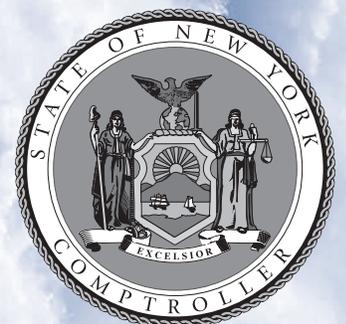


# STATE OF NEW YORK

## FINANCIAL CONDITION REPORT

**For Fiscal Year Ended March 31, 2010**



**Thomas P. DiNapoli**  
STATE COMPTROLLER

# STATE OF NEW YORK

## FINANCIAL CONDITION REPORT

**For Fiscal Year Ended March 31, 2010**

**For a copy of the Comprehensive Annual Financial Report  
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# Award for Outstanding Achievement in Popular Annual Financial Reporting

PRESENTED TO

State of New York

for the Fiscal Year Ended

March 31, 2009



  
President

  
Executive Director

## Comptroller's 2010 Report on the Financial Condition of New York State

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

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

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

The Office of the State Comptroller was honored this past year when it received the Award for Outstanding Achievement in Popular Annual Financial Reporting from the Government Finance Officers Association for the *2009 Financial Condition Report*.

## Message from the Comptroller

I am pleased to present the Financial Condition Report for the State of New York for the fiscal year ending March 31, 2010.

New York State has much to offer its residents and visitors. It is home to the finest cultural, educational, arts and entertainment, and recreational facilities. It also offers a vast infrastructure network, including one of the largest mass-transit systems in the world, and diverse employment opportunities that range from self-employed entrepreneurial enterprises to the largest financial services corporations in the world. However, as with most states, New York continues to struggle with the fiscal challenges associated with the worst economic crisis since the Great Depression.

New York entered the Great Recession already struggling with a structural deficit that further worsened the State's financial position. The State continues to be overly reliant on non-recurring, temporary and risky resources to balance its budgets. This has left the State with a diminished capacity to confront any further economic instability. It is clear that New York must reform how budgets are developed and enacted in order to reverse the long standing annual reliance on fiscal shortcuts to support long-term spending commitments.

In State Fiscal Year (SFY) 2009-10, spending from All Governmental Funds reached \$126.9 billion, which is an increase of 21.7 percent from \$104.3 billion in SFY 2005-06 and more than twice the rate of inflation for the same period (9.5 percent). The Financial Plan that was updated to reflect the SFY 2010-11 Enacted Budget indicates that the State will continue to face large out-year budget gaps, with spending from All Governmental Funds expected to increase by nearly 21 percent over the next five years, while revenues are projected to increase only 8.7 percent. In the General Fund, the State's main operating fund, spending is expected to increase 47 percent over the next five years, while revenues are expected to increase only 16 percent, resulting in out-year deficits that could exceed \$37 billion.

Historically, policymakers have used non-recurring or temporary resources to maintain spending levels. In each of SFY 2009-10 and SFY 2010-11, non-recurring or temporary resources of over \$14 billion and \$16 billion, respectively, were or are expected to support spending. However, less than half of those resources will be available for use in SFY 2011-12 and beyond. Although enacted budgets from SFY 2008-09 through SFY 2010-11 were developed during a period of severe crisis, none of these budgets were accompanied by comprehensive fiscal reforms to address the problems that exacerbated this crisis, specifically the State's long-term structural deficit.

New York State has a high debt burden. State-Funded debt outstanding per capita is three times the national median and second highest among the largest states. However, new debt continues to be issued at significant rates. As a result, debt service is one of the fastest growing categories of the budget, with a large portion of the increase attributable to new debt issued for non-capital needs. Further, nearly all of this State-Funded debt has been issued by public authorities without voter approval.

The need for meaningful fiscal reform is clear. Despite the spending cuts and revenue increases in the SFY 2010-11 Enacted Budget, formidable future year budget gaps are assured. New York must not continue to limp from one crisis to the next. Only by making difficult decisions can New York address its structural deficit and ensure our long-term prosperity.



**Thomas P. DiNapoli**  
STATE COMPTROLLER

## Government-Wide Financial Data

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

### Governmental activities

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

### Business-type activities

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

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

The Statement of Net Assets reports the State's total assets and liabilities. The Statement of Net Assets reports the difference between assets and liabilities in three categories: Capital Assets Net of Related Debt, Restricted Net Assets and Unrestricted Net Assets.

### Condensed Statement of Activities – Primary Government

For the year ended March 31, 2010

(amounts in millions)

Functions/Programs	Expenses	Program Revenues	Net (Expenses) Revenues
<b>Governmental activities:</b>			
Education	\$31,075	\$3,853	\$(27,222)
Public health	51,499	38,314	(13,185)
Public welfare	16,226	12,021	(4,205)
Public safety	5,641	758	(4,883)
Transportation	8,112	3,017	(5,095)
Environment and recreation	1,338	521	(817)
Support and regulate business	1,713	1,542	(171)
General government	9,234	2,826	(6,408)
Interest on debt	1,839	5	(1,834)
<b>Total governmental activities</b>	<b>126,677</b>	<b>62,857</b>	<b>(63,820)</b>
<b>Business-type activities:</b>			
Lottery	5,221	7,818	2,597
Unemployment insurance	10,267	8,603	(1,664)
State University of New York	9,509	5,154	(4,355)
City University of New York	2,847	1,268	(1,579)
<b>Total business-type activities</b>	<b>27,844</b>	<b>22,843</b>	<b>(5,001)</b>
<b>Total primary government</b>	<b>\$154,521</b>	<b>\$85,700</b>	<b>(68,821)</b>
<b>General revenues and net transfers:</b>			
Taxes			58,039
Other			5,295
Net transfers			(346)
<b>Total general revenues and net transfers</b>			<b>62,988</b>
<b>Change in Net Assets (decrease)</b>			<b>\$(5,833)</b>

### Condensed Statement of Net Assets – Primary Government

As of March 31, 2010

(amounts in millions)

Assets	Governmental Activities	Business-type Activities	Total
Cash and investments	\$10,715	\$5,885	\$16,600
Receivables, net	19,539	3,387	22,926
Internal balances	(539)	563	24
Other assets	843	220	1,063
Capital assets	81,435	9,206	90,641
<b>Total Assets</b>	<b>111,993</b>	<b>19,261</b>	<b>131,254</b>
<b>Liabilities</b>			
Tax refunds payable	8,995	—	8,995
Payable to local governments	6,827	—	6,827
Accrued liabilities and accounts payable	8,195	1,696	9,891
Other liabilities due within one year	4,722	4,629	9,351
Liabilities due in more than one year	55,278	12,820	68,098
<b>Total Liabilities</b>	<b>84,017</b>	<b>19,145</b>	<b>103,162</b>
<b>Net Assets</b>			
Invested in capital assets net of related debt	63,797	468	64,265
Restricted for debt service and other purposes	2,664	1,100	3,764
Unrestricted (deficit)	(38,485)	(1,452)	(39,937)
<b>Total Net Assets</b>	<b>\$27,976</b>	<b>\$116</b>	<b>\$28,092</b>

The Statement of Activities reports the expenses of each of the State's programs, reduced by the revenues generated by those programs, to arrive at net program expense. The net program expense is then reduced by general revenues and other gains and losses to arrive at a change in net assets for the year.

Please see the Statistical Section of the Comprehensive Annual Financial Report (Net Assets by Component, Changes in Net Assets, and Program Revenues by Function schedules) for prior years' comparative government-wide data.

## Fund Financial Data

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

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

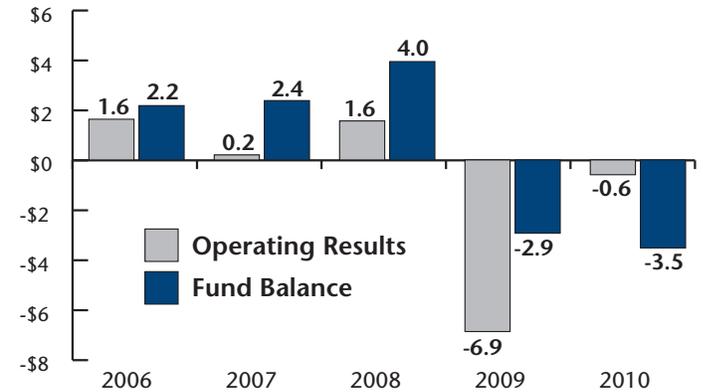
The relationship between fund operating results and accumulated fund balance (or deficit) is graphically depicted at right. Operating results are the net change in fund balance in a reporting period: the amount by which accumulated fund balance increased or decreased during the reporting period.

- As of the year ended March 31, 2010, the State's governmental funds reported a combined operating surplus of \$123 million, increasing the combined fund balance from \$3.8 billion at April 1, 2009 to \$3.9 billion at March 31, 2010.
- The combined governmental funds operating surplus included a \$594 million operating deficit in the General Fund. The General Fund operating deficit resulted from expenditures exceeding revenues by \$9.3 billion, which was offset by transfers to the General Fund. The General Fund accumulated fund deficit grew from \$2.9 billion at April 1, 2009 to \$3.5 billion at March 31, 2010.

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

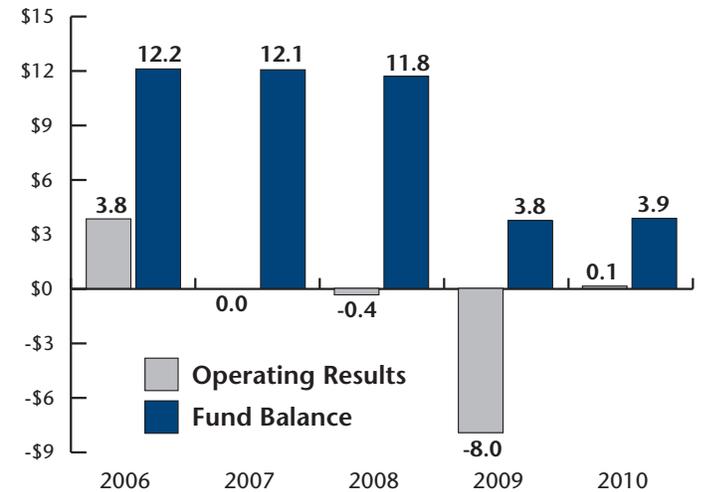
**General Fund Operating Results versus Accumulated Surplus (Deficit)**

(amounts in billions)



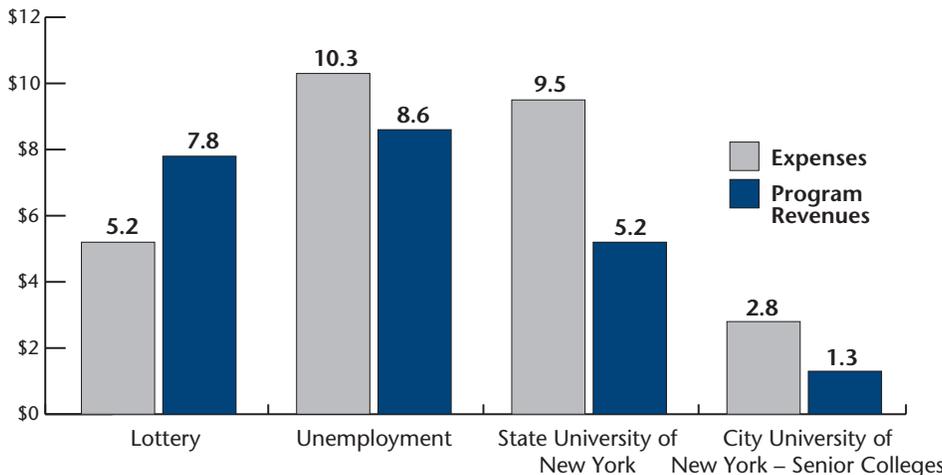
**Governmental Operating Results versus Accumulated Surplus**

(amounts in billions)



### Business-type Activities

(amounts in billions)

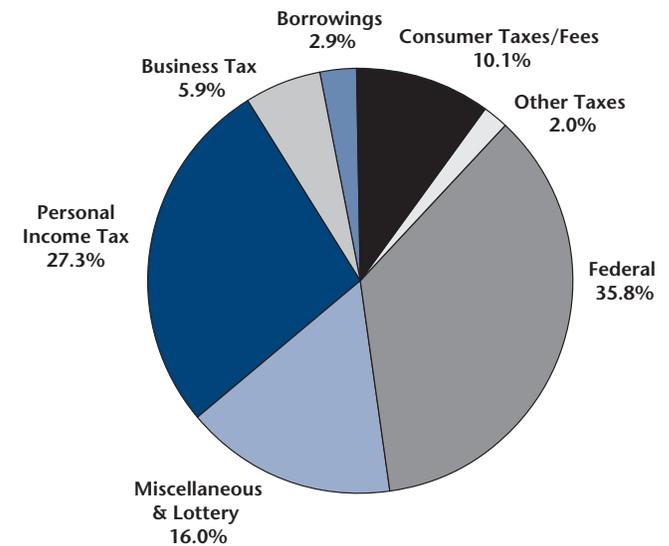


## Total Receipts

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

- Receipts have increased \$20 billion (18.7 percent) since 2006. More than half of this increase can be attributed to the increase in receipts from the federal government after 2008.
- In 2010, total tax receipts of \$57.7 billion represented a 9.2 percent increase over 2006 tax receipts, but a 3.2 percent decrease from 2009 tax receipts.
- Receipts from the federal government were level from 2006 to 2008, and then increased by over 30 percent from 2008 to 2010. The additional federal receipts in 2009 and 2010 were attributable to the American Recovery and Reinvestment Act. Medicaid was responsible for the largest increase in federal cash receipts.

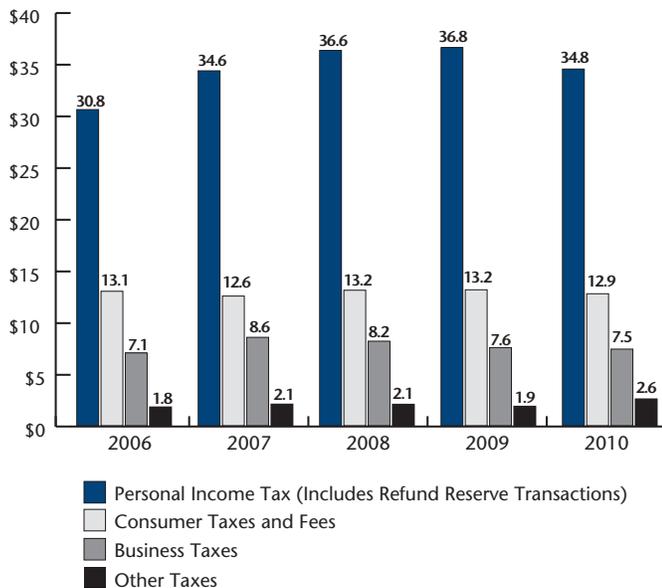
### New York's 2010 Receipts Sources



- Personal income tax and consumer taxes accounted for 37.4 percent of 2010 receipts, and have increased 8.4 percent since 2006.
- During fiscal year 2010, the State experienced a 5.7 percent decrease in personal income tax (PIT) receipts – its largest tax revenue source.

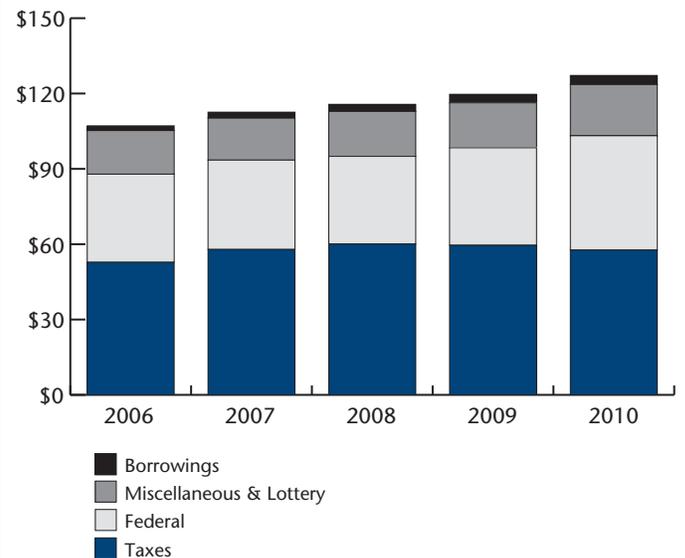
### Tax Receipts by Year

(amounts in billions)



### Total State Receipts

(amounts in billions)

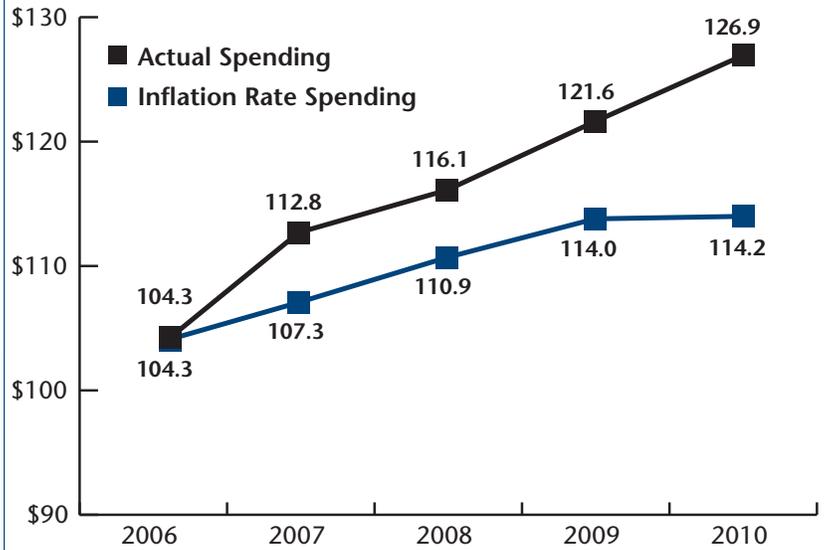


## Total Spending

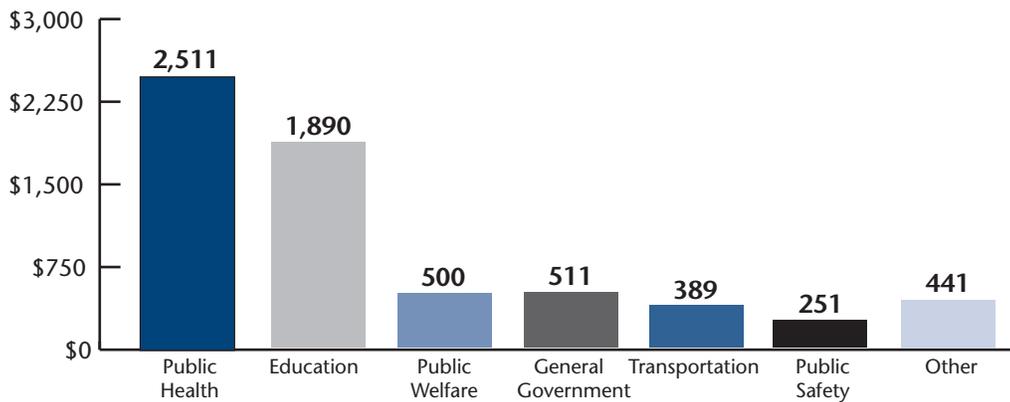
Spending data can be used to evaluate the State’s program priorities and, compared to revenue data, can be used to measure the State’s ability to support continuing programs. Appendices 1 and 2 show a history of State spending by major program for the past five fiscal years.

- State spending, including spending from federal funds, totaled \$126.9 billion in 2010, an increase of \$5.3 billion (4.4 percent) from the prior year.
- Since 2006, growth in State spending (21.7 percent) has outpaced inflation (Consumer Price Index of 9.5 percent).
- State spending has been partially paid for by borrowing \$14.1 billion since 2006, including \$3.6 billion in 2010.
- New York’s spending in 2010 was \$6,493 per person.
- Public health and education spending represents 67.8 percent of total State spending.

**Actual State Spending versus Spending at the Rate of Inflation**  
(amounts in billions)

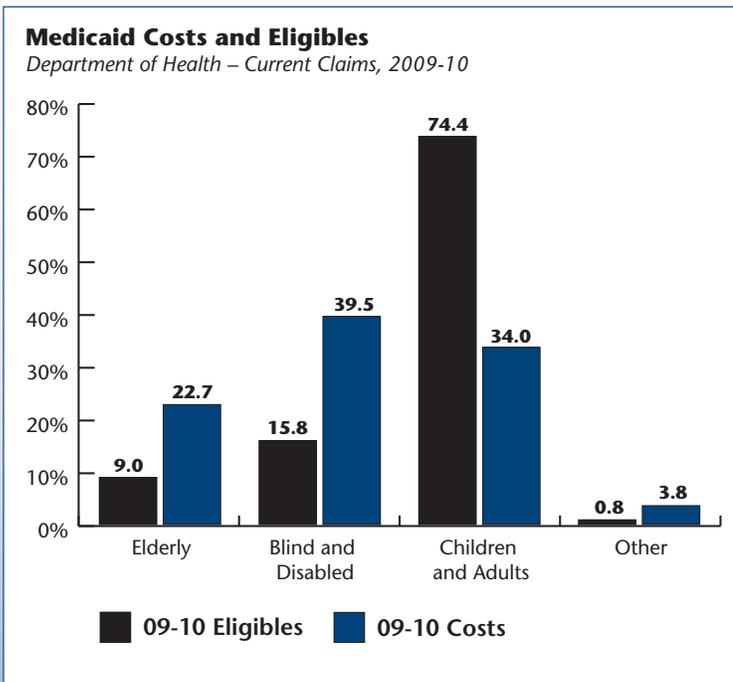


**2010 Total State Spending per Person by Program Area**



## Public Health

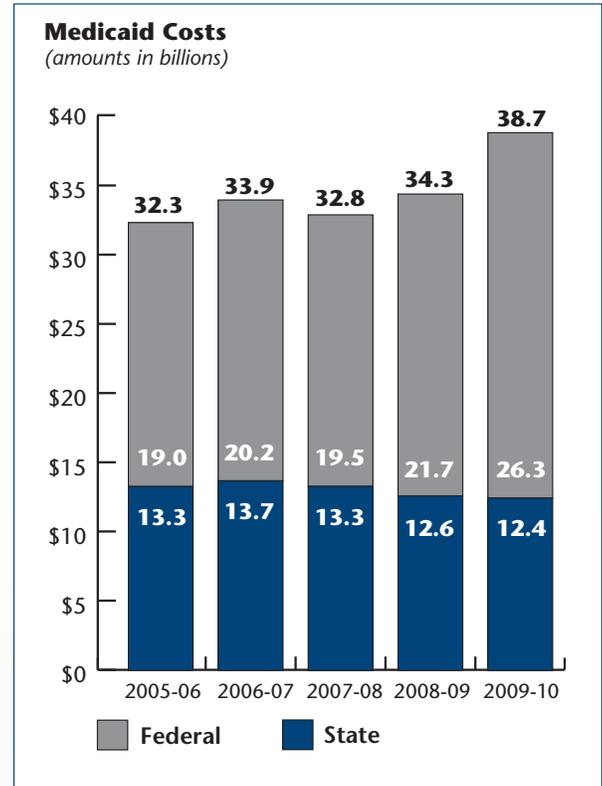
- Medicaid costs increased in SFY 2009-10 by approximately \$4.4 billion, or 12.9 percent, to \$38.7 billion, while the average monthly number of eligible recipients increased by 316,350, or 7.6 percent, to 4.5 million.<sup>1</sup> These increases largely reflect the impact of the economic downturn.
- Adults accounted for the largest portion of the average monthly increase in eligible recipients, growing by 174,932, or 4.2 percent, to nearly 1.7 million eligibles in SFY 2009-10. Children continued to account for the largest share of **all** eligible recipients, with the number of children with Medicaid coverage increasing by 94,423, or 2.3 percent, to over 1.7 million last year. The numbers of eligible elderly and disabled recipients increased by less than one percent, to 405,677 and 714,560, respectively. The number of eligible immigrants also increased by less than one percent to 38,067.
- While children and adults continued to comprise nearly three-quarters of all average monthly eligible recipients, they accounted for approximately one-third of Medicaid costs. Elderly and blind and disabled recipients continued to make up approximately a quarter of eligible recipients, but accounted for nearly two-thirds of Medicaid costs.<sup>2</sup>



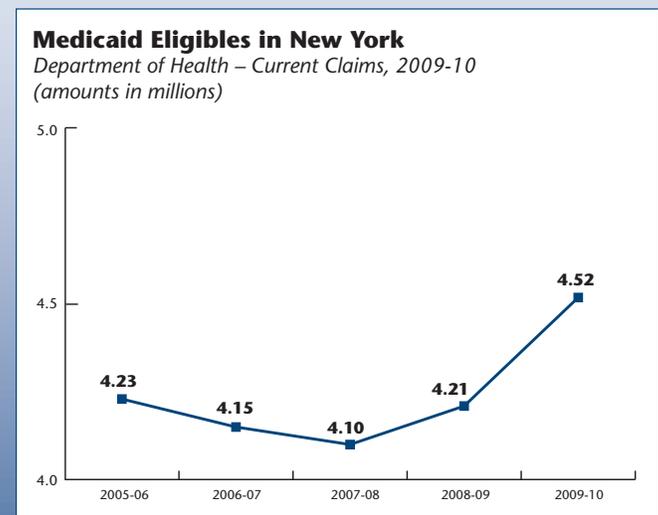
<sup>1</sup> Average monthly number of eligible recipients for SFY 2009-10 includes draft data for October 2009 through March 2010.

<sup>2</sup> Costs for SFY 2009-10 include draft data for October 2009 through March 2010.

<sup>3</sup> Average monthly number of eligible recipients and costs for SFY 2009-10 for the Family Health Plus program include draft data for October 2009 through March 2010.



- Family Health Plus, the Medicaid expansion program implemented in SFY 2001-02 for adults without health insurance but with income or resources too high to qualify for Medicaid, experienced a 20.2 percent decrease in average monthly eligible recipients in SFY 2009-10 and an 18.4 percent decrease in costs.<sup>3</sup> The average monthly number of eligible recipients decreased by 103,003 to 405,994, primarily because of changes in allowable Medicaid resource levels that made people eligible for Medicaid instead. Year-to-year costs decreased by \$324.1 million to \$1.4 billion in SFY 2009-10.

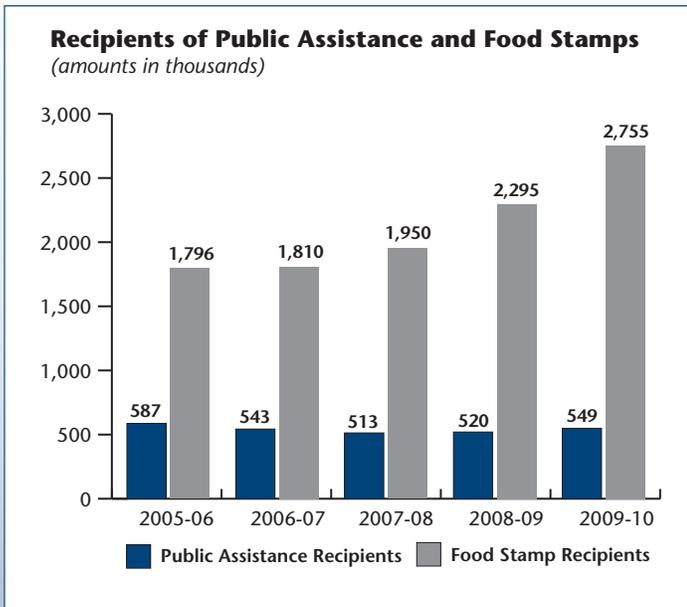
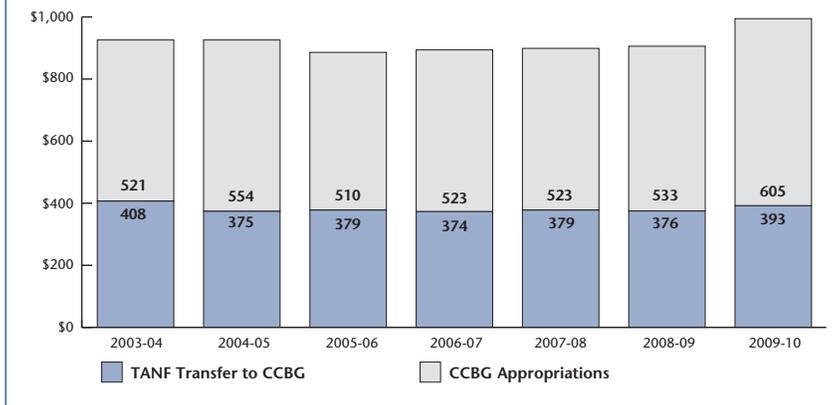


## Public Welfare

- Reflecting the impact of the economic downturn, the number of public assistance recipients increased for the third straight year to 549,344 through March 2010, an increase of 5.6 percent over March 2009 and its highest level since March 2006. The number of food stamp recipients grew significantly, increasing by nearly 460,000, or 20 percent, to over 2.7 million in March 2010.
- In SFY 2009-10, the State provided an \$89 million, or 9.8 percent, increase in funding for child care assistance to low-income working families — the first significant increase in the Child Care Block Grant in recent years. This increase resulted from additional federal funding provided through the American Recovery and Reinvestment Act (ARRA). Due to the additional ARRA support, overall federal funding for the block grant increased by \$2.0 billion to \$7.0 billion in 2009.
- New work participation requirements for Temporary Assistance for Needy Families (TANF) recipients, included in the federal Deficit Reduction Act of 2006, increased the need for child care. However, funding for the block grant, including TANF funds directed to it, had remained relatively flat in New York and, when adjusted for inflation, has actually declined in value since 2005.

### Child Care Block Grant (CCBG)

(amounts in millions)

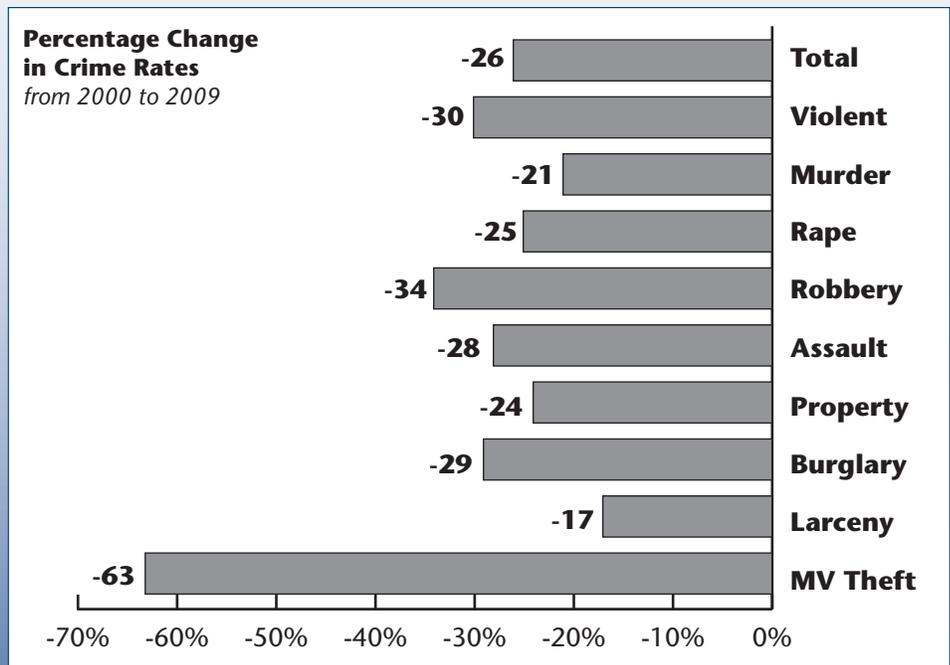
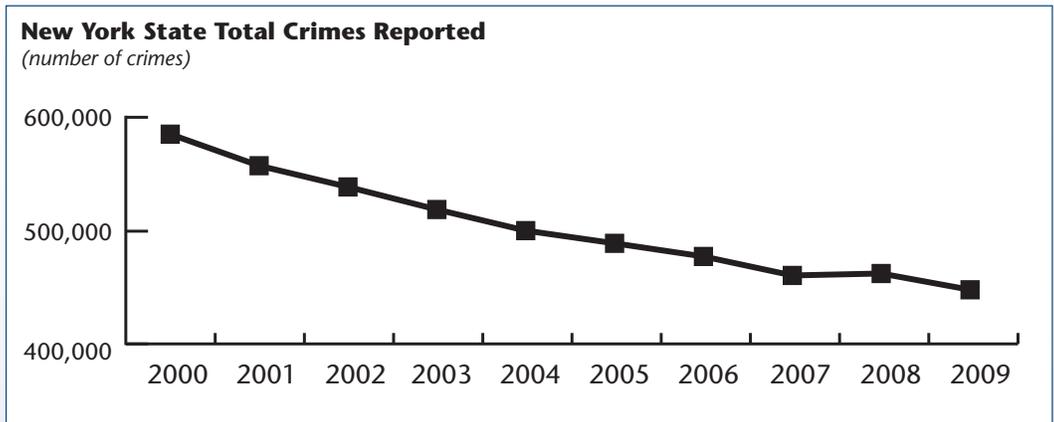
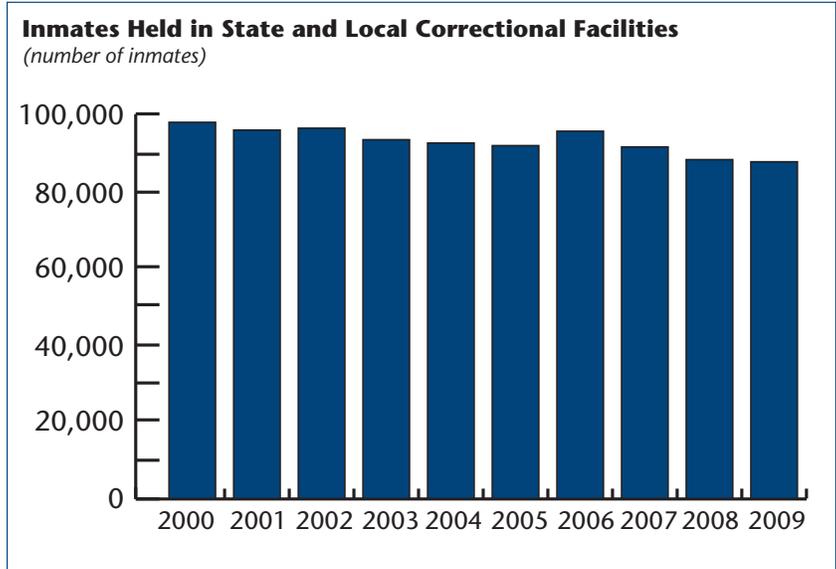


- While New York associated a specific number of child care slots with CCBG appropriations in past years, accurate estimates have not been possible because each locality has the flexibility to meet its particular child care needs by providing either full or part time slots.
- To date, no comprehensive analysis of the existing status of day care availability or the numbers of TANF/low-income working parents who are waiting for day care slots in New York State has been undertaken.

## Public Safety

In New York, 87,231 inmates were held in 146 State and local correctional facilities at the end of 2009 (including 68 State correctional facilities, 64 county jail facilities, and 14 New York City correctional facilities). Overall, there was a decline in the inmate population of more than 10,000 (10 percent) since the year 2000.

The total number of crimes reported in New York State declined by 136,619, or 23 percent, from 2000 to 2009. This trend is illustrated by the falling crime rates across all major categories of crimes.



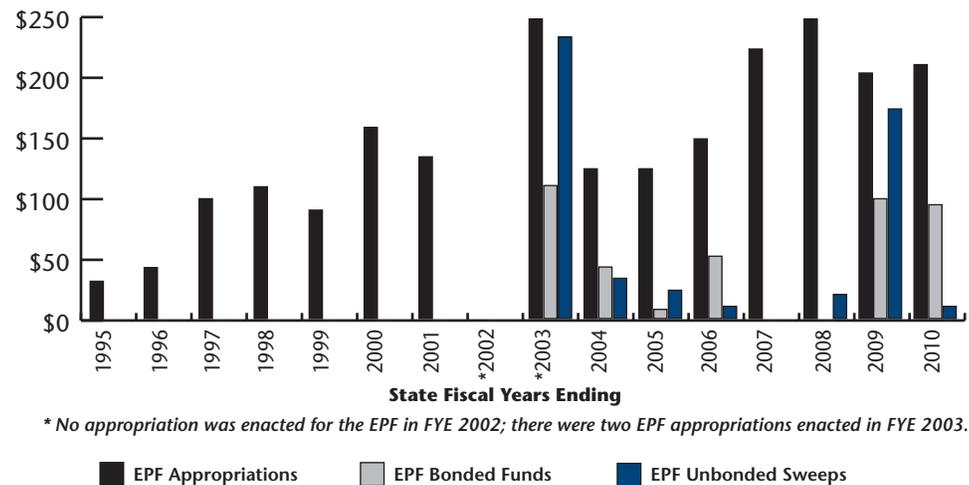
## Environment

- The Environmental Protection Fund (EPF) is New York State's primary source of capital funding for conservation and recreational purposes. Since the EPF was established in 1993, more than \$2.2 billion has been appropriated in support of environmental programs. Spending from the EPF in SFY 2009-10 decreased by 23 percent from the historic high spending figure of \$180 million in SFY 2008-09.

### EPF Cash Sweeps and Bonding

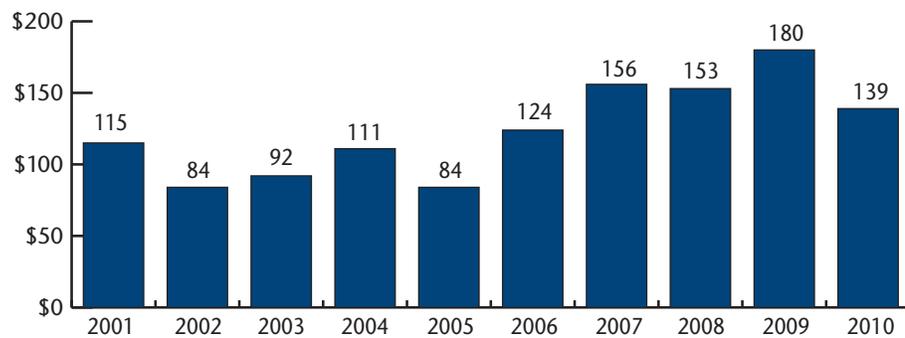
- Recently enacted State budgets have transferred funds totaling \$854 million (or 39 percent of total EPF appropriations) from the EPF to address shortfalls in the State General Fund. To date, \$347 million (or 16 percent of total appropriations) has been replaced with revenues from public authority-issued bonds, obligating the State to repay the bonds with interest.

**History of EPF Appropriations and Sweeps Backed by General Fund Repayment Authorization and Bonding**  
(amounts in millions)



**EPF Disbursements by Fiscal Year**

(amounts in millions)



- A total of \$507 million (23 percent of total appropriations) has been swept from the EPF without being replaced by bonded proceeds, although the State Division of Budget is authorized to repay up to \$447 million of these funds if needed to meet the obligations of EPF programs.

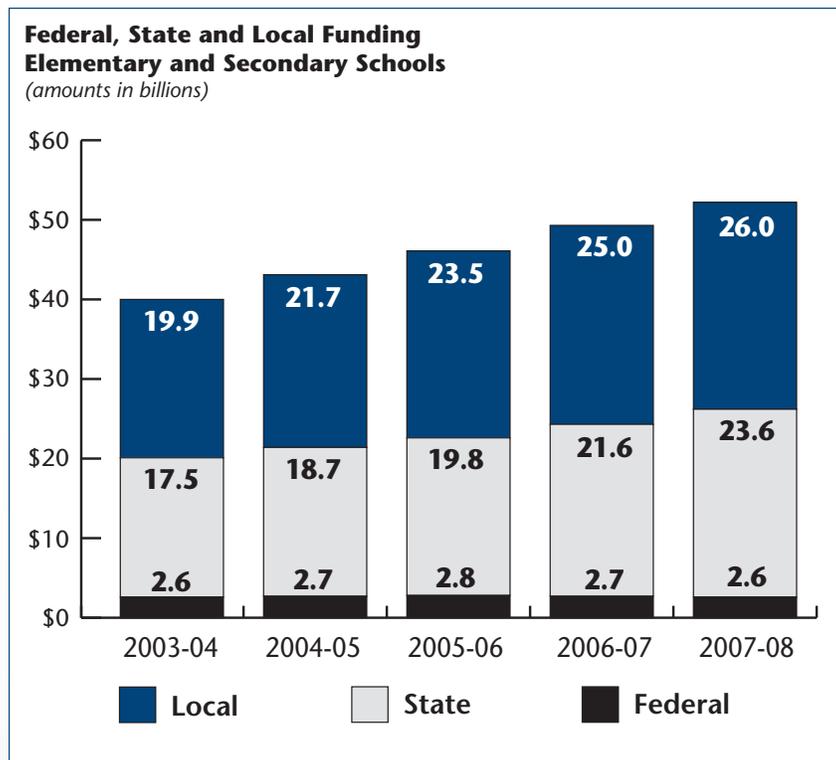
### Parks, Energy, Environment and Agriculture

- 19.2 percent of electricity consumed in New York State is generated from renewable sources.
- New York State has the second lowest per-capita energy consumption in the nation.
- New York State has lower per-capita emissions of climate change inducing carbon dioxide (10.4 tons per year) than any other state.
- New York's farms generated \$4.6 billion in cash receipts from commodities in 2008.
- New York is the third leading milk producing state with 12 billion pounds produced in 2008.
- New York State ranked first in the nation in the number of State parks, recreation areas and natural areas available to its residents in 2008.

## Education

### *Elementary and Secondary*

- For the 2008-09 school year, New York was the third highest among the states in per pupil expenditures for public elementary and secondary education, at \$15,997. This amount is 57 percent higher than the national average of \$10,190 per pupil, with Rhode Island and New Jersey ranking first and second respectively.
- In 2007-08, support for public elementary and secondary schools came from local, State and federal sources in the amounts of \$26 billion, \$23.6 billion and \$2.6 billion respectively. State support includes the STAR tax relief program, totaling \$3.7 billion in 2007-08.
- In school budgets proposed for the 2010-11 school year, property tax increases averaged 3.2 percent, above the 2.1 percent increase for last year, but below the 6.2 percent average annual increase from 1997 to 2007.



### *Higher Education*

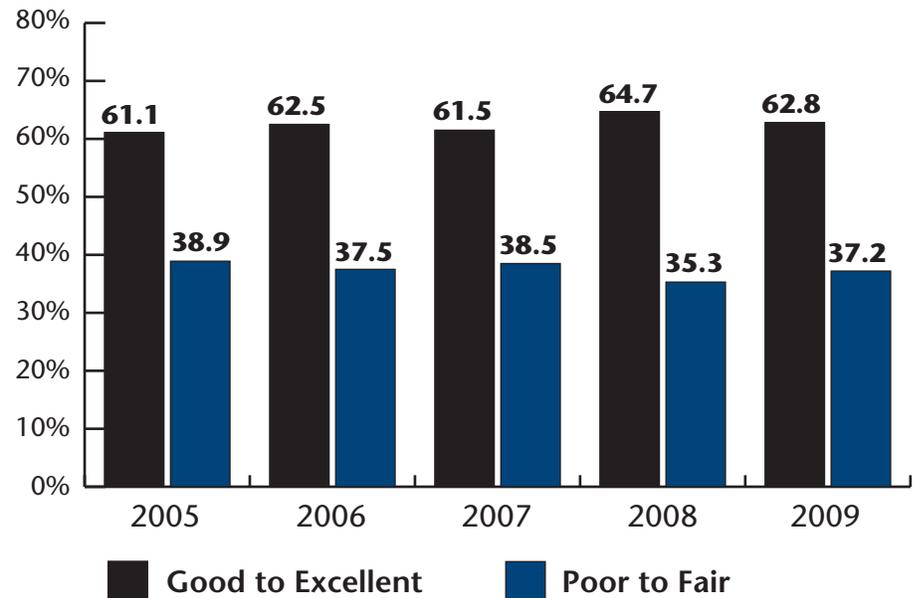
- There were over 846,000 full-time and 348,000 part-time students in degree-credit enrollments in New York higher education institutions in 2008. New York has a higher proportion of private colleges than most states, with 187 independent and proprietary colleges containing 45 percent of statewide full-time equivalent (FTE) enrollment.
- Average costs of tuition and fees for full-time, in-state students at public four-year institutions in the 2008-09 academic year were \$6,447 for resident SUNY students and \$4,362 for resident CUNY students. Average full-time tuition and fees at community (two-year) colleges totaled \$3,678 at SUNY and \$3,137 at CUNY.
- More than 375,000 students received State Tuition Assistance Program (TAP) awards in the 2008-09 academic year, totaling \$813 million.
- The State spent \$258 per person on higher education in State Fiscal Year 2009-10, ranking New York 24th in the nation for higher education spending per capita.

## Transportation

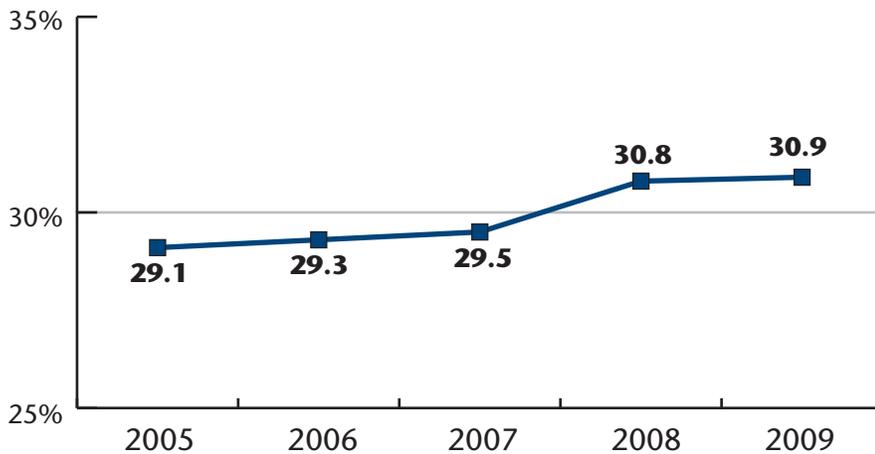
Data on the condition of highways and bridges, as provided by the State Department of Transportation, provide insight into the quality of infrastructure which is used daily by residents and businesses.

- The State is responsible for maintaining more than 42,500 lane miles of highway.
- The number of highway lane miles rated poor to fair has decreased by 2.2 percent since 2005.
- In 2009, 62.8 percent of the State's highways were rated good to excellent, a 1.7 percent improvement since 2005.
- The State is responsible for maintaining more than 7,850 bridges, of which 30.9 percent were rated deficient in 2009 as compared to 29.1 percent in 2005, reflecting little change.

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



**Deficient Bridges in New York**  
(as a percentage of total number of bridges)



- The State's 2009 percentage (30.9 percent) of deficient bridges compares to the nationwide percentage of 21.4 percent. A deficient rating means a bridge is either structurally or functionally deficient, but not a current safety threat.

## Local Government

In 2009, New York State and its local governments continued to feel the effects of the Great Recession. Unemployment reached its highest level in nearly 20 years and revenues sensitive to economic fluctuations continued to decline. These harsh fiscal situations have forced government officials to explore creative alternatives to reducing the cost of delivering services. Engaging in shared services to eliminate service duplication and consolidate certain functions is one way local governments are reducing costs. It is widely expected that the economic recovery will be slow, and local governments will need to continue efforts to identify cost savings to align expenditures with sluggish revenue growth.

### *Aid for Municipalities*

**Federal Aid.** In 2009, the \$787 billion American Recovery and Reinvestment Act (ARRA) was enacted. New York will receive over \$32 billion in ARRA funds, including \$11.1 billion in relief for Medicaid via an enhanced Federal Medical Assistance Percentage (FMAP) and \$2.5 billion to stabilize educational programs. These additional funds will be phased out by the end of 2011, with school districts facing potential funding gaps of at least \$2.0 billion in school year 2011-12, unless federal aid is renewed or replaced by State or local sources.

**State Aid.** Revenues flowing to cities, towns and villages through the Aid and Incentives for Municipalities (AIM) program are also vulnerable to cuts as the State grapples with large and growing budget gaps over the next three years. In 2009, AIM payments to certain cities were reduced as part of a mid-year Deficit Reduction Plan (DRP) by \$5.3 million. In 2010, New York City will lose \$300 million in AIM, and other cities, towns and villages will lose either 2 or 5 percent of their 2009 payments.

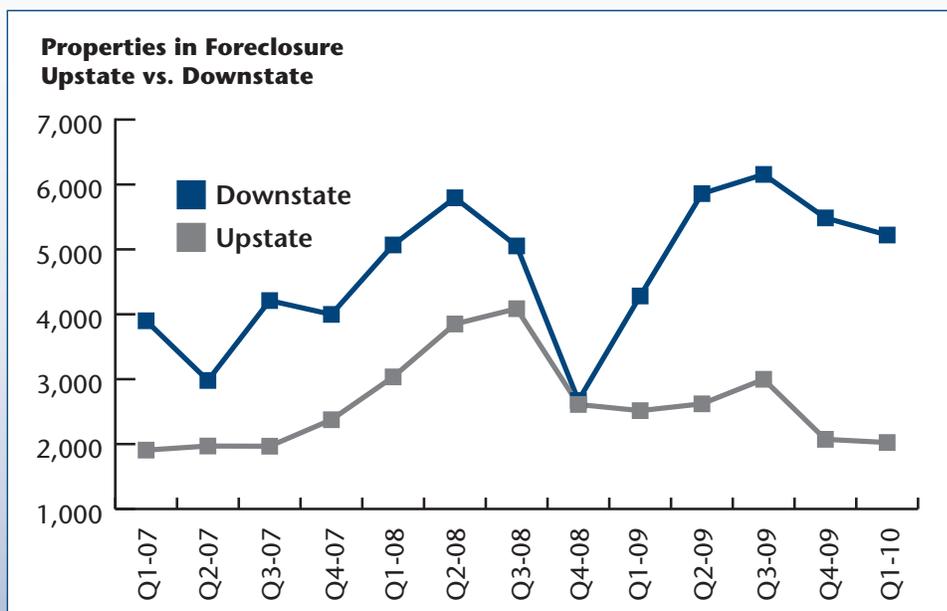
### *Housing*

Foreclosures continue to plague New Yorkers in the wake of the recession, and median housing prices remain lower than pre-crisis levels statewide. Downstate and some upstate areas have been hit especially hard.

Home sales plummeted at the beginning of 2009, but then increased as a result of new federal tax credits and lower prices in some areas. Home sales increased by 20 percent in the fourth quarter of 2009 as compared to the fourth quarter of 2008. Even with this increase, the number of homes sold in 2009 is still 20 percent lower than total 2007 sales.

Sale prices statewide dropped more than 15 percent from 2007 to 2009, but the majority of the drop occurred in 2009.

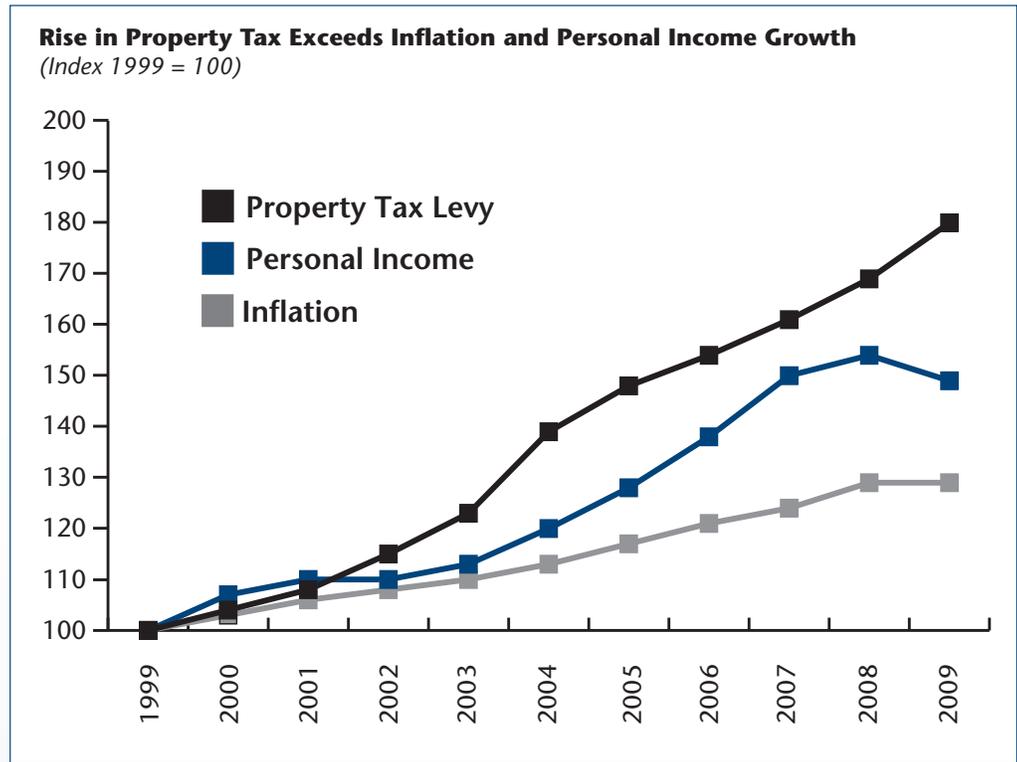
Regionally, the steepest declines in home values occurred in the mid-Hudson Valley (17%), Long Island (16%), New York City (14%), and the Finger Lakes region (10%).



**Property Tax**

Over the past ten years, property tax levies have outpaced inflation and personal income. This was particularly pronounced in 2009, as the effects of the Great Recession caused personal income and inflation to decline. In contrast, property taxes grew by 6.1 percent.

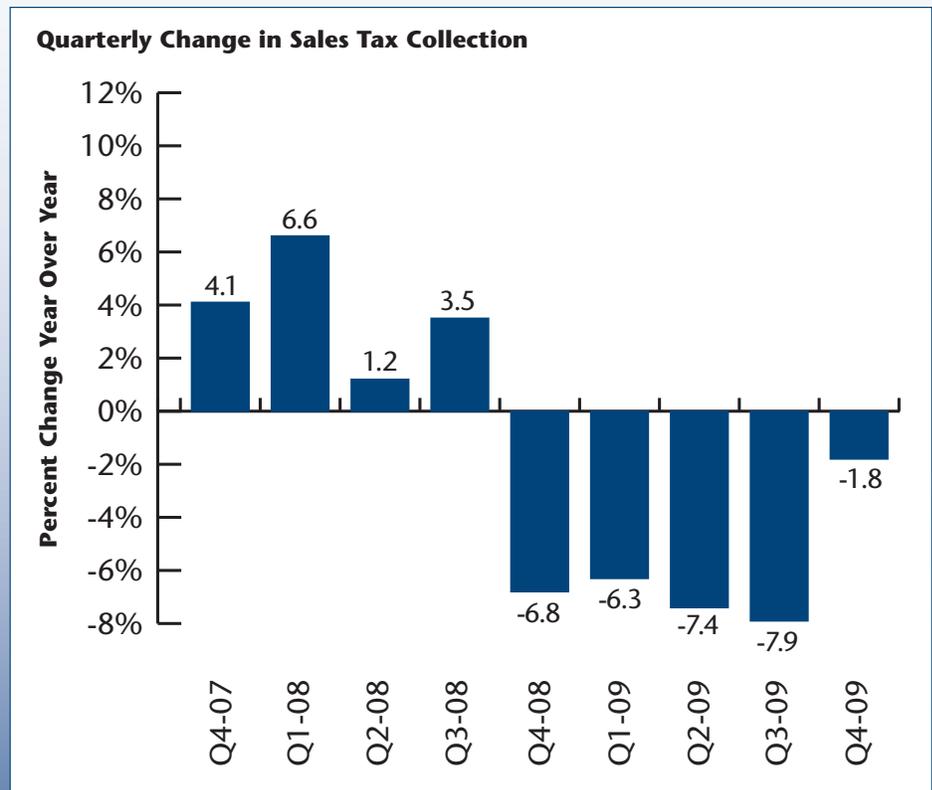
Property tax levies in the future may be impacted as a result of widespread foreclosures, business failures and declines in housing sale prices. Many localities – including 23 percent of school districts, nearly 30 percent of cities and 16 percent of counties – experienced a reduction in property value from 2008 to 2009, averaging losses of 3.6 percent in property wealth. Over 83 percent of all foreclosures in the State occurred downstate, in the Mid-Hudson, New York City and Long Island regions.



**Sales Taxes Plunge in 2009**

In 2008, sales and use taxes made up almost 25 percent of all local general government revenues (counties, cities, towns and villages). This was the second largest single source of revenue, behind only the property tax.

After only experiencing one quarter of negative growth since 2005, county sales tax collections experienced losses in five consecutive quarters starting in the fourth quarter of 2008, and collections plunged by \$394 million, or 5.9 percent, in 2009.



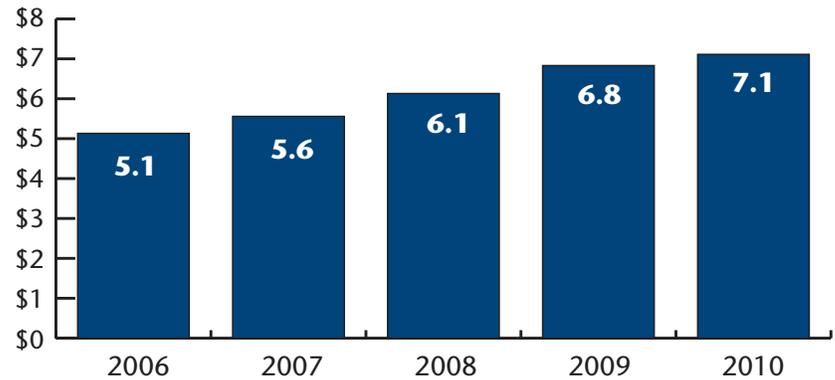
## Capital

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

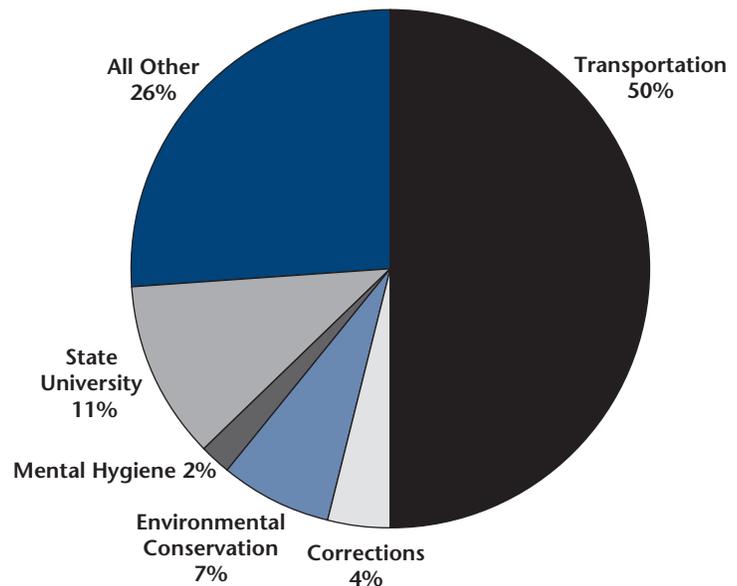
- Overall capital spending in 2010 was \$2.0 billion (39 percent) higher than in 2006. Transportation and other related spending accounts for most of the increase.
- In 1994, the pay-as-you-go share of non-federal capital financing was 51 percent. Since then, pay-as-you-go financing has averaged 39 percent.
- In the Enacted Capital Program and Financing Plan, spending is projected to average \$9.3 billion per year through 2014-15. Over the same period, the projected share of non-Federal capital spending financed on a pay-as-you-go basis will average 35 percent.
- At March 31, 2010, the State reported \$90.6 billion in capital assets, an increase of \$1.7 billion or 1.9 percent from the prior year. Capital assets include buildings, construction in progress, equipment, land preparation, and infrastructure such as roads and bridges.

### New York Capital Spending

(amounts in billions)



### Capital Spending by Functional Area



## New York's Public Authorities

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

- As of December 31, 2009, the 19 public authorities shown in the chart below had outstanding debt of \$100 million or more, and the aggregate outstanding debt, including refunding bonds, of these public authorities was over \$151 billion, only a portion of which constitutes State debt.
- Public authorities and subsidiaries that submit annual employee data to the Comptroller via the Public Authorities Information Reporting System (PARIS) reported over 150,000 employees in 2009.\* This represents an increase of over 53,000 employees over the previous year, largely attributable to New York City Health and Hospitals Corporation, which had not previously reported in PARIS.
- Public authorities and subsidiaries that submit annual procurement data to the Comptroller via PARIS reported making payments of over \$7.8 billion pursuant to contracts in 2009.\*

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

\*The data contained in PARIS and used in this report is self-reported by the authorities. Not all authorities have complied with reporting requirements for 2009.

### Outstanding Debt of Certain Authorities <sup>(1)(2)(3)</sup> as of December 31, 2009 (amounts in millions)

Source: Office of the State Comptroller	Authority	Total Debt	State Debt <sup>(4)</sup>
<sup>(1)</sup> Includes only certain of the public authorities which have more than \$100 million in debt outstanding.	Dormitory Authority <sup>(5)</sup>	\$42,108	\$19,273
	Metropolitan Transportation Authority	19,898	2,144
<sup>(2)</sup> Amounts outstanding reflect original par amounts for bonds and financing arrangements or original gross proceeds in the case of capital appreciation bonds. Amounts outstanding do not reflect accretion of capital appreciation bonds or premiums received.	Port Authority of NY & NJ	14,511	—
	Thruway Authority	13,779	10,770
	Housing Finance Agency	10,061	1,474
	Triborough Bridge and Tunnel Authority	8,883	85
	UDC/ESDC	8,784	8,528
	Environmental Facilities Corporation	8,439	1,043
<sup>(3)</sup> Includes short-term and long-term debt.	Long Island Power Authority <sup>(6)</sup>	6,857	—
	Local Government Assistance Corporation	3,639	3,639
<sup>(4)</sup> Reflects debt for which the primary repayment source is from State appropriations or assigned revenues of the State.	Energy Research and Development Authority <sup>(6)</sup>	3,627	—
	Tobacco Settlement Financing Corporation	3,257	3,257
	State of New York Mortgage Agency	3,237	—
<sup>(5)</sup> Includes debt previously issued by New York State Medical Care Facilities Finance Agency, which was consolidated with the Dormitory Authority on September 1, 1995.	Power Authority	2,013	—
	Battery Park City Authority	1,092	—
	Convention Center Development Corporation	700	—
	Municipal Bond Bank Agency	638	419
<sup>(6)</sup> Includes \$155 million in bonds issued by the Energy Research and Development Authority and included in amounts reported for both ERDA and LIPA.	Niagara Frontier Transportation Authority	185	—
	United Nations Development Corporation	113	—
	<b>TOTAL OUTSTANDING</b>	<b>\$151,821</b>	<b>\$50,632</b>

## Debt

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

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

■ Several different measurements of the State's debt burden are reported as of March 31, 2010:

- Constitutionally recognized (voter approved) general obligation debt (\$3.4 billion).
- State-Supported debt as statutorily defined in the Debt Reform Act of 2000, certificates of participation and certain capital leases for State facilities (\$50.3 billion).
- Debt reported in accordance with full accrual accounting - GAAP (\$55.3 billion).
- State-Funded debt (\$60.5 billion).

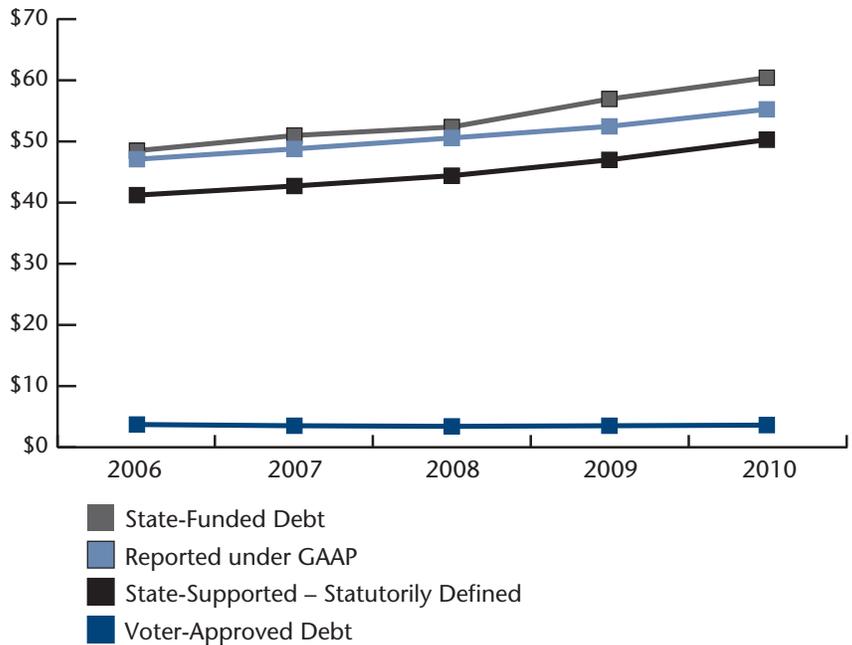
This category has been defined by the State Comptroller as a comprehensive measurement of the State's debt burden, and includes all instances where the State makes payments with State resources, directly or indirectly, to a public authority, bank trustee or municipal issuer to enable them to make payments on debt issued for State purposes. Nearly all of the debt counted within this category was issued by public authorities and without voter approval.

■ Since 2006, State-Funded debt increased more rapidly than any other category of debt while voter approved debt, by far the smallest category of debt, declined by 3.0 percent. State-Supported debt and debt recognized in accordance with GAAP increased 22 percent and 17 percent, respectively.

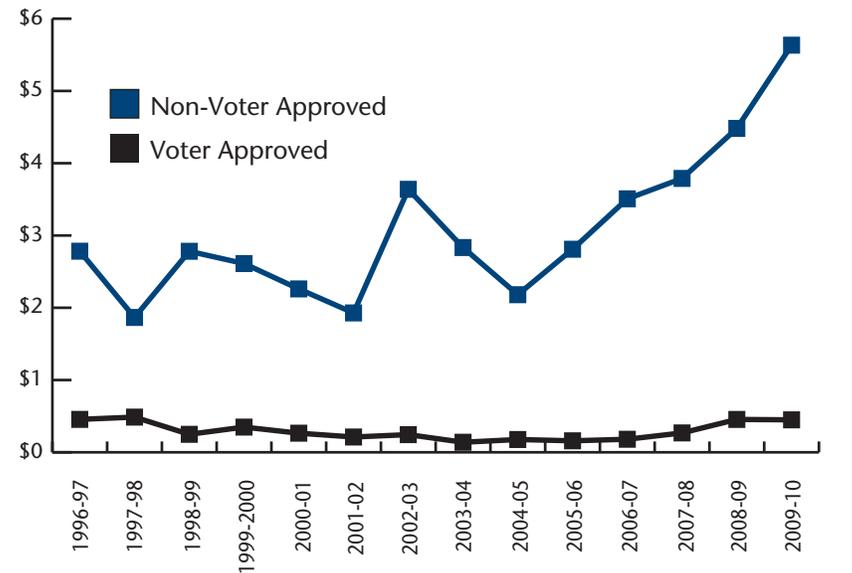
■ In 2009, New York State was the 2<sup>nd</sup> most indebted state behind California and had nearly twice as much debt as the 3<sup>rd</sup> most indebted state. New York State also ranked 5<sup>th</sup> among all states in debt per person.

■ On March 31, 2010, New York's State-Funded debt outstanding per person was \$3,105, which was equal to 6.4 percent of personal income.

**New York's Debt**  
(amounts in billions)



**State Debt Issuance**  
(amounts in billions)



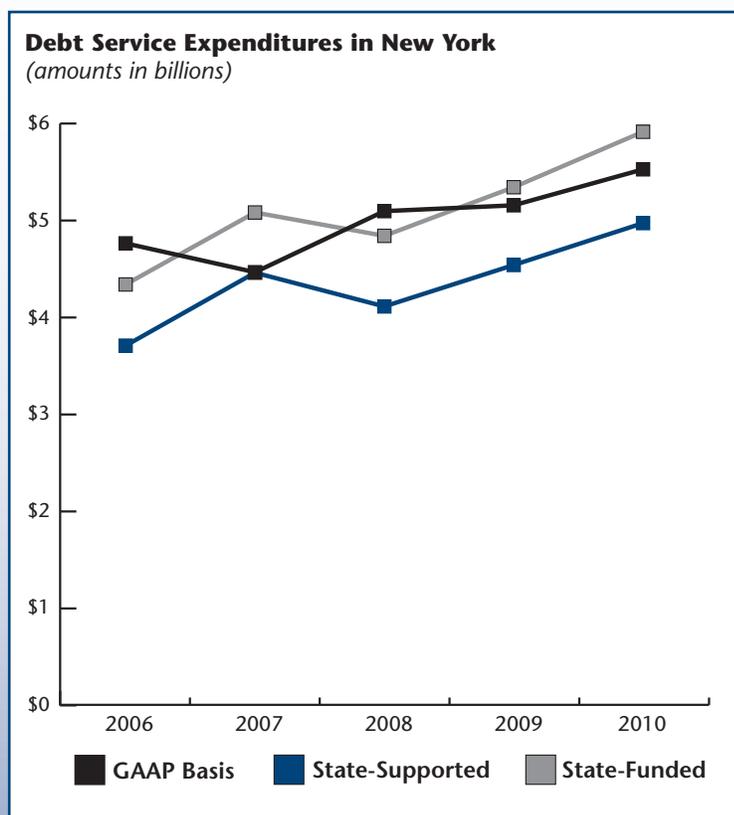
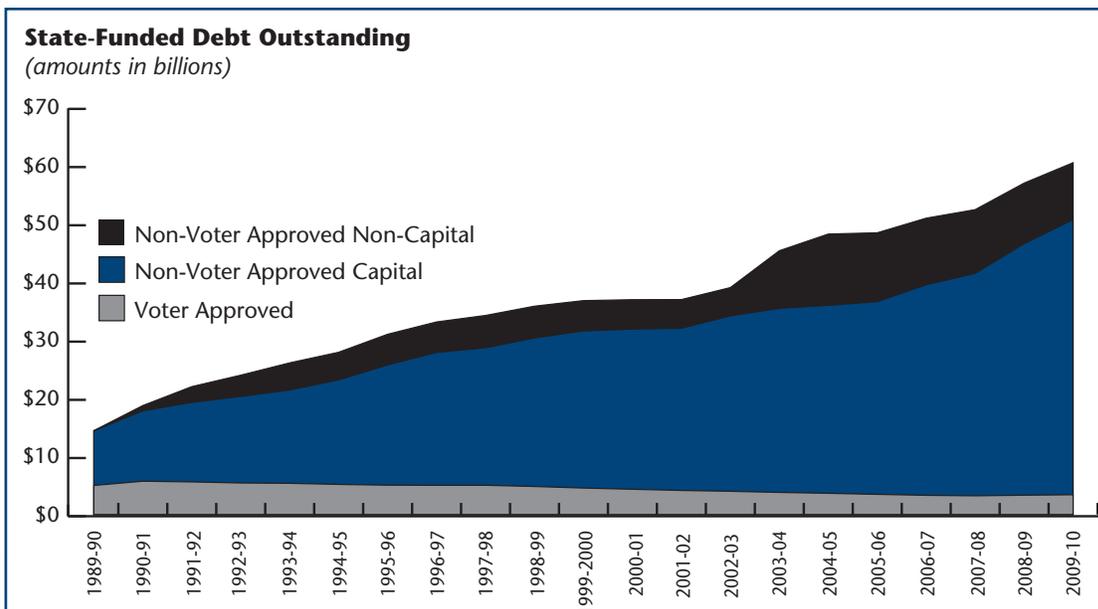
■ The 2010-11 Enacted Five-Year Capital Program & Financing Plan projects that the State will issue 1.3 times more debt than it will retire, with \$26.5 billion in new State-Supported debt issuance and \$20 billion in State-Supported debt retirement through March 31, 2015.

■ Based upon scheduled repayment dates, the State's accumulated deficit financing (\$7.3 billion as of March 31, 2010) will not be fully repaid until 2026. This includes bonds issued by the New York Local Government Assistance Corporation, Municipal Bond Bank Agency, and the Tobacco Settlement Financing Corporation. There is an additional \$2.5 billion in debt outstanding associated with budget relief issued by the Sales Tax Asset Receivable Corporation, which will not be fully repaid until 2034, as well as debt associated with the sale of Attica and the refinancing of the South Mall.

■ Debt service is one of the fastest growing categories of the budget, with a large portion of the increase attributable to new debt issued for non-capital purposes, including deficit financing and budget relief. State-Funded debt service totaled \$5.9 billion in SFY 2009-10 and is expected to grow to \$7.7 billion by 2015.

■ Significant differences exist between debt reported under the State-Funded measurement (cash reporting) criteria and debt reported under GAAP: State-Funded debt includes certain obligations that are not recognized as a State liability under GAAP, including \$2.3 billion in bonds outstanding issued in fiscal year 2005 that will be repaid from future sales tax revenues of the State and \$4.2 billion in bonds outstanding issued since fiscal year 2007 that will be repaid with dedicated local assistance payments from the State; debt reported under GAAP but not counted in the State-Funded debt measurement includes bond premiums (\$1.6 billion), accumulated accretion on capital appreciation bonds (\$113 million), and vendor financed capital lease obligations and mortgage loan commitments (\$421 million).

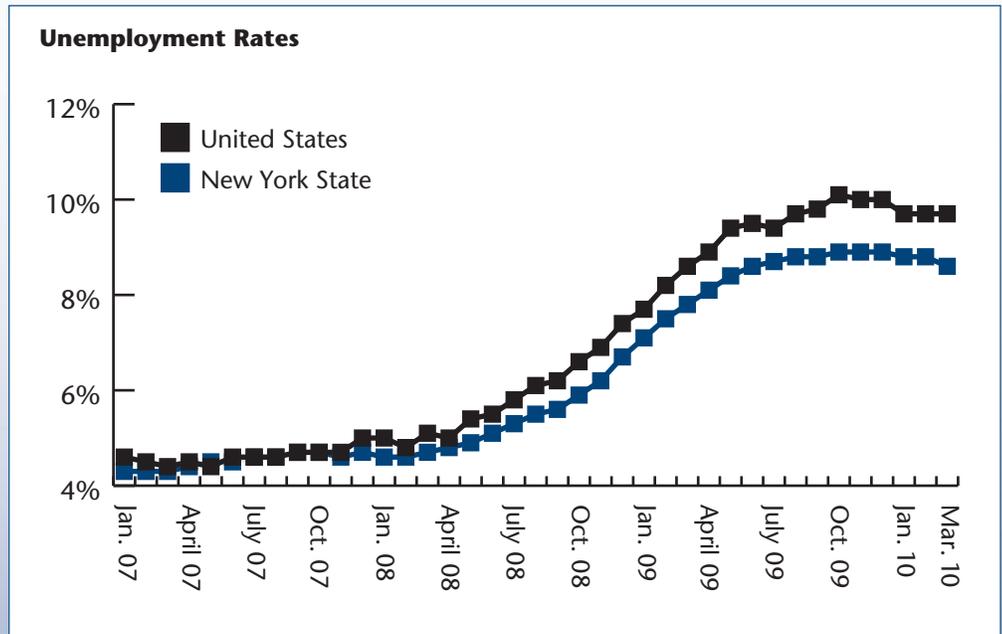
■ The State's general obligation bond ratings on March 31, 2010 were assigned as follows: Aa3 by Moody's Investors Service, AA- by Fitch Ratings, and AA by Standard & Poor's (S&P) Rating Services.



## Economic and Demographic Trends

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

- The nation’s economic growth resumed in the third quarter of 2009 after a severe economic downturn caused by the collapse of the housing markets and the worldwide financial crisis. Overall, the nation’s inflation-adjusted Gross Domestic Product (GDP) contracted in five of the preceding six quarters, and despite the recovery in the second half of the year, GDP still declined by 2.6 percent for all of 2009.
- After declining by one-third, nationwide home prices (as measured by the S&P/Case-Shiller Home Price Index) rose by 3.6 percent between May 2009 and March 2010.
- With the worst of the recession behind them, American households’ net worth increased by \$2.2 trillion or 4.3 percent during calendar year 2009. Net worth, however, remains \$10.9 trillion below the peak reached in 2006 before the fall in home prices and the value of financial assets.
- Despite the improvement in their net worth in 2009, American households remained cautious. Personal consumption expenditures edged down by 0.4 percent—the first annual decline in more than 70 years — and savings grew by 60 percent to an all-time high of \$459 billion.
- Growth in New York’s inflation-adjusted GDP slowed to 1.6 percent in 2008 (the most recent period for which annual data are available). While growth in the State exceeded growth in the nation, New York State’s ranking for GDP growth among the states fell from 7th in 2007 to 18th in 2008. IHS Global Insight estimates that the statewide GDP declined by 1.5 percent in 2009.
- Nationally, average annual employment declined by 4.3 percent in 2009, the second consecutive year the nation lost jobs. Employment declined in all 50 states in 2009. On a seasonally adjusted basis, total employment declined by 8.4 million jobs or 6.1 percent between December 2007 and December 2009.
- The recession had a much less severe impact on employment in New York State compared to the nation. In New York, average annual employment declined by 2.7 percent in 2009, which ranked 7th for employment change among the states, up from 12th in 2008. On a seasonally adjusted basis, total employment losses reached 367,400 jobs — a decline of 4.2 percent — between April 2008 and December 2009.
- Within New York, average employment declined during 2009 in each of the State’s metropolitan areas. The lowest rate of decline was in Ithaca (0.5 percent), followed by Glens Falls (1.2 percent) and Utica-Rome (1.5 percent). The downstate areas had greater rates of job loss than most upstate areas, with the largest decline in the Lower Hudson Valley (3.9 percent). Employment in New York City fell by 2.8 percent in 2009.
- Unemployment rates rose sharply during the recession, and remain near their peak levels. The nation’s seasonally adjusted unemployment rate rose from 4.9 percent in January 2008 to 10.1 percent in October 2009 — a 26-year high—and had only declined to 9.7 percent in March 2010.



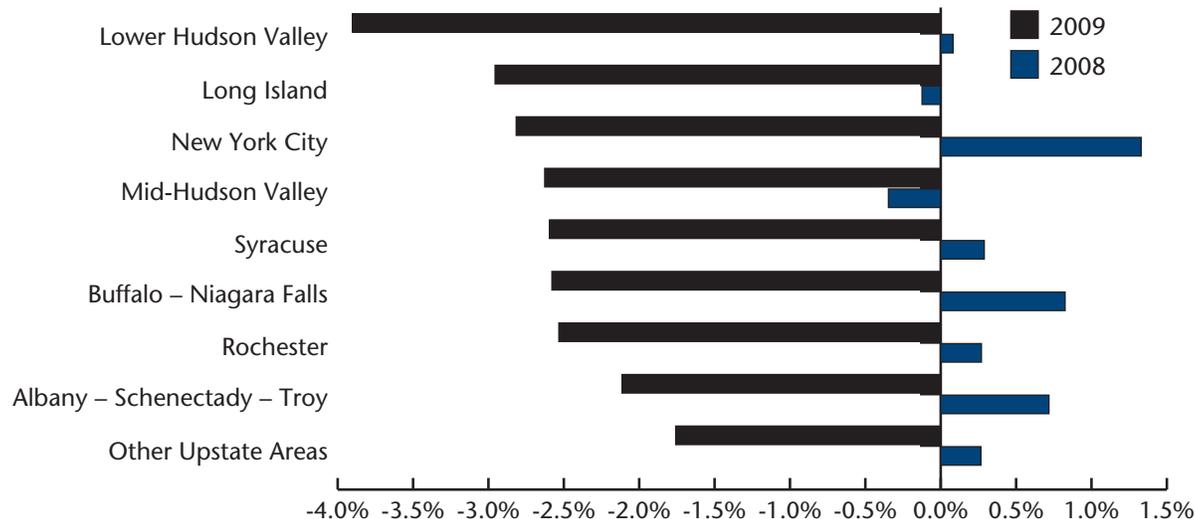
### Job Growth and Employment Levels — New York State versus the United States Change compared to one year earlier

(levels are in thousands of jobs)

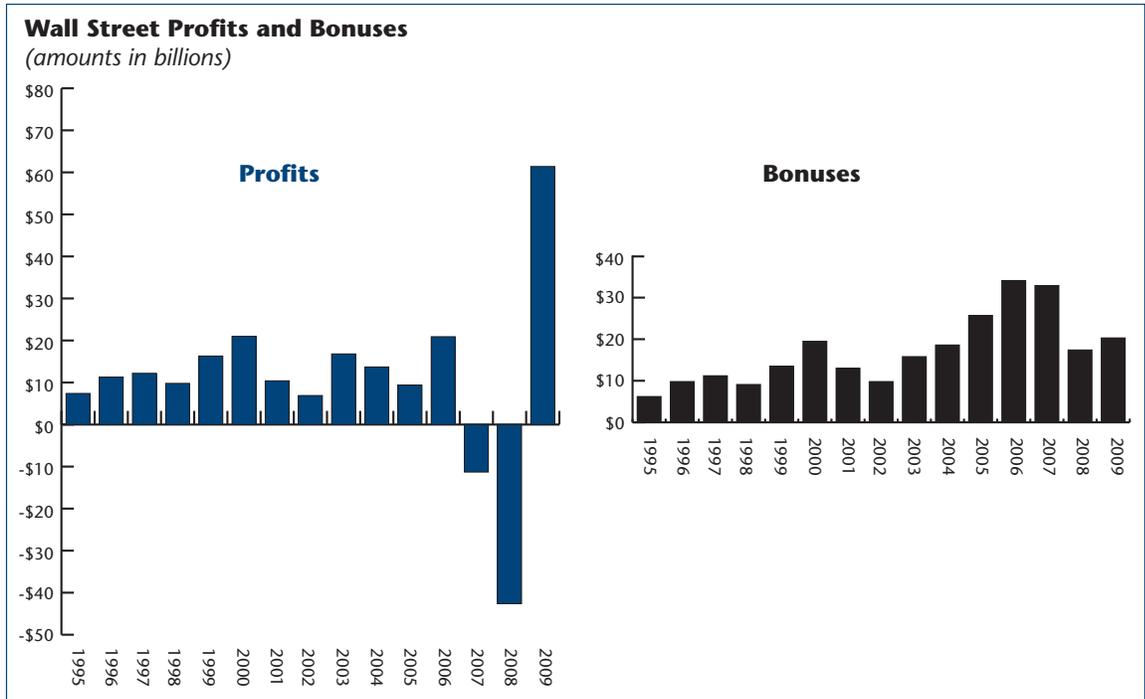
	New York State		United States	
	Percent Change 2009	2009 Level	Percent Change 2009	2009 Level
Manufacturing	-10.3%	477.1	-11.4%	11,883
Mining and Construction	-10.0%	329.4	-15.0%	6,737
Trade, Transportation & Utilities	-4.4%	1,456.0	-5.1%	24,949
Information	-3.7%	253.7	-5.9%	2,807
Financial Activities	-5.9%	677.9	-4.8%	7,758
Professional and Business Services	-5.2%	1,096.3	-6.5%	16,580
Educational and Health Services	2.1%	1,665.2	1.9%	19,191
Leisure and Hospitality	-0.8%	711.2	-2.5%	13,102
Other Services	-0.7%	365.1	-2.7%	5,364
Government	0.6%	1,523.9	0.2%	22,549
<b>Total Nonfarm</b>	<b>-2.7%</b>	<b>8,555.8</b>	<b>-4.3%</b>	<b>130,920</b>

- New York State's unemployment rate has been lower than the national rate during the recession, but it still rose sharply, from 4.6 percent in February 2008 to 8.9 percent in October 2009—a 17-year high. Through March 2010, the unemployment rate had declined to 8.6 percent.
- New York City's unemployment rate rose from 4.6 percent in March 2008 to 10.5 percent in November 2009—also a 17-year high. It declined to 10 percent in March 2010.
- Wall Street—the economic engine of the New York State and New York City economies—has rebounded strongly from the financial crisis. In 2009, the profits of the broker/dealer operations of New York Stock Exchange member firms reached a record \$61.4 billion—almost triple that of the previous record—that more than offset the record losses of the two prior years.
- Employment in New York City's securities industry (which accounts for about 90 percent of the securities jobs in the State) declined by 30,400 jobs on a seasonally adjusted basis between January 2008 and February 2010—a decline of 16.1 percent.

### Change in Employment by Metro Area



■ Average salaries in the securities industry are still the highest in the State, despite a nearly 20 percent decline in 2009. Salaries averaged \$298,720 — compared to \$173,840 in the rest of the financial sector and \$50,400 in nonfinancial industries.



■ The large decline in compensation reflects a sharp drop in year-end bonuses. The State Comptroller estimated that bonuses (excluding deferred compensation) paid by Wall Street firms to their New York City–based employees declined by 47 percent in 2008. The State Comptroller estimates that bonuses grew by 17 percent in 2009.

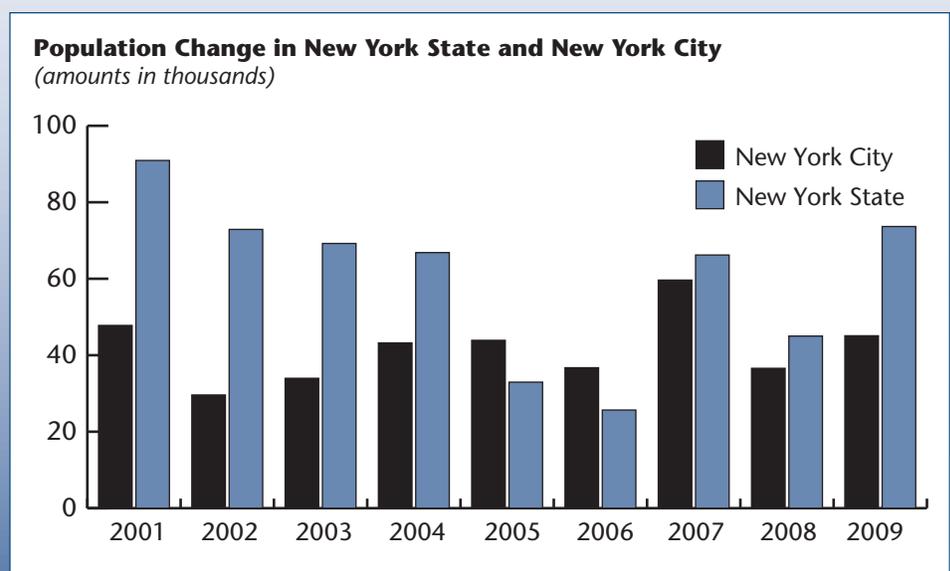
■ As a result of the financial crisis and the recession, personal income in New York State declined by 3.4 percent in 2009—the only year in which income has declined in the State since the start of the current data series in 1969. As the financial crisis had a more significant impact on New York than on many other states, New York’s ranking for income growth among the states fell from 34th in 2008 to 47th in 2009.

■ As income growth in the State declined in 2009, so did per capita income, which fell by 3.8 percent to \$46,957. Nonetheless, New York State’s per capita income in 2009 continued to be higher than the national level (\$39,178), and ranked fifth among the states, behind Connecticut, New Jersey, Massachusetts, and Maryland.

■ Between 2000 and 2009, New York State’s population grew by more than 500,000 people to reach 19.5 million people. New York’s rate of population increase during this period (2.9 percent) ranked 41st among the states.

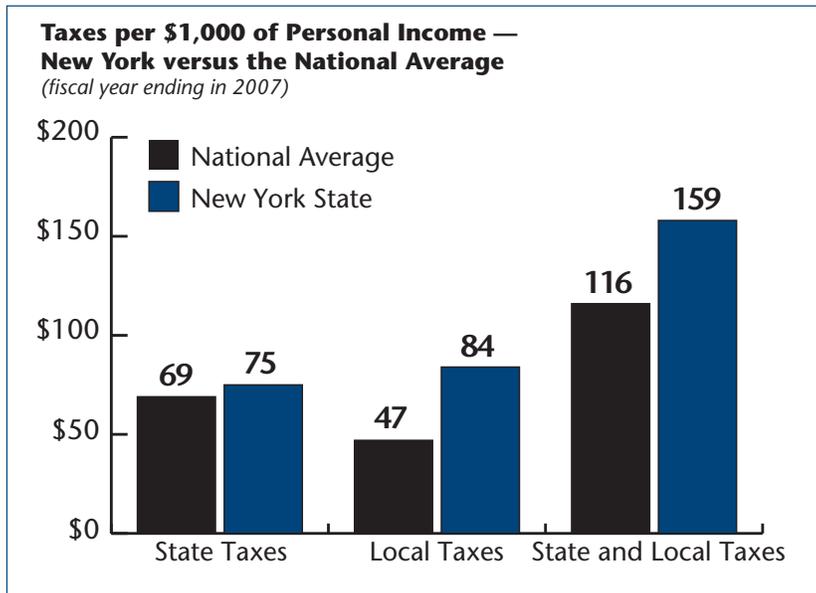
■ During the decade, the State had the nation’s 7th-highest rate of international immigration, but overall population growth has been held down by the large number of residents who moved out of New York to other parts of the nation. The rate of relocation slowed markedly in 2008 and 2009, however, as the recession reduced economic opportunities and the decline in home prices made moving more difficult.

■ New York City accounts for 42.9 percent of the total population in the State, and since 2000 the City’s population has increased at a faster rate (4.7 percent) than the State’s as a whole (2.9 percent).



## Taxes: Where New York Stands

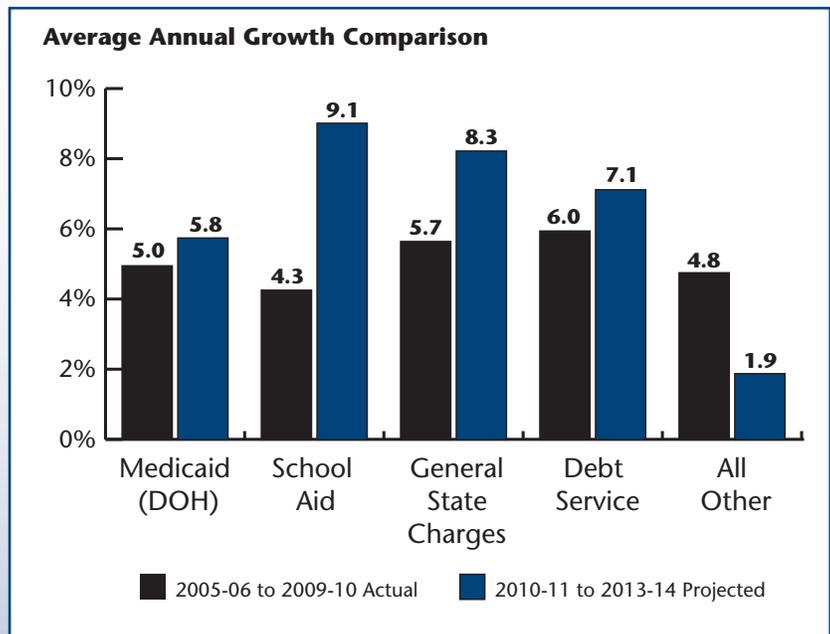
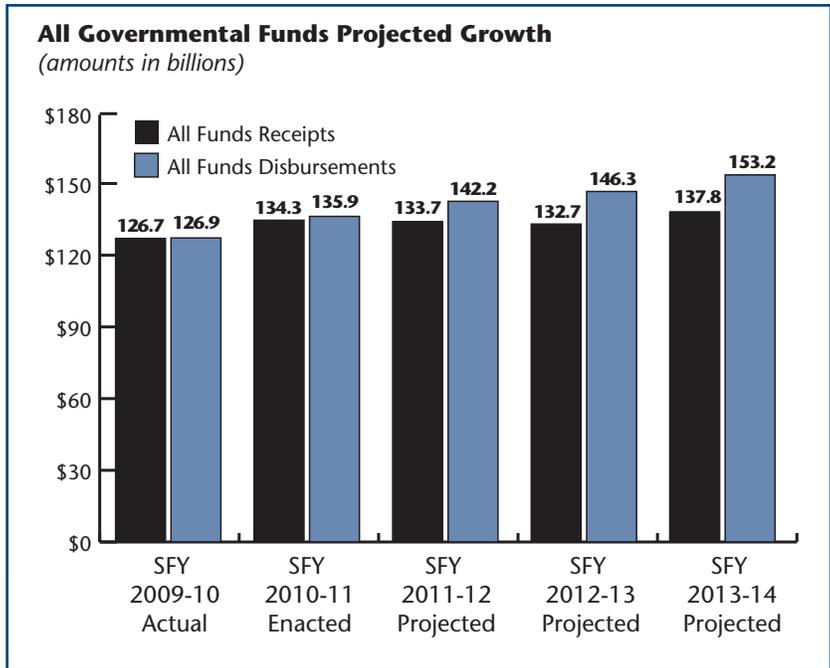
- In fiscal year 2007, New York's combined State and local tax revenues were 37.1 percent above the national average per \$1,000 of personal income. Local taxes were 78.7 percent above the national average while State taxes were only 8.7 percent above the national average.
- New York has the second highest combined State and local taxes as a percentage of personal income in the nation with local taxes ranking first and State taxes ranking twenty-fourth.
- Local property tax levies grew by 80 percent from 1999 to 2009, more than two and a half times the rate of inflation during that period (29 percent).
- In 2006, New York taxpayers with incomes exceeding \$200,000 represented 5.2 percent of all taxpayers, but accounted for 54.9 percent of all State taxes paid in New York.
- New York relies more heavily on the personal income tax as a source of revenue than most states. In 2008, personal income tax as a percentage of total taxes was 55.9 percent in New York while the national average was 35.9 percent.



### Implications for the Future

Total State spending from all governmental funds is expected to exceed \$153 billion by SFY 2013-14, representing an increase of 20.7 percent from SFY 2009-10 and 57.4 percent from SFY 2003-04, representing average annual growth of 4.6 percent. According to the SFY 2010-11 Enacted Budget Financial Plan, All Governmental Funds revenue collections are projected to grow only 8.7 percent between March 31, 2010 and March 31, 2014, compared to spending growth of 20.7 percent, resulting in a budget gap of over \$15 billion by the end of 2014.

The SFY 2010-11 Enacted Budget Financial Plan follows a historical trend in which budget growth is concentrated in Medicaid, aid to local school districts, General State Charges and debt service. The Plan projects that these four spending categories will be responsible for over 83 percent of the projected growth through SFY 2013-14. When counted together, these categories made up 55.3 percent of All Governmental Funds spending in SFY 2009-10 and are projected to grow to 60.1 percent of the budget by SFY 2013-14.

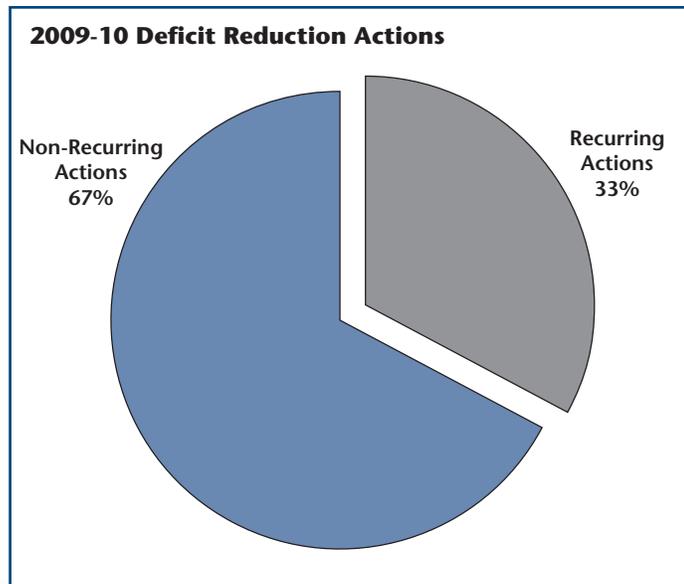


Currently, the Legislature is required to enact a budget that it determines is balanced in the General Fund (which represents approximately 41 percent of All Governmental Funds in SFY 2009-10). Deficit reduction actions of over \$23 billion were taken to address deficits in the 2009-10 fiscal year, of which only 33 percent provided recurring savings or revenue.

New York has a history of structural budget imbalance, with recurring spending exceeding recurring revenue. The SFY 2010-11 Enacted Budget Financial Plan shows that cumulative out-year gaps will total \$37.2 billion, reflecting annual spending growth that greatly exceeds revenue growth. Furthermore, in the past the State has borrowed money to provide either budget relief or deficit financing. As of March 31, 2010, over 16 percent or \$9.8 billion of New York's State-Funded debt outstanding was issued to provide budget relief or deficit financing. The cost of this debt exceeded \$1.1 billion in SFY 2009-10.

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

- Require a three-year plan to close projected budget deficits,
- Strengthen the revenue consensus process,
- Increase reserves,
- Restrict the use of non-recurring resources to non-recurring expenses,
- Require public conference committees,
- Strengthen the capital planning process,
- Enact comprehensive debt reform, and
- Enhance transparency in budget documents.



## Appendix 1

### State Funds Spending by Major Service Function

(amounts in millions)

State Funds Spending for the Fiscal Year Ended March 31:	2006	2007	2008	2009	2010
<b>EDUCATION</b>					
Public Schools .....	\$17,394	\$19,051	\$20,868	\$22,523	\$20,022
School Tax Relief (STAR) .....	3,213	3,321	3,559	3,224	3,411
State University of New York.....	4,804	5,289	5,546	5,844	6,208
City University of New York .....	620	1,065	1,101	1,067	1,638
Tuition Assistance Program .....	943	866	860	812	847
Higher Education Services Corporation.....	76	89	90	87	132
Cultural Programs.....	44	52	55	49	46
	<u>27,094</u>	<u>29,733</u>	<u>32,079</u>	<u>33,606</u>	<u>32,304</u>
STAR PROPERTY TAX REBATES.....	—	673	1,099	1,212	2
<b>PUBLIC HEALTH</b>					
Health and Mental Health Services .....	4,371	5,815	5,896	5,781	5,161
Medical Assistance (Medicaid) .....	13,252	13,662	13,255	12,563	12,411
	<u>17,623</u>	<u>19,477</u>	<u>19,151</u>	<u>18,344</u>	<u>17,572</u>
<b>PUBLIC WELFARE</b>					
Public Welfare.....	3,182	3,275	3,819	3,596	3,694
Public Housing .....	191	198	220	232	235
Employment Services .....	221	208	215	221	199
	<u>3,594</u>	<u>3,681</u>	<u>4,254</u>	<u>4,049</u>	<u>4,128</u>
<b>PUBLIC SAFETY</b>					
Criminal Justice & Correctional Alternatives .....	1,070	1,161	1,226	1,240	1,323
Emergency Management & Security Services .....	90	183	163	118	119
Prisons and Reformatories.....	2,283	2,705	2,686	2,653	2,888
	<u>3,443</u>	<u>4,049</u>	<u>4,075</u>	<u>4,011</u>	<u>4,330</u>
<b>TRANSPORTATION</b>					
Traffic Safety.....	189	198	210	220	225
Transportation .....	3,954	4,090	4,670	5,018	5,803
	<u>4,143</u>	<u>4,288</u>	<u>4,880</u>	<u>5,238</u>	<u>6,028</u>
<b>ENVIRONMENT AND RECREATION</b>					
Environmental Protection .....	551	583	658	613	561
Parks, Recreation & Historic Preservation .....	308	337	340	417	378
	<u>859</u>	<u>920</u>	<u>998</u>	<u>1,030</u>	<u>939</u>
<b>SUPPORT AND REGULATE BUSINESS</b>					
Commerce, Industry & Agriculture.....	459	439	604	812	738
Regulate Business .....	295	160	296	343	263
	<u>754</u>	<u>599</u>	<u>900</u>	<u>1,155</u>	<u>1,001</u>
SHARE GENERAL REVENUES WITH LOCAL GOVERNMENTS ....	<u>1,079</u>	<u>1,198</u>	<u>949</u>	<u>1,240</u>	<u>1,274</u>
REPAY BORROWED MONEY AND REDUCE DEBT.....	<u>3,701</u>	<u>4,451</u>	<u>4,104</u>	<u>4,530</u>	<u>4,961</u>
<b>GENERAL GOVERNMENT</b>					
Executive Agencies .....	1,094	1,148	1,174	1,186	1,171
Office of the State Comptroller.....	171	177	176	186	177
Office of the Attorney General.....	166	180	176	199	182
Legislature.....	210	213	217	222	226
Court Administration.....	1,616	1,729	1,794	1,967	2,005
Pension Contributions & Other Employee Benefits .....	4,505	4,953	5,248	5,152	5,457
Other .....	351	371	350	306	437
	<u>8,113</u>	<u>8,771</u>	<u>9,135</u>	<u>9,218</u>	<u>9,655</u>
<b>Total State Funds Spending .....</b>	<u><b>\$70,403</b></u>	<u><b>\$77,840</b></u>	<u><b>\$81,624</b></u>	<u><b>\$83,633</b></u>	<u><b>\$82,194</b></u>

## Appendix 2

### Federal Funds Spending by Major Service Function

(amounts in millions)

<b>Federal Funds Spending for the Fiscal Year Ended March 31:</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>EDUCATION</b>					
Public Schools .....	\$3,649	\$3,600	\$3,330	\$3,515	\$4,227
State University of New York.....	159	167	188	206	311
City University of New York .....	—	—	—	—	14
Tuition Assistance Program .....	2	7	17	8	62
Higher Education Services Corporation.....	4	6	3	4	4
Cultural Programs.....	1	—	1	—	1
	<u>3,815</u>	<u>3,780</u>	<u>3,539</u>	<u>3,733</u>	<u>4,619</u>
<b>PUBLIC HEALTH</b>					
Health and Mental Health Services .....	3,790	3,897	4,152	4,538	5,169
Medical Assistance (Medicaid) .....	19,009	20,229	19,563	21,759	26,333
	<u>22,799</u>	<u>24,126</u>	<u>23,715</u>	<u>26,297</u>	<u>31,502</u>
<b>PUBLIC WELFARE</b>					
Public Welfare.....	4,617	4,170	4,177	4,909	5,045
Public Housing .....	17	15	15	15	13
Employment Services .....	493	450	416	438	574
	<u>5,127</u>	<u>4,635</u>	<u>4,608</u>	<u>5,362</u>	<u>5,632</u>
<b>PUBLIC SAFETY</b>					
Criminal Justice & Correctional Alternatives .....	125	172	182	204	374
Emergency Management & Security Services .....	147	266	335	152	184
Prisons and Reformatories.....	30	29	33	44	21
	<u>302</u>	<u>467</u>	<u>550</u>	<u>400</u>	<u>579</u>
<b>TRANSPORTATION</b>					
Traffic Safety.....	12	12	14	16	17
Transportation .....	1,221	1,296	1,378	1,463	1,555
	<u>1,233</u>	<u>1,308</u>	<u>1,392</u>	<u>1,479</u>	<u>1,572</u>
<b>ENVIRONMENT AND RECREATION</b>					
Environmental Protection .....	263	187	213	164	192
Parks, Recreation & Historic Preservation .....	6	8	7	11	9
	<u>269</u>	<u>195</u>	<u>220</u>	<u>175</u>	<u>201</u>
<b>SUPPORT AND REGULATE BUSINESS</b>					
Commerce, Industry & Agriculture .....	21	18	11	12	10
Regulate Business .....	1	1	1	1	1
	<u>22</u>	<u>19</u>	<u>12</u>	<u>13</u>	<u>11</u>
<b>SHARE GENERAL REVENUES WITH LOCAL GOVERNMENTS...</b>	<b>107</b>	<b>105</b>	<b>121</b>	<b>116</b>	<b>229</b>
<b>GENERAL GOVERNMENT</b>					
Executive Agencies .....	29	41	34	110	71
Office of the Attorney General.....	24	24	22	26	27
Court Administration.....	5	5	5	6	6
Pensions Contributions and Other Employee Benefits .....	206	219	216	222	234
	<u>264</u>	<u>289</u>	<u>277</u>	<u>364</u>	<u>338</u>
<b>Total Federal Funds Spending .....</b>	<b><u>\$33,938</u></b>	<b><u>\$34,924</u></b>	<b><u>\$34,434</u></b>	<b><u>\$37,939</u></b>	<b><u>\$44,683</u></b>

## Appendix 3

### State Receipts by Major Source

(amounts in millions)

<b>State Receipts for the Fiscal Year Ended March 31:</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
TOTAL TAXES.....	<u>\$52,815</u>	<u>\$57,912</u>	<u>\$60,075</u>	<u>\$59,571</u>	<u>\$57,667</u>
PERSONAL INCOME TAX.....	<u>30,813</u>	<u>34,580</u>	<u>36,564</u>	<u>36,840</u>	<u>34,751</u>
CONSUMER TAXES <sup>(1)</sup>					
Sales and Use .....	11,196	10,739	11,296	10,985	10,527
Cigarette/Tobacco Products.....	974	985	976	1,340	1,366
Motor Fuel .....	531	513	525	504	507
Beverage .....	191	194	205	206	226
Highway Use .....	160	153	148	141	137
Auto Rental .....	42	45	47	61	76
MCTD Taxicab Ride.....	—	—	—	—	13
	<u>13,094</u>	<u>12,629</u>	<u>13,197</u>	<u>13,237</u>	<u>12,852</u>
BUSINESS TAXES					
Corporation Franchise .....	3,053	4,228	3,997	3,220	2,511
Corporation and Utilities .....	832	820	802	863	953
Insurance.....	1,083	1,258	1,219	1,181	1,491
Bank.....	974	1,210	1,058	1,233	1,399
Petroleum Business.....	1,146	1,090	1,155	1,107	1,104
	<u>7,088</u>	<u>8,606</u>	<u>8,231</u>	<u>7,604</u>	<u>7,458</u>
OTHER TAXES					
Real Property Gains .....	1	—	—	—	(1)
Estate and Gift.....	857	1,053	1,037	1,165	866
Pari-Mutuel .....	23	21	24	23	19
Real Estate Transfer.....	938	1,022	1,021	701	493
Racing and Exhibition.....	1	1	1	1	1
MCTD Mobility .....	—	—	—	—	1,228
	<u>1,820</u>	<u>2,097</u>	<u>2,083</u>	<u>1,890</u>	<u>2,606</u>
GAMING – LOTTERY INCOME, VLT & CASINO.....	<u>2,413</u>	<u>2,611</u>	<u>2,904</u>	<u>2,800</u>	<u>2,951</u>
FEDERAL RECEIPTS.....	<u>35,129</u>	<u>35,579</u>	<u>34,909</u>	<u>38,833</u>	<u>45,524</u>
OTHER RECEIPTS					
Student Tuition and Fees (SUNY/CUNY).....	1,965	2,096	2,123	2,279	2,501
Patient/Client Care .....	1,337	1,638	1,533	1,585	1,818
Income from Investments.....	264	501	535	225	106
Abandoned Property .....	541	701	686	692	569
Unclaimed Bottle Deposits.....	—	—	—	—	46
Refunds & Reimbursements.....	740	710	1,003	1,039	1,296
Public Benefit Corporations <sup>(2)</sup> .....	225	238	498	679	622
Regulatory Assessments.....	1,310	1,594	1,496	1,876	3,038
EPIC Fees and Rebates.....	284	308	264	203	202
Public Asset Sale-Non Profit Conversion.....	2,743	514	1,003	233	95
Transfers from Public Goods Pool.....	2,725	2,936	3,014	3,274	3,808
Miscellaneous Licenses, Fees and Other <sup>(1)</sup> .....	2,815	2,864	2,833	3,012	3,332
	<u>14,949</u>	<u>14,100</u>	<u>14,988</u>	<u>15,097</u>	<u>17,433</u>
BORROWED AND ADDED TO DEBT					
Bonds and Notes Issued by the State.....	159	181	269	457	448
Public Authority Financings .....	1,721	2,195	2,547	2,934	3,173
	<u>1,880</u>	<u>2,376</u>	<u>2,816</u>	<u>3,391</u>	<u>3,621</u>
<b>Total Receipts.....</b>	<u><b>\$107,186</b></u>	<u><b>\$112,578</b></u>	<u><b>\$115,692</b></u>	<u><b>\$119,692</b></u>	<u><b>\$127,196</b></u>

<sup>(1)</sup> To facilitate improved accounting, Motor Vehicle Taxes and ABC Licenses Fees were reclassified from Consumption/Use Taxes to Miscellaneous Receipts. For comparison purposes, prior years Consumption/Use Taxes have been restated.

<sup>(2)</sup> Includes general receipts and Public Authority cost recoveries.

# STATE OF NEW YORK

## FINANCIAL CONDITION REPORT



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### DATA SOURCES

NYS Office of the State Comptroller	Children's Defense Fund
NYS Department of Taxation and Finance	IHS Global Insight
NYS Division of the Budget	National Center for Education Statistics
NYS Commission on Correction	National Education Association
NYS Division of Criminal Justice Services	NYSE Euronext
NYS Education Department	New York State Association of Realtors
NYS Department of Health	RealtyTrac
NYS Department of Labor	Standard & Poor's
NYS Office of Temporary and Disability Assistance	Statistical View of America — Congressional Quarterly
NYS Department of Transportation	Securities Industry and Financial Markets Association
State University of New York	The Center for the Study of Education Policy, Illinois State University
NYS Statistical Yearbook, Rockefeller Institute of Government, 2008	U.S. Commerce Department — Bureau of the Census and Bureau of Economic Analysis
City University of New York	U.S. Department of Labor — Bureau of Labor Statistics
NYC Office of Management and Budget	
Center for Law and Social Policy	



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