, bridges and parkways and highways and bridges not on the State highway system, including the improvement and/or elimination of highway-railroad grade crossings on or off State highways and the improvement or construction of commuter rail parking facilities, ports, marine terminals, canals, waterways, rail freight, rail passenger, rail rapid transit, commuter rail, omnibus systems and facilities and airport and aviation capital facilities. Such programs and their respective maximum debt authorizations are as follows: (1) highways, bridges, parkways, grade-crossings and commuter rail parking ($1.005 billion); (2) ports, marine terminals, canals and waterways ($75 million); and (3) rail freight, rail passenger, rapid transit, commuter rail, omnibus and airport and aviation facilities ($170 million). In each of the above categories the Legislature may increase the maximum debt authorization provided that such increase is simultaneously offset by appropriate decreases in one or more categories. Such action has been taken and the maximum amount authorized to be issued for each purpose as of the date of this Official Statement is $1.064 billion, $49.36 million and $136.64 million for the purposes (1), (2), and (3), respectively.

Rebuild and Renew New York Transportation Bonds

The Rebuild and Renew New York Transportation Bond Act of 2005 (Chapter 60 of the Laws of 2005) authorized the creation of a State debt in an aggregate amount not exceeding $2.9 billion to provide monies for the single purpose of improving, enhancing, preserving and restoring the quality of the state's transportation infrastructure. The limitations on the use of proceeds are as follows: (a) $1.45 billion for the planning and design, construction, reconstruction, replacement, improvement, reconditioning, rehabilitation and preservation of State highways, bridges and parkways; highways and bridges off the State highway system if the project is necessary or incidental to the canal system; border crossing enhancements; the improvement and/or elimination of highway-railroad grade crossings; pedestrian and/or bicycle trails, pathways and bridges; the canal system and moveable bridges that cross over the canal system; certain airports or aviation facilities and equipment, ports and marine terminals; omnibus, mass transit and rapid transit facilities and equipment excluding those operated or acquired by or under the jurisdiction of the metropolitan transportation authority and its subsidiaries and the Triborough Bridge and Tunnel Authority; certain urban, commuter and intercity passenger rail, freight rail, and intermodal passenger and freight facilities and equipment and (b) $1.45 billion for the planning and design, construction, reconstruction, replacement, improvement, reconditioning, rehabilitation and preservation in connection with urban and commuter passenger and freight rail, omnibus, mass transit and rapid transit systems, facilities and equipment including acquisition, operated or acquired by or under the jurisdiction of the metropolitan transportation authority and its subsidiaries and the New York City Transit Authority and its subsidiaries.

Smart Schools Bonds

The Smart Schools Bond Act of 2014 (Chapter 56 of the Laws of 2014) authorized the creation of a State debt in an aggregate amount not exceeding $2.0 billion to provide monies for the single purpose of improving learning and opportunity for public and nonpublic school students of the state by funding capital projects to: acquire learning technology equipment or facilities including, but not limited to, interactive whiteboards, computer servers, and desktop, laptop and tablet computers; install high-speed broadband or wireless internet connectivity for schools and communities; construct, enhance, and modernize educational facilities to accommodate pre-kindergarten programs and provide instructional space to replace transportable classroom units; and install high-tech security features in school buildings and on school campuses.

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GENERAL OBLIGATION BONDS
TABLE OF ISSUANCE AND BONDS OUTSTANDING
(in Thousands)

PURPOSE	BONDS AUTHORIZED AS OF 07/31/2023	AUTHORIZED BUT UNISSUED AS OF 07/31/2023[1]	BONDS BEING ISSUED 9/28/2023 (Net Proceeds)[2]	REMAINING AUTHORIZED BUT UNISSUED[1,2]	BONDS OUTSTANDING AS OF 07/31/2023[1, 3]
TRANSPORTATION BONDS:					
Rebuild and Renew New York Transportation Bonds (2005)					
Highway Facilities/Other Transportation (Excl. MTA)	$ 1,450,000	$ 42,490	$ 196	$ 42,294	$ 599,276
Mass Transit-Metropolitan Transportation Authority	1,450,000	385,848	271,620	114,228	642,588
Accelerated Capacity and Transportation Improvements of the Nineties (1988)	3,000,000	20,231	-	20,231	6,124
Rebuild New York Through Transportation Infrastructure Renewal (1983)					
Highway Related Projects	1,064,000	20,499	-	20,499	6
Ports, Canals and Waterways	49,360	-	-	-	-
Rapid Transit, Rail and Aviation Projects	136,640	-	-	-	415
Energy Conservation Through Improved Transportation (1979)					
Local Streets and Highways	100,000	-	-	-	-
Rapid Transit and Rail Freight	400,000	-	-	-	432
Transportation Capital Facilities (1967)					
Highways	1,250,000	-	-	-	-
Mass Transportation	1,000,000	-	-	-	-
Aviation	250,000	-	-	-	148
Total Transportation Bonds	**10,150,000**	**469,068**	**271,816**	**197,252**	**1,248,989**
ENVIRONMENTAL BONDS:					
Clean Water/Clean Air (1996)					
Air Quality	230,000	27,937	199	27,738	946
Safe Drinking Water	355,000	-	-	-	-
Clean Water	790,000	54,067	3,995	50,072	225,031
Solid Waste	175,000	-	-	-	6,244
Environmental Restoration	200,000	20,633	-	20,633	30,169
Clean Water, Clean Air and Green Jobs Environmental Bonds (2022) [4]					
Flood Restoration and Risk Reduction	-	-	-	-	-
Open Space Land Conservation and Recreation	-	-	-	-	-
Climate Change Mitigation	-	-	-	-	-
Water Quality Improvement and Resilient Infrastructure	-	-	-	-	-
NY Natural Resources	-	-	-	-	-
Subtotal Clean Water, Clean Air and Green Jobs Environmental Bonds	4,200,000	4,200,000	-	4,200,000	-
Environmental Quality (1986)					
Land and Forests	250,000	908	-	908	1,679
Solid Waste Management	1,200,000	32,545	-	32,545	47,481
Environmental Quality (1972)					
Air	150,000	12,353	-	12,353	-
Land and Wetlands	350,000	2,868	-	2,868	2,867
Water	650,000	2,332	1,692	640	2,508
Outdoor Recreation Development (1966)	200,000	230	-	230	-
Pure Waters (1965)	1,000,000	19,924	3,904	16,020	10,772
Park and Recreation Land Acquisition (1960 and 1962)	100,000	772	-	772	-
Total Environmental Bonds	**9,850,000**	**4,374,569**	**9,790**	**4,364,779**	**327,697**
EDUCATION BONDS:					
Smart Schools Bond Act (2014)	2,000,000	1,597,482	223,375	1,374,107	244,248
HOUSING BONDS:					
Low-Income Housing (through 1958)	960,000	7,928	-	7,928	-
Middle-Income Housing (through 1958)	150,000	500	-	500	-
Urban Renewal (1958)	25,000	1,575	-	1,575	-
Total Housing Bonds	**1,135,000**	**10,003**	**-**	**10,003**	**-**
TOTAL GENERAL OBLIGATION DEBT	**$23,135,000**	**$6,451,122**	**$504,981**	**$5,946,141**	**$1,820,934**

1. Reflects unaudited amounts.
2. Reflects issuance of the Bonds.
3. Prior to issuance of the Bonds.
4 The Legislature provided the following limitations on bonds to be issued for specific project categories or programs authorized within the Clean Water, Clean Air and Green Jobs Environmental Bond Act: Flood Restoration and Risk Reduction (not less than $1.1 billion), Open Space Land Conservation and Recreation Projects (up to $650 million), Climate Change Mitigation (up to $1.5 billion), and Water Quality Improvement and Resilient Infrastructure (not less than $650 million).

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PART I - EXHIBIT B

FORM OF ATTORNEY GENERAL'S OPINION

October 11, 2023

Honorable Thomas P. DiNapoli
State Comptroller
110 State Street
Albany, New York 12236

Dear Sir:

The Comptroller has requested my opinion regarding the validity of General Obligation Bonds of the State of New York, $216,035,000.00 Series 2023A Tax-Exempt Bonds (the "Series 2023A Tax-Exempt Bonds"), $242,075,000.00 Series 2023B Tax-Exempt Bonds (the "Series 2023B Tax-Exempt Bonds"), $104,445,000.00 Series 2023C Tax-Exempt Refunding Bonds (the "Series 2023C Tax-Exempt Refunding Bonds," and together with the Series 2023A Tax-Exempt Bonds and the Series 2023B Tax-Exempt Bonds, the "Series 2023 Tax-Exempt Bonds"), and $10,160,000.00 Series 2023D Taxable Bonds (the "Series 2023D Taxable Bonds") (Series 2023 Tax-Exempt Bonds and the Series 2023D Taxable Bonds collectively referred to as the "Bonds") which were sold on September 28, 2023.

The Comptroller advises that the Series 2023A Tax-Exempt Bonds are being issued for the purposes and in the principal amounts as set forth below:

Purpose	**Amount**
Clean Water/Clean Air	
Clean Water	$ 3,698,143
Air Quality	183,867
Environmental Quality 1972	
Water	1,566,290
Pure Water	3,614,056
Rebuild and Renew New York Transportation Bonds	
Aviation	181,897
Smart Schools Bonds	
Smart Schools	206,790,747
	$216,035,000

The Comptroller further advises that the Series 2023B Tax-Exempt Bonds are being issued for the purpose and in the principal amount as set forth below:

Purpose	Amount
Rebuild and Renew New York Transportation Bonds MTA – Mass Transit..	$242,075,000

The Comptroller further advises that the Series 2023C Tax-Exempt Refunding Bonds are being issued to provide funds to (i) currently refund a portion of certain outstanding general obligation bonds of the State through their redemption on a date not more than ninety (90) days after the date of issuance of the Series 2023C Tax-Exempt Refunding Bonds (the "Redeemed Bonds"), and (ii) purchase certain Target Bonds (defined below) tendered by the owners thereof for purchase pursuant to the Invitation on the date of issuance of the Series 2023C Tax-Exempt Refunding Bonds (the "Purchased Bonds" and, together with the Redeemed Bonds, the "Refunded Bonds"). The series, principal amounts and the maturity dates of the Refunded Bonds, as well as which of the Refunded Bonds are Redeemed Bonds and which are Purchased Bonds, are as shown in Exhibit C of Part I of the Official Statement dated September 28, 2023, – BONDS TO BE REDEEMED OR PURCHASED.

The Comptroller further advises that State has retained BofA Securities, Inc. to act as Lead Dealer Manager and Loop Capital Markets LLC to act as Co-Dealer Manager (collectively, the "Dealer Managers") in connection with an offer to tender certain general obligation bonds of the State. On September 12, 2023, the State released an "Invitation to Offer Bonds for Purchase" (the "Invitation") inviting owners of certain maturities of the State's outstanding general obligation bonds (the "Target Bonds") to tender all or a portion of such bonds for cash purchase by the State (the "Tender Offer").

The Comptroller further advises that the Series 2023D Taxable Bonds are being issued for the purpose and in the principal amount as set forth below:

Purpose	Amount
Rebuild and Renew New York Transportation Bonds MTA – Mass Transit..	$10,160,000

The Comptroller further advises the following with respect to the Bonds. The Bonds will be dated the date of delivery and will mature or be subject to mandatory redemption on the dates in each of the years set forth in the respective tables in the Official Statement with respect to the Bonds (the "Official Statement"). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each Series and maturity of the Bonds, totaling the aggregate principal amount of the Bonds of each Series, and will be deposited with DTC. Beneficial ownership interests in each Series and maturity of the Bonds will be available in book-entry-only form, in the principal amount of $5,000 or integral multiples thereof. Purchasers of beneficial ownership interests in the Bonds will not receive certificates representing their interests in the Bonds purchased. Interest on the Bonds will be payable beginning on March 15, 2024, and semi-annually thereafter on each September 15 and March 15 until maturity.

The Bonds will be issued pursuant to the authority contained in Article VII, Sections 11, 12 and 13 of the State Constitution, Sections 56, 57 and 61 of the State Finance Law and appropriation acts enacted by the State Legislature.

The transcript of the proceedings and the forms of the Bonds enclosed with the Comptroller's request have been examined by members of my staff. You are advised that after consideration of the provisions of the State Constitution, the pertinent sections of the State Finance Law and the statutes above referred to, it is my opinion, based upon such inquiry as members of my staff have deemed appropriate, that the Bonds are legally issued in accordance with such Constitution and laws and that the Bonds constitute valid and legally binding general obligations of the State of New York to which its full faith and credit are pledged.

The Internal Revenue Code of 1986, as amended (the "Code"), sets forth certain requirements that must be met after the Series 2023 Tax-Exempt Bonds have been validly issued and delivered in order that interest on the Series 2023 Tax-Exempt Bonds be and remain excludable from gross income pursuant to Section 103 of the Code. Such requirements may include the rebating of certain amounts earned from the investment of the proceeds of the Series 2023 Tax-Exempt Bonds. Rebates of any such amounts are subject to future appropriations by the State Legislature. You have provided me with an Arbitrage and Use of Proceeds Certificate prepared and executed by you, dated the date hereof with respect to the Series 2023 Tax-Exempt Bonds (the "Certificate"), which contains provisions and procedures regarding compliance with the requirements of the Code. In executing the Certificate, you have certified to the effect that you expect to be able to and will comply with the provisions and procedures set forth therein, including any attachments thereto, and that to the extent authorized by law you will do and perform all acts and things necessary or desirable to assure that interest paid on the Series 2023 Tax-Exempt Bonds is excludable from gross income under Section 103 of the Code. You have also provided me with executed certificates of other governmental officers and entities relating to the use of the proceeds of the Series 2023 Tax-Exempt Bonds (the "Agency Certificates"). No matters have come to my personal attention which would lead me to believe that the Certificate and the Agency Certificates are incorrect or unreasonable.

Based on the contents of the Certificate and the Agency Certificates and assuming compliance therewith and with subsequent rebating and other requirements, it is my opinion, based upon such inquiry as members of my staff have deemed appropriate, that, under the Code and other existing statutes, regulations, administrative rulings, and court decisions, interest on the Series 2023 Tax-Exempt Bonds is excludable from the gross income of the recipients thereof for Federal income tax purposes pursuant to Section 103 of the Code and is not a specific preference item for purposes of the Federal alternative minimum tax imposed on individuals; however, for tax years beginning after December 31, 2022, interest on the Series 2023 Tax-Exempt Bonds held by certain corporations that are subject to the federal corporate alternative minimum is included in the computation of "adjusted financial statement income" for purposes of the federal alternative minimum tax imposed on such corporations. Based on the contents of such Certificate and the Agency Certificates, and assuming compliance therewith and with subsequent rebating and other requirements, it is my further opinion that interest on the Series 2023 Tax-Exempt Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof, including The City of New York and the City of Yonkers.

Except as stated in the two preceding paragraphs, I express no opinion as to any Federal, state or local tax consequences arising with respect to the Bonds or the ownership or disposition thereof. This opinion is based on existing law as of the date hereof and I assume no obligation to update this opinion after the date hereof to reflect any future action, fact or circumstance, or change in law. Furthermore, I express no opinion as to the effect of any action hereafter taken or not taken in reliance upon an opinion of counsel other than myself on the exclusion from gross income for Federal income tax purposes of interest on the Series 2023 Tax-Exempt Bonds, or under state and local law.

Ownership of the Series 2023 Tax-Exempt Bonds may have other collateral tax consequences, not discussed herein, concerning which no opinion is expressed.

I further advise you that this letter contains my only opinion as to the validity and binding effect of the Bonds.

Very truly yours,

LETITIA JAMES
Attorney General

By: ____________________________

BONDS TO BE REDEEMED OR PURCHASED

The Redeemed Bonds

The State is currently refunding the bonds listed below with a portion of the proceeds of the Series 2023C Tax-Exempt Refunding Bonds. This refunding is conditioned upon the delivery of the Series 2023C Tax-Exempt Refunding Bonds.

DESCRIPTION OF THE REDEEMED BONDS

State of New York General Obligation Bonds, Series 2013C Tax-Exempt Refunding Bonds

Maturity Date	Principal Amount	Interest Rate	Anticipated Redemption Date	Redemption Price	CUSIP[†]
4/15/2024	$1,515,000	5.00%	1/5/2024	100%	649791JG6
4/15/2027	$ 25,000	3.00%	1/5/2024	100%	649791JK7

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[†] CUSIP is a registered Trademark of the ABA. The CUSIP numbers listed above have been assigned by CUSIP Global Services, which is managed on behalf of the ABA by S&P Global Market Intelligence, a part of S&P Global Inc., and are being provided solely for the convenience of holders of the Refunded Bonds. The State makes no representation with respect to such numbers nor undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity has been and is subject to being changed after the original issuance of the Refunded Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity.

The Purchased Bonds

The State is purchasing the portions of the Target Bonds listed below tendered for purchase pursuant to the Tender Offer by applying a portion of the proceeds of the Series 2023C Tax-Exempt Refunding Bonds to pay the purchase price of such tendered Target Bonds on the Settlement Date, as set forth in the Invitation. This purchase is conditioned upon the delivery of the Series 2023C Tax-Exempt Refunding Bonds.

DESCRIPTION OF THE PURCHASED BONDS

State of New York General Obligation Bonds, Series 2021B Taxable Bonds

Maturity Date	Principal Amount	Interest Rate	Tender Purchase Price	CUSIP†
3/15/2024	$ 2,305,000	0.530%	97.939%	649791QZ6
3/15/2025	$ 4,530,000	0.910%	94.386%	649791RA0
3/15/2026	$ 3,175,000	1.500%	92.609%	649791RB8
3/15/2027	$ 7,780,000	1.250%	89.243%	649791RC6
3/15/2028	$ 2,595,000	1.450%	87.296%	649791RD4
3/15/2029	$16,475,000	1.740%	86.346%	649791RE2
3/15/2030	$29,380,000	1.840%	84.006%	649791RF9
3/15/2031	$27,905,000	1.940%	82.139%	649791RG7
3/15/2032	$10,695,000	2.050%	80.785%	649791RH5
3/15/2033	$15,715,000	2.100%	79.190%	649791RJ1
3/15/2034	$ 3,380,000	2.250%	78.350%	649791RK8
3/15/2035	$ 5,200,000	2.350%	78.982%	649791RL6
3/15/2036	$ 1,620,000	2.380%	77.104%	649791RM4
3/15/2037	$ 2,925,000	2.430%	74.219%	649791RN2

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PART I - EXHIBIT D

STATE OF NEW YORK
GENERAL OBLIGATION BONDS
SERIES 2023A TAX-EXEMPT BONDS
SERIES 2023B TAX-EXEMPT BONDS
SERIES 2023C TAX-EXEMPT REFUNDING BONDS
SERIES 2023D TAXABLE BONDS

Dated October 11, 2023

AGREEMENT TO PROVIDE CONTINUING DISCLOSURE
UNDER SEC RULE 15c2-12

THIS AGREEMENT is made by the State acting by and through the Comptroller and the Director (all as defined below in Section 1).

In order to permit the initial purchasers of the Bonds to comply with the provisions of Rule 15c2-12(b)(5) in connection with the public offering of the Bonds, the State, in consideration of the mutual covenants herein contained and other good and lawful consideration, hereby agrees, for the sole and exclusive benefit of the Holders, as follows:

Section 1. **Definitions**

Capitalized terms used but not defined herein as follows shall have the meaning ascribed to them in any other document executed in connection with the issuance of the Bonds.

"Annual Information" shall mean the information specified in Section 3 hereof.

"Bonds" shall mean, collectively, $216,035,000.00 General Obligation Bonds, Series 2023A Tax-Exempt Bonds, $242,075,000.00 General Obligation Bonds, Series 2023B Tax-Exempt Bonds, $104,445,000.00 General Obligation Bonds, Series 2023C Tax-Exempt Refunding Bonds, and $10,160,000.00 General Obligation Bonds, Series 2023D Taxable Bonds, dated October 11, 2023.

"Comptroller" shall mean the Comptroller of the State of New York.

"Director" shall mean the Director of the Budget of the State of New York.

"DTC" shall mean The Depository Trust Company.

"EMMA" shall mean the Electronic Municipal Market Access system described in Securities Exchange Act Release No. 34-59062 (or any successor electronic information system) and maintained by the MSRB as the sole repository for the central filing of electronic disclosure pursuant to Rule 15c2-12.

"GAAP" shall mean generally accepted accounting principles as in effect from time to time in the United States.

"GAAS" shall mean generally accepted auditing standards as in effect from time to time in the United States.

"Holder" shall mean any registered owner of Bonds and, if the Bonds are registered in the name of Cede & Co. through DTC, any beneficial owner of Bonds, unless the staff of the Securities and Exchange Commission determines that the Rule does not require the Agreement to be for the benefit of such beneficial owners.

"MSRB" shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934.

"Official Statement" shall mean the official statement dated September 28, 2023, issued in connection with the sale of the Bonds.

"Rule 15c2-12" shall mean Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended through the date of this Agreement, including any official interpretations thereof promulgated on or prior to the date of this Agreement.

"State" shall mean the State of New York, an "obligated person" with respect to the Bonds within the meaning of Rule 15c2-12, acting by and through the Director or the Comptroller, as the case may be.

Section 2. **Obligations to Provide Continuing Disclosure**

(a) Annual Information. The State, acting by and through the Director, hereby undertakes, for the benefit of Holders of the Bonds, to electronically file with the MSRB, no later than 120 days after the end of each of its fiscal years, commencing with the fiscal year ending March 31, 2024, the Annual Information relating to such fiscal year.

(b) Audited Financials. The State, acting by and through the Comptroller, hereby undertakes, for the benefit of the Holders of the Bonds, to electronically file with the MSRB, no later than 120 days after the end of each of its fiscal years, commencing with the fiscal year ending March 31, 2024, audited financial statements of the State for such fiscal year; provided, however, that if audited financial statements are not then available, unaudited financial statements shall be so provided no later than 120 days after the end of the State's fiscal year and such audited financial statements shall be electronically filed with the MSRB if and when they become available.

(c) Notice to Comptroller. The Director shall notify the Comptroller of the occurrence of any of the sixteen events listed in Section 2(d)(1) through (16) hereof promptly upon becoming aware of the occurrence of any such event, including, without limitation, any change in the State's credit rating by any rating agency.

(d) Notification to the MSRB. The State, acting by and through the Comptroller, hereby undertakes, for the benefit of the Holders of the Bonds, to electronically file with the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of any of the fourteen events listed below, notice of the occurrence of any such event with respect to the Bonds:

(1) principal and interest payment delinquencies;

(2) non-payment related defaults, if material;

(3) unscheduled draws on debt service reserves reflecting financial difficulties;

(4) unscheduled draws on credit enhancements reflecting financial difficulties;

(5) a substitution of credit or liquidity providers, or their failure to perform;

(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

(7) modifications to rights of security holders, if material;

(8) bond calls, if material, and tender offers;

(9) defeasance;

(10) release, substitution, or sale of property securing repayment of the securities, if material;

(11) a rating change;

(12) bankruptcy, insolvency, receivership or similar event of any obligated person;

(13) consummation of a merger, consolidation, acquisition involving an obligated person or sale of all or substantially all of the assets of any obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material;

(14) appointment of a successor or additional trustee or the change of name of trustee, if material;

(15) incurrence of a financial obligation, as defined in Rule 15c2-12, of any obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of any obligated person, any of which affect security holders, if material; and

(16) default, event of acceleration, termination event, modification of terms or other similar events under the terms of a financial obligation of any obligated person, any of which reflect financial difficulties.

The State, acting by and through the Comptroller, also hereby agrees to electronically file with the MSRB, in a timely manner, notice of a failure by the State to comply with Section 2(a) or (b) hereof.

(e) Interpretation and Modification of Disclosure Obligation. The requirements contained in this Agreement under Section 3(a) are intended to set forth a general description of the type of financial information and operating data to be provided; such descriptions are not intended to state more than general categories of financial information and operating data; and where the provisions of Section 3(a) call for information that no longer can be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be provided.

(f) Other Information. Nothing herein shall be deemed to prevent the State from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the State should disseminate any such additional information, the State shall have no obligation hereunder to update such information or include it in any future materials disseminated hereunder.

(g) MSRB Prescribed Identifying Information. All documents provided to the MSRB pursuant to this Agreement shall be accompanied by identifying information as prescribed from time to time by the MSRB.

Section 3. **Annual Information**

(a) Specified Information. The Annual Information shall consist of the following:

(i) financial and operating data of the type included in the Annual Information Statement of the State, which is included as Part II of the Official Statement for the Bonds, under the headings or sub-headings "Prior Fiscal Years", "Debt and Other Financing Activities", "State Government Employment", "State Retirement Systems" and "Authorities and Localities", including, more specifically, information consisting of:

(1) *for prior fiscal years*, an analysis of cash-basis results for the State's three most recent fiscal years, and a presentation of the State's results in accordance with GAAP for at least the two most recent fiscal years for which that information is then currently available;

(2) *for debt and other financing activities*, a description of the types of financings the State is authorized to undertake, a presentation of the outstanding debt issued by the State and certain public authorities, as well as information concerning debt service requirements on that debt;

(3) *for authorities and localities*, information on certain public authorities and local entities whose financial status may have a material impact on the financial status of the State; and

(4) material information regarding State government employment and retirement systems; together with

(ii) such *narrative explanation* as may be necessary to avoid misunderstanding and to assist the reader in understanding the presentation of financial and operating data concerning the State and in judging the financial information about the State.

(b) Cross Reference. All or any portion of the Annual Information may be incorporated in the Annual Information by cross-reference to any other documents which have been electronically filed with the MSRB or filed with the Securities and Exchange Commission; provided however, that if the document is an official statement, it shall have been electronically filed with the MSRB and need not have been filed elsewhere. The audited financial statements of the State may be provided in the same manner.

Section 4. **Financial Statements**

The annual financial statements of the State for each fiscal year shall be prepared in accordance with GAAP as in effect from time to time (unless applicable accounting principles are otherwise disclosed) and audited by an independent auditing firm in accordance with GAAS (but only if audited financial statements are otherwise available for such fiscal year).

Section 5. **Remedies**

If the State should fail to comply with any provision of this Agreement, then, and, as a direct or third-party beneficiary, as the case may be, any Holder of Bonds may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Agreement against the State and any of its officers, agents and employees, and may compel the State or any such officers, agents or employees to perform and carry out their duties under this Agreement; provided, that the sole and exclusive remedy for breach of this Agreement shall be an action to compel specific performance of the obligations of the State hereunder, and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances; and provided, further, that the rights of any Holder to challenge the adequacy of the information provided in accordance with Section 2 hereunder shall be subject to the same limitations and conditions applicable to enforcement of remedies of Holders with respect to any event of default. Failure by the State to perform its obligations hereunder shall not constitute an event of default under any agreement executed and delivered in connection with the issuance of the Bonds or under any statute or common law principle. In consideration of the third party beneficiary status of beneficial owners of Bonds pursuant to Section 6, beneficial owners shall be deemed to be Holders of Bonds for purposes of this Section 5.

Section 6. **Parties in Interest**

This Agreement is executed and delivered solely for the benefit of the Holders of the Bonds. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 7. **Amendments**

(a) Without the consent of any Holders of Bonds, the State, at any time and from time to time, may enter into amendments or changes to this Agreement for any purpose, if:

(i) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, or nature, or status of the State or any type of business or affairs conducted by it;

(ii) the undertakings set forth herein, as amended, would have complied with the requirements of Rule 15c2-12 at the time of the primary offering of the Bonds, after taking into account any amendments to, or interpretation by the staff of the Securities and Exchange Commission of, Rule 15c2-12, as well as any changes in circumstances; and

(iii) the amendment does not materially impair the interests of the Holders, as determined by the Attorney General of the State of New York, as Bond Counsel with respect to issuance of the Bonds or by nationally recognized bond counsel. (In determining whether there is such a material impairment, the State may rely upon an opinion of the Attorney General of the State of New York or nationally recognized bond counsel.)

(b) Annual Information for any fiscal year containing any amended operating data or financial information for such fiscal year shall explain, in narrative form, the reasons for such amendment and the impact of the change in the type of operating data or financial information in the Annual Information being provided for such fiscal year. If a change in accounting principles is included in any such amendment, such Annual Information shall present a comparison between the financial statements or information prepared on the basis of the amended accounting principles and those prepared on the basis of the former accounting principles. Such discussion shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information. To the extent reasonably feasible such comparison shall also be quantitative. A notice of any such change in accounting principles shall be electronically filed with the MSRB.

Section 8. **Termination**

This Agreement shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Bonds shall have been paid in full or the Bonds shall have otherwise been paid or legally defeased; provided, however, that if Rule 15c2-12 (or any successor provision) shall be amended, modified or changed so that all or any part of the information currently required to be provided thereunder shall no longer be required to be provided thereunder, then such information shall no longer be required to be provided hereunder; and provided, further, that if and to the extent Rule 15c2-12 (or any successor provision), or any provision thereof, shall be declared by a court of competent and final jurisdiction to be, in whole or in part, invalid, unconstitutional, null and void, or otherwise inapplicable to the Bonds, then the information required to be provided hereunder, insofar as it was required to be provided by a provision of Rule 15c2-12 so declared, shall no longer be required to be provided hereunder. Upon any legal defeasance, the State shall electronically file notice of such defeasance with the MSRB, and such notice shall state whether the Bonds have been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 9. **Governing Law**

This Agreement shall be governed by the Laws of the State of New York determined without regard to principles of conflict of Law; provided, however, that to the extent this Agreement addresses matters of Federal securities laws, including Rule 15c2-12, this Agreement shall be governed by such Federal securities laws and official interpretations thereof.

Section 10. **Counterparts**

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

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IN WITNESS WHEREOF, the undersigned have duly authorized, executed and delivered this Agreement as of the date first above written.

THE STATE OF NEW YORK
Obligated Person

THOMAS P. DINAPOLI
State Comptroller

By: ____________________________________
Name:
Title:

BLAKE G. WASHINGTON
Director of the Budget

By: ____________________________________
Name:
Title:

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PART II

INFORMATION CONCERNING THE STATE OF NEW YORK

Part II contains the Annual Information Statement of the State of New York ("Annual Information Statement" or "AIS"), as updated or supplemented to the date specified therein. The State intends to update and supplement that Annual Information Statement as described therein. It has been supplied by the State to provide information about the financial condition of the State.

The AIS set forth in this Part II is dated June 9, 2023. The AIS was filed with the Municipal Securities Rulemaking Board (MSRB) through its Electronic Municipal Market Access (EMMA) system. An electronic copy of this AIS can be accessed through the EMMA system at www.emma.msrb.org. An official copy of the AIS may be obtained by contacting the Division of the Budget, State Capitol, Albany, NY 12224, Tel: (518) 473-8705. An informational copy of the AIS is available on the Internet at http://www.budget.ny.gov.

The Basic Financial Statements and Other Supplementary Information for the State fiscal year ended March 31, 2023 were prepared by the Office of the State Comptroller in accordance with accounting principles generally accepted in the United States of America and independently audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The Basic Financial Statements and Other Supplementary Information were issued on July 27, 2023 and are referred to or set forth herein. The Basic Financial Statements and Other Supplementary Information, which are included in the Comprehensive Annual Financial Report, may be obtained by contacting the Office of the State Comptroller, 110 State Street, Albany, NY 12236 Tel: (518) 474-4015.

The Annual Information Statement of the State of New York (including any and all updates and supplements thereto) may not be included in an Official Statement or included by reference in an Official Statement without the express written authorization of the State of New York, Division of the Budget, State Capitol, Albany, NY 12224.

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ANNUAL INFORMATION STATEMENT

STATE OF NEW YORK

WE ARE NY

June 9, 2023

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INTRODUCTION

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This Annual Information Statement for FY 2024 (AIS) is dated June 9, 2023 (the same date as the release date of the FY 2024 Enacted Budget Financial Plan) and contains information only through that date. This AIS constitutes the official disclosure regarding the financial condition of the State of New York (the "State") and related matters and replaces the AIS dated June 29, 2022 and all updates and supplements issued in connection therewith. DOB is responsible for preparing the State's Financial Plan (which includes financial results as well as current and out-year projections) and utilizing such information to present the information that appears in this AIS on behalf of the State. The AIS is generally updated on a quarterly basis after the close of each of the first three quarters of the State's fiscal year, and may be supplemented from time to time as developments warrant. This AIS, including the Exhibits attached hereto, should be read in its entirety, together with any updates and supplements that may be issued during the fiscal year.

In this AIS, readers will find:

1. Information on the State's current financial projections, including summaries and extracts from the State's fiscal year 2024 (FY 2024)[1] Enacted Budget Financial Plan (the “Financial Plan”) issued by the Division of the Budget (DOB) on June 9, 2023. The Financial Plan sets forth the State’s official financial projections for FY 2024 through FY 2027 (the “Financial Plan period”). It includes, among other things, information on the major components of the FY 2024 General Fund gap-closing plan, future potential General Fund budget gaps, multi-year projections of receipts and disbursements for the State's operating funds, the impact on debt measures, and the anticipated debt issuances required to support planned capital spending. While the disclosure contained in this AIS is derived from the Financial Plan, this AIS contains updates to information set forth in the Financial Plan which DOB has determined do not materially change the projections contained in the Financial Plan.

   DOB expects to complete the first quarterly update to the FY 2024 Enacted Budget Financial Plan in July 2023. Given (i) the relatively short period of time since the release date of the FY 2024 Enacted Budget Financial Plan, and (ii) DOB's current analysis of preliminary operating results for the first quarter of FY 2024, DOB does not anticipate significant changes in the State's financial condition that would mandate the release of disclosure in a first quarterly update to the AIS. **Accordingly, DOB does not anticipate that it will be preparing and releasing a first quarterly update to this AIS and instead expects the next update of this AIS to be released following the mid-year update to the Enacted Budget Financial Plan.**

2. A discussion of issues and risks that may affect the State's financial projections during FY 2024 or in future fiscal years is provided under the heading “Other Matters Affecting the Financial Plan”.

3. Information on other subjects relevant to the State’s finances, including summaries of: (a) operating results for the three prior fiscal years (presented on a cash basis of accounting), (b) the State's revised economic forecast and a profile of the State economy, (c) the State’s debt and other financing activities, (d) activities of public authorities and localities, and (e) information regarding State government employment.

[1] The State fiscal year is identified by the calendar year in which it ends. For example, fiscal year 2024 (“FY 2024”) is the fiscal year that began on April 1, 2023 and will end on March 31, 2024.

4. Updated information regarding the State Retirement System.
5. The status of significant litigation that has the potential to adversely affect the State's finances.

After the end of each quarter, DOB publishes an updated Financial Plan containing financial results and any updates to projections. The Financial Plan, as updated, is the source of financial results and projections in the AIS, as updated.

The annual State budget process and financial reporting cycle begins with the start of a new State fiscal year on April 1 and the enactment of the State's annual budget (the "Enacted Budget"), which may be after the start of the fiscal year. Following the Enacted Budget, DOB publishes the State's Enacted Budget Financial Plan and generally updates it quarterly to reflect results through June 30 (the "First Quarterly Update to the Financial Plan"), September 30 (the "Mid-Year Update to the Financial Plan"), and December 31 (the "Executive Budget Financial Plan"). In addition, the Governor's Executive Budget proposal (the "Executive Budget") is typically submitted to the Legislature in January and the Governor's amendments are due within thirty days following the submission of the Executive Budget, at which time the Executive Budget Financial Plan may be amended (the "Updated Executive Budget Financial Plan"). However, following a gubernatorial election, the Governor's Executive Budget proposal is due on or before the first day of February and amendments are due in early March.

In preparing this AIS, DOB has also relied on information drawn from other sources, including the Office of the State Comptroller (OSC). In particular, information contained in the section entitled "State Retirement System" has been furnished by OSC, while information relating to matters described in the section entitled "Litigation" has been furnished by the State Office of the Attorney General. DOB has not undertaken any independent verification of the information contained in these sections of this AIS.

During the fiscal year, the Governor, the State Comptroller, State legislators, and others may issue statements or reports that contain predictions, projections, or other information relating to the State's financial position or condition, including potential operating results for the current fiscal year and projected budget gaps for future fiscal years, that may vary materially from the information provided in this AIS. Investors and other market participants should, however, refer to this AIS, as updated or supplemented, for the most current official information regarding the financial position of the State.

Factors affecting the State's financial condition are numerous and complex. This AIS contains "forward-looking statements" relating to future results and economic performance as defined in the Private Securities Litigation Reform Act of 1995. Since many factors may materially affect fiscal and economic conditions in the State, the forecasts, projections, and estimates should not be regarded as a representation that actual results will not vary. The forward-looking statements contained herein are based on the State's expectations at the time they were prepared and are necessarily dependent upon assumptions, estimates, calculations, and data that it believes are reasonable as of the date made, but that may be incorrect, incomplete or imprecise or not reflective of actual results. Forecasts, projections, and estimates are not intended as representations of fact or guarantees of results. The words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," "calculates," "assumes" and analogous expressions are intended to identify forward-looking statements. Any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially and adversely from projections. Such risks and uncertainties include, but are not limited to, general economic and business conditions; natural calamities; foreign hostilities or wars; domestic or foreign terrorism; changes in political, social, economic and environmental conditions, including climate change and extreme weather events; epidemics or pandemics; cybersecurity events; impediments to the implementation of gap-closing actions; regulatory initiatives and compliance with governmental regulations; litigation; Federal tax law changes; actions by the Federal government to reduce or disallow expected aid, including Federal aid authorized or appropriated by Congress, but subject to sequestration, administrative actions, or other actions that would reduce aid to the State; and various other events, conditions and circumstances. Many of these risks and uncertainties are beyond the control of the State. These forward-looking statements are based on the State's expectations as of the date of this AIS.

Note that all FY 2023 financial results contained within this AIS are unaudited and preliminary. The annual independent audit of the State's Basic Financial Statements for the fiscal year ending March 31, 2023 is expected to be completed by July 28, 2023. Both the Comptroller's Annual Report to the Legislature on State Funds Cash Basis of Accounting and the State's Basic Financial Statements are due by July 28, 2023. These reports will contain the final FY 2023 financial results. Copies may be obtained by contacting the Office of the State Comptroller, 110 State Street, Albany, NY 12236. The Basic Financial Statements for FY 2022 are available in electronic form at www.osc.state.ny.us and at www.emma.msrb.org.

In addition to regularly scheduled quarterly updates to this AIS, the State may issue AIS supplements or other disclosure notices related to this AIS as events warrant. The State intends to announce publicly whenever an update or a supplement is issued. The State may choose to incorporate by reference all or a portion of this AIS in official statements or related disclosure documents for State or State-supported debt issuances. The State has filed this AIS with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access (EMMA) system. An electronic copy of this AIS can be accessed through EMMA at www.emma.msrb.org. An official copy of this AIS may be obtained by contacting the New York State Division of the Budget, State Capitol, Albany, NY 12224, Tel: (518) 474-2302.

Usage Notice

This AIS has been prepared and made available by the State pursuant to its contractual undertakings under various continuing disclosure agreements (CDAs) entered into by the State in connection with financings of the State, as well as certain issuers, including public authorities of the State, that may depend in whole or in part on State appropriations as sources of payments of their respective bonds, notes or other obligations.

This AIS is available in electronic form on the DOB website at www.budget.ny.gov. Such availability does not imply that there have been no changes in the financial position of the State subsequent to the posting of this information. Maintenance of this AIS on the DOB website, or on the EMMA website, is not intended as a republication of the information herein on any date subsequent to its release date. No incorporation by reference or republication of any information contained on any website is intended or shall be deemed to have occurred as a result of the inclusion of any website address in this AIS.

Neither this AIS nor any portion thereof may be: (i) included in a preliminary official statement, official statement, or other offering document, or incorporated by reference therein, unless DOB has expressly consented thereto following a written request to the State of New York, Division of the Budget, State Capitol, Albany, NY 12224, or (ii) considered to be continuing disclosure in connection with any offering unless a CDA relating to the offered series of bonds or notes has been executed by DOB. Any such use, or incorporation by reference, of this AIS or any portion thereof in a preliminary official statement, official statement, or other offering document or continuing disclosure filing without such consent and agreement by DOB is unauthorized and the State expressly disclaims any responsibility with respect to the inclusion, intended use, and updating of this AIS if so misused.

BUDGETARY AND ACCOUNTING PRACTICES

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Significant Budgetary and Accounting Practices

Unless clearly noted otherwise, all financial information is presented on a cash basis of accounting.[2]

The State accounts for receipts and disbursements by the fund in which the activity takes place (such as the General Fund), and the broad category or purpose of that activity (such as State Operations). The Financial Plan tables present State projections and actuals by fund and category.

Fund types of the State include[3]: the General Fund; State Special Revenue Funds, which receive certain dedicated taxes, fees, and other revenues used for specified purposes; Federal Special Revenue Funds, which receive certain Federal receipts; State and Federal Capital Projects Funds, which account for costs incurred in the construction, maintenance, and rehabilitation of roads, bridges, prisons, university facilities, and other infrastructure projects; and Debt Service Funds, which account for the payment of principal, interest, and related expenses for debt issued by the State and on the State's behalf by its public authorities.

The State's **General Fund** receives most State taxes and all income not earmarked for a specified program or activity. State law requires the Governor to submit, and the Legislature to enact, a General Fund Budget that is balanced on a cash basis of accounting. The State Constitution and State Finance Law do not provide a precise definition of budget balance. In practice, the General Fund is considered balanced if sufficient resources are, or are expected to be, available during the fiscal year for the State to: (a) make all planned payments, including Personal Income Tax (PIT) refunds, without the issuance of deficit notes or bonds, or extraordinary cash management actions; (b) restore the balances in the Tax Stabilization Reserve Fund and the Rainy Day Reserve Fund (collectively, the "Rainy Day Reserves") to levels at or above those on deposit when the fiscal year began; and (c) maintain other reserves, as required by law. For purposes of calculating budget balance, the General Fund includes transfers to and from other funds.

The General Fund is the sole financing source for the School Tax Relief (STAR) fund and is typically the financing source of last resort for the State's other major funds, including the Health Care Reform Act (HCRA) Fund, the Dedicated Highway and Bridge Trust Fund (DHBTF), and the Lottery Fund. Therefore, General Fund projections account for any estimated funding shortfalls in these funds. Since the General Fund is required by law to be balanced, the focus of the State's budgetary and gap-closing discussion in the Financial Plan is generally weighted toward the General Fund.

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[2] State Finance Law also requires the Division of the Budget to prepare a pro forma Financial Plan using, to the extent practicable, Generally Accepted Accounting Principles (GAAP). The GAAP-basis Financial Plan is informational only. DOB does not use it as a benchmark for planning or managing State finances during the fiscal year and does not update it on a quarterly basis. The GAAP-basis Financial Plan follows, to the extent practicable, the accrual methodologies and fund accounting rules applied by OSC in preparation of the audited Basic Financial Statements, but there can be no assurance that the pro forma GAAP financial plan conforms to all GAAP principles.

[3] The State's Fund Structure and listing of funds can be found at https://www.budget.ny.gov/citizen/nyfund/index.html

At times, DOB will informally designate unrestricted balances in the General Fund for specific policy goals (e.g., reserve for economic uncertainties; reserve for timing of payments). These amounts are typically, but not uniformly, identified with the phrase "reserved for." These unrestricted amounts are not held in distinct accounts within the General Fund and may be used for other purposes.

Projections for future years may show budget gaps or budget surpluses in the General Fund. Budget gaps represent the difference between: (a) the projected General Fund disbursements, including transfers to other funds, needed to maintain current service levels and specific commitments, and (b) the projected level of resources, including transfers from other funds, to pay for these disbursements. The General Fund projections are based on many assumptions and are developed by DOB in conjunction with other State agencies. Some projections are based on specific, known information (e.g., a statutory requirement to increase payments to a prescribed level), while others are based on more uncertain or speculative information (e.g., the pace at which a new program will enroll recipients). In general, the multi-year projections assume that money appropriated in one fiscal year will continue to be appropriated in future years, even for programs that were not created in permanent law and that the State has no obligation to fund. Funding levels for nearly all State programs are reviewed annually in the context of the current and projected fiscal positions of the State.

State Operating Funds is a broader measure of spending on operations (as distinct from capital purposes) that is funded with State resources. It includes financial activity in the General Fund, as well as State-funded Special Revenue Funds and Debt Service Funds (spending from Capital Projects Funds and Federal Funds is excluded). As significant financial activity occurs in funds outside the General Fund, the State Operating Funds perspective is, in DOB's view, a more comprehensive measure of operations funded with State resources (e.g., taxes, assessments, fees and tuition). The State Operating Funds perspective eliminates certain distortions in operating activities that may be caused by, among other things, the State's complex fund structure and the transfer of money between funds. For example, the State funds its share of the Medicaid program from both the General Fund and State Special Revenue Funds. The State Operating Funds perspective captures Medicaid disbursements from both fund types, giving a more complete accounting of State-funded Medicaid disbursements. Accordingly, projections often emphasize the State Operating Funds perspective.

The Financial Plan projections reflect certain actions that have affected, or are intended to affect, the amount of annual spending reported on a State Operating Funds basis. Such actions include but are not limited to: payment of certain operating costs using available resources outside the State Operating Funds basis of reporting. If transactions are not executed or reported in a manner consistent with DOB's interpretation of the legislation and legislative intent, annual spending growth in State Operating Funds would be higher than projections.

The State also reports disbursements and receipts activity for **All Governmental Funds** (All Funds), which includes spending from Capital Projects Funds and Federal Funds, in addition to State Operating Funds. The All Funds basis is the most comprehensive view of the cash-basis financial operations of the State.

The term "actual" or "actuals" is used throughout the Financial Plan and this AIS to align with fiscal publications released by the State Comptroller. These terms are synonymous with the term "results" also used in the narrative discussion and refer to year-to-date and year-end actual but unaudited performance data.

Differences may occur from time to time between DOB and OSC's financial reports in presentation and reporting of receipts and disbursements. For example, DOB may reflect a net expenditure amount while OSC may report the gross expenditure. Any such differences in reporting between DOB and OSC could result in differences in the presentation and reporting for total receipts and disbursements under different fund perspectives (e.g., State Operating Funds and All Funds).

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FINANCIAL PLAN OVERVIEW

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The following table provides key financial measures for FY 2023 and the FY 2024 Financial Plan.

FINANCIAL PLAN AT-A-GLANCE: KEY MEASURES (millions of dollars)	FY 2023 Actuals	FY 2024 Projected
State Operating Funds Disbursements		
Size of Budget	$123,751	$125,331
Annual Growth	5.4%	1.3%
Other Disbursement Measures		
General Fund (Including Transfers)	$92,799	$104,412
Annual Growth	4.4%	12.5%
Capital Budget (Federal and State)	$14,024	$17,211
Annual Growth	-4.6%	22.7%
Federal Operating Aid	$82,687	$86,471
Annual Growth	7.1%	4.6%
All Funds	$220,462	$229,013
Annual Growth	5.3%	3.9%
Inflation (CPI)	7.4%	3.5%
All Funds Receipts		
Taxes[1]	$113,729	$104,843
Annual Growth	8.6%	-7.8%
Miscellaneous Receipts	$31,842	$26,837
Annual Growth	14.0%	-15.7%
Federal Receipts (Operating and Capital)	$89,563	$92,654
Annual Growth	-6.0%	3.5%
Total All Funds Receipts[1]	$235,134	$224,334
Annual Growth	3.2%	-4.6%
General Fund Cash Balance	$43,451	$39,537
Economic Uncertainties	$13,282	$13,282
Extraordinary Monetary Settlements	$1,570	$1,142
Pandemic Assistance	$245	$0
Rainy Day Reserves	$6,256	$6,256
Timing of PTET/PIT Credits	$14,358	$12,462
All Other	$7,740	$6,395
Debt		
Debt Service (excluding pre-payments) as % All Funds Receipts	2.4%	3.0%
State-Related Debt Outstanding	$55,911	$62,621
Debt Outstanding as % Personal Income	3.6%	4.0%

[1] Excludes the impact of the Pass Through Entity Tax program, which is expected to have no net Financial Plan impact across fiscal years.

Overview

The Governor submitted the FY 2024 Executive Budget, with amendments, to the Legislature on March 3, 2023. DOB estimated that the Executive Budget, if adopted without modification, would have provided for balanced General Fund operations in FY 2024, leaving projected budget gaps of $5.1 billion in FY 2025, $8.6 billion in FY 2026, and $7.2 billion in FY 2027, totaling roughly $21 billion. The gaps were principally due to the downward revisions in projected tax receipts at that time.

On March 31, 2023, the Legislature enacted the annual debt service appropriations, without amendment, in advance of the new fiscal year that began on April 1. The Governor and Legislative leaders reached agreement on the outlines of the budget for FY 2024 at the end of April, and the Legislature completed final action on the budget bills on May 2, 2023. The Governor completed her review of the budget bills on May 12, 2023.

The final budget agreement includes key elements proposed by the Governor in her Executive Budget, including fully funding existing commitments, such as the third and final year of the Foundation Aid phase-in funding; a comprehensive plan to put the Metropolitan Transportation Authority (MTA) on stable financial footing; adding substantial new operating and capital aid for health care; providing extraordinary funding for services to asylum seekers; expanding mental health inpatient, outpatient, and supportive services; providing matching funds to increase the State University of New York (SUNY) centers' endowments; providing a monthly discount on electric utility bills for moderate-income customers; and increasing the minimum wage and funding the cost for State service providers. The final agreement provides additional funding for many areas of the budget including increased operating aid for university systems, expansion of free school meals, aid for legal defense and discovery for indigent and low-income individuals, rent arrears assistance, and expansion of the Empire State Child Credit to include children under four years of age.

DOB estimates that the budget enacted by the Legislature and approved by the Governor is balanced in FY 2024, as required by law. The Enacted Budget Financial Plan includes savings and resources in FY 2024 that DOB estimates will be sufficient both to fund the negotiated additions and restorations to the budget, and fully cover downward revisions to tax receipts described later. The gaps in the outyears are projected at $9.1 billion in FY 2025, $13.9 billion in FY 2026, and $13.4 billion in FY 2027. The increase in the gaps over the Financial Plan period (FY 2025 through FY 2027) are principally due to additional downward revisions in projected tax receipts reflected in the Enacted Budget Financial Plan.

The Legislative session is expected to conclude in June 2023. DOB does not anticipate any legislation with significant fiscal impacts will be approved.

FY 2023 Results

At the close of FY 2023, the State completed the final deposits needed to reach the administration's goal of bringing principal reserves to a minimum of 15 percent of State Operating Funds spending. The increase in reserves was supported by the extraordinary growth in tax collections over the past two years. Principal reserves now total $19.5 billion (16 percent of State Operating Funds spending) and are complemented by additional reserves for debt management, future operational costs[4], and a transaction risk reserve.

The State ended FY 2023 in a stronger overall position in comparison to the estimates in both the initial FY 2023 Enacted Budget Financial Plan and the FY 2024 Executive Budget Financial Plan. Results reflected both strong receipts and disbursements that fell substantially below budgeted levels. The excess resources that were available at the close of FY 2023 have been carried forward through available balances and reserves, as well as used to prepay future expenses to reduce costs in future years of the Financial Plan. (See "FY 2023 Preliminary Year End Results" herein.)

Summary of Revisions to the Executive Budget Proposal

The following table summarizes revisions to the multi-year projections that were contained in the Executive Budget Financial Plan.

FY 2024 GENERAL FUND FINANCIAL PLAN
REVISIONS TO EXECUTIVE BUDGET ESTIMATES: SAVINGS/(COSTS)
(millions of dollars)

	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
EXECUTIVE BUDGET SURPLUS/(GAP) ESTIMATE	**0**	**(5,079)**	**(8,597)**	**(7,159)**
Tax Receipts[1]	**(5,623)**	**(5,291)**	**(5,399)**	**(5,818)**
Negotiated Changes	**0**	**(1,090)**	**(1,248)**	**(1,589)**
Adds:	(1,842)	(1,204)	(1,270)	(1,611)
Spending	(1,939)	(1,205)	(1,265)	(1,597)
Recurring	(770)	(1,043)	(1,219)	(1,551)
Non-Recurring	(1,152)	(116)	0	0
Restorations	(17)	(46)	(46)	(46)
Revenue	97	1	(5)	(14)
Available Resources/Offsets	1,842	114	22	22
Other Forecast Revisions	**5,623**	**2,405**	**1,371**	**1,128**
Prepayments/Advances/Other Resources	3,401	1,176	251	25
All Other	2,222	1,229	1,120	1,103
ENACTED SURPLUS/(GAP) ESTIMATE	**0**	**(9,055)**	**(13,873)**	**(13,438)**

[1] Excludes the impact of the Pass Through Entity Tax program, which is expected to have no net Financial Plan impact across fiscal years.

[4] The Financial Plan includes an informal set aside of funds in the General Fund balance available for unexpected and new costs of Executive agencies inclusive of, but not limited to, future labor agreements, inflationary costs or other critical needs.

In FY 2024, the combination of available resources generated from operations in FY 2023 and downward revisions to spending based on prior year results are sufficient to offset the new initiatives and costs, as well as the downward revisions to tax receipts beginning in FY 2024.

A more detailed table of the revisions appears in the section entitled, "FY 2024 General Fund Financial Plan."

Tax Receipts

Tax receipts, excluding Pass-Through Entity Tax (PTET), have been decreased by over $5 billion annually in comparison to the Executive Budget forecast, due primarily to weaker than expected April PIT receipts from extension payments and final returns. Collections for April and May 2023 are projected to be roughly $4.6 billion below the last public forecast[5], particularly in extension payments and higher refunds, and are consistent with the experiences of comparable PIT-dependent states, as well the Federal government. The drop in tax receipts appears to be related to a decline in tax year 2022 liability, which is most directly attributable to a sharp decrease in nonwage income, with weakness in capital gains serving as the primary driver. This decline is the basis for the substantial downward revisions to tax receipts in the Enacted Budget Financial Plan. (See "State Financial Plan Multi-Year Projections – Receipts" herein.)

Negotiated Changes

The FY 2024 Enacted Budget authorized a net $1.9 billion in spending additions to the General Fund in FY 2024 compared to the Executive Budget proposal. The additions to the General Fund consist of recurring and non-recurring costs. Recurring additions carry an estimated net cost of $770 million in FY 2024, annualizing to nearly $1.6 billion in the outyears of the Financial Plan. The largest recurring costs include increases in the minimum wage, additional operating aid for university systems, increased rates for health care and human services providers, expansion of free school meals, and aid for legal defense and discovery for indigent and low-income individuals.

Excluding distressed hospital assistance and other Medicaid additions that are funded by resources within the Global Cap Index, non-recurring additions are estimated at roughly $1.2 billion in FY 2024. The largest one-time spending additions include rent arrears ($391 million) to support additional tenants and families, including the New York City Housing Authority and other public housing residents and recipients of Federal Section 8 vouchers, and discretionary additions ($390 million) for individual program areas. In addition, the final budget agreement excluded several Executive revenue proposals, such as the ban on flavored tobacco, but expanded the Empire State Child Credit to include children under four years of age.

The negotiated changes in FY 2024 are offset by available resources and balances carried forward from FY 2023, and the use of the Indigent Legal Services Fund to offset aid for legal defense.

[5] FY 2024 Executive Budget Updated for Governor's Amendments and Forecast Revisions Financial Plan dated March 3, 2023.

Other Forecast Revisions

The Financial Plan includes revisions to reflect the management of surplus resources generated in FY 2023 to be used in subsequent years. Actions taken consisted of the prepayment of debt service and fringe benefit expenses due in future years and capital advances to the MTA, as well as carrying forward available balances and Federal reimbursements that have been programmed for use in FY 2024, in part to offset spending that carried over from FY 2023. In addition, discretionary deposits to the Retiree Health Benefit Trust Fund (RHBTF) in future years will be made pending fiscal conditions. Furthermore, the timing of transfers from the health care transformation fund have been revised over the multi-year plan to partially offset the cost of home care wage increases.

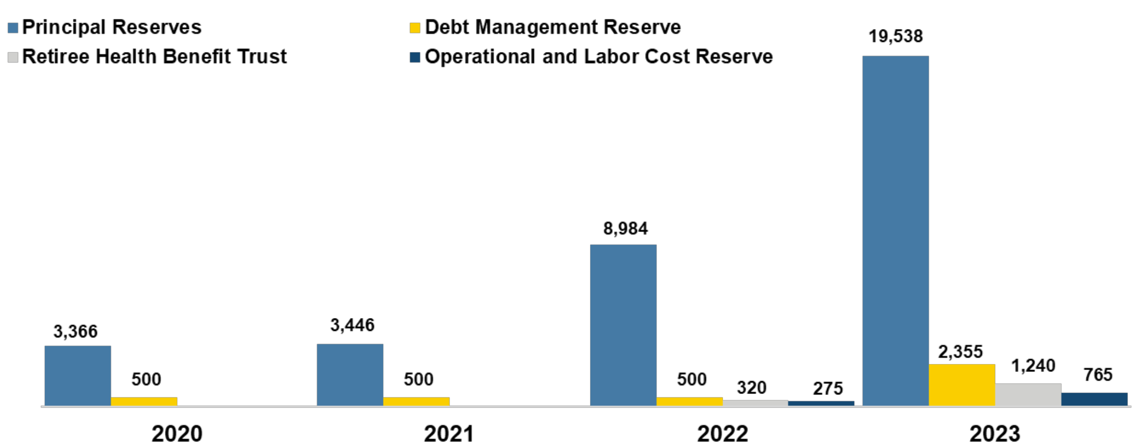
DOB has made other revisions to the Executive Budget Financial Plan projections of non-tax receipts and spending in all years based on prior year results, as well as updated forecasts and programmatic assumptions. The revisions include higher investment income and lower disbursements across numerous program areas and fringe benefit costs. In addition, the Financial Plan has been updated to reflect the full cost to the State of the bonus payments to eligible healthcare workers. The Centers for Medicare & Medicaid Services (CMS) has provided initial guidance indicating that the Federal government is unlikely to provide Federal matching funds for the bonus payments executed to date. The State is continuing to negotiate with CMS to find an acceptable process for documenting and claiming a Federal share.

FY 2024 Enacted Budget Financial Plan Highlights

Reserves and Risks

Economic turning points create heightened risks to the Financial Plan. In the two recessions prior to COVID, tax receipts fell more steeply and for a longer period than originally expected. While the DOB forecast is based on reasonable assumptions, the impact of an economic slowdown is highly unpredictable. A second, new risk has been created by the PTET program, which has introduced a high degree of uncertainty in the level and timing of expected PIT tax collections. Lastly, the State is dependent on a range of Federal approvals to implement savings measures and receive reimbursement for costs it has incurred in the first instance. The Financial Plan maintains a reserve for such transaction risks, in addition to the principal reserves and other reserves for specific purposes (e.g., future operational and labor costs).

$20 BILLION ADDED TO RESERVES SINCE 2020



Excludes other statutory and informal reserves for dedicated purposes (e.g., PTET, pandemic assistance, and undesignated fund balances)

Principal Reserves[6]**.** The State completed the entire $10.6 billion of planned deposits and set asides to principal reserves at the end of FY 2023 – two years ahead of the initial plan laid out in October 2021. The current balance in principal reserves is just over $19.5 billion, an amount equal to approximately 16 percent of projected FY 2024 State Operating Funds disbursements.

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[6] DOB defines principal reserves as the two “rainy day” reserves (consisting of the Tax Stabilization Reserve and the Rainy Day Reserve) and the portion of the General Fund balance informally designated for economic uncertainties.

The FY 2024 Enacted Budget includes legislation that increases the amount the State is permitted to set aside in statutory reserves by increasing the maximum allowable balance for the Rainy Day Reserve from 15 percent to 25 percent, and the maximum annual deposit from 3 percent to 15 percent, of projected General Fund spending in the current year.

A deposit to the Rainy Day Reserve Fund is anticipated to be made at the end of FY 2024 depending on fiscal and economic conditions, including any material decline in tax collections. The allocation of principal reserves may be adjusted in future updates dependent on fiscal conditions and consistent with the allowable balance and deposit authorization for the Rainy Day Reserve.

Debt Management Reserve Fund. To ensure the State can abide by the limits imposed by the Debt Reform Act, $1 billion has been set aside in the debt management reserve.

RHBTF[7]. In FY 2022, the State made its first deposit to the RHBTF, which was created in FY 2018 to reserve money for the payment of health benefits of retired employees and their dependents. In FY 2023, deposits previously planned in later years ($600 million) were accelerated for a total deposit of $920 million, consistent with the statutory limit of 1.5 percent of the actuarial accrued liability. The balance in the reserve totals $1.2 billion. Future deposits will be dependent on fiscal conditions.

Operational/Labor Cost Reserve. The Financial Plan includes an informal set aside of funds in the General Fund balance available for unexpected and new costs of Executive agencies inclusive of, but not limited to, future labor agreements, inflationary costs or other critical needs. These funds are included in the General Fund balance and are not included in spending estimates.

The State recently reached a tentative labor agreement with the Public Employees Federation (PEF) for the three-year period from FY 2024 through FY 2026. The agreement is subject to ratification by union membership and the votes are expected to take place in the coming months. The tentative agreement includes 3 percent salary increases for each year of the agreement and a one-time bonus of $3,000, as well as other one-time payments that are expected to be partly offset by expected health insurance benefit savings. In the past, agencies have been required to fund general salary increases within existing budgets through efficiencies and other savings initiatives. However, certain one-time payments are expected to be covered with the General Fund reserve.

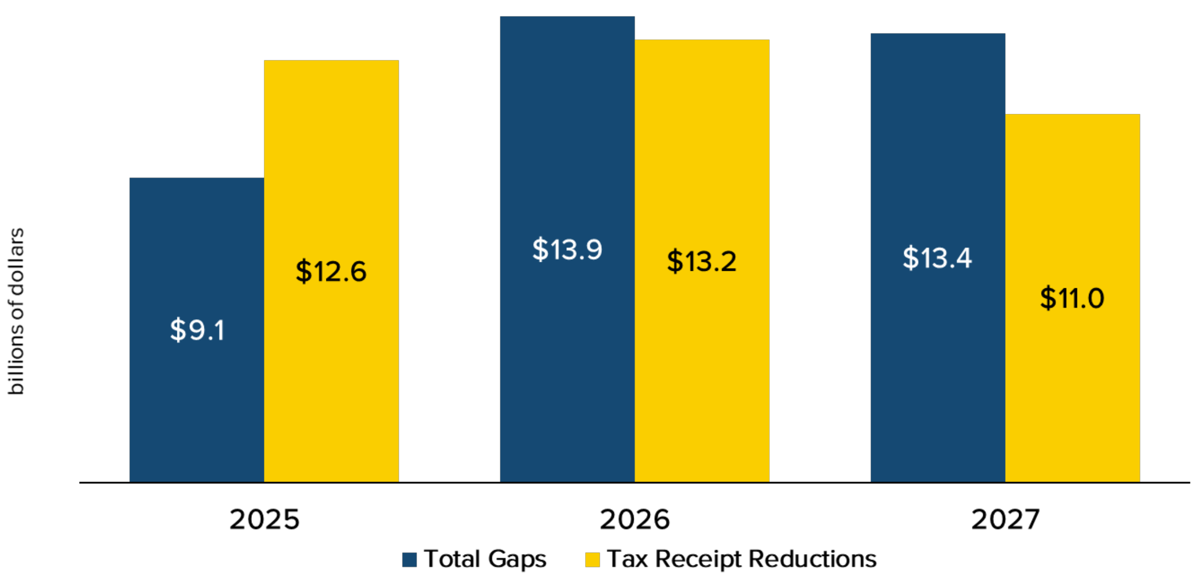
The State also reached a tentative agreement with United University Professions (UUP) representing SUNY employees for the four-year period from Academic Year 2023 through Academic Year 2026, which is also subject to ratification and includes general salary increases of 2 percent in FY 2023 followed by 3 percent salary increases for each of the next three years, as well as other payments and modifications to health insurance benefits. The cost of the UUP agreement is expected to be funded by SUNY except for related fringe benefits costs currently paid by the State, and onetime payments related to negotiated labor agreements.

[7] The RHBTF is a trust fund for the payment of health benefits of retired employees and their dependents and is not included in the General Fund balance. The reserves establish an asset against the State's post-employment health insurance liability.

Outyear Budget Gaps

The Enacted Budget Financial Plan projects outyear budget gaps of $9.1 billion in FY 2025, $13.9 billion in FY 2026, and $13.4 billion in FY 2027[8], a total of roughly $36 billion over three years. The budget gaps that have opened in each year are due principally to the downward revisions in projected tax receipts, which have been lowered by nearly $37 billion (FY 2025 to FY 2027) in comparison to the May 2022 forecast included in the FY 2023 Enacted Budget Financial Plan. If the FY 2025 Budget is balanced with recurring savings, the projected budget gap for FY 2026 would be $4.8 billion. The projected budget gaps do not reflect the use of any reserves to balance operations.

OUTYEAR BUDGET GAPS AND TAX RECEIPTS REDUCTIONS



Cash Position

DOB expects that the General Fund will have sufficient liquidity in FY 2024 to make all planned payments as they become due. DOB continues to reserve money on a quarterly basis for debt service payments that are financed with General Fund resources. Money to pay debt service on bonds secured by dedicated receipts, including PIT bonds and Sales Tax bonds, continues to be set aside as required by law and bond covenants.

[8] FY 2027 tax receipts projections assume the scheduled expiration of the State and Local Tax (SALT) deduction cap after December 31, 2025 under current Federal law, as well as the likelihood that NYS taxpayers will pay a greater share of liability through quarterly estimated payments in tax year 2026 to take advantage of the expiration. The impact on NYS tax receipts projections is an acceleration of tax receipts into FY 2027. If the SALT deduction cap is extended, the projection of tax receipts for FY 2027 will be reduced and the FY 2027 budget gap calculation will increase by a comparable amount.

State Spending

The Financial Plan projects that State Operating Funds spending will total $125.3 billion in FY 2024, an increase of $1.6 billion, or 1.3 percent, from FY 2023. The decline in all other spending reflects the management of surplus resources generated in prior years, which consist of the prepayment of debt service and fringe benefit expenses due in future years.

FY 2024 ENACTED BUDGET SPENDING (millions of dollars)				
	FY 2023 Actuals	FY 2024 Projected	$ Change	% Change
All Funds	**220,462**	**229,013**	**8,551**	**3.9%**
State Operating Funds	**123,751**	**125,331**	**1,580**	**1.3%**
School Aid (School Year Basis)	31,383	34,414	3,031	9.7%
Medicaid	25,468	27,253	1,785	7.0%
All Other	66,900	63,664	(3,236)	-4.8%

Debt Service

Debt service spending consists of the payment of principal, interest, and related expenses on State-supported debt. Prepayments executed in prior years, as well as prepayments in FY 2023, have a substantial impact on total debt service spending. The table below provides a summary of the impact of prepayments on debt service expenses.

STATE-SUPPORTED DEBT SERVICE (millions of dollars)						
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Base Debt Service	**5,556**	**6,603**	**7,213**	**7,538**	**8,037**	**8,228**
Total Prepayment Adjustment	**4,925**	**(3,705)**	**(3,695)**	**(2,380)**	**(2,860)**	**(2,000)**
Prior Prepayments	(1,075)	(2,255)	(2,395)	(1,630)	(2,360)	0
FY 2023 Prepayment	6,000	(1,450)	(1,300)	(750)	(500)	(2,000)
Enacted Budget State Debt Service	**10,481**	**2,898**	**3,518**	**5,158**	**5,177**	**6,228**

Summary of Actions and Revisions Compared to Base Projections

The following table and narrative provide a summary of the impact of the FY 2024 Enacted Budget actions and revisions on General Fund operations, starting with the "base" estimates[9].

FY 2024 ENACTED BUDGET FINANCIAL PLAN (millions of dollars)				
	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
UPDATED "BASE" BUDGET SURPLUS/(GAP) ESTIMATE	**214**	**(6,813)**	**(7,418)**	**(5,465)**
Receipts	**(1,584)**	**(4,124)**	**(5,579)**	**(9,285)**
Tax Receipts	(5,236)	(4,927)	(5,392)	(8,773)
Forecast Revisions	(5,623)	(5,291)	(5,399)	(5,818)
PTET Forecast Revisions	400	(206)	(745)	(3,259)
Other Tax Receipts Changes	(13)	570	752	304
Debt Service Reestimates	10	123	157	54
Payment of Future Debt Service	1,450	550	0	0
Other Receipts/Transfers	2,192	130	(344)	(566)
Disbursements	**(123)**	**(1,748)**	**(2,296)**	**(2,772)**
Assistance and Grants	(3,123)	(1,850)	(2,372)	(2,680)
Education	56	410	28	18
Medicaid	(1,363)	(656)	(1,075)	(1,014)
eFMAP extension through Dec. 31, 2023	1,315	0	0	0
Asylum Seekers Services and Assistance	(944)	(355)	0	0
Minimum Wage/Home Care Wages	30	(314)	(605)	(964)
Bonus for Healthcare and Direct Care Workers	(823)	(256)	0	0
Mental Hygiene	(62)	(226)	(255)	(277)
Public Health/Aging	(105)	(34)	(23)	(23)
Social Services/Housing	(550)	(64)	(57)	(67)
Environment/Energy	(212)	(50)	(50)	(50)
Higher Education	(98)	(138)	(155)	(164)
Public Safety	(360)	(333)	(241)	(237)
Transportation	(381)	(78)	(78)	(74)
All Other	375	243	139	173
Agency Operations, including GSCs	1,338	(117)	284	301
Executive Agency Operations	(100)	(532)	(497)	(486)
Asylum Seekers Services and Assistance	(162)	0	0	0
Healthcare Worker Bonus	(54)	(27)	0	0
FEMA Reimbursement	800	0	0	0
State Police Recruiting Classes	(67)	(46)	(47)	(48)
SUNY Endowment Funding	(250)	(250)	0	0
Legislature/Judiciary (incl. fringe benefits)	(42)	(42)	(31)	(24)
Fringe Benefits/Fixed Costs	1,213	780	859	859
Transfers to Other Funds	1,662	219	(208)	(393)
Capital Projects	1,511	579	190	23
SUNY Operations	(203)	(226)	(260)	(274)
All Other	354	(134)	(138)	(142)
Use of/(Deposit to) Reserves	**1,493**	**3,630**	**1,420**	**4,084**
Accelerate Principal Reserve Deposits	2,448	2,926	0	0
Timing of PTET/PIT Credits	(400)	206	745	3,259
All Other Reserves	(555)	498	675	825
ENACTED BUDGET SURPLUS/(GAP) ESTIMATE	**0**	**(9,055)**	**(13,873)**	**(13,438)**

[9] The baselevel estimates, which were completed in February 2023, represent the projected surpluses and gaps before any changes proposed by the Governor or enacted by the Legislature, as well as subsequent revisions to the forecast of receipts, disbursements, and available resources.

Receipts

Tax Receipts. The estimates for tax receipts have been reduced in each year of the Financial Plan, consistent with collections through May 2023 and DOB’s updated economic forecast.

In addition, the FY 2024 Enacted Budget extends through tax year 2026 the Article 9-A tax rates on taxpayers with business income over $5 million and the alternative capital base tax rate for certain taxpayers. Other tax changes include various extensions, enforcement initiatives and reforms including the extension of credits for historic property rehabilitation, New York City musical and theatrical productions, and farmers, as well as a new credit for child care expansion and the inclusion of children under four years of age to the Empire State Child Credit.

Debt Service. Revisions reflect savings from lower bond issuances due to increased PAYGO resources and slower than expected capital spending, as well as additional debt service prepayments made in FY 2023 that reduce debt service costs in future years.

Other Receipts/Transfers. The Financial Plan includes a $1.4 billion increase to the estimated investment income the State expects to generate consistent with higher interest rates and liquidity. Other changes include a reduction to the Transaction Risk Reserve, which is maintained at $2 billion annually, and revisions to certain planned transfers due to the availability of revenues and balances in other funds that are earmarked to support new investments. Other changes include restatements and adjustments between debt service transfers, resulting from the prepayment of DHBTF Bonds which increases debt service transfers from, along with a corresponding decrease in capital projects transfers. There is no resulting Financial Plan impact.

Disbursements

Assistance and Grants

School Aid. The Financial Plan provides $34.4 billion in State aid to schools for school year (SY) 2024, an increase of $3 billion (9.7 percent). Including Federal prekindergarten expansion grants, schools will receive $34.5 billion. This growth primarily reflects a $2.6 billion (12.3 percent) Foundation Aid increase, including a minimum 3 percent annual increase to fully funded districts that would otherwise not receive a Foundation Aid increase under current law. The growth in Foundation Aid largely reflects the full funding of the current formula for the first time in its 17-year history, marking the final year of the three-year phase-in of full funding. School Aid growth also includes a $225 million increase in expense-based aid and a $150 million increase in State-funded full-day prekindergarten programming for four-year-old children.

The decrease in projected General Fund disbursements for education shown in the previous table primarily reflects additional resources in the State's Lottery, Mobile Sports, Video Lottery Terminals (VLTs) and Commercial Gaming Funds available to finance School Aid spending.

Medicaid Global Cap. Global Cap spending growth in FY 2024 is estimated at $1.4 billion. The Global Cap index has been revised based on updated CMS annual projections of health care spending. The revised rates provide additional Medicaid spending of $475 million in FY 2024 growing to $754 million in FY 2027. Medicaid spending is currently projected to exceed the cap by $242 million in FY 2026 and $283 million in FY 2027. The higher cost is mainly attributable to higher-than-expected enrollment, utilization and spending trends. The Governor’s healthcare commission will examine and recommend reforms to improve quality and reduce costs.

The FY 2024 Enacted Budget includes several investments in health care, including $500 million in assistance for financially distressed hospitals, increasing and/or adding Medicaid reimbursement for hospitals, nursing homes and assisted living providers, primary care, school-based health centers, transportation services, and additional types of mental health providers in community health centers. In addition, the Financial Plan includes savings which began on April 1, 2023, due to the transition of the prescription drug program for all Medicaid members enrolled in Mainstream Managed Care to the State run Medicaid Pharmacy Program. With this transition, the State will pay pharmacies directly for drugs and supplies on behalf of Medicaid members. Transitioning the pharmacy benefit from Managed Care to Medicaid Fee-for-Service will result in significant savings to the State, most of which will be reinvested back into healthcare. Other actions include expanding the Medicaid Buy-in program so more disabled persons can continue to work without the risk of losing health benefits and supporting critical primary and preventative care for Medicaid enrollees that will help improve population health and reduce preventable hospitalizations and emergency room visits.

To maintain spending within the Global Cap, the State will utilize a portion of the Affordable Care Act (ACA) Enhanced Federal Medical Assistance Percentage (eFMAP) savings to offset growth in Medicaid costs borne by the State rather than counties ($219 million). Other actions include shifting pregnancy coverage to the Essential Plan (EP) ($41 million in FY 2024 and $165 million annually thereafter); and aligning the timing of expanded coverage for certain groups with the Federal waiver submission ($172 million).

eFMAP Extension. The Federal FY 2023 Omnibus Appropriations bill extended eFMAP through the end of the 2023 calendar year but at declining levels. Beginning April 1, 2023, eFMAP is reduced over the next three quarters from 6.2 percent to 5 percent through June 30, 2.5 percent through September 30, and 1.5 percent through December 31.

Asylum Seekers Services and Assistance. The FY 2024 Enacted Budget provides support to New York City for services and assistance for asylum seekers, including shelter cost reimbursement.

Minimum Wage/Home Care Wages.

The FY 2024 Enacted Budget includes increasing the minimum wage for home care and non-home care workers. The increases will benefit hundreds of thousands of minimum wage workers across New York State and assist them to meet the rising cost of living, which results in increased State assistance to mental hygiene, health care and social services providers supported by the State.

For non-homecare workers, the FY 2024 Enacted Budget authorizes increasing the minimum wage on January 1, 2024 to $16 per hour in New York City and Nassau, Suffolk, and Westchester counties, and to $15 in the remainder of the State, followed by an additional $0.50 increase each year in 2025 and 2026, and then indexing to inflation annually thereafter.

For home health and personal care workers, the FY 2024 Enacted Budget authorizes increasing the minimum wage, effective January 1, 2024, by $1.55 downstate and $1.35 in the rest of the State, with additional Statewide minimum wage increases of $0.55 to come January 1, 2025 and January 1, 2026. Pending CMS approval, the increases are anticipated to be partially funded by HCBS eFMAP in FY 2024.

Bonus for Healthcare and Direct Care Workers. In FY 2023, healthcare, direct care and other critical safety workers earning less than $125,000 annually began receiving a State-funded bonus payment of up to $3,000. The amount of the bonus is based on hours worked and length of time in service. The program runs through April 1, 2024 and the timing of payments is dependent on claims submission. As such, the Financial Plan has been revised to reflect payments continuing into FY 2024 and FY 2025.

In addition, the State previously expected Federal matching funds of roughly $1.3 billion for the bonus payments made to eligible healthcare workers.[10] Based on initial CMS feedback, the Financial Plan has been revised to reflect the State paying the entire costs of these bonus payments between FY 2023 and FY 2025. This ensures funding has been included in the event of a final determination that these costs are ineligible for Federal matching funds; however the State is continuing to negotiate with CMS to find an acceptable process for documenting and claiming a Federal share.

Mental Hygiene. The FY 2024 Enacted Budget includes investments across the continuum of care for mental health and continued support for community-based services, including residential programs. Specifically, this includes establishing and operating 3,500 new residential units for people with mental illness, including 1,500 Supportive Housing beds, 900 transitional step-down beds, 600 licensed apartment treatment beds and 500 community residence-single room occupancy (CR-SRO) beds. Outpatient mental health services throughout the State will be significantly expanded by funding twelve new Comprehensive Psychiatric Emergency Programs; 42 new Assertive Community Treatment teams; 26 new Certified Community Behavioral Health Clinics, including an Indigent Care Program to ensure providers are reimbursed for care; eight new Safe Options Support teams; the expansion of the Critical Time Intervention (CTI) initiative started in 2022; 42 new Health Home Plus Care Managers; and start-up funding and operating costs for expanded clinic capacity at 20 sites. The FY 2024 Enacted Budget also expands mental health services for children and families, enhances suicide prevention programs, strengthens supportive housing programs, and supports the 4 percent Cost of Living Adjustment (COLA) for voluntary operated providers.

Public Health/Aging. The FY 2024 Enacted Budget adds funding for the Hunger Prevention and Nutrition Assistance Program (HPNAP), tobacco control, cancer services as well as a 4 percent COLA for SOFA consistent with the other Human Services agencies.

Social Services/Housing. The FY 2024 Enacted Budget provides funding to ensure continuity in the level of childcare subsidies; expands eligibility for child care subsidies to more families; creates an employer-supported child care pilot program to provide new financial support for child care; and continues funding for the emergency rental assistance and landlord aid programs, including legal services for tenants facing eviction. Other significant increases include investments in permanency resource centers and kinship services, consolidating afterschool program funding in the Office of Children and Family Services (OCFS), assisting foster care agencies with Federal provisions related to Institutions for Mental Disease (IMD), indexing of the minimum wage, and providing a 4 percent COLA for the human services workforce. These investments are offset by the restructured financing approach for residential school placements of children with special needs outside New York City and utilization of Mortgage Insurance Fund (MIF) resources to fund housing and homelessness programs.

[10] Beginning with the FY 2023 Mid-Year Update to the Financial Plan, dated November 2022, DOB noted considerable risk that CMS may not approve all of the Federal matching funds for the healthcare bonus payments and that the General Fund would incur unbudgeted costs of up to $1.3 billion through FY 2025 in the event the Federal matching funds are not approved.

Environment/Energy. The FY 2024 Enacted Budget includes $200 million in funding to expand the Energy Affordability Program to consumers who have not been previously eligible. The program will provide income-eligible customers with a discount on their monthly electric and/or gas bills.

Higher Education. The FY 2024 Enacted Budget adds $93 million in recurring annual operating support for City University of New York (CUNY) campuses starting in Academic Year 2024 and a multiyear commitment to provide CUNY with general operating aid increases of $36 million in each of the following two academic years (2025 and 2026).

Public Safety. The FY 2024 Enacted Budget includes increased support for Prosecutors and Defenders, Alternative to Incarceration (ATI), the Gun Involved Violence Elimination (GIVE) program, re-entry services, and additional funding to assist in the implementation of criminal discovery laws and pretrial services. The FY 2024 Enacted Budget also includes funding to combat the flow of fentanyl, including the establishment of an Anti-Fentanyl Innovation Grant, as well as support to hire additional crime and data analysts focused on fentanyl distribution and deaths.

Transportation. The FY 2024 Enacted Budget includes one-time State assistance to the MTA to address extraordinary revenue impacts caused by the pandemic ($305 million, of which $5 million is dedicated to the MTA's Outer Borough Transit Account) and increases to upstate transit operating aid to match the year to year increase in on-budget, traditional MTA aid. Other initiatives include $24 million annually for operating costs of the Gateway Development Commission and $2 million to begin funding an Innovative Mobility Initiative for non-MTA systems.

All Other Assistance and Grants. The FY 2024 Enacted Budget includes increased funding for various other programs and initiatives including recurring assistance to the City of Albany, the Liberty Defense Project and the Office of New Americans, various programs administered by the Empire State Development Corporation, immigration legal services and combating bias-based crimes. In addition, all other spending includes a reconciliation for the net impact of the Mental Hygiene Stabilization Fund and OPWDD Local Share Adjustments related to the Medicaid Global Cap.

The FY 2024 Enacted Budget also includes $80 million in FY 2024 and $134 million in annual outyear support for a new State-funded initiative to incentivize qualifying low-income public and nonpublic schools to participate in the Federal Community Eligibility Provision (CEP) program, allowing all students in those schools to eat breakfast and lunch at no charge regardless of their families' income.

Agency Operations

Agency Operations. The growth in executive agency budgets reflects funding to meet critical service needs, as well as efforts to assess lead risks and support lead abatement in housing across the State and modernize health reporting systems. In addition, funding is included to support consulting costs associated with development of Section 1115 Medicaid demonstration waivers that have allowed the State to implement a managed care program that provides comprehensive and coordinated health care to Medicaid patients. Increased funding for agency operations also supports inpatient beds in State-operated Psychiatric Centers, expanded State Police community stabilization units, enhanced parole supervisions programs, investments in information technology including the Joint Security Operations Center (JSOC), geographical wage adjustments, and additional enforcement to curb the illegal sale of cannabis.

Asylum Seekers Services and Assistance. The Division of Military and Naval Affairs (DMNA) has deployed national guard servicemembers to various hotels, homeless shelters, and emergency sites throughout New York City to implement, administer, and effectuate the provision of services.

State Police Recruiting Classes. Increased funding will support additional State Police recruiting classes in FY 2024.

SUNY Endowment Funding. The State will provide $1 in State funds (up to $500 million) for every $2 in private contributions to the endowments of SUNY's four university centers: Buffalo, Binghamton, Albany, and Stony Brook. The endowment funds are expected to be used to provide long-term support for campus operations, student scholarships, research, endowed professorships, and the development of new academic fields.

Legislature/Judiciary. The FY 2024 Enacted Budget reflects budget requests submitted by the Legislature and Judiciary. The Judiciary requested increases in annual operating spending to fund expected hiring, three planned Court Officer Academy classes, the addition of 34 new Judgeships, and collective bargaining increases implemented in March 2023. Additionally, there have been increases to the assigned counsel rate for attorneys providing services to indigent persons. Spending increases for the Legislature are mainly driven by personnel costs for legislative staff, as well as increases for member salaries.

Fringe Benefits/Fixed Costs. The fringe benefit projections have been lowered to account for the management of surplus resources generated in FY 2023 used to prepay fringe benefit expenses due in FY 2024, revised projections for employee health insurance and pension expenses, and future deposits to the RHBTF dependent on fiscal conditions.

Transfer to Other Funds

Capital Projects. The FY 2024 Enacted Budget reduces transfers to various capital projects funds, including: the DHBTF, due to the State's prepayment of dedicated bonds, described above; the Dedicated Infrastructure Investment Fund (DIIF), which is related to slower than anticipated program spending and an updated timeline for the construction of the stadium in Orchard Park; and the State Capital Project Fund, related to the timing of bond proceeds reimbursements. The reduction in transfers is partially offset by new investments for residential energy-efficiency upgrades, health care transformation, and the development of technology systems associated with pre-trial discovery laws.

SUNY Operations. The FY 2024 Enacted Budget provides $163 million ($122 million in FY 2024) in new recurring general operating support for SUNY campuses and a multiyear commitment to provide SUNY with general operating aid increases of $54 million in each of the following two academic years (2025 and 2026). Another $75 million in State aid to SUNY in Academic Year 2024 ($56 million in FY 2024) will fund transformational initiatives at campuses that support innovation, help meet workforce needs, and provide student support.

Other Transfers. Transfers reflect a revised schedule for funding the health care transformation fund.

Reserve Changes

The previously planned deposits to principal reserves in FY 2024 ($2.4 billion) and FY 2025 ($2.9 billion) were accelerated and completed in FY 2023. In addition, revisions to the estimated PTET/PIT tax credit payments are offset by the reserve set aside for this purpose. Other changes include the use of available, accumulated surpluses that were carried forward to lower the projected outyear budget gaps and revisions to spending supported by the Monetary Settlements Reserve.

General Fund Financial Plan

General Fund receipts are affected by the deposit of dedicated taxes in other funds for debt service and other purposes, the transfer of balances between funds of the State, and other factors. Three significant factors affect reported General Fund tax receipts, as described below.

First, changes in debt service on State-supported revenue bonds affect General Fund tax receipts. The State utilizes bonding programs where tax receipts are deposited into dedicated debt service funds (outside the General Fund) and used to make debt service payments. After satisfying debt service requirements for these bonding programs, the balance is transferred to the General Fund.

Second, the STAR program is funded from PIT receipts, with changes in the State-supported cost of the program affecting reported PIT receipts.

Lastly, beginning in FY 2022, the PTET program began affecting reported General Fund tax collections. The discussion and tables summarizing annual changes below generally exclude the impact of the PTET or show it distinctly. The operation of the PTET program is described under the heading, "PTET Financial Plan Impact" at the end of this section.

General Fund disbursements are affected by the level of financing sources available in other funds, transfers of balances between funds of the State, and other factors that may change annually. For example, education and health care programs are affected by the level of financing sources (i.e., HCRA and lottery/gaming receipts) available in other funds. Projected spending also reflects DOB's cautious estimates of disbursements, a practice that provides a cushion for potential receipts shortfalls and unanticipated costs.

For a more comprehensive discussion of the State's projections for tax receipts, miscellaneous receipts, disbursements, and transfers, presented on a State Funds and All Funds basis, see "State Financial Plan Multi-Year Projections" herein.

FY 2024 Enacted Budget Financial Plan

The following table summarizes the projected annual change in General Fund receipts, disbursements, and fund balances from FY 2023 to FY 2024.

GENERAL FUND FINANCIAL PLAN
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Annual Change Dollar	Annual Change Percent
Opening Fund Balance	**33,053**	**43,451**	**10,398**	**31.5%**
Total Receipts	**103,197**	**100,498**	**(2,699)**	**-2.6%**
Receipts (Excluding PTET)	105,269	102,394	(2,875)	-2.7%
Taxes	96,018	94,405	(1,613)	-1.7%
Miscellaneous Receipts	3,609	3,801	192	5.3%
Federal Receipts	2,351	2,250	(101)	-4.3%
Non-Tax Transfers from Other Funds	3,291	1,938	(1,353)	-41.1%
PTET Receipts	(2,072)	(1,896)	176	8.5%
PIT Credits	(17,016)	(14,936)	2,080	12.2%
Business Taxes	14,944	13,040	(1,904)	-12.7%
Total Disbursements	**92,799**	**104,412**	**11,613**	**12.5%**
Assistance and Grants	62,852	75,055	12,203	19.4%
State Operations	21,622	20,965	(657)	-3.0%
Transfers to Other Funds	8,325	8,392	67	0.8%
Net Change in Operations	**10,398**	**(3,914)**	**(14,312)**	**-137.6%**
Closing Fund Balance	**43,451**	**39,537**	**(3,914)**	**-9.0%**
Statutory Reserves:				
Community Projects	25	23	(2)	
Contingency	21	21	0	
Rainy Day[1]	6,256	6,256	0	
Fund Balance Reserved for:				
Consensus Revenue	0	0	0	
Debt Management	2,355	2,436	81	
Economic Uncertainties	13,282	13,282	0	
Labor Settlements/Agency Operations	765	1,765	1,000	
Pandemic Assistance	245	0	(245)	
Undesignated Fund Balance	4,574	2,150	(2,424)	
Subtotal Excluding Settlements/PTET	**27,523**	**25,933**	**(1,590)**	
Fund Balance Reserved for:				
Extraordinary Monetary Settlements	1,570	1,142	(428)	
Timing of PTET/PIT Credits	14,358	12,462	(1,896)	

[1] Consists of the Rainy Day Reserve and Tax Stabilization Reserve.

Receipts

General Fund receipts, including transfers from other funds, are estimated to total $100.5 billion in FY 2024, a decrease of $2.7 billion (2.6 percent) from FY 2023. Excluding the impact of the PTET program, total receipts are projected to decrease by $2.9 billion (2.7 percent) from FY 2023.

Tax receipts, excluding the impact of PTET and debt prepayments, but including transfers after payment of debt service, are estimated to total $90.7 billion in FY 2024, a decrease of $10.2 billion (10.1 percent) from FY 2023. The decrease reflects the effects of a mild recession on PIT revenues, in addition to declines in Corporate Franchise Tax (CFT) receipts and estate tax receipts. The actual and planned prepayments of debt service due in future years reduce reported PIT receipts in the fiscal year in which the payments are made and increase PIT receipts in the fiscal years in which the debt service was originally scheduled to be paid. Debt prepayments reduce General Fund PIT receipts by $4.9 billion in FY 2023 and increase PIT receipts $13.7 billion in FY 2024. Including these prepayments, tax receipts are estimated to decrease by $1.6 billion from FY 2023.

PIT receipts, excluding PTET and debt prepayments, but including transfers after payment of debt service, are estimated to total $60.4 billion in FY 2024, a decrease of $10 billion (14.2 percent) from FY 2023. The decrease reflects reduced extension payments for tax year 2022 driven by a strong decline in nonwage income, coupled with declines in final returns and delinquencies, offset by a decrease in total refunds primarily attributable to the expiration of the 2022 homeowner tax rebate credit.

Consumption/use tax receipts, including transfers after payment of debt service on Sales Tax Revenue Bonds, are estimated to total $18.4 billion in FY 2024, an increase of $1.6 billion (9.8 percent) from FY 2023. This increase reflects moderate growth in the sales tax base (2.7 percent).

Business tax receipts, excluding PTET, are estimated at $9.3 billion in FY 2024, a decrease of $1.1 billion (10.3 percent) from FY 2023. The decrease primarily reflects a decrease in CFT gross receipts, reflecting a projected decline in corporate profits, and a decrease in audit receipts to recent trend levels.

Other tax receipts, including transfers after payment of debt service on Clean Water/Clean Air (CW/CA) Bonds, are expected to total $2.6 billion in FY 2024, a decrease of $797 million from FY 2023. This is primarily due to the estate tax returning to typical trends following record receipt collections in FY 2023, as well as a decline in real estate transfer tax receipts as the market continues to cool off.

Miscellaneous receipts are projected to increase by $192 million from FY 2023 due to historically high investment income receipts associated with high interest rates and large fund balances associated with the timing of PTET receipts.

Non-tax transfers are estimated to total $1.9 billion in FY 2024, a decrease of $1.4 billion from FY 2023. The change is mainly attributable to an increase in the Transaction Risk Reserve compared to FY 2023 which reduces transfers from other funds, partially offset by increases in transfers from the Health Care Transformation, Mental Health Services, Tribal State Compact and Indigent Legal Services funds.

Disbursements

General Fund disbursements, including transfers to other funds, are expected to total $104.4 billion in FY 2024, an increase of $11.6 billion (12.5 percent) from FY 2023. The annual change in spending is in part due to the expected expiration of the eFMAP at the end of the third quarter of FY 2024. The higher Federal matching rate has temporarily lowered State-share spending and increased the Federal share of Medicaid costs.

Assistance and grants spending is estimated to total $75.1 billion in FY 2024, an increase of $12.2 billion from FY 2023. General Fund spending for education and health care represents most of the assistance and grants spending growth. General Fund support for these programs is affected by the level of financing sources (i.e., HCRA and lottery/gaming receipts) available in other funds, as well as the impact of an over $2 billion drop in eFMAP savings. School Aid is estimated to increase by $3.3 billion (12.8 percent) on a State fiscal year basis, primarily reflecting the final year of the phase-in of full funding of the current Foundation Aid formula, a $150 million investment in State-funded full-day prekindergarten programming for four-year old children and assumed growth in expense-based aids.

Medicaid spending is projected to grow by $1.7 billion due to investments in health care and provider reimbursement associated with the authorization to increase the State's minimum wage, offset by savings resulting from the transition of the pharmacy benefit from Managed Care to Medicaid Fee-for-Service, the phase down of the eFMAP extension through December 31, 2023, and actions to maintain spending within the Global Cap. Other assistance and grants growth is primarily the result of additional assistance to the MTA to address operating shortfalls, initiatives and investments to improve mental health care services, access to affordable housing, additional support for public safety initiatives, wage increases, emergency rental and rental arrears assistance and landlord aid programs including legal services for tenants facing eviction, and significant one-time funding to support asylum seekers services and assistance in New York City.

General Fund agency operations costs, including fringe benefits, are expected to total $21 billion in FY 2024, a decrease of $657 million from FY 2023, driven primarily by a decline in General State Charges (GSCs) spending that partially offsets the increase in State Operations spending. The growth in executive agency budgets reflects efforts to assess lead risks and support lead abatement for housing across the State, modernize health reporting systems, conduct additional State Police recruiting classes, provide State matching funds for contributions to the endowments for SUNY's four university centers, increase inpatient beds in State-operated Psychiatric Centers, and provide additional enforcement to curb the illegal sale of cannabis. Additionally, the cost of deploying the National Guard to assist New York City with providing care for asylum seekers and consulting costs associated with development of Section 1115 Medicaid demonstration waivers increase spending in FY 2024. Judiciary spending is projected to increase in FY 2024 driven by increases to the assigned counsel rate for attorneys providing services to indigent persons. Fringe benefit costs are expected to decrease in FY 2024 primarily due to a $920 million payment to the RHBTF and the advance of certain health insurance and workers compensation payments in FY 2023, partially offset by the increased costs of providing pension benefits to current and retired employees.

General Fund transfers to Other Funds are projected to total $8.4 billion in FY 2024, an increase of $67 million from FY 2023. The growth is mainly attributable to increased transfers for capital projects reflecting an increase in planned Pay-As-You-Go (PAYGO) capital spending and increased transfers to SUNY for transformational initiatives at campuses that support innovation, help meet workforce needs, and provide student support; partially offset by lower Health Care Transformation and Dedicated Mass Transportation Trust Fund transfers.

FY 2024 Closing Balance

Excluding the PTET[11] reserve for the timing of PTET/PIT credits and the reserve for extraordinary monetary settlements to fund existing commitments and projects, DOB projects the State will end FY 2024 with a General Fund cash balance of $25.9 billion, a decrease of $1.6 billion from FY 2023. The reserves for debt management and labor settlements are projected to increase by just over $1 billion. The balance available for all other purposes is expected to decline due to the planned use of prior year resources to fund certain commitments and operations in FY 2024.

[11] Starting in FY 2022, the General Fund balance is affected by the PTET program. Please see the description under the heading "PTET Financial Plan Impact" for more information.

Negotiated Changes to the Executive Budget

The following table summarizes the negotiated additions, restorations, modifications, and revisions to the FY 2024 Executive Budget proposal.

CHANGES TO THE EXECUTIVE BUDGET FINANCIAL PLAN
GENERAL FUND
(millions of dollars)

	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
EXECUTIVE BUDGET SURPLUS/(GAP) ESTIMATE	**0**	**(5,079)**	**(8,597)**	**(7,159)**
TAX RECEIPTS[1]	**(5,623)**	**(5,291)**	**(5,399)**	**(5,818)**
NEGOTIATED CHANGES	**0**	**(1,090)**	**(1,248)**	**(1,589)**
Spending Restorations/Adds	**(1,939)**	**(1,205)**	**(1,265)**	**(1,597)**
New Spending Adds:	(1,735)	(903)	(941)	(1,020)
Rent Arrears	(391)	0	0	0
University System Operating Assistance	(197)	(230)	(308)	(330)
Additional 1.5% Human Services COLA (4% Total)	(121)	(121)	(121)	(121)
Discovery and Defense Aid Support	(120)	(120)	(120)	(120)
18-b Assigned Counsel (County Assistance)	(92)	(92)	0	0
School Lunch Expansion	(80)	(134)	(134)	(134)
Minimum Wage	(14)	(45)	(93)	(158)
Legislative Table Adds	(390)	(24)	0	0
All Other	(330)	(137)	(165)	(157)
Medicaid	(187)	(256)	(278)	(531)
Distressed Hospital Assistance	(500)	0	0	0
NYC/County Assistance (eFMAP)	(405)	(270)	0	0
Additional Hospital/Nursing Home Rate Increases	(232)	(232)	(232)	(232)
Minimum Wage/Home Care Wages	44	(269)	(512)	(806)
Other Adds/Resources	906	515	466	507
Restorations/Modifications:	(17)	(46)	(46)	(46)
Committee on Special Education	0	(29)	(29)	(29)
Market Based Interest Rate on Judgments	(3)	(3)	(3)	(3)
All Other	(14)	(14)	(14)	(14)
Tax Law/Receipts Changes	**97**	**1**	**(5)**	**(14)**
Not Accepted:	105	200	192	183
Flavored Tobacco Ban Rejection	116	222	214	205
Eliminate Quick Draw Restrictions	(11)	(22)	(22)	(22)
Modified/New:	(8)	(199)	(197)	(197)
ESCC Expansion to Children Ages 0-4	0	(179)	(179)	(179)
All Other	(8)	(20)	(18)	(18)
AVAILABLE RESOURCES/OFFSETS	**1,842**	**114**	**22**	**22**
Consensus Revenue Reserve	800	0	0	0
Prior Year Fund Balance	491	0	0	0
Transaction Risk Reserve	437	0	0	0
Indigent Legal Services Fund Offset	114	114	22	22
RESOURCES/FORECAST REVISIONS	**5,623**	**2,405**	**1,371**	**1,128**
Investment Income	1,400	550	200	0
All Other Forecast/Cost Revisions	822	679	920	1,103
FY 2023 Prepayments	1,030	550	0	0
Capital Advances	376	376	376	0
Prior Year Fund Balances	445	0	0	0
Federal Offsets	800	0	0	0
Retiree Health Reserve Deposits	375	375	0	150
Health Care Transformation Reserve	375	(125)	(125)	(125)
ENACTED BUDGET SURPLUS/(GAP) ESTIMATE	**0**	**(9,055)**	**(13,873)**	**(13,438)**

[1] Excludes the impact of the Pass Through Entity Tax program, which is expected to have no net Financial Plan impact across fiscal years.

Cash Flow

State Finance Law authorizes the General Fund to borrow money temporarily from available funds held in the Short-Term Investment Pool (STIP). Loans to the General Fund are limited to a term not to exceed four months or the end of the fiscal year, whichever is shorter. The resources that can be borrowed by the General Fund are limited to available balances in STIP, as determined by the State Comptroller. Available balances include money in the State's governmental funds and a relatively small amount of other money belonging to the State that is held in internal service and enterprise funds, as well as certain agency funds. Several accounts in Debt Service Funds and Capital Projects Funds that are part of All Governmental Funds are excluded from the balances deemed available in STIP. These excluded funds consist of bond proceeds and money obligated for debt service payments.

The FY 2024 Enacted Budget continues to authorize short-term financing for liquidity purposes during the fiscal year. In doing so, it provides a tool to help the State manage cashflow, if needed, and more effectively deploy resources. Specifically, the authorization allows for the issuance of up to $3 billion of PIT revenue anticipation notes which mature no later than March 31, 2024. It also allows the State to obtain up to $1 billion in line of credit facilities, which may be drawn through March 31, 2024, subject to available appropriation. Neither authorization allows borrowed amounts to be extended or refinanced beyond their initial maturity. The Financial Plan does not assume the use of short-term financing for liquidity purposes during FY 2024. DOB evaluates cash results regularly and may adjust the use of notes and/or the line of credit based on liquidity needs, market considerations, and other factors.

The State continues to reserve money on a quarterly basis for debt service payments financed with General Fund resources. Money to pay debt service on bonds secured by dedicated receipts, including PIT bonds and Sales Tax Revenue bonds, continues to be set aside as required by law and bond covenants.

FY 2024 PROJECTED MONTH-END CASH BALANCES APRIL (ACTUALS)/MAY THROUGH MARCH (PROJECTED) (millions of dollars)			
	General Fund	Other Funds	All Funds
April 2023	46,939	24,949	71,888
May 2023	40,411	23,062	63,473
June 2023	42,860	24,658	67,518
July 2023	42,403	24,491	66,894
August 2023	42,214	24,157	66,371
September 2023	44,993	22,160	67,153
October 2023	42,264	21,314	63,578
November 2023	39,225	20,361	59,586
December 2023	43,131	21,539	64,670
January 2024	44,528	21,347	65,875
February 2024	42,491	21,515	64,006
March 2024	39,537	19,960	59,497

PTET Financial Plan Impact

The U.S. Department of the Treasury (Treasury) and the Internal Revenue Service (IRS) have determined that State and local income taxes imposed on and paid by a partnership or an S corporation on its income, such as the PTET, are allowable as a Federal deduction to taxable income. In November 2020, the IRS released Notice 2020-75, which announced that the Treasury and IRS intend to issue clarifying regulations with respect to such pass-through taxes.

As part of the State's continuing response to Federal tax law changes, legislation was enacted in FY 2022 to allow an optional PTET on the New York-sourced income of partnerships and S corporations. Qualifying entities that elect to pay PTET pay a tax of up to 10.9 percent on their taxable income at the partnership or corporation level, and their individual partners, members and shareholders receive a refundable PIT credit equal to the proportionate or pro rata share of taxes paid by the electing entity. Additionally, the program includes a resident tax credit that allows for reciprocity with other states that have implemented substantially similar taxes, which currently include Connecticut and New Jersey.

DOB expects that the PTET will, on a multi-year basis, be revenue neutral for the State. However, because the PTET credits are not necessarily realized by taxpayers within the same fiscal year that PTET revenue is received by the State, the PTET will not be revenue-neutral to the State within each fiscal year. The Financial Plan includes an estimate for PTET within business taxes and the corresponding decrease in PIT receipts. It is expected that the tax benefit accompanying the PTET program will end in 2025 due to the scheduled expiration of the SALT deduction cap under current Federal law. Therefore, the estimates in the Financial Plan reflect the likelihood that entities cease to participate in the later years of the Financial Plan period.

The table below displays the impact of the PTET program on the General Fund. The PTET estimates are excluded from certain tabular presentations in the Financial Plan due to the size of the impact on specific financial plan categories and because the financial plan impact is expected to be neutral on a multi-year basis. Tables that exclude PTET are noted.

FY 2024 ENACTED BUDGET
GENERAL FUND IMPACT OF THE PASS THROUGH ENTITY TAX
SAVINGS/(COSTS)
(millions of dollars)

	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
General Fund Impact	**0**	**0**	**0**	**0**	**0**	**0**
Tax Receipts[1]	16,430	(2,072)	(1,896)	(424)	(3,023)	(9,013)
PIT Credits	0	(17,016)	(14,936)	(13,064)	(12,339)	(7,845)
PTET Collections (Business Taxes)	16,430	14,944	13,040	12,640	9,316	(1,168)
Use of/(Deposit to) Reserve for PTET Refunds	(16,430)	2,072	1,896	424	3,023	9,013

[1] The impact of the PTET on Revenue Bond Tax Fund (RBTF) receipts is 50 percent of the impact on Tax Receipts.

In December 2021, electing entities began making estimated PTET payments that were classified as business taxes and totaled $16.4 billion in FY 2022. The entire amount was set aside for purposes of offsetting the decrease in PIT receipts in FY 2023 and beyond. The accompanying tax credits result in decreased PIT collections beginning in April 2022. In FY 2024, the State expects to continue to collect PTET and pay PIT credits connected with the program for tax years 2021 through 2023. A portion of the reserve balance will cover the difference between PTET collections and related PIT credits.

FY 2023 PIT collections were reduced by an estimated $17.0 billion due to PTET credits and All Funds receipts were reduced by a net $2.1 billion, due to timing. PIT credits may be claimed on the tax return in the following fiscal year, or they can be reflected sooner through reductions in estimated payments. In tax year 2021, taxpayers could not reduce their current estimated PIT payments for PTET, because enrollment in the PTET was not completed until late 2021 and affected taxpayers were not statutorily authorized to do so. Taxpayers recognized a substantial portion of PTET PIT credits through current estimated payments beginning tax year 2022 and are expected to continue this behavior in future years. FY 2023 PIT collections were reduced by credits for most tax year 2021 PTET collections (through extensions and refunds) and a portion of tax year 2022 PTET collections (through reductions in current estimated PIT payments).

FY 2024 State Operating Funds Spending

STATE OPERATING FUNDS DISBURSEMENTS
FY 2023 TO FY 2024
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Annual Change $	Annual Change %
ASSISTANCE AND GRANTS	**81,877**	**91,558**	**9,681**	**11.8%**
School Aid (School Year Basis)	31,383	34,414	3,031	9.7%
DOH Medicaid	25,468	27,253	1,785	7.0%
Mental Hygiene (Gross)[1]	5,168	6,167	999	19.3%
Transportation	4,569	5,249	680	14.9%
Social Services	4,997	4,890	(107)	-2.1%
Higher Education	2,876	3,141	265	9.2%
Other Education	2,255	2,560	305	13.5%
All Other[2]	5,161	7,884	2,723	52.8%
STATE OPERATIONS/GENERAL STATE CHARGES	**31,393**	**30,875**	**(518)**	**-1.7%**
State Operations	21,190	22,071	881	4.2%
Executive Agencies	11,548	11,598	50	0.4%
University Systems	6,926	7,537	611	8.8%
Elected Officials	2,716	2,936	220	8.1%
General State Charges	10,203	8,804	(1,399)	-13.7%
Pension Contribution	2,045	2,131	86	4.2%
Health Insurance	6,003	4,845	(1,158)	-19.3%
Other Fringe Benefits/Fixed Costs	2,155	1,828	(327)	-15.2%
DEBT SERVICE	**10,481**	**2,898**	**(7,583)**	**-72.3%**
TOTAL STATE OPERATING FUNDS	**123,751**	**125,331**	**1,580**	**1.3%**
Capital Projects (State and Federal Funds)	**14,024**	**17,211**	**3,187**	**22.7%**
Federal Operating Aid	**82,687**	**86,471**	**3,784**	**4.6%**
TOTAL ALL GOVERNMENTAL FUNDS	**220,462**	**229,013**	**8,551**	**3.9%**

1 Reflects mental hygiene spending with no adjustments for costs reported under the Medicaid Global Cap and/or OPWDD-related local share expenses that will be funded outside of the DOH Global Cap.

2 All Other includes spending for certain recovery initiatives; reclassifications between financial plan categories; a reconciliation between school year and State fiscal year spending for School Aid; reconciliation for the net impact of the Mental Hygiene Stabilization Fund and OPWDD Local Share Adjustments related to the Medicaid Global Cap and various other functions.

State Operating Funds encompass the General Fund and a wide range of State activities funded from revenue sources outside the General Fund, including dedicated tax revenues, tuition, income, fees, and assessments. Activities funded with these dedicated revenue sources often have no direct bearing on the State's ability to maintain a balanced budget in the General Fund but are captured in State Operating Funds.

Assistance and Grants

Approximately two-thirds of State spending is for assistance and grants that includes payments to local governments, school districts, health care providers, managed care organizations, and other entities, as well as financial assistance to, or on behalf of, individuals, families, and not-for-profit organizations. School Aid and Medicaid account for more than half of assistance and grants spending.

Over the past two years, assistance and grants funding has included a significant amount of spending for pandemic recovery initiatives, which support time-limited programs including the Emergency Rental Assistance Program (ERAP), the Landlord Rental Assistance Program (LRAP), assistance to excluded workers, small business assistance, funding for hospitals that are experiencing financial distress as a result of the COVID-19 pandemic, public utility arrears assistance, Healthcare/Direct Care Worker Bonuses, and other targeted initiatives. Most of the one-time assistance was exhausted in FY 2023.

School Aid spending for SY 2024 is estimated at $34.4 billion, excluding Federal prekindergarten grants, representing an annual increase of $3.0 billion (9.7 percent). This annual growth is primarily driven by increased funding for Foundation Aid ($2.6 billion), expense-based reimbursement programs ($225 million), and the expansion of State-funded full-day prekindergarten programming for four-year-old children ($150 million). The growth in Foundation Aid reflects the full funding of the current formula for the first time in its history, marking the final year of the three-year phase-in, and a minimum 3 percent annual increase to fully funded districts that would otherwise not receive a Foundation Aid increase under current law.

Department of Health (DOH) Medicaid assistance and grants spending, excluding the effect of the temporary eFMAP, is estimated at $27.3 billion in FY 2024, an annual increase of 7.0 percent. Medicaid costs reported under the Global Cap are projected to increase by $1.4 billion, consistent with the updated growth index. Higher spending is attributable to enrollment and medical cost inflation, increased rates to nursing homes, increased homecare wages, expanded access to health coverage, and higher provider reimbursements. The remaining growth is attributable to costs reported outside the Global Cap and is mainly driven by minimum wage for health care providers ($190 million) and financial relief to counties and New York City associated with full coverage of the local share of spending growth ($182 million). A portion of Medicaid-related expenses of Office for People with Developmental Disabilities (OPWDD) will be funded outside of the DOH Global Cap to provide spending room for healthcare worker bonus payments and other initiatives.

State Medicaid spending is also affected by the Federal government's increased share of Medicaid funding through eFMAP. Beginning January 1, 2020, the Federal government increased its share by 6.2 percent, which will be phased out by the end of the 2023 calendar year. Beginning April 1, 2023, eFMAP is reduced for each of the three quarters to 5 percent through June 30, 2.5 percent through September 30, and 1.5 percent through December 31. The estimated State benefit of the eFMAP in FY 2023 and FY 2024 is $3.7 billion and $1.6 billion, respectively. State share savings from eFMAP have and continue to be used to offset increased costs associated with persistently elevated COVID related enrollment, asylum seekers services and assistance, and lost Medicaid Redesign Team II (MRT II) savings due to Federal restrictions regarding program restructuring while the eFMAP remained in place. These costs and most of the eFMAP are outside of the Global Cap and are funded through the Mental Hygiene Stabilization Fund.

Mental Hygiene spending growth provides increased support for targeted investments in services to ensure individuals with developmental disabilities, mental illness, substance use disorders and problem gambling have appropriate access to care. The increases include continued support for prior year initiatives, such as implementation of the nationwide 988 Suicide and Crisis Lifeline, OPWDD housing subsidy enhancements, and Office of Mental Health (OMH) residential investments. Additional funding is included for a 4 percent human services COLA, new costs associated with indexing the minimum wage to inflation, establishing and operating 3,500 new OMH residential units, increased support for youth suicide prevention programs and other evidence-based programs serving children, and enhanced mental health services in schools.

Spending for transportation is projected to increase significantly due to one-time funding to the MTA to address extraordinary financial impacts resulting from the pandemic ($305 million, of which $5 million is dedicated to the MTA's Outer Borough Transit Account), increases to upstate transit operating aid and forecasted increases in dedicated receipts that are collected by the State and remitted to the various transit systems. Including one-time aid, total year to year increases are expected to provide an additional $581 million to the MTA, $33 million for non-MTA downstate transit systems, and $38 million for upstate transit systems. The remaining increases reflect a new Innovative Mobility Initiative for non-MTA transit systems and funding for the State share of operating costs for the Gateway Development Commission.

Social Services increases include funding for services and assistance to New York City for asylum seekers in FY 2024, emergency rental assistance and landlord aid programs including legal services for tenants facing eviction, increases in child care assistance due to an expanded subsidy eligibility, increased reimbursement for child care providers and their workforce, and the creation of an employer-supported child care pilot program. Other Social Services actions include investments in permanency resource centers and kinship services, the consolidation of the Empire State and Advantage Afterschool programs under OCFS, assistance for foster care agencies adapting to Federal requirements, the indexing of the minimum wage and a 4 percent COLA for the human services workforce. There is also increased funding for Code Blue, New York's emergency weather safety plan, and increases in the Empire State Supportive Housing Initiative (ESSHI). Payments for the child welfare program will continue to support local districts' services and the year-to-year decline in such spending is attributable to the timing of such payments.

Higher education spending is projected to grow by 9.2 percent in FY 2024, primarily reflecting estimated increases in spending for student financial aid programs, including the continued expansion of Tuition Assistance Program (TAP) for part-time students in degree-granting programs as well as students enrolled in nondegree workforce credentialing programs at public institutions, and increased operating support for CUNY senior colleges.

Increased funding for other education programs largely reflects the continued impact of an 11 percent SY 2023 COLA for special education program tuition rates and the return of enrollment in such programs to pre-pandemic levels, and a new State-funded initiative to incentivize qualifying low-income public and nonpublic schools to participate in the CEP program, allowing all students in those schools to eat breakfast and lunch at no charge regardless of their families' income.

Other assistance and grants spending growth includes additional funding for energy affordability; and criminal justice programs including: Aid to Prosecution, Aid to Defense, ATI, GIVE programs, pretrial services, discovery reform funding, and anti-Fentanyl innovation grant funding. The FY 2024 Enacted Budget also provides additional funding for immigration legal services and combating biased based crimes. This increased spending is more than offset by time-limited pandemic recovery initiatives including small business assistance, public utility arrears assistance, and one time funding for the Office of Cannabis Management Social Equity Fund and World University Games.

State Operations/GSCs

Operating costs for State agencies include salaries, wages, fringe benefits, and Non-Personal Service (NPS) costs (e.g., supplies, utilities) and comprise about a quarter of State Operating Funds spending.

Operational spending for executive agencies is affected by the timing of Federal reimbursement for prior year State costs incurred for pandemic response and recovery efforts; and the payment of salary increases pursuant to existing contracts, including retroactive salary increases. FY 2024 spending growth includes increased spending to support asylum seekers services and assistance efforts, State Police recruiting classes, lead abatement, the opening of new inpatient beds in State-operated Psychiatric Centers, and additional enforcement to curb the illegal sale of cannabis.

University systems spending growth in FY 2024 reflects expected State payments related to the establishment of a $500 million program to match new philanthropic contributions to the endowments of SUNY's university centers. Among other purposes, the earnings on these funds will provide long-term support for campus operations, student scholarships, endowed professorships, innovative research, and the development of new academic fields. It also includes a one-time investment of $75 million for transformational initiatives across all SUNY campuses that support innovation, help meet the workforce needs of the future, and provide needed supports to students. In addition, the Financial Plan includes $120 million in new recurring operating aid support for SUNY State-operated campuses in FY 2024.

The operating costs for the offices of independently elected officials (Attorney General, Comptroller, Judiciary, and Legislature) are projected to increase by a combined $220 million (8.1 percent). The increase is primarily due to planned increases for personnel and contract costs. The FY 2024 Enacted Budget also increases the assigned counsel rate for attorneys providing services to indigent persons.

The decline in GSCs spending is primarily attributable to a payment into the State's Retiree Health Insurance Trust Fund of $920 million in FY 2023. Additionally, at the end of FY 2023, the State made certain prepayments of the Workers' Compensation and Health insurance obligations for FY 2024. These one-time non-recurring payments in FY 2023 partially offset the cost increases for health insurance and workers' compensation claims, driven by medical cost inflation and increases in the average weekly wage.

OTHER MATTERS AFFECTING THE FINANCIAL PLAN

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General

This section is intended to provide readers with information on certain fiscal pressures, processes, and recent developments that may have financial plan implications and may not otherwise be described or detailed elsewhere. The emphasis is on risks to financial projections and management, but it also includes other information to provide context for the State's financial operations more broadly. This section includes information on the following topics:

- Financial Plan Projections
- Federal Risks
- Major Operating Programs
- State Labor Force
- Pension Contributions
- State Debt
- Localities and Authorities
- Other Risks and Ongoing Concerns

Financial Plan Projections

The Financial Plan is subject to economic, social, financial, political, public health, and environmental risks and uncertainties, many of which are outside the ability of the State to predict or control. The projections of receipts and disbursements in the Financial Plan are based on reasonable assumptions at the time they were prepared. DOB is unable to provide any assurance that actual results will not differ materially and adversely from these projections.

Receipts. State tax collections are economically sensitive and are affected by the condition of the State and national economies. Uncertainties and risks that may affect the economic and receipts forecasts include, but are not limited to: national and international events; inflation; consumer confidence; commodity prices; supply chain disruptions; major terrorist events; hostilities or war; climate change and extreme weather events; severe epidemic or pandemic events; cybersecurity events; Federal laws and regulations; financial sector compensation; capital gains; and monetary policy affecting interest rates and the financial markets.

The forecast of non-tax receipts and other available resources assumes various transactions will occur as planned, including, but not limited to: receipt of Federal aid as projected; certain payments from public authorities; revenue sharing payments under the Tribal-State Compacts and transfer of available fund balances to the General Fund.

Disbursements. Projections and timing of disbursements is subject to many of the same risks listed above for receipts, as well as assumptions which may have additional risks including, but not limited to: the level of wage and benefit increases for State employees; changes in the size of the State's workforce; factors affecting the State's required pension fund contributions; the availability of Federal reimbursement, including Federal COVID-19 emergency assistance; the receipt of Federal approvals necessary to implement the Medicaid savings actions; unanticipated growth in public assistance programs; the ability of the State to implement cost reduction initiatives, including reductions in State agency operations, when established, and the success with which the State controls expenditures; and the ability of the State and its public authorities to issue securities successfully in public credit markets. Some of these issues are described in more detail herein.

Litigation Risk. The Financial Plan forecast is subject to litigation risk. Litigation against the State may challenge the constitutionality of various actions with fiscal implications. Furthermore, certain adverse decisions may not meet the materiality threshold to warrant a description herein but, in the aggregate, could still negatively affect the Financial Plan.

Financial Plan Management. In developing the Financial Plan, DOB attempts to mitigate financial risks, with an emphasis on the General Fund. It does this by, among other things, exercising caution when calculating total General Fund disbursements and managing the accumulation of financial resources. Such resources include but are not limited to: fund balances that are not needed each year, reimbursement for capital advances, and prepayment of expenses subject to available resources, to maintain budget flexibility. DOB routinely executes cash management actions to manage the State's large and complex budget. These actions are intended to improve the State's cash flow, manage resources within and across State fiscal years, adhere to spending targets, and better position the State to address unanticipated costs, including economic downturns, revenue deterioration, and unplanned expenditures. There is no guarantee that such financial resources or cash management actions will be sufficient to address risks that may materialize in a given fiscal year.

In addition, there can be no assurance that the State's financial position will not change materially and adversely from current projections. If this were to occur, the State may be required to take additional gap-closing actions. Such actions may include, but are not limited to, reductions in State agency operations; delays or reductions in payments to local governments or other recipients of State aid; delays in or suspension of capital maintenance and construction; extraordinary financing of operating expenses; and use of non-recurring resources. In some cases, the ability of the State to implement such actions requires the approval of the Legislature and cannot be implemented solely by the Governor.

Federal Risks

The amount and composition of Federal funds received by the State have changed over time because of legislative and regulatory actions at the Federal level and will likely continue to change. The Financial Plan may also be adversely affected by other Federal government actions including audits, disallowances, changes to Federal participation rates or other Medicaid rules, and discretionary spending reductions. Any significant reductions in Federal aid could have a materially adverse impact on the Financial Plan. Health care and human services are the notable areas for potential changes in Federal funding.

Medicaid. Federal funding for Medicaid is subject to review by CMS every five years and is currently extended through March 31, 2027, which supports the Medicaid Managed Care Programs, Children's Home and Community Based Services (HCBS), and self-direction of personal care services.

In September 2022, the State requested $13.5 billion in new Federal Medicaid funding to address health disparities exacerbated by the COVID-19 pandemic. If approved by CMS, the funding would be available over a five-year term and would help support social, physical and behavioral health care services throughout the State. The qualification, however, is that this request may require additional State resources to draw down funding, as the State may be unable to identify sufficient Designated State Healthcare Programs (DSHP) to match the full Federal allocation. Fiscally, the request could also be scaled to the size of existing funding match and/or new State resources could be made available.

Federal Debt Limit. Periodically, Congress needs to act to increase or suspend the debt limit to avoid delaying payments and/or defaulting on debt obligations. A Federal government default on payments, particularly for a prolonged period, could have a materially adverse effect on national and state economies, financial markets, and intergovernmental aid payments. Specific effects on the Financial Plan resulting from a future Federal government default are unknown and impossible to predict. However, data from past economic downturns suggests that the State's revenue loss could be substantial if there was an economic downturn due to a Federal default.

A payment default by the Federal government may also adversely affect the municipal bond market. Municipal issuers, including the State and its public authorities and localities, could face higher borrowing costs and impaired access to capital markets. This would jeopardize planned capital investments and projects. Additionally, the market for and market value of outstanding municipal obligations, including municipal obligations of the State and its public authorities, could be adversely affected.

Federal Tax Law Changes. The Tax Cuts and Jobs Act of 2017 (TCJA) made major changes to the Federal Internal Revenue Code, most of which were effective in tax year 2018. The TCJA made extensive changes to Federal PIT, corporate income taxes, and estate taxes. One key impact of the TCJA on New York State taxpayers is the $10,000 limit on the deductibility of SALT payments, which, until its scheduled expiration after 2025, represents a large increase in the State's effective tax rate relative to historical experience. The Financial Plan estimates of tax receipts assume the SALT deduction cap is not extended or modified after 2025.

Major Operating Programs

Statutory Growth Caps for School Aid and Medicaid

In FY 2012, the State began utilizing spending growth caps intended to limit the year-to-year growth in the State's two largest assistance and grants programs, School Aid and Medicaid.

School Aid. The School Aid growth cap is intended to limit the growth in School Aid to the annual growth in State Personal Income, as calculated in the Personal Income Growth Index (PIGI). The statutory PIGI for School Aid limits School Aid increases to no more than the average annual income growth over a ten-year period. In certain years, the authorized School Aid increases exceeded the indexed levels. The SY 2024 increase of $3.0 billion (9.7 percent) is above the indexed PIGI rate of 4.2 percent. In SY 2025 and beyond, School Aid is projected to increase in line with the rate allowed under the School Aid growth cap.

Medicaid. Over 80 percent of DOH State Funds Medicaid spending growth is subject to the Global Cap. Prior to FY 2023, the Global Cap was previously calculated using the ten-year rolling average of the medical component of the consumer price index (CPI) for all urban consumers and thus allowed for growth attributable to increasing costs, though not increasing utilization. To accommodate growth in factors not indexed under the prior Global Cap, beginning in FY 2023, the allowable spending growth for activities under the Global Cap is set at the five-year rolling average of health care spending, using projections from the CMS Actuary. The FY 2024 Enacted Budget incorporates multi-year revisions to the index consistent with updated CMS Actuary projections issued on March 28, 2022.

The statutory provisions of the Global Cap grant the Commissioner of Health (the "Commissioner") certain powers to limit Medicaid disbursements to the level authorized by the Global Cap and allow for flexibility in adjusting Medicaid projections to meet unanticipated costs resulting from a disaster. The Commissioner's powers are intended to limit the annual growth rate to the levels set by the Global Cap for the then-current fiscal year, through actions which may include reducing reimbursement rates to providers. These actions may be dependent upon timely Federal approvals and other elements of the program that govern implementation. Additional State share Medicaid spending, outside of the Global Cap, includes State costs for the takeover of Medicaid growth from local governments and reimbursement to providers for increased minimum wage costs. It should be further noted that General Fund Medicaid spending remains sensitive to revenue performance in the State's HCRA fund that finances approximately one-quarter of DOH State-share Medicaid costs.

Since the enactment of the Global Cap, the portion of actual State Funds Medicaid spending subject to the Global Cap has remained at or below indexed levels. However, in certain fiscal years, DOH has taken management actions, including adjustments to the timing of Medicaid payments consistent with contractual terms, to ensure compliance with the Global Cap.

Public Health Insurance Programs/Public Assistance

Historically, the State has experienced growth in Medicaid enrollment and public assistance caseloads during economic downturns due mainly to increases in unemployment. Many people who were laid off or otherwise experienced a decrease in family income in 2020 and 2021 due to the COVID-19 pandemic became qualifying enrollees and began to participate in public health insurance programs such as Medicaid, EP, and CHP. Participants in these programs remain eligible for coverage for 12 continuous months regardless of changes in employment or income levels that may otherwise make them ineligible. Estimated costs for increased enrollment are budgeted in the Financial Plan through FY 2025. Beginning in June of 2023, the State will begin reprocessing eligibility determinations for approximately 9 million public health insurance enrollees to be completed over a fourteen-month period, consistent with CMS requirements.

Currently, only non-citizens with certain immigration statuses are eligible for Federal and/or State benefits, including those “Permanently Residing Under Color of Law” (PRUCOL). While the term PRUCOL is not an immigration status, it is a public benefit category used by the Office of Temporary and Disability Assistance (OTDA) for the purposes of determining eligibility for Safety Net Assistance (SNA) and by DOH for determining which non-citizens may be eligible for Medicaid. Administrative actions are being taken to align the OTDA and DOH definitions of PRUCOL. As a result, more households may be eligible for SNA, increasing State costs.

Extraordinary Aid to Hospitals

The pandemic further stressed the financial stability of hospitals responsible for supporting medical needs in underserved communities across the State, including those with higher rates of uninsured individuals and government payor mix. Accordingly, the FY 2024 Enacted Budget commits an additional $500 million in one-time resources in FY 2024, in addition to $984 million in ongoing annual base support, to strengthen the financial position of certain financially distressed providers. The importance of the hospital industry to local communities for purposes of accessing critical health care services, as well as other social and economic benefits, creates the potential for increased cost pressure within the Financial Plan should the State continue to assist hospitals.

Opioid Settlement Fund

The Attorney General (AG) and Department of Financial Services (DFS) have reached significant opioid related settlements with several corporations for their roles in helping fuel the opioid epidemic. As a result of the settlements, the State and its subdivisions are expected to receive payments over multiple years extending through 2040 which total more than $2.6 billion. A portion of this total will be paid directly to localities under the terms of the settlements, with the remainder paid to the State. The Financial Plan will be updated pending confirmation of the timing and value of the settlements the State will receive.

The State's share of these settlements will be deposited into the Opioid Settlement Fund pursuant to Chapter 190 of the Laws of 2021, as amended by Chapter 171 of the Laws of 2022. Money within the Opioid Settlement Fund will be used to supplement funding for substance use disorder prevention, treatment, recovery, and harm reduction services or programs and/or for payment to local governments pursuant to such settlements or judgments.

Money in the Opioid Settlement Fund must be kept separate and not commingled with any other funds and may only be expended following an appropriation consistent with State statute and the terms of any applicable statewide opioid settlement agreement. Detailed descriptions of prior settlements are available in previous Financial Plan publications.

State Labor Force

Labor Negotiations and Agreements

The State negotiates multi-year collective bargaining agreements with its unionized workforce that impact personal service and fringe benefit costs. The State's agreement with the Civil Service Employees Association (CSEA) extends through FY 2026, but all other contracts are now expired.

The State has commenced labor negotiations with several unions for successor contracts; however, there can be no assurance that amounts informally reserved in the Financial Plan for labor settlements and agency operations will be sufficient to fund the cost of future labor contracts.

UNION LABOR CONTRACTS

	Contract Period	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
CSEA	FY 2022 - FY 2026	2%	2%	2%	2%	2%	2%	2%	3%	3%	3%
DC-37	FY 2022 - FY 2023	2%	2%	2%	2%	2%	2%	2%	TBD	TBD	TBD
GSEU	AY 2020 - AY 2023	2%	2%	2%	2%	2%	2%	2%	TBD	TBD	TBD
PBANYS	FY 2020 - FY 2023	2%	2%	2%	2%	2%	2%	2%	TBD	TBD	TBD
PEF	FY 2020 - FY 2023	2%	2%	2%	2%	2%	2%	2%	TBD	TBD	TBD
NYSTPBA	FY 2019 - FY 2023	1.5%	1.5%	2%	2%	2%	2%	2%	TBD	TBD	TBD
NYSPIA	FY 2019 - FY 2023	1.5%	1.5%	2%	2%	2%	2%	2%	TBD	TBD	TBD
CUNY	AY 2018 - AY 2023	2%	1.5%	2%	2%	2%	2%	2%	TBD	TBD	TBD
Council 82	FY 2017 - FY 2023	2%	2%	2%	2%	2%	2%	2%	TBD	TBD	TBD
NYSCOPBA	FY 2017 - FY 2023	2%	2%	2%	2%	2%	2%	2%	TBD	TBD	TBD
UUP	AY 2017 - AY 2022	2%	2%	2%	2%	2%	2%	TBD	TBD	TBD	TBD

The State recently reached tentative agreements with PEF and UUP. Both agreements are subject to ratification by the respective membership of each union. The agreement with PEF runs from FY 2024 to FY 2026 and would provide 3 percent across the board salary increases for each year of the contract and a $3,000 bonus in FY 2024. The agreement with UUP runs from FY 2023 to FY 2026 and would provide a 2 percent across the board salary increase in FY 2023 and 3 percent across the board salary increases from FY 2024 to FY 2026. The tentative agreement with UUP would also provide a $1,500 bonus to employees in FY 2025 and FY 2026. If these tentative agreements are ratified, this table will be revised accordingly in future updates.

The Judiciary has contracts in place with all 12 unions represented within its workforce, which include CSEA; the New York State Supreme Court Officers Association, the New York State Court Officers Association and the Court Clerks Association; and eight other unions. These contracts cover a five-year period from FY 2022 through FY 2026 with terms consistent with the CSEA agreement.

Pension Contributions[12]

Overview

The State makes annual contributions to the New York State and Local Retirement System (NYSLRS) for employees in the New York State and Local Employees' Retirement Systems (ERS) and the New York State and Local Police and Fire Retirement System (PFRS). This section discusses contributions from the State, including the Judiciary, to the NYSLRS, which account for the majority of the State's pension costs.[13] All projections are based on estimated market returns and numerous actuarial assumptions which, if unrealized, could have a materially adverse effect on these projections.

New York State Retirement and Social Security Law (RSSL) Section 11 directs the actuary for NYSLRS to provide regular reports on the Systems' experience and to propose assumptions and methods for the actuarial valuations. Employer contribution rates for NYSLRS are determined based on investment performance in the Common Retirement Fund and actuarial assumptions recommended by the Retirement System's Actuary and approved by the State Comptroller. Pension estimates are based on the actuarial report issued in August 2022.

On September 1, 2022, the Comptroller announced an increase in employer contribution rates for both ERS and PFRS which will impact payments in FY 2024. The average employer contribution rate for ERS increased from 11.6 percent to 13.1 percent of payroll, and the average employer contribution rate for PFRS increased from 27 percent to 27.8 percent of payroll. The increase in rates was primarily attributed to salary increases for active members and a 3 percent COLA increase to most retirees' pension benefits. State law requires that COLA payments be calculated based on 50 percent of the annual rate of inflation, as measured at the end of the State fiscal year (March 31). The annual COLA increase is required to be at least 1 percent, but no more than 3 percent, and is applied to the first $18,000 of a retiree's pension.

In addition to the change in contribution rates, the Comptroller authorized a change in the asset smoothing methodology from five to eight years. Asset smoothing is used to mitigate the impact to employer contribution rates as a result of any unexpected gains or losses in annual investment returns. This is achieved by recognizing any deviation from the assumed rate of return, currently at 5.9 percent, in equal proportions. Increasing the asset smoothing methodology from five to eight years will dampen the effects of year-to-year volatility in the Common Retirement Fund's returns and the impact on employer rates.

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[12] The information contained under this heading was prepared solely by DOB and reflects the budgetary aspects of pension amortization. The information that appears later in this AIS under the section entitled "State Retirement System" was furnished solely by OSC.

[13] The State's aggregate pension costs also include State employees in the Teachers' Retirement System (TRS) for both the SUNY and the State Education Department (SED), the Optional Retirement Program (ORP) for both SUNY and SED, and the New York State Voluntary Defined Contribution Plan (VDC).

The Financial Plan reflects the actuarial changes approved by the Comptroller, including revised ERS/PFRS pension estimates of $1.9 billion for FY 2024 based on the February 2023 estimate provided by the Actuary. Approximately $77 million in pension interest savings was achieved from the payment of the State's FY 2024 ERS/PFRS bill in May 2023.

The FY 2024 Enacted Budget included legislation that modified the requirements when awarding an accidental disability benefit when the disability was related to the heart for all NYSLRS members. Furthermore, it enhanced the death and disability benefit paid to PFRS members in the event of incapacity or death due to heart disease. The Financial Plan reflects the cost to the changes which are estimated to be $14.6 million in FY 2024 and approximately $2.1 million annually thereafter.

The Comptroller does not forecast pension liability estimates for the later years of the Financial Plan. Thus, estimates for FY 2025 and beyond are developed by DOB. DOB's forecast assumes growth in the salary base consistent with collective bargaining agreements and a lower rate of return compared to the current assumed rate of return by NYSLRS.

Contribution Stabilization Program

Under legislation enacted in August 2010, the State and local governments may amortize (defer paying) a portion of their annual pension costs. Amortization temporarily reduces the pension costs that must be paid by public employers in a given fiscal year but results in higher costs overall when repaid with interest. The full amount of each amortization must be repaid within ten years at a fixed interest rate determined by OSC. The State and local governments are required to begin repayment on new amortizations in the fiscal year immediately following the year in which the amortization was initiated. The State currently has no outstanding pension amortization liability. The FY 2024 Enacted Budget included legislation to allow public employers the option to terminate participation in the program provided they have paid in full all prior year amortizations. The State currently has no plans to withdraw from the program.

The following table reflects projected pension contributions and prior amortizations exclusively for Executive branch and Judiciary employers participating in ERS and PFRS.

EMPLOYEE RETIREMENT SYSTEM AND POLICE AND FIRE RETIREMENT SYSTEM
IMPACTS OF AMORTIZATION ON PENSION CONTRIBUTIONS
(millions of dollars)

Fiscal Year	Statewide Pension Payments[1]: Normal Costs[2]	Statewide Pension Payments[1]: (Amortization Amount) / Excess Contributions	Statewide Pension Payments[1]: Repayment of Amortization	Statewide Pension Payments[1]: Total Statewide Pension Payments	Interest Rate on Amortization Amount (%)[3]	Rates for Determining (Amortization Amount) / Excess Contributions: System Average Normal Rate[4] ERS (%)	System Average Normal Rate[4] PFRS (%)	Amortization Threshold (Graded Rate) ERS (%)	Amortization Threshold (Graded Rate) PFRS (%)
2021[5]	1,827.2	0.0	1,350.3	3,177.5	1.33	14.1	24.4	14.1	24.4
2022[6]	2,107.8	0.0	151.3	2,259.1	1.76	15.8	28.3	15.1	25.4
2023	1,550.9	281.9	0.0	1,832.8	3.61	11.4	27.0	14.1	26.4
2024 Est.	1,844.0	35.1	0.0	1,879.1	TBD	13.1	27.8	13.1	27.4
Projected by DOB[7]									
2025	2,346.1	0.0	0.0	2,346.1	TBD	15.0	29.6	14.1	28.4
2026	2,921.7	0.0	0.0	2,921.7	TBD	17.4	31.3	15.1	29.4
2027	3,772.1	0.0	0.0	3,772.1	TBD	20.5	33.1	16.1	30.4

1 Pension Contribution values in this table do not include pension costs related to the ORP, VDC, and TRS for SUNY and SED, whereas the projected pension costs in other Financial Plan tables include such pension disbursements.

2 Normal costs include payments from amortizations prior to FY 2011, which ended in FY 2016 as a result of early repayments.

3 Interest rates are determined by the Comptroller based on the market rate of return on comparable taxed fixed income investments (e.g., Ten-Year Treasuries). The interest rate is fixed for the duration of the ten-year repayment period.

4 The system average normal rate represents system-wide amortization-eligible costs (i.e. normal and administrative costs, as well as the cost of certain employer options) as a percentage of the system's total salary base. The normal rate does not include the following costs, which are not eligible for amortization: Group Life Insurance Plan (GLIP) contributions, deficiency contributions, previous amortizations, incentive costs, costs of new legislation in some cases, and prior-year adjustments. "(Amortization Amount) / Excess Contributions" are calculated for each employer in the system using employer-specific normal rates, which may differ from the system average.

5 Includes $918.1 million in prior year (non-Judiciary) amortization balances under the Contribution Stabilization Program. The prepayment eliminates the State's repayment obligations through FY 2026, and results in roughly $65 million interest savings over the financial plan period.

6 The Judiciary paid off their entire prior year amortization balance in FY 2022 eliminating their repayment obligation through FY 2026 resulting in approximately $8.4 million in interest savings over the financial plan period.

7 Outyear projections are prepared by DOB. The retirement system does not prepare, or make available, outyear projections of pension costs.

The "Normal Costs" column shows the State's underlying pension cost in each fiscal year before the effects of the Contribution Stabilization Program. The "(Amortization Amount)/Excess Contributions" column shows amounts amortized or the excess contributions paid into the pension reserve account. The "Repayment of Amortization" column provides the amount paid in principal and interest towards the outstanding balance on prior-year amortizations. The "Total Statewide Pension Payments" column provides the State's actual or planned pension contribution, including amortization. The "Interest Rate on Amortization Amount (%)" column provides the interest rate at which the State will repay the amortized contribution, as determined by OSC. The remaining columns provide information on the normal rate and graded rate, which are used to determine the maximum allowed amortization amount or the mandatory excess contributions amount for a given fiscal year.

Other Post-Employment Benefits (OPEB)

State employees become eligible for post-employment benefits (e.g., health insurance) if they reach retirement while working for the State; are enrolled in either the New York State Health Insurance Program (NYSHIP) or the NYSHIP opt-out program at the time they reach retirement; and have the required years of eligible service. The cost of providing post-retirement health insurance is shared between the State and the retired employee. Contributions are established by law and may be amended by the Legislature. The State is not required to provide funding above the PAYGO amount necessary to provide current benefits to retirees. The State continues to fund these costs, along with all other employee health care expenses, on a PAYGO basis, meaning the State pays these costs as they become due.

State Debt

Bond Market and Credit Ratings

Successful execution of the Financial Plan is dependent on the State's ability to market bonds. The State finances much of its capital spending, in the first instance, from the General Fund or STIP, which it then reimburses with proceeds from the sale of bonds. An inability of the State to sell bonds or notes at the level or on the timetable it expects could have a material and adverse impact on the State's financial position and the implementation of its Capital Plan. The success of projected public sales of municipal bonds is subject to prevailing market conditions and related ratings issued by national credit rating agencies, among other factors. Future developments in the financial markets, including possible changes in Federal tax law relating to the taxation of interest on municipal bonds, may affect the market for outstanding State-supported and State-related debt.

The major rating agencies -- Fitch, Kroll, Moody's, and S&P -- have assigned the State general credit ratings of AA+, AA+, Aa1, and AA+, respectively. The State's rating has a stable outlook from all four rating agencies. These ratings reflect the State's economic recovery from the COVID-19 pandemic and commitment to strong reserve levels. The most recent rating action was on April 13, 2022, when Moody's raised the State's credit rating from Aa2 to Aa1, noting "a significant increase in resources combined with agile fiscal management that has resulted in balanced or nearly balanced budgets projected through the State's five-year financial plan."

Debt Reform Act Limit

The Debt Reform Act of 2000 ("Debt Reform Act") restricts the issuance of State-supported debt funding to capital purposes only and limits the maximum term of bonds to 30 years. The Act limits the amount of new State-supported debt to 4 percent of State personal income, and new State-supported debt service costs to 5 percent of All Funds receipts. The restrictions apply to State-supported debt issued after April 1, 2000. DOB, as administrator of the Debt Reform Act, determined that the State complied with the statutory caps in the most recent calculation period (FY 2022).

The State enacted legislation that suspended certain provisions of the Debt Reform Act for FY 2021 and FY 2022 bond issuances as part of the State's response to the COVID-19 pandemic. Accordingly, State-supported debt issued in FY 2021 and FY 2022 was not limited to capital purposes and is not counted towards the statutory caps on debt outstanding and debt service.

Following this temporary two year suspension as a result of the COVID-19 pandemic, the provisions of the Debt Reform Act were reinstated for State-supported debt issued in FY 2023 and beyond. One limited exception to the Debt Reform Act remains for issuances undertaken by the State for MTA capital projects which may be issued with maximum maturities longer than 30 years. This allows bonds to be issued over the full useful life of the assets being financed, subject to Federal tax law limitations, and is consistent with the rules that would have been in effect if the projects had been directly financed by the MTA.

Current projections anticipate that State-supported debt outstanding and State-supported debt service will continue to remain below the limits imposed by the Debt Reform Act, in part reflecting the statutory suspension of the debt caps during FY 2021 and FY 2022.

Based on the most recent personal income and debt outstanding forecasts, the available debt capacity under the debt outstanding cap is expected to decline from $24.8 billion in FY 2023 to a low point of $3.7 billion in FY 2028. This calculation includes the estimated impact of funding capital commitments with State bonds. The debt service on State-supported debt subject to the statutory cap is projected at $2.6 billion in FY 2024, or roughly $8.5 billion below the statutory debt service limit.

DEBT OUTSTANDING SUBJECT TO CAP (millions of dollars)								TOTAL STATE-SUPPORTED DEBT (millions of dollars)	
Year	Personal Income	Cap %	Cap $	Debt Outstanding Included in Cap [1]	$ Remaining Capacity	Debt as a % of PI	% Remaining Capacity	Debt Outstanding Excluded from Cap	Supported Debt Outstanding
FY 2023	$1,536,577	4.00%	61,463	36,696	24,767	2.39%	1.61%	19,215	55,911
FY 2024	$1,581,924	4.00%	63,277	44,019	19,258	2.78%	1.22%	18,602	62,621
FY 2025	$1,645,833	4.00%	65,833	51,715	14,118	3.14%	0.86%	17,717	69,432
FY 2026	$1,720,106	4.00%	68,804	58,985	9,819	3.43%	0.57%	16,903	75,888
FY 2027	$1,793,913	4.00%	71,757	66,614	5,143	3.71%	0.29%	16,171	82,785
FY 2028	$1,870,050	4.00%	74,802	71,077	3,725	3.80%	0.20%	15,411	86,488

DEBT SERVICE SUBJECT TO CAP (millions of dollars)								TOTAL STATE-SUPPORTED DEBT SERVICE (millions of dollars)	
Year	All Funds Receipts	Cap %	Cap $	Debt Service Included in Cap [1]	$ Remaining Capacity	DS as a % of Revenue	% Remaining Capacity	Debt Service Excluded from Cap	Total State-Debt Service [2]
FY 2023	$233,060	5.00%	11,653	2,652	9,001	1.14%	3.86%	2,904	5,556
FY 2024	$222,437	5.00%	11,122	2,575	8,547	1.16%	3.84%	4,029	6,604
FY 2025	$217,115	5.00%	10,856	3,106	7,750	1.43%	3.57%	4,107	7,213
FY 2026	$217,986	5.00%	10,899	3,589	7,310	1.65%	3.35%	3,949	7,538
FY 2027	$220,630	5.00%	11,031	6,574	4,457	2.98%	2.02%	1,463	8,037
FY 2028	$231,056	5.00%	11,553	6,784	4,769	2.94%	2.06%	1,444	8,228

[1] Does not include debt issued prior to April 1, 2000. Does not include debt issued in FY 2021 and FY 2022 because the debt caps were temporarily suspended in response to the COVID-19 pandemic, pursuant to Chapter 56 of the Laws of 2020 and Chapter 59 of the Laws of 2021.

[2] Total State-supported debt service is adjusted for prepayments.

The State uses personal income estimates published by the Federal government, specifically the Bureau of Economic Analysis (BEA), to calculate the cap on debt outstanding, as required by statute. The BEA revises these estimates on a quarterly basis and such revisions can be significant. For Federal reporting purposes, BEA reassigns income from the state where it was earned to the state in which a person resides, for situations where a person lives and earns income in different states (the “residency adjustment”). The BEA residency adjustment has the effect of reducing reported New York State personal income because income earned in New York by non-residents regularly exceeds income earned in other states by New York residents. The State taxes all personal income earned in New York, regardless of place of residency.

Enacted Budget - Debt Cap Changes

In the FY 2024 Enacted Budget, the State added new bond-financed capital commitments that are expected to add $1 billion in new debt over the five-year Capital Plan period, which is in addition to $4 billion of new capital proposed in the FY 2024 Executive Budget. The capital spending increases are offset by higher underspending on capital projects than previously assumed, the assumption that the State will issue bonds on a slower schedule, and $3 billion of new PAYGO capital spending. Debt capacity also reflects the suspension of the Debt Reform Act for FY 2021 and FY 2022 issuances in response to the COVID-19 pandemic, as discussed previously. The State may adjust capital spending priorities and debt financing practices from time to time to preserve available debt capacity and stay within the statutory limits, as events warrant. In addition, the State has set aside $1 billion in a debt management reserve that can be used, as needed, for debt management actions in the future, which is not reflected in the chart below.

DEBT OUTSTANDING SUBJECT TO CAP [1]
REMAINING CAPACITY SUMMARY
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
Executive Budget as Amended	**21,609**	**14,609**	**10,052**	**6,400**	**2,004**	**290**
Personal Income Forecast Update	590	574	594	703	794	921
Capital Adds	0	(208)	(432)	(701)	(899)	(966)
Capital Re-Estimates	0	1,802	506	(855)	(848)	(421)
Bond Sale Adjustments	2,568	1,473	1,423	1,371	1,317	1,258
Capital PAYGO - Issuances Offset ($3 Billion)	0	1,008	1,975	2,901	2,775	2,643
Enacted Budget	**24,767**	**19,258**	**14,118**	**9,819**	**5,143**	**3,725**

[1] Does not include debt issued in FY 2021 and FY 2022 because the debt cap was temporarily suspended in response to the COVID-19 pandemic, pursuant to Chapter 56 of the Laws of 2020 and Chapter 59 of the Laws of 2021.

Localities and Authorities

Financial Condition of New York State Localities

The State's localities rely in part on State aid to balance their budgets and meet their cash requirements. As such, unanticipated financial needs among localities can adversely affect the State's Financial Plan projections. Localities outside New York City, including cities and counties, have also experienced financial problems, and have been allocated additional State assistance during the last several State fiscal years. In 2013, the Financial Restructuring Board for Local Governments was created to aid distressed local governments. The Restructuring Board performs comprehensive reviews and provides grants and loans on the condition of implementing recommended efficiency initiatives. For additional details on the Restructuring Board, please visit frb.ny.gov.

MTA

The MTA operates public transportation in the New York City metropolitan area, including subways, buses, commuter rail, and tolled vehicle crossings. The services provided by MTA and its operating agencies are integral to the economy of New York City and the surrounding metropolitan region, as well as to the economy of the State. MTA operations are funded mainly from fare and toll revenue, dedicated taxes, and subsidies from the State and New York City.

MTA Capital Plans also rely on significant direct contributions from the State and New York City. The State is directly contributing $9.1 billion to the MTA's 2015-19 Capital Plan and $3.1 billion to the MTA's 2020-24 Capital Plan. These State commitment levels represent substantial increases from the funding levels for prior MTA Capital Plans (2010-2014: $770 million; 2005-2009: $1.45 billion). In addition, a substantial amount of new funding to the MTA was authorized in the FY 2020 Enacted Budget as part of a comprehensive reform plan expected to generate an estimated $25 billion in financing for the MTA's 2020-2024 Capital Plan.

The COVID-19 pandemic caused severe declines in MTA ridership and traffic in 2020, and ridership remains significantly below pre-pandemic levels. To offset operating losses to MTA's Financial Plan from the estimated fare, toll, and dedicated revenue loss attributable to the COVID-19 pandemic, significant Federal operating aid has been provided to the MTA from the Coronavirus Aid, Relief, and Economic Security (CARES) Act ($4 billion), Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act ($4.1 billion), and the American Rescue Plan Act (ARP) ($7 billion). The MTA also borrowed $2.9 billion through the Federal Reserve's Municipal Liquidity Facility (MLF).

In the FY 2024 Enacted Budget, the State took substantial action to provide the MTA with additional operating revenues dedicated to help solve the MTA's fiscal crisis due to the effects of the pandemic. This includes an increase in the metropolitan commuter transportation mobility tax (MCTMT) in New York City, a one-time State subsidy of $300 million, an increase in New York City's contribution to the MTA for the costs of paratransit services, and directing a portion of future casino revenues to the MTA.

Risks to the MTA's current financial projections include, but are not limited to, the level and pace at which ridership will return, the economic conditions of the MTA region, the ability to implement cost controls and savings actions, and the ability to implement biennial fare and toll increases. If additional resources are provided by the State in future years, either through additional subsidies or new revenues, it could have a material and adverse impact on the State's Financial Plan.

Other Risks and Ongoing Concerns

Climate Change

Overview

Climate change poses significant threats to physical, biological, and economic systems in New York and around the world. Hazards and risks related to climate change for the State include, among other things, rising sea levels, increased coastal flooding and related erosion hazards, intensifying storms and wildfires, and more extreme heat. The immediate and long-term effects of climate change could adversely impact the Financial Plan in current or future years. To mitigate and manage these impacts, the Federal government, the State, municipalities, and public utilities are undertaking actions to reduce greenhouse gas emissions and adapt existing infrastructure to a changed environment. There can be no assurance that such efforts will be adequate or timely enough to mitigate the most damaging effects of climate change.

Consequences of Climate Change

Storms affecting the State, including Hurricane Ida (September 2021), Superstorm Sandy (October 2012), Tropical Storm Lee (September 2011), and Hurricane Irene (August 2011), have demonstrated vulnerabilities in the State's infrastructure (including mass transit systems, power transmission and distribution systems, and other critical lifelines) to extreme weather-driven events, including coastal flooding caused by storm surges and flash floods from rainfall.

Rating agencies are incorporating Environmental, Social, and Governance (ESG) factors into their credit analysis for the State and other issuers. Rising sea levels and their effect on coastal infrastructure have been identified as the primary climate risks for the northeastern United States, including New York State. These risks are heightened by population and critical infrastructure concentration in coastal counties. The release of issuer ESG scores by the rating agencies does not cause a change in the State's overall credit ratings, which are based on financial information in addition to the ESG component. Climate change risks increasingly fall within the maximum maturity term of current outstanding bonds of the State, its public authorities, and municipalities. State bonds may generally be issued with a term of up to 30 years under State statute.

State Response to Climate Change

The State is participating in efforts to reduce greenhouse gas emissions to mitigate the risk of severe impacts from climate change. In 2019, the Climate Leadership and Community Protection Act (CLCPA) was signed into law. The CLCPA set the State on a path toward developing regulations to reduce statewide greenhouse gas emissions by 40 percent below the 1990 level by 2030, and 85 percent below the 1990 level by 2050. Additionally, in accordance with the CLCPA, the State plans to require a minimum of 70 percent of electricity to be generated from renewable sources by 2030 and to fully transition its electricity sector away from carbon emissions by 2040. There can be no assurances that such goals will ultimately be achieved.

The CLCPA created the Climate Action Council (CAC), which was tasked with developing a Scoping Plan with recommendations to reduce greenhouse gas emissions, increase renewable energy usage, and promote climate justice. The CAC approved and adopted the final Scoping Plan on December 19, 2022, which recommends, among other actions, that the State develop a cap-and-invest program to limit greenhouse gas emissions. Pursuant to the CLCPA, by January 1, 2024 the Department of Environmental Conservation is required to draft and circulate rules and regulations that are consistent with meeting the CLCPA's statewide greenhouse gas emission limits.

New York's electricity system is already part of a regional cap-and-invest style program, the Regional Greenhouse Gas Initiative (RGGI). Since RGGI was established in 2005, the program has helped reduce greenhouse gases from power plants by more than half and raised nearly $6 billion to support cleaner energy solutions amongst its 12 participating states.

Concurrently, the State has been taking regulatory and legislative actions that are intended to limit greenhouse gas emissions, electrify transportation, and generate more electricity from renewable sources. There can be no assurances that such actions, or their intended outcomes, will be realized as planned. Major regulatory and legislative actions include:

- Authorizing the New York Power Authority (NYPA) to plan, design, develop, finance, construct, own, operate, maintain and improve renewable energy generating projects;
- Prohibiting building systems and/or equipment that burn fossil fuels in new construction starting December 31, 2025 for any new building seven stories or lower, except large commercial and industrial buildings, and December 31, 2028 for all other new buildings;
- Requiring new off-road vehicles and equipment sold in New York to be zero-emissions by 2035 and new medium-duty and heavy-duty vehicles to be zero-emissions by 2045;
- Mandating that by no later than July 1, 2027, school districts and private transportation contractors purchase or lease only zero-emission school buses when purchasing or leasing new school buses, with full fleet conversion and operation of zero-emission school buses required by July 1, 2035;
- Appropriating $200 million to help low-income families retrofit their homes by adding insulation, installing energy efficient appliances, and switching to clean energy; and
- Appropriating $500 million to advance the offshore wind industry.

During the November 2022 general election, New York State voters approved the Clean Water, Clean Air, and Green Jobs Bond Act. The $4.2 billion bond act will support capital improvements and enhancements in the following areas: flood risk reduction/restorations; open space, working lands conservation, and recreation; climate change mitigation; and water quality improvement and resilient infrastructure.

Cybersecurity

New York State government, like many other large public and private entities, relies on a large and complex technology environment to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the State and its authorities, agencies and public benefit corporations, as well as its political subdivisions (including counties, cities, towns, villages and school districts) face multiple cyber threats involving, among others, hacking, viruses, malware and other electronic attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to the State's digital systems for the purposes of misappropriating assets or information or causing operational disruption and damage. In addition, the tactics used in malicious attacks to obtain unauthorized access to digital networks and systems change frequently and are often not recognized until launched against a target. Accordingly, the State may be unable to fully anticipate these techniques or implement adequate preventative measures.

To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the State invests in multiple forms of cybersecurity and operational controls. The State's Chief Information Security Office (CISO) within the State's Office of Information Technology Services (ITS) maintains policies and standards, programs, and services relating to the security of State government networks, and annually assesses the maturity of State agencies' cyber posture through the Nationwide Cyber Security Review. In addition, the CISO maintains the New York State Cyber Command Center team, which provides a security operations center, digital forensics capabilities, and cyber incident reporting and response. The CISO also distributes real-time advisories and alerts, provides managed security services, and implements statewide information, security awareness and training.

In February 2022, the Governor announced the creation of a JSOC that will serve as the center for joint local, state, and Federal cybersecurity efforts, including data collection, response efforts and information sharing. A partnership launched with New York City and other major cities and cybersecurity leaders across the State, the JSOC is intended to provide a statewide view of the cyber-threat landscape. The initiative is designed to increase collaboration on threat intelligence, reduce response times, and yield faster and more effective remediation in the event of a major cyber incident. The FY 2024 Enacted Budget provides funding to expand the shared services program to help local governments and other regional partners acquire and deploy high quality cybersecurity services to bolster their cyber defenses.

Occasionally, intrusions into State digital systems have been detected but they have generally been contained. While cybersecurity procedures and controls are routinely reviewed and tested, there can be no assurance that such security and operational control measures will be completely successful at preventing future cyber threats and attacks. The results of any successful attacks could adversely impact business operations and/or damage State digital networks and systems, or State and local infrastructure, and the costs of remediation could be substantial.

The State has also adopted regulations designed to protect the financial services industry from cyberattacks. Banks, insurance companies and other covered entities regulated by DFS are, unless eligible for limited exemptions, required to: (a) maintain a cybersecurity program, (b) create written cybersecurity policies and perform risk assessments, (c) designate someone with responsibility to oversee the cybersecurity program, (d) annually certify compliance with the cybersecurity regulations, and (e) report to DFS cybersecurity events that have a reasonable likelihood of materially harming any substantial part of the entity's normal operation(s) or for which notice is required to any government body, self-regulatory agency, or supervisory body.

SUNY Downstate Hospital and the Long Island College Hospital (LICH)

In May 2011, the real property and other assets of LICH were transferred to a New York State not-for-profit corporation ("Holdings"), the sole member of which is SUNY. Pursuant to a court-approved settlement in 2014, SUNY agreed to sell the assets acquired from LICH to the Fortis Property group and NYU Langone. The initial closing of the purchase agreement with Fortis was held in September 2015, and a second closing with NYU Langone occurred in March 2020. A final closing at which two remaining portions of the LICH properties will be conveyed to Fortis has not yet occurred. The final closing is conditioned on various contractual provisions. However, DOB has determined that the LICH transaction has been sufficiently resolved that it no longer poses a material risk to the Financial Plan and will discontinue reporting on this transaction at the end of the current Fiscal Year.

STATE FINANCIAL PLAN MULTI-YEAR PROJECTIONS

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Introduction

This section presents the State's multi-year Financial Plan projections for receipts and disbursements, with an emphasis on FY 2024 projections.

The State's cash-basis budgeting system, complex fund structure, and practice of earmarking certain tax receipts for specific purposes complicate the discussion of the State's receipts and disbursements projections. Therefore, to minimize the distortions caused by these factors and, equally important, to highlight relevant aspects of the projections, DOB has adopted the following approaches in summarizing the projections:

Receipts. The detailed discussion of tax receipts covers projections for both the General Fund and State Funds (including capital projects). The State Funds perspective reflects estimated tax receipts before distribution to various funds and accounts, including tax receipts dedicated to Capital Projects Funds (which fall outside the General Fund and State Operating Funds accounting perspectives). DOB believes this presentation provides a clearer picture of projected receipts, trends, and forecast assumptions, by factoring out the distorting effects of earmarking tax receipts for specific purposes.

Disbursements. Roughly 30 percent of projected State-financed spending for operating purposes (excluding transfers) is accounted for outside the General Fund, concentrated primarily in the areas of School Aid, health care, higher education, and transportation. To provide a clear picture of spending commitments, the multi-year projections and growth rates are presented, where appropriate, on both a General Fund and State Operating Funds basis.

In evaluating the State's multi-year operating forecast, the reliability of the estimates and projections in the later years of the Financial Plan are typically subject to more substantial revision than those in the current year and first "outyear." Accordingly, in terms of outyear projections, the first "outyear," FY 2025, is the most relevant from a planning perspective. The Financial Plan assumes Federal reimbursement of previously incurred pandemic response and recovery costs. However, there can be no assurance that the Federal Emergency Management Agency (FEMA) will approve claims for the State to receive reimbursement in the amounts or State fiscal years projected in the Financial Plan.

Differences may occur from time to time between DOB and OSC's presentation and reporting of receipts and disbursements in financial reporting. For example, DOB may reflect a net expenditure while OSC may report the gross expenditure. Any such differences in reporting between DOB and OSC could result in differences in the presentation and reporting of receipts and disbursements for discrete funds, as well as differences in the presentation and reporting for total receipts and disbursements under different fund perspectives (e.g., State Operating Funds and All Governmental Funds).

The following tables present the Financial Plan multi-year projections for the General Fund and State Operating Funds, as well as a reconciliation between State Operating Funds projections and General Fund budget gaps.

General Fund Projections

GENERAL FUND PROJECTIONS
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
RECEIPTS					
Taxes (After Debt Service)	93,946	92,509	93,703	93,420	94,166
Miscellaneous Receipts	3,609	3,801	2,772	2,261	1,996
Federal Receipts	2,351	2,250	3,645	0	0
Other Transfers	3,291	1,938	1,632	1,555	1,417
Total Receipts	**103,197**	**100,498**	**101,752**	**97,236**	**97,579**
DISBURSEMENTS					
Assistance and Grants	62,852	75,055	78,717	82,303	86,085
School Aid (SFY)	25,645	28,937	30,623	32,311	33,694
Medicaid	19,380	21,087	24,373	26,793	28,806
All Other	17,827	25,031	23,721	23,199	23,585
State Operations	12,507	13,378	14,637	14,701	14,814
Personal Service	9,464	10,619	10,811	10,887	10,988
Non-Personal Service	3,043	2,759	3,826	3,814	3,826
General State Charges	9,115	7,587	9,319	10,569	12,010
Transfers to Other Funds	8,325	8,392	9,119	6,801	6,506
Debt Service	298	217	264	287	337
Capital Projects	4,649	4,877	5,410	3,049	2,676
SUNY Operations	1,491	1,677	1,718	1,752	1,766
All Other	1,887	1,621	1,727	1,713	1,727
Total Disbursements	**92,799**	**104,412**	**111,792**	**114,374**	**119,415**
Use (Reservation) of Fund Balance:	**(10,398)**	**3,914**	**985**	**3,265**	**8,398**
Community Projects	1	2	0	0	0
Consensus Revenue	0	0	0	0	0
Debt Management	(1,855)	(81)	576	860	0
Economic Uncertainties	(7,617)	0	0	0	0
Extraordinary Monetary Settlements[1]	267	428	516	286	290
Labor Settlements/Agency Operations	(490)	(1,000)	(1,450)	(1,450)	(1,450)
Pandemic Assistance	1,755	245	0	0	0
Rainy Day Reserve	(2,754)	0	0	0	0
Tax Stabilization Reserve	(183)	0	0	0	0
Timing of PTET/PIT Credits	2,072	1,896	424	3,023	9,013
Undesignated Fund Balance	(1,594)	2,424	919	546	545
BUDGET SURPLUS/(GAP) PROJECTIONS	**0**	**0**	**(9,055)**	**(13,873)**	**(13,438)**

[1] Reflects transfers of Extraordinary Monetary Settlement funds from the General Fund to the Dedicated Infrastructure Investment Fund, the Environmental Protection Fund, and the Capital Projects Fund.

State Operating Funds Projections

STATE OPERATING FUNDS DISBURSEMENTS (millions of dollars)	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
RECEIPTS					
Taxes	110,398	101,442	103,193	104,683	105,544
Miscellaneous Receipts/Federal Receipts	27,322	21,141	20,542	17,716	17,931
Total Receipts	**137,720**	**122,583**	**123,735**	**122,399**	**123,475**
DISBURSEMENTS					
Assistance and Grants	81,877	91,558	94,790	98,335	102,469
School Aid (School Year Basis)[1]	31,383	34,414	35,760	37,219	38,723
DOH Medicaid	25,468	27,253	30,137	32,441	34,438
Transportation	4,569	5,249	5,141	5,142	5,140
STAR	1,781	1,717	1,610	1,562	1,535
Higher Education	2,876	3,141	3,276	3,348	3,415
Social Services	4,997	4,890	4,902	4,549	4,612
Mental Hygiene[2]	4,786	7,433	6,237	6,221	6,565
All Other[3]	6,017	7,461	7,727	7,853	8,041
State Operations	21,190	22,071	23,068	24,450	24,798
Personal Service	14,840	16,023	16,111	16,358	16,602
Non-Personal Service	6,350	6,048	6,957	8,092	8,196
General State Charges	10,203	8,804	10,555	11,825	13,290
Pension Contribution	2,045	2,131	2,623	3,195	4,052
Health Insurance	6,003	4,845	5,696	6,279	6,808
All Other	2,155	1,828	2,236	2,351	2,430
Debt Service	10,481	2,898	3,518	5,158	5,177
Capital Projects	0	0	0	0	0
Total Disbursements	**123,751**	**125,331**	**131,931**	**139,768**	**145,734**
Net Other Financing Sources/(Uses)	(2,013)	(2,223)	(3,016)	(591)	(317)
RECONCILIATION TO GENERAL FUND GAP					
Designated Fund Balances:	(11,956)	4,971	2,157	4,087	9,138
General Fund	(10,398)	3,914	985	3,265	8,398
Special Revenue Funds	(1,501)	1,070	1,182	849	774
Debt Service Funds	(57)	(13)	(10)	(27)	(34)
GENERAL FUND BUDGET SURPLUS/(GAP)	**0**	**0**	**(9,055)**	**(13,873)**	**(13,438)**

[1] Does not reflect a significant amount of Federal CRRSA and ARP Act funding for school districts to be distributed over multiple years, such as prekindergarten expansion grants supported by ARP Act funding that appear on the School Aid run.

[2] Multi-year estimates exclude a portion of spending reported under the Medicaid Global Cap that has no impact on mental hygiene service delivery or operations.

[3] All Other includes education, parks, environment, economic development, and public safety, as well as the reconciliation between school year and State fiscal year spending on School Aid.

Receipts

Financial Plan receipts results and projections include a variety of taxes, fees and assessments, charges for State-provided services, Federal receipts, and other miscellaneous receipts. Multi-year receipts estimates are prepared by DOB with the assistance of the Department of Taxation and Finance (DTF) and other agencies which collect State receipts and are premised on economic analysis and forecasts.

Overall base growth (i.e., growth not due to law changes) in tax receipts is dependent on many factors. In general, base tax receipts growth rates are determined by economic changes including, but not limited to, changes in interest rates, prices, wages, employment, nonwage income, capital gains realizations, taxable consumption, corporate profits, household net worth, real estate prices and gasoline prices. Federal law changes can influence taxpayer behavior, which often alters base tax receipts. State taxes account for approximately half of total All Funds receipts.

Projections of Federal receipts generally correspond to the anticipated spending levels of a variety of programs supported by Federal aid including Medicaid, public assistance, mental hygiene, education, public health, and other activities.

Where noted, certain tables in the following section display General Fund tax receipts that exclude amounts transferred to the General Fund in excess of amounts needed for certain debt service obligations (e.g., PIT receipts in excess of the amount transferred for debt service on revenue bonds).

Overview of the Receipts Forecast

All Funds receipts in FY 2024 are projected to total $222.4 billion, a 4.6 percent ($10.6 billion) decrease from FY 2023 results as the Statewide slowdown takes shape. FY 2024 State tax receipts are projected to decrease $8.7 billion (7.8 percent) from FY 2023 results. A summary of the annual changes of each tax category is provided below.

ALL FUNDS RECEIPTS
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
Personal Income Tax	58,776	52,819	-10.1%	55,341	4.8%	59,206	7.0%	69,688	17.7%
Consumption/Use Taxes	20,585	21,715	5.5%	21,975	1.2%	22,477	2.3%	23,006	2.4%
Business Taxes	28,617	25,533	-10.8%	24,771	-3.0%	21,745	-12.2%	11,453	-47.3%
Other Taxes	3,679	2,880	-21.7%	2,609	-9.4%	2,750	5.4%	2,887	5.0%
Total State Taxes	**111,657**	**102,947**	**-7.8%**	**104,696**	**1.7%**	**106,178**	**1.4%**	**107,034**	**0.8%**
Miscellaneous Receipts	31,842	26,837	-15.7%	27,942	4.1%	29,234	4.6%	29,449	0.7%
Federal Receipts	89,563	92,654	3.5%	84,477	-8.8%	82,578	-2.2%	84,148	1.9%
Total All Funds Receipts	**233,062**	**222,438**	**-4.6%**	**217,115**	**-2.4%**	**217,990**	**0.4%**	**220,631**	**1.2%**

Personal Income Tax

FY 2024 All Funds PIT receipts are estimated to decrease from FY 2023 reflecting declines in extension payments for tax year 2022, current estimated payments for tax year 2023, final returns, and delinquencies. Total refunds are expected to decline, with underlying growth overshadowed by the influence of PTET, an elective tax paid by NYS partnerships and S-corporations for which a corresponding PIT credit may be received. Despite being revenue neutral to the overall Financial Plan across all fiscal years, it is expected that the PTET will have a significant negative impact on PIT collections for as long as the Federal limit on SALT deductions remains in effect. Net PIT collections over this period will be suppressed by reduced estimated payments and elevated refunds, with cumulative impacts equal to total PTET liability.

PERSONAL INCOME TAX
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
STATE/ALL FUNDS	**58,776**	**52,819**	**-10.1%**	**55,341**	**4.8%**	**59,206**	**7.0%**	**69,688**	**17.7%**
Gross Collections	78,151	70,461	-9.8%	72,541	3.0%	76,938	6.1%	88,173	14.6%
Refunds (Incl. State/City Offset)	(19,375)	(17,642)	8.9%	(17,200)	2.5%	(17,732)	-3.1%	(18,485)	-4.2%
GENERAL FUND[1]	**27,607**	**24,693**	**-10.6%**	**26,060**	**5.5%**	**28,041**	**7.6%**	**33,309**	**18.8%**
Gross Collections	78,151	70,461	-9.8%	72,541	3.0%	76,938	6.1%	88,173	14.6%
Refunds (Incl. State/City Offset)	(19,375)	(17,642)	8.9%	(17,200)	2.5%	(17,732)	-3.1%	(18,485)	-4.2%
STAR	(1,781)	(1,717)	3.6%	(1,610)	6.2%	(1,562)	3.0%	(1,535)	1.7%
RBTF	(29,388)	(26,409)	10.1%	(27,671)	-4.8%	(29,603)	-7.0%	(34,844)	-17.7%

[1]Excludes Transfers.

The following table summarizes, by component, actual receipts for FY 2023 and forecast amounts through FY 2027.

ALL FUNDS PERSONAL INCOME TAX FISCAL YEAR COLLECTION COMPONENTS (millions of dollars)	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
Receipts					
Withholding	52,477	53,108	55,686	58,582	61,638
Estimated Payments	18,428	12,464	12,010	13,266	21,196
Current Year	8,158	8,007	8,589	9,045	17,363
Prior Year[1]	10,270	4,457	3,421	4,221	3,833
Final Returns	5,367	3,280	3,181	3,371	3,567
Current Year	406	367	385	404	424
Prior Year[1]	4,961	2,913	2,796	2,967	3,143
Delinquent	1,879	1,609	1,664	1,719	1,772
Gross Receipts	78,151	70,461	72,541	76,938	88,173
Refunds					
Prior Year[1]	9,767	9,754	10,110	10,344	10,748
Previous Year	1,893	2,277	1,276	1,315	1,350
Current Year[1]	3,000	3,000	3,000	3,000	3,000
Advanced Credit Payment	2,707	908	1,082	1,242	1,418
State/City Offset[1]	2,008	1,703	1,732	1,831	1,969
Total Refunds	19,375	17,642	17,200	17,732	18,485
Net Receipts	**58,776**	**52,819**	**55,341**	**59,206**	**69,688**

[1]These components, collectively, are known as the "settlement" on the prior year's tax liability.

FY 2024 withholding is estimated to increase compared to the prior year, reflecting moderate growth in non-bonus wages offset by projected declines in bonus wages. Current estimated payments for tax year 2023 and extension payments (i.e., prior year estimated) for tax year 2022 are both expected to decrease. The decline in extensions is particularly dramatic, representing the steepest year-over-year decline for this component since tax year 2008 (FY 2010), and is attributed to a sharp decline in capital gains income. Delinquent collections and final return payments are projected to decrease as well, the latter in response to an extraordinary decline in overall nonwage income, in part due to the reversion of unemployment insurance income to a pre-pandemic level. The resulting decline in gross PIT receipts is expected to be partly offset by a decline in total refunds.

Total refunds in FY 2024 are projected to decrease, driven by a combination of decreased advanced credit payments attributable to the Homeowner Tax Rebate Credit expiration and PTET-related current refund payments for tax year 2022. Tax year 2022 PTET credits are also projected to drive a decrease in the state/city offset. These declines are offset by a projected increase in refunds for tax years prior to 2022, driven by tax year 2021 PTET credits. Current refund payments for tax year 2022 are expected to remain nearly flat year-over-year due to underlying growth offset by tax year 2022 PTET credits.

General Fund PIT receipts are net of deposits to the STAR Fund, which provides property tax relief, and RBTF, which supports debt service payments on State PIT revenue bonds. The FY 2024 STAR transfer is expected to decline slightly. PIT RBTF receipts are statutorily set to 50 percent of net PIT receipts, and FY 2024 RBTF receipts therefore reflect the decrease in All Funds receipts noted above. FY 2024 General Fund PIT receipts are expected to decrease due to these changes.

The FY 2025 All Funds PIT receipts are projected to increase due to growth in both withholding and current estimated payments for tax year 2024, coupled with a projected decline in total refunds. The decline in FY 2025 total refunds is attributable to previous year refunds, which are projected to be inflated in FY 2024 due to late realization of tax year 2021 PTET credits. The magnitude of late realization is expected to decline in future years as taxpayers gain familiarity with the PTET program. The increases in net PIT receipts are offset by a projected decline in tax year 2023 extension payments – attributable to continued weakness in capital gains income – and an increase in current refunds for tax year 2023. Growth in current refunds is driven, in part, by FY 2024 Enacted Budget legislation which expanded the Empire State Child Credit to include children under the age of four.

The FY 2025 STAR transfer is expected to decline. The FY 2025 RBTF is projected to increase based on the increase in FY 2025 All Funds receipts. General Fund PIT receipts for FY 2025 are also expected to increase, driven by changes to All Funds receipts, the STAR transfer, and RBTF receipts.

All Funds PIT receipts for FY 2026 are projected to increase from FY 2025 projections. Gross PIT receipts are projected to increase as well, offset by a projected increase in total refunds.

General Fund PIT receipts for FY 2026 are expected to increase, reflecting an increase in All Funds PIT receipts coupled with a further decrease in the STAR transfer, partially offset by an increase in RBTF receipts.

The FY 2027 All Funds and General Fund PIT receipts estimates are both expected to register double-digit growth due to the scheduled expiration of the Federal SALT deduction cap at the end of 2025. This expiration will eliminate the incentive to participate in the PTET program and, without the associated credits, quarterly estimated payments are projected to return to pre-PTET levels. Furthermore, the forecast assumes that taxpayers will adjust the timing of payments to benefit from unrestricted SALT deductions in tax year 2026, resulting in an increased share of liability paid through current estimated payments (FY 2027) and a reduced share paid through extension payments (FY 2028). Excluding PTET, All Funds PIT receipts are estimated to increase by 8.4 percent.

Consumption/Use Taxes

CONSUMPTION/USE TAXES (millions of dollars)	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
STATE/ALL FUNDS	**20,585**	**21,715**	**5.5%**	**21,975**	**1.2%**	**22,477**	**2.3%**	**23,006**	**2.4%**
Sales Tax	18,934	19,724	4.2%	19,931	1.0%	20,380	2.3%	20,841	2.3%
Cigarette and Tobacco Taxes	858	823	-4.1%	784	-4.7%	751	-4.2%	720	-4.1%
Vapor Excise Tax	25	25	0.0%	25	0.0%	25	0.0%	25	0.0%
Motor Fuel Tax	179	490	173.7%	491	0.2%	486	-1.0%	482	-0.8%
Highway Use Tax	143	141	-1.4%	143	1.4%	143	0.0%	144	0.7%
Alcoholic Beverage Taxes	282	284	0.7%	287	1.1%	289	0.7%	293	1.4%
Opioid Excise Tax	27	25	-7.4%	25	0.0%	25	0.0%	25	0.0%
Medical Cannabis Excise Tax	13	12	-7.7%	12	0.0%	12	0.0%	12	0.0%
Adult Use Cannabis Tax	0	70	0.0%	158	125.7%	245	55.1%	339	38.4%
Auto Rental Tax[1]	122	119	-2.5%	115	-3.4%	116	0.9%	119	2.6%
Peer to Peer Car Sharing Tax	2	2	0.0%	4	100.0%	5	25.0%	6	20.0%
GENERAL FUND[2]	**7,239**	**9,797**	**35.3%**	**9,895**	**1.0%**	**10,100**	**2.1%**	**10,312**	**2.1%**
Sales Tax	6,663	9,222	38.4%	9,321	1.1%	9,531	2.3%	9,746	2.3%
Cigarette and Tobacco Taxes	265	265	0.0%	259	-2.3%	251	-3.1%	243	-3.2%
Alcoholic Beverage Taxes	282	284	0.7%	287	1.1%	289	0.7%	293	1.4%
Opioid Excise Tax	27	25	-7.4%	25	0.0%	25	0.0%	25	0.0%
Peer to Peer Car Sharing Tax	2	1	-50.0%	3	200.0%	4	33.3%	5	25.0%

[1]No longer includes receipts remitted directly to the MTA without an appropriation as of FY 2020.

[2]Excludes Transfers.

All Funds consumption/use tax receipts for FY 2024 are estimated to increase from FY 2023 results. Sales tax receipts are estimated to increase due to a moderate increase in taxable consumption (i.e., estimated sales tax base increase of 2.7 percent). Cigarette and tobacco tax receipts are estimated to decrease reflecting a continuing trend of declining consumption as well as a $1 increase to the State cigarette excise tax. Highway use tax (HUT) collections are estimated to moderately decline. Motor fuel tax receipts are estimated to significantly increase largely due to the expiration of the temporary fuel taxes suspension on gasoline and diesel motor fuel on December 31, 2022. Opioid excise tax receipts are expected to moderately decline, reflecting the continued trend towards lower priced opioids. In addition to $38 million in estimated license and application fees, the State's THC-based and retail excise taxes on the sale of adult-use cannabis products are estimated to generate $32 million during the first full year of receipts.

Pursuant to statute, 25 percent of State sales tax receipts were deposited into the Local Government Assistance Tax Fund until the termination of the Fund on October 1, 2022. In FY 2022, the portion deposited into the Sales Tax Revenue Bond Fund was increased to 50 percent (previously 25 percent). Additionally, the portion deposited to the General Fund was temporarily reduced from 50 to 25 percent through October 1, 2022 (i.e., through the first half of FY 2023). These funds are intended to support debt service payments on bonds issued under the State's sales tax revenue bond programs. Excess receipts above the debt service requirements are subsequently transferred to the General Fund.

FY 2024 General Fund consumption/use tax receipts are projected to significantly increase, mainly due to the statutory elimination of the Local Government Assistance Tax Fund distribution for the entire fiscal year.

All Funds consumption/use tax receipts for FY 2025 are projected to moderately increase primarily due to a projected increase in sales tax receipts (projected sales tax base growth close to 1 percent). The peer-to-peer car sharing tax is estimated to moderately increase, reflecting the continued slow growth and expansion of an emerging new industry. Auto rental tax receipts are estimated to decrease from FY 2024, mainly due to the increasing impact of a gradual shift towards the less expensive peer-to-peer car sharing program. The State's THC-based and retail excise taxes on the sale of adult-use cannabis products are estimated to generate $158 million during the second full year of receipts. These increases are partially offset by a continued decline in taxable cigarette consumption.

All Funds consumption/use tax receipts for FYs 2026 and 2027 are projected to increase, largely reflecting a projected increase in sales tax receipts and the continued maturation of the adult-use cannabis market, partially offset by a continued decline in taxable cigarette consumption.

General Fund consumption/use tax receipts are projected to increase in fiscal years 2025 through 2027 primarily due to the All Funds trends noted above.

Business Taxes

BUSINESS TAXES (millions of dollars)	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
STATE/ALL FUNDS	**28,617**	**25,533**	**-10.8%**	**24,771**	**-3.0%**	**21,745**	**-12.2%**	**11,453**	**-47.3%**
Corporate Franchise Tax	9,017	7,945	-11.9%	7,631	-4.0%	7,915	3.7%	7,981	0.8%
Corporation and Utilities Tax	525	431	-17.9%	535	24.1%	518	-3.2%	523	1.0%
Insurance Tax	2,681	2,775	3.5%	2,858	3.0%	2,899	1.4%	3,030	4.5%
Bank Tax	355	236	-33.5%	0	-100.0%	0	0.0%	0	0.0%
Pass-Through-Entity Tax	14,944	13,040	-12.7%	12,640	-3.1%	9,316	-26.3%	(1,168)	-112.5%
Petroleum Business Tax	1,095	1,106	1.0%	1,107	0.1%	1,097	-0.9%	1,087	-0.9%
GENERAL FUND[1]	**17,856**	**15,836**	**-11.3%**	**15,257**	**-3.7%**	**13,833**	**-9.3%**	**8,692**	**-37.2%**
Corporate Franchise Tax	7,291	6,316	-13.4%	5,961	-5.6%	6,176	3.6%	6,159	-0.3%
Corporation and Utilities Tax	408	326	-20.1%	413	26.7%	399	-3.4%	402	0.8%
Insurance Tax	2,381	2,474	3.9%	2,563	3.6%	2,600	1.4%	2,715	4.4%
Bank Tax	304	200	-34.2%	0	-100.0%	0	0.0%	0	0.0%
Pass-Through-Entity Tax	7,472	6,520	-12.7%	6,320	-3.1%	4,658	-26.3%	(584)	-112.5%
Petroleum Business Tax	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%

[1]Excludes Transfers.

All Funds CFT receipts are estimated to decrease in FY 2024, reflecting a reduction in gross receipts due to softening economic conditions. Audit receipts are estimated to decrease sharply because FY 2023 results were exceptionally high with many large cases having materialized within FY 2023. Refunds are estimated to increase as compared to FY 2023 results.

All Funds Corporation and Utilities Tax (CUT) receipts for FY 2024 are estimated to decrease over the prior fiscal year, driven primarily by a further weakening of collections from the telecommunications sector and some weakness in the utility sector, both of which result in lower gross receipts. Audit receipts are estimated to decrease moderately from FY 2023 levels while refunds are estimated to increase significantly reflecting utilization of the Covid-19 Utility Debt Relief tax credit.

All Funds insurance tax receipts for FY 2024 are estimated to increase modestly due to projected increases in insurance tax premiums that drive increases in gross receipts, following an increase in FY 2023 gross receipts compared to FY 2022. Audits are expected to decrease sharply following an unusually strong FY 2023 while refunds are expected to decrease significantly as compared to FY 2023.

All Funds PTET collections for FY 2024 are estimated to decrease due to softening economic conditions and higher refunds. As noted, DOB expects PTET will be revenue neutral for the State, however, the PTET will not be revenue neutral within each fiscal year as PTET payments are generally received in the fiscal year prior to PIT credit claims.

Receipts from the repealed bank tax (all from prior liability periods) in FY 2024 are estimated to decrease due to an expectation of lower audit receipts. Petroleum Business Tax (PBT) receipts are estimated to moderately increase from FY 2023 results, primarily due to the impact of a 5 percent increase in the PBT rate index effective January 1, 2023, paired with an estimated 1.3 percent decline in the PBT rate index effective January 1, 2024.

General Fund business tax receipts for FY 2024 are estimated to increase due to the trends in CFT, PTET, CUT, bank, and insurance tax receipts described above.

General Fund and All Funds business tax receipts for FY 2025 are projected to decrease, primarily reflecting a decrease in audit collections and an increase in refunds attributed to the New York City Musical and Theatrical Production credit and the COVID-19 Capital Costs credit. This is partially offset by an overall increase in gross receipts.

General Fund and All Funds business tax receipts for FY 2026 are projected to increase in CFT and insurance tax, while PBT, CUT and PTET are projected to decline. The projected decline in PTET collections is the result of the scheduled expiration of the SALT deduction cap after tax year 2025 under current Federal law.

General Fund and All Funds business tax receipts for FY 2027 are projected to increase in CUT and insurance tax, while PBT, CFT, and PTET decline. Insurance tax is projected to have the strongest growth due to increases in premiums and overall base growth.

Other Taxes

OTHER TAXES (millions of dollars)	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
STATE/ALL FUNDS	**3,679**	**2,880**	**-21.7%**	**2,609**	**-9.4%**	**2,750**	**5.4%**	**2,887**	**5.0%**
Estate Tax	2,185	1,597	-26.9%	1,285	-19.5%	1,345	4.7%	1,407	4.6%
Real Estate Transfer Tax	1,472	1,258	-14.5%	1,299	3.3%	1,380	6.2%	1,465	6.2%
Employer Compensation Expense Program	7	10	42.9%	10	0.0%	10	0.0%	0	-100.0%
Pari-Mutuel Taxes	13	13	0.0%	13	0.0%	13	0.0%	13	0.0%
All Other Taxes	2	2	0.0%	2	0.0%	2	0.0%	2	0.0%
GENERAL FUND[1]	**2,204**	**1,617**	**-26.6%**	**1,305**	**-19.3%**	**1,365**	**4.6%**	**1,422**	**4.2%**
Estate Tax	2,185	1,597	-26.9%	1,285	-19.5%	1,345	4.7%	1,407	4.6%
Employer Compensation Expense Program	4	5	25.0%	5	0.0%	5	0.0%	0	-100.0%
Pari-Mutuel Taxes	13	13	0.0%	13	0.0%	13	0.0%	13	0.0%
All Other Taxes	2	2	0.0%	2	0.0%	2	0.0%	2	0.0%

[1]Excludes Transfers.

All Funds other tax receipts for FY 2024 are estimated to decrease from FY 2023 results, primarily due to the receipt of multiple super-large estate tax payments in excess of $100 million in FY 2023, as well as the expectation that real estate transfer activity continues to slow down from FY 2022 and FY 2023's record collections.

General Fund other tax receipts for FY 2024 are estimated to decrease, mainly due to an estimated decrease in estate tax receipts due to the reason noted above.

All Funds other tax receipts for FY 2025 are projected to decrease, primarily due to an expected return to a more typical amount of super-large payments and collections, which is slightly offset by a projected increase in real estate transfer tax receipts as bonuses and housing prices are expected to increase. All Funds other tax receipts in the outyears are projected to increase, largely due to increases in both estate tax and real estate transfer tax receipts, reflecting projected growth in household net worth, housing starts, housing prices and bonuses.

General Fund other tax receipts for FY 2025 are projected to decline due to the reasons noted above. Other tax receipts in the outyears are projected to increase, resulting from projected increases in estate tax receipts, which reflect projected growth in household net worth.

Miscellaneous Receipts

All Funds miscellaneous receipts include moneys received from HCRA financing sources, SUNY tuition and patient income, lottery and gaming receipts for education, assessments on regulated industries, Tribal-State Compact receipts, Extraordinary Monetary Settlements, and a variety of fees. As such, miscellaneous receipts are driven in part by year-to-year variations in health care surcharges and other HCRA resources, bond proceeds, tuition income revenue and other miscellaneous receipts.

MISCELLANEOUS RECEIPTS (millions of dollars)									
	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
ALL FUNDS	**31,842**	**26,837**	**-15.7%**	**27,942**	**4.1%**	**29,234**	**4.6%**	**29,449**	**0.7%**
General Fund	3,609	3,801	5.3%	2,772	-27.1%	2,261	-18.4%	1,996	-11.7%
Special Revenue Funds	21,414	15,029	-29.8%	14,033	-6.6%	15,316	9.1%	15,778	3.0%
Capital Projects Funds	6,363	7,629	19.9%	10,752	40.9%	11,262	4.7%	11,265	0.0%
Debt Service Funds	456	378	-17.1%	385	1.9%	395	2.6%	410	3.8%

General Fund miscellaneous receipts in FY 2024 are projected to increase from FY 2023 results, largely due to the combination of rising interest rates and larger state fund balances, leading to increases to anticipated investment returns, partially offset by lower projected abandoned property, license, fee and reimbursement receipts.

All Funds miscellaneous receipts in FY 2024 are projected to decrease from FY 2023 results, driven by the conservative estimation of non-general fund revenues partially offset by the projected growth of bond proceeds receipts, primarily due to the increase in bond-eligible capital spending in FY 2024, and the General Fund increases noted above.

All Funds miscellaneous receipts in FY 2025 are projected to increase from FY 2024 estimates, driven by growth in bond proceeds driven by higher bond-eligible capital spending and the timing of reimbursements, partially offset by the conservative estimation of investment income and non-General Fund revenues. In the later years of the Financial Plan, All Funds miscellaneous receipts reflect the timing of capital reimbursements and continued conservative estimation of investment income.

Consistent with past practice, the aggregate receipts projections (i.e., the sum of all projected receipts by individual agencies) in State Special Revenue Funds are centrally adjusted downward to reflect aggregate trends and patterns observed between estimated and actual results over time.

Federal Receipts

FEDERAL RECEIPTS (millions of dollars)	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
ALL FUNDS	**89,563**	**92,654**	**3.5%**	**84,477**	**-8.8%**	**82,578**	**-2.2%**	**84,148**	**1.9%**
General Fund	2,351	2,250	-4.3%	3,645	62.0%	0	-100.0%	0	0.0%
Special Revenue Funds	84,618	87,040	2.9%	77,230	-11.3%	78,911	2.2%	80,621	2.2%
Capital Projects Funds	2,523	3,297	30.7%	3,540	7.4%	3,609	1.9%	3,474	-3.7%
Debt Service Funds	71	67	-5.6%	62	-7.5%	58	-6.5%	53	-8.6%

Aid from the Federal government helps to pay for a variety of programs including Medicaid, public assistance, mental hygiene, School Aid, public health, transportation, and other activities. Annual changes to Federal receipts generally correspond to changes in Federally reimbursed spending. Accordingly, DOB typically projects Federal reimbursements will be received in the State fiscal year in which spending occurs, but due to the variable timing of Federal receipts, actual results often differ from projections.

The increase in All Funds Federal receipts projections correspond with expected increases in Federal spending, which include increases to Medicaid and FEMA reimbursement of eligible pandemic expenses and other pandemic assistance including categorical aid for schools, childcare, housing, infrastructure, and other purposes which are expected to be received over the multi-year period, partially offset by reductions in emergency rental assistance and eFMAP.

Under the Biden administration and the current and future Congress, many of the policies that drive Federal aid may be subject to change. At this time, it is not possible to assess the potential fiscal impact of future policies that may be proposed and adopted. If Federal funding to the State were reduced, this could have a materially adverse impact on the Financial Plan.

Disbursements

The multi-year disbursements projections consider various factors, including statutorily indexed rates intended to limit spending in certain programs, agency staffing levels, program caseloads, inflation, and funding formulas contained in State and Federal law. Factors that affect spending estimates vary by program. For example, public assistance spending is based primarily on anticipated caseloads that are estimated by analyzing historical trends and projected economic conditions. Projections also account for the timing of payments, since not all the amounts appropriated are disbursed in the same fiscal year. Consistent with past practice, the aggregate receipts and spending projections (i.e., the sum of all projected receipts and spending by individual agencies) in State Special Revenue Funds are centrally adjusted downward to reflect aggregate spending trends and patterns observed between estimated and actual results over time.

Assistance and Grants

Assistance and grants spending includes payments to local governments, school districts, health care providers, and other entities, as well as financial assistance to, or on behalf of, individuals, families, and not-for-profit organizations who provide services to individuals. School Aid and health care spending account for most of the State Operating Funds assistance and grants spending. Assistance and grants spending represents approximately two-thirds of total State Operating Funds spending.

Certain factors considered when preparing spending projections for the State's major assistance and grants programs and activities are summarized below. The impact of COVID-19 on unemployment and family income triggered an increase to the public assistance caseload, particularly in New York City.

FORECAST FOR SELECTED PROGRAM MEASURES AFFECTING OPERATING ACTIVITIES (millions of dollars)

	FY 2023 Actuals[1]	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
HEALTH CARE					
Medicaid - Individuals Covered	7,789,300	6,901,410	6,565,333	6,605,101	6,646,008
Essential Plan - Individuals Covered	1,163,584	1,163,500	1,179,993	1,211,267	1,237,391
Child Health Plus - Individuals Covered	405,265	457,936	462,549	471,799	481,235
State Takeover of County/NYC Costs[2]	$5,540	$6,370	$7,253	$8,176	$9,013
CY 2005 Local Medicaid Cap	$3,892	$4,539	$5,239	$5,980	$6,634
FY 2013 Local Takeover Costs	$1,648	$1,831	$2,014	$2,196	$2,379
EDUCATION					
School Aid (School Year-Basis Funding)[3]	$31,383	$34,414	$35,760	$37,219	$38,723
HIGHER EDUCATION					
Public Higher Education Enrollment (FTEs)	458,167	458,167	TBD	TBD	TBD
Tuition Assistance Program (FTEs)	216,000	235,000	TBD	TBD	TBD
PUBLIC ASSISTANCE					
Family Assistance Program (Families)	180,418	209,148	198,646	188,276	211,025
Safety Net Program (Families)	120,957	138,784	130,571	122,396	137,679
Safety Net Program (Singles)	229,043	210,068	207,482	208,728	225,876
MENTAL HYGIENE					
OMH Community Beds	48,088	51,081	54,679	55,449	56,079
OPWDD Community Beds	41,479	42,401	42,535	42,670	42,806
OASAS Community Beds	13,400	13,804	13,854	13,954	14,004
Total	102,967	107,286	111,068	112,073	112,889

1 Reflects preliminary unaudited actuals.

2 Reflects the total State cost of taking over the local share of Medicaid growth, which was initially capped at approximately 3 percent annually, then fully transferred to the State as of calendar year 2015. A portion of the State takeover costs are funded from Master Settlement Agreement resources.

3 Does not reflect a significant amount of federal CRRSA and ARP Act funding for school districts to be distributed over multiple years, such as prekindergarten expansion grants supported by ARP Act funding that appear on the School Aid run.

Education

School Aid

School Aid supports elementary and secondary education for New York pupils enrolled in the State's 673 major school districts. State aid is provided to districts based on statutory aid formulas and through reimbursement of categorical expenses, such as prekindergarten programs, education of homeless children, and bilingual education. State funding for schools assists districts in meeting locally defined needs, such as the construction of school facilities and the education of students with disabilities.

School Year (July 1 — June 30)

The Financial Plan includes $34.4 billion for School Aid in SY 2024, exclusive of Federal prekindergarten expansion grants, representing an annual increase of approximately $3 billion (9.7 percent). This annual increase includes a $2.6 billion (12.3 percent) increase in Foundation Aid. The growth in Foundation Aid reflects the full funding of the current formula for the first time in its history, marking the final year of the three-year phase-in, and a minimum 3 percent annual increase to fully funded districts that would otherwise not receive a Foundation Aid increase under current law. School Aid growth also includes a $225 million increase in expense-based reimbursement programs such as Transportation Aid and Boards of Cooperative Educational Services (BOCES) Aid and a $150 million increase in State-funded full-day prekindergarten programming for four-year-old children, comprised of a $100 million formula-based allocation and a $50 million grant to be competitively awarded. The FY 2024 Enacted Budget also provides $21 million for new competitive grants, including $20 million to support the establishment of new Early College High School and Pathways in Technology Early College High School (P-TECH) programs.

In SY 2024, growth in School Aid largely reflects the final year of the three-year phase-in of full funding of the current Foundation Aid formula, increased support for full-day prekindergarten, and assumed growth in expense-based aids. In SY 2025 and thereafter, projected School Aid growth is based on the projected ten-year average growth in State personal income (PIGI).

SCHOOL AID - SCHOOL YEAR BASIS (JULY 1 - JUNE 30)[1]
(millions of dollars)

	SY 2023	SY 2024	Change	SY 2025	Change	SY 2026	Change	SY 2027	Change
Total	31,383	34,414	3,031	35,760	1,346	37,219	1,459	38,723	1,504
			9.7%		3.9%		4.1%		4.0%

[1] Does not reflect a significant amount of Federal CRRSA and ARP Act funding for school districts to be distributed over multiple years, such as prekindergarten expansion grants supported by ARP Act funding that appear on the School Aid run.

In addition to State School Aid, public schools received $13.0 billion of Federal ESSER and GEER funds allocated by CRRSA and ARP. This funding, available for use over multiple years, will continue to help schools safely operate with in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs resulting from the disruptions of the COVID-19 pandemic. Most of these funds ($12.2 billion) are allocated to school districts and charter schools, largely in proportion to their Federal Title I award, and allow for broad local discretion over the funds' use. A total of $629 million of these funds was allocated to school districts as targeted grants to address learning loss from the shutdown of in-person learning through activities such as summer enrichment and comprehensive after-school programs. The remaining $210 million was allocated for the expansion of full-day prekindergarten programs for four-year-old children, grants that the State will gradually take over and fully fund beginning in SY 2025.

State Fiscal Year School Aid

The State finances School Aid from the General Fund, commercial gaming receipts, cannabis sales, mobile sports wagering receipts, and Lottery Fund receipts, including revenues from VLTs. Commercial gaming, Lottery, mobile sports wagering and cannabis receipts are accounted for and disbursed from dedicated accounts. The amount of School Aid spending financed by mobile sports wagering receipts is expected to increase significantly in FY 2024 due to high revenue collections in FY 2023. Additionally, the amount of School Aid spending financed by Lottery Aid is expected to decrease in FY 2024 due to higher than anticipated revenue collections in FY 2022 that supported increased disbursements in FY 2023.

Because the State fiscal year begins on April 1 and the school year begins on July 1, the State typically pays approximately 70 percent of the annual school year commitment during the initial State fiscal year and the remaining 30 percent in the first three months of the following State fiscal year. The table below summarizes the projected sources of School Aid spending on a State fiscal year basis.

SCHOOL AID - STATE FISCAL YEAR BASIS[1,2]
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
TOTAL STATE OPERATING FUNDS	**30,290**	**33,477**	**10.5%**	**35,262**	**5.3%**	**36,695**	**4.1%**	**38,150**	**4.0%**
General Fund Local Assistance	25,519	28,797	12.8%	30,484	5.9%	32,170	5.5%	33,555	4.3%
Medicaid	125	140	12.0%	140	0.0%	140	0.0%	140	0.0%
Lottery Aid	2,653	2,303	-13.2%	2,629	14.2%	2,407	-8.4%	2,407	0.0%
VLT Lottery Aid	1,237	1,033	-16.5%	1,030	-0.3%	1,014	-1.6%	1,013	-0.1%
Commercial Gaming	141	138	-2.1%	147	6.5%	142	-3.4%	175	23.2%
Mobile Sports Wagering	615	1,061	72.5%	832	-21.6%	775	-6.9%	779	0.5%
Cannabis Revenue	0	5	0.0%	0	-100.0%	47	0.0%	81	72.3%

1 Does not reflect a significant amount of Federal CRRSA and ARP Act funding for school districts to be distributed over multiple years, such as prekindergarten expansion grants supported by ARP Act funding that appear on the School Aid run.

2 Spending from dedicated revenue sources is capped by appropriation authority as determined at the Enacted Budget and does not necessarily equate to annual revenue collections and/or projections. Gaming details can be found in the Accompanying Notes section (Note 10).

Other Education Funding

The State provides funding and support for various other education-related programs. These include special education services; programs administered by the Office of Prekindergarten through Grade 12 Education; cultural education; higher and professional education programs; and adult career and continuing education services.

OTHER EDUCATION FUNDING (millions of dollars)									
	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
TOTAL STATE OPERATING FUNDS	**2,255**	**2,560**	**13.5%**	**2,751**	**7.5%**	**2,905**	**5.6%**	**3,052**	**5.1%**
Special Education	1,274	1,426	11.9%	1,520	6.6%	1,612	6.1%	1,708	6.0%
All Other Education	981	1,134	15.6%	1,231	8.6%	1,293	5.0%	1,344	3.9%

The State helps fund special education services for approximately 500,000 students with disabilities, from ages 3 to 21. Major programs under the Office of Prekindergarten through Grade 12 address specialized student needs or reimburse school districts for education-related services, including the school breakfast and lunch programs, after-school programs, and other educational grant programs. Cultural education includes aid for operating expenses of the major cultural institutions, State Archives, State Library, and State Museum, as well as support for the Office of Educational Television and Public Broadcasting. Higher and professional education programs monitor the quality and availability of post-secondary education programs, and license and regulate over 50 professions. Adult career and continuing education services focus on the education and employment needs of the State's adult citizens, ensuring that such individuals have access to a one-stop source for all their employment needs, and are made aware of the full range of services available in other agencies.

Special Education costs are expected to increase from FY 2023 levels due to the continuing impact of an 11 percent COLA increase to provider tuition rates for SY 2023 and the return of enrollment to pre-pandemic levels. These increased tuition costs are paid in the first instance by school districts and counties and partially reimbursed by the State starting in the following year. Outyear spending increases are attributable to projected enrollment and cost growth.

The projected spending increase for All Other Education Programs in FY 2024 is largely attributable to a new State-funded initiative to incentivize qualifying low-income public and nonpublic schools to participate in the Federal CEP program, allowing all students in those schools to eat breakfast and lunch at no charge regardless of their families' income, as well as one-time aid and grant programs. The projected spending increase in FY 2025 is primarily due to continuation of the new school meal subsidy for CEP-participating schools, anticipated increases in reimbursement to nonpublic schools for Science, Technology, Engineering, and Math (STEM) instruction, charter school supplemental tuition payments paid as reimbursement to school districts, payments to New York City for charter school facilities aid, funds to support the development of robust high school-college-workforce pipelines, and the restoration of funding for payment of school districts' prior year aid claims in FY 2025.

School Tax Relief Program

The STAR program provides school tax relief to taxpayers by exempting the first $30,000 of every eligible homeowner's property value from the local school tax levy. Senior citizens with incomes below $93,200 will receive a $81,400 exemption in FY 2024.

Spending on STAR property tax exemptions reflects reimbursements made to school districts to offset the reduction in the amount of property tax revenue collected from homeowners. Since FY 2017, the STAR exemption program has been gradually transitioned from a spending program to an advance refundable PIT credit program. As a result, first-time homebuyers and homeowners who move receive a refundable PIT credit instead of a property tax exemption. This transition did not change the value of the STAR benefit received by homeowners. As of FY 2020, homeowners who receive a property tax exemption do not receive an increase in their STAR benefit (details below).

The STAR program also includes a credit for income-eligible resident New York City taxpayers. The New York City PIT rate reduction was converted into a State PIT tax credit starting with tax year 2017. As of FY 2019, New York City STAR payments are no longer a component of State Operating Funds spending. This change has no impact on the value of the STAR benefit received by taxpayers.

SCHOOL TAX RELIEF (STAR)
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
TOTAL STAR PROGRAM	**1,781**	**1,717**	**-3.6%**	**1,610**	**-6.2%**	**1,562**	**-3.0%**	**1,535**	**-1.7%**
Gross Program Costs	3,289	3,393	3.2%	3,460	2.0%	3,582	3.5%	3,727	4.0%
Personal Income Tax Credit	(1,508)	(1,676)	-11.1%	(1,850)	-10.4%	(2,020)	-9.2%	(2,192)	-8.5%
Basic Exemption	952	891	-6.4%	787	-11.7%	740	-6.0%	718	-3.0%
Gross Program Costs	1,555	1,617	4.0%	1,636	1.2%	1,727	5.6%	1,840	6.5%
Personal Income Tax Credit	(603)	(726)	-20.4%	(849)	-16.9%	(987)	-16.3%	(1,122)	-13.7%
Enhanced (Senior) Exemption	829	826	-0.4%	823	-0.4%	822	-0.1%	817	-0.6%
Gross Program Costs	979	1,008	3.0%	1,038	3.0%	1,059	2.0%	1,077	1.7%
Personal Income Tax Credit	(150)	(182)	-21.3%	(215)	-18.1%	(237)	-10.2%	(260)	-9.7%
New York City PIT	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Gross Program Costs	755	768	1.7%	786	2.3%	796	1.3%	810	1.8%
Personal Income Tax Credit	(755)	(768)	-1.7%	(786)	-2.3%	(796)	-1.3%	(810)	-1.8%

Starting in FY 2020, all homeowners with incomes above $250,000 were transitioned from the basic exemption benefit program to the advance credit program. Additionally, the zero percent growth cap on the STAR exemption benefit that was included in the FY 2020 Enacted Budget remains in effect. The decline in reported disbursements on STAR exemptions in FYs 2024 through 2027 can be attributed to these actions. By moving taxpayers to the credit program, the State can more efficiently administer the program while strengthening its ability to prevent abuse. The move from the basic exemption to the credit program does not reduce the value of the benefit received by homeowners.

Higher Education

Assistance and Grants spending for higher education includes funding for CUNY, SUNY, and the Higher Education Services Corporation (HESC).

HIGHER EDUCATION (millions of dollars)	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
TOTAL STATE OPERATING FUNDS	**2,876**	**3,141**	**9.2%**	**3,276**	**4.3%**	**3,348**	**2.2%**	**3,415**	**2.0%**
City University	**1,783**	**2,041**	**14.5%**	**2,058**	**0.8%**	**2,121**	**3.1%**	**2,168**	**2.2%**
Senior Colleges	1,539	1,800	17.0%	1,817	0.9%	1,880	3.5%	1,927	2.5%
Community College	244	241	-1.2%	241	0.0%	241	0.0%	241	0.0%
Higher Education Services	**596**	**642**	**7.7%**	**770**	**19.9%**	**779**	**1.2%**	**799**	**2.6%**
Tuition Assistance Program	534	543	1.7%	684	26.0%	701	2.5%	721	2.9%
Scholarships/Awards	55	87	58.2%	74	-14.9%	66	-10.8%	66	0.0%
Aid for Part-Time Study	7	12	71.4%	12	0.0%	12	0.0%	12	0.0%
State University	**497**	**458**	**-7.8%**	**448**	**-2.2%**	**448**	**0.0%**	**448**	**0.0%**
Community College	491	452	-7.9%	444	-1.8%	444	0.0%	444	0.0%
Other/Cornell	6	6	0.0%	4	-33.3%	4	0.0%	4	0.0%

SUNY and CUNY operate 47 four-year colleges and graduate schools with a total enrollment of nearly 371,000 full- and part-time students. SUNY and CUNY also operate 37 community colleges, serving approximately 234,000 students. State funds support a significant portion of SUNY and CUNY operations. In addition to the spending reflected in the above table, the State provides annual subsidies of approximately $1.3 billion for SUNY campus operations through a General Fund transfer and $2 billion to fully support fringe benefit costs of SUNY employees at State-operated campuses. The State is also projected to pay $964 million in FY 2024 for debt service on bond financed capital projects at SUNY and CUNY. In FY 2024, an estimated $330 million in student financial aid support will be transferred from HESC to SUNY. This is the result of an accounting change first implemented in FY 2020 to reflect certain financial aid payments from HESC to SUNY as transfers instead of disbursements.

HESC is New York State's student financial aid agency. HESC oversees State-funded financial aid programs, including the Excelsior Scholarship, TAP, and 26 other scholarship and loan forgiveness programs. Together, these programs provide financial aid to approximately 300,000 students. HESC also partners with OSC in administering the College Choice Tuition Savings program.

Higher education assistance and grants spending is projected to increase by $265 million, or 9.2 percent, from FY 2023 to FY 2024. This spending provides an increase in General Fund operating assistance to CUNY senior colleges. From FY 2023 to FY 2024, assistance and grants spending for the State University decreased because of nonrecurring investments and timing of payments related to workforce development programs. Increased HESC spending is driven by the continued implementation of the expansion of the TAP for part-time students in degree-granting programs, as well as students enrolled in nondegree workforce credentialing programs at public institutions.

Health Care

DOH works with local health departments and social services departments, including New York City, to coordinate and administer statewide health insurance programs and activities, including operating the Medicaid program which provides health care coverage to 7.8 million low-income individuals and long-term care services for the elderly and disabled. Most government-financed health care programs are included under DOH, however, several programs are also supported through multi-agency efforts. In addition to Medicaid and statewide public health programs, assistance and grants spending for health care includes a variety of mental hygiene programs.

DOH also engages in Federally supported initiatives, including Medicaid redesign, public health, and COVID-19 pandemic response efforts. For more information on the Medicaid Redesign Team (MRT) Medicaid Waiver and Federal COVID-19 response efforts please see "Other Matters Affecting the Financial Plan" herein.

Medicaid

Medicaid is a means-tested program that finances health care services for low-income individuals and long-term care services for the elderly and disabled, primarily through monthly premium payments to managed care plans that enroll Medicaid eligible individuals and direct payments to health care providers for services rendered to Medicaid enrollees. Medicaid services include inpatient hospital care, outpatient hospital services, clinics, nursing homes, managed care, prescription drugs, home care, and services provided in a variety of community-based settings (including personal care, mental health, substance abuse treatment, developmental disabilities services, school-based services, and foster care services). The Medicaid program is financed by the Federal government, the State, and counties, including New York City. DOB estimates that spending from all sources, including spending by local governments that is not part of the State's All Funds activity, will total $109 billion in FY 2024. The following table shows the estimated disbursements by level of government.

FY 2024 PROJECTED MEDICAID SPENDING [1]
(millions of dollars)

	Spending	Share
Federal	64,603	59.5%
State	35,564	32.7%
Local	8,505	7.8%
Total	**108,672**	**100.0%**

[1] Includes operational costs and the Essential Plan but excludes MSA payments deposited in the Medicaid Escrow Fund.

The State share of DOH Medicaid spending is financed by a combination of the General Fund, HCRA resources, indigent care support, provider assessment revenue, and tobacco settlement proceeds. The General Fund is expected to finance 78 percent of State-share Medicaid costs in FY 2024. In any year, Medicaid costs financed by the General Fund may be affected by several factors, including the Medicaid Global Cap, a statutory annual growth cap that applies to a subset of State-share Medicaid spending, financial resources available in HCRA, and, to a lesser extent, other special revenue funds, and temporary changes to the Federal share of Medicaid (e.g., eFMAP). The following tables summarize the expected financing shares over the multi-year plan.

STATE-SHARE MEDICAID FINANCING SOURCES [1]
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
General Fund	19,703	21,581	24,894	27,282	29,290
HCRA	4,551	4,486	4,203	4,058	4,041
All Other	1,537	1,680	1,561	1,590	1,591
Total	**25,791**	**27,747**	**30,658**	**32,930**	**34,922**

[1] Includes operational costs and the Essential Plan.

STATE-SHARE MEDICAID FINANCING SOURCES [1]
(percent)

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
General Fund	76.4%	77.8%	81.2%	82.8%	83.9%
HCRA	17.6%	16.2%	13.7%	12.3%	11.6%
All Other	6.0%	6.0%	5.1%	4.9%	4.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

[1] Includes operational costs and the Essential Plan.

See "Factors Affecting Medicaid Funding" and "HCRA Financial Plan" below for more information. Medicaid eligibility and enrollment fluctuate with economic cycles. Enrollment has increased by nearly 1.6 million since March 2020. This enrollment increase has been driven by the steep rise in unemployment triggered by the COVID-19 pandemic, as well as Federal limitations on Medicaid disenrollment activities during the public health emergency period. The Financial Plan forecast assumes that enrollment levels will peak at nearly 7.9 million in June of FY 2024 and decline thereafter in the later part of FY 2025.

As unemployment trends towards pre-pandemic levels, costs associated with individuals who are temporarily enrolled are projected to decline in FY 2024, along with enrollment.

Total Medicaid costs are expected to grow annually due in large part to an increase in high utilization populations. Other factors that continue to place upward pressure on State-share Medicaid costs, include but are not limited to, provider reimbursements to cover minimum wage increases; the phase-out of enhanced Federal funding; increased costs and enrollment growth in managed long-term care; and payments to financially distressed hospitals[14].

The following table summarizes State-share Medicaid spending by agency.

TOTAL DOH MEDICAID SPENDING
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
Medicaid Global Cap[1]	**21,762**	**23,124**	**24,569**	**26,092**	**27,478**
Annual $ Change	1,190	1,362	1,445	1,523	1,386
Annual % Change	5.8%	6.3%	6.2%	6.2%	5.3%
FY 2024 Enacted Budget Forecast[2]	0	0	0	242	283
Other Medicaid Not Subject to Global Cap	**4,029**	**4,623**	**6,089**	**6,596**	**7,161**
Minimum Wage	2,223	2,413	2,430	2,440	2,451
Home Care Wages	363	214	1,480	1,795	2,165
Local Takeover Cost[3]	1,648	1,830	2,013	2,195	2,378
MSA Payments (Share of Local Growth)[4]	(362)	(362)	(362)	(362)	(362)
All Other	157	528	528	528	529
Total DOH Medicaid	**25,791**	**27,747**	**30,658**	**32,930**	**34,922**
Annual $ Change	3,501	1,956	2,911	2,272	1,992
Annual % Change	15.7%	7.6%	10.5%	7.4%	6.0%

1 Effective FY 2023, growth is indexed to the 5-year rolling average of Medicaid spending projections within the National Health Expenditure Accounts produced by Office of the Actuary in the Centers for Medicare & Medicaid Services.

2 The Medicaid forecast is projected to spend within the allowable index through FY 2025. Gap-closing savings will be necessary in FY 2026 and FY 2027 to ensure Medicaid spending in future years adheres to the Global Cap indexed rate.

3 Reflects a portion of the State's costs related to paying the full share of Medicaid program growth on behalf of local governments that is outside of the Global Cap.

4 MSA payments are deposited directly to a Medicaid Escrow Fund to cover a portion of the State's share of local Medicaid growth.

14 There is a great deal of uncertainty regarding Medicaid enrollment levels and the timing of levels returning to pre-pandemic trends. The State continues to work with Urban Institute and other independent experts and will continue to test and refine the Medicaid enrollment projections utilizing available data.

FY 2024 Enacted State Operating Funds Budget Actions

FY 2024 ENACTED BUDGET
STATE OPERATING FUNDS -- SAVINGS/(COSTS)
DEPARTMENT OF HEALTH - MEDICAID GLOBAL CAP
(millions of dollars)

	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
FY 2024 Base Surplus/(Gap)	**(1,226)**	**(1,390)**	**(2,096)**	**(2,091)**
Forecasted Enrollment Projections	(547)	(140)	(396)	(412)
Financial Plan Adjustment for COVID Enrollment	547	(87)	**0**	**0**
Newly Signed Legislation	(6)	(7)	(7)	(7)
Updated New Statutory Global Cap Index	475	694	854	754
FY 2024 Revised Surplus/(Gap)	**(757)**	**(930)**	**(1,645)**	**(1,756)**
Enacted Budget Actions	**938**	**1,345**	**1,818**	**1,888**
SUNY Disproportionate Share Hospital (DSH)	(72)	(106)	(53)	(53)
Voluntary Hospital Indigent Care Reduction	43	43	43	43
Removal of Nursing Home Staffing Pool	94	94	94	94
Increase Nursing Home Reimbursement by 6.5% (up to 7.5% total, subject to FFP)	(205)	(205)	(205)	(205)
Increase Assisted Living Program (ALPs) reimbursement by 6.5%	(12)	(12)	(12)	(12)
DOH Veterans Home Investment	2	2	2	2
FY 2024 Medical Loss Ratio (MLR) Increase for MLTC & MMC	0	67	0	0
Managed Long-Term Care Plans (MLTCP) Reforms	0	52	52	52
Discontinue MLTC Distressed Plan Pool	15	15	15	15
Delay Implementation of Undocumented Coverage Expansion for 65+	172	0	0	0
Keep Pregnancy Coverage in Essential Plan	41	165	165	165
NYRx Transition	410	548	557	562
Support for Ryan White Centers (NYRx)	(30)	(30)	(30)	(30)
FQHC/DTC Supplemental Payments (NYRx)	(135)	(135)	(135)	(135)
Increase Hospital Inpatient Reimbursement by 7.5% (NYRx)	(319)	(319)	(319)	(319)
Additional NYRx Reinvestment	(35)	(35)	(35)	(35)
Utilize Available Federal Funding	219	439	774	808
Recalibrate Health Home Program	30	70	70	70
Financially Distressed Hospital Support	(500)	0	0	0
Increase Hospital Outpatient Reimbursement by 6.5%	(77)	(77)	(77)	(77)
Wage Parity Savings	115	469	500	534
Additional QIVAP Support	(71)	(87)	0	0
Prior Year State Funding Advance Recoveries	178	0	0	0
Available HCBS eFMAP to Offset Home Care Minimum Wage	214	0	0	0
Additional 1.5% OSA COLA	(30)	(30)	(30)	(30)
FP Support of OSA COLA	30	30	30	30
Timing of Payments and Other Revisions	860	386	411	408
State of the State Investments	**(181)**	**(415)**	**(415)**	**(415)**
Expand Medicaid Buy-In for those with Disabilities	0	(60)	(60)	(60)
Benchmarking Primary Care Reimbursement to 80% of Medicare	(18)	(35)	(35)	(35)
Establish Adverse Childhood Screening Rates	(5)	(19)	(19)	(19)
Establish Reimbursement for Community Health Workers	(9)	(35)	(35)	(35)
Expand Nutritionist Coverage to All	(14)	(18)	(18)	(18)
Increase Supportive Housing Funding	(15)	(30)	(30)	(30)
Integrated Licensure Standards	(16)	(33)	(33)	(33)
Ensure Adequate Transportation Rates	(14)	(18)	(18)	(18)
Mental Hygiene Medicaid	(59)	(114)	(114)	(114)
All Other SOTS	(31)	(53)	(53)	(53)
FY 2024 Enacted Budget Surplus/(Gap)	**0**	**0**	**(242)**	**(283)**
Non-Global Cap Medicaid Revisions (Excluded from Above)	**1,220**	**(269)**	**(512)**	**(806)**
Asylum Seekers Services and Assistance	(125)	0	0	0
Home Health Aides Minimum Wage Increase	(53)	(269)	(512)	(806)
Delay $1 Home Care Wage to 1/1/24	97	0	0	0
COVID eFMAP	1,301	0	0	0

Factors Affecting Medicaid Funding

Global Cap

The Medicaid Global Cap is a statutory spending cap that applies to a subset of State-share funded Medicaid spending. It is intended to limit the growth of Medicaid costs financed by the General Fund. From FY 2013, when the Global Cap was put in place, through FY 2022, the subset of Medicaid spending to which it applied was limited to no greater than the ten-year rolling average of medical price inflation. The FY 2023 Enacted Budget implemented a new Global Cap index based on the five-year rolling average of CMS annual projections of health care spending to better account for enrollment, including specific populations, such as the aging and disabled populations. The new index also accounts for enrollment and population changes, which are significant drivers of costs.

Consistent with the index, the FY 2023 Enacted Budget reflected $8 billion in additional Medicaid spending growth between FY 2023 and 2027. The FY 2024 Enacted Budget takes into account the latest projections published by CMS that further increases Global Cap allowable spending ranging from $224 million to $854 million annually between FY 2023 and FY 2027, providing another $3 billion over the multi-year plan and $11 billion in aggregate increased spending allowance over the five-year period.

The Global Cap is balanced through FY 2025; however, Medicaid spending is projected to exceed the cap beginning in FY 2026 due mainly to projected utilization and costs trends. The deficits are projected at $242 million in FY 2026 and $283 million in FY 2027. The State will monitor Medicaid spending on an ongoing basis. Additionally, the Governor's healthcare commission will examine and recommend reforms to improve quality and reduce costs.

MEDICAID GLOBAL CAP INDEX (millions of dollars)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	Five-Year Total
FY 2022 Enacted Budget	**21,172**	**21,749**	**22,333**	**22,957**	**23,612**	**111,823**
Annual $ Change	600	577	584	624	655	
Annual % Change	2.9%	2.7%	2.7%	2.8%	2.9%	
New Statutory Index[1]	366	900	1,542	2,280	3,112	8,200
Updated New Statutory Index[2]	224	475	694	854	754	3,001
Increased Spending Allowance	**590**	**1,375**	**2,236**	**3,134**	**3,866**	**11,201**
Index Pursuant to Statue	**21,762**	**23,124**	**24,569**	**26,091**	**27,478**	**123,024**
FY 2024 Enacted Budget	21,762	23,124	24,569	26,333	27,761	123,549
Enacted Budget Over/(Under) Index[3]	**0**	**0**	**0**	**242**	**283**	**525**
FY 2024 Enacted Budget	**21,762**	**23,124**	**24,569**	**26,333**	**27,761**	**123,549**
Annual $ Change	1,190	1,362	1,445	1,764	1,428	
Annual % Change	5.8%	6.3%	6.2%	7.2%	5.4%	

1 Effective FY 2023, growth is indexed to the 5-year rolling average of Medicaid spending projections within the National Health Expenditure Accounts produced by Office of the Actuary in the Centers for Medicare & Medicaid Services (CMS) as of March 2020.

2 Reflects the updated 5-year rolling average pursuant to CMS March 2022 Report.

3 The Medicaid forecast is projected to spend within the allowable index through FY 2025. Gap-closing savings will be necessary in FY 2026 and FY 2027 to ensure Medicaid spending in future years adheres to the Global Cap indexed rate.

The Global Cap applies to an estimated 80 percent of State-share DOH Medicaid spending. Medicaid spending not subject to the Global Cap includes certain Medicaid spending in other agencies, administrative costs, such as the takeover of local administrative responsibilities, costs related to a portion of the takeover of local government expenses, and costs related to State-mandated increases in the minimum wage and other wage enhancements.

TOTAL STATE-SHARE MEDICAID DISBURSEMENTS
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
Department of Health Medicaid	**25,791**	**27,747**	**30,658**	**32,930**	**34,922**
Assistance and Grants	29,120	28,820	30,137	32,441	34,438
State Operations	323	494	521	489	484
eFMAP[1]	(3,652)	(1,567)	0	0	0
Other State Agency Medicaid Spending	**5,504**	**7,455**	**6,234**	**6,110**	**6,325**
Mental Hygiene[2]	5,323	7,243	6,022	5,898	6,113
Foster Care	56	64	64	64	64
Education	125	140	140	140	140
Corrections	0	8	8	8	8
Total State-Share Medicaid (All Agencies)	**31,295**	**35,202**	**36,892**	**39,040**	**41,247**
Annual $ Change		3,907	1,690	2,148	2,207
Annual % Change		12.5%	4.8%	5.8%	5.7%

1 Includes a portion of the benefit of enhanced Federal share (eFMAP).

2 Excludes a portion of spending reported under the DOH Medicaid Global Cap that has no impact on mental hygiene service delivery or operations.

Temporary eFMAP

In March 2020, the Federal government signed into law the Families First Coronavirus Response Act (FFCRA) which included a 6.2 percent base increase to the FMAP rate for each calendar quarter occurring during the public health emergency, with exemptions placed on spending already eligible for enhanced Federal support, including portions of the ACA expansion.

State Medicaid spending is also impacted by the Federal government's increased share of Medicaid funding through eFMAP during the public health emergency. The enhanced funding began on January 1, 2020, and pursuant to the 2023 Consolidated Appropriations Act signed into law on December 29, 2022, will be phased out by the end of December 2023: eFMAP will be reduced to 5 percent from April 1, 2023 through June 30, 2023, to 2.5 percent from July 1, 2023 through September 30, 2023, and to 1.5 percent from October 1, 2023 through December 31, 2023. The Enacted Budget Financial Plan includes a benefit to the State of approximately $1.6 billion in FY 2024 through this enhanced Federal funding.

State share savings from eFMAP have been, and will be, used to offset increased costs associated with persistently elevated COVID enrollment and lost MRT II savings due to Federal restrictions regarding program restructuring while the eFMAP remains in place.

Minimum Wage and Home Care Wages

Medicaid spending includes the cost of increases in the minimum wage for employees in the health care sector. These costs are not subject to the Global Cap.

The State costs of minimum wage increases in the health care sector are projected to grow by $190 million to roughly $2.4 billion in FY 2024. Home health care workers in New York City and certain counties receive supplemental benefits in addition to their base wage. These benefits include paid leave, differential wages, premiums for certain shifts, education, and fringe benefits. The required supplemental benefits typically can be satisfied by increasing the base cash wage for home health care workers by a corresponding amount. As a result, wages for home health care workers in these regions exceed minimum wage levels by $2.54 for New York City and $1.67 for Westchester, Nassau, and Suffolk counties. However, State statute exempts the supplemental wages portion of total compensation from the minimum wage calculation to ensure home health care workers in these counties receive incremental growth in wage compensation commensurate with the new minimum wage schedule.

The FY 2024 Enacted Budget authorized wage increases for home health and personal care workers of $1.55 for Downstate and $1.35 for Rest of State, effective January 1, 2024, with additional Statewide wage increases of $0.55 to come January 1, 2025 and January 1, 2026. Pending CMS approval, the increases are anticipated to be partially funded by HCBS eFMAP in FY 2024.

The FY 2024 Enacted Budget also automatically increases the State's minimum wage to keep pace with inflation going forward. After reaching $15 per hour, each region's minimum wage will increase consistent with the year-over-year CPI-W for the Northeast Region. The State cost is expected to be $53 million in FY 2024 growing to $806 million in FY 2027.

Local Medicaid Cap

The local Medicaid Cap was designed to relieve pressure on county property taxes and the New York City budget by capping local costs and having the State absorb all local program growth above a fixed statutory inflation rate. Beginning in January 2006, counties' Medicaid cost contributions were capped based on 2005 expenditures that were indexed at a growth rate of 3.5 percent in 2006, 3.25 percent in 2007, and 3 percent per year thereafter. In FY 2013, the State committed to phasing out over a three-year period all growth in the local share of Medicaid costs.

The State takeover, which capped local districts' Medicaid costs at calendar year 2015 levels is projected to save local districts a total of $6.4 billion in FY 2024 -- roughly $3.0 billion for counties outside New York City and $3.4 billion for New York City. The following table provides the multi-year savings to local districts.

LOCAL GOVERNMENT SAVINGS
STATE TAKEOVER OF LOCAL MEDICAID COSTS (2005 CAP AND GROWTH TAKEOVER)
FY 2023 to FY 2027

Region	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Rest of State	2,666,266	2,976,347	3,305,963	3,650,783	3,963,824
New York City	2,874,132	3,394,017	3,946,656	4,524,786	5,049,635
Statewide	5,540,398	6,370,364	7,252,619	8,175,569	9,013,459

Master Settlement Agreement (MSA)

DOB expects to receive annual payments from tobacco manufacturers under the MSA totaling roughly $362 million annually. State law directs these payments be used to help defray costs of the State's takeover of Medicaid costs for counties and New York City. Consistent with State law, the MSA payments are deposited directly to the Medicaid Payment Escrow Fund to offset the non-Federal share of annual Medicaid growth, formerly borne by local governments, which the State now pays on behalf of local governments. The deposit mechanism has no impact on overall Medicaid spending funded with State resources but reduces reported State-supported Medicaid spending accounted for in State Operating Funds.

Health Care Transformation Fund (HCTF)

The HCTF was created in 2018 to account for receipts associated with health care asset sales and conversions. Resources in the HCTF are transferred to any other fund of the State, as directed by the Director of the Budget, to support health care delivery, including for capital investment, debt retirement or restructuring, housing and other social determinants of health, or transitional operating support to health care providers. The HCTF may be used as a repository for future proceeds related to asset sales and conversions, subject to regulatory approvals.

The table below summarizes the actual and projected receipts from several health care provider conversions and acquisitions and the support for health care transformation activities, including subsidies for housing rental assistance, State-only health care payments, capital projects spending to enhance health care information technology, and support for home care delivery.

The Financial Plan maintains the use of $1 billion added in the FY 2023 Enacted Budget to support multi-year investments in home care delivery and sustainability efforts through wage increases.

HEALTH CARE TRANSFORMATION FUND
PURSUANT TO PART FFF OF CHAPTER 59 OF THE LAWS OF 2018
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
Opening Balance	**147**	**563**	**375**	**250**	**125**
Receipts	**579**	**125**	**125**	**125**	**125**
General Fund Transfer	500	125	125	125	125
Centene Payment	68	0	0	0	0
Cigna Payment	7	0	0	0	0
STIP Interest	4	0	0	0	0
Planned Uses	**163**	**313**	**250**	**250**	**250**
Home Care Wages	0	250	250	250	250
Housing Rental Subsidies	73	63	0	0	0
State-Only Payments	46	0	0	0	0
Capital Projects	44	0	0	0	0
Closing Balance	**563**	**375**	**250**	**125**	**0**

Essential Plan

The FY 2015 Enacted Budget authorized the State to participate in the EP, a health insurance program which receives Federal subsidies authorized through the ACA. The EP includes health insurance coverage for legally residing immigrants in New York not eligible for Medicaid, CHP, or other employer-sponsored coverage. Individuals who meet the EP eligibility standards are enrolled through the New York State of Health (NYSOH) insurance exchange, with the cost of insurance premiums subsidized by the State and Federal governments. The Exchange – NYSOH – serves as a centralized marketplace to shop for, compare, and enroll in a health plan. Nearly 1.2 million New Yorkers are expected to be enrolled in the EP in FY 2024, which represents an increase in enrollment from FY 2023 as the end of the Federal Public Health Emergency causes individuals to shift out of Medicaid and into EP. Growth in enrollment is also due to expanded eligibility under a Federal Section 1332 State Innovation Waiver.

ESSENTIAL PLAN
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
TOTAL ALL FUNDS SPENDING	6,341	7,605	19.9%	9,369	23.2%	10,068	7.5%	10,572	5.0%
State Operating Funds	65	91	40.0%	95	4.4%	103	8.4%	104	1.0%
Assistance and Grants[1]	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%
State Operations	65	91	40.0%	95	4.4%	103	8.4%	104	1.0%
Federal Operating Funds	6,276	7,514	19.7%	9,274	23.4%	9,965	7.5%	10,468	5.0%

[1] The EP is not a Medicaid program; however, State savings associated with the EP assistance and grants program are realized within the Global Cap, where EP resources are managed.

The FY 2023 Enacted Budget authorized the State to submit a Section 1332 State Innovation Waiver, which was recently submitted to the US Department of Treasury and the US Department of Health and Human Services. This Waiver will enable New York State to extend coverage to more low- and moderate-income individuals if it is approved. The EP currently provides affordable, comprehensive health insurance to more than 1 million New Yorkers, and under the replacement Waiver program, nearly 100,000 more New Yorkers are estimated to gain access to these same benefits. If approved, this Waiver will allow New York State to make important strides in broadening access to affordable health insurance coverage and advancing health equity among the remaining uninsured in the State.

On an All Funds basis, EP spending is anticipated to fluctuate over the Financial Plan period, reflecting a mix of factors. Spending growth in FY 2023 and FY 2024 primarily reflects costs associated with robust growth in program enrollment and DOH expanding eligibility to individuals with incomes between 200 and 250 percent of the Federal poverty level. The FY 2024 Enacted Budget also includes the shift of pregnant and post-partum women from Medicaid to the EP. This transfer will allow the State to maximize Federal revenue under the EP, while maintaining the same benefits for pregnant and post-partum women. Due to a high Federal reimbursement rate for the EP under current methodology, assistance and grants spending for the EP is not anticipated to drive a commensurate increase in State support.

Public Health/Aging Programs

Public Health includes many programs. Child Health Plus (CHP), the largest program in this category, provides health insurance coverage for children of low-income families up to the age of 19. The General Public Health Works (GPHW) program reimburses local health departments for the cost of providing certain public health services. The Elderly Pharmaceutical Insurance Coverage (EPIC) program provides prescription drug insurance to seniors. The Early Intervention (EI) program pays for services provided to infants and toddlers under the age of three with disabilities or developmental delays. Many public health programs, such as the EI and GPHW programs, are run by county health departments that are reimbursed by the State for a share of the program costs. State spending projections do not include the county share of these programs. In addition, a significant portion of HCRA spending is included under the Public Health budget.

The State Office for the Aging (SOFA) promotes and administers programs and services for New Yorkers 60 years of age and older. SOFA primarily oversees community-based services (including in-home services and nutrition assistance) provided through a network of county Area Agencies on Aging (AAA) and local providers.

PUBLIC HEALTH AND AGING
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
TOTAL STATE OPERATING FUNDS	**2,180**	**2,312**	**6.1%**	**2,365**	**2.3%**	**2,379**	**0.6%**	**2,401**	**0.9%**
Public Health	**2,011**	**2,120**	**5.4%**	**2,185**	**3.1%**	**2,193**	**0.4%**	**2,214**	**1.0%**
Child Health Plus[1]	753	933	23.9%	970	4.0%	988	1.9%	1,009	2.1%
General Public Health Work	196	225	14.8%	211	-6.2%	211	0.0%	211	0.0%
EPIC	93	63	-32.3%	63	0.0%	63	0.0%	63	0.0%
Early Intervention	113	81	-28.3%	81	0.0%	81	0.0%	81	0.0%
Unadjusted	210	178	-15.2%	178	0.0%	178	0.0%	178	0.0%
Health Services Initiatives Offset	(97)	(97)	0.0%	(97)	0.0%	(97)	0.0%	(97)	0.0%
Workforce Initiatives[2]	51	110	115.7%	110	0.0%	110	0.0%	110	0.0%
General Fund Assistance and Gra	51	92	80.4%	92	0.0%	92	0.0%	92	0.0%
HCRA Program	0	18	0.0%	18	0.0%	18	0.0%	18	0.0%
HCRA Program	436	228	-47.7%	321	40.8%	321	0.0%	321	0.0%
Nourish NY	58	50	-13.8%	50	0.0%	50	0.0%	50	0.0%
All Other	311	430	38.3%	379	-11.9%	369	-2.6%	369	0.0%
Aging	**169**	**192**	**13.6%**	**180**	**-6.3%**	**186**	**3.3%**	**187**	**0.5%**

[1] Increased spending for CHP in FY 2024 and beyond is attributable to the expiration of enhanced Federal resources, including FFCRA eFMAP.

[2] This item represents the local portion workforce Initiatives supported by the General Fund and HCRA Program, an additional $10 million is supported under HCRA State Operations.

Public Health spending grows over the Financial Plan period due to expiration of enhanced Federal resources, including FFCRA eFMAP, for the CHP program. Growth in FY 2024 reflects the timing of FY 2023 payment processing due to COVID-19, fully reflecting GPHW investments originating from FY 2023 and other one-time spending programs. Increased spending in FY 2024 will be partially offset by State savings from the utilization of Federal funding where applicable. Since the PHE and eFMAP were delinked in March 2023, the Federal government has started to phase down eFMAP rather than ending it abruptly. CHP is expected to receive a total of $26.7 million in FY 2024.

The Financial Plan continues SOFA support to address locally identified capacity needs for services to maintain the elderly in their communities, support family and friends in their caregiving roles, reduce future Medicaid costs by intervening earlier with less intensive services, and establish quality reporting and accreditation for assisted living residences and implement quality improvement initiatives in nursing homes to promote transparency. The Financial Plan also reflects funding for an annual Human Services COLA of 4 percent in FY 2024.

HCRA Financial Plan

HCRA was established in 1996 to help fund a portion of State health care activities and is currently authorized through FY 2026. HCRA resources include surcharges and assessments on hospital revenues, a "covered lives" assessment paid by insurance carriers, and a portion of cigarette tax revenues. These resources are used to fund roughly 25 percent of State share Medicaid costs, and other programs and health care industry investments including CHP, EPIC, Physician Excess Medical Malpractice Insurance, Indigent Care payments to hospitals serving a disproportionate share of individuals without health insurance; Worker Recruitment and Retention; Doctors Across New York (DANY); Nurses Across New York (NANY); and the Statewide Health Information Network for New York (SHIN-NY)/All-Payer Claims Database (APCD).

HCRA FINANCIAL PLAN
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
OPENING BALANCE	**88**	**91**		**0**		**0**		**0**	
TOTAL RECEIPTS	**6,676**	**6,492**	**-2.8%**	**6,477**	**-0.2%**	**6,326**	**-2.3%**	**6,325**	**0.0%**
Surcharges	4,251	4,037	-5.0%	4,058	0.5%	4,078	0.5%	4,098	0.5%
Covered Lives Assessment[1]	1,052	1,150	9.3%	1,150	0.0%	1,150	0.0%	1,150	0.0%
Cigarette Tax Revenue	595	558	-6.2%	525	-5.9%	500	-4.8%	477	-4.6%
Hospital Assessments	525	505	-3.8%	507	0.4%	510	0.6%	512	0.4%
Excise Tax on Vapor Products	25	25	0.0%	25	0.0%	25	0.0%	25	0.0%
NYC Cigarette Tax Transfer	16	17	6.3%	13	-23.5%	13	0.0%	13	0.0%
EPIC Receipts/ICR Audit Fees	62	50	-19.4%	49	-2.0%	50	2.0%	50	0.0%
Distressed Provider Assistance[2]	150	150	0.0%	150	0.0%	0	-100.0%	0	0.0%
TOTAL DISBURSEMENTS AND TRANSFERS	**6,673**	**6,583**	**(0)**	**6,477**	**(0)**	**6,326**	**(0)**	**6,325**	**(0)**
Medicaid Assistance Account	4,551	4,486	(0)	4,203	(0)	4,058	(0)	4,041	(0)
Medicaid Costs	4,226	4,161	-1.5%	3,878	-6.8%	3,883	0.1%	3,866	-0.4%
Distressed Provider Assistance[2]	150	150	0.0%	150	0.0%	0	-100.0%	0	0.0%
Workforce Recruitment & Retention	175	175	0.0%	175	0.0%	175	0.0%	175	0.0%
Hospital Indigent Care	656	631	-3.8%	631	0.0%	631	0.0%	631	0.0%
HCRA Program Account	442	265	-40.0%	358	35.1%	358	0.0%	359	0.3%
Child Health Plus	764	950	24.3%	990	4.2%	1,009	1.9%	1,030	2.1%
Elderly Pharmaceutical Insurance Coverage	104	74	-28.8%	74	0.0%	74	0.0%	74	0.0%
Qualified Health Plan Administration	36	45	25.0%	46	2.2%	48	4.3%	49	2.1%
Roswell Park Cancer Institute	57	51	-10.5%	51	0.0%	51	0.0%	51	0.0%
SHIN-NY/APCD/Modernization	39	43	10.3%	75	74.4%	45	-40.0%	40	-11.1%
All Other	24	38	58.3%	49	28.9%	52	6.1%	50	-3.8%
ANNUAL OPERATING SURPLUS/(DEFICIT)	**3**	**(91)**		**0**		**0**		**0**	
CLOSING BALANCE	**91**	**0**		**0**		**0**		**0**	

1 Pursuant to Chapter 820 of the laws of 2021, the Updated HCRA Financial Plan includes $40 million in additional Covered Lives Assessment for Early Intervention.

2 HCRA Financial Plan includes time limited resources from local county contributions in support of State funded payments to distressed health care providers through the Medicaid program ($150 million annually through FY 2025).

Total HCRA receipts are anticipated to steadily decline over the course of the multi-year plan reflecting the assumption that health care surcharge and assessment collections will remain relatively flat.

HCRA spending in FY 2024 is anticipated to decrease in line with the projected decline in receipts. The Financial Plan reflects over $4 billion in continued support for Medicaid spending, including $150 million annually through FY 2025 to increase support for distressed providers and nearly $1 billion for the CHP program. Estimated growth in CHP spending reflects the expiration of enhanced Federal resources provided through the ACA and expected growth in enrollment and utilization.

HCRA is expected to remain in balance over the Financial Plan period. Under the current HCRA appropriation structure, spending reductions will occur if resources are insufficient to maintain a balanced fund. Any such spending reductions could affect General Fund Medicaid funding or HCRA programs. Conversely, any unanticipated balances or excess resources in HCRA are expected to fund Medicaid costs that would have otherwise been paid from the General Fund.

Mental Hygiene

The Mental Hygiene agencies consist of OPWDD, OMH, Office of Addiction Services and Supports (OASAS), the Developmental Disabilities Planning Council (DDPC), and the Justice Center for the Protection of People with Special Needs (Justice Center). These agencies provide services directly to their clients through State-operated facilities and indirectly through community-based providers. Services are provided for adults with mental illness, children with emotional disturbance, individuals with intellectual and developmental disabilities and their families, people with substance use disorder, and individuals with gambling problems. The service costs are reimbursed by Medicaid, Medicare, third-party insurance, and State funding.

MENTAL HYGIENE
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
TOTAL STATE OPERATING FUNDS	**4,786**	**7,433**	**55.3%**	**6,237**	**-16.1%**	**6,221**	**-0.3%**	**6,565**	**5.5%**
People with Developmental Disabilities	**2,917**	**3,122**	**7.0%**	**3,260**	**4.4%**	**3,431**	**5.2%**	**3,624**	**5.6%**
Residential Services	1,471	1,584	7.7%	1,652	4.3%	1,737	5.1%	1,833	5.5%
Day Programs	698	751	7.6%	784	4.4%	824	5.1%	869	5.5%
Clinic	17	18	5.9%	19	5.6%	20	5.3%	21	5.0%
All Other Services (Net of Offsets)	731	769	5.2%	805	4.7%	850	5.6%	901	6.0%
Mental Health	**1,757**	**2,309**	**31.4%**	**2,397**	**3.8%**	**2,522**	**5.2%**	**2,630**	**4.3%**
Adult Local Services	1,441	1,837	27.5%	2,002	9.0%	2,111	5.4%	2,202	4.3%
Children Local Services	316	367	16.1%	395	7.6%	411	4.1%	428	4.1%
MLR/BHET Reinvestment[1]	0	105	0.0%	0	-100.0%	0	0.0%	0	0.0%
Addiction Services and Supports	**493**	**735**	**49.1%**	**633**	**-13.9%**	**620**	**-2.1%**	**658**	**6.1%**
Residential	117	130	11.1%	136	4.6%	143	5.1%	155	8.4%
Other Treatment	216	239	10.6%	248	3.8%	266	7.3%	286	7.5%
Prevention	62	70	12.9%	74	5.7%	77	4.1%	82	6.5%
Recovery	42	49	16.7%	53	8.2%	54	1.9%	55	1.9%
Opioid Settlement Fund[2]	49	167	240.8%	81	-51.5%	33	-59.3%	33	0.0%
Opioid Stewardship Fund[3]	7	27	285.7%	41	51.9%	47	14.6%	47	0.0%
MLR/BHET Reinvestment[1]	0	53	0.0%	0	-100.0%	0	0.0%	0	0.0%
Justice Center	**1**	**1**	**0.0%**	**1**	**0.0%**	**1**	**0.0%**	**1**	**0.0%**
Total DOH Medicaid Global Cap Adjustments[4]	**(382)**	**1,266**	**431.4%**	**(54)**	**-104.3%**	**(353)**	**-553.7%**	**(348)**	**1.4%**
OPWDD Local Share	15	1,349	8893.3%	308	-77.2%	0	-100.0%	0	0.0%
OPWDD Spending Funded by Global Cap	(397)	(83)	79.1%	(362)	-336.1%	(353)	2.5%	(348)	1.4%
TOTAL MENTAL HYGIENE SPENDING	**5,168**	**6,167**	**19.3%**	**6,291**	**2.0%**	**6,574**	**4.5%**	**6,913**	**5.2%**

1 The Financial Plan reinvests recoveries from Managed Care companies attributable to their underspending against Medical Loss Ratio (MLR) by Health and Recovery Plans (HARPs) and Behavioral Health Expenditure Targets (BHET) by Mainstream MCOs. Predetermined thresholds attribute a percentage of premium spending that must be spent on care for enrollees with any underspending being recovered from insurers.

2 Pursuant to Section 99-nn of the State Finance Law, the Opioid Settlement Fund consists of funds received by the State as the result of a settlement or judgment against opioid manufacturers, distributors, dispensers, consultants or resellers and will be used to supplement funding for substance use disorder prevention, treatment, recovery, and harm reduction services or programs consistent with statewide opioid settlement agreements.

3 The Opioid Stewardship Fund consists of funds received by the State through collection of Opioid Stewardship taxes and will be used to supplement funding for substance use disorder prevention, treatment, recovery, and harm reduction services or programs.

4 Reflects a portion of mental hygiene spending reported under the Medicaid Global Cap that has no impact on mental hygiene service delivery or operations. Adjustments in FY 2024 and FY 2025 reflect OPWDD-related local share expenses that will be funded outside of the DOH Global Cap through use of additional Financial Plan resources.

The Financial Plan includes continued support for individuals with developmental disabilities to ensure appropriate access to care, including funding to expand independent living opportunities, provide choice in service options, and support the return to pre-pandemic utilization levels.

Funding continues to be included to support OMH community services and the transition of individuals to more cost-effective community settings. Service expansion includes increases for residential programs and supported housing units throughout the State, additional peer support services, and targeted services, such as mobile crisis teams to directly assist homeless individuals and the nationwide 988 Suicide and Crisis Lifeline. Additionally, continued investments are made to restore inpatient psychiatric care capacity; recruit psychiatrists, psychiatric nurse practitioners, and other licensed mental health practitioners; and incentivize the provision of specialized treatments for children and families.

Increased funding for OASAS addiction service programs will support not-for-profit providers for addiction prevention, treatment, harm reduction, and recovery programs. In FY 2024, over $100 million in additional resources from the Opioid Stewardship Tax and litigation settlements with pharmaceutical manufacturers and distributors will be targeted at the opioid epidemic through investments in addiction services programs.

The FY 2024 Enacted Budget includes funding to increase the minimum wage index with inflation, establish and operate 3,500 new residential units for New Yorkers with mental illness, significantly expand outpatient mental health services, enhance mental health services in schools, and increase funding for CTI teams and specialized programs for children. The FY 2024 Enacted Budget also supports a 4 percent COLA for voluntary operated providers.

The level of Mental Hygiene spending reported under the DOH Medicaid Global Cap and/or the OPWDD related local share expenses funded with additional financial plan resources have no impact on mental hygiene service delivery or operations and may fluctuate depending on the availability of resources and other cost pressures within the Medicaid program.

Social Services

OTDA

OTDA assistance and grants programs provide cash benefits and supportive services to low-income families. The State's three main programs are Family Assistance, Safety Net Assistance, and Supplemental Security Income (SSI). The Family Assistance program, financed by the Federal government, provides time-limited cash assistance to eligible families. The Safety Net Assistance program, financed by the State and local districts, provides cash assistance for single adults, childless couples, and families that have exhausted their five-year limit on Family Assistance imposed by Federal law. The State SSI supplementation program provides a supplement to the Federal SSI benefit for the elderly, the visually handicapped, and disabled persons.

TEMPORARY AND DISABILITY ASSISTANCE
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
TOTAL STATE OPERATING FUNDS	**2,071**	**2,929**	**41.4%**	**2,179**	**-25.6%**	**1,813**	**-16.8%**	**1,862**	**2.7%**
SSI	555	622	12.1%	632	1.6%	632	0.0%	632	0.0%
Public Assistance Benefits	612	560	-8.5%	632	12.9%	578	-8.5%	578	0.0%
Public Assistance Initiatives	10	20	100.0%	12	-40.0%	12	0.0%	12	0.0%
Homeless Housing and Services	121	205	69.4%	404	97.1%	447	10.6%	495	10.7%
Rental Assistance	767	716	-6.6%	135	-81.1%	135	0.0%	135	0.0%
Asylum Seekers Services and Assistance	0	792	0.0%	355	-55.2%	0	-100.0%	0	0.0%
All Other	6	14	133.3%	9	-35.7%	9	0.0%	10	11.1%

DOB's caseload models project a total of 558,000 public assistance recipients in FY 2024. Approximately 209,148 families are expected to receive benefits through the Family Assistance program and 138,784 through the Safety Net program in FY 2024, an increase in both programs from FY 2023. The caseload for single adults and childless couples supported through the Safety Net program is projected to be 210,068 in FY 2024, a decrease of 8.3 percent from FY 2023 projections.

OTDA spending in FY 2024 continues funding for the emergency rental assistance and landlord aid programs including legal services for tenants facing eviction. Spending increases for homeless housing and services reflect a transition from State settlement funds to the General Fund for the ESSHI, which funds supportive housing constructed for vulnerable homeless populations under the Governor's Affordable Housing and Homelessness Plan. This reflects the full estimated costs for the ESSHI program that are shared by multiple agencies.

Growth in Safety Net Assistance spending is driven by the increase in public assistance caseload, particularly in New York City. There is a significant spending increase support for asylum seekers due to the State providing time-limited support to New York City for the projected costs of providing services and assistance to the eligible population that has grown in the last year. SSI costs increases are attributed to potential fluctuations in benefit payments. In addition, the FY 2024 Enacted Budget includes increased funding for Code Blue, New York State's emergency weather safety plan.

OCFS

OCFS provides funding for foster care, adoption, child protective services, preventive services, delinquency prevention, and childcare. It oversees the State's system of family support and child welfare services administered by local social services districts and community-based organizations. Specifically, child welfare services, financed jointly by the Federal government, the State, and local districts, are structured to encourage local governments to invest in preventive services for reducing out-of-home placement of children. In addition, the Child Care Block Grant, which is also financed by a combination of Federal, State, and local sources, supports childcare subsidies for public assistance and low and middle-income families.

CHILDREN AND FAMILY SERVICES
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
TOTAL STATE OPERATING FUNDS	**2,926**	**1,961**	**-33.0%**	**2,723**	**38.9%**	**2,736**	**0.5%**	**2,750**	**0.5%**
Child Welfare Service	1,903	461	-75.8%	461	0.0%	461	0.0%	461	0.0%
Foster Care Block Grant	391	399	2.0%	399	0.0%	399	0.0%	399	0.0%
Child Care	151	419	177.5%	1,205	187.6%	1,204	-0.1%	1,204	0.0%
Adoption	132	175	32.6%	175	0.0%	175	0.0%	175	0.0%
Youth Programs	154	102	-33.8%	99	-2.9%	99	0.0%	99	0.0%
Medicaid	56	64	14.3%	64	0.0%	64	0.0%	64	0.0%
Adult Protective/Domestic Violence	54	54	0.0%	54	0.0%	54	0.0%	54	0.0%
All Other	85	287	237.6%	237	-17.4%	251	5.9%	265	5.6%

The FY 2024 Enacted Budget continues funding to maintain the child care market rate to include 80 percent of providers and expand eligibility for child care subsidies to more families. In addition, the budget maintains for one year the restructured financing approach for residential school placements of children with special needs outside New York City that was included in the FY 2023 Enacted Budget, thereby aligning the fiscal responsibility with the school district responsible for the placement.

Additional FY 2024 Enacted Budget actions include consolidating the Empire State and Advantage Afterschool programs under OCFS, which currently have different funding sources and involve different agencies, assisting foster care agencies adapting to Federal requirements as they relate to IMD, investing in permanency resource centers and kinship services, creating a new business navigator program to assist businesses who wish to support their employee's child care needs, creating an employer-supported child care pilot program generating new financial support for child care, as well as funding for legislative program adds. Payments for the child welfare program will continue to support local districts' services and the year-to-year decline in such spending is attributable to the timing of such payments.

Transportation

The Department of Transportation (DOT) maintains approximately 43,700 State highway lane miles and 7,700 state highway bridges. DOT also partially funds regional and local transit systems, including the MTA; local government highway and bridge construction; and rail, airport, and port programs.

In FY 2024, the State plans to provide $9.4 billion in operating aid to mass transit systems, including $4.1 billion from the direct remittance of various dedicated taxes and fees to the MTA that do not flow through the State's Financial Plan and are thus excluded from the table below. The MTA, the nation's largest transit and commuter rail system, is scheduled to receive $8.5 billion (approximately 91 percent) of the State's mass transit aid.

TRANSPORTATION (millions of dollars)									
	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
STATE OPERATING FUNDS SUPPORT	**4,569**	**5,249**	**14.9%**	**5,141**	**-2.1%**	**5,142**	**0.0%**	**5,140**	**0.0%**
Mass Transit Operating Aid:	3,434	3,697	7.7%	3,887	5.1%	3,887	0.0%	3,887	0.0%
Metro Mass Transit Aid	3,273	3,538	8.1%	3,728	5.4%	3,728	0.0%	3,728	0.0%
Public Transit Aid	117	115	-1.7%	115	0.0%	115	0.0%	115	0.0%
18-b General Fund Aid	19	19	0.0%	19	0.0%	19	0.0%	19	0.0%
School Fare	25	25	0.0%	25	0.0%	25	0.0%	25	0.0%
Mobility Tax	244	244	0.0%	244	0.0%	244	0.0%	244	0.0%
NY Central Business District Trust	153	155	1.3%	156	0.6%	158	1.3%	159	0.6%
Dedicated Mass Transit	632	667	5.5%	671	0.6%	671	0.0%	671	0.0%
MTA Fiscal Relief	0	305	100.0%	0	-100.0%	0	0.0%	0	0.0%
AMTAP	106	155	46.2%	155	0.0%	155	0.0%	155	0.0%
Innovative Mobility	0	2	100.0%	4	100.0%	4	0.0%	0	-100.0%
All Other	0	24	100.0%	24	0.0%	23	-4.2%	24	4.3%

Projected operating aid to the MTA and other transit systems mainly reflects the current receipts forecast. A substantial amount of new funding to the MTA was authorized in the FY 2020 Enacted Budget as part of a comprehensive reform plan expected to generate an estimated $25 billion in financing for the MTA's 2020-2024 Capital Plan. This includes a portion of sales tax receipts collected by online marketplace providers on all sales facilitated through their platforms, and implementation and enforcement of regulations associated with the Supreme Court's Wayfair decision that permits a state to require vendors with no physical presence in such state to collect and remit sales tax on sales to instate consumers.

Projected on-budget increases in operating aid in FY 2024 to the MTA and other transit systems include an additional $581 million to the MTA, $33 million for non-MTA downstate transit systems, and $38 million for upstate systems. This includes $305 million in one-time assistance to the MTA to address extraordinary revenue impacts caused by the pandemic, of which $5 million, is dedicated to the MTA's Outer Borough Transit Account. Other new initiatives include $24 million annually for operating costs of the Gateway Development Commission and $2 million to begin funding an Innovative Mobility Initiative for non-MTA systems.

Agency Operations

Agency operations spending consists of Personal Service (PS) and NPS. Fringe benefits (e.g., pensions and health insurance) provided to State employees and retirees, as well as certain fixed costs such as litigation expenses and taxes on public lands, are also part of operating costs and are described separately under GSCs. PS includes salaries of State employees of the Executive, Legislative, and Judicial branches consistent with current negotiated collective bargaining agreements, as well as temporary/seasonal employees. NPS includes real estate rentals, utilities, contractual payments (e.g., consultants, IT, and professional business services), supplies and materials, equipment, and telephone service. Certain agency operating costs of DOT and the Department of Motor Vehicles (DMV) are included in Capital Projects Funds and are not reflected in State Operating Funds.

Over 90 percent of the State workforce is unionized. The largest unions include CSEA, which represents office support staff, administrative personnel, machine operators, skilled trade workers, and therapeutic and custodial care staff; PEF, which represents professional and technical personnel (attorneys, nurses, accountants, engineers, social workers, and institution teachers); UUP, which represents faculty and nonteaching professional staff within the SUNY system; and New York State Correctional Officers and Police Benevolent Association (NYSCOPBA), which represents security personnel (correctional, safety and security officers).

The following table presents certain factors used in preparing the spending projections for agency operations.

FORECAST OF SELECTED PROGRAM MEASURES AFFECTING PERSONAL SERVICE AND FRINGE BENEFITS

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
State Workforce[1]	108,080	120,684	TBD	TBD	TBD
ERS Contribution Rate[2]	14.3%	13.3%	15.2%	17.6%	20.7%
PFRS Contribution Rate[2]	27.0%	27.8%	29.6%	31.3%	33.1%
Employee/Retiree Health Insurance Growth Rates	5.3%	-19.3%	17.5%	10.2%	8.4%
PS/Fringe as % of Receipts (All Funds Basis)	11.0%	11.4%	12.6%	13.2%	13.8%

1 Reflects workforce that is subject to direct Executive control.

2 ERS / PFRS contribution rate reflects the State's normal and administrative costs, contributions to the Group Life Insurance Plan (GLIP), Chapter 41 of 2016 veteran's pension credit legislation (if applicable) and any graded payments required under the Contribution Stabilization Program.

Agency operations spending levels are mainly impacted by workforce levels, employee compensation, and fluctuations in energy and commodity prices.

STATE OPERATING FUNDS - PERSONAL SERVICE/NON-PERSONAL SERVICE COSTS
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
SUBJECT TO DIRECT EXECUTIVE CONTROL[1]	**11,548**	**11,598**	**12,391**	**13,712**	**13,831**
Corrections and Community Supervision	2,672	2,662	2,652	2,651	2,652
Office of Mental Health	1,726	1,678	1,683	1,695	1,749
Office for People with Developmental Disabilities	1,599	1,581	1,591	1,619	1,639
Environmental Conservation	238	269	285	289	284
Department of Health	920	1,072	1,069	1,051	1,041
State Police	805	955	950	968	987
Information Technology Services	599	668	677	691	706
Transportation	356	362	362	373	384
Children and Family Services	196	326	332	337	340
Tax and Finance	328	342	342	343	343
Office of Parks, Recreation and Historic Preservation	199	223	231	235	233
Department of Financial Services	213	217	217	217	217
Education	150	183	186	188	188
Office of Temporary and Disability Assistance	182	119	119	119	119
Labor	61	62	61	61	61
All Other	1,304	879	1,634	2,875	2,888
UNIVERSITY SYSTEMS	**6,926**	**7,537**	**7,737**	**7,792**	**8,015**
State University	6,926	7,537	7,737	7,792	8,015
INDEPENDENT AGENCIES	**391**	**421**	**425**	**431**	**437**
Law	219	242	242	246	248
Audit & Control (OSC)	172	179	183	185	189
TOTAL, EXCLUDING JUDICIARY AND LEGISLATURE	**18,865**	**19,556**	**20,553**	**21,935**	**22,283**
Judiciary	**2,089**	**2,231**	**2,231**	**2,231**	**2,231**
Legislature	**236**	**284**	**284**	**284**	**284**
Statewide Total	**21,190**	**22,071**	**23,068**	**24,450**	**24,798**
Personal Service	14,840	16,023	16,111	16,358	16,602
Non-Personal Service	6,350	6,048	6,957	8,092	8,196

[1] Excludes expenses funded by the Coronavirus Relief Fund, as well as costs incurred, or expected to be incurred, in response to the COVID-19 pandemic that are expected to be reimbursed with Federal aid.

Operational spending for executive agencies is affected by the timing of Federal reimbursement of State incurred pandemic response and recovery efforts, and new investments. Agencies with significant growth are summarized below:

- **DOCCS**. The FY 2024 Enacted Budget includes additional funding to expand the State's response to gun violence among the parolee population.

- **OMH.** The FY 2024 Enacted Budget reflects efforts to increase access to mental health care through the expansion of State operated services, including inpatient psychiatric care. These investments are offset by reductions in COVID-related spending and the time-limited pilot program extending two and a half times overtime to certain employees with critical titles.

- **DOH.** The growth in projected spending from FY 2023 reflects increased funding for consulting costs associated with the implementation of Section 1115 Medicaid demonstration waivers, assessment of lead risks and support for lead abatement, modernization of health reporting systems, takeover of the Non-Modified Adjusted Growth Income (MAGI) population, and additional support to counties for Emergency Medical Services; partially offset by the reduced costs associated with the COVID pandemic including home testing kits.

- **State Police.** Funding is increased to support additional State Police recruiting classes in FY 2024. Funding is also increased to expand the Community Stabilization Units and to increase State Police participation on Federal task forces to combat violent crime.

- **ITS.** Spending growth in FY 2024 and beyond reflects investments in cyber security, including the JSOC created for the coordination of local, state and Federal cyber security efforts, including data collection, response efforts and information sharing.

- **Children and Family Services**. Spending in FY 2024 and beyond reflects Statewide costs associated with implementing and supporting Raise the Age reforms, such as comprehensive diversion, probation, and programming services for 16- and 17-year-old youth in the juvenile justice system. Costs will be shifted to other agencies where costs are incurred in a later financial plan update.

- **Office of Temporary and Disability Assistance**. The spending decline from FY 2023 reflects the time limited spending associated with the ERAP and LRAP.

- **All Other Executive Agencies**. Other spending changes include support for asylum seekers response efforts in New York City, including the deployment of National Guard servicemembers to various hotels, homeless shelters, and emergency sites as well as the Port Authority to implement, administer, and effectuate the provision of services at each location. In addition, spending is affected by the timing of Federal reimbursement of State incurred pandemic response and recovery expenses incurred in FY 2021 and FY 2022, including the purchase of COVID-19 test kits for schools and local governments, Personal Protective Equipment (PPE), durable medical equipment, costs to build out field hospital facilities, testing, and vaccination activities are expected to be reimbursed by FEMA. The Financial Plan assumes reimbursement of $1.2 billion in FY 2024 and $225 million in FY 2025. However, there can be no assurance that FEMA will approve claims for the State to receive reimbursement in the amounts or State fiscal years as projected in the Financial Plan.

- **State University.** The FY 2024 Enacted Budget includes one-time funding for state matching contributions to endowments of the four university centers, additional operating aid support for strategic investments at campuses, and other SUNY transformation initiatives.

- **Judiciary.** Growth is mainly driven by planned increases in staff hiring and recently implemented collective bargaining agreements. Additionally, there have been increases to the assigned counsel rate for attorneys providing services to indigent persons.

Workforce

In FY 2024, $16.0 billion of the State Operating Funds budget is dedicated to supporting Full-Time Equivalent (FTE) employees under direct Executive control; individuals employed by SUNY and Independent Agencies; employees paid on a nonannual salaried basis; and overtime pay. Roughly 60 percent of the Executive agency workforce is in the mental hygiene agencies and DOCCS.

STATE OPERATING FUNDS FY 2024 FTEs[1] AND PERSONAL SERVICE SPENDING BY AGENCY (millions of dollars)	Dollars	FTEs
SUBJECT TO DIRECT EXECUTIVE CONTROL	**9,112**	**97,988**
Corrections and Community Supervision	2,185	24,548
Office for People with Developmental Disabilities	1,339	18,557
Office of Mental Health	1,309	13,307
State Police	842	6,335
Department of Health	354	4,350
Information Technology Services	339	3,558
Tax and Finance	268	3,785
Children and Family Services	234	2,327
Environmental Conservation	214	2,430
Transportation	183	2,590
Office of Parks, Recreation and Historic Preservation	177	1,795
Department of Financial Services	161	1,391
Education	112	1,443
Office of Temporary and Disability Assistance	70	1,002
Workers' Compensation Board	88	1,081
All Other	1,237	9,489
UNIVERSITY SYSTEMS	**4,527**	**45,880**
State University	4,527	45,880
INDEPENDENT AGENCIES	**2,384**	**18,518**
Law	172	1,611
Audit & Control (OSC)	144	1,631
Judiciary	1,847	15,273
Legislature[2]	221	3
Statewide Total	**16,023**	**162,386**

[1] FTEs represent the number of annual-salaried full-time filled positions (e.g., one FTE may represent a single employee serving at 100 percent full-time, or a combination of employees serving at less than full-time that, when combined, equal a full-time position). The reported FTEs do not include nonannual salaried positions, such as those filled on an hourly, per-diem or seasonal basis.

[2] Legislative employees who are nonannual salaried are excluded from this table.

General State Charges

GSCs spending includes employee related expenses for fringe benefits the State provides to current and former employees, as well as certain statewide fixed costs. Fringe benefits include health insurance, pensions, workers' compensation coverage, unemployment insurance, survivors' benefits, and dental and vision benefits (some of which are provided through union-specific Employee Benefit Funds). The GSCs budget also pays the Social Security payroll tax, taxes on State-owned lands, Payments in Lieu of Taxes (PILOT), and judgments awarded in the Court of Claims. Many of these payments are mandated by law or collective bargaining agreements. Employee fringe benefits are paid centrally through GSCs in the General Fund. Some agencies with dedicated revenue sources outside of the General Fund partially reimburse the GSCs in the General Fund via the agency fringe benefit assessments.

GSCs spending is projected to increase over the Financial Plan period mostly due to increases in the health insurance program which reflects medical inflation and the potential for increased utilization in non-essential procedures that were postponed during the pandemic. Similarly, the pension program reflects associated costs increases in the employer contribution rates due to the State Comptroller's actuarial adjustments within the NYSLRS, higher salaries, and the annual COLA.

GENERAL STATE CHARGES
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
TOTAL STATE OPERATING FUNDS	**10,203**	**8,804**	**-13.7%**	**10,555**	**19.9%**	**11,825**	**12.0%**	**13,290**	**12.4%**
Fringe Benefits	**9,786**	**8,330**	**-14.9%**	**10,070**	**20.9%**	**11,327**	**12.5%**	**12,783**	**12.9%**
Health Insurance	5,083	4,845	-4.7%	5,696	17.6%	6,279	10.2%	6,808	8.4%
Retiree Health Benefit Trust Fund	920	0	-100.0%	0	0.0%	0	0.0%	0	0.0%
Pensions	2,045	2,131	4.2%	2,623	23.1%	3,195	21.8%	4,052	26.8%
Social Security	1,120	1,177	5.1%	1,190	1.1%	1,203	1.1%	1,226	1.9%
Workers' Compensation	830	301	-63.7%	650	115.9%	702	8.0%	723	3.0%
Employee Benefits	94	106	12.8%	115	8.5%	123	7.0%	123	0.0%
Dental Insurance	44	57	29.5%	62	8.8%	66	6.5%	66	0.0%
Unemployment Insurance	13	13	0.0%	13	0.0%	13	0.0%	13	0.0%
All Other/Non-State Escrow	(363)	(300)	17.4%	(279)	7.0%	(254)	9.0%	(228)	10.2%
Fixed Costs	**417**	**474**	**13.7%**	**485**	**2.3%**	**498**	**2.7%**	**507**	**1.8%**
Public Land Taxes/PILOTS	295	309	4.7%	318	2.9%	326	2.5%	335	2.8%
Litigation	122	165	35.2%	167	1.2%	172	3.0%	172	0.0%

The State has and continues to fund employee and retiree health care expenses as they become due, on a PAYGO basis. In FY 2022, the State made its first deposit ($320 million) to RHBTF which was created in FY 2018 to reserve money for the payment of health benefits of retired employees and their dependents. In FY 2023, the State deposited an additional $920 million, bringing the aggregate reserve balance up to $1.2 billion to support the State's post-employment health insurance liability. Future deposits into the fund will be dependent on fiscal conditions.

Higher pension costs are reflective of the increase in the employer contribution rates due to the State Comptroller's actuarial adjustments within the NYSLRS, higher salaries, and the annual COLA. The FY 2024 Enacted Budget changed certain eligibility requirements for awarding accidental disability benefits when the disability is related to diseases of the heart while enhancing the benefit paid to certain impacted members. Costs associated with these changes are $14.6 million in FY 2024 and $2.1 million annually thereafter.

Workers' compensation reflects current utilization and an increase in the average weekly wage. In FY 2023, the State made a prepayment ($300 million) towards its FY 2024 workers' compensation obligations. Similarly, the State made a partial advancement ($180 million) in March 2023 which was applied to the April 2023 Health Insurance payment.

The estimate for Social Security reflects general salary increases pursuant to the recent collective bargaining agreements and current spending trends. Other fringe benefits and fixed costs reflect wage and property tax increases, and current spending trends.

Transfers to Other Funds (General Fund Basis)

General Fund resources are transferred to other funds to finance a range of other activities, including debt service for bonds that do not have dedicated revenues, SUNY operating costs, and certain capital projects.

GENERAL FUND TRANSFERS TO OTHER FUNDS
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
TOTAL TRANSFERS TO OTHER FUNDS	**8,325**	**8,392**	**9,119**	**6,801**	**6,506**
Debt Service	298	217	264	287	337
SUNY University Operations	1,491	1,677	1,718	1,752	1,766
Capital Projects	4,649	4,877	5,410	3,049	2,676
Extraordinary Monetary Settlements:	**267**	**428**	**417**	**286**	**290**
Dedicated Infrastructure Investment Fund	260	350	345	216	220
Clean Water Grants	0	60	60	60	60
Mass Transit Capital	0	2	2	1	0
Health Care	7	16	10	9	10
Dedicated Highway and Bridge Trust Fund	691	65	114	189	123
Environmental Protection Fund	100	100	100	100	100
Other DIIF	0	50	250	118	0
All Other Capital	3,591	4,234	4,529	2,356	2,163
ALL OTHER TRANSFERS	**1,887**	**1,621**	**1,727**	**1,713**	**1,727**
Mobility Tax Trust Account	244	244	244	244	244
State University Hospital IFR Operations Account	314	302	302	302	302
NY Central Business District Trust	153	155	156	158	159
Court Facility Income Account	115	104	104	104	104
Dedicated Mass Transportation Trust Fund	129	65	65	65	65
Health Care Transformation	500	125	125	125	125
All Other	432	626	731	715	728

General Fund transfers to Other Funds are projected to total $8.4 billion in FY 2024, an increase of $67 million from FY 2023 mainly due to higher capital projects funding, offset by lower Health Care Transformation and Dedicated Mass Transportation Trust Fund transfers.

Transfers to capital projects funds are impacted by the timing of bond proceed reimbursements to offset costs initially funded with monetary settlements; bond proceed reimbursements to the capital projects fund; and increased PAYGO capital spending across the Financial Plan period. PAYGO capital spending has increased in an effort to: avoid issuing debt for higher cost taxable bonds and bonds for capital expenditures with short economic useful lives; remain within the statutory debt cap; and allow for a larger DOT capital plan.

The DHBTF receives motor vehicle fees, PBT, the motor fuel tax, HUT, the auto rental tax, utilities taxes, and miscellaneous transportation-related fees. These resources are used to pay debt service on transportation bonds, finance capital projects, and pay for certain operating expenses of the DOT and DMV. The General Fund subsidizes DHBTF expenses that are not covered by revenue and bond proceeds. In addition, the FY 2024 Enacted Budget increases transfers to the DHBTF to support a Statewide geographic pay differential increasing salaries for most maintenance program positions, including Highway Maintenance Workers, Bridge Repair Assistants, Tree Pruners, and Service and Repair Mechanics and costs associated with the DMV transformation to improve the customer experience and service offerings. The prepayment of DHBTF Bonds results in an increase to debt service transfers from and a corresponding decrease in capital projects transfers to the DHBTF. There is no resulting financial plan impact.

Debt Service

The State pays debt service on all outstanding State-supported bonds. These include General Obligation Bonds for which the State is constitutionally obligated to pay debt service, as well as certain bonds issued by State public authorities, such as Empire State Development (ESD), Dormitory Authority of the State of New York (DASNY), and New York State Thruway Authority (NYSTA). Depending on the credit structure, debt service is financed by transfers from the General Fund, dedicated taxes and fees, and other resources such as patient income revenues.

DEBT SERVICE SPENDING PROJECTIONS (millions of dollars)									
	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
General Fund	298	217	-27.2%	264	21.7%	287	8.7%	337	17.4%
Other State Support	10,183	2,681	-73.7%	3,254	21.4%	4,871	49.7%	4,840	-0.6%
Total State Operating Funds	**10,481**	**2,898**	**-72.3%**	**3,518**	**21.4%**	**5,158**	**46.6%**	**5,177**	**0.4%**

State Operating Funds debt service is projected to be $2.9 billion in FY 2024, of which $217 million is paid from the General Fund and $2.7 billion is paid from other State funds supported by dedicated tax receipts. The General Fund finances debt service payments on General Obligation and service contract bonds. Debt service for other State-supported bonds is paid directly from other dedicated State funds, subject to appropriation, including PIT and Sales Tax Revenue bonds, and DHBTF bonds.

Debt service spending levels are impacted by prepayments. The FY 2024 Enacted Budget Financial Plan reflects prepayments that totaled $6.0 billion in FY 2023. Prior prepayments of $2.2 billion in FY 2021 and $7.6 billion in FY 2022 had a multi-year impact. As shown in the table below, the net impact of these prepayments in prior years increased debt service in FY 2023 and will decrease debt service costs in FY 2024 through FY 2028.

STATE-SUPPORTED DEBT SERVICE (millions of dollars)						
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Base Debt Service	**5,556**	**6,603**	**7,213**	**7,538**	**8,037**	**8,228**
Total Prepayment Adjustment	**4,925**	**(3,705)**	**(3,695)**	**(2,380)**	**(2,860)**	**(2,000)**
Prior Prepayments	(1,075)	(2,255)	(2,395)	(1,630)	(2,360)	0
FY 2023 Prepayment	6,000	(1,450)	(1,300)	(750)	(500)	(2,000)
Enacted Budget State Debt Service	**10,481**	**2,898**	**3,518**	**5,158**	**5,177**	**6,228**

The FY 2024 Enacted Budget authorized liquidity financing in the form of up to $3.0 billion of PIT notes and $1.0 billion of line of credit facilities in FY 2024 as a tool to manage unanticipated financial disruptions. The Financial Plan does not assume any PIT note issuances or use of the line of credit. DOB evaluates cash results regularly and may adjust the use of notes and/or the line of credit based on liquidity needs, market considerations, and other factors.

The Financial Plan estimates for debt service spending reflect bond sale results, including refundings, projections of future refunding savings, and the adjustment of debt issuances to align with projected bond-financed capital spending. Debt service projections were reduced to reflect the contribution of an additional $3 billion in PAYGO capital spending in lieu of bond issuances. In combination with $6 billion of cash resources added in the FY 2023 Enacted Budget, $9 billion of cash resources have been added since the start of FY 2023. The additional resources will be used to avoid debt issuances for capital expenditures with shorter economic useful lives.

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FINANCIAL PLAN TABLES

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Financial Plan Tables

The cash financial plan tables listed below appear on the following pages and summarize actual General Fund receipts and disbursements for fiscal year 2023 and projected receipts and disbursements for fiscal years 2024 through 2027 on a General Fund, State Operating Funds and All Governmental Funds basis.[15]

General Fund - Total Budget

Financial Plan, Annual Change from FY 2023 to FY 2024
Financial Plan Projections FY 2024 through FY 2027

State Operating Funds Budget

FY 2024
FY 2025
FY 2026
FY 2027

All Governmental Funds – Receipts Detail

Financial Plan Projections FY 2024 – FY 2027

All Governmental Funds - Total Budget

FY 2024
FY 2025
FY 2026
FY 2027

Cashflow - FY 2024 Monthly Projections

General Fund

[15] Differences may occur from time to time between the State's Financial Plan and OSC's financial reports in the presentation and reporting of receipts and disbursements. For example, the Financial Plan may reflect a net expenditure amount while OSC may report the gross amount of the expenditure. Any such differences in reporting between DOB and OSC could result in differences in the presentation and reporting of receipts and disbursements for discrete funds, as well as differences in the presentation and reporting for total receipts and disbursements under different fund perspectives (e.g., State Operating Funds, All Governmental funds).

CASH FINANCIAL PLAN GENERAL FUND (millions of dollars)				
	FY 2023 Actuals	FY 2024 Projected	Annual $ Change	Annual % Change
Opening Fund Balance	**33,053**	**43,451**	**10,398**	**31.5%**
Receipts:				
Taxes:				
Personal Income Tax	27,607	24,693	(2,914)	-10.6%
Consumption/Use Taxes	7,239	9,797	2,558	35.3%
Business Taxes	17,856	15,836	(2,020)	-11.3%
Other Taxes	2,204	1,617	(587)	-26.6%
Miscellaneous Receipts	3,609	3,801	192	5.3%
Federal Receipts	2,351	2,250	(101)	-4.3%
Transfers from Other Funds:				
PIT in Excess of Revenue Bond Debt Service	20,899	24,496	3,597	17.2%
PTET in Excess of Revenue Bond Debt Service	7,472	6,520	(952)	-12.7%
ECEP in Excess of Revenue Bond Debt Service	0	5	5	0.0%
Sales Tax in Excess of LGAC Bond Debt Service	2,198	0	(2,198)	-100.0%
Sales Tax in Excess of Revenue Bond Debt Service	7,291	8,575	1,284	17.6%
Real Estate Taxes in Excess of CW/CA Debt Service	1,180	970	(210)	-17.8%
All Other	3,291	1,938	(1,353)	-41.1%
Total Receipts	**103,197**	**100,498**	**(2,699)**	**-2.6%**
Disbursements:				
Assistance and Grants	62,852	75,055	12,203	19.4%
State Operations:				
Personal Service	9,464	10,619	1,155	12.2%
Non-Personal Service	3,043	2,759	(284)	-9.3%
General State Charges	9,115	7,587	(1,528)	-16.8%
Transfers to Other Funds:				
Debt Service	298	217	(81)	-27.2%
Capital Projects	4,649	4,877	228	4.9%
SUNY Operations	1,491	1,677	186	12.5%
Other Purposes	1,887	1,621	(266)	-14.1%
Total Disbursements	**92,799**	**104,412**	**11,613**	**12.5%**
Excess (Deficiency) of Receipts Over Disbursements	**10,398**	**(3,914)**	**(14,312)**	**-137.6%**
Closing Fund Balance	**43,451**	**39,537**	**(3,914)**	**-9.0%**
Statutory Reserves				
Community Projects	25	23	(2)	
Contingency Reserve	21	21	0	
Rainy Day Reserve	4,638	4,638	0	
Tax Stabilization Reserve	1,618	1,618	0	
Reserved For				
Consensus Revenue	0	0	0	
Debt Management	2,355	2,436	81	
Economic Uncertainties	13,282	13,282	0	
Extraordinary Monetary Settlements	1,570	1,142	(428)	
Labor Settlements/Agency Operations	765	1,765	1,000	
Pandemic Assistance	245	0	(245)	
Timing of PTET/PIT Credits	14,358	12,462	(1,896)	
Undesignated Fund Balance	4,574	2,150	(2,424)	

Source: NYS DOB.

CASH FINANCIAL PLAN
GENERAL FUND
(millions of dollars)

	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
Receipts:				
Taxes:				
Personal Income Tax	24,693	26,060	28,041	33,309
Consumption/Use Taxes	9,797	9,895	10,100	10,312
Business Taxes	15,836	15,257	13,833	8,692
Other Taxes	1,617	1,305	1,365	1,422
Miscellaneous Receipts	3,801	2,772	2,261	1,996
Federal Receipts	2,250	3,645	0	0
Transfers from Other Funds:				
PIT in Excess of Revenue Bond Debt Service	24,496	25,396	25,858	31,338
PTET in Excess of Revenue Bond Debt Service	6,520	6,320	4,658	(584)
ECEP in Excess of Revenue Bond Debt Service	5	5	5	0
Sales Tax in Excess of LGAC Bond Debt Service	0	0	0	0
Sales Tax in Excess of Revenue Bond Debt Service	8,575	8,456	8,469	8,502
Real Estate Taxes in Excess of CW/CA Debt Service	970	1,009	1,091	1,175
All Other	1,938	1,632	1,555	1,417
Total Receipts	**100,498**	**101,752**	**97,236**	**97,579**
Disbursements:				
Assistance and Grants	75,055	78,717	82,303	86,085
State Operations:				
Personal Service	10,619	10,811	10,887	10,988
Non-Personal Service	2,759	3,826	3,814	3,826
General State Charges	7,587	9,319	10,569	12,010
Transfers to Other Funds:				
Debt Service	217	264	287	337
Capital Projects	4,877	5,410	3,049	2,676
SUNY Operations	1,677	1,718	1,752	1,766
Other Purposes	1,621	1,727	1,713	1,727
Total Disbursements	**104,412**	**111,792**	**114,374**	**119,415**
Use (Reservation) of Fund Balance:				
Community Projects	2	0	0	0
Consensus Revenue	0	0	0	0
Debt Management	(81)	576	860	0
Economic Uncertainties	0	0	0	0
Extraordinary Monetary Settlements	428	516	286	290
Labor Settlements/Agency Operations	(1,000)	(1,450)	(1,450)	(1,450)
Pandemic Assistance	245	0	0	0
Rainy Day Reserve	0	0	0	0
Tax Stabilization Reserve	0	0	0	0
Timing of PTET/PIT Credits	1,896	424	3,023	9,013
Undesignated Fund Balance	2,424	919	546	545
Total Use (Reservation) of Fund Balance	**3,914**	**985**	**3,265**	**8,398**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**0**	**(9,055)**	**(13,873)**	**(13,438)**

Source: NYS DOB.

CASH FINANCIAL PLAN
STATE OPERATING FUNDS
FY 2024
(millions of dollars)

	General Fund	State Special Revenue Funds	Debt Service Funds	State Operating Funds Total
Opening Fund Balance	**43,451**	**9,113**	**159**	**52,723**
Receipts:				
Taxes	51,943	6,342	43,157	101,442
Miscellaneous Receipts	3,801	14,662	378	18,841
Federal Receipts	2,250	(17)	67	2,300
Total Receipts	**57,994**	**20,987**	**43,602**	**122,583**
Disbursements:				
Assistance and Grants	75,055	16,503	0	91,558
State Operations:				
Personal Service	10,619	5,404	0	16,023
Non-Personal Service	2,759	3,242	47	6,048
General State Charges	7,587	1,217	0	8,804
Debt Service	0	0	2,898	2,898
Capital Projects	0	0	0	0
Total Disbursements	**96,020**	**26,366**	**2,945**	**125,331**
Other Financing Sources (Uses):				
Transfers from Other Funds	42,504	3,233	1,929	47,666
Transfers to Other Funds	(8,392)	1,076	(42,573)	(49,889)
Bond and Note Proceeds	0	0	0	0
Net Other Financing Sources (Uses)	**34,112**	**4,309**	**(40,644)**	**(2,223)**
Excess (Deficiency) of Receipts and Other Financing Sources (Uses) Over Disbursements	**(3,914)**	**(1,070)**	**13**	**(4,971)**
Closing Fund Balance	**39,537**	**8,043**	**172**	**47,752**

Source: NYS DOB.

CASH FINANCIAL PLAN STATE OPERATING FUNDS FY 2025 (millions of dollars)	General Fund	State Special Revenue Funds	Debt Service Funds	State Operating Funds Total
Receipts:				
Taxes	52,517	6,316	44,360	103,193
Miscellaneous Receipts	2,772	13,695	385	16,852
Federal Receipts	3,645	(17)	62	3,690
Total Receipts	**58,934**	**19,994**	**44,807**	**123,735**
Disbursements:				
Assistance and Grants	78,717	16,073	0	94,790
State Operations:				
Personal Service	10,811	5,300	0	16,111
Non-Personal Service	3,826	3,082	49	6,957
General State Charges	9,319	1,236	0	10,555
Debt Service	0	0	3,518	3,518
Capital Projects	0	0	0	0
Total Disbursements	**102,673**	**25,691**	**3,567**	**131,931**
Other Financing Sources (Uses):				
Transfers from Other Funds	42,818	3,389	1,654	47,861
Transfers to Other Funds	(9,119)	1,126	(42,884)	(50,877)
Bond and Note Proceeds	0	0	0	0
Net Other Financing Sources (Uses)	**33,699**	**4,515**	**(41,230)**	**(3,016)**
Use (Reservation) of Fund Balance:				
Debt Management	576	0	0	576
Extraordinary Monetary Settlements	516	0	0	516
Labor Settlements/Agency Operations	(1,450)	0	0	(1,450)
Timing of PTET/PIT Credits	424	0	0	424
Undesignated Fund Balance	919	0	0	919
Total Use (Reservation) of Fund Balance	**985**	**0**	**0**	**985**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(9,055)**	**(1,182)**	**10**	**(10,227)**

Source: NYS DOB.

CASH FINANCIAL PLAN
STATE OPERATING FUNDS
FY 2026
(millions of dollars)

	General Fund	State Special Revenue Funds	Debt Service Funds	State Operating Funds Total
Receipts:				
Taxes	53,339	6,423	44,921	104,683
Miscellaneous Receipts	2,261	15,019	395	17,675
Federal Receipts	0	(17)	58	41
Total Receipts	**55,600**	**21,425**	**45,374**	**122,399**
Disbursements:				
Assistance and Grants	82,303	16,032	0	98,335
State Operations:				
Personal Service	10,887	5,471	0	16,358
Non-Personal Service	3,814	4,229	49	8,092
General State Charges	10,569	1,256	0	11,825
Debt Service	0	0	5,158	5,158
Capital Projects	0	0	0	0
Total Disbursements	**107,573**	**26,988**	**5,207**	**139,768**
Other Financing Sources (Uses):				
Transfers from Other Funds	41,636	3,408	1,615	46,659
Transfers to Other Funds	(6,801)	1,306	(41,755)	(47,250)
Bond and Note Proceeds	0	0	0	0
Net Other Financing Sources (Uses)	**34,835**	**4,714**	**(40,140)**	**(591)**
Use (Reservation) of Fund Balance:				
Debt Management	860	0	0	860
Extraordinary Monetary Settlements	286	0	0	286
Labor Settlements/Agency Operations	(1,450)	0	0	(1,450)
Timing of PTET/PIT Credits	3,023	0	0	3,023
Undesignated Fund Balance	546	0	0	546
Total Use (Reservation) of Fund Balance	**3,265**	**0**	**0**	**3,265**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(13,873)**	**(849)**	**27**	**(14,695)**

Source: NYS DOB.

CASH FINANCIAL PLAN
STATE OPERATING FUNDS
FY 2027
(millions of dollars)

	General Fund	State Special Revenue Funds	Debt Service Funds	State Operating Funds Total
Receipts:				
Taxes	53,735	6,594	45,215	105,544
Miscellaneous Receipts	1,996	15,489	410	17,895
Federal Receipts	0	(17)	53	36
Total Receipts	**55,731**	**22,066**	**45,678**	**123,475**
Disbursements:				
Assistance and Grants	86,085	16,384	0	102,469
State Operations:				
Personal Service	10,988	5,614	0	16,602
Non-Personal Service	3,826	4,321	49	8,196
General State Charges	12,010	1,280	0	13,290
Debt Service	0	0	5,177	5,177
Capital Projects	0	0	0	0
Total Disbursements	**112,909**	**27,599**	**5,226**	**145,734**
Other Financing Sources (Uses):				
Transfers from Other Funds	41,848	3,458	1,706	47,012
Transfers to Other Funds	(6,506)	1,301	(42,124)	(47,329)
Bond and Note Proceeds	0	0	0	0
Net Other Financing Sources (Uses)	**35,342**	**4,759**	**(40,418)**	**(317)**
Use (Reservation) of Fund Balance:				
Extraordinary Monetary Settlements	290	0	0	290
Labor Settlements/Agency Operations	(1,450)	0	0	(1,450)
Timing of PTET/PIT Credits	9,013	0	0	9,013
Undesignated Fund Balance	545	0	0	545
Total Use (Reservation) of Fund Balance	**8,398**	**0**	**0**	**8,398**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(13,438)**	**(774)**	**34**	**(14,178)**

Source: NYS DOB.

CASH RECEIPTS ALL GOVERNMENTAL FUNDS FY 2024 THROUGH FY 2027 (millions of dollars)				
	FY 2024	FY 2025	FY 2026	FY 2027
Taxes:				
Withholdings	53,108	55,686	58,582	61,638
Estimated Payments	12,464	12,010	13,266	21,196
Final Payments	3,280	3,181	3,371	3,567
Other Payments	1,609	1,664	1,719	1,772
Gross Collections	**70,461**	**72,541**	**76,938**	**88,173**
State/City Offset	(1,703)	(1,732)	(1,831)	(1,969)
Refunds	(15,939)	(15,468)	(15,901)	(16,516)
Reported Tax Collections	**52,819**	**55,341**	**59,206**	**69,688**
STAR (Dedicated Deposits)	0	0	0	0
RBTF (Dedicated Transfers)	0	0	0	0
Personal Income Tax	**52,819**	**55,341**	**59,206**	**69,688**
Sales and Use Tax	19,724	19,931	20,380	20,841
Cigarette and Tobacco Taxes	823	784	751	720
Vapor Excise Tax	25	25	25	25
Motor Fuel Tax	490	491	486	482
Alcoholic Beverage Taxes	284	287	289	293
Opioid Excise Tax	25	25	25	25
Medical Cannabis Excise Tax	12	12	12	12
Adult Use Cannabis Tax	70	158	245	339
Highway Use Tax	141	143	143	144
Auto Rental Tax	119	115	116	119
Peer to Peer Car Sharing Tax	2	4	5	6
Gross Consumption/Use Taxes	**21,715**	**21,975**	**22,477**	**23,006**
LGAC/STBF (Dedicated Transfers)	0	0	0	0
Consumption/Use Taxes	**21,715**	**21,975**	**22,477**	**23,006**
Corporation Franchise Tax	7,945	7,631	7,915	7,981
Corporation and Utilities Tax	431	535	518	523
Insurance Taxes	2,775	2,858	2,899	3,030
Bank Tax	236	0	0	0
Pass Through Entity Tax	13,040	12,640	9,316	(1,168)
Petroleum Business Tax	1,106	1,107	1,097	1,087
Gross Business Taxes	**25,533**	**24,771**	**21,745**	**11,453**
RBTF (Dedicated Transfers)	0	0	0	0
Business Taxes	**25,533**	**24,771**	**21,745**	**11,453**
Estate Tax	1,597	1,285	1,345	1,407
Real Estate Transfer Tax	1,258	1,299	1,380	1,465
Employer Compensation Expense Program	10	10	10	0
Gift Tax	0	0	0	0
Real Property Gains Tax	0	0	0	0
Pari-Mutuel Taxes	13	13	13	13
Other Taxes	2	2	2	2
Gross Other Taxes	**2,880**	**2,609**	**2,750**	**2,887**
Real Estate Transfer Tax (Dedicated)	0	0	0	0
RBTF (Dedicated Transfers)	0	0	0	0
Other Taxes	**2,880**	**2,609**	**2,750**	**2,887**
Payroll Tax	**0**	**0**	**0**	**0**
Total Taxes	**102,947**	**104,696**	**106,178**	**107,034**
Licenses, Fees, Etc.	580	631	631	629
Abandoned Property	450	450	450	450
Motor Vehicle Fees	1,136	1,220	1,258	1,297
ABC License Fee	71	72	72	70
Reimbursements	66	66	66	66
Investment Income	2,000	950	400	100
Extraordinary Settlements	33	0	0	0
Other Transactions	22,501	24,553	26,357	26,837
Miscellaneous Receipts	**26,837**	**27,942**	**29,234**	**29,449**
Federal Receipts	**92,654**	**84,477**	**82,578**	**84,148**
Total	**222,438**	**217,115**	**217,990**	**220,631**

Source: NYS DOB.

CASH FINANCIAL PLAN
ALL GOVERNMENTAL FUNDS
FY 2024
(millions of dollars)

	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	All Funds Total
Opening Fund Balance	**43,451**	**23,939**	**(1,594)**	**159**	**65,955**
Receipts:					
Taxes	51,943	6,342	1,505	43,157	102,947
Miscellaneous Receipts	3,801	15,029	7,629	378	26,837
Federal Receipts	2,250	87,040	3,297	67	92,654
Total Receipts	**57,994**	**108,411**	**12,431**	**43,602**	**222,438**
Disbursements:					
Assistance and Grants	75,055	98,988	5,329	0	179,372
State Operations:					
Personal Service	10,619	6,100	0	0	16,719
Non-Personal Service	2,759	6,141	0	47	8,947
General State Charges	7,587	1,608	0	0	9,195
Debt Service	0	0	0	2,898	2,898
Capital Projects	0	0	11,882	0	11,882
Total Disbursements	**96,020**	**112,837**	**17,211**	**2,945**	**229,013**
Other Financing Sources (Uses):					
Transfers from Other Funds	42,504	3,233	5,260	1,929	52,926
Transfers to Other Funds	(8,392)	(1,305)	(907)	(42,573)	(53,177)
Bond and Note Proceeds	0	0	368	0	368
Net Other Financing Sources (Uses)	**34,112**	**1,928**	**4,721**	**(40,644)**	**117**
Excess (Deficiency) of Receipts and Other Financing Sources (Uses) Over Disbursements	**(3,914)**	**(2,498)**	**(59)**	**13**	**(6,458)**
Closing Fund Balance	**39,537**	**21,441**	**(1,653)**	**172**	**59,497**

Source: NYS DOB.

CASH FINANCIAL PLAN
ALL GOVERNMENTAL FUNDS
FY 2025
(millions of dollars)

	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	All Funds Total
Receipts:					
Taxes	52,517	6,316	1,503	44,360	104,696
Miscellaneous Receipts	2,772	14,033	10,752	385	27,942
Federal Receipts	3,645	77,230	3,540	62	84,477
Total Receipts	**58,934**	**97,579**	**15,795**	**44,807**	**217,115**
Disbursements:					
Assistance and Grants	78,717	91,330	7,420	0	177,467
State Operations:					
Personal Service	10,811	5,999	0	0	16,810
Non-Personal Service	3,826	5,004	0	49	8,879
General State Charges	9,319	1,628	0	0	10,947
Debt Service	0	0	0	3,518	3,518
Capital Projects	0	0	13,997	0	13,997
Total Disbursements	**102,673**	**103,961**	**21,417**	**3,567**	**231,618**
Other Financing Sources (Uses):					
Transfers from Other Funds	42,818	3,389	5,806	1,654	53,667
Transfers to Other Funds	(9,119)	(919)	(996)	(42,884)	(53,918)
Bond and Note Proceeds	0	0	505	0	505
Net Other Financing Sources (Uses)	**33,699**	**2,470**	**5,315**	**(41,230)**	**254**
Use (Reservation) of Fund Balance:					
Debt Management	576	0	0	0	576
Extraordinary Monetary Settlements	516	0	0	0	516
Labor Settlements/Agency Operations	(1,450)	0	0	0	(1,450)
Timing of PTET/PIT Credits	424	0	0	0	424
Undesignated Fund Balance	919	0	0	0	919
Total Use (Reservation) of Fund Balance	**985**	**0**	**0**	**0**	**985**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(9,055)**	**(3,912)**	**(307)**	**10**	**(13,264)**

Source: NYS DOB.

CASH FINANCIAL PLAN ALL GOVERNMENTAL FUNDS FY 2026 (millions of dollars)	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	All Funds Total
Receipts:					
Taxes	53,339	6,423	1,495	44,921	106,178
Miscellaneous Receipts	2,261	15,316	11,262	395	29,234
Federal Receipts	0	78,911	3,609	58	82,578
Total Receipts	**55,600**	**100,650**	**16,366**	**45,374**	**217,990**
Disbursements:					
Assistance and Grants	82,303	89,758	7,870	0	179,931
State Operations:					
Personal Service	10,887	6,172	0	0	17,059
Non-Personal Service	3,814	5,920	0	49	9,783
General State Charges	10,569	1,650	0	0	12,219
Debt Service	0	0	0	5,158	5,158
Capital Projects	0	0	11,587	0	11,587
Total Disbursements	**107,573**	**103,500**	**19,457**	**5,207**	**235,737**
Other Financing Sources (Uses):					
Transfers from Other Funds	41,636	3,408	3,412	1,615	50,071
Transfers to Other Funds	(6,801)	(712)	(1,057)	(41,755)	(50,325)
Bond and Note Proceeds	0	0	498	0	498
Net Other Financing Sources (Uses)	**34,835**	**2,696**	**2,853**	**(40,140)**	**244**
Use (Reservation) of Fund Balance:					
Debt Management	860	0	0	0	860
Extraordinary Monetary Settlements	286	0	0	0	286
Labor Settlements/Agency Operations	(1,450)	0	0	0	(1,450)
Timing of PTET/PIT Credits	3,023	0	0	0	3,023
Undesignated Fund Balance	546	0	0	0	546
Total Use (Reservation) of Fund Balance	**3,265**	**0**	**0**	**0**	**3,265**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(13,873)**	**(154)**	**(238)**	**27**	**(14,238)**

Source: NYS DOB.

CASH FINANCIAL PLAN ALL GOVERNMENTAL FUNDS FY 2027 (millions of dollars)	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	All Funds Total
Receipts:					
Taxes	53,735	6,594	1,490	45,215	107,034
Miscellaneous Receipts	1,996	15,778	11,265	410	29,449
Federal Receipts	0	80,621	3,474	53	84,148
Total Receipts	**55,731**	**102,993**	**16,229**	**45,678**	**220,631**
Disbursements:					
Assistance and Grants	86,085	92,205	7,893	0	186,183
State Operations:					
Personal Service	10,988	6,318	0	0	17,306
Non-Personal Service	3,826	6,050	0	49	9,925
General State Charges	12,010	1,675	0	0	13,685
Debt Service	0	0	0	5,177	5,177
Capital Projects	0	0	10,879	0	10,879
Total Disbursements	**112,909**	**106,248**	**18,772**	**5,226**	**243,155**
Other Financing Sources (Uses):					
Transfers from Other Funds	41,848	3,458	3,034	1,706	50,046
Transfers to Other Funds	(6,506)	(723)	(941)	(42,124)	(50,294)
Bond and Note Proceeds	0	0	408	0	408
Net Other Financing Sources (Uses)	**35,342**	**2,735**	**2,501**	**(40,418)**	**160**
Use (Reservation) of Fund Balance:					
Extraordinary Monetary Settlements	290	0	0	0	290
Labor Settlements/Agency Operations	(1,450)	0	0	0	(1,450)
Timing of PTET/PIT Credits	9,013	0	0	0	9,013
Undesignated Fund Balance	545	0	0	0	545
Total Use (Reservation) of Fund Balance	**8,398**	**0**	**0**	**0**	**8,398**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(13,438)**	**(520)**	**(42)**	**34**	**(13,966)**

Source: NYS DOB.

CASHFLOW
GENERAL FUND
FY 2024
(millions of dollars)

	2023 April Actuals	May Projected	June Projected	July Projected	August Projected	September Projected	October Projected	November Projected	December Projected	2024 January Projected	February Projected	March Projected	Total
OPENING BALANCE	43,451	46,939	40,411	42,860	42,403	42,214	44,993	42,264	39,225	43,131	44,528	42,491	43,451
RECEIPTS:													
Personal Income Tax	3,727	1,059	2,547	1,540	1,850	2,292	1,087	1,446	2,264	2,713	2,196	1,972	24,693
Consumption/Use Taxes	730	735	961	791	759	924	795	770	990	840	686	816	9,797
Business Taxes	1,116	157	2,685	102	124	2,902	(273)	90	3,276	399	128	5,130	15,836
Other Taxes	170	413	103	104	104	104	104	104	104	103	102	102	1,617
Total Taxes	5,743	2,364	6,296	2,537	2,837	6,222	1,713	2,410	6,634	4,055	3,112	8,020	51,943
Abandoned Property	1	0	0	0	10	100	30	130	0	30	10	139	450
ABC License Fee	6	7	6	5	6	7	7	5	6	6	5	5	71
Investment Income	204	176	162	162	162	162	162	162	162	162	162	162	2,000
Licenses, Fees, etc.	72	101	20	20	70	50	35	40	50	30	40	52	580
Motor Vehicle Fees	13	45	32	12	34	11	14	13	15	12	14	10	225
Reimbursements	39	(66)	72	(40)	(48)	61	(40)	35	7	15	1	30	66
Extraordinary Settlements	0	0	0	0	0	0	0	33	0	0	0	0	33
Other Transactions	(4)	2	53	19	18	79	19	18	65	19	18	70	376
Total Miscellaneous Receipts	331	265	345	178	252	470	227	436	305	274	250	468	3,801
Federal Receipts	0	0	0	0	0	0	0	0	0	0	0	2,250	2,250
PIT in Excess of Revenue Bond Debt Service	3,731	1,059	2,547	1,387	1,237	2,292	1,087	1,446	2,324	4,105	1,238	2,043	24,496
PTET in Excess of Revenue Bond Debt Service	49	61	1,123	(28)	32	1,280	(408)	7	1,616	282	146	2,360	6,520
ECEP in Excess of Revenue Bond Debt Service	0	0	0	0	0	0	0	0	1	1	0	3	5
Sales Tax in Excess of LGAC Bond Debt Service	0	0	0	0	0	0	0	0	0	0	0	0	0
Sales Tax in Excess of Revenue Bond Debt Service	614	628	848	670	649	853	678	659	882	717	592	785	8,575
Real Estate Taxes in Excess of CW/CA Debt Service	77	60	89	90	98	89	73	80	77	79	78	80	970
All Other	168	190	219	134	145	360	130	143	273	227	289	(340)	1,938
Total Transfers from Other Funds	4,639	1,998	4,826	2,253	2,161	4,874	1,560	2,335	5,173	5,411	2,343	4,931	42,504
TOTAL RECEIPTS	10,713	4,627	11,467	4,968	5,250	11,566	3,500	5,181	12,112	9,740	5,705	15,669	100,498
DISBURSEMENTS:													
School Aid	1,391	4,485	1,977	407	794	1,957	1,046	1,975	2,713	1,431	1,126	9,635	28,937
Higher Education	29	24	675	34	46	170	549	42	151	37	557	827	3,141
All Other Education	16	39	275	357	63	453	153	44	296	69	94	688	2,547
Medicaid - DOH	3,477	3,073	1,333	2,375	2,414	1,182	1,788	2,648	840	1,816	821	(680)	21,087
Public Health	37	61	84	67	70	61	59	92	105	72	97	39	844
Mental Hygiene	34	94	1,474	174	77	1,462	210	114	1,541	154	882	1,006	7,222
Children and Families	39	77	18	143	143	321	143	143	321	143	143	324	1,958
Temporary & Disability Assistance	154	126	364	219	219	278	199	204	235	296	300	335	2,929
Transportation	0	40	28	2	45	2	2	45	172	2	30	162	530
Unrestricted Aid	0	13	390	1	1	118	8	1	185	1	3	74	795
All Other	48	(178)	119	110	132	142	366	126	124	1,135	1,153	1,788	5,065
Total Assistance and Grants	5,225	7,854	6,737	3,889	4,004	6,146	4,523	5,434	6,683	5,156	5,206	14,198	75,055
Personal Service	785	789	969	775	948	769	766	943	760	1,035	865	1,215	10,619
Non-Personal Service	121	213	(456)	233	20	312	251	227	152	413	386	887	2,759
Total State Operations	906	1,002	513	1,008	968	1,081	1,017	1,170	912	1,448	1,251	2,102	13,378
General State Charges	657	1,832	591	439	521	494	513	444	502	604	582	408	7,587
Debt Service	38	0	0	27	(2)	(3)	1	0	0	178	(10)	(12)	217
Capital Projects	106	(72)	730	(259)	(182)	956	88	777	(16)	860	668	1,221	4,877
SUNY Operations	228	235	306	299	41	70	2	296	27	61	22	90	1,677
Other Purposes	65	304	141	22	89	43	85	99	98	36	23	616	1,621
Total Transfers to Other Funds	437	467	1,177	89	(54)	1,066	176	1,172	109	1,135	703	1,915	8,392
TOTAL DISBURSEMENTS	7,225	11,155	9,018	5,425	5,439	8,787	6,229	8,220	8,206	8,343	7,742	18,623	104,412
Excess/(Deficiency) of Receipts over Disbursements	3,488	(6,528)	2,449	(457)	(189)	2,779	(2,729)	(3,039)	3,906	1,397	(2,037)	(2,954)	(3,914)
CLOSING BALANCE	46,939	40,411	42,860	42,403	42,214	44,993	42,264	39,225	43,131	44,528	42,491	39,537	39,537

Source: NYS DOB.

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PART III

STATE OF NEW YORK

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR FISCAL YEAR ENDED MARCH 31, 2023

PREPARED BY THE
OFFICE OF THE STATE COMPTROLLER
STATE OF NEW YORK

The Annual Comprehensive Financial Report of the State of New York for the State fiscal year ended March 31, 2023 ("FY 2023 ACFR"), dated September 1, 2023, is hereby included in this Official Statement by reference. The Basic Financial Statements and Other Supplementary Information of the State of New York, which are included in the FY 2023 ACFR, were prepared by the Office of the State Comptroller in accordance with accounting principles generally accepted in the United States of America (GAAP) and were independently audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. The Basic Financial Statements and Other Supplementary Information for the fiscal year ended March 31, 2023 were filed with the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access system on July 28, 2023. An official copy of the Basic Financial Statements and Other Supplementary Information may be obtained by contacting the MSRB, or by contacting the Office of the State Comptroller, 110 State Street, Albany, NY 12236, Tel: (518) 474-3277. An informational copy of the FY 2023 ACFR is available on the Internet at:

https://www.osc.state.ny.us/files/reports/finance/pdf/annual-comprehensive-financial-report-2023.pdf

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STATE OF NEW YORK • GENERAL OBLIGATION BONDS, SERIES 2023A AND SERIES 2023B TAX-EXEMPT BONDS, SERIES 2023C TAX-EXEMPT REFUNDING BONDS AND SERIES 2023D TAXABLE BONDS

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