

# ***PART I***

## ***FINANCIAL PLAN OVERVIEW***



# ***FINANCIAL PLAN OVERVIEW***

The Financial Plan Overview summarizes the Governor's Executive Budget for 2000-01. The State Constitution and State Finance Law prescribe the content and format of budgetary information to be supplied by the Governor at the time of submission of the Executive Budget. This section of the Budget fulfills the requirements of section 22 of the State Finance Law, providing summary financial plans and explanations of projected receipts and disbursements for the State's major governmental funds.

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### **SUMMARY**

Under Governor Pataki, the State's fiscal performance has improved significantly. Spending is under control, with average growth in the General Fund held below inflation over the last six years. Reserves are at their highest level ever, with funds earmarked to pay for enacted tax cuts, lower State debt, and guard against the potential impact of a slowing economy. At the end of 1999-2000, the State will have recorded its fifth consecutive surplus, the result of prudent fiscal practices that have complemented a strong economic recovery. In November 1999, Standard and Poor's testified to the soundness of the Governor's fiscal policies by upgrading New York's credit rating for the second time in two years.

The Governor's Executive Budget for 2000-01 embodies the same sound fiscal principles that characterized his previous budgets. This Budget continues to restrain spending while targeting critical investments, implements existing tax cuts on time, bolsters reserves and expands the important debt reform initiatives begun in the 1998-99 Budget.

<b>2000-01 Spending</b> (\$ millions)				
	<b>Size of the Budget</b>	<b>Dollar Change from 1999-2000</b>	<b>% Change from 1999-2000</b>	<b>Annual % Change Excluding STAR</b>
General Fund	37,917	846	2.3	2.3
State Funds	52,441	2,546	5.1	3.5
All Funds	76,805	3,983	5.5	4.3

### **EXPLANATION OF THE FINANCIAL PLAN**

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

Projected disbursements are based on agency staffing levels, program caseloads, service needs, formulas contained in State law, inflation and other factors. The factors that affect spending estimates vary by program. For example, welfare spending is based primarily on anticipated caseloads, which in turn 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 must also account for the timing of payments, since not all the amounts appropriated in the Budget are disbursed in the same fiscal year.

This Overview summarizes the revised Financial Plan projections of receipts and disbursements for the current year and reviews the recommended Financial Plan for 2000-01. It then provides an explanation of the State's estimates for the 2001-02 and 2002-03 fiscal years.

### **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 budgetary projections and results by fund and category.

The State Constitution requires the Governor to submit an Executive Budget that is balanced in the General Fund — the Fund that receives the majority of State taxes. State Funds include the General Fund and funds specified for dedicated purposes, with the exception of Federal Funds. All Funds include State Funds and Federal Funds.

All Governmental Funds — the All Funds budget — is comprised of four major fund types, and provides the most comprehensive view of the financial operations of the State. It includes:

- the General Fund, which receives most of the State's tax revenue and accounts for spending on programs that are not supported directly by dedicated fees and revenues;
- Special Revenue funds, which receive Federal grants, certain dedicated taxes, fees and other revenues that are used for a specified purpose;
- Capital Projects funds, which account for costs incurred in the construction and reconstruction of roads, bridges, prisons, and other infrastructure projects; and
- Debt Service funds, which pay principal, interest and related expenses on long-term bonds issued by the State and its public authorities.

Within each of these fund types, revenues and spending are classified by major categories of the Financial Plan (e.g., taxes, miscellaneous receipts, grants to local governments, State operations). Activity in these Financial Plan categories is described in greater detail later in this section. Summary charts display the annual change for each category of the Financial Plan, and a narrative explanation of major changes follows each chart. The tables at the end of the Overview summarize projected General Fund, State Funds and All Governmental Funds receipts and disbursements for the 1999-2000 through 2002-03 fiscal years.

### **THE 1999-2000 GENERAL FUND FINANCIAL PLAN UPDATE**

The State expects to close the 1999-2000 fiscal year with an available cash surplus of \$625 million in the General Fund, an increase of \$600 million over the surplus estimate in the Mid-Year Update. The surplus consists of \$374 million in net higher projected receipts and \$251 million in net lower estimated disbursements. The State revised both its receipts and disbursements based on a review of actual operating results through December 1999, as well as an analysis of underlying economic and programmatic trends it believes may affect the Financial Plan for the balance of the year.

The State plans to use the entire \$625 million surplus to increase reserve funds. At the close of the current fiscal year, the State will deposit \$75 million from the surplus into the State's Tax Stabilization Reserve (its "rainy day" fund) — the fifth consecutive annual deposit. In the 2000-01 Executive Budget, the Governor is proposing to use the remaining \$550 million from the surplus to fully finance the 2001-02 and 2002-03 costs of his new tax cut package (\$300 million) and increase the Debt Reduction Reserve Fund (\$250 million).

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### ***REVISIONS TO THE 1999-2000 RECEIPTS ESTIMATES***

Underlying estimates of General Fund receipts including transfers have been revised upward by \$441 million from the projections contained in the Mid-Year Update, primarily in the personal income tax, the sales tax and miscellaneous receipts, as described later in this Overview. This increase reflects \$82 million in higher receipts and spending from an accounting adjustment which reclassified certain Medicaid transactions to the General Fund. As a result, the net increase in revenues contributing to the surplus since October is \$359 million, which, when combined with \$15 million in savings in the Mid-Year Update, produces current-year extra receipts of \$374 million.

To make funds available for use in 2000-01, \$2.96 billion in refund transactions are being reserved in 1999-2000 for payment in 2000-01. This action has the effect of decreasing reported receipts in 1999-2000, while increasing available receipts in 2000-01, as these refunds will no longer be a charge against current revenues in 2000-01.

### ***REVISIONS TO THE 1999-2000 DISBURSEMENTS ESTIMATES***

The State projects total General Fund disbursements of \$37.07 billion in 1999-2000, a decline of \$274 million from the October estimate. Of this amount, \$33 million is related to the timing of spending and accounting adjustments and therefore does not contribute to the surplus. The \$33 million consists of lower timing-related spending of \$65 million from the Community Projects Fund and \$50 million from the Collective Bargaining Reserve, offset by the Medicaid reclassification of \$82 million described above. Accordingly, lower disbursements since October contribute \$241 million to the 1999-2000 surplus, which, when combined with the \$10 million in savings recognized in the Mid-Year Update, produce total savings of \$251 million for the current year.

Compared to the Mid-Year Update, the State has lowered its estimate of disbursements for State Operations by \$222 million, local assistance by \$8 million, debt service by \$5 million, and transfers to other funds by \$89 million. Higher projected spending for General State Charges (\$50 million) partially offsets these reductions.

State Operations spending is now projected to total \$6.63 billion in 1999-2000, \$222 million below the October estimate. In the revised Financial Plan, \$50 million of an original \$100 million for new collective bargaining costs is set aside in a reserve to cover the cost of labor agreements in 1999-2000, and the balance is used in the current year to pay for the recently approved labor contract with United University Professionals (UUP) and other labor costs. The remaining revisions to the State Operations estimate are comprised of savings from agency efficiencies and timing-related changes that do not affect the surplus.

Projected local assistance disbursements declined by a net total of \$8 million from October and are now expected to total \$25.61 billion for the year. As with State Operations, several actions contributed to the revised local assistance forecast. Disbursements increase as a result of the Comptroller's reclassification of \$82 million in Medicaid disbursements into the General Fund, higher projected spending of \$31 million for certain public health programs, and a net increase of \$20 million resulting from a number of other program reestimates. These increases are more than offset by lower projected disbursements for legislative initiatives (\$65 million), welfare (\$47 million), and mental hygiene programs (\$29 million).

Spending for General State Charges increased by \$50 million compared to the October estimate and is projected to reach \$2.09 billion in 1999-2000. Most of this increase is for labor agreements funded from the salary reserve. The settlement of litigation arising from the 1971 Attica Prison riot for \$12 million also contributes to the higher estimate.

Transfers for debt, capital and other purposes are now projected at \$2.74 billion, a decline of \$89 million from the Mid-Year estimate. Lower costs for debt service (\$42 million), reestimates in capital projects (\$25 million), and the elimination of planned payments for the Lottery Aid Guarantee (\$27 million) account for the downward revision.

### **1999-2000 CLOSING BALANCE IN THE GENERAL FUND**

The State projects a closing balance of \$3.59 billion in the General Fund. The balance is comprised of \$1.82 billion in the Tax Reduction Reserve, of which \$615 million will be used in 2000-01 and \$1.2 billion in 2001-02 to pay for already-enacted tax cuts; \$548 million in the Tax Stabilization Reserve (the "rainy day" fund) after a \$75 million deposit in 1999-2000; \$265 million in the Community Projects Fund, which pays for Legislative initiatives; \$250 million in the Debt Reduction Reserve Fund; \$107 million in the Contingency Reserve Fund (which guards against litigation risks), and \$50 million in reserves for collective bargaining. The Governor is recommending that the remaining balance of \$550 million be set aside in 2000-01 to finance the 2001-02 and 2002-03 costs of the new tax cuts proposed in the Executive Budget (\$300 million), and for debt reduction (\$250 million).

### **THE 2000-01 GENERAL FUND FINANCIAL PLAN**

#### **ECONOMIC AND RECEIPTS OUTLOOK**

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

DOB also adjusts for changes in the State's tax laws in the receipts projections. The 2000-01 Executive Budget reflects a continuation of phased tax actions in a variety of taxes, as well as recommendations for additional tax cuts that total \$2.3 billion for 2000-01. For a more detailed discussion of the economy and sources of State revenue, see the "Explanation of Receipts Estimates" section later in this document.

#### **U.S. Economy**

The Division of the Budget expects growth in national output (GDP) to slow and inflation to rise through the end of 2000. Real GDP is expected to grow at an annual rate of 3.5 percent in 2000 down from 4.0 percent in 1999. The CPI is expected to rise modestly in 2000 to 2.4 percent, in part because of higher energy prices, and partly due to the end of a two-year decline in the prices of non-oil imports. Consumption will remain the mainstay of growth, as employment, wages and income continue to rise. Short-term interest rates are expected to rise, employment growth will continue at a slower rate and

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the unemployment rate will average 4 percent for the year. In summary, the expectation is for continued economic growth in 2000 at the national level with a growth rate for output only modestly below that for 1999.

### **State Economy**

Paralleling the national trend, a moderate slowdown in New York economic growth is expected for 2000. Annual growth in total and private-sector employment in 2000 is projected to be marginally slower than for 1999. Led by business services, the service sector will continue to be the major contributor to employment growth in 2000, although growth in this sector will be weaker than in 1999. The employment gain in the financial sector is expected to be minimal. The State's export-oriented manufacturing sector is expected to stabilize, with less shrinkage than in 1999, partly due to the renewed economic growth of New York's major trading partners in Europe and Asia. Both wage and personal income growth will be slightly stronger than in 1999.

### **General Fund Receipts**

General Fund receipts in 2000-01 will reflect the next stage of the School Tax Reduction (STAR) program as well as the continuing impact of earlier tax reduction accomplishments. In addition, this year's Budget reflects several tax reduction proposals that have only a modest impact on 2000-01 receipts but will reduce receipts by \$700 million when fully phased in.

The Executive Budget reflects the Governor's ongoing commitment to provide fiscally prudent tax reductions designed to stimulate economic development and expansion. This year's program is designed to promote continued economic growth statewide with a special emphasis on the upstate economy. The proposals are structured to provide fiscal stimulus as prior year phased tax reductions are completed, thereby avoiding any additional pressures on revenue growth. Additionally, the 2000-01 Financial Plan provides a \$300 million reserve to fully absorb the 2001-02 and 2002-03 cost of the Governor's tax reduction plan. The proposals include:

- Eliminating all remaining gross receipts taxes on energy.
- Implementing a significant new program specifically engineered to stimulate economic development in upstate New York. Program elements include:
  - *Creation of High Technology Enterprise Zones* which will provide significant tax benefits to high-technology companies such as: the full rebate of gross receipts taxes on energy; the creation of a Research and Development credit to offset the cost of R&D investment; the provision of a refundable credit for interest payments associated with investments in the zones; and the expansion of the Qualified Emerging Technology Credit (QETC) for businesses in the zones.
  - *Expanding the Power for Jobs Program* by adding 200 megawatts of additional low-cost power for use in upstate New York.
  - *Creating an Upstate Urban Jobs Credit* by providing a tax credit of up to \$1,000 per newly created job.
- Providing small business job creation incentives including a small business corporate tax rate reduction and eliminating the S-corporation entity level tax.
- Establishing a new tax credit to provide incentives to clean up environmentally damaged sites.
- Instituting a Rail Access Tax Program to reduce property taxes on heavily assessed railroad property.

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- Providing a series of additional tax reduction proposals designed to stimulate continued economic expansion and eliminate unnecessary and duplicative tax burdens.

<b>General Fund Receipts</b> (\$ millions)			
<b>SFY:</b>	<b>1999-2000</b>	<b>2000-01</b>	<b>Annual Change</b>
Total Tax Receipts	33,798	35,122	1,324
All Other Receipts	3,551	3,348	(203)
Total Receipts	37,349	38,470	1,121

Since the Mid-Year Update, the forecast of 1999-2000 tax receipts has been increased by \$269 million, offset by reserves for \$2.96 billion in refund transactions in 2000-01, which has the effect of reducing reported receipts for 1999-2000. A portion of the deposits to the refund reserve account will be used to provide the resources necessary to ensure completion of the existing tax reduction program. On balance, tax receipts are reduced \$2.15 billion from the Mid-Year Update.

Reflecting these transactions, total receipts to be deposited in the General Fund in 1999-2000 are projected to be \$37.35 billion, \$1.97 billion less than projected at the time of the Mid-Year Update.

Total General Fund receipts for 2000-01 are now projected at \$38.47 billion, an increase of \$1.12 billion from the revised 1999-2000 estimate. The increase is due, in part, to the refund reserve transaction described above. Continued economic growth will also serve to increase receipts in the upcoming year. These increases in receipts are partially offset by the scheduled implementation of the next phase of the Governor's multi-year tax reduction program.

Miscellaneous receipts and transfers from other funds are expected to fall in 2000-01, reflecting the continued impact of the phase-out of assessments on medical providers and a reduction in amounts available for transfer to the General Fund, especially from the Clean Water/Clean Air Fund.

<b>Personal Income Tax</b> (\$ millions)			
<b>SFY:</b>	<b>1999-2000</b>	<b>2000-01</b>	<b>Annual Change</b>
Personal Income Tax	20,783	23,060	2,277

Personal income tax collections for the current year are now expected to be \$20.78 billion, a decrease of \$2.21 billion from the estimate at the time of the Mid-Year Update. As discussed above, this reflects the Financial Plan transaction to create reserves for the payment of 1999 tax refunds in fiscal year 2000-01.

Personal income tax collections for 2000-01 are projected to reach \$23.06 billion, an increase of \$2.28 billion (11.0 percent) over 1999-2000. This increase is due in part to the refund reserve transaction described above which serves to increase 2000-01 personal income tax receipts. Collections also benefit from the 8.7 percent estimated increase in 1999 liability and the projected 8.1 percent liability increase for 2000. The

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large increase in income tax liability in recent years has been supported by the continued surge in taxable income attributable to the rapid growth in equity markets and significant growth in the wages associated with Wall Street bonuses. Stock market growth and the large income gains that have resulted from that growth are expected to moderate in 2000.

Growth in 2000-01 receipts is offset by deposits into the School Tax Relief Fund which provides the revenue resources to finance the STAR tax reduction program. The incremental value of this deposit in 2000-01 is \$2.02 billion which includes an additional \$1.2 billion deposit in the School Tax Relief Fund as a reserve against the 2001-02 cost of the STAR program. In addition, \$250 million of 2000-01 personal income tax receipts will be deposited in the Debt Reduction Reserve Fund.

<b>User Taxes and Fees</b> (\$ millions)			
<b>SFY:</b>	<b>1999-2000</b>	<b>2000-01</b>	<b>Annual Change</b>
User Taxes and Fees	7,430	7,055	(375)

User tax and fee receipts in 1999-2000 are now projected at \$7.43 billion, \$81 million above the Mid-Year forecast and \$186 million or 2.6 percent above 1998-99 collections. For 2000-01, collections in this category of taxes will decrease by \$375 million to \$7.05 billion. The decline in this category reflects the incremental impact of approximately \$510 million in already enacted tax reductions, and the additional earmarking of motor fuel tax receipts to the Dedicated Highway and Bridge Trust Fund and the Dedicated Mass Transportation Trust Fund. Adjusted for these changes, the underlying growth of receipts in this category is projected at 4 percent.

The largest source of receipts in this category is the sales and use tax which accounts for nearly 84 percent of projected receipts. Sales tax receipts are responsive to economic trends such as growth in income, prices, employment, and consumer confidence. Strength in the economy in 1999 produced significant growth in the continuing base of the sales and use tax for 1999-2000. The most significant statutory change in the sales tax for 2000-01 is the elimination of the sales tax on clothing and footwear costing less than \$110, beginning on March 1, 2000, which will reduce receipts by \$597 million, including LGAC transfers.

This category also includes: cigarette, tobacco and alcoholic beverage taxes and fees, motor fuel taxes, and the container and auto rental levies. The majority of the receipts from these sources are attributable to flat-rate volume-based levies that respond little, if at all, to short-term economic developments (other than price changes impacting consumption) and are marked, in the main, by declining consumption trends. The most significant change in these sources is the impact on General Fund receipts resulting from the excise tax increase on cigarettes contained in the recently enacted Health Care Reform Act of 2000 (HCRA 2000), and the increased earmarking to the dedicated transportation funds mentioned above.

<b>Business Taxes</b> (\$ millions)			
<b>SFY:</b>	<b>1999-2000</b>	<b>2000-01</b>	<b>Annual Change</b>
Business Taxes	4,575	4,241	(334)

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Total business taxes are now projected at \$4.58 billion in 1999-2000, a decrease of \$22 million from the projections in the Mid-Year Update and \$283 million below 1998-99 receipts. In 2000-01, receipts from this category are expected to total \$4.24 billion — \$334 million below 1999-2000 estimated results.

The decline in corporation and utility tax receipts is the result of already-enacted energy and telecommunications tax rate reductions and the use of tax credits flowing from the Power for Jobs program. Additional tax reductions submitted with the 2000-01 Executive Budget include a plan to reduce energy taxes and expand the Power for Jobs program. These changes, combined with the final phase of the gross receipts tax reduction, lower receipts in 2000-01 by approximately \$626 million from 1999-2000.

There is an estimated 5 percent reduction in corporate franchise tax receipts from results in 1999-2000. Underlying liability for this revenue source is sensitive to changes in the net taxable income of companies subject to the tax. This often results in large adjustments to prior liability payments as in 1999-2000. In 2000-01, receipts are projected to increase by \$239 million, due primarily to the impact of legislation submitted with this Budget to move energy companies from Article 9 gross receipts taxes to the corporate franchise tax.

Other taxes in this category include special franchise taxes on insurance companies and banks, and a cents-per-gallon levy on various kinds of petroleum products imposed on petroleum businesses.

Receipts from the bank franchise tax are projected to increase by \$26 million over 1998-99 results, reflecting higher liability payments and an increase in audit collections. In 2000-01, receipts are projected to be \$590 million — \$20 million above estimates for 1999-2000. This increase is the result of a relatively stable liability base and a reduction in prior-year negative adjustments.

Net collections from insurance taxes are expected to reach \$616 million in 1999-2000, a decrease of \$56 million from the prior year. This reflects the net impact of law changes, and a sharp slowdown in the liability position of certain insurers. Premium growth is expected to improve modestly in 2000. As a result, collections are expected to increase by almost \$36 million in 2000-01.

Declining General Fund estimates for the petroleum business tax of \$9 million in 1999-2000 and almost \$3 million in 2000-01 reflect changes in the percentage of this tax going to the General Fund.

<b>Other Taxes</b> (\$ millions)			
<b>SFY:</b>	<b>1999-2000</b>	<b>2000-01</b>	<b>Annual Change</b>
Other Taxes	1,010	766	(244)

This category includes receipts from estate and gift levies on transfers of wealth, pari-mutuel taxes on wagering at race tracks and off-track betting facilities and other minor sources. Historically, the category also included the yield of the real property gains tax (repealed in 1996) and receipts from the real property transfer tax which, over the last three years, have been earmarked to support various environmental programs.

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The General Fund yield from other taxes for 1999-2000 is currently estimated at \$1.01 billion, which is \$9 million above the estimate in the Mid-Year Update. The major factors affecting this category include: the repeal of the real property gains tax and the impact of estate and gift tax reductions.

In 2000-01 receipts from other taxes are estimated to fall to \$766 million. The largest factor in the decline is the estimated effect of already-enacted legislation reducing the estate tax on February 1, 2000 and repealing the gift tax on January 1, 2000.

<b>Miscellaneous Receipts</b> (\$ millions)			
<b>SFY:</b>	<b>1999-2000</b>	<b>2000-01</b>	<b>Annual Change</b>
Miscellaneous Receipts	1,474	1,339	(135)

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

Revisions to estimates for the current year have raised the miscellaneous receipts estimate to \$1.47 billion, a net increase of \$111 million from the Mid-Year Update. The primary changes are a \$36 million increase in investment income and an accounting reclassification which produced a one-time deposit of \$82 million in HCRA receipts.

Receipts in this category are projected to decline in 2000-01, largely as a result of the net loss of \$36 million in statutory reductions to medical provider assessments, and the one-time receipt in 1999-2000 of \$45 million in fines attributable to prior years.

<b>Transfers From Other Funds</b> (\$ millions)			
<b>SFY:</b>	<b>1999-2000</b>	<b>2000-01</b>	<b>Annual Change</b>
Sales Tax in Excess of LGAC Debt Service	1,684	1,647	(37)
All Other Transfers	393	362	(31)
Total Transfers from Other Funds	2,077	2,009	(68)

Transfers from other funds to the General Fund consist primarily of tax revenues in excess of debt service requirements. Proceeds from one percent of the State's 4 percent sales tax in excess of amounts used to support the debt service payments of the Local Government Assistance Corporation account for 82 percent of the 2000-01 receipts in this category. Other transfers periodically include non-recurring transactions, which result in significant annual volatility for this category. This transfer category also reflects excess real estate transfer tax receipts not required for debt service on the Clean Water/Clean Air bonds authorized by the voters. Other transfers in 2000-01 reflect a decline in expected receipts from the real estate transfer tax.

**DISBURSEMENTS OUTLOOK**

<b>Disbursements Outlook</b> (\$ millions)			
SFY:	1999-2000	2000-01	Annual Change
Disbursements Outlook	37,071	37,917	846

The State projects General Fund disbursements of \$37.92 billion in 2000-01, an increase of \$846 million (2.3 percent) over the current year. The growth in spending is spread throughout the Financial Plan, with the largest increase for State Operations (\$431 million), followed by Grants to Local Governments (\$198 million), General State Charges (\$149 million), and Transfers to Other Funds (\$69 million).

The Budget also reflects approximately \$300 million in resources from the Health Care Reform Act of 2000 (HCRA 2000) that will help finance several health and mental hygiene programs, including prescription drug assistance for the elderly, supplemental Medicare insurance, and other public health services. The budget also dedicates \$92 million in proceeds from the tobacco settlement to support rising Medicaid costs. The resources and spending for these purposes appear in the Special Revenue Funds section of the Financial Plan described later in this Overview.

<b>Grants to Local Governments</b> (\$ millions)			
SFY:	1999-2000	2000-01	Annual Change
Grants to Local Governments	25,612	25,810	198

Grants to Local Governments (also known as local assistance) include financial aid to local governments and non-profit organizations, as well as entitlement payments for individuals. The largest areas of spending in local assistance are for aid to public schools (42 percent) and for the State's share of Medicaid payments to medical providers (22 percent). Spending for higher education programs (6 percent), mental hygiene programs (6 percent), welfare assistance (5 percent), and children and families services (3 percent) represent the next largest areas of local aid.

Spending in local assistance is estimated at \$25.81 billion in 2000-01, an increase of \$198 million (0.8 percent) from the current year. The change in spending is comprised primarily of increases for school aid, health and mental health programs, offset in part by the financing of certain health programs with dedicated funds supported by resources from HCRA 2000. Reestimates of current spending needs, new cost containment, and spending from the Community Projects Fund originally planned for 1999-2000 account for most of the remaining change.

General Fund spending for school aid is projected at \$10.86 billion in 2000-01 (on a State fiscal year basis) an increase of \$250 million (2.4 percent). On a school-year basis, school aid will grow by \$355 million and fund operating, building, transportation, and other aid programs, as well as the "tail" of aid payable for the 1999-2000 school year. The Budget also recommends new funding for teacher certification and high-need districts, as well as programmatic restructuring in BOCES aid, teacher support aid and other formulas.

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Medicaid spending is estimated at \$5.68 billion in 2000-01, an increase of \$65 million (1.2 percent) from 1999-2000. Spending growth in Medicaid is projected at 5.5 percent, but is reduced by the HCRA 2000 actions noted above, including continuation of cost containment actions from prior fiscal years, and efforts to maximize Federal offsets that moderate spending growth. The projections also include the use of \$92 million from the tobacco settlement to help finance the increase in Medicaid costs.

Spending on welfare is projected at \$1.27 billion, the same as in 1999-2000. Since 1994-95, State spending on welfare has fallen by one-third, driven by the State's strong economic performance over the past four years, welfare changes initiated at the State and Federal level, and aggressive fraud prevention measures. Although the number of people on welfare is expected to decline from 1999-2000 levels, General Fund support is expected to remain level primarily to satisfy Federal maintenance-of-effort requirements.

Local assistance spending for Children and Families Services is projected at \$789 million in 2000-01, down \$66 million (7.7 percent) from 1999-2000. The decline in General Fund spending masks higher programmatic spending on child care and child welfare services that is occurring with increased Federal funds, allowing the State to expand services in this area.

Mental hygiene programs are expected to grow by \$66 million to almost \$1.50 billion in 2000-01, with additional funding for the Community Reinvestment Program (\$20 million), Kendra's Law (\$29 million), and the new community services programs initiated in 1999-2000. General Fund growth in mental hygiene is moderated by increases in Federal aid (\$65 million) and the availability of HCRA 2000 funds.

Spending for all other local assistance programs will total \$5.71 billion in 2000-01. Increased funding for programs for children with special educational needs (\$16 million), county administration of welfare and Medicaid programs (\$23 million), support for the City University of New York (\$50 million), and a timing adjustment for disbursements from the Community Projects Fund (\$140 million) are partially offset with decreases resulting from utilization of HCRA 2000 revenues to fund various health programs. The projections include spending of \$24 million for the CHIPs program (down \$35 million from last year), \$82 million for the Empire State Development Corporation (down \$22 million), and the creation of a Criminal Justice Block Grant that consolidates several programs for the purpose of increasing flexibility for local governments.

<b>State Operations</b> (\$ millions)			
<b>SFY:</b>	<b>1999-2000</b>	<b>2000-01</b>	<b>Annual Change</b>
State Operations	6,630	7,061	431

State Operations accounts for the cost of running the Executive, Legislative, and Judicial branches of government. Spending in this category is projected to increase by \$431 million, or 6.5 percent above 1999-2000. Personal service costs are projected at \$5.1 billion, an increase of \$301 million; non-personal service costs are projected at \$1.95 billion, an increase of \$130 million.

Higher spending for State Operations is attributable in part to a reduction in one-time receipts from the State University that offset General Fund spending in 1999-2000 (\$61 million), and a decrease in Federal grant awards for the Department of Justice (\$80 million), a portion of which is timing-related.

## **FINANCIAL PLAN OVERVIEW**

Other sources of growth in State Operations include the costs of the labor contract between the United University Professionals (UUP) and the State University (\$50 million), the development of computerized systems in the Department of Health and the Department of Family Assistance (\$45 million), increases in the Judiciary budget (\$38 million), and higher costs in the Department of Justice in 2000-01, including the full cost of staffing two State prisons (one recently opened and one soon to be on-line — \$32 million). The State's overall workforce is projected at 195,900 persons by the end of 2000-01, up about 1,500 from the end of 1999-2000.

<b>General State Charges</b> (\$ millions)			
SFY:	1999-2000	2000-01	Annual Change
General State Charges	2,087	2,236	149

General State Charges (GSCs) account for the costs of providing fringe benefits to State employees and retirees of the Executive, Legislative and Judicial branches. These payments, many of which are mandated by statute or collective bargaining agreements, include employer contributions for pensions, social security, health insurance, workers' compensation and unemployment insurance. GSCs also cover State payments-in-lieu-of-taxes to local governments for certain State-owned lands, and the costs of defending lawsuits against the State and its public officers.

Total spending in General State Charges is projected to grow by \$149 million (7.1 percent). The State expects higher health insurance rates in calendar year 2000 (\$115 million), primarily to cover the increasing cost of providing prescription drug benefits for State employees.

<b>Debt Service</b> (\$ millions)			
SFY:	1999-2000	2000-01	Annual Change
Debt Service	6	5	(1)

This category reflects debt service on short-term obligations of the State, and includes interest costs on the State's commercial paper program. The majority of the State's debt service is for long-term bonds, and is shown as a transfer to the General Debt Service Fund.

To reduce costs, the State has effectively diversified its debt portfolio to include a prudent level of short-term obligations, which includes the commercial paper program and the issuance of variable rate general obligation bonds. Since the costs of borrowing for both the commercial paper program and variable rate bonds are comparable, and both instruments preserve the effective use of short-term instruments, the commercial paper program will be replaced with the issuance of additional variable rate general obligation debt. Thus, only \$45 million in commercial paper will be outstanding during 2000-01, with projected interest rates of about 4 percent. The 2000-01 estimate also includes an arbitrage rebate liability due the Federal Government of approximately \$3 million.

## **FINANCIAL PLAN OVERVIEW**

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<b>Transfers To Other Funds</b> (\$ millions)			
<b>SFY:</b>	<b>1999-2000</b>	<b>2000-01</b>	<b>Annual Change</b>
Transfers In Support of Debt Service	2,230	2,275	45
Transfers in Support of Capital Projects	143	238	95
All Other Transfers	363	292	(71)

Transfers in support of debt service are projected to grow approximately 2 percent in 2000-01 as a result of the Governor's efforts to reduce debt and control costs. These efforts include additional deposits to the Debt Reduction Reserve Fund (DRRF) and other debt management strategies that expand the use of short-term instruments to reduce financing costs and broaden the market base for State-supported debt.

Transfers in support of capital projects in 2000-01 are projected at \$238 million, a \$95 million increase over the 1999-2000 estimate of \$143 million. The increase is primarily due to an accounting adjustment related to DRRF that artificially lowers transfers by \$50 million in 1999-2000, and because reimbursements for SUNY advance capital spending return to a more traditional level in 2000-01 after \$44 million of delayed reimbursements for 1998-99 spending was received in 1999-2000.

All other transfers decline in 2000-01 primarily as a result of the State's subsidy for the Roswell Park Cancer Institute (\$90 million) being financed under HCRA 2000.

### **NON-RECURRING RESOURCES**

The 2000-01 Financial Plan utilizes only \$32 million in new non-recurring resources to finance operations, continuing efforts to minimize the use of one-time resources to finance recurring spending. The largest one-time resource consists of receipts from a one-time assessment amnesty program for medical providers (\$20 million). The remaining amounts represent various fund sweeps and transfers to the General Fund that occur each year.

### **2000-01 CLOSING BALANCE IN THE GENERAL FUND**

The State projects a closing balance of \$1.47 billion in the General Fund at the end of 2000-01. This balance is comprised of a \$300 million reserve set aside from the 1999-2000 surplus to finance the costs of the Governor's proposed tax reduction package in 2001-02 and 2002-03, \$475 million in cumulative reserves for collective bargaining (\$425 million from 2000-01 plus \$50 million from 1999-2000), \$548 million in the Tax Stabilization Reserve Fund, and \$150 million in the Contingency Reserve Fund after a proposed \$43 million deposit in 2000-01. In addition to the \$1.47 billion reserves in the General Fund, \$1.2 billion is maintained in the STAR Special Revenue Fund and \$250 million in the Debt Reduction Reserve Fund (DRRF) as a Capital Projects Fund.

The decline in the closing fund balance compared to 1999-2000 results from the planned use in 2000-01 of \$615 million for tax reductions and \$265 million for existing legislative initiatives financed from the Community Projects Fund. In addition, \$1.2 billion will be deposited to the STAR Special Revenue Fund to be utilized for State-funded local tax reductions and \$250 million will be deposited to the State's Debt Reduction Reserve Fund (as a Capital Projects Fund) in order to defease high-cost debt and increase pay-as-you-go financing of capital projects.

## FINANCIAL PLAN OVERVIEW

### TOBACCO SETTLEMENT PROCEEDS AND USES

From 1999-2000 through 2002-03, the State expects to receive \$1.54 billion under the nationwide settlement with cigarette manufacturers. Counties, including New York City, will receive additional settlement payments of \$1.47 billion over the same period.

The State plans to use \$1.29 billion in tobacco money over the next three years to finance programs under HCRA 2000 (\$1.014 billion) and projected new costs in Medicaid (\$274 million). The remaining \$250 million in one-time tobacco payments from 1999-2000 will be deposited to the Debt Reduction Reserve Fund (DRRF) and used to lower State debt.

The table below summarizes the projected payments and uses by fiscal year.

<b>New York State Tobacco Settlement Funds</b> ( <i>\$ in millions</i> )				
	<i>2000-01*</i>	<i>2001-02</i>	<i>2002-03</i>	<i>Total Thru 2002-03</i>
<b>Total Tobacco Settlement Funds</b>	<u><b>668</b></u>	<u><b>396</b></u>	<u><b>474</b></u>	<u><b>1,538</b></u>
<b>Proposed Uses</b>				
Finance Health Care Reform**	326	305	383	1,014
Fund New Medicaid Needs	92	91	91	274
Deposit to Debt Reduction Reserve	250	0	0	250

\* Includes \$302 million in initial payments received in 1999-2000.

\*\* Includes \$50 million required now for cash flow and HCRA uses in 2003-04.

### GENERAL FUND FINANCIAL PLAN OUTYEAR PROJECTIONS

The State projects budget gaps of \$1.23 billion in 2001-02 and \$2.64 billion in 2002-03. These gaps assume that the Legislature will enact the 2001-02 Executive Budget and accompanying legislation in its entirety, and that reserves proposed by the Governor for current and proposed tax reductions are used to offset these costs in the outyears.

<b>PROJECTED BUDGET GAPS FOR SFYs 2001-02 AND 2002-03</b> ( <i>\$ in millions</i> )		
	<u><b>2001-02</b></u>	<u><b>2002-03</b></u>
Receipts	39,452	39,928
Disbursements	(40,265)	(42,063)
Reserve for Collective Bargaining	(505)	(715)
Use of 2000-01 Tax Reduction Reserve	92	208
<b>Remaining Gap</b>	<b>(1,226)</b>	<b>(2,642)</b>
<i>2001-02 Gap if 2000-01 Gap is Closed With Recurring Actions</i>		<b>(1,416)</b>

## **FINANCIAL PLAN OVERVIEW**

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The State plans to use the \$1.2 billion STAR tax reduction reserve to offset the cost of that program in 2001-02. The Financial Plan also assumes that a new \$300 million tax reduction reserve will be created to pay for the costs of the Governor's proposed 2000-01 tax reduction program, with \$92 million applied in 2001-02 and the remaining \$208 million in 2002-03.

These projections also assume that the Debt Reduction Reserve Fund is used to produce recurring debt service savings for the State from retirement of high-cost debt and increased pay-as-you-go spending for capital projects. Finally, the gap projections contain reserves for a possible collective bargaining agreement, and do not assume any annual spending efficiencies in order to reduce the size of the gaps.

If the projected budget gap for 2001-02 is closed with recurring actions, the 2002-03 budget gap would be reduced to \$1.42 billion.

### **OUTYEAR RECEIPTS**

<b>General Fund Receipts</b> (\$ millions)		
<b>SFY:</b>	<b>2001-02</b>	<b>2002-03</b>
General Fund Receipts	39,452	39,928

General Fund receipts increase to an estimated \$39.45 billion in 2001-02 reflecting a projection of continued economic growth, the incremental impact of already enacted tax reductions, the impact of prior refund reserve transactions and the continued earmarking of receipts for dedicated highway purposes. Receipts are projected to grow modestly to \$39.93 billion in 2002-03, again reflecting the impact of enacted tax cuts on normal receipts growth, as well as the incremental impact of new tax reductions recommended with the Budget.

The economic assumptions underlying the 2001-02 and 2002-03 receipts estimates are detailed in the Economic Backdrop section of this Appendix. Overall, both the national and New York economies are expected to continue to expand, but at modestly lower rates through 2003. There is no forecast of recession over the out-year projection horizon.

<b>Personal Income Tax</b> (\$ millions)		
<b>SFY:</b>	<b>2001-02</b>	<b>2002-03</b>
Personal Income Tax	24,064	24,348

Personal income tax receipts are projected to increase to \$24.06 billion in 2001-02. The increase from 2000-01 reflects the positive impact of refund reserve transactions on 2000-01 receipts, use of the \$1.2 billion in STAR reserves deposited in 2000-01, and a modest reduction in the growth in underlying liability. In addition, receipts are reduced by the incremental value of the STAR tax reduction plan and the required deposit of personal income tax receipts into the School Tax Relief Fund.

Personal income tax receipts for 2002-03 are projected to increase to \$24.35 billion. The modest increase results from continued normal growth in liability offset by increasing deposits to the School Tax Relief Fund.

## FINANCIAL PLAN OVERVIEW

In general, income tax growth for 2001-02 and 2002-03 is governed by projections of growth in taxable personal income and its major components in particular, wages, interest and dividend earnings, realized capital gains, and business income.

Wages are estimated to continue to grow at a relatively rapid rate by historical standards over the 2001-02 and 2002-03 period reflecting continued above average employment growth over the projection period. Wage growth does moderate from the atypical large wage gains of 1998 and 1999 as bonus growth (an important component of wages) is expected to slow to the 7 to 10 percent range over the 2001 to 2003 period.

Growth in realized capital gains is projected to gradually slow from the rapid increases experienced over the past several years. This rapid growth has been fueled by the significant run-up in the value of equities since 1995. Additionally, changes in the Federal tax treatment of capital gains income in 1997 have made the realization of gains more attractive in recent years. The 2001-02 and 2002-03 projections assume a slow-down in the sharp run up in equity markets and a gradual reduction in gains realized in response to the 1997 Federal law change as the original unlocking effect of lower tax rates on long-held assets subsides.

The 2001-02 and 2002-03 projections assume increases in the other major components of income consistent with continued growth in the overall economy. In particular, interest dividend and business income are expected to grow at rates very close to the average growth in these components over the 1995 to 1999 period.

It should be noted that growth in income tax receipts in recent years has been heavily influenced by special factors including the rapid growth in the stock market noted above. The out-year projections presented here call for a moderation in the special factors that have produced the rapid receipts growth of recent years. However, there is no forecast of a reduction in any of the major income components influencing outyear income tax results.

As the Economic Backdrop section of this Appendix makes clear, there is significant uncertainty associated with the forecast of the out-year income components. In many cases, a reasonable range of uncertainty around the predicted income components would include significant reductions. As a result, the projections for 2001-02 and 2002-03 are relatively conservative given the substantial uncertainty in predicting income tax receipts.

<b>User Taxes and Fees</b> (\$ millions)		
<b>SFY:</b>	<b>2001-02</b>	<b>2002-03</b>
User Taxes and Fees	7,277	7,420

Receipts from the User Taxes and Fees category are estimated to total \$7.28 billion in 2001-02, an increase of \$222 million from 2000-01. This increase is due almost exclusively to growth in the sales tax and motor vehicle fees as partly offset by increased earmarking of motor fuel taxes and motor vehicle fees to the dedicated transportation funds.

The User Taxes and Fees category is expected to grow to \$7.42 billion in 2002-03. Continuing economic growth is projected over the next several years in the factors which influence sales tax collections. These factors include estimates of continued above-

## **FINANCIAL PLAN OVERVIEW**

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average growth in employment and modest increases in personal income. These assumptions result in underlying growth in the sales tax base in the 5 percent range.

The overall growth in this category results from the growth in the sales tax offset by the continued increase in the earmarking of motor fuel taxes and motor vehicle fees to the dedicated transportation funds.

<b>Business Taxes</b> (\$ millions)		
<b>SFY:</b>	<b>2001-02</b>	<b>2002-03</b>
Business Taxes	3,976	3,863

Business Tax receipts are estimated to decline to \$3.98 billion in 2001-02 as the impact of recently enacted tax reductions becomes more pronounced. Receipts are projected to fall to \$3.86 billion in 2002-03, reflecting the ongoing effect of already enacted and proposed business tax reductions becoming effective.

<b>Other Taxes</b> (\$ millions)		
<b>SFY:</b>	<b>2001-02</b>	<b>2002-03</b>
Other Taxes	800	851

Other taxes are projected to increase to \$800 million in 2001-02 as the impact of estate tax reform and the elimination of the gift tax is fully recognized in 2000-01 receipts. This increase is fully attributable to the estate tax which will account for 96 percent of the General Fund receipts in this category in 2002-03. Other tax receipts increase to an estimated \$851 million in 2002-03.

<b>Miscellaneous Receipts</b> (\$ millions)		
<b>SFY:</b>	<b>2001-02</b>	<b>2002-03</b>
Miscellaneous Receipts	1,262	1,228

Miscellaneous Receipts are estimated to total \$1.26 billion in 2001-02, a decline of \$77 million from the prior year. Receipts in this category are projected to reach \$1.23 billion in 2002-03.

<b>Transfers From Other Funds</b> (\$ millions)		
<b>SFY:</b>	<b>2001-02</b>	<b>2002-03</b>
Transfers From Other Funds	2,073	2,218

Transfers from other funds are estimated to grow to \$2.07 billion in 2001-02 and to \$2.22 billion in 2002-03, as revenues associated with transfers that support LGAC and other debt programs continue to grow in concert with the overall economy.

**OUTYEAR DISBURSEMENTS**

<b>General Fund Disbursements</b> (\$ millions)		
SFY:	2001-02	2002-03
General Fund Disbursements	40,265	42,063

The State currently projects spending to grow by \$2.35 billion (6.2 percent) in 2001-02 and \$1.80 billion (4.5 percent) in 2002-03. General Fund spending increases at a higher rate in 2001-02 than in 2002-03 primarily because of the loss or assumed decline in certain funding sources (including Federal funds) that offset General Fund spending, as described below.

The annual increase is driven primarily by growth in local assistance spending of roughly \$1.5 billion annually, as well as increases in General State Charges and State Operations costs as described in more detail below.

<b>Grants to Local Governments</b> (\$ millions)		
SFY:	2001-02	2002-03
Local Assistance	27,296	28,739

Local assistance spending accounts for most of the projected growth in General Fund spending in the outyears, increasing by \$1.49 billion (5.8 percent) in 2001-02 and \$1.44 billion (5.3 percent) in 2002-03.

School aid, the largest category of General Fund spending, is projected to grow by \$945 million in 2001-02 and \$802 million in 2002-03. The estimated growth in school aid on a school-year basis (\$867 million in 2001-02 and \$789 million in 2002-03) reflects the reforms proposed in the 2000-01 Executive Budget. These increases are primarily attributable to continuing building aid growth after the proposed reforms (over \$300 million increases in both 2001-02 and 2002-03); textbook and computer aids (\$120 million growth in 2001-02); transportation and special education (\$165 million growth annually); and operating aid growth (\$170 million in 2001-02; \$200 million in 2002-03). Spending for pre-school handicapped programs is expected to grow at roughly 7 percent annually in each of the two projection years.

Medicaid, the next largest General Fund program, is expected to grow by \$557 million in 2001-02 and another \$426 million in 2002-03. Spending growth in Medicaid is projected at 7.5 percent annually, consistent with the estimates of the Congressional Budget Office. Medicaid growth is slowed by savings from HCRA 2000 that limit provider inflationary increases to the Consumer Price Index (\$11 million in 2000-01 growing to \$38 million and then to nearly \$100 million), and the use of \$91 million annually from tobacco settlement funds to partially finance new Medicaid costs.

The continued strength in the State economy and the success of welfare reforms are expected to help keep State spending for welfare programs essentially flat throughout the projection period. State support for Children and Family Services programs is expected to increase significantly in 2001-02 as additional investments in child care, coupled with the projected loss of Federal funds currently used to offset General Fund spending,

## **FINANCIAL PLAN OVERVIEW**

combine to increase spending by \$83 million (10.6 percent) in that year. Mental hygiene programs also grow faster than inflation as a result of the expansion of programs for the mentally ill.

Most other programs in local assistance are expected to grow at or below inflation. Revenue sharing programs are assumed to be held flat over the projection period.

<b>State Operations</b> (\$ millions)		
<b>SFY:</b>	<b>2001-02</b>	<b>2002-03</b>
State Operations	7,417	7,602

State Operations spending is expected to increase by 5.0 percent, or \$356 million, in 2001-02 and another 2.5 percent, or \$185 million, in 2002-03. These estimates do not include spending for new collective bargaining agreements (other than for the State University system, as discussed below). These costs are carried as a separate reserve in the Financial Plan during these years.

Most of the growth in State Operations reflects the loss of Federal money used to offset General Fund spending in the mental hygiene agencies (\$126 million in 2001-02; \$31 million in 2002-03), inflationary increases for non-personal service costs of roughly \$70 million annually, and funding for the new SUNY collective bargaining agreements concluded with United University Professionals (UUP). Also contributing to growth over the outyears is continued investment in technology for health and social services agencies (\$18 million), normal salary increases (\$50 million annually), and cost increases in the Department of Justice, including continued prison expansion (\$23 million).

<b>General State Charges</b> (\$ millions)		
<b>SFY:</b>	<b>2001-02</b>	<b>2002-03</b>
General State Charges	2,633	2,775

General State Charges are projected to increase by \$397 million in 2001-02 and \$142 million in 2002-03. The significant growth in 2001-02 is primarily due to the loss of \$250 million in offset funding that provided General Fund savings in 1999-2000 and 2000-01. Health insurance costs that grow at roughly 8 percent (\$105 million annually) and modest increases in other benefits and fixed costs account for the balance of the annual increase.

<b>Transfers To Other Funds</b> (\$ millions)		
<b>SFY:</b>	<b>2001-02</b>	<b>2002-03</b>
Debt Service	2,288	2,313
Capital Projects	294	282
All Other	337	352

Transfers to other funds increase by a combined \$142 million across the projection period. Debt service transfers are nearly flat over the projection period due to the assumed

use of \$750 million in debt reduction reserves deposited to DRRF. Capital projects transfers also remain relatively flat with the exception of the proposed transfer of \$69 million to the remedial program transfer fund to finance the clean-up of hazardous waste and substance sites. Other transfers show growth in the outyears primarily due to the assumed decline in HCRA 2000 offset funding for the State's subsidy to the Roswell Park Cancer Institute.

### **GOVERNMENTAL FUNDS FINANCIAL PLANS**

#### **ALL GOVERNMENTAL FUNDS**

The All Governmental Funds Financial Plan combines activity in the four governmental fund types: the General Fund, Special Revenue Funds, Capital Projects Funds, and Debt Service Funds. In 2000-01, spending from All Governmental Funds is estimated at \$76.81 billion, an increase of \$3.98 billion or 5.5 percent from 1999-2000.

Spending from All Governmental Funds includes \$2.01 billion in payments under the School Tax Relief (STAR) program, which lowers school property tax bills for homeowners and reduces the New York City resident personal income tax. The STAR growth will drive \$815 million of the \$3.98 billion increase in All Funds spending from 1999-2000. Growth in the General Fund (\$777 million excluding transfers) and Federal grants (\$1.44 billion) accounts for most of the remaining increase in All Funds spending.

#### **STATE FUNDS**

State Funds represent the portion of New York State's budget supported exclusively by State revenues: taxes, fees, fines, and other revenues imposed and collected by the State. Federal grants are not included as part of State Funds. Funds which are not part of the All Governmental Funds group — Fiduciary, Internal Service, and Enterprise funds — are also excluded. Projected 2000-01 disbursements from State Funds (including STAR as noted above) is \$52.44 billion, an increase of \$2.55 billion or 5.1 percent from 1999-2000.

#### **SPECIAL REVENUE FUNDS**

The Special Revenue Funds (SRFs) group consists of numerous funds that receive dedicated sources of revenues which are spent for specified purposes. Special Revenue Funds spending is projected at \$33.55 billion in 2000-01. This includes \$10.54 billion from SRFs supported by State revenues, and \$23.01 billion from funds supported by Federal grants, primarily for social welfare programs.

#### **State Special Revenue Funds**

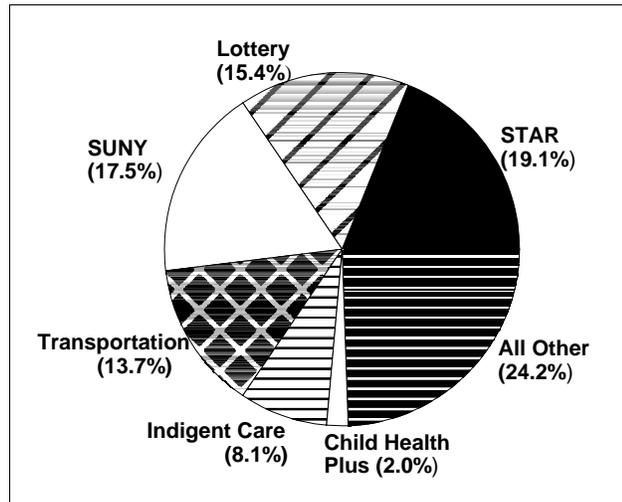
State SRFs are mechanisms to ensure that dedicated revenues are used solely for their intended purposes. Entire agencies, such as the Banking and Insurance departments, as well as individual programs, such as operating aid to local mass transit systems, work on the SRF principle. In addition to ensuring that those who use a State service finance its costs, the SRF mechanism promotes fiscal accountability by requiring that the fund or account be self-supporting.

## FINANCIAL PLAN OVERVIEW

Disbursements from State SRFs are projected at \$10.54 billion, an increase of \$1.42 billion or 15.6 percent from 1999-2000. The School Tax Relief (STAR) program, which increases by \$815 million from 1999-2000, accounts for most of the year-to-year growth. Major components of State SRFs are discussed in more detail below.

- **STAR:** This dedicated fund receives personal income tax receipts dedicated to support the \$2.01 billion STAR program. This multi-year program will provide \$2.32 billion in local property tax relief and \$470 million in lower personal income taxes for New York City residents when fully implemented in 2001-02. Spending from the STAR SRF is estimated at \$2.01 billion in 2000-01, an increase of \$815 million from 1999-2000. The phase-in of benefits for non-senior homeowners, increased participation by seniors and further New York City income tax relief account for the higher spending.
- **Lottery:** The Lottery Fund receives the net proceeds of lottery ticket sales used to support education aid and fund administrative costs. The 2000-01 Executive Budget projects the receipt of \$1.63 billion in lottery proceeds, which, after payment of administrative expenses, permits the distribution of \$1.50 billion for education purposes. Lottery proceeds increased \$127 million from 1999-2000, primarily from a new lottery game similar to Powerball.
- **State University of New York:** The State University's income reported in the State SRFs is received from tuition, third-party payers, room rents, and user fees. Revenues of the University support the costs of operating hospitals, dormitories and regular campus services. The University's spending from receipts in State SRFs is projected to total \$1.85 billion in 2000-01, a decrease of \$87 million from the current year. This decrease is primarily attributable to the one-time use in 1999-2000 of SUNY tuition stabilization revenues.
- **Transportation:** This category includes the Mass Transportation Operating Assistance (MTOA) Fund and the Dedicated Mass Transportation Trust Fund, which receive taxes earmarked for mass transportation programs throughout the State. Total disbursements from these two funds in 2000-01 are projected at \$1.45 billion, \$20 million more than in 1999-2000.
- **Indigent Care:** The Indigent Care Fund receives moneys from a bad debt and charity care pool funded by various third-party payers. Total disbursements are estimated at \$858 million in 2000-01, an increase of \$178 million or 26 percent over 1999-2000 due to increased indigent care payments to hospitals pursuant to HCRA 2000.
- **Child Health Plus:** The Child Health Plus program matches Federal funds to subsidize health insurance coverage for children of low-income families and is funded by revenues authorized in HCRA 2000. The 2000-01 Financial Plan includes \$207 million for this program, an increase of \$53 million from 1999-2000.
- **Nursing Home Assessments:** The Nursing Home Assessment account receives moneys from nursing homes that is used to offset the costs of the State's Medicaid

**State Special Revenue Spending  
2000-01**



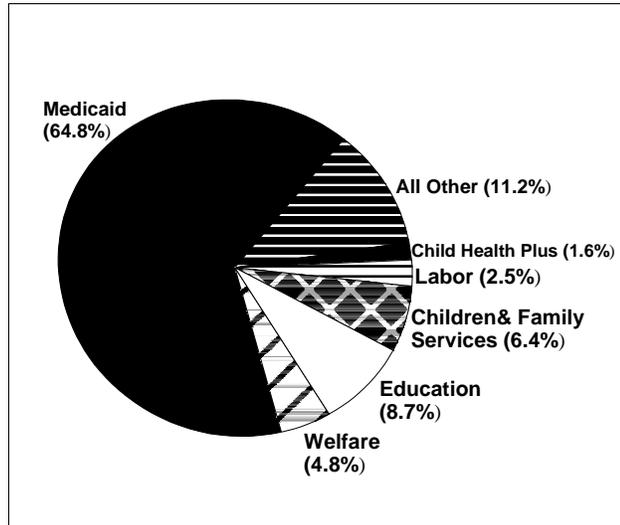
program. Effective January 1, 2000, all medical provider assessments, including those previously deposited into this account, are eliminated.

- **All Other:** The remaining spending in State SRFs includes fees, licenses, and assessments collected by State agencies to support the costs of providing specific services. Spending for these SRFs is projected at \$2.55 billion for 2000-01, an increase of \$494 million, and is financed in part by HCRA 2000.

**Federal Special Revenue Funds**

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

**Federal Special Revenue Spending  
2000-01**



Total disbursements for programs supported by Federal grants account for approximately three-quarters of all spending in the Special Revenue fund type. Federal SRF disbursements are estimated at \$23.01 billion in 2000-01, an increase of \$1.39 billion or 6.4 percent from 1999-2000. The higher spending is primarily due to increases in Medicaid (\$791 million), Education (\$123 million), Children and Families (\$269 million), Child Health Plus (\$103 million), and Labor (\$40 million). Major components of Federal SRFs are discussed in more detail below.

The single largest program in Federal SRFs is Medicaid, which comprises 65 percent of Federal aid spending. Disbursements represent payments made to State-operated facilities as well as other health care providers, and reimbursements to local governments for administrative costs and other minor programs. The Budget projects \$14.91 billion in total Federal Medicaid reimbursements, an increase of \$791 million from 1999-2000. This increase is primarily due to growth in entitlement spending which is offset by the restoration of lost Medicaid cost containment from the first quarter of 1999-2000.

The State receives Federal welfare funding through the Temporary Assistance for Needy Families (TANF) block grant. The amount of the block grant is calculated based on 1995 expenditures, when the State had a much higher welfare caseload. Thus, the State receives a higher level of funding than would otherwise be required to support the current welfare program. The difference between the block grant and current spending requirements allows the State and localities to expand program services, and provides State and local fiscal relief. In 2000-01, this funding will total over \$1.4 billion, which will be combined with a prior-year balance of over \$200 million to increase support for child welfare services, child care, and other welfare-reform initiatives, as well as fund reserves for future needs.

## **FINANCIAL PLAN OVERVIEW**

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Federal welfare spending is projected at \$1.10 billion in 2000-01, a decrease of \$12 million from 1999-2000. This decrease is due to declining caseloads. This allows an additional distribution from the TANF block grant for expanded services in Children and Family Services and Labor, and permits additional funds to be set aside for future contingencies.

Education spending is projected at \$2.0 billion in 2000-01, an increase of \$123 million from 1999-2000. This increase is primarily due to new funding for the class size reduction program and higher funding for the school-age and preschool special education programs.

Children and Family Services are projected at \$1.46 billion in 2000-01 and represent an increase of \$269 million from the prior year. Most of this increase is to support the continued growth for child care services financed by available TANF block grant funds and the timing of payments in 1999-2000.

Labor spending is estimated at \$565 million in 2000-01, an increase of \$40 million from the prior year. This increase is primarily due to continued implementation of welfare-to-work programs.

Federal support for the Child Health Plus program began in 1999-2000. This funding, in conjunction with State money, facilitates access to comprehensive health care coverage for virtually every eligible child in New York through age 18. Spending is projected at \$377 million in 2000-01 and represents an increase of \$103 million from 1999-2000.

All other Federal spending is projected at \$2.59 billion for 2000-01, an increase of \$81 million over the prior year.

### **CAPITAL PROJECTS FUNDS**

The Capital Projects funds group includes the Capital Projects Fund which is supported on a net basis with tax receipts from the General Fund. Other funds in this fund type exist for specific capital purposes and are financed by sources other than the General Fund. Many of these funds are supported by dedicated State taxes or receipts, such as highway-related taxes in the Dedicated Highway and Bridge Trust Fund, the real estate transfer tax and environmental fees in the Environmental Protection Fund, and park fees in the State Parks Infrastructure Fund. Other funds may receive only bond reimbursements, such as those which support capital programs for correctional services, which will now be under the new Department of Justice, and housing.

In conjunction with the Governor's Debt Reform proposal, the five-year Capital Plan reduces State debt levels by continuing to finance strategic investments in vital capital projects with a larger portion of State and Federal pay-as-you-go resources. As a result, the portion of capital spending financed with debt will decline from 46 percent in 2000-01 to 40 percent by 2004-05 — the last year of the Capital Plan.

Proposed capital spending for 2000-01 will continue to focus on high priority capital projects that maintain the Governor's commitment to transportation, environment, higher education and housing. These targeted investments will improve the State's vast infrastructure, promote economic development and protect the health and safety of all New Yorkers. Financing for these important projects over the five-year Plan reflects a prudent balance between pay-as-you-go spending and debt financing.

Capital Projects Funds spending in 2000-01 is projected at \$4.3 billion, or \$156 million higher than the revised projection for 1999-2000. The largest increases are in the areas

of the environment (\$125 million) and education (\$134 million), offset by lower costs for public protection and an accounting change that lowers mental hygiene spending.

Highlights of the 2000-01 capital spending plan include:

- Transportation spending of \$2.6 billion accounts for 60 percent of total capital spending in 2000-01, the first year of the new five-year transportation plan which will provide more than \$14 billion for Department of Transportation programs. This spending level will continue to support State highways and bridges, rail, industrial access and aviation programs and will produce continued economic development through the efficient delivery of raw materials, consumer goods, and people.
- The new five-year transportation plan provides support for local transportation programs (Consolidated Highway Improvement Program, or CHIPS, and the Marchiselli Program) with funding of \$258 million in 2000-01.
- Environment spending of \$721 million includes \$175 million in Clean Water/Clean Air Act spending, \$116 million in spending from the Environmental Protection Fund and \$28 million in spending for the Hudson River Park project. Projected capital spending for the environment will account for 17 percent of total spending in 2000-01 and will increase by \$125 million or almost 21 percent.
- Education spending of over \$400 million includes the continuation of the multi-year Capital Investment Plan for SUNY and CUNY and spending to support school construction and renovations. Spending for education and higher education will increase 50 percent (\$134 million) in 2000-01 and will account for 9 percent of total spending.
- Public protection spending of over \$260 million includes capital expansion plans that will meet population demands resulting from truth-in-sentencing legislation, including Jenna's Law, and maintenance of the State's correctional facilities.
- Spending for the Department Mental Hygiene agencies of \$133 million will support essential health and safety, rehabilitation and maintenance projects to preserve both State and community-based facilities operated and licensed by the Department's agencies. An accounting change lowers reported spending because projects are now funded directly from bond proceeds held by the Dormitory Authority rather than directly from the State's accounting system. This change will not impact State support for mental hygiene projects.
- Initiatives are also continued for construction and rehabilitation of State office buildings and spending for downtown revitalization.

### ***Financing Resources***

Spending for capital projects is financed with cash or bond proceeds. Cash resources include pay-as-you-go State resources and Federal grants. Bond resources include proceeds from the sale of bonds, including voter-approved general obligation bonds or public authority bonds. The percentage of capital spending which is financed by both voter-approved general obligation bonds and authority bonds financed over the five-year Plan declines from 46 percent in 2000-01 to 40 percent in 2004-05.

Total cash resources are comprised of State pay-as-you-go and Federal grants, which will finance 54 percent of the Plan in 2000-01, increasing to 60 percent in 2004-05. State pay-as-you-go spending will support 23 percent of spending in 2000-01 — increasing to approximately 25 percent by the end of the five-year Capital Plan. Federal grants, which primarily support spending for transportation and the environment, will finance over 31 percent of spending in 2000-01 — increasing to approximately 35 percent by the end of the five-year Capital Plan.

## **FINANCIAL PLAN OVERVIEW**

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General obligation bond spending primarily supports spending for Clean Water/Clean Air Bond Act projects and the largest share of authority bond spending will support the new five-year transportation plan.

### **DEBT SERVICE FUNDS**

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

Debt Service Funds projections for 1999-2000 and 2000-01 reflect the Governor's commitment to reduce both the costs and levels of State debt with a third consecutive deposit to the Debt Reduction Reserve Fund (DRRF) and a Constitutional and statutory Debt Reform proposal that includes capping new debt service costs to 5 percent of All Funds Receipts.

The Debt Reduction Reserve Fund (DRRF) will contain \$250 million at the end of 1999-2000. This Budget recommends a third consecutive deposit to DRRF of \$500 million in 2000-01 — increasing the balance at the beginning of 2000-01 to \$750 million. The additional deposit of \$500 million reflects \$250 million of one-time moneys from the State's tobacco settlement funds and \$250 million from the 1999-2000 surplus. Two-thirds, or \$500 million of the balance, will be used in 2000-01 to pay off the State's high cost debt or increase pay-as-you-go spending for previously bond-financed programs. The balance, or \$250 million, will recapitalize DRRF, ensuring that State debt is reduced further in 2001-02. Beginning in 2000-01, DRRF will be reclassified as a Capital Projects Fund.

Over the five-year Capital Program and Financing Plan, DRRF will reduce State debt by \$750 million. Debt service costs will be reduced by \$35 million in 2000-01, \$60 million in 2001-02, and by \$70 million annually thereafter, saving taxpayers \$1.5 billion in debt service costs.

Estimated debt service disbursements from the Debt Service Funds type for 2000-01 will increase to \$3.8 billion, or \$241 million more than the prior year. Of this increase, \$131 million is attributable to transportation bonding for State and local highway and bridge programs financed by the Dedicated Highway and Bridge Trust Fund, \$39 million is for SUNY and CUNY higher education purposes, and \$22 million is for Mental Hygiene programs financed through the Mental Health Services Fund.

Overall financing costs will continue to be minimized through a number of other debt management strategies. Debt financings continue to reflect the elimination of capitalized interest and the use of shorter bond maturities. Market conditions permitting, the State will continue to expand the use of short-term debt instruments, including variable rate demand obligations and extending the authorization to issue interest rate swaps under a limited, experimental program.

The General Debt Service Fund pays debt service on general obligation bonds, as well as payments for lease-purchase and contractual obligation bonds. Transfers from the General Fund are the primary source of funds for these payments, and are only made in the amount necessary to meet net disbursements. In 2000-01, the transfer from the General Fund is projected at \$2.28 billion. Additional transfers of \$208 million from the Dedicated Highway and Bridge Trust Fund, \$49.5 million from the Clean Water/Clean

## **FINANCIAL PLAN OVERVIEW**

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Air Fund, and \$1.5 million from the State Parks Infrastructure Fund are projected to bring 2000-01 total disbursements from the General Debt Service Fund to \$2.53 billion. Those additional transfers pay the debt service on bonds issued for CHIPs, environmental projects under the Clean Water /Clean Air Bond Act, and State parks purposes, respectively. The retirement of outstanding general obligation bonds contributes to a \$29 million reduction in those debt service costs. Prior year financings for CUNY, SUNY, prisons, housing, CHIPs and other programs will increase 2000-01 lease-purchase and contractual obligation payments by \$136 million.

The Local Government Assistance Tax Fund is projected to receive \$1.98 billion in receipts from the dedicated one cent statewide sales tax. Debt service and associated costs on the completed \$4.7 billion LGAC program are projected at \$333 million, and reflect actions in 1999-2000 which will replace a portion of LGAC's Capital Reserve Fund with a surety policy and use those released reserves to pay down existing LGAC debt. Sales tax receipts in excess of LGAC's debt service requirements, \$1.65 billion, will be transferred to the General Fund.

The Mental Health Services Fund has \$2.20 billion of patient revenues which are deposited and transferred to satisfy debt service obligations of \$344 million. The remaining balance is transferred to special revenue funds to support State Operations costs for the various mental hygiene agencies. The Health Income Fund also receives patient revenue deposits and transfers from certain Health Department facilities, including the Roswell Park Cancer Institute (whose operations were transferred to a public corporation pursuant to 1997 legislation). Revenues of the Corporation continue to support the debt service on bonds for Roswell facilities through their maturity, and the balance is periodically transferred to the Roswell Corporation. As a result, the State's Financial Plan only reflects the portion of the Corporation's receipts that are needed for debt service. Health Income Fund moneys of \$121 million are expected to support debt service obligations of \$34 million in 2000-01, with the remainder being transferred to support the Health Department's State Operations costs.

The Clean Water/Clean Air Fund, which was created in 1997-98 to implement the Clean Water/Clean Air Bond Act, is expected to receive \$201 million from the real estate transfer tax. The Fund will transfer \$50 million to the General Debt Service Fund to pay the debt service on Clean Water/Clean Air general obligation bonds and the remaining \$151 million to the General Fund. Other Debt Service Funds are used for debt service on housing, SUNY dormitory, and State highway projects.

### **GAAP-BASIS FINANCIAL PLANS**

The General Fund and All Governmental Funds Financial Plans are also prepared in accordance with Generally Accepted Accounting Principles (GAAP). Additional schedules are provided which detail the differences between the General Fund Financial Plan prepared on a cash basis versus that prepared in accordance with GAAP. The GAAP projections for both years are based on the accounting principles applied by the State Comptroller in the financial statements issued for the 1998-99 State fiscal year, and do not reflect any pending proposals of the Governmental Accounting Standards Board.

## **FINANCIAL PLAN OVERVIEW**

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### **Comparisons of Actual and Projected GAAP Operating Results (millions of dollars)\***

<b>Fiscal Year Ended:</b>	<b>General Fund</b>	<b>Special Revenue Funds</b>	<b>Debt Service Funds</b>	<b>Capital Projects Funds</b>	<b>All Governmental Funds</b>	<b>Accumulated General Fund Surplus/(Deficit)</b>
March 31, 2001	(\$632)	\$1,185	\$36	\$161	\$750	\$1,479
March 31, 2000	465	48	54	167	734	2,111
March 31, 1999	1,078	(117)	209	154	156	1,646
March 31, 1998	1,562	49	(43)	232	1,800	567
March 31, 1997	1,933	65	(37)	98	2,059	(995)
March 31, 1996	380	(409)	185	276	432	(2,928)
March 31, 1995	(1,426)	39	(38)	(366)	(1,791)	(3,308)

\* Deficits noted in parentheses.

The GAAP projections indicate that the State will have four consecutive years of a General Fund GAAP accumulated surplus, completely eliminating the GAAP deficit of \$3.3 billion as of March 31, 1995. In 1999-2000, the General Fund GAAP Financial Plan shows total revenues of \$37.69 billion, total expenditures of \$37.49 billion, and net other financing sources of \$264 million. In 2000-01, projections reflect total revenues of \$37.32 billion, total expenditures of \$37.94 billion and net other financing uses of \$14 million. At the end of 2000-01, the accumulated General Fund GAAP surplus is projected to be \$1.48 billion.

### **CASH FLOW**

As a result of cash flow reforms made in the 1990s, the State cannot normally issue short-term debt to meet its cash flow needs throughout the year. The General Fund cash flow for 2000-01 is projected to have balances no lower than \$3.7 billion in all months. Healthy balances early in the year are largely the result of reserves that have been increased over the past few years. In June, the projected balance in the General Fund is \$4.13 billion. Balances at the close of the second and third quarters of the fiscal year are projected to be \$5.15 billion and \$4.67 billion, respectively.

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## FINANCIAL PLAN OVERVIEW

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

	October	Change	January
<b>Opening fund balance</b>	892		892
<b>Receipts:</b>			
Taxes			
Personal income tax	22,997	201	23,198
User taxes and fees	7,349	81	7,430
Business taxes	4,597	(22)	4,575
Other taxes	1,001	9	1,010
Miscellaneous receipts	1,363	111	1,474
Transfers from other funds			
-- LGAC	1,648	36	1,684
-- All other	368	25	393
<b>Total receipts</b>	<b>39,323</b>	<b>441</b>	<b>39,764</b>
<b>Disbursements:</b>			
Grants to local governments	25,620	(8)	25,612
State operations	6,852	(222)	6,630
General State charges	2,037	50	2,087
Debt service	11	(5)	6
Transfers to other funds			
-- Debt service	2,272	(42)	2,230
-- Capital projects	168	(25)	143
-- Other purposes	385	(22)	363
<b>Total disbursements</b>	<b>37,345</b>	<b>(274)</b>	<b>37,071</b>
<b>Change in fund balance</b>	<b>1,978</b>	<b>715</b>	<b>2,693</b>
<b>Closing fund balance</b>	<b>2,870</b>	<b>715</b>	<b>3,585</b>
-- Tax Stabilization Reserve Fund	473	75	548
-- Contingency Reserve Fund	132	(25)	107
-- Community Projects Fund	200	65	265
-- Debt Reduction Reserve Fund	250	0	250
-- 1999-2000 Enacted Tax Reduction Reserve	1,815	0	1,815
-- 1999-2000 Surplus	0	550	550
-- 1999-2000 Salary Reserve	0	50	50

# FINANCIAL PLAN OVERVIEW

**Cash Financial Plan - Before Movement of Reserves  
General Fund  
1999-2000 and 2000-2001  
(millions of dollars)**

	<u>1999-2000 Estimate</u>	<u>2000-2001 Recommended</u>	<u>Change</u>
<b>Opening fund balance</b>	<u>892</u>	<u>3,335</u>	
<b>Receipts:</b>			
Taxes			
Personal income tax	23,198	20,645	(2,553)
User taxes and fees	7,430	7,055	(375)
Business taxes	4,575	4,241	(334)
Other taxes	1,010	766	(244)
Miscellaneous receipts	1,474	1,339	(135)
Transfers from other funds			
-- LGAC	1,684	1,647	(37)
-- All other	393	362	(31)
<b>Total receipts</b>	<u>39,764</u>	<u>36,055</u>	<u>(3,709)</u>
<b>Disbursements:</b>			
Grants to local governments	25,612	25,810	198
State operations	6,630	7,061	431
General State charges	2,087	2,236	149
Debt service	6	5	(1)
Transfers to other funds			
-- Debt service	2,230	2,275	45
-- Capital projects	143	238	95
-- Other purposes	363	292	(71)
<b>Total disbursements</b>	<u>37,071</u>	<u>37,917</u>	<u>846</u>
<b>Change in fund balance</b>	<u>2,693</u>	<u>(1,862)</u>	
<b>Closing fund balance</b>	<u>3,585</u>	<u>1,473</u>	
-- Tax Stabilization Reserve Fund	548	548	
-- Contingency Reserve Fund	107	150	
-- Community Projects Fund	265	0	
-- Debt Reduction Reserve Fund	250	0	
-- 1999-2000 Enacted Tax Reduction Reserve	1,815	0	
-- 2000-2001 New Tax Reduction Reserve	0	300	
-- 1999-2000 Surplus	550	0	
-- 1999-2000 Salary Reserve	50	50	
-- 2000-2001 Salary Reserve	0	425	

*Note 1: The 1999-2000 surplus of \$550 million is being used to capitalize the Debt Reduction Reserve Fund (\$250 million) in 2000-2001 and to create a New Tax Reduction Reserve (\$300 million) to cover the 2001-2002 and 2002-2003 values of the proposed new tax cuts.*

*Note 2: The 2000-2001 opening fund balance is \$250 million lower than the 1999-2000 closing fund balance due to the reclassification of the Debt Reduction Reserve Fund (DRRF) from the General Fund to the Capital Projects Funds in 2000-2001.*

*Note 3: The 2000-2001 closing fund balance of \$1.473 billion in the General Fund does not include projected closing balances of \$1.2 billion in the STAR Special Revenue Fund and \$250 million in DRRF in the Capital Projects Funds.*

## FINANCIAL PLAN OVERVIEW

**Personal Income Tax Receipts  
General Fund  
1999-2000 and 2000-2001  
(millions of dollars)**

	<u>1999-2000 Estimate</u>	<u>2000-2001 Recommended</u>
<b>Net Total PIT Receipts (Gross Receipts - Refunds)</b>	22,633	24,126
STAR Deposit	(1,195)	(2,010)
Additional STAR Deposit	0	(1,200)
DRRF Deposit	0	(250)
<b>1998-1999 Refund Reserve:</b>	<u>2,306</u>	
LGAC	521	
Net Credit Reserves	7	
1998-1999 Surplus (net of timing)	1,778	
<b>1999-2000 Refund Reserve:</b>	<u>(2,961)</u>	<u>2,961</u>
LGAC	(521)	521
Net Credit Reserves	(25)	25
1999-2000 Enacted Tax Reduction Reserve	(1,815)	1,815
1999-2000 Salary Reserve	(50)	50
Remaining 1999-2000 Surplus	(550)	550
<b>2000-2001 Refund Reserve:</b>		<u>(567)</u>
LGAC		(521)
Net Credit Reserves		(46)
<b>Published PIT Receipts (after Refund Reserve Transaction)</b>	<u><u>20,783</u></u>	<u><u>23,060</u></u>
<b>Reserves</b>	<u>2,415</u>	<u>(2,415)</u>
1999-2000 Enacted Tax Reduction Reserve	1,815	(1,815)
1999-2000 Salary Reserve	50	(50)
Remaining 1999-2000 Surplus	550	(550)
<b>Published PIT Receipts (before movement of 1999-2000 reserves)</b>	<u><u>23,198</u></u>	<u><u>20,645</u></u>

## **FINANCIAL PLAN OVERVIEW**

**Cash Financial Plan — After PIT Refund Reserve Transaction  
General Fund  
1999-2000 and 2000-2001  
(millions of dollars)**

	<u>1999-2000 Estimate</u>	<u>2000-2001 Recommended</u>	<u>Change</u>
<b>Opening fund balance</b>	<u>892</u>	<u>920</u>	
<b>Receipts:</b>			
Taxes			
Personal income tax	20,783	23,060	2,277
User taxes and fees	7,430	7,055	(375)
Business taxes	4,575	4,241	(334)
Other taxes	1,010	766	(244)
Miscellaneous receipts	1,474	1,339	(135)
Transfers from other funds			
-- LGAC	1,684	1,647	(37)
-- All other	393	362	(31)
<b>Total receipts</b>	<u>37,349</u>	<u>38,470</u>	<u>1,121</u>
<b>Disbursements:</b>			
Grants to local governments	25,612	25,810	198
State operations	6,630	7,061	431
General State charges	2,087	2,236	149
Debt service	6	5	(1)
Transfers to other funds			
-- Debt service	2,230	2,275	45
-- Capital projects	143	238	95
-- Other purposes	363	292	(71)
<b>Total disbursements</b>	<u>37,071</u>	<u>37,917</u>	<u>846</u>
<b>Change in fund balance</b>	<u>278</u>	<u>553</u>	
<b>Closing fund balance</b>	<u>1,170</u>	<u>1,473</u>	
-- Tax Stabilization Reserve Fund	548	548	
-- Contingency Reserve Fund	107	150	
-- Community Projects Fund	265	0	
-- Debt Reduction Reserve Fund	250	0	
-- 2000-2001 New Tax Reduction Reserve	0	300	
-- 1999-2000 Salary Reserve	0	50	
-- 2000-2001 Salary Reserve	0	425	

*Note 1: The 2000-2001 opening fund balance is \$250 million lower than the 1999-2000 closing fund balance due to the reclassification of the Debt Reduction Reserve Fund from the General Fund to the Capital Projects Funds in 2000-2001.*

## FINANCIAL PLAN OVERVIEW

**Cash Financial Plan  
General Fund  
2000-2001 through 2002-2003  
(millions of dollars)**

	<b>2000-2001 Recommended</b>	<b>2001-2002 Projected</b>	<b>2002-2003 Projected</b>
<b>Receipts:</b>			
Taxes			
Personal income tax	23,060	24,064	24,348
User taxes and fees	7,055	7,277	7,420
Business taxes	4,241	3,976	3,863
Other taxes	766	800	851
Miscellaneous receipts	1,339	1,262	1,228
Transfers from other funds			
-- LGAC	1,647	1,756	1,864
-- All other	362	317	354
<b>Total receipts</b>	<b>38,470</b>	<b>39,452</b>	<b>39,928</b>
<b>Disbursements:</b>			
Grants to local governments	25,810	27,296	28,739
State operations	7,061	7,417	7,602
General State charges	2,236	2,633	2,775
Debt service	5	0	0
Transfers to other funds			
-- Debt service	2,275	2,288	2,313
-- Capital projects	238	294	282
-- Other purposes	292	337	352
<b>Total disbursements</b>	<b>37,917</b>	<b>40,265</b>	<b>42,063</b>
<b>(Deposit to)/use of Contingency Reserve Fund</b>	<b>(43)</b>	<b>0</b>	<b>0</b>
<b>(Deposit to)/use of Community Projects Fund</b>	<b>265</b>	<b>0</b>	<b>0</b>
<b>(Deposit to)/use of New Tax Reduction Reserve</b>	<b>(300)</b>	<b>92</b>	<b>208</b>
<b>(Deposit to)/use of 1999-2000 Salary Reserve</b>	<b>(50)</b>	<b>0</b>	<b>0</b>
<b>(Deposit to)/use of Salary Reserve</b>	<b>(425)</b>	<b>(505)</b>	<b>(715)</b>
<b>Margin</b>	<b>0</b>	<b>(1,226)</b>	<b>(2,642)</b>

## **FINANCIAL PLAN OVERVIEW**

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### Cash Financial Plan All Governmental Funds 1998-1999 (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>
<b>Opening fund balance</b>	638	616	72	164	1,490
<b>Receipts:</b>					
Taxes	33,319	1,934	1,123	2,204	38,580
Miscellaneous receipts	1,505	5,813	1,567	630	9,515
Federal grants	0	21,422	1,219	0	22,641
<b>Total receipts</b>	<u>34,824</u>	<u>29,169</u>	<u>3,909</u>	<u>2,834</u>	<u>70,736</u>
<b>Disbursements:</b>					
Grants to local governments	24,694	23,447	544	0	48,685
State operations	6,671	5,920	0	4	12,595
General State charges	2,259	276	0	0	2,535
Debt service	9	0	0	3,266	3,275
Capital projects	0	6	3,518	0	3,524
<b>Total disbursements</b>	<u>33,633</u>	<u>29,649</u>	<u>4,062</u>	<u>3,270</u>	<u>70,614</u>
<b>Other financing sources (uses):</b>					
Transfers from other funds	1,917	2,444	274	4,370	9,005
Transfers to other funds	(2,854)	(1,908)	(423)	(3,878)	(9,063)
Bond and note proceeds	0	0	249	0	249
<b>Net other financing sources (uses)</b>	<u>(937)</u>	<u>536</u>	<u>100</u>	<u>492</u>	<u>191</u>
<b>Change in fund balance</b>	<u>254</u>	<u>56</u>	<u>(53)</u>	<u>56</u>	<u>313</u>
<b>Closing fund balance</b>	<u>892</u>	<u>672</u>	<u>19</u>	<u>220</u>	<u>1,803</u>

## FINANCIAL PLAN OVERVIEW

**Cash Financial Plan  
All Governmental Funds  
1999-2000  
(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>
<b>Opening fund balance</b>	892	672	69	170	1,803
<b>Receipts:</b>					
Taxes	33,798	2,572	1,151	2,336	39,857
Miscellaneous receipts	1,474	5,942	1,866	606	9,888
Federal grants	0	21,556	1,319	0	22,875
<b>Total receipts</b>	<u>35,272</u>	<u>30,070</u>	<u>4,336</u>	<u>2,942</u>	<u>72,620</u>
<b>Disbursements:</b>					
Grants to local governments	25,612	23,864	600	0	50,076
State operations	6,630	6,311	0	14	12,955
General State charges	2,087	555	0	0	2,642
Debt service	6	0	0	3,561	3,567
Capital projects	0	6	3,576	0	3,582
<b>Total disbursements</b>	<u>34,335</u>	<u>30,736</u>	<u>4,176</u>	<u>3,575</u>	<u>72,822</u>
<b>Other financing sources (uses):</b>					
Transfers from other funds	2,077	2,291	185	4,564	9,117
Transfers to other funds	(2,736)	(1,959)	(532)	(3,931)	(9,158)
Bond and note proceeds	0	29	250	0	279
<b>Net other financing sources (uses)</b>	<u>(659)</u>	<u>361</u>	<u>(97)</u>	<u>633</u>	<u>238</u>
<b>Change in fund balance</b>	<u>278</u>	<u>(305)</u>	<u>63</u>	<u>0</u>	<u>36</u>
<b>Closing fund balance</b>	<u>1,170</u>	<u>367</u>	<u>132</u>	<u>170</u>	<u>1,839</u>

## **FINANCIAL PLAN OVERVIEW**

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### Cash Financial Plan All Governmental Funds 2000-2001 (millions of dollars)

	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	(MEMO) Total
<b>Opening fund balance</b>	920	367	382	170	1,839
<b>Receipts:</b>					
Taxes	36,572	3,437	1,240	2,297	43,546
Miscellaneous receipts	1,339	6,905	2,063	575	10,882
Federal grants	0	23,010	1,377	0	24,387
(Deposit to)/use of reserves	(1,450)	1,200	250	0	0
<b>Total receipts</b>	<u>36,461</u>	<u>34,552</u>	<u>4,930</u>	<u>2,872</u>	<u>78,815</u>
<b>Disbursements:</b>					
Grants to local governments	25,810	26,765	871	0	53,446
State operations	7,061	6,226	0	7	13,294
General State charges	2,236	557	0	0	2,793
Debt service	5	0	0	3,802	3,807
Capital projects	0	4	3,461	0	3,465
<b>Total disbursements</b>	<u>35,112</u>	<u>33,552</u>	<u>4,332</u>	<u>3,809</u>	<u>76,805</u>
<b>Other financing sources (uses):</b>					
Transfers from other funds	2,009	2,284	263	4,898	9,454
Transfers to other funds	(2,805)	(2,103)	(664)	(3,972)	(9,544)
Bond and note proceeds	0	0	286	0	286
Use of Debt Reduction Reserve Fund	0	0	(500)	0	(500)
<b>Net other financing sources (uses)</b>	<u>(796)</u>	<u>181</u>	<u>(615)</u>	<u>926</u>	<u>(304)</u>
<b>Change in fund balance</b>	<u>553</u>	<u>1,181</u>	<u>(17)</u>	<u>(11)</u>	<u>1,706</u>
<b>Closing fund balance</b>	<u>1,473</u>	<u>1,548</u>	<u>365</u>	<u>159</u>	<u>3,545</u>

*Note 1: The opening fund balances of the General Fund and the Capital Projects Funds are changed by \$250 million to reflect the reclassification of the Debt Reduction Reserve Fund from the General Fund to the Capital Projects Funds.*

*Note 2: The \$1.45 billion reduction in General Fund receipts is being used to make an additional deposit of \$1.2 billion to the School Tax Property Relief Fund to be used in 2001-2002 and to deposit \$250 million to the Debt Reduction Reserve Fund.*

## FINANCIAL PLAN OVERVIEW

**Cash Financial Plan  
All Governmental Funds  
2001-2002  
(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>
<b>Opening fund balance</b>	0	1,548	365	159	2,072
<b>Receipts:</b>					
Taxes	36,117	3,075	1,370	2,412	42,974
Miscellaneous receipts	1,262	7,060	1,904	555	10,781
Federal grants	0	23,736	1,352	0	25,088
<b>Total receipts</b>	<u>37,379</u>	<u>33,871</u>	<u>4,626</u>	<u>2,967</u>	<u>78,843</u>
<b>Disbursements:</b>					
Grants to local governments	27,296	28,825	768	0	56,889
State operations	7,417	6,166	0	7	13,590
General State charges	2,633	311	0	0	2,944
Debt service	0	0	0	3,953	3,953
Capital projects	0	5	3,724	0	3,729
<b>Total disbursements</b>	<u>37,346</u>	<u>35,307</u>	<u>4,492</u>	<u>3,960</u>	<u>81,105</u>
<b>Other financing sources (uses):</b>					
Transfers from other funds	2,073	2,196	319	4,940	9,528
Transfers to other funds	(2,919)	(1,957)	(783)	(3,965)	(9,624)
Bond and note proceeds	0	0	303	0	303
Use of Debt Reduction Reserve Fund	0	0	(250)	0	(250)
<b>Net other financing sources (uses)</b>	<u>(846)</u>	<u>239</u>	<u>(411)</u>	<u>975</u>	<u>(43)</u>
<b>(Deposit to)/use of New Tax Reduction Reserve Fund</b>	<u>92</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>92</u>
<b>(Deposit to)/use of Salary Reserve</b>	<u>(505)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(505)</u>
<b>Change in fund balance</b>	<u>(1,226)</u>	<u>(1,197)</u>	<u>(277)</u>	<u>(18)</u>	<u>(2,305)</u>
<b>Closing fund balance</b>	<u>(1,226)</u>	<u>351</u>	<u>88</u>	<u>141</u>	<u>(233)</u>

## **FINANCIAL PLAN OVERVIEW**

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### Cash Financial Plan All Governmental Funds 2002-2003 (millions of dollars)

	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	(MEMO) Total
<b>Opening fund balance</b>	0	351	88	141	580
<b>Receipts:</b>					
Taxes	36,482	4,443	1,474	2,527	44,926
Miscellaneous receipts	1,228	7,242	1,834	551	10,855
Federal grants	0	24,811	1,369	0	26,180
<b>Total receipts</b>	37,710	36,496	4,677	3,078	81,961
<b>Disbursements:</b>					
Grants to local governments	28,739	30,149	737	0	59,625
State operations	7,602	6,242	0	7	13,851
General State charges	2,775	319	0	0	3,094
Debt service	0	0	0	4,073	4,073
Capital projects	0	5	3,629	0	3,634
<b>Total disbursements</b>	39,116	36,715	4,366	4,080	84,277
<b>Other financing sources (uses):</b>					
Transfers from other funds	2,218	2,175	283	5,076	9,752
Transfers to other funds	(2,947)	(1,940)	(903)	(4,063)	(9,853)
Bond and note proceeds	0	0	299	0	299
<b>Net other financing sources (uses)</b>	(729)	235	(321)	1,013	198
<b>(Deposit to)/use of New Tax Reduction Reserve Fund</b>	208	0	0	0	208
<b>(Deposit to)/use of Salary Reserve</b>	(715)	0	0	0	(715)
<b>Change in fund balance</b>	(2,642)	16	(10)	11	(2,625)
<b>Closing fund balance</b>	(2,642)	367	78	152	(2,045)

## FINANCIAL PLAN OVERVIEW

**Cash Financial Plan  
State Funds  
1998-1999  
(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>
<b>Opening fund balance</b>	638	1,039	195	164	2,036
<b>Receipts:</b>					
Taxes	33,319	1,934	1,123	2,204	38,580
Miscellaneous receipts	1,505	5,710	1,566	630	9,411
Federal grants	0	2	0	0	2
<b>Total receipts</b>	<u>34,824</u>	<u>7,646</u>	<u>2,689</u>	<u>2,834</u>	<u>47,993</u>
<b>Disbursements:</b>					
Grants to local governments	24,694	4,757	429	0	29,880
State operations	6,671	3,283	0	4	9,958
General State charges	2,259	170	0	0	2,429
Debt service	9	0	0	3,266	3,275
Capital projects	0	6	2,400	0	2,406
<b>Total disbursements</b>	<u>33,633</u>	<u>8,216</u>	<u>2,829</u>	<u>3,270</u>	<u>47,948</u>
<b>Other financing sources (uses):</b>					
Transfers from other funds	1,917	704	274	4,370	7,265
Transfers to other funds	(2,854)	(106)	(417)	(3,878)	(7,255)
Bond and note proceeds	0	0	249	0	249
<b>Net other financing sources (uses)</b>	<u>(937)</u>	<u>598</u>	<u>106</u>	<u>492</u>	<u>259</u>
<b>Change in fund balance</b>	<u>254</u>	<u>28</u>	<u>(34)</u>	<u>56</u>	<u>304</u>
<b>Closing fund balance</b>	<u>892</u>	<u>1,067</u>	<u>161</u>	<u>220</u>	<u>2,340</u>

## **FINANCIAL PLAN OVERVIEW**

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

	<b>General Fund</b>	<b>Special Revenue Funds</b>	<b>Capital Projects Funds</b>	<b>Debt Service Funds</b>	<b>(MEMO) Total</b>
<b>Opening fund balance</b>	892	1,067	211	170	2,340
<b>Receipts:</b>					
Taxes	33,798	2,572	1,151	2,336	39,857
Miscellaneous receipts	1,474	5,839	1,866	606	9,785
Federal grants	0	0	0	0	0
<b>Total receipts</b>	<u>35,272</u>	<u>8,411</u>	<u>3,017</u>	<u>2,942</u>	<u>49,642</u>
<b>Disbursements:</b>					
Grants to local governments	25,612	5,171	474	0	31,257
State operations	6,630	3,509	0	14	10,153
General State charges	2,087	435	0	0	2,522
Debt service	6	0	0	3,561	3,567
Capital projects	0	6	2,390	0	2,396
<b>Total disbursements</b>	<u>34,335</u>	<u>9,121</u>	<u>2,864</u>	<u>3,575</u>	<u>49,895</u>
<b>Other financing sources (uses):</b>					
Transfers from other funds	2,077	501	185	4,564	7,327
Transfers to other funds	(2,736)	(153)	(525)	(3,931)	(7,345)
Bond and note proceeds	0	29	250	0	279
<b>Net other financing sources (uses)</b>	<u>(659)</u>	<u>377</u>	<u>(90)</u>	<u>633</u>	<u>261</u>
<b>Change in fund balance</b>	<u>278</u>	<u>(333)</u>	<u>63</u>	<u>0</u>	<u>8</u>
<b>Closing fund balance</b>	<u>1,170</u>	<u>734</u>	<u>274</u>	<u>170</u>	<u>2,348</u>

## FINANCIAL PLAN OVERVIEW

**Cash Financial Plan  
State Funds  
2000-2001  
(millions of dollars)**

	<b>General Fund</b>	<b>Special Revenue Funds</b>	<b>Capital Projects Funds</b>	<b>Debt Service Funds</b>	<b>(MEMO) Total</b>
<b>Opening fund balance</b>	920	734	524	170	2,348
<b>Receipts:</b>					
Taxes	36,572	3,437	1,240	2,297	43,546
Miscellaneous receipts	1,339	6,802	2,063	575	10,779
Federal grants	0	0	0	0	0
(Deposit to)use of reserves	(1,450)	1,200	250	0	0
<b>Total receipts</b>	<u>36,461</u>	<u>11,439</u>	<u>3,553</u>	<u>2,872</u>	<u>54,325</u>
<b>Disbursements:</b>					
Grants to local governments	25,810	6,737	674	0	33,221
State operations	7,061	3,374	0	7	10,442
General State charges	2,236	429	0	0	2,665
Debt service	5	0	0	3,802	3,807
Capital projects	0	4	2,302	0	2,306
<b>Total disbursements</b>	<u>35,112</u>	<u>10,544</u>	<u>2,976</u>	<u>3,809</u>	<u>52,441</u>
<b>Other financing sources (uses):</b>					
Transfers from other funds	2,009	454	263	4,898	7,624
Transfers to other funds	(2,805)	(141)	(657)	(3,972)	(7,575)
Bond and note proceeds	0	0	286	0	286
Use of Debt Reduction Reserve Fund	0	0	(500)	0	(500)
<b>Net other financing sources (uses)</b>	<u>(796)</u>	<u>313</u>	<u>(608)</u>	<u>926</u>	<u>(165)</u>
<b>Change in fund balance</b>	<u>553</u>	<u>1,208</u>	<u>(31)</u>	<u>(11)</u>	<u>1,719</u>
<b>Closing fund balance</b>	<u>1,473</u>	<u>1,942</u>	<u>493</u>	<u>159</u>	<u>4,067</u>

*Note 1: The opening fund balances of the General Fund and the Capital Projects Funds are changed by \$250 million to reflect the reclassification of the Debt Reduction Reserve Fund from the General Fund to the Capital Projects Funds.*

*Note 2: The \$1.45 billion reduction in General Fund receipts is being used to make an additional deposit of \$1.2 billion to the School Tax Property Relief Fund to be used in 2001-2002 and to deposit \$250 million to the Debt Reduction Reserve Fund.*

## **FINANCIAL PLAN OVERVIEW**

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**Cash Financial Plan  
State Funds  
2001-2002  
(millions of dollars)**

	<b>General Fund</b>	<b>Special Revenue Funds</b>	<b>Capital Projects Funds</b>	<b>Debt Service Funds</b>	<b>(MEMO) Total</b>
<b>Opening fund balance</b>	<u>0</u>	<u>1,942</u>	<u>493</u>	<u>159</u>	<u>2,594</u>
<b>Receipts:</b>					
Taxes	36,117	3,075	1,370	2,412	42,974
Miscellaneous receipts	1,262	6,957	1,904	555	10,678
Federal grants	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total receipts</b>	<u>37,379</u>	<u>10,032</u>	<u>3,274</u>	<u>2,967</u>	<u>53,652</u>
<b>Disbursements:</b>					
Grants to local governments	27,296	7,989	569	0	35,854
State operations	7,417	3,425	0	7	10,849
General State charges	2,633	181	0	0	2,814
Debt service	0	0	0	3,953	3,953
Capital projects	<u>0</u>	<u>5</u>	<u>2,579</u>	<u>0</u>	<u>2,584</u>
<b>Total disbursements</b>	<u>37,346</u>	<u>11,600</u>	<u>3,148</u>	<u>3,960</u>	<u>56,054</u>
<b>Other financing sources (uses):</b>					
Transfers from other funds	2,073	469	319	4,940	7,801
Transfers to other funds	(2,919)	(93)	(775)	(3,965)	(7,752)
Bond and note proceeds	0	0	303	0	303
Use of Debt Reduction Reserve Fund	<u>0</u>	<u>0</u>	<u>(250)</u>	<u>0</u>	<u>(250)</u>
<b>Net other financing sources (uses)</b>	<u>(846)</u>	<u>376</u>	<u>(403)</u>	<u>975</u>	<u>102</u>
<b>(Deposit to) use of New Tax Reduction Reserve Fund</b>	<u>92</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>92</u>
<b>(Deposit to) use of Salary Reserve</b>	<u>(505)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(505)</u>
<b>Change in fund balance</b>	<u>(1,226)</u>	<u>(1,192)</u>	<u>(277)</u>	<u>(18)</u>	<u>(2,713)</u>
<b>Closing fund balance</b>	<u>(1,226)</u>	<u>750</u>	<u>216</u>	<u>141</u>	<u>(119)</u>

## FINANCIAL PLAN OVERVIEW

**Cash Financial Plan  
State Funds  
2002-2003  
(millions of dollars)**

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Debt Service Funds</u>	<u>(MEMO) Total</u>
<b>Opening fund balance</b>	0	750	216	141	1,107
<b>Receipts:</b>					
Taxes	36,482	4,443	1,474	2,527	44,926
Miscellaneous receipts	1,228	7,137	1,834	551	10,750
Federal grants	0	0	0	0	0
<b>Total receipts</b>	<u>37,710</u>	<u>11,580</u>	<u>3,308</u>	<u>3,078</u>	<u>55,676</u>
<b>Disbursements:</b>					
Grants to local governments	28,739	8,239	539	0	37,517
State operations	7,602	3,508	0	7	11,117
General State charges	2,775	185	0	0	2,960
Debt service	0	0	0	4,073	4,073
Capital projects	0	5	2,466	0	2,471
<b>Total disbursements</b>	<u>39,116</u>	<u>11,937</u>	<u>3,005</u>	<u>4,080</u>	<u>58,138</u>
<b>Other financing sources (uses):</b>					
Transfers from other funds	2,218	473	283	5,076	8,050
Transfers to other funds	(2,947)	(76)	(895)	(4,063)	(7,981)
Bond and note proceeds	0	0	299	0	299
<b>Net other financing sources (uses)</b>	<u>(729)</u>	<u>397</u>	<u>(313)</u>	<u>1,013</u>	<u>368</u>
<b>(Deposit to) use of New Tax Reduction Reserve Fund</b>	<u>208</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>208</u>
<b>(Deposit to) use of Salary Reserve</b>	<u>(715)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(715)</u>
<b>Change in fund balance</b>	<u>(2,642)</u>	<u>40</u>	<u>(10)</u>	<u>11</u>	<u>(2,601)</u>
<b>Closing fund balance</b>	<u>(2,642)</u>	<u>790</u>	<u>206</u>	<u>152</u>	<u>(1,494)</u>

## **FINANCIAL PLAN OVERVIEW**

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### **Cash Financial Plan Special Revenue Funds 1998-1999 (millions of dollars)**

	<u>State</u>	<u>Federal</u>	<u>Total</u>
<b>Opening fund balance</b>	<u>1,039</u>	<u>(423)</u>	<u>616</u>
<b>Receipts:</b>			
Taxes	1,934	0	1,934
Miscellaneous receipts	5,710	103	5,813
Federal grants	<u>2</u>	<u>21,420</u>	<u>21,422</u>
<b>Total receipts</b>	<u>7,646</u>	<u>21,523</u>	<u>29,169</u>
<b>Disbursements:</b>			
Grants to local governments	4,757	18,690	23,447
State operations	3,283	2,637	5,920
General State charges	170	106	276
Capital projects	<u>6</u>	<u>0</u>	<u>6</u>
<b>Total disbursements</b>	<u>8,216</u>	<u>21,433</u>	<u>29,649</u>
<b>Other financing sources (uses):</b>			
Transfers from other funds	704	1,740	2,444
Transfers to other funds	(106)	(1,802)	(1,908)
Bond and note proceeds	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net other financing sources (uses)</b>	<u>598</u>	<u>(62)</u>	<u>536</u>
<b>Change in fund balance</b>	<u>28</u>	<u>28</u>	<u>56</u>
<b>Closing fund balance</b>	<u>1,067</u>	<u>(395)</u>	<u>672</u>

## FINANCIAL PLAN OVERVIEW

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

	<u>State</u>	<u>Federal</u>	<u>Total</u>
<b>Opening fund balance</b>	<u>1,067</u>	<u>(395)</u>	<u>672</u>
<b>Receipts:</b>			
Taxes	2,572	0	2,572
Miscellaneous receipts	5,839	103	5,942
Federal grants	<u>0</u>	<u>21,556</u>	<u>21,556</u>
<b>Total receipts</b>	<u>8,411</u>	<u>21,659</u>	<u>30,070</u>
<b>Disbursements:</b>			
Grants to local governments	5,171	18,693	23,864
State operations	3,509	2,802	6,311
General State charges	435	120	555
Capital projects	<u>6</u>	<u>0</u>	<u>6</u>
<b>Total disbursements</b>	<u>9,121</u>	<u>21,615</u>	<u>30,736</u>
<b>Other financing sources (uses):</b>			
Transfers from other funds	501	1,790	2,291
Transfers to other funds	(153)	(1,806)	(1,959)
Bond and note proceeds	<u>29</u>	<u>0</u>	<u>29</u>
<b>Net other financing sources (uses)</b>	<u>377</u>	<u>(16)</u>	<u>361</u>
<b>Change in fund balance</b>	<u>(333)</u>	<u>28</u>	<u>(305)</u>
<b>Closing fund balance</b>	<u>734</u>	<u>(367)</u>	<u>367</u>

## **FINANCIAL PLAN OVERVIEW**

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**Cash Financial Plan  
Special Revenue Funds  
2000-2001  
(millions of dollars)**

	<u>State</u>	<u>Federal</u>	<u>Total</u>
<b>Opening fund balance</b>	<u>734</u>	<u>(367)</u>	<u>367</u>
<b>Receipts:</b>			
Taxes	3,437	0	3,437
Miscellaneous receipts	6,802	103	6,905
Federal grants	0	23,010	23,010
Use of reserves	<u>1,200</u>	<u>0</u>	<u>1,200</u>
<b>Total receipts</b>	<u>11,439</u>	<u>23,113</u>	<u>34,552</u>
<b>Disbursements:</b>			
Grants to local governments	6,737	20,028	26,765
State operations	3,374	2,852	6,226
General State charges	429	128	557
Capital projects	<u>4</u>	<u>0</u>	<u>4</u>
<b>Total disbursements</b>	<u>10,544</u>	<u>23,008</u>	<u>33,552</u>
<b>Other financing sources (uses):</b>			
Transfers from other funds	454	1,830	2,284
Transfers to other funds	(141)	(1,962)	(2,103)
Bond and note proceeds	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net other financing sources (uses)</b>	<u>313</u>	<u>(132)</u>	<u>181</u>
<b>Change in fund balance</b>	<u>1,208</u>	<u>(27)</u>	<u>1,181</u>
<b>Closing fund balance</b>	<u>1,942</u>	<u>(394)</u>	<u>1,548</u>

## FINANCIAL PLAN OVERVIEW

**Cash Financial Plan  
Special Revenue Funds  
2001-2002  
(millions of dollars)**

	<b>State</b>	<b>Federal</b>	<b>Total</b>
<b>Opening fund balance</b>	1,942	(394)	1,548
<b>Receipts:</b>			
Taxes	3,075	0	3,075
Miscellaneous receipts	6,957	103	7,060
Federal grants	0	23,736	23,736
<b>Total receipts</b>	10,032	23,839	33,871
<b>Disbursements:</b>			
Grants to local governments	7,989	20,836	28,825
State operations	3,425	2,741	6,166
General State charges	181	130	311
Capital projects	5	0	5
<b>Total disbursements</b>	11,600	23,707	35,307
<b>Other financing sources (uses):</b>			
Transfers from other funds	469	1,727	2,196
Transfers to other funds	(93)	(1,864)	(1,957)
Bond and note proceeds	0	0	0
<b>Net other financing sources (uses)</b>	376	(137)	239
<b>Change in fund balance</b>	(1,192)	(5)	(1,197)
<b>Closing fund balance</b>	750	(399)	351

## **FINANCIAL PLAN OVERVIEW**

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**Cash Financial Plan  
Special Revenue Funds  
2002-2003  
(millions of dollars)**

	<u>State</u>	<u>Federal</u>	<u>Total</u>
<b>Opening fund balance</b>	<u>750</u>	<u>(399)</u>	<u>351</u>
<b>Receipts:</b>			
Taxes	4,443	0	4,443
Miscellaneous receipts	7,137	105	7,242
Federal grants	0	24,811	24,811
<b>Total receipts</b>	<u>11,580</u>	<u>24,916</u>	<u>36,496</u>
<b>Disbursements:</b>			
Grants to local governments	8,239	21,910	30,149
State operations	3,508	2,734	6,242
General State charges	185	134	319
Capital projects	5	0	5
<b>Total disbursements</b>	<u>11,937</u>	<u>24,778</u>	<u>36,715</u>
<b>Other financing sources (uses):</b>			
Transfers from other funds	473	1,702	2,175
Transfers to other funds	(76)	(1,864)	(1,940)
Bond and note proceeds	0	0	0
<b>Net other financing sources (uses)</b>	<u>397</u>	<u>(162)</u>	<u>235</u>
<b>Change in fund balance</b>	<u>40</u>	<u>(24)</u>	<u>16</u>
<b>Closing fund balance</b>	<u>790</u>	<u>(423)</u>	<u>367</u>

## FINANCIAL PLAN OVERVIEW

**Cash Financial Plan  
Capital Projects Funds  
1998-1999  
(millions of dollars)**

	<b>State</b>	<b>Federal</b>	<b>Total</b>
<b>Opening fund balance</b>	195	(123)	72
<b>Receipts:</b>			
Taxes	1,123	0	1,123
Miscellaneous receipts	1,566	1	1,567
Federal grants	0	1,219	1,219
<b>Total receipts</b>	2,689	1,220	3,909
<b>Disbursements:</b>			
Grants to local governments	429	115	544
State operations	0	0	0
General State charges	0	0	0
Capital projects	2,400	1,118	3,518
<b>Total disbursements</b>	2,829	1,233	4,062
<b>Other financing sources (uses):</b>			
Transfers from other funds	274	0	274
Transfers to other funds	(417)	(6)	(423)
Bond and note proceeds	249	0	249
<b>Net other financing sources (uses)</b>	106	(6)	100
<b>Change in fund balance</b>	(34)	(19)	(53)
<b>Closing fund balance</b>	161	(142)	19

## **FINANCIAL PLAN OVERVIEW**

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

	<b>State</b>	<b>Federal</b>	<b>Total</b>
<b>Opening fund balance</b>	211	(142)	69
<b>Receipts:</b>			
Taxes	1,151	0	1,151
Miscellaneous receipts	1,866	0	1,866
Federal grants	0	1,319	1,319
<b>Total receipts</b>	3,017	1,319	4,336
<b>Disbursements:</b>			
Grants to local governments	474	126	600
State operations	0	0	0
General State charges	0	0	0
Capital projects	2,390	1,186	3,576
<b>Total disbursements</b>	2,864	1,312	4,176
<b>Other financing sources (uses):</b>			
Transfers from other funds	185	0	185
Transfers to other funds	(525)	(7)	(532)
Bond and note proceeds	250	0	250
<b>Net other financing sources (uses)</b>	(90)	(7)	(97)
<b>Change in fund balance</b>	63	0	63
<b>Closing fund balance</b>	274	(142)	132

## FINANCIAL PLAN OVERVIEW

**Cash Financial Plan  
Capital Projects Funds  
2000-2001  
(millions of dollars)**

	<b>State</b>	<b>Federal</b>	<b>Total</b>
<b>Opening fund balance</b>	524	(142)	382
<b>Receipts:</b>			
Taxes	1,240	0	1,240
Miscellaneous receipts	2,063	0	2,063
Federal grants	0	1,377	1,377
(Deposit to)/use of reserves	250	0	250
<b>Total receipts</b>	3,553	1,377	4,930
<b>Disbursements:</b>			
Grants to local governments	674	197	871
State operations	0	0	0
General State charges	0	0	0
Capital projects	2,302	1,159	3,461
<b>Total disbursements</b>	2,976	1,356	4,332
<b>Other financing sources (uses):</b>			
Transfers from other funds	263	0	263
Transfers to other funds	(657)	(7)	(664)
Bond and note proceeds	286	0	286
Use of Debt Reduction Reserve Fund	(500)	0	(500)
<b>Net other financing sources (uses)</b>	(608)	(7)	(615)
<b>Change in fund balance</b>	(31)	14	(17)
<b>Closing fund balance</b>	493	(128)	365

*Note 1: The opening fund balance includes \$250 million for the Debt Reduction Reserve Fund as a result of the reclassification from the General Fund to the Capital Projects Fund*

## **FINANCIAL PLAN OVERVIEW**

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**Cash Financial Plan  
Capital Projects Funds  
2001-2002  
(millions of dollars)**

	<u>State</u>	<u>Federal</u>	<u>Total</u>
<b>Opening fund balance</b>	<u>493</u>	<u>(128)</u>	<u>365</u>
<b>Receipts:</b>			
Taxes	1,370	0	1,370
Miscellaneous receipts	1,904	0	1,904
Federal grants	<u>0</u>	<u>1,352</u>	<u>1,352</u>
<b>Total receipts</b>	<u>3,274</u>	<u>1,352</u>	<u>4,626</u>
<b>Disbursements:</b>			
Grants to local governments	569	199	768
State operations	0	0	0
General State charges	0	0	0
Capital projects	<u>2,579</u>	<u>1,145</u>	<u>3,724</u>
<b>Total disbursements</b>	<u>3,148</u>	<u>1,344</u>	<u>4,492</u>
<b>Other financing sources (uses):</b>			
Transfers from other funds	319	0	319
Transfers to other funds	(775)	(8)	(783)
Bond and note proceeds	303	0	303
Use of Debt Reduction Reserve Fund	<u>(250)</u>	<u>0</u>	<u>(250)</u>
<b>Net other financing sources (uses)</b>	<u>(403)</u>	<u>(8)</u>	<u>(411)</u>
<b>Change in fund balance</b>	<u>(277)</u>	<u>0</u>	<u>(277)</u>
<b>Closing fund balance</b>	<u>216</u>	<u>(128)</u>	<u>88</u>

## FINANCIAL PLAN OVERVIEW

**Cash Financial Plan  
Capital Projects Funds  
2002-2003  
(millions of dollars)**

	<b>State</b>	<b>Federal</b>	<b>Total</b>
<b>Opening fund balance</b>	216	(128)	88
<b>Receipts:</b>			
Taxes	1,474	0	1,474
Miscellaneous receipts	1,834	0	1,834
Federal grants	0	1,369	1,369
<b>Total receipts</b>	3,308	1,369	4,677
<b>Disbursements:</b>			
Grants to local governments	539	198	737
State operations	0	0	0
General State charges	0	0	0
Capital projects	2,466	1,163	3,629
<b>Total disbursements</b>	3,005	1,361	4,366
<b>Other financing sources (uses):</b>			
Transfers from other funds	283	0	283
Transfers to other funds	(895)	(8)	(903)
Bond and note proceeds	299	0	299
<b>Net other financing sources (uses)</b>	(313)	(8)	(321)
<b>Change in fund balance</b>	(10)	0	(10)
<b>Closing fund balance</b>	206	(128)	78

## **FINANCIAL PLAN OVERVIEW**

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**Cash Financial Plan  
Proprietary And Fiduciary Funds  
1999-2000  
(millions of dollars)**

	<u>Internal Service</u>	<u>Enterprise</u>	<u>Fiduciary</u>
<b>Opening fund balance</b>	<u>(59)</u>	<u>16</u>	<u>29</u>
<b>Receipts:</b>			
Unemployment taxes	0	0	1,625
Miscellaneous receipts	459	78	51
Federal grants	<u>0</u>	<u>0</u>	<u>26</u>
<b>Total receipts</b>	<u>459</u>	<u>78</u>	<u>1,702</u>
<b>Disbursements:</b>			
Grants to local governments	0	0	6
State operations	395	76	41
Unemployment benefits	0	0	1,650
General State charges	25	2	2
Debt service	<u>112</u>	<u>0</u>	<u>0</u>
<b>Total disbursements</b>	<u>532</u>	<u>78</u>	<u>1,699</u>
<b>Other financing sources (uses):</b>			
Transfers from other funds	44	0	1
Transfers to other funds	<u>(2)</u>	<u>0</u>	<u>0</u>
<b>Net other financing sources (uses)</b>	<u>42</u>	<u>0</u>	<u>1</u>
<b>Change in fund balance</b>	<u>(31)</u>	<u>0</u>	<u>4</u>
<b>Closing fund balance</b>	<u>(90)</u>	<u>16</u>	<u>33</u>

## FINANCIAL PLAN OVERVIEW

**Cash Financial Plan  
Proprietary And Fiduciary Funds  
2000-2001  
(millions of dollars)**

	<b>Internal Service</b>	<b>Enterprise</b>	<b>Fiduciary</b>
<b>Opening fund balance</b>	(90)	16	33
<b>Receipts:</b>			
Unemployment taxes	0	0	1,625
Miscellaneous receipts	636	82	45
Federal grants	0	0	26
<b>Total receipts</b>	636	82	1,696
<b>Disbursements:</b>			
Grants to local governments	0	0	7
State operations	505	82	61
Unemployment benefits	0	0	1,650
General State charges	36	2	1
Debt service	198	0	0
<b>Total disbursements</b>	739	84	1,719
<b>Other financing sources (uses):</b>			
Transfers from other funds	70	0	20
Transfers to other funds	0	0	0
<b>Net other financing sources (uses)</b>	70	0	20
<b>Change in fund balance</b>	(33)	(2)	(3)
<b>Closing fund balance</b>	(123)	14	30

## **FINANCIAL PLAN OVERVIEW**

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

	<u>August</u>	<u>Change</u>	<u>January</u>
<b>Revenues:</b>			
Taxes			
Personal income tax	21,558	151	21,709
User taxes and fees	7,394	55	7,449
Business taxes	4,666	(147)	4,519
Other taxes	1,056	(1)	1,055
Miscellaneous revenues	2,793	161	2,954
<b>Total revenues</b>	<u>37,467</u>	<u>219</u>	<u>37,686</u>
<b>Expenditures:</b>			
Grants to local governments	26,785	(92)	26,693
State operations	8,971	(90)	8,881
General State charges	1,810	80	1,890
Debt service	25	(5)	20
Capital projects	0	1	1
<b>Total expenditures</b>	<u>37,591</u>	<u>(106)</u>	<u>37,485</u>
<b>Other financing sources (uses):</b>			
Transfers from other funds	4,295	21	4,316
Transfers to other funds	(4,638)	165	(4,473)
Proceeds from financing arrangements/ advance refundings	370	51	421
<b>Net other financing sources (uses)</b>	<u>27</u>	<u>237</u>	<u>264</u>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<u>(97)</u>	<u>562</u>	<u>465</u>
<b>Accumulated Surplus (Deficit)</b>	<u>1,549</u>	<u>562</u>	<u>2,111</u>

## FINANCIAL PLAN OVERVIEW

**GAAP Financial Plan  
General Fund  
1999-2000 and 2000-2001  
(millions of dollars)**

	<b>1999-2000 Estimate</b>	<b>2000-2001 Recommended</b>	<b>Change</b>
<b>Revenues:</b>			
Taxes			
Personal income tax	21,709	22,270	561
User taxes and fees	7,449	7,067	(382)
Business taxes	4,519	4,204	(315)
Other taxes	1,055	749	(306)
Miscellaneous revenues	2,954	3,033	79
<b>Total revenues</b>	<b>37,686</b>	<b>37,323</b>	<b>(363)</b>
<b>Expenditures:</b>			
Grants to local governments	26,693	26,862	169
State operations	8,881	9,096	215
General State charges	1,890	1,950	60
Debt service	20	32	12
Capital projects	1	1	0
<b>Total expenditures</b>	<b>37,485</b>	<b>37,941</b>	<b>456</b>
<b>Other financing sources (uses):</b>			
Transfers from other funds	4,316	4,530	214
Transfers to other funds	(4,473)	(4,930)	(457)
Proceeds from financing arrangements/ advance refundings	421	386	(35)
<b>Net other financing sources (uses)</b>	<b>264</b>	<b>(14)</b>	<b>(278)</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>465</b>	<b>(632)</b>	<b>(1,097)</b>
<b>Accumulated Surplus (Deficit)</b>	<b>2,111</b>	<b>1,479</b>	

## FINANCIAL PLAN OVERVIEW

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

	Cash Financial Plan	Perspective Diff. Special Revenue Funds	Entity Diff. Other Funds	Cash Basis Subtotal	Changes in Accruals	Elimin- ations	Intra- fund Elimin- ations	Reclass- ification	GAAP Financial Plan
<b>Receipts/revenues:</b>									
Taxes									
Personal income tax	20,783	0	0	20,783	926	0	0	0	21,709
User taxes and fees	7,430	0	0	7,430	19	0	0	0	7,449
Business taxes	4,575	0	0	4,575	(56)	0	0	0	4,519
Other taxes	1,010	0	0	1,010	45	0	0	0	1,055
Miscellaneous receipts	1,474	1,719	516	3,709	26	(75)	(458)	(248)	2,954
<b>Total receipts/   revenues</b>	<u>35,272</u>	<u>1,719</u>	<u>516</u>	<u>37,507</u>	<u>960</u>	<u>(75)</u>	<u>(458)</u>	<u>(248)</u>	<u>37,686</u>
<b>Disbursements/expenditures:</b>									
Grants to local governments	25,612	830	0	26,442	808	(1)	0	(556)	26,693
State operations	6,630	2,906	449	9,985	42	(179)	(458)	(509)	8,881
General State charges	2,087	398	26	2,511	63	(15)	0	(669)	1,890
Debt service	0	1	0	1	0	0	0	0	1
Capital projects	6	0	112	118	14	0	0	(112)	20
<b>Total disbursements/   expenditures</b>	<u>34,335</u>	<u>4,135</u>	<u>587</u>	<u>39,057</u>	<u>927</u>	<u>(195)</u>	<u>(458)</u>	<u>(1,846)</u>	<u>37,485</u>
<b>Other financing sources (uses):</b>									
Transfers from other funds	2,077	2,317	44	4,438	0	(126)	(279)	283	4,316
Transfers to other funds	(2,736)	(128)	(3)	(2,867)	(6)	2	279	(1,881)	(4,473)
Proceeds from financing arrangements/advance refundings	0	29	0	29	392	0	0	0	421
<b>Net other financing   sources (uses)</b>	<u>(659)</u>	<u>2,218</u>	<u>41</u>	<u>1,600</u>	<u>386</u>	<u>(124)</u>	<u>0</u>	<u>(1,598)</u>	<u>264</u>
<b>(Increase)/decrease in reserves</b>	<u>(278)</u>	<u>0</u>	<u>0</u>	<u>(278)</u>	<u>278</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Receipts/revenues and other financing sources over (under) disbursements/expenditures and other financing uses</b>	<u>0</u>	<u>(198)</u>	<u>(30)</u>	<u>(228)</u>	<u>697</u>	<u>(4)</u>	<u>0</u>	<u>0</u>	<u>465</u>

## FINANCIAL PLAN OVERVIEW

**Conversion of Cash Financial Plan  
To GAAP Financial Plan  
General Fund  
2000-2001  
(millions of dollars)**

	Cash Financial Plan	Perspective Diff. Special Revenue Funds	Entity Diff. Other Funds	Cash Basis Subtotal	Changes in Accruals	Elimin- ations	Intra- fund Elimin- ations	Reclass- ification	GAAP Financial Plan
<b>Receipts/revenues:</b>									
Taxes									
Personal income tax	23,060	0	0	23,060	(790)	0	0	0	22,270
User taxes and fees	7,055	0	0	7,055	12	0	0	0	7,067
Business taxes	4,241	0	0	4,241	(37)	0	0	0	4,204
Other taxes	766	0	0	766	(17)	0	0	0	749
Miscellaneous receipts	1,339	1,948	696	3,983	30	(80)	(634)	(266)	3,033
<b>Total receipts/ revenues</b>	<u>36,461</u>	<u>1,948</u>	<u>696</u>	<u>39,105</u>	<u>(802)</u>	<u>(80)</u>	<u>(634)</u>	<u>(266)</u>	<u>37,323</u>
<b>Disbursements/expenditures:</b>									
Grants to local governments	25,810	932	0	26,742	718	(1)	0	(597)	26,862
State operations	7,061	2,852	566	10,479	36	(186)	(634)	(599)	9,096
General State charges	2,236	390	37	2,663	(8)	(16)	0	(689)	1,950
Debt service	0	1	0	1	0	0	0	0	1
Capital projects	5	0	198	203	27	0	0	(198)	32
<b>Total disbursements/ expenditures</b>	<u>35,112</u>	<u>4,175</u>	<u>801</u>	<u>40,088</u>	<u>773</u>	<u>(203)</u>	<u>(634)</u>	<u>(2,083)</u>	<u>37,941</u>
<b>Other financing sources (uses):</b>									
Transfers from other funds	2,009	2,388	70	4,467	0	(128)	(110)	301	4,530
Transfers to other funds	(2,805)	(114)	0	(2,919)	(5)	2	110	(2,118)	(4,930)
Proceeds from financing arrangements/advance refundings	0	0	0	0	386	0	0	0	386
<b>Net other financing sources (uses)</b>	<u>(796)</u>	<u>2,274</u>	<u>70</u>	<u>1,548</u>	<u>381</u>	<u>(126)</u>	<u>0</u>	<u>(1,817)</u>	<u>(14)</u>
<b>(Increase)/decrease in reserves</b>	<u>(553)</u>	<u>0</u>	<u>0</u>	<u>(553)</u>	<u>553</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Receipts/revenues and other financing sources over (under) disbursements/expenditures and other financing uses</b>	<u>0</u>	<u>47</u>	<u>(35)</u>	<u>12</u>	<u>(641)</u>	<u>(3)</u>	<u>0</u>	<u>0</u>	<u>(632)</u>

## **FINANCIAL PLAN OVERVIEW**

### **GAAP Financial Plan General Fund 2000-2001 through 2002-2003 (millions of dollars)**

	<u>2000-2001 Recommended</u>	<u>2001-2002 Projected</u>	<u>2002-2003 Projected</u>
<b>Revenues:</b>			
Taxes			
Personal income tax	23,045	24,171	24,365
User taxes and fees	7,067	7,290	7,475
Business taxes	4,204	4,009	3,885
Other taxes	749	805	856
Miscellaneous revenues	3,033	2,981	3,004
<b>Total revenues</b>	<u>38,098</u>	<u>39,256</u>	<u>39,585</u>
<b>Expenditures:</b>			
Grants to local governments	26,862	28,457	29,897
State operations	9,096	9,247	9,401
General State charges	1,950	2,077	2,204
Debt service	32	21	23
Capital projects	1	2	2
<b>Total expenditures</b>	<u>37,941</u>	<u>39,804</u>	<u>41,527</u>
<b>Other financing sources (uses):</b>			
Transfers from other funds	4,530	4,398	4,506
Transfers to other funds	(4,930)	(5,045)	(5,148)
Proceeds from financing arrangements/ advance refundings	386	280	280
<b>Net other financing sources (uses)</b>	<u>(14)</u>	<u>(367)</u>	<u>(362)</u>
<b>(Deposit to)/use of New Tax Reduction Reserve Fund</b>	<u>(300)</u>	<u>92</u>	<u>208</u>
<b>(Deposit to)/ Salary Reserve</b>	<u>(475)</u>	<u>(505)</u>	<u>(715)</u>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<u>(632)</u>	<u>(1,328)</u>	<u>(2,811)</u>

## FINANCIAL PLAN OVERVIEW

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

	<b>General Fund</b>	<b>Special Revenue Funds</b>	<b>Capital Projects Funds</b>	<b>Debt Service Funds</b>	<b>(MEMO) Total</b>
<b>Revenues:</b>					
Taxes	34,732	2,592	1,149	2,361	40,834
Federal grants	0	23,131	1,374	0	24,505
Lottery	0	3,567	0	0	3,567
Patient fees	0	0	0	369	369
Miscellaneous revenues	2,954	426	226	66	3,672
<b>Total revenues</b>	<u>37,686</u>	<u>29,716</u>	<u>2,749</u>	<u>2,796</u>	<u>72,947</u>
<b>Expenditures:</b>					
Grants to local governments	26,693	23,894	548	0	51,135
State operations	8,881	3,461	0	14	12,356
General State charges	1,890	170	0	0	2,060
Debt service	20	0	0	3,079	3,099
Capital projects	1	5	3,565	0	3,571
<b>Total expenditures</b>	<u>37,485</u>	<u>27,530</u>	<u>4,113</u>	<u>3,093</u>	<u>72,221</u>
<b>Other financing sources (uses):</b>					
Transfers from other funds	4,316	779	160	4,678	9,933
Transfers to other funds	(4,473)	(2,917)	(534)	(4,327)	(12,251)
Proceeds of general obligation bonds	0	0	390	0	390
Proceeds from financing arrangements/ advance refundings	421	0	1,515	0	1,936
<b>Net other financing sources (uses)</b>	<u>264</u>	<u>(2,138)</u>	<u>1,531</u>	<u>351</u>	<u>8</u>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>					
	<u>465</u>	<u>48</u>	<u>167</u>	<u>54</u>	<u>734</u>

## FINANCIAL PLAN OVERVIEW

**GAAP Financial Plan  
All Governmental Funds  
2000-2001  
(millions of dollars)**

	<b>General Fund</b>	<b>Special Revenue Funds</b>	<b>Capital Projects Funds</b>	<b>Debt Service Funds</b>	<b>(MEMO) Total</b>
<b>Revenues:</b>					
Taxes	34,290	4,635	1,489	2,304	42,718
Federal grants	0	24,630	1,434	0	26,064
Lottery	0	3,967	0	0	3,967
Patient fees	0	0	0	340	340
Miscellaneous revenues	3,033	832	333	62	4,260
<b>Total revenues</b>	<b>37,323</b>	<b>34,064</b>	<b>3,256</b>	<b>2,706</b>	<b>77,349</b>
<b>Expenditures:</b>					
Grants to local governments	26,862	26,559	818	0	54,239
State operations	9,096	3,790	0	7	12,893
General State charges	1,950	180	0	0	2,130
Debt service	32	0	0	3,363	3,395
Capital projects	1	3	3,474	0	3,478
<b>Total expenditures</b>	<b>37,941</b>	<b>30,532</b>	<b>4,292</b>	<b>3,370</b>	<b>76,135</b>
<b>Other financing sources (uses):</b>					
Transfers from other funds	4,530	953	238	5,098	10,819
Transfers to other funds	(4,930)	(3,300)	(710)	(4,398)	(13,338)
Proceeds of general obligation bonds	0	0	331	0	331
Proceeds from financing arrangements/ advance refundings	386	0	1,838	0	2,224
Use of Debt Reduction Reserve Fund	0	0	(500)	0	(500)
<b>Net other financing sources (uses)</b>	<b>(14)</b>	<b>(2,347)</b>	<b>1,197</b>	<b>700</b>	<b>(464)</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>					
	<b>(632)</b>	<b>1,185</b>	<b>161</b>	<b>36</b>	<b>750</b>

## FINANCIAL PLAN OVERVIEW

**Cash Flow  
General Fund  
1998-1999  
(millions of dollars)**

	<b>First Quarter (Actual)</b>	<b>Second Quarter (Actual)</b>	<b>Third Quarter (Actual)</b>	<b>Fourth Quarter (Actual)</b>	<b>Total (Actual)</b>
<b>Opening fund balance</b>	638	3,981	5,021	5,331	638
<b>Receipts:</b>					
Taxes					
Personal income tax	7,823	4,548	4,130	3,579	20,080
User taxes and fees	1,868	1,847	1,813	1,716	7,244
Business taxes	1,121	1,163	1,170	1,403	4,857
Other taxes	256	320	271	291	1,138
Miscellaneous receipts	332	390	416	367	1,505
Transfers from other funds	524	466	550	376	1,916
<b>Total receipts</b>	<b>11,924</b>	<b>8,735</b>	<b>8,350</b>	<b>7,732</b>	<b>36,741</b>
<b>Disbursements:</b>					
Grants to local governments	5,260	4,499	5,133	9,802	24,694
State operations	1,967	1,732	1,742	1,230	6,671
General State charges	633	724	481	421	2,259
Debt service	1	3	3	2	9
Transfers to other funds	720	737	681	716	2,854
<b>Total disbursements</b>	<b>8,581</b>	<b>7,695</b>	<b>8,040</b>	<b>12,171</b>	<b>36,487</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>3,343</b>	<b>1,040</b>	<b>310</b>	<b>(4,439)</b>	<b>254</b>
<b>Closing fund balance</b>	<b>3,981</b>	<b>5,021</b>	<b>5,331</b>	<b>892</b>	<b>892</b>

## FINANCIAL PLAN OVERVIEW

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

	<b>First Quarter (Actual)</b>	<b>Second Quarter (Actual)</b>	<b>Third Quarter (Actual)</b>	<b>Fourth Quarter (Projected)</b>	<b>Total (Projected)</b>
<b>Opening fund balance</b>	892	4,521	5,421	5,683	892
<b>Receipts:</b>					
Taxes					
Personal income tax	8,323	4,912	4,157	3,391	20,783
User taxes and fees	1,872	1,905	1,960	1,693	7,430
Business taxes	1,016	1,141	1,098	1,320	4,575
Other taxes	245	280	275	210	1,010
Miscellaneous receipts	316	368	445	345	1,474
Transfers from other funds	559	481	532	505	2,077
<b>Total receipts</b>	<b>12,331</b>	<b>9,086</b>	<b>8,467</b>	<b>7,465</b>	<b>37,349</b>
<b>Disbursements:</b>					
Grants to local governments	5,479	4,675	5,584	9,874	25,612
State operations	1,884	1,874	1,749	1,123	6,630
General State charges	635	777	168	507	2,087
Debt service	1	2	2	2	6
Transfers to other funds	703	858	702	473	2,736
<b>Total disbursements</b>	<b>8,702</b>	<b>8,186</b>	<b>8,205</b>	<b>11,978</b>	<b>37,071</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>3,629</b>	<b>900</b>	<b>262</b>	<b>(4,514)</b>	<b>278</b>
<b>Closing fund balance</b>	<b>4,521</b>	<b>5,421</b>	<b>5,683</b>	<b>1,170</b>	<b>1,170</b>

## FINANCIAL PLAN OVERVIEW

**Cash Flow  
General Fund  
2000-2001  
(millions of dollars)**

	<b>First Quarter (Projected)</b>	<b>Second Quarter (Projected)</b>	<b>Third Quarter (Projected)</b>	<b>Fourth Quarter (Projected)</b>	<b>Total (Projected)</b>
<b>Opening fund balance</b>	920	4,126	5,154	4,674	920
<b>Receipts:</b>					
Taxes					
Personal income tax	9,051	5,154	3,795	5,060	23,060
User taxes and fees	1,746	1,825	1,795	1,689	7,055
Business taxes	1,025	1,033	988	1,195	4,241
Other taxes	189	218	199	160	766
Miscellaneous receipts	327	334	344	334	1,339
Transfers from other funds	530	483	569	427	2,009
<b>Total receipts</b>	<b>12,868</b>	<b>9,047</b>	<b>7,690</b>	<b>8,865</b>	<b>38,470</b>
<b>Disbursements:</b>					
Grants to local governments	5,902	4,587	5,710	9,611	25,810
State operations	2,200	2,067	1,462	1,332	7,061
General State charges	667	759	265	545	2,236
Debt service	3	0	1	1	5
Transfers to other funds	890	606	732	577	2,805
<b>Total disbursements</b>	<b>9,662</b>	<b>8,019</b>	<b>8,170</b>	<b>12,066</b>	<b>37,917</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>3,206</b>	<b>1,028</b>	<b>(480)</b>	<b>(3,201)</b>	<b>553</b>
<b>Closing fund balance</b>	<b>4,126</b>	<b>5,154</b>	<b>4,674</b>	<b>1,473</b>	<b>1,473</b>

*Note 1: The opening fund balance of the General Fund is reduced by \$250 million to reflect the reclassification of the Debt Reduction Reserve Fund from the General Fund to the Capital Projects Funds.*

## **FINANCIAL PLAN OVERVIEW**

### **Cash Disbursements By Function General Fund (Thousands of Dollars)**

	<b>1998-1999 Actual</b>	<b>1999-2000 Estimated</b>	<b>2000-2001 Recommended</b>
<b>ECONOMIC DEVELOPMENT AND GOVERNMENT OVERSIGHT</b>			
Agriculture & Markets, Department of	33,074	35,801	34,746
Alcoholic Beverage Control	7,778	220	0
Banking Department	99	0	0
Consumer Protection Board	334	485	426
Economic Development, Department of	38,189	47,081	46,247
Empire State Development Corporation	108,768	104,155	82,457
Energy Research and Development Authority	0	0	0
Housing Finance Agency	640	760	700
Housing and Community Renewal, Division of	96,340	93,949	77,772
Insurance Department	0	0	0
Olympic Regional Development Authority	3,962	3,972	7,552
Public Service, Department of	0	0	0
Science, Technology & Academic Research, Office of	24,865	28,970	39,195
<b>Functional Total</b>	<b>314,049</b>	<b>315,393</b>	<b>289,095</b>
<b>PARKS AND THE ENVIRONMENT</b>			
Adirondack Park Agency	3,715	3,532	3,630
Environmental Conservation, Department of	91,047	90,551	94,555
Environmental Facilities Corporation	0	0	0
Parks, Recreation and Historic Preservation, Office of	104,273	92,805	98,239
<b>Functional Total</b>	<b>199,035</b>	<b>186,888</b>	<b>196,424</b>
<b>TRANSPORTATION</b>			
Motor Vehicles, Department of	124,530	122,620	117,836
Niagara Frontier Transportation Authority	0	0	0
Transportation, Department of	345,956	330,309	288,097
<b>Functional Total</b>	<b>470,486</b>	<b>452,929</b>	<b>405,933</b>
<b>HEALTH &amp; SOCIAL WELFARE</b>			
Advocate for Persons with Disabilities, Office of	837	998	1,002
Aging, Office for the	61,453	61,077	62,704
Children and Families, Council on	864	874	928
Children & Family Services, Office of	1,126,525	1,067,156	1,038,020
Health, Department of	6,298,252	6,428,626	6,375,143
<i>Medical Assistance</i>	5,562,702	5,616,752	5,681,907
<i>Medicaid Administration</i>	87,494	100,400	105,150
<i>All Other Local Aid</i>	500,631	575,400	426,727
<i>Agency Operations/Capital</i>	147,425	136,074	161,359
Human Rights, Division of	9,626	9,853	11,288
Labor, Department of	19,343	42,211	47,399

## FINANCIAL PLAN OVERVIEW

### Cash Disbursements By Function General Fund (Thousands of Dollars)

	1998-1999 Actual	1999-2000 Estimated	2000-2001 Recommended
<b>HEALTH &amp; SOCIAL WELFARE (Continued)</b>			
Temporary and Disability Assistance, Office of	2,002,764	1,732,285	1,764,229
<i>Welfare Assistance</i>	1,544,047	1,270,821	1,267,636
<i>Local Administration</i>	373,600	379,200	396,900
<i>All Other Local Aid</i>	11,926	18,542	22,642
<i>Agency Operations/Capital</i>	73,191	63,722	77,051
Workers' Compensation Board	0	0	0
<b>Functional Total</b>	<b>9,519,664</b>	<b>9,343,080</b>	<b>9,300,713</b>
<b>MENTAL HEALTH</b>			
Mental Health, Office of	1,052,942	1,110,998	1,208,400
Mental Retardation and Developmental Disabilities, Office of	675,042	698,573	704,913
Alcohol and Substance Abuse Services, Office of	286,296	286,029	291,390
Quality of Care for the Mentally Disabled, Commission on	3,034	3,056	3,008
<b>Functional Total</b>	<b>2,017,314</b>	<b>2,098,656</b>	<b>2,207,711</b>
<b>PUBLIC PROTECTION</b>			
Capital Defenders Office	13,028	13,138	13,832
Investigation, Temporary State Commission of	2,148	2,156	2,757
Judicial Commissions	1,990	2,038	2,083
Military and Naval Affairs, Division of	31,564	27,543	18,684
Justice, Department of	2,298,770	2,283,898	2,376,294
<i>Correction, Commission of</i>	2,164	2,195	0
<i>Correctional Services, Department of</i>	1,631,082	1,629,233	0
<i>Crime Victims Board</i>	3,092	3,002	0
<i>Criminal Justice Services, Division of</i>	92,790	98,319	0
<i>Parole, Division of</i>	185,853	181,465	0
<i>Probation and Correctional Alternatives, Division of</i>	94,790	90,870	0
<i>State Police, Division of</i>	288,999	278,814	0
<b>Functional Total</b>	<b>2,347,500</b>	<b>2,328,773</b>	<b>2,413,650</b>
<b>EDUCATION</b>			
Arts, Council on the	51,909	50,264	59,873
City University of New York	694,565	668,666	718,407
Education, Department of	10,973,622	11,983,035	12,156,881
<i>School Aid</i>	9,684,481	10,611,031	10,861,287
<i>STAR Property Tax Relief</i>	0	0	0
<i>Handicapped</i>	737,587	799,851	815,673
<i>All Other Local Aid</i>	492,574	516,642	431,301
<i>Agency Operations/Capital</i>	58,980	55,511	48,620
Higher Education Services Corporation	637,336	648,053	619,387
State University Construction Fund	0	0	0
State University of New York	1,168,600	1,072,284	1,155,369
<b>Functional Total</b>	<b>13,526,032</b>	<b>14,422,302</b>	<b>14,709,917</b>

## **FINANCIAL PLAN OVERVIEW**

### **Cash Disbursements By Function General Fund (Thousands of Dollars)**

	<b>1998-1999 Actual</b>	<b>1999-2000 Estimated</b>	<b>2000-2001 Recommended</b>
<b>GENERAL GOVERNMENT</b>			
Audit and Control, Department of	98,672	108,145	115,931
Budget, Division of the	27,482	26,076	26,440
Civil Service, Department of	28,240	27,475	27,027
Elections, State Board of	3,077	3,000	3,132
Employee Relations, Office of	3,854	3,902	3,868
Executive Chamber	12,495	14,588	14,638
General Services, Office of	110,056	108,958	116,401
Inspector General, Office of the	4,421	4,549	4,869
Law, Department of	85,552	100,157	98,615
Lieutenant Governor, Office of the	336	455	462
Lottery, Division of	0	0	0
Public Employment Relations Board	3,303	3,337	3,578
Racing and Wagering Board, State	9,461	9,533	9,728
Real Property Services, Office of	46,217	40,357	48,596
Regulatory Reform, Governor's Office of	2,750	2,279	2,502
State, Department of	13,766	12,108	12,356
Tax Appeals, Division of	2,914	2,837	2,895
Taxation and Finance, Department of	280,874	268,066	273,496
Technology, Office for	2,044	56,086	41,868
Veterans Affairs, Division of	6,823	7,980	7,591
<b>Functional Total</b>	<b>742,337</b>	<b>799,888</b>	<b>813,993</b>
<b>ALL OTHER CATEGORIES</b>			
Legislature	181,829	195,519	198,670
Judiciary (excluding fringe benefits)	1,045,295	1,094,258	1,132,100
Local Government Assistance	830,870	825,569	821,614
General State Charges (incl. fringes for Judiciary & SUNY)	2,259,271	2,086,716	2,236,120
Short-Term Debt Service	8,677	6,000	4,675
Long-Term Debt Service	2,089,386	2,229,884	2,274,873
Debt Reduction Reserve Fund	50,000	0	0
Capital Projects	246,346	143,117	238,287
Miscellaneous	639,263	542,090	673,262
<b>Functional Total</b>	<b>7,350,937</b>	<b>7,123,153</b>	<b>7,579,601</b>
<b>TOTAL GENERAL FUND SPENDING</b>	<b>36,487,354</b>	<b>37,071,062</b>	<b>37,917,037</b>

## FINANCIAL PLAN OVERVIEW

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

	1998-1999 Actual	1999-2000 Estimate	2000-2001 Recommended
<b>ECONOMIC DEVELOPMENT AND GOVERNMENT OVERSIGHT</b>			
Agriculture & Markets, Department of	57,284	64,386	64,446
Alcoholic Beverage Control	11,420	10,578	10,827
Banking Department	41,836	43,639	46,683
Consumer Protection Board	2,239	2,406	2,325
Economic Development, Department of	42,047	51,580	50,576
Empire State Development Corporation	108,768	104,155	82,457
Energy Research and Development Authority	30,638	30,108	29,994
Housing Finance Agency	640	760	700
Housing and Community Renewal, Division of	240,942	230,249	209,642
Insurance Department	77,282	79,538	81,465
Olympic Regional Development Authority	6,392	14,689	7,652
Public Service, Department of	48,333	49,820	51,394
Science, Technology & Academic Research, Office of	24,865	29,470	49,695
<b>Functional Total</b>	<b>692,686</b>	<b>711,378</b>	<b>687,856</b>
<b>PARKS AND THE ENVIRONMENT</b>			
Adirondack Park Agency	3,847	3,907	3,980
Environmental Conservation, Department of	650,919	682,761	818,355
Environmental Facilities Corporation	5,102	5,483	16,572
Parks, Recreation and Historic Preservation, Office of	178,023	173,630	182,236
<b>Functional Total</b>	<b>837,891</b>	<b>865,781</b>	<b>1,021,143</b>
<b>TRANSPORTATION</b>			
Motor Vehicles, Department of	188,530	200,627	196,928
Niagara Frontier Transportation Authority	0	0	0
Transportation, Department of	4,399,681	4,388,684	4,362,925
<b>Functional Total</b>	<b>4,588,211</b>	<b>4,589,311</b>	<b>4,559,853</b>
<b>HEALTH &amp; SOCIAL WELFARE</b>			
Advocate for Persons with Disabilities, Office of	1,897	1,654	1,658
Aging, Office for the	150,105	146,861	148,488
Children and Families, Council on	1,337	1,138	1,612
Children & Family Services, Office of	2,558,006	2,292,669	2,542,485
Health, Department of	20,688,522	21,491,390	22,780,620
<i>Medical Assistance</i>	18,231,944	18,741,172	19,737,342
<i>Medicaid Administration</i>	373,817	385,771	433,900
<i>All Other Local Aid</i>	1,451,657	1,731,711	1,964,568
<i>Agency Operations/Capital</i>	631,104	632,736	644,810
Human Rights, Division of	11,004	11,352	12,631
Labor, Department of	561,272	608,016	652,361

## **FINANCIAL PLAN OVERVIEW**

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

	<b>1998-1999 Actual</b>	<b>1999-2000 Estimate</b>	<b>2000-2001 Recommended</b>
<b>HEALTH &amp; SOCIAL WELFARE (Continued)</b>			
Temporary and Disability Assistance, Office of	4,146,616	3,380,297	3,490,652
<i>Welfare Assistance</i>	3,055,217	2,383,095	2,367,636
<i>Local Administration</i>	373,600	379,200	396,900
<i>All Other Local Aid</i>	11,926	18,542	22,642
<i>Agency Operations/Capital</i>	705,873	599,460	703,474
Workers' Compensation Board	122,374	120,284	127,525
<b>Functional Total</b>	28,241,133	28,053,661	29,758,032
<b>MENTAL HEALTH</b>			
Mental Health, Office of	1,773,333	1,787,032	1,847,938
Mental Retardation and Developmental Disabilities, Office of	1,969,463	2,017,856	2,121,102
Alcohol and Substance Abuse Services, Office of	421,302	438,940	466,344
Quality of Care for the Mentally Disabled, Commission on	7,652	8,418	8,533
<b>Functional Total</b>	4,171,750	4,252,246	4,443,917
<b>PUBLIC PROTECTION</b>			
Capital Defenders Office	13,028	13,138	13,832
Investigation, Temporary State Commission of	2,219	2,306	2,907
Judicial Commissions	1,990	2,038	2,083
Military and Naval Affairs, Division of	135,735	110,375	107,052
Justice, Department of	2,873,368	2,938,239	2,871,451
<i>Correction, Commission of</i>	2,307	2,195	0
<i>Correctional Services, Department of</i>	2,051,970	2,107,592	0
<i>Crime Victims Board</i>	37,107	44,156	0
<i>Criminal Justice Services, Division of</i>	124,153	137,629	0
<i>Parole, Division of</i>	191,686	187,866	0
<i>Probation and Correctional Alternatives, Division of</i>	94,907	90,870	0
<i>State Police, Division of</i>	371,238	367,931	0
<b>Functional Total</b>	3,026,340	3,066,096	2,997,325
<b>EDUCATION</b>			
Arts, Council on the	52,384	50,824	60,500
City University of New York	765,916	720,166	769,907
Education, Department of	14,937,705	16,491,796	17,839,036
<i>School Aid</i>	11,214,478	11,986,031	12,473,287
<i>STAR Property Tax Relief</i>	582,156	1,195,000	2,010,000
<i>Handicapped</i>	970,660	1,043,879	1,059,701
<i>All Other Local Aid</i>	1,970,972	2,061,595	2,094,048
<i>Agency Operations/Capital</i>	199,439	205,291	202,000
Higher Education Services Corporation	708,458	721,468	697,789
State University Construction Fund	8,131	9,400	10,000
State University of New York	3,326,461	3,409,593	3,457,082
<b>Functional Total</b>	19,799,055	21,403,247	22,834,314

## FINANCIAL PLAN OVERVIEW

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

	<u>1998-1999</u> Actual	<u>1999-2000</u> Estimate	<u>2000-2001</u> Recommended
<b>GENERAL GOVERNMENT</b>			
Audit and Control, Department of	101,426	111,506	119,141
Budget, Division of the	29,430	30,576	33,040
Civil Service, Department of	28,522	27,625	28,027
Elections, State Board of	3,077	3,000	3,132
Employee Relations, Office of	4,029	4,032	3,943
Executive Chamber	12,495	14,588	14,638
General Services, Office of	173,694	195,724	174,265
Inspector General, Office of the	4,969	5,262	5,877
Law, Department of	122,608	137,827	135,165
Lieutenant Governor, Office of the	336	455	462
Lottery, Division of	125,935	134,958	139,292
Public Employment Relations Board	3,422	3,518	3,764
Racing and Wagering Board, State	11,889	12,930	13,161
Real Property Services, Office of	56,081	52,125	61,473
Regulatory Reform, Governor's Office of	2,750	2,279	2,502
State, Department of	80,327	80,879	87,721
Tax Appeals, Division of	2,914	2,837	2,895
Taxation and Finance, Department of	298,958	295,863	302,945
Technology, Office for	16,640	86,212	41,868
Veterans Affairs, Division of	7,573	9,026	8,742
<b>Functional Total</b>	<u>1,087,075</u>	<u>1,211,222</u>	<u>1,182,053</u>
<b>ALL OTHER CATEGORIES</b>			
Legislature	183,142	196,832	199,983
Judiciary (excluding fringe benefits)	1,137,050	1,190,818	1,237,124
Local Government Assistance	830,870	825,569	821,614
Short-Term Debt Service	8,677	6,000	4,675
Long-Term Debt Service	3,266,299	3,560,943	3,801,763
Debt Reduction Reserve Fund	0	0	0
Capital Projects	0	0	0
General State Charges/Miscellaneous	2,744,400	2,889,062	3,254,767
<b>Functional Total</b>	<u>8,170,438</u>	<u>8,669,224</u>	<u>9,319,926</u>
<b>TOTAL ALL FUNDS SPENDING</b>	<u><u>70,614,579</u></u>	<u><u>72,822,166</u></u>	<u><u>76,804,419</u></u>

# FINANCIAL PLAN OVERVIEW

## Cash Disbursements By Function State Funds (Thousands of Dollars)

	<u>1998-1999</u> Actual	<u>1999-2000</u> Estimate	<u>2000-2001</u> Recommended
<b>ECONOMIC DEVELOPMENT AND GOVERNMENT OVERSIGHT</b>			
Agriculture & Markets, Department of	51,907	57,940	57,800
Alcoholic Beverage Control	11,370	10,578	10,827
Banking Department	41,836	43,639	46,683
Consumer Protection Board	2,239	2,406	2,325
Economic Development, Department of	41,075	49,912	48,908
Empire State Development Corporation	108,768	104,155	82,457
Energy Research and Development Authority	29,673	27,523	28,673
Housing Finance Agency	640	760	700
Housing and Community Renewal, Division of	191,812	179,511	175,183
Insurance Department	77,282	79,538	81,465
Olympic Regional Development Authority	6,392	14,689	7,652
Public Service, Department of	47,313	48,954	50,521
Science, Technology & Academic Research, Office of	24,865	29,470	49,695
<b>Functional Total</b>	<u>635,172</u>	<u>649,075</u>	<u>642,889</u>
<b>PARKS AND THE ENVIRONMENT</b>			
Adirondack Park Agency	3,715	3,532	3,630
Environmental Conservation, Department of	544,433	577,984	644,399
Environmental Facilities Corporation	5,102	5,483	16,572
Parks, Recreation and Historic Preservation, Office of	175,469	170,074	177,680
<b>Functional Total</b>	<u>728,719</u>	<u>757,073</u>	<u>842,281</u>
<b>TRANSPORTATION</b>			
Motor Vehicles, Department of	182,015	189,427	183,156
Niagara Frontier Transportation Authority	0	0	0
Transportation, Department of	3,293,759	3,271,052	3,218,836
<b>Functional Total</b>	<u>3,475,774</u>	<u>3,460,479</u>	<u>3,401,992</u>
<b>HEALTH &amp; SOCIAL WELFARE</b>			
Advocate for Persons with Disabilities, Office of	837	998	1,002
Aging, Office for the	61,453	61,077	62,704
Children and Families, Council on	864	874	928
Children & Family Services, Office of	1,153,540	1,096,502	1,077,605
Health, Department of	7,737,938	7,832,893	8,259,089
<i>Medical Assistance</i>	6,461,496	6,472,852	6,836,078
<i>Medicaid Administration</i>	87,494	100,400	105,150
<i>All Other Local Aid</i>	715,627	847,920	949,667
<i>Agency Operations/Capital</i>	473,321	411,721	368,194
Human Rights, Division of	9,626	9,903	11,292
Labor, Department of	55,902	82,604	87,490

## FINANCIAL PLAN OVERVIEW

### Cash Disbursements By Function State Funds (Thousands of Dollars)

	<u>1998-1999 Actual</u>	<u>1999-2000 Estimate</u>	<u>2000-2001 Recommended</u>
<b>HEALTH &amp; SOCIAL WELFARE (Continued)</b>			
Temporary and Disability Assistance, Office of	2,053,063	1,789,746	1,824,580
<i>Welfare Assistance</i>	1,567,246	1,270,821	1,267,636
<i>Local Administration</i>	373,600	379,200	396,900
<i>All Other Local Aid</i>	11,926	18,542	22,642
<i>Agency Operations/Capital</i>	100,291	121,183	137,402
Workers' Compensation Board	122,374	120,284	127,525
<b>Functional Total</b>	<u>11,195,597</u>	<u>10,994,881</u>	<u>11,452,215</u>
<b>MENTAL HEALTH</b>			
Mental Health, Office of	1,201,916	1,245,564	1,326,795
Mental Retardation and Developmental Disabilities, Office of	725,278	747,065	756,486
Alcohol and Substance Abuse Services, Office of	314,197	321,938	339,644
Quality of Care for the Mentally Disabled, Commission on	3,034	3,076	3,058
<b>Functional Total</b>	<u>2,244,425</u>	<u>2,317,643</u>	<u>2,425,983</u>
<b>PUBLIC PROTECTION</b>			
Capital Defenders Office	13,028	13,138	13,832
Investigation, Temporary State Commission of	2,219	2,306	2,907
Judicial Commissions	1,990	2,038	2,083
Military and Naval Affairs, Division of	45,684	43,487	37,421
Justice, Department of	2,724,338	2,644,113	2,693,265
<i>Correction, Commission of</i>	2,164	2,195	0
<i>Correctional Services, Department of</i>	1,967,171	1,888,733	0
<i>Crime Victims Board</i>	20,160	23,474	0
<i>Criminal Justice Services, Division of</i>	94,807	100,549	0
<i>Parole, Division of</i>	185,853	181,665	0
<i>Probation and Correctional Alternatives, Division of</i>	94,790	90,870	0
<i>State Police, Division of</i>	359,393	356,627	0
<b>Functional Total</b>	<u>2,787,259</u>	<u>2,705,082</u>	<u>2,749,508</u>
<b>EDUCATION</b>			
Arts, Council on the	51,909	50,264	59,873
City University of New York	765,916	720,166	769,907
Education, Department of	13,132,352	14,613,520	15,837,824
<i>School Aid</i>	11,214,478	11,986,031	12,473,287
<i>STAR Property Tax Relief</i>	582,156	1,195,000	2,010,000
<i>Handicapped</i>	737,587	799,851	815,673
<i>All Other Local Aid</i>	499,377	527,217	439,401
<i>Agency Operations/Capital</i>	98,754	105,421	99,463
Higher Education Services Corporation	705,432	719,068	691,459
State University Construction Fund	8,131	9,400	10,000
State University of New York	3,152,236	3,233,188	3,275,677
<b>Functional Total</b>	<u>17,815,976</u>	<u>19,345,606</u>	<u>20,644,740</u>

## **FINANCIAL PLAN OVERVIEW**

### **Cash Disbursements By Function State Funds (Thousands of Dollars)**

	<b>1998-1999 Actual</b>	<b>1999-2000 Estimate</b>	<b>2000-2001 Recommended</b>
<b>GENERAL GOVERNMENT</b>			
Audit and Control, Department of	101,426	111,506	119,141
Budget, Division of the	29,430	30,576	33,040
Civil Service, Department of	28,522	27,625	28,027
Elections, State Board of	3,077	3,000	3,132
Employee Relations, Office of	4,029	4,032	3,943
Executive Chamber	12,495	14,588	14,638
General Services, Office of	170,301	189,674	168,215
Inspector General, Office of the	4,801	5,262	5,877
Law, Department of	102,849	116,336	114,355
Lieutenant Governor, Office of the	336	455	462
Lottery, Division of	125,935	134,958	139,292
Public Employment Relations Board	3,422	3,518	3,764
Racing and Wagering Board, State	11,889	12,930	13,161
Real Property Services, Office of	56,081	52,125	61,473
Regulatory Reform, Governor's Office of	2,750	2,279	2,502
State, Department of	37,014	35,329	42,136
Tax Appeals, Division of	2,914	2,837	2,895
Taxation and Finance, Department of	298,871	295,595	302,677
Technology, Office for	16,640	86,212	41,868
Veterans Affairs, Division of	6,823	7,980	7,591
<b>Functional Total</b>	<u>1,019,605</u>	<u>1,136,817</u>	<u>1,108,189</u>
<b>ALL OTHER CATEGORIES</b>			
Legislature	183,142	196,832	199,983
Judiciary (excluding fringe benefits)	1,135,254	1,188,318	1,234,624
Local Government Assistance	830,870	825,569	821,614
Short-Term Debt Service	8,677	6,000	4,675
Long-Term Debt Service	3,266,299	3,560,943	3,801,763
Capital Projects	0	0	0
General State Charges/Miscellaneous	2,621,712	2,750,305	3,110,085
<b>Functional Total</b>	<u>8,045,954</u>	<u>8,527,967</u>	<u>9,172,744</u>
<b>TOTAL STATE FUNDS SPENDING</b>	<u>47,948,481</u>	<u>49,894,623</u>	<u>52,440,541</u>