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FY 2027
NYS ENACTED BUDGET FINANCIAL PLAN
FIRST QUARTERLY UPDATE

GOVERNOR KATHY HOCHUL
BUDGET DIRECTOR BLAKE G. WASHINGTON

JULY 2026

Pursuant to State Finance Law Section 23, the Division of the Budget (DOB) shall provide quarterly Financial Plan updates within 30 days of the close of each quarter. Given the limited time that has elapsed since the release of the FY 2027 Enacted Budget Financial Plan on June 10, 2026, the DOB is not revising its annual projections of receipts and disbursements for results through the first quarter, which ended on June 30, 2026. Accordingly, the projections and underlying assumptions in the FY 2027 Enacted Budget Financial Plan remain unchanged and will serve as the First Quarterly Update Financial Plan. DOB will review and update, as needed, its projections of annual receipts and disbursements following the close of the second quarter. At that time, DOB also expects to have more clarity on the status of tentative collective bargaining agreements with the Civil Service Employees Association and the Public Employees Federation.

Operating results for the first quarter through June 2026 were positive due to a combination of higher receipts and timing-related spending delays, in part due to the timing of final budget passage. Tax receipts were higher than projected in most major categories, including Pass-Through Entity Tax (PTET) collections that are set aside in a reserve to fund credits and refunds in subsequent years, and thereby Financial Plan neutral. Lower than projected spending was comprised of typical timing-related assistance and grants variances, particularly in Medicaid which is subject to significant fluctuations due to the timing of offsets, credits, and other reconciliations.
Compared to the first quarter results in the prior fiscal year (FY 2026), expected growth in receipts was reported across all major tax categories, as well as miscellaneous receipts. State Operating Funds spending in the first quarter of FY 2027 was 7 percent higher than the prior year and consistent with planned increases in Medicaid, School Aid, and several other major program areas. In the General Fund, spending was lower than the prior year almost exclusively due to the one-time repayment of the Federal unemployment insurance (UI) loan initially executed in June 2025.

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Governor Kathy Hochul