

FINANCIAL PLAN

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

General Fund

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

The Executive proposes General Fund disbursements for State Fiscal Year (SFY) 2007-08 of \$53.3 billion, an increase of \$2.1 billion or 4.2 percent above SFY 2006-07. Local Assistance is projected at \$36.4 billion, a \$2.2 billion or 6.3 percent increase above SFY-2006-07 levels.

The Executive estimates General Fund receipts for State Fiscal Year (SFY) 2007-08 at \$52.7 billion, an increase of \$1.2 billion or 2.4 percent above SFY 2006-07; \$570 million lower in PIT, \$328 million higher in User Taxes,

\$306 million higher in Business Taxes, \$17 million lower in Other Taxes, \$186 million lower in Miscellaneous Receipts, \$121 million lower in Federal Grants, \$1.1 million higher in Transfers from other funds.

State Funds

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

The Executive proposes that in SFY 2007-08, State Funds disbursements increase by \$6.0 billion for a total of \$83.6 billion. This represents an increase of 7.8 percent over SFY 2006-07.

All Funds

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

The Governor proposes an All Governmental Funds budget of \$120.6 billion, an increase of \$7.1 billion or 6.3 percent over SFY 2006-07 estimates.

General State Charges is estimated at \$5.4 billion, an increase of \$261 million above the previous year. The spending will include \$1.2 billion in pension contribution, \$1.6 billion in employee healthcare insurance and \$1 billion in retiree health care insurance, and social security \$873 million.

Financial Plan

SFY 2006-07
(Millions)

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Project Funds	(MEMO) All Funds
Opening Balance	3,257	4,194	221	(604)	7,068
Receipts	51,441	53,967	11,616	6,366	113,031
Disbursement	51,127	55,255	4,312	5,985	113,536
Closing Balance	3,571	3,413	266	(492)	6,758

Figure 8

Financial Plan

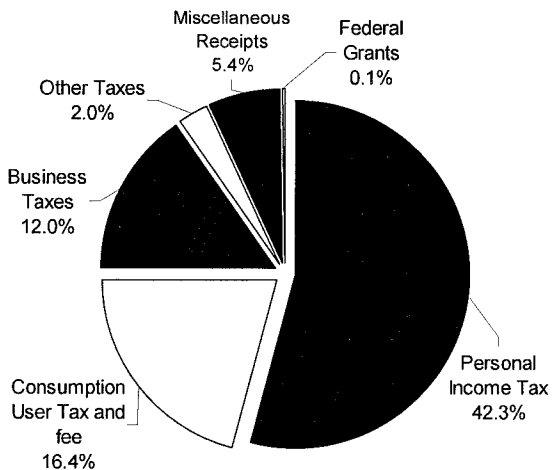
SFY 2007-08
(Millions)

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Project Funds	(MEMO) All Funds
Opening Balance	3,571	3,413	266	(492)	6,758
Receipts	52,666	56,298	13,077	7,747	118,316
Disbursement	53,262	58,014	4,451	7,596	120,633
Closing Balance	2,975	1,963	298	(421)	4,815

Figure 9

General Funds Revenue

SFY 2007-08
(Millions)

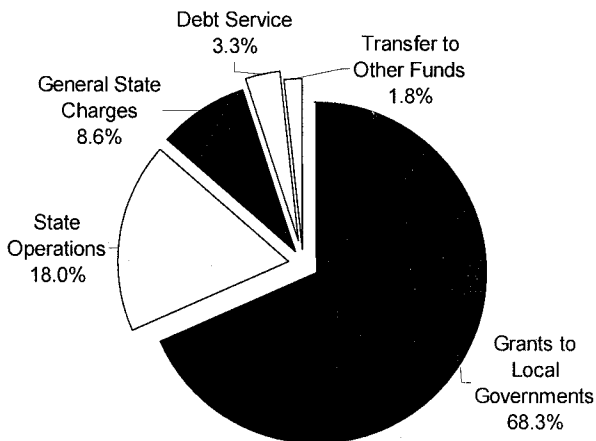


Personal Income Tax	22,258
Consumption User Tax and fee	8,633
Business Taxes	6,333
Other Taxes	1,060
Miscellaneous Receipts	2,851
Federal Grants	59
Transfers	11,472
Total Receipts	\$52,666

Figure 10

General Fund Disbursement

SFY 2007-08
(Millions)



Grants to Local Governments	36,399
State Operations	9,601
General State Charges	4,572
Debt Service	1,752
Transfer to Other Funds	938
Total Disbursement	\$53,262

Figure 11

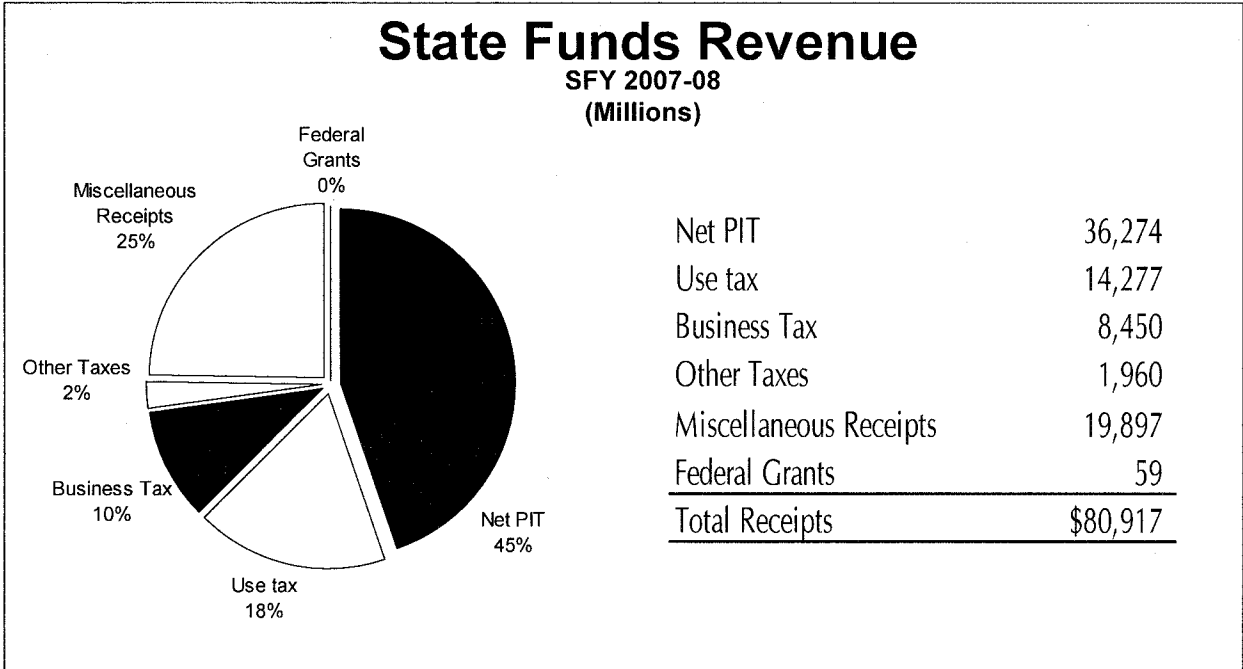


Figure 12

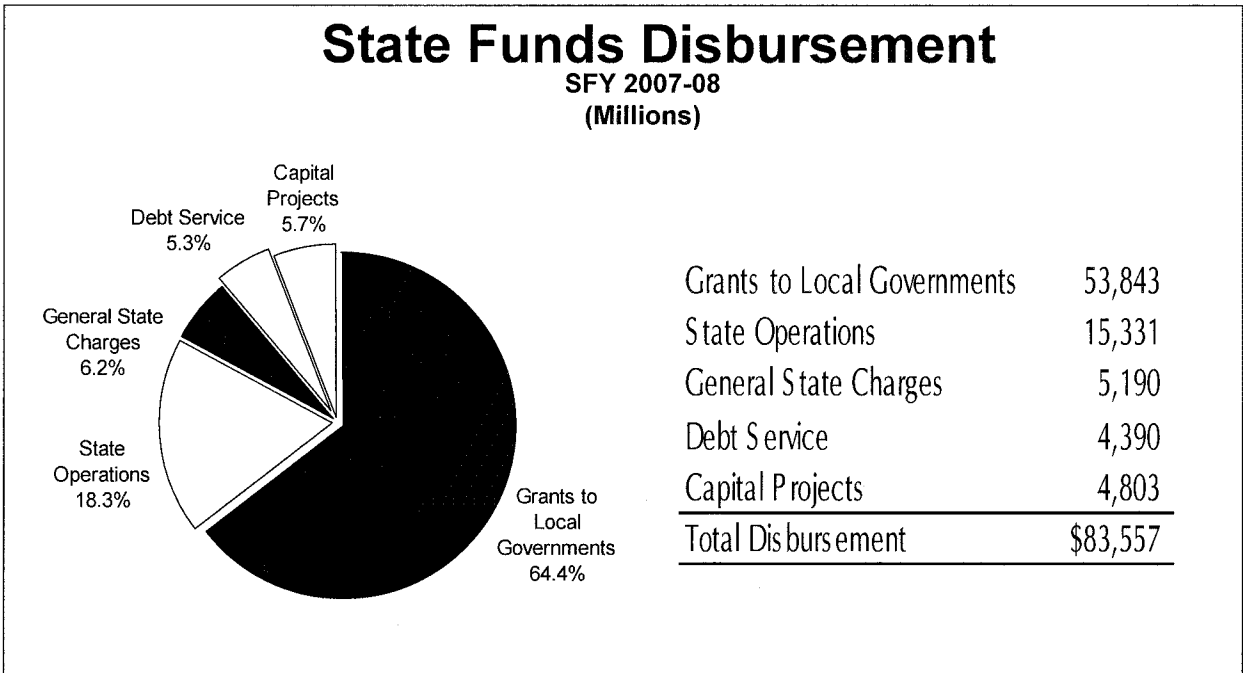
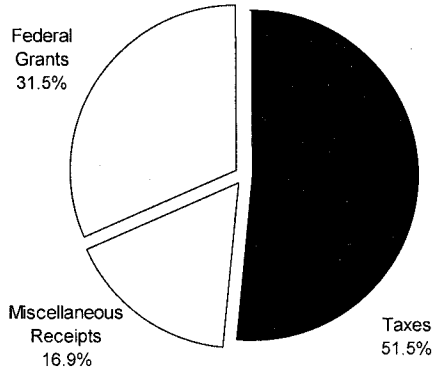


Figure 13

All Funds Revenue

SFY 2007-08
(Millions)

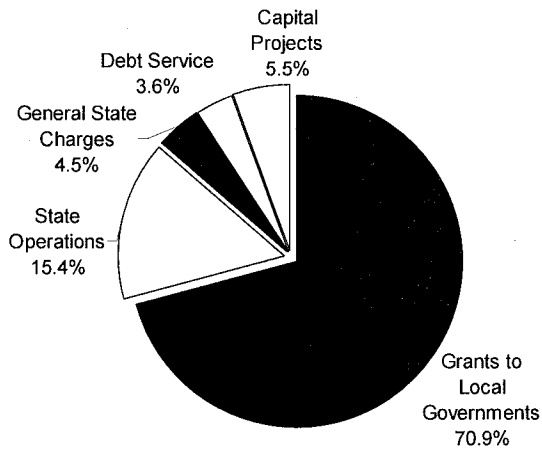


Taxes	60,961
Miscellaneous Receipts	20,044
Federal Grants	37,311
Total	\$118,316

Figure 14

All Funds Disbursement

SFY 2007-08
(Millions)



Grants to Local Governments	85,545
State Operations	18,629
General State Charges	5,433
Debt Service	4,390
Capital Projects	6,636
Total Disbursement	\$120,633

Figure 15

Closing Fund Balance

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

General Reserve	2006-07	2007-08
Statutory Rainy Day Reserve Fund	1,025	1,025
Contingency Reserve Fund	21	21
Rainy Day Reserve	-	125
2005-06 Surplus	787	-
2006-07 Surplus	1,462	1,203
Debt Reduction Reserve	-	250
Restricted Reserve		
Community Projects Fund	276	351
Total	\$3,571	\$2,975

Figure 16

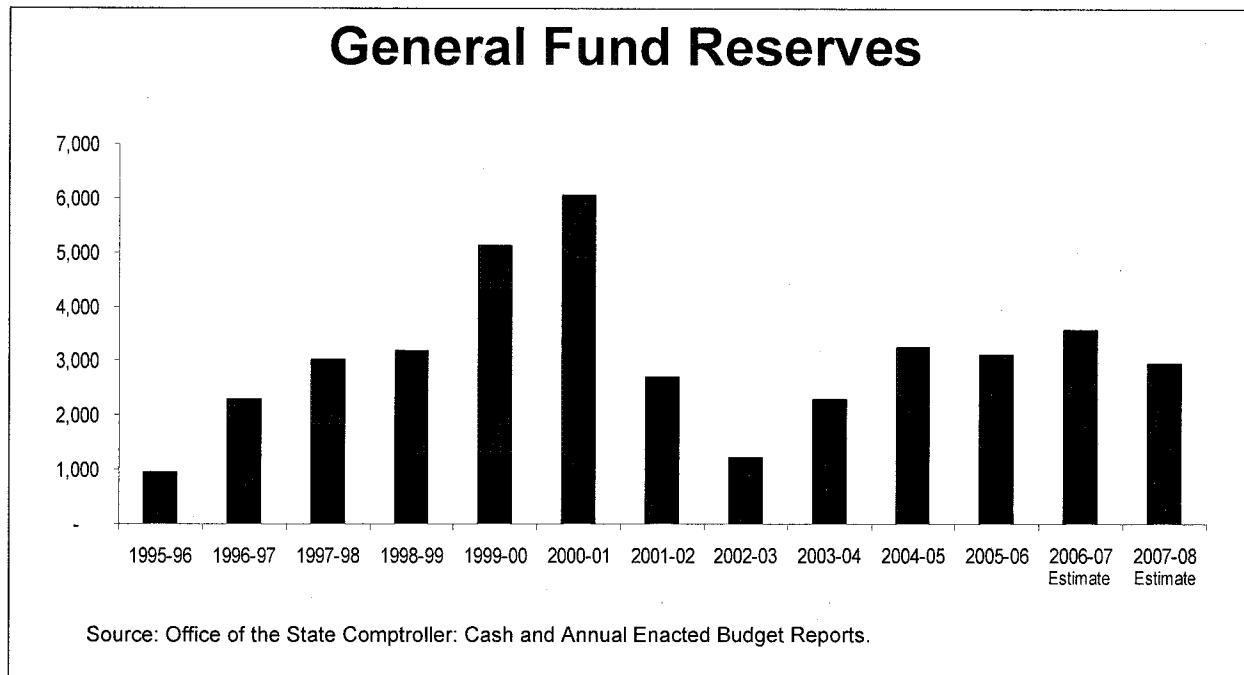


Figure 17

Closing Fund Balance

The Executive's Financial Plan reflects a balanced budget for SFY 2007-08 with a projected surplus of \$1.2 billion.

General Fund Reserves

The Executive estimates the SFY 2007-08 General Fund closing balance will be \$2.97 billion, \$1,025 million in the Tax

Stabilization Reserve Fund, \$21 million in the Contingency Reserve Fund, \$125 million in the Rainy Day Reserve and \$351 million in Community Project Fund. The Tax Stabilization Reserve Fund is a constitutionally restricted fund that can only be used in the event of a revenue shortfall or deficit during a fiscal year.

Out-year Budget Gap

(Millions)

Size of the Gap in the General Fund

	2008-09	2009-10	2010-11
Revenue	54,537	57,154	59,762
Disbursement	57,396	62,204	66,474
Surplus/Deficit	(\$2,308)	(\$4,499)	(\$6,260)

Figure 18

Out Year Gap

The Executive Budget forecast outyear gaps of \$2.3 billion in SFY 2008-09, \$4.5 billion in 2009-10 and \$6.3 billion in 2010-11. The Executive proposes to reduce his projected out year gaps by the following:

Restrain spending in fastest growing programs, particularly Medicaid; set aside \$1.2 billion from 2006-07 to be used in installments to help reduce the budget gap in 2008-09, 2009-10, and 2010-11; and a \$250 million Debt Service Reserve Fund.

The Financial Plan for SFY 2008-09, estimate \$54.5 billion in receipts and disbursement at \$57.4 billion, together with the utilization of \$551 million of prior year reserve, the Financial Plan anticipates the General Fund will close the fiscal year with a \$2.3 billion deficit .

The Financial Plan for SFY 2009-10 estimates receipts of \$57.2 billion and disbursement at \$62.2 billion, together with the utilization of \$551 million of prior year reserve, the Financial Plan anticipates the General Fund will close that fiscal year with a \$4.5 billion deficit.

Non Recurring Resource Actions by SFY

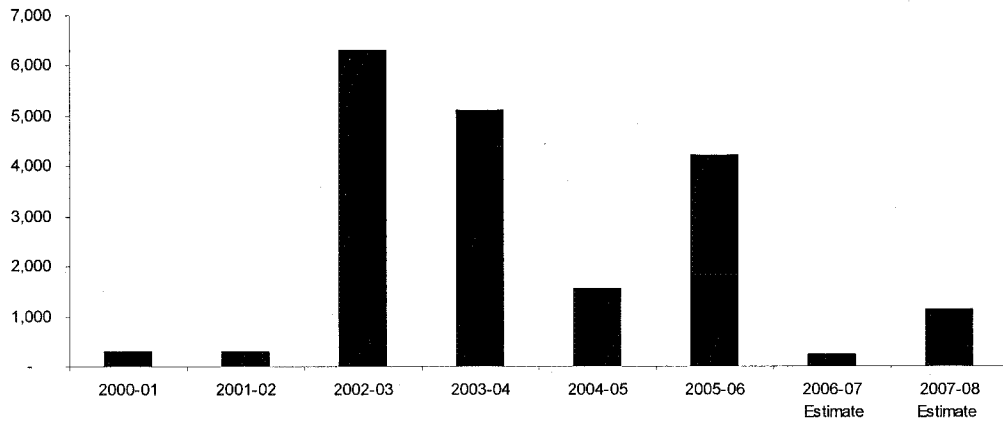


Figure 19

Non-Recurring Action

The Executive proposes to use \$455 million in one time non-recurring actions and \$671 million of prior year surplus for a total of \$1.13 billion to support its operations. The Executive uses these one-shots to help pay for the \$250 Debt Reduction Reserve Fund to pay down high cost debt.

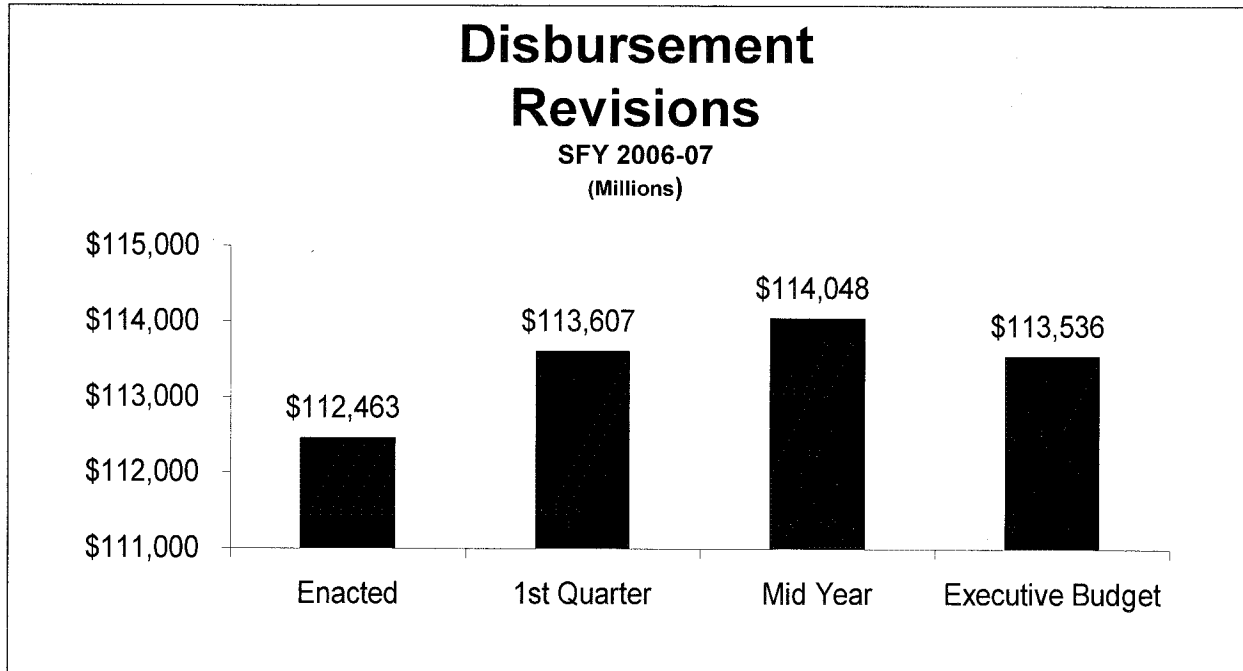


Figure 20

Executive Budget Financial Plan

SFY 2006-07
(Millions)

	Enacted	1st Quarter	Mid Year	Executive Budget
Grants to Local Governments	80,370	81,321	81,665	81,248
State Operations	17,886	18,029	17,981	17,844
General State Charges	5,277	5,229	5,185	5,172
Debt Service	4,086	4,087	4,309	4,250
Capital Projects	4,844	4,941	4,908	5,022
Total Disbursement	\$112,463	\$113,607	\$114,048	\$113,536

Figure 21

Table 5

PROPOSED DISBURSEMENTS BY PROGRAM CATEGORY				
ALL FUNDS				
(Dollars in Thousands)				
	Estimated 2006-07	Proposed 2007-08	Amount Change	Percent Change
Health & Social Welfare				
Medical Assistance	31,680,313	32,135,208	454,895	1.4%
Income Maintenance	3,444,868	3,588,964	144,096	4.2%
Health	5,475,154	6,116,041	640,887	11.7%
Other	5,303,932	5,569,762	265,830	5.0%
Health - Total	45,904,267	47,409,975	1,505,708	3.3%
Education				
School Aid	20,749,243	22,877,380	2,128,137	10.3%
State University	5,568,872	6,071,136	502,264	9.0%
City University	1,331,463	1,489,678	158,215	11.9%
Other	3,795,319	3,799,237	3,918	0.1%
Education - Total	31,444,897	34,237,431	2,792,534	8.9%
Star Property Tax Relief	3,996,000	4,948,000	952,000	23.8%
Mental Health				
Mental Health	2,424,336	2,611,073	186,737	7.7%
Developmentally Disabled	3,153,740	3,352,231	198,491	6.3%
Other	558,745	619,049	60,304	10.8%
Mental Health - Total	6,136,821	6,582,353	445,532	7.3%
Transportation	6,267,265	7,189,698	922,433	14.7%
Public Protection	4,804,151	4,660,568	(143,583)	-3.0%
General Government	1,758,090	1,912,037	153,947	8.8%
Parks and the Environment	1,213,685	1,202,766	(10,919)	-0.9%
Econ Dev & Govt Oversight	1,247,846	2,292,896	1,045,050	83.7%
All Others				
Local Government Assistance	1,176,882	912,963	(263,919)	-22.4%
General State Charges/Misc	5,172,215	5,432,778	260,563	5.0%
Long Term Debt Service	4,249,789	4,389,998	140,209	3.3%
Other	164,630	(538,169)	(702,799)	-426.9%
All Others - Total	10,763,516	10,197,570	(565,946)	-5.3%
Total	\$113,536,538	\$120,633,294	\$7,096,756	6.3%

Source: Executive Budget

SFY 2006-07 is adjusted for MA Cap/FHP Takeover and STAR Plus Program

Table 6

PROPOSED DISBURSEMENTS BY PROGRAM CATEGORY				
STATE FUND				
(Dollars in Thousands)				
	Estimated 2006-07	Proposed 2007-08	Amount Change	Percent Change
Health & Social Welfare				
Medical Assistance	12,295,757	12,451,879	156,122	1.3%
Income Maintenance	868,503	988,964	120,461	13.9%
Health	3,903,136	4,200,865	297,729	7.6%
Other	2,528,261	2,756,281	228,020	9.0%
Health - Total	19,595,657	20,397,989	802,332	4.1%
Education				
School Aid	17,959,243	20,054,380	2,095,137	11.7%
State University	5,385,082	5,866,324	481,242	8.9%
City University	1,331,463	1,489,678	158,215	11.9%
Other	2,853,892	2,837,518	(16,374)	-0.6%
Education - Total	27,529,680	30,247,900	2,718,220	9.9%
Star Property Tax Relief	3,996,000	4,948,000	952,000	23.8%
Mental Health				
Mental Health	1,903,151	2,032,093	128,942	6.8%
Developmentally Disabled	1,112,825	1,245,831	133,006	12.0%
Other	399,346	459,553	60,207	15.1%
Mental Health - Total	3,415,322	3,737,477	322,155	9.4%
Transportation	4,623,344	5,494,423	871,079	18.8%
Public Protection	4,085,986	3,956,283	(129,703)	-3.2%
General Government	1,598,648	1,639,634	40,986	2.6%
Parks and the Environment	1,064,146	1,052,485	(11,661)	-1.1%
Econ Dev & Govt Oversight	1,149,263	2,194,609	1,045,346	91.0%
All Others				
Local Government Assistance	1,176,882	912,963	(263,919)	-22.4%
General State Charges/Misc	4,936,479	5,190,477	253,998	5.1%
Long Term Debt Service	4,249,789	4,389,998	140,209	3.3%
Other	101,326	(604,923)	(706,249)	-697.0%
All Others - Total	10,464,476	9,888,515	(575,961)	-5.5%
Total	\$77,522,522	\$83,557,315	\$6,034,793	7.8%

Source: Executive Budget

Table 7

PROPOSED DISBURSEMENTS BY PROGRAM CATEGORY				
GENERAL FUND				
(Dollars in Thousands)				
	Estimated 2006-07	Proposed 2007-08	Amount Change	Percent Change
Health & Social Welfare				
Medical Assistance	8,689,920	8,975,836	285,916	3.3%
Income Maintenance	868,503	988,964	120,461	13.9%
Health	1,086,638	1,315,473	228,835	21.1%
Other	2,224,551	2,429,547	204,996	9.2%
Health - Total	12,869,612	13,709,820	840,208	6.5%
Education				
School Aid	14,575,981	15,879,380	1,303,399	8.9%
State University	1,603,135	1,759,496	156,361	9.8%
City University	991,663	1,049,178	57,515	5.8%
Other	2,621,644	2,597,206	(24,438)	-0.9%
Education - Total	19,792,423	21,285,260	1,492,837	7.5%
Mental Health				
Mental Health	1,576,707	1,688,452	111,745	7.1%
Developmentally Disabled	928,110	1,029,736	101,626	10.9%
Other	342,781	394,080	51,299	15.0%
Mental Health - Total	2,847,598	3,112,268	264,670	9.3%
Transportation	64,681	106,586	41,905	64.8%
Public Protection	3,583,078	3,376,713	(206,365)	-5.8%
General Government	978,629	989,843	11,214	1.1%
Parks and the Environment	281,974	282,266	292	0.1%
Econ Dev & Govt Oversight	330,774	395,264	64,490	19.5%
All Others				
Local Government Assistance	1,176,882	912,963	(263,919)	-22.4%
General State Charges/Misc	4,351,465	4,572,050	220,585	5.1%
Long Term Debt Service	1,762,585	1,751,958	(10,627)	-0.6%
Other	3,086,879	2,767,088	(319,791)	-10.4%
All Other - Total	10,377,811	10,004,059	(373,752)	-3.6%
Total	\$ 51,126,580	\$ 53,262,079	\$ 2,135,499	4.2%

Source: Executive Budget

Table 8

General Fund Disbursement Projections				
(Dollars in Millions)				
	2007-08	2008-09	2009-10	2010-11
Grants to Local Governments:	36,399	39,624	43,476	46,755
School Aid	15,879	16,660	18,095	19,685
Medicaid	8,443	9,958	11,421	12,162
Medicaid: Takeover Initiatives	974	1,348	1,898	2,453
Higher Education	2,360	2,422	2,477	2,504
Mental Hygiene	1,846	2,064	2,231	2,337
Children and Families Services	1,524	1,647	1,749	1,842
Temporary and Disability Assistance	1,397	1,428	1,424	1,420
Special Education- Categorical	1,025	1,083	1,145	1,210
Local Government Assistance	913	962	1,001	1,051
Public Health	697	744	724	734
Transportation	105	105	105	104
All Other	1,236	1,203	1,206	1,253
State Operations:	9,601	9,977	10,378	10,631
Personal Service	6,687	6,907	7,141	7,255
Non-Personal Service	2,914	3,070	3,237	3,376
General State Charges	4,572	4,962	5,358	5,666
Pensions	1,185	1,226	1,332	1,335
Health Insurance (Active Employees)	1,611	1,815	1,979	2,161
Health Insurance (Retired Employees)	1,023	1,153	1,260	1,378
All Other	753	768	787	792
Transfers to Other Funds:	2,690	2,833	2,992	3,422
Debt Service	1,752	1,719	1,716	1,765
Capital Projects	255	332	482	856
All Other	683	782	794	801
Total Disbursements	\$53,262	\$57,396	\$62,204	\$66,474
<i>Annual Percent Change</i>		7.8%	8.4%	6.9%