Report on Estimated Receipts and Disbursements

State Fiscal Years 2012-13 through 2014-15

November 2012

Thomas P. DiNapoli
New York State Comptroller

Additional copies of this report may be obtained from:

Office of the State Comptroller
Public Information Office
110 State Street
Albany, New York 12236
(518) 474-4015

Or through the Comptroller's website at: www.osc.state.ny.us

Table of Contents

Overview

This Report on Estimated Receipts and Disbursements for State Fiscal Year (SFY) 2012-13 through SFY 2014-15, issued pursuant to Chapter 1 of the Laws of 2007, is intended to enhance analysis and discussion of the State's economic condition and the State Budget.

The national economy remains weak, in an environment of uncertainties and volatility both domestically and abroad. Blue Chip Economic Indicators projects Gross Domestic Product (GDP) growth to be moderate at 2.1 percent in 2012, slowing to 2.0 percent in 2013. Important factors include weak consumer spending, reduced growth in business investment, and job creation levels that are not strong enough to drive continued reductions in unemployment rates.

The revenue and expenditure projections in this report do not reflect specific estimates of fiscal costs associated with Hurricane Sandy. The Office of the State Comptroller is projecting that tax revenue collections will be negatively impacted by the hurricane, although the overall estimated level of decline has not yet been determined. Additional spending pressures are also anticipated, particularly in the immediate term, as emergency recovery and remediation efforts ensue. While at least 75 percent of the cleanup costs are expected to be reimbursed by the federal government, those reimbursements are not guaranteed and their timing is uncertain. The Office of the State Comptroller will update the figures in this report as new information becomes available.

The Office of the State Comptroller has preliminarily estimated the economic losses to New York State from Hurricane Sandy to be in the range of $15 billion to $18 billion. While federal aid, insurance and other resources will provide important assistance for reconstruction of buildings and public infrastructure, some economic loss may be permanent.

New York State's economy has outpaced the nation's by many measures for most of the period since the Great Recession officially ended in mid-2009. However, IHS Global Insight projects that Gross State Product (GSP) in New York will rise at a slightly slower rate than the national GDP in 2012 and 2013. Wall Street, a key driver of employment, personal income and tax revenue in the State, continues to work through the fallout from the recent financial crisis and related changes in business patterns and the regulatory environment. While the industry enjoyed strong profits during the first half of 2012, such gains may soften during the second half.

For SFY 2012-13, tax receipts are expected to rise by 2.4 percent, a relatively modest increase resulting from softness in the national economy. The Office of the State Comptroller projects that the State's tax revenues will grow by 5.8 percent in SFY 2013-14. This estimate reflects weak growth in the overall economy but higher wage growth and the full phase-in of previously enacted changes in the tax law. Tax receipts are expected to grow by 2.2 percent in SFY 2014-15, with the decline in projected growth attributable to the expiration of a number of temporary tax increases and the State's repayment of deferred business tax credits partially offset by a somewhat stronger economy.

The Office of the State Comptroller's projections for receipts are $441 million below estimates from the Division of the Budget (DOB) for SFY 2012-13, $394 million lower in SFY 2013-14 and $368 million lower in SFY 2014-15. In each fiscal year, the majority of the difference comes from projections for Personal Income Tax (PIT) revenue. Between SFY 2012-13 and SFY 2014-15, the Comptroller projects PIT revenue to be a total of $892 million lower than current DOB estimates.

The Office of the State Comptroller has reported that State tax revenues for the first six months of SFY 2012-13 were $213 million below revised projections presented in DOB's First Quarterly Update to the SFY 2012-13 Enacted Budget Financial Plan. While the State has received higher miscellaneous receipts than projected, there is uncertainty regarding several hundred million dollars of other revenues that are included in the revised Financial Plan for the current fiscal year.

Background: "Quick Start" Financial Information Review Process

In order to facilitate the timely adoption of the State Budget, Chapter 1 of the Laws of 2007 revised the existing "Quick Start" budget process to require the staffs of the Executive, the Senate, the Assembly, and the Comptroller to prepare separate reports detailing estimates of receipts and disbursements for the current and next two fiscal years.

The receipts forecast must include estimates of taxes on an All Funds basis, lottery receipts and General Fund miscellaneous receipts. The disbursements forecast is required to include, but is not limited to, estimates in the functional areas of Medicaid, public assistance, and elementary and secondary education (school aid). The underlying factors and data upon which the disbursement estimates are based must be included as well.

By November 15, the Executive, Senate and Assembly are directed to prepare jointly and make available on their respective Internet websites a report on the actual, estimated and projected State receipts and disbursements for the prior, current and ensuing fiscal years. Chapter 1 also requires a public meeting of the staffs of the Executive, the Senate, the Assembly and the Comptroller to be held on or before November 15th to review financial information jointly, including the economic outlook, receipt forecasts, projected disbursements, and the impact of relevant State and federal statutory provisions on the State's Financial Plan, in order to facilitate the timely adoption of a State Budget for the next fiscal year.

Office of the State Comptroller's Estimates for Receipts and Disbursements

The Office of the State Comptroller maintains extensive data on receipts and disbursements, which represent the flow of revenues and expenditures through the State's Statewide Financial System (SFS). (Until earlier this year, such data was maintained in the State's Central Accounting System, which has been replaced by SFS.). In addition to other information, this data was used to determine receipt and disbursement trends, which were considered in calculating the Office of the State Comptroller's estimates.

The following tables summarize the Office of the State Comptroller's estimates compared to the estimates of the Division of the Budget (DOB) for receipts and disbursements as contained in the SFY 2012-13 First Quarter Financial Plan Update. The Office of the State Comptroller's estimates for All Funds receipts and disbursements are based on current law that provides for caps on growth in Medicaid and school aid spending. Because the statutory cap on Medicaid disbursements applies to disbursements from State Operating Funds, estimates for State Operating Funds are also provided.

Actual and Estimated Receipts and Disbursements, All Funds
SFY 2011-12 through SFY 2014-15

(in millions of dollars)

	2011-12	2012-13	Growth	2013-14	Growth	2014-15	Growth
Receipts							
Office of the State Comptroller	132,745	133,002	0.2%	138,339	4.0%	142,521	3.0%
Division of the Budget	132,745	133,443	0.5%	138,733	4.0%	142,889	3.0%
Difference	-	(441)		(394)		(368)	
Disbursements							
Office of the State Comptroller	133,504	133,969	0.3%	139,680	4.3%	146,286	4.7%
Division of the Budget	133,504	133,979	0.4%	139,608	4.2%	146,177	4.7%
Difference	-	(10)		72		110	

Actual and Estimated Receipts and Disbursements, State Operating Funds
SFY 2011-12 through SFY 2014-15

(in millions of dollars)

	2011-12	2012-13	Growth	2013-14	Growth	2014-15	Growth
Receipts							
Office of the State Comptroller	82,616	84,688	2.5%	88,602	4.6%	89,925	1.5%
Division of the Budget	82,616	85,129	3.0%	89,000	4.5%	90,297	1.5%
Difference	-	(441)		(398)		(372)	
Disbursements							
Office of the State Comptroller	87,181	89,423	2.6%	93,458	4.5%	96,548	3.3%
Division of the Budget	87,181	89,408	2.6%	93,426	4.5%	96,512	3.3%
Difference	-	15		32		36	

See the Appendix for more detailed estimates for All Funds and State Operating Funds.

Economic Outlook

National Economy

The national economy faces many challenges and uncertainties domestically and abroad. Growth in real Gross Domestic Product (GDP) slowed to 1.3 percent in the second quarter of 2012 after an increase of only 2.0 percent in the first quarter, which was less than half of the gain in the fourth quarter of 2011 (4.1 percent). While the Bureau of Economic Analysis has issued an advance estimate of 2.0 percent real GDP growth during the third quarter of 2012, that estimate is subject to revision; economists generally believe the U.S. economy remains weak. In response, the Federal Reserve aimed to stimulate the economy by launching a third round of its quantitative easing program in September 2012. The program uses purchases of mortgage-backed securities every month to lower interest rates, especially mortgage rates. The Federal Reserve also announced that it plans to keep the federal funds rate near zero through the middle of 2015. Nevertheless, GDP growth is expected to stay subdued through 2013. According to October 2012 forecasts by IHS Global Insight, annual GDP is expected to grow by 2.1 percent in 2012 but then slow to 1.8 percent in 2013, before strengthening to nearly 3.0 percent in 2014.

The sluggish economy reflects weak consumer spending, which accounts for two-thirds of U.S. economic activity. In the second quarter of 2012, consumer spending grew at the slowest pace in a year, 1.5 percent. Modest job and wage growth have restrained consumption. Nevertheless, both retail trade and consumer confidence have recently improved from their slump in the early summer. Consumption expenditures are expected to increase by a net of 1.9 percent in 2012 and 2.2 percent in 2013. Growth in consumption, however, is expected to remain less than 3.0 percent at least through 2016 as the rate of saving gradually rises from 3.7 percent in 2013 to 4.8 percent in 2016.

The pace of business investment has also slowed from the double-digit growth registered in the first three quarters of 2011 to 4.5 percent in the second quarter of 2012. Investment in office buildings and plants, as well as investment in software and equipment, showed significant slowdowns. Softening overseas demand and the ongoing Eurozone debt crisis continue to hold back exports as well as business capital and purchase plans. Business investment is projected to slow to 7.5 percent in 2012 and then 4.3 percent in 2013, while export growth will slow to 3.6 percent and 3.5 percent, respectively.

Since the Great Recession officially ended in mid-2009, the nation has added 4.7 million private sector jobs (a gain of 4.4 percent), recovering more than half of the employment lost during the economic downturn. The rate of job growth has slowed in recent months, however, and the unemployment rate remains high relative to historical standards for post-recessionary periods. IHS Global Insight projects that private employment nationally will grow by 1.8 percent in 2012 and 1.6 percent in 2013, accelerating to just above 2.0 percent annually between 2014 and 2016. Nevertheless, this pace of job creation is not enough to bring down the unemployment rate quickly, and the rate is expected to remain at nearly 7.0 percent through 2015.

The long-awaited housing recovery appears to have begun over the past year. Residential investment has increased for five consecutive quarters, and housing starts have reached a level not seen since before the recent recession. While both new home sales and existing home sales have continued to rise, the number of sales remains significantly below prerecession levels. Home sales are projected to increase by 8.1 percent in 2012 and 9.3 percent in 2013, while median home prices will grow by 5.0 percent in 2012 but decline by 2.4 percent in 2013.

The impending "fiscal cliff" (i.e., scheduled federal budget cuts and revenue increases aimed at reducing the federal budget deficit) is one of the major risks to the economy, along with the ongoing Eurozone sovereign debt crisis and the global economic slowdown. The baseline forecasts cited above assume that policy makers will agree to extend nearly all expiring tax provisions for at least a year, will avoid automatic federal spending cuts, and will raise the debt limit. If these actions do not occur or are delayed substantially, the impact could be severe. Many economists project that if no action is taken to avoid the fiscal cliff, GDP growth could fall by as much as 2.0 percentage points in 2013 and trigger a recession during the first half of the year.

New York State Economy

New York State’s economy has outperformed the national economy in terms of overall growth since the end of the Great Recession. According to recently revised data, between 2009 and 2011, New York's real Gross State Product (GSP) grew by 5.5 percent, which exceeded the 4.2 percent growth of national GDP, and ranked the 13th fastest gain in GSP among the 50 states. However, IHS Global Insight projects that New York State's economy will grow at a slightly slower rate than the national economy in 2012 and 2013 (rising by 1.8 percent and 1.6 percent in 2012 and 2013, respectively).

Between December 2009 and August 2012, total employment in New York State increased by 319,000 jobs (recovering 96 percent of the jobs lost during the recession). Across the major sectors, employment in professional and business services grew the fastest (10.3 percent), followed by leisure and hospitality (9.2 percent) and education and health care (5.6 percent), while employment in construction and in government continued to decline (4.6 percent and 1.9 percent, respectively). Between 2009 and 2011, job growth in New York State outperformed most of the rest of the nation, ranking 8th among the 50 states. Total employment in the State is projected to grow by 1.7 percent in 2012 and by 1.5 percent in 2013, slightly faster than the national rate. The difference is primarily due to New York’s expected stronger employment growth in business services, retail sales and tourism.

Employment gains are uneven among the metropolitan areas within New York State. Between December 2009 and September 2012, total employment grew by an average of 4.6 percent in the downstate metropolitan areas but only grew an average of 1.6 percent in the ten upstate metropolitan areas.

Wall Street contributes significantly to the economy of New York State and is a major source of State tax revenues. Five years after the beginning of the financial crisis, however, the industry remains in transition. It is still working through the fallout from the crisis, and many business patterns and practices are changing as a result of regulatory, technological and economic factors. In 2011, the industry's $12.6 billion in profits for New York Stock Exchange member firms during the first half represented the fourth-best start on record. But these firms reported large losses in the second half, just under $5 billion, as the European debt crisis deepened and global economies weakened. The industry has made a strong start again in 2012, earning $10.5 billion in the first half. The Office of the New York State Comptroller recently estimated that the industry is on pace to earn more than $15 billion for all of 2012, but weaker economic conditions or other adverse developments could quickly erode profits in the second half as occurred in 2011. Employment in the securities industry has fluctuated during 2012, but there has been a steep decline of 4,800 jobs (seasonally adjusted) between May and August 2012, and modest losses are likely for the year. Based on revenue and compensation trends in the first half of 2012, the cash bonus pool is likely to decline for the second consecutive year.

In recent years, the housing market in New York has held up better than in the nation, especially in upstate areas. According to the Federal Housing Finance Agency's House Price Index, in the second quarter of 2012 home prices in New York were 13.1 percent lower than the peak reached in the first quarter of 2007, compared to 17.5 percent lower for the nation as a whole. Among the State's metropolitan areas, home prices in some upstate areas have kept growing since the first quarter of 2007 (by 13.3 percent in Elmira, by 10.4 percent in Ithaca, and by 6.4 percent in Utica-Rome). Meanwhile, downstate metropolitan areas that had seen more dramatic appreciation than most upstate regions in previous years -- such as Poughkeepsie, Long Island, and New York City -- experienced price declines ranging from 17.5 percent to 25.5 percent. Median home prices in New York State are projected to rebound, increasing by 10.8 percent in 2012 and 3.7 percent in 2013, while home sales are expected to grow by 5.3 percent and by 7.4 percent, respectively. However, Hurricane Sandy caused extensive damage to residential properties in the downstate region. The economic impact of this damage is not yet known.

Receipts

Overview

This report includes the Office of the State Comptroller's forecast for All Funds tax receipts for SFY 2012-13 through SFY 2014-15. This forecast is consistent with an economy that will continue to exhibit weak growth over the next two years. However, several variables increase the difficulty of forecasting tax collections accurately and could significantly affect the State's actual receipts. The forecast was developed before Hurricane Sandy inflicted significant, not yet quantified, damage on New York City, Long Island and other areas of the State. Other factors that may affect receipts include the volatile European debt crisis, a gridlocked domestic political environment, high unemployment rates and the global economic slowdown. As a result, the State's actual tax revenues could deviate from these estimates. Close monitoring is critical to illuminate any deviations so that corrective actions can be taken.

After declining by 3.2 percent in SFY 2009-10, All Funds tax receipts increased by 5.6 percent in both SFY 2010-11 and SFY 2011-12 due to increases in upper income tax rates and other tax law changes, as well as to the end of the recession and the financial sector's return to profitability. For SFY 2012-13, tax receipts are expected to increase by only 2.4 percent, due in large part to the slowdown in the national economy. In addition, given current trends, it appears that cash bonuses in the New York City securities industry will decline in calendar year 2012; compensation is down for the first half of the year.[1]

Tax receipts are expected to grow by 5.8 percent in SFY 2013-14, with the full phase-in of previously enacted tax law changes and higher wage growth. For SFY 2014-15, tax receipts are expected to grow by 2.2 percent. The decline in projected growth is due to the expiration of a number of temporary tax increases and the repayment of deferred business tax credits partially offset by a stronger economy. (All projections for growth reflect comparisons to the prior fiscal year.)

Personal Income Tax

The Office of the State Comptroller estimates that Personal Income Tax (PIT) receipts in SFY 2012-13 will increase by $1.2 billion (3.0 percent) from the previous year. This increase reflects the April 2012 settlement for PIT payments related to tax year 2011, with final returns increasing by 1.7 percent and extension payments declining by 9.6 percent, offset somewhat by lower refunds (down 3.7 percent from the previous year). Withholding Taxes are expected to increase by only 2.2 percent, based on fiscal year wage growth of 1.6 percent in 2012 and the changes from 2011 to 2012 in the tax law. Current-year estimated taxes are expected to increase by 5.6 percent, reflecting an increase in hedge fund activity, the stock market's reaching its highest level since the financial meltdown in October 2012, and improving conditions in the housing market.

For SFY 2013-14, Personal Income Tax receipts are expected to increase by 7.3 percent. Growth is expected to be driven by a 6.9 percent increase in Withholding Tax collections as wage growth rises to 4.2 percent. Extension payments on 2012 income are expected to increase by 9.5 percent, reflecting a projected acceleration of capital gains because of expected higher federal tax rates in 2013. PIT receipts in SFY 2014-15 are expected to grow by 2.2 percent. The slower rate of growth is attributable to the scheduled expiration of a number of temporary tax increases and the loss of the capital gains spin-up that is expected to accelerate some revenues into SFY 2013-14, the effects of which will be somewhat mitigated by a stronger economy.

User Taxes and Fees

Consumption Tax receipts are forecast to increase by 1.3 percent in SFY 2012-13. This small increase can be attributed mainly to the sluggish growth in the economy and to tax law changes in 2012. Sales and Use Taxes, the largest component of this category, are forecast to increase by 1.5 percent this year, with growth constrained by the restoration of the sales tax exemption on clothing items that cost less than $110. The

[1] See "The Securities Industry in New York City," Office of the State Comptroller, October 2012, for additional details.

expected decrease in cigarette and tobacco tax receipts is primarily attributable to the continued decline in smoking.

Over the remainder of the forecast period, growth in Consumption Tax receipts is expected to continue, averaging 3.7 percent. This reflects the continuing increase in income and spending and growth in tourism, partially offset by the historical downward trend in the use of tobacco products.

Business Taxes

Business tax receipts are expected to increase by 4.1 percent in SFY 2012-13. Growth is projected across all business taxes except the Corporate Franchise Tax, where receipts will continue to be depressed by the temporary deferral of certain tax credits enacted in SFY 2010-11. Other factors are expected to include higher audit collections from taxes on utility companies and banks, as well as a decline due to the timing of a prior-year telecommunications refund.

Business tax receipts are expected to grow 2.9 percent in SFY 2013-14, reflecting slower economic growth along with the continuation of deferred credits. In SFY 2014-15, collections are expected to decline by 5.5 percent despite a stronger economy as the repayment of deferred business tax credits begins.

Other Taxes

Other Tax receipts, including the MTA Payroll Tax, are expected to decrease by 3.7 percent in SFY 2012-13. The decline can be attributed to the changes in the MTA Payroll Tax that have excluded public and private schools and certain small businesses from the tax.[2] The decline is expected to be partially offset by increases in the Estate and Gift Tax and the Real Estate Transfer Tax.

Other Tax receipts are expected to increase in SFY 2013-14 and SFY 2014-15, by 3.4 percent and 8.5 percent, respectively. Real estate sales should continue to improve, driven by the commercial sector.

General Fund Miscellaneous Receipts and Lottery Receipts

Miscellaneous receipts include fees, fines, and reimbursements, bond proceeds from public authorities, lottery revenue and interest on State investments. The Office of the State Comptroller has identified risks associated with the miscellaneous receipts expected to be received from abandoned property, casino revenue and contributions from public authorities.

General Fund miscellaneous receipts are estimated to increase 6.1 percent in SFY 2012-13, to $3.4 billion, largely due to nonrecurring receipts. All Funds projections for miscellaneous receipts (initially collected outside the General Fund) currently include

[2] In August 2012, the State Supreme Court found that the Payroll Tax is unconstitutional. This decision has been appealed, and the tax continues to be collected.

$104 million expected to be collected from Native American casinos.[3] DOB included this amount in the Enacted Budget, and the estimate remained in the first quarter update. However, New York State has not received any revenue from the casinos since June 2010, when payments were made by the Mohawk-Akwesasne Nation. Nonetheless, it is important to note that if mediators between the State and the Seneca Nation are successful, the State could realize significantly more revenue as three years of prior obligations may be paid.

General Fund miscellaneous receipts are expected to decline in SFY 2013-14 and SFY 2014-15, by 14.2 percent and 20.2 percent respectively, reflecting the loss of temporary measures used in previous years, including the temporary 18-a utility assessment.

Lottery revenues from traditional games are expected to increase by 1.9 percent in SFY 2012-13, and revenue from video lottery terminals (VLTs) are expected to increase 24.2 percent, reflecting the first full year of revenue from Aqueduct Casino and Raceway. Lottery receipts are projected to increase by 1.5 percent in SFY 2013-14 and by less than 1.0 percent in SFY 2014-15.

The current Constitutional proposal for expanded casino gambling in New York State, passed by the Legislature in 2012, would affect future lottery revenues from existing VLT facilities. (Second approval by the Legislature to place the proposed Constitutional amendment on the ballot, and approval by voters in a statewide referendum, is required before full casino operations may operate in New York State outside of Native American lands.)

At this time, it is unclear how casino revenues would be used – for example, whether they would be dedicated to education as the Constitution provides for existing Lottery revenues. Currently, some revenues received from Native American casinos are provided as local assistance for the municipalities that host such facilities, while most go to the General Fund. The constitutional amendment passed by the Legislature did not restrict revenues generated from casino gambling to any particular purpose. Absent revised Constitutional language or potential statutory provisions, any new casino revenue would be deposited into the General Fund and would be used for general purposes.

Federal Receipts

Federal grants support State spending for Medicaid, transportation, school aid, public health, environmental and energy programs, and other activities. Since State spending for federally financed programs is typically “cash neutral” (i.e., federal receipts equal spending), the Office of the State Comptroller accepts DOB’s federal receipt projections

[3] This funding is initially collected as a miscellaneous receipt in the Tribal State Compact special revenue fund (339.22169). After payments to localities that host the Native American casinos covered under the Tribal State Compact, the remaining revenue is transferred to the General Fund. Similarly, proceeds from the anticipated conversion of the HIP and GHI insurance companies from not-for-profit to profit-seeking organization will be collected outside of the General Fund in Health Care Reform Act (HCRA) special revenue funds as a miscellaneous receipt. However, if the conversions do not occur and HCRA funds realize a shortage of revenue, the General Fund will likely make up the shortfall. Both of these issues have been highlighted by the Office of the State Comptroller as risks to the State budget.

with adjustments according to changes in federally funded disbursements as projected in this report.

According to projections by the Office of the State Comptroller, federal grants are projected to total $42.6 billion in SFY 2012-13, a decrease of nearly $2.0 billion from SFY 2011-12, primarily driven by the expiration of stimulus funds under the federal American Recovery and Reinvestment Act of 2009 (ARRA).

Federal grants are projected to total $44.2 billion in SFY 2013-14 and $47.3 billion in SFY 2013-14.

Generally, increased Medicaid spending by the State drives commensurate increases in federal receipts for the program. Without the Medicaid spending cap enacted by the State in SFY 2011-12, the Office of the State Comptroller estimates that federal receipts would be more than $1.0 billion higher in SFY 2013-14.

Disbursements

Overview

This report includes a forecast for disbursements for SFY 2012-13 through SFY 2014-15. Chapter 1 of the Laws of 2007 requires forecasts for *State* disbursements. Previously the Office of the State Comptroller provided projections for spending from All Governmental Funds (All Funds), since federally funded programs are disbursed in the same manner as State-funded programs. However, as of last year, because Department of Health (DOH) Medicaid spending from State funds is specifically limited in both statute and appropriation authority, the Office of the State Comptroller includes spending projections from both All Funds and State Operating Funds.

These estimates rely on a variety of data sources, including receipt and disbursement data from the State's Statewide Financial System (and previous Central Accounting System) and information from State agencies, including the State Education Department (SED), DOB, DOH, the Department of Labor (DOL), and the Office of Temporary and Disability Assistance (OTDA). All projections for growth reflect comparison to the prior fiscal year.

The SFY 2012-13 Enacted Budget – like the prior year's – included appropriations intended to reflect two years' worth of spending in Medicaid and school aid. The Budget also provided limits on future spending growth for Medicaid based on the ten-year average growth in the medical component of the Consumer Price Index (CPI), and for education based on the rate of growth for Personal Income in the State. As a result of these limitations, projected spending in two of the largest major categories of spending in the Budget is constrained, absent action by the Executive and the Legislature to surpass the spending targets.

Therefore, this report provides Medicaid and school aid spending projections based on current law, and provides comparisons to the Financial Plan through SFY 2014-15. Because the Financial Plan reflects spending estimates based on current law limits, these projections were used for Medicaid and school aid. However, estimated spending growth that would occur absent the spending limitations enacted in SFY 2012-13 is also provided for comparative purposes in each program area.

SFY 2012-13

For SFY 2012-13, the Office of the State Comptroller projects Medicaid, school aid, and public assistance spending from State Operating Funds will total $36.3 billion, an increase of $967 million, or 2.7 percent, from SFY 2011-12 levels. The increase largely reflects the limits enacted in SFY 2011-12 that constrained spending from State Operating Funds. All other State Operating Funds spending is projected to total $53.1 billion, an increase of $1.9 billion, or 3.6 percent, compared to SFY 2011-12. All other spending includes such categories as debt service, General State Charges and State Operations.

Medicaid, school aid and public assistance spending from All Funds is projected to total $64.7 billion, which is $303 million, or 0.5 percent, lower than SFY 2011-12 levels.

SFY 2013-14

For SFY 2013-14, the Office of the State Comptroller estimates Medicaid, school aid, and public assistance from State Operating Funds will total $37.9 billion, which is an increase of $1.5 billion, or 4.2 percent. The Office of the State Comptroller projects all other State Operating Funds spending to increase $2.5 billion, or 4.7 percent, to $55.6 billion.

Medicaid, school aid, and public assistance spending from All Funds is projected to total $68.1 billion in SFY 2013-14, which is $3.4 billion, or 5.2 percent, higher than SFY 2012-13 levels.

SFY 2014-15

For SFY 2014-15, the Office of the State Comptroller estimates Medicaid, school aid, and public assistance spending from State Operating Funds will total $39.2 billion, an increase of $1.3 billion, or 3.6 percent. During this period, all other State Operating Funds spending is projected to increase $1.7 billion, or 3.1 percent, to $57.3 billion.

Medicaid, school aid and public assistance spending from All Funds is projected to total $73.3 billion in SFY 2014-15, which is $5.3 billion, or 7.7 percent, higher than SFY 2013-14 levels.

Issue Areas

Medicaid and school aid projections in this section represent increases without enacted spending caps but with all other changes included in the SFY 2012-13 Enacted Budget, to provide an understanding of the impact of the spending caps on the Budget.

School Aid Projections Without Enacted Spending Limits

For the second year in a row, the SFY 2012-13 Enacted Budget included appropriation language intended to cover two fiscal years. The appropriation is structured so that spending stays within the school-aid cap enacted in the SFY 2011-12 budget, which allows an overall increase of up to $805 million in school year (SY) 2012-13 (4.1 percent) to $20.3 billion ($20.1 billion in SFY 2012-13 from State Operating Funds).

For SY 2012-13, the cap limits growth in school aid to the average annual growth in Personal Income for the State for SFY 2005-06 through SFY 2009-10. Annual increases in succeeding years are limited to the level of change in Personal Income for the State for SY 2013-14 and thereafter.

"Allowable Growth," as statutorily defined, allows additional spending within the cap for formula-based and primarily expense-driven programs outside of Foundation Aid and the Gap Elimination Adjustment (GEA).[4] The various permanent-law formulas used to compute General Support for Public Schools (GSPS) will result in a spending figure larger than allowed under the cap. To stay within allowable growth, the GEA is a downward revision that reduces total general school aid to a targeted amount. If there is funding available under the cap after Allowable Growth is calculated, additional spending or a reduction in the GEA can be authorized pursuant to a chapter of law.

The SFY 2012-13 Enacted Budget increased Foundation Aid by $111.5 million. The $805 million increase also includes $50 million as the first of three annual payments to support performance grants. An additional $75 million in grants is allocated outside of the Allowable Growth amount in SY 2012-13 but paid in SFY 2013-14.

The Enacted Budget also provides appropriations for two State fiscal years' worth of funding for school aid (including GEA), with limits on how much of the appropriations can be used in each State fiscal year. The SFY 2012-13 Enacted Budget Financial Plan projects a total increase of $712 million for SY 2013-14, to $21.1 billion ($20.9 billion in SFY 2013-14). The Financial Plan does not detail how this 3.5 percent increase will be apportioned among the various school aid programs. This net increase can be used, among other things, to increase Foundation Aid or restore funding cut under the GEA after increases in formula based programs are considered. According to the updated Financial Plan, GSPS is projected to increase to $21.9 billion in SY 2014-15 ($21.7 billion in SFY 2014-15), representing an increase of $842 million or 4.0 percent for the school year. Again, this increase can be used to adjust total aid or pieces of the total; the two approaches would have the same result in the State's Financial Plan but could produce differing allocations of aid among individual school districts.

The cap enacted last year fundamentally changes how formulas are used to distribute school aid. With the cap in place, formulas can be adjusted to target certain populations and needs and then the GEA, also a formula driven category, is used to target the reduction so that total aid is within the cap. In the SFY 2012-13 Enacted Budget, approximately $110 million from the Gap Elimination Adjustment was restored, via another formula.

Because school aid is statutorily limited, the following section of this report illustrates growth if there were no cap.[5] In SY 2012-13, absent the cap, total aid would increase approximately $805 million including the reduction from the GEA. The following projections illustrate growth without such a cap in order to show how the GEA would have to be increased or other aids reduced. To create these projections, the Office of the State Comptroller used weighted historical average growth of the large expense aids (Transportation, Building, BOCES, Private Excess Cost and High Cost Excess), as well as State aid data reflecting the Enacted Budget. Projections for High Tax Aid and Universal Pre-Kindergarten were kept constant through the projection period. Foundation Aid is increased by the average annual growth from SY 2006-07 to SY

[4] Foundation Aid is the State's largest category of aid to public schools, representing nearly 70 percent of total aid before applying the Gap Elimination Adjustment, which formulaically reduces the total amount of aid by district.
[5] See §3602(1)(ff) and (gg) of the Education Law

2012-13 of 3.0 percent. (Foundation Aid will be set annually by legislative action; the growth assumed here is not part of an existing schedule.)

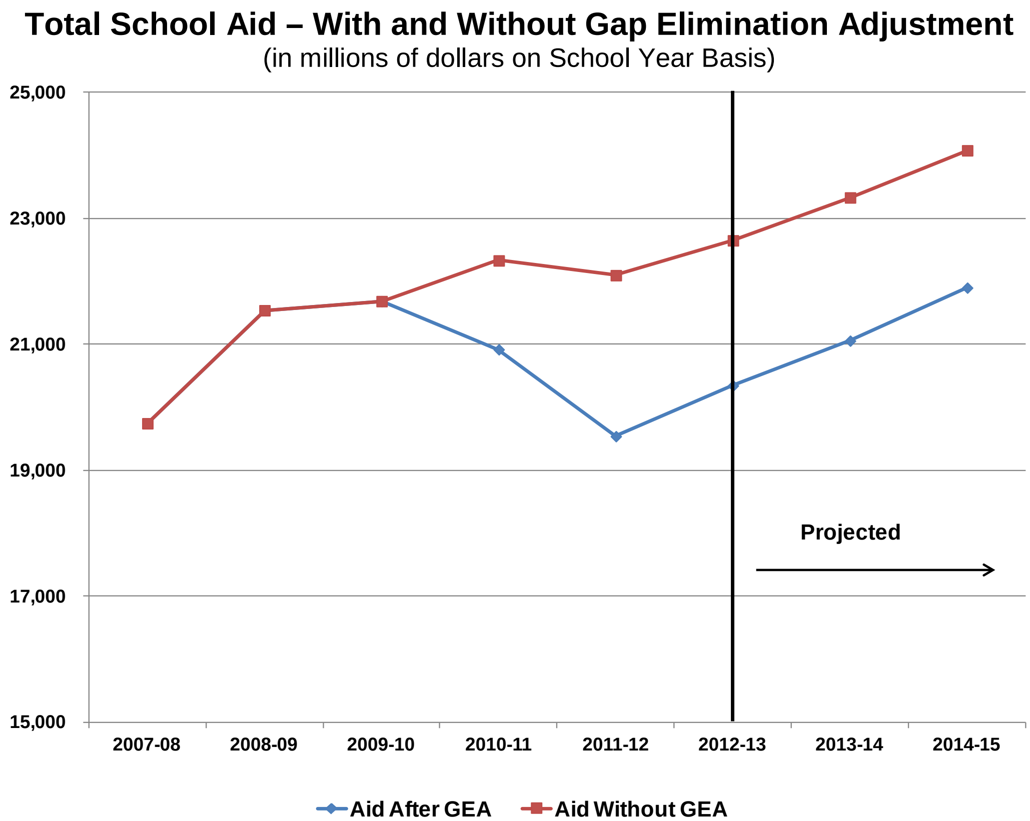
The State Education Department is required to provide detailed school aid data by district three times throughout the year – February 15, May 15 and November 15.[6] The November data is used to calculate aid included in the Executive Budget proposal and the February 15 data is typically the base for Enacted Budget spending totals.

The Office of the State Comptroller projects that school aid spending from State Operating Funds will total $20.2 billion in SFY 2012-13, which is an increase of $540 million or 2.7 percent over SFY 2011-12. All Funds school aid is projected to reach $23.2 billion in SFY 2012-13. This projection equates to approximately $20.6 billion on a school-year basis. To keep overall aid within the statutory cap, either the GEA reductions would have to be increased by $149 million or other spending areas reduced the same amount.

Projecting non-capped figures for SFY 2013-14 and SFY 2014-15 is challenging because the treatment of Foundation Aid and any Gap Elimination Adjustments is unknown. As previously stated, for the purposes of this report, Foundation Aid is increased by historical average annual growth and expense-based aids are increased by weighted average growth. Based on an analysis of historical spending trends in various expense-based aids, the Office of the State Comptroller estimates that school aid from State Operating Funds (without any GEA) would increase to $23.2 billion in SFY 2013-14, an increase of $3.0 billion, or 15.1 percent over SFY 2012-13. All Funds spending under this scenario is projected to increase $2.9 billion or 12.5 percent to $26.1 billion. This equates to $23.2 billion on a school-year basis, thus requiring a GEA or other spending reductions of nearly $2.3 billion to stay within the cap.

[6] See §305 of the Education Law. Adjustments to school aid expenditures are often reflected in the first quarter of the following year. Such adjustments tend to neutralize the impact on the current year Financial Plan and, therefore, would minimally impact this forecast. This forecast does not consider updated school aid funding data, since such data will not be available until November 15th.

Figure 1



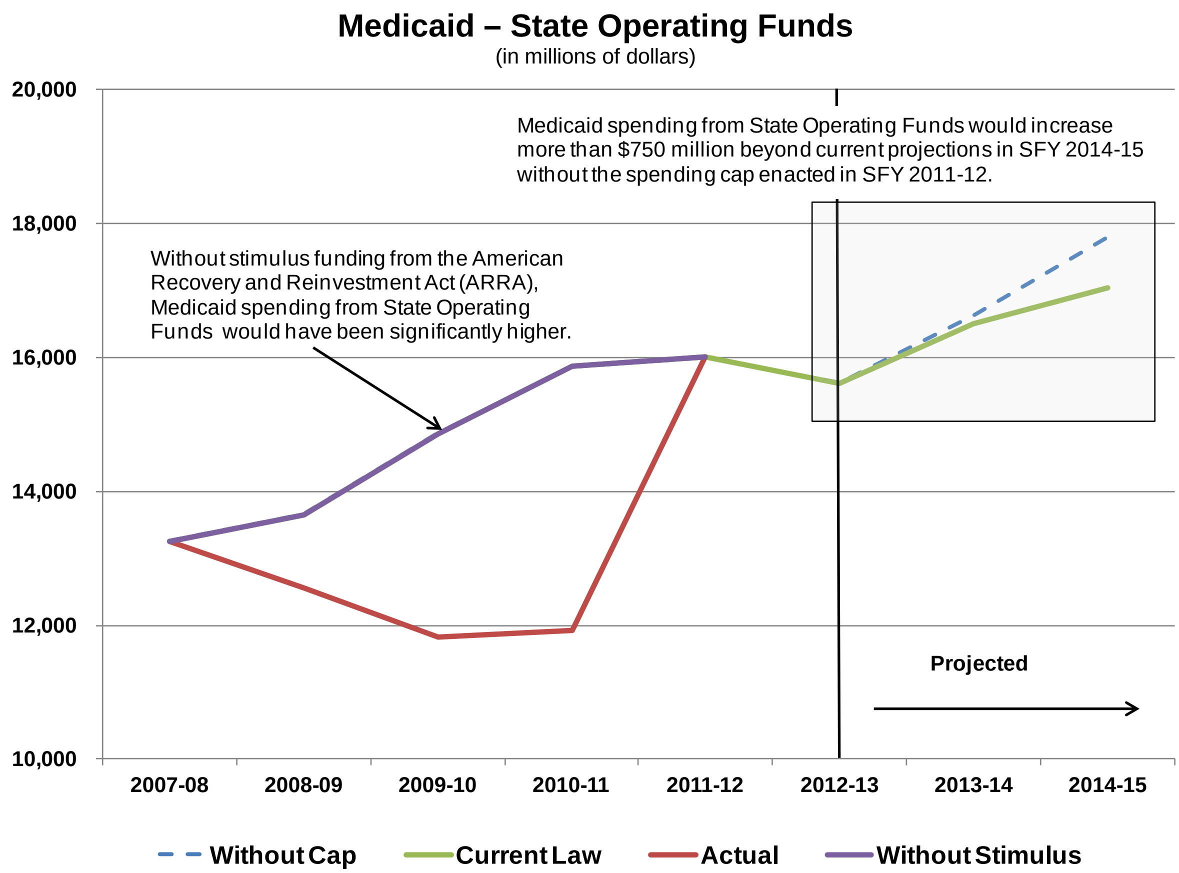
The Office of the State Comptroller estimates that school aid from State Operating Funds (without any Gap Elimination Adjustment) would increase to $23.9 billion in SFY 2014-15, an increase of $644 million, or 2.8 percent over SFY 2013-14. All Funds spending is projected to increase $588 million or 2.3 percent to $26.7 billion. This equates to $24.1 billion on a school-year basis, thus requiring a GEA or other spending reductions of nearly $2.2 billion to stay within the cap.

Medicaid Projections Without Enacted Spending Limits

The SFY 2012-13 Enacted Budget again includes two years' worth of Medicaid spending from the Department of Health (including administration), with a specific limit in State Operating Funds spending for each year. The SFY 2011-12 Enacted Budget included a statutory change that caps future Medicaid spending to the 10-year average of the medical component of the Consumer Price Index – currently projected by DOB at approximately 4.0 percent annually.

In addition, the Enacted Budget again gives the Health Commissioner broad administrative authority to implement cost-saving actions to stay within the cap, provided savings plans are posted on DOH's website and written copies are provided to the Legislature 30 days before any action is taken. While the growth limit for Medicaid spending is in permanent law, the authority provided to the Commissioner to achieve savings through administrative actions expires at the end of SFY 2013-14.

Figure 2



The SFY 2012-13 Enacted Budget continues the cost-containment measures from various actions recommended by the Medicaid Redesign Team (MRT) and enacted in the SFY 2011-12 Budget. These measures are projected to hold future spending growth within the spending cap, currently estimated by DOB at approximately 4.0 percent. Average annual growth before these changes was 4.6 percent from SFY 2007-08 through SFY 2011-12, not including additional Federal Medical Assistance Percentage (FMAP) funding from the federal government. Medicaid spending in SFY 2011-12 from State Operating Funds reflects the first year of MRT reductions that were projected to reduce spending by approximately $2.3 billion.

The largest individual component of the reductions enacted in SFY 2011-12, projected at $640 million or approximately 28 percent of total Medicaid savings, was to be attained by providers based on their choices as to specific cost savings. Although DOB has not updated projections from last year, initial projections showed that in SFY 2012-13, savings derived from provider actions to lower costs were projected to exceed $1.5 billion, increasing to nearly $2.7 billion in SFY 2014-15. The authority given to the Health Commissioner to reduce Medicaid spending administratively expires in SFY 2013-14. If that authority is not renewed, the State's ability to realize the targeted level of savings over the plan could be undermined.

The slow pace of the economic recovery, coupled with increases in demand driven by other factors, could result in higher Medicaid enrollment and program costs.

Furthermore, other yet undetermined actions associated with the federal Budget Control Act (also known as “sequestration”) and changes to federal participation rates and other Medicaid rules could increase State costs directly and indirectly associated with Medicaid.

The Office of the State Comptroller used historical trends derived from service utilization data maintained by DOH, along with actual spending data reported by the Office of the State Comptroller from annual and monthly reports to the Legislature, to estimate Medicaid spending from State Operating Funds and All Funds for SFY 2012-13 and the ensuing two fiscal years. Spending data was adjusted to reflect known actions, such as delayed cycle payments, that would impact cash management.

The following estimates illustrate projected Medicaid growth in the absence of the enacted spending cap and unilateral cost control mechanisms. While enacted spending cuts are included in these estimates, the projected increases are primarily due to increased utilization. Changes in federally funded Medicaid spending are primarily based on DOB projections.

Based on actual spending through September 2012, historical spending and utilization trends, the Office of the State Comptroller estimates that absent the statutory spending limits, DOH Medicaid spending in SFY 2012-13 would total $15.9 billion from State Operating Funds, and $40.1 billion from All Funds.

For SFY 2013-14, the Office of the State Comptroller projects that absent the statutory spending limits, Medicaid spending would increase to $16.6 billion (4.8 percent or $757 million) from State Operating Funds and to $43.0 billion (6.7 percent or $2.9 billion) in All Funds.

For SFY 2014-15, the Office of the State Comptroller estimates that absent the statutory spending limits, Medicaid spending would total $17.8 billion from State Operating Funds, an increase of $1.2 billion or 7.1 percent, and $49.3 billion from All Funds, representing an increase of $6.3 billion or 14.6 percent.

Public Assistance

Projections of public assistance caseloads and spending are sensitive to economic fluctuations. As unemployment increases and income falls, the number of persons in need of public assistance typically increases. Those who lose their jobs may face extended periods of unemployment or underemployment in the current economic climate. Officially reported unemployment rates are not a perfect measure of unemployment as they miss people who have left the workforce and are not actively looking anymore (but are supported through means such as savings, credit and family) as well as people who are employed but in temporary positions paying significantly less than full-time jobs. Current employment and unemployment statistics illustrate that there is a significant number of people who are underemployed or have left the workforce altogether.

According to the Bureau of Labor Statistics, the national unemployment rate was 7.8 percent in September 2012, representing a decline of 1.2 percentage points from

September 2011. While the decline is good news, it's important to note that approximately 55 percent of the unemployed population has been unemployed for 15 weeks or more. When the number of people employed part-time (not by choice) and people no longer looking for employment are added, the rate increases to 14.7 percent of the civilian labor force. This underutilization measure also represents a decline from September 2011 (from 15.7 percent). In 2007, the beginning of the Great Recession, the rate was 8.3 percent.

Although historically a lag of between 12 and 18 months existed between an economic downturn and caseload increase, the Great Recession and the volatile-yet-slow recovery present new challenges in making projections for public assistance. It is increasingly difficult to use existing assumptions when projecting because of the ways in which unemployment has changed in recent years: Not only has the rate remained high by historical standards, but unemployment benefits for many job seekers have been extended for longer periods than in the past.

In the SFY 2011-12 Enacted Budget, financing proportions were changed to eliminate State and local spending for the federal Family Assistance program, thus increasing federal support to 100 percent. Funding for the State Safety Net program was changed from approximately 50 percent from the State and counties to 29 percent State and 71 percent counties.

Using historical trends for unemployment rates, caseloads and spending according to monthly caseload reports issued by the Office of Temporary and Disability Assistance (OTDA), the Office of the State Comptroller estimates that in SFY 2012-13, All Funds spending for public assistance will total $1.55 billion ($421.8 million from State Operating Funds), based on caseloads of 381,812 families and 189,027 singles.

For SFY 2013-14, the Office of the State Comptroller projects public assistance spending will increase by $38.9 million, or 2.5 percent, to $1.59 billion ($433.8 million from State Operating Funds), based on caseloads of 391,777 families and 195,474 singles.

For SFY 2014-15, the Office of the State Comptroller estimates that spending for public assistance will increase $1.2 million or 0.1 percent to $1.59 billion ($433.9 million from State Operating Funds), based on caseloads of 392,245 families and 195,692 singles.

Risks

Currently, the State and numerous downstate municipalities are facing significant, yet unquantifiable fiscal risks due to the effects of Hurricane Sandy. At this point, the actual extent of damage is still being assessed and loss projections are being calculated. There will certainly be significant costs associated with repair and reconstruction. Risks to the State Financial Plan include the likelihood of lost revenue, increases in spending on certain programs, and potential delays in federal reimbursement.

In June 2012, the Office of the State Comptroller warned of a number of risks to the Financial Plan. Identified risks included unanticipated events that may require additional spending, as well as anticipated revenues that may fail to materialize.

Actions associated with the federal Budget Control Act, which could impose severe federal spending cuts beginning in 2013 and potential changes in levels of federal reimbursement for certain Medicaid expenditures could also have significant negative effects on the State's Financial Plan. However, continued instability in the economy and the related effects on tax collections remain the most significant current risks to the Financial Plan.

Factors such as global political and economic volatility, natural disasters, and spending reductions at the federal level have the potential to create significant variances in the Financial Plan, especially in SFY 2013-14 and beyond. During SFY 2011-12, slowing in the economy resulted in lower-than-expected revenues and prompted policy actions to restrain spending and to increase tax receipts. Concerns over the pace and sustainability of the economic recovery remain. The Enacted Budget Financial Plan estimated growth in GDP at 2.3 percent for calendar year 2012 and 3.0 percent for 2013. However, just three months later, these estimates were lowered to 1.9 percent and 2.5, respectively.

Projections of GDP from Blue Chip Economic Indicators have been lowered from March 2012 projections of 2.3 percent and 2.6 percent for calendar years 2012 and 2013 to 2.1 and 2.0 percent, respectively, in October 2012. For the third month in a row, Blue Chip projections illustrate lower GDP growth in 2013 than the current year. While DOB's projections for 2012 are lower than consensus Blue Chip projections, its projections for 2013 remain significantly higher. Furthermore, the Congressional Budget Office projects GDP will *contract* 1.3 percent in the first half of 2013 and grow by only 2.3 percent in the second half (annual growth of 0.5 percent) and unemployment will increase by two million people if the federal government fails to avoid the so-called "fiscal cliff".[7]

Lower-than-anticipated revenue collections and increased costs resulting from a slowing economy may once again force unexpected policy responses in New York State, as has been the case in three of the past five years. As the Office of the State Comptroller reported in October, State tax revenues for the first six months of SFY 2012-13 were $213 million below revised projections.[8]

The "Comptroller's Overview of the SFY 2012-13 Enacted Budget" illustrated how non-recurring actions affect Personal Income Tax projections. By adjusting for actual and projected revenues from non-recurring actions, the report showed that the projected growth rate for total PIT revenues, 3.8 percent, is understated compared to the level that would be projected if not for non-recurring actions. Actual growth of recurring collections was estimated at approximately 9.8 percent – significantly higher than historical averages. Although the Financial Plan for the enacted budget reflects a projection of 3.8 percent growth for All Funds PIT, growth projections for major components of PIT – withholding and current year estimated – are reduced from 5.0 to

[7] Congressional Budget Office, Economic Effects of Reducing the Fiscal Restraint that Is Scheduled to Occur in 2013, May 2012

[8] See "Comptroller's Fiscal Update: Revenue Trends Through the Mid-Year of State Fiscal Year 2012-13," October 2012.

3.1 percent and from 9.7 to 5.7 percent, respectively.[9] (Results through the first six months of the fiscal year have indicated that both projections may still be too high; withholding now must grow 5.7 percent in the last six months to reach the 3.1 percent year-end projection and current year estimated payments must grow by 6.9 percent to reach the 5.7 percent projection.)

All Funds spending growth has recently been dominated by Medicaid and aid to local school districts, which together have grown from 45.3 percent of spending in SFY 2001-02 to 47.5 percent in SFY 2011-12. The future growth of both of these is currently statutorily restricted. While DOB projects the sum of the two will increase to more than 50 percent of the All Funds budget, the average annual growth for the State-funded portion for both is projected to decline from nearly 7.0 percent to 4.0 percent. This reduction is projected to lower the average growth for the budget as a whole over the same period.

Other risks specific to the SFY 2012-13 Enacted Budget that were identified previously remain. These include the ability to reach targeted levels of certain miscellaneous receipts such as revenue collected from Native American casinos, Abandoned Property, and new revenue anticipated from public authorities.

Although significant progress has occurred with the last two enacted budgets, the remaining structural imbalance in the State Budget still poses a risk on a broader scale. Structural gaps are projected in each of the next three fiscal years, with DOB projecting All Funds spending to reach $151.7 billion by SFY 2015-16, as opposed to All Funds revenue of $147.7 billion. DOB projects that General Fund spending growth from SFY 2012-13 through SFY 2015-16 will be 15.8 percent, while General Fund receipts growth will be 9.0 percent over the same period.

Even with the significant spending reductions included in the SFY 2011-12 and SFY 2012-13 Enacted Budgets, spending is projected to grow faster than revenues over the next few years. Furthermore, three of the largest spending areas, Medicaid, school aid and State operations, have sustained the bulk of cuts so far and gaps still remain. Additional budget cuts or revenue increases to further reduce the structural imbalance will require difficult policy choices.

[9] The Financial Plan keeps the overall PIT growth projection at 3.8 percent by decreasing projected refunds by an amount equivalent to the decline in projected collections. In addition, prior year estimated tax collections (part of what is known as the April settlement) were approximately $450 million over initial projections, but this is primarily a non-recurring receipt.

Appendix – Financial Projections

Projections Based on Current Law, Including Enacted Spending Caps

Office of the State Comptroller Estimates for Receipts and Disbursements

State Operating Funds - State Fiscal Year 2012-13

(in millions of dollars)

	Office of the State Comptroller	Division of the Budget	Difference
Receipts:			
Personal Income Tax	39,943	40,256	(313)
Consumer Taxes	14,134	14,192	(58)
Business Taxes	7,539	7,566	(27)
Other Taxes (incl. MTA Payroll)	2,849	2,892	(43)
General Fund Miscellaneous Receipts	3,354	3,354	-
Lottery	3,034	3,034	-
Subtotal	70,853	71,294	(441)
Other Miscellaneous Receipts	13,695	13,695	-
Federal Grants	140	140	-
Total Receipts	84,688	85,129	(441)
Disbursements:			
Elementary and Secondary Education	20,056	20,056	-
DOH Medicaid (incl. administration)	15,860	15,860	-
Public Assistance	422	407	14
Subtotal	36,338	36,323	14
All Other Disbursements	53,339	53,339	-
Total Disbursements	89,677	89,662	14

Note: Figures may not total due to rounding.

Office of the State Comptroller Estimates for Receipts and Disbursements

State Operating Funds - State Fiscal Year 2013-14

(in millions of dollars)

	Office of the State Comptroller	Division of the Budget	Difference
Receipts:			
Personal Income Tax	42,868	43,172	(304)
Consumer Taxes	14,677	14,713	(36)
Business Taxes	7,753	7,782	(30)
Other Taxes (incl. MTA Payroll)	2,949	2,977	(28)
General Fund Miscellaneous Receipts	2,879	2,879	-
Lottery	3,079	3,079	-
Subtotal	74,204	74,602	(398)
Other Miscellaneous Receipts	14,316	14,316	-
Federal Grants	82	82	-
Total Receipts	88,602	89,000	(398)
Disbursements:			
Elementary and Secondary Education	20,911	20,911	-
DOH Medicaid (incl. administration)	16,513	16,513	-
Public Assistance	434	402	32
Subtotal	37,858	37,826	32
All Other Disbursements	55,600	55,600	-
Total Disbursements	93,458	93,426	32

Note: Figures may not total due to rounding.

Office of the State Comptroller Estimates for Receipts and Disbursements

State Operating Funds - State Fiscal Year 2014-15

(in millions of dollars)

	Office of the State Comptroller	Division of the Budget	Difference
Receipts:			
Personal Income Tax	44,065	44,340	(275)
Consumer Taxes	15,237	15,280	(43)
Business Taxes	7,288	7,314	(26)
Other Taxes (incl. MTA Payroll)	3,210	3,239	(29)
General Fund Miscellaneous Receipts	2,297	2,297	-
Lottery	3,084	3,084	-
Subtotal	75,182	75,554	(373)
Other Miscellaneous Receipts	14,663	14,663	-
Federal Grants	80	80	-
Total Receipts	89,925	90,297	(373)
Disbursements:			
Elementary and Secondary Education	21,725	21,725	-
DOH Medicaid (incl. administration)	17,049	17,049	-
Public Assistance	434	398	36
Subtotal	39,207	39,171	36
All Other Disbursements	57,341	57,341	-
Total Disbursements	96,548	96,512	36

Note: Figures may not total due to rounding.

Office of the State Comptroller Estimates for Receipts and Disbursements

All Funds - State Fiscal Year 2012-13

(in millions of dollars)

	Office of the State Comptroller	Division of the Budget	Difference
Receipts:			
Personal Income Tax	39,943	40,256	(313)
Consumer Taxes	14,755	14,814	(59)
Business Taxes	8,200	8,226	(27)
Other Taxes (incl. MTA Payroll)	2,969	3,011	(43)
General Fund Miscellaneous Receipts	3,354	3,354	-
Lottery	3,034	3,034	-
Subtotal	72,254	72,695	(441)
Other Miscellaneous Receipts	18,115	18,115	-
Federal Grants	42,633	42,633	-
Total Receipts	133,002	133,443	(441)
Disbursements:			
Elementary and Secondary Education	23,062	23,062	-
DOH Medicaid (incl. administration)	40,094	40,094	-
Public Assistance	1,547	1,557	(10)
Subtotal	64,703	64,713	(10)
All Other Disbursements	69,266	69,266	-
Total Disbursements	133,969	133,979	(10)

Note: Figures may not total due to rounding.

Office of the State Comptroller Estimates for Receipts and Disbursements

All Funds - State Fiscal Year 2013-14

(in millions of dollars)

	Office of the State Comptroller	Division of the Budget	Difference
Receipts:			
Personal Income Tax	42,868	43,172	(304)
Consumer Taxes	15,300	15,334	(34)
Business Taxes	8,434	8,463	(29)
Other Taxes (incl. MTA Payroll)	3,069	3,096	(27)
General Fund Miscellaneous Receipts	2,879	2,879	-
Lottery	3,079	3,079	-
Subtotal	75,629	76,023	(395)
Other Miscellaneous Receipts	18,524	18,524	-
Federal Grants	44,186	44,186	-
Total Receipts	138,339	138,733	(395)
Disbursements:			
Elementary and Secondary Education	23,766	23,766	-
DOH Medicaid (incl. administration)	42,706	42,706	-
Public Assistance	1,586	1,514	72
Subtotal	68,058	67,986	72
All Other Disbursements	71,622	71,622	-
Total Disbursements	139,680	139,608	72

Note: Figures may not total due to rounding.

Office of the State Comptroller Estimates for Receipts and Disbursements

All Funds - State Fiscal Year 2014-15

(in millions of dollars)

	Office of the State Comptroller	Division of the Budget	Difference
Receipts:			
Personal Income Tax	44,065	44,340	(275)
Consumer Taxes	15,868	15,909	(41)
Business Taxes	7,974	7,997	(23)
Other Taxes (incl. MTA Payroll)	3,330	3,358	(28)
General Fund Miscellaneous Receipts	2,297	2,297	-
Lottery	3,084	3,084	-
Subtotal	76,617	76,985	(368)
Other Miscellaneous Receipts	18,649	18,649	-
Federal Grants	47,255	47,255	-
Total Receipts	142,521	142,889	(368)
Disbursements:			
Elementary and Secondary Education	24,524	24,524	-
DOH Medicaid (incl. administration)	47,210	47,210	-
Public Assistance	1,587	1,478	110
Subtotal	73,321	73,212	110
All Other Disbursements	72,965	72,965	-
Total Disbursements	146,286.2	146,176.7	110

Note: Figures may not total due to rounding.