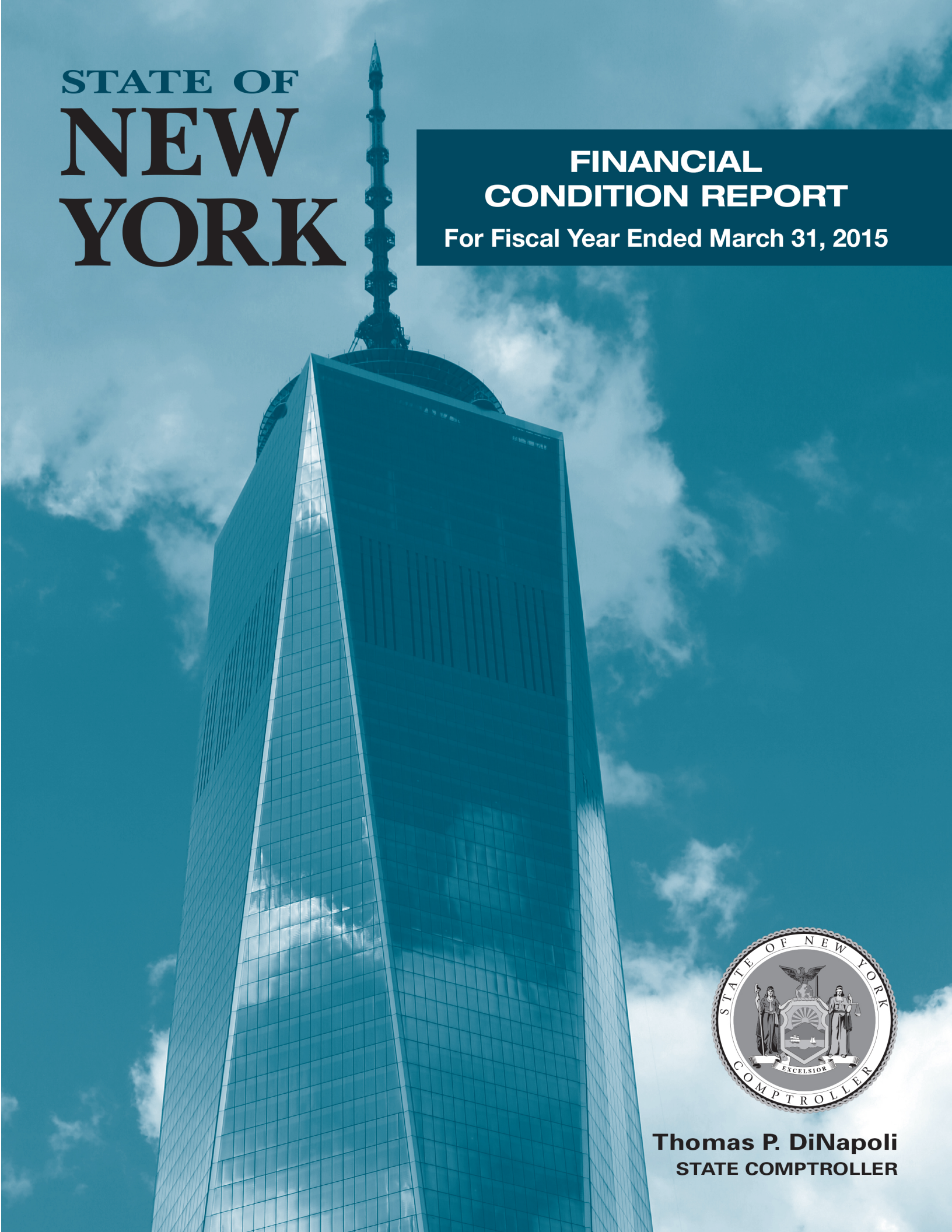
STATE OF

NEW YORK

FINANCIAL CONDITION REPORT

For Fiscal Year Ended March 31, 2015



Thomas P. DiNapoli

STATE COMPTROLLER

Message from the Comptroller

I am pleased to present the State of New York's Financial Condition Report for the fiscal year ended March 31, 2015.

After closing deep projected budget gaps just a few years ago, New York State has continued to improve its short-term financial condition. The State's General Fund ended SFY 2014-15 with its highest closing fund balance in at least two decades, thanks in large part to an extraordinary inflow of one-time resources from financial settlements.

Over $315 million was deposited into the State's Tax Stabilization Reserve Fund and the Rainy Day Reserve Fund, providing assurance that such dollars will be available when truly needed.

Further, a portion of the unexpected settlement dollars has been earmarked for much-needed infrastructure projects across New York, an appropriate use of one-time revenues.

Still, there is room for further improvement. The State recently approved $7.4 billion in new and increased authorizations for State-Supported borrowing—an increase of 6.4 percent from previously authorized levels. This new debt would be issued on behalf of the State by its public authorities. Such "backdoor borrowing" circumvents the State Constitution's requirement that State debt be approved by voters.

Moreover, despite the influx of settlement funds, New York continues to rely on non-recurring and temporary resources, which may make it harder to balance future budgets.

As the State's chief financial officer, I encourage every citizen to learn more about the fiscal, economic and social challenges facing New York and to participate fully in the public debate on these vitally important issues. This report is intended to promote an informed dialogue by illustrating key trends in our economy as well as in our State and local budgets.

It is my hope that such a discussion will help put our great State in a position to build on its tremendous assets and ensure a strong future.

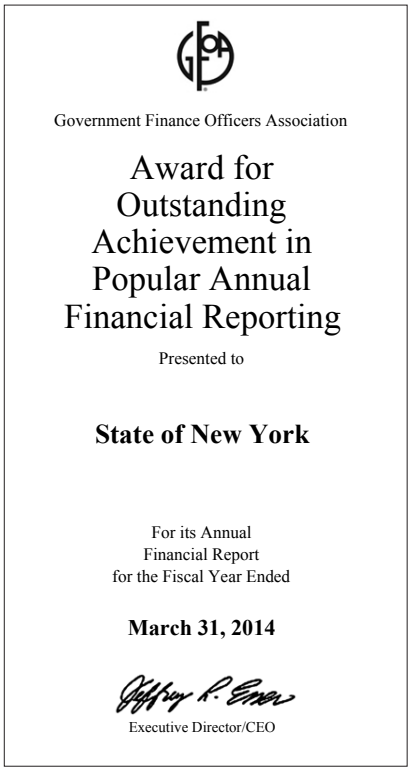
Thomas P. DiNapoli
State Comptroller

ABOUT THIS REPORT

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

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

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


Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

State of New York

For its Annual Financial Report for the Fiscal Year Ended

March 31, 2014

Executive Director/CEO

The Office of the State Comptroller was honored this past year when it received the Award for Outstanding Achievement in Popular Annual Financial Reporting from the Government Finance Officers Association for the 2014 Financial Condition Report.

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Government-Wide Financial Data

Government-wide financial statements provide a long-term view on finances. They record revenue and expenses when the earnings process is complete (full accrual basis), as opposed to when they are actually received or paid (cash basis).

Each statement breaks down the activities of State government into two types:

- Governmental activities: includes most of the State's core services as well as general administrative support.
- Business-type activities: includes activities that are partially or fully supported by user fees.

Statement of Net Position

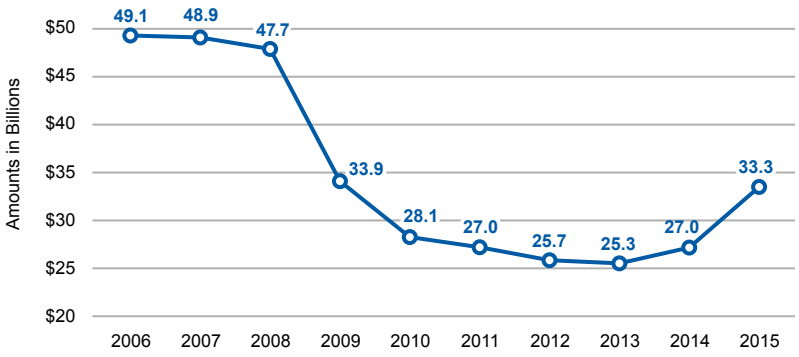
This statement reports:

- assets
- deferred outflows of resources (the consumption of net assets applicable to a future reporting period)
- liabilities
- deferred inflows of resources (the acquisition of net assets applicable to a future reporting period)
- the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources in three categories:
  - Net investment in capital assets
  - Restricted net position
  - Unrestricted net position (deficits).

Condensed Statement of Net Position – Primary Government*
For the year ended March 31, 2015 (amounts in millions)

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	$16,970	$6,660	$23,630
Receivables, net	24,490	4,227	28,717
Internal balances	(828)	748	(80)
Other assets	209	290	499
Capital assets	86,651	15,185	101,836
Total Assets	**127,492**	**27,110**	**154,602**
Deferred Outflows of Resources	**679**	**147**	**826**
Liabilities:			
Tax refunds payable	10,051	-	10,051
Payable to local governments	5,225	-	5,225
Accrued liabilities and accounts payable	8,957	2,325	11,282
Other liabilities due within one year	5,690	3,079	8,769
Liabilities due in more than one year	65,139	21,082	86,221
Total Liabilities	**95,062**	**26,486**	**121,548**
Deferred Inflows of Resources	**555**	**-**	**555**
Net position:			
Net investment in capital assets	69,286	1,323	70,609
Restricted for debt service and other purposes	3,085	2,070	5,155
Unrestricted deficits	(39,817)	(2,622)	(42,439)
Total Net Position	**$32,554**	**$771**	**$33,325**

Primary Government Net Position



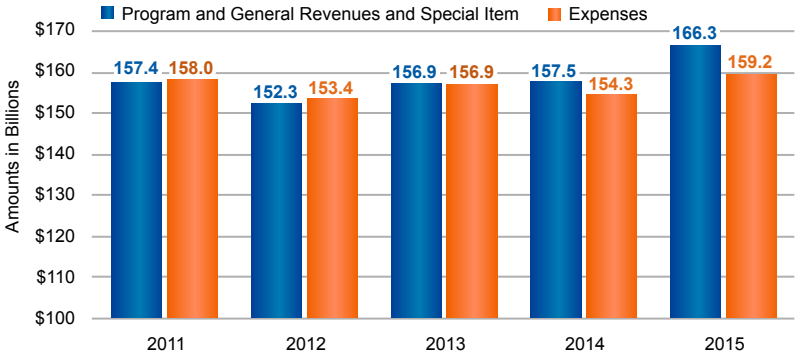
*The primary government includes governmental activities and business-type activities combined.

Condensed Statement of Activities – Primary Government
For the year ended March 31, 2015 (amounts in millions)

Functions/Programs	Expenses	Program Revenues	Net (Expenses) Revenues
Governmental activities:			
Education	$32,672	$3,652	($29,020)
Public health	58,442	37,859	(20,583)
Public welfare	14,146	11,120	(3,026)
Public safety	7,662	2,579	(5,083)
Transportation	9,315	3,303	(6,012)
Environment and recreation	1,424	482	(942)
Support and regulate business	1,606	5,906	4,300
General government	10,030	3,661	(6,369)
Interest on debt	1,690	40	(1,650)
Total governmental activities	**136,987**	**68,602**	**(68,385)**
Business-type activities:			
Lottery	6,120	9,156	3,036
Unemployment insurance	2,588	3,677	1,089
State University of New York	10,353	6,018	(4,335)
City University of New York	3,166	1,557	(1,609)
Total business-type activities	**22,227**	**20,408**	**(1,819)**
Total primary government	**$159,214**	**$89,010**	**(70,204)**

General revenues, net transfers and special item:	
Taxes	72,555
Other	3,731
Net transfers	(754)
Special Item - State Insurance Fund reserve release	1,000
Total general revenues, net transfers and special item	**76,532**
Change in Net Position	**$6,328**

Total Primary Government Revenues and Expenses



Statement of Activities

This statement reports the change in net position, which is calculated by:

- reducing the expenses of each of the State's programs by the revenues generated by those programs to arrive at net program expense; and
- reducing the net program expense by general revenues and other gains and losses.

Program revenues include:

- charges to customers or others for services related to the program;
- grants and contributions that can only be used to pay for the operations of a particular function or segment; and
- capital grants and contributions, including special assessments.

General revenues include internally dedicated resources, taxes and other items not included as program revenues.

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

Fund Financial Data

Fund financial statements provide a short-term view on finances. As such, these statements only focus on the inflows and outflows of current financial resources—cash or liquid assets that are available (or will be soon) to pay current obligations.

Funds represent sources of funding and spending for particular purposes.

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

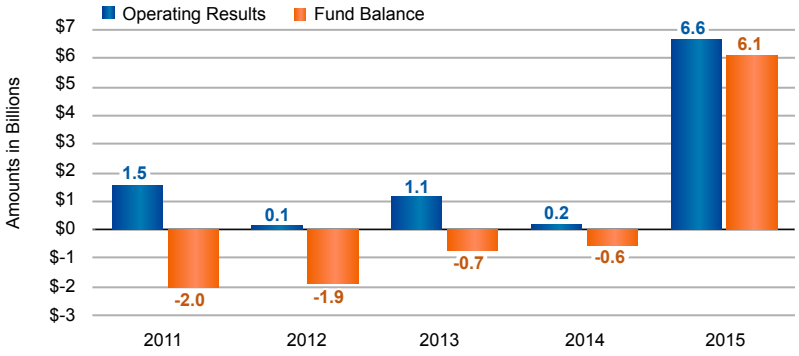
The accumulated fund balance (or deficit) is the amount of funds available at the end of the fiscal year. The operating result is the amount the fund balance increased or decreased during the year.

Operating Surplus Nearly Doubles Fund Balance

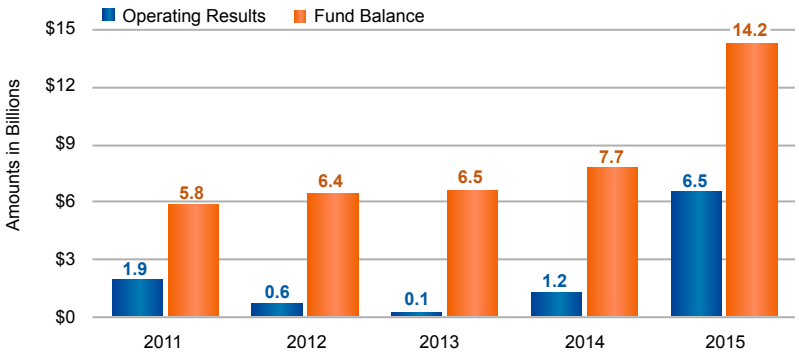
- For State Fiscal Year (SFY) 2014-15, governmental funds reported a combined operating surplus of $6.5 billion, increasing the fund balance to $14.2 billion.
- The operating surplus included a $6.6 billion surplus in the General Fund. While General Fund expenditures exceeded revenues, the surplus includes transfers to the General Fund from other funds.
- At the end of SFY 2014-15, the General Fund balance was almost $6.1 billion, up from the previous year's deficit of $567 million.

For more detail, please see the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) in the CAFR.

General Fund Operating Results Versus Accumulated Fund Balance (Deficit)



Governmental Funds Operating Results Versus Accumulated Fund Balance



Total Receipts

Revenues are affected by economic conditions and changes in federal and State policies. Tax base is a measure of the State's ability to generate revenue. A decreasing tax base may force spending reductions, increased taxes, or both. Receipts are revenues that have been recorded on a cash basis.

See Appendix 3 for a breakdown of State receipts by major source for the past five years.

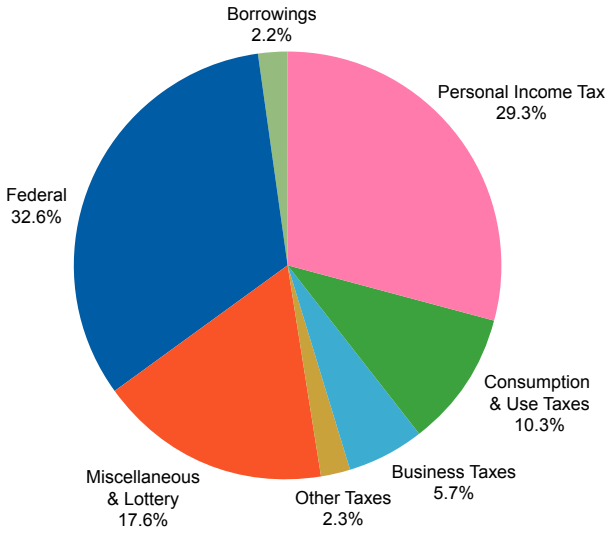
Total State Receipts Have Increased Over the Past Five Years

- From 2011 to 2015:
  - total receipts increased 11.5 percent.
  - tax receipts increased 16.7 percent.
  - federal receipts decreased 1.4 percent. This decrease is primarily related to the winding down of the American Recovery and Reinvestment Act. However, federal funding is again increasing with new:
    - disaster assistance for Superstorm Sandy and Hurricane Irene; and
    - Medicaid funding under the Affordable Care Act.

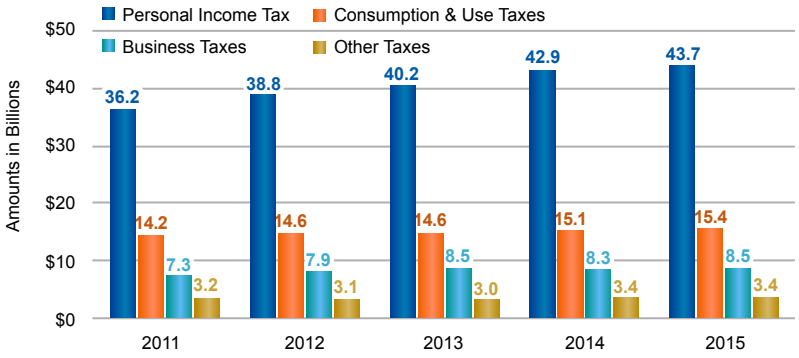
Personal Income Tax and Consumer Tax Receipts Have Increased Over the Past Five Years

- Personal income tax and consumer (consumption and use) taxes:
  - accounted for 39.6 percent of 2015 receipts; and
  - have increased 17.2 percent since 2011.
- In 2015, personal income tax receipts—the State's largest tax revenue source—increased 1.7 percent.

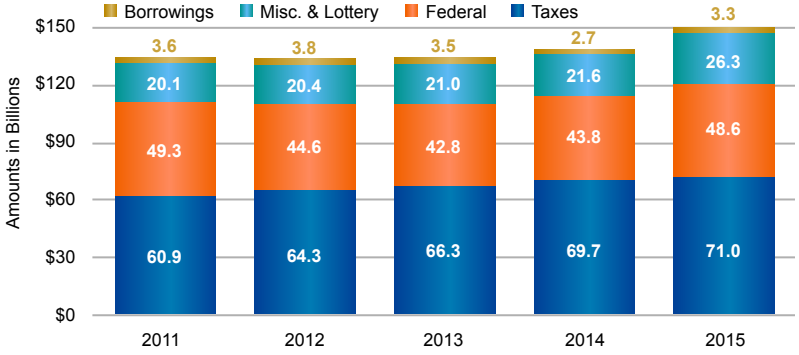
New York's 2015 Receipts by Source



Tax Receipts by Year



Total State Receipts

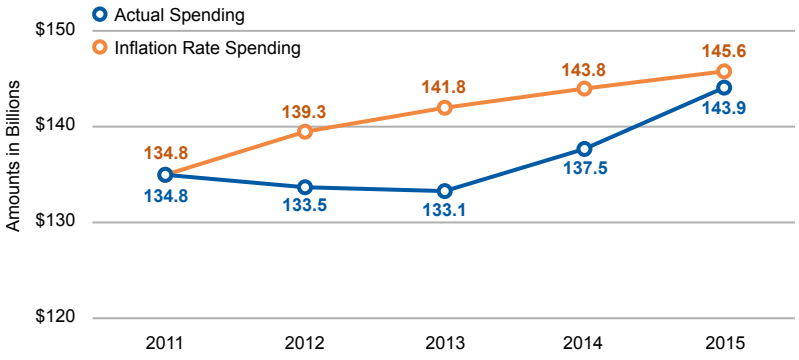


Total Spending

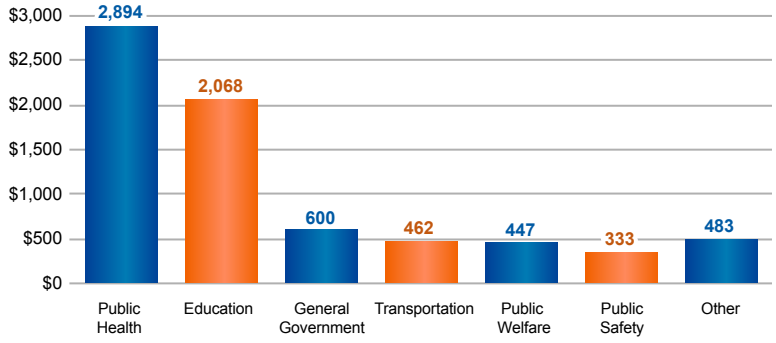
Spending generally reflects the State's program priorities. When compared to revenue, spending can help measure the State's ability to support continuing programs. State spending, which includes spending from federal funds, is recorded on a cash basis.

See Appendices 1 and 2 for a breakdown of State spending by major service function and funding source for the past five years.

Actual State Spending Versus Spending at the Rate of Inflation



2015 Total State Spending Per Person by Program Area



Growth in State Spending Has Been Below the Rate of Inflation Over the Past Five Years

- Compared to the prior year, State spending increased $6.4 billion (4.6 percent) to $143.9 billion in 2015.
- Since 2011, the rate of inflation (Consumer Price Index of 8.0 percent) has exceeded the growth in State spending (6.8 percent).
- State spending has been partially paid for by borrowing $16.8 billion since 2011, including $3.3 billion in 2015.
- In 2015, State spending was $7,287 per person.
- Spending on public health and education represents 68.1 percent of total State spending.

Capital

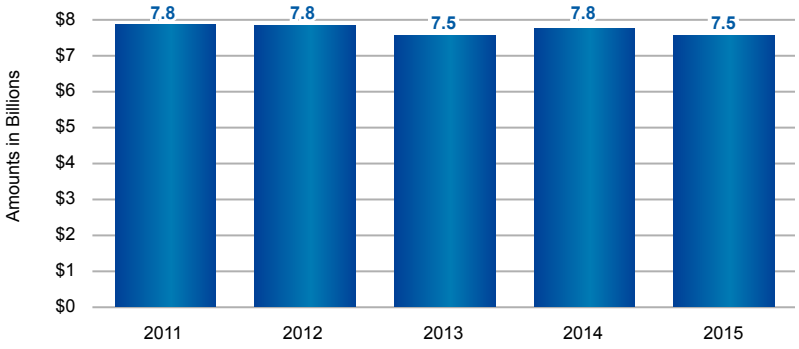
The deterioration of capital assets can weaken the State's economy and its ability to attract and retain business, while a robust, efficiently managed capital investment program can support economic growth. Capital assets include not only highways and bridges, but also facilities for education, government, health and recreation.

Capital Spending Has Decreased Over the Past Five Years

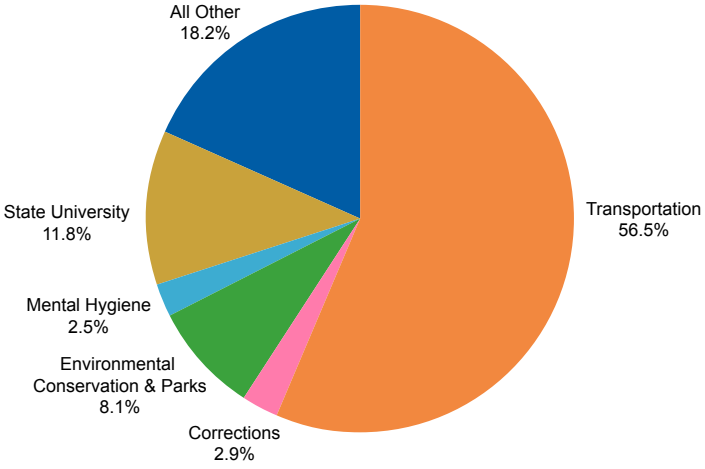
- From 2011 to 2015, capital spending:
  - decreased overall by $297 million (3.8 percent).
  - for transportation increased by $551 million (14.8 percent).
  - for All Other* categories decreased by $872 million (38.9 percent). This decrease is due to reductions in capital spending by public authorities.
- In the last 20 years, the share of nonfederal capital spending financed through current operations on a pay-as-you-go basis, rather than through borrowing, has averaged 39 percent, compared to 62 percent in 1995.
- For the next five years, the State projects:
  - capital spending to average $11.3 billion per year; and
  - the share of nonfederal capital spending financed on a pay-as-you-go basis to average 35 percent.

At the end of SFY 2014-15, the State reported $101.8 billion in capital assets, an increase of $1.4 billion (1.4 percent) from the prior year.

New York Spending from Capital Projects Funds



Capital Spending by Functional Area - SFY 2014–15



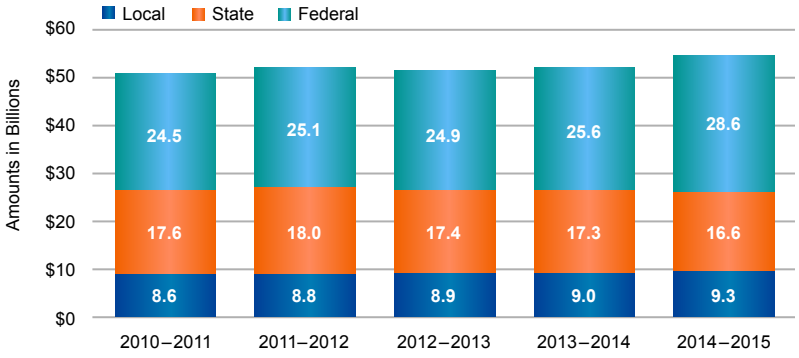
*All Other encompasses capital spending that does not fall under the transportation, State University, environmental conservation, parks, corrections and mental hygiene functional areas.

Public Health

Medicaid Enrollment Increases, Partly Due to the Federal Affordable Care Act (ACA)

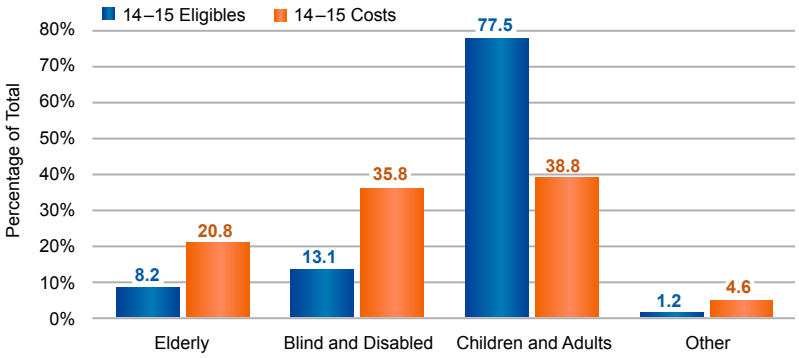
- In January 2014, the State's health insurance exchange, authorized by the ACA, took over from local districts the processing of most new Medicaid applications. The exchange averaged over 1.2 million Medicaid enrollees per month in SFY 2014-15.
- Compared to last year, average monthly enrollment* for:
  - overall recipients increased by 530,375 (9.9 percent) to 5.9 million, a portion of which is due to the enactment of the ACA;
  - adults increased by 280,178 (13.6 percent) to 2.3 million, accounting for the largest increase in enrollment;
  - children with Medicaid coverage increased by 225,754 (11.3 percent) to 2.2 million;
  - elderly recipients increased by 10,893 (2.3 percent) to 485,655;
  - blind or disabled recipients decreased by 6,094 (0.8 percent) to 773,627; and
  - "other" eligible recipients, largely legal immigrants, increased by 19,644 (37.7 percent) to 71,771.

Medicaid Costs
Department of Health — Claims, 2010–2015



- Medicaid recipients in managed care plans increased by 433,126 (10.7 percent) to nearly 4.5 million. This increase reflects the enrollment of most new recipients into managed care plans and the continued transition of most populations from fee-for-service to Medicaid managed care.

Medicaid Costs and Eligible Recipients
Department of Health — Current Claims, 2014–2015

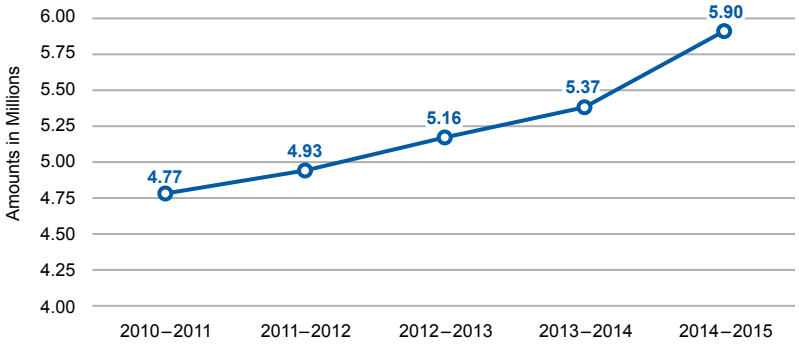


*Unreconciled paid claims from the Department of Health. SFY 2014-15 enrollment numbers are through February 2015.

Medicaid Spending Increases, Largely Due to Additional Federal Payments From the ACA

- Compared to last year, combined local, State and federal spending on Medicaid claims increased by $2.6 billion (5.1 percent) to $54.5 billion. This increase largely reflects additional federal Medicaid payments associated with the ACA.
- Children and adults represented over three-quarters of all average monthly enrollees, but only 38.8 percent of the overall costs of Medicaid claims for the State.** Elderly, blind and disabled enrollees made up less than a quarter of eligible recipients, but accounted for 56.6 percent of Medicaid claims costs.

Medicaid Eligibles in New York
Department of Health — Claims, 2010–2015



Family Health Plus Program Ends

- Under ACA reforms, the Medicaid expansion program Family Health Plus ended in December 2014. Family Health Plus provided coverage for certain adults who did not have health insurance and earned too much to qualify for regular Medicaid.
- The State transitioned most Medicaid enrollees to managed care and instructed those with income above the eligibility level to apply for non-Medicaid coverage through the State's health insurance exchange.
- Compared to last year, in Family Health Plus:
  - average monthly enrollment decreased by about 270,000 (66.1 percent) to 138,786; and
  - year-to-year expenditures decreased by $1.1 billion (67.5 percent) to $545.1 million.

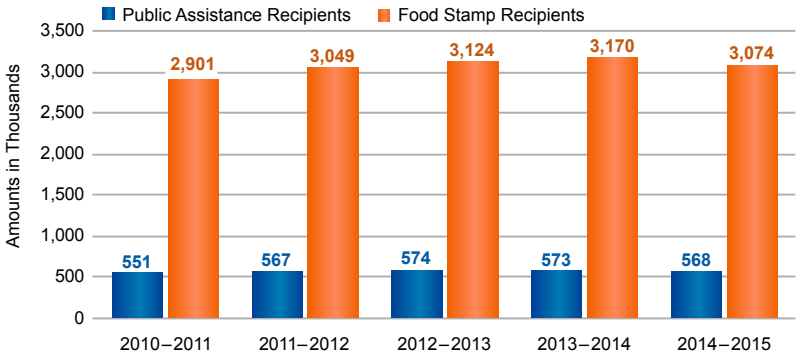
** SFY 2014-15 costs by eligibility category (i.e., children, adults, elderly, blind and disabled) are through December 2014.

Public Welfare

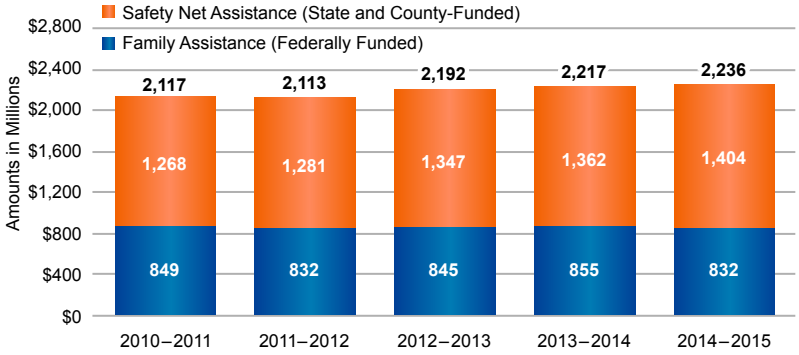
Enrollment in Public Assistance Continues to Decrease In a Recovering Economy

- For the second straight year, public assistance enrollment in the State decreased, largely due to lower Family Assistance (FA) enrollment in New York City. This decrease reflects the State's continued recovery from the economic downturn at the end of the last decade. Enrollment did increase in areas outside of New York City for the seventh consecutive year, but had the smallest increase since SFY 2008-09.
- Compared to last year, the average monthly number of recipients of public assistance in:
  - New York State decreased by 4,627 (0.8 percent) to 568,222;
  - New York City decreased by 5,106 (1.5 percent) to 338,840; and
  - areas outside New York City increased by 479 (0.2 percent) to 229,381.
- Overall FA enrollment decreased after increasing marginally last year, while overall Safety Net Assistance (SNA) enrollment was slightly higher this year after decreasing for the first time in five years in SFY 2013-14. Areas outside of New York City accounted for nearly all of this increase. SNA is funded by the State and counties while FA is funded by the federal government.

Recipients of Public Assistance and Food Stamps



Public Assistance Expenditures by Source



Spending for Public Assistance Continues to Increase, But at a Slower Rate

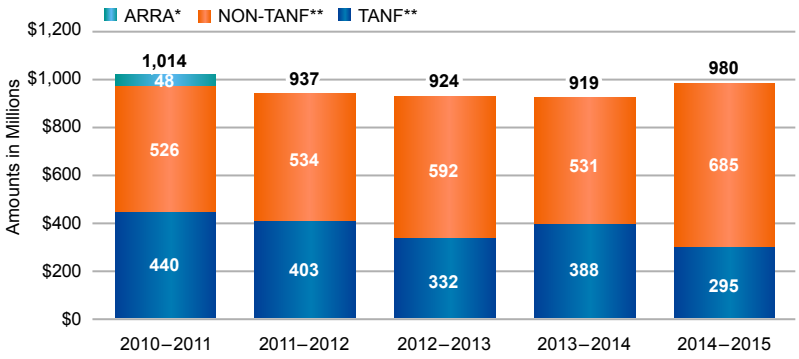
- For the third consecutive year, public assistance spending increased, mainly because of an increase in SNA expenditures in areas of the State outside of New York City. This increase continues the program's recent spending growth, but it is occurring at a slower rate than in either of the last two years.
- Compared to last year, public assistance expenditures in:
  - New York State increased by $19.6 million (0.9 percent) to $2.24 billion;
  - New York City decreased slightly to $1.34 billion; and
  - areas outside New York City increased by $19.8 million (2.3 percent) to $893.9 million.
- SNA expenditures increased while FA expenditures decreased. For New York City, lower FA expenditures more than offset higher SNA expenditures. SNA expenditures accounted for 62.8 percent of total public assistance spending.

- Compared to last year, SNA expenditures in:
  - New York State increased by $42.2 million (3.1 percent) to $1.4 billion;
  - New York City increased by $19.2 million (2.1 percent) to $914.2 million; and
  - areas outside New York City increased by $23 million (4.9 percent) to $490.1 million.
- Compared to last year, FA expenditures in:
  - New York State decreased by $22.6 million (2.7 percent) to $831.8 million;
  - New York City decreased by $19.4 million (4.3 percent) to $428.0 million; and
  - areas outside New York City decreased by $3.2 million (0.8 percent) to $403.9 million.
- Child Care Block Grant subsidies for low-income families transitioning from public assistance increased by $61 million (6.6 percent) to $980 million. These subsidies are financed by a combination of federal (TANF), State and local sources (Non-TANF).

SNAP Enrollment Decreases for First Time in Over a Decade as Spending Also Decreases

- Enrollment in the State's Supplemental Nutrition Assistance Program (SNAP) decreased for the first time in at least 13 years. SNAP, formerly known as the Food Stamp Program, is funded by the federal government.
- Compared to last year, the average monthly number of recipients of SNAP in:
  - New York State decreased by 96,865 (3.1 percent) to 3.1 million;
  - New York City decreased by 108,638 (5.9 percent) to 1.74 million; and
  - areas outside New York City increased by 11,773 (0.9 percent) to 1.33 million.
- Expenditures for SNAP decreased for the second consecutive year.
- Compared to last year, SNAP expenditures in:
  - New York State decreased by $389.7 million (7.1 percent) to $5.1 billion;
  - New York City decreased by $338.9 million (10 percent) to $3 billion; and
  - areas outside New York City decreased by $50.8 million (2.4 percent) to $2.08 billion.

Child Care Block Grant (CCBG) Annual Commitments



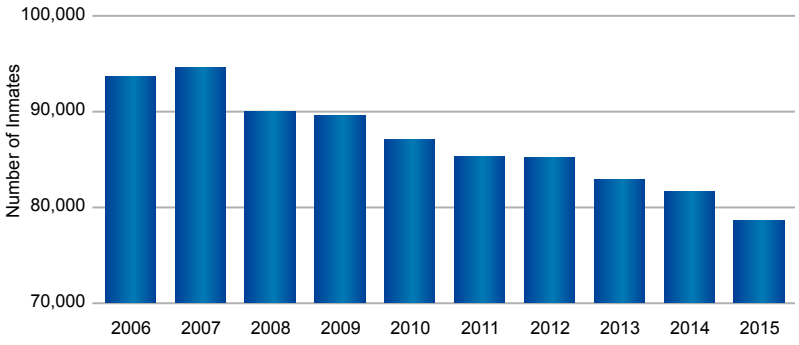
*American Recovery and Reinvestment Act
**Temporary Assistance for Needy Families

Public Safety

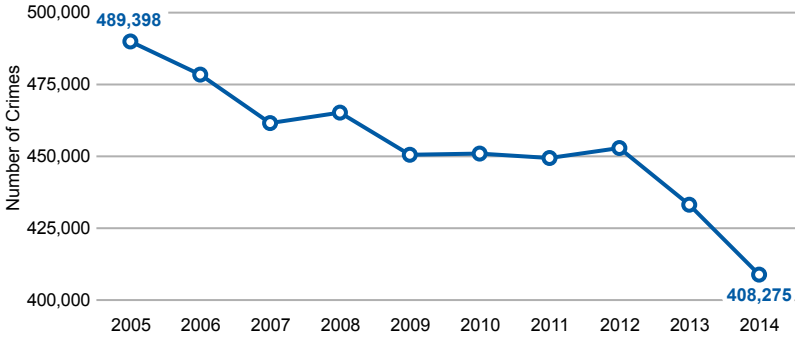
Inmate Population and Crime Rate Have Declined Over the Past Decade

- As of March 2015, a total of 78,618 inmates were held in 131 State and local correctional facilities, which include:
  - 54 State correctional facilities;
  - 61 county jail facilities; and
  - 16 New York City correctional facilities.
- Since March 2006, the inmate population has declined by nearly 15,000 (16 percent).
- From 2005 to 2014, the total number of crimes reported in New York State declined by 81,123 (16.6 percent). This trend reflects falling crime rates across all major categories of crimes.

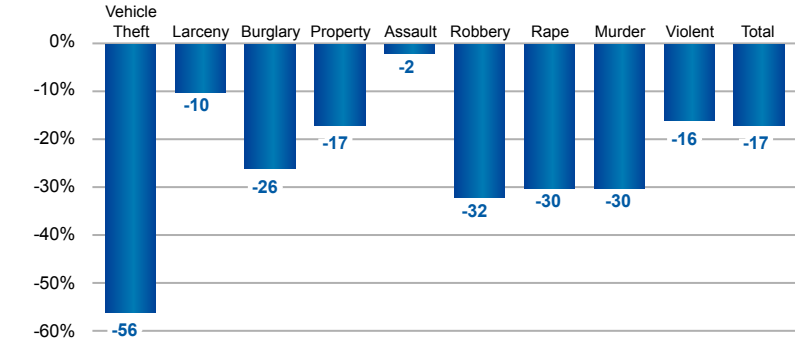
Inmates Held in State and Local Correctional Facilities



New York State Total Crimes Reported



Percentage Change in Crime Rate *from 2005 to 2014*

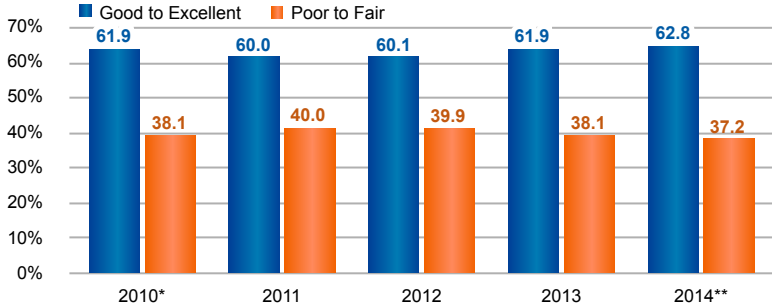


Transportation

Highway Conditions Have Improved Slightly Since 2010

- The State is responsible for maintaining more than 42,700 lane miles of highway.
- The number of highway lane miles rated poor/fair has decreased by 1.4 percent since 2010.
- In 2014, 62.8 percent of the highways were rated good to excellent, a 0.9 percent increase since 2010.

Highway Condition Ratings in New York
(as a percentage of total lane miles)

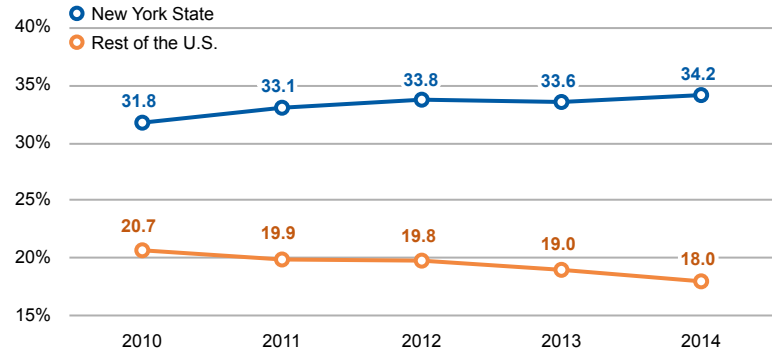


**2010 percentages are restated to correctly reflect final surface ratings.*
***2014 percentages are based upon draft surface ratings and are subject to change.*

Bridge Conditions Have Worsened Since 2010

- The State is responsible for maintaining nearly 7,900 bridges.
- In 2014, 34.2 percent of bridges were rated deficient as compared to 31.8 percent in 2010. A deficient rating means a bridge is either structurally or functionally deficient, but not a current safety threat.
- The State's percentage of deficient bridges compares unfavorably to the nationwide percentage of 18 percent.

Deficient Bridges in New York and the Rest of the U.S.
(as a percentage of total number of bridges)

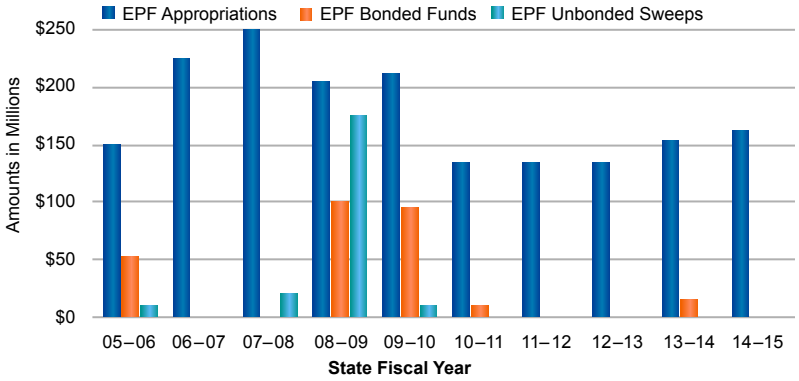


Environment

Environmental Protection Fund (EPF)

- Created in 1993, the EPF:
  - provides an ongoing source of primarily pay-as-you-go funding to address the State's environmental capital spending needs.
  - supports a broad array of environmental programs, such as: State and municipal open space conservation; municipal and agricultural non-point source water pollution control; State and local parks projects; municipal water pollution control and aquatic habitat conservation; support for the State's zoos, botanical gardens and aquaria; waterfront revitalization; and farmland conservation.
  - is primarily funded with a portion of the State's real estate transfer tax.
- Appropriations to the EPF have fluctuated over the life of the fund:
  - from an initial funding level of $31.5 million in SFY 1994-95;
  - to a low of $0 in SFY 2001-02; and
  - to a high of $250 million in SFY 2002-03 and again in SFY 2007-08.
- In SFY 2014-15, $162 million was appropriated to the EPF.

History of EPF Appropriations and Sweeps Backed by General Fund Repayment Authorization and Bonding



New York Works

- New York Works appropriations in SFY 2014-15 were made to the capital budgets of the:
  - New York State Department of Environmental Conservation for $40 million; and
  - New York State Office of Parks, Recreation and Historic Preservation for $92.5 million.

New York State Energy, Research and Development Authority (NYSERDA)

- NYSERDA accounts for a significant amount of spending on environmentally-related energy programs.
- In SFY 2014-15, NYSERDA:
  - disbursed $768.3 million on programs including energy efficiency deployment, Green Jobs/Green New York, the Renewable Portfolio Standard, and the Energy Efficiency Portfolio Standard.
  - derived most of its revenue from two sources:
    - approximately $42.9 million was appropriated in the State Budget; and
    - approximately $633.3 million was generated by assessments on energy consumption as ordered by the New York State Public Service Commission and through auction of allowances through the Regional Greenhouse Gas Initiative ($103 million).

Energy

According to the U.S. Energy Information Administration:

- In 2013, the State's average electricity prices became the fourth highest in the nation.
- In 2013, 23 percent of the State's electricity generation came from renewable resources. The State produced more hydroelectric power than any state east of the Rocky Mountains.
- Among all states, New York State:
  - consumed less energy per capita in 2012. Wyoming consumed the most per capita.
  - ranked fourth in net renewable electricity generation in 2010 (Washington ranked first).

Agriculture

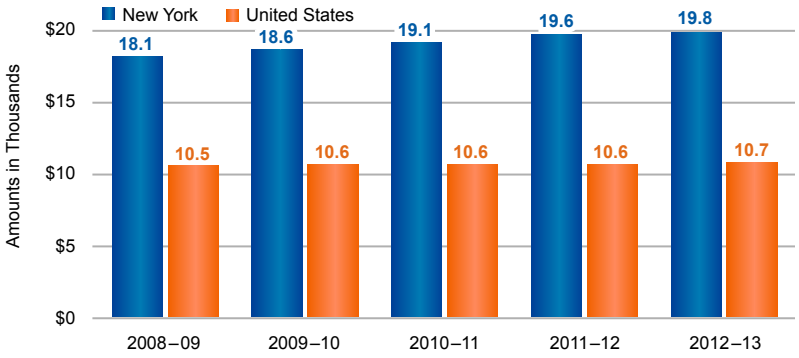
- In 2012, the value of agricultural production in the State was over $5.7 billion.
- The State is the nation's fourth leading milk-producing state, with 13.2 billion pounds produced in 2012 and a preliminary value of nearly $2.6 billion.
- The State ranked first among all states in the production of pumpkins and second in the production of apples, squash and maple syrup in 2012 (according to the New York State Department of Agriculture and Markets).

Elementary and Secondary Education

New York State Ranks Highest in Nation in Per Pupil Spending

- For the 2012-13 school year,* New York State was the highest among the states in per pupil expenditures for public elementary and secondary education at $19,818, according to the U.S. Census Bureau. This amount is:
  - an increase of 1.4 percent from the previous year; and
  - 85.2 percent higher than the national average of $10,700 per pupil.
- Over the five years prior to 2012-13, annual per pupil spending has increased an average of 2.3 percent in New York State, compared to 0.5 percent for the nation.

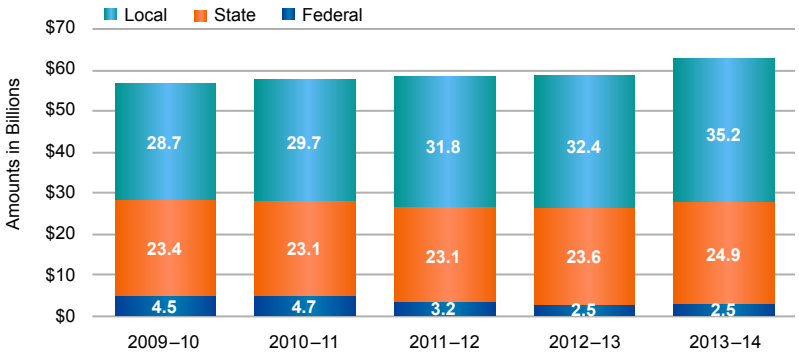
Per Pupil Education Spending



Local Governments Represent the Largest Source of Funding

- In 2013-14, support for public elementary and secondary schools came from the following sources:
  - State, $24.9 billion, including the School Tax Relief Program (STAR) of $3.3 billion;
  - local, $35.2 billion; and
  - federal, $2.5 billion.
- In school budgets proposed for the 2015-16 school year, property tax levy increases averaged 1.6 percent, which is lower than the:
  - 1.9 percent average increase last year; and
  - 2.8 percent average annual increase from 2011 to 2015.

Federal, State and Local Funding for Elementary and Secondary Schools

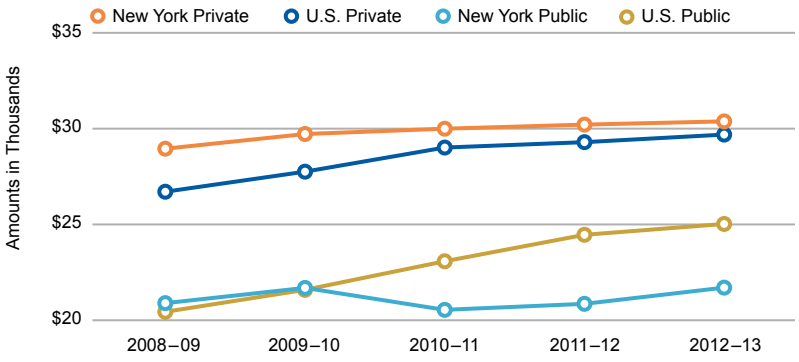


*Most recent available year.

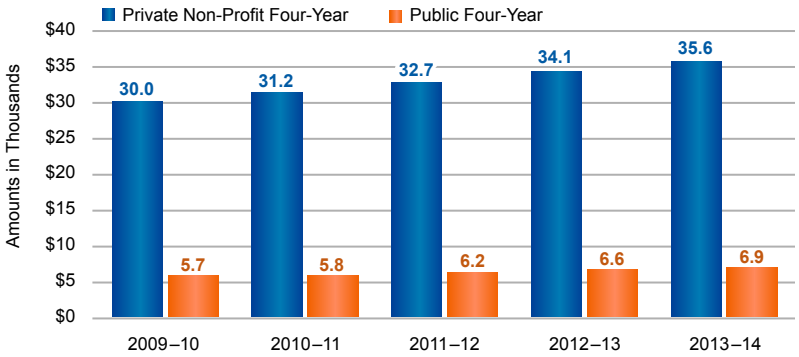
Higher Education

- In calendar year 2013,* New York State higher education institutions had the following students in degree-credit enrollments:
  - 897,740 full-time
  - 373,683 part-time.
- The State has a higher proportion of private colleges than most states, with 189 independent and proprietary colleges accounting for nearly 43 percent of statewide full-time equivalent (FTE) enrollment.
- In the 2014-15 academic year, average costs of tuition and fees for full-time, in-state students for the State University of New York (SUNY) and the City University of New York (CUNY) were the following:
  - SUNY, $7,562 ($4,460 for two-year colleges); and
  - CUNY, $6,330 ($4,800 for two-year colleges).
- In the 2013-14 academic year, over 372,000 students received State Tuition Assistance Program (TAP) awards, totaling $936 million.
- In FY 2014-15, the State spent $277 per person on higher education, ranking 17th in the nation for higher education spending per capita.
- In 2013, 60 percent of college graduates in the State left school with debt, which is down from 63 percent in 2009. By comparison, the national average was 62 percent in 2013, which is up from 59 percent in 2009.

Average Debt of College Graduates with Debt



Average Published Tuition and Fees - New York State



*Most recent available year.

Local Government

Even well into the economic recovery, local governments still face challenges, including managing their finances under the property tax levy limit, or "tax cap," which has been in effect since 2012. Although most local governments are doing well, some struggle with making ends meet.

The Office of the State Comptroller has been monitoring the financial condition of each local government through its Fiscal Stress Monitoring System (FSMS). We have also stepped up efforts to shine a light on the operations of local authorities.

School Districts and Other Local Governments Are Living Within the Tax Cap

The tax cap has applied to schools for three years and counties for four years. Levies, which had been slowing in growth in the years before the tax cap, have stayed well under the limit.

School districts

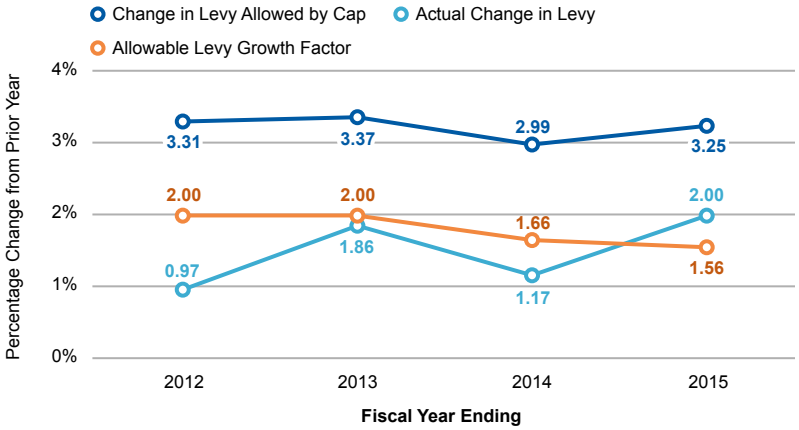
Since school districts have particularly rigorous requirements for overriding the tax cap, they are less likely to override than other local governments.

- Overall, school district levies stayed within the tax cap in school fiscal years 2012-13, 2013-14 and 2014-15.
- Only 2.8 percent of districts exceeded the tax cap in 2014-15.

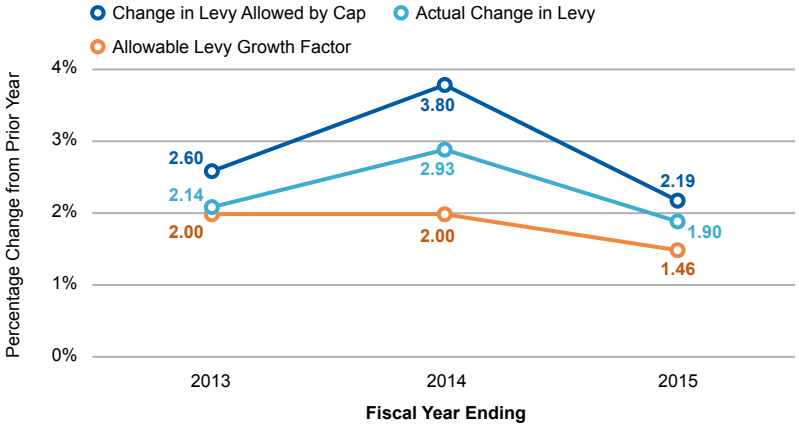
Counties

- Overall, levy growth for counties was more than one percentage point less than the tax cap allowed in all four years that it was in effect.
- However, several counties still exceeded the tax cap—over 20 percent of counties in the first three years, declining to 10.5 percent in the fourth year.

Counties: Actual Tax Levy Compared to Change Allowed by the Tax Cap



School Districts: Actual Tax Levy Compared to Change Allowed by Tax Cap



Enacted in 2014, the Property Tax Freeze Credit—a tax relief program that reimburses qualifying New York State homeowners for increases in local property taxes on their primary residences—puts even more pressure on local governments and school districts to stay within the tax cap. This is because only taxpayers of municipalities or districts that levy within the tax cap can receive the credit rebate.

Many Local Governments Are Still Experiencing Fiscal Stress

The Office of the State Comptroller released the second annual FSMS scores for local governments last year. The FSMS gives each local government a fiscal stress score.

The scores inform local and State officials and the general public about the financial issues facing local governments. While most entities had scores that did not put them in any level of fiscal stress, they may still show some risk factors for stress.

The Comptroller's Office observed some notable changes in how many local governments were in stress between the first and second year of the FSMS.

- The number of counties in fiscal stress dropped by over 10 percentage points from 28.6 percent to 18.5 percent.
- The number of cities in fiscal stress, in contrast, increased by over 8 percentage points from 9.6 percent to 17.9 percent.
- While there was only a small increase in the number of school districts in a stress category, a significant number of schools either moved into or out of stress between the two years.

Local Authorities Are Responsible for a Large Amount of Spending and Debt

Local authorities exist to advance the goals of their communities. Because they operate outside many of the controls placed on municipal governments, assessing their effectiveness can prove difficult.

A total of 675 active local authorities exist in New York State, 36 of which are located in New York City. Generally, local authorities must report revenues and expenditures, debt, employment and salary information to the Authorities Budget Office.

Local authorities located outside of New York City reported:

- $1.52 billion in revenues;
- $1.53 billion in expenditures;
- 4,268 employees who were paid $182.3 million in salaries (excluding fringe benefits); and
- $17.7 billion in outstanding debt.

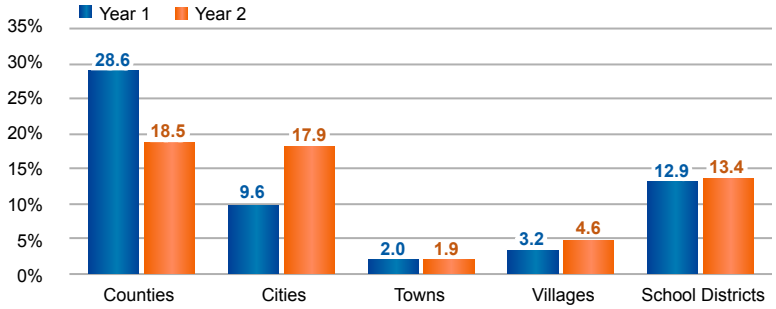
Water, sewer and solid waste authorities as a group represented the largest totals for revenue, expenditure and employment. They reported:

- $945.5 million in revenues;
- $925.4 million in expenditures; and
- 2,640 employees.

Industrial development agencies (IDAs) and local development corporations (LDCs) take the lead in issuing debt. Their $15.1 billion in debt represents 79 percent of debt for all local authorities. Much of the IDA debt is conduit debt—debt that the IDA issues on behalf of a business or other project that the IDA is supporting.

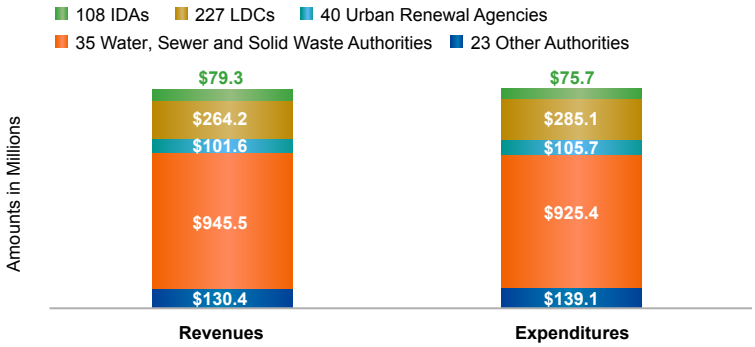
For more information on State and local public authorities, see the public authorities section within this publication.

Percentage of Local Governments in Fiscal Stress by Class
First Two Years of Fiscal Stress Monitoring System



Note: *All percentages are of total municipalities or school districts that filed in the indicated period. For cities and villages: Year 1 includes fiscal years ending (FYE) 12/31/2012 through 7/31/2013. Year 2 includes FYE 12/31/2013 through 7/31/2014. For counties and towns: Year 1 is FYE 2012 and Year 2 is FYE 2013. For school districts: Year 1 is FYE 2013 and Year 2 is FYE 2014.*

Local Authority Revenues and Expenditures



Note: *Most recent reported data as of August 2014; excludes New York City authorities.*

Debt

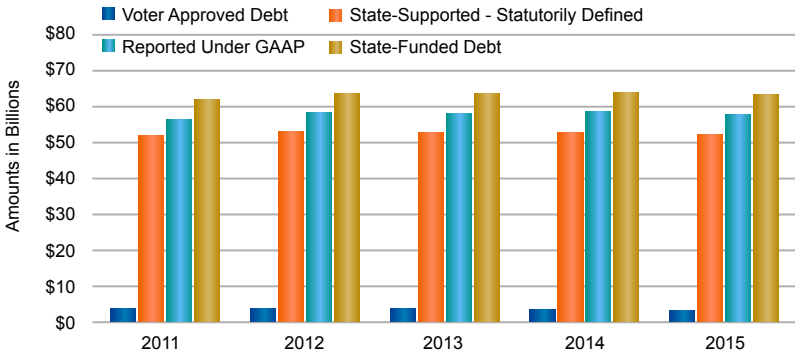
The debt burden of a governmental entity directly affects its ability to provide current services as well as its long-term fiscal health. Existence of high levels of government borrowing may:

- indicate that the government is unable to support current programs with current revenues.
- force future program reductions, increased taxation or additional borrowing when future resources are needed to repay debt.
- limit capacity to finance capital assets, budgetary deficits and capital grants.

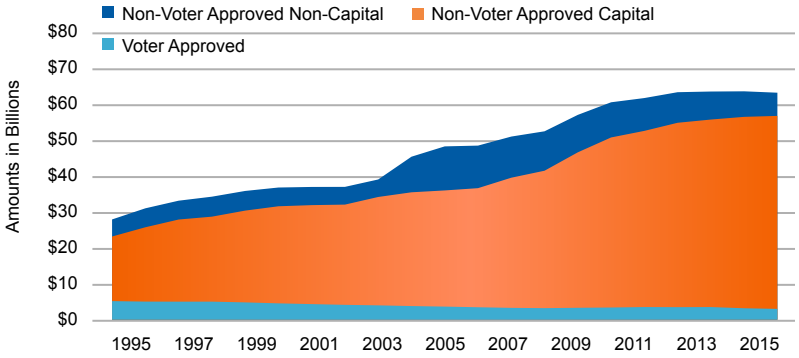
The State Ranks Second Highest in Nation in Outstanding Debt

- At the end of SFY 2014-15, the State reported the following categories of debt:
  - $3 billion in constitutionally recognized (voter approved) general obligation debt, a decrease of 14 percent since 2011.
  - $51.9 billion in State-Supported debt as statutorily defined in the Debt Reform Act of 2000, an increase of 1 percent since 2011.
  - $57.4 billion in debt reported in accordance with full accrual accounting under Generally Accepted Accounting Principles (GAAP), an increase of 2 percent since 2011.
  - $63.2 billion in State-Funded debt, an increase of 2 percent since 2011. This category has been defined by the State Comptroller as a comprehensive measurement of the State's debt burden. It includes instances where the State makes payments with State resources, directly or indirectly, to a public authority, bank trustee or municipal issuer to enable them to make payments on debt issued for State purposes. Approximately 95 percent of the State-Funded debt was issued by public authorities and without voter approval.
- In 2014, New York State was the second most-indebted state behind California, and had nearly twice as much debt as the third most-indebted state (New Jersey). New York State also ranked fifth among all states in debt per person.
- At the end of SFY 2014-15, State-Funded debt outstanding per person was $3,200, which was equal to 5.7 percent of Personal Income.

New York's Debt



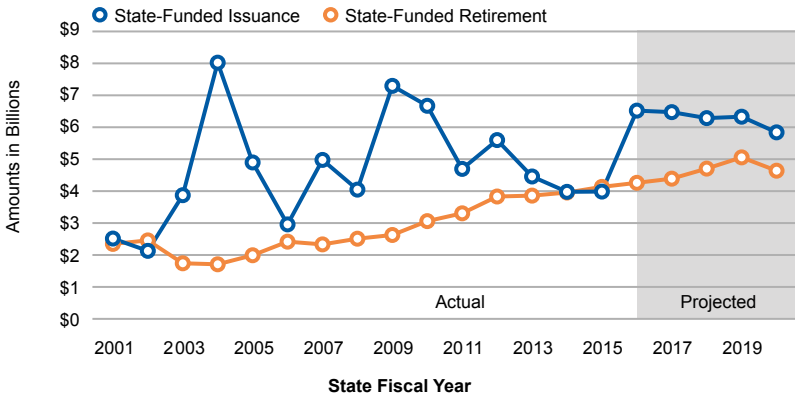
State-Funded Debt Outstanding



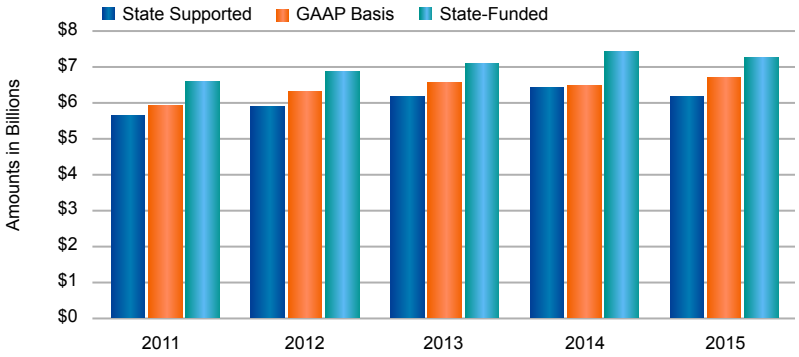
State Projects Issuing More Debt Than It Will Retire in the Coming Years

- For the next five years, the SFY 2015-16 Enacted Budget Five-Year Capital Program and Financing Plan projects that the State will issue 1.5 times more debt than it will retire, with:
  - $29 billion in new State-Supported debt issuance; and
  - $19.8 billion in State-Supported debt retirement.
- The State is experiencing a period of reduced debt capacity due in part to excessive use of debt in the past as well as recent economic conditions.
- Based upon scheduled repayment dates, the State's accumulated deficit financing ($4.4 billion at the end of SFY 2014-15) will not be fully repaid until fiscal year 2026. This includes bonds issued by the:
  - New York Local Government Assistance Corporation (LGAC);
  - Municipal Bond Bank Agency (MBBA); and
  - Tobacco Settlement Financing Corporation (TSFC).
- An additional $2 billion in debt outstanding is associated with:
  - budget relief issued by the Sales Tax Asset Receivable Corporation (STARC), which will not be fully repaid until 2034; and
  - the sale of Attica Correctional Facility in 1991.
- In SFY 2014-15, over $950 million in State-Supported debt service initially planned for SFY 2015-16 was paid early. With such prepayments, the State sends funds to the fiscal agent or trustee earlier than otherwise planned, who then retains such funds until the regularly scheduled debt service payment is due. Such prepayments do not reduce the State's interest costs. Prepayments that shift spending from one fiscal year to the next deflate reported year-over-year growth in debt service and overall spending.
- In SFY 2014-15, State-funded debt service totaled almost $7.4 billion. This is expected to grow to $8.3 billion by 2020, based on projected issuance and retirement amounts from New York State and New York City.

State Debt Issuance and Retirement



Debt Service Expenditures in New York



State-Funded Debt Differs from Debt Reported Under GAAP

- Significant differences exist between debt reported under the State-Funded category for cash reporting and debt reported under GAAP:
  - State-Funded debt includes certain obligations that are not recognized as a State liability under GAAP, including:
    - $2 billion in STARC bonds issued in fiscal year 2005 that will be repaid from future sales tax revenues of the State; and
    - $6.7 billion in Building Aid Revenue bonds issued by New York City's Transitional Finance Authority (TFA) for education needs since fiscal year 2007 that will be repaid with pledged local assistance payments from the State.
  - State-Funded debt also includes:
    - $437 million in obligations for State University of New York dormitory facilities paid with rental fees assigned to the Dormitory Authority and reported as collateralized borrowing under GAAP; and
    - $204 million for certain contingent-contractual obligations associated with the Secured Hospital Program reported as accrued liabilities under GAAP.*
  - Debt reported under GAAP but not counted in the State-Funded debt measurement includes:
    - $3.7 billion in bond premiums;
    - $20 million in accumulated accretion on capital appreciation bonds; and
    - $302 million in certain vendor-financed capital lease obligations and mortgage loan commitments.

State's Bond Ratings Are in Good Standing

- At the end of SFY 2014-15, the State's general obligation bond ratings were assigned as follows:
  - Aa1 by Moody's Investors Service;
  - AA+ by Fitch Ratings; and
  - AA+ by Standard & Poor's (S&P) Rating Services.

  These ratings are one step below AAA, the highest investment grade rating.

*In SFY 2013-14, the State was called on to make approximately $12 million in payments on certain contingent-contractual bonds from the Secured Hospital Program that was enacted in 1985 in which the State issued bonds for certain distressed hospitals. The required payment increased to $24 million in SFY 2014-15. As of March 31, 2015, the Secured Hospital Program included contingent-contractual debt obligations totaling approximately $304.1 million, including $203.8 million that the State has been called on to make debt service payments.

New York's Public Authorities

Created by the government, public authorities are legally separate entities that provide services to the public as well as to the State and local governments. Public authorities are generally self-supporting through their revenue-generating activities. However, the State and local governments do, in some cases, provide financial assistance and support for operating and other expenses. New Yorkers pay for public authorities in a variety of ways including rates, tolls, fees and, in some cases, taxes.

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

- In addition to issuing debt for their own purposes, public authorities issue debt for which the State provides the funds for repayment. The Enacted Budget for State Fiscal Year (SFY) 2015-16:
  - increased bonding authorizations for 21 programs financed through State-Supported debt issued by public authorities;
  - added new authorization for State-Supported borrowing through the Nonprofit Infrastructure Capital Investment Program; and
  - provided for a net increase in these State-Supported bonding authorizations of approximately $7.4 billion, an increase of 13.6 percent over prior authorized levels.
- Public authorities and subsidiaries reported more than $57 billion in revenue and capital contributions in 2014.*
- Public authorities and subsidiaries reported making payments of nearly $12 billion pursuant to contracts in 2014.*

For more information on State and local public authorities and PARIS, please see www.osc.state.ny.us/pubauth/index.htm

Public Authority Data on Expenses, Debt and Employees
For Fiscal Years Ending in 2014

Authority	Expenses (amounts in millions)	Debt (amounts in millions)	Employees
Metropolitan Transportation Authority	$ 12,827	$ 34,747	78,551
Long Island Power Authority**	3,710	7,585	100
Power Authority of the State of New York	3,018	1,597	1,655
Dormitory Authority of the State of New York	2,251	45,772	549
New York State Urban Development Corporation	1,282	10,721	290
New York State Thruway Authority	962	13,627	4,294
New York State Energy Research and Development Authority	556	3,388	337
Environmental Facilities Corporation	495	7,403	112
Tobacco Settlement Financing Corporation	367	1,745	200
Niagara Frontier Transportation Authority	265	152	1,694
Battery Park City Authority	257	1,059	226
State of New York Mortgage Agency	225	2,703	200
New York State Housing Finance Agency	161	12,661	200
New York Local Government Assistance Corporation	109	2,592	24
New York State Bridge Authority	89	110	261
State of New York Municipal Bond Bank Agency	26	552	200
New York Job Development Authority	1	6,939	4
All Other State	*8,233*	*4,468*	*17,982*
Total State	***34,834***	***157,821***	***106,879***
Total Local	***23,404***	***104,616***	***48,846***
Grand Total	***$ 58,238***	***$ 262,437***	***155,725***

* The data reported is submitted by public authorities through the Public Authorities Reporting Information System (PARIS). The data contained in PARIS and used in this section of the report is self-reported by the authorities and has not been verified by the Office of the State Comptroller. Not all authorities have complied with reporting requirements for 2014.

**Includes Utility Debt Securitization Authority debt outstanding.

Economic and Demographic Trends

The State Ranked High in the Nation for Economic Growth for 2014

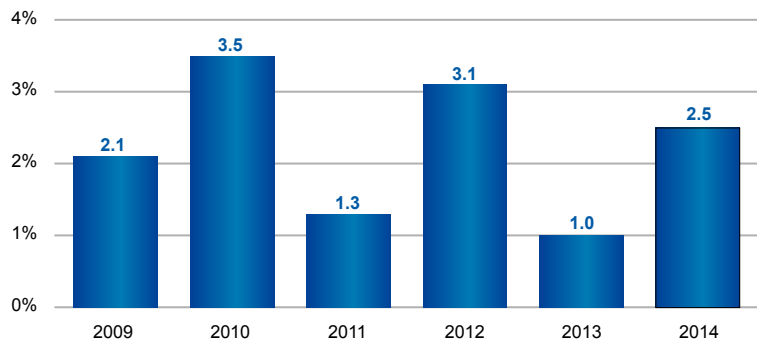
A state's Gross Domestic Product (GDP) is the value of production originating from all industries in the state, as defined by the U.S. Bureau of Economic Analysis. In 2014:

- New York State's GDP was $1.4 trillion. On an inflation-adjusted basis from 2009, the State's real GDP was $1.28 trillion.
- the State ranked 13th in the nation for economic growth with real GDP growth of 2.5 percent. North Dakota ranked first with real GDP growth of 6.3 percent.
- the financial activities sector comprised almost one-third of the State's real GDP. The natural resources and mining sector accounted for less than 1 percent.

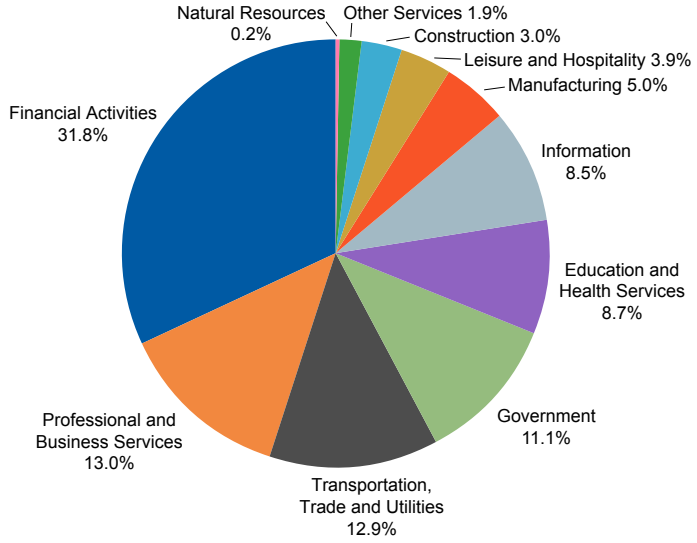
Wages in the State Increase

- In 2014, wages in the State increased by 5.1 percent. Outside the finance and insurance sector, wages in all other industries grew by 4.4 percent.
- While wages increased by 5.1 percent, personal income increased by only 3.7 percent due to slower growth in unearned income (such as dividends and interest).

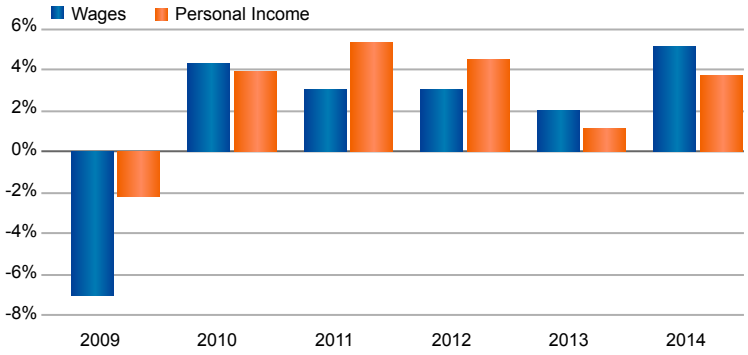
New York Real GDP Growth



Composition of New York GDP



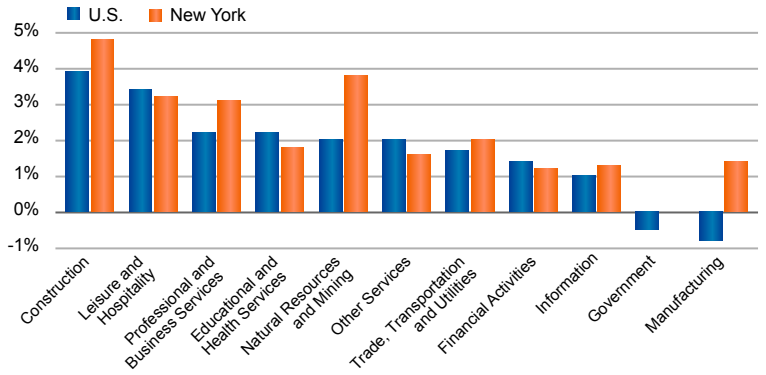
Wage and Personal Income Growth in New York



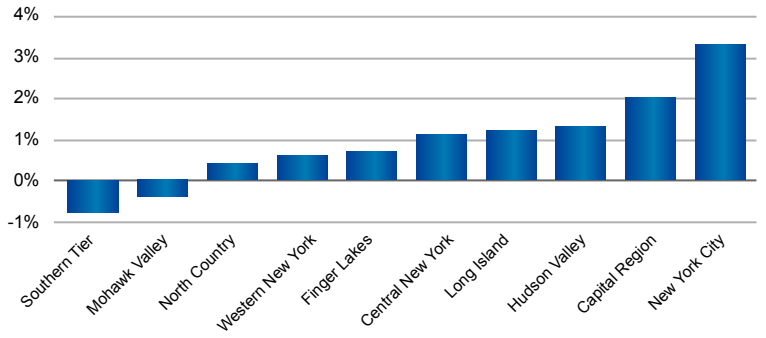
The State Added More Jobs as Unemployment Rate Declined

- In 2014, the State added over 143,000 jobs, an increase of 1.6 percent.
- The unemployment rate declined from 7.7 percent in 2013 to 6.3 percent in 2014. However, the total labor force in the State also declined, decreasing by nearly 63,000 workers.
- In 2014, the highest rate of employment growth was in the construction industry, with an increase of 3.9 percent. The largest number of jobs added was in the educational and health services sector, with an increase of over 40,000 jobs.
- In 2014, employment growth was uneven across the State. New York City had the highest rate of employment growth, an increase of 3.3 percent, while the Southern Tier and the Mohawk Valley experienced employment declines.

2014 Employment Growth by Industry Sector



2014 Employment Growth by Region

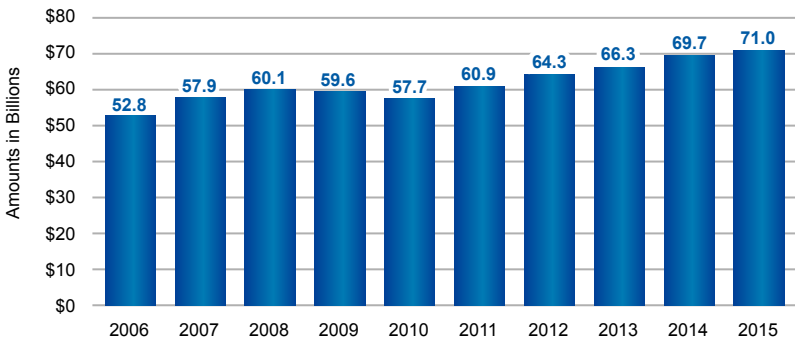


Taxes

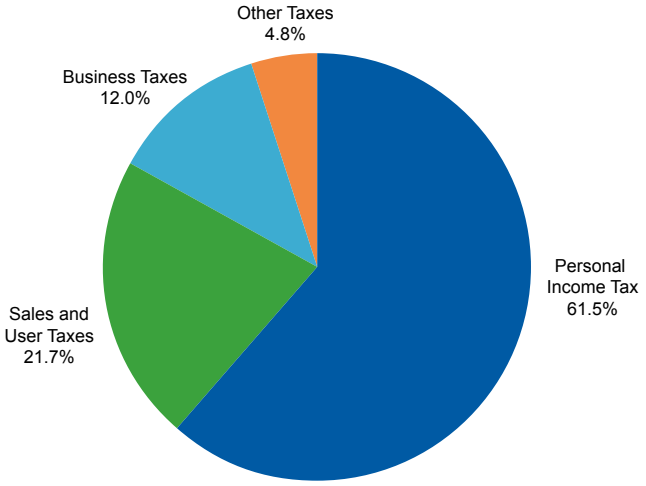
Tax Collections Continue to Rise

- Over the past five years, New York State tax collections have increased by almost 17 percent. In comparison, the inflation rate for the same time period was 10.3 percent and the average wage growth was 14 percent.
- The combined federal, State, and local tax burden in New York State was $313 per $1,000 of personal income in fiscal year 2014.
- At the local level, almost two-thirds of all property taxes are collected by school districts.

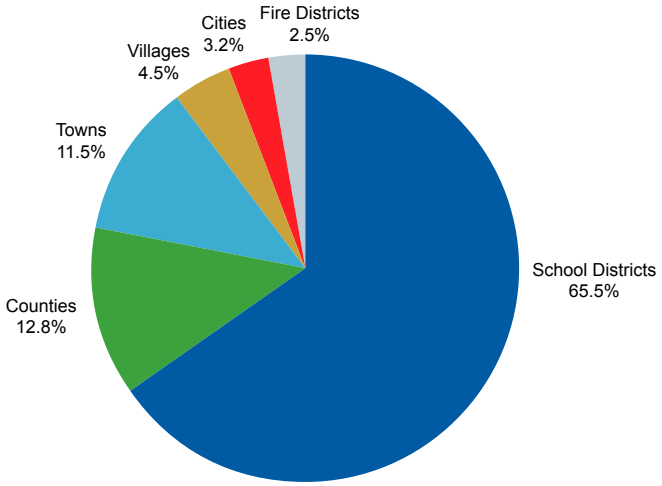
Total State Tax Collections



FY 2015 State Tax Collections By Tax Type



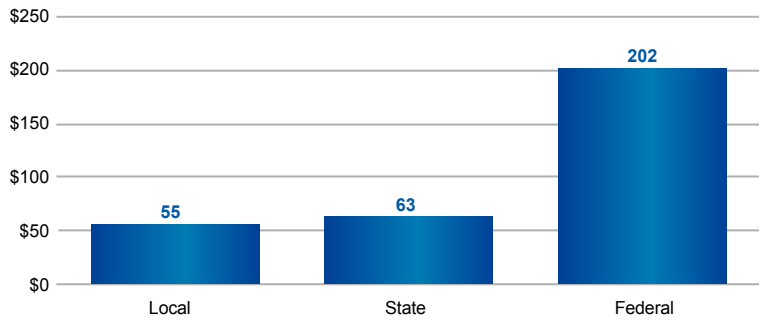
Share of Property Tax by Government Entity in 2014 *(Excluding NYC)*



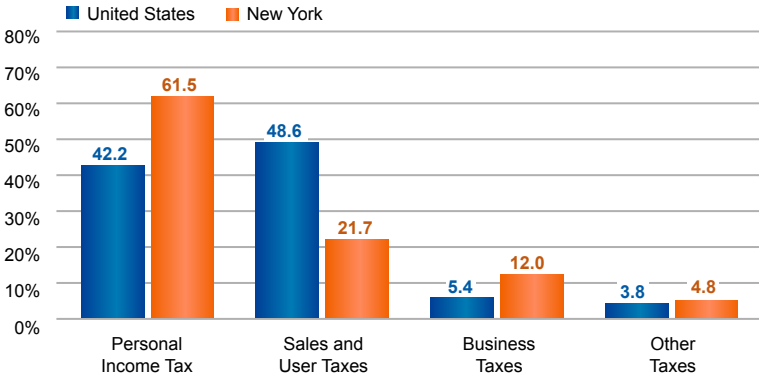
The State Relies Heavily on Personal Income Tax as a Major Source of Revenue

- Personal income tax:
  - makes up over 60 percent of New York State's tax collections.
  - has increased in collections by more than 20 percent over the past five years.
- Only Oregon and Virginia have a heavier reliance on the personal income tax than New York State. Nationwide, there is a heavier reliance on sales and user taxes.
- Collections for sales and user taxes, New York State's second largest revenue source, increased by 8 percent over the past five years.
- Federal taxes make up the largest segment of the overall tax burden on New Yorkers. Local taxes as shown in the nearby figure include property taxes, income taxes, sales taxes, mortgage recording taxes and utility taxes imposed by local governments.

Taxes Paid per $1,000 of Personal Income
(Fiscal year ending in 2014)



Distribution of State Tax Collections by Tax Type, 2014
(New York and National)



Implications for the Future

Budget Gap Between Revenues and Expenditures Remains a Concern

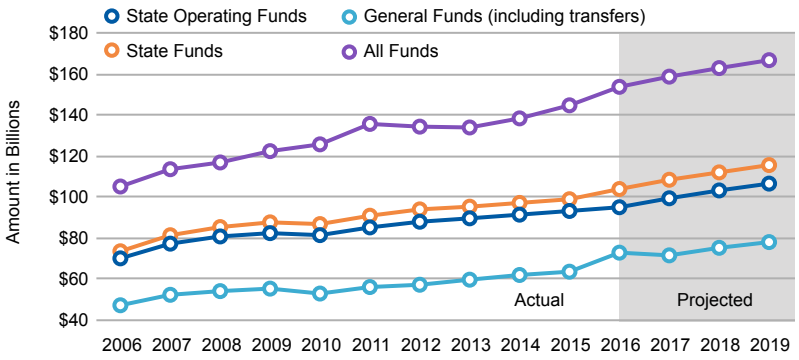
Over the past several years, budgetary actions have reduced the structural imbalance between the State's revenues and its expenditures. However, challenges remain.

For instance, the State Fiscal Year (SFY) 2015-16 Enacted Budget includes over $6 billion in State-sourced non-recurring or temporary resources. This includes over $1.6 billion in payments that were made in SFY 2014-15 instead of SFY 2015-16, thus temporarily lowering spending needs. Based on Division of the Budget (DOB) projections of receipts and disbursements that include actions taken after the budget was enacted, the Office of the State Comptroller estimates that projected gaps in the coming three years will average more than $3.5 billion annually, partially reflecting the loss of the various temporary resources used in SFY 2015-16. While these projected gaps are smaller than in some recent years, they remain cause for concern.

The Two Percent Spending Benchmark's Effect Is Unclear

The SFY 2015-16 Enacted Budget Financial Plan reflects the Executive's 2 percent benchmark for annual spending growth from State Operating Funds. While DOB projects spending growth for State Operating Funds to stay within the 2 percent benchmark, it projects all other measures of State spending—General Fund, State Funds, and All Funds—to exceed the 2 percent benchmark. As a result, the effect of this policy is unclear.*

Actual and Projected Annual Spending



DOB also projects spending growth in State Operating Funds will rise almost 4 percent annually from SFY 2016-17 through SFY 2018-19. To keep spending growth within the 2 percent benchmark, the State will need to take additional actions, although specific actions and their potential impacts have yet to be determined.

Uses of Some Settlement Funds Have Yet To Be Determined

Since April 2013, the State has received over $8 billion in monetary settlements from various financial and insurance institutions for violations of New York State banking and insurance laws. These non-recurring resources may appropriately be used for certain expenditures such as repayment of high-cost debt, one-time capital investments, enhancement of reserves or similar non-recurring expenditures. Although the SFY 2015-16 Enacted Budget included new Capital Projects Fund appropriations totaling $4.55 billion associated with these resources, the language governing the use of the money is very broad, leaving the possibility that the funds could be used for operating expenses or other non-capital purposes.

*The General Fund is the State's main operating fund. State Operating Funds include the General Fund and State-financed special revenue operating funds. State Funds include State Operating Funds and State-financed capital funds. All Funds includes all of the above, as well as federally funded capital and operating funds.

Ensuring that the State meets its needs for essential capital investment, and that it makes appropriate use of one-time resources such as the settlement funds, remain important priorities.

Debt Capacity Is Projected to Shrink

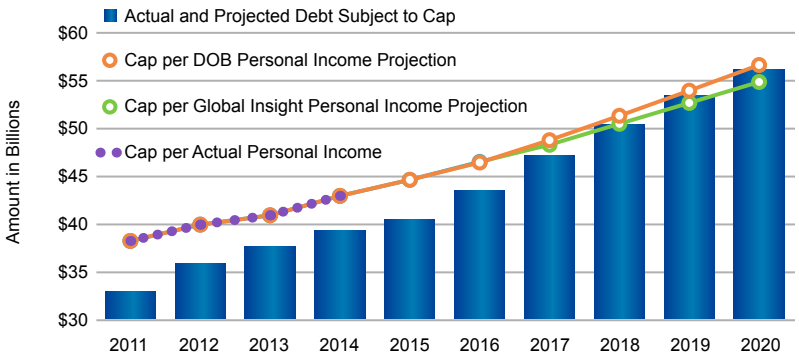
Another important issue with regard both to the State's capital needs and its overall financial condition is its debt capacity.

The Executive currently projects that the State's debt capacity, as measured by the statutory cap on State-Supported debt outstanding, will shrink to $470 million in SFY 2019-20. This decline is partially due to economic conditions, but also to the increased issuance of debt, especially in the years leading up to and including the Great Recession. Certain actions, such as a change in the financing structure for State University of New York dormitories, have preserved debt capacity under the statutory cap but did not alter the State's debt burden. The challenge of lowering this debt burden remains.

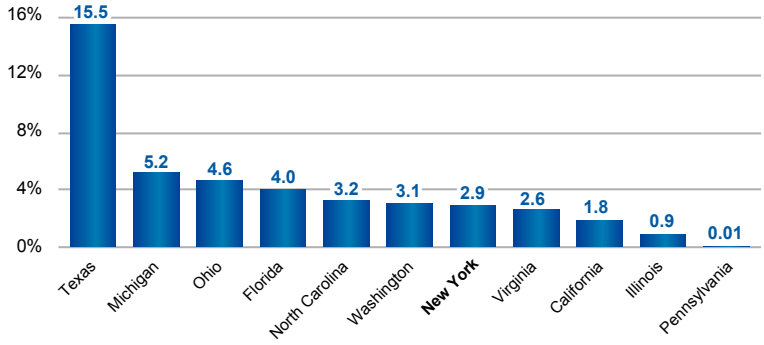
Since statutory debt capacity is partially a function of Personal Income in New York State, the projected level of such capacity varies with different personal income projections. DOB projects Personal Income in New York State will increase an average of 5.1 percent annually over the next five years. IHS Global Insight projects a lower figure, an average of 4.2 percent over the same period. If Personal Income grows at a lower rate than anticipated and additional actions are not undertaken, the State's projected debt capacity would shrink further or, potentially, disappear entirely.

State-Supported debt issuances are projected to be $29 billion over the next five years, an average of $5.8 billion annually, compared to an annual average of $3.9 billion over the previous five years. The gap between debt issuances and debt retirement is also projected to grow, with issuances exceeding retirements by nearly 1.5 times on average annually over the next five years, compared to 1.2 times over the past five years.

Actual and Projected Debt Subject to Statutory Cap



Rainy Day Reserves as Percentage of General Fund Spending – 2015
Largest States with Rainy Day Reserves



Fund Balance and Reserves Improve, But Long-Term Fiscal Challenges Remain

New York State has long trailed the national average for states, as well as a number of similar-sized states, in fund balance and reserves as a percentage of spending.

On a positive note, the State has increased its reserves over the last 10 years, largely due to recent additions to the Rainy Day reserve fund that was created in 2007. New York State increased its reserves in SFY 2014-15 by over $315 million, but further additions would enhance the State's ability to address fiscal challenges in future years.

New York State's General Fund balance as of March 31, 2015 increased to 11.6 percent of expenditures primarily because of non-recurring monetary settlement revenue received in SFY 2014-15. If the monetary settlements were excluded from the balance, the General Fund balance would have been 3.8 percent of General Fund spending, nearly the same as the national average and slightly higher than the average for the other 10 largest states with rainy day funds.

Revenues Are Difficult to Project Due to Reliance on the Financial Sector

Going forward, the State's heavy reliance on the financial sector requires recognition of the volatility that is inherent in New York State's Personal Income Tax, some of its business tax revenues and in certain sources of miscellaneous receipts. New York City's status as an international capital of finance is a key factor in the State's collection of billions of dollars in settlements from large financial corporations in recent months—with the possibility of more settlements to come. Given the inherent difficulty in projecting such revenues, as well as other issues cited above, the State must do more to build budgetary reserves and work to reduce structural deficits in the years ahead.

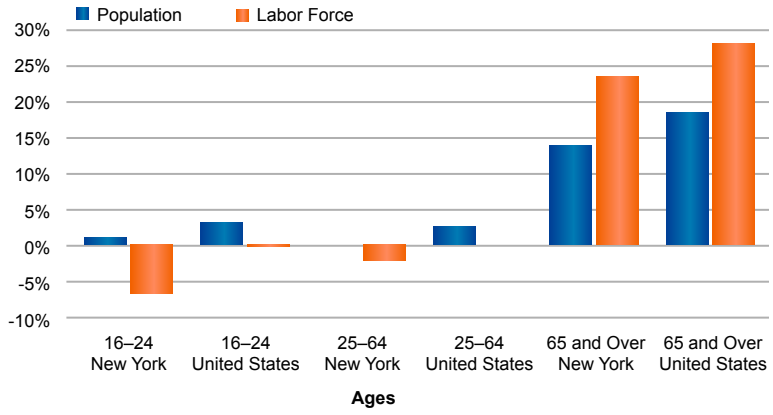
Statewide and National Workforce Trends Show Most Growth in Those 65 and Older

Measures of the State's workforce are important yet sometimes overlooked factors in the State's economic fortunes.

The overall working-age population has grown both in New York State and nationally over the past five years. However, the largest amount of growth was among individuals aged 65 and over—in New York State, the population of prime working age (25 to 64) individuals declined slightly over the period.

The largest rate of labor force growth both in New York State and nationally was also among those 65 and older. Labor force participation has increased among this older population while shrinking overall. With the labor force an important supply factor in the economy, the aging of the labor force and its potential impact on future economic growth merit continued attention.

Change in Population and Labor Force by Age, 2009–2014
New York and National



Appendix 1: State Funds Spending by Major Function[1]

(amounts in millions)

State Funds Spending for the Fiscal Year Ended March 31:	2011	2012	2013	2014	2015
EDUCATION	**$35,087**	**$33,963**	**$35,050**	**$35,672**	**$37,125**
Public Schools	23,466	21,440	22,231	22,534	23,723
School Tax Relief (STAR)	3,234	3,233	3,286	3,357	3,297
State University of New York	6,120	6,904	7,134	7,242	7,137
City University of New York	1,310	1,335	1,366	1,463	1,505
Tuition Assistance Program	815	926	893	944	1,159
Higher Education Services Corporation	95	91	117	106	238
Cultural Programs	47	34	23	26	66
PUBLIC HEALTH	**21,797**	**25,384**	**25,365**	**25,236**	**25,149**
Health and Mental Health Services	8,498	8,800	7,683	7,636	6,940
Medical Assistance (Medicaid)	13,299	16,584	17,682	17,600	18,209
PUBLIC WELFARE	**3,911**	**3,945**	**3,934**	**3,903**	**3,626**
Public Welfare	3,499	3,561	3,460	3,497	3,227
Public Housing	205	180	244	198	197
Employment Services	207	204	230	208	202
PUBLIC SAFETY	**3,925**	**3,902**	**4,171**	**3,968**	**4,019**
Criminal Justice & Correctional Alternatives	1,185	1,007	968	958	973
Emergency Management & Security Services	112	181	263	188	176
Prisons and Reformatories	2,628	2,714	2,940	2,822	2,870
TRANSPORTATION	**6,474**	**6,488**	**6,616**	**6,831**	**7,474**
Traffic Safety	219	205	184	191	183
Transportation	6,255	6,283	6,432	6,640	7,291
ENVIRONMENT AND RECREATION	**864**	**799**	**899**	**939**	**919**
Environmental Protection	558	532	642	627	603
Parks, Recreation & Historic Preservation	306	267	257	312	316
SUPPORT AND REGULATE BUSINESS	**1,240**	**1,394**	**1,071**	**1,192**	**1,082**
Commerce, Industry & Agriculture	994	1,160	577	682	581
Regulate Business	246	234	494	510	501
SHARE GENERAL REVENUES WITH LOCAL GOVERNMENTS	**1,058**	**976**	**977**	**1,119**	**1,057**
REPAY BORROWED MONEY AND REDUCE DEBT	**5,615**	**5,864**	**6,138**	**6,437**	**6,221**
GENERAL GOVERNMENT	**10,148**	**10,479**	**10,301**	**11,058**	**11,476**
Executive Agencies	1,079	1,045	1,089	1,253	1,525
Office of the State Comptroller	174	168	170	169	172
Office of the Attorney General	168	167	159	161	167
Legislature	223	197	203	208	207
Court Administration	2,028	1,949	1,927	1,942	2,016
Pension Contributions & Other Employee Benefits	6,060	6,530	6,351	6,922	7,014
Other	416	423	402	403	375
TOTAL STATE FUNDS SPENDING	**$90,119**	**$93,194**	**$94,522**	**$96,355**	**$98,148**

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

Appendix 2: Federal Funds Spending by Major Function[1]

(amounts in millions)

Federal Funds Spending for the Fiscal Year Ended March 31:	2011	2012	2013	2014	2015
EDUCATION	**$6,566**	**$5,188**	**$3,679**	**$4,193**	**$3,718**
Public Schools	6,062	4,879	3,382	3,883	3,387
State University of New York	403	302	291	302	313
City University of New York	33	--	--	3	7
Tuition Assistance Program	59	1	--	--	--
Higher Education Services Corporation	8	4	6	5	11
Cultural Programs	1	2	--	--	--
PUBLIC HEALTH	**29,094**	**26,383**	**25,949**	**26,913**	**31,996**
Health and Mental Health Services	1,599	1,582	1,812	1,956	2,064
Medical Assistance (Medicaid)	27,495	24,801	24,137	24,957	29,932
PUBLIC WELFARE	**5,623**	**5,561**	**5,232**	**5,477**	**5,200**
Public Welfare	5,057	5,039	4,688	4,944	4,694
Public Housing	16	31	38	25	26
Employment Services	550	491	506	508	480
PUBLIC SAFETY	**518**	**593**	**1,532**	**2,029**	**2,557**
Criminal Justice & Correctional Alternatives	255	406	112	86	59
Emergency Management & Security Services	233	183	1,420	1,943	2,498
Prisons and Reformatories	30	4	--	--	--
TRANSPORTATION	**1,785**	**1,530**	**1,521**	**1,746**	**1,639**
Traffic Safety	19	22	24	26	28
Transportation	1,766	1,508	1,497	1,720	1,611
ENVIRONMENT AND RECREATION	**415**	**386**	**327**	**352**	**208**
Environmental Protection	408	377	319	343	199
Parks, Recreation & Historic Preservation	7	9	8	9	9
SUPPORT AND REGULATE BUSINESS	**13**	**17**	**19**	**19**	**20**
Commerce, Industry & Agriculture	12	15	17	18	18
Regulate Business	1	2	2	1	2
SHARE GENERAL REVENUES WITH LOCAL GOVERNMENTS	**274**	**317**	**36**	**78**	**27**
GENERAL GOVERNMENT	**418**	**335**	**280**	**364**	**378**
Executive Agencies	129	40	12	11	44
Office of the Attorney General	23	25	24	25	25
Court Administration	6	7	5	5	5
Pensions Contributions and Other Employee Benefits	260	263	239	323	304
TOTAL FEDERAL FUNDS SPENDING	**$44,706**	**$40,310**	**$38,575**	**$41,171**	**$45,743**

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

Appendix 3: State Receipts by Major Source

(amounts in millions)

State Receipts for the Fiscal Year Ended March 31:	2011	2012	2013	2014	2015
TOTAL TAXES	**$60,869**	**$64,299**	**$66,300**	**$69,690**	**$71,034**
Personal Income Tax	**36,209**	**38,768**	**40,227**	**42,961**	**43,710**
Consumer Taxes	**14,205**	**14,571**	**14,616**	**15,100**	**15,385**
Sales and Use	11,538	11,875	11,989	12,588	12,992
Cigarette/Tobacco Products	1,616	1,633	1,551	1,454	1,314
Motor Fuel	516	502	493	473	487
Alcoholic Beverage	230	238	246	250	251
Highway Use	129	132	145	136	140
Auto Rental	95	104	109	114	119
MCTD Taxicab Trip	81	87	83	85	82
Business Taxes	**7,279**	**7,878**	**8,463**	**8,258**	**8,502**
Corporation Franchise	2,846	3,176	3,009	3,812	3,548
Corporation and Utility	814	797	894	797	727
Insurance	1,351	1,413	1,508	1,444	1,533
Bank	1,178	1,392	1,912	1,050	1,536
Petroleum Business	1,090	1,100	1,140	1,155	1,158
Other Taxes	**3,176**	**3,082**	**2,994**	**3,371**	**3,437**
Estate and Gift	1,219	1,078	1,015	1,238	1,109
Pari-Mutuel	17	17	17	17	18
Real Estate Transfer	580	610	756	911	1,038
Racing and Exhibition	1	1	1	1	1
MCTD Mobility	1,359	1,376	1,205	1,204	1,271
GAMING- LOTTERY INCOME, VLT & CASINO	**3,210**	**2,975**	**3,213**	**3,848**	**3,386**
FEDERAL RECEIPTS	**49,304**	**44,610**	**42,843**	**43,789**	**48,637**
OTHER RECEIPTS[1]	**16,880**	**17,451**	**17,791**	**17,710**	**22,901**
Student Tuition and Fees (SUNY/CUNY)	2,585	2,706	1,935	2,052	2,188
Patient/Client Care	1,766	2,323	--	--	--
Revenues of State Departments	--	--	3,240	3,417	3,478
Receipts from Municipalities	--	--	287	134	122
Income from Investments	28	28	27	28	32
Abandoned Property	640	756	725	544	664
Unclaimed Bottle Deposits	118	101	114	111	103
Refunds & Reimbursements	1,193	1,089	--	--	--
Public Benefit Corporations	278	218	260	251	85
Regulatory Assessments	6,649	6,678	6,544	6,767	7,561
EPIC Fees and Rebates	203	141	--	--	--
Fees, Licenses, Permits	--	--	3,239	3,130	3,268
Fines, Penalties and Forfeitures	--	--	927	967	5,035
Miscellaneous	3,420	3,411	493	309	365
BORROWED AND ADDED TO DEBT	**3,583**	**3,762**	**3,461**	**2,676**	**3,312**
Bonds and Notes Issued by the State	525	352	434	--	161
Public Authority Financings	3,058	3,410	3,027	2,676	3,151
TOTAL RECEIPTS	**$133,846**	**$133,097**	**$133,608**	**$137,713**	**$149,270**

(1) In April 2012, New York State implemented a new central accounting system, the Statewide Financial System (SFS), and chart of accounts structure. The Other Receipts section has been restated to reflect this change.

Data Sources

City of New York Department of Correction

City University of New York

College Board

Fitch Ratings

IHS Global Insight

Institute for College Access and Success

Internal Revenue Service

Moody's Investors Services

National Association of State Budget Officers

NYC Office of Management and Budget

NYS Commission of Correction

NYS Department of Agriculture and Markets

NYS Department of Corrections and Community Supervision

NYS Department of Health

NYS Department of Labor

NYS Department of Taxation and Finance

NYS Department of Transportation

NYS Division of Criminal Justice Services

NYS Division of the Budget

NYS Education Department

NYS Energy Research and Development Authority

NYS Higher Education Services Corporation

NYS Office of Temporary and Disability Assistance

NYS Office of the State Comptroller

Public Authorities Reporting Information System

Standard and Poor's Rating Services

State University of New York

The Center for the Study of Education Policy, Illinois State University

U.S. Commerce Department – Bureau of the Census and Bureau of Economic Analysis

U.S. Department of Agriculture

U.S. Department of Labor – Bureau of Labor Statistics

U.S. Energy Information Administration

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