

PART I

FINANCIAL PLAN OVERVIEW

FINANCIAL PLAN OVERVIEW

The Financial Plan Overview summarizes the Governor's Executive Budget for 1999-2000. The State Constitution and State Finance Law prescribe the content and format of budgetary information to be supplied by the Governor at the time of submission of the Executive Budget. This section of the Budget fulfills the requirements of section 22 of the State Finance Law, providing summary financial plans and explanations of projected receipts and disbursements for the State's major governmental funds.

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SUMMARY

Under Governor Pataki, New York has adopted a multi-year strategy to lower taxes, restrain spending, and improve its financial practices. The results are impressive: the State has produced soundly balanced budgets and large year-end budget surpluses, increased its "rainy day" reserves to their highest level ever, and will have provided \$28 billion in cumulative tax reductions to New Yorkers through 1999-2000.

The 1999-2000 Executive Budget builds on this successful record by restraining spending, proposing \$1 billion in new job creating tax cuts, and launching a new debt reduction policy that will lower State debt by \$4.7 billion compared to the previous Capital Plan. It also returns the available 1998-99 surplus of \$1.79 billion to taxpayers by reserving it for enacted tax cuts — ensuring that the promised reductions go forward on schedule.

Under the 1999-2000 Executive Budget, spending by all measures — General Fund, State Funds and All Funds — grows at less than inflation, which is projected at slightly higher than 2 percent. The following table summarizes the spending plan.

1999-2000 Spending (\$ millions)			
	Size of the Budget	Dollar Change from 1998-99	Percent Change from 1998-99
General Fund	37,100	+482	+1.3
State Funds	49,325	+867	+1.8
All Funds	72,656	+1,251	+1.8

This Budget reflects the basic premise that a responsible government spends only what is necessary — not what is available to spend — and returns the excess to the taxpayers. With continued fiscal discipline New York will maintain the progress of the last four years.

EXPLANATION OF THE FINANCIAL PLAN

Appropriation bills and State laws provide the legal basis for the State to levy taxes and fees to fund the operations of State agencies, provide aid to local governments and school districts and pay debt service, as well as to borrow money for capital projects. Tax laws do not prescribe how much income the State will generate from each levy; these amounts must be estimated. Similarly, spending estimates must be based upon an evaluation of the projected costs and demand for each State program. Together, these projections of receipts and disbursements constitute the Financial Plan.

This Overview summarizes the latest Financial Plan projections of receipts and disbursements for both the current and upcoming State fiscal years. It includes the State's revised projections to the 1998-99 Mid-Year Financial Plan Update published in October 1998, as well as projections for 1999-2000, which compare receipts and disbursements estimates in the Executive Budget to these revised estimates for 1998-99. The Overview also summarizes projections for fiscal years 2000-01 and 2001-02.

THE STATE'S FUND STRUCTURE

The State accounts for all of its spending and receipts by the fund in which the activity takes place (such as the General Fund or the Capital Projects Fund), and the broad category or purpose of that activity (such as State operations or capital projects). The Financial Plan tables sort all State budgetary projections and results by fund and category.

The General Fund receives the majority of State taxes and is required by the Constitution to be balanced when the Governor submits the Executive Budget. State Funds incorporate not only the General Fund, but funds for dedicated purposes, with the exception of Federal Funds. All Funds include the General Fund and State Funds and adds Federal Funds.

All Governmental Funds — the All Funds budget — is comprised of four major fund types, and provides the most comprehensive view of the financial operations of the State. It includes:

- The General Fund, which accounts for most of the State's tax revenue, and for spending on programs that are not supported directly by dedicated fees and revenues;
- Special Revenue funds, which receive Federal grants, certain dedicated taxes, fees and other revenues that are used for a specified purpose;
- Capital Projects funds, which account for costs incurred in the construction and reconstruction of roads, bridges, prisons, and other infrastructure projects; and
- Debt Service funds, which pay principal, interest and related expenses on long-term bonds issued by the State and its public authorities.

Within each of these fund types, revenues and spending are classified by major category of the Financial Plan (e.g., taxes, miscellaneous receipts, grants to local governments, State operations). Activity in these Financial Plan categories is described in greater detail later in this section. Summary charts display the annual change for each category of the Financial Plan, and a narrative explanation of major changes follows each chart. The tables at the end of the Overview summarize projected General Fund, State Funds and All Governmental Funds receipts and disbursements for the 1998-99 through 2001-02 fiscal years.

THE 1998-99 GENERAL FUND FINANCIAL PLAN UPDATE

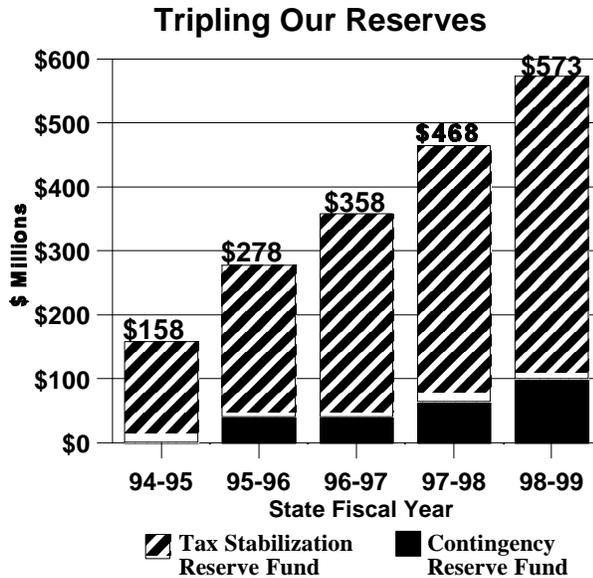
The State currently projects a year-end available cash surplus of \$1.79 billion in the General Fund, an increase of \$749 million over the surplus estimate in the Mid-Year Update to the Financial Plan issued in October. The State has increased the surplus estimate primarily because receipts have grown and disbursements are projected to fall slightly below the Mid-Year Update, as explained in more detail below. The State revised both its receipts and disbursements estimates based on a review of actual operating results through December 1998, as well as an analysis of underlying economic and programmatic trends it believes may affect the Financial Plan for the balance of the current fiscal year, as described in more detail below.

The Executive Budget reserves the projected \$1.79 billion surplus to ensure that enacted tax reductions move forward on schedule. The State plans to use the reserve funds beginning in fiscal year 2000-01 to offset a portion of the projected incremental loss of tax receipts from the enacted tax cuts scheduled for the next two fiscal years. Under current projections, the State expects to return to taxpayers an additional \$2.1

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billion in revenue in 2000-01 and \$1.4 billion in 2001-02 from the phase-in of tax cuts already in law.

To further strengthen its reserves, the State plans to deposit \$73 million in the Tax Stabilization Reserve Fund (TSRF), the "rainy day" reserve, which it may call on to cover an unexpected cash shortfall. This will be the State's fourth consecutive maximum deposit to the TSRF, bringing the fund balance to \$473 million, its highest level ever. The State also plans to deposit \$32 million into the Contingency Reserve Fund (CRF) to help guard against litigation risks, bringing the balance in that fund to \$100 million.



REVISIONS TO THE 1998-99 RECEIPTS ESTIMATES

Underlying estimates of General Fund receipts have been revised upward by \$729 million from the projections contained in the Mid-Year Update, primarily in personal income taxes, contributing to the \$1.79 billion net surplus.

To make the 1998-99 surplus available for the tax reduction reserve, \$1.79 billion in income tax refund payments are being reserved in 1998-99 for payment in 1999-2000. This action has the effect of decreasing reported personal income receipts in 1998-99, while increasing available personal income receipts in 1999-2000, as these refunds will no longer be a charge against current revenues in 1999-2000. However, the entire \$1.79 billion will remain unspent in 1999-2000 and is reserved to help balance outyear Financial Plans. As a result of the refund reserve transaction, projections of available tax receipts in 1998-99 have been decreased by \$1.21 billion from the levels in the Mid-Year Update.

REVISIONS TO THE 1998-99 DISBURSEMENTS ESTIMATES

The State projects total General Fund disbursements of \$36.62 billion in 1998-99, a reduction of \$161 million from the October estimate. Compared to the Mid-Year Update, the State has lowered its estimate of disbursements for local assistance by \$248 million and for State operations by \$54 million. Higher projected spending for General State Charges (\$71 million) and transfers to other funds (\$70 million) partially offset these reductions.

In local assistance, spending from the Community Projects Fund, which pays primarily for legislative initiatives, has lagged behind earlier projections and accounts for \$68 million of the \$248 million downward revision. In special education programs, claims from school districts are running behind projections, leading the State to lower its spending estimate in this area by \$31 million for 1998-99. Lower estimated program and administrative costs in welfare (\$99 million), Medicaid (\$32 million), and Children and Families Services (\$21 million) account for most of the remaining downward revisions in projected local assistance spending.

In State Operations, projected spending is lower by \$54 million primarily due to savings from the statewide hiring freeze, agency attrition management and continued nonpersonal service efficiencies.

The revised spending estimate for fringe benefits (\$71 million) reflects higher-than-anticipated costs for employee benefits and health insurance. This includes contractual payments to insurance carriers associated with the award of new prescription drug and mental health contracts. Transfers for debt service decline (\$29 million) because of higher refunding savings and other debt management activities. Capital projects spending increases modestly (\$5 million). Other transfers increase by \$94 million primarily to cover unanticipated shortfalls in the State Lottery Fund (\$80 million) and the Oil Spill Fund (\$10 million).

1998-99 CLOSING BALANCE IN THE GENERAL FUND

The State now projects a closing balance in the General Fund of \$799 million: \$473 million in the Tax Stabilization Reserve Fund (the State's "rainy day" reserve) after a fourth consecutive deposit of \$73 million at the close the current fiscal year; \$100 million in the Contingency Reserve Fund (which protects against litigation risks), following a planned \$32 million deposit in 1998-99; and \$226 million in the Community Projects Fund. In 1999-2000, the Financial Plan assumes that \$80 million in Community Projects spending will occur, exhausting available appropriations for this fund. The State will use the remaining balance (\$146 million), against which there are no appropriations as a result of the Governor's vetoes last year, to fund operations in 1999-2000.

THE 1999-2000 GENERAL FUND FINANCIAL PLAN

ECONOMIC AND RECEIPTS OUTLOOK

When projecting receipts, the Division of the Budget (DOB) first forecasts the economic outlook for both the Nation and New York. After consulting with public and private sector experts, a detailed forecast is prepared including estimates for U.S. gross domestic product (GDP), employment levels, inflation, wages, and consumer sales. DOB uses this economic forecast, together with a statistical analysis of historical data and a detailed examination of tax collection experience, to project tax receipts. For example, if the economic forecast calls for modest growth in wages, withholding tax collections would also be expected to increase at a modestly higher rate, consistent with the historical and structural relationship between withholding tax collections and wages.

DOB also adjusts for changes in the State's tax laws. For example, the 1999-2000 Executive Budget reflects a continuation of phased tax reductions in a variety of taxes, as well as recommendations for additional tax cuts that together will produce incremental taxpayer savings of almost \$2.0 billion during the next fiscal year. For a more detailed discussion of the economy and the sources of State revenue, see the Explanation of Receipts Estimates section later in this document.

U.S. Economy

Strong growth in 1998 in real Gross Domestic Product (GDP) combined with a sharp drop in the inflation rate resulted in a moderate growth rate of 4.8 percent for nominal GDP. For 1999, a slowdown in real GDP growth will drop nominal GDP growth to 3.6 percent. Further international and financial economic distress could reduce U.S. economic growth even more than projected. Deflationary pressures resulting from falling commodity

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prices and declining import prices are balanced against domestic inflationary pressures caused by tight labor markets resulting in subdued inflation and relatively stable short- and long-term interest rates. Although employment growth will remain fairly strong, income growth will slow and corporate profits will decline modestly.

State Economy

Paralleling the national trend, a moderate slowdown in New York economic growth is expected for 1999. Annual growth in total and private-sector employment in 1999 is projected to fall below the 1998 pace, although a continuation of international financial and economic turmoil may result in a sharper slowdown than currently projected. Continued growth by the business service sector is expected for 1999, although the growth rate will slow from the 1998 pace. The financial services sector will see some retrenchment in employment as Wall Street adjusts to lower profit levels and consolidation in the banking services industry continues. Losses in manufacturing employment will increase as foreign economic weakness and the strong dollar reduce both domestic and foreign demand for U.S. manufactured goods. Both wage and personal income growth will recede from their 1998 rates of growth, partly due to a leveling out of bonus payments by the financial sector.

General Fund Receipts

General Fund receipts in 1999-2000 will reflect the next stage of the STAR property tax reduction program as well as the continuing impact of earlier tax reduction accomplishments. In addition, this year's Budget reflects several tax reduction proposals that have only a modest impact on 1999-2000 receipts but will reduce receipts by \$1 billion when fully phased in.

The Executive Budget reflects the Governor's ongoing commitment to provide fiscally prudent tax reductions designed to stimulate economic development and expansion. The proposals are designed to provide fiscal stimulus as prior year phased tax reductions are completed, thereby avoiding any additional pressures on revenue growth. The proposals include:

- Raising the personal income tax top rate threshold — increasing the threshold before the top rate kicks in to \$60,000 from \$40,000 for married taxpayers, \$30,000 from \$20,000 for single taxpayers, and \$45,000 from \$30,000 for head of household filers;
- Doubling the dependent exemption under the personal income tax to \$2,000;
- Reducing utility taxes and reforming the taxation of the energy industry to promote and extend competition in the energy market;
- Lowering the alternative minimum tax on corporations from 3 percent to 2.5 percent;
- Extending the rate reductions afforded general corporations last year to bank and insurance companies;
- Creating a New York Capital Asset Exclusion for investments in a New York business;
- Creating a new credit for job creation in cities;
- Expanding the Qualified Emerging Technology Credit;
- Conforming to recent Federal estate tax changes;
- Eliminating several nuisance taxes and fees, including minimum taxes imposed on petroleum and aviation businesses; and
- Expanding the income tax credit benefits provided to farmers to ease school property tax burdens.

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Receipts in the General Fund will also reflect the accelerated phase-out of assessments on health care providers.

General Fund Receipts (\$ millions)			
SFY:	1998-1999	1999-2000	Annual Change
Total Tax Receipts	33,298	35,495	2,197
All Other Receipts	3,481	3,168	(313)
Total Receipts	36,779	38,663	1,884

Since the Mid-Year Update, the forecast of 1998-99 tax receipts has been increased by \$729 million, offset by the decision to create reserves for the payment of \$1.79 billion in 1998 tax year personal income tax refunds which has the effect of reducing reported receipts. The increased deposits to the refund reserve account will be used to provide the resources necessary to ensure completion of the existing tax reduction program. On balance, tax receipts are reduced \$1.21 billion from the Mid-Year Update.

Reflecting these transactions, total receipts to be deposited in the General Fund in 1998-99 are projected to be \$36.78 billion, \$1.06 billion less than projected at the time of the Mid-Year Update.

Total General Fund receipts for 1999-2000 are now projected at \$38.66 billion, an increase of nearly \$1.9 billion from the revised 1998-99 estimate. The increase is due, in part, to the refund reserve transaction described above. Continued moderate economic growth will also serve to increase receipts in the upcoming year. These increases in receipts are partially offset by the scheduled implementation of the next phase of the Governor's multi-year tax reduction program.

Miscellaneous receipts and transfers from other funds are expected to fall in 1999-2000, reflecting the phase-out of assessments on health facility providers and a reduction in amounts available for transfer to the General Fund, especially from the Clean Water/Clean Air Fund.

Personal Income Tax (\$ millions)			
SFY:	1998-1999	1999-2000	Annual Change
Personal Income Tax	20,176	22,830	2,654

Personal income tax collections for the current year are now expected to be \$20.18 billion, a decrease of \$1.26 billion from the estimate at the time of the Mid-Year Update. Again, this reflects the Financial Plan decision to create reserves for the payment of 1998 personal income tax refunds in fiscal year 1998-99.

Personal income tax collections for 1999-2000 are projected to reach \$22.83 billion, an increase of \$2.65 billion (13.2 percent) over 1998-99. This increase is due in part to the refund reserve transaction described above which serves to increase 1999-2000 personal income tax receipts. Collections also benefit from the 13.5 percent estimated increase in 1998 liability and the projected 5.3 percent liability increase for 1999. The large increases in income tax liability in recent years have been supported by the continued

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surge in taxable capital gains realizations. This activity is related at least partially to recent changes in the Federal tax treatment of such income. The growth in capital gains income is expected to plateau in 1999.

Growth in 1999-2000 receipts is offset by deposits into the School Tax Relief Fund which provides the revenue resources to finance the STAR tax reduction program. The incremental value of this deposit is \$638 million in 1999-2000.

User Taxes and Fees (\$ millions)			
SFY:	1998-1999	1999-2000	Annual Change
User Taxes and Fees	7,229	7,157	(72)

User tax and fee receipts in 1998-99 are now projected at \$7.23 billion, \$23 million above the Mid-Year forecast and \$193 million or 2.7 percent above 1997-98 collections. For 1999-2000, collections in this category of taxes will decrease by \$72 million to \$7.16 billion. The decline in this category reflects the incremental impact of approximately \$267 million in already enacted tax reductions, and additional earmarking of motor vehicle registration fees to the Dedicated Highway and Bridge Trust Fund. Adjusted for these changes, the underlying growth of receipts in this category is projected at 2.5 percent.

The largest source of receipts in this category is the sales and use tax which accounts for nearly 80 percent of projected receipts. Sales tax receipts are responsive to economic trends such as growth in income, prices, employment, and consumer confidence. Strength in the economy in 1998 produced growth in the continuing base of the sales and use tax of 5 percent in 1998-99. The continuing base of the sales tax is projected to grow by 4.4 percent in the coming year.

This category also includes: cigarette, tobacco and alcoholic beverage taxes and fees, motor fuel taxes, and the container and auto rental levies. The majority of the receipts from these sources are attributable to flat-rate volume-based levies that respond little, if at all, to short-term economic developments (other than price changes impacting consumption) and are marked, in the main, by declining consumption trends.

Business Taxes (\$ millions)			
SFY:	1998-1999	1999-2000	Annual Change
Business Taxes	4,794	4,527	(267)

Total business taxes are now projected at \$4.79 billion in 1998-99, an increase of \$4 million from the projections in the Mid-Year Update and \$253 million below 1997-98 receipts. In 1999-2000, receipts from this category are expected to total \$4.53 billion — \$267 million below 1998-99 estimated results.

A major reason for the decline in this category in 1998-99 is the almost 5 percent decline estimated for receipts from the corporation franchise tax. This tax is imposed on general business corporations and is the largest revenue source in this category, accounting for more than 40 percent of receipts. Underlying liability for this revenue source is sensitive to changes in the net taxable income of companies subject to the tax. Profits are estimated to decline by more than 2 percent in 1998 at the national level. In addition,

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profits from the financial services companies taxed under this category are also expected to decline in 1998 when compared to the record levels achieved in 1997. Negative adjustments to prior year payments are also driving down 1998-99 collections. In 1999-2000, receipts are projected to increase by \$154 million, due primarily to the impact of legislation submitted with this Budget to address the tax issues raised in the deregulation of the energy utility industry.

Other taxes in this category include special franchise taxes on insurance companies and banks, the gross receipts tax on utility and transportation companies and a cents-per-gallon levy on various kinds of petroleum products imposed on petroleum businesses.

Receipts from the bank franchise tax during 1998-99 are projected to decline by \$127 million from 1997-98, reflecting lower payments on 1998 liability and negative adjustments associated with prior year payments. This decrease is being offset in small part by an increase in audit collections. In 1999-2000, receipts are projected to be \$650 million — \$70 million above estimates for 1998-99. This increase is the result of improved liability growth based on a projection of renewed strength in banking industry performance.

Net collections from insurance taxes are expected to reach \$669 million in 1998-99, an increase of \$28 million from the prior year. This reflects the net impact of law changes, the end of litigation related to refunds of MTA credits, a sharp slowdown in taxable premium growth and strength in the liability position of certain insurers. Premium growth is expected to slow in 1999 and other factors impacting on net taxable income are also expected to dampen receipts. As a result, collections are expected to decline to \$646 million in 1999-2000.

The 1998-99 yield from the corporation and utilities taxes is now estimated at \$1.46 billion, \$38 million above the projections in the Mid-Year Update, but \$49 million below 1997-98 receipts. The absence of several small nonrecurring transactions that benefitted 1997-98 collections account for the bulk of the year-over-year decline. Additional tax reductions include: energy and telecommunications tax rate cuts; the tax credits flowing from the Power for Jobs programs; the legislation submitted with this Budget to reform and reduce energy taxes; and the effects of the LILCO/LIPA rate cuts on Long Island. These are expected to produce a decline in collections in 1999-2000 of \$454 million.

Declining General Fund estimates for the petroleum business tax of \$104 million in 1998-99 and \$90 million in 1999-2000 reflect the impact of distributional changes in removing resources from the General Fund.

Other Taxes (\$ millions)			
SFY:	1998-1999	1999-2000	Annual Change
Other Taxes	1,099	980	(119)

In 1998-99 and thereafter, this category includes receipts from estate and gift levies on transfers of wealth, pari-mutuel taxes on wagering at race tracks and off-track betting facilities and other minor sources. Historically, the category also included the yield of the real property gains tax (repealed in 1996) and receipts from the real property transfer tax which, over the last three years, has been earmarked to support various environmental programs.

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The General Fund yield from other taxes for 1998-99 is currently estimated at \$1.1 billion, which is \$27 million above the estimate in the Mid-Year Update. The major factors affecting this category include: the earmarking of the real estate transfer tax to support the Environmental Protection Fund and the Clean Water/Clean Air Fund, the repeal of the real property gains tax and the impact of estate and gift tax reductions.

In 1999-2000 receipts from other taxes will drop to \$980 million. The largest factor in the decline is the estimated effect of already enacted legislation reducing the estate and gift tax.

Miscellaneous Receipts (\$ millions)			
SFY:	1998-1999	1999-2000	Annual Change
Miscellaneous Receipts	1,534	1,242	(292)

Miscellaneous receipts include license revenues, fee and fine income, investment income, abandoned property proceeds, a portion of medical provider assessments and, historically, various nonrecurring receipts.

Revisions to estimates for the current year have raised the miscellaneous receipts estimate to \$1.53 billion, a net increase of \$60 million from the Mid-Year Update. The primary changes are a \$21 million increase in expected licenses and fees and similar growth in abandoned property receipts.

Receipts in this category are projected to decline in 1999-2000, largely as a result of the net loss of \$165 million in statutory reductions to medical provider assessments.

Transfers From Other Funds (\$ millions)			
SFY:	1998-1999	1999-2000	Annual Change
Sales Tax in Excess of LGAC Debt Service	1,546	1,589	43
All Other Transfers	401	338	(63)
Total Transfers from Other Funds	1,947	1,927	(20)

Transfers from other funds to the General Fund consist primarily of tax revenues in excess of debt service requirements. Proceeds from one percent of the State's 4 percent sales tax in excess of amounts used to support the debt service payments of the Local Government Assistance Corporation account for 82 percent of the 1999-2000 receipts in this category. Other transfers periodically include non-recurring transactions, which result in significant annual volatility for this category. Beginning in 1997-98, this transfer category also reflects excess real estate transfer tax receipts not required for debt service on the Clean Water/Clean Air bonds authorized by the voters.

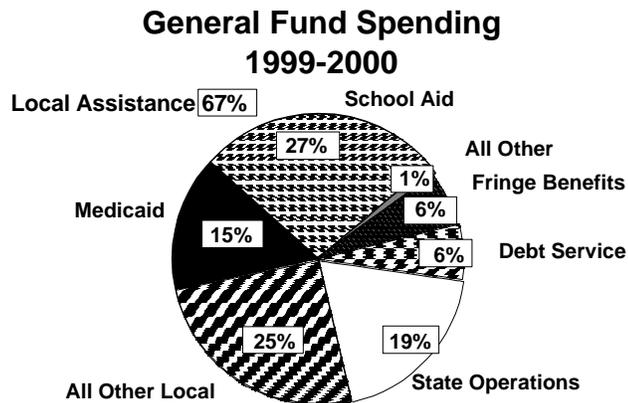
Other transfers in 1999-2000 reflect a decline in expected receipts from the real estate transfer tax.

DISBURSEMENTS OUTLOOK

General Fund Disbursements (\$ millions)			
SFY:	1998-1999	1999-2000	Annual Change
General Fund Disbursements	36,618	37,100	482

The Executive Budget projects General Fund spending to grow by 1.3 percent to \$37.1 billion in 1999-2000, an increase of \$482 million from the current fiscal year.

From 1995-96 through 1998-99, the State invested heavily in programs such as education that are essential to its long-term economic competitiveness. Aid to school districts accounted for over 40 percent of General Fund spending growth in these years. At the same time, the State enacted and began implementing a series of sweeping tax reductions to stimulate economic growth. To help finance both the tax cuts and higher spending on priority programs, the State enacted a series of reforms in Medicaid and welfare to reduce spending in these programs — spending that has historically been the highest in the nation. Managed care, cost containment, Federal revenue maximization efforts and market-based reforms to the health care system have helped reduce General Fund spending for Medicaid. Welfare reform has helped to improve job placement, increase local administrative flexibility, expand child care support and reduce welfare fraud. Since the Governor took office, 607,000 people have left the welfare rolls. As a result, Medicaid and welfare’s share of General Fund spending has actually declined from 24 percent in 1994-95 to 19 percent in 1999-2000, as school aid has increased from 25 percent to 27 percent over the same period.



Welfare reform has helped to improve job placement, increase local administrative flexibility, expand child care support and reduce welfare fraud. Since the Governor took office, 607,000 people have left the welfare rolls. As a result, Medicaid and welfare’s share of General Fund spending has actually declined from 24 percent in 1994-95 to 19 percent in 1999-2000, as school aid has increased from 25 percent to 27 percent over the same period.

Grants to Local Governments (\$ millions)			
SFY:	1998-1999	1999-2000	Annual Change
Grants to Local Governments	24,893	24,806	(87)

Grants to Local Governments include financial aid to local governments and non-profit organizations, as well as entitlement payments for individuals. The largest areas of spending in local assistance are for aid to elementary and secondary schools (40 percent) and for the State’s share of Medicaid payments to providers (22 percent). Spending in this category is estimated at \$24.81 billion in 1999-2000, a decrease of 0.4 percent from the current year (down in part because of \$175 million in lower spending for legislative member items in 1999-2000).

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After two years of record increases, General Fund spending for school aid is projected at \$9.99 billion in 1999-2000 (on a State fiscal year basis), an increase of \$292 million (3.0 percent) from the current year. The Budget provides additional funding for operating aid, building aid, and textbook and computer aids. It also funds the "tail" of aid payable for the 1998-99 school year. These increases are partially offset by the elimination of categorical grants, reductions in BOCES aid, and other formula modifications designed to improve equity. A new Educational Improvement (EI) block grant replaces separate categorical programs such as Pre-K and minor maintenance aid to give school districts greater flexibility in meeting locally-determined needs.

Medicaid spending is estimated to total \$5.50 billion in 1999-2000, a modest decline of \$87 million or 1.6 percent from 1998-99. To achieve program savings, the Executive Budget recommends a series of cost containment actions, including restructuring rates paid to providers for certain services, shifting treatments for certain services to outpatient settings, and maximizing allowable Federal funds. These actions help produce recurring savings without limiting current benefits or access to services. At the same time, medical providers will benefit from the proposed acceleration of the phase-out of provider assessments already scheduled in law. The State had planned to eliminate provider taxes on April 1, 2000; the Executive Budget proposes eliminating them one year earlier. As a result, health care providers will not be required to pay \$223 million in assessments in 1999-2000.

Spending on welfare is projected at \$1.49 billion, a decline of \$41 million (2.7 percent) from 1998-99. Since 1994-95, State spending on welfare has fallen by \$709 million, or 32 percent, driven by sweeping welfare changes initiated at the State and Federal levels and a large, steady decline in the number of people receiving benefits. Several trends have contributed to falling caseloads, including the State's strong economic performance over the past three years, State, Federal and local welfare-to-work initiatives that have expanded training and support services to assist recipients in becoming self-sufficient, tightened eligibility review for applicants, and aggressive fraud prevention measures.

Local assistance spending for Children and Families Services is projected at \$864 million in 1999-2000, down \$42 million (4.7 percent) from 1998-99. The decline in General Fund spending is more than offset by higher spending on child care and child welfare services that is occurring with Federal TANF funds, which has allowed the State to lower General Fund spending while still expanding services in this area.

In Mental Health, the State will spend \$619 million in 1999-2000, an increase of \$40 million (7 percent) over 1998-99, including \$23 million in additional funding for the Community Reinvestment Program. The spending increase of \$17 million, to \$576 million, for Mental Retardation and Developmental Disabilities reflects more than \$52 million in increased funding, net of growth of \$35.6 million in Federal offsets. Major components of spending growth include a trend factor for Medicaid programs, annualization of new community services from 1998-99 and the first year of the Governor's NYS-CARES initiative that will invest \$129 million in State funds over five years to develop community-based beds for persons on waiting lists.

Spending for all other local assistance programs will total \$5.72 billion in 1999-2000, a decline of \$266 million from 1998-99. Lower spending of \$175 million for legislative member items in 1999-2000 accounts for the majority of the year-to-year change.

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State Operations (\$ millions)			
SFY:	1998-1999	1999-2000	Annual Change
State Operations	6,650	6,875	225

State Operations reflect the costs of running the Executive, Legislative and Judicial branches of government. Spending in this category is projected to increase by \$225 million or 3.4 percent above 1998-99, and reflects the annualized costs of current collective bargaining agreements, the loss of Federal receipts that offset General Fund spending in mental hygiene programs, the costs of staffing a new State prison, and growth in the Legislative and Judiciary budgets. The State's overall workforce is projected to remain stable at around 191,200 persons.

Personal service costs are projected to be \$5.01 billion, an increase of \$128 million from the current year. No funding is included in the Financial Plan for new collective bargaining agreements, most of which expire on April 1, 1999. Nonpersonal service is projected to be \$1.87 billion, with the increase of \$97 million used primarily to fund Year 2000 compliance and related activities in the Office for Technology.

General State Charges (\$ millions)			
SFY:	1998-1999	1999-2000	Annual Change
General State Charges	2,286	2,333	47

General State Charges (GSCs) account for the costs of providing fringe benefits to State employees and retirees of the Executive, Legislative and Judicial branches. These payments, many of which are mandated by statute or collective bargaining agreements, include employer contributions for pensions, social security, health insurance, workers' compensation and unemployment insurance. GSCs also cover State payments-in-lieu-of-taxes to local governments for certain State-owned lands, and the costs of defending lawsuits against the State and its public officers.

Total spending in General State Charges is projected to grow by \$47 million (2.1 percent) in 1999-2000. The increase is comprised of higher health insurance costs, Court of Claims payments and taxes on State-owned lands, offset by decreases for pension contributions and higher reimbursements for fringe benefit costs charged to positions financed by non-General funds, which lowers General Fund expenses.

Debt Service (\$ millions)			
SFY:	1998-1999	1999-2000	Annual Change
Debt Service	11	11	0

This category reflects debt service on short-term obligations of the State, i.e., the interest costs on the State's commercial paper program. The commercial paper program is expected to have an average of approximately \$287 million outstanding during

FINANCIAL PLAN OVERVIEW

1999-2000, similar to past experience, with interest rates of about 4 percent. The majority of the State's debt service is for long-term bonds, and is reflected as a transfer to the General Debt Service Fund.

Transfers To Other Funds (\$ millions)			
SFY:	1998-1999	1999-2000	Annual Change
Transfers In Support of Debt Service	2,102	2,287	185
Transfers in Support of Capital Projects	205	188	(17)
Transfer to Debt Reduction Reserve Fund	50	250	200
All Other Transfers	421	350	(71)

Transfers in support of debt service reflect the initial impact of the Governor's efforts to reduce the portion of the State's Capital Plan that is financed with debt, as well as the reclassification of SUNY community college debt service (\$33 million) from local assistance. Governor Pataki's debt reduction initiatives will ensure that for the first time in decades debt service costs actually decline during the Five Year Capital Program and Financing Plan period.

Transfers in support of capital projects for 1999-2000 are estimated to total \$438 million and are comprised of two components: \$188 million for direct capital spending to finance a variety of recreational, educational and cultural projects and \$250 million for the second deposit to the Debt Reduction Reserve Fund (DRRF). This deposit will be used to assist in achieving debt reduction goals in future years. The existing money in DRRF will support disbursements in 1999-2000 for certain capital programs which are currently financed by bonds, but will now be financed with cash. These include the West Valley Nuclear Service Center, the State Education Department, the Department of Health and Youth Opportunity Centers. In addition, pay-as-you-go resources will eliminate bond financing for the Petroleum Tank Storage program one year earlier than anticipated. In addition to the \$50 million deposit to DRRF, 1998-99 General fund support for capital projects also includes \$205 million for direct capital spending.

Other transfers decline by \$71 million from 1998-99, as the one-time transfers in the current year for the Lottery and Oil Spill Funds do not recur in 1999-2000.

NON-RECURRING RESOURCES

The 1999-2000 Financial Plan relies on \$33 million in non-recurring resources, the lowest level ever reported. Since 1996-97, the State has used an average of less than \$60 million a year in one-time resources. In 1999-2000, the largest one-time resource will consist of a \$15 million loan repayment from the Long Island Power Authority. The remaining amounts include various routine fund sweeps and transfers to the General Fund that occur each year.

CLOSING FUND BALANCE

The State will close the 1999-2000 fiscal year with a fund balance of \$2.36 billion. The balance is comprised of \$1.79 billion set aside as a tax reduction reserve, \$473 million in the Tax Stabilization Reserve Fund and \$100 million in the Contingency Reserve Fund. The entire \$226 million balance in the Community Projects Fund will be used in 1999-2000,

with \$80 million in cash spent to pay for existing projects and the remaining balance of \$146 million, against which there are no appropriations as a result of the Governor's 1998 vetoes, used to fund operations in 1999-2000.

GENERAL FUND FINANCIAL PLAN OUTYEAR PROJECTIONS

The State projects budget gaps of \$1.11 billion in 2000-01 and \$2.08 billion in 2001-02. The gap estimates assume that the Legislature will enact the 1999-2000 Executive Budget and accompanying legislation in its entirety. The gaps also assume \$500 million in annual spending efficiencies, which is comparable to the State's assumptions in previous years. Nearly all the actions proposed by the Governor to balance the 1999-2000 Financial Plan recur and grow in value in future years. If the projected budget gap for 2000-01 is closed with recurring actions, the 2001-02 budget gap would be reduced to \$963 million.

PROJECTED BUDGET GAPS FOR SFYs 2000-01 AND 2001-02
(\$ in millions)

	<u>2000-01</u>	<u>2001-02</u>
Receipts	35,987	36,197
Disbursements	38,189	39,973
Use of 1998-99 Tax Reduction Reserve	589	1,200
Efficiencies	500	500
Remaining Gap	(1,113)	(2,076)
2001-02 Gap if 2000-01 Gap is Closed With Recurring Actions		(963)

The State plans to use the \$1.79 billion tax reduction reserve to offset the incremental loss of tax receipts beginning in 2000-01. The State Financial Plan currently assumes that \$589 million of the reserves — or about one-third of the amount available — will be applied in 2000-01, with the remaining \$1.2 billion used in 2001-02. The State may alter how it apportions the reserves across the outyears to ensure that enacted tax cuts go forward on schedule.

OUTYEAR RECEIPTS

General Fund Receipts (\$ millions)		
SFY:	2000-01	2001-02
General Fund Receipts	35,987	36,197

General Fund receipts fall to an estimated \$35.99 billion in 2000-01 reflecting the incremental impact of already enacted tax reductions, the impact of prior refund reserve transactions and the earmarking of receipts for dedicated highway purposes. Receipts are projected to grow modestly to \$36.20 billion in 2001-02, again reflecting the impact of enacted tax cuts on normal receipts growth, as well as the incremental impact of tax reductions recommended with the Budget.

FINANCIAL PLAN OVERVIEW

Personal Income Tax (\$ millions)		
SFY:	2000-01	2001-02
Personal Income Tax	20,718	20,943

Personal income tax receipts are projected to decline to \$20.72 billion in 2000-01. The decline from 1999-2000 reflects the positive impact of refund reserve transactions on 1999-2000 receipts and reduced growth in underlying liability. The slowdown in liability growth results from a moderate slowdown in personal income and wage increases and an end to the rapid escalation in taxable capital gains realizations. In addition, receipts are reduced by the incremental value of the STAR tax reduction plan and the required deposit of personal income tax receipts into the School Tax Relief Fund.

Personal income tax receipts for 2001-02 are projected to increase to \$20.94 billion. The modest increase results from continued normal growth in liability offset by increasing deposits to the School Tax Relief Fund.

User Taxes and Fees (\$ millions)		
SFY:	2000-01	2001-02
User Taxes and Fees	6,877	7,104

Receipts from the User Taxes and Fees category are estimated to total \$6.88 billion in 2000-01, a decline of \$281 million from 1999-2000. This decline results, in part, from the dedication of a portion of motor fuel tax receipts to the Highway and Bridge Trust Fund. Further, receipts growth is reduced due to the incremental impact of already enacted tax reductions such as the elimination of the sales tax on clothing and shoes under \$110 in value.

User taxes and fees receipts increase to an estimated \$7.10 billion in 2001-02. Moderate economic growth projected over the next several years will keep underlying growth in the sales tax base in the 4 to 5 percent range over the 2000-01 and 2001-02 period.

Business Taxes (\$ millions)		
SFY:	2000-01	2001-02
Business Taxes	4,331	4,193

Business Tax receipts are estimated to decline to \$4.33 billion in 2000-01 as the impact of recently enacted tax reductions begin to take effect. Receipts are projected to fall to \$4.19 billion in 2001-02, reflecting the ongoing effect of business tax reductions and the recommended changes associated with energy tax reform and reduction, as well as other business tax reductions proposed in this Budget.

FINANCIAL PLAN OVERVIEW

Other Taxes (\$ millions)		
SFY:	2000-01	2001-02
Other Taxes	813	772

Other taxes are projected to decline to \$813 million in 2000-01 as the impact of estate tax reform and the elimination of the gift tax begin to affect receipts. Further, the tail in real property gains tax receipts will fall off as prior year liabilities and assessments are drawn down. Other tax receipts fall to an estimated \$772 million in 2001-02 as the impact of estate and gift tax reduction provisions enacted in 1997 are fully phased in.

Miscellaneous Receipts (\$ millions)		
SFY:	2000-01	2001-02
Miscellaneous Receipts	1,204	1,172

Miscellaneous Receipts are estimated to total \$1.20 billion in 2000-01, a decline of \$38 million from the prior year. Receipts in this category are projected to reach \$1.17 billion in 2001-02.

Transfers From Other Funds (\$ millions)		
SFY:	2000-01	2001-02
Transfers From Other Funds	2,044	2,013

Transfers from other funds are estimated to grow to \$2.04 billion in 2000-01, reflecting the transfer back to the General Fund of certain resources supporting the Dedicated Highway and Bridge Trust Fund. Transfers fall slightly in 2001-02 as normal growth in LGAC transfers associated with the sales tax is offset by declines in other transfers.

OUTYEAR DISBURSEMENTS

General Fund Disbursements (\$ millions)		
SFY:	2000-01	2001-02
General Fund Disbursements	38,189	39,973

The State currently projects spending to grow by \$1.09 billion (2.9 percent) in 2000-01 and an additional \$1.78 billion (4.7 percent) in 2001-02. General Fund spending increases at a higher rate in 2001-02 than in 2000-01 because of higher growth rates for Medicaid, Welfare, Children and Families, and Mental Retardation, which are due in part to the loss of Federal money that offsets General Fund spending.

FINANCIAL PLAN OVERVIEW

Grants to Local Governments (\$ millions)		
SFY:	2000-01	2001-02
Local Assistance	25,846	27,307

Local assistance spending accounts for most of the projected growth in General Fund spending in the outyears, increasing by \$1.04 billion in 2000-01 and \$1.46 billion in 2001-02. School aid, the largest category of General Fund spending, is projected to grow by \$612 million in 2000-01 and \$578 million in 2001-02. Continuing growth in building aid (\$141 million in 2000-01; \$188 million in 2001-02) and selected operating aids drive higher growth. Other education spending, particularly in pre-school handicapped programs, is also expected to grow strongly, increasing by 8 to 9 percent (roughly \$70 million annually) during the projection period. Enrollment growth and higher costs per pupil contribute to the added program costs.

Medicaid is the next largest General Fund program. Spending is expected to grow by \$313 million (5.7 percent) in 2000-01 and \$452 million (7.8 percent) in 2001-02. Consistent with national trends, underlying growth in health care costs is estimated at 6.5 percent over the projection period. The State expects proposed cost containment and managed care to reduce the Medicaid program's spending base, but not to alter the underlying forces driving the rise in health care costs. In welfare, spending is expected to increase by less than 2.7 percent in 2000-01, but grow at around 6 percent in 2001-02 as caseloads stabilize and Federal work participation rules require additional State resources. Spending on Children and Family Services is expected to increase rapidly in both 2000-01 and 2001-02, reflecting investments in child care and the projected loss of Federal money in 2001-02 that is currently used to offset General Fund spending. Mental hygiene programs continue to grow faster than inflation as a result of the expansion of community programs for the mentally ill through the Mental Health Community Reinvestment Act, and for the developmentally disabled through the five-year NYS-CARES initiative.

State Operations (\$ millions)		
SFY:	2000-01	2001-02
State Operations	7,054	7,225

State Operations costs are projected to increase by \$179 million (2.6 percent) in 2000-01 and \$171 million (2.4 percent) in 2001-02. Most of this increase reflects the costs of staffing additional correctional facilities, the loss of Federal money used to offset General Fund spending in mental hygiene agencies, modest inflationary increases in non-personal service costs, and additional spending for computer systems and technology initiatives. Consistent with past practice, the State's outyear projections do not assume any new costs from collective bargaining agreements negotiated after the current round of contracts expire.

FINANCIAL PLAN OVERVIEW

General State Charges (\$ millions)		
SFY:	2000-01	2001-02
General State Charges	2,428	2,504

General State Charges will increase by \$95 million in 2000-01 and \$76 million in 2001-02. The growth reflects inflationary increases for health insurance and other benefits for State employees. The projections do not assume any changes in existing benefits.

Transfers To Other Funds (\$ millions)		
SFY:	2000-01	2001-02
Transfers To Other Funds	2,850	2,926

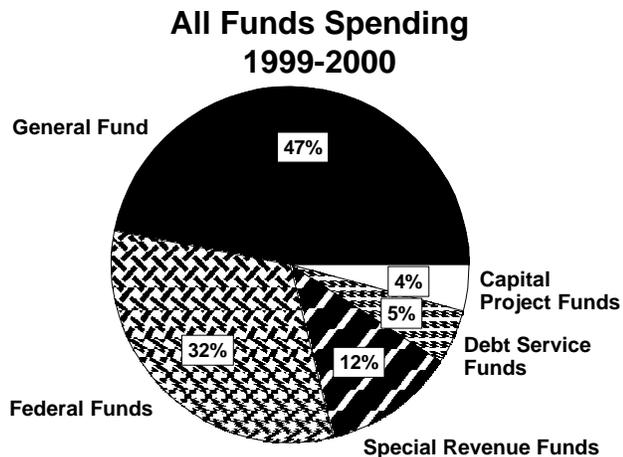
Capital project transfers will continue to increase as the Governor's proposed debt reduction initiatives drive higher hard-dollar spending in the future. Other transfers show little change in the outyears.

GOVERNMENTAL FUNDS FINANCIAL PLANS

ALL GOVERNMENTAL FUNDS

The All Governmental Funds Financial Plan combines activity in the four governmental fund types: the General Fund, Special Revenue Funds, Capital Projects Funds, and Debt Service Funds. In 1999-2000, spending from All Governmental Funds is estimated at \$72.66 billion, an increase of \$1.25 billion or 1.8 percent from 1998-99.

Spending from All Governmental Funds includes \$1.22 billion in payments under the STAR program, which lowers school property tax bills for homeowners and reduces the New York City resident personal income tax. Non-senior home owners will receive STAR benefits for the first time in 1999-2000, and STAR growth will drive \$638 million of the \$1.25 billion increase in All Funds spending from 1998-99. Growth in the General Fund (\$184 million excluding transfers) and Federal grants (\$384 million) account for most of the remaining increase in All Funds spending.



STATE FUNDS

State Funds represents the portion of New York State's budget which is supported exclusively by State revenues: taxes, fees, fines, and other revenues imposed and collected by the State. Federal grants are not included as part of State Funds. Funds which are not part of the All Governmental Funds group — Fiduciary, Internal Service,

FINANCIAL PLAN OVERVIEW

and Enterprise funds — are also excluded. Projected 1999-2000 disbursements from State Funds (including STAR as noted above) is \$49.33 billion, an increase of \$867 million or 1.8 percent from 1998-99.

SPECIAL REVENUE FUNDS

The Special Revenue Funds (SRFs) group consists of numerous funds that receive dedicated sources of revenues that are spent for specified purposes. These funds exist to ensure that monies are used solely for their intended purpose or that individual programs are self-supporting.

Special Revenue Funds spending is projected at \$30.54 billion in 1999-2000. This includes \$8.61 billion from SRFs containing State revenues, and \$21.93 billion from funds containing Federal grants, primarily for social welfare programs.

State Special Revenue Funds

State SRFs are mechanisms to ensure that dedicated revenues are used solely for their intended purposes. Entire agencies, such as the Banking and Insurance departments, as well as individual programs, such as operating aid to local mass transit systems, work on the SRF principle. In addition to ensuring that those who use a State service finance its costs, the SRF mechanism promotes fiscal accountability by requiring that the fund or account be self-supporting.

Disbursements in State SRFs are projected at \$8.61 billion, an increase of \$315 million or 3.8 percent from 1998-99. The School Tax Relief (STAR) program, which increases by \$638 million from 1998-99, accounts for most of the year-to-year growth. The elimination of medical provider assessments on April 1, 1999 partially offsets this growth. Major components of State SRFs are discussed in more detail below.

- **STAR:** A dedicated fund that receives personal income tax receipts dedicated to support the \$2.7 billion School Tax Relief (STAR) program. This multi-year program, when fully implemented in 2001-02, will provide \$2.27 billion in local property tax relief and \$470 million in lower personal income taxes for New York City residents. Spending is estimated at \$1.22 billion in 1999-2000, an increase of \$638 million from 1998-99. The phase-in of benefits for non-senior homeowners, increased participation by seniors and further New York City income tax relief account for the higher spending from the STAR SRF.
- **Lottery:** The Lottery Fund receives the net proceeds of lottery ticket sales which are used to support education aid and fund administrative costs. The 1999-2000 Executive Budget projects the receipt of \$1.59 billion in lottery proceeds, which, after payment of administrative expenses, permits the distribution of \$1.45 billion for education purposes. Lottery proceeds remain level with the current year.
- **State University of New York:** The State University's income reported in the State SRFs is received from tuition, third-party payers, room rents, and user fees. Revenues of the University support the costs of operating hospitals, dormitories and regular campus services. The University's spending from receipts in the State SRFs is projected to total \$1.84 billion in 1999-2000, a slight decrease of \$7 million from the current year.
- **Transportation:** This category includes the Mass Transportation Operating Assistance (MTOA) Fund and the Dedicated Mass Transportation Trust Fund, which receive taxes earmarked for mass transportation programs throughout the State. Total disbursements from these two funds in 1999-2000 are projected at

- \$1.39 billion, \$116 million less than in 1998-99. Spending in this category declines primarily because of a one-time disbursement of surplus MTOA funds in 1998-99.
- **Indigent Care:** The Indigent Care Fund receives monies from a bad debt and charity care pool funded by various third-party payers. Total disbursements are estimated at \$620 million in 1999-2000, an increase of \$30 million over 1998-99, and are used to support health care provided by hospitals serving indigent patients.
 - **Child Health Plus:** The Child Health Plus program matches Federal dollars to subsidize health insurance coverage for children of low-income families and is funded by revenues authorized in the Health Care Reform Act (HCRA). The revised 1998-99 Financial Plan includes \$112 million for this program, which grows to \$154 million in 1999-2000.
 - **Nursing Home Assessments:** The Nursing Home Assessment account receives monies from nursing homes and is used to offset the costs of the State's Medicaid program. Total spending is estimated at \$244 million in 1998-99. Effective April 1, 1999, all medical provider assessments, including those previously deposited into this account, are recommended for elimination.
 - **All Other:** The remaining spending in the State SRFs includes fees, licenses, and assessments collected by State agencies to support the costs of providing specific services. Spending for these SRFs is projected at \$1.80 billion for 1999-2000, a slight decrease of \$28 million.

Federal Special Revenue Funds

The Federal SRFs are used to account for grants and assistance received from the Federal government. The State is required to follow specific guidelines regarding the use of these grants. In addition, the State is subject to the Federal Cash Management Improvement Act, which shortens the time permissible between the State's drawdown of monies from the Federal government and its disbursement by the State to recipients. In most cases, the State finances programs in the first instance, and then receives reimbursement from the Federal government.

Total disbursements for programs supported by Federal grants account for approximately three-quarters of all spending in the Special Revenue fund type. Federal SRF disbursements are estimated at \$21.93 billion in 1999-2000, an increase of \$222 million or 1.0 percent from 1998-99. The higher spending is primarily due to increases in Education (\$170 million), Children and Families (\$123 million), Child Health Plus (\$96 million), and Labor (\$89 million), offset by a decrease in Welfare (\$259 million). Major components of Federal SRFs are discussed in more detail below.

The single largest program in Federal SRFs is Medicaid, which comprises 61 percent of Federal aid spending. Disbursements represent payments made to State-operated facilities as well as other health care providers, and reimbursements to local governments for administrative costs and other minor programs. The Budget projects \$13.55 billion in total Federal Medicaid reimbursements, a decrease of \$57 million from 1998-99. This decrease is primarily due to the cost containment measures recommended with the Budget.

The State receives Federal welfare funding through the Temporary Assistance for Needy Families (TANF) block grant. The amount of the block grant is calculated based on 1995 expenditures, when the State had a much higher welfare caseload. Thus, the State receives a higher level of funding than would otherwise be required to support the current welfare program. The difference between the block grant and the current spending requirements allows the State and localities to expand program services, and provides

FINANCIAL PLAN OVERVIEW

State and local fiscal relief. In 1999-2000, the State plans to use this surplus, which is estimated at \$1.4 billion, to increase support for child welfare services, child care, and other welfare-reform initiatives, as well as fund reserves for future needs.

Federal welfare spending is projected at \$1.69 billion in 1999-2000, a decrease of \$259 million from 1998-99. This decrease is due to declining caseloads. This allows an additional distribution from the TANF block grant for expanded services in Children and Family Services and Labor, and permits additional funds to be set aside for future contingencies.

Education spending is projected at \$1.86 billion in 1999-2000, an increase of \$170 million from 1998-99. This increase is primarily due to new funding for the class size reduction program and increased funding for the school-age and preschool special education programs.

Children and Family Services are projected at \$1.47 billion in 1999-2000 and represent an increase of \$123 million from the prior year. Most of this increase is to support the continued growth for child care services financed by available TANF block grant funds.

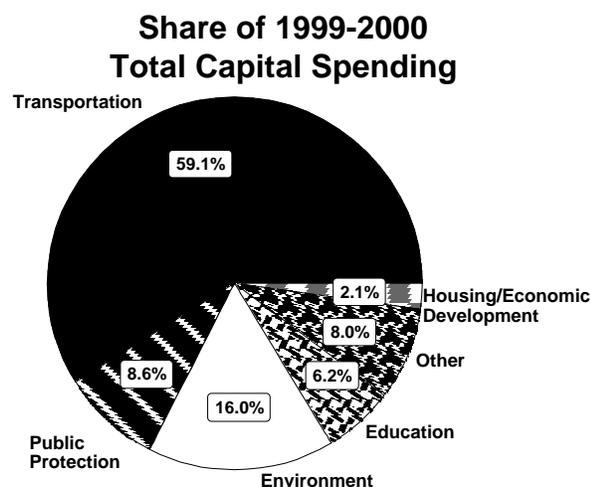
Labor spending is estimated at \$655 million in 1999-2000, an increase of \$89 million from the prior year. This increase is primarily due to continued implementation of the Welfare-to-Work program.

Federal support for the Child Health Plus program began in 1998-99. This funding, in conjunction with State money, facilitates access to comprehensive health care coverage for virtually every eligible child in New York through age 18. Spending is projected at \$278 million in 1999-2000 and represents an increase of \$96 million from 1998-99.

All other Federal spending is projected at \$2.43 billion for 1999-2000, an increase of \$60 million over the prior year.

CAPITAL PROJECTS FUNDS

The Capital Projects funds group includes the Capital Projects Fund which is supported on a net basis with tax receipts transferred from the General Fund. Other funds in this fund type exist for specific capital purposes and are financed by sources other than the General Fund. Many of these funds are supported by dedicated State taxes or receipts, such as highway-related taxes in the Dedicated Highway and Bridge Trust Fund, the real estate transfer tax and environmental fees in the Environmental Protection Fund, and park fees in the State Parks Infrastructure Fund. Other funds may receive only bond reimbursements, such as those which support capital programs for correctional services, mental hygiene and housing.



FINANCIAL PLAN OVERVIEW

An integral component of the Governor's overall debt reform strategy is to prudently and gradually reduce the use of debt. The 1999-2000 Budget represents a long-term approach of financing a larger share of the State's strategic capital investments with pay-as-you-go resources. Those efforts include transferring \$50 million in the Debt Reduction Reserve Fund to the Capital Projects Fund in 1999-2000 to finance a variety of capital projects previously financed with bond proceeds. Compared to the 1998-99 enacted Capital Plan, pay-as-you-go spending is increased by \$165 million in 1999-2000, reducing the amount of capital spending financed with general obligation and authority bond proceeds in that year from 56 percent to 46 percent.

Capital Projects Funds spending in fiscal year 1999-2000 is projected at \$4.4 billion, or \$145 million higher than the revised projection for 1998-1999.

Proposed spending for 1999-2000 will continue to be targeted to high priority capital programs. Capital spending for transportation activities will account for approximately 59 percent of total capital spending in 1999-2000. Transportation spending increases of \$169 million from the prior year will continue to improve the State's transportation infrastructure, producing continued economic development benefits from the efficient movement of raw materials, goods and people.

Spending for higher education will increase eleven percent (\$27 million) from 1998-1999 estimated levels and primarily reflects the Governor's commitment to multi-year capital investments that will lead the State and City University systems into the Twenty-First Century.

Projected capital spending for the environment in 1998-99 and 1999-2000 will exceed \$700 million annually and will preserve the State's environmental resources with the continued implementation and expansion of the 1996 Clean Water/Clean Air Bond Act. In addition, the Governor will maintain his commitment to the environment with continued support for the Hudson River Park project and other State parks and land projects.

These increases are offset by modest decreases in other functional areas which reflect the completion of initiatives begun in prior years or the refinement of projected spending levels.

The 1999-2000 capital spending plan of \$4.4 billion is highlighted by:

- A \$2.6 billion State and local highway and bridge program. Total transportation spending reflects 59 percent of all capital spending in 1999-2000;
- \$709 million for the Environment, including \$150 million in program activities from the Clean Water/Clean Air Bond Act for water, air and other environmental priorities, and over \$100 million in spending from the Environmental Protection Fund;
- \$348 million for Correctional services in bond and Federally-financed projects. This recommendation includes a new 750-cell maximum security prison, projects that rehabilitate existing facilities, and continues the Health Care Infrastructure Program. Spending for public protection also reflects continuing disbursements for correctional facilities located in Franklin and Seneca counties which were authorized in 1997-98 and 1998-99, respectively;
- \$272 million for SUNY and CUNY will primarily reflect maintenance, preservation and improvements projects at existing facilities as well as selected new projects. In addition, 1999-2000 will reflect the second year of a multi-year capital effort designed to continue to ensure that SUNY and CUNY will be equipped to meet the challenging academic and research demands of the future;

FINANCIAL PLAN OVERVIEW

- \$271 million for OMH, OMRDD and OASAS. This includes essential health and safety, rehabilitation and maintenance projects needed to preserve and maintain both institutional and community-based facilities. In addition, OMH will complete major projects at Manhattan Psychiatric Center and New York Psychiatric Institute, and OMRDD will expand secure treatment facility capacity within the service system for individuals who require specialized residential placement;
- Local transportation programs (Consolidated Highway Improvement Program or CHIPs, and the Marchiselli Program), will be funded at \$227 million in 1999-2000. The Multi-modal Program will be fully authorized at \$350 million; and
- Additional initiatives are continued for the construction and rehabilitation of various State office buildings.

General Fund support for capital projects is made through a transfer, which is net of all other available financing resources, to the Capital Projects Fund. The projected 1998-1999 General Fund transfer to the Capital Projects Fund will increase by \$5 million to \$205 million, primarily reflecting changes in the timing of projects. In addition, \$50 million will be also be transferred in 1998-99 from the General Fund to DRRF (a capital projects fund). In 1999-2000, the receipts in DRRF will be used to reduce previously projected new debt by increasing pay-as-you-go spending. Finally, in 1999-2000, an additional \$250 million will be deposited to DRRF from the General Fund. This deposit will be used to assist in achieving debt reduction goals in future years.

Financing Sources

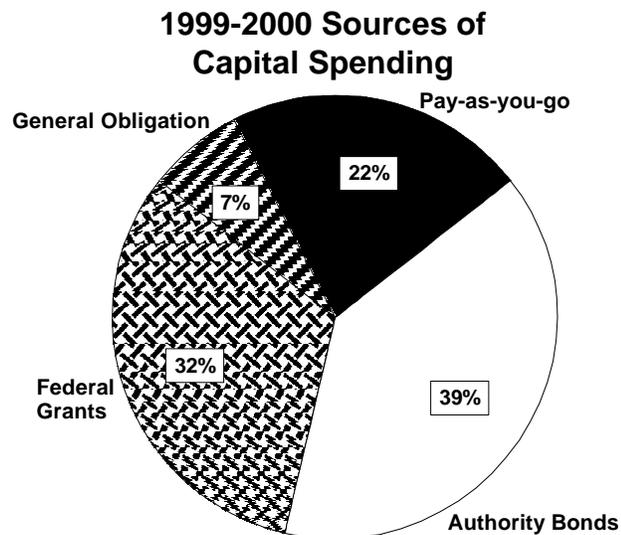
Spending for capital projects is financed with cash or bond proceeds. Cash resources include pay-as-you-go State resources and Federal grants. Bond resources include proceeds from the sale of bonds, including voter-approved General Obligation bonds or public authority bonds.

The Governor's debt reduction measures lower the State's dependence on debt by ensuring that a larger and growing share of the State's essential capital investments are financed with pay-as-you-go resources. The prudent financing of capital needs with cash resources ensures that less than one-half or 46 percent of capital spending in 1999-2000 will be financed with debt while State pay-as-you-go resources and Federal grants will support the majority or 54 percent of capital costs.

Cash Resources

Total cash resources are comprised of State pay-as-you-go and Federal grants, and will finance 54 percent of 1999-2000 capital spending.

- **Pay-as-you-go Resources:** The percentage of the Capital Plan financed with pay-as-you-go resources in 1999-2000 will represent 22 percent of total projected capital spending, an increase of 4 percent over last year's Plan estimate.
- **Federal Grants:** Approximately 32 percent of the State's total spending for capital projects is



expected to be supported by Federal grants, mainly for transportation and environmental purposes. Primarily as a result of the new Federal Highway Act, TEA-21, spending supported by Federal grants in 1999-2000 will increase by \$272 million, or 24 percent, from the 1998-99 enacted Capital Plan.

Bond Resources

- **General Obligation Bonds:** \$316 million, or 7 percent of projected 1999-2000 capital spending will be supported by the Clean Water/Clean Air Environmental Bond Act approved by the voters in 1996. These projects will continue to protect the environment and the health and safety of all New Yorkers.
- **Authority Bonds:** Efforts to shift the financing of capital projects from bonds to cash resources will significantly reduce the share of 1999-2000 capital spending projected to be financed with authority bond proceeds from last year's projection of 46 percent to 39 percent. In 1999-2000, \$1.7 billion of total capital spending, primarily in the areas of transportation, corrections, mental hygiene and higher education programs will be reimbursed by authority bond proceeds.

DEBT SERVICE FUNDS

Debt Service funds are the conduits through which the State pays debt service on State general obligation bonds, and meets its financing agreement commitments on bonds issued by State authorities and municipalities. Interest on State notes is paid directly from the General Fund. Debt service funds receive monies either from a dedicated revenue stream, such as sales tax receipts, or as a transfer from the General Fund or other funds.

Debt Service Funds projections for 1998-99 and 1999-2000 will reflect the beginning of historic debt reduction initiatives that, over the course of the Five Year Capital Program and Financing Plan, will result in dramatic decreases in New York's debt burden — with debt levels and debt service costs declining for the first time in decades. Responsibly supporting a large and growing share of the State's Capital Plan with pay-as-you-go resources will ensure that debt outstanding in 2003-04 will be less than 1999-2000 levels.

As a result of savings from the debt reduction initiatives, estimated debt service disbursements from the Debt Service Funds type for 1998-99 and 1999-2000 are lower than those projected with last year's Enacted Budget. Although prior capital commitments financed by bonds issued by the State and its public authorities will increase estimated 1999-2000 debt service disbursements to \$3.68 billion, or \$384 million more than the prior year, debt reduction initiatives in the current and following years ensure a decline in debt service costs by the end of the Five Year Capital Plan. Of this increase, \$131 million is attributable to transportation bonding for State and local highway and bridge programs financed by the Dedicated Highway and Bridge Trust Fund, \$80 million is for SUNY and CUNY higher education purposes, and \$38 million is for mental hygiene programs financed through the Mental Health Services Fund. Disbursements on bonds for State University upstate community colleges, previously appropriated as local aid, have now been reclassified as debt service spending.

In addition, overall financing costs will continue to be minimized through a number of other debt management strategies. These include the continuation of prior efforts such as the elimination of the use of capitalized interest and the use of shorter bond maturities.

FINANCIAL PLAN OVERVIEW

Market conditions permitting, the State will continue to implement its more recent debt management initiatives, including the expanded use of short-term debt instruments (e.g., variable rate bonds and a limited use of interest rate swaps).

The General Debt Service Fund pays debt service on general obligation bonds, as well as payments for financing agreements on other bonds. Transfers from the General Fund are the primary source of funds for these payments, and are only made in the amount necessary to meet net disbursements. In 1999-2000, the transfer from the General Fund is projected at \$2.29 billion. Additional transfers of \$176 million from the Dedicated Highway and Bridge Trust Fund, \$27 million from the Clean Water/Clean Air Fund, and \$1.5 million from the State Parks Infrastructure Fund are projected to bring 1999-2000 total disbursements from the General Debt Service Fund to \$2.49 billion. Those additional transfers pay the debt service on bonds issued for the Consolidated Highway Improvement Program (CHIPs), environmental projects under the Clean Water /Clean Air Bond Act, and State parks purposes, respectively. Continued retirement of previously issued general obligation bonds largely contributes to a \$24 million reduction in debt service costs. Similarly, prior-year financings for CUNY, SUNY, prisons, housing, CHIPs and other programs will increase 1999-2000 lease-purchase and contractual obligation payments by \$262 million.

The Local Government Assistance Tax Fund is projected to receive \$1.93 billion in receipts from the dedicated one-cent statewide sales tax. Debt service and associated costs on the completed \$4.7 billion LGAC program are projected at \$340 million, which results in the transfer of excess sales taxes to the General Fund in the amount of \$1.59 billion.

The next largest debt service fund is the Mental Health Services Fund, to which \$2.11 billion of patient revenues are deposited and transferred. Those revenues will meet debt service obligations of \$330 million, with the remainder being transferred to special revenue funds to support program costs for the various mental hygiene agencies. The Health Income Fund also receives patient revenue deposits and transfers from certain Health Department facilities, including the Roswell Park Cancer Institute Corporation (whose operations were transferred to a public authority). Revenues of the Corporation will continue to support the debt service on those bonds through their maturity, and the balance will be periodically transferred from the Health Income Fund back to the Roswell Corporation. However, pursuant to the Corporation's Act, its revenues in excess of debt service requirements will not be reflected in the State's Financial Plan. Health Income Fund monies of \$144 million are expected to support debt service obligations of \$32 million in 1999-2000, with the remainder being transferred to support the Health Department's State operations costs.

The Clean Water/Clean Air Fund, which was created in 1997-98 as a part of that bond act's implementation, is expected to receive \$167 million from the real estate transfer tax. This Fund will transfer \$27 million to the General Debt Service Fund for Clean Water/Clean Air debt service, and the remaining \$140 million to the General Fund. Other Debt Service Funds are used for debt service on housing, SUNY dormitory, and State highway projects.

GAAP-BASIS FINANCIAL PLANS

The General Fund and All Governmental Funds Financial Plans are also prepared in accordance with Generally Accepted Accounting Principles (GAAP). Additional schedules are provided which detail the differences between the General Fund Financial

FINANCIAL PLAN OVERVIEW

Plan prepared on a cash basis versus that prepared in accordance with GAAP. The GAAP projections for both years are based on the accounting principles applied by the State Comptroller in the financial statements issued for the 1997-98 State fiscal year, and do not reflect any pending proposals of the Governmental Accounting Standards Board.

Comparisons of Actual and Projected GAAP Operating Results (millions of dollars)*

<u>Fiscal Year Ended:</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	<u>All Governmental Funds</u>	<u>Accumulated General Fund Surplus/(Deficit)</u>
March 31, 2000	(507)	(31)	43	310	(185)	512
March 31, 1999	452	220	63	170	905	1,019
March 31, 1998	1,562	49	(43)	232	1,800	567
March 31, 1997	1,933	65	(37)	98	2,059	(995)
March 31, 1996	380	(409)	185	276	432	(2,928)
March 31, 1995	(1,426)	39	(38)	(366)	(1,791)	(3,308)

* Deficits noted in parentheses.

The GAAP projections indicate that the State will have three consecutive years of a General Fund GAAP accumulated surplus, completely eliminating the GAAP deficit of \$3.3 billion as of March 31, 1995. In 1998-99, the General Fund GAAP Financial Plan shows total revenues of \$36.63 billion, total expenditures of \$36.07 billion, and net other financing uses of \$106 million. In 1999-2000, projections reflect total revenues of \$36.14 billion, total expenditures of \$36.18 billion and net other financing uses of \$466 million. The net impact of the additional 1998-99 cash surplus accounts for most of the change in projected operating results across the two fiscal years. At the end of 1999-2000, the accumulated General Fund GAAP surplus is projected to be \$512 million.

CASH FLOW

The General Fund cash flow for 1999-2000 is projected to have balances no lower than \$2.36 billion in all months. Healthy balances early in the year are largely the result of reserving or paying an additional \$1.79 billion in personal income tax refunds associated with the 1998-99 surplus. In June, the projected balance in the General Fund is \$4.25 billion. Balances at the close of the second and third quarters of the fiscal year are projected to be \$5.57 billion and \$5.13 billion, respectively. As a result of cash flow reforms made in the 1990s, the State cannot normally issue short-term debt to meet its cash flow needs throughout the year.

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FINANCIAL PLAN OVERVIEW

Cash Financial Plan General Fund 1998-1999 (millions of dollars)

	<u>October</u>	<u>Change</u>	<u>January</u>
Opening fund balance	<u>638</u>		<u>638</u>
Receipts:			
Taxes			
Personal income tax	21,435	(1,259)	20,176
User taxes and fees	7,206	23	7,229
Business taxes	4,790	4	4,794
Other taxes	1,072	27	1,099
Miscellaneous receipts	1,474	60	1,534
Transfers from other funds			
-- LGAC	1,539	7	1,546
-- All other	323	78	401
Total receipts	<u>37,839</u>	<u>(1,060)</u>	<u>36,779</u>
Disbursements:			
Grants to local governments	25,141	(248)	24,893
State operations	6,704	(54)	6,650
General State charges	2,215	71	2,286
Debt service	11	0	11
Transfers to other funds			
-- Debt service	2,131	(29)	2,102
-- Capital projects	200	5	205
-- Debt reduction reserve	50	0	50
-- Other purposes	327	94	421
Total disbursements	<u>36,779</u>	<u>(161)</u>	<u>36,618</u>
Change in fund balance	<u>1,060</u>	<u>(899)</u>	<u>161</u>
Closing fund balance	<u>1,698</u>	<u>(899)</u>	<u>799</u>
-- Tax Stabilization Reserve Fund	400	73	473
-- Contingency Reserve Fund	100	0	100
-- Community Projects Fund	158	68	226
-- Reserve for Future Needs	1,040	(1,040)	0

FINANCIAL PLAN OVERVIEW

Cash Financial Plan General Fund 1998-1999 and 1999-2000 (millions of dollars)

	1998-1999 Estimate	1999-2000 Recommended	Change
Opening fund balance	638	799	
Receipts:			
Taxes			
Personal income tax	20,176	22,830	2,654
User taxes and fees	7,229	7,157	(72)
Business taxes	4,794	4,527	(267)
Other taxes	1,099	980	(119)
Miscellaneous receipts	1,534	1,242	(292)
Transfers from other funds			
-- LGAC	1,546	1,589	43
-- All other	401	338	(63)
Total receipts	36,779	38,663	1,884
Disbursements:			
Grants to local governments	24,893	24,806	(87)
State operations	6,650	6,875	225
General State charges	2,286	2,333	47
Debt service	11	11	0
Transfers to other funds			
-- Debt service	2,102	2,287	185
-- Capital projects	205	188	(17)
-- Debt reduction reserve	50	250	200
-- Other purposes	421	350	(71)
Total disbursements	36,618	37,100	482
Change in fund balance	161	1,563	
Closing fund balance	799	2,362	
-- Tax Stabilization Reserve Fund	473	473	
-- Contingency Reserve Fund	100	100	
-- Community Projects Fund	226	0	
-- Tax Reduction Reserve	0	1,789	

FINANCIAL PLAN OVERVIEW

**Cash Financial Plan
General Fund
1999-2000 through 2001-2002
(millions of dollars)**

	<u>1999-2000 Recommended</u>	<u>2000-2001 Projected</u>	<u>2001-2002 Projected</u>
Receipts:			
Taxes			
Personal income tax	22,830	20,718	20,943
User taxes and fees	7,157	6,877	7,104
Business taxes	4,527	4,331	4,193
Other taxes	980	813	772
Miscellaneous receipts	1,242	1,204	1,172
Transfers from other funds			
-- LGAC	1,589	1,574	1,652
-- All other	338	470	361
Total receipts	<u>38,663</u>	<u>35,987</u>	<u>36,197</u>
Disbursements:			
Grants to local governments	24,806	25,846	27,307
State operations	6,875	7,054	7,225
General State charges	2,333	2,428	2,504
Debt service	11	11	11
Transfers to other funds			
-- Debt service	2,287	2,281	2,284
-- Capital projects	188	225	296
-- Debt reduction reserve	250	0	0
-- Other purposes	350	344	346
Total disbursements	<u>37,100</u>	<u>38,189</u>	<u>39,973</u>
Use of Community Projects Fund	<u>226</u>	<u>0</u>	<u>0</u>
(Deposit to)/Use of Tax Reduction Reserve	<u>(1,789)</u>	<u>589</u>	<u>1,200</u>
Spending Efficiencies	<u>0</u>	<u>500</u>	<u>500</u>
Margin	<u>0</u>	<u>(1,113)</u>	<u>(2,076)</u>

FINANCIAL PLAN OVERVIEW

**Cash Financial Plan
All Governmental Funds
1997-1998
(millions of dollars)**

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Debt Service Funds</u>	<u>(MEMO) Total</u>
Opening fund balance	433	600	(200)	150	983
Receipts:					
Taxes	30,936	1,371	1,020	2,064	35,391
Miscellaneous receipts	1,598	5,531	1,326	639	9,094
Federal grants	0	20,511	1,131	0	21,642
Total receipts	<u>32,534</u>	<u>27,413</u>	<u>3,477</u>	<u>2,703</u>	<u>66,127</u>
Disbursements:					
Grants to local governments	23,268	21,646	510	0	45,424
State operations	6,193	5,681	0	4	11,878
General State charges	2,265	320	0	0	2,585
Debt service	10	0	0	3,081	3,091
Capital projects	0	3	3,055	0	3,058
Total disbursements	<u>31,736</u>	<u>27,650</u>	<u>3,565</u>	<u>3,085</u>	<u>66,036</u>
Other financing sources (uses):					
Transfers from other funds	2,018	2,482	220	4,263	8,983
Transfers to other funds	(2,611)	(2,229)	(345)	(3,867)	(9,052)
Bond and note proceeds	0	0	485	0	485
Net other financing sources (uses)	<u>(593)</u>	<u>253</u>	<u>360</u>	<u>396</u>	<u>416</u>
Change in fund balance	<u>205</u>	<u>16</u>	<u>272</u>	<u>14</u>	<u>507</u>
Closing fund balance	<u>638</u>	<u>616</u>	<u>72</u>	<u>164</u>	<u>1,490</u>

FINANCIAL PLAN OVERVIEW

Cash Financial Plan All Governmental Funds 1998-1999 (millions of dollars)

	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	(MEMO) Total
Opening fund balance	638	616	72	164	1,490
Receipts:					
Taxes	33,298	1,932	1,107	2,218	38,555
Miscellaneous receipts	1,534	5,812	1,805	622	9,773
Federal grants	0	22,016	1,249	0	23,265
Total receipts	34,832	29,760	4,161	2,840	71,593
Disbursements:					
Grants to local governments	24,893	23,486	695	0	49,074
State operations	6,650	6,183	0	6	12,839
General State charges	2,286	326	0	0	2,612
Debt service	11	0	0	3,289	3,300
Capital projects	0	7	3,573	0	3,580
Total disbursements	33,840	30,002	4,268	3,295	71,405
Other financing sources (uses):					
Transfers from other funds	1,947	2,417	274	4,338	8,976
Transfers to other funds	(2,778)	(1,940)	(423)	(3,881)	(9,022)
Bond and note proceeds	0	0	331	0	331
Net other financing sources (uses)	(831)	477	182	457	285
Change in fund balance	161	235	75	2	473
Closing fund balance	799	851	147	166	1,963

FINANCIAL PLAN OVERVIEW

**Cash Financial Plan
All Governmental Funds
1999-2000
(millions of dollars)**

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Debt Service Funds</u>	<u>(MEMO) Total</u>
Opening fund balance	799	851	147	166	1,963
Receipts:					
Taxes	35,494	2,565	1,093	2,206	41,358
Miscellaneous receipts	1,242	5,678	1,871	629	9,420
Federal grants	0	21,862	1,411	0	23,273
Total receipts	<u>36,736</u>	<u>30,105</u>	<u>4,375</u>	<u>2,835</u>	<u>74,051</u>
Disbursements:					
Grants to local governments	24,806	23,911	707	0	49,424
State operations	6,875	6,275	0	6	13,156
General State charges	2,333	347	0	0	2,680
Debt service	11	0	0	3,673	3,684
Capital projects	0	6	3,706	0	3,712
Total disbursements	<u>34,025</u>	<u>30,539</u>	<u>4,413</u>	<u>3,679</u>	<u>72,656</u>
Other financing sources (uses):					
Transfers from other funds	1,927	2,297	465	4,680	9,369
Transfers to other funds	(3,075)	(1,968)	(553)	(3,833)	(9,429)
Bond and note proceeds	0	34	235	0	269
Net other financing sources (uses)	<u>(1,148)</u>	<u>363</u>	<u>147</u>	<u>847</u>	<u>209</u>
Change in fund balance	<u>1,563</u>	<u>(71)</u>	<u>109</u>	<u>3</u>	<u>1,604</u>
Closing fund balance	<u>2,362</u>	<u>780</u>	<u>256</u>	<u>169</u>	<u>3,567</u>

FINANCIAL PLAN OVERVIEW

Cash Financial Plan All Governmental Funds 2000-2001 (millions of dollars)

	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	(MEMO) Total
Opening fund balance	0	780	256	169	1,205
Receipts:					
Taxes	32,739	3,305	1,228	2,191	39,463
Miscellaneous receipts	1,204	5,763	1,817	647	9,431
Federal grants	0	22,440	1,586	0	24,026
Total receipts	33,943	31,508	4,631	2,838	72,920
Disbursements:					
Grants to local governments	25,846	25,429	738	0	52,013
State operations	7,054	6,111	0	7	13,172
General State charges	2,428	329	0	0	2,757
Debt service	11	0	0	3,801	3,812
Capital projects	0	6	3,758	0	3,764
Total disbursements	35,339	31,875	4,496	3,808	75,518
Other financing sources (uses):					
Transfers from other funds	2,044	2,284	250	4,757	9,335
Transfers to other funds	(2,850)	(1,912)	(836)	(3,799)	(9,397)
Bond and note proceeds	0	0	286	0	286
Net other financing sources (uses)	(806)	372	(300)	958	224
Use of Tax Reduction Reserve	589	0	0	0	589
Spending Efficiencies	500	0	0	0	500
Change in fund balance	(1,113)	5	(165)	(12)	(1,285)
Closing fund balance	(1,113)	785	91	157	(80)

FINANCIAL PLAN OVERVIEW

**Cash Financial Plan
All Governmental Funds
2001-2002
(millions of dollars)**

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Debt Service Funds</u>	<u>(MEMO) Total</u>
Opening fund balance	0	785	91	157	1,033
Receipts:					
Taxes	33,012	4,027	1,276	2,278	40,593
Miscellaneous receipts	1,172	5,826	1,557	657	9,212
Federal grants	0	23,113	1,404	0	24,517
Total receipts	<u>34,184</u>	<u>32,966</u>	<u>4,237</u>	<u>2,935</u>	<u>74,322</u>
Disbursements:					
Grants to local governments	27,307	26,855	546	0	54,708
State operations	7,225	6,138	0	7	13,370
General State charges	2,504	340	0	0	2,844
Debt service	11	0	0	3,899	3,910
Capital projects	0	7	3,548	0	3,555
Total disbursements	<u>37,047</u>	<u>33,340</u>	<u>4,094</u>	<u>3,906</u>	<u>78,387</u>
Other financing sources (uses):					
Transfers from other funds	2,013	2,208	297	4,758	9,276
Transfers to other funds	(2,926)	(1,829)	(815)	(3,770)	(9,340)
Bond and note proceeds	0	0	276	0	276
Net other financing sources (uses)	<u>(913)</u>	<u>379</u>	<u>(242)</u>	<u>988</u>	<u>212</u>
Use of Tax Reduction Reserve	<u>1,200</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,200</u>
Spending Efficiencies	<u>500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>500</u>
Change in fund balance	<u>(2,076)</u>	<u>5</u>	<u>(99)</u>	<u>17</u>	<u>(2,153)</u>
Closing fund balance	<u>(2,076)</u>	<u>790</u>	<u>(8)</u>	<u>174</u>	<u>(1,120)</u>

FINANCIAL PLAN OVERVIEW

Cash Financial Plan State Funds 1997-1998 (millions of dollars)

	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	(MEMO) Total
Opening fund balance	433	716	(81)	150	1,218
Receipts:					
Taxes	30,936	1,371	1,020	2,064	35,391
Miscellaneous receipts	1,598	5,432	1,324	639	8,993
Federal grants	0	0	0	0	0
Total receipts	32,534	6,803	2,344	2,703	44,384
Disbursements:					
Grants to local governments	23,268	3,819	321	0	27,408
State operations	6,193	2,984	0	4	9,181
General State charges	2,265	184	0	0	2,449
Debt service	10	0	0	3,081	3,091
Capital projects	0	3	2,111	0	2,114
Total disbursements	31,736	6,990	2,432	3,085	44,243
Other financing sources (uses):					
Transfers from other funds	2,018	592	220	4,263	7,093
Transfers to other funds	(2,611)	(82)	(341)	(3,867)	(6,901)
Bond and note proceeds	0	0	485	0	485
Net other financing sources (uses)	(593)	510	364	396	677
Change in fund balance	205	323	276	14	818
Closing fund balance	638	1,039	195	164	2,036

FINANCIAL PLAN OVERVIEW

**Cash Financial Plan
State Funds
1998-1999
(millions of dollars)**

	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	(MEMO) Total
Opening fund balance	638	1,039	195	164	2,036
Receipts:					
Taxes	33,298	1,932	1,107	2,218	38,555
Miscellaneous receipts	1,534	5,714	1,805	622	9,675
Federal grants	0	0	0	0	0
Total receipts	<u>34,832</u>	<u>7,646</u>	<u>2,912</u>	<u>2,840</u>	<u>48,230</u>
Disbursements:					
Grants to local governments	24,893	4,710	497	0	30,100
State operations	6,650	3,393	0	6	10,049
General State charges	2,286	189	0	0	2,475
Debt service	11	0	0	3,289	3,300
Capital projects	0	7	2,527	0	2,534
Total disbursements	<u>33,840</u>	<u>8,299</u>	<u>3,024</u>	<u>3,295</u>	<u>48,458</u>
Other financing sources (uses):					
Transfers from other funds	1,947	621	274	4,338	7,180
Transfers to other funds	(2,778)	(126)	(418)	(3,881)	(7,203)
Bond and note proceeds	0	0	331	0	331
Net other financing sources (uses)	<u>(831)</u>	<u>495</u>	<u>187</u>	<u>457</u>	<u>308</u>
Change in fund balance	<u>161</u>	<u>(158)</u>	<u>75</u>	<u>2</u>	<u>80</u>
Closing fund balance	<u>799</u>	<u>881</u>	<u>270</u>	<u>166</u>	<u>2,116</u>

FINANCIAL PLAN OVERVIEW

**Cash Financial Plan
State Funds
1999-2000
(millions of dollars)**

	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	(MEMO) Total
Opening fund balance	799	881	270	166	2,116
Receipts:					
Taxes	35,494	2,565	1,093	2,206	41,358
Miscellaneous receipts	1,242	5,577	1,871	629	9,319
Federal grants	0	0	0	0	0
Total receipts	36,736	8,142	2,964	2,835	50,677
Disbursements:					
Grants to local governments	24,806	5,003	491	0	30,300
State operations	6,875	3,404	0	6	10,285
General State charges	2,333	201	0	0	2,534
Debt service	11	0	0	3,673	3,684
Capital projects	0	6	2,516	0	2,522
Total disbursements	34,025	8,614	3,007	3,679	49,325
Other financing sources (uses):					
Transfers from other funds	1,927	478	465	4,680	7,550
Transfers to other funds	(3,075)	(111)	(548)	(3,833)	(7,567)
Bond and note proceeds	0	34	235	0	269
Net other financing sources (uses)	(1,148)	401	152	847	252
Change in fund balance	1,563	(71)	109	3	1,604
Closing fund balance	2,362	810	379	169	3,720

FINANCIAL PLAN OVERVIEW

**Cash Financial Plan
State Funds
2000-2001
(millions of dollars)**

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Debt Service Funds</u>	<u>(MEMO) Total</u>
Opening fund balance	0	810	379	169	1,358
Receipts:					
Taxes	32,739	3,305	1,228	2,191	39,463
Miscellaneous receipts	1,204	5,658	1,817	647	9,326
Federal grants	0	0	0	0	0
Total receipts	<u>33,943</u>	<u>8,963</u>	<u>3,045</u>	<u>2,838</u>	<u>48,789</u>
Disbursements:					
Grants to local governments	25,846	5,876	522	0	32,244
State operations	7,054	3,297	0	7	10,358
General State charges	2,428	182	0	0	2,610
Debt service	11	0	0	3,801	3,812
Capital projects	0	6	2,393	0	2,399
Total disbursements	<u>35,339</u>	<u>9,361</u>	<u>2,915</u>	<u>3,808</u>	<u>51,423</u>
Other financing sources (uses):					
Transfers from other funds	2,044	489	250	4,757	7,540
Transfers to other funds	(2,850)	(86)	(831)	(3,799)	(7,566)
Bond and note proceeds	0	0	286	0	286
Net other financing sources (uses)	<u>(806)</u>	<u>403</u>	<u>(295)</u>	<u>958</u>	<u>260</u>
Use of Tax Reduction Reserve	<u>589</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>589</u>
Spending Efficiencies	<u>500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>500</u>
Change in fund balance	<u>(1,113)</u>	<u>5</u>	<u>(165)</u>	<u>(12)</u>	<u>(1,285)</u>
Closing fund balance	<u>(1,113)</u>	<u>815</u>	<u>214</u>	<u>157</u>	<u>73</u>

FINANCIAL PLAN OVERVIEW

Cash Financial Plan State Funds 2001-2002 (millions of dollars)

	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	(MEMO) Total
Opening fund balance	0	815	214	157	1,186
Receipts:					
Taxes	33,012	4,027	1,276	2,278	40,593
Miscellaneous receipts	1,172	5,719	1,557	657	9,105
Federal grants	0	0	0	0	0
Total receipts	34,184	9,746	2,833	2,935	49,698
Disbursements:					
Grants to local governments	27,307	6,603	482	0	34,392
State operations	7,225	3,353	0	7	10,585
General State charges	2,504	188	0	0	2,692
Debt service	11	0	0	3,899	3,910
Capital projects	0	7	2,212	0	2,219
Total disbursements	37,047	10,151	2,694	3,906	53,798
Other financing sources (uses):					
Transfers from other funds	2,013	492	297	4,758	7,560
Transfers to other funds	(2,926)	(82)	(810)	(3,770)	(7,588)
Bond and note proceeds	0	0	276	0	276
Net other financing sources (uses)	(913)	410	(237)	988	248
Use of Tax Reduction Reserve	1,200	0	0	0	1,200
Spending Efficiencies	500	0	0	0	500
Change in fund balance	(2,076)	5	(98)	17	(2,152)
Closing fund balance	(2,076)	820	116	174	(966)

FINANCIAL PLAN OVERVIEW

Cash Financial Plan Special Revenue Funds 1997-1998 (millions of dollars)

	<u>State</u>	<u>Federal</u>	<u>Total</u>
Opening fund balance	<u>716</u>	<u>(116)</u>	<u>600</u>
Receipts:			
Taxes	1,371	0	1,371
Miscellaneous receipts	5,432	99	5,531
Federal grants	<u>0</u>	<u>20,511</u>	<u>20,511</u>
Total receipts	<u>6,803</u>	<u>20,610</u>	<u>27,413</u>
Disbursements:			
Grants to local governments	3,819	17,827	21,646
State operations	2,984	2,697	5,681
General State charges	184	136	320
Capital projects	<u>3</u>	<u>0</u>	<u>3</u>
Total disbursements	<u>6,990</u>	<u>20,660</u>	<u>27,650</u>
Other financing sources (uses):			
Transfers from other funds	592	1,890	2,482
Transfers to other funds	(82)	(2,147)	(2,229)
Bond and note proceeds	<u>0</u>	<u>0</u>	<u>0</u>
Net other financing sources (uses)	<u>510</u>	<u>(257)</u>	<u>253</u>
Change in fund balance	<u>323</u>	<u>(307)</u>	<u>16</u>
Closing fund balance	<u>1,039</u>	<u>(423)</u>	<u>616</u>

FINANCIAL PLAN OVERVIEW

**Cash Financial Plan
Special Revenue Funds
1998-1999
(millions of dollars)**

	<u>State</u>	<u>Federal</u>	<u>Total</u>
Opening fund balance	<u>1,039</u>	<u>(423)</u>	<u>616</u>
Receipts:			
Taxes	1,932	0	1,932
Miscellaneous receipts	5,714	98	5,812
Federal grants	<u>0</u>	<u>22,016</u>	<u>22,016</u>
Total receipts	<u>7,646</u>	<u>22,114</u>	<u>29,760</u>
Disbursements:			
Grants to local governments	4,710	18,776	23,486
State operations	3,393	2,790	6,183
General State charges	189	137	326
Capital projects	<u>7</u>	<u>0</u>	<u>7</u>
Total disbursements	<u>8,299</u>	<u>21,703</u>	<u>30,002</u>
Other financing sources (uses):			
Transfers from other funds	621	1,796	2,417
Transfers to other funds	(126)	(1,814)	(1,940)
Bond and note proceeds	<u>0</u>	<u>0</u>	<u>0</u>
Net other financing sources (uses)	<u>495</u>	<u>(18)</u>	<u>477</u>
Change in fund balance	<u>(158)</u>	<u>393</u>	<u>235</u>
Closing fund balance	<u>881</u>	<u>(30)</u>	<u>851</u>

FINANCIAL PLAN OVERVIEW

**Cash Financial Plan
Special Revenue Funds
1999-2000
(millions of dollars)**

	<u>State</u>	<u>Federal</u>	<u>Total</u>
Opening fund balance	<u>881</u>	<u>(30)</u>	<u>851</u>
Receipts:			
Taxes	2,565	0	2,565
Miscellaneous receipts	5,577	101	5,678
Federal grants	<u>0</u>	<u>21,862</u>	<u>21,862</u>
Total receipts	<u>8,142</u>	<u>21,963</u>	<u>30,105</u>
Disbursements:			
Grants to local governments	5,003	18,908	23,911
State operations	3,404	2,871	6,275
General State charges	201	146	347
Capital projects	<u>6</u>	<u>0</u>	<u>6</u>
Total disbursements	<u>8,614</u>	<u>21,925</u>	<u>30,539</u>
Other financing sources (uses):			
Transfers from other funds	478	1,819	2,297
Transfers to other funds	(111)	(1,857)	(1,968)
Bond and note proceeds	<u>34</u>	<u>0</u>	<u>34</u>
Net other financing sources (uses)	<u>401</u>	<u>(38)</u>	<u>363</u>
Change in fund balance	<u>(71)</u>	<u>0</u>	<u>(71)</u>
Closing fund balance	<u>810</u>	<u>(30)</u>	<u>780</u>

FINANCIAL PLAN OVERVIEW

**Cash Financial Plan
Special Revenue Funds
2000-2001
(millions of dollars)**

	<u>State</u>	<u>Federal</u>	<u>Total</u>
Opening fund balance	<u>810</u>	<u>(30)</u>	<u>780</u>
Receipts:			
Taxes	3,305	0	3,305
Miscellaneous receipts	5,658	105	5,763
Federal grants	<u>0</u>	<u>22,440</u>	<u>22,440</u>
Total receipts	<u>8,963</u>	<u>22,545</u>	<u>31,508</u>
Disbursements:			
Grants to local governments	5,876	19,553	25,429
State operations	3,297	2,814	6,111
General State charges	182	147	329
Capital projects	<u>6</u>	<u>0</u>	<u>6</u>
Total disbursements	<u>9,361</u>	<u>22,514</u>	<u>31,875</u>
Other financing sources (uses):			
Transfers from other funds	489	1,795	2,284
Transfers to other funds	(86)	(1,826)	(1,912)
Bond and note proceeds	<u>0</u>	<u>0</u>	<u>0</u>
Net other financing sources (uses)	<u>403</u>	<u>(31)</u>	<u>372</u>
Change in fund balance	<u>5</u>	<u>0</u>	<u>5</u>
Closing fund balance	<u>815</u>	<u>(30)</u>	<u>785</u>

FINANCIAL PLAN OVERVIEW

**Cash Financial Plan
Special Revenue Funds
2001-2002
(millions of dollars)**

	<u>State</u>	<u>Federal</u>	<u>Total</u>
Opening fund balance	<u>815</u>	<u>(30)</u>	<u>785</u>
Receipts:			
Taxes	4,027	0	4,027
Miscellaneous receipts	5,719	107	5,826
Federal grants	<u>0</u>	<u>23,113</u>	<u>23,113</u>
Total receipts	<u>9,746</u>	<u>23,220</u>	<u>32,966</u>
Disbursements:			
Grants to local governments	6,603	20,252	26,855
State operations	3,353	2,785	6,138
General State charges	188	152	340
Capital projects	<u>7</u>	<u>0</u>	<u>7</u>
Total disbursements	<u>10,151</u>	<u>23,189</u>	<u>33,340</u>
Other financing sources (uses):			
Transfers from other funds	492	1,716	2,208
Transfers to other funds	(82)	(1,747)	(1,829)
Bond and note proceeds	<u>0</u>	<u>0</u>	<u>0</u>
Net other financing sources (uses)	<u>410</u>	<u>(31)</u>	<u>379</u>
Change in fund balance	<u>5</u>	<u>0</u>	<u>5</u>
Closing fund balance	<u>820</u>	<u>(30)</u>	<u>790</u>

FINANCIAL PLAN OVERVIEW

**Cash Financial Plan
Capital Projects Funds
1997-1998
(millions of dollars)**

	<u>State</u>	<u>Federal</u>	<u>Total</u>
Opening fund balance	<u>(81)</u>	<u>(119)</u>	<u>(200)</u>
Receipts:			
Taxes	1,020	0	1,020
Miscellaneous receipts	1,324	2	1,326
Federal grants	<u>0</u>	<u>1,131</u>	<u>1,131</u>
Total receipts	<u>2,344</u>	<u>1,133</u>	<u>3,477</u>
Disbursements:			
Grants to local governments	321	189	510
State operations	0	0	0
General State charges	0	0	0
Capital projects	<u>2,111</u>	<u>944</u>	<u>3,055</u>
Total disbursements	<u>2,432</u>	<u>1,133</u>	<u>3,565</u>
Other financing sources (uses):			
Transfers from other funds	220	0	220
Transfers to other funds	(341)	(4)	(345)
Bond and note proceeds	<u>485</u>	<u>0</u>	<u>485</u>
Net other financing sources (uses)	<u>364</u>	<u>(4)</u>	<u>360</u>
Change in fund balance	<u>276</u>	<u>(4)</u>	<u>272</u>
Closing fund balance	<u>195</u>	<u>(123)</u>	<u>72</u>

FINANCIAL PLAN OVERVIEW

Cash Financial Plan Capital Projects Funds 1998-1999 (millions of dollars)

	<u>State</u>	<u>Federal</u>	<u>Total</u>
Opening fund balance	<u>195</u>	<u>(123)</u>	<u>72</u>
Receipts:			
Taxes	1,107	0	1,107
Miscellaneous receipts	1,805	0	1,805
Federal grants	<u>0</u>	<u>1,249</u>	<u>1,249</u>
Total receipts	<u>2,912</u>	<u>1,249</u>	<u>4,161</u>
Disbursements:			
Grants to local governments	497	198	695
State operations	0	0	0
General State charges	0	0	0
Capital projects	<u>2,527</u>	<u>1,046</u>	<u>3,573</u>
Total disbursements	<u>3,024</u>	<u>1,244</u>	<u>4,268</u>
Other financing sources (uses):			
Transfers from other funds	274	0	274
Transfers to other funds	(418)	(5)	(423)
Bond and note proceeds	<u>331</u>	<u>0</u>	<u>331</u>
Net other financing sources (uses)	<u>187</u>	<u>(5)</u>	<u>182</u>
Change in fund balance	<u>75</u>	<u>0</u>	<u>75</u>
Closing fund balance	<u>270</u>	<u>(123)</u>	<u>147</u>

FINANCIAL PLAN OVERVIEW

**Cash Financial Plan
Capital Projects Funds
1999-2000
(millions of dollars)**

	<u>State</u>	<u>Federal</u>	<u>Total</u>
Opening fund balance	<u>270</u>	<u>(123)</u>	<u>147</u>
Receipts:			
Taxes	1,093	0	1,093
Miscellaneous receipts	1,871	0	1,871
Federal grants	<u>0</u>	<u>1,411</u>	<u>1,411</u>
Total receipts	<u>2,964</u>	<u>1,411</u>	<u>4,375</u>
Disbursements:			
Grants to local governments	491	216	707
State operations	0	0	0
General State charges	0	0	0
Capital projects	<u>2,516</u>	<u>1,190</u>	<u>3,706</u>
Total disbursements	<u>3,007</u>	<u>1,406</u>	<u>4,413</u>
Other financing sources (uses):			
Transfers from other funds	465	0	465
Transfers to other funds	(548)	(5)	(553)
Bond and note proceeds	<u>235</u>	<u>0</u>	<u>235</u>
Net other financing sources (uses)	<u>152</u>	<u>(5)</u>	<u>147</u>
Change in fund balance	<u>109</u>	<u>0</u>	<u>109</u>
Closing fund balance	<u>379</u>	<u>(123)</u>	<u>256</u>

FINANCIAL PLAN OVERVIEW

**Cash Financial Plan
Capital Projects Funds
2000-2001
(millions of dollars)**

	State	Federal	Total
Opening fund balance	379	(123)	256
Receipts:			
Taxes	1,228	0	1,228
Miscellaneous receipts	1,817	0	1,817
Federal grants	0	1,586	1,586
Total receipts	3,045	1,586	4,631
Disbursements:			
Grants to local governments	522	216	738
State operations	0	0	0
General State charges	0	0	0
Capital projects	2,393	1,365	3,758
Total disbursements	2,915	1,581	4,496
Other financing sources (uses):			
Transfers from other funds	250	0	250
Transfers to other funds	(831)	(5)	(836)
Bond and note proceeds	286	0	286
Net other financing sources (uses)	(295)	(5)	(300)
Change in fund balance	(165)	0	(165)
Closing fund balance	214	(123)	91

FINANCIAL PLAN OVERVIEW

**Cash Financial Plan
Capital Projects Funds
2001-2002
(millions of dollars)**

	<u>State</u>	<u>Federal</u>	<u>Total</u>
Opening fund balance	<u>214</u>	<u>(123)</u>	<u>91</u>
Receipts:			
Taxes	1,276	0	1,276
Miscellaneous receipts	1,557	0	1,557
Federal grants	<u>0</u>	<u>1,404</u>	<u>1,404</u>
Total receipts	<u>2,833</u>	<u>1,404</u>	<u>4,237</u>
Disbursements:			
Grants to local governments	482	64	546
State operations	0	0	0
General State charges	0	0	0
Capital projects	<u>2,212</u>	<u>1,336</u>	<u>3,548</u>
Total disbursements	<u>2,694</u>	<u>1,400</u>	<u>4,094</u>
Other financing sources (uses):			
Transfers from other funds	297	0	297
Transfers to other funds	(810)	(5)	(815)
Bond and note proceeds	<u>276</u>	<u>0</u>	<u>276</u>
Net other financing sources (uses)	<u>(237)</u>	<u>(5)</u>	<u>(242)</u>
Change in fund balance	<u>(98)</u>	<u>(1)</u>	<u>(99)</u>
Closing fund balance	<u>116</u>	<u>(124)</u>	<u>(8)</u>

FINANCIAL PLAN OVERVIEW

**Cash Financial Plan
Proprietary And Fiduciary Funds
1998-1999
(millions of dollars)**

	Internal Service	Enterprise	Fiduciary
Opening fund balance	(49)	17	26
Receipts:			
Unemployment taxes	0	0	1,921
Miscellaneous receipts	408	71	53
Federal grants	0	0	29
Total receipts	408	71	2,003
Disbursements:			
Grants to local governments	0	0	8
State operations	334	72	51
Unemployment benefits	0	0	1,950
General State charges	25	2	1
Debt service	91	0	0
Total disbursements	450	74	2,010
Other financing sources (uses):			
Transfers from other funds	45	0	3
Transfers to other funds	(3)	0	0
Net other financing sources (uses)	42	0	3
Change in fund balance	0	(3)	(4)
Closing fund balance	(49)	14	22

FINANCIAL PLAN OVERVIEW

**Cash Financial Plan
Proprietary And Fiduciary Funds
1999-2000
(millions of dollars)**

	<u>Internal Service</u>	<u>Enterprise</u>	<u>Fiduciary</u>
Opening fund balance	<u>(49)</u>	<u>14</u>	<u>22</u>
Receipts:			
Unemployment taxes	0	0	1,921
Miscellaneous receipts	569	77	58
Federal grants	0	0	29
Total receipts	<u>569</u>	<u>77</u>	<u>2,008</u>
Disbursements:			
Grants to local governments	0	0	10
State operations	401	76	73
Unemployment benefits	0	2	1,950
General State charges	25	0	1
Debt service	202	0	0
Total disbursements	<u>628</u>	<u>78</u>	<u>2,034</u>
Other financing sources (uses):			
Transfers from other funds	44	0	20
Transfers to other funds	(3)	0	0
Net other financing sources (uses)	<u>41</u>	<u>0</u>	<u>20</u>
Change in fund balance	<u>(18)</u>	<u>(1)</u>	<u>(6)</u>
Closing fund balance	<u>(67)</u>	<u>13</u>	<u>16</u>

FINANCIAL PLAN OVERVIEW

**GAAP Financial Plan
General Fund
1998-1999
(millions of dollars)**

	July	Change	January
Revenues:			
Taxes			
Personal income tax	19,855	790	20,645
User taxes and fees	7,292	(2)	7,290
Business taxes	4,977	(237)	4,740
Other taxes	1,047	74	1,121
Miscellaneous revenues	2,551	281	2,832
Total revenues	35,722	906	36,628
Expenditures:			
Grants to local governments	25,896	(194)	25,702
State operations	8,451	81	8,532
General State charges	1,737	77	1,814
Debt service	22	0	22
Capital projects	0	0	0
Total expenditures	36,106	(36)	36,070
Other financing sources (uses):			
Transfers from other funds	4,139	82	4,221
Transfers to other funds	(4,581)	(46)	(4,627)
Proceeds from financing arrangements/ advance refundings	286	14	300
Net other financing sources (uses)	(156)	50	(106)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses			
	(540)	992	452
Accumulated Surplus (Deficit)			
	27	992	1,019

FINANCIAL PLAN OVERVIEW

**GAAP Financial Plan
General Fund
1998-1999 and 1999-2000
(millions of dollars)**

	1998-1999 Estimate	1999-2000 Recommended	Change
Revenues:			
Taxes			
Personal income tax	20,645	21,018	373
User taxes and fees	7,290	7,173	(117)
Business taxes	4,740	4,546	(194)
Other taxes	1,121	1,019	(102)
Miscellaneous revenues	2,832	2,379	(453)
Total revenues	36,628	36,135	(493)
Expenditures:			
Grants to local governments	25,702	25,403	(299)
State operations	8,532	8,930	398
General State charges	1,814	1,817	3
Debt service	22	25	3
Capital projects	0	1	1
Total expenditures	36,070	36,176	106
Other financing sources (uses):			
Transfers from other funds	4,221	4,227	6
Transfers to other funds	(4,627)	(5,027)	(400)
Proceeds from financing arrangements/ advance refundings	300	334	34
Net other financing sources (uses)	(106)	(466)	(360)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	452	(507)	(959)
Accumulated Surplus (Deficit)	1,019	512	

FINANCIAL PLAN OVERVIEW

**Conversion of Cash Financial Plan
To GAAP Financial Plan
General Fund
1998-1999
(millions of dollars)**

	Cash Financial Plan	Perspective Diff. Special Revenue Funds	Entity Diff. Other Funds	Cash Basis Subtotal	Changes in Accruals	Elimin- ations	Intra- fund Elimin- ations	Reclass- ification	GAAP Financial Plan
Receipts/revenues:									
Taxes									
Personal income tax	20,176	0	0	20,176	469	0	0	0	20,645
User taxes and fees	7,229	0	0	7,229	61	0	0	0	7,290
Business taxes	4,794	0	0	4,794	(54)	0	0	0	4,740
Other taxes	1,099	0	0	1,099	22	0	0	0	1,121
Miscellaneous receipts	1,534	1,571	458	3,563	44	(96)	(406)	(273)	2,832
Total receipts/ revenues	34,832	1,571	458	36,861	542	(96)	(406)	(273)	36,628
Disbursements/expenditures:									
Grants to local governments	24,893	793	0	25,686	628	(12)	0	(600)	25,702
State operations	6,650	2,880	383	9,913	(141)	(184)	(406)	(650)	8,532
General State charges	2,286	149	26	2,461	28	(20)	0	(655)	1,814
Debt service	11	0	91	102	11	0	0	(91)	22
Capital projects	0	0	0	0	0	0	0	0	0
Total disbursements/ expenditures	33,840	3,822	500	38,162	526	(216)	(406)	(1,996)	36,070
Other financing sources (uses):									
Transfers from other funds	1,947	2,328	45	4,320	0	(127)	(245)	273	4,221
Transfers to other funds	(2,778)	(94)	(3)	(2,875)	(5)	4	245	(1,996)	(4,627)
Proceeds from financing arrangements/advance refundings	0	0	0	0	300	0	0	0	300
Net other financing sources (uses)	(831)	2,234	42	1,445	295	(123)	0	(1,723)	(106)
TSRF/CRF/CPF	(161)	0	0	(161)	161	0	0	0	0
Receipts/revenues and other financing sources over (under) disbursements/expenditures and other financing uses	0	(17)	0	(17)	472	(3)	0	0	452

FINANCIAL PLAN OVERVIEW

Conversion of Cash Financial Plan To GAAP Financial Plan General Fund 1999-2000 (millions of dollars)

	Cash Financial Plan	Perspective Diff. Special Revenue Funds	Entity Diff. Other Funds	Cash Basis Subtotal	Changes in Accruals	Elimin- ations	Intra- fund Elimin- ations	Reclass- ification	GAAP Financial Plan
Receipts/revenues:									
Taxes									
Personal income tax	21,041	0	0	21,041	(23)	0	0	0	21,018
User taxes and fees	7,157	0	0	7,157	16	0	0	0	7,173
Business taxes	4,527	0	0	4,527	19	0	0	0	4,546
Other taxes	980	0	0	980	39	0	0	0	1,019
Miscellaneous receipts	1,242	1,389	625	3,256	51	(84)	(567)	(277)	2,379
Total receipts/ revenues	34,947	1,389	625	36,961	102	(84)	(567)	(277)	36,135
Disbursements/expenditures:									
Grants to local governments	24,806	661	0	25,467	509	(1)	0	(572)	25,403
State operations	6,875	2,912	456	10,243	72	(187)	(567)	(631)	8,930
General State charges	2,333	158	26	2,517	29	(19)	0	(710)	1,817
Debt service	11	0	202	213	14	0	0	(202)	25
Capital projects	0	1	0	1	0	0	0	0	1
Total disbursements/ expenditures	34,025	3,732	684	38,441	624	(207)	(567)	(2,115)	36,176
Other financing sources (uses):									
Transfers from other funds	1,927	2,389	44	4,360	0	(130)	(280)	277	4,227
Transfers to other funds	(3,075)	(113)	(3)	(3,191)	(5)	4	280	(2,115)	(5,027)
Proceeds from financing arrangements/advance refundings	0	34	0	34	300	0	0	0	334
Net other financing sources (uses)	(1,148)	2,310	41	1,203	295	(126)	0	(1,838)	(466)
TSRF/CRF/CPF	226	0	0	226	(226)	0	0	0	0
Receipts/revenues and other financing sources over (under) disbursements/expenditures and other financing uses	0	(33)	(18)	(51)	(453)	(3)	0	0	(507)

Note: The PIT receipts above are lower than the Cash Financial Plan amount by the value of the PIT Refund Reserve Fund transaction.

FINANCIAL PLAN OVERVIEW

**GAAP Financial Plan
General Fund
1999-2000 through 2001-2002
(millions of dollars)**

	1999-2000 Recommended	2000-2001 Projected	2001-2002 Projected
Revenues:			
Taxes			
Personal income tax	21,018	20,489	21,083
User taxes and fees	7,173	6,880	7,113
Business taxes	4,546	4,223	4,189
Other taxes	1,019	881	757
Miscellaneous revenues	2,379	2,395	2,413
Total revenues	36,135	34,868	35,555
Expenditures:			
Grants to local governments	25,403	26,292	27,972
State operations	8,930	8,932	9,112
General State charges	1,817	1,877	1,941
Debt service	25	28	32
Capital projects	1	3	4
Total expenditures	36,176	37,132	39,061
Other financing sources (uses):			
Transfers from other funds	4,227	4,387	4,283
Transfers to other funds	(5,027)	(4,753)	(4,852)
Proceeds from financing arrangements/ advance refundings	334	190	190
Net other financing sources (uses)	(466)	(176)	(379)
Spending Efficiencies	0	500	500
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(507)	(1,940)	(3,385)

FINANCIAL PLAN OVERVIEW

GAAP Financial Plan All Governmental Funds 1998-1999 (millions of dollars)

	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	(MEMO) Total
Revenues:					
Taxes	33,796	1,927	1,112	2,241	39,076
Federal grants	0	23,703	1,298	0	25,001
Lottery	0	3,883	0	0	3,883
Patient fees	0	0	0	394	394
Miscellaneous revenues	2,832	387	102	66	3,387
Total revenues	36,628	29,900	2,512	2,701	71,741
Expenditures:					
Grants to local governments	25,702	23,790	686	0	50,178
State operations	8,532	3,717	0	5	12,254
General State charges	1,814	174	0	0	1,988
Debt service	22	0	0	2,844	2,866
Capital projects	0	7	3,451	0	3,458
Total expenditures	36,070	27,688	4,137	2,849	70,744
Other financing sources (uses):					
Transfers from other funds	4,221	775	255	4,460	9,711
Transfers to other funds	(4,627)	(2,767)	(463)	(4,249)	(12,106)
Proceeds of general obligation bonds	0	0	331	0	331
Proceeds from financing arrangements/ advance refundings	300	0	1,672	0	1,972
Net other financing sources (uses)	(106)	(1,992)	1,795	211	(92)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses					
	452	220	170	63	905

FINANCIAL PLAN OVERVIEW

**GAAP Financial Plan
All Governmental Funds
1999-2000
(millions of dollars)**

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Debt Service Funds</u>	<u>(MEMO) Total</u>
Revenues:					
Taxes	33,756	2,572	1,090	2,201	39,619
Federal grants	0	23,591	1,462	0	25,053
Lottery	0	3,790	0	0	3,790
Patient fees	0	0	0	398	398
Miscellaneous revenues	2,379	417	85	66	2,947
Total revenues	<u>36,135</u>	<u>30,370</u>	<u>2,637</u>	<u>2,665</u>	<u>71,807</u>
Expenditures:					
Grants to local governments	25,403	24,358	698	0	50,459
State operations	8,930	3,689	0	7	12,626
General State charges	1,817	185	0	0	2,002
Debt service	25	0	0	3,263	3,288
Capital projects	1	5	3,643	0	3,649
Total expenditures	<u>36,176</u>	<u>28,237</u>	<u>4,341</u>	<u>3,270</u>	<u>72,024</u>
Other financing sources (uses):					
Transfers from other funds	4,227	716	440	4,882	10,265
Transfers to other funds	(5,027)	(2,880)	(596)	(4,234)	(12,737)
Proceeds of general obligation bonds	0	0	235	0	235
Proceeds from financing arrangements/ advance refundings	334	0	1,935	0	2,269
Net other financing sources (uses)	<u>(466)</u>	<u>(2,164)</u>	<u>2,014</u>	<u>648</u>	<u>32</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(507)</u>	<u>(31)</u>	<u>310</u>	<u>43</u>	<u>(185)</u>

FINANCIAL PLAN OVERVIEW

**Cash Flow
General Fund
1997-1998
(millions of dollars)**

	<u>First Quarter (Actual)</u>	<u>Second Quarter (Actual)</u>	<u>Third Quarter (Actual)</u>	<u>Fourth Quarter (Actual)</u>	<u>Total (Actual)</u>
Opening fund balance	433	2,340	3,222	3,899	433
Receipts:					
Taxes					
Personal income tax	6,217	4,106	4,391	3,045	17,759
User taxes and fees	1,764	1,829	1,780	1,663	7,036
Business taxes	1,196	1,215	1,175	1,461	5,047
Other taxes	314	307	225	248	1,094
Miscellaneous receipts	299	474	392	433	1,598
Transfers from other funds	476	613	526	403	2,018
Total receipts	<u>10,266</u>	<u>8,544</u>	<u>8,489</u>	<u>7,253</u>	<u>34,552</u>
Disbursements:					
Grants to local governments	5,108	4,573	5,000	8,587	23,268
State operations	1,939	1,488	1,762	1,004	6,193
General State charges	606	839	459	361	2,265
Debt service	2	3	2	3	10
Transfers to other funds	704	759	589	559	2,611
Total disbursements	<u>8,359</u>	<u>7,662</u>	<u>7,812</u>	<u>10,514</u>	<u>34,347</u>
Excess (deficiency) of receipts over disbursements	<u>1,907</u>	<u>882</u>	<u>677</u>	<u>(3,261)</u>	<u>205</u>
Closing fund balance	<u>2,340</u>	<u>3,222</u>	<u>3,899</u>	<u>638</u>	<u>638</u>

FINANCIAL PLAN OVERVIEW

**Cash Flow
General Fund
1998-1999
(millions of dollars)**

	<u>First Quarter (Actual)</u>	<u>Second Quarter (Actual)</u>	<u>Third Quarter (Actual)</u>	<u>Fourth Quarter (Projected)</u>	<u>Total (Projected)</u>
Opening fund balance	638	3,981	5,021	5,331	638
Receipts:					
Taxes					
Personal income tax	7,823	4,548	4,130	3,675	20,176
User taxes and fees	1,868	1,848	1,813	1,700	7,229
Business taxes	1,121	1,163	1,170	1,340	4,794
Other taxes	256	320	271	252	1,099
Miscellaneous receipts	332	390	416	396	1,534
Transfers from other funds	524	466	550	407	1,947
Total receipts	<u>11,924</u>	<u>8,735</u>	<u>8,350</u>	<u>7,770</u>	<u>36,779</u>
Disbursements:					
Grants to local governments	5,260	4,499	5,133	10,001	24,893
State operations	1,967	1,732	1,742	1,209	6,650
General State charges	633	724	481	448	2,286
Debt service	1	3	3	4	11
Transfers to other funds	720	737	681	640	2,778
Total disbursements	<u>8,581</u>	<u>7,695</u>	<u>8,040</u>	<u>12,302</u>	<u>36,618</u>
Excess (deficiency) of receipts over disbursements	<u>3,343</u>	<u>1,040</u>	<u>310</u>	<u>(4,532)</u>	<u>161</u>
Closing fund balance	<u>3,981</u>	<u>5,021</u>	<u>5,331</u>	<u>799</u>	<u>799</u>

FINANCIAL PLAN OVERVIEW

**Cash Flow
General Fund
1999-2000
(millions of dollars)**

	<u>First Quarter (Projected)</u>	<u>Second Quarter (Projected)</u>	<u>Third Quarter (Projected)</u>	<u>Fourth Quarter (Projected)</u>	<u>Total (Projected)</u>
Opening fund balance	799	4,246	5,566	5,130	799
Receipts:					
Taxes					
Personal income tax	8,417	4,845	3,993	5,575	22,830
User taxes and fees	1,799	1,884	1,816	1,658	7,157
Business taxes	1,084	1,087	1,036	1,320	4,527
Other taxes	205	250	260	265	980
Miscellaneous receipts	287	281	319	355	1,242
Transfers from other funds	541	462	543	381	1,927
Total receipts	<u>12,333</u>	<u>8,809</u>	<u>7,967</u>	<u>9,554</u>	<u>38,663</u>
Disbursements:					
Grants to local governments	5,548	4,219	5,409	9,630	24,806
State operations	1,905	1,872	1,766	1,332	6,875
General State charges	629	721	482	501	2,333
Debt service	3	2	3	3	11
Transfers to other funds	801	675	743	856	3,075
Total disbursements	<u>8,886</u>	<u>7,489</u>	<u>8,403</u>	<u>12,322</u>	<u>37,100</u>
Excess (deficiency) of receipts over disbursements	<u>3,447</u>	<u>1,320</u>	<u>(436)</u>	<u>(2,768)</u>	<u>1,563</u>
Closing fund balance	<u>4,246</u>	<u>5,566</u>	<u>5,130</u>	<u>2,362</u>	<u>2,362</u>

FINANCIAL PLAN OVERVIEW

Cash Disbursements By Function General Fund (Thousands of Dollars)

	<u>1997-1998</u> Actual	<u>1998-1999</u> Estimate	<u>1999-2000</u> Recommended
ECONOMIC DEVELOPMENT AND GOVERNMENT OVERSIGHT			
Agriculture & Markets, Department of	29,382	35,758	30,621
Alcoholic Beverage Control	7,531	7,852	236
Banking Department	268	0	0
Consumer Protection Board	314	377	449
Economic Development, Department of	38,474	38,722	39,956
Empire State Development Corporation	53,366	110,004	89,255
Energy Research and Development Authority	0	0	0
Housing Finance Agency	450	775	760
Housing and Community Renewal, Division of	87,079	95,391	92,964
Insurance Department	0	0	0
Olympic Regional Development Authority	1,972	3,962	3,972
Public Service, Department of	0	0	0
Science and Technology Foundation, New York State	20,048	24,740	23,295
Functional Total	<u>238,884</u>	<u>317,581</u>	<u>281,508</u>
PARKS AND THE ENVIRONMENT			
Adirondack Park Agency	3,260	3,583	3,532
Environmental Conservation, Department of	81,640	91,115	89,276
Environmental Facilities Corporation	0	0	0
Parks, Recreation and Historic Preservation, Office of	89,864	102,250	100,015
Functional Total	<u>174,764</u>	<u>196,948</u>	<u>192,823</u>
TRANSPORTATION			
Motor Vehicles, Department of	114,764	123,622	124,020
Niagara Frontier Transportation Authority	0	0	0
Transportation, Department of	355,578	336,527	328,881
Functional Total	<u>470,342</u>	<u>460,149</u>	<u>452,901</u>
HEALTH & SOCIAL WELFARE			
Advocate for Persons with Disabilities, Office of	760	896	993
Aging, Office for the	59,246	60,566	59,172
Children and Families, Council on	737	865	892
Children & Family Services, Office of	1,033,804	1,127,603	1,080,207
Health, Department of	6,089,152	6,300,324	6,250,011
<i>Medical Assistance</i>	5,456,830	5,584,971	5,497,552
<i>Medicaid Administration</i>	75,285	78,400	93,400
<i>All Other Local Aid</i>	423,343	489,334	515,785
<i>Agency Operations/Capital</i>	133,694	147,619	143,274
Human Rights, Division of	8,884	9,908	9,853
Labor, Department of	19,379	25,611	44,629

FINANCIAL PLAN OVERVIEW

Cash Disbursements By Function General Fund (Thousands of Dollars)

	1997-1998 Actual	1998-1999 Estimate	1999-2000 Recommended
HEALTH & SOCIAL WELFARE (Continued)			
Temporary and Disability Assistance, Office of <i>Welfare Assistance</i>	2,134,727	2,007,911	1,979,203
<i>Local Administration</i>	1,689,939	1,526,840	1,485,971
<i>All Other Local Aid</i>	368,241	384,525	410,500
<i>Agency Operations/Capital</i>	9,582	15,842	18,342
Workers' Compensation Board	66,965	80,704	64,390
	0	0	0
Functional Total	9,346,689	9,533,684	9,424,960
MENTAL HEALTH			
Mental Health, Office of	916,108	1,055,470	1,109,646
Mental Retardation and Developmental Disabilities, Office of	693,482	679,021	717,478
Alcohol and Substance Abuse Services, Office of	277,954	290,299	286,837
Quality of Care for the Mentally Disabled, Commission on	2,637	3,123	2,986
Functional Total	1,890,181	2,027,913	2,116,947
PUBLIC PROTECTION			
Capital Defenders Office	9,946	13,087	13,271
Correction, Commission of	1,886	2,191	2,195
Correctional Services, Department of	1,590,447	1,604,006	1,666,423
Crime Victims Board	2,890	3,123	2,920
Criminal Justice Services, Division of	90,823	91,233	95,092
Investigation, Temporary State Commission of	1,901	2,130	2,289
Judicial Commissions	1,808	2,128	2,038
Military and Naval Affairs, Division of	24,089	31,773	26,764
Parole, Division of	181,045	182,500	186,276
Probation and Correctional Alternatives, Division of	84,446	91,087	91,066
State Police, Division of	278,373	289,570	292,349
Functional Total	2,267,654	2,312,828	2,380,683
EDUCATION			
Arts, Council on the	35,208	53,579	48,039
City University of New York	630,173	693,713	684,556
Education, Department of	10,058,542	11,006,838	11,219,800
<i>School Aid</i>	8,883,157	9,701,311	9,993,071
<i>STAR Property Tax Relief</i>	0	0	0
<i>Handicapped</i>	663,292	756,079	792,251
<i>All Other Local Aid</i>	461,645	492,997	380,357
<i>Agency Operations/Capital</i>	50,448	56,451	54,121
Higher Education Services Corporation	649,826	658,849	642,572
State University Construction Fund	0	0	0
State University of New York	1,097,975	1,174,580	1,161,417
Functional Total	12,471,724	13,587,559	13,756,384

FINANCIAL PLAN OVERVIEW

Cash Disbursements By Function General Fund (Thousands of Dollars)

	<u>1997-1998 Actual</u>	<u>1998-1999 Estimate</u>	<u>1999-2000 Recommended</u>
GENERAL GOVERNMENT			
Audit and Control, Department of	83,168	99,257	108,145
Budget, Division of the	24,759	26,699	26,076
Civil Service, Department of	23,704	28,134	26,607
Elections, State Board of	2,546	3,030	3,061
Employee Relations, Office of	3,533	3,979	3,982
Executive Chamber	11,008	12,333	15,588
General Services, Office of	102,409	108,668	107,758
Inspector General, Office of the	4,286	4,925	4,642
Law, Department of	74,345	85,976	86,953
Lieutenant Governor, Office of the	341	375	455
Lottery, Division of	0	0	0
Public Employment Relations Board	3,137	3,352	3,337
Racing and Wagering Board, State	8,432	9,254	0
Real Property Services, Office of	23,178	50,904	41,308
Regulatory Reform, Governor's Office of	2,127	2,782	2,326
State, Department of	10,767	14,007	15,333
Tax Appeals, Division of	2,852	3,130	2,895
Taxation and Finance, Department of	252,762	269,250	269,066
Technology, Office for	476	2,606	72,008
Veterans Affairs, Division of	6,405	7,067	7,345
Functional Total	<u>640,235</u>	<u>735,728</u>	<u>796,885</u>
ALL OTHER CATEGORIES			
Legislature	175,718	185,945	195,519
Judiciary (excluding fringe benefits)	932,840	1,053,254	1,096,734
Local Government Assistance	799,866	831,028	821,614
General State Charges (incl. fringes for Judiciary & SUNY)	2,265,165	2,285,664	2,332,874
Short-Term Debt Service	10,430	11,193	10,763
Long-Term Debt Service	2,020,780	2,101,695	2,286,699
Capital Projects	206,181	254,511	438,089
Miscellaneous	435,756	722,029	514,235
Functional Total	<u>6,846,736</u>	<u>7,445,319</u>	<u>7,696,527</u>
TOTAL GENERAL FUND SPENDING	<u><u>34,347,209</u></u>	<u><u>36,617,709</u></u>	<u><u>37,099,618</u></u>

FINANCIAL PLAN OVERVIEW

Cash Disbursements By Function All Governmental Funds (Thousands of Dollars)

	1997-1998 Actual	1998-1999 Estimate	1999-2000 Recommended
ECONOMIC DEVELOPMENT AND GOVERNMENT OVERSIGHT			
Agriculture & Markets, Department of	53,839	64,690	61,812
Alcoholic Beverage Control	9,733	11,587	11,157
Banking Department	35,417	45,226	48,092
Consumer Protection Board	2,024	2,372	2,326
Economic Development, Department of	42,538	44,601	45,537
Empire State Development Corporation	53,366	110,004	89,255
Energy Research and Development Authority	32,439	32,855	31,295
Housing Finance Agency	450	775	760
Housing and Community Renewal, Division of	193,177	246,800	229,764
Insurance Department	74,928	77,156	80,319
Olympic Regional Development Authority	4,408	6,379	6,389
Public Service, Department of	48,759	51,376	50,315
Science and Technology Foundation, New York State	20,048	24,740	23,295
Functional Total	571,126	718,561	680,316
PARKS AND THE ENVIRONMENT			
Adirondack Park Agency	3,475	3,958	3,907
Environmental Conservation, Department of	628,236	775,000	794,715
Environmental Facilities Corporation	2,886	4,153	4,284
Parks, Recreation and Historic Preservation, Office of	159,347	183,581	196,711
Functional Total	793,944	966,692	999,617
TRANSPORTATION			
Motor Vehicles, Department of	172,516	194,313	206,543
Niagara Frontier Transportation Authority	0	0	0
Transportation, Department of	3,835,944	4,341,108	4,372,919
Functional Total	4,008,460	4,535,421	4,579,462
HEALTH & SOCIAL WELFARE			
Advocate for Persons with Disabilities, Office of	1,660	1,879	1,734
Aging, Office for the	141,280	148,822	147,428
Children and Families, Council on	1,179	1,087	1,165
Children & Family Services, Office of	1,933,219	2,503,553	2,589,435
Health, Department of	19,405,593	20,610,998	20,480,734
<i>Medical Assistance</i>	17,520,726	18,180,225	17,799,305
<i>Medicaid Administration</i>	272,254	316,400	378,771
<i>All Other Local Aid</i>	1,044,115	1,439,962	1,646,336
<i>Agency Operations/Capital</i>	568,498	674,411	656,322
Human Rights, Division of	10,286	11,421	11,641
Labor, Department of	524,637	629,258	737,821

FINANCIAL PLAN OVERVIEW

Cash Disbursements By Function All Governmental Funds (Thousands of Dollars)

	<u>1997-1998</u> <u>Actual</u>	<u>1998-1999</u> <u>Estimate</u>	<u>1999-2000</u> <u>Recommended</u>
HEALTH & SOCIAL WELFARE (Continued)			
Temporary and Disability Assistance, Office of <i>Welfare Assistance</i>	4,982,771	4,468,676	4,154,965
<i>Local Administration</i>	4,038,381	3,499,840	3,199,971
<i>All Other Local Aid</i>	593,024	615,705	570,500
<i>Agency Operations/Capital</i>	39,487	47,710	52,289
Workers' Compensation Board	311,879	305,421	332,205
	93,447	125,375	120,284
Functional Total	<u>27,094,072</u>	<u>28,501,069</u>	<u>28,245,207</u>
MENTAL HEALTH			
Mental Health, Office of	1,818,423	1,837,829	1,863,762
Mental Retardation and Developmental Disabilities, Office of	2,036,568	1,980,578	2,038,867
Alcohol and Substance Abuse Services, Office of	393,962	438,710	449,566
Quality of Care for the Mentally Disabled, Commission on	7,165	8,176	8,619
Functional Total	<u>4,256,118</u>	<u>4,265,293</u>	<u>4,360,814</u>
PUBLIC PROTECTION			
Capital Defenders Office	9,946	13,087	13,271
Correction, Commission of	1,941	2,191	2,195
Correctional Services, Department of	1,852,639	2,072,446	2,106,623
Crime Victims Board	28,638	39,713	38,548
Criminal Justice Services, Division of	113,080	130,153	139,709
Investigation, Temporary State Commission of	1,934	2,330	2,489
Judicial Commissions	1,808	2,128	2,038
Military and Naval Affairs, Division of	87,733	138,339	116,479
Parole, Division of	182,370	187,244	191,320
Probation and Correctional Alternatives, Division of	84,593	91,087	91,066
State Police, Division of	336,619	372,431	382,107
Functional Total	<u>2,701,301</u>	<u>3,051,149</u>	<u>3,085,845</u>
EDUCATION			
Arts, Council on the	35,702	54,058	48,599
City University of New York	659,679	733,309	728,653
Education, Department of	13,334,723	14,870,057	15,811,918
<i>School Aid</i>	10,478,156	11,231,311	11,441,071
<i>STAR Property Tax Relief</i>	0	585,000	1,223,000
<i>Handicapped</i>	851,069	957,144	1,033,316
<i>All Other Local Aid</i>	1,818,828	1,889,591	1,902,260
<i>Agency Operations/Capital</i>	186,670	207,011	212,271
Higher Education Services Corporation	720,828	731,759	717,866
State University Construction Fund	7,059	7,900	7,900
State University of New York	3,126,707	3,419,068	3,425,290
Functional Total	<u>17,884,698</u>	<u>19,816,151</u>	<u>20,740,226</u>

FINANCIAL PLAN OVERVIEW

Cash Disbursements By Function All Governmental Funds (Thousands of Dollars)

	1997-1998	1998-1999	1999-2000
	Actual	Estimate	Recommended
GENERAL GOVERNMENT			
Audit and Control, Department of	101,956	102,330	111,506
Budget, Division of the	26,520	31,899	31,276
Civil Service, Department of	23,704	28,477	27,529
Elections, State Board of	2,551	3,035	3,066
Employee Relations, Office of	3,629	4,109	4,092
Executive Chamber	11,008	12,333	15,588
General Services, Office of	168,739	196,301	172,673
Inspector General, Office of the	4,286	5,893	5,610
Law, Department of	103,484	125,856	123,865
Lieutenant Governor, Office of the	341	375	455
Lottery, Division of	126,305	132,393	133,345
Public Employment Relations Board	3,196	3,529	3,514
Racing and Wagering Board, State	9,973	12,107	15,804
Real Property Services, Office of	32,126	60,427	51,055
Regulatory Reform, Governor's Office of	2,127	2,782	2,326
State, Department of	76,750	86,109	87,433
Tax Appeals, Division of	2,852	3,130	2,895
Taxation and Finance, Department of	272,135	291,256	296,855
Technology, Office for	2,984	25,098	82,008
Veterans Affairs, Division of	6,702	7,932	8,257
Functional Total	981,368	1,135,371	1,179,152
ALL OTHER CATEGORIES			
Legislature	176,754	186,895	196,469
Judiciary (excluding fringe benefits)	995,194	1,144,550	1,197,641
Local Government Assistance	799,866	831,028	821,614
General State Charges	2,584,647	2,611,528	2,679,649
Short-Term Debt Service	10,430	11,193	10,763
Long-Term Debt Service	3,080,886	3,289,173	3,673,165
Capital Projects	0	0	0
Miscellaneous	97,467	340,710	206,312
Functional Total	7,745,244	8,415,077	8,785,613
TOTAL ALL FUNDS SPENDING	66,036,331	71,404,784	72,656,252

FINANCIAL PLAN OVERVIEW

Cash Disbursements By Function State Funds (Thousands of Dollars)

	1997-1998 Actual	1998-1999 Estimate	1999-2000 Recommended
ECONOMIC DEVELOPMENT AND GOVERNMENT OVERSIGHT			
Agriculture & Markets, Department of	49,553	59,294	56,091
Alcoholic Beverage Control	9,590	11,587	11,157
Banking Department	35,417	45,226	48,092
Consumer Protection Board	2,024	2,372	2,326
Economic Development, Department of	41,233	42,220	43,156
Empire State Development Corporation	53,366	110,004	89,255
Energy Research and Development Authority	29,761	29,645	28,710
Housing Finance Agency	450	775	760
Housing and Community Renewal, Division of	132,321	184,462	169,026
Insurance Department	74,928	77,156	80,319
Olympic Regional Development Authority	4,408	6,379	6,389
Public Service, Department of	47,387	50,448	49,307
Science and Technology Foundation, New York State	20,048	24,740	23,295
Functional Total	500,486	644,308	607,883
PARKS AND THE ENVIRONMENT			
Adirondack Park Agency	3,260	3,583	3,532
Environmental Conservation, Department of	418,523	598,244	619,938
Environmental Facilities Corporation	2,886	4,153	4,284
Parks, Recreation and Historic Preservation, Office of	156,886	178,509	192,864
Functional Total	581,555	784,489	820,618
TRANSPORTATION			
Motor Vehicles, Department of	166,750	183,731	191,711
Niagara Frontier Transportation Authority	682	0	0
Transportation, Department of	2,900,585	3,312,671	3,260,034
Functional Total	3,068,017	3,496,402	3,451,745
HEALTH & SOCIAL WELFARE			
Advocate for Persons with Disabilities, Office of	760	896	993
Aging, Office for the	59,246	60,566	59,172
Children and Families, Council on	737	865	892
Children & Family Services, Office of	1,064,594	1,157,258	1,120,297
Health, Department of	7,290,655	7,663,150	7,417,022
<i>Medical Assistance</i>	6,275,389	6,418,971	6,117,552
<i>Medicaid Administration</i>	75,285	78,400	93,400
<i>All Other Local Aid</i>	531,907	727,476	806,727
<i>Agency Operations/Capital</i>	408,074	438,303	399,343
Human Rights, Division of	8,884	9,951	9,861
Labor, Department of	51,945	63,210	82,974

FINANCIAL PLAN OVERVIEW

Cash Disbursements By Function State Funds (Thousands of Dollars)

	1997-1998 Actual	1998-1999 Estimate	1999-2000 Recommended
HEALTH & SOCIAL WELFARE (Continued)			
Temporary and Disability Assistance, Office of	2,163,587	2,076,150	2,030,669
<i>Welfare Assistance</i>	1,707,943	1,549,840	1,508,971
<i>Local Administration</i>	368,241	384,525	410,500
<i>All Other Local Aid</i>	9,582	20,060	27,139
<i>Agency Operations/Capital</i>	77,821	121,725	84,059
Workers' Compensation Board	93,447	125,375	120,284
Functional Total	10,733,855	11,157,421	10,842,164
MENTAL HEALTH			
Mental Health, Office of	1,140,189	1,264,725	1,309,670
Mental Retardation and Developmental Disabilities, Office of	737,719	738,652	777,747
Alcohol and Substance Abuse Services, Office of	304,586	330,597	331,458
Quality of Care for the Mentally Disabled, Commission on	2,637	3,133	2,996
Functional Total	2,185,131	2,337,107	2,421,871
PUBLIC PROTECTION			
Capital Defenders Office	9,946	13,087	13,271
Correction, Commission of	1,886	2,191	2,195
Correctional Services, Department of	1,820,843	1,943,206	1,919,923
Crime Victims Board	16,726	18,835	18,424
Criminal Justice Services, Division of	92,371	94,459	97,267
Investigation, Temporary State Commission of	1,934	2,330	2,489
Judicial Commissions	1,808	2,128	2,038
Military and Naval Affairs, Division of	36,477	45,719	42,291
Parole, Division of	181,045	182,600	186,676
Probation and Correctional Alternatives, Division of	84,446	91,087	91,066
State Police, Division of	327,730	362,998	370,697
Functional Total	2,575,212	2,758,640	2,746,337
EDUCATION			
Arts, Council on the	35,208	53,579	48,039
City University of New York	659,679	733,309	728,653
Education, Department of	11,698,961	13,175,078	13,946,922
<i>School Aid</i>	10,478,156	11,231,311	11,441,071
<i>STAR Property Tax Relief</i>	0	585,000	1,223,000
<i>Handicapped</i>	663,292	756,079	792,251
<i>All Other Local Aid</i>	467,413	500,772	388,157
<i>Agency Operations/Capital</i>	90,100	101,916	102,443
Higher Education Services Corporation	714,004	729,359	715,466
State University Construction Fund	7,059	7,900	7,900
State University of New York	2,976,353	3,262,418	3,268,640
Functional Total	16,091,264	17,961,643	18,715,620

FINANCIAL PLAN OVERVIEW

Cash Disbursements By Function State Funds (Thousands of Dollars)

	<u>1997-1998</u> Actual	<u>1998-1999</u> Estimate	<u>1999-2000</u> Recommended
GENERAL GOVERNMENT			
Audit and Control, Department of	101,956	102,330	111,506
Budget, Division of the	26,520	31,899	31,276
Civil Service, Department of	23,704	28,477	27,529
Elections, State Board of	2,551	3,035	3,066
Employee Relations, Office of	3,629	4,109	4,092
Executive Chamber	11,008	12,333	15,588
General Services, Office of	164,756	193,276	169,648
Inspector General, Office of the	4,286	5,893	5,610
Law, Department of	89,496	104,913	102,374
Lieutenant Governor, Office of the	341	375	455
Lottery, Division of	126,305	132,393	133,345
Public Employment Relations Board	3,196	3,529	3,514
Racing and Wagering Board, State	9,973	12,107	15,804
Real Property Services, Office of	32,126	60,427	51,055
Regulatory Reform, Governor's Office of	2,127	2,782	2,326
State, Department of	30,301	37,872	38,637
Tax Appeals, Division of	2,852	3,130	2,895
Taxation and Finance, Department of	272,049	290,996	296,595
Technology, Office for	2,984	25,098	82,008
Veterans Affairs, Division of	6,405	7,067	7,345
Functional Total	<u>916,565</u>	<u>1,062,041</u>	<u>1,104,668</u>
ALL OTHER CATEGORIES			
Legislature	176,668	186,895	196,469
Judiciary (excluding fringe benefits)	994,024	1,140,260	1,190,741
Local Government Assistance	799,866	831,028	821,614
General State Charges	2,449,258	2,474,360	2,533,858
Short-Term Debt Service	10,430	11,193	10,763
Long-Term Debt Service	3,080,886	3,289,173	3,673,165
Capital Projects	0	0	0
Miscellaneous	79,588	322,696	187,522
Functional Total	<u>7,590,720</u>	<u>8,255,605</u>	<u>8,614,132</u>
TOTAL STATE FUNDS SPENDING	<u>44,242,805</u>	<u>48,457,656</u>	<u>49,325,038</u>