

# ***PART I***

## ***FINANCIAL PLAN OVERVIEW***



# **FINANCIAL PLAN OVERVIEW**

The Financial Plan Overview summarizes the Governor's Executive Budget for 2001-02. 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, New York State's financial condition has dramatically improved. The annual value of tax reductions enacted since the Governor took office will reach more than \$13 billion by the end of 2001-02. Relative to the record of the prior administration, the rate of growth in spending and State debt has been substantially reduced. In addition, reserves are set aside to help weather the potential impact of any future significant slowdown in the national economy, ensuring that already enacted tax cuts are implemented on schedule.

Recognizing New York's strong economic recovery, in December 2000, Standard and Poor's upgraded New York's credit rating to "AA," giving New York its highest rating since 1979.

The following summarizes the improvements in the State's fiscal performance since January 1995:

- For fiscal year 2001-02, reserves are projected to total \$2 billion, or 5 percent of the Budget, a level considered prudent by fiscal monitors. In contrast, reserve levels in 1994-95 equaled only 0.5 percent of the Budget.
- At \$627 million, the State's "rainy day" fund has grown by \$470 million since 1994-95. The Contingency Reserve Fund has grown from \$1 million to \$150 million during the same time frame.
- General Fund spending growth has averaged 3.1 percent annually since 1994-95, near inflation for this period and well below the average General Fund growth rate of 7.6 percent for all other states.
- The General Fund accumulated GAAP surplus is projected at \$1.9 billion, marking the fifth straight year the State will have an accumulated GAAP surplus — a dramatic improvement from the \$3.3 billion accumulated GAAP deficit that existed in 1994-95.
- The State's \$1.4 billion cash surplus in 2000-01 represents its sixth consecutive positive result.
- New York has received three credit rating upgrades in the last three years; general obligation bonds are now rated "AA" as compared to "A-" in 1994-95.
- Passage of the Debt Reform Act of 2000 caps new State debt levels and ensures that bonds are used for capital purposes only.
- The Debt Reduction Reserve Fund created in 1998 to reduce State debt levels will generate \$1.2 billion in debt service savings for taxpayers.

The 2001-02 Executive Budget continues the responsible fiscal policies that characterized the Governor's previous budgets. It implements previously enacted tax cuts on time, ensures spending is affordable and targeted to critical initiatives, strengthens fiscal reserves, and proposes improvements to the budget process and enhancements to last year's debt reform initiatives.

<b>2001-02 SPENDING PROJECTIONS</b> (millions of dollars)				
	<b>Size of the Budget</b>	<b>Dollar Change from 2000-01</b>	<b>% Change from 2000-01</b>	<b>Annual % Change Excluding STAR</b>
General Fund	41,343	1,448	3.6	3.6
State Funds	57,391	2,684	4.9	3.8
All Funds	83,622	4,192	5.3	4.5

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

The State's Financial Plan forecasts receipts and disbursements for a 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 and Federal law, inflation and other factors. The factors that affect spending estimates vary by program. For example, welfare spending is based primarily on anticipated caseloads 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 2000-01, and outlines the recommended Financial Plan for 2001-02. It then provides an explanation of the State's estimates for 2002-03 and 2003-04.

### **THE STATE'S FUND STRUCTURE**

The State accounts for all of its spending and receipts by the fund in which the activity takes place (such as the General Fund or the Capital Projects Fund), and the broad category or purpose of that activity (such as State Operations or Capital Projects). The Financial Plan tables sort all State projections and results by fund and category.

The 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

## **FINANCIAL PLAN OVERVIEW**

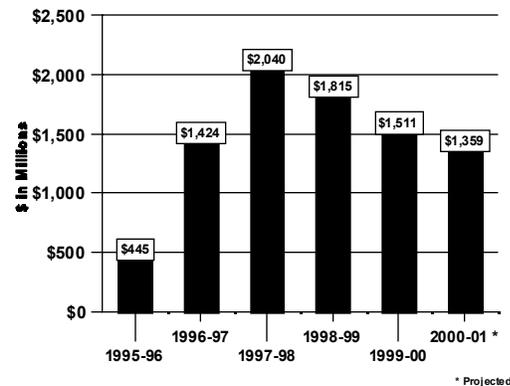
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category of the Financial Plan, and a narrative explanation of major changes follows each chart. The tables at the end of the Overview summarize projected General Fund, State Funds and All Governmental Funds receipts and disbursements for the 2000-01 through 2003-04 fiscal years.

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

The State expects to close the 2000-01 fiscal year with an available cash surplus of \$1.4 billion in the General Fund. The surplus consists of about \$1.7 billion in higher projected receipts offset by roughly \$350 million in higher estimated disbursements. The State revised both its receipts and disbursements based on a review of actual operating results through December 2000, as well as an analysis of underlying economic and programmatic trends it believes may affect the Financial Plan for the balance of the year.

#### **Six Consecutive Cash Surpluses**



The State plans to use the entire surplus, which is currently projected to total \$1.4 billion, to increase reserve funds. At the close of the current fiscal year, the State will deposit \$80 million from the surplus into the State's Tax Stabilization Reserve (its "rainy day" fund) — the sixth consecutive maximum annual deposit — bringing the fund to \$627 million. In the 2001-02 Executive Budget, the Governor is proposing to set aside the remaining \$1.3 billion surplus for use in future years in the event of a significant national economic downturn, ensuring that previously enacted tax cuts will proceed on schedule.

#### **REVISIONS TO THE 2000-01 RECEIPTS ESTIMATES**

Underlying estimates of General Fund receipts, including transfers, have been revised upward by \$1.6 billion from the projections contained in the Mid-Year Update, primarily in the personal income tax, the sales tax and miscellaneous receipts. A more detailed explanation of changes in current year receipts estimates is provided in the Receipts Outlook section contained in this document.

To make funds available for use in 2001-02, \$1.85 billion in refund transactions are being reserved in 2000-01 for payment in 2001-02. This action has the effect of decreasing reported receipts in 2000-01, while increasing available receipts in 2001-02, as these refunds will no longer be a charge against current revenues in 2001-02.

#### **REVISIONS TO THE 2000-01 DISBURSEMENTS ESTIMATES**

The State projects total General Fund disbursements of \$39.90 billion in 2000-01, a net increase of \$346 million from the October estimate. Of this amount, \$250 million in higher spending is related to lower than expected revenues from the dissolution of the

## **FINANCIAL PLAN OVERVIEW**

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Medical Malpractice Insurance Association (MMIA) which had been projected to offset State fringe benefit disbursements. The remainder of the increase is primarily due to higher costs for litigation, State employee health insurance programs, and Medicaid.

Compared to the Mid-Year Update, the State has modestly lowered its estimate of disbursements for Grants to Local Governments by \$3 million, State Operations by \$4 million, and Debt Service by \$4 million. Higher projected spending for General State Charges (\$313 million) and Transfers To Other Funds (\$44 million) offset these reductions.

Projected local assistance disbursements declined by a net total of \$3 million from October, and are now expected to total \$26.86 billion for the year. Disbursements increased as a result of higher projected spending of \$99 million for Medicaid home care services, hospital inpatient costs, mental retardation services, and lower Medicaid offsets provided by tobacco receipts. In addition, higher costs of \$43 million for Children and Families Services is included to accommodate growth in program commitments for child protective services. These increases are more than offset by lower projected disbursements for special education programs (\$100 million) due to slower-than-anticipated claiming activity, as well as an accounting reclassification of \$57 million from local assistance to operating transfers to reflect the State's share of Medicaid costs for the State University hospitals.

State Operations spending is now projected to total \$7.62 billion in 2000-01, \$4 million below the October estimate. This net decrease is comprised of \$57 million in savings from agency efficiencies and reestimates across most State agencies, offset by additional costs for the recently approved labor contracts for the State University, State Police and the Judiciary.

Spending for General State Charges increased by \$313 million compared to the October estimate and is projected to reach \$2.58 billion in 2000-01. Most of this increase is for the lower than expected MMIA offset as discussed above. Higher premiums for prescription drug costs (\$27 million) and the settlement of litigation related to Workers' Compensation reserves (\$24 million) also contribute to the higher estimate.

Transfers for debt, capital and other purposes are now projected at \$2.83 billion, an increase of \$44 million from the October estimate. The higher spending is primarily due to a transfer to the State University Stabilization Fund (\$17 million) and the accounting reclassification from local assistance discussed above (\$57 million), offset by reestimates in capital projects (\$6 million) and lower costs for debt service (\$42 million) primarily due to slower-than-anticipated issuances for CEFAP, RESCUE, and other bonding programs.

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

The State projects a closing balance of \$3.9 billion at the end of the 2000-01 fiscal year. This includes \$1.2 billion in the School Tax Relief Fund (STAR), \$250 million in the Debt Reduction Reserve Fund (DRRF), \$1.3 billion from the 2000-01 surplus, \$627 in the State's "Rainy Day" Fund (after an \$80 million deposit this year), \$338 million for legislative initiatives, and \$150 million in the Contingency Reserve Fund. As planned, the STAR and DRRF monies will be used in 2001-02 to pay for the already enacted local property tax relief program and to provide pay-as-you-go resources to finance essential transportation projects.

## **FINANCIAL PLAN OVERVIEW**

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The Governor is recommending that the remaining 2000-01 surplus of \$1.3 billion be set aside in a new Fiscal Responsibility Reserve to mitigate the impact in future years of a significant national economic downturn. This reserve will be reflected in the 2001-02 General Fund closing balance.

The projected final 2000-01 General Fund closing balance of \$1.1 billion, after action to reserve this year's surplus, is comprised of \$627 million in the Tax Stabilization Reserve Fund (the "rainy day" fund); \$338 million in the Community Projects Fund, which pays for Legislative initiatives; \$150 million in the Contingency Reserve Fund (which guards against litigation risks); and \$29 million in the Universal Pre-Kindergarten Fund.

### **THE 2001-02 GENERAL FUND FINANCIAL PLAN**

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

When projecting receipts, DOB 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 the impact of changes in the State's tax laws on the receipts projections. The 2001-02 Executive Budget reflects a continuation of phased tax actions in a variety of taxes, as well as recommendations for additional tax cuts, that total \$1.8 billion for 2001-02. 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 both national output (GDP) and inflation to slow through the end of 2001. Real GDP is expected to grow at an annual rate of 2.7 percent in 2001, down significantly from 5.1 percent in 2000. The CPI inflation rate is expected to slow modestly in 2001 to 2.7 percent, in part because of lower wage pressures and partly due to lower oil prices. Consumption will grow more slowly, as employment, wages and income continue to rise modestly. Short-term interest rates are expected to decline resulting from a continuation of Federal Reserve Board rate cuts, employment growth will continue at a slower rate and the unemployment rate for 2001 will average 4.3 percent. In summary, economic growth at the national level should slow in 2001, with a growth rate for output that is 2.4 percentage points below that for 2000.

#### **State Economy**

Paralleling the national trend, New York economic growth is expected to slow in 2001, with annual growth in total and private-sector employment projected to be slower than in 2000. Led by business services, the service sector will continue to be the major contributor to employment growth in 2001, although growth in this sector will not be as strong as in 2000. Employment in the State's export-oriented manufacturing sector will be impacted by the general slowdown in the national economy. Finally, wages and personal income will grow more modestly than in 2000.

**Receipts Outlook**

General Fund receipts will reflect nearly \$1.8 billion in tax reductions already enacted plus the initial phase of tax cuts proposed by the Governor in his 2001-02 Budget. These tax cut proposals include:

- Expanding Empire Zones, with a doubling of the boundaries of zones in twenty-two economically distressed upstate communities.
- Repealing the Alternative Minimum Tax (AMT), with the first phased reduction on January 1, 2001.
- Phasing-in a single-sales factor for manufacturers, beginning January 1, 2001.
- Providing tax credits for the costs of both site remediation and the purchase of equipment and buildings used on a brownfield site.
- Authorizing real property tax credits for brownfields in upstate cities and, for brownfields of more than 100 acres.
- Doubling low income housing credits.
- Providing for refundability of investment tax credits for biotechnology companies with fewer than 100 employees.
- Authorizing the school property tax exemption for farmers who own their farms as a corporation or partnership.
- Extending the school property tax credit under the personal income tax to cover land rented for farming.
- Providing a one-time State personal income tax credit for 25 percent of the capital costs of an approved list of land improvements designed to restore farmland.
- Allowing a one-time credit for a portion of the expenses of rehabilitating historic homes.
- Establishing a personal income tax credit for taxpayers who donate property and conservation easements to a qualified nonprofit land trust, state or local government, or Federal agency.
- Expanding real property tax relief for senior citizens and farmers by creating a Co-STAR exemption for county property taxes and adding a new Co-STAR credit that may be claimed by New York City taxpayers who are age 65 or older against their New York City personal income tax liability.

<b>GENERAL FUND RECEIPTS</b> (millions of dollars)			
<b>SFY:</b>	<b>2000-01</b>	<b>2001-02</b>	<b>Annual Change</b>
Total Tax Receipts	36,457	38,865	2,408
All Other Receipts	3,665	3,592	(73)
Total Receipts	40,122	42,457	2,335

Since the Mid-Year Update, the forecast of 2000-01 tax receipts net of the refund reserve transaction has been increased by \$1.3 billion. The net refund reserve transaction for 2000-01 is \$2.1 billion. This reflects a \$3.97 billion draw-down of the refund reserve account in April 2000 offset by a planned deposit to the fund of \$1.85 billion on March 31, 2001.

Reflecting these transactions, total receipts to be deposited in the General Fund in 2000-01 are projected to be \$40.1 billion, \$1.7 billion more than projected at the time of the Mid-Year Update.

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Total General Fund receipts for 2001-02 are now projected at \$42.5 billion, an increase of \$2.3 billion from the revised 2000-01 estimate due, in part, to the refund reserve transaction described above. Continued, but slower, economic growth will serve to increase receipts in the upcoming year. This growth in receipts is partially offset by the implementation of the next phase of the Governor's multi-year tax reduction program.

Miscellaneous receipts and transfers from other funds are expected to decrease in 2001-02, reflecting a reduction in license fees, investment income, transfers and in amounts available for transfer to the General Fund, especially from the Clean Water/Clean Air Fund.

<b>PERSONAL INCOME TAX</b> (millions of dollars)			
<b>SFY:</b>	<b>2000-01</b>	<b>2001-02</b>	<b>Annual Change</b>
Personal Income Tax	23,791	26,481	2,690

Personal income tax collections for 2001-02 are projected to reach \$26.5 billion, an increase of \$2.7 billion (11.3 percent) over 2000-01 due, in part, to a 10.8 percent estimated increase in 2000 liability and a projected 5.1 percent liability increase for 2001. The 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 substantially in 2001.

Growth in 2001-02 receipts also reflects reduced deposits into the School Tax Relief Fund which provides the revenue resources to finance the STAR tax reduction program. The 2000-01 deposit of \$3.1 billion included a \$1.2 billion reserve to help defray the 2001-02 cost of the STAR program.

<b>USER TAXES AND FEES</b> (millions of dollars)			
<b>SFY:</b>	<b>2000-01</b>	<b>2001-02</b>	<b>Annual Change</b>
User Taxes and Fees	7,422	7,442	20

User tax and fee receipts in 2000-01 are now projected at \$7.42 billion, \$401 million above the Mid-Year forecast and \$183 million or 2.4 percent below 1999-2000 collections. For 2001-02, collections will increase by \$20 million to \$7.44 billion. This reflects the incremental impact of approximately \$140 million in already enacted tax reductions, and the earmarking of remaining 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 2.5 percent.

The largest source of receipts in this category is the sales and use tax which accounts for nearly 88 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 2000 produced significant growth in the continuing base of the sales and use tax for 2000-01.

## FINANCIAL PLAN OVERVIEW

In 2001-02, receipts from the sales and use tax are projected to total \$6.54 billion, an increase of \$241 million from 2000-01. The most significant changes affecting 2001-02 General Fund sales tax receipts are the Empire Zones program and the next phase of the rate reduction applied to transmission and distribution of electricity and gas.

This category also includes: cigarette, tobacco and alcoholic beverage taxes and fees, motor fuel taxes, and the auto rental tax. 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.

<b>BUSINESS TAXES</b> (millions of dollars)			
<b>SFY:</b>	<b>2000-01</b>	<b>2001-02</b>	<b>Annual Change</b>
Business Taxes	4,463	4,171	(292)

Total business taxes are now projected at \$4.46 billion in 2000-01, an increase of \$235 million from the projections in the Mid-Year Update and \$97.5 million below 1999-2000 receipts. In 2001-02, receipts from this category are expected to total \$4.17 billion — \$292 million below 2000-01 estimated results.

The decline in corporation and utility tax receipts is the result of the final phase of already-enacted energy and telecommunications tax rate reductions, the use of Power for Jobs tax credits, and the initial phase of the energy reduction legislation enacted with the 2000-01 Budget. Receipts in 2001-02 will increase by approximately \$30 million, reflecting modest improvement in the growth of energy consumption and continued growth in the telecommunications market.

Corporate franchise tax receipts for 2000-01 are estimated to increase by \$473 million, due primarily to the impact of legislation which moved energy companies to the corporate franchise tax. In 2001-02, receipts are projected to decline by \$160 million, resulting largely from the impact of enacted and proposed tax reductions — offset somewhat by the slower growth projected in the underlying liability of businesses subject to the franchise tax.

Other taxes in this category include 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 tax are projected to increase in 2000-01 by \$26 million over 1999-2000 results, reflecting modest growth in current year liability. In 2001-02, receipts are projected to be \$505 million — \$46 million below estimates for 2000-01. The decline is the result of projected slow growth in the estimated liability of banks resulting from recent consolidation in banking industry, and the impact of already enacted tax reductions.

Net collections from insurance taxes are expected to reach \$567 million in 2000-01, a decrease of \$22 million from the prior year. This reflects the net impact of law changes and an estimated decline in the liability of certain insurers. Collections are expected to decline \$27 million in 2001-02, the result of both further tax reduction impacts and reductions in insurance industry profitability.

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Declining General Fund estimates for the petroleum business tax of \$1 million in 2000-01 and \$88 million in 2001-02 reflect statutory changes which earmark all petroleum business tax receipts to dedicated highway and transit revenue funds beginning in 2001-02.

<b>OTHER TAXES</b> (millions of dollars)			
<b>SFY:</b>	<b>2000-01</b>	<b>2001-02</b>	<b>Annual Change</b>
Other Taxes	781	771	(10)

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 four years, have been earmarked to support various environmental programs.

The General Fund yield from other taxes for 2000-01 is currently estimated at \$781 million, which is \$15 million above the estimate in the Mid-Year Update. The major factors affecting this category include: the repeal of the real property gains tax, the impact of estate and gift tax reductions and reductions in the equity markets which have reduced the value of taxable estates.

In 2001-02 receipts from other taxes are estimated to fall to \$771 million. The largest factor in this estimated decline is the first full year 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 of dollars)			
<b>SFY:</b>	<b>2000-01</b>	<b>2001-02</b>	<b>Annual Change</b>
Miscellaneous Receipts	1,500	1,429	(71)

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

Revised estimates for 2000-01 have increased the miscellaneous receipts estimate to \$1.5 billion, a net increase of \$161 million from the Mid-Year Update. The primary changes are a \$133 million increase in investment income, a \$10 million increase in abandoned property, and \$12 million in additional reimbursements.

Receipts in this category are projected to decline in 2001-02, largely as a result of a reduction in investment income.

<b>TRANSFERS FROM OTHER FUNDS</b> (millions of dollars)			
<b>SFY:</b>	<b>2000-01</b>	<b>2001-02</b>	<b>Annual Change</b>
Sales Tax in Excess of LGAC Debt Service	1,759	1,867	108
All Other Transfers	406	296	(110)
Total Transfers from Other Funds	2,165	2,163	(2)

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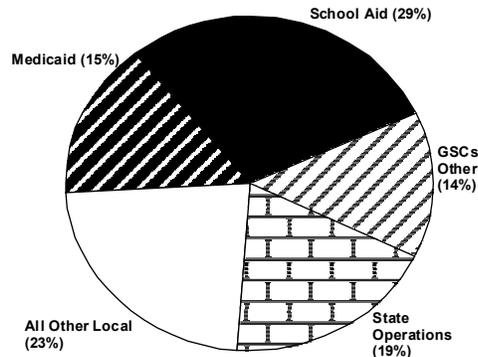
Transfers from other funds to the General Fund consist primarily of tax revenues in excess of debt service requirements. Proceeds from one percent of the State's 4 percent sales tax in excess of amounts used to support the debt service payments of the Local Government Assistance Corporation account for 86 percent of the 2001-02 receipts in this category. Other transfers periodically include non-recurring transactions, which result in significant annual volatility for this category. This category also includes excess real estate transfer tax receipts not required for debt service on the Clean Water/Clean Air bonds authorized by the voters. The decline in Other Transfers estimated for 2001-02 is largely attributed to a projected decline in expected receipts from the real estate transfer tax as real estate market values moderate in the coming year.

### DISBURSEMENTS OUTLOOK

GENERAL FUND DISBURSEMENTS (millions of dollars)			
SFY:	2000-01	2001-02	Annual Change
Total Disbursements	39,895	41,343	1,448

The State projects General Fund disbursements of \$41.34 billion in 2001-02, an increase of \$1.45 billion (3.6 percent) over the current year. The growth in spending is spread throughout the Financial Plan, with the largest increase for Grants to Local Governments (\$914 million), followed by State Operations (\$274 million), Transfers to Other Funds (\$254 million), and General State Charges (\$7 million).

### General Fund Spending, 2001-2002



The 2001-02 Executive Budget recommends a restructuring of the State University hospital financial reporting and accounting system. As a result of this restructuring, all hospital activities will now be reported in the Special Revenue Funds and the State will provide a General Fund subsidy to help support hospital operations. General Fund spending will decrease in General State Charges (for the movement of the fringe benefits costs associated with the hospitals to the Special Revenue Funds) and increase in State operations by a like amount to reflect the use of hospital revenues to finance these fringe benefit costs. The State subsidy is shown as an increased transfer to the Special Revenue Funds.

GRANTS TO LOCAL GOVERNMENTS (millions of dollars)			
SFY:	2000-01	2001-02	Annual Change
Grants to Local Governments	26,860	27,774	914

Grants to Local Governments (also known as local assistance) include financial aid to local governments and non-profit organizations, as well as entitlement payments to

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individuals. The largest areas of spending in local assistance are for aid to public schools (44 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 (4 percent), and children and families services (3 percent) represent the next largest areas of local aid.

Spending in local assistance is estimated at \$27.77 billion in 2001-02, an increase of \$914 million (3.4 percent) from the current fiscal year. The change in spending is comprised primarily of increases for school aid, Medicaid, health, and mental health programs, offset by decreases in welfare costs and stock transfer incentive aid payments to New York City.

General Fund spending for school aid is projected at \$12.13 billion in 2001-02 (on a State fiscal year basis) an increase of \$612 million (5.3 percent). This reflects the school year increase of \$382 million to fund formula-based and categorical aid programs, as well as the "tail" of aid payable for the 2000-01 school year. The Executive Budget also recommends reforms to dramatically expand the amount of flexible operating aid provided to schools across the State to meet locally identified educational needs and to target new State resources to the highest-need school districts.

Medicaid spending is estimated at \$6.08 billion in 2001-02, an increase of \$391 million (6.9 percent) from 2000-01. Underlying spending growth of \$670 million is offset by \$282 million from nursing home reimbursement methodology updates and efforts to maximize Federal offsets that moderate spending growth. The projections also include continuing cost containment actions from prior fiscal years and reforms in nursing home reimbursement formulas to help defray the increase in Medicaid costs.

Spending on welfare is projected at \$1.01 billion, a decrease of \$245 million (19.5 percent) from 2000-01. This decrease is largely attributable to continued welfare caseload declines and increased offsets provided by Federal funding in such areas as the Earned Income Tax Credit and the Child and Dependent Care Tax Credit. Welfare caseload is projected at about 743,000 recipients, down 36,000 from 2000-01.

Local assistance spending for Children and Families Services is projected at \$881 million in 2001-02, up \$43 million (5.1 percent) from 2000-01. The increase in General Fund spending reflects added costs for the proposed child welfare financing reforms as well as an expansion of Advantage-After-School funding.

Mental hygiene programs are expected to grow by \$128 million (8.6 percent) to almost \$1.62 billion in 2001-02, with additional funding for the New York State CARES program (\$47 million), the Community Reinvestment program (\$20 million), other program enhancements including trend increases, and annualization of prior year initiatives (\$38 million).

General Fund spending for health programs is projected at \$602 million, an increase of \$110 million (22.4 percent) from 2000-01. This increase is primarily due to enhancements in the EPIC program (\$75 million), costs associated with the West Nile Virus outbreak (\$22 million), and State support for the Roswell Park Cancer Institute (\$30 million), partially offset by \$32 million in non-recurring expenses.

Spending for all other local assistance programs will total \$5.45 billion in 2001-02, a net decrease of \$124 million (2.2 percent) from last year. This includes increased State support for tuition assistance (\$35 million), children with special educational needs (\$28 million), county administration of welfare and Medicaid programs (\$14 million), and for

## **FINANCIAL PLAN OVERVIEW**

the City University of New York (\$14 million). These increases are more than offset by the elimination of spending identified by the Legislature as one-time adds in the 2000-01 enacted budget (including \$35 million for the CHIPs local highway program), a reestimate in reimbursement costs to local governments associated with housing State-ready inmates in local jails (\$40 million), and the elimination of stock transfer incentive aid payments to New York City (\$114 million).

<b>STATE OPERATIONS</b> (millions of dollars)			
<b>SFY:</b>	<b>2000-01</b>	<b>2001-02</b>	<b>Annual Change</b>
State Operations	7,620	7,894	274

State Operations accounts for the cost of running the Executive, Legislative, and Judicial branches of government. Spending in this category is projected at \$7.90 billion, an increase of \$274 million, or 3.6 percent above 2000-01.

The growth in State Operations is primarily attributable to the annualized costs of labor agreements and related costs with State employee unions (\$195 million), increased funding for technology initiatives (\$43 million) and for health and mental hygiene programs (\$75 million), and a change in the accounting treatment of State University hospital revenues which directly finance hospital operations (\$100 million) and other minor changes. The hospital revenues (which had previously offset State Operations) will now be used to support hospital fringe benefits costs that had been previously charged to the General Fund; State University hospital revenue and spending will now be reflected in the Special Revenue Funds. In addition, costs previously reported for snow and ice removal (\$169 million) will now be reflected in the Dedicated Highway Fund.

The State's overall workforce is projected at 194,500 persons by the end of 2001-02, down about 500 from the end of 2000-01.

<b>GENERAL STATE CHARGES</b> (millions of dollars)			
<b>SFY:</b>	<b>2000-01</b>	<b>2001-02</b>	<b>Annual Change</b>
General State Charges	2,582	2,589	7

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 GSCs spending is projected to grow by \$7 million (0.3 percent) to \$2.59 billion in 2001-02. The State expects higher health insurance rates in calendar year 2001 of 11 percent (\$138 million), primarily to cover the increasing cost of providing prescription drug, hospitalization and physician benefits for State employees. Modest increases are projected for other fringe benefit costs, including social security, workers compensation and dental insurance. These increases are offset by reduced payments for retirement incentives (\$72 million) and the accounting treatment of State University hospital fringe benefit costs (\$100 million) which will now be included in the Special Revenue Funds.

## FINANCIAL PLAN OVERVIEW

<b>DEBT SERVICE</b> (millions of dollars)			
<b>SFY:</b>	<b>2000-01</b>	<b>2001-02</b>	<b>Annual Change</b>
Debt Service	1	0	(1)

This category reflects debt service on short-term State obligations, and includes interest costs on the State's commercial paper program. In 2001-02, all 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 continues to diversify its debt portfolio to include a prudent level of short-term debt obligations. Since borrowing costs for the commercial paper program and variable rate bonds are comparable and both are effective short-term debt instruments, the use of the commercial paper program was eliminated during 2000-01 and replaced with the issuance of additional variable rate general obligation debt. As a result, the State satisfied its remaining commercial paper debt service obligations in 2000-01.

<b>TRANSFERS TO OTHER FUNDS</b> (millions of dollars)			
<b>SFY:</b>	<b>2000-01</b>	<b>2001-02</b>	<b>Annual Change</b>
Transfers In Support of Debt Service	2,218	2,288	70
Transfers in Support of Capital Projects	235	340	105
Transfers in Support of State University	0	69	69
All Other Transfers	379	389	10

Transfers in support of debt service in 2001-02 are projected at \$2.29 billion, a \$70 million (3.2 percent ) increase over 2000-01. This increase is primarily due to bonding to support SUNY, CUNY, public protection, environmental and economic development purposes, offset by the savings from the use of the Debt Reduction Reserve Fund (DRRF) to defease high cost debt and from the Governor's new Revenue Bond proposal.

Transfers in support of capital projects in 2001-02 are projected at \$340 million, a \$105 million (44.7 percent) increase over the 2000-01 estimate of \$235 million. The increase is primarily due to the first annual transfer of \$69 million to the new Remedial Program Transfer Fund, reflecting the Governor's commitment to the environment and public health. Transfers to the Capital Projects Fund will also increase by roughly \$16 million to support a request submitted by the Judiciary for improvements to the Court of Appeals Building and the Justice Building in Albany.

Transfers in support of the State University in 2001-02 are projected at \$69 million which represents the State's subsidy for the hospitals. All other transfers increase in 2001-02 primarily as a result of the State's subsidy to the Court Facilities Incentive Aid Fund, which grows from \$45 million in 2000-01 to \$81 million in 2001-02 to support Judiciary capital projects. This increase is offset by the elimination of one-time transfers to the SUNY Stabilization Fund (\$17 million), and to the Miscellaneous Special Revenue Fund (\$19 million) to pay for costs associated with Y2K compliance.

**NON-RECURRING RESOURCES**

A total of \$146 million in one-time actions is incorporated in the 2001-02 Financial Plan, consisting primarily of \$97 million in Federal funds from successful retroactive claims for child welfare, special education, and prison health costs. The remaining amounts reflect a receipt from the Dormitory Authority of the State of New York (\$28 million) and various fund sweeps and transfers to the General Fund (\$21 million) that occur sporadically each year.

**RESERVES/2001-02 CLOSING BALANCE IN THE GENERAL FUND**

The State projects a closing balance of \$2.3 billion at the end of the 2001-02 fiscal year, a decline of \$1.6 billion from 2000-01. This decline is primarily due to the planned use of STAR (\$1.2 billion) and DRRF (\$250 million) reserves in 2001-02 to pay for already enacted local property tax relief and to provide pay-as-you-go resources to finance essential transportation projects. Another \$188 million will remain in the Community Projects Fund (a decline of \$150 million) and \$14 million in the Universal Pre-Kindergarten Fund (a decline of \$15 million).

The remaining reserves are set aside for the future to protect against a national economic slowdown, ensuring that already enacted tax cuts go forward on schedule. These reserves, which total roughly 5 percent of the General Fund budget (placing New York on par with many other states), include: \$1.3 billion in a new Fiscal Responsibility Reserve created by setting aside the entire remaining 2000-01 surplus; \$627 million in the Tax Stabilization Reserve Fund; and \$150 million in the Contingency Reserve Fund. After reflecting these various reserves, the final General Fund closing balance is projected to be \$2.3 billion.

To permanently improve the State's reserve levels, the Executive Budget includes legislation to gradually increase the maximum size of the State's "Rainy Day" Fund from 2 percent of General Fund Spending to 5 percent.

**GENERAL FUND FINANCIAL PLAN OUTYEAR PROJECTIONS**

The State projects budget gaps of \$2.5 billion in 2002-03 and \$2.9 billion in 2003-04. These budget gaps do not assume any additional spending efficiencies in order to reduce the size of the gaps. However, the gaps assume the Legislature will enact the 2001-02 Executive Budget and accompanying legislation in its entirety, and that reserves proposed by the Governor are set aside for the future to guard against national economic uncertainty and ensure that already enacted tax cuts proceed on schedule.

PROJECTED BUDGET GAPS FOR SFYs 2002-03 AND 2003-04 (millions of dollars)		
	2002-03	2003-04
Receipts	41,128	42,371
Disbursements	(43,806)	(45,294)
Use of Community Projects Fund Balance	188	0
<b>Remaining Gap</b>	<b>(2,490)</b>	<b>(2,923)</b>
<i>2003-04 Gap if 2002-03 Gap is Closed With Recurring Actions</i>		<i>(433)</i>

## **FINANCIAL PLAN OVERVIEW**

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If the projected budget gap for 2002-03 is closed with recurring actions, the projected 2003-04 budget gap would be reduced to \$433 million. A more detailed explanation of the outyear receipts and disbursement estimates follows.

### **OUTYEAR RECEIPTS**

<b>GENERAL FUND RECEIPTS</b> (millions of dollars)		
<b>SFY:</b>	<b>2002-03</b>	<b>2003-04</b>
Total Receipts	41,128	42,371

General Fund receipts increase to an estimated \$41.13 billion in 2002-03 reflecting a forecast of continued but slower 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 \$42.37 billion in 2003-04, 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 2001-02 Executive Budget.

Overall, both the national and New York economies are expected to continue to expand, but at lower rates through 2004. There is no forecast of recession over the outyear projection horizon.

<b>PERSONAL INCOME TAX</b> (millions of dollars)		
<b>SFY:</b>	<b>2002-03</b>	<b>2003-04</b>
Personal Income Tax	25,255	26,537

Personal income tax receipts are projected to increase to \$25.26 billion in 2002-03. The decrease from 2001-02 reflects the impact of refund reserve transactions and a reduction in the growth in underlying liability. In addition, receipts are reduced by the incremental value of the STAR and Co-STAR tax reduction plans.

Personal income tax receipts for 2003-04 are projected to increase to \$26.54 billion. The modest increase results from continued normal growth in liability.

In general, income tax growth for 2002-03 and 2003-04 is governed by projections of growth in taxable personal income and its major components, including wages, interest and dividend earnings, realized taxable capital gains, and business income.

Wages are estimated to continue to grow over the 2002-03 and 2003-04 period reflecting continued employment growth over the projection period. Wage growth moderates from the large wage gains of 1999 and 2000 as bonus growth (an important component of wages) is expected to slow significantly over the 2002 to 2004 period.

Growth in realized capital gains is projected to slow from the rapid increases experienced over the past several years. This rapid growth had been fueled by the significant run-up in the value of equities since 1996. Additionally, changes in the Federal

## FINANCIAL PLAN OVERVIEW

tax treatment of capital gains income in 1998 have made the realization of gains more attractive in recent years. The 2002-03 and 2003-04 projections assume a modest recovery in equity markets and below average growth in associated capital gains.

The 2002-03 and 2003-04 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 consistent with the average growth in these components in recent years.

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 outyear projections anticipate a substantial moderation in the special factors that have produced the rapid receipts growth of recent years. Specifically, based on information from Wall Street analysts and an examination of relevant economic indicators, the outyear projections assume only small increases in financial sector bonuses.

There is significant uncertainty associated with the forecast of the outyear income components. In many cases, a reasonable range of uncertainty around the predicted income components would include significant reductions in receipts. As a result, the projections for 2002-03 and 2003-04 are relatively conservative given the substantial uncertainty in predicting income tax receipts.

<b>USER TAXES AND FEES</b> (millions of dollars)		
<b>SFY:</b>	<b>2002-03</b>	<b>2003-04</b>
User Taxes and Fees	7,571	7,781

Receipts from the User Taxes and Fees category are estimated to total \$7.57 billion in 2002-03, an increase of \$129 million from 2001-02. This increase is due almost exclusively to growth in the sales tax, as partly offset by increased earmarking of motor vehicle fees to the dedicated transportation funds.

The User Taxes and Fees category is expected to grow to \$7.78 billion in 2003-04. Continuing but slower economic growth is projected over the next several years in the factors which influence sales tax collections. These factors include estimates of continued moderate 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.

<b>BUSINESS TAXES</b> (millions of dollars)		
<b>SFY:</b>	<b>2002-03</b>	<b>2003-04</b>
Business Taxes	3,912	3,698

Business Tax receipts are estimated to decline to \$3.91 billion in 2002-03, as the impact of recently enacted tax reductions becomes more pronounced. Receipts are projected to fall to \$3.70 billion in 2003-04, reflecting the ongoing effect of already enacted and proposed business tax reductions, and relatively small increases in underlying liability reflecting the impact of consolidation in the securities, banking and insurance industries.

## FINANCIAL PLAN OVERVIEW

OTHER TAXES (millions of dollars)		
SFY:	2002-03	2003-04
Other Taxes	823	854

Other taxes are projected to increase to \$823 million in 2002-03, as the impact of estate tax reform and the elimination of the gift tax is fully recognized in 2001-02 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 2003-04 and is expected to grow modestly reflecting relatively slow growth in household net worth. Other tax receipts increase to an estimated \$854 million in 2003-04.

MISCELLANEOUS RECEIPTS (millions of dollars)		
SFY:	2002-03	2003-04
Miscellaneous Receipts	1,340	1,329

Miscellaneous Receipts are estimated to total \$1.34 billion in 2002-03, a decline of \$69 million from the prior year. Receipts in this category are projected to reach \$1.33 billion in 2003-04.

TRANSFERS FROM OTHER FUNDS (millions of dollars)		
SFY:	2002-03	2003-04
Transfers From Other Funds	2,227	2,172

Transfers from other funds are estimated to grow to \$2.22 billion in 2002-03 and to \$2.17 billion in 2003-04, as revenues associated with transfers that support LGAC and other debt programs continue to grow in concert with the overall economy.

### OUTYEAR DISBURSEMENTS

GENERAL FUND DISBURSEMENTS (millions of dollars)		
SFY:	2002-03	2003-04
Total Disbursements	43,806	45,294

The State currently projects spending to grow by \$2.46 billion (6.0 percent) in 2002-03 and \$1.49 billion (3.4 percent) in 2003-04. General Fund spending increases at a higher rate in 2002-03 than in 2003-04 primarily because there are no new collective bargaining costs assumed after the current contracts expire by April 2003, and the remaining balance in the Community Projects Fund (\$188 million) is assumed to be spent by 2002-03.

Spending across the projection period is driven primarily by growth in local assistance, with smaller increases in General State Charges and State Operations costs, as described in more detail below.

## FINANCIAL PLAN OVERVIEW

<b>GRANTS TO LOCAL GOVERNMENTS</b> (millions of dollars)		
SFY:	2002-03	2003-04
Grants to Local Governments	29,455	30,696

Local assistance spending accounts for most of the projected growth in General Fund spending in the outyears, increasing by \$1.68 billion (6.0 percent) in 2002-03 and \$1.24 billion (4.2 percent) in 2003-04. The growth in both outyears is primarily reflected in school aid, Medicaid, and mental hygiene programs, and is lowered in fiscal year 2003-04 by the use of the Community Projects fund balance in 2002-03.

School aid, the largest category of General Fund spending, is projected to grow by \$659 million in 2002-03 and \$709 million in 2003-04. The estimated growth in school aid on a school year basis (approximately \$650 million in 2002-03 and \$700 million in 2003-04) reflects the formula and building aid reforms proposed in the 2001-02 Executive Budget and accounts for nearly half of projected local assistance growth in the outyears.

Medicaid, the next largest General Fund program, is expected to grow by \$577 million in 2002-03 and another \$529 million in 2003-04. Spending growth in Medicaid is projected at 7.3 percent annually, consistent with estimates of the Congressional Budget Office.

As a result of welfare reform, welfare programmatic commitments are expected to remain essentially flat throughout the projection period. However, availability of Federal offsets will vary, leading to a modest increase in State spending for welfare programs in 2002-03 (\$89 million) followed by a modest decrease (\$42 million) in 2003-04.

Mental hygiene programs grow approximately 17 percent or \$120 million each year, as a result of the expansion of programs for the mentally ill. Revenue sharing programs are assumed to be held flat over the projection period and the balance in the Community Projects Fund is expected to be disbursed in 2002-03.

<b>STATE OPERATIONS</b> (millions of dollars)		
SFY:	2002-03	2003-04
State Operations	8,371	8,466

State Operations spending is expected to increase by 6.0 percent, or \$477 million, in 2002-03 and another 1.1 percent, or \$94 million, in 2003-04. Most of the growth in State Operations reflects the costs associated with the recently approved labor agreements (\$330 million in 2002-03), normal salary step increases (\$55 million annually), and inflationary increases for non-personal service costs. No further collective bargaining increases are assumed in 2003-04 after the current contracts conclude, generally on March 31, 2003.

<b>GENERAL STATE CHARGES</b> (millions of dollars)		
SFY:	2002-03	2003-04
General State Charges	2,788	3,016

## **FINANCIAL PLAN OVERVIEW**

General State Charges are projected to increase by \$200 million (7.7 percent) in 2002-03 and \$228 million (8.2 percent) in 2003-04. The growth is primarily due to health insurance costs that grow at roughly 12 percent each year (\$190 million annually) and modest increases in other fringe benefit costs.

<b>TRANSFERS TO OTHER FUNDS (millions of dollars)</b>		
<b>SFY:</b>	<b>2002-03</b>	<b>2003-04</b>
Debt Service	2,333	2,206
Capital Projects	333	383
State University	121	129
All Other	405	398

Transfers to other funds increase by a combined \$35 million across the projection period. Debt service transfers in 2002-03 and 2003-04 are \$2.33 billion and \$2.21 billion, respectively. The decrease in transfers in the outyears is due primarily to the final retirement of pension obligation bonds in 2002-03, and savings generated from the use of the Debt Reduction Reserve Fund to defease high cost debt.

Capital projects transfers remain relatively unchanged from 2001-02 and 2002-03 as commitments to advancing capital needs are maintained. Transfers for capital projects increase by \$50 million to \$383 million in 2003-04, as commitments increase by \$25 million for new high technology research and business incubator initiatives and \$20 million to supplement the State's commitment to match Federal grants for municipal drinking water projects. SUNY and other transfers are stable.

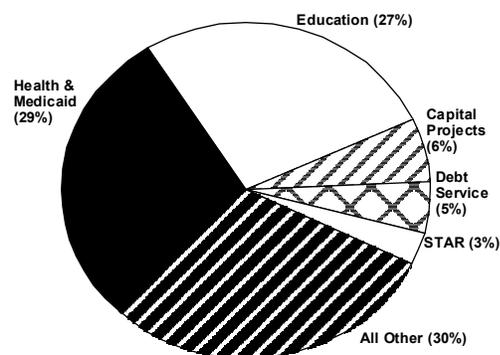
## **GOVERNMENTAL FUNDS FINANCIAL PLANS**

### **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. The All Governmental Funds group excludes Fiduciary, Internal Service, and Enterprise funds. In 2001-02, spending from All Governmental Funds is estimated at \$83.62 billion, an increase of \$4.19 billion or 5.3 percent from 2000-01.

Spending from All Governmental Funds includes \$2.57 billion for the School Tax Relief (STAR) program, which lowers school property tax bills for homeowners and reduces the personal income tax for New York City residents. STAR growth will drive nearly \$700 million of the \$4.19 billion increase in All Funds spending

**All Government Funds Spending  
2001-02**

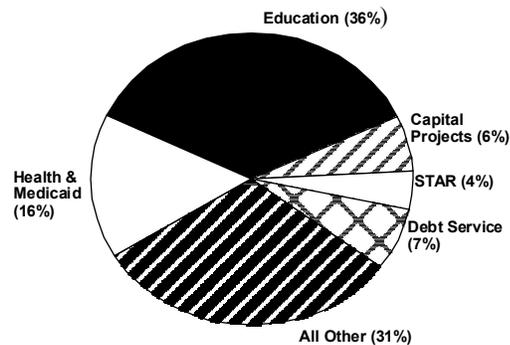


from 2000-01. Without STAR, All Funds spending grows by \$3.50 billion or 4.5 percent. Growth in the General Fund (\$1.19 billion excluding transfers) and Federal grants (\$1.51 billion) accounts for most of the remaining increase in All Funds spending.

### STATE FUNDS

State Funds represent the portion of the 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. Projected 2001-02 disbursements from State Funds (including STAR as noted above) is \$57.39 billion, an increase of \$2.68 billion or 4.9 percent from 2000-01. Without STAR, State Funds spending grows by \$1.99 billion or 3.8 percent.

### State Funds Spending, 2001-02



### SPECIAL REVENUE FUNDS

Special Revenue Funds (SRFs) receive dedicated sources of State and Federal revenues and disburse funds for specified purposes. SRFs ensure that dedicated revenues are used solely for their intended purposes. Spending from SRFs is projected to total \$36.47 billion in 2001-02, accounting for 43.6 percent of All Governmental Funds disbursements. Of this amount, \$11.68 billion in spending is from funds supported by State revenues, and \$24.79 billion from funds supported by Federal grants, primarily for social welfare programs.

### State Special Revenue Funds

Disbursements from State SRFs are projected at \$11.68 billion, an increase of \$1.11 billion or 10.5 percent from 2000-01. STAR, which increases by nearly \$700 million from 2000-01, accounts for the majority of the year-to-year growth. Major components of State SRFs are discussed in more detail below.

- **STAR:** This fund receives personal income tax receipts dedicated to support the multi-year STAR program. STAR will provide \$2.01 billion in local property tax relief outside of New York City and \$560 million in lower personal income taxes for New York City residents as it reaches full implementation in 2001-02. Spending for STAR is estimated at \$2.57 billion in 2001-02, an increase of \$694 million from 2000-01. The final phase-in of benefits for non-senior homeowners, increased participation by all homeowners, and a substantial increase in New York City income tax relief account for the higher spending in 2001-02.
- **Lottery:** The Lottery Fund receives the net proceeds of lottery ticket sales and supports education aid. The 2001-02 Executive Budget projects the receipt of \$1.64 billion in lottery proceeds. After payment of administrative expenses, the Fund will distribute \$1.53 billion for education purposes, an increase of \$132 million from 2000-01 supported primarily by a proposal for 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.

## **FINANCIAL PLAN OVERVIEW**

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- SUNY revenues support the costs of operating hospitals, dormitories, and regular campus services. The University's spending from State SRFs is projected to total \$2.27 billion in 2001-02, an increase of \$145 million from the current year. This increase is primarily for collective bargaining, inflation, and program expansion.
- **Transportation:** The Mass Transportation Operating Assistance (MTOA) Fund and the Dedicated Mass Transportation Trust Fund receive taxes earmarked for mass transportation programs throughout the State. Total disbursements from these two funds in 2001-02 are projected at \$1.58 billion, \$94 million more than in 2000-01. Of this increase, \$72 million results from legislation enacted last year that increases the amount of petroleum and motor fuel tax revenues and motor vehicle fees earmarked for the Dedicated Mass Transportation Fund. The remainder of this increase reflects the disbursement of an additional \$22 million in MTOA receipts dedicated for use by the MTA and other transit systems.
  - **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 2001-02. The decrease of \$30 million from 2000-01 reflects lower expected receipts.
  - **Child Health Plus:** The Child Health Plus (CHP) program matches Federal funds to subsidize health insurance coverage for children of low-income families. The State's share of CHP is funded by revenues authorized in HCRA 2000. The 2001-02 Financial Plan budgets \$258 million for this program. The decrease of \$11 million in State special revenue spending from 2000-01 results from the availability of higher Federal aid for CHP through the Balanced Budget Further Refinement Act of 2000.
  - **All Other:** Fees, licenses, and assessments collected by State agencies support the costs of providing specific services funded from State SRFs, including spending under the Health Care Reform Act of 2000. Spending for these SRFs is projected at \$2.61 billion for 2001-02, an increase of \$86 million over 2000-01.

### ***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 limits the time between the State's drawdown of moneys from the Federal government and its disbursement to recipients. In most cases, the State finances programs in the first instance, then receives reimbursement from the Federal government.

Total disbursements for programs supported by Federal grants account for approximately three-quarters of all special revenue spending. Federal SRF disbursements are estimated at \$24.79 billion in 2001-02, an increase of \$1.46 billion or 6.3 percent from 2000-01. The higher spending is primarily due to increases in Medicaid (\$962 million), welfare (\$359 million) and education (\$100 million). Major components of Federal SRFs are discussed in more detail below.

- **Medicaid:** The single largest program in Federal SRFs is Medicaid, which comprises 65 percent of Federal aid spending. Disbursements are made to State-operated facilities as well as other health care providers, and to reimburse local governments for administrative costs and other minor programs. The 2001-02 Budget projects \$16.04 billion in total Federal Medicaid payments, an increase of \$962 million from 2000-01. This growth is primarily due to Federal maximization efforts including increasing hospital intergovernmental transfers, and hospital and outpatient upper payment limit changes.

- **TANF:** The State receives Federal welfare funding through the Temporary Assistance for Needy Families (TANF) block grant. The difference between the block grant and current spending requirements allows the State and localities to provide services that help welfare recipients and at-risk families secure and retain employment. In 2001-02, this funding will total more than \$1.5 billion, which will be combined with a prior-year balance of over \$1.6 billion to increase support for child welfare services, child care, and other welfare reform initiatives, as well as fund reserves for future needs.
- **Welfare:** Federal welfare spending is projected at \$1.46 billion in 2001-02, an increase of \$359 million from 2000-01. Higher Federal funding for the Earned Income and Child and Dependent Care Tax Credits accounts for much of the growth. The \$1.46 billion level also permits an additional distribution from the TANF block grant for expanded services in the Office of Children and Family Services and the Department of Labor, and the set-aside of additional funds for future contingencies.
- **Education:** Education spending is projected at \$2.04 billion in 2001-02, an increase of \$100 million from 2000-01. Higher Federal funding for class size reduction, school construction grants, and other elementary and secondary education programs supports the growth in spending.
- **Children and Family Services:** Funding for Children and Family Services is projected at \$1.51 billion in 2001-02, unchanged from the prior year.
- **Labor:** Labor spending is estimated at \$613 million in 2001-02, a decrease of \$75 million from 2000-01. A one-time payment to New York City for prior-year claims under the Job Training Partnership Act program accounts for the decline.
- **Child Health Plus:** 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 every eligible child in New York through age 18. Spending is projected at \$478 million in 2001-02, an increase of \$29 million from 2000-01. Additional Federal funding is provided under the Balanced Budget Further Refinement Act of 2000.
- **All Other:** All other Federal spending is projected at \$2.65 billion for 2001-02, an increase of \$85 million over 2000-01.

### **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 and housing.

Proposed capital spending for 2001-02 will continue to focus on high priority capital projects that promote economic development and commerce, protect the health and safety of New Yorkers and educate our children. These strategic investments in the State's capital infrastructure will continue to be financed with a responsible mix of bonding and pay-as-you-go resources which ensures that new debt levels remain well within the caps and limitations imposed by the Debt Reform Act of 2000. The portion of capital spending financed with State and federal pay-as-you-go resources increases from 57 percent in

## ***FINANCIAL PLAN OVERVIEW***

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2000-01 to 61 percent in 2005-06. The Five-Year Capital Program and Financing Plan continues to ensure that, on average, 60 percent of capital investments are financed with pay-as-you-go resources.

Capital Projects Funds spending in 2001-02 is projected at \$5 billion, or \$627 million higher than the revised projection for 2000-01. The largest increases are attributable to transportation (\$309 million), housing and economic development and other purposes (\$143 million), the environment (\$123 million) and education (\$74 million). These increases are partially offset by the return to more typical spending levels for public protection as prison capacity expansion projects near completion.

Highlights of the 2001-02 capital spending plan include:

- Transportation spending of \$2.9 billion will increase by \$309 million or 12 percent over 2000-01. Capital projects that support State highways and bridges, rail, industrial access and aviation programs will promote safety and spur economic development through the efficient delivery of raw materials, consumer goods, and people. To accelerate the completion of essential transportation projects without an increase in State-supported transportation bonding, the Executive Budget recommends the use of pay-as-you-go resources to increase the construction levels of the Department of Transportation's (DOT) Highway and Bridge Construction Program to \$1.75 billion in 2001-02 — its highest level ever. The Executive Budget also maintains support for local transportation capital programs (Consolidated Highway Improvement Program, (CHIPS) and the Marchiselli Program). Transportation spending will account for almost 60 percent of 2001-02 capital disbursements.
- Projected spending for the environment of \$822 million will increase by \$123 million or almost 18 percent over 2000-01. Disbursements for the environment include \$169 million in Clean Water/Clean Air Act spending; \$119 million in spending from the Environmental Protection Fund; and \$105 million in Superfund spending from the new Remedial Program Transfer Fund to continue support for the clean-up of hazardous waste and substance sites. Spending for the environment will account for 17 percent of 2001-02 capital disbursements.
- Spending for housing, economic development and other capital projects of \$412 million will increase by \$143 million or almost 53 percent from 2000-01. Approximately \$122 million of the increase will support capital projects that will encourage economic development and job creation under a variety of programs, including the Strategic Investment Program and the Economic Development and Natural Resource Program. Spending in 2001-02 reflects continued funding for the construction and rehabilitation of the Capitol and other State office buildings. Disbursements for housing and economic development initiatives will account for approximately six percent of 2001-02 capital spending.
- Public protection spending of about \$200 million will decrease by about \$57 million or by 22 percent from 2000-01. The projected decline reflects the near completion of the prison capacity expansion plan and the return to more typical spending levels that will maintain the facilities of the Department of Correctional Services. Public protection spending will account for four percent of 2001-02 capital disbursements.
- Spending for the Department of Mental Hygiene of \$184 million will increase by \$35 million or by 23 percent from 2000-01. Department spending will continue to 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. Department of Mental Hygiene spending will account for four percent of 2001-02 capital disbursements.
- Capital spending for education and higher education of \$426 million will increase by \$74 million or by 21 percent from 2000-01. New recommendations will expand

and renovate SUNY Dormitory facilities to continue to provide safe housing for a growing population of students. Education and higher education spending will account for nine percent of 2001-02 capital spending.

### **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.

Consistent with the Governor's efforts to increase pay-as-you-go financing and ensure that bonding levels remain well within the caps imposed by the Debt Reform Act of 2000, the percentage of capital spending which is financed with cash resources will increase from 57 percent in 2000-01 to 61 percent in 2005-06, while the share that is financed by both voter-approved general obligation bonds and authority bonds will decline from 43 percent in 2000-01 to 39 percent in 2005-06.

Pay-as-you-go spending in 2000-01 and 2001-02 reflects the use of a portion of the \$750 million Debt Reduction Reserve Fund to pay cash for bond-financed projects. In 2000-01, \$421 million in DRRF funds were used to defease high cost State debt and the balance of \$79 million was used to pay cash for bond financed capital projects including the Buffalo Inner Harbor (\$50 million) and CEFAP (\$22 million). In 2001-02, the \$250 million DRRF balance will be used to provide pay-as-you-go resources to finance the acceleration of essential transportation projects.

Over the Five-Year Capital Plan, the portion of spending financed with State pay-as-you-go resources and Federal grants will average 27 percent and 33 percent, respectively. General obligation bond-financed spending, which primarily supports spending for Clean Water/Clean Air Bond Act, and public authority bond-financed spending, will average 5 percent and 35 percent, respectively.

### **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. 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 2000-01 reflect the use of \$500 million in DRRF funds as discussed above, to generate debt service savings of approximately \$800 million. The \$250 million DRRF balance will be used in 2001-02 to generate additional taxpayer savings of about \$400 million. Overall, the \$750 million DRRF investment will save taxpayers \$1.2 billion in lower debt service costs.

To expand the State's existing "revenue-backed" bond programs, Debt Service Funds projections also reflect legislation that will provide a structure for lower cost, revenue debt. The issuance of statutory revenue bonds will:

- Reduce borrowing costs by pledging 25 percent of the broad-based personal income tax receipts to satisfy the debt service due on the new Revenue-backed bonds.

## **FINANCIAL PLAN OVERVIEW**

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- Permit the State to consolidate its current bonding programs by gradually replacing lease-purchase and contractual obligation financings with the issuance of more cost-effective revenue bonds.
- Prepare for Legislative passage and voter approval of the Constitutional Debt Reform Amendment by providing a statutory framework for the issuance of Constitutional Revenue Debt.

Overall financing costs will continue to be minimized through a number of other debt management strategies, including the use of shorter bond maturities. Consistent with rating agency guidelines and market conditions permitting, the Executive Budget will increase the use of short-term debt instruments (i.e., variable rate debt and a limited amount of interest rate swaps) as a percentage of total debt outstanding. Within these guidelines and limits, the Five Year Capital Program and Financing Plan will expand the issuance of variable rate debt as a percent of all State-supported debt by roughly one percent each year, from 7 percent in 2001-02 to 11 percent in 2005-06.

Estimated debt service disbursements from the debt service funds type are projected at \$4.1 billion for 2000-01 and \$3.9 billion for 2001-02, and reflect spending of \$421 million attributable to the use of DRRF to defease high cost State debt.

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 2001-02, the transfer from the General Fund is projected at \$2.29 billion, an increase of \$70 million from 2000-01. This primarily reflects prior year financings for CUNY, SUNY, prisons, housing, CHIPs and other programs. In addition, payments for the new statutory revenue debt program will be made from the General Debt Service Fund, as financed by a pledge of 25 percent of the State's personal income tax. Additional transfers of \$230 million from the Dedicated Highway and Bridge Trust Fund, \$67 million from the Clean Water/Clean Air Fund, \$12 million from the Income Fund for SUNY Hospitals and \$1.5 million from the State Parks Infrastructure Fund are projected to bring 2001-02 total disbursements from the General Debt Service Fund to \$2.6 billion. Those additional transfers pay the debt service on bonds issued for CHIPs, environmental projects under the Clean Water/Clean Air Bond Act, the hospitals' share of SUNY Educational Facilities debt service, and State parks purposes, respectively. The retirement of outstanding general obligation bonds contributes to a \$43 million reduction in those debt service costs.

The Local Government Assistance Tax Fund is projected to receive \$2.2 billion in receipts from the dedicated one cent statewide sales tax. Debt service and associated costs on the completed \$4.7 billion Local Government Assistance Corporation (LGAC) Program are projected at \$312 million. Sales tax receipts in excess of LGAC's debt service requirements, \$1.9 billion, will be transferred to the General Fund.

The Mental Health Services Fund has \$2.2 billion of patient revenues which are deposited and transferred to satisfy debt service obligations of \$341 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 in 1997). 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 \$118 million are expected to support debt service obligations of \$31 million in 2001-02, with the remainder being transferred to support the Health Department's state operations costs.

The Clean Water/Clean Air Fund, which was created in 1998-99 to implement the Clean Water/Clean Air Bond Act, is expected to receive \$188 million from the real estate transfer tax. The Fund will transfer \$67 million to the General Debt Service Fund to pay the debt service on Clean Water/Clean Air general obligation bonds and the remaining \$121 million to the General Fund. Other debt service funds are used to finance payments on bonds issued to finance 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 1999-2000 State fiscal year, and do not reflect any pending proposals of the Governmental Accounting Standards Board.

The GAAP projections indicate that the State will have five consecutive years of a General Fund accumulated GAAP surplus, with an accumulated surplus of \$1.9 billion in 2000-01, completely eliminating the GAAP deficit of \$3.3 billion which existed as of March 31, 1995. In 2000-01, the General Fund GAAP Financial Plan shows total revenues of \$37.66 billion, total expenditures of \$39.69 billion, and net other financing sources of \$35 million, resulting in an operating imbalance of \$2.0 billion. This General Fund operating result does not include the 2000-01 deposits of \$1.2 billion in the School Tax Relief Fund (Special Revenue Fund) and \$250 million in the Debt Reduction Reserve Fund (Debt Service Fund). These deposits are included in the 2000-01 projected operating GAAP surpluses of the Special Revenue Funds and Debt Service Funds.

In 2001-02, projections reflect total revenues of \$40.87 billion, total expenditures of \$40.68 billion and net other financing uses of \$190 million, resulting in an operating surplus of \$3 million. At the end of 2001-02, the General Fund accumulated GAAP surplus is projected to be \$1.9 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 2001-02 is projected to have balances no lower than \$2.3 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 \$4.3 billion. Balances at the close of the second and third quarters of the fiscal year are projected to be \$4.6 billion and \$5.2 billion, respectively.

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## ***FINANCIAL PLAN OVERVIEW***

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**CASH FINANCIAL PLAN  
GENERAL FUND  
2000-2001  
(millions of dollars)**

	<u>October</u>	<u>Change</u>	<u>January</u>
<b>Opening fund balance</b>	<u>917</u>	<u>0</u>	<u>917</u>
<b>Receipts</b>			
Taxes			
Personal income tax	24,334	(543)	23,791
User taxes and fees	7,021	401	7,422
Business taxes	4,228	235	4,463
Other taxes	766	15	781
Miscellaneous receipts	1,339	161	1,500
Transfers from other funds			
LGAC	1,645	114	1,759
All other	384	22	406
<b>Total receipts</b>	<u>39,717</u>	<u>405</u>	<u>40,122</u>
<b>Disbursements</b>			
Grants to local governments	26,863	(3)	26,860
State operations	7,624	(4)	7,620
General State charges	2,269	313	2,582
Debt service	5	(4)	1
Transfers to other funds			
Debt service	2,261	(43)	2,218
Capital projects	234	1	235
Other purposes	293	86	379
<b>Total disbursements</b>	<u>39,549</u>	<u>346</u>	<u>39,895</u>
<b>Change in fund balance</b>	<u>168</u>	<u>59</u>	<u>227</u>
<b>Closing fund balance</b>	<u>1,085</u>	<u>59</u>	<u>1,144</u>
Tax Stabilization Reserve Fund	547	80	627
Contingency Reserve Fund	150	0	150
Community Projects Fund	338	0	338
Universal Pre-Kindergarten Fund	0	29	29
Salary/Other Reserve	50	(50)	0

## FINANCIAL PLAN OVERVIEW

**CASH FINANCIAL PLAN  
GENERAL FUND  
2000-2001 AND 2001-2002  
(millions of dollars)**

	<u>2000-2001 Estimate</u>	<u>2001-2002 Recommended</u>	<u>Change</u>
<b>Opening fund balance</b>	<u>917</u>	<u>1,144</u>	<u>227</u>
<b>Receipts</b>			
Taxes			
Personal income tax	23,791	26,481	2,690
User taxes and fees	7,422	7,442	20
Business taxes	4,463	4,171	(292)
Other taxes	781	771	(10)
Miscellaneous receipts	1,500	1,429	(71)
Transfers from other funds			
LGAC	1,759	1,867	108
All other	406	296	(110)
<b>Total receipts</b>	<u>40,122</u>	<u>42,457</u>	<u>2,335</u>
<b>Disbursements</b>			
Grants to local governments	26,860	27,774	914
State operations	7,620	7,894	274
General State charges	2,582	2,589	7
Debt service	1	0	(1)
Transfers to other funds			
Debt service	2,218	2,288	70
Capital projects	235	340	105
State university	0	69	69
Other purposes	379	389	10
<b>Total disbursements</b>	<u>39,895</u>	<u>41,343</u>	<u>1,448</u>
<b>Change in fund balance</b>	<u>227</u>	<u>1,114</u>	<u>887</u>
<b>Closing fund balance</b>	<u>1,144</u>	<u>2,258</u>	<u>1,114</u>
Tax Stabilization Reserve Fund	627	627	
Contingency Reserve Fund	150	150	
Community Projects Fund	338	188	
Universal Pre-Kindergarten Fund	29	14	
Fiscal Responsibility Reserve	--	1,279	

*Note 1: The Fiscal Responsibility Reserve is established in 2000-01, and shows as a closing balance in 2001-02 after the results of the 2000-01 refund reserve transaction.*

# FINANCIAL PLAN OVERVIEW

**CASH FINANCIAL PLAN  
GENERAL FUND  
2001-2002 THROUGH 2003-2004  
(millions of dollars)**

	<u>2001-2002 Recommended</u>	<u>2002-2003 Projected</u>	<u>2003-2004 Projected</u>
<b>Receipts</b>			
Taxes			
Personal income tax	26,481	25,255	26,537
User taxes and fees	7,442	7,571	7,781
Business taxes	4,171	3,912	3,698
Other taxes	771	823	854
Miscellaneous receipts	1,429	1,340	1,329
Transfers from other funds			
LGAC	1,867	1,953	2,015
All other	296	274	157
<b>Total receipts</b>	<u>42,457</u>	<u>41,128</u>	<u>42,371</u>
<b>Disbursements</b>			
Grants to local governments	27,774	29,455	30,696
State operations	7,894	8,371	8,466
General State charges	2,589	2,788	3,016
Debt service	0	0	0
Transfers to other funds	0		
Debt service	2,288	2,333	2,206
Capital projects	340	333	383
State university	69	121	129
Other purposes	389	405	398
<b>Total disbursements</b>	<u>41,343</u>	<u>43,806</u>	<u>45,294</u>
<b>Deposit to/(use of) Community Projects Fund</b>	<u>(150)</u>	<u>(188)</u>	<u>0</u>
<b>Deposit to/(use of) Universal Pre-Kindergarten Fund</b>	<u>(15)</u>	<u>0</u>	<u>0</u>
<b>Deposit to/(use of) Fiscal Responsibility Reserve</b>	<u>1,279</u>	<u>0</u>	<u>0</u>
<b>Margin</b>	<u>0</u>	<u>(2,490)</u>	<u>(2,923)</u>

## FINANCIAL PLAN OVERVIEW

**CASH FINANCIAL PLAN  
ALL GOVERNMENTAL FUNDS  
1999-2000  
(millions of dollars)**

	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	(MEMO) Total
<b>Opening fund balance</b>	942	672	19	170	1,803
<b>Receipts</b>					
Taxes	33,611	2,608	1,123	2,387	39,729
Miscellaneous receipts	1,647	6,081	1,775	612	10,115
Federal grants	0	22,184	1,381	0	23,565
<b>Total receipts</b>	35,258	30,873	4,279	2,999	73,409
<b>Disbursements</b>					
Grants to local governments	25,590	24,372	640	0	50,602
State operations	6,600	6,236	0	14	12,850
General State charges	2,087	554	0	0	2,641
Debt service	6	0	0	3,571	3,577
Capital projects	0	12	3,584	0	3,596
<b>Total disbursements</b>	34,283	31,174	4,224	3,585	73,266
<b>Other financing sources (uses)</b>					
Transfers from other funds	2,137	2,352	240	4,605	9,334
Transfers to other funds	(2,887)	(1,961)	(541)	(3,991)	(9,380)
Bond and note proceeds	0	0	208	0	208
<b>Net other financing sources (uses)</b>	(750)	391	(93)	614	162
<b>Change in fund balance</b>	225	90	(38)	28	305
<b>Closing fund balance</b>	1,167	762	(19)	198	2,108

## FINANCIAL PLAN OVERVIEW

**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>	917	762	(19)	448	2,108
<b>Receipts</b>					
Taxes	36,457	4,504	1,219	2,708	44,888
Miscellaneous receipts	1,500	6,750	1,760	850	10,860
Federal grants	0	23,368	1,401	0	24,769
<b>Total receipts</b>	37,957	34,622	4,380	3,558	80,517
<b>Disbursements</b>					
Grants to local governments	26,860	27,006	817	0	54,683
State operations	7,620	6,545	0	6	14,171
General State charges	2,582	342	0	0	2,924
Debt service	1	0	0	4,125	4,126
Capital projects	0	4	3,522	0	3,526
<b>Total disbursements</b>	37,063	33,897	4,339	4,131	79,430
<b>Other financing sources (uses)</b>					
Transfers from other funds	2,165	2,402	340	4,795	9,702
Transfers to other funds	(2,832)	(2,082)	(637)	(4,242)	(9,793)
Bond and note proceeds	0	0	236	0	236
<b>Net other financing sources (uses)</b>	(667)	320	(61)	553	145
<b>Change in fund balance</b>	227	1,045	(20)	(20)	1,232
<b>Closing fund balance</b>	1,144	1,807	(39)	428	3,340

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

## FINANCIAL PLAN OVERVIEW

**CASH FINANCIAL PLAN  
ALL GOVERNMENTAL FUNDS  
2001-2002  
(millions of dollars)**

	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	(MEMO) Total
<b>Opening fund balance</b>	1,144	1,807	(39)	428	3,340
<b>Receipts</b>					
Taxes	38,865	2,905	1,547	2,479	45,796
Miscellaneous receipts	1,429	6,912	1,838	614	10,793
Federal grants	0	24,835	1,451	0	26,286
<b>Total receipts</b>	40,294	34,652	4,836	3,093	82,875
<b>Disbursements</b>					
Grants to local governments	27,774	29,297	991	0	58,062
State operations	7,894	6,704	0	7	14,605
General State charges	2,589	463	0	0	3,052
Debt service	0	0	0	3,924	3,924
Capital projects	0	5	3,974	0	3,979
<b>Total disbursements</b>	38,257	36,469	4,965	3,931	83,622
<b>Other financing sources (uses)</b>					
Transfers from other funds	2,163	2,507	648	5,013	10,331
Transfers to other funds	(3,086)	(2,071)	(791)	(4,469)	(10,417)
Bond and note proceeds	0	0	237	0	237
<b>Net other financing sources (uses)</b>	(923)	436	94	544	151
<b>Change in fund balance</b>	1,114	(1,381)	(35)	(294)	(596)
<b>Closing fund balance</b>	2,258	426	(74)	134	2,744

# FINANCIAL PLAN OVERVIEW

**CASH FINANCIAL PLAN  
ALL GOVERNMENTAL FUNDS  
2002-2003  
(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>	0	426	(74)	134	486
<b>Receipts</b>					
Taxes	37,561	4,371	1,664	2,547	46,143
Miscellaneous receipts	1,340	7,292	1,878	642	11,152
Federal grants	0	25,945	1,510	0	27,455
<b>Total receipts</b>	<u>38,901</u>	<u>37,608</u>	<u>5,052</u>	<u>3,189</u>	<u>84,750</u>
<b>Disbursements</b>					
Grants to local governments	29,455	30,712	795	0	60,962
State operations	8,371	6,771	0	7	15,149
General State charges	2,788	518	0	0	3,306
Debt service	0	0	0	4,086	4,086
Capital projects	0	3	4,018	0	4,021
<b>Total disbursements</b>	<u>40,614</u>	<u>38,004</u>	<u>4,813</u>	<u>4,093</u>	<u>87,524</u>
<b>Other financing sources (uses)</b>					
Transfers from other funds	2,227	2,525	371	5,174	10,297
Transfers to other funds	(3,192)	(2,058)	(866)	(4,270)	(10,386)
Bond and note proceeds	0	0	260	0	260
<b>Net other financing sources (uses)</b>	<u>(965)</u>	<u>467</u>	<u>(235)</u>	<u>904</u>	<u>171</u>
<b>Deposit to/(use of) Community Projects Fund</b>	<u>(188)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(188)</u>
<b>Change in fund balance</b>	<u>(2,490)</u>	<u>71</u>	<u>4</u>	<u>0</u>	<u>(2,415)</u>
<b>Closing fund balance</b>	<u>(2,490)</u>	<u>497</u>	<u>(70)</u>	<u>134</u>	<u>(1,929)</u>

## FINANCIAL PLAN OVERVIEW

**CASH FINANCIAL PLAN  
ALL GOVERNMENTAL FUNDS  
2003-2004  
(millions of dollars)**

	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	(MEMO) Total
<b>Opening fund balance</b>	0	497	(70)	134	561
<b>Receipts</b>					
Taxes	38,870	4,597	1,741	2,526	47,734
Miscellaneous receipts	1,329	7,347	2,037	649	11,362
Federal grants	0	26,805	1,593	0	28,398
<b>Total receipts</b>	40,199	38,749	5,371	3,175	87,494
<b>Disbursements</b>					
Grants to local governments	30,696	31,787	763	0	63,246
State operations	8,466	6,864	0	7	15,337
General State charges	3,016	525	0	0	3,541
Debt service	0	0	0	4,136	4,136
Capital projects	0	3	4,282	0	4,285
<b>Total disbursements</b>	42,178	39,179	5,045	4,143	90,545
<b>Other financing sources (uses)</b>					
Transfers from other funds	2,172	2,571	409	5,215	10,367
Transfers to other funds	(3,116)	(2,090)	(989)	(4,249)	(10,444)
Bond and note proceeds	0	0	231	0	231
<b>Net other financing sources (uses)</b>	(944)	481	(349)	966	154
<b>Change in fund balance</b>	(2,923)	51	(23)	(2)	(2,897)
<b>Closing fund balance</b>	(2,923)	548	(93)	132	(2,336)

## FINANCIAL PLAN OVERVIEW

**CASH FINANCIAL PLAN  
STATE FUNDS  
1999-2000  
(millions of dollars)**

	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	(MEMO) Total
<b>Opening fund balance</b>	942	961	161	170	2,234
<b>Receipts</b>					
Taxes	33,611	2,608	1,123	2,387	39,729
Miscellaneous receipts	1,647	5,953	1,774	612	9,986
Federal grants	0	0	0	0	0
<b>Total receipts</b>	35,258	8,561	2,897	2,999	49,715
<b>Disbursements</b>					
Grants to local governments	25,590	5,181	418	0	31,189
State operations	6,600	3,527	0	14	10,141
General State charges	2,087	422	0	0	2,509
Debt service	6	0	0	3,571	3,577
Capital projects	0	12	2,368	0	2,380
<b>Total disbursements</b>	34,283	9,142	2,786	3,585	49,796
<b>Other financing sources (uses)</b>					
Transfers from other funds	2,137	591	240	4,605	7,573
Transfers to other funds	(2,887)	(136)	(535)	(3,991)	(7,549)
Bond and note proceeds	0	0	208	0	208
<b>Net other financing sources (uses)</b>	(750)	455	(87)	614	232
<b>Change in fund balance</b>	225	(126)	24	28	151
<b>Closing fund balance</b>	1,167	835	185	198	2,385

## FINANCIAL PLAN OVERVIEW

**CASH FINANCIAL PLAN  
STATE FUNDS  
2000-2001  
(millions of dollars)**

	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	(MEMO) Total
<b>Opening fund balance</b>	917	835	185	448	2,385
<b>Receipts</b>					
Taxes	36,457	4,504	1,219	2,708	44,888
Miscellaneous receipts	1,500	6,637	1,760	850	10,747
Federal grants	0	0	0	0	0
<b>Total receipts</b>	37,957	11,141	2,979	3,558	55,635
<b>Disbursements</b>					
Grants to local governments	26,860	6,638	611	0	34,109
State operations	7,620	3,734	0	6	11,360
General State charges	2,582	193	0	0	2,775
Debt service	1	0	0	4,125	4,126
Capital projects	0	3	2,334	0	2,337
<b>Total disbursements</b>	37,063	10,568	2,945	4,131	54,707
<b>Other financing sources (uses)</b>					
Transfers from other funds	2,165	543	340	4,795	7,843
Transfers to other funds	(2,832)	(139)	(630)	(4,242)	(7,843)
Bond and note proceeds	0	0	236	0	236
<b>Net other financing sources (uses)</b>	(667)	404	(54)	553	236
<b>Change in fund balance</b>	227	977	(20)	(20)	1,164
<b>Closing fund balance</b>	1,144	1,812	165	428	3,549

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

## FINANCIAL PLAN OVERVIEW

**CASH FINANCIAL PLAN  
STATE FUNDS  
2001-2002  
(millions of dollars)**

	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	(MEMO) Total
<b>Opening fund balance</b>	1,144	1,812	165	428	3,549
<b>Receipts</b>					
Taxes	38,865	2,905	1,547	2,479	45,796
Miscellaneous receipts	1,429	6,772	1,838	614	10,653
Federal grants	0	0	0	0	0
<b>Total receipts</b>	40,294	9,677	3,385	3,093	56,449
<b>Disbursements</b>					
Grants to local governments	27,774	7,551	793	0	36,118
State operations	7,894	3,816	0	7	11,717
General State charges	2,589	308	0	0	2,897
Debt service	0	0	0	3,924	3,924
Capital projects	0	3	2,732	0	2,735
<b>Total disbursements</b>	38,257	11,678	3,525	3,931	57,391
<b>Other financing sources (uses)</b>					
Transfers from other funds	2,163	656	648	5,013	8,480
Transfers to other funds	(3,086)	(121)	(780)	(4,469)	(8,456)
Bond and note proceeds	0	0	237	0	237
<b>Net other financing sources (uses)</b>	(923)	535	105	544	261
<b>Change in fund balance</b>	1,114	(1,466)	(35)	(294)	(681)
<b>Closing fund balance</b>	2,258	346	130	134	2,868

## 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	346	130	134	610
<b>Receipts</b>					
Taxes	37,561	4,371	1,664	2,547	46,143
Miscellaneous receipts	1,340	7,161	1,878	642	11,021
Federal grants	0	0	0	0	0
<b>Total receipts</b>	<u>38,901</u>	<u>11,532</u>	<u>3,542</u>	<u>3,189</u>	<u>57,164</u>
<b>Disbursements</b>					
Grants to local governments	29,455	7,906	596	0	37,957
State operations	8,371	3,951	0	7	12,329
General State charges	2,788	356	0	0	3,144
Debt service	0	0	0	4,086	4,086
Capital projects	0	3	2,717	0	2,720
<b>Total disbursements</b>	<u>40,614</u>	<u>12,216</u>	<u>3,313</u>	<u>4,093</u>	<u>60,236</u>
<b>Other financing sources (uses)</b>					
Transfers from other funds	2,227	701	371	5,174	8,473
Transfers to other funds	(3,192)	(109)	(856)	(4,270)	(8,427)
Bond and note proceeds	0	0	260	0	260
<b>Net other financing sources (uses)</b>	<u>(965)</u>	<u>592</u>	<u>(225)</u>	<u>904</u>	<u>306</u>
<b>Deposit to/(use of ) Community Projects Fund</b>	<u>(188)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(188)</u>
<b>Change in fund balance</b>	<u>(2,490)</u>	<u>(92)</u>	<u>4</u>	<u>0</u>	<u>(2,578)</u>
<b>Closing fund balance</b>	<u>(2,490)</u>	<u>254</u>	<u>134</u>	<u>134</u>	<u>(1,968)</u>

# FINANCIAL PLAN OVERVIEW

**CASH FINANCIAL PLAN  
STATE FUNDS  
2003-2004  
(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>	0	254	134	134	522
<b>Receipts</b>					
Taxes	38,870	4,597	1,741	2,526	47,734
Miscellaneous receipts	1,329	7,220	2,037	649	11,235
Federal grants	0	0	0	0	0
<b>Total receipts</b>	<u>40,199</u>	<u>11,817</u>	<u>3,778</u>	<u>3,175</u>	<u>58,969</u>
<b>Disbursements</b>					
Grants to local governments	30,696	8,129	562	0	39,387
State operations	8,466	4,025	0	7	12,498
General State charges	3,016	363	0	0	3,379
Debt service	0	0	0	4,136	4,136
Capital projects	0	3	2,899	0	2,902
<b>Total disbursements</b>	<u>42,178</u>	<u>12,520</u>	<u>3,461</u>	<u>4,143</u>	<u>62,302</u>
<b>Other financing sources (uses)</b>					
Transfers from other funds	2,172	724	409	5,215	8,520
Transfers to other funds	(3,116)	(103)	(980)	(4,249)	(8,448)
Bond and note proceeds	0	0	231	0	231
<b>Net other financing sources (uses)</b>	<u>(944)</u>	<u>621</u>	<u>(340)</u>	<u>966</u>	<u>303</u>
<b>Change in fund balance</b>	<u>(2,923)</u>	<u>(82)</u>	<u>(23)</u>	<u>(2)</u>	<u>(3,030)</u>
<b>Closing fund balance</b>	<u>(2,923)</u>	<u>172</u>	<u>111</u>	<u>132</u>	<u>(2,508)</u>

## FINANCIAL PLAN OVERVIEW

**CASH FINANCIAL PLAN  
SPECIAL REVENUE FUNDS  
1999-2000  
(millions of dollars)**

	<b>State</b>	<b>Federal</b>	<b>Total</b>
<b>Opening fund balance</b>	961	(289)	672
<b>Receipts</b>			
Taxes	2,608	0	2,608
Miscellaneous receipts	5,953	128	6,081
Federal grants	0	22,184	22,184
<b>Total receipts</b>	8,561	22,312	30,873
<b>Disbursements</b>			
Grants to local governments	5,181	19,191	24,372
State operations	3,527	2,709	6,236
General State charges	422	132	554
Capital projects	12	0	12
<b>Total disbursements</b>	9,142	22,032	31,174
<b>Other financing sources (uses)</b>			
Transfers from other funds	591	1,761	2,352
Transfers to other funds	(136)	(1,825)	(1,961)
Bond and note proceeds	0	0	0
<b>Net other financing sources (uses)</b>	455	(64)	391
<b>Change in fund balance</b>	(126)	216	90
<b>Closing fund balance</b>	835	(73)	762

## ***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>835</u>	<u>(73)</u>	<u>762</u>
<b>Receipts</b>			
Taxes	4,504	0	4,504
Miscellaneous receipts	6,637	113	6,750
Federal grants	0	23,368	23,368
<b>Total receipts</b>	<u>11,141</u>	<u>23,481</u>	<u>34,622</u>
<b>Disbursements</b>			
Grants to local governments	6,638	20,368	27,006
State operations	3,734	2,811	6,545
General State charges	193	149	342
Capital projects	3	1	4
<b>Total disbursements</b>	<u>10,568</u>	<u>23,329</u>	<u>33,897</u>
<b>Other financing sources (uses)</b>			
Transfers from other funds	543	1,859	2,402
Transfers to other funds	(139)	(1,943)	(2,082)
Bond and note proceeds	0	0	0
<b>Net other financing sources (uses)</b>	<u>404</u>	<u>(84)</u>	<u>320</u>
<b>Change in fund balance</b>	<u>977</u>	<u>68</u>	<u>1,045</u>
<b>Closing fund balance</b>	<u>1,812</u>	<u>(5)</u>	<u>1,807</u>

## FINANCIAL PLAN OVERVIEW

### CASH FINANCIAL PLAN SPECIAL REVENUE FUNDS 2001-2002 (millions of dollars)

	<u>State</u>	<u>Federal</u>	<u>Total</u>
<b>Opening fund balance</b>	<u>1,812</u>	<u>(5)</u>	<u>1,807</u>
<b>Receipts</b>			
Taxes	2,905	0	2,905
Miscellaneous receipts	6,772	140	6,912
Federal grants	<u>0</u>	<u>24,835</u>	<u>24,835</u>
<b>Total receipts</b>	<u>9,677</u>	<u>24,975</u>	<u>34,652</u>
<b>Disbursements</b>			
Grants to local governments	7,551	21,746	29,297
State operations	3,816	2,888	6,704
General State charges	308	155	463
Capital projects	<u>3</u>	<u>2</u>	<u>5</u>
<b>Total disbursements</b>	<u>11,678</u>	<u>24,791</u>	<u>36,469</u>
<b>Other financing sources (uses)</b>			
Transfers from other funds	656	1,851	2,507
Transfers to other funds	(121)	(1,950)	(2,071)
Bond and note proceeds	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net other financing sources (uses)</b>	<u>535</u>	<u>(99)</u>	<u>436</u>
<b>Change in fund balance</b>	<u>(1,466)</u>	<u>85</u>	<u>(1,381)</u>
<b>Closing fund balance</b>	<u>346</u>	<u>80</u>	<u>426</u>

## ***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>346</u>	<u>80</u>	<u>426</u>
<b>Receipts</b>			
Taxes	4,371	0	4,371
Miscellaneous receipts	7,161	131	7,292
Federal grants	<u>0</u>	<u>25,945</u>	<u>25,945</u>
<b>Total receipts</b>	<u>11,532</u>	<u>26,076</u>	<u>37,608</u>
<b>Disbursements</b>			
Grants to local governments	7,906	22,806	30,712
State operations	3,951	2,820	6,771
General State charges	356	162	518
Capital projects	<u>3</u>	<u>0</u>	<u>3</u>
<b>Total disbursements</b>	<u>12,216</u>	<u>25,788</u>	<u>38,004</u>
<b>Other financing sources (uses)</b>			
Transfers from other funds	701	1,824	2,525
Transfers to other funds	(109)	(1,949)	(2,058)
Bond and note proceeds	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net other financing sources (uses)</b>	<u>592</u>	<u>(125)</u>	<u>467</u>
<b>Change in fund balance</b>	<u>(92)</u>	<u>163</u>	<u>71</u>
<b>Closing fund balance</b>	<u>254</u>	<u>243</u>	<u>497</u>

## FINANCIAL PLAN OVERVIEW

**CASH FINANCIAL PLAN  
SPECIAL REVENUE FUNDS  
2003-2004  
(millions of dollars)**

	<b>State</b>	<b>Federal</b>	<b>Total</b>
<b>Opening fund balance</b>	254	243	497
<b>Receipts</b>			
Taxes	4,597	0	4,597
Miscellaneous receipts	7,220	127	7,347
Federal grants	0	26,805	26,805
<b>Total receipts</b>	11,817	26,932	38,749
<b>Disbursements</b>			
Grants to local governments	8,129	23,658	31,787
State operations	4,025	2,839	6,864
General State charges	363	162	525
Capital projects	3	0	3
<b>Total disbursements</b>	12,520	26,659	39,179
<b>Other financing sources (uses)</b>			
Transfers from other funds	724	1,847	2,571
Transfers to other funds	(103)	(1,987)	(2,090)
Bond and note proceeds	0	0	0
<b>Net other financing sources (uses)</b>	621	(140)	481
<b>Change in fund balance</b>	(82)	133	51
<b>Closing fund balance</b>	172	376	548

## ***FINANCIAL PLAN OVERVIEW***

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**CASH FINANCIAL PLAN  
CAPITAL PROJECTS FUNDS  
1999-2000  
(millions of dollars)**

	<u>State</u>	<u>Federal</u>	<u>Total</u>
<b>Opening fund balance</b>	<u>161</u>	<u>(142)</u>	<u>19</u>
<b>Receipts</b>			
Taxes	1,123	0	1,123
Miscellaneous receipts	1,774	1	1,775
Federal grants	0	1,381	1,381
<b>Total receipts</b>	<u>2,897</u>	<u>1,382</u>	<u>4,279</u>
<b>Disbursements</b>			
Grants to local governments	418	222	640
State operations	0	0	0
General State charges	0	0	0
Capital projects	2,368	1,216	3,584
<b>Total disbursements</b>	<u>2,786</u>	<u>1,438</u>	<u>4,224</u>
<b>Other financing sources (uses)</b>			
Transfers from other funds	240	0	240
Transfers to other funds	(535)	(6)	(541)
Bond and note proceeds	208	0	208
<b>Net other financing sources (uses)</b>	<u>(87)</u>	<u>(6)</u>	<u>(93)</u>
<b>Change in fund balance</b>	<u>24</u>	<u>(62)</u>	<u>(38)</u>
<b>Closing fund balance</b>	<u>185</u>	<u>(204)</u>	<u>(19)</u>

## 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>	185	(204)	(19)
<b>Receipts</b>			
Taxes	1,219	0	1,219
Miscellaneous receipts	1,760	0	1,760
Federal grants	0	1,401	1,401
<b>Total receipts</b>	2,979	1,401	4,380
<b>Disbursements</b>			
Grants to local governments	611	206	817
State operations	0	0	0
General State charges	0	0	0
Capital projects	2,334	1,188	3,522
<b>Total disbursements</b>	2,945	1,394	4,339
<b>Other financing sources (uses)</b>			
Transfers from other funds	340	0	340
Transfers to other funds	(630)	(7)	(637)
Bond and note proceeds	236	0	236
<b>Net other financing sources (uses)</b>	(54)	(7)	(61)
<b>Change in fund balance</b>	(20)	0	(20)
<b>Closing fund balance</b>	165	(204)	(39)

## ***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>165</u>	<u>(204)</u>	<u>(39)</u>
<b>Receipts</b>			
Taxes	1,547	0	1,547
Miscellaneous receipts	1,838	0	1,838
Federal grants	<u>0</u>	<u>1,451</u>	<u>1,451</u>
<b>Total receipts</b>	<u>3,385</u>	<u>1,451</u>	<u>4,836</u>
<b>Disbursements</b>			
Grants to local governments	793	198	991
State operations	0	0	0
General State charges	0	0	0
Capital projects	<u>2,732</u>	<u>1,242</u>	<u>3,974</u>
<b>Total disbursements</b>	<u>3,525</u>	<u>1,440</u>	<u>4,965</u>
<b>Other financing sources (uses)</b>			
Transfers from other funds	648	0	648
Transfers to other funds	(780)	(11)	(791)
Bond and note proceeds	<u>237</u>	<u>0</u>	<u>237</u>
<b>Net other financing sources (uses)</b>	<u>105</u>	<u>(11)</u>	<u>94</u>
<b>Change in fund balance</b>	<u>(35)</u>	<u>0</u>	<u>(35)</u>
<b>Closing fund balance</b>	<u>130</u>	<u>(204)</u>	<u>(74)</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>	130	(204)	(74)
<b>Receipts</b>			
Taxes	1,664	0	1,664
Miscellaneous receipts	1,878	0	1,878
Federal grants	0	1,510	1,510
<b>Total receipts</b>	3,542	1,510	5,052
<b>Disbursements</b>			
Grants to local governments	596	199	795
State operations	0	0	0
General State charges	0	0	0
Capital projects	2,717	1,301	4,018
<b>Total disbursements</b>	3,313	1,500	4,813
<b>Other financing sources (uses)</b>			
Transfers from other funds	371	0	371
Transfers to other funds	(856)	(10)	(866)
Bond and note proceeds	260	0	260
<b>Net other financing sources (uses)</b>	(225)	(10)	(235)
<b>Change in fund balance</b>	4	0	4
<b>Closing fund balance</b>	134	(204)	(70)

## ***FINANCIAL PLAN OVERVIEW***

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**CASH FINANCIAL PLAN  
CAPITAL PROJECTS FUNDS  
2003-2004  
(millions of dollars)**

	<u>State</u>	<u>Federal</u>	<u>Total</u>
<b>Opening fund balance</b>	<u>134</u>	<u>(204)</u>	<u>(70)</u>
<b>Receipts</b>			
Taxes	1,741	0	1,741
Miscellaneous receipts	2,037	0	2,037
Federal grants	0	1,593	1,593
<b>Total receipts</b>	<u>3,778</u>	<u>1,593</u>	<u>5,371</u>
<b>Disbursements</b>			
Grants to local governments	562	201	763
State operations	0	0	0
General State charges	0	0	0
Capital projects	2,899	1,383	4,282
<b>Total disbursements</b>	<u>3,461</u>	<u>1,584</u>	<u>5,045</u>
<b>Other financing sources (uses)</b>			
Transfers from other funds	409	0	409
Transfers to other funds	(980)	(9)	(989)
Bond and note proceeds	231	0	231
<b>Net other financing sources (uses)</b>	<u>(340)</u>	<u>(9)</u>	<u>(349)</u>
<b>Change in fund balance</b>	<u>(23)</u>	<u>0</u>	<u>(23)</u>
<b>Closing fund balance</b>	<u>111</u>	<u>(204)</u>	<u>(93)</u>

## FINANCIAL PLAN OVERVIEW

**CASH FINANCIAL PLAN  
PROPRIETARY AND FIDUCIARY FUNDS  
2000-2001  
(millions of dollars)**

	<u>Internal Service</u>	<u>Enterprise</u>	<u>Fiduciary</u>
<b>Opening fund balance</b>	<u>(66)</u>	<u>17</u>	<u>75</u>
<b>Receipts</b>			
Unemployment taxes	0	0	1,625
Miscellaneous receipts	574	82	49
Federal grants	0	0	25
<b>Total receipts</b>	<u>574</u>	<u>82</u>	<u>1,699</u>
<b>Disbursements</b>			
Grants to local governments	0	0	10
State operations	530	80	66
Unemployment benefits	0	0	1,650
General State charges	35	2	1
Debt service	119	0	0
<b>Total disbursements</b>	<u>684</u>	<u>82</u>	<u>1,727</u>
<b>Other financing sources (uses)</b>			
Transfers from other funds	70	0	21
Transfers to other funds	0	0	0
<b>Net other financing sources (uses)</b>	<u>70</u>	<u>0</u>	<u>21</u>
<b>Change in fund balance</b>	<u>(40)</u>	<u>0</u>	<u>(7)</u>
<b>Closing fund balance</b>	<u>(106)</u>	<u>17</u>	<u>68</u>

## **FINANCIAL PLAN OVERVIEW**

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**CASH FINANCIAL PLAN  
PROPRIETARY AND FIDUCIARY FUNDS  
2001-2002  
(millions of dollars)**

	<u>Internal Service</u>	<u>Enterprise</u>	<u>Fiduciary</u>
<b>Opening fund balance</b>	<u>(106)</u>	<u>17</u>	<u>68</u>
<b>Receipts</b>			
Unemployment taxes	0	0	1,625
Miscellaneous receipts	742	84	56
Federal grants	0	0	25
<b>Total receipts</b>	<u>742</u>	<u>84</u>	<u>1,706</u>
<b>Disbursements</b>			
Grants to local governments	0	0	6
State operations	578	83	67
Unemployment benefits	0	0	1,650
General State charges	42	2	1
Debt service	209	0	0
Capital projects	0	0	5
<b>Total disbursements</b>	<u>829</u>	<u>85</u>	<u>1,729</u>
<b>Other financing sources (uses)</b>			
Transfers from other funds	79	0	11
Transfers to other funds	0	0	(3)
<b>Net other financing sources (uses)</b>	<u>79</u>	<u>0</u>	<u>8</u>
<b>Change in fund balance</b>	<u>(8)</u>	<u>(1)</u>	<u>(15)</u>
<b>Closing fund balance</b>	<u>(114)</u>	<u>16</u>	<u>53</u>

## FINANCIAL PLAN OVERVIEW

**GAAP FINANCIAL PLAN  
GENERAL FUND  
2000-2001  
(millions of dollars)**

	July	Change	January
<b>Revenues</b>			
Taxes			
Personal income tax	22,258	(208)	22,050
User taxes and fees	7,020	410	7,430
Business taxes	4,151	215	4,366
Other taxes	786	(12)	774
Miscellaneous revenues	3,044	(2)	3,042
<b>Total revenues</b>	37,259	403	37,662
<b>Expenditures</b>			
Grants to local governments	27,935	51	27,986
State operations	9,353	314	9,667
General State charges	1,985	33	2,018
Debt service	32	(13)	19
Capital projects	0	1	1
<b>Total expenditures</b>	39,305	386	39,691
<b>Other financing sources (uses)</b>			
Transfers from other funds	4,554	1	4,555
Transfers to other funds	(4,930)	126	(4,804)
Proceeds from financing arrangements/ advance refundings	333	(49)	284
<b>Net other financing sources (uses)</b>	(43)	78	35
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>			
	(2,089)	95	(1,994)
<b>Accumulated Surplus/(Deficit)</b>			
	1,836	95	1,931

*Note 1: The General Fund operating results reflect deposits of \$1.2 billion in the STAR Fund (Special Revenue Funds) and \$250 million in DRRF (Debt Service Fund) which create excess balances in these funds but negatively impact General Fund GAAP results.*

## **FINANCIAL PLAN OVERVIEW**

**GAAP FINANCIAL PLAN  
GENERAL FUND  
2000-2001 AND 2001-2002  
(millions of dollars)**

	<u>2000-2001 Estimate</u>	<u>2001-2002 Recommended</u>	<u>Change</u>
<b>Revenues</b>			
Taxes			
Personal income tax	22,050	25,429	3,379
User taxes and fees	7,430	7,454	24
Business taxes	4,366	4,186	(180)
Other taxes	774	780	6
Miscellaneous revenues	3,042	3,023	(19)
<b>Total revenues</b>	<u>37,662</u>	<u>40,872</u>	<u>3,210</u>
<b>Expenditures</b>			
Grants to local governments	27,986	28,831	845
State operations	9,667	9,761	94
General State charges	2,018	2,062	44
Debt service	19	23	4
Capital Projects	1	2	1
<b>Total expenditures</b>	<u>39,691</u>	<u>40,679</u>	<u>988</u>
<b>Other financing sources (uses)</b>			
Transfers from other funds	4,555	4,998	443
Transfers to other funds	(4,804)	(5,491)	(687)
Proceeds from financing arrangements/ advance refundings	284	303	19
<b>Net other financing sources (uses)</b>	<u>35</u>	<u>(190)</u>	<u>(225)</u>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>			
	<u>(1,994)</u>	<u>3</u>	<u>1,997</u>
<b>Accumulated Surplus/(Deficit)</b>	<u>1,931</u>	<u>1,934</u>	

# FINANCIAL PLAN OVERVIEW

**CONVERSION OF CASH FINANCIAL PLAN  
TO GAAP FINANCIAL PLAN  
GENERAL FUND  
2000-2001  
(millions of dollars)**

	Cash Financial Plan	Perspective Difference Special Revenue Funds	Entity Difference Other Funds	Cash Basis Subtotal	Changes in Accruals	Elimin- ations	Intrafund Eliminations	Reclass- ification	GAAP Financial Plan
<b>Receipts/Revenues</b>									
Taxes									
Personal income tax	23,791	0	0	23,791	(1,741)	0	0	0	22,050
User taxes and fees	7,422	0	0	7,422	8	0	0	0	7,430
Business taxes	4,463	0	0	4,463	(97)	0	0	0	4,366
Other taxes	781	0	0	781	(7)	0	0	0	774
Miscellaneous receipts	1,500	1,818	634	3,952	48	(77)	(572)	(309)	3,042
<b>Total receipts/revenues</b>	<u>37,957</u>	<u>1,818</u>	<u>634</u>	<u>40,409</u>	<u>(1,789)</u>	<u>(77)</u>	<u>(572)</u>	<u>(309)</u>	<u>37,662</u>
<b>Disbursements/expenditures</b>									
Grants to local governments	26,860	1,003	0	27,863	737	0	0	(614)	27,986
State operations	7,620	2,971	588	11,179	(79)	(221)	(572)	(640)	9,667
General State charges	2,582	152	36	2,770	(24)	(16)	0	(712)	2,018
Debt service	1	0	119	120	18	0	0	(119)	19
Capital projects	0	1	0	1	0	0	0	0	1
<b>Total disbursements/expenditures</b>	<u>37,063</u>	<u>4,127</u>	<u>743</u>	<u>41,933</u>	<u>652</u>	<u>(237)</u>	<u>(572)</u>	<u>(2,085)</u>	<u>39,691</u>
<b>Other financing sources (uses)</b>									
Transfers from other funds	2,165	2,402	70	4,637	0	(167)	(224)	309	4,555
Transfers to other funds	(2,832)	(107)	0	(2,939)	(5)	1	224	(2,085)	(4,804)
Proceeds from financing arrangements/ advance refundings	0	0	0	0	284	0	0	0	284
<b>Net other financing sources (uses)</b>	<u>(667)</u>	<u>2,295</u>	<u>70</u>	<u>1,698</u>	<u>279</u>	<u>(166)</u>	<u>0</u>	<u>(1,776)</u>	<u>35</u>
<b>(Increase)/decrease in reserves</b>	<u>(227)</u>	<u>0</u>	<u>0</u>	<u>(227)</u>	<u>227</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>(14)</u>	<u>(39)</u>	<u>(53)</u>	<u>(1,935)</u>	<u>(6)</u>	<u>0</u>	<u>0</u>	<u>(1,994)</u>

# FINANCIAL PLAN OVERVIEW

**CONVERSION OF CASH FINANCIAL PLAN  
TO GAAP FINANCIAL PLAN  
GENERAL FUND  
2001-2002  
(millions of dollars)**

	Cash Financial Plan	Perspective Difference Special Revenue Funds	Entity Difference Other Funds	Cash Basis Subtotal	Changes in Accruals	Elimin- ations	Intrafund Eliminations	Reclass- ification	GAAP Financial Plan
<b>Receipts/Revenues</b>									
Taxes									
Personal income tax	26,481	0	0	26,481	(1,052)	0	0	0	25,429
User taxes and fees	7,442	0	0	7,442	12	0	0	0	7,454
Business taxes	4,171	0	0	4,171	15	0	0	0	4,186
Other taxes	771	0	0	771	9	0	0	0	780
Miscellaneous receipts	1,429	1,891	803	4,123	62	(77)	(740)	(345)	3,023
<b>Total receipts/revenues</b>	<b>40,294</b>	<b>1,891</b>	<b>803</b>	<b>42,988</b>	<b>(954)</b>	<b>(77)</b>	<b>(740)</b>	<b>(345)</b>	<b>40,872</b>
<b>Disbursements/expenditures</b>									
Grants to local governments	27,774	1,354	0	29,128	327	0	0	(624)	28,831
State operations	7,894	3,017	638	11,549	10	(225)	(740)	(833)	9,761
General State charges	2,589	158	44	2,791	15	(15)	0	(729)	2,062
Debt service	0	0	208	208	23	0	0	(208)	23
Capital projects	0	2	0	2	0	0	0	0	2
<b>Total disbursements/expenditures</b>	<b>38,257</b>	<b>4,531</b>	<b>890</b>	<b>43,678</b>	<b>375</b>	<b>(240)</b>	<b>(740)</b>	<b>(2,394)</b>	<b>40,679</b>
<b>Other financing sources (uses)</b>									
Transfers from other funds	2,163	2,781	79	5,023	0	(170)	(200)	345	4,998
Transfers to other funds	(3,086)	(208)	0	(3,294)	(5)	2	200	(2,394)	(5,491)
Proceeds from financing arrangements/ advance refundings	0	0	0	0	303	0	0	0	303
<b>Net other financing sources (uses)</b>	<b>(923)</b>	<b>2,573</b>	<b>79</b>	<b>1,729</b>	<b>298</b>	<b>(168)</b>	<b>0</b>	<b>(2,049)</b>	<b>(190)</b>
<b>(Increase)/decrease in reserves</b>	<b>165</b>	<b>0</b>	<b>0</b>	<b>165</b>	<b>(165)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Receipts/revenues and other financing sources over (under) disbursements/expenditures and other financing uses</b>	<b>1,279</b>	<b>(67)</b>	<b>(8)</b>	<b>1,204</b>	<b>(1,196)</b>	<b>(5)</b>	<b>0</b>	<b>0</b>	<b>3</b>

## FINANCIAL PLAN OVERVIEW

**GAAP FINANCIAL PLAN  
GENERAL FUND  
2001-2002 THROUGH 2003-2004  
(millions of dollars)**

	<b>2001-2002 Recommended</b>	<b>2002-2003 Projected</b>	<b>2003-2004 Projected</b>
<b>Revenues</b>			
Taxes			
Personal income tax	25,429	25,423	26,765
User taxes and fees	7,454	7,589	7,802
Business taxes	4,186	3,937	3,698
Other taxes	780	827	858
Miscellaneous revenues	3,023	3,097	3,154
<b>Total revenues</b>	<b>40,872</b>	<b>40,873</b>	<b>42,277</b>
<b>Expenditures</b>			
Grants to local governments	28,831	30,674	32,219
State operations	9,761	10,191	10,271
General State charges	2,062	2,239	2,435
Debt service	23	20	23
Capital Projects	2	0	0
<b>Total expenditures</b>	<b>40,679</b>	<b>43,124</b>	<b>44,948</b>
<b>Other financing sources (uses)</b>			
Transfers from other funds	4,998	5,045	5,051
Transfers to other funds	(5,491)	(5,662)	(5,592)
Proceeds from financing arrangements/ advance refundings	303	292	292
<b>Net other financing sources (uses)</b>	<b>(190)</b>	<b>(325)</b>	<b>(249)</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>			
	<b>3</b>	<b>(2,576)</b>	<b>(2,920)</b>

# FINANCIAL PLAN OVERVIEW

**GAAP FINANCIAL PLAN  
ALL GOVERNMENTAL FUNDS  
2000-2001  
(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>Revenues</b>					
Taxes	34,620	4,502	1,219	2,742	43,083
Federal grants	0	25,347	1,383	0	26,730
Lottery	0	3,884	0	0	3,884
Patient fees	0	0	0	350	350
Miscellaneous revenues	3,042	826	25	301	4,194
<b>Total revenues</b>	<u>37,662</u>	<u>34,559</u>	<u>2,627</u>	<u>3,393</u>	<u>78,241</u>
<b>Expenditures</b>					
Grants to local governments	27,986	27,208	757	0	55,951
State operations	9,667	3,739	0	6	13,412
General State charges	2,018	199	0	0	2,217
Debt service	19	0	0	3,621	3,640
Capital projects	1	2	3,399	0	3,402
<b>Total expenditures</b>	<u>39,691</u>	<u>31,148</u>	<u>4,156</u>	<u>3,627</u>	<u>78,622</u>
<b>Other financing sources (uses)</b>					
Transfers from other funds	4,555	962	315	4,916	10,748
Transfers to other funds	(4,804)	(3,332)	(684)	(4,622)	(13,442)
Proceeds of general obligation bonds	0	0	281	0	281
Proceeds from financing arrangements/ advance refundings	284	0	1,576	0	1,860
<b>Net other financing sources (uses)</b>	<u>35</u>	<u>(2,370)</u>	<u>1,488</u>	<u>294</u>	<u>(553)</u>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>					
	<u>(1,994)</u>	<u>1,041</u>	<u>(41)</u>	<u>60</u>	<u>(934)</u>

## FINANCIAL PLAN OVERVIEW

**GAAP 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>Revenues</b>					
Taxes	37,849	2,907	1,551	2,487	44,794
Federal grants	0	26,876	1,433	0	28,309
Lottery	0	4,388	0	0	4,388
Patient fees	0	0	0	325	325
Miscellaneous revenues	3,023	731	119	46	3,919
<b>Total revenues</b>	<u>40,872</u>	<u>34,902</u>	<u>3,103</u>	<u>2,858</u>	<u>81,735</u>
<b>Expenditures</b>					
Grants to local governments	28,831	29,243	930	0	59,004
State operations	9,761	4,280	0	7	14,048
General State charges	2,062	206	0	0	2,268
Debt service	23	0	0	3,432	3,455
Capital projects	2	2	3,912	0	3,916
<b>Total expenditures</b>	<u>40,679</u>	<u>33,731</u>	<u>4,842</u>	<u>3,439</u>	<u>82,691</u>
<b>Other financing sources (uses)</b>					
Transfers from other funds	4,998	1,027	593	5,211	11,829
Transfers to other funds	(5,491)	(3,587)	(838)	(4,865)	(14,781)
Proceeds of general obligation bonds	0	0	237	0	237
Proceeds from financing arrangements/ advance refundings	303	0	1,780	0	2,083
<b>Net other financing sources (uses)</b>	<u>(190)</u>	<u>(2,560)</u>	<u>1,772</u>	<u>346</u>	<u>(632)</u>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>					
	<u>3</u>	<u>(1,389)</u>	<u>33</u>	<u>(235)</u>	<u>(1,588)</u>

## FINANCIAL PLAN OVERVIEW

**CASHFLOW  
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 (Actual)</b>	<b>Total (Actual)</b>
<b>Opening fund balance</b>	942	4,571	5,472	5,734	942
<b>Receipts</b>					
Taxes					
Personal income tax	8,323	4,912	4,157	2,947	20,339
User taxes and fees	1,872	1,905	1,960	1,867	7,604
Business taxes	1,016	1,141	1,098	1,306	4,561
Other taxes	245	280	275	307	1,107
Miscellaneous receipts	316	368	445	518	1,647
Transfers from other funds	559	481	532	565	2,137
<b>Total receipts</b>	<b>12,331</b>	<b>9,087</b>	<b>8,467</b>	<b>7,510</b>	<b>37,395</b>
<b>Disbursements</b>					
Grants to local governments	5,479	4,675	5,584	9,852	25,590
State operations	1,884	1,874	1,749	1,093	6,600
General State charges	635	777	168	507	2,087
Debt service	1	2	2	1	6
Transfers to other funds	703	858	702	624	2,887
<b>Total disbursements</b>	<b>8,702</b>	<b>8,186</b>	<b>8,205</b>	<b>12,077</b>	<b>37,170</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>3,629</b>	<b>901</b>	<b>262</b>	<b>(4,567)</b>	<b>225</b>
<b>Closing fund balance</b>	<b>4,571</b>	<b>5,472</b>	<b>5,734</b>	<b>1,167</b>	<b>1,167</b>

## FINANCIAL PLAN OVERVIEW

**CASHFLOW  
GENERAL FUND  
2000-2001  
(millions of dollars)**

	<b>First Quarter (Actual)</b>	<b>Second Quarter (Actual)</b>	<b>Third Quarter (Projected)</b>	<b>Fourth Quarter (Projected)</b>	<b>Total (Projected)</b>
<b>Opening fund balance</b>	917	6,502	7,243	6,246	917
<b>Receipts</b>					
Taxes					
Personal income tax	10,915	5,428	3,924	3,524	23,791
User taxes and fees	1,827	1,917	1,887	1,791	7,422
Business taxes	1,050	1,116	1,063	1,234	4,463
Other taxes	263	200	157	161	781
Miscellaneous receipts	301	396	420	383	1,500
Transfers from other funds	576	523	592	474	2,165
<b>Total receipts</b>	<b>14,932</b>	<b>9,580</b>	<b>8,043</b>	<b>7,567</b>	<b>40,122</b>
<b>Disbursements</b>					
Grants to local governments	5,727	4,924	6,081	10,128	26,860
State operations	2,146	2,435	1,650	1,389	7,620
General State charges	674	687	619	602	2,582
Debt service	0	1	0	0	1
Transfers to other funds	800	792	690	550	2,832
<b>Total disbursements</b>	<b>9,347</b>	<b>8,839</b>	<b>9,040</b>	<b>12,669</b>	<b>39,895</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>5,585</b>	<b>741</b>	<b>(997)</b>	<b>(5,102)</b>	<b>227</b>
<b>Closing fund balance</b>	<b>6,502</b>	<b>7,243</b>	<b>6,246</b>	<b>1,144</b>	<b>1,144</b>

## FINANCIAL PLAN OVERVIEW

**CASHFLOW  
GENERAL FUND  
2001-2002  
(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>	1,144	4,297	4,640	5,154	1,144
<b>Receipts</b>					
Taxes					
Personal income tax	9,343	5,397	5,838	5,903	26,481
User taxes and fees	1,851	1,868	1,892	1,831	7,442
Business taxes	985	1,026	978	1,182	4,171
Other taxes	205	189	187	190	771
Miscellaneous receipts	312	358	396	363	1,429
Transfers from other funds	597	511	597	458	2,163
<b>Total receipts</b>	<b>13,293</b>	<b>9,349</b>	<b>9,888</b>	<b>9,927</b>	<b>42,457</b>
<b>Disbursements</b>					
Grants to local governments	6,217	5,139	6,196	10,222	27,774
State operations	2,332	2,381	1,780	1,401	7,894
General State charges	724	685	648	532	2,589
Debt service	0	0	0	0	0
Transfers to other funds	867	801	750	668	3,086
<b>Total disbursements</b>	<b>10,140</b>	<b>9,006</b>	<b>9,374</b>	<b>12,823</b>	<b>41,343</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>3,153</b>	<b>343</b>	<b>514</b>	<b>(2,896)</b>	<b>1,114</b>
<b>Closing fund balance</b>	<b>4,297</b>	<b>4,640</b>	<b>5,154</b>	<b>2,258</b>	<b>2,258</b>

## FINANCIAL PLAN OVERVIEW

### CASH DISBURSEMENTS BY FUNCTION GENERAL FUND (thousands of dollars)

	1999-2000 Actual	2000-2001 Estimated	2001-2002 Recommended
<b>ECONOMIC DEVELOPMENT AND GOVERNMENT OVERSIGHT</b>			
Agriculture and Markets, Department of	34,216	42,624	37,651
Alcoholic Beverage Control	220	0	0
Banking Department	0	0	0
Consumer Protection Board	359	453	493
Economic Development, Department of	46,160	50,861	49,876
Empire State Development Corporation	107,799	101,690	108,853
Energy Research and Development Authority	0	0	0
Housing Finance Agency	760	1,700	700
Housing and Community Renewal, Division of	92,954	85,345	79,726
Insurance Department	0	0	0
Olympic Regional Development Authority	3,972	7,552	7,954
Public Service, Department of	0	0	0
Science, Technology and Academic Research, Office of	23,879	46,220	51,693
<b>Functional Total</b>	<b>310,319</b>	<b>336,445</b>	<b>336,946</b>
<b>PARKS AND THE ENVIRONMENT</b>			
Adirondack Park Agency	3,631	4,050	4,131
Environmental Conservation, Department of	93,141	107,168	113,905
Environmental Facilities Corporation	0	0	0
Parks, Recreation and Historic Preservation, Office of	93,464	117,234	127,529
<b>Functional Total</b>	<b>190,236</b>	<b>228,452</b>	<b>245,565</b>
<b>TRANSPORTATION</b>			
Motor Vehicles, Department of	123,114	125,696	128,890
Niagara Frontier Transportation Authority	0	0	0
Transportation, Department of	331,132	385,043	187,801
<b>Functional Total</b>	<b>454,246</b>	<b>510,739</b>	<b>316,691</b>
<b>HEALTH AND SOCIAL WELFARE</b>			
Advocate for Persons with Disabilities, Office of	915	1,101	995
Aging, Office for the	61,173	68,923	66,897
Children and Families, Council on	867	987	1,018
Children and Family Services, Office of	1,058,163	1,098,616	1,130,154
Health, Department of	6,609,790	6,480,624	7,007,243
<i>Medical Assistance</i>	5,782,866	5,692,797	6,083,393
<i>Medicaid Administration</i>	93,527	125,250	126,150
<i>All Other</i>	733,397	662,577	797,700
Human Rights, Division of	9,784	11,984	13,131
Labor, Department of	23,536	42,740	44,695
Prevention of Domestic Violence, Office of	2,518	2,499	2,545

# FINANCIAL PLAN OVERVIEW

## CASH DISBURSEMENTS BY FUNCTION GENERAL FUND (thousands of dollars)

	1999-2000 Actual	2000-2001 Estimated	2001-2002 Recommended
<b>HEALTH AND SOCIAL WELFARE (Continued)</b>			
Temporary and Disability Assistance, Office of	1,737,239	1,744,151	1,483,221
<i>Welfare Assistance</i>	1,279,870	1,252,436	1,007,653
<i>Welfare Administration</i>	439,543	463,648	451,668
<i>All Other</i>	17,826	28,067	23,900
Welfare Inspector General, Office of	348	581	651
Workers' Compensation Board	0	0	0
<b>Functional Total</b>	<b>9,504,333</b>	<b>9,452,206</b>	<b>9,750,550</b>
<b>MENTAL HEALTH</b>			
Mental Health, Office of	1,115,763	1,272,735	1,435,706
Mental Retardation and Developmental Disabilities, Office of	698,669	775,524	823,130
Alcohol and Substance Abuse Services, Office of	285,455	298,258	299,158
Quality of Care for the Mentally Disabled, Commission on	3,038	3,151	3,062
<b>Functional Total</b>	<b>2,102,925</b>	<b>2,349,668</b>	<b>2,561,056</b>
<b>PUBLIC PROTECTION</b>			
Capital Defenders Office	13,572	12,652	13,067
Correction, Commission of	2,150	2,502	2,498
Correctional Services, Department of	1,632,701	1,857,370	1,800,751
Crime Victims Board	3,015	3,748	3,502
Criminal Justice Services, Division of	100,087	108,848	103,494
Investigation, Temporary State Commission of	2,158	2,922	2,919
Judicial Commissions	2,029	2,256	2,273
Military and Naval Affairs, Division of	22,266	24,134	20,834
Parole, Division of	182,993	186,206	189,879
Probation and Correctional Alternatives, Division of	91,431	91,401	88,345
State Police, Division of	274,268	284,110	293,303
<b>Functional Total</b>	<b>2,326,670</b>	<b>2,576,149</b>	<b>2,520,865</b>
<b>EDUCATION</b>			
Arts, Council on the	49,575	54,809	61,022
City University of New York	702,108	738,038	751,947
Education, Department of	11,849,338	12,906,424	13,479,253
<i>School Aid</i>	10,616,608	11,521,645	12,134,084
<i>STAR Property Tax Relief</i>	0	0	0
<i>Handicapped</i>	673,993	750,500	778,100
<i>All Other</i>	558,737	634,279	567,069
Higher Education Services Corporation	632,735	670,829	705,355
State University Construction Fund	0	0	0
State University of New York	1,075,670	1,224,618	1,401,042
<b>Functional Total</b>	<b>14,309,426</b>	<b>15,594,718</b>	<b>16,398,619</b>

## FINANCIAL PLAN OVERVIEW

### CASH DISBURSEMENTS BY FUNCTION GENERAL FUND (thousands of dollars)

	1999-2000 Actual	2000-2001 Estimated	2001-2002 Recommended
<b>GENERAL GOVERNMENT</b>			
Audit and Control, Department of	107,304	122,919	145,082
Budget, Division of the	23,650	29,859	29,733
Civil Service, Department of	28,416	28,986	30,745
Elections, State Board of	2,921	3,304	3,586
Employee Relations, Office of	3,882	4,125	4,097
Executive Chamber	13,158	17,302	18,075
General Services, Office of	119,710	120,041	129,925
Inspector General, Office of the	4,116	5,141	4,861
Law, Department of	97,481	112,112	118,761
Lieutenant Governor, Office of the	393	508	522
Lottery, Division of	582	1,075	1,118
Public Employment Relations Board	3,320	3,848	3,803
Racing and Wagering Board, State	8,420	10,023	9,508
Real Property Services, Office of	41,558	40,672	51,584
Regulatory Reform, Governor's Office of	2,523	3,193	3,999
State, Department of	12,587	15,437	22,617
Tax Appeals, Division of	2,872	3,126	3,166
Taxation and Finance, Department of	278,032	287,224	303,710
Technology, Office for	42,689	43,450	86,376
Veterans Affairs, Division of	7,203	10,771	9,938
<b>Functional Total</b>	<u>800,817</u>	<u>863,116</u>	<u>981,206</u>
<b>ALL OTHER CATEGORIES</b>			
Legislature	190,915	198,670	206,735
Judiciary (excluding fringe benefits)	1,080,710	1,223,075	1,265,200
Local Government Assistance	826,190	953,206	840,540
Short-Term Debt Service	6,286	890	0
Long-Term Debt Service	2,241,819	2,218,459	2,288,457
Capital Projects	211,426	234,889	339,611
General State Charges/Miscellaneous	2,613,453	3,154,452	3,290,544
<b>Functional Total</b>	<u>7,170,799</u>	<u>7,983,641</u>	<u>8,231,087</u>
<b>TOTAL GENERAL FUND SPENDING</b>	<u><u>37,169,771</u></u>	<u><u>39,895,134</u></u>	<u><u>41,342,585</u></u>

# FINANCIAL PLAN OVERVIEW

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

	1999-2000 Actual	2000-2001 Estimated	2001-2002 Recommended
<b>ECONOMIC DEVELOPMENT AND GOVERNMENT OVERSIGHT</b>			
Agriculture and Markets, Department of	59,415	74,364	71,041
Alcoholic Beverage Control	10,285	11,254	11,074
Banking Department	43,477	48,483	53,308
Consumer Protection Board	1,990	2,469	2,147
Economic Development, Department of	49,893	53,887	52,907
Empire State Development Corporation	107,799	151,690	123,853
Energy Research and Development Authority	27,781	30,144	30,023
Housing Finance Agency	760	1,700	700
Housing and Community Renewal, Division of	222,109	226,964	259,540
Insurance Department	78,222	86,971	93,823
Olympic Regional Development Authority	14,686	7,652	8,054
Public Service, Department of	48,550	54,789	53,845
Science, Technology and Academic Research, Office of	23,879	59,720	82,443
<b>Functional Total</b>	<b>688,846</b>	<b>810,087</b>	<b>842,758</b>
<b>PARKS AND THE ENVIRONMENT</b>			
Adirondack Park Agency	3,820	4,400	4,481
Environmental Conservation, Department of	751,903	802,241	918,468
Environmental Facilities Corporation	4,908	16,893	23,680
Parks, Recreation and Historic Preservation, Office of	172,110	197,550	209,182
<b>Functional Total</b>	<b>932,741</b>	<b>1,021,084</b>	<b>1,155,811</b>
<b>TRANSPORTATION</b>			
Motor Vehicles, Department of	193,138	206,812	213,543
Niagara Frontier Transportation Authority	0	0	0
Transportation, Department of	4,398,645	4,520,142	4,767,369
<b>Functional Total</b>	<b>4,591,783</b>	<b>4,726,954</b>	<b>4,980,912</b>
<b>HEALTH AND SOCIAL WELFARE</b>			
Advocate for Persons with Disabilities, Office of	1,353	1,511	1,407
Aging, Office for the	144,879	155,183	153,231
Children and Families, Council on	1,602	1,671	1,698
Children and Family Services, Office of	2,434,458	2,622,404	2,690,568
Health, Department of	21,967,783	23,092,160	24,517,186
<i>Medical Assistance</i>	19,285,693	19,899,732	21,072,693
<i>Medicaid Administration</i>	383,922	454,000	454,900
<i>All Other</i>	2,298,168	2,738,428	2,989,593
Human Rights, Division of	11,107	13,437	14,602
Labor, Department of	524,182	771,430	702,983
Prevention of Domestic Violence, Office of	2,638	2,519	2,565

## FINANCIAL PLAN OVERVIEW

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

	1999-2000 Actual	2000-2001 Estimated	2001-2002 Recommended
<b>HEALTH AND SOCIAL WELFARE (Continued)</b>			
Temporary and Disability Assistance, Office of	3,314,964	3,576,281	3,685,620
<i>Welfare Assistance</i>	2,296,958	2,352,436	2,467,096
<i>Welfare Administration</i>	578,811	760,778	767,507
<i>All Other</i>	439,195	463,067	451,017
Welfare Inspector General, Office of	623	951	1,021
Workers' Compensation Board	119,990	134,283	135,971
<b>Functional Total</b>	<b>28,523,579</b>	<b>30,371,830</b>	<b>31,906,852</b>
<b>MENTAL HEALTH</b>			
Mental Health, Office of	1,788,118	1,934,196	2,053,364
Mental Retardation and Developmental Disabilities, Office of	2,022,408	2,201,167	2,337,688
Alcohol and Substance Abuse Services, Office of	442,987	467,102	475,826
Quality of Care for the Mentally Disabled, Commission on	8,358	8,808	9,064
<b>Functional Total</b>	<b>4,261,871</b>	<b>4,611,273</b>	<b>4,875,942</b>
<b>PUBLIC PROTECTION</b>			
Capital Defenders Office	13,572	12,652	13,067
Correction, Commission of	2,421	2,502	2,498
Correctional Services, Department of	2,107,673	2,156,581	2,067,397
Crime Victims Board	43,909	54,451	62,460
Criminal Justice Services, Division of	138,069	154,406	154,184
Investigation, Temporary State Commission of	2,286	3,072	3,069
Judicial Commissions	2,029	2,256	2,273
Military and Naval Affairs, Division of	114,988	126,035	117,033
Parole, Division of	188,492	191,909	194,961
Probation and Correctional Alternatives, Division of	91,452	91,401	88,345
State Police, Division of	360,219	379,929	377,603
<b>Functional Total</b>	<b>3,065,110</b>	<b>3,175,194</b>	<b>3,082,890</b>
<b>EDUCATION</b>			
Arts, Council on the	49,933	55,426	61,637
City University of New York	757,417	804,280	808,047
Education, Department of	16,422,441	18,237,815	19,805,649
<i>School Aid</i>	11,961,623	12,980,645	13,788,384
<i>STAR Property Tax Relief</i>	1,194,647	1,877,000	2,571,000
<i>Handicapped</i>	924,078	1,013,838	1,059,944
<i>All Other</i>	2,342,093	2,366,332	2,386,321
Higher Education Services Corporation	698,438	746,049	783,245
State University Construction Fund	7,993	10,612	10,707
State University of New York	3,548,821	3,750,646	3,985,445
<b>Functional Total</b>	<b>21,485,043</b>	<b>23,604,828</b>	<b>25,454,730</b>

# FINANCIAL PLAN OVERVIEW

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

	1999-2000 Actual	2000-2001 Estimated	2001-2002 Recommended
<b>GENERAL GOVERNMENT</b>			
Audit and Control, Department of	109,978	126,602	148,947
Budget, Division of the	26,428	36,479	36,356
Civil Service, Department of	28,416	29,986	31,845
Elections, State Board of	2,921	3,304	3,586
Employee Relations, Office of	3,945	4,200	4,262
Executive Chamber	13,158	17,302	18,075
General Services, Office of	200,157	193,077	200,227
Inspector General, Office of the	4,837	5,975	5,820
Law, Department of	128,322	150,398	159,656
Lieutenant Governor, Office of the	393	508	522
TSC Lobbying	597	1,175	1,318
Lottery, Division of	143,777	152,856	152,841
Public Employment Relations Board	3,399	4,034	3,988
Racing and Wagering Board, State	11,710	13,996	13,515
Real Property Services, Office of	51,742	53,673	64,641
Regulatory Reform, Governor's Office of	2,523	3,193	3,999
State, Department of	80,276	91,328	97,663
Tax Appeals, Division of	2,872	3,126	3,166
Taxation and Finance, Department of	295,103	327,274	335,272
Technology, Office for	63,190	54,845	96,376
Veterans Affairs, Division of	7,932	11,905	10,877
<b>Functional Total</b>	<u>1,181,676</u>	<u>1,285,236</u>	<u>1,392,952</u>
<b>ALL OTHER CATEGORIES</b>			
Legislature	191,976	199,731	207,796
Judiciary (excluding fringe benefits)	1,156,802	1,342,270	1,423,298
Local Government Assistance	826,190	953,206	840,540
Short-Term Debt Service	6,286	890	0
Long-Term Debt Service	3,571,190	4,125,335	3,923,751
General State Charges/Miscellaneous	2,782,605	3,201,926	3,533,196
<b>Functional Total</b>	<u>8,535,049</u>	<u>9,823,358</u>	<u>9,928,581</u>
<b>TOTAL ALL GOVERNMENTAL FUNDS SPENDING</b>	<u><u>73,265,698</u></u>	<u><u>79,429,844</u></u>	<u><u>83,621,428</u></u>

## FINANCIAL PLAN OVERVIEW

### CASH DISBURSEMENTS BY FUNCTION STATE FUNDS (thousands of dollars)

	1999-2000 Actual	2000-2001 Estimated	2001-2002 Recommended
<b>ECONOMIC DEVELOPMENT AND GOVERNMENT OVERSIGHT</b>			
Agriculture and Markets, Department of	53,744	68,444	64,639
Alcoholic Beverage Control	10,158	11,254	11,074
Banking Department	43,477	48,483	53,308
Consumer Protection Board	1,990	2,469	2,147
Economic Development, Department of	48,991	53,562	52,582
Empire State Development Corporation	107,799	151,690	123,853
Energy Research and Development Authority	27,556	28,823	30,023
Housing Finance Agency	760	1,700	700
Housing and Community Renewal, Division of	181,497	192,252	224,789
Insurance Department	78,222	86,971	93,823
Olympic Regional Development Authority	14,686	7,652	8,054
Public Service, Department of	48,331	53,880	52,783
Science, Technology and Academic Research, Office of	23,879	54,720	77,443
<b>Functional Total</b>	<b>641,090</b>	<b>761,900</b>	<b>795,218</b>
<b>PARKS AND THE ENVIRONMENT</b>			
Adirondack Park Agency	3,631	4,050	4,131
Environmental Conservation, Department of	532,461	626,317	741,848
Environmental Facilities Corporation	4,908	16,893	23,680
Parks, Recreation and Historic Preservation, Office of	168,936	193,464	204,176
<b>Functional Total</b>	<b>709,936</b>	<b>840,724</b>	<b>973,835</b>
<b>TRANSPORTATION</b>			
Motor Vehicles, Department of	186,472	193,442	199,704
Niagara Frontier Transportation Authority	0	0	0
Transportation, Department of	3,234,243	3,340,317	3,497,830
<b>Functional Total</b>	<b>3,420,715</b>	<b>3,533,759</b>	<b>3,697,534</b>
<b>HEALTH AND SOCIAL WELFARE</b>			
Advocate for Persons with Disabilities, Office of	915	1,101	995
Aging, Office for the	61,173	68,923	66,897
Children and Families, Council on	867	987	1,018
Children and Family Services, Office of	1,068,764	1,111,681	1,178,134
Health, Department of	8,029,496	8,456,970	8,877,303
<i>Medical Assistance</i>	6,646,351	6,859,297	7,081,493
<i>Medicaid Administration</i>	93,527	125,250	126,150
<i>All Other</i>	1,289,618	1,472,423	1,669,660
Human Rights, Division of	9,784	11,988	13,135
Labor, Department of	59,782	84,022	90,347
Prevention of Domestic Violence, Office of	2,518	2,519	2,565

# FINANCIAL PLAN OVERVIEW

## CASH DISBURSEMENTS BY FUNCTION STATE FUNDS (thousands of dollars)

	1999-2000 Actual	2000-2001 Estimated	2001-2002 Recommended
<b>HEALTH AND SOCIAL WELFARE (Continued)</b>			
Temporary and Disability Assistance, Office of	1,781,132	1,813,426	1,532,832
<i>Welfare Assistance</i>	1,279,870	1,252,436	1,007,653
<i>Welfare Administration</i>	439,195	463,067	451,017
<i>All Other</i>	62,067	97,923	74,162
Welfare Inspector General, Office of	348	581	651
Workers' Compensation Board	119,990	134,283	135,971
<b>Functional Total</b>	<b>11,134,769</b>	<b>11,686,481</b>	<b>11,899,848</b>
<b>MENTAL HEALTH</b>			
Mental Health, Office of	1,232,464	1,408,983	1,642,392
Mental Retardation and Developmental Disabilities, Office of	752,132	827,045	887,807
Alcohol and Substance Abuse Services, Office of	307,794	331,155	338,086
Quality of Care for the Mentally Disabled, Commission on	3,042	3,155	3,067
<b>Functional Total</b>	<b>2,295,432</b>	<b>2,570,338</b>	<b>2,871,352</b>
<b>PUBLIC PROTECTION</b>			
Capital Defenders Office	13,572	12,652	13,067
Correction, Commission of	2,150	2,502	2,498
Correctional Services, Department of	1,900,569	2,067,370	1,990,251
Crime Victims Board	22,723	26,766	31,039
Criminal Justice Services, Division of	101,704	115,123	109,746
Investigation, Temporary State Commission of	2,286	3,072	3,069
Judicial Commissions	2,029	2,256	2,273
Military and Naval Affairs, Division of	38,516	40,435	35,620
Parole, Division of	182,993	186,406	189,979
Probation and Correctional Alternatives, Division of	91,431	91,401	88,345
State Police, Division of	349,778	365,143	365,721
<b>Functional Total</b>	<b>2,707,751</b>	<b>2,913,126</b>	<b>2,831,608</b>
<b>EDUCATION</b>			
Arts, Council on the	49,575	54,809	61,022
City University of New York	757,417	804,280	808,047
Education, Department of	14,441,185	16,298,347	17,766,910
<i>School Aid</i>	11,961,623	12,980,645	13,788,384
<i>STAR Property Tax Relief</i>	1,194,647	1,877,000	2,571,000
<i>Handicapped</i>	673,993	750,500	778,100
<i>All Other</i>	610,922	690,202	629,426
Higher Education Services Corporation	698,438	739,719	775,845
State University Construction Fund	7,993	10,612	10,707
State University of New York	3,432,014	3,626,241	3,850,578
<b>Functional Total</b>	<b>19,386,622</b>	<b>21,534,008</b>	<b>23,273,109</b>

## FINANCIAL PLAN OVERVIEW

### CASH DISBURSEMENTS BY FUNCTION STATE FUNDS (thousands of dollars)

	1999-2000 Actual	2000-2001 Estimated	2001-2002 Recommended
<b>GENERAL GOVERNMENT</b>			
Audit and Control, Department of	109,978	126,602	148,947
Budget, Division of the	26,428	36,479	36,356
Civil Service, Department of	28,416	29,986	31,845
Elections, State Board of	2,921	3,304	3,586
Employee Relations, Office of	3,945	4,200	4,262
Executive Chamber	13,158	17,302	18,075
General Services, Office of	195,812	187,027	193,827
Inspector General, Office of the	4,837	5,975	5,820
Law, Department of	112,793	128,572	136,339
Lieutenant Governor, Office of the	393	508	522
TSC Lobbying	597	1,175	1,318
Lottery, Division of	143,777	152,856	152,841
Public Employment Relations Board	3,399	4,034	3,988
Racing and Wagering Board, State	11,710	13,996	13,515
Real Property Services, Office of	51,742	53,673	64,641
Regulatory Reform, Governor's Office of	2,523	3,193	3,999
State, Department of	35,026	46,022	51,868
Tax Appeals, Division of	2,872	3,126	3,166
Taxation and Finance, Department of	295,058	327,186	335,004
Technology, Office for	63,190	54,845	91,376
Veterans Affairs, Division of	7,203	10,771	9,938
<b>Functional Total</b>	<u>1,115,778</u>	<u>1,210,832</u>	<u>1,311,233</u>
<b>ALL OTHER CATEGORIES</b>			
Legislature	191,976	199,731	207,796
Judiciary (excluding fringe benefits)	1,153,384	1,339,770	1,420,798
Local Government Assistance	826,190	953,206	840,540
Short-Term Debt Service	6,286	890	0
Long-Term Debt Service	3,571,190	4,125,335	3,923,751
General State Charges/Miscellaneous	2,634,388	3,036,566	3,343,860
<b>Functional Total</b>	<u>8,383,414</u>	<u>9,655,498</u>	<u>9,736,745</u>
<b>TOTAL STATE FUNDS SPENDING</b>	<u>49,795,507</u>	<u>54,706,666</u>	<u>57,390,482</u>

