



New York State

1999-2000 Financial Plan

Mid-Year Update

October 29, 1999



NEW YORK STATE

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INTRODUCTION

This is the second quarterly update to the State's 1999-2000 cash-basis Financial Plan. The first quarterly update was published on August 20, 1999, and accompanied the Enacted Budget report. This update incorporates cash-basis results for the first six months of the fiscal year and makes modifications to the Financial Plan presented in August.

SUMMARY

The State's General Fund remains soundly balanced, and essentially unchanged from the August estimate. Modest changes to both receipts and disbursements estimates account for an additional 1999-2000 reserve of \$25 million, which is earmarked for the State's Contingency Reserve Fund. These changes are described below and are reflected in the Financial Plan tables at the end of this update.

The Mid-Year Financial Plan now projects an ending fund balance in the General Fund of \$2.87 billion, its highest level ever. This fund balance consists of: the \$1.82 billion reserve to fund already-enacted tax cuts; \$473 million in the State's "rainy day" fund (the Tax Stabilization Reserve Fund) and \$132 million, an increase of \$25 million from the August estimate, in the litigation reserve fund (the Contingency Reserve Fund); \$250 million in the Debt Reduction Reserve Fund; and \$200 million in the Community Projects Fund, which primarily finances legislative initiatives.

ECONOMIC FORECAST

United States

The national economy grew at a rapid pace during the first quarter of 1999 but slowed in the second quarter, with the real growth rate falling from 4.3 percent to 1.6 percent. The Division of the Budget (DOB) forecast projects that growth in GDP will pick up in the second half of the year, with the annual growth rate for 1999 projected to be 3.8 percent.

Nominal GDP is expected to grow about 5.2 percent in 1999, slightly higher than in 1998. Inflation, as measured by the Consumer Price Index, is expected to be 2.3 percent in 1999. The annual rate of job growth is expected to be a strong 2.2 percent in 1999. As a result of strong job growth and a tight labor market, the rate of growth in wages in 1999 will be a robust 6.4 percent. In line with the

continued growth of the overall economy, personal income growth is projected to increase from 5.0 percent in 1998 to 5.1 percent in 1999.

The continued strong growth in the economy can be attributed to several factors. First, although DOB expects the growth in consumer spending to slow from its recent breakneck pace, strong personal income growth and the lingering effects of an increase in wealth from the strong stock market are expected to keep the growth of real consumption robust for the rest of 1999. Second, concerns about the Year 2000 computer problem are expected to spur growth in the fourth quarter of 1999, as businesses stockpile inventories in anticipation of possible disruptions in their supply.

There are, however, uncertainties inherent in any economic forecast. For the remainder of the 1999-2000 fiscal year, two risks predominate. Consumer spending may be more or less robust than anticipated, depending, in part, on the near-term path of stock market prices and oil prices. A continued increase in oil prices combined with a sharp stock market correction would likely have a significant adverse impact on consumer spending. Also, a greater-than-expected decline in inventories in the first quarter of the year 2000 as a consequence of the year 2000 computer problem may slow economic growth. Alternatively, but less likely, the pace of U.S. economic growth could be faster than expected if productivity growth or consumer spending becomes stronger than anticipated.

New York

The healthy growth that has characterized the New York economy in recent years continued during the first eight months of 1999. According to seasonally-adjusted employment data from the State Labor Department, New York has added over 77,000 private-sector jobs so far this year. The service sector accounted for 59,000 of the increase, and the construction sector added over 12,000. The unemployment rate was 5.1 percent in August, having declined by 0.3 percentage points from a year ago.

Compared with the forecast for the Enacted Budget, the Division of the Budget's current employment, income, and wage outlook is slightly higher for 1999. The forecast calls for employment to increase about 2.0 percent in 1999. Personal income should increase approximately 4.8 percent in 1999 based on wage growth of 5.9 percent.

The forecast for New York is subject to the same uncertainties as the national forecast, as well as some specific to New York. The securities industry is more important to the New York economy than to the national economy and, therefore, a large change in securities market performance during the forecast horizon could result in wage and employment levels that are significantly different from those embodied in the forecast.

SELECTED ECONOMIC INDICATORS

Calendar years

| | <u>1996</u> | <u>1997</u> | <u>1998</u> | <u>1999*</u> |
|--|-------------|-------------|-------------|--------------|
| United States | | | | |
| Gross Domestic Product (current dollars, % change) | 5.4 | 5.9 | 4.9 | 5.2 |
| Gross Domestic Product (constant dollars, % change) | 3.4 | 3.9 | 3.9 | 3.8 |
| Consumer Price Index (% change) | 2.9 | 2.3 | 1.6 | 2.3 |
| Personal Income (% change) | 5.8 | 5.6 | 5.0 | 5.1 |
| New York State | | | | |
| Personal Income (% change)** | 4.8 | 4.4 | 5.2 | 4.8 |
| Nonagricultural Employment (% change) | 0.6 | 1.6 | 2.1 | 2.0 |
| Unemployment Rate (%) | 6.2 | 6.4 | 5.6 | 5.1 |

*Based on preliminary data.

**Series developed by N.Y.S. Division of the Budget; excludes legal underground wages.

Source: U.S. Department of Commerce, N.Y.S. Dept of Labor, U.S. Bureau of Labor Statistics. (1999 estimates by N.Y.S. Division of the Budget.)

GENERAL FUND

General Fund Receipts

Total receipts for 1999-2000 are projected to reach \$39.32 billion, an increase of \$15 million from the amount projected in August. Of the \$39.32 billion in total receipts, taxes are projected at over \$35.94 billion, miscellaneous receipts at \$1.36 billion and transfers from other funds at over \$2.02 billion. Anticipated tax receipts have been increased slightly, but expected miscellaneous receipts and transfers from other funds have remained the same.

Personal Income Tax: Total income tax receipts are projected to reach \$23 billion, \$45 million above the amount estimated in the Enacted Budget Report, and more than \$2.9 billion above the amount reported for 1998-99. The net increase from the August forecast is attributable to a slightly higher forecast of collections on 1999 liability, partially offset by a slight downward revision in estimated 1998 liability. The current estimate reflects continued modest growth in financial sector bonuses with the resultant impact on withholding.

While gross collections under this tax are expected to grow 8.7 percent from 1998-99, the exceptional year-to-year change in the estimate of receipts from this source is still significantly attributable to the movement into the current fiscal year of the General Fund surplus available at the end of 1998-99 (through a Refund Reserve transaction). The approximately \$1.7 billion impact on the year-over-year

change that results from the surplus swing is only partially offset by the planned diversion of almost \$700 million in additional receipts to the School Tax Relief (STAR) Fund in the current year. In its second year, STAR now provides statewide school property tax relief to all homeowners for their primary residence.

User Taxes and Fees: Receipts from user taxes and fees are expected to total \$7.35 billion. This represents no change from the amount projected in the Enacted Budget Report for 1999-2000 and \$105 million above the amount collected in 1998-99. Based on the data available since the Enacted Budget Report was released, no changes in the estimates appear warranted at this time.

Business Taxes: Business tax collections, reflecting collection experience in September and revised expectations for profits in the balance of the year, are expected to reach \$4.60 billion, some \$30 million below the amount anticipated in the Enacted Budget Report. The revised estimate for 1999-2000 is almost \$260 million below the amount recorded for the 1998-99 fiscal year.

The single largest revision in this category from the July forecast is a \$45 million increase in the corporation and utilities tax. This increase has been offset by estimated declines in receipts of \$40 million from the insurance franchise tax and \$35 million from the bank franchise tax. Both of these estimates have been revised down reflecting year-to-date collection experience and a revised earnings outlook for the banking and insurance sectors of the economy. The corporation franchise tax estimate remains unchanged reflecting both year-to-date collections and payments on 1999 estimated liability.

Other Taxes: Receipts from other taxes are projected at \$1.0 billion, unchanged from the Enacted Budget but well below the \$1.14 billion collected in 1998-99. Based on data available since the Enacted Budget Report was released, no changes in the estimates appear warranted at this time.

Miscellaneous Receipts and Transfers from Other Funds: Miscellaneous receipts are projected to reach \$1.36 billion in 1999-2000. This is unchanged from the Enacted Budget Report, but \$142 million less than receipts in 1998-99.

Transfers are now projected at \$2.02 billion, which is unchanged from the amount expected in the Enacted Budget Report and \$98.9 million more than the amount transferred in 1998-99.

General Fund Disbursements

The State projects General Fund disbursements to total \$37.35 billion, a decrease of \$10 million from the August Financial Plan. This modest decline reflects \$26 million in lower projected spending for State Operations, offset by \$16 million in higher spending for Grants to Local Governments.

Grants to Local Governments: The State now projects disbursements of \$25.62 billion for the year, an increase of \$16 million over the August Financial Plan. The revised forecast reflects higher disbursements for public health programs, including early intervention services for children and prescription drug assistance for the elderly. These programs are now expected to grow by 9 percent in 1999-2000, as demand for these services rises.

Compared to 1998-99, Grants to Local Governments are projected to increase by \$926 million. Higher disbursements for school aid, which are projected to grow by \$831 million over the prior year, comprise most of the increase. In 1999-2000, the State will spend a total of \$10.52 billion on school aid, accounting for over 40 percent of all General Fund disbursements in this category. Spending on Medicaid, the next largest program, is projected at \$5.53 billion.

State Operations: This category accounts for the costs of operating State agencies. The State now estimates that disbursements for State Operations in 1999-2000 will total \$6.85 billion, a decline of \$26 million from the August Financial Plan. The revised estimate is based primarily on the expectation of additional savings from the ongoing hiring freeze and spending controls on agency operations statewide.

Compared to 1998-99, spending for State Operations is projected to increase by \$181 million. The year-to-year growth reflects \$100 million reserved to fund new collective bargaining agreements, including the recent contract ratified by the United University Professionals. Staffing for the State's Year 2000 compliance programs and growth in the Legislative and Judiciary budgets also contribute to the increase.

General State Charges: Spending in this category, which accounts primarily for fringe benefits for State employees and retirees, is projected to total \$2.04 billion in 2000-01, unchanged from the August estimate. Disbursements for General State Charges are projected to decrease by \$222 million from the prior year, with growth of \$28 million in a variety of areas offset by the use of \$250 million in proceeds from the privatization of the Medical Malpractice Insurance Association.

Debt Service: Short- and long-term debt service is projected at \$2.28 billion in 1999-2000 (unchanged from the August Financial Plan), an increase of \$185 million over 1998-99. The growth reflects debt service costs from bond sales in prior years and certain sales planned for 1999-2000.

Capital Projects and All Other Transfers: Spending in this category is estimated at \$553 million in 1999-2000 (also unchanged from August), a decrease of \$212 million from 1998-99. The decline primarily reflects the impact of certain non-recurring transfers.

General Fund Closing Balance

The 1999-2000 Financial Plan now projects a closing balance in the General Fund of \$2.87 billion, an increase of \$25 million from the August Financial Plan projections. The balance is comprised of \$1.82 billion that is reserved to finance already-enacted tax cuts, \$473 million in the Tax Stabilization Reserve Fund, \$250 million in the Debt Reduction Reserve Fund, \$132 million in the Contingency Reserve Fund, and \$200 million in the Community Projects Fund.

OTHER GOVERNMENTAL FUNDS

Total spending from All Governmental Funds is projected at \$73.28 billion in 1999-2000, a decrease of \$10 million from the First Quarter estimate. The \$10 million decline from the First Quarter estimate reflects the reestimates to General Fund spending described above. Spending is projected at \$34.52 billion for the General Fund (excluding transfers), \$30.94 billion for Special Revenue Funds, \$4.18 billion for Capital Projects Funds, and \$3.64 billion for the Debt Service Funds. State Funds spending is estimated to total \$49.82 billion. As with All Funds spending, the \$10 million decline reflects General Fund reestimates noted earlier.

Other than the changes described in this update, year-to-date disbursements and the trends underlying yearly spending estimates remain consistent with the Enacted Budget projections. Based on the two months of actual results available since the Enacted Budget Report, the State believes no further changes to its estimates are warranted at this time. The State will issue a revised estimate reflecting actual results through December with the Third Quarterly Update.

Six Month Operating Results

The State ended the first six months of the 1999-2000 fiscal year with a General Fund cash balance of \$5.42 billion, \$295 million lower than projected in the cash flow accompanying the August Financial Plan. Most of this variance is timing-related and is not expected to impact projections for the balance of the 1999-2000 fiscal year. However, minor adjustments were made to year-end projections for certain public health programs and State Operations based in part upon spending to date in these areas as described above.

Receipts: Total receipts, including transfers from other funds, grew to \$21.4 billion, through September, approximately \$11 million less than expected. This decrease is comprised of tax revenues, approximately \$25 million below the August Financial Plan based on the Enacted Budget; miscellaneous receipts, \$22 million above the Plan; and transfers from other funds, \$8 million below the Plan.

Disbursements: Total spending through the first six months of the fiscal year, including transfers to other funds, was \$16.88 billion, or \$284 million higher than projected in the August Financial Plan. This variance results primarily from higher spending in State Operations (\$101 million), Grants to Local Governments (\$94 million), and General State Charges (\$37 million). The variances are primarily timing-related delays in the receipt of other revenue sources that are used to offset General Fund spending. These revenues are expected to be received later in the 1999-2000 fiscal year, and therefore total disbursements in these categories should remain unaffected by year end. Variances in local assistance were caused by earlier-than-expected payments for education and welfare programs, as well as increased local health costs which have produced modest adjustments to the Financial Plan.

**Cash Financial Plan
1999-2000 General Fund
(millions of dollars)**

| | <u>August</u> | <u>Change</u> | <u>October</u> |
|----------------------------------|---------------|---------------|----------------|
| Opening fund balance | <u>892</u> | <u>0</u> | <u>892</u> |
| <i>Receipts:</i> | | | |
| Taxes | | | |
| Personal income tax | 22,952 | 45 | 22,997 |
| User taxes and fees | 7,349 | 0 | 7,349 |
| Business taxes | 4,627 | (30) | 4,597 |
| Other taxes | 1,001 | 0 | 1,001 |
| Miscellaneous receipts | 1,363 | 0 | 1,363 |
| Transfers from other funds: | | | |
| --LGAC | 1,648 | 0 | 1,648 |
| --All other | 368 | 0 | 368 |
| Total receipts | <u>39,308</u> | <u>15</u> | <u>39,323</u> |
| <i>Disbursements:</i> | | | |
| Grants to local governments | 25,604 | 16 | 25,620 |
| State operations | 6,878 | (26) | 6,852 |
| General State charges | 2,037 | 0 | 2,037 |
| Debt service | 11 | 0 | 11 |
| Transfers to other funds: | | | |
| --Debt service | 2,272 | 0 | 2,272 |
| --Capital projects | 168 | 0 | 168 |
| --Debt reduction reserve | 0 | 0 | 0 |
| --Other purposes | 385 | 0 | 385 |
| Total disbursements | <u>37,355</u> | <u>(10)</u> | <u>37,345</u> |
| Change in fund balance | <u>1,953</u> | <u>25</u> | <u>1,978</u> |
| Closing fund balance | <u>2,845</u> | <u>25</u> | <u>2,870</u> |
| --Tax Stabilization Reserve Fund | 473 | 0 | 473 |
| --Contingency Reserve Fund | 107 | 25 | 132 |
| --Community Projects Fund | 200 | 0 | 200 |
| --Tax Reduction Reserve Fund | 1,815 | 0 | 1,815 |
| --Debt Reduction Reserve Fund | 250 | 0 | 250 |

**Cash Financial Plan
1998-1999 and 1999-2000 General Fund
(millions of dollars)**

| | <u>1998-99 Actual</u> | <u>1999-2000 October</u> | <u>Change</u> |
|----------------------------------|---------------------------|------------------------------|---------------|
| Opening fund balance | <u>638</u> | <u>892</u> | <u>254</u> |
| <i>Receipts:</i> | | | |
| Taxes | | | |
| Personal income tax | 20,080 | 22,997 | 2,917 |
| User taxes and fees | 7,244 | 7,349 | 105 |
| Business taxes | 4,857 | 4,597 | (260) |
| Other taxes | 1,138 | 1,001 | (137) |
| Miscellaneous receipts | 1,505 | 1,363 | (142) |
| Transfers from other funds: | | | |
| --LGAC | 1,555 | 1,648 | 93 |
| --All other | 362 | 368 | 6 |
| Total receipts | <u>36,741</u> | <u>39,323</u> | <u>2,582</u> |
| <i>Disbursements:</i> | | | |
| Grants to local governments | 24,694 | 25,620 | 926 |
| State operations | 6,671 | 6,852 | 181 |
| General State charges | 2,259 | 2,037 | (222) |
| Debt service | 9 | 11 | 2 |
| Transfers to other funds: | | | |
| --Debt service | 2,089 | 2,272 | 183 |
| --Capital projects | 246 | 168 | (78) |
| --Debt reduction reserve | 50 | 0 | (50) |
| --Other purposes | 469 | 385 | (84) |
| Total disbursements | <u>36,487</u> | <u>37,345</u> | <u>858</u> |
| Change in fund balance | <u>254</u> | <u>1,978</u> | <u>1,724</u> |
| Closing fund balance | <u>892</u> | <u>2,870</u> | <u>1,978</u> |
| --Tax Stabilization Reserve Fund | 473 | 473 | 0 |
| --Contingency Reserve Fund | 107 | 132 | 25 |
| --Community Projects Fund | 312 | 200 | (112) |
| --Tax Reduction Reserve Fund | 0 | 1,815 | 1,815 |
| --Debt Reduction Reserve Fund | 0 | 250 | 250 |

Current State Receipts
1999-2000 General Fund
(millions of dollars)

| | <u>August</u> | <u>Change</u> | <u>October</u> |
|--|---------------|---------------|----------------|
| Personal income tax | <u>22,952</u> | <u>45</u> | <u>22,997</u> |
| User taxes and fees | <u>7,349</u> | <u>0</u> | <u>7,349</u> |
| Sales and use tax | 5,969 | 0 | 5,969 |
| Cigarette and tobacco taxes | 630 | 0 | 630 |
| Motor fuel tax | 178 | 0 | 178 |
| Motor vehicle fees | 343 | 0 | 343 |
| Alcoholic beverage taxes | 173 | 0 | 173 |
| Hotel/motel tax | 0 | 0 | 0 |
| Alcoholic beverage control license fees | 19 | 0 | 19 |
| Container tax | 0 | 0 | 0 |
| Auto rental tax | 37 | 0 | 37 |
| Business taxes | <u>4,627</u> | <u>(30)</u> | <u>4,597</u> |
| Corporation franchise tax | 1,939 | (1) | 1,938 |
| Corporation and utilities taxes | 1,302 | 46 | 1,348 |
| Insurance taxes | 656 | (40) | 616 |
| Bank tax | 640 | (35) | 605 |
| Petroleum business taxes | 90 | 0 | 90 |
| Other taxes | <u>1,001</u> | <u>0</u> | <u>1,001</u> |
| Estate and gift taxes | 980 | 0 | 980 |
| Real property gains tax | (14) | 0 | (14) |
| Pari-mutuel taxes | 34 | 0 | 34 |
| Other taxes | 1 | 0 | 1 |
| Total taxes | <u>35,929</u> | <u>15</u> | <u>35,944</u> |
| Miscellaneous receipts | <u>1,363</u> | <u>0</u> | <u>1,363</u> |
| Total | <u>37,292</u> | <u>15</u> | <u>37,307</u> |

**Cash Financial Plan
1999-2000 All Governmental Funds
(millions of dollars)**

| | General Fund | Special Revenue Funds | Capital Projects Funds | Debt Service Funds | (MEMO) Total |
|---|-------------------------|--------------------------------------|---------------------------------------|-----------------------------------|-------------------------|
| Opening fund balance | 892 | 672 | 69 | 170 | 1,803 |
| <i>Receipts:</i> | | | | | |
| Taxes | 35,944 | 2,596 | 1,114 | 2,273 | 41,927 |
| Miscellaneous receipts | 1,363 | 5,858 | 1,777 | 633 | 9,631 |
| Federal grants | 0 | 22,124 | 1,288 | 0 | 23,412 |
| Total receipts | 37,307 | 30,578 | 4,179 | 2,906 | 74,970 |
| <i>Disbursements:</i> | | | | | |
| Grants to local governments | 25,620 | 24,209 | 627 | 0 | 50,456 |
| State operations | 6,852 | 6,161 | 0 | 14 | 13,027 |
| General State charges | 2,037 | 566 | 0 | 0 | 2,603 |
| Debt service | 11 | 0 | 0 | 3,626 | 3,637 |
| Capital projects | 0 | 5 | 3,550 | 0 | 3,555 |
| Total disbursements | 34,520 | 30,941 | 4,177 | 3,640 | 73,278 |
| <i>Other financing sources (uses):</i> | | | | | |
| Transfers from other funds | 2,016 | 2,288 | 195 | 4,659 | 9,158 |
| Transfers to other funds | (2,825) | (1,987) | (542) | (3,894) | (9,248) |
| Bond and note proceeds | 0 | 42 | 208 | 0 | 250 |
| Net other financing sources (uses) | (809) | 343 | (139) | 765 | 160 |
| Change in fund balance | 1,978 | (20) | (137) | 31 | 1,852 |
| Closing fund balance | 2,870 | 652 | (68) | 201 | 3,655 |

**Cash Financial Plan
1999-2000 State Funds
(millions of dollars)**

| | General Fund | Special Revenue Funds | Capital Projects Funds | Debt Service Funds | (MEMO) Total |
|---|-------------------------|--------------------------------------|---------------------------------------|-----------------------------------|-------------------------|
| Opening fund balance | 892 | 1,068 | 211 | 170 | 2,341 |
| <i>Receipts:</i> | | | | | |
| Taxes | 35,944 | 2,596 | 1,114 | 2,273 | 41,927 |
| Miscellaneous receipts | 1,363 | 5,757 | 1,777 | 633 | 9,530 |
| Federal grants | 0 | 0 | 0 | 0 | 0 |
| Total receipts | <u>37,307</u> | <u>8,353</u> | <u>2,891</u> | <u>2,906</u> | <u>51,457</u> |
| <i>Disbursements:</i> | | | | | |
| Grants to local governments | 25,620 | 5,073 | 480 | 0 | 31,173 |
| State operations | 6,852 | 3,259 | 0 | 14 | 10,125 |
| General State charges | 2,037 | 430 | 0 | 0 | 2,467 |
| Debt service | 11 | 0 | 0 | 3,626 | 3,637 |
| Capital projects | 0 | 5 | 2,413 | 0 | 2,418 |
| Total disbursements | <u>34,520</u> | <u>8,767</u> | <u>2,893</u> | <u>3,640</u> | <u>49,820</u> |
| <i>Other financing sources (uses):</i> | | | | | |
| Transfers from other funds | 2,016 | 504 | 195 | 4,659 | 7,374 |
| Transfers to other funds | (2,825) | (149) | (537) | (3,894) | (7,405) |
| Bond and note proceeds | 0 | 42 | 208 | 0 | 250 |
| Net other financing sources (uses) | <u>(809)</u> | <u>397</u> | <u>(134)</u> | <u>765</u> | <u>219</u> |
| Change in fund balance | <u>1,978</u> | <u>(17)</u> | <u>(136)</u> | <u>31</u> | <u>1,856</u> |
| Closing fund balance | <u>2,870</u> | <u>1,051</u> | <u>75</u> | <u>201</u> | <u>4,197</u> |

**Cash Financial Plan
1999-2000 Special Revenue Funds
(millions of dollars)**

| | <u>State</u> | <u>Federal</u> | <u>Total</u> |
|---|--------------|----------------|---------------|
| Opening fund balance | <u>1,068</u> | <u>(395)</u> | <u>672</u> |
| <i>Receipts:</i> | | | |
| Taxes | 2,596 | 0 | 2,596 |
| Miscellaneous receipts | 5,757 | 101 | 5,858 |
| Federal grants | <u>0</u> | <u>22,124</u> | <u>22,124</u> |
| Total receipts | <u>8,353</u> | <u>22,225</u> | <u>30,578</u> |
| <i>Disbursements:</i> | | | |
| Grants to local governments | 5,073 | 19,136 | 24,209 |
| State operations | 3,259 | 2,902 | 6,161 |
| General State charges | 430 | 136 | 566 |
| Capital projects | <u>5</u> | <u>0</u> | <u>5</u> |
| Total disbursements | <u>8,767</u> | <u>22,174</u> | <u>30,941</u> |
| <i>Other financing sources (uses):</i> | | | |
| Transfers from other funds | 504 | 1,784 | 2,288 |
| Transfers to other funds | (149) | (1,838) | (1,987) |
| Bond and note proceeds | <u>42</u> | <u>0</u> | <u>42</u> |
| Net other financing sources (uses) | <u>397</u> | <u>(54)</u> | <u>343</u> |
| Change in fund balance | <u>(17)</u> | <u>(3)</u> | <u>(20)</u> |
| Closing fund balance | <u>1,051</u> | <u>(398)</u> | <u>652</u> |

**Cash Financial Plan
1999-2000 Capital Projects Funds
(millions of dollars)**

| | <u>State</u> | <u>Federal</u> | <u>Total</u> |
|---|--------------|----------------|--------------|
| Opening fund balance | <u>211</u> | <u>(142)</u> | <u>69</u> |
| <i>Receipts:</i> | | | |
| Taxes | 1,114 | 0 | 1,114 |
| Miscellaneous receipts | 1,777 | 0 | 1,777 |
| Federal grants | <u>0</u> | <u>1,288</u> | <u>1,288</u> |
| Total receipts | <u>2,891</u> | <u>1,288</u> | <u>4,179</u> |
| <i>Disbursements:</i> | | | |
| Grants to local governments | 480 | 147 | 627 |
| State operations | 0 | 0 | 0 |
| General State charges | 0 | 0 | 0 |
| Capital projects | <u>2,413</u> | <u>1,137</u> | <u>3,550</u> |
| Total disbursements | <u>2,893</u> | <u>1,284</u> | <u>4,177</u> |
| <i>Other financing sources (uses):</i> | | | |
| Transfers from other funds | 195 | 0 | 195 |
| Transfers to other funds | (537) | (5) | (542) |
| Bond and note proceeds | <u>208</u> | <u>0</u> | <u>208</u> |
| Net other financing sources (uses) | <u>(134)</u> | <u>(5)</u> | <u>(139)</u> |
| Change in fund balance | <u>(136)</u> | <u>(1)</u> | <u>(137)</u> |
| Closing fund balance | <u>75</u> | <u>(143)</u> | <u>(68)</u> |