



New York State

2005-2006 Enacted Budget Report

George E. Pataki, Governor
John F. Cape, Director of the Budget

April 18, 2005

TABLE OF CONTENTS

INTRODUCTION	1
2005-06 ENACTED BUDGET SUMMARY	2
Summary of Annual Disbursement Growth	4
Executive Budget vs. Enacted Budget Gap-Closing Actions	5
General Fund -- Net Available Resources Above the Executive Budget	7
General Fund -- Net Additions Above the Executive Budget	8
Detailed Summary of Legislative Additions by Conference Committee	9
General Fund -- Nonrecurring Resources	18
ALL GOVERNMENTAL FUNDS SUMMARY	19
Summary of Receipts Change from Executive Budget to Enacted Budget	19
Summary of Disbursements Change from Executive Budget to Enacted Budget	20
GENERAL FUND OUTYEAR PROJECTIONS	21
Sources of Projected General Fund Outyear Gaps	21
Outyear Receipts	22
Outyear Disbursements	22
CASH FLOW	23
GAAP FINANCIAL PLANS	23
ECONOMIC OUTLOOK	24
National Economy	24
New York State Economy	25
2005-06 GOVERNMENTAL FUNDS FINANCIAL PLANS	26
General Fund	26
Special Revenue Funds	32
Capital Projects Funds	35
Debt Service Funds	37
HEALTH CARE REFORM ACT FINANCIAL PLAN	38
Overview	39
HCRA Receipts	40
HCRA Disbursements	41
IMPACT OF 2005-06 ENACTED BUDGET ON STATE WORKFORCE	41
IMPACT OF 2005-06 ENACTED BUDGET ON LOCAL GOVERNMENTS	42
EXPLANATION OF THE FINANCIAL PLAN TABLES	44
The State's Fund Structure	44
INDEX OF FINANCIAL PLAN TABLES	45

INTRODUCTION

This Enacted Budget Report for 2005-06 (the "Report") describes and sets forth the State's official Financial Plan projections for fiscal year 2005-06. The Financial Plan projections presented herein reflect final action on the 2005-06 Executive Budget and certain amendments to the budget enacted on April 12, 2005. The Report is submitted pursuant to Section 23 of the State Finance Law.

Part 1 of the Report summarizes:

- (1) The changes to the 2005-06 Executive Budget Financial Plan (net available resources and net additions);
- (2) Annual growth in receipts and disbursements;
- (3) Current gap projections for 2006-07 and 2007-08;
- (4) Monthly General Fund cash flow projections for 2005-06; and
- (5) The Financial Plan projections prepared in accordance with Generally Accepted Accounting Principles (GAAP).

Part 2 describes the 2005-06 Enacted Budget Financial Plan by Fund Type (i.e., General Fund, Special Revenue Funds, Capital Projects Funds, and Debt Service Funds), updates the 2005-06 receipts and disbursements estimates under the Health Care Reform Act (HCRA), and summarizes the revised forecast for the national and State economies that supports the current Financial Plan projections.

Part 3 contains tables that summarize the General Fund, State Funds, and All Governmental Funds Cash-basis Financial Plans, the monthly General Fund cash flow, the General Fund Financial Plan on a GAAP basis, the quarterly HCRA cash flow, and General Fund, State Funds, and All Governmental Funds functional spending by agency or function.

The Executive Budget estimates in this Report were published in the Division of the Budget's (DOB) report, "2005-06 Executive Budget with 30-Day Changes," issued on February 8, 2005.

Information in this Report relating to fiscal year 2004-05 is based on preliminary unaudited year-end results. The State Comptroller is expected to issue the audited financial statements for 2004-05 in July 2005.

This Enacted Budget Report is available on-line at www.budget.state.ny.us or by contacting the Division of the Budget, State Capitol, Albany, NY 12224, (518) 473-8705.

2005-2006 Enacted Budget Report

2005-06 ENACTED BUDGET SUMMARY

The Legislature completed action on the Executive Budget appropriation and Article VII bills for the 2005-06 fiscal year by March 31, 2005 (passing the debt service appropriation bill on March 8 and the remaining bills by the end of the month). On April 12, 2005, several amendments ("chapter amendments") to the 2005-06 budget were enacted that authorized, among other things, funding for the Temporary Assistance for Needy Families program (TANF), the Environmental Protection Fund (EPF), and the Help America Vote Act. The State's official Enacted Budget Financial Plan projections set forth in this Report are based on the budget bills and chapter amendments enacted through April 12, 2005.

The Executive Budget for 2005-06 presented a balanced General Fund Financial Plan that eliminated a projected budget gap of \$4.2 billion. The Enacted Budget Financial Plan for 2005-06 is also balanced, the result of both new resources and the approval of roughly \$3.3 billion of the \$4.1 billion in Executive Budget gap-closing recommendations. Reserves have been increased to \$1.5 billion.

The following table summarizes the net additions to the Executive Budget, the net available resources to finance them, and the impact on the State's General Fund operating forecast.

General Fund Status			
(millions of dollars)			
	2005-06	2006-07	2007-08
Executive Budget 30-Day Budget Gaps	0	(2,544)	(2,541)
Net Available Resources (including reserves)	1,388	1,544	1,753
Net Additions	(1,388)	(2,167)	(3,338)
Enacted Budget Budget Gaps	0	(3,167)	(4,126)

As the table indicates, since the Executive Budget, \$1.4 billion in new resources have been identified to finance \$1.4 billion in net additions. The budget gaps total \$3.2 billion in 2006-07, an increase of \$623 million from the Executive Budget, and \$4.1 billion in 2007-08, an increase of \$1.6 billion. Detailed information on these changes is provided later in this Report.

In summary, the Enacted Budget authorized approximately \$1.8 billion of the \$2.8 billion in spending restraint proposed with the Executive Budget, including (a) roughly one-half of the \$1.1 billion in proposed Medicaid provider and recipient cost containment and all \$800 million in savings from financing certain Medicaid spending outside of the General Fund, (b) debt management initiatives to help reduce the growth in debt service costs (\$150 million), and (c) mental hygiene savings (\$250 million). Revenue actions net of tax cuts total \$605 million, or \$72 million above the \$533 million proposed with the Executive Budget. Finally, \$889 million in one-time actions are authorized in the budget, an increase of \$33 million above the Executive proposal.

The Enacted Budget provides an \$850 million school year increase in school aid, \$324 million above the level recommended in the Executive Budget. The school aid program includes a new "sound basic education" (SBE) aid program, financed with Video Lottery Terminal (VLT) revenues, that will distribute aid through a formula that benefits high-need districts. The SBE program is part of the State's efforts to comply with a State Court of Appeals' ruling that found the school finance system failed to provide students in New York City with an

2005-2006 Enacted Budget Report

adequate education in violation of the State Constitution. The compliance plan also includes traditional school aid and Federal aid.

The Enacted Budget includes funding, consistent with the Executive Budget, to permit the State to pay for the local share of Medicaid costs in excess of 2005 spending levels plus 3.5 percent (\$121 million), to accelerate the full State takeover of the Family Health Plus (FHP) program (\$25 million), and to provide enhanced aid for local governments (\$61 million).

The Enacted Budget Financial Plan projects General Fund spending, including transfers to other funds, will total \$46.2 billion, an increase of \$2.1 billion (4.7 percent) from 2004-05. State Funds spending, which includes spending financed from other State revenue sources as well as the General Fund, is projected at \$70.3 billion, an annual increase of \$4.9 billion (7.4 percent). All Governmental Funds spending (hereafter "All Funds"), which includes Federal grants, is estimated to increase by \$4.4 billion (4.3 percent) for a total of \$106.5 billion.

Size of the Budget (millions of dollars)			
	General Fund	State Funds	All Funds
2004-05 Adjusted Actuals	44,127	65,404	102,101
2005-06 30-Day Estimate	45,070	69,057	105,162
Net Spending Additions	1,536	1,746	2,313
Net Spending Reductions/Reestimates	(399)	(530)	(972)
2005-06 Enacted Budget Estimate	46,207	70,273	106,503
Annual \$ Change	2,080	4,869	4,402
Annual % Change	4.7%	7.4%	4.3%
Increase Above Executive Budget	1,137	1,216	1,341

Note: To provide a comparable basis for calculating annual change, the 2004-05 preliminary results have been increased to reflect the inclusion of all HCRA funded programs on-budget and additional Medicaid spending to comply with Federal policy changes related to certain county shares adjustments--- consistent with the 2005-06 budget projections. The 2004-05 adjustment for HCRA is \$925 million in State Funds and All Funds; the Medicaid county shares adjustment is \$508 million in the General Fund, State Funds, and All Funds.

The 2005-06 Financial Plan includes a fiscal stability reserve of \$601 million. The State's general reserves are projected to total \$1.5 billion in 2005-06, equivalent to roughly 3.2 percent of General Fund spending. As in any fiscal year, the Enacted Budget Financial Plan is subject to a variety of risks and uncertainties that could cause actual results to differ materially from current projections. For example, the State is involved in litigation challenging the use of proceeds from the conversion of Empire Blue Cross/Blue Shield from a not-for-profit corporation to a for-profit corporation. The State is counting on \$2.2 billion in conversion proceeds from Empire and other sources to finance HCRA programs in 2005-06. In order to insure General Fund balance, the Enacted Budget provides that no spending for certain HCRA programs may occur after June 30, 2005 unless conversion proceeds become available. The Financial Plan assumes that this issue will be resolved to allow full year spending for all HCRA programs. Other risks inherent in the current projections include the performance of the State and national economies, adverse judgments against the State, and changes in the level of Federal aid.

2005-2006 Enacted Budget Report

SUMMARY OF ANNUAL DISBURSEMENT GROWTH

DOB projects General Fund disbursements will total \$46.2 billion in 2005-06, an increase of \$2.1 billion (4.7 percent) over 2004-05 actual results. State Funds and All Governmental Funds disbursements are projected to reach \$70.3 billion and \$106.5 billion in 2005-06, an increase of \$4.9 billion (7.4 percent) and \$4.4 billion (4.3 percent) over the prior year.

The largest All Funds spending increases are for Medicaid (\$1.7 billion), school aid (\$953 million), and higher education (\$832 million), as summarized in the following table.

Summary of Annual Disbursements Growth (millions of dollars)			
	General Fund	State Funds	All Funds
2004-05 30-Day Estimate	43,920	65,458	102,615
Closeout Changes	207	(54)	(514)
2004-05 Preliminary Actuals	44,127	65,404	102,101
Medicaid	(15)	1,641	1,729
School Aid	864	780	953
Other Education	178	194	316
Higher Education	222	824	832
Fringe Benefits (includes pensions & health insurance)	396	424	456
Transportation	(5)	563	517
Welfare/Children & Family Services	52	109	288
Environmental Conservation	5	221	216
STAR	0	163	163
World Trade Center	0	0	(1,194)
All Other	383	(50)	126
2005-06 Enacted Budget Estimate	46,207	70,273	106,503
Annual \$ Change	2,080	4,869	4,402
Annual % Change	4.7%	7.4%	4.3%

All Funds Medicaid spending in 2005-06 is projected to increase by \$1.7 billion over the prior year primarily due to the increasing cost of providing health care services, as well as the rising number of recipients and corresponding increases in medical service utilization. These trends account for over half of the annual growth. DOB's estimate is based on current experience in the State's Medicaid program and the Congressional Budget Office's national projections. In addition, the expiration in June 2004 of a temporary 2.95 percent Federal share increase will result in \$109 million in higher State share spending in 2005-06. The remaining sources of growth include the continued phase-in of the State takeover of local government FHP costs (\$60 million in 2004-05 growing to \$252 million in 2005-06), the commencement of the State takeover of all local Medicaid costs in excess of 2005 spending levels plus 3.5 percent (\$121 million) and various other changes, including the discontinuation of certain county shares adjustments.

School aid spending in State fiscal year 2005-06 is projected to total \$18.5 billion on an All Funds basis, an increase of \$953 million above fiscal year 2004-05. The increase primarily

2005-2006 Enacted Budget Report

reflects the balance of aid payable for the 2004-05 school year (\$248 million), the fiscal year costs of the 2005-06 school year increase (\$593 million), and higher Federal spending (\$173 million). A decrease in capital projects spending partially offsets the annual growth (\$39 million).

Other education aid, including special education services and other targeted programs, is projected at \$2.6 billion, an increase of \$316 million from 2004-05. The annual growth consists of higher Federal funding under the Individuals with Disabilities Education Act program (\$93 million), costs related to enrollment growth in the Preschool Special Education Program (\$73 million), and funding for legislatively-directed education spending originally planned for 2004-05 but now expected to occur in 2005-06 (net change of \$120 million over the two years).

All Funds spending for higher education is projected at \$7.6 billion, an increase of \$832 million over 2004-05 primarily due to higher salaries, inflationary increases, and program growth at the State University of New York (SUNY), the City University of New York (CUNY), and Higher Education Services Corporation (HESC) (\$371 million), as well as higher capital spending for the public universities (\$461 million).

Spending for General State Charges in 2005-06 is expected to total \$4.8 billion on an All Funds basis, an annual increase of \$456 million. Higher costs for pensions (\$262 million) and health insurance to State employees and retirees (\$189 million) are responsible for most of the increase.

All Funds spending for transportation is estimated at \$5.7 billion in 2005-06, an increase of \$517 million over 2004-05. Growth in capital spending financed from the Dedicated Highway and Bridge Trust Fund and a proposed "Rebuild and Renew New York" General Obligation Bond Act, as well as higher operating support for the Metropolitan Transportation Authority (MTA) and other transit systems, account for the annual change. The Bond Act is subject to the approval of the voters in November 2005.

Federal aid to New York City in 2004-05 for the creation of a captive insurance company to address claims related to recovery efforts at the World Trade Center will not recur in 2005-06 (\$1.2 billion). The aid "passes through" the State's All Funds Financial Plan and is counted as spending.

Annual growth in welfare, children and family services, environmental conservation, and the School Tax Relief program contribute to the remaining increases in spending from 2004-05.

EXECUTIVE BUDGET VS. ENACTED BUDGET GAP-CLOSING ACTIONS

The Enacted Budget included nearly eighty percent of the \$4.2 billion in gap-closing actions proposed in the 2005-06 Executive Budget. The Legislature also increased spending for several programs, including school aid. The additional costs were financed with additional resources identified since the time of the Executive Budget, as described elsewhere in this Report. The following table compares the gap-closing actions approved in the Enacted Budget against those proposed with the Executive Budget.

2005-2006 Enacted Budget Report

Executive vs. Enacted General Fund Gap-Closing Actions			
(millions of dollars)			
	Executive	Enacted	Change
TOTAL BUDGET ACTIONS	4,152	3,278	(874)
Spending Cuts	1,820	844	(976)
Medicaid:	1,103	546	(557)
<i>Family Health Plus Cost Containment</i>	227	74	(153)
<i>Health Care Provider Assessments</i>	234	146	(88)
<i>Nursing Home Cost Containment</i>	182	1	(181)
<i>Hospital Cost Containment</i>	201	75	(126)
<i>Pharmacy Cost Containment</i>	80	65	(15)
<i>Restructure dental/other optional benefits</i>	66	0	(66)
<i>Reestimates</i>	0	105	105
<i>All Other</i>	113	80	(33)
Debt Management	150	150	0
Restructure TAP/Enhanced Loan Program	135	5	(130)
SUNY/CUNY	137	0	(137)
All Other	295	143	(152)
Recommended Spending Initiatives	(313)	(284)	29
Cap Local MA Costs (State Costs/Local Savings)	(121)	(121)	0
Local MA relief (grant payment/FHP Takeover Acceleration)	(45)	(25)	20
Aid and Incentives for Municipalities	(55)	(61)	(6)
All Other Adds	(92)	(77)	15
Offsets/Fund Shifts/Federal	1,256	1,224	(32)
Medicaid	795	795	0
Mental Hygiene (PIA/Federal Initiatives)	196	196	0
Transportation/Motor Vehicles	163	163	0
All Other Offsets/Fund Shifts/Federal Actions	102	70	(32)
Revenue Actions	779	605	(174)
Two Week Clothing Exemption at \$250 (Local Share)	456	476	20
Power Authority PILOT Payments	75	75	0
Corporation Franchise Taxes	51	51	0
Close "Thrifty" Loophole on REIT	50	0	(50)
Eliminate Quick Draw Restrictions	39	0	(39)
Increase Wine Tax	38	0	(38)
All Other Revenue	70	3	(67)
Tax Cuts	(246)	0	246
PIT Top Tax Rate Decrease	(190)	0	190
Corp Franchise Tax Cuts (SPUR)	(30)	0	30
STAR Plus	(12)	0	12
All Other Tax Cuts	(14)	0	14
Nonrecurring Resources	856	889	33
Pensions	321	152	(169)
Use 2004-05 Surplus	170	170	0
TANF	61	61	0
Asset Sales	54	54	0
Mortgage Insurance Fund (Excess Balances)	50	50	0
Federal Medicaid for Non-Citizens	42	42	0
Abandoned Property	0	90	90
Fund Balances	0	112	112
All Other One-Timers	158	158	0

2005-2006 Enacted Budget Report

GENERAL FUND -- NET AVAILABLE RESOURCES ABOVE THE EXECUTIVE BUDGET

DOB estimates that \$1.4 billion in new resources above the Executive Budget forecast have become available for 2005-06, including \$1.1 billion from projected higher tax collections in 2004-05 and 2005-06 (approximately \$600 million has already been received through the end of the 2004-05 fiscal year), as summarized below.

Summary of Net Available Resources Above the 30-Day Estimate (millions of dollars)			
	2005-06	2006-07	2007-08
Recurring Resources	1,215	1,243	1,453
Additional Revenues	1,061	1,105	1,305
Welfare Caseload Recast	115	115	115
All Other Spending Cuts/Reestimates	39	23	33
Nonrecurring Resources	173	301	300
Fund Balances	112	0	0
Abandoned Property	90	0	0
(Increase)/Use of Fiscal Stability Reserve	(29)	301	300
Net Available Resources	1,388	1,544	1,753

Additional Revenues: The Executive and Legislature reached consensus on the 2004-05 and 2005-06 revenue forecast on March 1, 2005. The consensus agreement projected higher revenues of \$350 million in 2004-05 and \$250 million in 2005-06 compared to the 30-day forecast. In addition, DOB now projects that annual revenues for 2004-05 and 2005-06 will exceed the consensus forecast by \$461 million, based on the latest collections information, bringing the total revisions to \$1.1 billion.

Welfare Caseload Recast: Welfare caseload projections have been revised downward based on recent trends. In 2004-05, the total caseload is now expected to average 627,000 recipients, a decrease of 5,000 from the Executive Budget forecast. In 2005-06, it is projected at 620,000, a decrease of 29,000 recipients from the Executive forecast. The lower caseload levels are projected to reduce costs from previous estimates by \$115 million annually.

All Other Spending Cuts/Reestimates: Funding has been reduced or eliminated in the Enacted Budget for, among other things, the operating budgets of several agencies and shared-service grants to local governments.

Fund Balances: Legislation was enacted to sweep \$112 million in additional balances to the General Fund. Significant balances will be transferred from a Higher Education Services Corporation sole custody account (\$51 million) and various special revenue funds (\$57 million). The balances are summarized in more detail in the section entitled "Nonrecurring Resources" later in this Report.

Abandoned Property: The State Comptroller has indicated that an additional \$90 million in abandoned property resources will be available in 2005-06.

2005-2006 Enacted Budget Report

Fiscal Stability Reserve: The 2005-06 budget includes a fiscal stability reserve of \$601 million. It is currently projected that this reserve will guard against risks in 2005-06 and be used in equal installments to help close the outyear budget gaps.

GENERAL FUND -- NET ADDITIONS ABOVE THE EXECUTIVE BUDGET

DOB estimates that additions to the 2005-06 Executive Budget total \$1.4 billion, and grow to \$2.2 billion in 2006-07 and \$3.3 billion in 2007-08. In contrast to the new resources included in the Enacted Budget, which remain relatively flat after 2005-06, the additions, especially for Medicaid, higher education, and tax cuts, grow substantially. The following table summarizes DOB's estimate of the additions to the Executive Budget.

Summary of Net General Fund Additions Above the 30-Day Estimate (millions of dollars)			
	2005-06	2006-07	2007-08
Health	557	1,184	1,453
Education	292	370	370
Higher Education	267	431	510
General Government/Local Assistance	170	(116)	(45)
Human Services/Labor	61	73	81
Agriculture/Environmental Conservation/Housing	37	58	59
Public Protection	45	48	49
Mental Hygiene	12	12	12
Economic Development	8	10	(13)
Transportation	5	9	44
General Conference	(66)	88	818
-- Member Item Funding	0	100	100
-- Reject Autospeed Enforcement	15	33	33
-- Net Tax/Revenue Changes	(81)	(45)	685
Net Additions	1,388	2,167	3,338

2005-2006 Enacted Budget Report

DETAILED SUMMARY OF LEGISLATIVE GENERAL FUND ADDITIONS BY CONFERENCE SUB COMMITTEE

This section provides more information on the specific additions approved by the Legislature, as compared to the Executive Budget Financial Plan. The information is organized by the legislative conference subcommittee responsible for recommending the additions.

Health and Medicaid

	Costs/(Savings) vs. Executive Budget		
	2005-06	2006-07	2007-08
Health and Medicaid	557	1,184	1,453
Recipient Actions	246	472	495
<i>Modified FHP Cost Containment/Copay</i>	153	246	258
<i>No Adult Dental/Other Practitioner Benefit Changes</i>	66	123	123
<i>No LTC Loophole Closures</i>	27	103	114
Hospital Actions	214	335	405
<i>Partially Restore Hospital Assessment</i>	88	142	212
<i>No Hospital Inpatient Detox Rate Reduction</i>	45	73	73
<i>Trend Factor Rate Increase</i>	41	74	74
<i>All Other Hospital Cost Containment</i>	40	46	46
Nursing Home Actions	181	232	490
<i>No Regional Pricing Methodology</i>	68	90	90
<i>No Revisions to Medicaid Case Mix Calculation</i>	58	77	77
<i>Trend Factor Rate Increase</i>	49	65	65
<i>Supplemental Quality Improvement Demo</i>	6	0	0
<i>Nursing Home Assessment at 6 percent for 2 years only</i>	0	0	258
Pharmacy Actions	(15)	9	15
<i>Modify Preferred Drug Program</i>	8	28	31
<i>Prior Authorization Program</i>	7	14	17
<i>Savings Associated with 340-B Medicare/pharmacy rebates</i>	(30)	(33)	(33)
All Other Medicaid Changes	(73)	(44)	(44)
<i>No Local Takeover Transition Aid</i>	(20)	(10)	0
<i>HCRA Tobacco Guarantee Payment</i>	0	119	0
<i>Denied GPHW Funding Structure Change</i>	10	22	34
<i>Add Funding for Public Health Initiatives</i>	12	47	56
<i>Add Funding for Aging</i>	2	2	2

The Enacted Budget authorized more than \$500 million of the \$1.1 billion in Medicaid cost containment actions advanced in the Executive Budget and all \$800 million in proposals to finance certain Medicaid costs outside the General Fund. It also extended cost containment approved in prior years which was already assumed in the Executive Budget projections. In addition to continuing prior year cost containment, the most significant actions incorporated in the Enacted Budget include:

- A preferred drug program, similar to programs underway in 37 other states, that will require prior authorization for certain drugs for which no price concession has been provided. In addition, the program will enhance patient safeguards and reduce inappropriate utilization of drugs, while allowing the physician the final determination of what drug is prescribed.

2005-2006 Enacted Budget Report

- Modifications to the Family Health Plus (FHP) benefit package that align vision benefits with the State employee package and increase co-payments for certain services, including primary care, dental care and pharmacy services.
- A temporary increase in the reimbursable assessment on nursing home revenues to 6.0 percent from 5.0 percent in 2005-06 and 2006-07.
- Nearly all the proposals that would finance certain Medicaid spending from HCRA instead of the General Fund, with no impact on services.
- A reestimate of savings related to certain actions, including estimated lower pricing for certain drugs covered under the 340-B drug discount program, collection of “past due” pharmacy rebates from manufacturers, anti-fraud initiatives, and enrollment of SSI eligible individuals in managed care.

The Enacted Budget did not incorporate some of the cost containment proposals that would have further restrained growth in Medicaid spending, including:

- Closing certain long-term care eligibility loopholes, further reductions to the FHP benefit package, and elimination of coverage for adult dental care and other services, including private duty nursing, audiology, podiatry, and clinical psychology.
- Hospital cost containment initiatives including a proposed reduction to the reimbursement rate for inpatient detoxification services, and the elimination of the inflationary rate adjustments; and a 0.35 percent assessment on hospital revenues instead of the .7 percent assessment proposed in the Executive Budget.
- Nursing home cost containment including revisions to the regional reimbursement methodology and the Medicaid-only case-mix calculation, and the elimination of the inflationary rate adjustment.

While the Enacted Budget approved the Governor's plan to cap local Medicaid costs and accelerate the State takeover of FHP local costs in all counties outside of New York City, it did not authorize proposed direct local aid to offset Medicaid costs in the current year. It also added funding to maintain the General Public Health Works program under current reimbursement rules, and to support various public health and aging initiatives.

Finally, as noted earlier, the Enacted Budget did not address ongoing litigation challenging the use of proceeds from the conversion of Empire Blue Cross/Blue Shield from a not-for-profit corporation to a for-profit corporation that may result in a loss of \$1.8 billion in resources in both the General Fund and HCRA in 2005-06. Pursuant to court order the State Comptroller is currently holding all proceeds in escrow until a judgment is rendered. HCRA is counting on a total of \$2.2 billion in Empire proceeds through June 30, 2007, the availability of which depends on successful resolution of the litigation and release of the moneys currently held in escrow. The Enacted Budget includes authorization that would halt nearly all spending for programs financed by HCRA effective July 1, 2005 until such Empire proceeds are received. Furthermore, the Enacted Budget did not authorize any additional insurance conversions. The current HCRA plan assumes the availability of a total of \$1.2 billion in additional insurance

2005-2006 Enacted Budget Report

conversion proceeds through June 30, 2007. The current forecast assumes successful resolution of these issues and projects full year spending for all HCRA programs.

Education

	<i>Costs/(Savings) vs. Executive Budget</i>		
	2005-06	2006-07	2007-08
Education	292	370	370
School Aid (above Executive Budget)	221	354	354
School Aid Database Update	30	0	0
Legislative Directed Initiatives	27	0	0
Funding for Other SED Programs	14	16	16

The Enacted Budget authorized an \$850 million increase in school aid on a school year basis, \$324 million above the Executive Budget school year recommendation (\$221 million on a State fiscal year basis). The budget provided funding for both Flex Aid and the SBE program (funded with VLT revenues) at the level recommended in the Executive Budget, as well as funding for BOCES, private excess cost aid, and categorical programs.

In addition, the Budget included funding for additional 2004-05 school year costs payable in the 2005-06 fiscal year associated with the February 15, 2005 database update, legislatively-directed education-related programs (\$27 million), and increased funding for State Education Department programs including public libraries, public broadcasting, and agency operations that was not recommended in the Executive Budget.

Higher Education

	<i>Costs/(Savings) vs. Executive Budget</i>		
	2005-06	2006-07	2007-08
Higher Education	267	431	510
No TAP Reform Initiatives	130	265	338
Increased Funding for SUNY/CUNY Operating Aid	83	92	92
Increased Funding for Community College Base Aid	20	26	26
Increased Funding for HEOP/EOP/SEEK/CD	19	27	27
Increased Funding for NYSTAR Programs	4	4	4
Funding for New Loan Forgiveness Programs	3	3	3
Debt Service for New SUNY/CUNY Capital Bonding	4	12	23
Reduced Higher Education Capital Matching Grant Program	(1)	(4)	(10)
All Other	5	6	7

The Enacted Budget provides a \$115 per full-time student increase in SUNY and CUNY community college base aid, bringing total aid to \$2,350 a year. In addition, \$3 million is added to fund new student loan forgiveness programs for nursing faculty and social workers.

It also added spending in several programs above Executive Budget levels, including supplemental financial aid provided through the Higher Education Opportunity Program (HEOP), Educational Opportunity Program (EOP), Search for Education, Elevation and Knowledge (SEEK), and College Discovery (CD) programs, as well as for the Office of New York Science, Technology and Academic Research (NYSTAR) for the CAT Development, Faculty Development, and Watson Investigator programs.

2005-2006 Enacted Budget Report

An additional \$810 million is provided for new capital appropriations of \$550 million for SUNY and \$260 million for CUNY. When coupled with the \$323 million increase provided in the Executive Budget, new capital appropriations for SUNY and CUNY will total over \$1.1 billion. In addition, the budget reflects a reduction in bonding authorization and spending recommendations for the Higher Education Facilities Capital Matching Grants program from \$250 million for public and private colleges to \$150 million for private colleges only.

The Enacted Budget did not authorize either a tuition increase for SUNY and CUNY or reforms to the Tuition Assistance Program (TAP) that would have deferred one-half of the awards for first-time recipients to encourage timely graduation strengthened academic standards and eligibility criteria.

General Government/Local Assistance

	<i>Costs/(Savings) vs. Executive Budget</i>		
	2005-06	2006-07	2007-08
General Government/Local Assistance	170	(116)	(45)
No Pension Reform Proposal/Permit Amortization	169	(87)	(16)
Amortize Judiciary Pension Contribution	(15)	2	2
No Court of Claims Interest Savings	7	7	7
Reduce Performance-Based Unrestricted Aid	0	(49)	(49)
Add Funding for Unrestricted Aid	8	8	8
Add Funding for Department of State	6	6	6
Add Funding for OGS Green Power	4	4	4
Add Funding for OSC School District Audits	1	3	3
Judiciary Lump Sum Cut	(10)	(10)	(10)

In the areas of pensions and local aid, the Executive Budget advanced several reforms that were not approved in the Enacted Budget, including:

- Calculating the interest rate paid by the State for Court of Claims judgments at current market rates, rather than the current fixed rate of 9.0 percent.
- Requiring the State Comptroller to delay discretionary actuarial revisions to pension estimates, and implement such changes only after independent review and public comment. Instead the Legislature permitted the State to defer its 2005-06 pension contribution in excess of 9.5 percent of payroll (compared to a 7.0 percent contribution rate from the Executive's proposal), and pay such costs with interest over a ten year period.

In addition, the Enacted Budget limited performance-based increases in unrestricted aid to one year (lowering costs by \$49 million in the outyears) and cut funding for the Judiciary (\$10 million).

2005-2006 Enacted Budget Report

Human Services and Labor

	<i>Costs/(Savings) vs. Executive Budget</i>		
	2005-06	2006-07	2007-08
Human Services/Labor	61	73	81
No Full Family Sanctions	9	26	26
No Work Participation Rate Penalties	4	25	25
No Strengthening Families Through Stronger Fathers	(7)	(20)	(25)
Increased Spending of TANF Funds	30	0	0
Increase State Supplement for SSI Recipients	4	20	34
Add Funding for Labor	11	11	11
Add Funding for Children & Family Services	8	8	6
All Other	2	3	4

The Enacted Budget added funding for the following items:

- An additional \$30 million of TANF funding by accelerating TANF resources planned for use in future years in order to fund legislative initiatives, thereby reducing the amount available for the Earned Income Tax Credit program.
- An increase to the State supplement for SSI recipients in adult care facilities. Cost projections assume that required technical amendments to legislation relating to SSI recipients in such facilities will be made prior to implementation.
- Department of Labor programs for displaced homemakers, dislocated worker assistance, on the job training, workforce development institutes, and other programs.
- Office of Children and Family Services (OCFS) programs for day care center workers, delinquency prevention, foster care providers, runaway and homeless youth, child advocacy centers, family preservation centers, domestic violence training, and maternity and early childhood services.

The Executive Budget recommended several reform proposals, none of which were enacted, including:

- Imposing full family sanctions and fiscal penalties on districts that fail to meet Family Assistance and Safety Net work participation rates.
- Funding for a new "Strengthening Families Through Stronger Fathers" program that would have assisted unemployed and under-employed non-custodial parents in obtaining and retaining employment.
- Mergers involving the Workers' Compensation Board, the Public Employment Relations Board/State Employment Relations Board, and the Vocational and Educational Services for Individuals with Disabilities Program with the Department of Labor.

2005-2006 Enacted Budget Report

Agriculture/Environmental Conservation/Housing

	<i>Costs/(Savings) vs. Executive Budget</i>		
	2005-06	2006-07	2007-08
Agriculture/Environmental Conservation/Housing	37	58	59
No DEC Hard-Dollar Capital Shift to EPF	0	10	10
No Sweep from SPIF to General Fund	0	10	10
Restore/Add Funding for Agriculture & Markets	11	11	11
Restore/Add Funding for Environmental Conservation	8	8	8
Reduce All Terrain Vehicle Fee Increase	6	8	8
Add for Neighborhood Preservation Program	5	5	5
Add for Rural Preservation Program	2	2	2
Add for Parks Programs	5	2	2
Debt Service for New Housing Capital Bonding	0	2	3

The Enacted Budget contained the following:

- Financing \$10 million in Environmental Conservation capital spending from the General Fund rather than the Environmental Protection Fund in 2005-06 only.
- Adding funding for various programs in the Department of Agriculture and Markets including grants to Cornell University and other entities, and rejecting Article VII proposals related to inspections for pet dealers and food safety.
- Adding funding for Environmental Conservation programs including Jamaica Bay and Whitney Point water quality projects, and a new Invasive Species Eradication program.
- Reducing the proposed All Terrain Vehicle registration fee from \$45 to \$25.
- Adding spending in Housing for the Neighborhood Preservation Program, the Rural Preservation Program, and in Parks for the Historic and Independence Trails.
- Authorizing for one year a planned transfer from the State Park Infrastructure Fund (SPIF) to the General Fund.

The Enacted Budget added capital spending of \$10 million for the Affordable Housing Corporation, \$10 million for the Housing Trust Fund, and \$5 million for other housing programs that is expected to add \$2 million in annual debt service costs beginning in 2006-07.

2005-2006 Enacted Budget Report

Public Protection

	<i>Costs/(Savings) vs. Executive Budget</i>		
	2005-06	2006-07	2007-08
Public Protection	45	48	49
No Correctional Facilities Closures	22	25	26
Funding for Westchester Policing Program	3	3	3
Increased Parole Field Staff	2	3	3
Increased Funding for State Police	2	2	2
Funding for Attorney General/Department of Law	9	9	9
General Fund Support to Replace Federal Byrne Grant	3	3	3
All Other	4	3	3

The Enacted Budget added funding for the following:

- Continued operation of correctional facilities at Camp Pharsalia, Camp McGregor, Fulton Work Release Facility, Groveland Annex, and Greene and Watertown Special Housing Units, all of which were slated to be closed under the Executive Budget because of underutilization.
- Westchester County for policing of the Parkways.
- Parole field staff that the Executive Budget recommended reducing due to a decline in the parolee population.
- 16 State Police troopers assigned to security at the Empire State Plaza and Capitol, and denial of the Executive proposal to establish a new aggregate weight standard for laboratory analysis of illegal drug evidence.
- General Fund support to offset a reduction in Federal Byrne Grant Funding for anti-drug, anti-violence, crime control, prevention and treatment programs; and in the Department of Law for personal service costs, a document management and anti-crime and anti-fraud initiative.

The Enacted Budget did not include the proposed merger of the Division of Probation and Correctional Alternatives into the Division of Criminal Justice Services.

Mental Hygiene

	<i>Costs/(Savings) vs. Executive Budget</i>		
	2005-06	2006-07	2007-08
Mental Hygiene	12	12	12
OMH Local Restorations and Program Adds	6	6	6
OASAS Local Restorations and Program Adds	5	5	5
OMRDD Program Adds	1	1	1

The Enacted Budget authorized the use of \$196 million in additional patient income account revenues resulting from enhanced trend factors, Medicaid rate adjustments, additional revenue for inpatient billings, and Medicare cost settlements, as proposed in the Executive Budget. It also approved the closure of the Middletown Psychiatric Center on April 1, 2006, the merger of

2005-2006 Enacted Budget Report

the Office of Advocate for Persons with Disabilities and Commission on Quality of Care for the Mentally Disabled to strengthen advocacy for all persons with disabilities and the transfer of the State's Compulsive Gambling program from the Office of Mental Health (OMH) to and the Office of Alcoholism and Substance Abuse Services (OASAS).

The Enacted Budget restored partial funding for certain local services cuts in OMH and OASAS, and added funding for programs in all three mental hygiene agencies. In OMH, additions included partial restoration of funding for adult and children consumer oriented services and the alternative rate methodology, funding for Nathan Kline Institute research positions and rate increases for children's day treatment programs and other legislative member initiatives. OASAS additions included partial restoration of funding for statewide community treatment and chemical dependence prevention in NYC schools and other legislative member initiatives.

Economic Development

	Costs/(Savings) vs. Executive Budget		
	2005-06	2006-07	2007-08
Economic Development	8	10	(13)
No Funding for NY Sports/Convention Center	0	0	(23)
Add Funding for Economic Development Programs	8	10	10

The Enacted Budget revised the Empire Zones program to add twelve new zones, modify zone boundary requirements and enhance zone benefits in distressed areas. It also added funding for various Economic Development programs including the Metropolitan Development Association Essential New York initiative, and American-Axle Tonawanda Forge.

In addition, the Budget included a \$90 million Capital Projects Fund appropriation that was originally proposed in the Executive Budget for Operation Strategic Partnership for Upstate Resurgence (SPUR), as well as a \$250 million capital appropriation for Technology and Development Program. Funds can be used to advance high technology and emerging technology projects, as well as projects that enhance the competitiveness of traditional industries. A newly created New York State Foundation for Science, Technology and Innovation will administer programs that could be supported from these sources.

The Enacted Budget did not authorize \$300 million for the New York Sports and Convention Center proposed with the Executive Budget, resulting in lower debt service costs beginning in 2007-08.

Transportation

	Costs/(Savings) vs. Executive Budget		
	2005-06	2006-07	2007-08
Transportation	5	9	44
Debt Service for New Transportation Bond Act	0	9	30
Hold Sales Tax to MTOA Harmless	0	0	14
Add Funding for High Speed Rail Study	5	0	0

Both the State's five-year transportation and transit plans are being renewed in 2005. The new plan authorizes \$35.8 billion in total commitments over five years to be divided equally between the MTA and DOT programs (\$17.9 billion each) and proposed a \$2.9 billion bond act

2005-2006 Enacted Budget Report

with resources to be divided equally between MTA and DOT programs (\$1.45 billion each). Effectively, this adds \$455 million above the Executive Budget DOT proposal and \$1.9 billion above the Executive Budget MTA proposal. The proposed bond act is expected to add \$4.5 billion in total debt service costs, with annual costs beginning in 2006-07.

To partially finance the new plans, the Enacted Budget authorized certain tax and fee actions including a 1/8 cent increase in the MTA region sales tax, a Mortgage Recording Tax increase of 50 cents per \$100 of recorded mortgage in the MTA region, and increases in various Motor Vehicles fees.

A comprehensive five-year transportation program and financial plan with detail on programs, projects or commitment schedules is expected to be finalized later this year. Additional resources still need to be developed in the outyears of the plan to support the MTA, the Department of Transportation (DOT), and DMV. The Executive Budget proposed a public/private partnership initiative to provide additional resources which has not yet been enacted.

Finally, the Enacted Budget added funding for a study on the implementation and operation of high speed rail routes in New York State.

General Conference Committee

	<i>Costs/(Savings) vs. Executive Budget</i>		
	2005-06	2006-07	2007-08
General Conference Committee	(66)	88	818
Funding for Member Items	0	100	100
No Automated Speed Enforcement	15	33	33
Denied/Modified Revenue Actions	(86)	(82)	566
<i>Two Week Clothing Exemption</i>	(20)	(20)	605
<i>Eliminate Quick Draw Restrictions</i>	39	57	57
<i>Close "Thrift" Loophole on REIT</i>	50	50	50
<i>Increase Wine Tax</i>	38	44	45
<i>Empire Zone Reforms</i>	0	25	25
<i>Premium Tax Exclusion for Mutual Insurance Companies</i>	18	18	18
<i>PIT Top Tax Rate Decrease</i>	(190)	(130)	0
<i>SPUR</i>	(35)	(50)	(50)
<i>STAR Plus</i>	8	(42)	(99)
<i>Co-STAR Initiative</i>	0	(67)	(146)
<i>All Other</i>	6	33	61
New Revenue Actions	5	37	119
<i>Empire Zones</i>	0	22	44
<i>Single Sales Factor</i>	0	26	80
<i>Native American Regulations</i>	0	(16)	(16)
<i>All Other</i>	5	5	11

The Enacted Budget added a \$200 million lump sum appropriation from the Community Projects Fund for legislative initiatives, commonly referred to as "member items," which will be financed in two \$100 million installments from the General Fund in 2006-07 and 2007-08. It is expected that the member item fund, which had a balance of \$325 million at the close of 2004-05, will have sufficient existing resources to finance member item spending in 2005-06.

2005-2006 Enacted Budget Report

The budget did not authorize the use of cameras to monitor speeding in work-zones or the expansion of a program to use cameras to identify violators who disobey traffic signals.

The Enacted Budget rejected, modified, and proposed a series of revenue actions resulting in a net savings of \$81 million in 2005-06 and \$45 million in 2006-07, and a net cost of \$685 million in 2007-08. Significant net revenue actions include:

- Approval of two sales-tax free weeks on clothing and footwear purchases under \$110 through March 31, 2007 (versus the permanent change of \$250 proposed in the Executive Budget).
- Not accelerating the phase-out of the temporary personal income tax surcharge.
- The denial of the inflation adjustment to School Tax Relief (STAR) benefits for the residents of school districts that comply with the proposed cap on spending growth (i.e., the lesser of 4 percent or 120 percent of the increase in the current year Consumer Price Index).
- The denial of the Co-STAR initiative which was intended to provide tax relief to residents of counties and NYC that kept their annual General Fund spending growth at or below the proposed Medicaid spending cap.

Debt/Capital

The Enacted Budget added capital spending which will be financed with new debt, including:

- \$2.9 billion in proposed General Obligation Debt;
- \$810 million for SUNY and CUNY projects; and
- \$25 million for a variety of housing programs.

The Enacted Budget did not authorize the Executive Budget recommended \$300 million in bond financing to support a sports and convention center in New York City. In addition, the Enacted Budget reduced the proposed \$250 million Higher Education Facilities Capital Matching Grants program for public and private colleges to \$150 million for private colleges only.

The net impact of all of these changes will increase State debt levels and outyear debt service costs. A separate report, "The Enacted Budget Capital Program and Financing Plan," provides updated five-year forecasts on the capital spending and debt levels based on the Enacted Budget.

GENERAL FUND -- NONRECURRING RESOURCES

The Enacted Budget included a total of \$889 million in nonrecurring actions, an increase of \$33 million above the level proposed in the Executive Budget. The net increase consists of additional abandoned property revenues (\$90 million) and additional sweeps of available fund balances (\$112 million); offset by a reduction in the pension savings initiative proposed in the Executive Budget (\$169 million).

2005-2006 Enacted Budget Report

2005-06 Nonrecurring Resources (millions of dollars)	
Fund Balances	236
Use 2004-05 Surplus	170
Pension Amortization	152
Abandoned Property	90
TANF Reprogramming	61
Proceeds from Sale of Property	54
Mortgage Insurance Fund (Excess Balance)	50
Federal Medicaid Participation for Aliens	42
All Other	34
Total Nonrecurring Resources	889

Fund balances of \$236 million include available balances in the Revenue Arrearage Account (\$45 million), various Special Revenue Accounts in Health (\$29 million), Welfare (\$24 million), and Motor Vehicles (\$21 million). One-time available fund balances used to offset spending include the HESC sole custody account (\$51 million) and the Department of Health Quality of Care account (\$15 million).

ALL FUNDS SUMMARY

SUMMARY OF RECEIPTS CHANGE FROM EXECUTIVE BUDGET TO ENACTED BUDGET

Total receipts in 2005-06 are projected to be \$46.8 billion in the General Fund, \$70.1 billion in State Funds, and \$106.5 billion in All Funds, an annual increase of \$2.5 billion (5.7 percent), \$4.4 billion (6.8 percent) and \$4.5 billion (4.4 percent).

Summary of Annual Receipts Growth (millions of dollars)			
	General Fund	State Funds	All Funds
2004-05 30-Day Estimate	44,374	65,334	102,555
Closeout Changes	(106)	314	(546)
2004-05 Preliminary Actuals	44,268	65,648	102,009
Taxes	2,377	3,477	3,477
Miscellaneous Receipts	(377)	961	820
Federal Grants	(5)	(5)	203
Transfers From Other Funds	536	0	0
2005-06 Enacted Budget Estimate	46,799	70,081	106,509
Annual \$ Change	2,531	4,433	4,500
Annual % Change	5.7%	6.8%	4.4%

Receipts in the 2005-06 Enacted Budget exceed the level recommended in the Governor's Executive Budget by \$1.5 billion in the General Fund, \$959 million in State Funds, and \$1.1 billion in All Funds. The major components of these receipt changes are explained in more detail later in this Report.

2005-2006 Enacted Budget Report

SUMMARY OF DISBURSEMENTS CHANGE FROM THE EXECUTIVE BUDGET TO ENACTED BUDGET

Estimated disbursements in the 2005-06 Enacted Budget exceed the level recommended in the Governor's Executive Budget by \$1.1 billion in the General Fund, \$1.2 billion in State Funds and \$1.3 billion in All Funds. The major components of these disbursement changes are summarized in the following table, and are explained in more detail below.

Summary of 2005-06 Disbursements Executive Budget (w/30-Day Changes) to Enacted Budget (millions of dollars)			
	General Fund	State Funds	All Funds
2005-06 30-Day Estimate	45,070	69,057	105,162
Spending Additions	1,536	1,746	2,313
Health and Medicaid	598	684	1,241
Education	292	289	289
Higher Education	264	231	231
General Government/Local Assistance	170	190	190
Human Services/Labor	64	64	74
Agriculture/Environmental Conservation/Housing	43	83	83
Public Protection	44	44	44
Mental Hygiene	12	12	12
Economic Development	8	8	8
Transportation	5	252	252
General Conference	36	(111)	(111)
Spending Avails	(208)	(161)	(192)
Welfare Reestimates	(115)	(115)	(165)
Fund Balances	(70)	(19)	0
Spending Cuts/Reestimates	(23)	(27)	(27)
Timing-Related Changes from 2004-05/Reestimates	(191)	(369)	(780)
2005-06 Enacted Budget Estimate	46,207	70,273	106,503
Increase Above Executive Budget	1,137	1,216	1,341

The Legislature's additions and available resources beyond the Executive Budget affect both revenues and spending. The Enacted Budget provided significant spending additions for Medicaid, education, higher education, and transportation. Available resources that lower spending include the expected decline in the welfare caseload, the use of fund balances to offset disbursements, spending cuts, and 2004-05 closeout savings. Both the spending additions and resources are described in more detail earlier in this Report.

Timing-related changes include \$390 million in lower spending in 2005-06 from the prepayment of Medicaid and HCRA liabilities in 2004-05, offset by \$126 million in projected higher spending for legislatively-directed education spending, settlement of certain collective bargaining agreements, and member items spending from the Community Projects Fund. General Fund reestimates include \$78 million in higher school aid spending primarily due to a lower VLT revenues use to offset spending. The estimate for VLT revenues has been reduced due to the delay in VLT operations at the Yonkers Racetrack from February 2005 to April 2005.

2005-2006 Enacted Budget Report

DOB has lowered its State Funds and All Funds spending projections on the basis of historical spending trends and 2004-05 year-end results in the Special Revenue Funds and Capital Projects Funds.

GENERAL FUND OUTYEAR PROJECTIONS

At the beginning of the 2005-06 budget cycle, the State faced potential General Fund budget gaps of \$5.8 billion in 2006-07 and \$5.6 billion in 2007-08. The recurring savings proposed in the 2005-06 Executive Budget reduced the gaps to \$2.5 billion in both years.

Compared to Executive Budget projections, the General Fund budget gaps for the 2006-07 and 2007-08 fiscal years have increased in the Enacted Budget, and now are estimated at roughly \$3.2 billion in 2006-07 and \$4.1 billion in 2007-08. For planning purposes, the current budget gap estimates reflect the use of the Fiscal Stability Reserve to reduce the outyear gaps in equal amounts.

Projected General Fund Outyear Gaps		
(millions of dollars)		
	2006-07	2007-08
2005-06 Baselevel Budget Gaps	(5,844)	(5,571)
Proposed Executive Budget Actions	3,300	3,030
2005-06 Executive Budget Gaps	(2,544)	(2,541)
Net Additions	(2,167)	(3,338)
Available Resources	1,243	1,453
Use Fiscal Stability Reserve	301	300
2005-06 Enacted Budget Gaps	(3,167)	(4,126)

It should be noted that the current gap projections are subject to revision as additional information becomes available about, among other things, the national and State economies, financial sector activity, entitlement spending and social service caseloads, Federal budget changes and State reimbursement obligations that are driven by local government activity. Key factors include: end-of-year business tax collections; calendar year economic results; year-end financial sector bonus income data; the school aid database update in November; and quarterly Medicaid and welfare cycle trend analyses. Historically, these factors have been subject to a high degree of fluctuation across the forecast period, and could produce results above or below the current projections.

SOURCES OF PROJECTED GENERAL FUND OUTYEAR GAPS

The projected gaps are primarily the result of anticipated spending increases that exceed the growth in revenue collections, as well as the loss of nonrecurring resources used to help balance the budget in 2005-06. The largest spending increases are in the areas of Medicaid and school aid, as described below and in the Executive Budget outyear forecast. The school year projections assume annual increases of roughly \$500 million in traditional school aid in 2006-07 and 2007-08 and increased funding for SBE equal to the level of VLT revenues.

The major sources of the 2006-07 budget gap are described in more detail below.

2005-2006 Enacted Budget Report

Sources of 2006-07 General Fund Budget Gap	
Savings/(Costs)	
(billions of dollars)	
	2006-07
Revenue Growth	3,125
Loss of Nonrecurring Actions	(889)
PIT/Sales Tax Temporary Surcharge Phase-out	(1,026)
All Other Revenue Changes	(35)
Medicaid Growth (including Takeover)	(2,670)
School Aid	(461)
State Operations	(592)
Fringe Benefits	(375)
All Other Spending Growth	(244)
2006-07 Projected Budget Gap	(3,167)

OUTYEAR RECEIPTS

General Fund receipts in 2006-07 are projected to increase by \$1.5 billion from the current year. Underlying revenue growth of \$3.1 billion (6.1 percent) in 2006-07 is offset by the loss of several one-time revenues (\$531 million), the phase-out of the personal income tax (PIT) surcharge and a one-quarter percent increase in sales tax (\$1.0 billion), lower transfers from the Revenue Bond Tax Fund (RBTF) due to increasing debt service costs (\$180 million), and higher transfers to finance the STAR program (\$188 million). A detailed explanation of the receipts forecast is also contained in the Executive Budget.

OUTYEAR DISBURSEMENTS

Spending is projected to increase by \$4.7 billion in 2006-07. Medicaid growth of \$2.7 billion in 2006-07 is primarily attributable to the increasing cost of providing health care services, as well as the rising number of recipients and corresponding increases in medical service utilization. In addition, growth related to the State takeover of local FHP costs are estimated to rise by \$235 million, and the loss of resources from Empire proceeds to support Medicaid costs (\$200 million) and HCRA (\$500 million) that are expected to help finance 2005-06 General Fund costs are no longer available in 2006-07. The proposed cap on local Medicaid costs is expected to increase General Fund spending by \$510 million in 2006-07 (from a total of \$121 million in 2005-06 to \$631 million in 2006-07).

On a State fiscal year basis, school aid spending is projected to grow by \$461 million in 2006-07. The projections assume growth in expense-based programs and other selected aid categories. The Financial Plan projections assume that VLT revenues will be used to continue to finance the State's SBE program. The SBE program is part of the State's efforts to comply with a State Court of Appeals ruling that found that the school finance system failed to provide students in New York City with an adequate education in violation of the State Constitution. The compliance plan also includes traditional school aid and Federal aid. In related litigation, the Appellate Division of the State Court of Appeals has upheld the constitutionality of VLTs as a lottery game for education funding, but found that certain statutory provisions relating to the allocation of funding were unconstitutional. The State has appealed the decision to the Court of Appeals. Since the time of the appeal, the State has also enacted alternative legislation related to the allocation of funds.

2005-2006 Enacted Budget Report

State Operations spending is projected to increase by \$592 million in 2006-07. This growth is primarily due to the cost of collective bargaining agreements with many of the State's employee unions and the anticipated settlements with the remaining unions (approximately \$250 million), normal salary step increases and non-personal service increases (roughly \$120 million), and the decline in patient income revenues available to finance General Fund spending (\$200 million).

General State Charges is expected to increase by \$375 million in 2006-07 (excluding the pension amortization savings in 2005-06) and is primarily due to higher costs for pensions (\$98 million) and health insurance for State employees and retirees (\$259 million).

All other spending growth is comprised of inflationary spending increases across numerous local assistance programs and is consistent with 2004-05 and 2005-06 growth trends. A detailed explanation of the disbursement forecast is also explained in the Executive Budget.

CASH FLOW

In 2005-06, the General Fund is projected to have quarterly-ending balances of \$4.5 billion in June 2005, \$4.6 billion in September 2005, \$2.7 billion by the end of December 2005, and \$1.8 billion at the end of March 2006. The lowest projected month-end cash flow balance is \$1.8 billion in November 2005. DOB's monthly cash flow projections for 2005-06 are set forth in the section "Financial Plan Tables" later in this Report.

The Comptroller invests General Fund moneys, bond proceeds, and other funds not immediately required to make payments through the State's Short-Term Investment Pool (STIP), which is comprised of joint custody funds (Governmental Funds, Internal Service Funds, Enterprise Funds and Private Purpose Trust Funds), as well as several sole custody funds including the Tobacco Settlement Fund.

The Comptroller is authorized to make temporary loans from STIP to cover temporary cash shortfalls in certain funds and accounts resulting from the timing of receipts and disbursements. The Legislature authorizes the funds and accounts that may receive loans each year, based on legislation submitted with the Executive Budget. Loans may be granted only for amounts that the Director of the Budget certifies are "receivable on account" or can be repaid from the current operating receipts of the fund (i.e., loans cannot be granted in expectation of future revenue enhancements).

GAAP FINANCIAL PLANS

DOB also prepares the General Fund and All Funds Financial Plans on a GAAP basis in accordance with Governmental Accounting Standards Board (GASB) regulations. Tables comparing the cash basis and GAAP basis General Fund Financial Plans are provided at the end of this Report. The GAAP projections for both years are based on the accounting principles applied by the State Comptroller in the financial statements issued for 2003-04. The GAAP projections comply with GASB Statement 34, which has significantly changed the presentation of GAAP financial information for State and local governments. The changes are intended to portray the State's net overall financial condition, including activities that affect State assets and liabilities during the fiscal year. The GASB 34 results for 2003-04 show the State in a net positive overall financing condition of \$39.1 billion.

2005-2006 Enacted Budget Report

In 2004-05, the General Fund GAAP Financial Plan shows total revenues of \$38.4 billion, total expenditures of \$45.7 billion, and net other financing sources of \$8.2 billion, resulting in an operating surplus of \$970 million and a projected accumulated surplus of \$689 million. This operating result reflects higher revenues offset by the use of the 2003-04 surplus and the remaining tobacco resources in 2004-05.

In 2005-06, the General Fund GAAP Financial Plan shows total revenues of \$38.4 billion, total expenditures of \$48.1 billion, and net other financing sources of \$9.4 billion, resulting in an operating deficit of \$394 million and a projected accumulated surplus of \$295 million. These changes are due primarily to the use of 2004-05 resources in 2005-06 partially offset by \$601 million in the Fiscal Stability Reserve.

The accumulated surplus of \$295 million at the end of 2005-06 is an improvement of \$576 million from the 2003-04 actual results, primarily reflecting the multi-year increase in reserves.

ECONOMIC OUTLOOK

NATIONAL ECONOMY

The U.S. economy continued to exhibit underlying strength during the fourth quarter of 2004 and is on track to grow as projected in the 2005-06 Executive Budget with 30-day amendments. Consumption remains robust; the labor market continues to expand; and investment growth remains steady. DOB projects real U.S. GDP growth for 2005 of 3.6 percent, up 0.2 percentage points from the Executive Budget forecast. This revision reflects stronger fixed nonresidential investment and a more enduring housing boom than originally projected. Total nonfarm employment growth was revised down slightly to 1.7 percent, while personal income growth for 2005 has been revised up to 5.7 percent; both modifications were largely due to revisions to the 2004 base.

Energy prices, at both the wholesale and retail levels, have reached new highs after receding earlier in the year. These events have reinforced the belief that producers will possess a degree of pricing power unseen in recent years. Correspondingly, consumer price inflation for 2005, as measured by growth in the Consumer Price Index (CPI), has been revised up slightly to 2.8 percent. The heightened risk to price stability is expected to induce the Federal Reserve to continue on its measured path toward a policy neutral interest rate target. The Federal funds rate is now expected to reach 4.25 percent by the end of 2005. Modest product price increases, combined with a labor market that is healthy but not tight, will have a positive impact on corporate profits. U.S. corporate profits from current production, including the inventory valuation and capital consumption adjustments, are now expected to grow 11.9 percent in 2005.

Energy prices remain a chief risk to the U.S. forecast. Continued high world demand, risks to production facilities in the Middle East and elsewhere, and speculative activity have all contributed significantly to excessive volatility in the market. High energy prices not only present a risk to the DOB inflation forecast but to domestic and global economic growth as well. Lower global growth could result in lower than anticipated exports. Although the dollar has stabilized recently, another substantial slide could also contribute to accelerating inflation. Higher inflation could induce the Federal Reserve to raise its interest rate target more quickly than anticipated, which could negatively affect the housing market, business investment, and the financial markets. In contrast, better than expected economic conditions may encourage firms to invest more and hire more workers than expected, resulting in higher wages and higher

2005-2006 Enacted Budget Report

consumption spending as well. Finally, a lower dollar could lead to higher exports, and therefore, a reduction in the trade deficit and higher output growth than projected.

U.S. ECONOMIC INDICATORS (Percent change from prior calendar year)			
	2004 (Actual)	2005 (Forecast)	2006 (Forecast)
Real U.S. Gross Domestic Product	4.4	3.6	3.0
Consumer Price Index (CPI)	2.7	2.8	2.8
Personal Income	5.6	5.7	6.1
Nonagricultural Employment	1.1	1.7	1.8

Source: Economy.com; DOB staff estimates.

NEW YORK STATE ECONOMY

The New York economy continues to expand as described in detail in the 2005-06 Executive Budget with 30-day amendments. Recent above-trend national growth rates have helped to buttress the New York State economy, putting the State well on its way to a full recovery from the impact of the September 11th attack, and reversing several years where the State's job base was in decline. The DOB forecast for 2005 State employment growth is virtually unchanged, with total and private nonfarm employment projected to grow 1.0 percent and 1.3 percent, respectively. The continued strengthening of the State economy will help to sustain the housing market in 2005, although not at the torrid pace of growth observed in 2004. Moreover, with the pickup in equity market activity toward the end of 2004, the securities industry saw solid profit levels, though slightly below those earned in 2003. New York personal income growth for 2005 has been revised up to 5.0 percent, due to revisions by the U.S. Bureau of Economic Analysis in the nonwage components of income, while projected wage and salary growth remains unchanged at 4.9 percent.

In addition to the risks associated with the national economic forecast, there exist specific risks to the State economy. Chief among them is a weaker performance within the financial sector than is currently projected. Rising interest rates tend to have a more negative impact on financial markets than on the economy as a whole. Higher energy prices and global instability also loom large as risks to equity market performance. A weaker financial market performance than expected could result in lower bonus payment growth than projected, though this impact would be largely felt during the first quarter of 2006. In contrast, a stronger national economy than expected could result in stronger equity market growth and, in turn, greater demand for financial market services and, hence, stronger income growth in that sector than expected.

2005-2006 Enacted Budget Report

NEW YORK STATE ECONOMIC INDICATORS (Percent change from prior calendar year)			
	2004 (Estimate)	2005 (Forecast)	2006 (Forecast)
Personal Income	6.1	5.0	5.3
Wages	6.2	4.9	5.4
Nonagricultural Employment	0.6	1.0	1.1

Source: Economy.com; New York State Department of Labor; DOB staff estimates.

2005-06 GOVERNMENTAL FUNDS FINANCIAL PLAN (FUND TYPE)

This section summarizes the 2005-06 Financial Plan from the perspective of each of the four major fund types that comprise the All Funds budget: the General Fund, Special Revenue Funds, Capital Projects Funds, and Debt Service Funds.

GENERAL FUND

In 2005-06, the General Fund is projected to end the fiscal year with a \$1.8 billion fund balance, consisting of \$872 million in the Tax Stabilization Reserve Fund, \$601 million in the Fiscal Stability Reserve, \$316 million in the Community Projects Fund, and \$21 million in the Contingency Reserve Fund.

The State projects General Fund receipts, including transfers from other funds, to total \$46.8 billion in 2005-06, an increase of \$3.0 billion (6.9 percent) from the current year. Projected growth in personal income and sales taxes, resulting from temporary tax actions taken in the 2004-05 Enacted Budget and the economic recovery, are primarily responsible for the growth.

General Fund Receipts (millions of dollars)					
	2004-05 Actuals	2005-06 Enacted	Annual \$ Change	Annual % Change	Change from 30-Day
Personal Income Tax (1)	18,677	21,118	2,441	13.1%	1,087
User Taxes and Fees	8,731	8,601	(130)	-1.5%	(21)
Business Taxes	4,069	4,283	214	5.3%	167
Other Taxes	926	778	(148)	-16.0%	0
Miscellaneous Receipts	2,217	2,348	131	5.9%	(3)
Federal Grants	9	4	(5)	-55.6%	0
Transfers From Other Funds					
Revenue Bond Fund	5,981	6,338	357	6.0%	145
LGAC Fund	2,182	2,306	124	5.7%	6
CW/CA Fund	516	510	(6)	-1.2%	0
All Other	452	513	61	13.5%	105
Total Receipts	43,760	46,799	3,039	6.9%	1,486

(1) The personal income tax amounts are after the refund reserve transactions.

2005-2006 Enacted Budget Report

The significant revenue increase experienced in fiscal year 2004-05 (almost 12 percent in base growth) was supported by a number of positive economic and tax policy related factors acting in concert. These factors supported higher than expected receipts growth throughout the fiscal year and included:

- a better than anticipated growth in incomes, particularly from high income taxpayers;
- an associated increase in personal income tax from taxpayers subject to the temporary tax surcharge on incomes about \$150,000;
- a rapid appreciation in real estate values, especially in downstate New York which supported higher real estate transfer and personal income tax collections;
- an unusually large number of significant estate tax payments over the fiscal year; and
- a large increase in corporate tax payments reflecting both improved business profitability and a reduction in refunds requested from overpayments of prior year liability.

The Enacted Budget receipt estimates detailed below assume continued strong growth in the underlying base, but a return to growth rates more consistent with historical averages during an economic expansion. Overall, base revenue growth is expected to increase by 7 percent for the 2005-06 fiscal year.

Personal Income Tax

General Fund PIT receipts are projected to increase by \$2.4 billion (13.1 percent) from 2004-05. The increase is due to continued economic improvement in 2005 (stronger withholding and estimated tax payments), strong payments on 2004 tax liability (higher final returns and extensions offset slightly by an increase in refunds) and a smaller deposit into the PIT refund reserve account. This amount is offset by a larger deposit to the RBTF.

General Fund PIT receipts, including refund reserve transactions, are revised upward by \$1.1 billion from the Executive Budget estimate. This reflects the combination of an increase to base collection estimates due to stronger 2004-05 actuals, changes to tax actions proposed with the Budget, and additional resources from the refund reserve account deposited at the start of 2005-06 fiscal year largely reflecting higher than expected 2004-05 results.

User Taxes and Fees

User taxes and fees include receipts from the State sales tax, cigarette and tobacco products taxes, alcoholic beverage taxes and fees, motor fuel taxes, and motor vehicle license and registration fees. Receipts for user taxes and fees for 2005-06 are projected to total \$8.6 billion, a decrease of \$130 million (1.5 percent) from reported 2004-05 collections.

The projected decline in sales tax cash receipts of \$125 million (15 percent) is largely attributable to the sunset of the temporary increase in the overall tax rate from 4.25 percent to 4 percent effective June 1, 2005. The Enacted Budget postponed the exemption on items of clothing and footwear for two years, until May 31, 2007, and replaced it with two temporary one-

2005-2006 Enacted Budget Report

week exemptions with the same \$110 thresholds. Growth in the sales tax base, after adjusting for tax law changes and other factors, is projected at 6.0 percent.

The decline in General Fund cigarette tax receipts of \$5 million from the prior year is the result of a continuation of the long-term consumption decline in cigarettes.

User taxes and fees are revised downward by \$21 million from the Executive Budget estimates. This decline mainly reflects proposed tax actions that differ from those contained in the Enacted Budget.

Business Taxes

Business taxes include the corporate franchise tax, corporation and utilities taxes, the insurance franchise tax, and the bank franchise tax. Receipts for business taxes for 2005-06 are projected to total \$4.3 billion, an increase of \$214 million (5.3 percent) from 2004-05 collections. This increase is primarily due to an expectation of continued strength in the corporate franchise tax.

Business tax receipts for 2005-06 have been revised up by \$167 million from the Executive Budget, to reflect anticipated increases in CARTS collections, as well as continued strength in corporate franchise tax and the insurance premiums tax payments.

Other Taxes

Other tax receipts are now projected to total \$778 million, which is \$148 million below last year's amount, but unchanged from the Executive Budget estimate. This category includes the estate and gift tax, real property gains tax, and pari-mutuel taxes. Previously enacted legislation to repeal both the real property gains tax and the gift tax, and to reduce the estate and pari-mutuel taxes, has significantly reduced collections from these sources.

Miscellaneous Receipts

Miscellaneous receipts are expected to reach nearly \$2.3 billion, an increase of \$131 million from the 2004-05 results. This increase is primarily due to the receipt of \$523 million from the local government revenue and disbursement program partially offset by the loss of several one-time receipts received in 2004-05.

Miscellaneous receipts from the Executive Budget is a negative \$3 million resulting largely from the net impact of reestimates and the legislative rejection of several proposed increases in licenses and fees.

Transfers From Other Funds

Transfers from other funds are expected to total \$9.7 billion, an increase of \$536 million from 2004-05. This annual increase comprises primarily higher transfers from the RBTF (\$357 million), the Local Government Assistance Corporation (LGAC) Fund (\$124 million), and all other funds (\$61 million) offset by lower transfers from the Clean Water/Clean Air (CW/CA) Fund (\$6 million)

Transfers to the General Fund from PIT receipts deposited to the RBTF in excess of debt service payable on State PIT Bonds are projected to total \$6.3 billion in 2005-06, an increase of

2005-2006 Enacted Budget Report

\$357 million from 2004-05. The annual increase is attributable to overall growth in PIT (\$519 million), partially offset by an increase in debt service costs on PIT bonds (\$162 million).

Transfers to the General Fund of sales tax receipts deposited to the LGAC fund in excess of debt service due on LGAC bonds are projected to total \$2.3 billion in 2005-06, an increase of \$124 million from the prior year. This growth is due to overall growth in sales tax receipts (\$149 million), partially offset by a modest increase in debt service costs (\$25 million).

Transfers to the General Fund from the real estate transfer tax deposited to the CW/CA Debt Service Fund in excess of debt service due on those general obligation bonds are projected to total \$510 million in 2005-06. The decrease of \$6 million is due to growth in real estate transfer taxes (\$9 million) more than offset by an increase in debt service costs (\$15 million).

All other transfers are projected to total \$513 million in 2005-06, an annual increase of \$61 million primarily due to the timing of deposits to Tribal State Compact Revenue account (\$103 million) and a net increase in fund sweeps (\$109 million), offset by nonrecurring transfers from SUNY and CUNY to reimburse the General Fund for equipment costs (\$151 million).

Revenue Actions

The 2005-06 Enacted Budget contains nearly \$825 million in All Governmental Funds net revenue actions in the 2005-06 State fiscal year, including:

Revenue Enhancements:

- Additional abandoned property collections (\$90 million);
- Extends the higher LLC fees under the personal income tax for two years (\$22 million in 2005-06 and 2006-07, \$0 thereafter);
- Replaces the permanent clothing exemption with two \$110 weeks (\$476 million in 2005-06 and \$605 million in 2006-07);
- Increases the fee when a dealer issues a temporary motor vehicle registration (\$1 million in 2005-06, \$2 million annually thereafter);
- Increases the Dealer/Transporter registration fee (\$600,000 in 2005-06, \$1 million annually thereafter);
- Increases the Salvage Vehicle Inspection fee (\$800,000 in 2005-06, \$2 million annually thereafter);
- Increase motor vehicle title fees (\$63 million in 2005-06, \$125 million annually thereafter);
- Expands the motor vehicle fee Insurance Buyback program (\$4 million in 2005-06, \$7.9 million annually thereafter);
- Increases the MTA sales and compensating use tax (\$157 million in 2005-06, \$267 million fully effective);

2005-2006 Enacted Budget Report

- Increases the capital base under the corporate franchise tax (\$26 million annually beginning in 2005-06); and
- Adopts tax shelter provisions (\$25 million in 2005-06, \$50 million in 2006-07).

In addition, several revenue actions with outyear implications were included in the 2005-06 Enacted Budget, including:

- Allows the Tax Department to enter into reciprocal offset agreements with other states (\$1 million in 2006-07, \$2 million in 2007-08, and \$3 million annually thereafter);
- Change the way non-residents and part year residents compute the personal income tax long-term care insurance credit (\$2 million in 2006-07 and \$7 million fully effective); and
- Enacted the Native American cigarette and motor fuel regulations (\$60 million annually beginning in 2006-07);

Tax Reductions:

- Creates a refundable personal income tax credit for individual payers of the Nursing Home assessment (\$10 million in 2005-06, \$40 million annually thereafter);
- Expands the corporate franchise tax Qualified Emerging Technology Credit (\$5 million in 2005-06, \$10 million annually thereafter); and
- Reduces the corporate franchise tax rate for small businesses (\$5 million annually beginning in 2005-06).
- Extends the Power For Jobs program for one year (\$35 million in 2006-07 only);
- Expands the green buildings corporate franchise tax credit (\$1 million in 2006-07, \$2 million in 2007-08);
- Creates a single sales factor for all taxpayers under the corporate franchise tax (\$26 million in 2006-07, \$130 million fully effective);
- Expands and reforms the Empire Zones program (\$22 million in 2006-07, \$88 million fully effective);
- Extends the low income housing credit (\$2 million annually beginning in 2006-07); and
- Establishes a fourth phase of the CAPCO program (\$6 million annually for ten years beginning in 2007-08).

Disbursements

The State projects General Fund disbursements, including transfers to other funds, of \$46.2 billion in 2005-06, an increase of \$2.1 billion (4.7 percent) from the current year. Increases in Grants to Local Governments (\$1.4 billion), State Operations (\$502 million), and General State

2005-2006 Enacted Budget Report

Charges (\$396 million), offset by a decrease in transfers to other funds (\$265 million) account for the change. The major reasons for the disbursement changes are summarized below. For more information on the changes to the General Fund, see the section entitled "Detailed Summary of Legislative Addition by Conference Committee" earlier in this Report.

General Fund Disbursements (millions of dollars)					
	2004-05 Adjusted Actuals	2005-06 Enacted	Annual \$ Change	Annual % Change	Change from 30-Day
Grants to Local Governments	30,001	31,448	1,447	4.8%	860
State Operations	7,565	8,067	502	6.6%	13
General State Charges	3,653	4,049	396	10.8%	154
Transfers to Other Funds					
Debt Service	1,731	1,667	(64)	-3.7%	0
Capital Projects	197	229	32	16.2%	8
All Other	980	747	(233)	-23.8%	102
Total Disbursements	44,127	46,207	2,080	4.7%	1,137

Grants to Local Governments

Grants to Local Governments include financial aid to local governments and nonprofit organizations, as well as entitlement payments to individuals. Local assistance spending is projected at \$31.4 billion in 2005-06, an increase of \$1.4 billion (4.8 percent) from the current year. Growth in school aid (\$864 million) and CUNY operating costs (mainly for salary growth and increases in fixed costs) and CUNY/SUNY community college enrollment growth (\$179 million) are partially offset by savings from Medicaid cost containment and a patient income revenue reclassification described below.

State Operations

State Operations accounts for the cost of running the Executive, Legislative, and Judicial branches of government and is projected to total \$8.1 billion in 2005-06, an increase of \$502 million (6.6 percent) from the prior year. Personal service costs (e.g., State employee payroll) comprise 72 percent of State Operations spending. The remaining 28 percent represents non-personal service costs for contracts, rent, supplies, and other operating expenses.

The projected annual increase in State Operations is affected by the use of \$400 million in patient income revenues in 2005-06 to offset local assistance spending, instead of offsetting State Operations spending as was done in 2004-05. The change results in a \$400 million annual increase in State operations costs financed by the General Fund and a comparable decrease in local assistance spending. Adjusting for this reclassification, State Operations is projected to increase by \$102 million from 2004-05. The growth is comprised of scheduled wage increases under current labor contracts, normal salary creep, and salary grade changes (roughly \$350 million) offset by savings in agency operations (\$158 million), the use of alternate sources of revenue to fund operations and the removal of the 27th institutional payroll.

DOB projects the Executive branch workforce will total 191,891 in 2005-06, an increase of 2,245 over 2004-05. Of the 79 agencies that comprise the Executive Branch workforce, 68

2005-2006 Enacted Budget Report

project an annual increase in their workforce and 11 agencies project a reduction in their workforce in 2005-06.

General State Charges

General State Charges account for the costs of providing fringe benefits to State employees and retirees of the Executive, Legislative and Judicial branches, as well as fixed costs for taxes on public lands and litigation costs.

General Fund spending for General State Charges is projected to be \$4.0 billion in 2005-06, an increase of \$396 million (10.8 percent) over the prior year. The annual increase is due mostly to rising costs of employee health benefits (\$189 million), higher costs related to employer pension contributions (\$247 million) and fringe benefit increases for unsettled collective bargaining agreements (roughly \$40 million). Higher fringe benefit cost reimbursements to the General Fund which are payable from other funds, thus reducing General Fund costs, partially offset the growth (\$105 million).

Transfers to Other Funds

Transfers to other funds are projected to total \$2.6 billion in 2005-06 and include General Fund transfers to support debt service (\$1.7 billion), capital projects (\$229 million), and other funds (\$747 million).

General Fund transfers for debt service decline by \$64 million (3.7 percent) from 2004-05 primarily due to \$150 million in projected savings from debt management actions, offset by higher debt service on existing bonds for corrections and CUNY, and the accounting treatment of the PIT Revenue Bond program which reduces General Fund costs and increases costs in State Funds. Transfers to support capital projects increase by \$32 million mainly from a reestimate of the timing of capital spending based on 2004-05 actuals. All other transfers are projected to decrease by \$233 million in 2005-06 due primarily to a nonrecurring transfer to the HCRA Special Revenue Fund to reflect a prepayment of General Fund support originally planned in 2005-06 but paid in 2004-05 (\$200 million).

SPECIAL REVENUE FUNDS

Special Revenue Funds receive State and Federal revenues dedicated to finance specific activities. Special Revenue Funds are intended to be self-supporting, with receipts equaling or exceeding disbursements. When statutorily authorized, certain funds and accounts may borrow from the State's STIP to cover temporary cash shortfalls resulting from the timing of receipts and disbursements (i.e., disbursements occurring prior to receipts being received).

In 2005-06 the Special Revenue Funds Financial Plan projects total receipts of \$53.4 billion, total disbursements of \$54.1 billion, and net other financing sources of \$413 million, resulting in an operating deficit of \$288 million.

2005-2006 Enacted Budget Report

Receipts

Special Revenue Funds Receipts (millions of dollars)					
	2004-05	2005-06 Enacted	Annual \$ Change	Annual % Change	Change from 30-Day
	Adjusted Actuals				
Taxes	5,420	5,843	423	7.8%	178
Miscellaneous Receipts	11,480	12,974	1,494	13.0%	(450)
Federal Grants	34,491	34,570	79	0.2%	167
Total Receipts	51,391	53,387	1,996	3.9%	(105)

Total Special Revenue Fund receipts are projected to total \$53.4 billion in 2005-06, an increase of \$2.0 billion (3.9 percent) over 2004-05. The major components of these receipt changes are summarized below.

Taxes

Tax receipts in Special Revenue Funds are projected total \$5.8 billion, an increase of \$423 million (7.8 percent) over 2004-05. The annual growth is driven primarily by taxes dedicated to support the STAR program resulting from increased participation by taxpayers and local tax levy growth (\$163 million), and higher tax receipts dedicated to support the MTOA Fund (\$217 million) and the Dedicated Mass Transportation Trust Fund (\$44 million).

Miscellaneous Receipts

Miscellaneous receipts are projected to be \$13.0 billion, an annual increase of \$1.5 billion (13.0 percent) over 2004-05. The annual growth is primarily due to the additional transfers from HCRA, including projected Empire conversion proceeds, to support State Medicaid and other public health costs (\$1.7 billion), increased receipts from assessments on hospital, home care and nursing home revenues (\$180 million), and higher receipts under the Tribal State Compact agreement due to the timing of deposits (\$132 million). DOB has lowered its receipts projections on the basis of historical trends and 2004-05 preliminary results which offset the increases described above (\$600 million).

Federal Grants

Federal grants are projected to total \$34.6 billion in 2005-06, a modest increase of \$79 million (0.2 percent) from 2004-05. Changes to Federal grants generally correspond to changes in federally-reimbursed spending. However, since Federal reimbursement is assumed to be received in the State fiscal year in which spending occurs, additional timing-related variances result. Spending for World Trade Center activities (\$1.2 billion) and Children and Families (\$170 million) are expected to decline from 2004-05 levels. These declines are partially offset by growth in welfare (\$314 million), federally supported education costs (\$304 million), elections (\$148 million), mental hygiene (\$131 million), homeland security (\$96 million) and Medicaid (\$88 million).

2005-2006 Enacted Budget Report

Disbursements

Special Revenue Funds Disbursements (millions of dollars)					
	2004-05	2005-06 Enacted	Annual \$ Change	Annual % Change	Change from 30-Day
	Adjusted Actuals				
Grants to Local Governments	43,569	45,076	1,507	3.5%	515
State Operations	8,095	8,238	143	1.8%	(267)
General State Charges	712	772	60	8.4%	(6)
Capital Projects	11	2	(9)	-81.8%	(1)
Total Disbursements	52,387	54,088	1,701	3.2%	241

Total Special Revenue Fund disbursements are projected to be \$54.1 billion, an increase of \$1.7 billion (3.2 percent) from 2004-05. The major changes in disbursements are summarized below.

Grants to Local Governments

Grants to local government are projected at \$45.1 billion, an annual increase of \$1.5 billion (3.5 percent) from 2004-05. Sources of growth include higher spending for State Medicaid financed by HCRA and health care provider assessments (\$1.8 billion); the reclassification of "offset" spending from State Operations to local assistance (\$400 million); grants for transit systems (\$351 million), Federal aid for education for instructional support, IDEA and the School Lunch programs (\$229 million); STAR due to increased participation by taxpayers and local tax levy growth (\$163 million); and implementation of the Help America Vote Act (\$118 million). The expected decline in World Trade Center spending (\$1.2 billion) and DOB downward adjustments to reflect historical spending trends and 2004-05 year end results (\$700 million) partially offsets the growth in other areas.

State Operations

State Operations disbursements are projected to be \$8.2 billion, an increase of \$143 million (1.8 percent) from 2004-05. Spending increases primarily result from collective bargaining agreements, performance advances, and inflation (roughly \$200 million), as well as an increase in revenues available to finance State Operations in the mental hygiene programs attributable to Federal revenue initiatives (\$234 million). The reclassification of the Patient Income Account "offset" spending from State Operations to local assistance partially offsets the growth in these areas (\$400 million).

General State Charges

Disbursements for General State Charges are projected to be \$772 million, an increase of \$60 million (8.4 percent) from the prior year. Growing pension and health insurance costs account for most of the annual growth in General State Charges.

2005-2006 Enacted Budget Report

Other Financing Sources/(Uses)

Special Revenue Funds Other Financing Sources (Uses)					
(millions of dollars)					
	2004-05	2005-06	Annual \$	Annual %	Change
	Actuals	Enacted	Change	Change	from 30-Day
Transfers From Other Funds	3,613	3,537	(76)	-2.1%	102
Transfers To Other Funds	(2,796)	(3,124)	(328)	11.7%	(98)
Net Other Financing Sources (Uses)	817	413	(404)	-49.4%	4

Transfers from other funds are projected to total \$3.5 billion in 2005-06, a decrease of \$76 million (2.1 percent) from 2004-05. The decrease is primarily due to nonrecurring transfers in 2004-05 to support HCRA (\$200 million) offset by increases in patient care revenues, net of debt service on outstanding Mental Hygiene bonds (\$143 million), and a nonrecurring General Fund transfer to the HCRA Fund to finance a prior year excess medical malpractice loan (\$45 million).

Transfers to other funds are estimated to be \$3.1 billion, an increase of \$328 million (11.7 percent) from 2004-05. The annual growth is due to an increase in Federal Medicaid reimbursement for Mental Hygiene services before payment of debt service (\$292 million), transfers under the Tribal State Compact (\$102 million), and a net increase in fund sweeps (\$85 million) partially offset by nonrecurring transfers from SUNY and CUNY to reimburse the General Fund for equipment costs (\$151 million).

CAPITAL PROJECTS FUNDS

Spending from the Capital Projects Fund is supported by a transfer from the General Fund and dedicated receipts. For a complete explanation of the State's capital and debt programs, see the "Capital Program and Financing Plan" issued in conjunction with this Report.

The receipt and disbursement tables for capital projects reflect accounting adjustments for capital projects activity for anticipated spending delays and certain capital spending that is not reported by the State Comptroller in actual cash spending results, although it is reflected in the State's GAAP Financial Statements. The spending is related to programs which are financed in the first instance by bond proceeds, rather than with a short-term loan from STIP or cash from the General Fund. Such capital spending is projected at \$937 million in 2004-05 and over \$1.2 billion in 2005-06.

Receipts

Capital Projects Fund receipts include dedicated tax receipts from highway-related taxes deposited to the Dedicated Highway and Bridge Trust Fund, and real estate transfer taxes deposited to the EPF. Miscellaneous receipts include bond proceeds that finance capital projects across all functional areas, as well as other fees, including State park fees, industry-specific environmental fees and receipts from the sale of surplus land.

2005-2006 Enacted Budget Report

Capital Projects Funds Receipts (millions of dollars)					
	2004-05 Actuals	2005-06 Enacted	Annual \$ Change	Annual % Change	Change from 30-Day
Taxes	1,862	1,860	(2)	-0.1%	2
Miscellaneous Receipts	2,696	3,567	871	32.3%	94
Federal Grants	1,721	1,850	129	7.5%	18
Total Receipts	6,279	7,277	998	15.9%	114
GAAP Adjustment	(937)	(1,234)	(297)	31.7%	(74)
Spending Delays	0	(759)	(759)	-	(259)
Financial Plan Receipts	5,342	5,284	(58)	-1.1%	(219)

Total Capital Project Fund receipts (prior to adjustments) are projected at \$7.3 billion, an increase of \$998 million from 2004-05. The increase is primarily attributable to projected increases in economic development (\$257 million) and education (\$440 million) programs financed with authority bond proceeds. The table below summarized the main categories of receipts.

Disbursements

Spending for the Capital Project Fund (prior to adjustments) is projected to total almost \$7 billion in 2005-06, an increase of \$1.3 billion. The majority of the projected increase is for education (\$438 million), parks and environment (\$242 million), transportation (\$232 million), and economic development (\$221 million).

Capital Projects Funds Disbursements (millions of dollars)					
	2004-05 Actuals	2005-06 Enacted	Annual \$ Change	Annual % Change	Change from 30-Day
Transportation	3,468	3,700	232	6.7%	98
Education	581	1,019	438	75.4%	101
Parks and Environment	480	722	242	50.4%	130
Economic Development	381	602	221	58.0%	8
Mental Health	281	286	5	1.8%	0
Public Protection	204	244	40	19.6%	3
Health and Social Welfare	103	175	72	69.9%	26
General Government/Other	135	227	92	68.1%	39
Total Disbursements	5,633	6,975	1,342	23.8%	405
GAAP Adjustment	(937)	(1,234)	(297)	100.0%	(74)
Spending Delays	0	(759)	(759)	-	(259)
Financial Plan Disbursements	4,696	4,982	286	6.1%	72

2005-2006 Enacted Budget Report

Other Financing Sources/(Uses)

Capital Projects Funds Other Financing Sources (Uses)					
(millions of dollars)					
	2004-05	2005-06	Annual \$	Annual %	Change
	Actuals	Enacted	Change	Change	from 30-Day
Transfers From Other Funds	217	266	49	22.6%	7
Transfers To Other Funds	(1,006)	(945)	61	-6.1%	(8)
Bond Proceeds	178	279	101	56.7%	134
Net Other Financing Sources (Uses)	(611)	(400)	211	-34.5%	133

Transfers from other funds to the Capital Projects Fund are estimated at \$266 million in 2005-06, an increase of \$49 million from 2004-05. The change is primarily attributable to an increase in the transfer from the General Fund to the Capital Project Fund to pay-as-go capital spending in a variety of agencies.

Transfers to other funds from the Capital Project Fund decrease by \$61 million. A decrease in the transfer of receipts from the Dedicated Highway and Bridge Trust Fund to reimburse the General Debt Service Fund for debt service on Dedicated Highway and Bridge Trust Fund and Consolidated Highway Improvement Program bonds (\$172 million) and \$32 million for the reclassification of the Hazardous Waste Remedial Fund to a Special Revenue Fund, offset by increases in the transfer to the General Fund from the EPF and SPIF (\$40 million) and a new transfer from the Suburban Transportation Fund to the Mass Transportation Assistance Account (\$39 million) for projected mortgage recording taxes deposited in that fund account for the change.

Bond proceeds increased by \$101 million in 2005-06 primarily due to the proposed General Obligation Bond Act.

DEBT SERVICE FUNDS

The following section briefly summarizes activity in the Debt Service Funds type. All tax-financed State debt service on long-term debt and payments on certain lease-purchase and other contractual obligations are paid from Debt Service Funds. For a complete explanation of the State's debt activities, see the "Capital Program and Financing Plan" issued in conjunction with this Report.

Receipts

Debt Service Funds Receipts					
(millions of dollars)					
	2004-05	2005-06	Annual \$	Annual %	Change
	Actuals	Enacted	Change	Change	from 30-Day
Taxes	9,371	10,049	678	7.2%	153
Miscellaneous Receipts	768	656	(112)	-14.6%	0
Total Receipts	10,139	10,705	566	5.6%	153

Total Debt Service Fund receipts are projected to be \$10.7 billion, an increase of \$566 million (5.6 percent) from 2004-05. The annual growth is due to increases in dedicated taxes (\$678 million) offset by a reduction in miscellaneous receipts (\$112 million).

2005-2006 Enacted Budget Report

Disbursements

Debt Service Funds Disbursements (millions of dollars)					
	2004-05 Actuals	2005-06 Enacted	Annual \$ Change	Annual % Change	Change from 30-Day
General Debt Service Fund	3,122	3,106	(16)	-0.5%	13
LGAC	312	337	25	8.0%	9
Mental Health	256	307	51	19.9%	5
All Other	109	119	10	9.2%	(26)
Total Disbursements	3,799	3,869	70	1.8%	1

Total disbursements from the Debt Service Fund are projected to increase from \$3.8 billion in 2004-05 to \$3.9 billion in 2005-06. The \$70 million increase (1.8 percent) is due to growth in debt service costs from previous and planned bond sales, offset by \$150 million in projected savings from debt management efforts. In addition, the restructuring of the Dedicated Highway and Bridge Trust Fund bonds will more closely align the schedule for principal amortization to the useful lives of the financed projects.

Other Financing Sources/(Uses)

Debt Service Funds Other Financing Sources (Uses) (millions of dollars)					
	2004-05 Actuals	2005-06 Enacted	Annual \$ Change	Annual % Change	Change from 30-Day
Transfers From Other Funds	5,134	5,221	87	1.7%	9
Transfers To Other Funds	(11,464)	(12,046)	(582)	5.1%	(150)
Net Other Financing Sources (Uses)	(6,330)	(6,825)	(495)	7.8%	(141)

The \$87 million increase in transfers from other funds compared to 2004-05 reflects reduced transfers from the General Fund and various other dedicated funds, including the Dedicated Highway and Bridge Trust Fund and the Centralized Services Fund, to the General Debt Service Fund (\$75 million) offset by increased transfers from the Federal Health and Human Services Special Revenue Funds and the General Fund to the Mental Health Debt Service Fund (\$275 million), and a net decrease in all other transfers of \$114 million.

The \$582 million increase in transfers to other funds from 2004-05 reflects primarily the excess beyond the debt service due on State PIT Revenue Bonds from the RBTF (\$357 million) and the Local Government Assistance Tax Fund (\$124 million), as well as increased transfers in excess of Special Revenue Funds from the Mental Health and the Health Debt Service Funds (\$130 million), offset by lower transfers to the General Fund from the Clean Water Debt Service Fund (\$6 million), and modest decreases in all other transfers (\$22 million).

HEALTH CARE REFORM ACT (HCRA) FINANCIAL PLAN

The following provides a summary of the HCRA 2005-06 Financial Plan. The estimates of receipts and disbursements are detailed on a quarterly basis in the Financial Plan tables.

2005-2006 Enacted Budget Report

The 2005-06 Financial Plan adds roughly 25 percent of spending (\$912 million) financed through HCRA that in 2004-05 was “off budget” (i.e., outside the All Governmental Funds Financial Plan). Thus, all HCRA spending is included in the State Financial Plan and can be found in the following areas of the budget: Medicaid; Health; the State Office for the Aging; and the Office of Mental Health.

OVERVIEW

HCRA was established in 1996 to improve the fiscal health of hospitals and ensure that affordable and quality health care coverage was available to all New Yorkers. Subsequent extensions and modifications of the legislation have initiated new health care programs including FHP, Healthy New York, and workforce recruitment and retention rate enhancements, and provided additional funding for the expansion of existing programs such as Child Health Plus (CHP). HCRA has been extended through June 30, 2007.

Historically, HCRA cash balances have been significant as revenues have generally accumulated more rapidly than expenditures for new programs that often take time to implement and reach projected full annual expenditure levels. Recently, spending levels in many major programs, such as FHP and Elderly Pharmaceutical Insurance Coverage (EPIC), have significantly increased, outpacing the growth in recurring revenues, thereby reducing the historically high HCRA balances. The HCRA cash balance on March 31, 2005 was \$164 million.

Prior to the actions included in the 2005-06 Enacted Budget, DOB projected a cash deficit in HCRA of roughly \$500 million by June 30, 2005. Absent any actions this deficit would have required General Fund support through the Tobacco Revenue Guarantee Fund pursuant to Chapters 62 and 686 of the Laws of 2003, which provides for the replenishment of HCRA up to the level of tobacco settlement dollars otherwise available to HCRA had these revenues not been securitized.

To mitigate HCRA’s reliance on the General Fund and to improve the fiscal viability of HCRA in the outyears, the Enacted Budget includes a series of actions that produce a State Financial Plan benefit of roughly \$750 million in 2005-06. These actions include changes to the FHP program to modify benefits and require higher co-payments, proceeds from other insurance conversions from a non-profit to a for-profit organization similar to the Empire conversion; an increase in hospital and clinic surcharges on net patient service revenues from 8.85 percent to 8.95 percent and a \$50 million increase in the covered lives assessment (effective January 2006).

2005-2006 Enacted Budget Report

HCRA RECEIPTS

HCRA Receipts (millions of dollars)					
	2004-05 Actuals	2005-06 Enacted	Annual \$ Change	Annual % Change	Change from 30-Day
Empire Conversion Proceeds	0	1,842	1,842	0.0%	0
Surcharges	1,601	1,591	(10)	-0.6%	(3)
Covered Lives Assessment	724	737	13	1.8%	0
Cigarette Tax ¹	683	670	(13)	-1.9%	0
New Insurance Conversion Proceeds	0	400	400	0.0%	0
Other	606	323	(283)	-46.7%	71
Hospital Assessment (1 percent)	232	192	(40)	-17.2%	0
Total Receipts	3,846	5,755	1,909	49.6%	68

¹ Includes a transfer of cigarette tax revenue from New York City, which appears under miscellaneous receipts in the Financial Plan Tables.

DOB projects total HCRA receipts at \$5.8 billion in 2005-06, an increase of \$1.9 billion (49.6 percent) over the current year forecast and \$68 million from the 30-Day projections. Total 2005-06 receipts are comprised primarily of surcharges, Empire conversion proceeds, covered lives assessment, cigarette taxes, additional insurance conversion proceeds, Federal funds, and hospital assessments of 1 percent.

As described earlier in this Report, the receipt of \$1.8 billion in Empire conversion proceeds planned in 2004-05 (including \$200 million that will support General Fund Medicaid spending) have been delayed pending the resolution of ongoing litigation that is currently expected to occur in 2005-06. The availability of these funds depends on successful resolution of ongoing litigation and the release of proceeds currently held in escrow. The Enacted Budget includes authorization that would halt nearly all spending for programs financed by HCRA effective July 1, 2005 unless such Empire proceeds are received. In addition, another \$400 million in proceeds from other insurance company conversions from not-for-profit to for-profit is expected in 2005-06, although legislation authorizing such conversions has not yet been enacted.

The annual decline other resources is primarily attributable to nonrecurring Federal reimbursement for State only expenses used to support HCRA (\$308 million) and the Community Health Care Conversion Demonstration Project waiver renewal (\$218 million).

2005-2006 Enacted Budget Report

HCRA DISBURSEMENTS

HCRA Disbursements (millions of dollars)					
	2004-05 Actuals	2005-06 Enacted	Annual \$ Change	Annual % Change	Change from 30-Day
Medicaid/Public Health Support	932	2,024	1,092	117.2%	119
Hospital Indigent Care	831	853	22	2.6%	0
Elderly Pharmaceutical Insurance Coverage	462	570	108	23.4%	0
Graduate Medical Education	452	353	(99)	-21.9%	(27)
Family Health Plus	302	426	124	41.1%	112
Child Health Plus	301	349	48	15.9%	0
Workforce Recruitment and Retention	306	416	110	35.9%	64
All Other	526	574	48	9.1%	(41)
Total Disbursements	4,112	5,565	1,453	35.3%	227

Total disbursements of \$5.7 billion are projected in 2005-06, an increase of \$1.4 billion (35.3 percent) over the current year estimates and \$227 million from the 30-Day projections. The 2005-06 Enacted Budget and Financial Plan includes all HCRA spending, including roughly \$912 million that was previously "off-budget."

HCRA financed programs primarily include support for various Medicaid and public health costs, hospital indigent care, EPIC, FHP, CHP, provider workforce recruitment and retention funds paid through Medicaid rates, and mental health programs. The remaining spending previously excluded from the State Budget is comprised of Graduate Medical Education, excess medical malpractice, Healthy New York, subsidy payments to the Roswell Park Cancer Institute, as well as various programs including anti-tobacco and cancer related programs.

The annual growth in HCRA spending is primarily attributable to additional Medicaid support in 2005-06 resulting from the series of actions described earlier, and program spending growth for FHP, workforce recruitment and retention, EPIC, CHP, and various other programs.

Based on DOB projections of receipts and disbursements the cash balance at the end of 2005-06 is expected to be \$354 million, declining to approximately \$170 million on June 30, 2007, when the HCRA statute expires.

Additional detail on quarterly receipts and disbursements is contained in the Financial Plan tables later in this Report.

IMPACT OF 2005-06 ENACTED BUDGET ON STATE WORKFORCE

The All Funds State employee workforce level was 189,600 at the end of the 2004-05 fiscal year, approximately 1,300 positions below our initial 2004-05 estimate. The workforce is projected to total 191,900 by the end of fiscal year 2005-06. This estimate includes an additional 475 positions associated with Legislative increases to the 2005-06 Executive Budget, and the anticipated filling of some positions that were vacant at year end. Detailed agency-by-agency workforce tables are provided later in this Report.

The projected 2005-06 workforce level represents a decrease of 19,300 positions, or more than 9 percent since January 1995. In recent years, the State workforce has remained relatively

2005-2006 Enacted Budget Report

stable through the use of a hiring freeze which allows the State to maintain staffing of critical positions.

IMPACT OF 2005-06 ENACTED BUDGET ON LOCAL GOVERNMENTS

The 2005-06 Enacted State Budget will provide nearly \$1.4 billion in savings and new assistance to local governments statewide.

2005-06 Local Impact (millions of dollars)					
	<u>Total</u>	<u>Counties</u>	<u>NYC</u>	<u>Other Locals</u>	<u>School Districts</u>
Medicaid Cap/Other	409	143	266	0	0
AIM Program	57	0	0	57	0
School Aid	593	0	227	0	366
Revenues	273	85	188		0
All Other Impacts	59	30	12	14	3
Total	1,391	258	693	71	369

Major initiatives include:

- **Medicaid Cap and Cost Containment:** To address the rising costs of Medicaid, the Enacted Budget will cap local Medicaid expenditures for New York City and county governments as of January 2006, using an annual inflator of 3.5 percent, 3.25 percent and 3 percent thereafter. This cap, along with cost containment and other actions, will save counties and New York City more than \$409.2 million in SFY 2005-06, and \$679.0 million in SFY 2006-07.
- **Aid and Incentives for Municipalities:** The 2005-06 Enacted Budget increases State support for local governments by \$57 million under the new Aid and Incentives for Municipalities (AIM) Program. AIM will provide State aid increases of 3.75 percent for all towns and villages, and 12.75 percent for all upstate cities. As a condition of receiving this increase, cities will agree to minimize property tax growth, develop three-year financial plans and seek operational efficiencies through various initiatives like shared services agreements.
- **Shared Municipal Services Incentive (SMSI) Program:** Along with the AIM initiative, this Budget introduces the SMSI Program which will provide competitive grants of up to \$100,000 to cities, towns, villages, counties and school districts to help fund cooperative cost saving efforts such as shared services (e.g. transportation, snowplowing, or payroll) undertaken by two or more municipalities. This program is funded at \$2.75 million in SFY 2005-06.
- **Education:** The Enacted Budget provides an \$850 million increase in the State's school aid programs.
- **Revenues:** Reinstating a permanent sales tax on clothing and footwear, while allowing two sales-tax free weeks on items costing less than \$110, will generate a net revenue benefit of over \$272 million statewide in SFY 2005-06, and over \$329 million in SFY 2006-07.

2005-2006 Enacted Budget Report

- **Local Transit Assistance:** The Enacted Budget also includes over \$25 million in increased operating assistance for Downstate and New York City local transportation operations.

EXPLANATION OF THE FINANCIAL PLAN TABLES

The State's Financial Plan forecasts receipts and disbursements for each fiscal year. The economic forecast of 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. Then DOB 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.

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.

The General Fund 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, comprises 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 Project 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.

2005-2006 Enacted Budget Report

INDEX OF FINANCIAL PLAN TABLES

	Page
GENERAL FUND	
Annual Change from 2004-2005 to 2005-2006	47
Update of 2005-2006 (Change from 30-day Executive Budget)	48
Update of 2006-2007 (Change from 30-day Executive Budget)	49
Update of 2007-2008 (Change from 30-day Executive Budget)	50
Personal Income Tax Components from 2004-2005 to 2005-2006	51
Receipts from 2004-2005 to 2005-2006	52
Projections through 2007-2008	53
CASH FLOW — GENERAL FUND	
2005-2006 Quarterly Projections	54
2005-2006 Monthly Projections	55
STATE FUNDS	
2005-2006 Financial Plan	56
Update of 2005-2006 (Changes from 2004-2005, 30-day, and Enacted Budget)	57
GOVERNMENTAL FUNDS	
2005-2006 Financial Plan	58
Receipts from 2004-2005 to 2005-2006	59
Update of 2005-2006 (Changes from 2004-2005, 30-day, and Enacted Budget)	60
SPECIAL REVENUE FUNDS	
2005-2006 State and Federal Funds	61
CAPITAL PROJECTS FUNDS	
2005-2006 State and Federal Funds	62
GAAP — GENERAL FUND	
Annual Change from 2004-2005 to 2005-2006	63
Update of 2005-2006 (Change from 30-day Executive Budget)	64
GAAP — GOVERNMENTAL FUNDS	
2005-2006 Financial Plan	65
2005-2006 Major Funds Financial Plan	66

2005-2006 Enacted Budget Report

	Page
HEALTH CARE REFORM ACT	
Annual Change from 2004-2005 to 2005-2006.....	67
Update of 2005-2006 (change from 30-day Executive Budget)	68
2005-2006 through June 30, 2007	69
2005-2006 Quarterly Cash Flow Projections.....	70
FUNCTIONAL SPENDING BY AGENCY	
General Fund Annual Change from 2004-2005 to 2005-2006.....	71
State Funds Annual Change from 2004-2005 to 2005-2006.....	74
Governmental Funds Annual Change from 2004-2005 to 2005-2006	77
WORKFORCE SUMMARY REPORT	
2003-2004 through 2005-2006 All Funds by Agency.....	80
2003-2004 through 2005-2006 General Fund by Agency	82

2005-2006 Enacted Budget Report

**CASH FINANCIAL PLAN
GENERAL FUND
2004-2005 Adjusted and 2005-2006
(millions of dollars)**

	2004-2005 Adjusted Actual	2005-2006 Enacted	Change
Opening fund balance	<u>1,077</u>	<u>1,218</u>	<u>141</u>
Receipts:			
Taxes:			
Personal income tax	18,677	21,118	2,441
User taxes and fees	8,731	8,601	(130)
Business taxes	4,069	4,283	214
Other taxes	926	778	(148)
Miscellaneous receipts	2,725	2,348	(377)
Federal Grants	9	4	(5)
Transfers from other funds:			
PIT in excess of Revenue Bond debt service	5,981	6,338	357
Sales tax in excess of LGAC debt service	2,182	2,306	124
Real estate taxes in excess of CW/CA debt service	516	510	(6)
All other	452	513	61
Total receipts	<u>44,268</u>	<u>46,799</u>	<u>2,531</u>
Disbursements:			
Grants to local governments	30,001	31,448	1,447
State operations	7,565	8,067	502
General State charges	3,653	4,049	396
Transfers to other funds:			
Debt service	1,731	1,667	(64)
Capital projects	197	229	32
Other purposes	980	747	(233)
Total disbursements	<u>44,127</u>	<u>46,207</u>	<u>2,080</u>
Change in fund balance	<u>141</u>	<u>592</u>	<u>451</u>
Closing fund balance	<u>1,218</u>	<u>1,810</u>	<u>592</u>
Statutory Rainy Day Reserve Fund	872	872	0
Fiscal Stability Reserve Fund	0	601	601
Contingency Reserve Fund	21	21	0
Community Projects Fund	325	316	(9)

To provide a comparable basis for calculating annual change, the 2004-05 amounts have been increased for Medicaid spending to comply with Federal policy changes related to certain county shares adjustments (\$508 million).

2005-2006 Enacted Budget Report

**CASH FINANCIAL PLAN
GENERAL FUND
2005-2006
(millions of dollars)**

	<u>30-Day</u>	<u>Change</u>	<u>Enacted</u>
Opening fund balance	<u>1,531</u>	<u>(313)</u>	<u>1,218</u>
Receipts:			
Taxes:			
Personal income tax	20,031	1,087	21,118
User taxes and fees	8,622	(21)	8,601
Business taxes	4,116	167	4,283
Other taxes	778	0	778
Miscellaneous receipts	2,351	(3)	2,348
Federal Grants	4	0	4
Transfers from other funds:			
PIT in excess of Revenue Bond debt service	6,193	145	6,338
Sales tax in excess of LGAC debt service	2,300	6	2,306
Real estate taxes in excess of CW/CA debt service	510	0	510
All other	408	105	513
Total receipts	<u>45,313</u>	<u>1,486</u>	<u>46,799</u>
Disbursements:			
Grants to local governments	30,588	860	31,448
State operations	8,054	13	8,067
General State charges	3,895	154	4,049
Transfers to other funds:			
Debt service	1,667	0	1,667
Capital projects	221	8	229
Other purposes	645	102	747
Total disbursements	<u>45,070</u>	<u>1,137</u>	<u>46,207</u>
Change in fund balance	<u>243</u>	<u>349</u>	<u>592</u>
Closing fund balance	<u>1,774</u>	<u>36</u>	<u>1,810</u>
Statutory Rainy Day Reserve Fund	864	8	872
Fiscal Stability Reserve Fund	572	29	601
Contingency Reserve Fund	21	0	21
Community Projects Fund	317	(1)	316

2005-2006 Enacted Budget Report

**CASH FINANCIAL PLAN
GENERAL FUND
2006-2007
(millions of dollars)**

	<u>30-Day</u>	<u>Change</u>	<u>Enacted</u>
Receipts:			
Taxes:			
Personal income tax	20,606	683	21,289
User taxes and fees	8,829	62	8,891
Business taxes	4,226	219	4,445
Other taxes	872	0	872
Miscellaneous receipts	2,404	(113)	2,291
Federal Grants	4	0	4
Transfers from other funds:			
PIT in excess of Revenue Bond debt service	6,270	213	6,483
Sales tax in excess of LGAC debt service	2,377	30	2,407
Real estate taxes in excess of CW/CA debt service	520	1	521
All other	239	(11)	228
Total receipts	<u>46,347</u>	<u>1,084</u>	<u>47,431</u>
Disbursements:			
Grants to local governments	32,994	1,998	34,992
State operations	8,809	(150)	8,659
General State charges	4,662	(86)	4,576
Transfers to other funds:			
Debt service	1,682	9	1,691
Capital projects	234	10	244
Other purposes	660	127	787
Total disbursements	<u>49,041</u>	<u>1,908</u>	<u>50,949</u>
Deposit to/(use of) Fiscal Stability Reserve Fund	<u>0</u>	<u>(301)</u>	<u>(301)</u>
Deposit to/(use of) Community Projects Fund	<u>(150)</u>	<u>100</u>	<u>(50)</u>
Margin	<u>(2,544)</u>	<u>(623)</u>	<u>(3,167)</u>

2005-2006 Enacted Budget Report

**CASH FINANCIAL PLAN
GENERAL FUND
2007-2008
(millions of dollars)**

	<u>30-Day</u>	<u>Change</u>	<u>Enacted</u>
Receipts:			
Taxes:			
Personal income tax	22,052	769	22,821
User taxes and fees	9,166	(407)	8,759
Business taxes	4,365	147	4,512
Other taxes	920	0	920
Miscellaneous receipts	4,460	(114)	4,346
Federal Grants	4		4
Transfers from other funds:			
PIT in excess of Revenue Bond debt service	6,577	256	6,833
Sales tax in excess of LGAC debt service	2,473	(125)	2,348
Real estate taxes in excess of CW/CA debt service	528	0	528
All other	250	(9)	241
Total receipts	<u>50,795</u>	<u>517</u>	<u>51,312</u>
Disbursements:			
Grants to local governments	36,885	2,538	39,423
State operations	9,250	(304)	8,946
General State charges	4,851	(13)	4,838
Transfers to other funds:			
Debt service	1,651	30	1,681
Capital projects	231	10	241
Other purposes	635	24	659
Total disbursements	<u>53,503</u>	<u>2,285</u>	<u>55,788</u>
Deposit to/(use of) Fiscal Stability Reserve Fund	<u>0</u>	<u>(300)</u>	<u>(300)</u>
Deposit to/(use of) Community Projects Fund	<u>(167)</u>	<u>117</u>	<u>(50)</u>
Margin	<u>(2,541)</u>	<u>(1,585)</u>	<u>(4,126)</u>

2005-2006 Enacted Budget Report

**GENERAL FUND
PERSONAL INCOME TAX COMPONENTS
2004-2005 AND 2005-2006
(millions of dollars)**

	<u>2004-2005 Actual</u>	<u>2005-2006 Enacted</u>	<u>Annual Change</u>
Withholdings	23,374	24,544	1,170
Estimated Payments	7,062	8,006	944
Final Payments	1,629	2,010	381
Delinquencies	<u>702</u>	<u>705</u>	<u>3</u>
Gross Collections	32,767	35,265	2,498
State/City Offset	(357)	(400)	(43)
Refund Reserve	(103)	776	879
Refunds	<u>(4,311) ⁽¹⁾</u>	<u>(4,520) ⁽²⁾</u>	<u>(209)</u>
Reported Tax Collections	27,996	31,121	3,125
STAR	(3,059)	(3,222)	(163)
RBTF	<u>(6,260)</u>	<u>(6,781)</u>	<u>(521)</u>
General Fund	<u><u>18,677</u></u>	<u><u>21,118</u></u>	<u><u>2,441</u></u>

Net income tax collections are affected by transactions in the tax refund reserve account. The tax refund reserve account is used to hold moneys designated to pay tax refunds. The Comptroller deposits receipts into this account at the discretion of the Commissioner of Taxation and Finance. The deposit of moneys into the account during a fiscal year has the effect of reducing receipts for the fiscal year, and the withdrawal of moneys from the account has the effect of increasing receipts in the fiscal year of withdrawal. The tax refund reserve account also includes amounts made available as a result of the LGAC financing program to ignore the State's cashflow early in the fiscal year. Beginning in 1998-99, a portion of personal income tax collections is deposited directly in the School Tax Reduction (STAR) fund and used to make payments to reimburse local governments for their revenue decreases due to the STAR program.

Note 1: Reflects the payment of the balance of refunds on 2002 liability and payment of \$960 million of calendar year 2003 refunds in the last quarter of the State's 2003-04 fiscal year and a year-end balance in the Tax Refund Reserve Account of \$1.3 billion.

Note 2: Reflects the payment of the balance of refunds on 2003 liability and the projected payment of \$960 million of calendar year 2004 refunds in the last quarter of the State's 2004-05 fiscal year and a projected balance in the Tax Refund Reserve Account of \$552 million.

2005-2006 Enacted Budget Report

**CURRENT STATE RECEIPTS
GENERAL FUND
2004-2005 and 2005-2006
(millions of dollars)**

	<u>2004-2005 Actual</u>	<u>2005-2006 Enacted</u>	<u>Annual Change</u>
Personal income tax	18,677	21,118	2,441
User taxes and fees:	<u>8,731</u>	<u>8,601</u>	<u>(130)</u>
Sales and use tax	8,094	7,969	(125)
Cigarette and tobacco taxes	406	401	(5)
Motor vehicle fees	4	0	(4)
Alcoholic beverages taxes	185	186	1
Alcoholic beverage control license fees	42	45	3
Business taxes:	<u>4,069</u>	<u>4,283</u>	<u>214</u>
Corporation franchise tax	1,858	2,024	166
Corporation and utilities tax	617	643	26
Insurance taxes	1,007	1,031	24
Bank tax	587	585	(2)
Other taxes:	<u>926</u>	<u>778</u>	<u>(148)</u>
Estate tax	895	752	(143)
Gift tax	3	0	(3)
Real property gains tax	1	0	(1)
Pari-mutuel taxes	26	25	(1)
Other taxes	1	1	0
Total Taxes	<u>32,403</u>	<u>34,780</u>	<u>2,377</u>
Miscellaneous receipts	<u>2,217</u>	<u>2,348</u>	<u>131</u>
Federal grants	<u>9</u>	<u>4</u>	<u>(5)</u>
Total	<u><u>34,629</u></u>	<u><u>37,132</u></u>	<u><u>2,503</u></u>

2005-2006 Enacted Budget Report

**CASH FINANCIAL PLAN
GENERAL FUND
2005-2006 through 2007-2008
(millions of dollars)**

	<u>2005-2006 Enacted</u>	<u>2006-2007 Projected</u>	<u>2007-2008 Projected</u>
Receipts:			
Taxes:			
Personal income tax	21,118	21,289	22,821
User taxes and fees	8,601	8,891	8,759
Business taxes	4,283	4,445	4,512
Other taxes	778	872	920
Miscellaneous receipts	2,348	2,291	4,346
Federal Grants	4	4	4
Transfers from other funds:			
PIT in excess of Revenue Bond debt service	6,338	6,483	6,833
Sales tax in excess of LGAC debt service	2,306	2,407	2,348
Real estate taxes in excess of CW/CA debt service	510	521	528
All other	513	228	241
Total receipts	<u>46,799</u>	<u>47,431</u>	<u>51,312</u>
Disbursements:			
Grants to local governments	31,448	34,992	39,423
State operations	8,067	8,659	8,946
General State charges	4,049	4,576	4,838
Transfers to other funds:			
Debt service	1,667	1,691	1,681
Capital projects	229	244	241
Other purposes	747	787	659
Total disbursements	<u>46,207</u>	<u>50,949</u>	<u>55,788</u>
Deposit to/(use of) Fiscal Stability Reserve Fund	<u>601</u>	<u>(301)</u>	<u>(300)</u>
Deposit to/(use of) Community Projects Fund	<u>(9)</u>	<u>(50)</u>	<u>(50)</u>
Margin	<u>0</u>	<u>(3,167)</u>	<u>(4,126)</u>

2005-2006 Enacted Budget Report

**CASHFLOW
GENERAL FUND
2005-2006
(millions of dollars)**

	First Quarter (Projected)	Second Quarter (Projected)	Third Quarter (Projected)	Fourth Quarter (Projected)	Total (Projected)
Opening fund balance	<u>1,218</u>	<u>4,543</u>	<u>4,582</u>	<u>2,746</u>	<u>1,218</u>
Receipts:					
Taxes:					
Personal income tax	7,637	4,580	2,913	5,988	21,118
User taxes and fees	2,250	2,162	2,147	2,042	8,601
Business taxes	1,225	1,003	899	1,156	4,283
Other taxes	203	179	204	192	778
Miscellaneous receipts	367	325	765	891	2,348
Federal grants	0	0	0	4	4
Transfers from other funds					
PIT in excess of Revenue Bond debt service	2,074	1,464	795	2,005	6,338
Sales tax in excess of LGAC debt service	655	582	657	412	2,306
Real estate taxes in excess of CW/CA debt service	148	142	137	83	510
All Other	156	81	20	256	513
Total receipts	<u>14,715</u>	<u>10,518</u>	<u>8,537</u>	<u>13,029</u>	<u>46,799</u>
Disbursements:					
Grants to local governments					
School Aid	3,308	1,387	2,082	6,846	13,623
Medicaid	2,406	1,837	1,735	1,783	7,761
Welfare	367	358	358	291	1,374
All Other	1,435	2,229	2,574	2,452	8,690
State operations					
Personal Service	1,862	1,729	1,485	739	5,815
Non-Personal Service	421	564	544	723	2,252
General State charges	766	1,763	786	734	4,049
Transfers to other funds					
Debt service	588	351	611	117	1,667
Capital projects	66	134	101	(72)	229
Other purposes	171	127	97	352	747
Total disbursements	<u>11,390</u>	<u>10,479</u>	<u>10,373</u>	<u>13,965</u>	<u>46,207</u>
Change in fund balance	<u>3,325</u>	<u>39</u>	<u>(1,836)</u>	<u>(936)</u>	<u>592</u>
Closing fund balance	<u>4,543</u>	<u>4,582</u>	<u>2,746</u>	<u>1,810</u>	<u>1,810</u>

2005-2006 Enacted Budget Report

**CASHFLOW
GENERAL FUND
2005-2006
(dollars in millions)**

	2005		2006											
	April	May	June	July	August	September	October	November	December	January	February	March	Total	
Opening fund balance	1,218	5,623	3,873	4,543	4,597	4,372	4,582	3,300	2,116	2,746	6,431	7,179	1,218	
Receipts:														
Taxes														
Personal income tax	4,852	681	2,104	1,255	1,355	1,970	595	561	1,757	3,377	2,020	591	21,118	
User taxes and fees	657	662	931	663	633	866	625	625	897	693	533	816	8,601	
Business taxes	149	149	927	72	39	892	45	5	849	54	21	1,081	4,283	
Other taxes	63	69	71	56	65	58	69	67	68	64	66	62	778	
Miscellaneous receipts	142	77	148	90	86	149	170	383	212	178	176	537	2,348	
Federal Grants	0	0	0	0	0	0	0	0	0	0	0	4	4	
Transfers from other funds														
PIT in excess of Revenue Bond debt service	1,173	200	701	417	369	678	166	12	617	1,124	382	499	6,338	
Sales tax in excess of LGAC debt service	178	185	292	198	191	193	188	189	280	209	2	201	2,306	
Real estate taxes in excess of CW/CA debt service	50	49	49	50	39	53	52	46	39	34	29	20	510	
All Other	0	135	21	46	25	10	0	0	20	57	0	199	513	
Total receipts	<u>7,264</u>	<u>2,207</u>	<u>5,244</u>	<u>2,847</u>	<u>2,802</u>	<u>4,869</u>	<u>1,910</u>	<u>1,888</u>	<u>4,739</u>	<u>5,790</u>	<u>3,229</u>	<u>4,010</u>	<u>46,799</u>	
Disbursements:														
Grants to local governments														
School Aid	75	1,854	1,379	145	320	922	475	467	1,140	318	589	5,939	13,623	
Medicaid	781	582	1,043	424	778	635	619	550	566	314	524	945	7,761	
Welfare	142	142	83	142	142	74	142	142	74	142	111	38	1,374	
All Other	408	303	724	992	601	636	977	534	1,063	466	627	1,359	8,690	
State operations														
Personal Service	577	566	719	563	570	596	431	689	365	381	210	148	5,815	
Non-Personal Service	120	125	176	206	200	158	186	179	179	184	196	343	2,252	
General State charges	404	191	171	250	340	1,173	264	275	247	271	134	329	4,049	
Transfers to other funds														
Debt service	230	145	213	23	28	300	49	183	379	17	26	74	1,667	
Capital projects	21	19	26	26	27	81	2	30	69	(10)	43	(105)	229	
Other purposes	101	30	40	22	21	84	47	23	27	22	21	309	747	
Total disbursements	<u>2,859</u>	<u>3,957</u>	<u>4,574</u>	<u>2,793</u>	<u>3,027</u>	<u>4,659</u>	<u>3,192</u>	<u>3,072</u>	<u>4,109</u>	<u>2,105</u>	<u>2,481</u>	<u>9,379</u>	<u>46,207</u>	
Change in fund balance	4,405	(1,750)	670	54	(225)	210	(1,282)	(1,184)	630	3,685	748	(5,369)	592	
Closing fund balance	5,623	3,873	4,543	4,597	4,372	4,582	3,300	2,116	2,746	6,431	7,179	1,810	1,810	

2005-2006 Enacted Budget Report

**CASH FINANCIAL PLAN
STATE FUNDS
2005-2006
(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	<u>1,218</u>	<u>2,006</u>	<u>(206)</u>	<u>184</u>	<u>3,202</u>
Receipts:					
Taxes	34,780	5,843	1,860	10,049	52,532
Miscellaneous receipts	2,348	12,965	1,574	656	17,543
Federal grants	4	1	0	0	5
Total receipts	<u>37,132</u>	<u>18,809</u>	<u>3,434</u>	<u>10,705</u>	<u>70,080</u>
Disbursements:					
Grants to local governments	31,448	13,990	1,053	0	46,491
State operations	8,067	5,155	0	26	13,248
General State charges	4,049	552	0	0	4,601
Debt service	0	0	0	3,843	3,843
Capital projects	0	2	2,088	0	2,090
Total disbursements	<u>43,564</u>	<u>19,699</u>	<u>3,141</u>	<u>3,869</u>	<u>70,273</u>
Other financing sources (uses):					
Transfers from other funds	9,667	1,136	266	5,221	16,290
Transfers to other funds	(2,643)	(417)	(936)	(12,046)	(16,042)
Bond and note proceeds	0	0	279	0	279
Net other financing sources (uses)	<u>7,024</u>	<u>719</u>	<u>(391)</u>	<u>(6,825)</u>	<u>527</u>
Change in fund balance	<u>592</u>	<u>(171)</u>	<u>(98)</u>	<u>11</u>	<u>334</u>
Closing fund balance	<u>1,810</u>	<u>1,835</u>	<u>(304)</u>	<u>195</u>	<u>3,536</u>

2005-2006 Enacted Budget Report

**CASH FINANCIAL PLAN
STATE FUNDS
2004-2005 Adjusted and 2005-2006
(millions of dollars)**

	2004-2005 Adjusted Actuals	2005-2006 30-Day	2005-2006 Enacted	Enacted vs. Actuals	Enacted vs. 30-Day
Opening fund balance	2,618	2,917	3,202	584	285
Receipts:					
Taxes	49,056	50,966	52,532	3,476	1,566
Miscellaneous receipts	16,582	18,150	17,543	961	(607)
Federal grants	10	5	5	(5)	0
Total receipts	<u>65,648</u>	<u>69,121</u>	<u>70,080</u>	<u>4,432</u>	<u>959</u>
Disbursements:					
Grants to local governments	42,397	45,200	46,491	4,094	1,291
State operations	12,492	13,419	13,248	756	(171)
General State charges	4,177	4,453	4,601	424	148
Debt service	3,789	3,842	3,843	54	1
Capital projects	2,549	2,143	2,090	(459)	(53)
Total disbursements	<u>65,404</u>	<u>69,057</u>	<u>70,273</u>	<u>4,869</u>	<u>1,216</u>
Other financing sources (uses):					
Transfers from other funds	15,703	15,920	16,290	587	370
Transfers to other funds	(15,541)	(15,680)	(16,042)	(501)	(362)
Bond and note proceeds	178	145	279	101	134
Net other financing sources (uses)	<u>340</u>	<u>385</u>	<u>527</u>	<u>187</u>	<u>142</u>
Change in fund balance	<u>584</u>	<u>449</u>	<u>334</u>	<u>(250)</u>	<u>(115)</u>
Closing fund balance	<u>3,202</u>	<u>3,366</u>	<u>3,536</u>	<u>334</u>	<u>170</u>

To provide a comparable basis for calculating annual change, the 2004-05 amounts have been increased for the inclusion of all HCRA funded programs on-budget (\$925 million) and additional Medicaid spending to comply with Federal policy changes related to certain county shares adjustments (\$508 million).

2005-2006 Enacted Budget Report

**CASH FINANCIAL PLAN
ALL GOVERNMENTAL FUNDS
2005-2006
(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	<u>1,218</u>	<u>2,005</u>	<u>(454)</u>	<u>184</u>	<u>2,953</u>
Receipts:					
Taxes	34,780	5,843	1,860	10,049	52,532
Miscellaneous receipts	2,348	12,974	1,574	656	17,552
Federal grants	4	34,570	1,850	0	36,424
Total receipts	<u>37,132</u>	<u>53,387</u>	<u>5,284</u>	<u>10,705</u>	<u>106,508</u>
Disbursements:					
Grants to local governments	31,448	45,076	1,282	0	77,806
State operations	8,067	8,238	0	26	16,331
General State charges	4,049	772	0	0	4,821
Debt service	0	0	0	3,843	3,843
Capital projects	0	2	3,700	0	3,702
Total disbursements	<u>43,564</u>	<u>54,088</u>	<u>4,982</u>	<u>3,869</u>	<u>106,503</u>
Other financing sources (uses):					
Transfers from other funds	9,667	3,537	266	5,221	18,691
Transfers to other funds	(2,643)	(3,124)	(945)	(12,046)	(18,758)
Bond and note proceeds	0	0	279	0	279
Net other financing sources (uses)	<u>7,024</u>	<u>413</u>	<u>(400)</u>	<u>(6,825)</u>	<u>212</u>
Change in fund balance	<u>592</u>	<u>(288)</u>	<u>(98)</u>	<u>11</u>	<u>217</u>
Closing fund balance	<u>1,810</u>	<u>1,717</u>	<u>(552)</u>	<u>195</u>	<u>3,170</u>

2005-2006 Enacted Budget Report

**CURRENT STATE RECEIPTS
ALL GOVERNMENTAL FUNDS
2004-2005 and 2005-2006
(millions of dollars)**

	<u>2004-2005 Actual</u>	<u>2005-2006 Enacted</u>	<u>Annual Change</u>
Personal income tax	27,997	31,121	3,124
User taxes and fees	13,036	13,785	749
Sales and use taxes	11,016	11,219	203
Cigarette and tobacco taxes	406	962	556
Motor fuel tax	530	533	3
Motor vehicle fees	666	635	(31)
Highway use tax	151	163	12
Alcoholic beverage taxes	185	186	1
Alcoholic beverage control license fees	42	46	4
Auto rental tax	40	41	1
Business taxes	5,806	6,109	303
Corporation franchise tax	2,110	2,280	170
Corporation and utilities taxes	827	844	17
Insurance taxes	1,108	1,147	39
Bank tax	676	693	17
Petroleum business taxes	1,085	1,145	60
Other taxes	1,656	1,517	(139)
Estate tax	895	752	(143)
Gift tax	3	0	(3)
Real property gains tax	1	0	(1)
Real estate transfer tax	730	739	9
Pari-mutuel taxes	26	25	(1)
Other taxes	1	1	0
Total taxes	48,495	52,532	4,037
Miscellaneous receipts	15,860	17,552	1,692
Federal grants	36,221	36,424	203
Total	<u>100,576</u>	<u>106,508</u>	<u>5,932</u>

2005-2006 Enacted Budget Report

**CASH FINANCIAL PLAN
ALL GOVERNMENTAL FUNDS
2004-2005 Adjusted and 2005-2006
(millions of dollars)**

	2004-2005 Adjusted Actuals	2005-2006 30-Day	2005-2006 Enacted	Enacted vs. Actuals	Enacted vs. 30-Day
Opening fund balance	2,946	3,009	2,953	7	(56)
Receipts:					
Taxes	49,056	50,966	52,532	3,476	1,566
Miscellaneous receipts	16,732	18,244	17,552	820	(692)
Federal grants	36,221	36,239	36,424	203	185
Total receipts	<u>102,009</u>	<u>105,449</u>	<u>106,508</u>	<u>4,499</u>	<u>1,059</u>
Disbursements:					
Grants to local governments	74,422	76,307	77,806	3,384	1,499
State operations	15,670	16,585	16,331	661	(254)
General State charges	4,365	4,673	4,821	456	148
Debt service	3,789	3,842	3,843	54	1
Capital projects	3,855	3,755	3,702	(153)	(53)
Total disbursements	<u>102,101</u>	<u>105,162</u>	<u>106,503</u>	<u>4,402</u>	<u>1,341</u>
Other financing sources (uses):					
Transfers from other funds	18,095	18,317	18,691	596	374
Transfers to other funds	(18,174)	(18,392)	(18,758)	(584)	(366)
Bond and note proceeds	178	145	279	101	134
Net other financing sources (uses)	<u>99</u>	<u>70</u>	<u>212</u>	<u>113</u>	<u>142</u>
Change in fund balance	<u>7</u>	<u>357</u>	<u>217</u>	<u>210</u>	<u>(140)</u>
Closing fund balance	<u>2,953</u>	<u>3,366</u>	<u>3,170</u>	<u>217</u>	<u>(196)</u>

To provide a comparable basis for calculating annual change, the 2004-05 amounts have been increased for the inclusion of all HCRA funded programs on-budget (\$925 million) and additional Medicaid spending to comply with Federal policy changes related to certain county shares adjustments (\$508 million).

2005-2006 Enacted Budget Report

**CASH FINANCIAL PLAN
SPECIAL REVENUE FUNDS
2005-2006
(millions of dollars)**

	<u>State</u>	<u>Federal</u>	<u>Total</u>
Opening fund balance	<u>2,006</u>	<u>(1)</u>	<u>2,005</u>
Receipts:			
Taxes	5,843	0	5,843
Miscellaneous receipts	12,965	9	12,974
Federal grants	<u>1</u>	<u>34,569</u>	<u>34,570</u>
Total receipts	<u>18,809</u>	<u>34,578</u>	<u>53,387</u>
Disbursements:			
Grants to local governments	13,990	31,086	45,076
State operations	5,155	3,083	8,238
General State charges	552	220	772
Debt service	0	0	0
Capital projects	<u>2</u>	<u>0</u>	<u>2</u>
Total disbursements	<u>19,699</u>	<u>34,389</u>	<u>54,088</u>
Other financing sources (uses):			
Transfers from other funds	1,136	2,401	3,537
Transfers to other funds	(417)	(2,707)	(3,124)
Bond and note proceeds	<u>0</u>	<u>0</u>	<u>0</u>
Net other financing sources (uses)	<u>719</u>	<u>(306)</u>	<u>413</u>
Change in fund balance	<u>(171)</u>	<u>(117)</u>	<u>(288)</u>
Closing fund balance	<u>1,835</u>	<u>(118)</u>	<u>1,717</u>

2005-2006 Enacted Budget Report

**CASH FINANCIAL PLAN
CAPITAL PROJECTS FUNDS
2005-2006
(millions of dollars)**

	<u>State</u>	<u>Federal</u>	<u>Total</u>
Opening fund balance	<u>(206)</u>	<u>(248)</u>	<u>(454)</u>
Receipts:			
Taxes	1,860	0	1,860
Miscellaneous receipts	1,574	0	1,574
Federal grants	<u>0</u>	<u>1,850</u>	<u>1,850</u>
Total receipts	<u>3,434</u>	<u>1,850</u>	<u>5,284</u>
Disbursements:			
Grants to local governments	1,053	229	1,282
State operations	0	0	0
General State charges	0	0	0
Debt service	0	0	0
Capital projects	<u>2,088</u>	<u>1,612</u>	<u>3,700</u>
Total disbursements	<u>3,141</u>	<u>1,841</u>	<u>4,982</u>
Other financing sources (uses):			
Transfers from other funds	266	0	266
Transfers to other funds	(936)	(9)	(945)
Bond and note proceeds	<u>279</u>	<u>0</u>	<u>279</u>
Net other financing sources (uses)	<u>(391)</u>	<u>(9)</u>	<u>(400)</u>
Change in fund balance	<u>(98)</u>	<u>0</u>	<u>(98)</u>
Closing fund balance	<u>(304)</u>	<u>(248)</u>	<u>(552)</u>

2005-2006 Enacted Budget Report

**GAAP FINANCIAL PLAN
GENERAL FUND
2004-2005 and 2005-2006
(millions of dollars)**

	2004-2005 Preliminary Actuals	2005-2006 Enacted	Change
Revenues:			
Taxes:			
Personal income tax	20,001	20,594	593
User taxes and fees	8,900	8,625	(275)
Business taxes	4,174	4,300	126
Other taxes	874	798	(76)
Miscellaneous revenues	4,445	4,042	(403)
Federal grants	11	4	(7)
Total revenues	<u>38,405</u>	<u>38,363</u>	<u>(42)</u>
Expenditures:			
Grants to local governments	32,255	34,033	1,778
State operations	10,248	10,603	355
General State charges	3,156	3,447	291
Debt service	24	25	1
Capital projects	0	0	0
Total expenditures	<u>45,683</u>	<u>48,108</u>	<u>2,425</u>
Other financing sources (uses):			
Transfers from other funds	12,597	13,421	824
Transfers to other funds	(4,983)	(5,041)	(58)
Proceeds from financing arrangements/ advance refundings	634	971	337
Net other financing sources (uses)	<u>8,248</u>	<u>9,351</u>	<u>1,103</u>
(Excess) deficiency of revenues and other financing sources over expenditures and other financing uses	<u>970</u>	<u>(394)</u>	<u>(1,364)</u>
Accumulated Surplus	<u>689</u>	<u>295</u>	

2005-2006 Enacted Budget Report

**GAAP FINANCIAL PLAN
GENERAL FUND
2005-2006
(millions of dollars)**

	<u>2005-2006 30-Day</u>	<u>Change</u>	<u>2005-2006 Enacted</u>
Revenues:			
Taxes:			
Personal income tax	19,980	614	20,594
User taxes and fees	8,646	(21)	8,625
Business taxes	4,133	167	4,300
Other taxes	798	0	798
Miscellaneous revenues	4,327	(285)	4,042
Federal grants	4	0	4
Total revenues	<u>37,888</u>	<u>475</u>	<u>38,363</u>
Expenditures:			
Grants to local governments	33,178	855	34,033
State operations	10,784	(181)	10,603
General State charges	3,288	159	3,447
Debt service	25	0	25
Capital projects	0	0	0
Total expenditures	<u>47,275</u>	<u>833</u>	<u>48,108</u>
Other financing sources (uses):			
Transfers from other funds	13,264	157	13,421
Transfers to other funds	(4,851)	(190)	(5,041)
Proceeds from financing arrangements/ advance refundings	914	57	971
Net other financing sources (uses)	<u>9,327</u>	<u>24</u>	<u>9,351</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(60)</u>	<u>(334)</u>	<u>(394)</u>
Accumulated (Deficit)/Surplus	<u>(575)</u>	<u>870</u>	<u>295</u>

2005-2006 Enacted Budget Report

**GAAP FINANCIAL PLAN
ALL GOVERNMENTAL FUNDS
2005-2006
(millions of dollars)**

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Debt Service Funds</u>	<u>(MEMO) Total</u>
Revenues:					
Taxes	34,317	5,840	1,859	10,058	52,074
Patient fees	0	0	0	326	326
Miscellaneous revenues	4,042	5,876	312	23	10,253
Federal grants	4	36,382	1,850	0	38,236
Total revenues	<u>38,363</u>	<u>48,098</u>	<u>4,021</u>	<u>10,407</u>	<u>100,889</u>
Expenditures:					
Grants to local governments	34,033	42,745	1,269	0	78,047
State operations	10,603	1,714	0	26	12,343
General State charges	3,447	299	0	0	3,746
Debt service	25	0	0	3,038	3,063
Capital projects	0	2	3,336	0	3,338
Total expenditures	<u>48,108</u>	<u>44,760</u>	<u>4,605</u>	<u>3,064</u>	<u>100,537</u>
Other financing sources (uses):					
Transfers from other funds	13,421	289	242	5,241	19,193
Transfers to other funds	(5,041)	(3,712)	(981)	(12,565)	(22,299)
Proceeds of general obligation bonds	0	0	279	0	279
Proceeds from financing arrangements/ advance refundings	971	0	934	0	1,905
Net other financing sources (uses)	<u>9,351</u>	<u>(3,423)</u>	<u>474</u>	<u>(7,324)</u>	<u>(922)</u>
(Excess) deficiency of revenues and other financing sources over expenditures and other financing uses					
	<u>(394)</u>	<u>(85)</u>	<u>(110)</u>	<u>19</u>	<u>(570)</u>

2005-2006 Enacted Budget Report

**GAAP FINANCIAL PLAN
All GOVERNMENTAL FUNDS
2005-2006
(millions of dollars)**

	<u>Major Funds</u>		<u>Other Governmental Funds</u>	<u>Eliminations</u>	<u>Total</u>
	<u>General Fund</u>	<u>Federal Special Revenue</u>			
Revenues:					
Taxes:					
Personal income tax	20,594	0	10,006	0	30,600
User taxes and fees	8,625	0	5,192	0	13,817
Business taxes	4,300	0	1,821	0	6,121
Other taxes	798	0	738	0	1,536
Federal grants	0	36,381	1,855	0	38,236
Patient fees	0	0	326	0	326
Miscellaneous receipts	4,042	49	6,162	0	10,253
Total revenues	<u>38,359</u>	<u>36,430</u>	<u>26,100</u>	<u>0</u>	<u>100,889</u>
Expenditures:					
Grants to local governments	34,033	31,514	12,500	0	78,047
State operations	10,603	1,137	603	0	12,343
General State charges	3,447	197	102	0	3,746
Debt service	25	0	3,038	0	3,063
Capital projects	0	1	3,337	0	3,338
Total expenditures	<u>48,108</u>	<u>32,849</u>	<u>19,580</u>	<u>0</u>	<u>100,537</u>
Other financing sources (uses):					
Transfers from other funds	13,421	0	5,772	(17,411)	1,782
Transfers to other funds	(5,041)	(3,650)	(13,608)	17,411	(4,888)
Proceeds of General obligation bonds	0	0	279	0	279
Proceeds from financing arrangements/ advance refundings	971	0	934	0	1,905
Net other financing sources (uses)	<u>9,351</u>	<u>(3,650)</u>	<u>(6,623)</u>	<u>0</u>	<u>(922)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses					
	<u>(398)</u>	<u>(69)</u>	<u>(103)</u>	<u>0</u>	<u>(570)</u>

2005-2006 Enacted Budget Report

**CASH FINANCIAL PLAN
HEALTH CARE REFORM ACT RESOURCES FUND
2004-2005 AND 2005-2006
(millions of dollars)**

	<u>2004-2005</u> <u>Actual</u>	<u>2005-2006</u> <u>Enacted</u>	<u>Annual</u> <u>Change</u>
Opening fund balance	<u>430</u>	<u>164</u>	<u>(266)</u>
Receipts:			
Cigarette taxes	573	561	(12)
Miscellaneous receipts	3,273	5,194	1,921
Total receipts	<u>3,846</u>	<u>5,755</u>	<u>1,909</u>
Disbursements:			
Hospital Indigent Care Fund	831	853	22
Professional Education/Graduate Medical Education	452	353	(99)
Elderly Pharmaceutical Insurance Coverage (EPIC)	462	570	108
Child Health Plus (CHP)	301	349	48
Family Health Plus (FHP)	302	455	153
Workforce Recruitment and Retention	306	416	110
Public Health	101	142	41
Mental Health	91	88	(3)
Roswell Park Cancer Institute	78	78	0
Physician Excess Medical Malpractice	55	49	(6)
Transfer To Medicaid:			
Pharmacy Costs	396	1,232	836
Physician Costs	85	85	0
Health Insurance Demonstration Project	39	69	30
Supplemental Medical Insurance	68	68	0
All Other Medicaid	243	399	156
All Other	302	359	57
Total disbursements	<u>4,112</u>	<u>5,565</u>	<u>1,453</u>
Change in fund balance	<u>(266)</u>	<u>190</u>	<u>456</u>
Closing fund balance	<u>164</u>	<u>354</u>	<u>190</u>

2005-2006 Enacted Budget Report

**CASH FINANCIAL PLAN
HEALTH CARE REFORM ACT RESOURCES FUND
2005-2006
(millions of dollars)**

	<u>30-Day</u>	<u>Change</u>	<u>Enacted</u>
Opening fund balance	<u>32</u>	<u>132</u>	<u>164</u>
Receipts:			
Cigarette taxes	561	0	561
Miscellaneous receipts	<u>5,126</u>	<u>68</u>	<u>5,194</u>
Total receipts	<u>5,687</u>	<u>68</u>	<u>5,755</u>
Disbursements:			
Hospital Indigent Care Fund	853	0	853
Professional Education/Graduate Medical Education	380	(27)	353
Elderly Pharmaceutical Insurance Coverage (EPIC)	570	0	570
Child Health Plus (CHP)	349	0	349
Family Health Plus (FHP)	314	141	455
Workforce Recruitment and Retention	352	64	416
Public Health	142	0	142
Mental Health	88	0	88
Roswell Park Cancer Institute	78	0	78
Physician Excess Medical Malpractice	49	0	49
Transfer To Medicaid:			
Pharmacy Costs	1,275	(43)	1,232
Physician Costs	85	0	85
Health Insurance Demonstration Project	69	0	69
Supplemental Medical Insurance	68	0	68
All Other Medicaid	266	133	399
All Other	<u>400</u>	<u>(41)</u>	<u>359</u>
Total disbursements	<u>5,338</u>	<u>227</u>	<u>5,565</u>
Change in fund balance	<u>349</u>	<u>(159)</u>	<u>190</u>
Closing fund balance	<u>381</u>	<u>(27)</u>	<u>354</u>

2005-2006 Enacted Budget Report

**CASH FINANCIAL PLAN
HEALTH CARE REFORM ACT RESOURCES FUND
2005-2006 THROUGH JUNE 30, 2007
(millions of dollars)**

	2005-2006 Enacted	2006-2007 Projected	2007-2008 April Through June Projected
Opening fund balance	<u>164</u>	<u>354</u>	<u>30</u>
Receipts:			
Cigarette taxes	561	579	158
Miscellaneous receipts	5,194	3,639	656
Total receipts	<u>5,755</u>	<u>4,218</u>	<u>814</u>
Disbursements:			
Hospital Indigent Care Fund	853	853	276
Professional Education/Graduate Medical Education	353	390	135
Elderly Pharmaceutical Insurance Coverage (EPIC)	570	654	0
Child Health Plus (CHP)	349	369	97
Family Health Plus (FHP)	426	517	0
Workforce Recruitment and Retention	416	416	0
Public Health	142	141	36
Mental Health	88	87	22
Roswell Park Cancer Institute	78	78	20
Physician Excess Medical Malpractice	49	65	16
Transfer To Medicaid:			
Pharmacy Costs	1,261	79	0
Physician Costs	85	85	0
Health Insurance Demonstration Project	69	69	0
Supplemental Medical Insurance	68	68	0
All Other Medicaid	399	260	0
All Other	359	411	72
Total disbursements	<u>5,565</u>	<u>4,542</u>	<u>674</u>
Change in fund balance	<u>190</u>	<u>(324)</u>	<u>140</u>
Closing fund balance	<u>354</u>	<u>30</u>	<u>170</u>

2005-2006 Enacted Budget Report

CASH FLOW
HEALTH CARE REFORM ACT RESOURCES FUND
2005-2006
(millions of dollars)

	First Quarter (Projected)	Second Quarter (Projected)	Third Quarter (Projected)	Fourth Quarter (Projected)	Total (Projected)
Opening fund balance	<u>164</u>	<u>132</u>	<u>153</u>	<u>938</u>	<u>164</u>
Receipts:					
Cigarette Taxes	147	141	141	132	561
Miscellaneous Receipts	<u>538</u>	<u>702</u>	<u>2,569</u>	<u>1,385</u>	<u>5,194</u>
Total receipts	<u>685</u>	<u>843</u>	<u>2,710</u>	<u>1,517</u>	<u>5,755</u>
Disbursements:					
Hospital Indigent Care Fund	285	212	214	142	853
Professional Education/Graduate Medical Education	129	72	75	77	353
Elderly Pharmaceutical Insurance Coverage (EPIC)	0	0	229	341	570
Child Health Plus (CHP)	116	44	110	79	349
Family Health Plus (FHP)	0	88	178	160	426
Workforce Recruitment and Retention	24	120	152	120	416
Public Health	38	13	44	47	142
Mental Health	29	0	29	30	88
Roswell Park Cancer Institute	26	0	24	28	78
Physician Excess Medical Malpractice	0	0	49	0	49
Transfer To Medicaid:					
Pharmacy Costs	0	148	402	711	1,261
Physician Costs	0	27	53	5	85
Health Insurance Demonstration Project	0	17	35	17	69
Supplemental Medical Insurance	0	0	34	34	68
All Other Medicaid	0	27	144	228	399
All Other	<u>70</u>	<u>54</u>	<u>153</u>	<u>82</u>	<u>359</u>
Total disbursements	<u>717</u>	<u>822</u>	<u>1,925</u>	<u>2,101</u>	<u>5,565</u>
Change in fund balance	<u>(32)</u>	<u>21</u>	<u>785</u>	<u>(584)</u>	<u>190</u>
Closing fund balance	<u>132</u>	<u>153</u>	<u>938</u>	<u>354</u>	<u>354</u>

2005-2006 Enacted Budget Report

CASH DISBURSEMENTS BY FUNCTION GENERAL FUND (thousands of dollars)

	2004-2005	2005-2006	Annual
	Adjusted	Enacted	Change
	Actuals	Enacted	Change
ECONOMIC DEVELOPMENT AND GOVERNMENT OVERSIGHT			
Agriculture and Markets, Department of	42,384	48,103	5,719
Alcoholic Beverage Control	0	0	0
Banking Department	0	250	250
Consumer Protection Board	315	0	(315)
Economic Development, Department of	38,683	37,199	(1,484)
Empire State Development Corporation	3,682	80,598	76,916
Energy Research and Development Authority	0	0	0
Housing Finance Agency	0	74,010	74,010
Housing and Community Renewal, Division of	67,895	0	(67,895)
Insurance Department	0	0	0
Olympic Regional Development Authority	9,050	50,834	41,784
Public Service, Department of	0	7,350	7,350
Science, Technology and Academic Research, Office of	44,950	0	(44,950)
Functional Total	206,959	298,344	91,385
PARKS AND THE ENVIRONMENT			
Adirondack Park Agency	4,271	4,408	137
Environmental Conservation, Department of	111,359	115,872	4,513
Environmental Facilities Corporation	0	0	0
Parks, Recreation and Historic Preservation, Office of	106,659	109,348	2,689
Functional Total	222,289	229,628	7,339
TRANSPORTATION			
Motor Vehicles, Department of	4,244	0	(4,244)
Thruway Authority	0	0	0
Transportation, Department of	113,408	108,140	(5,268)
Functional Total	117,652	108,140	(9,512)
HEALTH AND SOCIAL WELFARE			
Advocate for Persons with Disabilities, Office of	717	0	(717)
Aging, Office for the	66,237	79,013	12,776
Children and Family Services, Office of	1,319,397	1,436,930	117,533
Health, Department of	8,264,088	8,316,976	52,888
<i>Medical Assistance</i>	7,461,096	7,445,597	(15,499)
<i>Medicaid Administration</i>	115,975	119,950	3,975
<i>All Other</i>	687,017	751,429	64,412
Human Rights, Division of	13,492	13,142	(350)
Labor, Department of	9,182	16,176	6,994
Prevention of Domestic Violence, Office of	2,697	2,415	(282)

To provide a comparable basis for calculating annual change, the 2004-05 amounts have been increase for Medicaid spending to comply with Federal policy changes related to certain county shares adjustments (\$508 million).

2005-2006 Enacted Budget Report

CASH DISBURSEMENTS BY FUNCTION GENERAL FUND (thousands of dollars)

	2004-2005 Adjusted Actuals	2005-2006 Enacted	Annual Change
HEALTH AND SOCIAL WELFARE (Continued)			
Temporary and Disability Assistance, Office of	1,516,787	1,451,257	(65,530)
<i>Welfare Assistance</i>	1,135,568	1,000,969	(134,599)
<i>Welfare Administration</i>	304,281	371,550	67,269
<i>All Other</i>	76,938	78,738	1,800
Welfare Inspector General, Office of	674	754	80
Workers' Compensation Board	0	0	0
Functional Total	11,193,271	11,316,663	123,392
MENTAL HEALTH			
Mental Health, Office of	1,334,032	1,337,781	3,749
Mental Hygiene, Department of	0	0	0
Mental Retardation and Developmental Disabilities, Office of	860,922	831,992	(28,930)
Alcohol and Substance Abuse Services, Office of	298,961	298,127	(834)
Developmental Disabilities Planning Council	0	0	0
Quality of Care for the Mentally Disabled, Commission on	2,861	4,263	1,402
Functional Total	2,496,776	2,472,163	(24,613)
PUBLIC PROTECTION			
Capital Defenders Office	11,335	10,916	(419)
Correction, Commission of	2,511	2,510	(1)
Correctional Services, Department of	2,057,270	1,995,345	(61,925)
Crime Victims Board	2,794	3,314	520
Criminal Justice Services, Division of	88,398	106,592	18,194
Homeland Security	6,968	5,219	(1,749)
Investigation, Temporary State Commission of	3,151	3,463	312
Judicial Commissions	2,647	2,703	56
Military and Naval Affairs, Division of	28,892	26,167	(2,725)
Parole, Division of	175,770	183,489	7,719
Probation and Correctional Alternatives, Division of	68,903	78,596	9,693
Public Security, Office of	0	0	0
State Police, Division of	331,811	352,235	20,424
Functional Total	2,780,450	2,770,549	(9,901)
EDUCATION			
Arts, Council on the	44,758	42,705	(2,053)
City University of New York	753,615	928,826	175,211
Education, Department of	14,170,210	15,212,855	1,042,645
<i>School Aid</i>	12,759,113	13,623,270	864,157
<i>STAR Property Tax Relief</i>	0	0	0
<i>Handicapped</i>	835,884	908,473	72,589
<i>All Other</i>	575,213	681,112	105,899
Higher Education Services Corporation	928,159	889,478	(38,681)
State University Construction Fund	0	0	0
State University of New York	1,273,698	1,359,162	85,464
Functional Total	17,170,440	18,433,026	1,262,586

To provide a comparable basis for calculating annual change, the 2004-05 amounts have been increase for Medicaid spending to comply with Federal policy changes related to certain county shares adjustments (\$508 million).

2005-2006 Enacted Budget Report

CASH DISBURSEMENTS BY FUNCTION GENERAL FUND (thousands of dollars)

	<u>2004-2005 Adjusted Actuals</u>	<u>2005-2006 Enacted</u>	<u>Annual Change</u>
GENERAL GOVERNMENT			
Audit and Control, Department of	156,540	167,367	10,827
Budget, Division of the	24,689	28,185	3,496
Civil Service, Department of	21,658	24,199	2,541
Elections, State Board of	3,374	3,594	220
Employee Relations, Office of	3,215	3,580	365
Executive Chamber	13,521	15,480	1,959
General Services, Office of	121,141	148,686	27,545
Inspector General, Office of	4,136	4,579	443
Law, Department of	114,458	125,637	11,179
Lieutenant Governor, Office of the	378	485	107
Lottery, Division of	0	0	0
Racing and Wagering Board, State	0	0	0
Real Property Services, Office of	20,837	21,197	360
Regulatory Reform, Governor's Office of	3,458	3,554	96
State Labor Relations Board	3,394	3,357	(37)
State, Department of	16,375	20,523	4,148
Tax Appeals, Division of	2,781	306,876	304,095
Taxation and Finance, Department of	309,622	2,994	(306,628)
Technology, Office for	20,212	20,076	(136)
TSC Lobbying	1,034	909	(125)
Veterans Affairs, Division of	10,235	12,089	1,854
Functional Total	<u>851,058</u>	<u>913,367</u>	<u>62,309</u>
ALL OTHER CATEGORIES			
Legislature	206,711	206,672	(39)
Judiciary (excluding fringe benefits)	1,356,498	1,392,500	36,002
World Trade Center	0	0	0
Local Government Assistance	969,352	1,028,900	59,548
Long-Term Debt Service	1,730,861	1,666,548	(64,313)
Capital Projects	197,293	228,597	31,304
General State Charges/Miscellaneous	4,627,469	5,142,286	514,817
Functional Total	<u>9,088,184</u>	<u>9,665,503</u>	<u>577,319</u>
TOTAL GENERAL FUND SPENDING	<u>44,127,079</u>	<u>46,207,383</u>	<u>2,080,304</u>

To provide a comparable basis for calculating annual change, the 2004-05 amounts have been increase for Medicaid spending to comply with Federal policy changes related to certain county shares adjustments (\$508 million).

2005-2006 Enacted Budget Report

CASH DISBURSEMENTS BY FUNCTION STATE FUNDS (thousands of dollars)

	2004-2005 Adjusted Actual	2005-2006 Enacted	Annual Change
ECONOMIC DEVELOPMENT AND GOVERNMENT OVERSIGHT			
Agriculture and Markets, Department of	67,055	77,099	10,044
Alcoholic Beverage Control	9,992	11,471	1,479
Banking Department	57,375	80,566	23,191
Consumer Protection Board	2,193	2,575	382
Economic Development, Department of	294,773	329,144	34,371
Empire State Development Corporation	32,970	270,798	237,828
Energy Research and Development Authority	26,135	26,006	(129)
Housing Finance Agency	0	0	0
Housing and Community Renewal, Division of	183,935	201,325	17,390
Insurance Department	121,655	149,444	27,789
Olympic Regional Development Authority	9,282	7,750	(1,532)
Public Service, Department of	49,268	55,395	6,127
Science, Technology and Academic Research, Office of	50,547	67,834	17,287
Functional Total	905,180	1,279,407	374,227
PARKS AND THE ENVIRONMENT			
Adirondack Park Agency	4,271	4,408	137
Environmental Conservation, Department of	564,405	785,269	220,864
Environmental Facilities Corporation	14,653	12,664	(1,989)
Parks, Recreation and Historic Preservation, Office of	201,134	244,728	43,594
Functional Total	784,463	1,047,069	262,606
TRANSPORTATION			
Motor Vehicles, Department of	199,227	255,630	56,403
Thruway Authority	1,473	4,000	2,527
Transportation, Department of	3,610,370	4,173,113	562,743
Functional Total	3,811,070	4,432,743	621,673
HEALTH AND SOCIAL WELFARE			
Advocate for Persons with Disabilities, Office of	859	0	(859)
Aging, Office for the	66,238	82,074	15,836
Children and Family Services, Office of	1,335,412	1,474,668	139,256
Health, Department of	13,304,458	15,075,307	1,770,849
<i>Medical Assistance</i>	10,085,068	11,725,847	1,640,779
<i>Medicaid Administration</i>	115,975	119,950	3,975
<i>All Other</i>	3,103,415	3,229,510	126,095
Human Rights, Division of	13,492	13,148	(344)
Labor, Department of	91,510	98,499	6,989
Prevention of Domestic Violence, Office of	2,697	2,445	(252)

To provide a comparable basis for calculating annual change, the 2004-05 amounts have been adjusted for the inclusion of all HCRA funded programs on-budget and additional Medicaid spending to comply with Federal policy changes related to certain county shares adjustments. The 2004-05 adjustment for HCRA is \$925 million and Medicaid is \$508 million.

2005-2006 Enacted Budget Report

CASH DISBURSEMENTS BY FUNCTION STATE FUNDS (thousands of dollars)

	2004-2005 Adjusted Actual	2005-2006 Enacted	Annual Change
HEALTH AND SOCIAL WELFARE (Continued)			
Temporary and Disability Assistance, Office of	1,577,445	1,547,289	(30,156)
<i>Welfare Assistance</i>	1,135,568	1,000,969	(134,599)
<i>Welfare Administration</i>	304,281	371,550	67,269
<i>All Other</i>	137,596	174,770	37,174
Welfare Inspector General, Office of	674	754	80
Workers' Compensation Board	129,676	144,188	14,512
Functional Total	16,522,461	18,438,372	1,915,911
MENTAL HEALTH			
Mental Health, Office of	1,606,697	1,628,638	21,941
Mental Hygiene, Department of	0	4,800	4,800
Mental Retardation and Developmental Disabilities, Office of	951,343	936,748	(14,595)
Alcohol and Substance Abuse Services, Office of	340,301	336,347	(3,954)
Developmental Disabilities Planning Council	0	0	0
Quality of Care for the Mentally Disabled, Commission on	2,861	4,565	1,704
Functional Total	2,901,202	2,911,098	9,896
PUBLIC PROTECTION			
Capital Defenders Office	11,335	10,916	(419)
Correction, Commission of	2,511	2,510	(1)
Correctional Services, Department of	2,237,651	2,184,850	(52,801)
Crime Victims Board	23,718	30,890	7,172
Criminal Justice Services, Division of	97,934	130,803	32,869
Homeland Security	17,880	20,143	2,263
Investigation, Temporary State Commission of	3,288	3,652	364
Judicial Commissions	2,647	2,703	56
Military and Naval Affairs, Division of	44,016	45,611	1,595
Parole, Division of	175,773	183,589	7,816
Probation and Correctional Alternatives, Division of	68,903	78,596	9,693
Public Security, Office of	0	0	0
State Police, Division of	472,177	511,980	39,803
Functional Total	3,157,833	3,206,243	48,410
EDUCATION			
Arts, Council on the	44,758	43,405	(1,353)
City University of New York	978,988	1,451,318	472,330
Education, Department of	19,605,955	20,743,413	1,137,458
<i>School Aid</i>	15,049,065	15,829,014	779,949
<i>STAR Property Tax Relief</i>	3,058,940	3,222,000	163,060
<i>Handicapped</i>	835,884	908,473	72,589
<i>All Other</i>	662,066	783,926	121,860
Higher Education Services Corporation	998,350	1,029,192	30,842
State University Construction Fund	9,139	10,480	1,341
State University of New York	4,558,232	4,878,832	320,600
Functional Total	26,195,422	28,156,640	1,961,218

To provide a comparable basis for calculating annual change, the 2004-05 amounts have been adjusted for the inclusion of all HCRA funded programs on-budget and additional Medicaid spending to comply with Federal policy changes related to certain county shares adjustments. The 2004-05 adjustment for HCRA is \$925 million and Medicaid is \$508 million.

2005-2006 Enacted Budget Report

CASH DISBURSEMENTS BY FUNCTION STATE FUNDS (thousands of dollars)

	2004-2005 Adjusted Actual	2005-2006 Enacted	Annual Change
GENERAL GOVERNMENT			
Audit and Control, Department of	211,261	247,988	36,727
Budget, Division of the	32,214	43,399	11,185
Civil Service, Department of	22,408	25,199	2,791
Elections, State Board of	3,374	3,594	220
Employee Relations, Office of	3,231	3,768	537
Executive Chamber	13,521	15,580	2,059
General Services, Office of	211,609	242,312	30,703
Inspector General, Office of	5,082	6,017	935
Law, Department of	153,069	164,656	11,587
Lieutenant Governor, Office of the	378	485	107
Lottery, Division of	175,823	177,264	1,441
Racing and Wagering Board, State	14,656	17,902	3,246
Real Property Services, Office of	47,492	51,299	3,807
Regulatory Reform, Governor's Office of	3,458	3,554	96
State Labor Relations Board	3,394	3,943	549
State, Department of	61,523	156,188	94,665
Tax Appeals, Division of	2,781	2,994	213
Taxation and Finance, Department of	343,692	343,506	(186)
Technology, Office for	20,212	20,076	(136)
TSC Lobbying	1,273	1,376	103
Veterans Affairs, Division of	10,235	12,089	1,854
Functional Total	1,340,686	1,543,189	202,503
ALL OTHER CATEGORIES			
Legislature	206,711	207,622	911
Judiciary (excluding fringe benefits)	1,503,555	1,618,566	115,011
World Trade Center	0	0	0
Local Government Assistance	969,352	1,028,900	59,548
Long-Term Debt Service	3,788,884	3,842,725	53,841
General State Charges/Miscellaneous	4,254,797	5,094,826	840,029
GAAP/Other Adjustments	(937,000)	(2,534,000)	(1,597,000)
Functional Total	9,786,299	9,258,639	(527,660)
TOTAL STATE FUNDS SPENDING	65,404,616	70,273,400	4,868,784

To provide a comparable basis for calculating annual change, the 2004-05 amounts have been adjusted for the inclusion of all HCRA funded programs on-budget and additional Medicaid spending to comply with Federal policy changes related to certain county shares adjustments. The 2004-05 adjustment for HCRA is \$925 million and Medicaid is \$508 million.

2005-2006 Enacted Budget Report

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

	2004-2005 Adjusted Actual	2005-2006 Enacted	Annual Change
ECONOMIC DEVELOPMENT AND GOVERNMENT OVERSIGHT			
Agriculture and Markets, Department of	77,489	92,639	15,150
Alcoholic Beverage Control	10,016	11,471	1,455
Banking Department	57,375	80,566	23,191
Consumer Protection Board	2,193	2,575	382
Economic Development, Department of	294,849	329,489	34,640
Empire State Development Corporation	32,970	270,798	237,828
Energy Research and Development Authority	26,135	26,006	(129)
Housing Finance Agency	0	0	0
Housing and Community Renewal, Division of	246,400	237,600	(8,800)
Insurance Department	121,655	149,444	27,789
Olympic Regional Development Authority	9,282	7,750	(1,532)
Public Service, Department of	50,374	56,800	6,426
Science, Technology and Academic Research, Office of	54,675	73,459	18,784
Functional Total	983,413	1,338,597	355,184
PARKS AND THE ENVIRONMENT			
Adirondack Park Agency	4,847	4,758	(89)
Environmental Conservation, Department of	752,331	968,063	215,732
Environmental Facilities Corporation	14,653	12,664	(1,989)
Parks, Recreation and Historic Preservation, Office of	207,308	250,000	42,692
Functional Total	979,139	1,235,485	256,346
TRANSPORTATION			
Motor Vehicles, Department of	213,422	281,335	67,913
Thruway Authority	1,473	4,000	2,527
Transportation, Department of	5,219,130	5,735,736	516,606
Functional Total	5,434,025	6,021,071	587,046
HEALTH AND SOCIAL WELFARE			
Advocate for Persons with Disabilities, Office of	1,124	0	(1,124)
Aging, Office for the	174,414	185,763	11,349
Children and Family Services, Office of	3,126,575	3,095,010	(31,565)
Health, Department of	34,739,253	36,630,384	1,891,131
<i>Medical Assistance</i>	29,862,681	31,592,054	1,729,373
<i>Medicaid Administration</i>	565,309	589,500	24,191
<i>All Other</i>	4,311,263	4,448,830	137,567
Human Rights, Division of	14,692	15,119	427
Labor, Department of	621,191	676,736	55,545
Prevention of Domestic Violence, Office of	2,805	2,445	(360)

To provide a comparable basis for calculating annual change, the 2004-05 amounts have been adjusted for the inclusion of all HCRA funded programs on-budget and additional Medicaid spending to comply with Federal policy changes related to certain county shares adjustments. The 2004-05 adjustment for HCRA is \$925 million and Medicaid is \$508 million.

2005-2006 Enacted Budget Report

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

	2004-2005 Adjusted Actual	2005-2006 Enacted	Annual Change
HEALTH AND SOCIAL WELFARE (Continued)			
Temporary and Disability Assistance, Office of	4,359,329	4,678,874	319,545
<i>Welfare Assistance</i>	3,133,225	3,312,576	179,351
<i>Welfare Administration</i>	304,281	371,550	67,269
<i>All Other</i>	921,823	994,748	72,925
Welfare Inspector General, Office of	1,031	1,184	153
Workers' Compensation Board	132,004	144,954	12,950
Functional Total	43,172,418	45,430,469	2,258,051
MENTAL HEALTH			
Mental Health, Office of	2,191,230	2,240,056	48,826
Mental Hygiene, Department of	1,739	4,800	3,061
Mental Retardation and Developmental Disabilities, Office of	2,820,474	2,906,993	86,519
Alcohol and Substance Abuse Services, Office of	489,746	486,682	(3,064)
Developmental Disabilities Planning Council	3,444	3,679	235
Quality of Care for the Mentally Disabled, Commission on	10,628	13,492	2,864
Functional Total	5,517,261	5,655,702	138,441
PUBLIC PROTECTION			
Capital Defenders Office	11,335	10,916	(419)
Correction, Commission of	2,527	2,510	(17)
Correctional Services, Department of	2,252,305	2,244,388	(7,917)
Crime Victims Board	61,521	62,478	957
Criminal Justice Services, Division of	345,932	468,964	123,032
Homeland Security	17,880	21,743	3,863
Investigation, Temporary State Commission of	3,288	3,652	364
Judicial Commissions	2,647	2,703	56
Military and Naval Affairs, Division of	108,240	144,950	36,710
Parole, Division of	180,063	184,789	4,726
Probation and Correctional Alternatives, Division of	68,908	78,596	9,688
Public Security, Office of	0	0	0
State Police, Division of	485,987	515,866	29,879
Functional Total	3,540,633	3,741,555	200,922
EDUCATION			
Arts, Council on the	45,466	44,134	(1,332)
City University of New York	978,988	1,451,318	472,330
Education, Department of	22,898,301	24,330,682	1,432,381
<i>School Aid</i>	17,580,504	18,533,881	953,377
<i>STAR Property Tax Relief</i>	3,058,940	3,222,000	163,060
<i>Handicapped</i>	1,413,453	1,579,373	165,920
<i>All Other</i>	845,404	995,428	150,024
Higher Education Services Corporation	1,016,771	1,039,686	22,915
State University Construction Fund	9,139	10,480	1,341
State University of New York	4,724,776	5,061,032	336,256
Functional Total	29,673,441	31,937,332	2,263,891

To provide a comparable basis for calculating annual change, the 2004-05 amounts have been adjusted for the inclusion of all HCRA funded programs on-budget and additional Medicaid spending to comply with Federal policy changes related to certain county shares adjustments. The 2004-05 adjustment for HCRA is \$925 million and Medicaid is \$508 million.

2005-2006 Enacted Budget Report

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

	2004-2005 Adjusted Actual	2005-2006 Enacted	Annual Change
GENERAL GOVERNMENT			
Audit and Control, Department of	211,261	247,988	36,727
Budget, Division of the	32,214	43,399	11,185
Civil Service, Department of	22,408	25,199	2,791
Elections, State Board of	3,374	151,525	148,151
Employee Relations, Office of	3,231	3,768	537
Executive Chamber	13,521	15,580	2,059
General Services, Office of	218,939	246,778	27,839
Inspector General, Office of	5,082	6,017	935
Law, Department of	174,635	186,945	12,310
Lieutenant Governor, Office of the	378	485	107
Lottery, Division of	175,823	177,264	1,441
Racing and Wagering Board, State	14,656	17,902	3,246
Real Property Services, Office of	47,492	51,299	3,807
Regulatory Reform, Governor's Office of	3,458	3,554	96
State Labor Relations Board	3,394	3,943	549
State, Department of	116,456	236,223	119,767
Tax Appeals, Division of	2,781	2,994	213
Taxation and Finance, Department of	343,791	343,784	(7)
Technology, Office for	20,212	20,076	(136)
TSC Lobbying	1,273	1,376	103
Veterans Affairs, Division of	11,198	13,520	2,322
Functional Total	<u>1,425,577</u>	<u>1,799,619</u>	<u>374,042</u>
ALL OTHER CATEGORIES			
Legislature	206,711	207,622	911
Judiciary (excluding fringe benefits)	1,507,117	1,626,166	119,049
World Trade Center	1,380,430	149,000	(1,231,430)
Local Government Assistance	969,352	1,028,900	59,548
Long-Term Debt Service	3,788,884	3,842,725	53,841
General State Charges/Miscellaneous	4,459,120	5,322,679	863,559
GAAP/Other Adjustments	(937,000)	(2,834,000)	(1,897,000)
Functional Total	<u>11,374,614</u>	<u>9,343,092</u>	<u>(2,031,522)</u>
TOTAL ALL GOVERNMENTAL FUNDS SPENDING	<u>102,100,521</u>	<u>106,502,922</u>	<u>4,402,401</u>

To provide a comparable basis for calculating annual change, the 2004-05 amounts have been adjusted for the inclusion of all HCRA funded programs on-budget and additional Medicaid spending to comply with Federal policy changes related to certain county shares adjustments. The 2004-05 adjustment for HCRA is \$925 million and Medicaid is \$508 million.

2005-2006 Enacted Budget Report

**WORKFORCE IMPACT SUMMARY REPORT
ALL FUNDS
2003-2004 THROUGH 2005-2006**

Major Agencies	2003-04 Actual (03/31/04)	2004-05 Actual (03/31/05)	2005-06 Estimate (03/31/06)
Audit and Control	2,184	2,214	2,325
Children and Family Services	3,834	3,730	3,754
Correctional Services	30,599	31,101	31,383
Education	2,995	2,988	3,034
Environmental Conservation	3,256	3,261	3,352
General Services	1,646	1,634	1,709
Health	5,802	5,854	5,962
Labor	4,075	4,065	3,953
Law	1,697	1,739	1,735
Mental Health	16,297	16,100	16,135
Mental Health Memo (1)	16,297	16,100	16,735
Mental Retardation	21,364	21,537	21,659
Mental Retardation Memo (1)	21,364	21,537	22,859
Motor Vehicles	2,812	2,694	2,762
Parks, Recreation and Historic Preservation	1,578	1,612	1,566
Parole	2,072	2,011	2,069
State Police	5,448	5,642	5,713
Temporary and Disability Assistance	2,229	2,192	2,532
Taxation and Finance	4,875	4,757	4,766
Transportation	9,631	9,597	9,475
Workers' Compensation Board	1,518	1,523	1,539
SUBTOTAL - Major Agencies	123,912	124,251	125,423
All Other Agencies (Minor)	11,437	11,429	12,041
SUBTOTAL	135,349	135,680	137,464
TOTAL	135,349	135,680	137,464
Universities and Off-Budget Agencies			
City University	10,409	10,642	11,211
Industrial Exhibit Authority	43	43	46
Roswell Park Cancer Institute	1,996	2,280	2,280
State University Construction Fund	106	98	125
State Insurance Fund	2,637	2,656	2,665
State University	37,362	38,247	38,100
GRAND TOTAL	187,902	189,646	191,891

(1) Memo #'s are used to represent each agency's authorized fill, but are not counted in the total lines.

2005-2006 Enacted Budget Report

WORKFORCE IMPACT SUMMARY REPORT ALL FUNDS 2003-2004 THROUGH 2005-2006

Minor Agencies	2003-04 Actual (03/31/04)	2004-05 Actual (03/31/05)	2005-06 Estimate (03/31/06)
Adirondack Park	62	63	59
Advocate for Disabled	15	13	0
Aging	126	119	135
Agriculture and Markets	508	546	558
Alcoholism and Substance Abuse	916	916	956
Alcoholic Beverage Control	146	145	156
Arts Council	52	49	55
Banking	546	550	587
Budget	326	336	330
Capital Defender	59	57	59
Civil Service	571	563	575
Consumer Protection	26	30	29
Correction Commission	33	32	35
Quality of Care and Advocacy for Disabled	84	84	105
Criminal Justice Service	706	686	692
Crime Victims	98	95	103
Deferred Compensation	4	4	4
Economic Development	215	212	215
Elections	42	38	47
Employee Relations	70	73	72
Environmental Facilities Corporation	101	98	92
Executive Chamber	143	145	153
Financial Control Board	17	16	17
Higher Education Service	715	678	725
Homeland Security	54	60	86
Housing and Community Renewal	913	915	935
Hudson River Park Trust	4	4	5
Human Rights	180	179	203
Inspector General	66	60	68
Insurance	882	903	918
Interest on Lawyer Account	8	8	9
Judicial Commissions	27	28	28
Labor Management Committees	51	52	53
Lieutenant Governor	4	4	5
Lottery	316	323	341
Military and Naval Affairs	542	526	584
Northeastern Queens Nature and Historical	2	2	2
NYSTAR	29	29	30
Prevention Domestic Violence	30	28	33
Probation and Correctional Alternatives	31	32	28
Public Service	530	530	545
Racing and Wagering	110	123	135
Real Property Services	398	386	401
Regulatory Reform	35	36	36
State Labor Relations Board	38	32	37
State	779	810	853
Tax Appeals	29	30	31
Technology	623	598	699
TSC Investigation	27	30	31
TSC Lobbying	18	18	18
Veteran Affairs	111	104	113
Welfare Inspector General	10	10	10
Wireless Network	9	21	45
SUBTOTAL - Minor Agencies	11,437	11,429	12,041

2005-2006 Enacted Budget Report

**WORKFORCE IMPACT SUMMARY REPORT
GENERAL FUND
2003-2004 THROUGH 2005-2006**

Major Agencies	2003-04 Actual (03/31/04)	2004-05 Actual (03/31/05)	2005-06 Estimate (03/31/06)
Audit and Control	1,342	1,388	1,434
Children and Family Services	3,254	3,139	3,110
Correctional Services	29,917	30,428	30,079
Education	408	385	382
Environmental Conservation	1,151	1,154	1,144
General Services	1,049	1,044	1,062
Health	2,086	2,099	2,073
Labor	11	11	16
Law	1,136	1,171	1,123
Mental Health	16,206	16,038	16,036
Mental Health Memo (1)	16,206	16,038	16,212
Mental Retardation	21,346	21,520	21,641
Mental Retardation Memo (1)	21,346	21,520	22,841
Motor Vehicles	11	0	0
Parks, Recreation and Historic Preservation	1,324	1,341	1,282
Parole	2,072	2,011	2,069
State Police	4,940	5,088	5,113
Temporary and Disability Assistance	482	463	463
Taxation and Finance	4,840	4,720	4,342
SUBTOTAL - Major Agencies	91,575	92,000	91,369
All Other Agencies (Minor)	4,902	4,708	4,813
SUBTOTAL	96,477	96,708	96,182
TOTAL	96,477	96,708	96,182
Universities and Off-Budget Agencies			
State University	22,241	22,650	22,600
GRAND TOTAL	118,718	119,358	118,782

(1) Memo #'s are used to represent each agency's authorized fill, but are not counted in the total lines.

2005-2006 Enacted Budget Report

WORKFORCE IMPACT SUMMARY REPORT GENERAL FUND 2003-2004 THROUGH 2005-2006

Minor Agencies	2003-04 Actual (03/31/04)	2004-05 Actual (03/31/05)	2005-06 Estimate (03/31/06)
Adirondack Park	62	63	59
Advocate for Disabled	12	9	0
Aging	28	27	28
Agriculture and Markets	367	366	387
Alcoholism and Substance Abuse	823	821	850
Arts Council	45	41	47
Budget	305	317	297
Capital Defender	59	57	59
Civil Service	338	333	344
Consumer Protection	8	8	0
Correction Commission	33	32	35
Quality of Care and Advocacy for Disabled	34	32	46
Criminal Justice Service	592	556	539
Crime Victims	62	61	64
Economic Development	207	202	201
Elections	42	38	39
Employee Relations	41	40	39
Executive Chamber	143	145	153
Higher Education Service	0	0	3
Homeland Security	23	26	42
Housing and Community Renewal	349	377	333
Hudson River Park Trust	4	4	5
Human Rights	180	179	203
Inspector General	54	50	51
Judicial Commissions	27	28	28
Labor Management Committees	51	52	53
Lieutenant Governor	4	4	5
Military and Naval Affairs	233	230	247
Northeastern Queens Nature and Historical	2	2	2
NYSTAR	29	29	30
Prevention of Domestic Violence	30	28	33
Probation and Correctional Alternatives	26	26	24
Real Property Services	147	14	0
Regulatory Reform	35	36	36
State Labor Relations Board	38	32	37
State	188	170	201
Tax Appeals	29	30	31
Technology	98	92	105
TSC Investigation	27	30	31
TSC Lobbying	18	18	15
Veteran Affairs	99	93	101
Welfare Inspector General	10	10	10
SUBTOTAL - Minor Agencies	4,902	4,708	4,813