

PART I

FINANCIAL PLAN OVERVIEW

FINANCIAL PLAN OVERVIEW

The Financial Plan Overview summarizes the Governor's Executive Budget for 2002-03. 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

Over the past seven years, New York State has been a nationwide leader in creating new jobs and cutting taxes, actions which have vastly improved the State's economic competitiveness. Under Governor Pataki, New York has continued to increase its investment in key programs and physical infrastructure, while restraining overall spending and increasing reserves to record levels. The growth in debt has been contained and debt management significantly improved. These efforts have been rewarded by three consecutive credit rating upgrades from both Standard & Poor's and Fitch IBCA, bringing New York's credit rating to its highest level in 23 years, and have left the State well-positioned for any economic downturn.

Even before the events of September 11, the national economic slowdown was forcing many states to cut programs and services due to declining revenues. By recognizing the downturn and resisting efforts to increase State spending beyond manageable levels, Governor Pataki insured that New York could avoid the disruptive mid-year cuts and tax increases occurring in other states.

Unfortunately, the September 11 attack on the World Trade Center turned the national economic slowdown into a full recession and struck a key segment of New York's tax revenue base. New York now faces a budget gap of \$6.8 billion through the end of 2002-03.

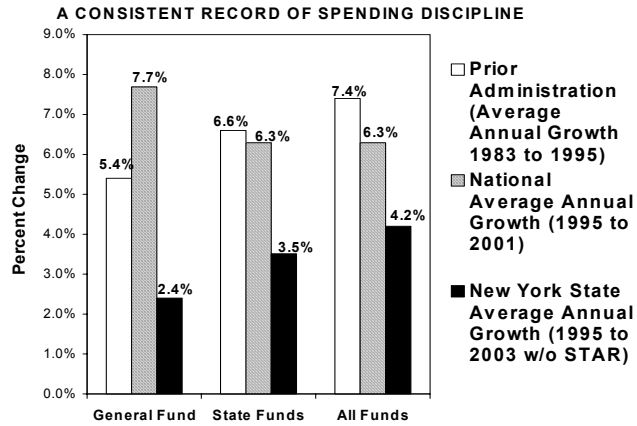
In confronting the fiscal impact of the World Trade Center attacks, Governor Pataki acted swiftly to limit spending by instituting a strict hiring freeze and eliminating non-essential spending. The Governor also recommended legislation, enacted in October, which generated additional fiscal relief for 2001-02 and subsequent fiscal years, including school building aid reforms, enhanced lottery receipts and debt restructuring. These efforts, when combined with the use of \$646 million in reserves set aside for fiscal uncertainties, will close the entire 2001-02 budget shortfall of \$1.1 billion without disruptive mid-year budget cuts and will lower the 2002-03 gap by \$581 million.

The 2002-03 Executive Budget closes the remaining \$5.1 billion budget gap without deferring tax cuts, increasing tuition, requiring layoffs or impacting essential services. Roughly \$3.1 billion of the gap is addressed through spending reductions that include program restructuring, workforce downsizing through early retirement and attrition, and maximizing existing Federal funding and other resources to offset General Fund costs. Nearly \$900 million in savings is generated from the use of available Temporary Assistance to Needy Families (TANF) reserves to finance TANF-related programs. The remaining \$1.1 billion gap is closed by using all fiscal reserves set aside for a possible economic downturn. These actions:

- Produce a soundly balanced budget that restrains spending and positions New York for an economic recovery;
- Retain reserves of \$710 million that will be available to protect against unforeseen mid-year shortfalls; and
- Continue enacted tax cuts and economic development efforts to stimulate the State's economy.

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General Fund spending for 2002-03 is projected to decline by \$1.2 billion, or 3.0 percent from 2001-02. State Funds spending will increase by \$929 million, or 1.6 percent, while All Governmental Funds spending will grow by \$4.0 billion, or 4.7 percent, as use of Federal resources is maximized.



| 2002-03 SPENDING PROJECTIONS (millions of dollars) | | | | |
|---|--------------------|----------------------------|-----------------------|---|
| | Size of the Budget | Dollar Change from 2001-02 | % Change from 2001-02 | Average Annual % Growth Without STAR (94-95 to 02-03) |
| General Fund | 40,221 | (1,234) | (3.0) | 2.4 |
| State Funds | 58,634 | 929 | 1.6 | 3.5 |
| All Governmental Funds | 88,595 | 3,997 | 4.7 | 4.2 |

EXPLANATION OF THE FINANCIAL PLAN

The State's Executive Budget Financial Plan forecasts receipts and disbursements for each fiscal year. The economic forecast of the Division of the Budget (DOB) and the State's tax and fee structure serve as the basis for projecting receipts. After consulting with public and private sector experts, DOB prepares a detailed economic forecast for both the nation and New York, showing Gross Domestic Product (GDP), employment levels, inflation, wages, consumer spending, and other relevant economic indicators. It then projects the yield of the State's revenue structure against the backdrop of these forecasts.

Projected disbursements are based on agency staffing levels, program caseloads, levels of service needs, formulas contained in State and Federal law, inflation and other factors. The factors that affect spending estimates vary by program. For example, welfare spending is based primarily on anticipated caseloads that are estimated by analyzing historical trends, projected economic conditions and changes in Federal law. In criminal justice, spending estimates are based on recent trends and data from the criminal justice system, as well as on estimates of the State's prison population. All projections account for the timing of payments, since not all the amounts appropriated in the Budget are disbursed in the same fiscal year.

This Overview summarizes the updated Financial Plan projections of receipts and disbursements for 2001-02, and describes the recommended Financial Plan for 2002-03. It then provides an explanation of the State's estimates for 2003-04 and 2004-05.

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 projections and results by fund and category.

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The State Constitution requires the Governor to submit an Executive Budget that is balanced in the General Fund — the Fund that receives the majority of State taxes. State Funds include the General Fund and funds specified for dedicated purposes, with the exception of Federal Funds. All Governmental Funds, which includes State Funds and Federal Funds, 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 receives most of the State's tax revenue and accounts 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 categories 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 Overview. 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 2001-02 through 2004-05 fiscal years.

THE 2001-02 FINANCIAL PLAN UPDATE

The State expects to close the 2001-02 fiscal year with a cash balance of \$2.08 billion in the General Fund, an increase of \$862 million from the Mid-Year Update. This increase in the balance results from \$344 million in higher projected receipts and \$518 million in lower spending, as described in more detail below. The updated Financial Plan reflects enactment in October of the Governor's revenue generating and other budgetary proposals, revisions based on a review of actual operating results through December 2001, and an updated analysis of underlying economic and revenue trends in the aftermath of the September 11 attacks that will affect the Financial Plan for the balance of the fiscal year. The Financial Plan also reflects savings from the implementation of the Governor's announced plan in September to limit spending.

The State plans to make a deposit of \$83 million into the State's Tax Stabilization Reserve to guard against mid-year budget cuts — the seventh consecutive maximum annual deposit — bringing that fund to \$710 million, and will close the year with an additional reserve of \$1.13 billion, which will be used in 2002-03 to help offset the reduction in revenues resulting from the impact of the World Trade Center (WTC) attacks.

UPDATE TO 2001-02 RECEIPTS ESTIMATES

Total General Fund receipts, including transfers to other funds, are now estimated at \$42.43 billion, an increase of \$2.55 billion from 2000-01. General Fund receipts are projected to increase \$344 million from the projections contained in the Mid-Year Update. The upward revisions are largely the result of more up to date information on the economy and receipt collections. The estimated impact of the WTC disaster on 2001-02 receipts remains significant, and within the range estimated in the immediate aftermath of the September 11 attacks.

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Personal income tax receipts for 2001-02 are estimated to reach \$26.98 billion, an increase of \$3.41 billion (14 percent) from 2000-01. The growth is due mainly to a large increase in the net contribution from the refund reserve fund and a lower STAR fund deposit, partially offset by decreases in withholding and estimated tax payments. The net refund reserve transaction for 2001-02 is \$2.91 billion. It is comprised of a \$3.52 billion draw-down of the refund reserve account in April 2001 offset by a deposit to the fund of \$612 million on March 31, 2002.

Estimates of General Fund personal income tax receipts have been lowered by \$119 million since the Mid-Year Update. The estimated decrease is primarily comprised of downward revisions to prepayments on 2001 tax liability. The positive reestimates are marginally offset by an additional \$11 million deposit into the refund reserve fund at the end of the fiscal year to provide a reserve for the reduction in the marriage penalty effective January 1, 2001.

User tax and fee receipts in 2001-02 are projected at \$7.08 billion, \$322 million or 4.4 percent below 2000-01 collections but \$40 million above the Mid-Year Update. The revision reflects modestly improved collections experience since the Mid-Year Update.

Total business taxes are now projected at \$3.83 billion in 2001-02, \$499 million below 2000-01 receipts. Corporation and utility tax receipts in 2001-02 are expected to total \$987 million, an increase of \$170 million from 2000-01. Corporate franchise tax receipts for 2001-02 are estimated to fall by \$581 million, due largely to the effects of the WTC disaster on financial sector profitability. Enacted tax cuts, the recessionary economy and lower corporate profits also contribute to the decline. Receipts from the bank tax in 2001-02 are projected to decline by \$48 million from 2000-01 results, reflecting both the negative impact of the WTC attack and overall economic weakness. Net collections from insurance taxes are expected to reach \$630 million in 2001-02, an increase of \$46 million from the prior year. Business tax receipts are estimated at \$179 million above the Mid-Year Update.

The yield from other taxes in 2001-02 is estimated at \$780 million, \$15 million below 2000-01 results. The estimated decline reflects year-to-date collection results in the estate tax, the first full-year impact of prior year tax reductions, and the impact of the decline in equity market values on taxable estates. Since the Mid-Year Update, the estimate of other taxes has increased by \$59 million.

Miscellaneous receipts for 2001-02 are estimated at \$1.61 billion, a \$56 million increase from 2000-01. The single largest change is an estimated decline in investment income resulting from the large decline in interest rates during 2001. Miscellaneous receipts are now estimated at \$103 million above the Mid-Year Update. The change reflects an unanticipated payment from the Thruway Authority and higher than expected receipts from abandoned property and investment income.

Transfers from other funds in 2001-02 are expected to decrease \$80 million from 2000-01, reflecting a reduction in amounts available for transfer to the General Fund, especially from the Clean Water/Clean Air Fund. Transfers from other funds are now estimated at \$82 million above the Mid-Year Update. The increase reflects better-than-anticipated year-to-date collection experience for the sales and real estate transfer taxes, as well as a reduction in debt service requirements from the Thruway Authority.

CASH FLOW IMPACT OF WORLD TRADE CENTER DISASTER

Following the WTC tragedy, President Bush, at the request of Governor Pataki, declared New York City a major Federal disaster area. When taxpayers are impacted by a disaster declared by the President or the Governor, section 171 of the Tax Law authorizes the

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Commissioner of Taxation and Finance to extend, for a period of up to 90 days, certain tax filing and payment deadlines. As a result, tax filing, payment, and other deadlines from September 11, 2001 through December 10, 2001 were extended to December 10, 2001 for any taxpayer directly affected by the occurrences at the WTC, the Pentagon and in Western Pennsylvania. The extension effectively changes the 2001-02 cash flow by moving receipts from the extension period to December 10, 2001.

Based on results to date, an estimated \$160 million in delayed September payments were received in December. This level of delayed tax payments was significantly less than expected given the large receipt losses after the attack. As a result, it appears receipt losses in September were the result of actual declines in the receipts base and not due to tax payment delays.

The State's overall cash flow for 2001-02 will have balances no lower than \$2.1 billion by the end of the year.

UPDATE TO 2001-02 DISBURSEMENTS ESTIMATES

The State projects total General Fund disbursements, including transfers to other funds, of \$41.46 billion in 2001-02, a net decrease of \$518 million from the Mid-Year estimate. The change is comprised of approximately \$578 million in lower spending in the current year, partially offset by \$60 million in higher costs related to the WTC attacks (\$30 million) and homeland security efforts (\$30 million).

The lower spending of \$578 million is composed of reduced school aid costs resulting from revised school aid data submitted to the State by school districts including lottery initiatives and reestimates (\$310 million), as well as various management initiatives across state agencies (\$268 million). The management initiatives reflect savings from the statewide hiring freeze, a reduction in discretionary non-personal service spending in all state agencies, and lower debt service costs due to use of the Debt Reduction Reserve Fund (DRRF) to defease high-cost state debt.

The World Trade Center costs reflect spending to promote tourism (\$20 million) and to provide loan guarantees for businesses affected by the disaster (\$5 million). The homeland security costs reflect increased overtime and other costs incurred primarily by the Division of State Police, the Department of Correctional Services, and the Division of Military and Naval Affairs to ensure the safety of the public and State infrastructure and facilities.

RESERVES/CLOSING BALANCE IN THE GENERAL FUND

Reserves will total \$2.08 billion at the end of the 2001-02 fiscal year. This includes \$1.13 billion in reserves for WTC related revenue losses, \$710 million in the Tax Stabilization Reserve Fund to guard against unforeseen mid-year shortfalls (after an \$83 million deposit this year), \$81 million in the Contingency Reserve Fund (after the use of \$70 million to finance a portion of the Yonkers school desegregation settlement). In addition, \$142 million is available in the Community Projects Fund, which pays for Legislative and gubernatorial initiatives, and \$11 million in the Universal Pre-Kindergarten Fund.

UPDATE TO 2001-02 STATE FUNDS

State Funds spending in 2001-02 is projected at \$57.71 billion, a decrease of \$232 million from the Mid-Year Update. This net decrease is primarily due to lower than expected spending for school aid (\$228 million), transportation (\$146 million), environmental conservation (\$89 million), the STAR local property tax relief program (\$61 million), and State University programs (\$54 million). These declines are offset in part by higher spending in

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debt service due to the use of DRRF to defease high-cost state debt (\$273 million which counts as debt service spending), WTC costs (\$31 million), and homeland security efforts (\$30 million).

UPDATE TO 2001-02 ALL GOVERNMENTAL FUNDS

All Governmental Funds spending in 2001-02 is projected at \$84.60 billion, an increase of \$324 million from the Mid-Year Update. This net increase primarily reflects higher-than-projected federal spending for children and family services (\$323 million) and WTC costs (\$204 million), as well as the program reestimates described in the State Funds update above.

THE 2002-03 GENERAL FUND FINANCIAL PLAN

ECONOMIC AND RECEIPTS OUTLOOK

When projecting receipts, DOB first forecasts the economic outlook for both the nation and New York. After meeting with a group of fiscal and economic experts from different regions of the State and different industry segments, a detailed economic forecast is prepared for both the national and State economies. This economic forecast is used to derive estimates of receipts by using the historical relationship between economic performance and tax collections. For example, if the economic forecast calls for growth in wages, withholdings would also be expected to increase consistent with the structural relationship between wages and withholding tax collections.

The Division of the Budget also adjusts for the impact of changes in the State's tax laws on the receipts projections. The 2002-03 Executive Budget reflects the continued phase-in of tax actions for a variety of taxes, including additional tax cuts, that total \$13.36 billion for 2002-03. For a more detailed discussion of the economy and sources of State revenue, see the "Explanation of Receipts Estimates" section later in this document.

U.S. Economy

The Division of the Budget expects the national economy to remain in recession through the first quarter of 2002. Real U.S. GDP is expected to grow at an annual rate of 0.4 percent in 2002, down from 1.0 percent in 2001. In an effort to stimulate the economy, the Federal Reserve has reduced interest rates by 475 basis points since January 2001. This has resulted in the lowest short-term interest rates since the early 1960s. In addition, a number of Federal fiscal initiatives are expected to aid in stimulating the nation's economy. These actions are projected to help begin an economic recovery by the second quarter of 2002. However, the national economy is expected to remain weak throughout most of next year. The unemployment rate is expected to reach 6.8 percent during the third quarter of 2002 — the highest level in nine years.

State Economy

The economic impact of the September 11 attacks will be greater for New York than for the nation as a whole. The New York City financial center was the epicenter of the attack. As a direct result, there was a substantial loss in prime office space and a major dislocation of high wage employment. In addition to the loss in infrastructure and employment, financial markets were closed for several days. Accordingly, following a significant decline in overall financial service activity, the profitability of Wall Street firms was adversely impacted and companies supporting the financial services industry have been forced to reduce

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employment, and in many cases, relocate outside the City and State. Further, the tourism industry was crippled by the attacks as hotel vacancy rates have soared and retail activity has declined significantly.

Consequently, the State's economic recovery will lag that of the rest of the country. State employment is expected to fall 1.2 percent in 2002, following growth of 0.1 percent for 2001. Private sector employment is expected to fall 1.5 percent in 2002, following growth of 0.1 percent for 2001. Growth in State employment is not expected to resume until the fourth quarter of 2002. Wages are expected to decline 1.5 percent in 2002, the first decline since 1991. Total State personal income is projected to increase only 1.1 percent in 2002.

Receipts Outlook

| GENERAL FUND RECEIPTS (millions of dollars) | | | |
|---|----------------|----------------|----------------------|
| SFY: | 2001-02 | 2002-03 | Annual Change |
| Total Tax Receipts | 38,668 | 34,919 | (3,749) |
| All Other Receipts | 3,766 | 3,935 | 169 |
| Total Receipts | 42,434 | 38,854 | (3,580) |

Estimated General Fund tax receipts for 2002-03 are projected at \$34.92 billion or \$3.75 billion below 2001-02 estimates. This decline reflects a net decline in the refund reserve account of \$2.91 billion and the planned use of \$1.2 billion in STAR Tax Relief Fund reserves to balance the 2001-02 Financial Plan. Absent these adjustments, total tax receipts are projected to increase by \$291 million.

Miscellaneous receipts and transfers from other funds are projected to modestly increase in 2002-03.

| PERSONAL INCOME TAX (millions of dollars) | | | |
|---|----------------|----------------|----------------------|
| SFY: | 2001-02 | 2002-03 | Annual Change |
| Personal Income Tax | 26,977 | 23,292 | (3,685) |

Personal income tax collections for 2002-03 are projected to reach \$23.29 billion, a decrease of \$3.69 billion (14 percent) from 2001-02 due, in part, to a 5.4 percent estimated decrease in 2001 liability and a projected 0.9 percent liability decrease for 2002. These large decreases in income tax liability are mainly attributable to the significant economic weaknesses due to the events of September 11 and their aftermath. Decreases in State employment, wages, Wall Street bonuses, and non-wage income contribute to an adjusted gross income decline for 2001 and a minimal increase for 2002.

The decrease in 2002-03 receipts will also reflect increased deposits into the School Tax Relief Fund, which provides the revenue resources to finance the STAR tax reduction program. The 2002-03 deposit of \$2.63 billion will represent an added fiscal year cost of \$1.32 billion compared with the 2001-02 cost of the STAR program, which benefited from the use of the \$1.2 billion STAR reserve.

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| USER TAXES AND FEES (millions of dollars) | | | |
|---|----------------|----------------|----------------------|
| SFY: | 2001-02 | 2002-03 | Annual Change |
| User Taxes and Fees | 7,082 | 7,069 | (13) |

User tax and fee receipts in 2002-03 will decrease by \$13 million to \$7.07 billion. This reflects an incremental impact of approximately \$72 million in already enacted tax reductions, and the earmarking of certain motor vehicle fees and the auto rental tax to dedicated transportation funds. Adjusted for these changes, the underlying growth of user tax and fee receipts is projected at 3.7 percent.

The sales and use tax accounts for nearly 89 percent of projected user tax and fee receipts. Sales and use tax receipts are responsive to economic trends, such as growth in income, prices, and employment. Weakness in the economy in 2001 produced an actual decline in the base of the sales and use tax for 2001-02 of 1.9 percent.

In 2002-03, receipts from the sales and use tax are projected to total \$6.29 billion, an increase of \$165 million from 2001-02. The most significant statutory changes affecting 2002-03 General Fund sales tax receipts are the next phase of the rate reduction applied to the transmission and distribution of electricity and gas.

User taxes and fees also include cigarette, tobacco and alcoholic beverage taxes and fees. 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 of dollars) | | | |
|--|----------------|----------------|----------------------|
| SFY: | 2001-02 | 2002-03 | Annual Change |
| Business Taxes | 3,829 | 3,775 | (54) |

In 2002-03, business taxes are expected to total \$3.78 billion — \$54 million below 2001-02 estimated results.

Corporation and utility tax receipts in 2002-03 are projected to total \$995 million, an increase of \$8 million from 2001-02. This small increase is primarily due to moderate increases in energy consumption, offset by the next phase of rate reductions on energy utilities, and continued growth in telecommunications revenues.

Corporate franchise receipts are projected to increase by \$6 million to \$1.76 billion in 2002-03, resulting from improved corporate profitability, offset by the impact of enacted and proposed tax reductions.

Other business taxes include franchise taxes on insurance companies and banks. In 2002-03, bank taxes are projected to be \$503 million — \$46 million above estimates for 2001-02, reflecting a modest rebound in bank earnings. Net collections from insurance taxes are projected at \$516 million, a decline of \$114 million from 2001-02, largely due to losses attributable to the WTC disaster.

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| OTHER TAXES (millions of dollars) | | | |
|---|----------------|----------------|----------------------|
| SFY: | 2001-02 | 2002-03 | Annual Change |
| Other Taxes | 780 | 783 | 3 |

Other taxes include receipts from the estate and gift taxes, the real property gains tax, pari-mutuel taxes, the racing admissions tax and the boxing and wrestling exhibitions tax.

In 2002-03, other taxes will yield a projected \$783 million, \$3 million above expected 2001-02 results. The estimate reflects the expectation of growth in the value of taxable estates offset somewhat by the acceleration of the unified credit/exemption. Pari-mutuel tax receipts are expected to remain flat and gift tax receipts are anticipated to be zero. A small amount of receipts from the repealed real property gains tax is expected as final payment is received on transactions outstanding at the time of repeal.

| MISCELLANEOUS RECEIPTS (millions of dollars) | | | |
|--|----------------|----------------|----------------------|
| SFY: | 2001-02 | 2002-03 | Annual Change |
| Miscellaneous Receipts | 1,609 | 1,606 | (3) |

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

Miscellaneous receipts for 2002-03 are projected to be \$1.61 billion. This amount reflects a large reduction in investment income, more than offset by several one-time transactions, which include \$150 million from the State of New York Mortgage Agency, \$50 million from the New York State Housing Finance Agency, and \$16 million from the Port Authority of New York and New Jersey.

| TRANSFERS FROM OTHER FUNDS (millions of dollars) | | | |
|--|----------------|----------------|----------------------|
| SFY: | 2001-02 | 2002-03 | Annual Change |
| Sales Tax in Excess of LGAC Debt Service | 1,742 | 1,784 | 42 |
| All Other Transfers | 415 | 545 | 130 |
| Total Transfers from Other Funds | 2,157 | 2,329 | 172 |

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 (LGAC), account for 77 percent of the transfer receipts. The remaining 23 percent includes excess real estate transfer tax receipts not required for debt service on the Clean Water/Clean Air bonds.

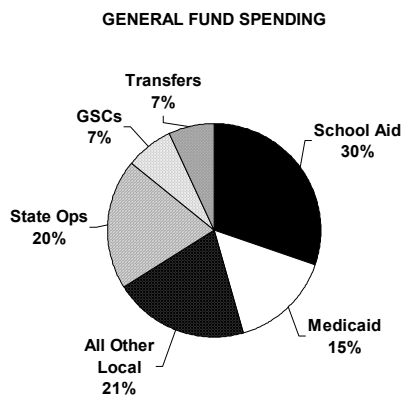
In addition to the \$1.78 billion transfer from LGAC, the other large transfers are \$170 million from the Clean Water/Clean Air Fund and \$114 million from the Emergency Highway Funds.

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DISBURSEMENTS OUTLOOK

| GENERAL FUND DISBURSEMENTS (millions of dollars) | | | |
|---|---------|---------|---------------|
| SFY: | 2001-02 | 2002-03 | Annual Change |
| Total Disbursements | 41,455 | 40,221 | (1,234) |

The State projects General Fund disbursements of \$40.22 billion in 2002-03, a decrease of \$1.23 billion (3.0 percent) from the current year. The spending is consistent with 2001-02 funding levels for most ongoing programmatic activities. The annual decline results primarily from the utilization of Federal TANF revenues (\$885 million) and other revenue sources (\$1.1 billion), including assessment increases, to maintain program commitments at a reduced General Fund cost. These reductions are partially offset by increases for the Judiciary (\$38 million), pensions and other fringe benefit costs (\$227 million), and underlying programmatic cost increases in health care. The annual change in spending is explained in more detail below.



| GRANTS TO LOCAL GOVERNMENTS (millions of dollars) | | | |
|--|---------|---------|---------------|
| SFY: | 2001-02 | 2002-03 | Annual Change |
| Grants to Local Governments | 28,040 | 26,627 | (1,413) |

Grants to Local Governments include financial aid to local governments and non-profit organizations, as well as entitlement payments to individuals. The largest areas of spending in local assistance are for aid to public schools (46 percent) and for the State's share of Medicaid payments to medical providers (23 percent). Spending for mental hygiene programs (6 percent), higher education programs (5 percent), children and families services (4 percent), public health programs (2 percent) and welfare assistance (2 percent) represent the next largest areas of local aid.

Local assistance spending reflects continuation of the same level of program spending in education and higher education, with generally flat spending or modest reductions in all other local assistance programs. Spending declines primarily from maximizing the use of non-General Fund revenue sources. These include the use of nursing home assessments (\$289 million), alternate funding sources for various Medicaid and health programs (\$546 million), and the use of Federal TANF funds for higher education and welfare assistance programs (\$885 million).

General Fund spending for school aid is projected at \$12.13 billion in 2002-03 (on a State fiscal year basis), essentially unchanged from 2001-02. This reflects the recommendation to effectively maintain the 2002-03 school year funding at the current school year level and the latest estimate of available lottery funds. Funding for most major aid components will be maintained at current year levels; increases provided for certain expense-based aids, like transportation aid and various pupil-based aids (e.g., textbook aid) are offset by reductions in other programs.

Medicaid spending is estimated at \$6.16 billion in 2002-03, an increase of \$22 million (0.4 percent) from 2001-02. Expected underlying spending growth of 7.2 percent is offset by

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\$512 million for various proposed revenue actions and modest program restructuring initiatives. Proposed revenue actions that will lower General Fund costs include implementation of a nursing home assessment (\$289 million), as well as increased Intergovernmental Transfers and Upper Payment Limit payments (\$74 million) and other financing supported by HCRA (\$149 million).

General Fund spending for health programs is projected at \$477 million, a net decrease of \$204 million (30 percent) from 2001-02. Higher costs for a projected increase in participation in the Early Intervention program and other programmatic growth is more than offset by utilizing dedicated funding sources of \$323 million for various health programs. These dedicated funding sources will support the cost of the Elderly Pharmaceutical Insurance Coverage program (\$194 million), State support for the Roswell Park Cancer Institute (\$60 million), and various other programs currently funded in the General Fund, including AIDS programs, the Public Health Campaign program, Indian Health programs, Immunization and Water Supply Protection (\$69 million).

Spending on welfare is projected at \$540 million, a decrease of \$429 million (44.3 percent) from 2001-02. This decrease is largely attributable to the additional use of Federal TANF funds (\$479 million), which more than offsets a \$34 million increase associated with projected welfare caseloads. The projected welfare caseload of 687,500 represents an increase from 2001-02 of approximately 13,000 recipients.

Higher Education Service Corporation (HESC) spending is projected at \$198 million, a decrease of \$497 million (71.5 percent) from 2001-02. This decrease primarily reflects the use of Federal TANF funds to finance spending on HESC programs (\$345 million), and savings achieved through restructuring of the Tuition Assistance Program (TAP) to provide greater incentives for timely degree completion (\$182 million). Partially offsetting these decreases is projected growth in the number of TAP recipients and increasing award levels (\$12 million).

Spending for all other local assistance programs will total \$7.13 billion in 2002-03, a net decrease of \$296 million (4 percent) from the current year. This decrease includes program restructuring and the use of Federal TANF funds to finance various programs within the Education Department (\$133 million), program reductions and revenue maximization actions in mental hygiene programs (\$36 million), spending reductions in the Office of Science, Technology and Academic Research (\$35 million), restructuring and proposed efficiencies in public protection programs (\$19 million), and other savings initiatives proposed across all agencies and local assistance programs.

| STATE OPERATIONS (millions of dollars) | | | |
|--|----------------|----------------|----------------------|
| SFY: | 2001-02 | 2002-03 | Annual Change |
| State Operations | 7,846 | 7,889 | 43 |

State Operations accounts for the cost of running the Executive, Legislative, and Judicial branches of government. The projected \$43 million spending increase is primarily attributable to a \$38 million spending increase in the Judiciary. Spending for the Legislature and Executive Branch agencies remains essentially flat from 2001-02.

State Operations spending includes \$366 million for the annualized costs of labor agreements and related costs with State employee unions, as well as increasing costs for homeland security and emergency preparedness following the WTC attacks. The State's homeland security response costs in 2002-03 reflect continued use of National Guard troops

FINANCIAL PLAN OVERVIEW

to guard critical public infrastructure and facilities; State Police costs for troopers and investigators; Environmental Conservation costs for toxic assessments, explosives and hazardous materials monitoring; and water infrastructure security.

These costs are partially offset by proposed spending restraint and revenue maximization efforts totaling \$323 million. The imposition of a strict hiring freeze, offering a retirement incentive to State employees, and various actions to restrain spending in all agencies are anticipated to save \$124 million. A total of roughly \$200 million in additional savings are projected to be available in 2002-03 from various revenue maximization efforts to finance State Operations spending. These efforts include \$107 million in additional Patient Income Account revenues to offset spending on mental hygiene programs, \$31 million in additional Federal and HCRA revenues to finance spending on health programs and \$19 million in savings from funding cultural education programs in the State Education Department through establishment of the New York Institute for Cultural Education.

The State's Executive Branch All Funds workforce is projected to be 191,100 by the end of 2002-03, a decrease of approximately 5,000 from November 2001, primarily through attrition.

| GENERAL STATE CHARGES (millions of dollars) | | | |
|---|---------|---------|---------------|
| SFY: | 2001-02 | 2002-03 | Annual Change |
| General State Charges | 2,663 | 2,890 | 227 |

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.

The projected growth of \$227 million is primarily attributable to rising health insurance costs and pension fund investment losses. Pension losses are expected to result in the need for \$66 million in additional contributions to the New York State and Local Employees Retirement System (ERS) for fiscal year 2002-03. The pension estimate assumes an ERS contribution rate of 1.5 percent of salary for the 2002-03 fiscal year, an increase from 0.7 percent in 2001-02. Significant growth is also expected in costs for health insurance premiums, which are projected to increase 11 percent in calendar year 2002.

| TRANSFERS TO OTHER FUNDS (millions of dollars) | | | |
|--|---------|---------|---------------|
| SFY: | 2001-02 | 2002-03 | Annual Change |
| Transfers in Support of Debt Service | 2,106 | 1,839 | (267) |
| Transfers in Support of Capital Projects | 234 | 318 | 84 |
| Transfers in Support of State University | 69 | 105 | 36 |
| All Other Transfers | 497 | 553 | 56 |
| Total Transfers to Other Funds | 2,906 | 2,815 | (91) |

The decrease in debt service transfers of \$267 million is primarily attributable to continued savings from the use of \$1 billion in Debt Reduction Reserve Fund proceeds, the use of lower cost revenue bonds, and the impact of proposed legislation that will enhance the State's ability to reduce borrowing costs.

FINANCIAL PLAN OVERVIEW

The increase in capital projects transfers primarily reflects the use of \$69 million of General Fund resources to finance pay-as-you-go spending from the Hazardous Waste Remedial Program Transfer Fund (Superfund).

The increase in transfers to the State University of \$36 million is due to a larger State subsidy for SUNY hospitals (\$23 million) and growth in the State's share of outstanding SUNY loan repayments (\$13 million).

All other transfers increased \$56 million in 2002-03 primarily as a result of an increase in Medicaid payments to SUNY hospitals (\$48 million) and in the State's subsidy to the Court Facilities Incentive Aid Fund (\$14 million) to support Judiciary capital projects.

NON-RECURRING ACTIONS

A total of \$562 million in non-recurring actions are incorporated in the 2002-03 Financial Plan, including transferring available balances from the State of New York Mortgage Agency (\$150 million), the New York State Housing Finance Agency (\$50 million), the Port Authority of New York and New Jersey (\$16 million), the Environmental Protection Fund (\$100 million) and various health and Medicaid Special Revenue Funds (\$114 million). Recoveries of school aid and welfare recipient overpayments (\$39 million), change in collection procedures (\$38 million), and various routine fund transfers (\$55 million) account for the remainder of the non-recurring resources.

RESERVES/CLOSING BALANCE IN THE GENERAL FUND

The State projects a closing balance of \$710 million at the end of the 2002-03 fiscal year, a decline of \$1.37 billion from 2001-02. The closing balance of \$710 million represents the monies on deposit in the Tax Stabilization Reserve Fund to help avoid the need for mid-year budget cuts. The decline is due to the planned use of reserves during 2002-03 for WTC related revenue losses (\$1.13 billion), the Contingency Reserve Fund (\$151 million) for the recent settlement of outstanding litigation, the Community Projects Fund (\$142 million), and the Universal Pre-Kindergarten Fund (\$11 million).

To permanently improve the State's reserve levels, the Executive Budget includes legislation to gradually increase the maximum size of the State's rainy day fund from 2 percent of General Fund spending to 5 percent, and to increase maximum annual deposits from 0.2 percent to 0.5 percent of spending.

GOVERNMENTAL FUNDS FINANCIAL PLANS

FEDERAL DISASTER ASSISTANCE TO LOCALITIES

Over the next several years, a substantial amount of Federal aid is projected to flow through the State to localities for disaster response and reconstruction activities related to the WTC attacks. At the request of Governor Pataki, the President has waived any matching requirement for the State and City (which is typically 25 percent of eligible costs), so that the Federal government will provide 100 percent reimbursement for the cost of rescue, recovery, debris removal and public infrastructure repair and reconstruction. This Federal "pass-through" disaster aid is projected to total \$1.53 billion in the current year and \$3.74 billion in 2002-03 as recovery and rebuilding efforts reach full capacity. Nearly all of the Federal disaster aid is expected to flow from the Federal Emergency Management Agency through the State Emergency Management Office (SEMO) to New York City and other localities affected by the disaster. This "flow-through" spending is not counted in the All Governmental Funds estimates contained in this Overview.

FINANCIAL PLAN OVERVIEW

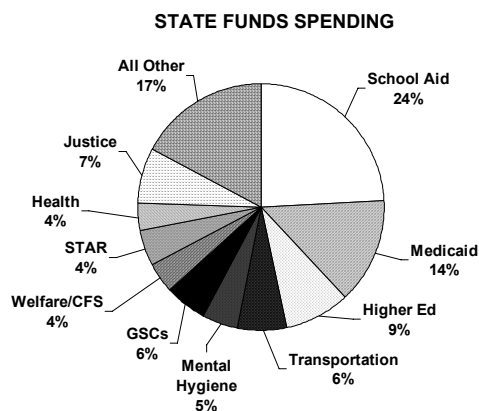
On an All Governmental Funds basis, the State Financial Plan includes spending for WTC costs of \$214 million in 2001-02 and \$329 million in 2002-03. Unlike the pass-through aid, the disbursements in the Financial Plan finance State government activities. Most of the spending that flows through the Financial Plan is supported by Federal funds (\$180 million in 2001-02 and \$292 million in 2002-03). Over the next two years, Federal money will finance, among other things, payments to the victims of the attack (\$203 million), State Police and DMNA staffing costs directly related to the disaster (\$98 million), expanded counseling and trauma services (\$59 million), and infrastructure repairs (\$40 million).

State-supported spending for WTC costs will total \$71 million over the next two years, with \$57 million of this amount financed by General Fund and \$14 million from State special revenue funds. The General Fund is primarily providing support for tourism and marketing activities to attract visitors to New York City, and bridge loans to small businesses. State special revenue funds will primarily support expanded case processing costs for insurance and workers' compensation.

STATE FUNDS

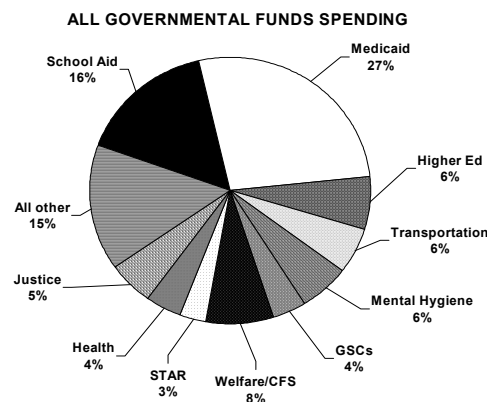
State Funds represent the portion of the State's budget supported exclusively by State revenues: taxes, fees, fines, and other revenues imposed and collected by the State. Federal grants are not included as part of State Funds.

In 2002-03, spending from State Funds is estimated at \$58.63 billion, an increase of \$929 million or 1.6 percent from 2001-02. The increase is primarily comprised of higher spending for Medicaid (\$873 million), school aid (\$370 million), fringe benefits (\$301 million), transportation (\$222 million), State University programs (\$172 million), health care programs including Child Health Plus (\$106 million), and the STAR local property tax relief program (\$120 million). These increases are partially offset by lower spending for debt service (\$520 million) and the use of TANF funds to lower state support for the Tuition Assistance Program (\$345 million) and welfare (\$429 million).



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. All Governmental Funds excludes Fiduciary, Internal Service, and Enterprise funds. In 2002-03, spending from All Governmental Funds is estimated at \$88.60 billion, an increase of \$4.0 billion or 4.7 percent from 2001-02.



In addition to the State Funds increase of \$929 million described above, the annual increase in All Governmental Funds spending is financed by growth in Federal grants of \$3.07 billion. In 2002-03, federally-supported spending grows primarily for Medicaid (\$1.23

FINANCIAL PLAN OVERVIEW

billion), social welfare initiatives authorized under TANF (\$480 million), the share of the college tuition assistance program financed by TANF (\$345 million), services for children and families (\$158 million), and education (\$186 million).

SPECIAL REVENUE FUNDS

Special Revenue Funds (SRFs) receive dedicated sources of State and Federal revenues and disburse funds for specified purposes. SRFs ensure that dedicated revenues are used solely for their intended purposes. Spending from SRFs is projected to total \$42.46 billion in 2002-03, accounting for 48 percent of All Governmental Funds disbursements. Of this amount, \$14.07 billion in spending is from funds supported by State revenues, and \$28.39 billion from funds supported by Federal grants, primarily for social welfare programs.

State Special Revenue Funds

Disbursements from State SRFs are projected at \$14.07 billion, an increase of \$2.19 billion or 18.5 percent from 2001-02. Major components of State SRFs are discussed in more detail below.

- **Medicaid:** Spending for the State's Medicaid program is projected to total \$2.06 billion in 2002-03, an increase of \$852 million over 2001-02. The State's Medicaid program is supported by various revenues sources as detailed below:
 - **Indigent Care:** The State assists hospitals that provide care for uninsured people through the Indigent Care Fund. The fund receives revenues from a bad debt and charity care pool financed by third-party payers. Total disbursements from the Indigent Care Fund are estimated at \$1.0 billion in 2002-03. The increase of \$162 million from 2001-02 primarily reflects the distribution of available NYPHRM balances (\$64 million) and HCRA bad debt and charity care funds (\$80 million).
 - **Provider Assessments:** The new Provider Assessment account proposed in the Executive Budget will receive the proceeds from a 6.0 percent assessment on nursing homes. The estimated revenues in 2002-03 are projected to be \$463 million and will be used to lower Medicaid costs.
 - **Health Care Reform Act Transfer:** This fund is supported by transfers from the Tobacco Control & Insurance Initiatives Pool and finances certain health programs, primarily the State's Medicaid program, as authorized by HCRA. Medicaid spending from this fund is projected at \$540 million, an increase of \$277 million over 2001-02, and primarily funds new initiatives.
 - **Tobacco Transfer:** This fund receives money from the Tobacco Settlement Fund. Spending from the Tobacco Transfer Fund is projected at \$91 million in 2002-03, unchanged from 2001-02.
- **STAR:** This fund receives personal income tax receipts dedicated to support the STAR program. Spending for STAR is estimated at \$2.63 billion in 2002-03, an increase of \$120 million from 2001-02. STAR will provide \$2.09 billion in local property tax relief for eligible homeowners statewide. In addition, residents of New York City, who pay property, income and other taxes to fund City services including schools, will receive \$540 million in City personal income tax reductions. Increased participation by taxpayers and higher local taxes account for the higher projected spending in 2002-03.
- **Lottery:** The Lottery Fund supports education aid from the net proceeds of lottery activity. The 2002-03 Executive Budget projects the receipt of \$2.09 billion in lottery proceeds. After payment of administrative expenses, the Fund will distribute \$1.91 billion for education purposes, an increase of \$349 million from 2001-02. This increase includes implementation of a new multi-state lottery game (\$125 million), the introduction of video lottery terminals at racetracks (\$60 million), and enhancements to Quick Draw (\$43 million).
- **State University of New York:** The State University (SUNY) receives revenues from tuition, third-party payers, room rents, and user fees. SUNY revenues support the

- costs of operating hospitals, dormitories, and regular campus services. The University's spending from State SRFs is projected to total \$2.22 billion in 2002-03, an increase of \$73 million from the current year. This increase primarily reflects anticipated increases in revenues, which will be available for program operations.
- **Transportation:** The Mass Transportation Operating Assistance (MTOA) Fund and the Dedicated Mass Transportation Trust Fund receive taxes earmarked for mass transportation programs throughout the State. Total disbursements from these two funds in 2002-03 are projected at \$1.72 billion, \$172 million more than in 2001-02. This increase reflects the disbursement of \$137 million in available MTOA balances dedicated for use by the MTA and other transit systems and \$51 million for the Dedicated Mass Transportation Fund supported by higher revenues.
 - **Child Health Plus:** The Child Health Plus (CHP) program subsidizes health insurance coverage for children of low-income families. Revenues authorized in HCRA fund the State's share of CHP. The 2002-03 Financial Plan budgets \$431 million in State spending for this program. The increase of \$106 million in State special revenue spending results from CHP-funded Medicaid expansion and costs associated with an increased estimate of the immigrant population who are ineligible for Federal Medicaid participation.
 - **All Other:** Fees, licenses, and assessments collected by State agencies support the costs of providing specific services, including health care. Spending for these SRFs is projected at \$3.09 billion for 2002-03, an increase of \$522 million over 2001-02. This growth includes increases in the EPIC prescription drug program (\$154 million), increase in health programs funded through HCRA (\$95 million) and homeland security costs (\$40 million).

Federal Special Revenue Funds

Federal SRFs account for grants and other Federal aid received from the Federal government. The State must follow specific guidelines regarding the use of these grants. In addition, the State is subject to the Federal Cash Management Improvement Act, which limits the time between the State's draw down of moneys from the Federal government and its disbursement to recipients. In most cases, the State finances programs in the first instance, then receives reimbursement from the Federal government.

Total disbursements for programs supported by Federal grants account for approximately three-quarters of all special revenue spending. Federal SRF disbursements are estimated at \$28.39 billion in 2002-03, an increase of \$2.97 billion or 11.7 percent from 2001-02. The projections for both fiscal years exclude the flow-through of Federal aid to localities for WTC costs. The higher spending is primarily due to increased spending for Medicaid (\$1.23 billion), welfare (\$480 million) and college tuition assistance (\$345 million) programs. Major components of Federal SRFs are discussed in more detail below.

- **Medicaid:** The single largest program in Federal SRFs is Medicaid, which comprises 54 percent of Federal SRF spending. Disbursements are made to health care providers and to reimburse local governments for administrative costs. The 2002-03 Budget projects \$15.43 billion in total Federal Medicaid payments, an increase of \$1.23 billion from 2001-02. This growth is primarily attributable to underlying growth in the Medicaid program of 7.2 percent (\$854 million) and efforts to utilize existing Federal resources including additional Upper Payment Limit disbursements (\$228 million) to help finance program growth.
- **Welfare:** The State receives Federal welfare funding through the TANF block grant. The difference between the block grant and current spending requirements ("the TANF reserve") allows the State and localities to provide services that help welfare recipients and at-risk families secure and retain employment. In 2002-03, Federal welfare spending financed by TANF will total \$2.33 billion, an increase of \$480 million over fiscal year 2001-02. TANF supports a wide range of services, including child welfare services, tax credits for the working poor, and other welfare reform initiatives.

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- The growth in TANF spending in 2002-03 consists primarily of retroactive claims related to the Earned Income Tax Credit (\$200 million) and the Child and Dependent Care Tax Credit (\$47 million), and other Federal maximization efforts (\$233 million).
- **Education:** Education spending is projected at \$2.08 billion in 2002-03, an increase of \$186 million from 2001-02. Increased Federal funding, including use of the TANF block grant, for elementary and secondary education programs supports this growth in spending, as well as the disbursement of Federal school construction grants originally awarded in 2001-02.
 - **Higher Education Services Corporation:** Spending for Higher Education Services Corporation increased by \$345 million from 2001-02 as a result of the financing of the college tuition assistance program by the TANF block grant.
 - **Children and Family Services:** Funding for Children and Family Services is projected at \$1.67 billion in 2002-03, an increase of \$155 million from 2001-02. The increase results from projected higher spending levels from the child care reserve fund and Title IV-E programs such as adoption and foster care.
 - **Labor:** Labor spending is estimated at \$667 million in 2002-03, an increase of \$11 million from 2001-02. This modest growth is primarily attributable to salary increases and inflation.
 - **Child Health Plus:** Federal support for the CHP program (in conjunction with State money) facilitates access to comprehensive health care coverage for every eligible child in New York through age 18. The Federal share of spending is projected at \$619 million in 2002-03, an increase of \$200 million from 2001-02, reflecting CHP expansion and increased enrollment estimates.
 - **All Other:** All other Federal spending is projected at \$4.99 billion for 2002-03 and includes support for health care, public protection and general government programs. The increase of \$283 million results primarily from an increase in Medicaid payments to state-operated mental health and retardation facilities and SUNY hospitals (\$345 million), which total \$2.38 billion in 2002-03.

CAPITAL PROJECTS FUNDS

The Capital Projects Funds group includes the Capital Projects Fund that is supported with tax receipts 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 that support capital programs for correctional services and housing. 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 are proceeds from the sale of bonds, including voter-approved general obligation bonds or public authority bonds.

Capital Projects Funds spending in 2002-03 is projected at \$5.06 billion, or \$501 million higher than the revised projection for 2001-02. The increase is primarily attributable to housing, economic development and other areas of spending (\$177 million), transportation (\$110 million), environment (\$100 million), education (\$84 million), and mental hygiene and public protection (\$30 million). In addition, Federal funding in 2002-03 will support Department of Transportation (DOT) spending for the reconstruction of Route 9A on the lower side of Manhattan which was damaged during the WTC disaster.

Highlights of the 2002-03 capital spending plan include:

- Transportation spending of \$2.9 billion, an increase of \$110 million or 4 percent over the prior year. Construction levels for DOT's Highway and Bridge Construction Program will continue to be financed at their highest level, a \$1.75 billion letting level in 2002-03. The Executive Budget also includes support for local transportation

FINANCIAL PLAN OVERVIEW

capital programs (Consolidated Highway Improvement Program (CHIPS) and the Marchiselli Program). Transportation programs account for 58 percent of overall capital spending.

- Projected spending for the environment of \$807 million is an increase of \$100 million or 14 percent over 2001-02. Disbursements for the environment include \$169 million in Clean Water/Clean Air Bond Act spending, \$125 million in spending from the Environmental Protection Fund and \$105 million from the new Remedial Program Transfer Fund to continue support for the clean-up of hazardous waste and substance sites. Spending for the environment will account for 16 percent of 2002-03 capital disbursements.
- Spending for housing, economic development and other capital projects of \$483 million is an increase of \$177 million or 58 percent from 2001-02, including funds for reconstruction of Route 9A in New York City. Spending will support capital projects that will encourage economic development and job creation under a variety of programs, including the Strategic Investment Program and the Economic Development and Natural Resource Program. For 2002-03, the Capital Plan includes funding for a new \$250 million high technology, biotechnology program which will be administrated by the Empire State Development Corporation (ESDC) in conjunction with the Office of Science Technology and Academic Research (NYSTAR). This program, which will be funded in part by a \$60 million redirection of CEFAP monies, will finance projects that create or retain technology-related jobs including the construction and rehabilitation of research facilities, acquisition of business equipment, and the development of business incubators and business parks. In addition, initial funding is provided for the new Empire Opportunity Fund program to create and retain jobs in upstate New York and Long Island. Spending recommendations for 2002-03 will continue funding for the construction and rehabilitation of the State Capitol, the Alfred E. Smith State Office Building, and other State office buildings. In addition, funding is provided for a new Elk Street parking garage in Albany. Disbursements for housing and economic development initiatives will account for approximately 10 percent of 2002-03 capital spending.
- Public protection spending of about \$211 million is an increase of \$9 million or 4 percent from 2001-02. Public protection spending, which primarily finances maintenance at correctional facilities, will account for 4 percent of total 2002-03 capital disbursements.
- Spending for the Department of Mental Hygiene of \$201 million is an increase of \$21 million or 12 percent from 2001-02. Department spending will continue to support essential health and safety, rehabilitation and maintenance projects to preserve both State and community-based facilities operated and licensed by the Department's agencies. Department of Mental Hygiene spending will account for 4 percent of 2002-03 capital disbursements.
- Capital spending for education and higher education of \$417 million is an increase of \$84 million or 25 percent from 2001-02. Education and higher education spending will account for 8 percent of 2002-03 capital spending.

DEBT SERVICE FUNDS

Debt Service Funds are the conduits through which the State pays debt service on State general obligation bonds, and satisfies its lease-purchase and contractual obligation commitments on bonds issued by State authorities and municipalities. Debt service funds receive moneys either from a dedicated revenue stream, such as sales tax receipts, or as a transfer from the General Fund or other funds.

Estimated debt service disbursements from the debt service funds type are projected at \$4.19 billion for 2001-02 and \$3.67 billion for 2002-03. The \$520 million reduction is primarily due to the use of \$500 million in DRRF in 2001-02 (which technically is shown as an increase

FINANCIAL PLAN OVERVIEW

in debt service spending in that year), debt service savings in 2002-03 from the use of DRRF, the use of lower cost revenue bonds, and the impact of proposed legislation that will enhance the State's ability to reduce borrowing costs.

The General Debt Service Fund pays debt service on general obligation bonds, as well as payments for lease-purchase and contractual obligation 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 required disbursements. In addition, the Revenue Bond Tax Fund will pay the debt service on revenue bonds supported by a pledge of a portion of State personal income taxes.

In 2002-03, the transfer from the General Fund is projected at \$1.84 billion, a decrease of \$267 million from 2001-02. The decrease primarily reflects increases associated with prior year financings for CUNY, SUNY, correctional facilities and other programs offset by the impact from the use of \$500 million in DRRF funds to defease bonds, and other efforts to reduce borrowing costs. Additional transfers of \$258 million from the Dedicated Highway and Bridge Trust Fund, \$76 million from the Clean Water/Clean Air Fund, \$24 million from the Income Fund for SUNY Hospitals, \$2 million from the State Parks Infrastructure Fund, and \$81 million from the Centralized Services Fund are projected to bring 2002-03 total disbursements from the General Debt Service Fund to \$2.28 billion. Those additional transfers pay the debt service on bonds issued for CHIPS, environmental projects under the Clean Water/Clean Air Bond Act, the hospitals' share of SUNY Educational Facilities debt service, State parks, and equipment financing purposes, respectively.

The Local Government Assistance Tax Fund is projected to receive \$2 .09 billion in 2002-03 receipts from the dedicated one cent statewide sales tax. Debt service and associated costs on the completed \$4.7 billion Local Government Assistance Corporation (LGAC) Program are projected at \$311 million in 2002-03. Sales tax receipts in excess of LGAC's debt service requirements, \$1.78 billion, will be transferred to the General Fund.

Patient revenues of \$2.45 billion deposited to the Mental Health Services Fund will satisfy debt service obligations of \$355 million in 2002-03. The remaining balance will be transferred to Special Revenue Funds to support costs for 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 (whose operations were transferred to a public corporation in 1997). Revenues of the Corporation continue to support the debt service on bonds for Roswell facilities through their maturity, and the balance is periodically transferred to the Roswell Corporation. As a result, the State's Financial Plan only reflects the portion of the Corporation's receipts that are needed for debt service. Approximately \$119 million in deposits to the Health Income Fund are expected to support debt service obligations of \$30 million in 2002-03. The balance of those deposits will be transferred to special revenue funds to support state operations costs of the Health Department.

The Clean Water/Clean Air Fund, which was created in 1998-99 to implement the Clean Water/Clean Air Bond Act, is expected to receive \$247 million from the Real Estate Transfer Tax (RETT). Approximately \$76 million in RETT receipts will be transferred to the General Debt Service Fund in 2002-03 to support the debt service on Clean Water/Clean Air general obligation bonds and the \$170 million balance will be transferred to the General Fund. Other debt service funds are used to finance payments on bonds issued to finance 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 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 2000-2001 State fiscal year, and do not reflect any pending proposals of the Governmental Accounting Standards Board.

By the end of 2002-03, General Fund GAAP is projected to have an accumulated surplus of \$619 million, in contrast to the accumulated GAAP deficit of \$3.3 billion in 1994-95.

The 2001-02 and 2002-03 operating results reflect the use of reserves in response to the WTC disaster while the State restrains overall spending over the next few years. As a result, the accumulated surplus declines from \$1.45 billion at the end of 2001-02 to \$619 million at the end of 2002-03.

CASH FLOW

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. The General Fund cash flow for 2002-03 is projected to have balances no lower than \$710 million, which occurs at year-end. In June, the projected balance in the General Fund is \$3.0 billion, while balances at the close of the second and third quarters of the fiscal year are projected to be \$3.7 billion and \$2.4 billion, respectively.

GENERAL FUND FINANCIAL PLAN OUTYEAR PROJECTIONS

| PROJECTED BUDGET GAPS FOR SFYs 2003-04 AND 2004-05 (millions of dollars) | | |
|---|----------------|----------------|
| | 2003-04 | 2004-05 |
| Receipts | 39,747 | 41,820 |
| Disbursements | (42,561) | (45,081) |
| Remaining Gap | (2,814) | (3,261) |
| <i>2004-05 Gap if 2003-04 Gap is Closed with Recurring Actions</i> | | (447) |

The State projects budget gaps of \$2.8 billion in 2003-04 and \$3.3 billion in 2004-05. The gaps assume the Legislature will enact the 2002-03 Executive Budget and accompanying legislation in its entirety. However, these budget gaps do not assume any additional spending efficiencies in order to reduce the size of the gaps. In addition, these budget gaps may be affected by the uncertainty surrounding the impact of the WTC disaster as well as the national recession.

If the projected budget gap for 2003-04 is closed with recurring actions, the 2004-05 budget gap would be reduced to \$447 million. A more detailed explanation of the outyear receipts and disbursement estimates follows.

FINANCIAL PLAN OVERVIEW

OUTYEAR RECEIPTS

| GENERAL FUND RECEIPTS (millions of dollars) | | |
|---|----------------|----------------|
| SFY: | 2003-04 | 2004-05 |
| Total Receipts | 39,747 | 41,820 |

General Fund receipts increase to an estimated \$39.75 billion in 2003-04. This increase reflects a forecast that both the national and New York economies will have recovered from recession and will be growing at historically average rates through 2004. The forecast also assumes the incremental impact of already enacted tax reductions, the impact of prior refund reserve transactions and the continued earmarking of receipts for dedicated highway purposes. Receipts are projected to grow modestly to \$41.82 billion in 2004-05, again reflecting a return to economic growth consistent with average growth in the receipts base and the impact of enacted tax cuts on normal receipts growth.

| PERSONAL INCOME TAX (millions of dollars) | | |
|---|----------------|----------------|
| SFY: | 2003-04 | 2004-05 |
| Personal Income Tax | 24,382 | 26,042 |

In general, income tax growth for 2003-04 and 2004-05 is governed by projections of growth in taxable personal income and its major components, including wages, interest and dividend earnings, realized taxable capital gains, and business income.

It should be noted that the estimated poor growth performance in income tax receipts in 2001-02 and 2002-03 are expected to be heavily influenced by the WTC disaster, as noted earlier. The outyear projections anticipate a gradual recovery in income tax receipts growth from this period.

Personal income tax receipts are projected to increase to \$24.38 billion in 2003-04. The increase from 2002-03 largely reflects the impact of refund reserve transactions and an increase in the growth in underlying liability. In addition, receipts are reduced by the incremental value of the STAR tax reduction program.

Personal income tax receipts for 2004-05 are projected to increase to \$26.04 billion. The modest increase results from a return to increases in liability consistent with underlying adjusted gross income growth of 5.8 percent.

Wages are estimated to continue to grow over the 2003-04 and 2004-05 period reflecting renewed employment growth over the projection period after the decline expected in 2002. Wage growth improves from the small wage gain of 2001 and wage loss of 2002, as bonus growth (an important component of wages) is expected to return to moderate growth after the decreases of 2001 and 2002.

Growth in realized capital gains is projected to rebound from the large decrease experienced in 2001. The 2003-04 and 2004-05 projections assume continued recovery in equity markets and growth in associated capital gains.

The 2003-04 and 2004-05 projections also assume increases in the other major components of income, consistent with continued growth in the overall economy. In particular, interest and business income are expected to grow at rates consistent with the average growth in these components in the years before the WTC attacks.

FINANCIAL PLAN OVERVIEW

There is significant uncertainty associated with the forecast of the outyear income components. In many cases, a reasonable range of uncertainty around the predicted income components would include significant reductions in receipts. As a result, the projections for 2003-04 and 2004-05 are relatively conservative given the substantial uncertainty in predicting income tax receipts.

| USER TAXES AND FEES (millions of dollars) | | |
|---|----------------|----------------|
| SFY: | 2003-04 | 2004-05 |
| User Taxes and Fees | 7,254 | 7,595 |

Receipts from user taxes and fees are estimated to total \$7.25 billion in 2003-04, an increase of \$185 million from 2002-03. This increase is due almost exclusively to growth in the sales tax, as partly offset by increased earmarking of motor vehicle fees to the dedicated transportation funds.

User taxes and fees receipts are expected to grow to \$7.59 billion in 2004-05. The economy is expected to have recovered from the recession and be growing at trend rates over this period, resulting in sales tax growth more in line with historical averages. This is expected to result in underlying growth in the sales tax base of 4 to 5 percent.

| BUSINESS TAXES (millions of dollars) | | |
|--|----------------|----------------|
| SFY: | 2003-04 | 2004-05 |
| Business Taxes | 3,862 | 3,800 |

Business tax receipts are estimated to increase to \$3.86 billion in 2003-04, as the negative impact of the WTC diminishes. This estimate reflects the effect of both ongoing and proposed tax reductions on business tax collections. Receipts are projected to fall to \$3.80 billion in 2004-05, reflecting the ongoing effect of already enacted business tax reductions, modest increases in underlying liability, the impact of the brownfield tax credits proposed with this budget, and the proposed additional enhancement to the Low-Income Housing Credit Program of \$2 million.

| OTHER TAXES (millions of dollars) | | |
|---|----------------|----------------|
| SFY: | 2003-04 | 2004-05 |
| Other Taxes | 781 | 816 |

The yield from other taxes is expected to remain essentially flat from 2002-03 to 2003-04. Receipts will be \$781 million, which reflect the lagged effect of the declines in the stock market on the value of taxable estates, and the second year impact of the acceleration of the unified credit/exemption. In 2004-05, receipts climb to \$816 million, reflecting a return to normal growth in stock market values, and again the impact of the increased unified credit/exemption.

FINANCIAL PLAN OVERVIEW

| MISCELLANEOUS RECEIPTS (millions of dollars) | | |
|--|----------------|----------------|
| SFY: | 2003-04 | 2004-05 |
| Miscellaneous Receipts | 1,386 | 1,391 |

Miscellaneous Receipts are estimated to total \$1.39 billion in 2003-04, a decrease of \$220 million from the prior year. The decrease reflects the one-time nature of transactions that added to receipts in 2002-03. Receipts in this category are projected to remain at \$1.39 billion in 2004-05.

| TRANSFERS FROM OTHER FUNDS (millions of dollars) | | |
|--|----------------|----------------|
| SFY: | 2003-04 | 2004-05 |
| Sales Tax in Excess of LGAC Debt Service | 1,829 | 1,919 |
| All Other Transfers | 253 | 257 |
| Total Transfers from Other Funds | 2,082 | 2,176 |

Transfers from other funds are estimated to grow to \$2.08 billion in 2003-04 and to \$2.18 billion in 2004-05. This largely reflects growth in the dedicated portions of sales tax and the real estate transfer tax, which comprise a significant portion of transfers from other funds each year.

OUTYEAR DISBURSEMENTS

| GENERAL FUND DISBURSEMENTS (millions of dollars) | | |
|--|----------------|----------------|
| SFY: | 2003-04 | 2004-05 |
| Total Disbursements | 42,561 | 45,081 |

The State currently projects spending to grow by \$2.34 billion (5.8 percent) in 2003-04 and \$2.52 billion (5.9 percent) in 2004-05. Spending estimates for 2003-04 and 2004-05 are described in more detail below.

| GRANTS TO LOCAL GOVERNMENTS (millions of dollars) | | |
|---|----------------|----------------|
| SFY: | 2003-04 | 2004-05 |
| Grants to Local Governments | 28,448 | 29,965 |

Local assistance spending accounts for most of the projected growth in General Fund spending in the outyears, increasing by \$1.82 billion (6.8 percent) in 2003-04 and \$1.52 billion (5.3 percent) in 2004-05. The growth in both outyears is primarily concentrated in school aid, Medicaid, welfare, higher education and mental hygiene programs.

The projected school aid growth on a school year basis is approximately \$600 million in both 2003-04 and 2004-05. This reflects the continuation of building aid reforms and annual increases in expense-based aids and general operating support. On a fiscal year basis, General Fund spending is projected to grow by approximately \$207 million in 2003-04 and \$677 million in 2004-05. The increases reflect the fiscal year "tail" associated with the delayed impact of school year increases on the State's fiscal year (roughly a 70 percent / 30 percent split), and no growth in lottery estimates in 2004-05.

FINANCIAL PLAN OVERVIEW

Underlying spending growth in Medicaid in both outyears is projected at 7.5 percent annually, which is generally consistent with the Health Care Reform Act and Congressional Budget Office projections. General Fund spending is expected to grow by \$734 million in 2003-04 and another \$467 million in 2004-05. The larger growth in 2003-04 is primarily attributable to the phase-out of nursing home intergovernmental transfer payments (\$190 million), an additional Medicaid cycle (\$138 million), and increased costs associated with providing services to legal immigrants (\$23 million).

Welfare programmatic commitments are expected to remain essentially flat throughout the projection period. However, the reduced availability of Federal TANF surplus revenues leads to projected increases in State spending for welfare programs in 2003-04 (\$585 million) followed by essentially no growth in 2004-05.

Mental hygiene programs grow by approximately \$121 million (7.8 percent) in 2003-04 and an additional \$97 million (5.8 percent) in 2004-05, as a result of the projected expansion of programs for the mentally and developmentally disabled.

All other local assistance programs increase by \$174 million (2.8 percent) in 2003-04 and \$260 million in 2004-05 (4.1 percent). The net increase is primarily due to the projected loss of Federal TANF funds to offset higher education programs in 2002-03 (\$345 million), partially offset by lower spending in the legislative Community Projects Fund in 2003-04 (\$143 million). The net increase in 2004-05 is primarily due to additional spending projected for Public Health programs (\$88 million), Children and Family Services (\$60 million) and Handicapped Education (\$50 million).

| STATE OPERATIONS (millions of dollars) | | |
|--|---------|---------|
| SFY: | 2003-04 | 2004-05 |
| State Operations | 8,048 | 8,449 |

State Operations spending is expected to increase by \$159 million, or 2 percent, in 2003-04 and another \$401 million or 5 percent in 2004-05. The growth in State Operations is due to costs associated with normal salary step increases and inflationary increases for nonpersonal service costs, valued at \$133 million in 2003-04 and \$131 million in 2004-05. The 2004-05 State Operations growth is also attributable to the value of an additional institutional payroll cycle (\$130 million) and reflects the costs of snow and ice removal in the General Fund (\$135 million). No additional salary increases are assumed after the expiration of the State's collective bargaining agreements in 2002-03.

| GENERAL STATE CHARGES (millions of dollars) | | |
|---|---------|---------|
| SFY: | 2003-04 | 2004-05 |
| General State Charges | 3,203 | 3,509 |

General State Charges are projected to increase by \$313 million (10.8 percent) in 2003-04 and \$306 million (9.6 percent) in 2004-05. This growth is primarily due to anticipated cost increases in providing pensions and health insurance benefits to State employees and retirees. Absent significant investment gains in the Common Retirement Fund, substantial increases are anticipated for the State's contribution to the New York State and Local Retirement Systems. The projections for health insurance assume continuation of annual increases of 11 percent.

FINANCIAL PLAN OVERVIEW

| TRANSFERS TO OTHER FUNDS (millions of dollars) | | |
|--|----------------|----------------|
| SFY: | 2003-04 | 2004-05 |
| Debt Service | 1,882 | 2,154 |
| Capital Projects | 379 | 404 |
| State University | 142 | 154 |
| All Other | 459 | 446 |
| Total Transfers to Other Funds | 2,862 | 3,158 |

Transfers to the debt service funds increase by \$43 million in 2003-04 and \$272 million 2004-05. The change in debt service in the outyears is due primarily to additional costs to support higher education, economic development, and public protection capital projects, as offset by savings generated from the use of the Debt Reduction Reserve Fund and proposals to reduce borrowing costs.

Capital projects transfers, which reflect General Fund support for capital spending are projected to increase by approximately \$61 million in 2003-04 and \$25 million in 2004-05. These increases in General Fund support for capital projects are due primarily to additional costs to support environment, economic development, State facilities, mental hygiene, and higher education programs.

Transfers to the State University support the State subsidy for SUNY hospitals and the State's share of the repayment of an outstanding SUNY loan. The increases in 2003-04 and 2004-05 reflect a larger State subsidy for SUNY hospitals.

All other transfers remain relatively flat in the outyears of the Financial Plan.

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FINANCIAL PLAN OVERVIEW

**CASH FINANCIAL PLAN
GENERAL FUND
2001-2002
(millions of dollars)**

| | October | Change | January |
|---------------------------------|----------------|---------------|----------------|
| Opening fund balance | 1,098 | 0 | 1,098 |
| Receipts: | | | |
| Taxes: | | | |
| Personal income tax | 27,096 | (119) | 26,977 |
| User taxes and fees | 7,042 | 40 | 7,082 |
| Business taxes | 3,650 | 179 | 3,829 |
| Other taxes | 721 | 59 | 780 |
| Miscellaneous receipts | 1,506 | 103 | 1,609 |
| Transfers from other funds: | | | |
| LGAC | 1,720 | 22 | 1,742 |
| All other | 355 | 60 | 415 |
| Total receipts | 42,090 | 344 | 42,434 |
| Disbursements: | | | |
| Grants to local governments | 28,327 | (287) | 28,040 |
| State operations | 7,814 | 32 | 7,846 |
| General State charges | 2,659 | 4 | 2,663 |
| Transfers to other funds: | | | |
| Debt service | 2,289 | (183) | 2,106 |
| Capital projects | 316 | (82) | 234 |
| State university | 69 | 0 | 69 |
| Other purposes | 499 | (2) | 497 |
| Total disbursements | 41,973 | (518) | 41,455 |
| Change in fund balance | 117 | 862 | 979 |
| Closing fund balance | 1,215 | 862 | 2,077 |
| Tax Stabilization Reserve Fund | 627 | 83 | 710 |
| Contingency Reserve Fund | 151 | (70) | 81 |
| Community Projects Fund | 142 | 0 | 142 |
| Universal Pre-Kindergarten Fund | 14 | (3) | 11 |
| Reserve for WTC costs | 281 | 852 | 1,133 |

FINANCIAL PLAN OVERVIEW

**CASH FINANCIAL PLAN
GENERAL FUND
2001-2002 AND 2002-2003
(millions of dollars)**

| | <u>2001-2002 Estimate</u> | <u>2002-2003 Recommended</u> | <u>Change</u> |
|---------------------------------|-------------------------------|----------------------------------|----------------|
| Opening fund balance | <u>1,098</u> | <u>2,077</u> | <u>979</u> |
| Receipts: | | | |
| Taxes: | | | |
| Personal income tax | 26,977 | 23,292 | (3,685) |
| User taxes and fees | 7,082 | 7,069 | (13) |
| Business taxes | 3,829 | 3,775 | (54) |
| Other taxes | 780 | 783 | 3 |
| Miscellaneous receipts | 1,609 | 1,606 | (3) |
| Transfers from other funds: | | | |
| LGAC | 1,742 | 1,784 | 42 |
| All other | 415 | 545 | 130 |
| Total receipts | <u>42,434</u> | <u>38,854</u> | <u>(3,580)</u> |
| Disbursements: | | | |
| Grants to local governments | 28,040 | 26,627 | (1,413) |
| State operations | 7,846 | 7,889 | 43 |
| General State charges | 2,663 | 2,890 | 227 |
| Transfers to other funds: | | | |
| Debt service | 2,106 | 1,839 | (267) |
| Capital projects | 234 | 318 | 84 |
| State university | 69 | 105 | 36 |
| Other purposes | 497 | 553 | 56 |
| Total disbursements | <u>41,455</u> | <u>40,221</u> | <u>(1,234)</u> |
| Change in fund balance | <u>979</u> | <u>(1,367)</u> | <u>(2,346)</u> |
| Closing fund balance | <u>2,077</u> | <u>710</u> | <u>(1,367)</u> |
| Tax Stabilization Reserve Fund | 710 | 710 | |
| Contingency Reserve Fund | 81 | 0 | |
| Community Projects Fund | 142 | 0 | |
| Universal Pre-Kindergarten Fund | 11 | 0 | |
| Reserve for WTC costs | 1,133 | 0 | |

FINANCIAL PLAN OVERVIEW

**CASH FINANCIAL PLAN
GENERAL FUND
2002-2003 THROUGH 2004-2005
(millions of dollars)**

| | 2002-2003 Recommended | 2003-2004 Projected | 2004-2005 Projected |
|--|----------------------------------|--------------------------------|--------------------------------|
| Receipts: | | | |
| Taxes: | | | |
| Personal income tax | 23,292 | 24,382 | 26,042 |
| User taxes and fees | 7,069 | 7,254 | 7,595 |
| Business taxes | 3,775 | 3,862 | 3,800 |
| Other taxes | 783 | 781 | 816 |
| Miscellaneous receipts | 1,606 | 1,386 | 1,391 |
| Transfers from other funds: | | | |
| LGAC | 1,784 | 1,829 | 1,919 |
| All other | 545 | 253 | 257 |
| Total receipts | 38,854 | 39,747 | 41,820 |
| Disbursements: | | | |
| Grants to local governments | 26,627 | 28,448 | 29,965 |
| State operations | 7,889 | 8,048 | 8,449 |
| General State charges | 2,890 | 3,203 | 3,509 |
| Transfers to other funds: | | | |
| Debt service | 1,839 | 1,882 | 2,154 |
| Capital projects | 318 | 379 | 404 |
| State university | 105 | 142 | 154 |
| Other purposes | 553 | 459 | 446 |
| Total disbursements | 40,221 | 42,561 | 45,081 |
| Deposit to/(use of) Contingency Reserve Fund | (81) | 0 | 0 |
| Deposit to/(use of) Community Projects Fund | (142) | 0 | 0 |
| Deposit to/(use of) Universal Pre-Kindergarten Fund | (11) | 0 | 0 |
| Deposit to/(use of) WTC Reserve | (1,133) | 0 | 0 |
| Margin | 0 | (2,814) | (3,261) |

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 | 917 | 762 | (19) | 448 | 2,108 |
| Receipts: | | | | | |
| Taxes | 36,093 | 4,532 | 1,237 | 2,746 | 44,608 |
| Miscellaneous receipts | 1,553 | 6,646 | 1,674 | 860 | 10,733 |
| Federal grants | 0 | 24,273 | 1,509 | 0 | 25,782 |
| Total receipts | <u>37,646</u> | <u>35,451</u> | <u>4,420</u> | <u>3,606</u> | <u>81,123</u> |
| Disbursements: | | | | | |
| Grants to local governments | 26,667 | 27,734 | 707 | 0 | 55,108 |
| State operations | 7,605 | 6,316 | 0 | 13 | 13,934 |
| General State charges | 2,567 | 301 | 0 | 0 | 2,868 |
| Debt service | 1 | 0 | 0 | 4,082 | 4,083 |
| Capital projects | 0 | 9 | 3,751 | 0 | 3,760 |
| Total disbursements | <u>36,840</u> | <u>34,360</u> | <u>4,458</u> | <u>4,095</u> | <u>79,753</u> |
| Other financing sources (uses): | | | | | |
| Transfers from other funds | 2,237 | 2,396 | 376 | 4,751 | 9,760 |
| Transfers to other funds | (2,862) | (2,050) | (627) | (4,288) | (9,827) |
| Bond and note proceeds | 0 | 0 | 219 | 0 | 219 |
| Net other financing sources (uses) | <u>(625)</u> | <u>346</u> | <u>(32)</u> | <u>463</u> | <u>152</u> |
| Change in fund balance | <u>181</u> | <u>1,437</u> | <u>(70)</u> | <u>(26)</u> | <u>1,522</u> |
| Closing fund balance | <u>1,098</u> | <u>2,199</u> | <u>(89)</u> | <u>422</u> | <u>3,630</u> |

FINANCIAL PLAN OVERVIEW

**CASH FINANCIAL PLAN
ALL GOVERNMENTAL FUNDS
2001-2002
(millions of dollars)**

| | General Fund | Special Revenue Funds | Capital Projects Funds | Debt Service Funds | (MEMO) Total |
|--|-----------------|-----------------------------|------------------------------|--------------------------|-----------------|
| Opening fund balance | 1,098 | 2,199 | (89) | 422 | 3,630 |
| Receipts: | | | | | |
| Taxes | 38,668 | 2,815 | 1,554 | 2,666 | 45,703 |
| Miscellaneous receipts | 1,609 | 7,179 | 1,731 | 606 | 11,125 |
| Federal grants | 0 | 25,497 | 1,471 | 0 | 26,968 |
| Total receipts | 40,277 | 35,491 | 4,756 | 3,272 | 83,796 |
| Disbursements: | | | | | |
| Grants to local governments | 28,040 | 30,146 | 856 | 0 | 59,042 |
| State operations | 7,846 | 6,690 | 0 | 6 | 14,542 |
| General State charges | 2,663 | 466 | 0 | 0 | 3,129 |
| Debt service | 0 | 0 | 0 | 4,185 | 4,185 |
| Capital projects | 0 | 2 | 3,698 | 0 | 3,700 |
| Total disbursements | 38,549 | 37,304 | 4,554 | 4,191 | 84,598 |
| World Trade Center revenues (costs): | | | | | |
| Federal grants | 0 | 1,525 | 0 | 0 | 1,525 |
| Disaster assistance to localities | 0 | (1,525) | 0 | 0 | (1,525) |
| Net World Trade Center revenues (costs) | 0 | 0 | 0 | 0 | 0 |
| Other financing sources (uses): | | | | | |
| Transfers from other funds | 2,157 | 2,608 | 254 | 4,799 | 9,818 |
| Transfers to other funds | (2,906) | (2,073) | (769) | (4,145) | (9,893) |
| Bond and note proceeds | 0 | 0 | 237 | 0 | 237 |
| Net other financing sources (uses) | (749) | 535 | (278) | 654 | 162 |
| Change in fund balance | 979 | (1,278) | (76) | (265) | (640) |
| Closing fund balance | 2,077 | 921 | (165) | 157 | 2,990 |

FINANCIAL PLAN OVERVIEW

**CASH FINANCIAL PLAN
ALL GOVERNMENTAL FUNDS
2002-2003
(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 | 2,077 | 921 | (165) | 157 | 2,990 |
| Receipts: | | | | | |
| Taxes | 34,919 | 4,199 | 1,673 | 2,455 | 43,246 |
| Miscellaneous receipts | 1,606 | 9,166 | 2,067 | 626 | 13,465 |
| Federal grants | 0 | 28,560 | 1,576 | 0 | 30,136 |
| Total receipts | <u>36,525</u> | <u>41,925</u> | <u>5,316</u> | <u>3,081</u> | <u>86,847</u> |
| Disbursements: | | | | | |
| Grants to local governments | 26,627 | 34,866 | 955 | 0 | 62,448 |
| State operations | 7,889 | 7,047 | 0 | 7 | 14,943 |
| General State charges | 2,890 | 548 | 0 | 0 | 3,438 |
| Debt service | 0 | 0 | 0 | 3,665 | 3,665 |
| Capital projects | 0 | 2 | 4,099 | 0 | 4,101 |
| Total disbursements | <u>37,406</u> | <u>42,463</u> | <u>5,054</u> | <u>3,672</u> | <u>88,595</u> |
| World Trade Center revenues (costs): | | | | | |
| Federal grants | 0 | 3,741 | 0 | 0 | 3,741 |
| Disaster assistance to localities | 0 | (3,741) | 0 | 0 | (3,741) |
| Net World Trade Center revenues (costs) | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Other financing sources (uses): | | | | | |
| Transfers from other funds | 2,329 | 2,947 | 343 | 5,058 | 10,677 |
| Transfers to other funds | (2,815) | (2,409) | (992) | (4,480) | (10,696) |
| Bond and note proceeds | 0 | 0 | 260 | 0 | 260 |
| Net other financing sources (uses) | <u>(486)</u> | <u>538</u> | <u>(389)</u> | <u>578</u> | <u>241</u> |
| Change in fund balance | <u>(1,367)</u> | <u>0</u> | <u>(127)</u> | <u>(13)</u> | <u>(1,507)</u> |
| Closing fund balance | <u>710</u> | <u>921</u> | <u>(292)</u> | <u>144</u> | <u>1,483</u> |

FINANCIAL PLAN OVERVIEW

**CASH FINANCIAL PLAN
ALL GOVERNMENTAL FUNDS
2003-2004
(millions of dollars)**

| | General Fund | Special Revenue Funds | Capital Projects Funds | Debt Service Funds | (MEMO) Total |
|--|-----------------|-----------------------------|------------------------------|--------------------------|-----------------|
| Opening fund balance | 0 | 921 | (292) | 144 | 773 |
| Receipts: | | | | | |
| Taxes | 36,279 | 4,392 | 1,746 | 2,429 | 44,846 |
| Miscellaneous receipts | 1,386 | 9,565 | 2,179 | 649 | 13,779 |
| Federal grants | 0 | 28,481 | 1,828 | 0 | 30,309 |
| Total receipts | <u>37,665</u> | <u>42,438</u> | <u>5,753</u> | <u>3,078</u> | <u>88,934</u> |
| Disbursements: | | | | | |
| Grants to local governments | 28,448 | 35,112 | 919 | 0 | 64,479 |
| State operations | 8,048 | 7,081 | 0 | 7 | 15,136 |
| General State charges | 3,203 | 564 | 0 | 0 | 3,767 |
| Debt service | 0 | 0 | 0 | 3,952 | 3,952 |
| Capital projects | 0 | 2 | 4,478 | 0 | 4,480 |
| Total disbursements | <u>39,699</u> | <u>42,759</u> | <u>5,397</u> | <u>3,959</u> | <u>91,814</u> |
| World Trade Center revenues (costs): | | | | | |
| Federal grants | 0 | 2,088 | 0 | 0 | 2,088 |
| Disaster assistance to localities | 0 | (2,088) | 0 | 0 | (2,088) |
| Net World Trade Center revenues (costs) | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Other financing sources (uses): | | | | | |
| Transfers from other funds | 2,082 | 2,811 | 404 | 5,198 | 10,495 |
| Transfers to other funds | (2,862) | (2,268) | (998) | (4,329) | (10,457) |
| Bond and note proceeds | 0 | 0 | 231 | 0 | 231 |
| Net other financing sources (uses) | <u>(780)</u> | <u>543</u> | <u>(363)</u> | <u>869</u> | <u>269</u> |
| Change in fund balance | <u>(2,814)</u> | <u>222</u> | <u>(7)</u> | <u>(12)</u> | <u>(2,611)</u> |
| Closing fund balance | <u>(2,814)</u> | <u>1,143</u> | <u>(299)</u> | <u>132</u> | <u>(1,838)</u> |

Note: The General Fund opening fund balance does not reflect \$710 million in the Tax Stabilization Reserve Fund.

FINANCIAL PLAN OVERVIEW

**CASH FINANCIAL PLAN
ALL GOVERNMENTAL FUNDS
2004-2005
(millions of dollars)**

| | General Fund | Special Revenue Funds | Capital Projects Funds | Debt Service Funds | (MEMO) Total |
|--|-----------------|-----------------------------|------------------------------|--------------------------|-----------------|
| Opening fund balance | 0 | 1,143 | (299) | 132 | 976 |
| Receipts: | | | | | |
| Taxes | 38,253 | 4,559 | 1,670 | 2,550 | 47,032 |
| Miscellaneous receipts | 1,391 | 9,923 | 2,243 | 680 | 14,237 |
| Federal grants | 0 | 29,732 | 2,019 | 0 | 31,751 |
| Total receipts | <u>39,644</u> | <u>44,214</u> | <u>5,932</u> | <u>3,230</u> | <u>93,020</u> |
| Disbursements: | | | | | |
| Grants to local governments | 29,965 | 36,714 | 1,012 | 0 | 67,691 |
| State operations | 8,449 | 7,236 | 0 | 7 | 15,692 |
| General State charges | 3,509 | 589 | 0 | 0 | 4,098 |
| Debt service | 0 | 0 | 0 | 4,394 | 4,394 |
| Capital projects | 0 | 3 | 4,452 | 0 | 4,455 |
| Total disbursements | <u>41,923</u> | <u>44,542</u> | <u>5,464</u> | <u>4,401</u> | <u>96,330</u> |
| World Trade Center revenues (costs): | | | | | |
| Federal grants | 0 | 999 | 0 | 0 | 999 |
| Disaster assistance to localities | 0 | (999) | 0 | 0 | (999) |
| Net World Trade Center revenues (costs) | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Other financing sources (uses): | | | | | |
| Transfers from other funds | 2,176 | 2,838 | 429 | 5,650 | 11,093 |
| Transfers to other funds | (3,158) | (2,308) | (1,098) | (4,453) | (11,017) |
| Bond and note proceeds | 0 | 0 | 199 | 0 | 199 |
| Net other financing sources (uses) | <u>(982)</u> | <u>530</u> | <u>(470)</u> | <u>1,197</u> | <u>275</u> |
| Change in fund balance | <u>(3,261)</u> | <u>202</u> | <u>(2)</u> | <u>26</u> | <u>(3,035)</u> |
| Closing fund balance | <u>(3,261)</u> | <u>1,345</u> | <u>(301)</u> | <u>158</u> | <u>(2,059)</u> |

Note: The General Fund opening fund balance does not reflect \$710 million in the Tax Stabilization Reserve Fund.

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 | 917 | 879 | 185 | 448 | 2,429 |
| Receipts: | | | | | |
| Taxes | 36,093 | 4,532 | 1,237 | 2,746 | 44,608 |
| Miscellaneous receipts | 1,553 | 6,520 | 1,672 | 860 | 10,605 |
| Federal grants | 0 | 0 | 0 | 0 | 0 |
| Total receipts | <u>37,646</u> | <u>11,052</u> | <u>2,909</u> | <u>3,606</u> | <u>55,213</u> |
| Disbursements: | | | | | |
| Grants to local governments | 26,667 | 6,444 | 401 | 0 | 33,512 |
| State operations | 7,605 | 3,627 | 0 | 13 | 11,245 |
| General State charges | 2,567 | 167 | 0 | 0 | 2,734 |
| Debt service | 1 | 0 | 0 | 4,082 | 4,083 |
| Capital projects | 0 | 9 | 2,600 | 0 | 2,609 |
| Total disbursements | <u>36,840</u> | <u>10,247</u> | <u>3,001</u> | <u>4,095</u> | <u>54,183</u> |
| Other financing sources (uses): | | | | | |
| Transfers from other funds | 2,237 | 652 | 376 | 4,751 | 8,016 |
| Transfers to other funds | (2,862) | (143) | (619) | (4,288) | (7,912) |
| Bond and note proceeds | 0 | 0 | 219 | 0 | 219 |
| Net other financing sources (uses) | <u>(625)</u> | <u>509</u> | <u>(24)</u> | <u>463</u> | <u>323</u> |
| Change in fund balance | <u>181</u> | <u>1,314</u> | <u>(116)</u> | <u>(26)</u> | <u>1,353</u> |
| Closing fund balance | <u>1,098</u> | <u>2,193</u> | <u>69</u> | <u>422</u> | <u>3,782</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 | 1,098 | 2,193 | 69 | 422 | 3,782 |
| Receipts: | | | | | |
| Taxes | 38,668 | 2,815 | 1,554 | 2,666 | 45,703 |
| Miscellaneous receipts | 1,609 | 7,044 | 1,731 | 606 | 10,990 |
| Federal grants | 0 | 0 | 0 | 0 | 0 |
| Total receipts | <u>40,277</u> | <u>9,859</u> | <u>3,285</u> | <u>3,272</u> | <u>56,693</u> |
| Disbursements: | | | | | |
| Grants to local governments | 28,040 | 7,803 | 639 | 0 | 36,482 |
| State operations | 7,846 | 3,761 | 0 | 6 | 11,613 |
| General State charges | 2,663 | 308 | 0 | 0 | 2,971 |
| Debt service | 0 | 0 | 0 | 4,185 | 4,185 |
| Capital projects | 0 | 2 | 2,452 | 0 | 2,454 |
| Total disbursements | <u>38,549</u> | <u>11,874</u> | <u>3,091</u> | <u>4,191</u> | <u>57,705</u> |
| Other financing sources (uses): | | | | | |
| Transfers from other funds | 2,157 | 783 | 254 | 4,799 | 7,993 |
| Transfers to other funds | (2,906) | (133) | (761) | (4,145) | (7,945) |
| Bond and note proceeds | 0 | 0 | 237 | 0 | 237 |
| Net other financing sources (uses) | <u>(749)</u> | <u>650</u> | <u>(270)</u> | <u>654</u> | <u>285</u> |
| Change in fund balance | <u>979</u> | <u>(1,365)</u> | <u>(76)</u> | <u>(265)</u> | <u>(727)</u> |
| Closing fund balance | <u>2,077</u> | <u>828</u> | <u>(7)</u> | <u>157</u> | <u>3,055</u> |

FINANCIAL PLAN OVERVIEW

**CASH FINANCIAL PLAN
STATE FUNDS
2002-2003
(millions of dollars)**

| | General Fund | Special Revenue Funds | Capital Projects Funds | Debt Service Funds | (MEMO) Total |
|---|-------------------------|--------------------------------------|---------------------------------------|-----------------------------------|-------------------------|
| Opening fund balance | 2,077 | 828 | (7) | 157 | 3,055 |
| Receipts: | | | | | |
| Taxes | 34,919 | 4,199 | 1,673 | 2,455 | 43,246 |
| Miscellaneous receipts | 1,606 | 9,025 | 2,067 | 626 | 13,324 |
| Federal grants | 0 | 0 | 0 | 0 | 0 |
| Total receipts | <u>36,525</u> | <u>13,224</u> | <u>3,740</u> | <u>3,081</u> | <u>56,570</u> |
| Disbursements: | | | | | |
| Grants to local governments | 26,627 | 9,641 | 739 | 0 | 37,007 |
| State operations | 7,889 | 4,042 | 0 | 7 | 11,938 |
| General State charges | 2,890 | 382 | 0 | 0 | 3,272 |
| Debt service | 0 | 0 | 0 | 3,665 | 3,665 |
| Capital projects | 0 | 2 | 2,750 | 0 | 2,752 |
| Total disbursements | <u>37,406</u> | <u>14,067</u> | <u>3,489</u> | <u>3,672</u> | <u>58,634</u> |
| Other financing sources (uses): | | | | | |
| Transfers from other funds | 2,329 | 892 | 343 | 5,058 | 8,622 |
| Transfers to other funds | (2,815) | (175) | (981) | (4,480) | (8,451) |
| Bond and note proceeds | 0 | 0 | 260 | 0 | 260 |
| Net other financing sources (uses) | <u>(486)</u> | <u>717</u> | <u>(378)</u> | <u>578</u> | <u>431</u> |
| Change in fund balance | <u>(1,367)</u> | <u>(126)</u> | <u>(127)</u> | <u>(13)</u> | <u>(1,633)</u> |
| Closing fund balance | <u>710</u> | <u>702</u> | <u>(134)</u> | <u>144</u> | <u>1,422</u> |

FINANCIAL PLAN OVERVIEW

**CASH FINANCIAL PLAN
STATE FUNDS
2003-2004
(millions of dollars)**

| | General Fund | Special Revenue Funds | Capital Projects Funds | Debt Service Funds | (MEMO) Total |
|---|-------------------------|--------------------------------------|---------------------------------------|-----------------------------------|-------------------------|
| Opening fund balance | 0 | 702 | (134) | 144 | 712 |
| Receipts: | | | | | |
| Taxes | 36,279 | 4,392 | 1,746 | 2,429 | 44,846 |
| Miscellaneous receipts | 1,386 | 9,444 | 2,179 | 649 | 13,658 |
| Federal grants | 0 | 0 | 0 | 0 | 0 |
| Total receipts | <u>37,665</u> | <u>13,836</u> | <u>3,925</u> | <u>3,078</u> | <u>58,504</u> |
| Disbursements: | | | | | |
| Grants to local governments | 28,448 | 9,886 | 702 | 0 | 39,036 |
| State operations | 8,048 | 4,151 | 0 | 7 | 12,206 |
| General State charges | 3,203 | 398 | 0 | 0 | 3,601 |
| Debt service | 0 | 0 | 0 | 3,952 | 3,952 |
| Capital projects | 0 | 2 | 2,878 | 0 | 2,880 |
| Total disbursements | <u>39,699</u> | <u>14,437</u> | <u>3,580</u> | <u>3,959</u> | <u>61,675</u> |
| Other financing sources (uses): | | | | | |
| Transfers from other funds | 2,082 | 839 | 404 | 5,198 | 8,523 |
| Transfers to other funds | (2,862) | (106) | (987) | (4,329) | (8,284) |
| Bond and note proceeds | 0 | 0 | 231 | 0 | 231 |
| Net other financing sources (uses) | <u>(780)</u> | <u>733</u> | <u>(352)</u> | <u>869</u> | <u>470</u> |
| Change in fund balance | <u>(2,814)</u> | <u>132</u> | <u>(7)</u> | <u>(12)</u> | <u>(2,701)</u> |
| Closing fund balance | <u>(2,814)</u> | <u>834</u> | <u>(141)</u> | <u>132</u> | <u>(1,989)</u> |

Note: The General Fund opening fund balance does not reflect \$710 million in the Tax Stabilization Reserve Fund.

FINANCIAL PLAN OVERVIEW

**CASH FINANCIAL PLAN
STATE FUNDS
2004-2005
(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 | 834 | (141) | 132 | 825 |
| Receipts: | | | | | |
| Taxes | 38,253 | 4,559 | 1,670 | 2,550 | 47,032 |
| Miscellaneous receipts | 1,391 | 9,801 | 2,243 | 680 | 14,115 |
| Federal grants | 0 | 0 | 0 | 0 | 0 |
| Total receipts | <u>39,644</u> | <u>14,360</u> | <u>3,913</u> | <u>3,230</u> | <u>61,147</u> |
| Disbursements: | | | | | |
| Grants to local governments | 29,965 | 10,291 | 794 | 0 | 41,050 |
| State operations | 8,449 | 4,283 | 0 | 7 | 12,739 |
| General State charges | 3,509 | 413 | 0 | 0 | 3,922 |
| Debt service | 0 | 0 | 0 | 4,394 | 4,394 |
| Capital projects | 0 | 3 | 2,660 | 0 | 2,663 |
| Total disbursements | <u>41,923</u> | <u>14,990</u> | <u>3,454</u> | <u>4,401</u> | <u>64,768</u> |
| Other financing sources (uses): | | | | | |
| Transfers from other funds | 2,176 | 819 | 429 | 5,650 | 9,074 |
| Transfers to other funds | (3,158) | (107) | (1,089) | (4,453) | (8,807) |
| Bond and note proceeds | 0 | 0 | 199 | 0 | 199 |
| Net other financing sources (uses) | <u>(982)</u> | <u>712</u> | <u>(461)</u> | <u>1,197</u> | <u>466</u> |
| Change in fund balance | <u>(3,261)</u> | <u>82</u> | <u>(2)</u> | <u>26</u> | <u>(3,155)</u> |
| Closing fund balance | <u>(3,261)</u> | <u>916</u> | <u>(143)</u> | <u>158</u> | <u>(2,330)</u> |

Note: The General Fund opening fund balance does not reflect \$710 million in the Tax Stabilization Reserve Fund.

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>879</u> | <u>(117)</u> | <u>762</u> |
| Receipts: | | | |
| Taxes | 4,532 | 0 | 4,532 |
| Miscellaneous receipts | 6,520 | 126 | 6,646 |
| Federal grants | 0 | 24,273 | 24,273 |
| Total receipts | <u>11,052</u> | <u>24,399</u> | <u>35,451</u> |
| Disbursements: | | | |
| Grants to local governments | 6,444 | 21,290 | 27,734 |
| State operations | 3,627 | 2,689 | 6,316 |
| General State charges | 167 | 134 | 301 |
| Debt service | 0 | 0 | 0 |
| Capital projects | 9 | 0 | 9 |
| Total disbursements | <u>10,247</u> | <u>24,113</u> | <u>34,360</u> |
| Other financing sources (uses): | | | |
| Transfers from other funds | 652 | 1,744 | 2,396 |
| Transfers to other funds | (143) | (1,907) | (2,050) |
| Bond and note proceeds | 0 | 0 | 0 |
| Net other financing sources (uses) | <u>509</u> | <u>(163)</u> | <u>346</u> |
| Change in fund balance | <u>1,314</u> | <u>123</u> | <u>1,437</u> |
| Closing fund balance | <u>2,193</u> | <u>6</u> | <u>2,199</u> |

FINANCIAL PLAN OVERVIEW

**CASH FINANCIAL PLAN
SPECIAL REVENUE FUNDS
2001-2002
(millions of dollars)**

| | State | Federal | Total |
|--|--------------|----------------|--------------|
| Opening fund balance | 2,193 | 6 | 2,199 |
| Receipts: | | | |
| Taxes | 2,815 | 0 | 2,815 |
| Miscellaneous receipts | 7,044 | 135 | 7,179 |
| Federal grants | 0 | 25,497 | 25,497 |
| Total receipts | 9,859 | 25,632 | 35,491 |
| Disbursements: | | | |
| Grants to local governments | 7,803 | 22,343 | 30,146 |
| State operations | 3,761 | 2,929 | 6,690 |
| General State charges | 308 | 158 | 466 |
| Debt service | 0 | 0 | 0 |
| Capital projects | 2 | 0 | 2 |
| Total disbursements | 11,874 | 25,430 | 37,304 |
| World Trade Center revenues (costs): | | | |
| Federal grants | 0 | 1,525 | 1,525 |
| Disaster assistance to localities | 0 | (1,525) | (1,525) |
| Net World Trade Center revenues (costs) | 0 | 0 | 0 |
| Other financing sources (uses): | | | |
| Transfers from other funds | 783 | 1,825 | 2,608 |
| Transfers to other funds | (133) | (1,940) | (2,073) |
| Bond and note proceeds | 0 | 0 | 0 |
| Net other financing sources (uses) | 650 | (115) | 535 |
| Change in fund balance | (1,365) | 87 | (1,278) |
| Closing fund balance | 828 | 93 | 921 |

FINANCIAL PLAN OVERVIEW

**CASH FINANCIAL PLAN
SPECIAL REVENUE FUNDS
2002-2003
(millions of dollars)**

| | <u>State</u> | <u>Federal</u> | <u>Total</u> |
|--|---------------|----------------|---------------|
| Opening fund balance | <u>828</u> | <u>93</u> | <u>921</u> |
| Receipts: | | | |
| Taxes | 4,199 | 0 | 4,199 |
| Miscellaneous receipts | 9,025 | 141 | 9,166 |
| Federal grants | 0 | 28,560 | 28,560 |
| Total receipts | <u>13,224</u> | <u>28,701</u> | <u>41,925</u> |
| Disbursements: | | | |
| Grants to local governments | 9,641 | 25,225 | 34,866 |
| State operations | 4,042 | 3,005 | 7,047 |
| General State charges | 382 | 166 | 548 |
| Debt service | 0 | 0 | 0 |
| Capital projects | 2 | 0 | 2 |
| Total disbursements | <u>14,067</u> | <u>28,396</u> | <u>42,463</u> |
| World Trade Center revenues (costs): | | | |
| Federal grants | 0 | 3,741 | 3,741 |
| Disaster assistance to localities | 0 | (3,741) | (3,741) |
| Net World Trade Center revenues (costs) | <u>0</u> | <u>0</u> | <u>0</u> |
| Other financing sources (uses): | | | |
| Transfers from other funds | 892 | 2,055 | 2,947 |
| Transfers to other funds | (175) | (2,234) | (2,409) |
| Bond and note proceeds | 0 | 0 | 0 |
| Net other financing sources (uses) | <u>717</u> | <u>(179)</u> | <u>538</u> |
| Change in fund balance | <u>(126)</u> | <u>126</u> | <u>0</u> |
| Closing fund balance | <u>702</u> | <u>219</u> | <u>921</u> |

FINANCIAL PLAN OVERVIEW

**CASH FINANCIAL PLAN
SPECIAL REVENUE FUNDS
2003-2004
(millions of dollars)**

| | State | Federal | Total |
|--|--------------|----------------|--------------|
| Opening fund balance | 702 | 219 | 921 |
| Receipts: | | | |
| Taxes | 4,392 | 0 | 4,392 |
| Miscellaneous receipts | 9,444 | 121 | 9,565 |
| Federal grants | 0 | 28,481 | 28,481 |
| Total receipts | 13,836 | 28,602 | 42,438 |
| Disbursements: | | | |
| Grants to local governments | 9,886 | 25,226 | 35,112 |
| State operations | 4,151 | 2,930 | 7,081 |
| General State charges | 398 | 166 | 564 |
| Debt service | 0 | 0 | 0 |
| Capital projects | 2 | 0 | 2 |
| Total disbursements | 14,437 | 28,322 | 42,759 |
| World Trade Center revenues (costs): | | | |
| Federal grants | 0 | 2,088 | 2,088 |
| Disaster assistance to localities | 0 | (2,088) | (2,088) |
| Net World Trade Center revenues (costs) | 0 | 0 | 0 |
| Other financing sources (uses): | | | |
| Transfers from other funds | 839 | 1,972 | 2,811 |
| Transfers to other funds | (106) | (2,162) | (2,268) |
| Bond and note proceeds | 0 | 0 | 0 |
| Net other financing sources (uses) | 733 | (190) | 543 |
| Change in fund balance | 132 | 90 | 222 |
| Closing fund balance | 834 | 309 | 1,143 |

FINANCIAL PLAN OVERVIEW

**CASH FINANCIAL PLAN
SPECIAL REVENUE FUNDS
2004-2005
(millions of dollars)**

| | <u>State</u> | <u>Federal</u> | <u>Total</u> |
|--|---------------|----------------|---------------|
| Opening fund balance | <u>834</u> | <u>309</u> | <u>1,143</u> |
| Receipts: | | | |
| Taxes | 4,559 | 0 | 4,559 |
| Miscellaneous receipts | 9,801 | 122 | 9,923 |
| Federal grants | 0 | 29,732 | 29,732 |
| Total receipts | <u>14,360</u> | <u>29,854</u> | <u>44,214</u> |
| Disbursements: | | | |
| Grants to local governments | 10,291 | 26,423 | 36,714 |
| State operations | 4,283 | 2,953 | 7,236 |
| General State charges | 413 | 176 | 589 |
| Debt service | 0 | 0 | 0 |
| Capital projects | 3 | 0 | 3 |
| Total disbursements | <u>14,990</u> | <u>29,552</u> | <u>44,542</u> |
| World Trade Center revenues (costs): | | | |
| Federal grants | 0 | 999 | 999 |
| Disaster assistance to localities | 0 | (999) | (999) |
| Net World Trade Center revenues (costs) | <u>0</u> | <u>0</u> | <u>0</u> |
| Other financing sources (uses): | | | |
| Transfers from other funds | 819 | 2,019 | 2,838 |
| Transfers to other funds | (107) | (2,201) | (2,308) |
| Bond and note proceeds | 0 | 0 | 0 |
| Net other financing sources (uses) | <u>712</u> | <u>(182)</u> | <u>530</u> |
| Change in fund balance | <u>82</u> | <u>120</u> | <u>202</u> |
| Closing fund balance | <u>916</u> | <u>429</u> | <u>1,345</u> |

FINANCIAL PLAN OVERVIEW

**CASH FINANCIAL PLAN
CAPITAL PROJECTS FUNDS
2000-2001
(millions of dollars)**

| | State | Federal | Total |
|---|--------------|----------------|--------------|
| Opening fund balance | 185 | (204) | (19) |
| Receipts: | | | |
| Taxes | 1,237 | 0 | 1,237 |
| Miscellaneous receipts | 1,672 | 2 | 1,674 |
| Federal grants | 0 | 1,509 | 1,509 |
| Total receipts | 2,909 | 1,511 | 4,420 |
| Disbursements: | | | |
| Grants to local governments | 401 | 306 | 707 |
| State operations | 0 | 0 | 0 |
| General State charges | 0 | 0 | 0 |
| Debt service | 0 | 0 | 0 |
| Capital projects | 2,600 | 1,151 | 3,751 |
| Total disbursements | 3,001 | 1,457 | 4,458 |
| Other financing sources (uses): | | | |
| Transfers from other funds | 376 | 0 | 376 |
| Transfers to other funds | (619) | (8) | (627) |
| Bond and note proceeds | 219 | 0 | 219 |
| Net other financing sources (uses) | (24) | (8) | (32) |
| Change in fund balance | (116) | 46 | (70) |
| Closing fund balance | 69 | (158) | (89) |

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>69</u> | <u>(158)</u> | <u>(89)</u> |
| Receipts: | | | |
| Taxes | 1,554 | 0 | 1,554 |
| Miscellaneous receipts | 1,731 | 0 | 1,731 |
| Federal grants | 0 | 1,471 | 1,471 |
| Total receipts | <u>3,285</u> | <u>1,471</u> | <u>4,756</u> |
| Disbursements: | | | |
| Grants to local governments | 639 | 217 | 856 |
| State operations | 0 | 0 | 0 |
| General State charges | 0 | 0 | 0 |
| Debt service | 0 | 0 | 0 |
| Capital projects | 2,452 | 1,246 | 3,698 |
| Total disbursements | <u>3,091</u> | <u>1,463</u> | <u>4,554</u> |
| Other financing sources (uses): | | | |
| Transfers from other funds | 254 | 0 | 254 |
| Transfers to other funds | (761) | (8) | (769) |
| Bond and note proceeds | 237 | 0 | 237 |
| Net other financing sources (uses) | <u>(270)</u> | <u>(8)</u> | <u>(278)</u> |
| Change in fund balance | <u>(76)</u> | <u>0</u> | <u>(76)</u> |
| Closing fund balance | <u>(7)</u> | <u>(158)</u> | <u>(165)</u> |

FINANCIAL PLAN OVERVIEW

**CASH FINANCIAL PLAN
CAPITAL PROJECTS FUNDS
2002-2003
(millions of dollars)**

| | State | Federal | Total |
|---|--------------|----------------|--------------|
| Opening fund balance | (7) | (158) | (165) |
| Receipts: | | | |
| Taxes | 1,673 | 0 | 1,673 |
| Miscellaneous receipts | 2,067 | 0 | 2,067 |
| Federal grants | 0 | 1,576 | 1,576 |
| Total receipts | 3,740 | 1,576 | 5,316 |
| Disbursements: | | | |
| Grants to local governments | 739 | 216 | 955 |
| State operations | 0 | 0 | 0 |
| General State charges | 0 | 0 | 0 |
| Debt service | 0 | 0 | 0 |
| Capital projects | 2,750 | 1,349 | 4,099 |
| Total disbursements | 3,489 | 1,565 | 5,054 |
| Other financing sources (uses): | | | |
| Transfers from other funds | 343 | 0 | 343 |
| Transfers to other funds | (981) | (11) | (992) |
| Bond and note proceeds | 260 | 0 | 260 |
| Net other financing sources (uses) | (378) | (11) | (389) |
| Change in fund balance | (127) | 0 | (127) |
| Closing fund balance | (134) | (158) | (292) |

FINANCIAL PLAN OVERVIEW

**CASH FINANCIAL PLAN
CAPITAL PROJECTS FUNDS
2003-2004
(millions of dollars)**

| | <u>State</u> | <u>Federal</u> | <u>Total</u> |
|---|--------------|----------------|--------------|
| Opening fund balance | <u>(134)</u> | <u>(158)</u> | <u>(292)</u> |
| Receipts: | | | |
| Taxes | 1,746 | 0 | 1,746 |
| Miscellaneous receipts | 2,179 | 0 | 2,179 |
| Federal grants | 0 | 1,828 | 1,828 |
| Total receipts | <u>3,925</u> | <u>1,828</u> | <u>5,753</u> |
| Disbursements: | | | |
| Grants to local governments | 702 | 217 | 919 |
| State operations | 0 | 0 | 0 |
| General State charges | 0 | 0 | 0 |
| Debt service | 0 | 0 | 0 |
| Capital projects | 2,878 | 1,600 | 4,478 |
| Total disbursements | <u>3,580</u> | <u>1,817</u> | <u>5,397</u> |
| Other financing sources (uses): | | | |
| Transfers from other funds | 404 | 0 | 404 |
| Transfers to other funds | (987) | (11) | (998) |
| Bond and note proceeds | 231 | 0 | 231 |
| Net other financing sources (uses) | <u>(352)</u> | <u>(11)</u> | <u>(363)</u> |
| Change in fund balance | <u>(7)</u> | <u>0</u> | <u>(7)</u> |
| Closing fund balance | <u>(141)</u> | <u>(158)</u> | <u>(299)</u> |

FINANCIAL PLAN OVERVIEW

**CASH FINANCIAL PLAN
CAPITAL PROJECTS FUNDS
2004-2005
(millions of dollars)**

| | State | Federal | Total |
|---|--------------|----------------|--------------|
| Opening fund balance | (141) | (158) | (299) |
| Receipts: | | | |
| Taxes | 1,670 | 0 | 1,670 |
| Miscellaneous receipts | 2,243 | 0 | 2,243 |
| Federal grants | 0 | 2,019 | 2,019 |
| Total receipts | 3,913 | 2,019 | 5,932 |
| Disbursements: | | | |
| Grants to local governments | 794 | 218 | 1,012 |
| State operations | 0 | 0 | 0 |
| General State charges | 0 | 0 | 0 |
| Debt service | 0 | 0 | 0 |
| Capital projects | 2,660 | 1,792 | 4,452 |
| Total disbursements | 3,454 | 2,010 | 5,464 |
| Other financing sources (uses): | | | |
| Transfers from other funds | 429 | 0 | 429 |
| Transfers to other funds | (1,089) | (9) | (1,098) |
| Bond and note proceeds | 199 | 0 | 199 |
| Net other financing sources (uses) | (461) | (9) | (470) |
| Change in fund balance | (2) | 0 | (2) |
| Closing fund balance | (143) | (158) | (301) |

FINANCIAL PLAN OVERVIEW

**CASH FINANCIAL PLAN
PROPRIETARY AND FIDUCIARY FUNDS
2001-2002
(millions of dollars)**

| | <u>Internal Service</u> | <u>Enterprise</u> | <u>Fiduciary</u> |
|---|-----------------------------|-------------------|------------------|
| Opening fund balance | <u>(82)</u> | <u>17</u> | <u>63</u> |
| Receipts: | | | |
| Unemployment taxes | 0 | 0 | 2,925 |
| Miscellaneous receipts | 634 | 82 | 55 |
| Federal grants | 0 | 0 | 325 |
| Total receipts | <u>634</u> | <u>82</u> | <u>3,305</u> |
| Disbursements: | | | |
| Grants to local governments | 0 | 0 | 7 |
| State operations | 540 | 82 | 48 |
| Unemployment benefits | 0 | 0 | 3,250 |
| General State charges | 42 | 1 | 1 |
| Debt service | 129 | 0 | 0 |
| Capital Projects | 0 | 0 | 5 |
| Total disbursements | <u>711</u> | <u>83</u> | <u>3,311</u> |
| Other financing sources (uses): | | | |
| Transfers from other funds | 74 | 0 | 1 |
| Transfers to other funds | 0 | 0 | 0 |
| Net other financing sources (uses) | <u>74</u> | <u>0</u> | <u>1</u> |
| Change in fund balance | <u>(3)</u> | <u>(1)</u> | <u>(5)</u> |
| Closing fund balance | <u>(85)</u> | <u>16</u> | <u>58</u> |

FINANCIAL PLAN OVERVIEW

**CASH FINANCIAL PLAN
PROPRIETARY AND FIDUCIARY FUNDS
2002-2003
(millions of dollars)**

| | <u>Internal Service</u> | <u>Enterprise</u> | <u>Fiduciary</u> |
|---|-----------------------------|-------------------|------------------|
| Opening fund balance | <u>(85)</u> | <u>16</u> | <u>58</u> |
| Receipts: | | | |
| Unemployment taxes | 0 | 0 | 2,925 |
| Miscellaneous receipts | 735 | 84 | 89 |
| Federal grants | 0 | 0 | 326 |
| Total receipts | <u>735</u> | <u>84</u> | <u>3,340</u> |
| Disbursements: | | | |
| Grants to local governments | 0 | 0 | 7 |
| State operations | 589 | 85 | 90 |
| Unemployment benefits | 0 | 0 | 3,250 |
| General State charges | 44 | 2 | 2 |
| Debt service | 101 | 0 | 0 |
| Capital projects | 0 | 0 | 16 |
| Total disbursements | <u>734</u> | <u>87</u> | <u>3,365</u> |
| Other financing sources (uses): | | | |
| Transfers from other funds | 77 | 0 | 22 |
| Transfers to other funds | (81) | 0 | 0 |
| Net other financing sources (uses) | <u>(4)</u> | <u>0</u> | <u>22</u> |
| Change in fund balance | <u>(3)</u> | <u>(3)</u> | <u>(3)</u> |
| Closing fund balance | <u>(88)</u> | <u>13</u> | <u>55</u> |

FINANCIAL PLAN OVERVIEW

**GAAP FINANCIAL PLAN
GENERAL FUND
2001-2002
(millions of dollars)**

| | <u>September</u> | <u>Change</u> | <u>January</u> |
|---|------------------|----------------|----------------|
| Revenues: | | | |
| Taxes: | | | |
| Personal income tax | 25,174 | (1,930) | 23,244 |
| User taxes and fees | 7,342 | (128) | 7,214 |
| Business taxes | 4,167 | (94) | 4,073 |
| Other taxes | 824 | (61) | 763 |
| Miscellaneous revenues | 3,053 | 151 | 3,204 |
| Total revenues | <u>40,560</u> | <u>(2,062)</u> | <u>38,498</u> |
| Expenditures: | | | |
| Grants to local governments | 29,439 | (342) | 29,097 |
| State operations | 9,564 | 168 | 9,732 |
| General State charges | 2,191 | (4) | 2,187 |
| Debt service | 23 | (23) | 0 |
| Capital projects | 3 | 15 | 18 |
| Total expenditures | <u>41,220</u> | <u>(186)</u> | <u>41,034</u> |
| Other financing sources (uses): | | | |
| Transfers from other funds | 4,539 | 80 | 4,619 |
| Transfers to other funds | (5,353) | 341 | (5,012) |
| Proceeds from financing arrangements/ advance refundings | 205 | 0 | 205 |
| Net other financing sources (uses) | <u>(609)</u> | <u>421</u> | <u>(188)</u> |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | <u>(1,269)</u> | <u>(1,455)</u> | <u>(2,724)</u> |
| Accumulated Surplus | <u>2,901</u> | <u>(1,455)</u> | <u>1,446</u> |

FINANCIAL PLAN OVERVIEW

**GAAP FINANCIAL PLAN
GENERAL FUND
2001-2002 and 2002-2003
(millions of dollars)**

| | <u>2001-2002 Estimate</u> | <u>2002-2003 Recommended</u> | <u>Change</u> |
|---|-------------------------------|----------------------------------|---------------|
| Revenues: | | | |
| Taxes: | | | |
| Personal income tax | 23,244 | 23,696 | 452 |
| User taxes and fees | 7,214 | 7,079 | (135) |
| Business taxes | 4,073 | 3,778 | (295) |
| Other taxes | 763 | 790 | 27 |
| Miscellaneous revenues | 3,204 | 3,848 | 644 |
| Total revenues | <u>38,498</u> | <u>39,191</u> | <u>693</u> |
| Expenditures: | | | |
| Grants to local governments | 29,097 | 28,203 | (894) |
| State operations | 9,732 | 9,984 | 252 |
| General State charges | 2,187 | 2,365 | 178 |
| Debt service | 0 | 0 | 0 |
| Capital projects | 18 | 23 | 5 |
| Total expenditures | <u>41,034</u> | <u>40,575</u> | <u>(459)</u> |
| Other financing sources (uses): | | | |
| Transfers from other funds | 4,619 | 5,284 | 665 |
| Transfers to other funds | (5,012) | (5,043) | (31) |
| Proceeds from financing arrangements/ advance refundings | 205 | 316 | 111 |
| Net other financing sources (uses) | <u>(188)</u> | <u>557</u> | <u>745</u> |
| (Deficiency) excess of revenues and other financing sources over expenditures and other financing uses | <u>(2,724)</u> | <u>(827)</u> | <u>1,897</u> |
| Accumulated Surplus | <u>1,446</u> | <u>619</u> | |

FINANCIAL PLAN OVERVIEW

CONVERSION OF CASH FINANCIAL PLAN
TO GAAP FINANCIAL PLAN
GENERAL FUND
2001-2002
(millions of dollars)

| | Cash Financial Plan | Perspective Difference | Entity Difference | Cash Basis Subtotal | Changes in Accruals | Elimin- ations | Intrafund Eliminations | Reclass- ification | GAAP Financial Plan |
|---|---------------------------|-----------------------------|----------------------|---------------------------|---------------------------|-------------------|---------------------------|-----------------------|---------------------------|
| | | Special Revenue Funds | Other Funds | | | | | | |
| Receipts/Revenues: | | | | | | | | | |
| Taxes: | | | | | | | | | |
| Personal income tax | 26,977 | 0 | 0 | 26,977 | (3,733) | 0 | 0 | 0 | 23,244 |
| User taxes and fees | 7,082 | 0 | 0 | 7,082 | 132 | 0 | 0 | 0 | 7,214 |
| Business taxes | 3,829 | 0 | 0 | 3,829 | 244 | 0 | 0 | 0 | 4,073 |
| Other taxes | 780 | 0 | 0 | 780 | (17) | 0 | 0 | 0 | 763 |
| Miscellaneous receipts | 1,609 | 1,968 | 693 | 4,270 | 50 | (83) | (633) | (400) | 3,204 |
| Total receipts/revenues | 40,277 | 1,968 | 693 | 42,938 | (3,324) | (83) | (633) | (400) | 38,498 |
| Disbursements/expenditures: | | | | | | | | | |
| Grants to local governments | 28,040 | 1,232 | 0 | 29,272 | 454 | 0 | 0 | (629) | 29,097 |
| State operations | 7,846 | 2,933 | 599 | 11,378 | (4) | (229) | (633) | (780) | 9,732 |
| General State charges | 2,663 | 160 | 44 | 2,867 | 101 | (17) | 0 | (764) | 2,187 |
| Debt service | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital projects | 0 | 0 | 129 | 129 | 18 | 0 | 0 | (129) | 18 |
| Total disbursements/expenditures | 38,549 | 4,325 | 772 | 43,646 | 569 | (246) | (633) | (2,302) | 41,034 |
| Other financing sources (uses): | | | | | | | | | |
| Transfers from other funds | 2,157 | 2,453 | 74 | 4,684 | 0 | (170) | (296) | 401 | 4,619 |
| Transfers to other funds | (2,906) | (95) | 0 | (3,001) | (6) | 2 | 296 | (2,303) | (5,012) |
| Proceeds from financing arrangements/ advance refundings | 0 | 0 | 0 | 0 | 205 | 0 | 0 | 0 | 205 |
| Net other financing sources (uses) | (749) | 2,358 | 74 | 1,683 | 199 | (168) | 0 | (1,902) | (188) |
| (Deposit to)/use of fund balances | 154 | 0 | 0 | 154 | (154) | 0 | 0 | 0 | 0 |
| Receipts/revenues and other financing sources over (under) disbursements/expenditures and other financing uses | 1,133 | 1 | (5) | 1,129 | (3,848) | (5) | 0 | 0 | (2,724) |

FINANCIAL PLAN OVERVIEW

CONVERSION OF CASH FINANCIAL PLAN
TO GAAP FINANCIAL PLAN
GENERAL FUND
2002-2003
(millions of dollars)

| | Cash Financial Plan | Perspective Difference | Entity Difference | Cash Basis Subtotal | Changes in Accruals | Elimin- ations | Intrafund Eliminations | Reclass- ification | GAAP Financial Plan |
|---|---------------------------|-----------------------------|----------------------|---------------------------|---------------------------|-------------------|---------------------------|-----------------------|---------------------------|
| | | Special Revenue Funds | Other Funds | | | | | | |
| Receipts/Revenues: | | | | | | | | | |
| Taxes: | | | | | | | | | |
| Personal income tax | 23,292 | 0 | 0 | 23,292 | 404 | 0 | 0 | 0 | 23,696 |
| User taxes and fees | 7,069 | 0 | 0 | 7,069 | 10 | 0 | 0 | 0 | 7,079 |
| Business taxes | 3,775 | 0 | 0 | 3,775 | 3 | 0 | 0 | 0 | 3,778 |
| Other taxes | 783 | 0 | 0 | 783 | 7 | 0 | 0 | 0 | 790 |
| Miscellaneous receipts | 1,606 | 2,823 | 796 | 5,225 | 62 | (77) | (733) | (629) | 3,848 |
| Total receipts/revenues | 36,525 | 2,823 | 796 | 40,144 | 486 | (77) | (733) | (629) | 39,191 |
| Disbursements/expenditures: | | | | | | | | | |
| Grants to local governments | 26,627 | 2,049 | 0 | 28,676 | 159 | 0 | 0 | (632) | 28,203 |
| State operations | 7,889 | 3,222 | 650 | 11,761 | 32 | (230) | (733) | (846) | 9,984 |
| General State charges | 2,890 | 185 | 45 | 3,120 | 30 | (16) | 0 | (769) | 2,365 |
| Debt service | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital projects | 0 | 0 | 101 | 101 | 23 | 0 | 0 | (101) | 23 |
| Total disbursements/expenditures | 37,406 | 5,456 | 796 | 43,658 | 244 | (246) | (733) | (2,348) | 40,575 |
| Other financing sources (uses): | | | | | | | | | |
| Transfers from other funds | 2,329 | 2,765 | 78 | 5,172 | 0 | (176) | (342) | 630 | 5,284 |
| Transfers to other funds | (2,815) | (136) | (82) | (3,033) | (5) | 2 | 342 | (2,349) | (5,043) |
| Proceeds from financing arrangements/ advance refundings | 0 | 0 | 0 | 0 | 316 | 0 | 0 | 0 | 316 |
| Net other financing sources (uses) | (486) | 2,629 | (4) | 2,139 | 311 | (174) | 0 | (1,719) | 557 |
| (Deposit to)/use of fund balances | 234 | 0 | 0 | 234 | (234) | 0 | 0 | 0 | 0 |
| Receipts/revenues and other financing sources (under) over disbursements/expenditures and other financing uses | (1,133) | (4) | (4) | (1,141) | 319 | (5) | 0 | 0 | (827) |

FINANCIAL PLAN OVERVIEW

**GAAP FINANCIAL PLAN
GENERAL FUND
2002-2003 THROUGH 2004-2005
(millions of dollars)**

| | <u>2002-2003 Recommended</u> | <u>2003-2004 Projected</u> | <u>2004-2005 Projected</u> |
|---|----------------------------------|--------------------------------|--------------------------------|
| Revenues: | | | |
| Taxes: | | | |
| Personal income tax | 23,696 | 24,791 | 26,512 |
| User taxes and fees | 7,079 | 7,272 | 7,613 |
| Business taxes | 3,778 | 3,871 | 3,792 |
| Other taxes | 790 | 791 | 829 |
| Miscellaneous revenues | 3,848 | 4,042 | 4,199 |
| Total revenues | <u><u>39,191</u></u> | <u><u>40,767</u></u> | <u><u>42,945</u></u> |
| Expenditures: | | | |
| Grants to local governments | 28,203 | 30,389 | 32,028 |
| State operations | 9,984 | 10,155 | 10,477 |
| General State charges | 2,365 | 2,656 | 2,909 |
| Debt service | 0 | 11 | 10 |
| Capital projects | 23 | 0 | 0 |
| Total expenditures | <u><u>40,575</u></u> | <u><u>43,211</u></u> | <u><u>45,424</u></u> |
| Other financing sources (uses): | | | |
| Transfers from other funds | 5,284 | 4,819 | 4,930 |
| Transfers to other funds | (5,043) | (5,251) | (5,579) |
| Proceeds from financing arrangements/ advance refundings | 316 | 299 | 298 |
| Net other financing sources (uses) | <u><u>557</u></u> | <u><u>(133)</u></u> | <u><u>(351)</u></u> |
| (Deficiency) excess of revenues and other financing sources over expenditures and other financing uses | <u><u>(827)</u></u> | <u><u>(2,577)</u></u> | <u><u>(2,830)</u></u> |
| Accumulated Surplus | <u><u>619</u></u> | | |

FINANCIAL PLAN OVERVIEW

**GAAP FINANCIAL PLAN
ALL GOVERNMENTAL FUNDS
2001-2002
(millions of dollars)**

| | General Fund | Special Revenue Funds | Capital Projects Funds | Debt Service Funds | (MEMO) Total |
|---|-----------------|-----------------------------|------------------------------|--------------------------|-----------------|
| Revenues: | | | | | |
| Taxes | 35,294 | 2,815 | 1,557 | 2,685 | 42,351 |
| Federal grants | 0 | 26,464 | 1,465 | 0 | 27,929 |
| Lottery | 0 | 4,577 | 0 | 0 | 4,577 |
| Patient fees | 0 | 0 | 0 | 317 | 317 |
| Miscellaneous revenues | 3,204 | 882 | 78 | 45 | 4,209 |
| Total revenues | <u>38,498</u> | <u>34,738</u> | <u>3,100</u> | <u>3,047</u> | <u>79,383</u> |
| Expenditures: | | | | | |
| Grants to local governments | 29,097 | 29,277 | 779 | 0 | 59,153 |
| State operations | 9,732 | 4,493 | 0 | 6 | 14,231 |
| General State charges | 2,187 | 214 | 0 | 0 | 2,401 |
| Debt service | 0 | 0 | 0 | 3,612 | 3,612 |
| Capital projects | 18 | 3 | 3,629 | 0 | 3,650 |
| Total expenditures | <u>41,034</u> | <u>33,987</u> | <u>4,408</u> | <u>3,618</u> | <u>83,047</u> |
| World Trade Center revenues (costs): | | | | | |
| Federal grants | 0 | 1,525 | 0 | 0 | 1,525 |
| Disaster assistance to localities | 0 | (1,525) | 0 | 0 | (1,525) |
| Net World Trade Center revenues (costs) | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Other financing sources (uses): | | | | | |
| Transfers from other funds | 4,619 | 1,019 | 233 | 4,929 | 10,800 |
| Transfers to other funds | (5,012) | (3,174) | (815) | (4,590) | (13,591) |
| Proceeds of general obligation bonds | 0 | 0 | 237 | 0 | 237 |
| Proceeds from financing arrangements/ advance refundings | 205 | 0 | 1,416 | 0 | 1,621 |
| Net other financing sources (uses) | <u>(188)</u> | <u>(2,155)</u> | <u>1,071</u> | <u>339</u> | <u>(933)</u> |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | <u>(2,724)</u> | <u>(1,404)</u> | <u>(237)</u> | <u>(232)</u> | <u>(4,597)</u> |

FINANCIAL PLAN OVERVIEW

**GAAP FINANCIAL PLAN
ALL GOVERNMENTAL FUNDS
2002-2003
(millions of dollars)**

| | General Fund | Special Revenue Funds | Capital Projects Funds | Debt Service Funds | (MEMO) Total |
|---|-----------------|-----------------------------|------------------------------|--------------------------|-----------------|
| Revenues: | | | | | |
| Taxes | 35,343 | 4,197 | 1,674 | 2,461 | 43,675 |
| Federal grants | 0 | 29,546 | 1,569 | 0 | 31,115 |
| Lottery | 0 | 6,947 | 0 | 0 | 6,947 |
| Patient fees | 0 | 0 | 0 | 316 | 316 |
| Miscellaneous revenues | 3,848 | 1,322 | 117 | 39 | 5,326 |
| Total revenues | <u>39,191</u> | <u>42,012</u> | <u>3,360</u> | <u>2,816</u> | <u>87,379</u> |
| Expenditures: | | | | | |
| Grants to local governments | 28,203 | 33,041 | 878 | 0 | 62,122 |
| State operations | 9,984 | 6,469 | 0 | 7 | 16,460 |
| General State charges | 2,365 | 222 | 0 | 0 | 2,587 |
| Debt service | 0 | 0 | 0 | 2,991 | 2,991 |
| Capital projects | 23 | 3 | 3,965 | 0 | 3,991 |
| Total expenditures | <u>40,575</u> | <u>39,735</u> | <u>4,843</u> | <u>2,998</u> | <u>88,151</u> |
| World Trade Center revenues (costs): | | | | | |
| Federal grants | 0 | 3,741 | 0 | 0 | 3,741 |
| Disaster assistance to localities | 0 | (3,741) | 0 | 0 | (3,741) |
| Net World Trade Center revenues (costs) | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Other financing sources (uses): | | | | | |
| Transfers from other funds | 5,284 | 1,174 | 318 | 5,160 | 11,936 |
| Transfers to other funds | (5,043) | (3,692) | (1,038) | (4,969) | (14,742) |
| Proceeds of general obligation bonds | 0 | 0 | 260 | 0 | 260 |
| Proceeds from financing arrangements/ advance refundings | 316 | 0 | 1,913 | 0 | 2,229 |
| Net other financing sources (uses) | <u>557</u> | <u>(2,518)</u> | <u>1,453</u> | <u>191</u> | <u>(317)</u> |
| (Deficiency) excess of revenues and other financing sources over expenditures and other financing uses | <u>(827)</u> | <u>(241)</u> | <u>(30)</u> | <u>9</u> | <u>(1,089)</u> |

FINANCIAL PLAN OVERVIEW

**CASHFLOW
GENERAL FUND
2000-2001
(millions of dollars)**

| | First Quarter (Actual) | Second Quarter (Actual) | Third Quarter (Actual) | Fourth Quarter (Actual) | Total (Actual) |
|---|---------------------------------------|--|---------------------------------------|--|---------------------------|
| Opening fund balance | 917 | 6,502 | 7,243 | 6,235 | 917 |
| Receipts: | | | | | |
| Taxes: | | | | | |
| Personal income tax | 10,915 | 5,428 | 3,917 | 3,306 | 23,566 |
| User taxes and fees | 1,827 | 1,917 | 1,862 | 1,798 | 7,404 |
| Business taxes | 1,050 | 1,116 | 1,066 | 1,096 | 4,328 |
| Other taxes | 263 | 200 | 165 | 167 | 795 |
| Miscellaneous receipts | 301 | 396 | 420 | 436 | 1,553 |
| Transfers from other funds | 576 | 523 | 601 | 537 | 2,237 |
| Total receipts | <u>14,932</u> | <u>9,580</u> | <u>8,031</u> | <u>7,340</u> | <u>39,883</u> |
| Disbursements: | | | | | |
| Grants to local governments | 5,727 | 4,924 | 6,072 | 9,944 | 26,667 |
| State operations | 2,146 | 2,435 | 1,651 | 1,373 | 7,605 |
| General State charges | 674 | 687 | 619 | 587 | 2,567 |
| Debt service | 0 | 1 | 0 | 0 | 1 |
| Transfers to other funds | 800 | 792 | 697 | 573 | 2,862 |
| Total disbursements | <u>9,347</u> | <u>8,839</u> | <u>9,039</u> | <u>12,477</u> | <u>39,702</u> |
| Excess (deficiency) of receipts over disbursements | <u>5,585</u> | <u>741</u> | <u>(1,008)</u> | <u>(5,137)</u> | <u>181</u> |
| Closing fund balance | <u>6,502</u> | <u>7,243</u> | <u>6,235</u> | <u>1,098</u> | <u>1,098</u> |

FINANCIAL PLAN OVERVIEW

**CASHFLOW
GENERAL FUND
2001-2002
(millions of dollars)**

| | First Quarter (Actual) | Second Quarter (Actual) | Third Quarter (Actual) | Fourth Quarter (Projected) | Total (Projected) |
|---|---------------------------------------|--|---------------------------------------|---|------------------------------|
| Opening fund balance | 1,098 | 6,130 | 5,542 | 5,189 | 1,098 |
| Receipts: | | | | | |
| Taxes: | | | | | |
| Personal income tax | 11,398 | 4,789 | 4,771 | 6,019 | 26,977 |
| User taxes and fees | 1,823 | 1,619 | 1,884 | 1,756 | 7,082 |
| Business taxes | 997 | 800 | 851 | 1,181 | 3,829 |
| Other taxes | 207 | 151 | 227 | 195 | 780 |
| Miscellaneous receipts | 345 | 413 | 459 | 392 | 1,609 |
| Transfers from other funds | 549 | 468 | 629 | 511 | 2,157 |
| Total receipts | <u>15,319</u> | <u>8,240</u> | <u>8,821</u> | <u>10,054</u> | <u>42,434</u> |
| Disbursements: | | | | | |
| Grants to local governments | 6,386 | 4,973 | 6,086 | 10,595 | 28,040 |
| State operations | 2,386 | 2,358 | 1,745 | 1,357 | 7,846 |
| General State charges | 727 | 752 | 544 | 640 | 2,663 |
| Transfers to other funds | 788 | 745 | 799 | 574 | 2,906 |
| Total disbursements | <u>10,287</u> | <u>8,828</u> | <u>9,174</u> | <u>13,166</u> | <u>41,455</u> |
| Excess (deficiency) of receipts over disbursements | <u>5,032</u> | <u>(588)</u> | <u>(353)</u> | <u>(3,112)</u> | <u>979</u> |
| Closing fund balance | <u>6,130</u> | <u>5,542</u> | <u>5,189</u> | <u>2,077</u> | <u>2,077</u> |

FINANCIAL PLAN OVERVIEW

**CASHFLOW
GENERAL FUND
2002-2003
(millions of dollars)**

| | First Quarter (Projected) | Second Quarter (Projected) | Third Quarter (Projected) | Fourth Quarter (Projected) | Total (Projected) |
|---|---------------------------------|----------------------------------|---------------------------------|----------------------------------|----------------------|
| Opening fund balance | 2,077 | 3,013 | 3,736 | 2,397 | 2,077 |
| Receipts: | | | | | |
| Taxes: | | | | | |
| Personal income tax | 7,884 | 5,452 | 3,241 | 6,715 | 23,292 |
| User taxes and fees | 1,739 | 1,817 | 1,790 | 1,723 | 7,069 |
| Business taxes | 902 | 966 | 886 | 1,021 | 3,775 |
| Other taxes | 196 | 191 | 200 | 196 | 783 |
| Miscellaneous receipts | 460 | 360 | 397 | 389 | 1,606 |
| Transfers from other funds | 705 | 519 | 583 | 522 | 2,329 |
| Total receipts | <u>11,886</u> | <u>9,305</u> | <u>7,097</u> | <u>10,566</u> | <u>38,854</u> |
| Disbursements: | | | | | |
| Grants to local governments | 6,821 | 4,595 | 5,359 | 9,852 | 26,627 |
| State operations | 2,413 | 2,354 | 1,764 | 1,358 | 7,889 |
| General State charges | 741 | 884 | 578 | 687 | 2,890 |
| Transfers to other funds | 975 | 749 | 735 | 356 | 2,815 |
| Total disbursements | <u>10,950</u> | <u>8,582</u> | <u>8,436</u> | <u>12,253</u> | <u>40,221</u> |
| Excess (deficiency) of receipts over disbursements | <u>936</u> | <u>723</u> | <u>(1,339)</u> | <u>(1,687)</u> | <u>(1,367)</u> |
| Closing fund balance | <u>3,013</u> | <u>3,736</u> | <u>2,397</u> | <u>710</u> | <u>710</u> |

FINANCIAL PLAN OVERVIEW

CASH DISBURSEMENTS BY FUNCTION GENERAL FUND (thousands of dollars)

| | 2000-2001 <u>Actual</u> | 2001-2002 <u>Estimated</u> | 2002-2003 <u>Recommended</u> |
|--|----------------------------|-------------------------------|---------------------------------|
| ECONOMIC DEVELOPMENT AND GOVERNMENT OVERSIGHT | | | |
| Agriculture and Markets, Department of | 38,372 | 38,184 | 37,234 |
| Alcoholic Beverage Control | 0 | 0 | 0 |
| Banking Department | 0 | 0 | 0 |
| Consumer Protection Board | 392 | 489 | 489 |
| Economic Development, Department of | 48,754 | 45,736 | 37,648 |
| Empire State Development Corporation | 87,515 | 105,666 | 123,902 |
| Energy Research and Development Authority | 0 | 0 | 0 |
| Housing Finance Agency | 1,700 | 700 | 665 |
| Housing and Community Renewal, Division of | 84,084 | 81,335 | 78,618 |
| Insurance Department | 0 | 0 | 0 |
| Olympic Regional Development Authority | 7,552 | 7,550 | 7,550 |
| Public Service, Department of | 0 | 0 | 0 |
| Science, Technology and Academic Research, Office of | 13,326 | 65,031 | 29,703 |
| Functional Total | <u>281,695</u> | <u>344,691</u> | <u>315,809</u> |
| PARKS AND THE ENVIRONMENT | | | |
| Adirondack Park Agency | 3,966 | 4,056 | 4,294 |
| Environmental Conservation, Department of | 102,451 | 106,807 | 108,282 |
| Environmental Facilities Corporation | 0 | 0 | 0 |
| Parks, Recreation and Historic Preservation, Office of | 109,589 | 107,842 | 110,677 |
| Functional Total | <u>216,006</u> | <u>218,705</u> | <u>223,253</u> |
| TRANSPORTATION | | | |
| Motor Vehicles, Department of | 124,299 | 124,949 | 109,451 |
| Transportation, Department of | 403,646 | 152,824 | 163,982 |
| Functional Total | <u>527,945</u> | <u>277,773</u> | <u>273,433</u> |
| HEALTH AND SOCIAL WELFARE | | | |
| Advocate for Persons with Disabilities, Office of | 1,106 | 970 | 930 |
| Aging, Office for the | 63,855 | 67,690 | 65,330 |
| Children and Families, Council on | 1,003 | 1,007 | 1,007 |
| Children and Family Services, Office of | 1,099,598 | 1,184,883 | 1,197,102 |
| Health, Department of | 6,500,657 | 7,121,906 | 6,932,713 |
| <i>Medical Assistance</i> | 5,721,567 | 6,134,293 | 6,155,882 |
| <i>Medicaid Administration</i> | 113,984 | 126,150 | 121,150 |
| <i>All Other</i> | 665,106 | 861,463 | 655,681 |
| Human Rights, Division of | 11,346 | 13,324 | 13,232 |
| Labor, Department of | 30,132 | 38,725 | 38,950 |
| Prevention of Domestic Violence, Office of | 2,247 | 2,593 | 2,593 |
| Temporary and Disability Assistance, Office of | 1,795,737 | 1,411,463 | 1,019,666 |
| <i>Welfare Assistance</i> | 1,312,421 | 969,133 | 540,309 |
| <i>Welfare Administration</i> | 385,656 | 384,296 | 383,225 |
| <i>All Other</i> | 97,660 | 58,034 | 96,132 |
| Welfare Inspector General, Office of | 578 | 622 | 713 |
| Workers' Compensation Board | 0 | 0 | 0 |
| Functional Total | <u>9,506,259</u> | <u>9,843,183</u> | <u>9,272,236</u> |

FINANCIAL PLAN OVERVIEW

CASH DISBURSEMENTS BY FUNCTION GENERAL FUND (thousands of dollars)

| | 2000-2001 <u>Actual</u> | 2001-2002 <u>Estimated</u> | 2002-2003 <u>Recommended</u> |
|--|----------------------------|-------------------------------|---------------------------------|
| MENTAL HEALTH | | | |
| Mental Health, Office of | 1,294,263 | 1,405,081 | 1,344,600 |
| Mental Retardation and Developmental Disabilities, Office of | 794,797 | 808,538 | 791,737 |
| Alcohol and Substance Abuse Services, Office of | 301,554 | 295,184 | 294,350 |
| Developmental Disabilities Planning Council | 0 | 0 | 0 |
| Quality of Care for the Mentally Disabled, Commission on | 3,172 | 3,062 | 3,062 |
| Functional Total | <u>2,393,786</u> | <u>2,511,865</u> | <u>2,433,749</u> |
| PUBLIC PROTECTION | | | |
| Capital Defenders Office | 13,536 | 12,222 | 12,800 |
| Correction, Commission of | 1,875,851 | 1,820,761 | 1,800,801 |
| Correctional Services, Department of | 2,544 | 2,456 | 2,551 |
| Crime Victims Board | 3,531 | 3,819 | 3,296 |
| Criminal Justice Services, Division of | 108,193 | 101,041 | 101,191 |
| Investigation, Temporary State Commission of | 2,762 | 3,028 | 3,028 |
| Judicial Commissions | 2,196 | 2,273 | 2,397 |
| Military and Naval Affairs, Division of | 21,581 | 22,741 | 24,496 |
| Parole, Division of | 193,180 | 186,869 | 188,467 |
| Probation and Correctional Alternatives, Division of | 90,882 | 85,446 | 85,446 |
| State Police, Division of | 282,528 | 368,905 | 335,060 |
| Functional Total | <u>2,596,784</u> | <u>2,609,561</u> | <u>2,559,533</u> |
| EDUCATION | | | |
| Arts, Council on the | 53,668 | 51,284 | 51,434 |
| City University of New York | 738,187 | 756,447 | 761,328 |
| Education, Department of | 12,763,023 | 13,627,060 | 13,465,406 |
| <i>School Aid</i> | <u>11,524,719</u> | <u>12,141,651</u> | <u>12,133,007</u> |
| <i>STAR Property Tax Relief</i> | 0 | 0 | 0 |
| <i>Handicapped</i> | 598,386 | 845,200 | 804,851 |
| <i>All Other</i> | 639,918 | 640,209 | 527,548 |
| Higher Education Services Corporation | 649,023 | 705,255 | 209,353 |
| State University Construction Fund | 0 | 0 | 0 |
| State University of New York | 1,237,730 | 1,385,261 | 1,440,234 |
| Functional Total | <u>15,441,631</u> | <u>16,525,307</u> | <u>15,927,755</u> |
| GENERAL GOVERNMENT | | | |
| Audit and Control, Department of | 125,433 | 145,082 | 146,560 |
| Budget, Division of the | 25,930 | 31,335 | 31,335 |
| Civil Service, Department of | 30,175 | 27,957 | 26,864 |
| Elections, State Board of | 3,200 | 3,600 | 3,600 |
| Employee Relations, Office of | 3,892 | 4,125 | 4,245 |
| Executive Chamber | 15,101 | 18,865 | 18,865 |
| General Services, Office of | 125,063 | 119,397 | 119,397 |
| Elections, State Board of | 5,104 | 5,005 | 5,005 |
| Employee Relations, Office of | 112,736 | 118,761 | 119,761 |
| Lieutenant Governor, Office of the | 450 | 548 | 548 |
| Lottery, Division of | 0 | 0 | 0 |
| Public Employment Relations Board | 3,765 | 3,760 | 3,760 |
| Racing and Wagering Board, State | 10,370 | 9,408 | 9,508 |
| Real Property Services, Office of | 40,705 | 39,184 | 37,462 |
| Regulatory Reform, Governor's Office of | 2,924 | 3,360 | 3,740 |
| State, Department of | 16,255 | 17,824 | 18,263 |

FINANCIAL PLAN OVERVIEW

**CASH DISBURSEMENTS BY FUNCTION
GENERAL FUND
(thousands of dollars)**

| | 2000-2001 Actual | 2001-2002 Estimated | 2002-2003 Recommended |
|--|-----------------------------|--------------------------------|----------------------------------|
| GENERAL GOVERNMENT (continued) | | | |
| Tax Appeals, Division of | 3,090 | 3,166 | 3,087 |
| Taxation and Finance, Department of | 287,873 | 301,007 | 315,007 |
| Technology, Office for | 43,500 | 49,349 | 47,845 |
| TSC Lobbying | 1,004 | 1,118 | 1,118 |
| Veterans Affairs, Division of | 8,930 | 10,342 | 10,642 |
| Functional Total | 865,500 | 913,193 | 926,612 |
| ALL OTHER CATEGORIES | | | |
| Legislature | 195,190 | 206,735 | 206,735 |
| Judiciary (excluding fringe benefits) | 1,212,238 | 1,267,700 | 1,305,500 |
| Homeland Security (excluding fringe benefits) | 0 | 27,097 | 34,887 |
| World Trade Center (excluding fringe benefits) | 0 | 27,222 | 25,811 |
| Local Government Assistance | 953,192 | 845,040 | 834,170 |
| Short-Term Debt Service | 890 | 0 | 0 |
| Long-Term Debt Service | 2,214,612 | 2,105,971 | 1,839,176 |
| Capital Projects | 285,358 | 233,669 | 318,131 |
| General State Charges/Miscellaneous | 3,010,784 | 3,497,542 | 3,724,491 |
| Functional Total | 7,872,264 | 8,210,976 | 8,288,901 |
| TOTAL GENERAL FUND SPENDING | 39,701,870 | 41,455,254 | 40,221,281 |

FINANCIAL PLAN OVERVIEW

CASH DISBURSEMENTS BY FUNCTION ALL GOVERNMENTAL FUNDS (thousands of dollars)

| | 2000-2001 <u>Actual</u> | 2001-2002 <u>Estimated</u> | 2002-2003 <u>Recommended</u> |
|--|----------------------------|-------------------------------|---------------------------------|
| ECONOMIC DEVELOPMENT AND GOVERNMENT OVERSIGHT | | | |
| Agriculture and Markets, Department of | 63,947 | 77,073 | 79,040 |
| Alcoholic Beverage Control | 10,965 | 11,013 | 10,968 |
| Banking Department | 49,621 | 52,115 | 56,945 |
| Consumer Protection Board | 2,254 | 3,426 | 4,294 |
| Economic Development, Department of | 53,352 | 48,719 | 40,779 |
| Empire State Development Corporation | 87,515 | 105,666 | 211,402 |
| Energy Research and Development Authority | 28,633 | 30,023 | 28,023 |
| Housing Finance Agency | 1,700 | 700 | 665 |
| Housing and Community Renewal, Division of | 208,833 | 230,428 | 232,510 |
| Insurance Department | 85,304 | 92,959 | 101,449 |
| Olympic Regional Development Authority | 7,671 | 7,700 | 7,700 |
| Public Service, Department of | 50,954 | 56,645 | 56,653 |
| Science, Technology and Academic Research, Office of | 16,695 | 80,575 | 53,149 |
| Functional Total | <u>667,444</u> | <u>797,042</u> | <u>883,577</u> |
| PARKS AND THE ENVIRONMENT | | | |
| Adirondack Park Agency | 4,209 | 4,406 | 4,644 |
| Environmental Conservation, Department of | 927,392 | 806,875 | 896,548 |
| Environmental Facilities Corporation | 13,609 | 17,430 | 9,071 |
| Parks, Recreation and Historic Preservation, Office of | 211,963 | 209,333 | 221,200 |
| Functional Total | <u>1,157,173</u> | <u>1,038,044</u> | <u>1,131,463</u> |
| TRANSPORTATION | | | |
| Motor Vehicles, Department of | 193,265 | 206,152 | 211,835 |
| Transportation, Department of | 4,393,932 | 4,562,215 | 4,844,979 |
| Functional Total | <u>4,587,197</u> | <u>4,768,367</u> | <u>5,056,814</u> |
| HEALTH AND SOCIAL WELFARE | | | |
| Advocate for Persons with Disabilities, Office of | 1,265 | 1,385 | 1,335 |
| Aging, Office for the | 139,138 | 161,655 | 167,347 |
| Children and Families, Council on | 1,420 | 1,687 | 1,684 |
| Children and Family Services, Office of | 2,690,590 | 2,746,124 | 2,907,203 |
| Health, Department of | 23,223,173 | 25,064,428 | 27,543,767 |
| <i>Medical Assistance</i> | 20,202,879 | 21,549,306 | 23,652,275 |
| <i>Medicaid Administration</i> | 424,264 | 454,900 | 449,900 |
| <i>All Other</i> | 2,596,030 | 3,060,222 | 3,441,592 |
| Human Rights, Division of | 13,013 | 14,795 | 14,835 |
| Labor, Department of | 653,945 | 735,798 | 747,736 |
| Prevention of Domestic Violence, Office of | 2,861 | 2,628 | 2,613 |
| Temporary and Disability Assistance, Office of | 3,985,482 | 4,049,356 | 4,128,661 |
| <i>Welfare Assistance</i> | 2,761,972 | 2,818,733 | 2,869,568 |
| <i>Welfare Administration</i> | 385,656 | 384,296 | 383,225 |
| <i>All Other</i> | 837,854 | 846,327 | 875,868 |
| Welfare Inspector General, Office of | 891 | 992 | 1,083 |
| Workers' Compensation Board | 125,196 | 134,803 | 141,248 |
| Functional Total | <u>30,836,974</u> | <u>32,913,651</u> | <u>35,657,512</u> |

FINANCIAL PLAN OVERVIEW

CASH DISBURSEMENTS BY FUNCTION ALL GOVERNMENTAL FUNDS (thousands of dollars)

| | 2000-2001 <u>Actual</u> | 2001-2002 <u>Estimated</u> | 2002-2003 <u>Recommended</u> |
|--|----------------------------|-------------------------------|---------------------------------|
| MENTAL HEALTH | | | |
| Mental Health, Office of | 1,952,062 | 1,991,283 | 2,061,615 |
| Mental Retardation and Developmental Disabilities, Office of | 2,213,922 | 2,307,918 | 2,492,398 |
| Alcohol and Substance Abuse Services, Office of | 467,750 | 471,182 | 472,747 |
| Developmental Disabilities Planning Council | 0 | 3,865 | 3,833 |
| Quality of Care for the Mentally Disabled, Commission on | 8,680 | 9,606 | 10,291 |
| Functional Total | <u>4,642,414</u> | <u>4,783,854</u> | <u>5,040,884</u> |
| PUBLIC PROTECTION | | | |
| Capital Defenders Office | 13,536 | 12,222 | 12,800 |
| Correction, Commission of | 2,600 | 2,456 | 2,551 |
| Correctional Services, Department of | 2,197,264 | 2,084,345 | 2,053,312 |
| Crime Victims Board | 48,830 | 62,777 | 62,280 |
| Criminal Justice Services, Division of | 156,354 | 151,731 | 152,105 |
| Investigation, Temporary State Commission of | 2,824 | 3,178 | 3,228 |
| Judicial Commissions | 2,196 | 2,273 | 2,397 |
| Military and Naval Affairs, Division of | 147,381 | 120,124 | 120,586 |
| Parole, Division of | 197,739 | 192,851 | 192,810 |
| Probation and Correctional Alternatives, Division of | 91,952 | 85,446 | 85,446 |
| State Police, Division of | 370,876 | 445,294 | 429,050 |
| Functional Total | <u>3,231,552</u> | <u>3,162,697</u> | <u>3,116,565</u> |
| EDUCATION | | | |
| Arts, Council on the | 54,098 | 51,899 | 52,044 |
| City University of New York | 811,613 | 812,547 | 809,278 |
| Education, Department of | 18,253,987 | 19,704,684 | 20,228,440 |
| <i>School Aid</i> | 12,983,413 | 13,753,151 | 14,122,717 |
| <i>STAR Property Tax Relief</i> | 1,876,521 | 2,510,000 | 2,630,000 |
| <i>Handicapped</i> | 953,262 | 1,125,200 | 1,090,451 |
| <i>All Other</i> | 2,440,791 | 2,316,333 | 2,385,272 |
| Higher Education Services Corporation | 721,329 | 783,909 | 640,429 |
| State University Construction Fund | 8,899 | 10,837 | 10,837 |
| State University of New York | 3,900,871 | 3,927,293 | 4,101,159 |
| Functional Total | <u>23,750,797</u> | <u>25,291,169</u> | <u>25,842,187</u> |
| GENERAL GOVERNMENT | | | |
| Audit and Control, Department of | 128,632 | 148,947 | 149,841 |
| Budget, Division of the | 30,004 | 38,107 | 38,107 |
| Civil Service, Department of | 30,780 | 29,057 | 27,964 |
| Elections, State Board of | 3,200 | 3,600 | 3,600 |
| Employee Relations, Office of | 4,015 | 4,290 | 4,427 |
| Executive Chamber | 15,101 | 18,865 | 18,865 |
| General Services, Office of | 203,022 | 188,435 | 226,917 |
| Elections, State Board of | 6,184 | 6,537 | 5,994 |
| Employee Relations, Office of | 145,556 | 159,819 | 168,144 |
| Lieutenant Governor, Office of the | 450 | 548 | 548 |
| Lottery, Division of | 134,174 | 159,326 | 165,498 |
| Public Employment Relations Board | 3,869 | 3,942 | 3,956 |
| Racing and Wagering Board, State | 14,038 | 13,415 | 13,485 |
| Real Property Services, Office of | 51,802 | 51,991 | 50,323 |
| Regulatory Reform, Governor's Office of | 2,924 | 3,360 | 3,740 |
| State, Department of | 90,296 | 106,186 | 118,144 |

FINANCIAL PLAN OVERVIEW

CASH DISBURSEMENTS BY FUNCTION ALL GOVERNMENTAL FUNDS (thousands of dollars)

| | 2000-2001 <u>Actual</u> | 2001-2002 <u>Estimated</u> | 2002-2003 <u>Recommended</u> |
|--|----------------------------|-------------------------------|---------------------------------|
| GENERAL GOVERNMENT (continued) | | | |
| Tax Appeals, Division of | 3,090 | 3,166 | 3,087 |
| Taxation and Finance, Department of | 330,051 | 331,350 | 349,808 |
| Technology, Office for | 51,528 | 49,349 | 47,845 |
| TSC Lobbying | 1,060 | 1,218 | 1,418 |
| Veterans Affairs, Division of | 9,819 | 11,281 | 11,993 |
| Functional Total | <u>1,259,595</u> | <u>1,332,789</u> | <u>1,413,704</u> |
| ALL OTHER CATEGORIES | | | |
| Legislature | 196,140 | 207,685 | 207,685 |
| Judiciary (excluding fringe benefits) | 1,308,719 | 1,426,894 | 1,479,804 |
| Homeland Security (excluding fringe benefits) | 0 | 27,097 | 74,887 |
| World Trade Center (excluding fringe benefits) | 0 | 204,130 | 322,700 |
| Local Government Assistance | 953,192 | 845,040 | 834,170 |
| Short-Term Debt Service | 890 | 0 | 0 |
| Long-Term Debt Service | 4,082,143 | 4,185,302 | 3,665,692 |
| General State Charges/Miscellaneous | 3,078,938 | 3,614,714 | 3,867,732 |
| Functional Total | <u>9,620,022</u> | <u>10,510,862</u> | <u>10,453,670</u> |
| TOTAL ALL GOVERNMENTAL FUNDS SPENDING | <u><u>79,753,168</u></u> | <u><u>84,598,475</u></u> | <u><u>88,595,376</u></u> |

FINANCIAL PLAN OVERVIEW

CASH DISBURSEMENTS BY FUNCTION STATE FUNDS (thousands of dollars)

| | 2000-2001 <u>Actual</u> | 2001-2002 <u>Estimated</u> | 2002-2003 <u>Recommended</u> |
|--|----------------------------|-------------------------------|---------------------------------|
| ECONOMIC DEVELOPMENT AND GOVERNMENT OVERSIGHT | | | |
| Agriculture and Markets, Department of | 57,843 | 63,972 | 65,939 |
| Alcoholic Beverage Control | 10,782 | 11,013 | 10,968 |
| Banking Department | 49,621 | 52,115 | 56,945 |
| Consumer Protection Board | 2,254 | 3,426 | 4,294 |
| Economic Development, Department of | 51,707 | 48,394 | 40,447 |
| Empire State Development Corporation | 87,515 | 105,666 | 211,402 |
| Energy Research and Development Authority | 28,633 | 30,023 | 28,023 |
| Housing Finance Agency | 1,700 | 700 | 665 |
| Housing and Community Renewal, Division of | 161,557 | 195,677 | 198,040 |
| Insurance Department | 85,304 | 92,959 | 101,449 |
| Olympic Regional Development Authority | 7,671 | 7,700 | 7,700 |
| Public Service, Department of | 49,548 | 55,583 | 55,859 |
| Science, Technology and Academic Research, Office of | 13,326 | 75,575 | 47,524 |
| Functional Total | <u>607,461</u> | <u>742,803</u> | <u>829,255</u> |
| PARKS AND THE ENVIRONMENT | | | |
| Adirondack Park Agency | 4,017 | 4,056 | 4,294 |
| Environmental Conservation, Department of | 623,808 | 630,255 | 716,707 |
| Environmental Facilities Corporation | 13,609 | 17,430 | 9,071 |
| Parks, Recreation and Historic Preservation, Office of | 209,049 | 204,327 | 216,041 |
| Functional Total | <u>850,483</u> | <u>856,068</u> | <u>946,113</u> |
| TRANSPORTATION | | | |
| Motor Vehicles, Department of | 183,259 | 192,313 | 197,299 |
| Transportation, Department of | 3,266,834 | 3,292,565 | 3,514,672 |
| Functional Total | <u>3,450,093</u> | <u>3,484,878</u> | <u>3,711,971</u> |
| HEALTH AND SOCIAL WELFARE | | | |
| Advocate for Persons with Disabilities, Office of | 1,106 | 970 | 930 |
| Aging, Office for the | 63,855 | 67,690 | 65,330 |
| Children and Families, Council on | 1,003 | 1,007 | 1,007 |
| Children and Family Services, Office of | 1,112,821 | 1,230,690 | 1,236,716 |
| Health, Department of | 8,368,692 | 9,266,011 | 10,273,380 |
| <i>Medical Assistance</i> | 6,855,870 | 7,346,393 | 8,219,482 |
| <i>Medicaid Administration</i> | 113,984 | 126,150 | 121,150 |
| <i>All Other</i> | 1,398,838 | 1,793,468 | 1,932,748 |
| Human Rights, Division of | 11,346 | 13,328 | 13,236 |
| Labor, Department of | 68,723 | 79,572 | 80,528 |
| Prevention of Domestic Violence, Office of | 2,247 | 2,628 | 2,613 |
| Temporary and Disability Assistance, Office of | 1,828,739 | 1,485,313 | 1,088,682 |
| <i>Welfare Assistance</i> | 1,312,421 | 969,133 | 540,309 |
| <i>Welfare Administration</i> | 385,656 | 384,296 | 383,225 |
| <i>All Other</i> | 130,662 | 131,884 | 165,148 |
| Welfare Inspector General, Office of | 578 | 622 | 713 |
| Workers' Compensation Board | 125,196 | 134,803 | 141,248 |
| Functional Total | <u>11,584,306</u> | <u>12,282,634</u> | <u>12,904,383</u> |

FINANCIAL PLAN OVERVIEW

CASH DISBURSEMENTS BY FUNCTION STATE FUNDS (thousands of dollars)

| | 2000-2001 <u>Actual</u> | 2001-2002 <u>Estimated</u> | 2002-2003 <u>Recommended</u> |
|--|----------------------------|-------------------------------|---------------------------------|
| MENTAL HEALTH | | | |
| Mental Health, Office of | 1,418,177 | 1,577,832 | 1,567,179 |
| Mental Retardation and Developmental Disabilities, Office of | 843,282 | 863,166 | 855,645 |
| Alcohol and Substance Abuse Services, Office of | 334,530 | 333,442 | 332,192 |
| Developmental Disabilities Planning Council | 0 | 0 | 0 |
| Quality of Care for the Mentally Disabled, Commission on | 3,174 | 3,067 | 3,067 |
| Functional Total | <u>2,599,163</u> | <u>2,777,507</u> | <u>2,758,083</u> |
| PUBLIC PROTECTION | | | |
| Capital Defenders Office | 13,536 | 12,222 | 12,800 |
| Correction, Commission of | 2,544 | 2,456 | 2,551 |
| Correctional Services, Department of | 2,088,768 | 2,010,261 | 1,990,301 |
| Crime Victims Board | 27,146 | 31,356 | 30,837 |
| Criminal Justice Services, Division of | 110,931 | 107,293 | 107,446 |
| Investigation, Temporary State Commission of | 2,824 | 3,178 | 3,228 |
| Judicial Commissions | 2,196 | 2,273 | 2,397 |
| Military and Naval Affairs, Division of | 38,225 | 38,712 | 40,660 |
| Parole, Division of | 193,180 | 186,969 | 188,567 |
| Probation and Correctional Alternatives, Division of | 90,882 | 85,446 | 85,446 |
| State Police, Division of | 356,222 | 433,676 | 414,110 |
| Functional Total | <u>2,926,454</u> | <u>2,913,842</u> | <u>2,878,343</u> |
| EDUCATION | | | |
| Arts, Council on the | 53,668 | 51,284 | 51,434 |
| City University of New York | 811,613 | 812,547 | 809,278 |
| Education, Department of | 16,152,505 | 17,806,562 | 18,144,028 |
| <i>School Aid</i> | 12,983,413 | 13,753,151 | 14,122,717 |
| <i>STAR Property Tax Relief</i> | 1,876,521 | 2,510,000 | 2,630,000 |
| <i>Handicapped</i> | 598,386 | 845,200 | 804,851 |
| <i>All Other</i> | 694,185 | 698,211 | 586,460 |
| Higher Education Services Corporation | 715,423 | 773,709 | 285,229 |
| State University Construction Fund | 8,899 | 10,837 | 10,837 |
| State University of New York | 3,769,922 | 3,792,448 | 3,964,870 |
| Functional Total | <u>21,512,030</u> | <u>23,247,387</u> | <u>23,265,676</u> |
| GENERAL GOVERNMENT | | | |
| Audit and Control, Department of | 128,632 | 148,947 | 149,841 |
| Budget, Division of the | 30,004 | 38,107 | 38,107 |
| Civil Service, Department of | 30,780 | 29,057 | 27,964 |
| Elections, State Board of | 3,200 | 3,600 | 3,600 |
| Employee Relations, Office of | 4,015 | 4,290 | 4,427 |
| Executive Chamber | 15,101 | 18,865 | 18,865 |
| General Services, Office of | 199,196 | 182,035 | 219,317 |
| Elections, State Board of | 6,184 | 6,537 | 5,994 |
| Employee Relations, Office of | 127,137 | 136,339 | 143,202 |
| Lieutenant Governor, Office of the | 450 | 548 | 548 |
| Lottery, Division of | 134,174 | 159,326 | 165,498 |
| Public Employment Relations Board | 3,869 | 3,942 | 3,956 |
| Racing and Wagering Board, State | 14,038 | 13,415 | 13,485 |
| Real Property Services, Office of | 51,802 | 51,991 | 50,323 |
| Regulatory Reform, Governor's Office of | 2,924 | 3,360 | 3,740 |
| State, Department of | 40,022 | 44,391 | 48,430 |

FINANCIAL PLAN OVERVIEW

CASH DISBURSEMENTS BY FUNCTION STATE FUNDS (thousands of dollars)

| | 2000-2001 Actual | 2001-2002 Estimated | 2002-2003 Recommended |
|--|-----------------------------|--------------------------------|----------------------------------|
| GENERAL GOVERNMENT (continued) | | | |
| Tax Appeals, Division of | 3,090 | 3,166 | 3,087 |
| Taxation and Finance, Department of | 328,882 | 331,082 | 349,540 |
| Technology, Office for | 51,528 | 49,349 | 47,845 |
| TSC Lobbying | 1,060 | 1,218 | 1,418 |
| Veterans Affairs, Division of | 8,930 | 10,342 | 10,642 |
| Functional Total | <u>1,185,018</u> | <u>1,239,907</u> | <u>1,309,829</u> |
| ALL OTHER CATEGORIES | | | |
| Legislature | 196,140 | 207,685 | 207,685 |
| Judiciary (excluding fringe benefits) | 1,305,817 | 1,424,394 | 1,477,304 |
| Homeland Security (excluding fringe benefits) | 0 | 27,097 | 74,887 |
| World Trade Center (excluding fringe benefits) | 0 | 30,603 | 33,804 |
| Local Government Assistance | 953,192 | 845,040 | 834,170 |
| Short-Term Debt Service | 890 | 0 | 0 |
| Long-Term Debt Service | 4,082,143 | 4,185,302 | 3,665,692 |
| General State Charges/Miscellaneous | 2,930,074 | 3,440,420 | 3,736,592 |
| Functional Total | <u>9,468,256</u> | <u>10,160,541</u> | <u>10,030,134</u> |
| TOTAL STATE FUNDS SPENDING | <u><u>54,183,264</u></u> | <u><u>57,705,567</u></u> | <u><u>58,633,787</u></u> |