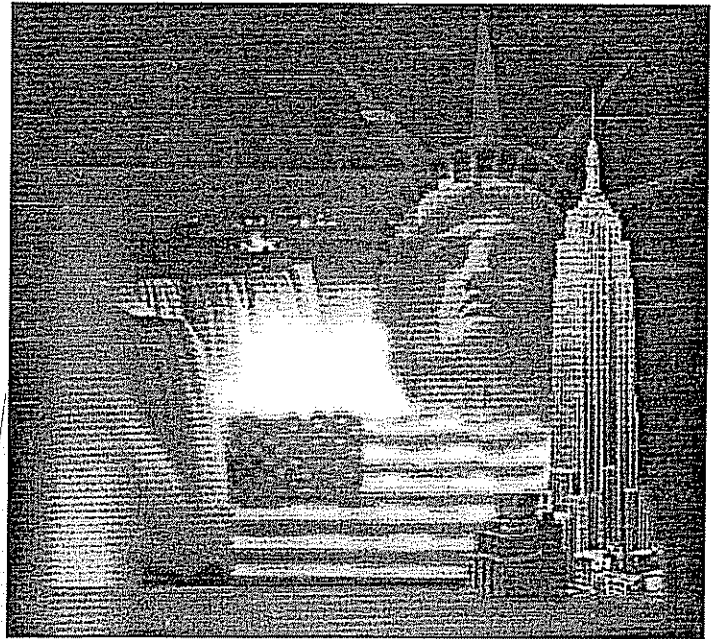
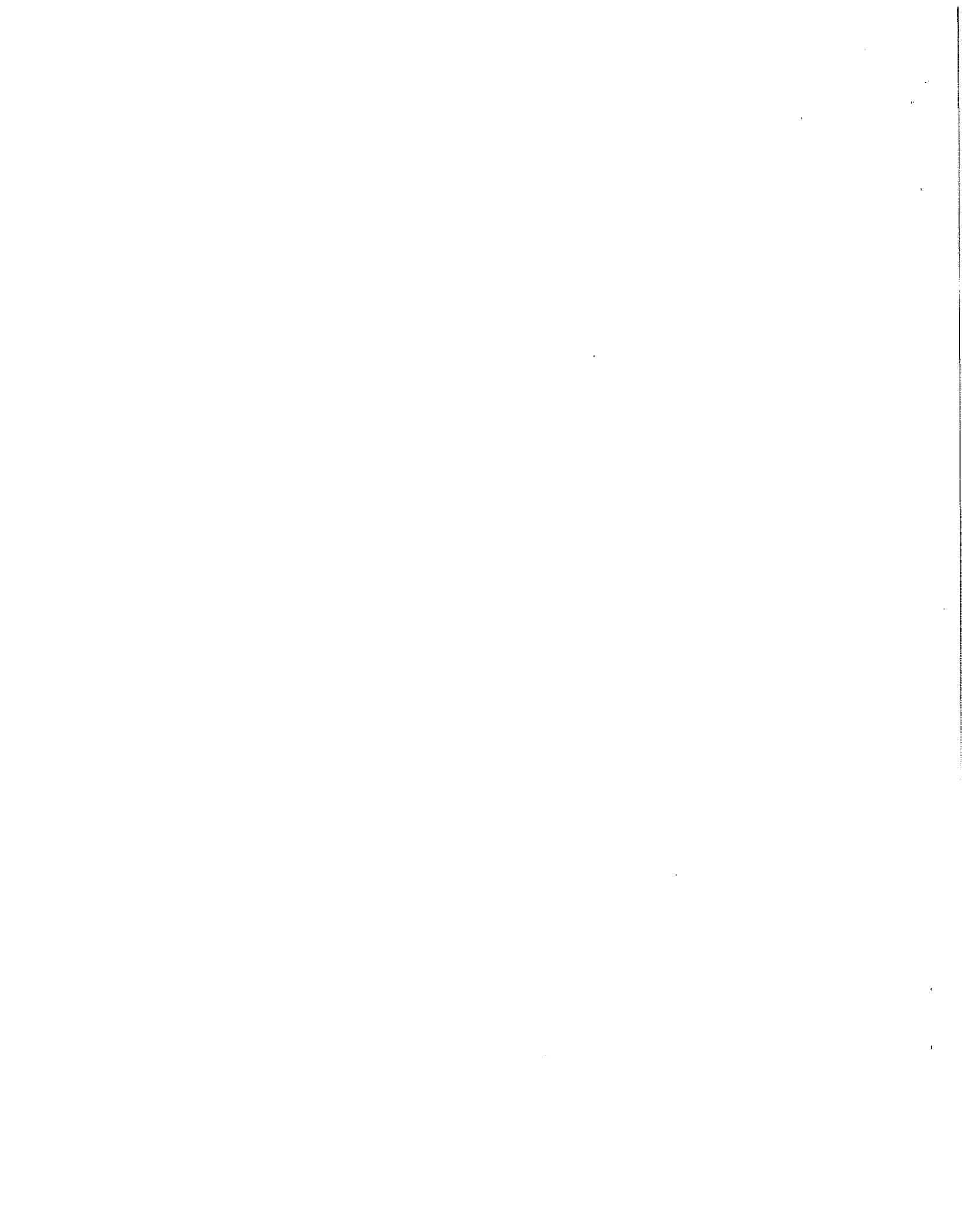


New York State 1998-99 Enacted Budget Report



June 25, 1998



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OVERVIEW

The 1998-99 Enacted Budget reflects the Governor's commitment to fiscally-sound, balanced budgets that provide the State with long-term fiscal stability and economic health. This report reflects the Legislature's and Governor's actions on the Executive Budget through the end of the legislative session. The result is that All Funds spending for the 1998-99 Enacted Budget is projected at \$71.54 billion, or \$46 million below the Executive Budget recommendation of \$71.59 billion. The Enacted Budget also features new multi-year tax reductions to further improve New York's ability to compete with other states and major new investments in New York's public schools. Highlights of the 1998-99 Enacted Budget include:

- Accelerating tax relief for senior citizens by fully implementing the \$50,000 STAR school tax exemption for seniors in 1998-99;
- Improving the State's competitive position by reducing the corporate tax rate, over a three-year period, from 9 percent to 7.5 percent;
- Adopting a number of tax reduction initiatives designed to aid small and new businesses, particularly in emerging industries;
- Enacting a total school aid increase of \$847 million (7.8 percent) on a school year basis — the largest increase in State history;
- Increasing investments for the environment, economic development, transportation and public safety, including prison expansion;
- Providing increased unrestricted aid to local governments of \$37 million, for total support of \$837 million;
- Creating a new Debt Reduction Reserve Fund with an initial deposit of \$50 million;
- Providing for a \$658 million General Fund closing balance, including \$400 million in the State's "rainy day" fund (the Tax Stabilization Reserve Fund), \$100 million in the litigation reserve fund (the Contingency Reserve Fund), and \$158 million in the Community Projects Fund projected to be available at year's end;
- Incorporating an additional \$761 million reserve for future needs in the year-end balance to finance a portion of the tax changes and spending initiatives already scheduled in law; and
- Reducing the projected 1999-00 budget gap from the level projected in February.

This report is submitted pursuant to section 23 of the State Finance Law, which requires the Governor to submit revised Financial Plans reflecting action by the Legislature on the Executive Budget for the current fiscal year. Included in this report are new forecasts of the National and State economies, and detailed estimates for the major categories of receipts and disbursements.

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Spending and revenue information is provided for the General Fund, State Funds and All Funds portions of the Budget. The General Fund is supported primarily by State taxes. State Funds include the General Fund and represent that portion of the Budget funded exclusively by State revenues: taxes, fees, fines and other revenues. All Funds (which incorporate State Funds) also reflect spending financed by Federal Funds. All of the tables in this document are in millions of dollars, unless otherwise noted.

THE 1998-99 GENERAL FUND FINANCIAL PLAN

The State's Financial Plan contains forecasts of income and spending for the fiscal year. Projected receipts are based on the economic forecast of the Division of the Budget (DOB) and the State's tax and fee structure. DOB projects economic activity for both the Nation and New York. After consulting with public and private sector experts, a detailed forecast is prepared, showing Gross Domestic Product (GDP), employment levels, inflation, wages, consumer spending, and other relevant economic indicators. The yield of the State's revenue structure is then projected against the backdrop of these forecasts.

Projected disbursements are based on staffing levels in agencies, program caseloads or the level of services that must be provided, formulas contained in State law, inflation and other factors. For example, welfare caseload projections are based on historical data modified by economic conditions and program changes, while recent trends and data from the criminal justice system are relied upon to estimate prison population. Not all the amounts appropriated in the Budget are disbursed in the same fiscal year.

Economic Outlook

National Economy

| Major Economic Indicators | | | |
|-------------------------------|------|------|------|
| | 1997 | 1998 | 1999 |
| Gross Domestic Product (real) | 3.8 | 2.8 | 2.2 |
| Personal Income | 5.8 | 5.3 | 4.4 |
| Corporate Profits | 8.7 | 3.8 | 3.3 |
| Consumer Price Index | 2.3 | 1.6 | 2.6 |

Note: Numbers above are percent change/calendar year

The national economy accelerated its rate of expansion in 1997 and maintained much of its strength as 1998 began. However, the growing trade deficit, fueled by economic difficulties in Asia, is projected to dampen the rate of U.S. economic growth during the second half of 1998. Moderating economic growth is expected to engender a slowdown in the rate of job creation and dissipate the upward pressure on wage costs. In response, the Federal Reserve Bank is expected to hold the Federal funds rate constant throughout the year.

The Division of the Budget projects that national economic growth, as a whole, will remain relatively strong for 1998. Real Gross Domestic Product is projected to grow at an annual rate of

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2.8 percent, declining to 2.2 percent in 1999. Inflation, as measured by the Consumer Price Index (CPI), is expected to be only 1.6 percent in 1998, which would be the lowest annual rate of increase in more than thirty years. In 1999, the CPI is projected to rebound to a still modest 2.6 percent increase as moderating economic growth inhibits a dramatic acceleration in consumer prices. Increased employment has been a cornerstone of the nation's economic expansion and job growth has been particularly robust recently. The strong job gains of the last five years have driven the unemployment rate down to levels which, like the inflation rate, have not been seen since the 1960s. Annual employment growth of about 2.6 percent in 1998 is expected to be followed by a 1.5 percent rise in 1999. Wage income, which is expected to grow at the rapid rate of 6.3 percent in 1998, will slow to 4.5 percent in 1999 as the rate of increase in the number of hours worked declines from 2.5 percent to 1.1 percent. Personal income growth will also slow from 5.3 percent in 1998 to 4.4 percent in 1999.

There are uncertainties inherent in any economic forecast. The remarkably buoyant domestic economy could shrug off weaknesses in Asian markets, resulting in stronger than expected growth for the remainder of 1998 and, perhaps, much of 1999. Such robust growth could ignite inflationary fears and push long-term interest rates substantially higher, which could result in much weaker than expected growth by the end of 1999. Alternatively, a continuation of good news on inflation combined with strong productivity increases could lead to a repetition of the extremely favorable pattern of economic growth that the nation experienced in 1997.

State Economy

| Major Economic Indicators | | | |
|----------------------------|------|------|------|
| | 1997 | 1998 | 1999 |
| Personal Income | 5.8 | 5.0 | 4.4 |
| Nonagricultural Employment | 1.3 | 1.5 | 1.0 |
| Unemployment Rate | 6.3 | 6.1 | 5.9 |

Note: Income and Employment numbers are percent change/calendar year.

New York's employment growth will continue throughout 1998. With the exception of government, every sector recorded employment gains for the first quarter of 1998, with the service and trade sectors accounting for most of the increase. Much of the service sector increase occurred in business, educational, health, engineering and management services. According to the most recent New York State Department of Labor estimate through May, since December 1994, New York's total employment has risen 282,000, with private employment up by 322,000 and government employment down by 40,000. The unemployment rate was 5.7 percent in May, down from a peak of 8.9 percent in July 1992.

Overall, employment growth for 1998 will be slightly faster than for 1997, although we project that the growth rate will slowly decline as the year progresses. Employment in the first quarter of 1999 is projected to be about 100,000 above the level of a year earlier. The Division of the Budget's forecast of the New York economy calls for employment growth to continue throughout 1999, adding some 80,000 jobs on an annual average basis.

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Personal income should rise about 5.0 percent in 1998 and around 4.4 percent in 1999. Over the same period, wage growth will approximate 6.1 percent and 4.9 percent, respectively. Wage rate growth is expected to slow in 1999 as the recent boom in bonus payments slackens.

The forecast for New York is subject to the same uncertainties as the national forecast as well as some specific to New York. For example, given the central role of the stock market in fueling the State's fiscal fortunes, New York faces the particular risk that economic or financial news could cause the stock and bond markets to react dramatically, producing changes in profits and other incomes attributable to these markets that would be independent of changes in the broader economy. Similarly, there is still uncertainty about the magnitude of the effects of the Asian financial and economic problems on the New York economy. In addition, there is a possibility of greater than anticipated private-sector restructuring and downsizing.

General Fund Receipts

| 1997-98 | 1998-99 | Change \$ |
|---------|---------|-----------|
| 34,552 | 37,560 | 3,008 |

Total General Fund receipts in 1998-99 are now projected to be \$37.56 billion, an increase of about \$3 billion from the \$34.55 billion recorded in 1997-98. This total includes \$34.36 billion in tax receipts, \$1.40 billion in miscellaneous receipts, and \$1.79 billion in transfers from other funds. The transfer of a portion of the surplus recorded in 1997-98 to the 1998-99 fiscal period exaggerates the "real" growth in State receipts from year to year by depressing reported 1997-98 figures and inflating 1998-99 projections.

The General Fund receipts forecast used in the Enacted Budget represents an increase of \$1.39 billion from the amount presented in the Executive Budget. Of that amount:

- > \$575 million represents money identified in the Executive Budget but earmarked for other uses at that time, the largest of which was the proposal, rejected by the Legislature, to use cash to finance the \$425 million Community Enhancement and Facilities Program (CEFAP) in lieu of incurring new debt;
- > \$496 million represents additional resources identified since the time of the Executive Budget, net of revenue actions by the Legislature;
- > \$210 million represents the increase in the 1997-98 surplus from the time of the Executive budget; and
- > \$105 million represents amounts carried over from 1997-98 to finance spending obligations carried over from that year, net of an additional \$3 million deposited in the Contingency Reserve Fund at the end of 1997-98.

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Personal Income Tax

| 1997-98 | 1998-99 | Change \$ |
|---------|---------|-----------|
| 17,759 | 21,242 | 3,483 |

Net personal income tax collections are projected to reach \$21.24 billion, well over half of all General Fund receipts and nearly \$3.5 billion above the reported 1997-98 collection total. Since 1997 represented the completion of the 20 percent income tax reduction program enacted in 1995, growth from 1997 to 1998 will be unaffected by major income tax reductions. Adding to the projected annual growth is over \$1.7 billion from net impact of the transfer of the surplus from 1997-98 to the current year (over \$2.4 billion on a year-over-year basis) as partially offset by the diversion of slightly over \$700 million in income tax receipts to the STAR fund to finance the initial year of the school property tax reduction program. Adjusted for these transactions, the growth in net income tax receipts is roughly \$1.7 billion, an increase of over 9 percent.

This growth is largely a function of approximately 8 percent growth in income tax liability projected for 1998 as well as the impact of the 1997 tax year settlement recorded early in this fiscal year.

Significant statutory changes made this year include: full acceleration of the STAR program for seniors; an increase in the child care credit for middle income taxpayers; adoption of a variety of job enhancing credits; and an acceleration of the school property tax credit for farmers.

User Taxes and Fees

| 1997-98 | 1998-99 | Change \$ |
|---------|---------|-----------|
| 7,036 | 7,143 | 107 |

Receipts from user taxes and fees are projected to total \$7.14 billion, an increase of \$107 million from reported collections in the prior year. Included in this category are receipts from the State sales tax, cigarette, tobacco products, and alcoholic beverage taxes and fees; motor fuel taxes and motor vehicle license and registration fees; the container tax (through September of 1998); and a 5 percent levy on auto rentals.

The sales tax component of this category accounts for all of the 1998-99 growth, as changes in all the other sources decline \$100 million. The growth in yield of the sales tax in 1998-99, after adjusting for tax law and other changes, is projected at 4.7 percent. The yield of most of the excise taxes in this category show a long-term declining trend, particularly cigarette and alcoholic beverage taxes. These General Fund declines are exacerbated in 1998-99 by revenue reductions from scheduled and newly enacted tax reductions, and by an increase in earmarking of motor vehicle registration fees to the Dedicated Highway and Bridge Trust Fund.

Significant statutory changes made in the taxes in this category during the 1998-99 legislative session include: a 25 percent reduction in motor vehicle registration fees and the restoration of refunds of such registrations; enhancement of the scheduled exemption of clothing from the State sales tax by including footwear in the exemption and increasing the threshold from \$100 to \$110 (effective 12/1/99); enactment of a variety of small sales tax exemptions, including college

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textbooks, telephone central office switching equipment and computer hardware used to produce computer software for sale; and a reduction in the beer tax rate.

Business Taxes

| 1997-98 | 1998-99 | Change \$ |
|---------|---------|-----------|
| 5,047 | 4,956 | (91) |

Total business tax collections in 1998-99 are now projected to be \$4.96 billion, \$91 million less than received in the prior fiscal year. The category includes receipts from the largely income-based levies on general business corporations, banks and insurance companies, gross receipts taxes on energy and telecommunication service providers and a per-gallon imposition on petroleum business.

The year-over-year decline in projected receipts in this category is largely attributable to statutory changes between the two years. These include the first year of the "power for jobs" program and scheduled additional diversion of General Fund petroleum business and utility tax receipts. In addition, profit growth is also expected to slow in 1998.

Legislation enacted this year affecting receipts in this category includes: significant reduction in the general business corporation tax, including a phased reduction in the rate from 9 percent to 7.5 percent; reductions in the fixed dollar minimum tax and a cut in the rate applied to the income of S corporations; acceleration of the power for jobs program initially enacted in 1997; and adoption of an expansion of the State's investment tax credit to investments by securities firms and banks in the infrastructure required for security trading operations.

Other Taxes

| 1997-98 | 1998-99 | Change \$ |
|---------|---------|-----------|
| 1,094 | 1,019 | (75) |

Other tax receipts are now projected to total \$1.02 billion — \$75 million below last year's amount. Sources in this category include: the estate and gift tax, the real property gains tax, pari-mutuel taxes and the transactions reported on the since-repealed real property gains tax.

Two factors account for a significant part of the expected decline in collections from this category: first, the effects resulting from the elimination of the real property gains tax collections; second, a decline in estate tax receipts, following the explosive growth recorded in 1997-98 when receipts expanded by over 16 percent.

Significant legislation affecting these sources in 1998 and thereafter includes the extension of certain temporary tax reductions at the State's race tracks and conformity with new Federal estate tax provisions allowing exclusion of up to \$1.3 million in family business assets from tax.

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Miscellaneous Receipts

| 1997-98 | 1998-99 | Change \$ |
|---------|---------|-----------|
| 1,598 | 1,404 | (194) |

Total miscellaneous receipts and transfers from other funds are expected to reach \$3.2 billion, down over \$400 million from the prior year amount. Miscellaneous receipts are projected to decline from \$1.6 billion to \$1.4 billion, reflecting the loss of non-recurring receipts in 1997-98 and the growing effects of the phase-out of the medical provider assessments.

Transfers From Other Funds

| 1997-98 | 1998-99 | Change \$ |
|---------|---------|-----------|
| 2,018 | 1,796 | (222) |

Transfers from other funds are expected to total \$1.8 billion, or \$222 million less than total receipts from this category during 1997-98. Total transfers of sales taxes in excess of LGAC debt service requirements are expected to increase by approximately \$51 million, while transfers from all other funds are expected to fall by \$273 million, primarily reflecting the absence, in 1998-99, of a one-time transfer of nearly \$200 million for retroactive reimbursement of certain social services claims from the Federal government.

General Fund Disbursements

| 1997-98 | 1998-99 | Change \$ |
|---------|---------|-----------|
| 34,347 | 36,779 | 2,432 |

General Fund disbursements including transfers to support capital projects, debt service and other funds are estimated at \$36.78 billion. This represents an increase of \$2.43 billion or 7.1 percent from 1997-98 levels. However, the average annual increase since 1994-95 is only 2.3 percent.

Nearly one-half of the annual increase in the 1998-99 Budget is for education (\$1.12 billion) reflecting increased State aid for schools (\$769 million), funding for special education programs (\$123 million) and increases for the State and City university systems (\$141 million). The remainder of the increase is primarily for Medicaid (\$144 million), other health and social welfare programs including children and family services (\$208 million), mental hygiene (\$161 million), the Judiciary (\$145 million), and public protection (\$90 million).

The 1998-99 Enacted Budget spending estimate is \$690 million above the Executive Budget projections. Of this amount, \$278 million represents timing-related changes from the closeout of the 1997-98 fiscal year. These changes represent spending that was originally anticipated to occur at the end of the 1997-98 fiscal year but which will now occur in 1998-99, including monies for lawsuits, collective bargaining, and legislative adds to the 1997-98 budget. The balance of \$412 million represents legislative spending additions of \$1.23 billion offset by \$214 million in spending reestimates and \$606 million in Governor's veto actions.

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Grants to Local Governments

| 1997-98 | 1998-99 | Change \$ |
|---------|---------|-----------|
| 23,266 | 25,141 | 1,875 |

Grants to Local Governments is the largest category of General Fund disbursements and includes financial assistance to local governments and not-for-profit corporations, as well as entitlement benefits to individuals. Disbursements for this category are projected at \$25.14 billion, an increase of \$1.88 billion over the prior year. The majority of the increase is for school aid (\$769 million) and other educational programs, including the State and City university systems (\$270 million).

The 1998-99 budget provides a total of \$9.65 billion in support of public schools. The year-to-year increase of \$769 million is comprised of partial funding for a 1998-99 school year increase of \$847 million as well as the remainder of the 1997-98 school year increase that occurs in State fiscal year 1998-99. Spending for all other educational programs, which includes the State and City university systems, the Tuition Assistance Program, and handicapped programs, is estimated at \$3.00 billion, an increase of \$270 million over 1997-98 levels.

Spending for Medicaid is projected to total \$5.60 billion, an increase of \$144 million from last year. After adjusting 1997-98 for the \$116 million prepayment of the additional Medicaid cycle due on April 1, 1998, Medicaid will increase \$260 million or 4.9 percent, well below historical growth rates. Disbursements for all other health and social welfare programs are projected to total \$3.63 billion, reflecting an increase of \$131 million from 1997-98 levels. This includes an increase in support for children and families services and local public health programs offset by an annual decline in welfare spending of \$75 million.

Remaining disbursements primarily support community-based mental hygiene programs, community and public health programs, local transportation programs, and revenue sharing payments to local governments. Revenue sharing and other general purpose aid to local governments is projected at \$837 million, an increase of approximately \$37 million from 1997-98.

State Operations

| 1997-98 | 1998-99 | Change \$ |
|---------|---------|-----------|
| 6,193 | 6,704 | 511 |

Disbursements for State Operations reflect the costs of operating the Executive, Legislative, and Judicial branches of government. Spending in this category is projected at \$6.70 billion, an increase of \$511 million from the prior year primarily resulting from an extra payroll cycle in 1998-99 (\$146 million), the 3.5 percent general salary increase to be given to most State employees on October 1, 1998 and an increase in the Judiciary's budget of \$145 million — which represents an annual increase of 15.6 percent for that Branch compared to a 4.5 percent increase for Executive Branch agencies.

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General State Charges

| 1997-98 | 1998-99 | Change \$ |
|---------|---------|-----------|
| 2,265 | 2,215 | (50) |

General State charges primarily reflect the costs of providing fringe benefits for State employees, including contributions to pension systems, the employer's share of social security contributions, employer contributions toward the cost of health insurance, and the costs of providing worker's compensation and unemployment insurance benefits. This category also reflects certain fixed costs such as payments in lieu of taxes, and payments of judgments against the State or its public officers.

Disbursements in this category are estimated at \$2.22 billion, a decrease of \$50 million from the prior year. This annual decline reflects projected decreases in pension costs and Court of Claims payments, offset by modest projected increases for health insurance contributions, social security costs, and the loss of reimbursements due to a reduction in the fringe benefit rate charged to positions financed by non-General funds.

Debt Service

| 1997-98 | 1998-99 | Change \$ |
|---------|---------|-----------|
| 10 | 11 | 1 |

Debt service paid directly from the General Fund reflects only the interest cost of the State's commercial paper program. The 1998-99 debt service estimate is \$11 million, reflecting relative stability in short-term interest rates.

Transfers to Debt Service Funds

| 1997-98 | 1998-99 | Change \$ |
|---------|---------|-----------|
| 2,021 | 2,131 | 110 |

Transfers in support of debt service provide General Fund support to pay principal and interest on long-term bonds where these costs are not funded with other resources. These long-term debt service costs are projected at \$2.13 billion in 1998-99, an increase of \$110 million from 1997-98. This reflects the debt service impact of prior year bond sales (net of refunding savings), and certain sales planned to occur during the 1998-99 fiscal year.

Transfers to Capital Projects Funds

| 1997-98 | 1998-99 | Change \$ |
|---------|---------|-----------|
| 206 | 200 | (6) |

Transfers for capital projects provide General Fund support for projects not otherwise financed through bond proceeds, dedicated taxes, other revenues, and Federal grants. These transfers are projected at \$200 million for 1998-99, roughly comparable to last year.

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Transfers to Debt Reduction Reserve Fund

| 1997-98 | 1998-99 | Change \$ |
|---------|---------|-----------|
| 0 | 50 | 50 |

The 1998-99 Enacted Budget includes, for the first time, a transfer of \$50 million to the newly established Debt Reduction Reserve Fund. The receipts transferred to this Fund may be used, subject to enactment of future appropriations, to pay debt service costs or to retire or defease State-supported bonds.

Transfers to Other Funds

| 1997-98 | 1998-99 | Change \$ |
|---------|---------|-----------|
| 386 | 327 | (59) |

All other transfers reflect the remaining transfers from the General Fund to other funds, and is estimated to decline \$59 million in 1998-99. This annual decline is primarily the net impact of one-time transfers in 1997-98 to the State University Tuition Stabilization Fund and to the Lottery Fund to support school aid, offset by a 1998-99 increase in the State subsidy to the Roswell Park Cancer Research Institute.

Financial Plan Reserves and Risks

The 1998-99 Financial Plan projects a closing fund balance in the General Fund of \$1.42 billion. This fund balance is comprised of \$761 million reserved for future needs, a \$400 million balance in the Tax Stabilization Reserve Fund (TSRF), a balance of \$100 million in the Contingency Reserve Fund (CRF), after a projected deposit of \$32 million in 1998-99, and a balance in the Community Projects Fund of \$158 million. Since 1994-95, the State has more than tripled its "rainy day" reserves by adding over \$200 million to the TSRF and about \$100 million to the CRF.

The Financial Plan remains subject to a number of risks from economic uncertainty, litigation, Federal actions, and a variety of other factors outside the State's control. These emerging risks include Federal budget actions which could result in a reduction in Federal funding levels from those currently anticipated in the Financial Plan. A potential increase in funding for school building aid as a result of additional school construction could add significant unbudgeted costs in future years. The General Fund reserves noted above will help ensure that the State is positioned to meet these risks and keep the commitments made in this and prior budgets — including substantial increases in education aid and tax relief.

OUTYEAR GENERAL FUND FINANCIAL PLAN PROJECTIONS

The State will formally update its projections of receipts and disbursements for future years as part of its 1999-00 Executive Budget submission. Preliminary analysis of outyear projections indicates that, after the Governor's actions on the Budget and the resultant application of available 1998-99 Financial Plan balances, the State will face a 1999-00 budget gap that is roughly \$1.3 billion, or approximately \$400 million less than projected in February. The outyear projections

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include the continued need to achieve operating efficiencies, and assume the receipt of tobacco settlement monies.

GOVERNMENTAL FUNDS FINANCIAL PLANS

All Governmental Funds

The All Governmental Funds spending total is estimated at \$71.54 billion in 1998-99, an increase of \$5.51 billion or 8.3 percent over 1997-98 levels. Since 1994-95, annual All Governmental Funds spending growth will average 3.6 percent per year. Disbursements from the All Governmental Funds are \$46 million below the Executive Budget level of \$71.59 billion. This decrease is the net impact of \$1.32 billion in spending adds by the Legislature, offset by \$617 million in lower spending primarily from more recent spending reestimates and \$748 million in lower spending resulting from the Governor's vetoes.

The annual increase of \$5.51 billion primarily reflects the General Fund changes discussed previously, \$1.18 billion in increased spending from Federal funds, \$704 million for the first payment of the School Tax Relief (STAR) program, \$231 million in increased operating support for mass transportation, and \$575 million for additional capital spending primarily for transportation and environmental projects.

State Funds

State Funds disbursements are projected at \$48.58 billion, an increase of \$4.33 billion or 9.8 percent from 1997-98 levels, with nearly 20 percent of the spending increase resulting from STAR property tax relief. The average annual increase since 1994-95 is 3.4 percent.

The 1998-99 State Funds estimate is \$109 million higher than the projection included in the 1998-99 Executive Budget, reflecting the net impact of \$1.23 billion in legislative adds offset by \$461 million in spending reestimates and \$660 million in lower spending resulting from the Governor's vetoes.

Special Revenue Funds

Total disbursements for programs supported by Special Revenue Funds are projected at \$29.97 billion, an increase of \$2.32 billion or 8.4 percent from 1997-98 levels. Federal grants account for approximately three-quarters of all spending in the Special Revenue fund type. Disbursements from Federal funds are estimated at \$21.78 billion, an increase of \$1.12 billion or 5.4 percent. The single largest program in this fund group is Medicaid, which is projected at \$13.65 billion, an increase of \$465 million or 3.5 percent above last year. Federal support for welfare programs is projected at \$2.53 billion, roughly comparable to 1997-98 levels. The remaining growth in Federal funds is primarily due to the new Child Health Plus program, estimated at \$197 million in 1998-99. This program will expand health insurance coverage to children of indigent families.

State special revenue spending is projected to be \$8.19 billion, an increase of \$1.20 billion or 17.2 percent from last year's levels. The increase in spending is primarily due to \$704 million for

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the first phase of the STAR program, \$231 million in additional operating assistance for mass transportation, and \$113 million for the new Child Health Plus program (State share).

Capital Projects Funds

Capital Projects Funds spending in fiscal year 1998-99 is projected at \$4.14 billion, an increase of \$575 million or 16.1 percent from last year. The major components of this growth are transportation and environmental programs, including continued increased spending for 1996 Clean Water/Clean Air Bond Act projects and increased disbursements from the Environmental Protection Fund (EPF). Another significant component of this projected increase is in the area of public protection, primarily for facility rehabilitation and construction to increase prison capacity.

Debt Service Funds

Total disbursements from the Debt Service Fund type are estimated at \$3.36 billion in 1998-99, an increase of \$275 million or 8.9 percent from 1997-98 levels. Of the increase, \$102 million is for transportation purposes, including debt service on bonds issued for State and local highway and bridge programs financed through the New York State Thruway Authority and supported by the Dedicated Highway and Bridge Trust Fund. Another \$45 million is for education purposes, including State and City university programs financed through the Dormitory Authority of the State of New York. The remainder is for a variety of programs in such areas as mental health and corrections, and for general obligation financings.

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General Fund Cash Financial Plan Comparison of 1997-98 vs. 1998-99 (millions of dollars)

| | 1997-98 Actual | 1998-99 Enacted | Change |
|----------------------------------|-------------------|--------------------|--------|
| Opening fund balance | 433 | 638 | 205 |
| <i>Receipts:</i> | | | |
| Taxes | | | |
| Personal income tax | 17,759 | 21,242 | 3,483 |
| User taxes and fees | 7,036 | 7,143 | 107 |
| Business taxes | 5,047 | 4,956 | (91) |
| Other taxes | 1,094 | 1,019 | (75) |
| Miscellaneous receipts | 1,598 | 1,404 | (194) |
| Transfers from other funds: | | | |
| --LGAC | 1,484 | 1,535 | 51 |
| --All other | 534 | 261 | (273) |
| Total receipts | 34,552 | 37,560 | 3,008 |
| <i>Disbursements:</i> | | | |
| Grants to local governments | 23,266 | 25,141 | 1,875 |
| State operations | 6,193 | 6,704 | 511 |
| General State charges | 2,265 | 2,215 | (50) |
| Debt service | 10 | 11 | 1 |
| Transfers to other funds: | | | |
| --Debt service | 2,021 | 2,131 | 110 |
| --Capital projects | 206 | 200 | (6) |
| --Debt reduction reserve | 0 | 50 | 50 |
| --Other purposes | 386 | 327 | (59) |
| Total disbursements | 34,347 | 36,779 | 2,432 |
| Change in fund balance | 205 | 781 | 576 |
| Closing fund balance | 638 | 1,419 | 781 |
| --Tax Stabilization Reserve Fund | 400 | 400 | 0 |
| --Contingency Reserve Fund | 68 | 100 | 32 |
| --Community Projects Fund | 170 | 158 | (12) |
| --Reserve for Future Needs | 0 | 761 | 761 |

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Cash Financial Plan 1998-99 General Fund (millions of dollars)

| | <u>30-Day</u> | <u>Change</u> | <u>Enacted</u> |
|----------------------------------|---------------|---------------|----------------|
| Opening fund balance | <u>465</u> | <u>173</u> | <u>638</u> |
| <i>Receipts</i> | | | |
| <i>Taxes</i> | | | |
| Personal income tax | 19,776 | 1,466 | 21,242 |
| User taxes and fees | 7,200 | (57) | 7,143 |
| Business taxes | 4,964 | (8) | 4,956 |
| Other taxes | 1,007 | 12 | 1,019 |
| Miscellaneous receipts | 1,401 | 3 | 1,404 |
| Transfers from other funds: | | | |
| --LGAC | 1,552 | (17) | 1,535 |
| --All other | 274 | (13) | 261 |
| Total receipts | <u>36,174</u> | <u>1,386</u> | <u>37,560</u> |
| <i>Disbursements</i> | | | |
| Grants to local governments | 24,510 | 631 | 25,141 |
| State operations | 6,683 | 21 | 6,704 |
| General State charges | 2,227 | (12) | 2,215 |
| Debt service | 11 | 0 | 11 |
| Transfers to other funds: | | | |
| --Debt service | 2,145 | (14) | 2,131 |
| --Capital projects | 190 | 10 | 200 |
| --Debt reduction reserve | 0 | 50 | 50 |
| --Other purposes | 323 | 4 | 327 |
| Total disbursements | <u>36,089</u> | <u>690</u> | <u>36,779</u> |
| Change in fund balance | <u>85</u> | <u>696</u> | <u>781</u> |
| Closing fund balance | <u>550</u> | <u>869</u> | <u>1,419</u> |
| --Tax Stabilization Reserve Fund | 400 | 0 | 400 |
| --Contingency Reserve Fund | 150 | (50) | 100 |
| --Community Projects Fund | 0 | 158 | 158 |
| --Reserve for Future Needs | 0 | 761 | 761 |

1998-99 Enacted Budget Report

Current State Receipts General Fund (millions of dollars)

| | 1997-98 Actual | 1998-99 Enacted | Change |
|--|-------------------|--------------------|--------|
| Personal income tax | 17,759 | 21,242 | 3,483 |
| User taxes and fees | 7,036 | 7,143 | 107 |
| Sales and use tax | 5,442 | 5,649 | 207 |
| Cigarette and tobacco taxes | 676 | 659 | (17) |
| Motor fuel tax | 165 | 167 | 2 |
| Motor vehicle fees | 487 | 411 | (76) |
| Alcoholic beverage taxes | 177 | 178 | 1 |
| Hotel/motel tax | 0 | 0 | 0 |
| Alcoholic beverage control license fees | 30 | 27 | (3) |
| Container tax | 27 | 18 | (9) |
| Auto rental tax | 32 | 34 | 2 |
| Business taxes | 5,047 | 4,956 | (91) |
| Corporation franchise tax | 2,081 | 2,040 | (41) |
| Corporation and utilities taxes | 1,504 | 1,432 | (72) |
| Insurance taxes | 641 | 666 | 25 |
| Bank tax | 707 | 719 | 12 |
| Petroleum business taxes | 114 | 99 | (15) |
| Other taxes | 1,094 | 1,019 | (75) |
| Estate and gift taxes | 1,022 | 962 | (60) |
| Real property gains tax | 33 | 19 | (14) |
| Pari-mutuel taxes | 38 | 37 | (1) |
| Other taxes | 1 | 1 | 0 |
| Total taxes | 30,936 | 34,360 | 3,424 |
| Miscellaneous receipts | 1,598 | 1,404 | (194) |
| Total | 32,534 | 35,764 | 3,230 |

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Cash Financial Plan 1998-99 All Governmental Funds (millions of dollars)

| | General Fund | Special Revenue Funds | Capital Projects Funds | Debt Service Funds | (MEMO) Total |
|---|-----------------|-----------------------------|------------------------------|--------------------------|-----------------|
| Opening fund balance | 638 | 617 | 72 | 164 | 1,491 |
| <i>Receipts</i> | | | | | |
| Taxes | 34,360 | 2,068 | 1,077 | 2,127 | 39,632 |
| Miscellaneous receipts | 1,404 | 5,582 | 1,670 | 615 | 9,271 |
| Federal grants | 0 | 21,724 | 1,194 | 0 | 22,918 |
| Total receipts | 35,764 | 29,374 | 3,941 | 2,742 | 71,821 |
| <i>Disbursements</i> | | | | | |
| Grants to local governments | 25,141 | 23,653 | 818 | 0 | 49,612 |
| State operations | 6,704 | 5,968 | 0 | 5 | 12,677 |
| General State charges | 2,215 | 346 | 0 | 0 | 2,561 |
| Debt service | 11 | 0 | 0 | 3,355 | 3,366 |
| Capital projects | 0 | 7 | 3,321 | 0 | 3,328 |
| Total disbursements | 34,071 | 29,974 | 4,139 | 3,360 | 71,544 |
| <i>Other financing sources (uses)</i> | | | | | |
| Transfers from other funds | 1,796 | 2,321 | 202 | 4,430 | 8,749 |
| Transfers to other funds | (2,708) | (1,907) | (441) | (3,753) | (8,809) |
| Bond and note proceeds | 0 | 9 | 528 | 0 | 537 |
| Net other financing sources (uses) | (912) | 423 | 289 | 677 | 477 |
| Change in fund balance | 781 | (177) | 91 | 59 | 754 |
| Closing fund balance | 1,419 | 440 | 163 | 223 | 2,245 |

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Cash Financial Plan 1998-99 State Funds (millions of dollars)

| | General Fund | Special Revenue Funds | Capital Projects Funds | Debt Service Funds | (MEMO) Total |
|---|-----------------|-----------------------------|------------------------------|--------------------------|-----------------|
| Opening fund balance | 638 | 1,040 | 190 | 164 | 2,032 |
| <i>Receipts</i> | | | | | |
| Taxes | 34,360 | 2,068 | 1,077 | 2,127 | 39,632 |
| Miscellaneous receipts | 1,404 | 5,487 | 1,670 | 615 | 9,176 |
| Federal grants | 0 | 0 | 0 | 0 | 0 |
| Total receipts | 35,764 | 7,555 | 2,747 | 2,742 | 48,808 |
| <i>Disbursements</i> | | | | | |
| Grants to local governments | 25,141 | 4,801 | 655 | 0 | 30,597 |
| State operations | 6,704 | 3,188 | 0 | 5 | 9,897 |
| General State charges | 2,215 | 199 | 0 | 0 | 2,414 |
| Debt service | 11 | 0 | 0 | 3,355 | 3,366 |
| Capital projects | 0 | 7 | 2,295 | 0 | 2,302 |
| Total disbursements | 34,071 | 8,195 | 2,950 | 3,360 | 48,576 |
| <i>Other financing sources (uses)</i> | | | | | |
| Transfers from other funds | 1,796 | 549 | 202 | 4,430 | 6,977 |
| Transfers to other funds | (2,708) | (95) | (436) | (3,753) | (6,992) |
| Bond and note proceeds | 0 | 9 | 528 | 0 | 537 |
| Net other financing sources (uses) | (912) | 463 | 294 | 677 | 522 |
| Change in fund balance | 781 | (177) | 91 | 59 | 754 |
| Closing fund balance | 1,419 | 863 | 281 | 223 | 2,786 |

1998-99 Enacted Budget Report

Cash Financial Plan 1998-99 Special Revenue Funds (millions of dollars)

| | State | Federal | Total |
|---|-------|---------|---------|
| Opening fund balance | 1,040 | (423) | 617 |
| <i>Receipts</i> | | | |
| Taxes | 2,068 | 0 | 2,068 |
| Miscellaneous receipts | 5,487 | 95 | 5,582 |
| Federal grants | 0 | 21,724 | 21,724 |
| Total receipts | 7,555 | 21,819 | 29,374 |
| <i>Disbursements</i> | | | |
| Grants to local governments | 4,801 | 18,852 | 23,653 |
| State operations | 3,188 | 2,780 | 5,968 |
| General State charges | 199 | 147 | 346 |
| Capital projects | 7 | 0 | 7 |
| Total disbursements | 8,195 | 21,779 | 29,974 |
| <i>Other financing sources (uses)</i> | | | |
| Transfers from other funds | 549 | 1,772 | 2,321 |
| Transfers to other funds | (95) | (1,812) | (1,907) |
| Bond and note proceeds | 9 | 0 | 9 |
| Net other financing sources (uses) | 463 | (40) | 423 |
| Change in fund balance | (177) | 0 | (177) |
| Closing fund balance | 863 | (423) | 440 |

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Cash Financial Plan 1998-99 Capital Projects Funds (millions of dollars)

| | State | Federal | Total |
|---|-------|---------|-------|
| Opening fund balance | 195 | (123) | 72 |
| <i>Receipts</i> | | | |
| Taxes | 1,077 | 0 | 1,077 |
| Miscellaneous receipts | 1,670 | 0 | 1,670 |
| Federal grants | 0 | 1,194 | 1,194 |
| Total receipts | 2,747 | 1,194 | 3,941 |
| <i>Disbursements</i> | | | |
| Grants to local governments | 655 | 163 | 818 |
| State operations | 0 | 0 | 0 |
| General State charges | 0 | 0 | 0 |
| Capital projects | 2,295 | 1,026 | 3,321 |
| Total disbursements | 2,950 | 1,189 | 4,139 |
| <i>Other financing sources (uses)</i> | | | |
| Transfers from other funds | 202 | 0 | 202 |
| Transfers to other funds | (436) | (5) | (441) |
| Bond and note proceeds | 528 | 0 | 528 |
| Net other financing sources (uses) | 294 | (5) | 289 |
| Change in fund balance | 91 | 0 | 91 |
| Closing fund balance | 286 | (123) | 163 |

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Cash Disbursements By Function General Fund (Thousands of Dollars)

| | 1997-98 Actual | 1998-99 Enacted |
|--|-------------------|--------------------|
| ECONOMIC DEVELOPMENT AND GOVERNMENT OVERSIGHT | | |
| Agriculture & Markets, Department of | 29,382 | 32,547 |
| Alcoholic Beverage Control | 7,531 | 8,071 |
| Banking Department | 268 | 550 |
| Consumer Protection Board | 314 | 412 |
| Economic Development, Department of | 38,474 | 39,364 |
| Empire State Development Corporation | 53,366 | 48,804 |
| Energy Research and Development Authority | 0 | 0 |
| Housing Finance Agency | 450 | 775 |
| Housing and Community Renewal, Division of | 87,079 | 94,591 |
| Insurance Department | 0 | 0 |
| Olympic Regional Development Authority | 1,972 | 3,962 |
| Public Service, Department of | 0 | 0 |
| Science and Technology Foundation, New York State | 20,048 | 24,740 |
| Functional Total | 238,884 | 253,816 |
| PARKS AND THE ENVIRONMENT | | |
| Adirondack Park Agency | 3,260 | 3,567 |
| Environmental Conservation, Department of | 81,640 | 93,715 |
| Environmental Facilities Corporation | 0 | 0 |
| Parks, Recreation and Historic Preservation, Office of | 89,864 | 99,695 |
| Functional Total | 174,764 | 196,977 |
| TRANSPORTATION | | |
| Motor Vehicles, Department of | 114,764 | 124,230 |
| Niagara Frontier Transportation Authority | 0 | 0 |
| Transportation, Department of | 355,578 | 337,581 |
| Functional Total | 470,342 | 461,811 |
| HEALTH & SOCIAL WELFARE | | |
| Advocate for Persons with Disabilities, Office of | 760 | 896 |
| Aging, Office for the | 59,246 | 60,411 |
| Children and Families, Council on | 737 | 910 |
| Children & Family Services, Office of | 1,033,804 | 1,135,037 |
| Health, Department of | 6,089,579 | 6,323,461 |
| <i>Medical Assistance</i> | 5,456,830 | 5,601,269 |
| <i>Medicaid Administration</i> | 75,285 | 93,600 |
| <i>All Other Local Aid</i> | 423,770 | 482,464 |
| <i>Agency Operations/Capital</i> | 133,694 | 146,128 |
| Human Rights, Division of | 8,884 | 9,848 |
| Labor, Department of | 19,379 | 48,058 |

1998-99 Enacted Budget Report

Cash Disbursements By Function General Fund (Thousands of Dollars)

| | 1997-98 Actual | 1998-99 Enacted |
|--|-------------------|--------------------|
| HEALTH & SOCIAL WELFARE (Continued) | | |
| Temporary and Disability Assistance, Office of | 2,134,727 | 2,120,046 |
| <i>Welfare Assistance</i> | 1,689,939 | 1,614,800 |
| <i>Local Administration</i> | 368,241 | 395,875 |
| <i>All Other Local Aid</i> | 9,582 | 15,842 |
| <i>Agency Operations/Capital</i> | 66,965 | 93,529 |
| Workers' Compensation Board | 0 | 0 |
| Functional Total | 9,347,116 | 9,698,667 |
| MENTAL HEALTH | | |
| Mental Health, Office of | 916,108 | 1,062,207 |
| Mental Retardation and Developmental Disabilities, Office of | 693,055 | 696,439 |
| Alcohol and Substance Abuse Services, Office of | 277,954 | 289,115 |
| Quality of Care for the Mentally Disabled, Commission on | 2,637 | 3,203 |
| Functional Total | 1,889,754 | 2,050,964 |
| PUBLIC PROTECTION | | |
| Capital Defenders Office | 9,946 | 13,087 |
| Correction, Commission of | 1,886 | 2,190 |
| Correctional Services, Department of | 1,590,447 | 1,610,329 |
| Crime Victims Board | 2,890 | 3,123 |
| Criminal Justice Services, Division of | 90,823 | 96,570 |
| Investigation, Temporary State Commission of | 1,901 | 2,356 |
| Judicial Commissions | 1,808 | 2,133 |
| Military and Naval Affairs, Division of | 24,089 | 46,367 |
| Parole, Division of | 181,045 | 189,651 |
| Probation and Correctional Alternatives, Division of | 84,446 | 92,714 |
| State Police, Division of | 278,373 | 299,280 |
| Functional Total | 2,267,654 | 2,357,800 |
| EDUCATION | | |
| Arts, Council on the | 35,208 | 53,873 |
| City University of New York | 630,173 | 687,368 |
| Education, Department of | 10,058,542 | 10,989,197 |
| <i>School Aid</i> | 8,883,157 | 9,652,626 |
| <i>STAR Property Tax Relief</i> | 0 | 0 |
| <i>Handicapped</i> | 663,292 | 786,624 |
| <i>All Other Local Aid</i> | 461,645 | 494,058 |
| <i>Agency Operations/Capital</i> | 50,448 | 55,889 |
| Higher Education Services Corporation | 649,826 | 679,300 |
| State University Construction Fund | 0 | 0 |
| State University of New York | 1,097,975 | 1,181,082 |
| Functional Total | 12,471,724 | 13,590,820 |

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Cash Disbursements By Function General Fund (Thousands of Dollars)

| | 1997-98 Actual | 1998-99 Enacted |
|--|-------------------|--------------------|
| GENERAL GOVERNMENT | | |
| Audit and Control, Department of | 83,168 | 98,848 |
| Budget, Division of the | 24,759 | 26,699 |
| Civil Service, Department of | 23,704 | 27,267 |
| Elections, State Board of | 2,546 | 3,030 |
| Employee Relations, Office of | 3,533 | 3,979 |
| Executive Chamber | 11,008 | 12,333 |
| General Services, Office of | 102,409 | 108,498 |
| Inspector General, Office of the | 4,286 | 4,925 |
| Law, Department of | 74,345 | 84,013 |
| Lieutenant Governor, Office of the | 341 | 375 |
| Lottery, Division of | 0 | 0 |
| Public Employment Relations Board | 3,137 | 3,352 |
| Racing and Wagering Board, State | 8,432 | 9,741 |
| Real Property Services, Office of | 23,178 | 51,286 |
| Regulatory Reform, Governor's Office of | 2,127 | 2,782 |
| State, Department of | 10,767 | 12,889 |
| Tax Appeals, Division of | 2,852 | 3,295 |
| Taxation and Finance, Department of | 252,762 | 269,250 |
| Technology, Office for | 476 | 2,606 |
| Veterans Affairs, Division of | 6,405 | 7,550 |
| Functional Total | 640,235 | 732,718 |
| ALL OTHER CATEGORIES | | |
| Legislature | 175,718 | 195,561 |
| Judiciary (excluding fringe benefits) | 932,840 | 1,078,104 |
| Local Government Assistance | 799,866 | 837,422 |
| General State Charges (incl. fringes for Judiciary & SUNY) | 2,265,165 | 2,214,411 |
| Short-Term Debt Service | 10,430 | 11,193 |
| Long-Term Debt Service | 2,020,780 | 2,131,240 |
| Debt Reduction Reserve Fund | 0 | 50,000 |
| Capital Projects | 206,181 | 200,477 |
| Miscellaneous | 435,756 | 716,930 |
| Functional Total | 6,846,736 | 7,435,338 |
| TOTAL GENERAL FUND SPENDING | 34,347,209 | 36,778,911 |

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

| | 1997-98 Actual | 1998-99 Enacted |
|--|-------------------|--------------------|
| ECONOMIC DEVELOPMENT AND GOVERNMENT OVERSIGHT | | |
| Agriculture & Markets, Department of | 53,839 | 59,743 |
| Alcoholic Beverage Control | 9,733 | 11,192 |
| Banking Department | 35,417 | 47,888 |
| Consumer Protection Board | 2,024 | 2,405 |
| Economic Development, Department of | 42,538 | 45,662 |
| Empire State Development Corporation | 53,366 | 64,804 |
| Energy Research and Development Authority | 32,439 | 32,855 |
| Housing Finance Agency | 450 | 775 |
| Housing and Community Renewal, Division of | 193,177 | 231,355 |
| Insurance Department | 74,928 | 80,201 |
| Olympic Regional Development Authority | 4,408 | 6,379 |
| Public Service, Department of | 48,759 | 53,205 |
| Science and Technology Foundation, New York State | 20,048 | 24,740 |
| Functional Total | 571,126 | 661,204 |
| PARKS AND THE ENVIRONMENT | | |
| Adirondack Park Agency | 3,475 | 3,942 |
| Environmental Conservation, Department of | 628,236 | 935,787 |
| Environmental Facilities Corporation | 2,886 | 5,421 |
| Parks, Recreation and Historic Preservation, Office of | 159,347 | 174,030 |
| Functional Total | 793,944 | 1,119,180 |
| TRANSPORTATION | | |
| Motor Vehicles, Department of | 172,516 | 198,622 |
| Niagara Frontier Transportation Authority | 682 | 0 |
| Transportation, Department of | 3,835,875 | 4,431,618 |
| Functional Total | 4,009,073 | 4,630,240 |
| HEALTH & SOCIAL WELFARE | | |
| Advocate for Persons with Disabilities, Office of | 1,660 | 1,879 |
| Aging, Office for the | 141,280 | 150,031 |
| Children and Families, Council on | 1,179 | 1,382 |
| Children & Family Services, Office of | 1,933,219 | 2,226,126 |
| Health, Department of | 19,408,367 | 20,642,681 |
| <i>Medical Assistance</i> | 17,523,073 | 18,213,336 |
| <i>Medicaid Administration</i> | 272,254 | 331,600 |
| <i>All Other Local Aid</i> | 1,044,542 | 1,405,461 |
| <i>Agency Operations/Capital</i> | 568,498 | 692,284 |
| Human Rights, Division of | 10,286 | 12,220 |
| Labor, Department of | 524,637 | 655,380 |

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

| | 1997-98 Actual | 1998-99 Enacted |
|--|-------------------|--------------------|
| HEALTH & SOCIAL WELFARE (Continued) | | |
| Temporary and Disability Assistance, Office of | 4,982,771 | 5,014,628 |
| <i>Welfare Assistance</i> | 4,038,381 | 3,972,566 |
| <i>Local Administration</i> | 593,024 | 605,875 |
| <i>All Other Local Aid</i> | 39,487 | 47,277 |
| <i>Agency Operations/Capital</i> | 311,879 | 388,910 |
| Workers' Compensation Board | 93,447 | 125,375 |
| Functional Total | 27,096,846 | 28,829,702 |
| MENTAL HEALTH | | |
| Mental Health, Office of | 1,818,423 | 1,851,847 |
| Mental Retardation and Developmental Disabilities, Office of | 2,036,141 | 1,997,735 |
| Alcohol and Substance Abuse Services, Office of | 393,962 | 437,048 |
| Quality of Care for the Mentally Disabled, Commission on | 7,165 | 8,448 |
| Functional Total | 4,255,691 | 4,295,078 |
| PUBLIC PROTECTION | | |
| Capital Defenders Office | 9,946 | 13,087 |
| Correction, Commission of | 1,941 | 2,190 |
| Correctional Services, Department of | 1,852,639 | 2,084,931 |
| Crime Victims Board | 28,638 | 39,047 |
| Criminal Justice Services, Division of | 113,100 | 148,862 |
| Investigation, Temporary State Commission of | 1,934 | 2,556 |
| Judicial Commissions | 1,808 | 2,133 |
| Military and Naval Affairs, Division of | 87,733 | 117,470 |
| Parole, Division of | 182,370 | 194,806 |
| Probation and Correctional Alternatives, Division of | 84,593 | 92,714 |
| State Police, Division of | 336,619 | 382,709 |
| Functional Total | 2,701,321 | 3,080,505 |
| EDUCATION | | |
| Arts, Council on the | 35,702 | 54,668 |
| City University of New York | 659,679 | 745,693 |
| Education, Department of | 13,334,723 | 14,971,955 |
| <i>School Aid</i> | 10,478,156 | 11,182,626 |
| <i>STAR Property Tax Relief</i> | 0 | 704,000 |
| <i>Handicapped</i> | 851,069 | 1,028,054 |
| <i>All Other Local Aid</i> | 1,818,828 | 1,840,676 |
| <i>Agency Operations/Capital</i> | 186,670 | 216,599 |
| Higher Education Services Corporation | 720,828 | 747,639 |
| State University Construction Fund | 7,059 | 7,900 |
| State University of New York | 3,125,635 | 3,312,073 |
| Functional Total | 17,883,626 | 19,839,928 |

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

| | 1997-98 Actual | 1998-99 Enacted |
|---|-------------------|--------------------|
| GENERAL GOVERNMENT | | |
| Audit and Control, Department of | 101,956 | 101,875 |
| Budget, Division of the | 26,520 | 31,899 |
| Civil Service, Department of | 23,704 | 27,717 |
| Elections, State Board of | 2,551 | 3,050 |
| Employee Relations, Office of | 3,629 | 4,084 |
| Executive Chamber | 11,008 | 12,333 |
| General Services, Office of | 168,739 | 171,276 |
| Inspector General, Office of the | 4,286 | 5,893 |
| Law, Department of | 103,484 | 123,393 |
| Lieutenant Governor, Office of the | 341 | 375 |
| Lottery, Division of | 126,305 | 133,258 |
| Public Employment Relations Board | 3,196 | 3,529 |
| Racing and Wagering Board, State | 9,973 | 13,826 |
| Real Property Services, Office of | 32,126 | 61,825 |
| Regulatory Reform, Governor's Office of | 2,127 | 2,782 |
| State, Department of | 76,750 | 84,317 |
| Tax Appeals, Division of | 2,852 | 3,295 |
| Taxation and Finance, Department of | 272,135 | 291,256 |
| Technology, Office for | 2,984 | 17,606 |
| Veterans Affairs, Division of | 6,702 | 9,261 |
| Functional Total | 981,368 | 1,102,850 |
| ALL OTHER CATEGORIES | | |
| Legislature | 176,754 | 196,486 |
| Judiciary (excluding fringe benefits) | 995,194 | 1,170,298 |
| Local Government Assistance | 799,866 | 837,422 |
| Short-Term Debt Service | 10,430 | 11,193 |
| Long-Term Debt Service | 3,080,886 | 3,354,952 |
| Capital Projects | 0 | 0 |
| General State Charges/Miscellaneous | 2,679,121 | 2,414,829 |
| Functional Total | 7,742,251 | 7,985,180 |
| TOTAL ALL FUNDS SPENDING | 66,035,246 | 71,543,867 |

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Cash Disbursements By Function State Funds (Thousands of Dollars)

| | 1997-98 Actual | 1998-99 Enacted |
|--|-------------------|--------------------|
| ECONOMIC DEVELOPMENT AND GOVERNMENT OVERSIGHT | | |
| Agriculture & Markets, Department of | 49,553 | 55,077 |
| Alcoholic Beverage Control | 9,590 | 11,192 |
| Banking Department | 35,417 | 47,888 |
| Consumer Protection Board | 2,024 | 2,405 |
| Economic Development, Department of | 41,233 | 42,862 |
| Empire State Development Corporation | 53,366 | 64,804 |
| Energy Research and Development Authority | 29,761 | 29,645 |
| Housing Finance Agency | 450 | 775 |
| Housing and Community Renewal, Division of | 132,321 | 184,462 |
| Insurance Department | 74,928 | 80,201 |
| Olympic Regional Development Authority | 4,408 | 6,379 |
| Public Service, Department of | 47,387 | 52,110 |
| Science and Technology Foundation, New York State | 20,048 | 24,740 |
| Functional Total | 500,486 | 602,540 |
| PARKS AND THE ENVIRONMENT | | |
| Adirondack Park Agency | 3,260 | 3,567 |
| Environmental Conservation, Department of | 418,523 | 756,166 |
| Environmental Facilities Corporation | 2,886 | 5,421 |
| Parks, Recreation and Historic Preservation, Office of | 156,886 | 168,958 |
| Functional Total | 581,555 | 934,112 |
| TRANSPORTATION | | |
| Motor Vehicles, Department of | 166,750 | 187,392 |
| Niagara Frontier Transportation Authority | 682 | 0 |
| Transportation, Department of | 2,905,538 | 3,401,859 |
| Functional Total | 3,072,970 | 3,589,251 |
| HEALTH & SOCIAL WELFARE | | |
| Advocate for Persons with Disabilities, Office of | 760 | 896 |
| Aging, Office for the | 59,246 | 60,411 |
| Children and Families, Council on | 737 | 910 |
| Children & Family Services, Office of | 1,064,594 | 1,161,990 |
| Health, Department of | 7,291,082 | 7,689,609 |
| <i>Medical Assistance</i> | 6,275,389 | 6,435,269 |
| <i>Medicaid Administration</i> | 75,285 | 93,600 |
| <i>All Other Local Aid</i> | 532,334 | 693,996 |
| <i>Agency Operations/Capital</i> | 408,074 | 466,744 |
| Human Rights, Division of | 8,884 | 9,968 |
| Labor, Department of | 51,945 | 87,785 |

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Cash Disbursements By Function State Funds (Thousands of Dollars)

| | 1997-98 Actual | 1998-99 Enacted |
|---|-------------------|--------------------|
| HEALTH & SOCIAL WELFARE (Continued) | | |
| Temporary and Disability Assistance, Office of <i>Welfare Assistance</i> | 2,163,587 | 2,201,094 |
| <i>Local Administration</i> | 1,707,943 | 1,649,122 |
| <i>All Other Local Aid</i> | 368,241 | 395,875 |
| <i>Agency Operations/Capital</i> | 9,582 | 18,447 |
| Workers' Compensation Board | 77,821 | 137,650 |
| | 93,447 | 125,375 |
| Functional Total | 10,734,282 | 11,338,038 |
| MENTAL HEALTH | | |
| Mental Health, Office of | 1,140,189 | 1,269,645 |
| Mental Retardation and Developmental Disabilities, Office of | 737,292 | 761,751 |
| Alcohol and Substance Abuse Services, Office of | 304,586 | 335,395 |
| Quality of Care for the Mentally Disabled, Commission on | 2,637 | 3,248 |
| | 2,184,704 | 2,370,039 |
| Functional Total | 2,184,704 | 2,370,039 |
| PUBLIC PROTECTION | | |
| Capital Defenders Office | 9,946 | 13,087 |
| Correction, Commission of | 1,886 | 2,190 |
| Correctional Services, Department of | 1,820,843 | 1,925,429 |
| Crime Victims Board | 16,726 | 19,810 |
| Criminal Justice Services, Division of | 92,371 | 100,671 |
| Investigation, Temporary State Commission of | 1,934 | 2,556 |
| Judicial Commissions | 1,808 | 2,133 |
| Military and Naval Affairs, Division of | 36,477 | 60,458 |
| Parole, Division of | 181,045 | 190,051 |
| Probation and Correctional Alternatives, Division of | 84,446 | 92,714 |
| State Police, Division of | 327,730 | 376,108 |
| | 2,575,212 | 2,785,207 |
| Functional Total | 2,575,212 | 2,785,207 |
| EDUCATION | | |
| Arts, Council on the | 35,208 | 53,873 |
| City University of New York | 685,941 | 745,693 |
| Education, Department of | 11,698,961 | 13,279,594 |
| <i>School Aid</i> | 10,478,156 | 11,182,626 |
| <i>STAR Property Tax Relief</i> | 0 | 704,000 |
| <i>Handicapped</i> | 663,292 | 786,624 |
| <i>All Other Local Aid</i> | 467,413 | 501,783 |
| <i>Agency Operations/Capital</i> | 90,100 | 104,561 |
| Higher Education Services Corporation | 714,004 | 743,039 |
| State University Construction Fund | 7,059 | 7,900 |
| State University of New York | 2,949,019 | 3,133,423 |
| | 16,090,192 | 17,963,522 |
| Functional Total | 16,090,192 | 17,963,522 |

1998-99 Enacted Budget Report

Cash Disbursements By Function State Funds (Thousands of Dollars)

| | 1997-98 Actual | 1998-99 Enacted |
|---|-------------------|--------------------|
| GENERAL GOVERNMENT | | |
| Audit and Control, Department of | 101,956 | 101,875 |
| Budget, Division of the | 26,520 | 31,899 |
| Civil Service, Department of | 23,704 | 27,717 |
| Elections, State Board of | 2,551 | 3,050 |
| Employee Relations, Office of | 3,629 | 4,084 |
| Executive Chamber | 11,008 | 12,333 |
| General Services, Office of | 164,756 | 168,251 |
| Inspector General, Office of the | 4,286 | 5,893 |
| Law, Department of | 89,496 | 102,450 |
| Lieutenant Governor, Office of the | 341 | 375 |
| Lottery, Division of | 126,305 | 133,258 |
| Public Employment Relations Board | 3,196 | 3,529 |
| Racing and Wagering Board, State | 9,973 | 13,826 |
| Real Property Services, Office of | 32,126 | 61,825 |
| Regulatory Reform, Governor's Office of | 2,127 | 2,782 |
| State, Department of | 30,301 | 36,080 |
| Tax Appeals, Division of | 2,852 | 3,295 |
| Taxation and Finance, Department of | 272,049 | 290,996 |
| Technology, Office for | 2,984 | 17,606 |
| Veterans Affairs, Division of | 6,405 | 7,550 |
| Functional Total | 916,565 | 1,028,674 |
| ALL OTHER CATEGORIES | | |
| Legislature | 176,668 | 196,486 |
| Judiciary (excluding fringe benefits) | 994,024 | 1,165,298 |
| Local Government Assistance | 799,866 | 837,422 |
| Short-Term Debt Service | 10,430 | 11,193 |
| Long-Term Debt Service | 3,080,886 | 3,354,952 |
| Capital Projects | 0 | 0 |
| General State Charges/Miscellaneous | 2,525,860 | 2,399,077 |
| Functional Total | 7,587,734 | 7,964,428 |
| TOTAL STATE FUNDS SPENDING | 44,243,700 | 48,575,811 |