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**2005-06 Year-End Financial Plan Report  
New York State  
Division of the Budget**

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## **TABLE OF CONTENTS**

<b>INTRODUCTION</b> .....	1
<b>OVERVIEW OF 2005-06 RESULTS</b> .....	2
<b>SUMMARY OF ANNUAL CHANGES</b> .....	3
Annual Revenue Growth from 2004-05 to 2005-06 .....	3
Annual Spending Growth from 2004-05 to 2005-06.....	4
<b>SUMMARY OF CHANGES FROM THE ENACTED BUDGET</b> .....	5
Revenue Results vs. Enacted Forecast .....	5
Spending Results vs. Enacted Forecast .....	5
<b>DETAILED REVIEW OF 2005-06 REVENUE RESULTS</b> .....	7
2005-06 Year-End Results: Annual Receipts Change .....	7
2005-06 Year-End Receipts Results: Variance from Enacted Estimates .....	10
<b>DETAILED REVIEW OF 2005-06 SPENDING RESULTS</b> .....	13
2005-06 Year-End Results: Annual Spending Change.....	13
2005-06 Year-End Receipts Results: Variance from Enacted Estimates .....	16
General Fund Year-End Balance .....	18
<b>2005-06 SPENDING RESULTS BY MAJOR FUNCTION</b> .....	19
Public Health .....	21
K-12 Education.....	29
Higher Education.....	36
Social Services.....	39
Mental Hygiene .....	45
Transportation .....	48
General State Charges .....	51
Debt Service.....	54

<b>HEALTH CARE REFORM ACT FINANCIAL PLAN .....</b>	<b>56</b>
<b>SUMMARY OF CHANGES SINCE FROM THE 30-DAY PLAN .....</b>	<b>60</b>
Revenue Results vs. 30-Day Estimates .....	60
Spending Results vs. 30-Day Estimates .....	61
<b>2005-06 GOVERNMENTAL FUNDS FINANCIAL PLAN (FUND TYPE) .....</b>	<b>62</b>
<b>CASH FLOW .....</b>	<b>71</b>
<b>FUND BALANCES .....</b>	<b>71</b>
<b>STATE WORKFORCE .....</b>	<b>72</b>

## **INTRODUCTION**

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This Year-End Report (the “Year-End Report”) compares preliminary 2005-06 year-end results (the “results” or “year-end results”) to three mileposts: (i) 2004-05 audited actual results; (ii) projections made at the time the 2005-06 budget was enacted (the “Enacted Budget Financial Plan” or “initial projections”); and (iii) the latest estimates for the 2005-06 fiscal year contained in the 2006-07 Executive Budget, as amended (the “30-day estimates,” “30-day Financial Plan,” or “last public estimate”).

The Year-End Report summarizes the reasons for the annual changes in receipts and disbursements from 2004-05 to 2005-06. In addition, it describes the differences and analyzes the reasons for the variances between actual results and planning assumptions for both receipts and disbursements.

Tables appear at the end of this Year-End Report that summarize (a) Financial Plan results on a cash-basis for the General Fund, State Funds, and All Governmental Funds (hereafter “All Funds”), (b) the actual monthly General Fund cash flow for 2005-06, (c) General Fund, State Funds, and All Funds spending results by function, and (d) the Health Care Reform Act (HCRA) Financial Plan results.

Readers should note that information in this Year-End Report relating to fiscal year 2005-06 is based on unaudited cash-basis year-end results. The Comptroller is expected to issue the audited financial statements for 2005-06 in July 2006.

Readers may obtain additional copies of the Year-End Report by visiting the Division of the Budget website at [www.budget.state.ny.us](http://www.budget.state.ny.us) or by contacting the Division of the Budget, State Capitol, Albany, NY 12224, (518) 473-8705.

## OVERVIEW OF 2005-06 RESULTS

The Division of the Budget (DOB) issued the 2005-06 Enacted Budget Financial Plan on April 18, 2005. At the time, DOB projected a 2005-06 surplus of \$601 million in the General Fund.

During the fiscal year, General Fund business and personal income tax receipts surpassed even the most optimistic forecasts. Total tax receipts increased by roughly 11 percent for the year, compared to average historical growth of less than 5 percent, resulting in actual collections exceeding initial projections by \$1.8 billion.

General Fund spending was \$288 million above initial projections, including the prepayment of certain 2006-07 obligations for Medicaid and Mass Transit in 2005-06. As a result, the State ended the 2005-06 fiscal year with a net General Fund operating surplus of \$2.0 billion. The table below summarizes the major revisions from the Enacted Budget.

<b>Summary of 2005-06 General Fund Operating Results</b>	
<b>Enacted Budget to Year-End Results</b>	
<b>Savings/(Costs)</b>	
<b>(millions of dollars)</b>	
<b>Enacted Budget Projected Surplus/(Gap) <sup>1</sup></b>	<b>601</b>
<b>Revenue Revisions</b>	<b>1,800</b>
Personal Income Tax	910
Business Taxes	801
All Other Taxes	103
User Taxes and Fees	38
Miscellaneous Receipts	(330)
All Other (incl. change in transfers/fund balances)	278
<b>Spending Revisions</b>	<b>(288)</b>
Medicaid Prepayment of 2006-07 Costs	(500)
Medicaid	(345)
MTA Prepayment of 2006-07 costs	(45)
NYC Reimbursement for CUNY	428
Welfare	122
All Other Changes	52
<b>Rainy Day Fund Deposit</b>	<b>(72)</b>
<b>Net Surplus/(Gap)</b>	<b>2,041</b>

<sup>1</sup> Reflects prior year surplus on deposit at the time of the Enacted Budget.

In addition to the net surplus of \$2.0 billion, the State has increased the amount available in its Rainy Day Reserve by \$72 million to the maximum level permitted under current law (i.e., 2 percent of spending or currently \$944 million) and has nearly \$300 million in other reserves primarily for Community Projects Fund ("member item") projects. Thus, the \$2 billion net surplus, plus the Rainy Day and other reserves set

aside for designated purposes, constitute the total closing balance of \$3.3 billion at the end of 2005-06.

All Funds spending totaled \$104.3 billion in 2005-06, an annual increase of \$3.7 billion (3.6 percent) from 2004-05 actual results. This increase reflects growth in State-funded spending of \$5.8 billion, partially offset by a reduction in federally-funded spending of \$2.1 billion.

The balance of this report provides more detailed information on 2005-06 results.

## **SUMMARY OF ANNUAL CHANGES**

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### **ANNUAL REVENUE GROWTH FROM 2004-05 TO 2005-06**

	<b>Annual Revenue Change (millions of dollars)</b>			
	<b>2004-05 Actual</b>	<b>2005-06 Year-End</b>	<b>Annual Change</b>	<b>Percent Change</b>
General Fund	43,863	47,206	3,343	7.6%
State Funds	64,317	71,728	7,411	11.5%
All Funds	100,679	107,027	6,348	6.3%

Base tax receipts growth in 2005-06, which excludes the impact of law changes and transfers between fund types, is estimated at 11.4 percent. This follows 2004-05 base growth of over 10 percent, the first time in two decades that growth has exceeded 10 percent for two consecutive years. Over the past two decades, annual growth in the tax base has averaged just over 4.5 percent.

Receipts results in 2005-06 significantly exceeded expectations. The strength in tax receipts growth and the revisions to estimates are fairly uniform across tax categories and can be traced to the combination of the following major factors:

- Continued economic growth, as reflected in employment and wage increases consistent with this phase of economic expansion.
- Strong income growth, especially in the financial services sector, and the continued impact of the temporary personal income tax surcharge on upper income taxpayers.
- Strong growth in the real estate market that led to increased real-estate related taxes and associated increases in the taxable income of the sellers of high priced commercial and residential properties.
- Better-than-anticipated compliance efforts that significantly increased corporate and bank tax collections.

**ANNUAL SPENDING GROWTH FROM 2004-05 TO 2005-06**

Annual Spending Change (millions of dollars)				
	2004-05 Actual	2005-06 Year-End	Annual Change	Percent Change
General Fund	43,619	46,495	2,876	6.6%
State Funds	63,972	69,723	5,751	9.0%
All Funds	100,668	104,341	3,673	3.6%

All Funds spending in 2005-06 grew by \$3.7 billion (3.6 percent) over 2004-05 comprised of an increase in State-funded spending of \$5.8 billion, partially offset by a \$2.1 billion annual reduction in federally-funded spending. The largest areas of annual change include:

- Medicaid and public health care spending increased \$1.7 billion, comprised of \$2.8 billion in State-funded spending increases partially offset by a \$1.1 billion decline in Federal aid. The State-funded increase reflects overall growth in health care spending for hospitals, nursing homes, home care services, and various public health care programs (\$1.6 billion), the State takeover of Family Health Plus (FHP) and the State cap on Medicaid growth for counties (\$342 million), and accounting for all the Health Care Reform Act (HCRA) financed programs “on-budget” (roughly \$900 million). The reduction in Federal aid reflects a delay in Federal approval of certain direct payments to hospitals throughout the State that Federal law requires flow through the State’s fund structure (\$750 million) and the expiration of the temporary increase in the Federal matching rate on Medicaid expenditures on June 30, 2004.
- Growth in local assistance for K-12 education aid (\$957 million).
- Increased operational costs include personal services (\$141 million), State pension and employee health costs (\$392 million), and non-personal services including inflationary growth, including rising fuel and energy costs (roughly \$155 million).
- Roughly \$400 million in additional capital projects spending across all program areas.
- A reduction of \$1.3 billion in Federal “pass-through” aid from the State to New York City for costs directly related to the September 11<sup>th</sup> (most Federal aid was received by the end of 2004-05).

On an adjusted basis (i.e., adjusting 2004-05 actuals to include all of HCRA spending on-budget) All Funds annual spending growth is \$2.8 billion, or 2.7 percent.



A detailed discussion of the annual changes for the State's major programs and activities is provided later in this Year-End Report under the section entitled "2005-06 Spending Results by Major Function."

**SUMMARY OF CHANGES FROM THE ENACTED BUDGET**\_\_\_\_\_

**REVENUE RESULTS VS. ENACTED FORECAST**

Comparison of 2005-06 Revenue Forecast and Year-End Results (millions of dollars)			
	<u>Enacted Forecast</u>	<u>Year-End Results</u>	<u>Variance</u>
General Fund	46,023	47,206	1,183
State Funds	69,304	71,728	2,424
All Funds	105,732	107,027	1,295

General Fund receipts, including transfers from other funds, were \$47.2 billion in 2005-06, an increase of \$1.2 billion from the Enacted Budget. State Funds receipts, which include dedicated taxes and fees, as well as General Fund receipts, totaled \$71.7 billion and exceeded initial projections by over \$2.4 billion. On an All Funds basis, the broadest measure of the State budget that includes Federal grants, receipts totaled \$107 billion, an increase of \$1.3 billion from the Enacted Budget estimate.

General Fund and All Funds receipts exceeded the 2005-06 Enacted Budget forecast primarily as a result of higher-than-projected tax collections, particularly in the areas of personal income, real estate and business taxes.

A detailed discussion of the reasons for the revenue variances is provided in the section entitled "Review of 2005-06 Revenue Results" later in this Year-End Report.

**SPENDING RESULTS VS. ENACTED FORECAST**

Comparison of 2005-06 Spending Forecast and Year-End Results (millions of dollars)			
	<u>Enacted Forecast</u>	<u>Year-End Results</u>	<u>Variance</u>
General Fund	46,207	46,495	288
State Funds	70,273	69,723	(550)
All Funds	106,503	104,341	(2,162)

Spending in the General Fund, including transfers to other funds, was \$46.5 billion in 2005-06, an increase of \$288 million from the enacted projection. State Funds, which include the General Fund and other spending financed by certain taxes, fees and other revenues designated for a specific purpose, totaled \$69.7 billion, \$550 million below

initial projections. All Funds spending, which include State Funds and spending from Federal grants, totaled \$104.3 billion, \$2.2 billion below the initial estimate.

General Fund and State Funds spending results varied from the initial budgeted levels by less than 1 percent. The largest variances include the prepayment of 2006-07 subsidies for HCRA programs and the Metropolitan Transportation Authority (MTA), higher-than-expected costs in the Medicaid program, a less than planned payment to New York City related to the City University of New York (CUNY), and lower-than-expected spending in the areas of welfare, public health, and education.

On an All Funds basis, year-end spending results were below initial projections due mainly to the timing of Federal aid. The revisions result from delays in Federal approval of certain direct payments to local hospitals that Federal law requires flow through the State's fund structure (\$840 million), slower-than-anticipated spending for the Community Health Care Conversion Demonstration Project (CHCCDP) (\$281 million), and implementation disruptions with the new Federal Medicare Part D program (\$181 million) resulted in an annual decline in Federal spending. Other revisions include lower than expected spending under the Homeland Security Grant Program (\$256 million).

A detailed discussion of the reasons for the spending variances is provided in the section entitled "Review of 2005-06 Spending Results" later in this Year-End Report.

## DETAILED REVIEW OF 2005-06 REVENUE RESULTS

This section compares 2005-06 Financial Plan revenue results against 2004-05 audited actual results and the initial Enacted Budget Financial Plan.

### 2005-06 YEAR-END RESULTS: ANNUAL RECEIPTS CHANGE

Annual Receipts Change -- 2004-05 Actual to 2005-06 Year-End Results (millions of dollars)				
	All Governmental Funds			
	2004-05	2005-06	Annual Change	Percent Change
Personal Income Tax (PIT)	28,100	30,813	2,713	9.7%
User Taxes and Fees	13,036	13,923	887	6.8%
Business Taxes	5,806	7,088	1,282	22.1%
Other Taxes	1,656	1,819	163	9.8%
<b>Total Taxes</b>	<b>48,598</b>	<b>53,643</b>	<b>5,045</b>	<b>10.4%</b>
Miscellaneous Receipts	15,859	18,244	2,385	15.0%
Federal Grants	36,222	35,140	(1,082)	-3.0%
Transfers From Other Funds	N/A	N/A	N/A	N/A
<b>Total</b>	<b>100,679</b>	<b>107,027</b>	<b>6,348</b>	<b>6.3%</b>
	General Fund			
	2004-05	2005-06	Change	Change
Personal Income Tax (PIT)	18,781	20,700	1,919	10.2%
User Taxes and Fees	8,731	8,639	(92)	-1.1%
Business Taxes	4,069	5,084	1,015	24.9%
Other Taxes	926	881	(45)	-4.9%
<b>Total Taxes</b>	<b>32,507</b>	<b>35,304</b>	<b>2,797</b>	<b>8.6%</b>
Miscellaneous Receipts	2,217	2,018	(199)	-9.0%
Federal Grants	9	11	2	22.2%
Transfers From Other Funds	9,130	9,873	743	8.1%
<b>Total</b>	<b>43,863</b>	<b>47,206</b>	<b>3,343</b>	<b>7.6%</b>

All Funds receipts in 2005-06 were \$107 billion, an increase of \$6.3 billion from the prior year. Total taxes increased by \$5 billion (10.4 percent) from 2004-05. The strong growth in taxes cut across tax types with large increases in personal income tax, business tax and real estate transfer tax collections. Higher tax collections were accompanied by an increase in miscellaneous receipts (\$2.4 billion). Federal grants declined on an annual basis (\$1.1 billion).

#### Personal Income Tax

All Funds personal income tax receipts were \$30.8 billion in 2005-06, an increase of \$2.7 billion, or 9.7 percent, over 2004-05. The increase reflects growth in withholding (\$1.4 billion), estimated taxes (\$2.1 billion), and final returns and other payments (\$293 million), offset by an increase in refunds (\$1.1 billion). About one-half of the increase in

refunds is attributable to the increase in the amount of refunds paid in the last quarter of the 2005-06 fiscal year.

General Fund personal income tax receipts were \$20.7 billion in 2005-06, an increase of \$1.9 billion, or 10.2 percent, over the prior year. The increase reflects growth in the components described above and deposits of \$6.9 billion into the Revenue Bond Tax Fund (RBTF) and \$3.2 billion into the School Tax Relief (STAR) Fund.

### *User Taxes and Fees*

In 2005-06, All Funds user taxes and fees receipts were \$13.9 billion, an increase of \$887 million, or 6.8 percent, above the prior year. Sales and use tax collections exceeded 2004-05 levels by \$180 million due largely to economic growth and an increase in sales driven by the State sales tax rate returning to 4 percent (from 4.25 percent) on June 1, 2005 and the corresponding rate increase in the Metropolitan Commuter Transportation District (MCTD) from .25 to .375 percent. Cigarette tax revenues showed a large annual increase, which primarily reflects the inclusion of all HCRA receipts in the Financial Plan. Absent this accounting change, cigarette revenues were virtually unchanged.

General Fund user taxes and fees receipts totaled \$8.6 billion in 2005-06, a decrease of \$92 million, or 1.1 percent from 2004-05. Sales and use tax receipts decreased by \$117 million primarily due to the 0.25 percent reduction to the State sales tax rate partially offset by economic growth and increasing sales. The non-sales tax user taxes increased by \$24 million due mainly to greater motor vehicle fee receipts

### *Business Taxes*

All Funds business tax receipts totaled \$7.1 billion in 2005-06, an increase of \$1.3 billion, or 22.1 percent, above the prior year. The increase is primarily due to higher-than-expected growth in the corporate franchise tax of 44.7 percent and the bank tax of 44.3 percent. A large portion of this gain is attributable to significant growth in audit and compliance receipts, including higher-than-expected collections from the Voluntary Compliance Initiative (VCI). The VCI program, which expired on March 1, 2006, allowed corporate taxpayers that have used tax shelters found to be invalid by the IRS to voluntarily remit taxes due without penalties. General Fund business tax receipts totaled \$5.1 billion in 2005-06, an increase of \$1 billion or 25 percent over 2004-05. The General Fund growth in business taxes reflects the patterns of growth in All Funds receipts above.

Growth in All Funds corporate franchise tax and bank tax receipts over the prior year is offset by a modest decrease in insurance taxes (2.3 percent). Corporation and utilities taxes remained roughly at 2004-05 levels, partially reflecting the continued impact of tax reductions on the consumption and transmission of utility services.

*Other Taxes*

Other tax receipts in 2005-06 were \$1.8 billion on an All Funds basis, an increase of \$163 million, or 9.8 percent, from 2004-05 year-end results. This growth primarily includes increases in real estate transfer tax receipts, partially offset by decreases in estate and pari-mutuel taxes receipts.

Other tax receipts in the General Fund totaled \$881 million in 2005-06, a decrease of \$45 million, or 4.9 percent, from 2004-05. The decrease reflected the loss of extraordinary estate tax, payments received in 2004-05 and a decline in pari-mutuel receipts.

*Miscellaneous Receipts*

All Funds miscellaneous receipts for 2005-06 totaled \$18.2 billion, an increase of \$2.4 billion from the prior fiscal year. Growth in miscellaneous receipts outside the General Fund is primarily due to the receipt of \$2.7 billion in health care conversion proceeds in 2005-06 to support spending from the HCRA Fund. These proceeds are the result of the conversion of Empire Blue Cross/Blue Shield from a not-for-profit corporation to a for-profit corporation and the subsequent merger of WellChoice and WellPoint.

General Fund miscellaneous receipts totaled \$2.0 billion in 2005-06, a decrease of \$199 million from the prior year. This decline is primarily attributable to the loss of various one-time receipts including roughly \$183 million from the securitization of tobacco proceeds, offset by increases in license fees and investment income. In addition, abandoned property receipts declined from the previous year by approximately \$21 million.

*Federal Grants*

Federal grants totaled \$35.1 billion in 2005-06, a decrease of \$1.1 billion from 2004-05. Changes in Federal grants generally correspond to changes in federally-reimbursed spending, which are described later in this Year-End Report under the section entitled "2005-06 Spending Results by Major Function."

*Transfers to the General Fund*

Transfers to the General Fund totaled \$9.9 billion in 2005-06, an increase of \$743 million from the prior year. Growth primarily reflects stronger collections in personal income taxes (\$640 million), sales taxes (\$122 million) and real estate transfer taxes (\$208 million) partially offset by higher debt service costs (\$139 million). In addition, transfers from the State University of New York (SUNY) to reimburse the General Fund for equipment costs declined (\$129 million) while transfers from the Environmental Protection Fund increased (\$31 million).

**2005-06 YEAR-END RECEIPTS RESULTS: VARIANCE FROM ENACTED ESTIMATES**

2005-06 Receipts -- Enacted Budget to Year-End Results (millions of dollars)				
All Governmental Funds				
	<u>Enacted</u>	<u>Year-End</u>	<u>Variance</u>	<u>Percent Change</u>
Personal Income Tax (PIT)	30,345	30,813	468	1.5%
User Taxes and Fees	13,785	13,923	138	1.0%
Business Taxes	6,109	7,088	979	16.0%
Other Taxes	1,517	1,819	302	19.9%
<b>Total Taxes</b>	<b>51,756</b>	<b>53,643</b>	<b>1,887</b>	<b>3.6%</b>
Miscellaneous Receipts	17,552	18,244	692	3.9%
Federal Grants	36,424	35,140	(1,284)	-3.5%
Transfers From Other Funds	N/A	N/A	N/A	N/A
<b>Total</b>	<b>105,732</b>	<b>107,027</b>	<b>1,295</b>	<b>1.2%</b>
General Fund				
	<u>Enacted</u>	<u>Year-End</u>	<u>Variance</u>	<u>Percent Change</u>
Personal Income Tax (PIT)	20,342	20,700	358	1.8%
User Taxes and Fees	8,601	8,639	38	0.4%
Business Taxes	4,283	5,084	801	18.7%
Other Taxes	778	881	103	13.2%
<b>Total Taxes</b>	<b>34,004</b>	<b>35,304</b>	<b>1,300</b>	<b>3.8%</b>
Miscellaneous Receipts	2,348	2,018	(330)	-14.1%
Federal Grants	4	11	7	175.0%
Transfers From Other Funds	9,667	9,873	206	2.1%
<b>Total</b>	<b>46,023</b>	<b>47,206</b>	<b>1,183</b>	<b>2.6%</b>

Tax receipts exceeded the Enacted Budget estimates for 2005-06. The variances can be explained by several factors acting together to support higher-than-anticipated receipts.

The significant revenue increase experienced in fiscal year 2005-06 (11.4 percent base growth compared to historical growth of 5 percent) was supported by a number of positive economic and tax policy related factors acting in concert. The factors supporting higher-than-expected receipts growth throughout the fiscal year included:

- better-than-anticipated growth in the personal income tax, particularly from sources typically associated with high income taxpayers;
- continued rapid appreciation in real estate values, especially in downstate New York, which supported higher real estate transfer and personal income tax collections; and

## **2005-06 Year-End Report**

- large increase in corporate tax payments reflecting significant increases in compliance related collections.

All Funds receipts were \$1.3 billion, or 1.2 percent, above Enacted Budget projections. This variance is primarily attributable to higher-than-expected collections from all tax categories offset by lower-than-expected receipts from both Federal grants and miscellaneous receipts. All Funds tax collections were \$1.9 million, or 3.6 percent, higher than expected. The variance from the Enacted Budget estimate is attributable to the factors outlined above.

Compared to the Enacted Budget projections, total General Fund receipts were \$1.2 billion, or 2.6 percent, above the estimate. As described earlier, growth resulted from increases in tax collections, Federal grants and transfers from other funds partially offset by lower-than-expected miscellaneous receipts.

### *Personal Income Tax*

All Funds personal income tax receipts exceeded the Enacted Budget estimate by \$468 million, or 1.5 percent. Actual growth in withholding (\$217 million) and estimated taxes (\$1.2 billion) exceeded projections, while final returns and other payments (\$89 million) and higher-than-expected refunds (\$811 million) were below expectations. The higher refunds reflect an additional \$552 million in refunds paid in the last quarter of the 2005-06 fiscal year.

General Fund results were about \$358 million, or 1.8 percent, above the Enacted Budget estimates. In addition to the changes reflected in All Funds receipts, deposits to the STAR Fund were \$9 million less than projected and deposits to the RBTF for debt service were \$119 million higher than projected.

### *User Taxes and Fees*

All Funds user taxes and fees exceeded the Enacted Budget projection by \$138 million, or 1.0 percent. The difference was due almost entirely to higher-than-expected motor vehicle fee receipts. General Fund user taxes and fees receipts exceeded initial projections by \$38 million, or 0.4 percent, due to a one-time adjustment of motor vehicle fee receipts.

### *Business Taxes*

All Funds business tax receipts for 2005-06 exceeded the Enacted Budget estimates by \$979 million, or 16.0 percent, and are largely attributable to stronger-than-anticipated audit and compliance (including VCI) collections. Actual corporate franchise and bank tax receipts were \$1.1 billion above planned levels. Tax collections on utility and insurance companies were \$76 million below forecast.

General Fund business tax collections were \$801 million, or 18.7 percent higher than anticipated at enactment. Receipts from the corporate franchise and bank tax collections were higher than expected by \$898 million, while receipts from the corporation and utilities tax and insurance taxes were \$96 million below Enacted Budget estimates.

#### *Other Taxes*

All Funds other tax receipts exceeded the Enacted Budget projections by \$302 million, or 19.9 percent, due almost entirely to continued rapid growth in real estate transfer tax receipts and higher-than-expected estate tax collections.

General Fund other tax receipts exceeded the Enacted Budget projections by \$103 million, or 13.2 percent. Estate tax receipts, which currently represent 97 percent of this category, increased by \$103 million or 13.6 percent, due largely to growth in estate tax payments from small estates. Pari-mutuel taxes receipts were \$3 million, or 10.8 percent, below the Enacted Budget estimate.

#### *Miscellaneous Receipts*

All Funds miscellaneous receipts exceeded the Enacted Budget estimate by \$692 million. This variance comprises an increase in other funds of \$1.0 billion, partially offset by lower receipts in the General Fund as described below. The growth in other funds receipts is largely attributable to roughly \$900 million in additional health care conversion proceeds resulting from the merger of WellChoice/Empire and WellPoint.

General Fund miscellaneous receipts were \$330 million or 14.1 percent below the Enacted Budget estimate. Two payments not received in 2005-06 - one from New York City totaling roughly \$450 million that is subject to ongoing negotiations and one from the Power Authority of the State of New York (PASNY) - are expected to be received in 2006-07. These were partially offset by the unexpected receipt of \$100 million for the American International Group Inc. litigation settlement and \$62 million in additional recoveries related to Medicaid Fraud.

#### *Federal Grants*

Federal grants were \$1.3 billion below initial projections, reflecting the timing of federally-financed spending. Changes in Federal Grants generally correspond to changes in federally reimbursed spending, which are described later in this Year-End Report under the section entitled "2005-06 Spending Results by Major Function."

#### *Transfers to the General Fund*

Transfers to the General Fund exceeded the Enacted forecast by \$206 million. Receipts in excess of debt service needs contributed to the positive variance, reflecting both stronger collections in personal income taxes (\$119 million) and real estate transfer taxes (\$199 million), as well as lower debt service costs (\$63 million). These



changes were partially offset by a decline in sales tax receipts (\$27 million). All other transfers were \$150 million below the enacted forecast. Tribal State Compact (\$76 million) and the Revenue Arrearage Account (\$55 million) were lower than expected.

***DETAILED REVIEW OF 2005-06 SPENDING RESULTS***\_\_\_\_\_

This section compares 2005-06 Financial Plan spending results against prior year actuals and the initial Enacted Budget Financial Plan. It also provides a summary of the spending variances from initial projections and annual changes for the State's major programs and activities. A full explanation of the annual changes and variances from initial projections for the State's major programs and activities appears later in the Year-End Report in the section entitled "2005-06 Spending Results by Major Function".

***2005-06 YEAR-END RESULTS: ANNUAL SPENDING CHANGE***

The following table summarizes the annual growth in spending in the General Fund, State Funds, and All Funds.

Annual Spending Change -- 2004-05 Actual to 2005-06 Year-End Results					
Major Sources of Change					
(millions of dollars)					
	General Fund	Other State Funds	State Funds	Federal Funds	All Funds
<b>2004-05 Actual</b>	<b>43,619</b>	<b>20,353</b>	<b>63,972</b>	<b>36,696</b>	<b>100,668</b>
<b>Major Functions</b>					
<i>Public Health:</i>					
Medicaid	1,338	607	1,945	(1,090)	855
Public Health	(9)	957	948	65	1,013
<i>K-12 Education:</i>					
School Aid	741	(14)	727	230	957
STAR	0	154	154	0	154
All Other Education Aid	79	22	101	127	228
Higher Education	(198)	295	97	(22)	75
<i>Social Services:</i>					
Welfare	(189)	0	(189)	99	(90)
Children and Family Services	116	6	122	(75)	47
Mental Hygiene	28	72	100	142	242
Transportation	36	567	603	(142)	461
General State Charges	322	22	344	26	370
Debt Service	(21)	(66)	(87)	0	(87)
<b>All Other Changes</b>					
State Police	122	(3)	119	(6)	113
Judiciary	76	34	110	1	111
Empire State Development	26	79	105	0	105
World Trade Center	0	0	0	(1,299)	(1,299)
All Other	409	143	552	(134)	418
<b>2005-06 Year-End Results</b>	<b>46,495</b>	<b>23,228</b>	<b>69,723</b>	<b>34,618</b>	<b>104,341</b>
<i>Dollar Change</i>	2,876	2,875	5,751	(2,078)	3,673
<i>Percent Change</i>	6.6%	14.1%	9.0%	-5.7%	3.6%

In summary, the largest annual changes in All Funds spending in 2005-06 include:

- **Medicaid:** Service utilization and enrollment growth; inflationary increases; cost associated with the takeover of the local share of the FHP program and the State cap on local costs; savings associated with the payment of an extra Medicaid cycle in 2004-05; and reductions in Federal aid due to the phase-out of temporary Federal aid increases in 2004-05 and delay in Federal approval of certain payments to hospitals.
- **Public Health:** Additional spending largely related to bringing all HCRA funded programs on-budget.
- **School Aid:** Reflects roughly 70 percent of the 2005-06 enacted school year increase; payment of the 30 percent "tail" of the 2004-05 school year in the first few months of the 2005-06 State fiscal year; lower capital spending due to near

completion of the Rebuilding Schools to Uphold Education (RESCUE) program; and growth in both Federal and lottery aid.

- **STAR:** Higher participation rates, property tax rates, and property values that impact the amount of STAR property tax relief and increased payments to New York City personal income tax relief under STAR.
- **Other Education Aid:** Growth in Federal spending and State support for special education programs and nonpublic schools.
- **Higher Education:** Higher costs of operations including collective bargaining; increased capital projects funding; and a less than planned 2005-06 payment to New York City related to CUNY costs.
- **Welfare:** Decline in the number of people receiving public assistance; increased Local administrative reimbursements; and growth in Federal spending mainly due to new initiatives including the Flexible Fund.
- **Children and Family Services:** Local aid increases for various programs; decline in Federal aid; and reduced operational expenses.
- **Mental Hygiene:** Local program enhancements including NYS-CARES and community based housing initiatives; increases in patient care revenues which reduce state operations costs financed by the General Fund; and increased Federal aid and capital spending.
- **Transportation:** Prepayments of 2006-07 obligations including MTA School Fare payment and Metropolitan Mass Transportation Operating Assistance (MMTOA); spending for new mass transit initiatives; and reduced Federal aid.
- **General State Charges:** Higher annual costs for the State share of the State employee pension system, employee retiree and health insurance.
- **Debt Service:** Reduced initial debt service costs from a restructuring of the Dedicated Highway and Bridge Trust Fund and savings from refundings and other debt management activities.
- **State Police:** Labor settlements and arbitration awards with State Troopers, Officers, and investigators.
- **Judiciary:** Increased personal service, security, and court facilities costs.
- **Empire State Development:** Increased capital projects spending funded by the New York State Economic Development Program that began in 2004-05.

- **World Trade Center:** The payment of Federal funds which “pass-through” from the State to New York City for costs directly related to the September 11<sup>th</sup> attacks was largely completed in 2004-05.

**2005-06 YEAR-END SPENDING RESULTS: VARIANCE FROM ENACTED ESTIMATES**

The table below summarizes the most significant spending variances from the Enacted Budget Financial Plan to year-end results for 2005-06.

2005-06 Spending -- Enacted Budget to Year-End Results					
Major Sources of Variance					
(millions of dollars)					
	General Fund	Other State Funds	State Funds	Federal Funds	All Funds
<b>Enacted Estimate</b>	<b>46,207</b>	<b>24,066</b>	<b>70,273</b>	<b>36,230</b>	<b>106,503</b>
<b>Major Functions</b>					
<i>Public Health:</i>					
Medicaid	845	(1,049)	(204)	(1,178)	(1,382)
Public Health	(72)	(31)	(103)	54	(49)
<i>K-12 Education:</i>					
School Aid	(123)	70	(53)	69	16
STAR	0	(9)	(9)	0	(9)
All Other Education Aid	(100)	(3)	(103)	(7)	(110)
Higher Education	(420)	(221)	(641)	(30)	(671)
<i>Social Services:</i>					
Welfare	(122)	0	(122)	(214)	(336)
Children and Family Services	(2)	(16)	(18)	97	79
Mental Hygiene	54	54	108	14	122
Transportation	41	(32)	9	(95)	(86)
General State Charges	(75)	(5)	(80)	(6)	(86)
Debt Service	43	(185)	(142)	0	(142)
All Other	219	589	808	(316)	492
<b>Year-End Results</b>	<b>46,495</b>	<b>23,228</b>	<b>69,723</b>	<b>34,618</b>	<b>104,341</b>
<i>Dollar Change</i>	<i>288</i>	<i>(838)</i>	<i>(550)</i>	<i>(1,612)</i>	<i>(2,162)</i>
<i>Percent Change</i>	<i>0.6%</i>	<i>-3.5%</i>	<i>-0.8%</i>	<i>-4.4%</i>	<i>-2.0%</i>

In brief, the most significant reasons for the variances from initial projections to year-end results include:

- **Medicaid:** Delay in Federal approval of direct Federal aid to hospitals related to disproportionate shares adjustments; slower than expected hospital claims for funding under the Federal CHCCDP program; prepayment of 2006-07 Medicaid costs by delaying utilization of HCRA financing; and service utilization and enrollment modestly higher than initial projections.

- **Public Health:** Slower spending in various public health programs including Early Intervention and Child Health Plus (CHP); lower than expected county claiming for General Public Health Work Program reimbursement; lower Elderly Pharmaceutical Insurance Coverage (EPIC) spending due to the moderation of pharmaceutical costs and increased use of program receipts; and higher than expected Federal aid.
- **School Aid:** Lower General Funding spending reflecting the reclassification of the lottery aid guarantee payment from local assistance spending to transfers to other funds; Federal spending above planned levels; and delays in capital projects spending.
- **STAR:** Lower than projected reimbursement to school districts, offset by additional personal income tax relief payments to New York City resulting from the final reconciliation of prior-year payments.
- **Other Education Aid:** Slower than expected local program spending, including legislative additions; delays in capital projects spending; and lower Federal spending.
- **Higher Education:** A less than planned 2005-06 payment to New York City related to CUNY costs; slower-than-expected spending for capital projects at the State and City universities; and increased SUNY operating costs.
- **Welfare:** Decline in the number of people receiving public assistance was below expectations; technical downward adjustment to Federal child care spending; and higher Federal spending for the Temporary Assistance for Needy Families (TANF) initiatives, including food pantries and homeless assistance programs.
- **Children and Family Services:** Local claiming under prior-year Federal grants exceeded projections; spending for capital projects occurred more slowly than expected.
- **Mental Hygiene:** Greater than anticipated local program development and capital spending.
- **Transportation:** Slower-than-expected spending for capital projects; prepayments of 2006-07 obligations in 2005-06 including MTA School Fare payment and MMTOA aid; and lower Federal spending.
- **General State Charges:** Lower than anticipated General Fund spending for various categories of fringe benefits and fixed costs, including health insurance and litigation settlement costs.

- **Debt Service:** A combination of additional savings from refundings and other debt management activities and reduced or delayed bond sales resulted in lower debt service costs.

The largest variances from initial projections to year-end results in all other programs and activities include a delay in the receipt of Federal aid under the State Homeland Security Grant Program, funds that were expected to be spent on collective bargaining agreements that were still under negotiation at year-end, and higher than anticipated capital projects spending across multiple agencies. In addition, a statewide unallocated adjustment lowered initial spending projections in both Special Revenue Funds and Capital Projects Funds based on historical spending trend analysis.

### **GENERAL FUND YEAR-END BALANCE**

The General Fund ended the 2005-06 fiscal year with a balance of \$3.3 billion, which included the year-end \$2.0 billion net surplus to be set aside in a spending stabilization reserve, \$944 million in the Rainy Day Reserve (i.e., Tax Stabilization Reserve Fund), after a \$72 million deposit at the close of 2005-06, \$251 million in the Community Projects Fund, and \$21 million in the Contingency Reserve Fund.

**2005-06 SPENDING RESULTS BY MAJOR FUNCTION**\_\_\_\_\_

This section analyzes trends in, and factors affecting, annual spending changes in the State's major programs and activities. It provides a comprehensive explanation of the Financial Plan activity within key functional areas across all governmental fund types. It also compares 2005-06 Financial Plan spending results against the Enacted Budget Financial Plan projections and provides a full explanation of the spending variances from initial projections and annual changes for the State's major program and activities.

Actual and projected disbursements are based on agency staffing levels, program caseloads, formulas contained in State and Federal law, inflation and other factors. The factors that affect spending vary by program. For example, welfare spending is based primarily on caseload levels that are estimated by analyzing historical trends, projected economic conditions and changes in Federal law. In criminal justice, spending estimates are based on recent trends and data from the criminal justice system, as well as estimates of the State's prison population. All spending projections account for the timing of payments, since not all the amounts appropriated in the budget are disbursed in the same fiscal year. Major factors that drive actual spending results for the State's major programs and activities are summarized in the following table.

Selected Program Measures					
	2001-02	2002-03	2003-04	2004-05	2005-06 *
<b>Medicaid</b>					
Medicaid Caseload (excl. Family Health Plus)	2,989,872	3,321,341	3,407,772	3,531,938	3,744,808
Medicaid Inflation	4.0%	6.8%	3.9%	4.1%	3.9%
Medicaid Utilization	1.6%	1.3%	1.2%	3.2%	3.7%
State Takeover of County/NYC Costs					
- Family Health Plus	n/a	n/a	n/a	\$60	\$289
- Medicaid	n/a	n/a	n/a	n/a	\$113
<b>Education</b>					
State-funded School Year Basis Aid (millions)	\$14,141	\$14,681	\$14,540	\$15,370	\$16,388
K-12 Enrollment	2,868,347	2,867,585	2,859,052	2,850,124	2,826,981
Public Higher Education Enrollment (FTEs)	457,619	469,739	484,200	490,916	496,189
TAP Recipients	298,812	312,547	327,800	336,700	343,881
<b>Welfare</b>					
Family Assistance Caseload	556,100	490,700	486,500	485,500	453,200
Single Adult/No Children Caseload	112,000	120,800	130,800	140,200	146,000
<b>Mental Hygiene</b>					
Community Beds	75,304	77,213	77,853	81,446	82,948
<b>State Operations</b>					
Prison Population (Corrections)	67,000	66,400	64,800	63,300	63,000
Negotiated Salary Increases	3.5%	3.5%	0.0%	2.5%	2.75%
Personal Service Inflation	0.8%	0.8%	0.8%	0.8%	0.8%
State Workforce (Year-End FTE's)	195,000	190,300	187,400	188,900	191,400
<b>General State Charges</b>					
Pension Contribution Rate	0.5%	0.9%	4.4%	7.0%	8.8%
Employee/Retiree Health Insurance Increase	10.6%	10.2%	13.0%	13.5%	8.2%
<b>State Debt</b>					
Interest on Variable Rate Debt	2.17%	1.33%	1.01%	1.44%	2.65%
Interest on 30-Year Bonds	5.46%	5.28%	5.08%	5.09%	5.00%

\* Preliminary data, subject to revision.



## PUBLIC HEALTH

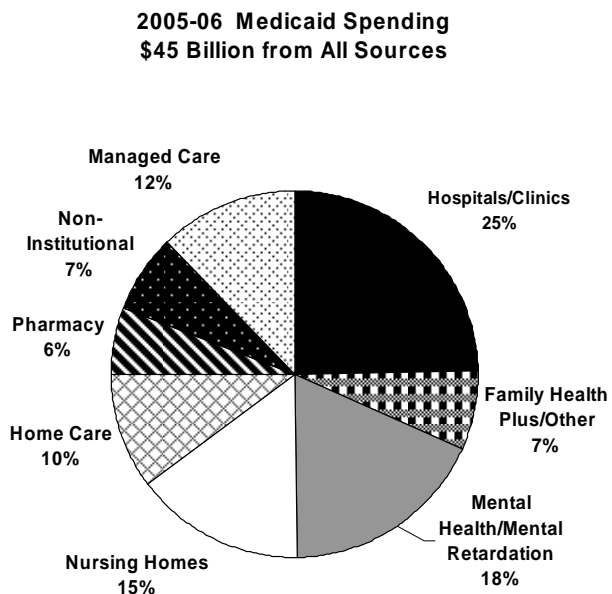
The New York State Department of Health (DOH) is responsible for Statewide public health programs, including Medicaid. DOH works closely with the local health departments, including the City of New York, to coordinate statewide health activities. DOH directly operates one hospital, four nursing homes for veterans, and three laboratories.

### Medicaid

Medicaid, the largest program in the All Funds Budget, finances health care services for low-income individuals, long-term care for the elderly, and services for disabled individuals, primarily through payments to health care providers. New York's Medicaid spending, both in total and on a per capita basis, is the highest in the nation.

The Medicaid program is financed jointly by the State, the Federal government, and county governments (including New York City). The Medicaid program in New York is estimated to have cost roughly \$45 billion in 2005-06, including the local government share. The State financed approximately \$16 billion across several State agencies in addition to DOH. The Federal contribution was an estimated \$22 billion. The Federal match rate on eligible State Medicaid expenditures is 50 percent, the lowest match rate possible. The local governments share of costs, which are about \$6.9 billion, and certain Medicaid-related costs reimbursable by the Federal government, are not included in the State spending totals.

The 2005-06 Enacted Budget included a new "cap" on local Medicaid spending. Effective January 1, 2006, the State became responsible for financing annual cost increases for counties and New York City above a fixed level. Under this program, local expenditures for 2006 are capped at calendar 2005 levels plus 3.5 percent. The State will finance all local Medicaid spending above the capped amount. In addition, effective January 1, 2006, the State took full financial responsibility for the Family Health Plus (FHP) program. County and New York City savings from these two "takeover" actions are estimated at \$402 million in 2005-06.



Department of Health -- Medicaid Spending (millions of dollars)					
	2004-05	2005-06		Over/(Under)	
	Actual	Enacted	Year-End	2004-05	Enacted
<b>General Fund</b>	<b>6,953</b>	<b>7,446</b>	<b>8,291</b>	<b>1,338</b>	<b>845</b>
Other State Support	2,624	4,280	3,231	607	(1,049)
<b>State Funds</b>	<b>9,577</b>	<b>11,726</b>	<b>11,522</b>	<b>1,945</b>	<b>(204)</b>
Federal Funds	19,778	19,866	18,688	(1,090)	(1,178)
<b>All Funds</b>	<b>29,355</b>	<b>31,592</b>	<b>30,210</b>	<b>855</b>	<b>(1,382)</b>

Department of Health Medicaid spending in 2005-06 includes long-term care, inpatient hospital care, outpatient hospital and clinic care, prescription drugs, managed care, FHP, and other services. The State and Federal share of Medicaid spending is principally budgeted and disbursed through DOH, but spending also appears under the Office of Mental Health (\$298 million), the Office of Mental Retardation and Developmental Disabilities (\$1.1 billion), the Office of Alcoholism and Substance Abuse Services (\$33 million), the Office of Children and Family Services (\$30 million) and the State Education Department (\$10 million).

On an All Funds basis, Medicaid spending under DOH totaled \$30.2 billion, an increase of \$855 million (2.9 percent) from the prior year. The initial projection for Medicaid spending exceeded year-end results by \$1.4 billion. This under-spending is largely related to the timing of certain Federal payments to public hospitals.

The sources of annual spending changes and variances from the 2005-06 Enacted Budget to year-end results are described in more detail below.

Department of Health -- Medicaid Sources of Annual Spending Change (millions of dollars)				
	General Fund	Other State Funds	Federal Funds	All Funds
<b>2004-05 Actual</b>	<b>6,953</b>	<b>2,624</b>	<b>19,778</b>	<b>29,355</b>
Program Growth	608	12	775	1,395
Family Health Plus	229	48	136	413
HCRA Financing	(381)	547	28	194
Medicare Part D	(28)	0	(153)	(181)
Non-recurring Actions	(113)	0	(280)	(393)
Federal Changes	1,023	0	(1,596)	(573)
<b>2005-06 Results</b>	<b>8,291</b>	<b>3,231</b>	<b>18,688</b>	<b>30,210</b>
<b>Total Change 2004-05 to 2005-06</b>	<b>1,338</b>	<b>607</b>	<b>(1,090)</b>	<b>855</b>

On an All Funds basis, the annual spending increase primarily reflects growth in the number of people eligible for and receiving Medicaid benefits (i.e., caseload), increasing utilization, inflation in the costs of providing health care services, and growth in the FHP program, as well as increasing costs related to the full State takeover of the FHP program and the initial costs of the new cap on the local government share of Medicaid costs. In addition, spending increased in various HCRA financed programs including workforce recruitment and retention funding and grants to financially distressed nursing homes. This growth is partially offset by the All Funds impact of various Federal changes and nonrecurring prior year actions, as well as net savings associated with the new Federal Medicare Part D program including reduced General Fund spending in 2005-06 as a result of Federal delays in billing the State for the State contribution (or "clawback payment") to Medicare Part D.

**Program Growth:** Annual costs in 2005-06 increased approximately 4.3 percent over the prior year. This reflects growth in utilization and inflation, as well as the continuation of prior year cost containment and the use of certain resources to lower costs, including drug rebate revenue. The increase in Medicaid caseload contributes to growth in utilization of services, including managed care, prescription drugs, home care and community based mental health services. In 2005-06, growth in the utilization of Medicaid services driven primarily by changes in caseload (excluding FHP) added roughly \$450 million in costs on an All Funds basis. The Medicaid caseload grew from 3.6 million in 2004-05 to an estimated 3.7 million in 2005-06. In addition, inflationary increases for medical services, including prescription drugs and provider reimbursement rates, contributed an estimated \$830 million to the higher spending.

As of January 1, 2006, the State began capping local Medicaid expenditures. For calendar year 2006, the State will finance all local costs in excess of 2005 expenditures plus 3.5 percent. The State cost, and the commensurate local government savings, of the cap for the period of January 1 through March 31, 2006 is estimated at \$113 million until the final reconciliation is completed.

**Family Health Plus:** The FHP program covers certain low-income adults who do not receive employer sponsored coverage and are ineligible for other public health programs because they exceed the income limit. Historically, financing for the program has been shared by the Federal, State and local governments, with the State share of costs supported by HCRA. More than half of the All Funds annual growth is attributable to a two-year phased-in State takeover of the local share authorized in the 2004-05 Enacted Budget. In January 2005, the State began paying 50 percent of the local share from the General Fund completing the full takeover of the counties' share of FHP costs in October 2005 and the NYC share in January 2006. In addition, a rise in enrollment, from 487,687 in March 2005 to 528,414 as of March 2006, produced a corresponding increase in service utilization.

**HCRA Financing:** The HCRA Transfer Fund is supported by overall HCRA revenues comprised of taxes, assessments and surcharges on hospital revenues and third-party payers. Support for Medicaid costs, primarily for prescription drugs, increased by \$381 million. The remaining \$166 million increase in HCRA spending primarily reflects

additional funding for various HCRA financed programs including workforce recruitment and retention and aid for financially distressed nursing homes. Higher Federal spending reflects the commensurate increase in the Federal share for certain reimbursable programs, primarily workforce recruitment and retention.

Additional information on the HCRA Financial Plan appears later in this report in the section entitled "HCRA Financial Plan."

**Medicare Part D:** The Medicare Part D prescription drug program began on January 1, 2006. Under this new program, the Federal government no longer provides Medicaid funding for prescription drug coverage for the dually-eligible population (i.e., eligible for both Medicare and Medicaid benefits) and the states are required to remit 90 percent of their Medicaid savings related to Part D to the Federal government. The State realized a temporary benefit in 2005-06 due to a delay in billing from the Federal government for the State contribution (or "clawback payment") to Medicare Part D. These delayed payments are expected to be remitted to the Federal government in 2006-07.

**Non-recurring Actions:** Medicaid payments to providers are made weekly, with 52 weekly payments made in most years. In state fiscal year 2004-05 an additional (53<sup>rd</sup>) weekly payment had been made, resulting in a corresponding annual decrease in spending in 2005-06.

**Federal Changes:** Recent Federal policy changes resulted in an increase in General Fund costs and reduced Federal aid. These included the expiration of the temporary 2.95 percent increase (from 50 percent to 52.95 percent) of Federal Medical Assistance Percentage (FMAP) that was in force from April 1, 2003 through June 30, 2004 and a delay in Federal approval of certain direct payments to local hospitals that Federal law requires flow through the State's fund structure.

Department of Health -- Medicaid				
Explanation of Major Variances -- Enacted to Year-End Results				
(millions of dollars)				
	General Fund	Other State Funds	Federal Funds	All Funds
<b>2005-06 Enacted</b>	<b>7,446</b>	<b>4,280</b>	<b>19,866</b>	<b>31,592</b>
Delayed Federal Aid	(26)	(64)	(750)	(840)
HCRA Financing	500	(815)	0	(315)
Medicare Part D	(28)	0	(153)	(181)
Provider Assessments	136	(136)	0	0
Program Cost Revisions	263	(34)	(275)	(46)
<b>2005-06 Results</b>	<b>8,291</b>	<b>3,231</b>	<b>18,688</b>	<b>30,210</b>
<b>Total Change From Enacted</b>	<b>845</b>	<b>(1,049)</b>	<b>(1,178)</b>	<b>(1,382)</b>

DOH Medicaid spending in the General Fund exceeded the Enacted forecast by \$845 million primarily due to a planned delay in HCRA support of Medicaid costs, growth in caseload and the resulting increase in utilization of services, and the timing of receipts for provider assessments.

On an All Funds basis, the increase in the General Fund is more than offset by lower spending in other State funds (\$1.0 billion) mainly due to the allocation of costs between funds for the workforce recruitment and retention program related to delayed Federal approval, and lower Federal Funds spending (\$1.2 billion). These variances are described in more detail below.

**Federal Aid:** Federal approval of certain direct payments to hospitals occurred later than expected in 2005-06.

**HCRA Financing:** The General Fund prepaid \$500 million in expenses that it would have otherwise paid in 2006-07 reflecting a commensurate decrease in HCRA spending on Medicaid. Results for all other HCRA programs fell below initial projections.

Additional information on the HCRA Financial Plan appears later in this report in the section entitled "HCRA Financial Plan."

**Medicare Part D:** Lower spending associated with the Medicare Part D program reflects the timing of required state-only payments to Medicare. These payments are expected to be made during the 2006-07 state fiscal year.

**Provider Assessments:** Reflects a delay in the collection of a 0.35 percent assessment on hospital revenues (\$106 million) and a slight downward adjustment to initial nursing home estimates (\$30 million).

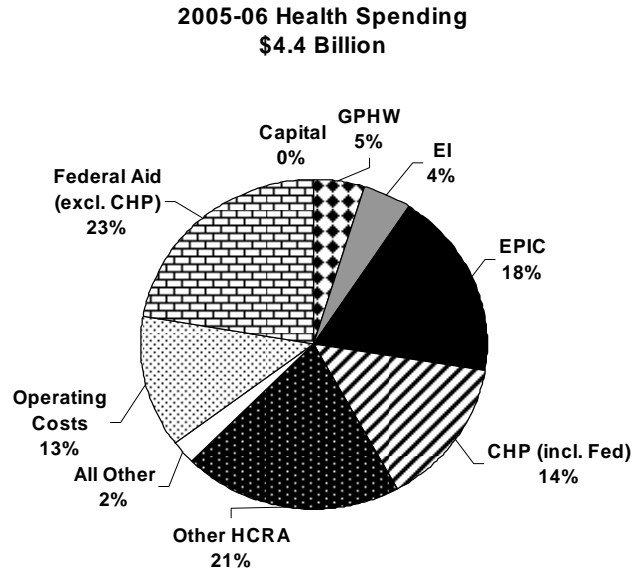
**Program Cost Revisions:** General Fund spending exceeded the initial estimate mainly due to higher caseload and costs of services associated with these individuals, additional mentally disabled payments to local districts, a retroactive settlement of an adjustment to nursing home rates, and suballocations of appropriation authority to and from other agencies and programs. Other funds spending declined due to lower than expected payments to hospitals from the Indigent Care Fund. Federal spending under the Federal CHCCDP program came in lower than the initial projection primarily due to slower than expected submission of claims from hospitals.

### **Other Public Health Programs**

Public health financing in New York comes from multiple sources including funding from Federal, State and local governments. Programs are also financed with revenues derived from patient care and fees associated with the Department of Health's general administration and oversight of public health standards, including registration, testing, and certification fees. Many public health programs are administered in conjunction with county health departments and several programs, such as Early Intervention and

General Public Health Works, are financed in the first instance by the counties and subsequently reimbursed for the State share of program costs. However, State spending projections do not include the local government share of public health funding, but do include Federal resources that flow through the State's fund structure.

All Funds spending for public health includes the Elderly Pharmaceutical Insurance Coverage (EPIC) Program that provides prescription drug insurance to low-income seniors (\$811 million); the Child Health Plus (CHP) program that finances health insurance coverage for children of low-income families up to the age of 19 (\$633 million); the GPHW program that reimburses county health departments for the cost of providing a host of public health services (\$213 million); and the Early Intervention (EI) Program that pays for health care services to infants and toddlers under the age of three with disabilities or developmental delays (\$191 million). Public Health spending also includes approximately \$909 million in HCRA funding for various programs including Graduate Medical Education, Healthy New York, and programs for people suffering from AIDS/HIV. Other spending includes Federal aid (\$969 million) for programs including the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); operating costs including support for administrative functions, personnel, and five health care facilities (\$577 million); capital spending (\$5 million); and various other local aid programs.



Public Health Spending (millions of dollars)						
	2004-05		2005-06		Over/(Under)	
	Actual	Enacted	Enacted	Year-End	2004-05	Enacted
<b>General Fund</b>	<b>688</b>	<b>751</b>	<b>751</b>	<b>679</b>	<b>(9)</b>	<b>(72)</b>
Other State Support	1,491	2,479	2,479	2,448	957	(31)
<b>State Funds</b>	<b>2,179</b>	<b>3,230</b>	<b>3,230</b>	<b>3,127</b>	<b>948</b>	<b>(103)</b>
Federal Funds	1,208	1,219	1,219	1,273	65	54
<b>All Funds</b>	<b>3,387</b>	<b>4,449</b>	<b>4,449</b>	<b>4,400</b>	<b>1,013</b>	<b>(49)</b>

All funds public health spending in 2005-06 totaled \$4.4 billion, consisting of State share costs of \$3.1 billion and Federal aid of \$1.3 billion. Total spending reimbursed providers and localities for a share of the costs of operating public health programs (\$3.6 billion), and paid for DOH costs, including personal service costs (\$326 million),

operational expenses (\$492 million), and capital projects to maintain DOH facilities (\$5 million).

All Funds spending increased by \$1.0 billion over the prior year mainly due to bringing all HCRA funded programs on-budget, as well as growth in Federal aid. Compared to spending projections at the time of the Enacted Budget, All Funds spending was revised downward by \$49 million.

The sources of annual spending changes and variances from the 2005-06 Enacted Budget to year-end results are described in more detail below.

Public Health Sources of Annual Spending Change (millions of dollars)				
	General Fund	Other State Funds	Federal Funds	All Funds
<b>2004-05 Actual</b>	<b>688</b>	<b>1,491</b>	<b>1,208</b>	<b>3,387</b>
Health Care Reform Act	0	869	0	869
Elderly Pharmaceutical Insurance Coverage	0	85	0	85
Child Health Plus	0	(8)	(31)	(39)
Early Intervention	(7)	0	0	(7)
All Other	(2)	11	96	105
<b>2005-06 Results</b>	<b>679</b>	<b>2,448</b>	<b>1,273</b>	<b>4,400</b>
<b>Total Change 2004-05 to 2005-06</b>	<b>(9)</b>	<b>957</b>	<b>65</b>	<b>1,013</b>

**Health Care Reform Act:** Reflects the inclusion of all HCRA financed programs on-budget beginning in 2005-06 that were previously excluded from the State's Financial Plan.

**Elderly Pharmaceutical Insurance Coverage:** Growth in EPIC spending is due primarily to the rising cost of prescription drugs and increasing enrollment, which totaled over 370,000 at the close of 2005-06 (an increase of nearly 22,000 or 6.3 percent over the prior year).

**Child Health Plus:** CHP spending decreased over the prior year due primarily to decreased enrollment under CHP Part B. However, increases in CHP Part A, which is financed directly under the Medicaid program, result in overall coverage remaining fairly stable from year to year. Average CHP enrollment under Part B totaled approximately 413,000 in 2005-06 (a decrease of 6 percent from 2004-05).

**Early Intervention:** Spending on the EI program declined from the prior year as a result of the implementation of administrative efficiencies.

**All Other:** Growth in all other spending reflects increased Federal aid for various health problems offset by lower State spending across multiple programs.

<b>Public Health</b>				
<b>Explanation of Major Variances -- Enacted to Year-End Results</b>				
<b>(millions of dollars)</b>				
	<b>General Fund</b>	<b>Other State Funds</b>	<b>Federal Funds</b>	<b>All Funds</b>
<b>2005-06 Enacted</b>	<b>751</b>	<b>2,479</b>	<b>1,219</b>	<b>4,449</b>
Early Intervention	(67)	0	0	(67)
General Public Health Works	(32)	0	0	(32)
Elderly Pharmaceutical Insurance Coverage	0	(20)	0	(20)
Child Health Plus	0	1	(18)	(17)
All Other	27	(12)	72	87
<b>2005-06 Results</b>	<b>679</b>	<b>2,448</b>	<b>1,273</b>	<b>4,400</b>
<b>Total Change From Enacted</b>	<b>(72)</b>	<b>(31)</b>	<b>54</b>	<b>(49)</b>

**Early Intervention:** Savings above planned levels resulted primarily from the implementation of administrative efficiencies.

**General Public Health Works:** Lower spending is primarily due to lower than anticipated county claiming for reimbursement of a share of the costs of providing certain services by county health departments.

**Elderly Pharmaceutical Insurance Coverage:** Revised spending for the EPIC program is due to the modernization of pharmaceutical costs and increases use of program receipts.

**Child Health Plus:** Actual CHP spending, which is financed jointly by the State and Federal government, came in below the Enacted Budget projections due mainly to lower Federal spending.

**All Other:** All other spending exceeded initial projections due to higher than expected Federal aid and additional State spending across multiple programs.



## K-12 EDUCATION

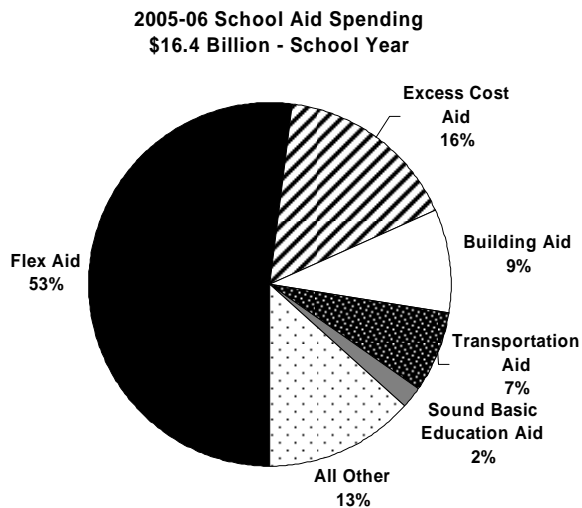
### School Aid

School aid, the single largest program in the General Fund, helps finance elementary and secondary education for New York pupils enrolled in nearly 680 school districts throughout the State. State funding is provided to districts based on statutory aid formulas and through reimbursement for various categorical programs. In New York, approximately 45 percent of spending on education by local school districts is funded by the State, 47 percent by local revenues, and 8 percent by Federal aid.

State funding for schools assists districts in meeting locally defined needs, supports the construction of school facilities, and finances school transportation for approximately 3 million students statewide.

Federal funding supplements State and local school aid, and represents approximately 15 percent of projected All Funds cash disbursements, which excludes local funding. Federal aid supports a range of services for disadvantaged children, including free and reduced-price meals.

In 2003, the State Court of Appeals found that the State's school financing system failed to provide students in New York City with an opportunity for a "sound basic education," and deemed this a violation of the State Constitution. In an effort to comply with the State Court of Appeals ruling, the State initiated the Sound Basic Education (SBE) aid program in 2005-06.



School Aid Spending (millions of dollars)					
	2004-05	2005-06		Over/(Under)	
	Actual	Enacted	Year-End	2004-05	Enacted
<b>General Fund</b>	<b>12,759</b>	<b>13,623</b>	<b>13,500</b>	<b>741</b>	<b>(123)</b>
Other State Support	2,290	2,206	2,276	(14)	70
<b>State Funds</b>	<b>15,049</b>	<b>15,829</b>	<b>15,776</b>	<b>727</b>	<b>(53)</b>
Federal Funds	2,544	2,705	2,774	230	69
<b>All Funds</b>	<b>17,593</b>	<b>18,534</b>	<b>18,550</b>	<b>957</b>	<b>16</b>

On an All Funds basis, school aid spending totaled \$18.6 billion in 2005-06, an increase of \$957 million (5.4 percent) over the 2004-05 fiscal year. All Funds spending exceeded the initial projection by \$16 million.

The sources of annual spending changes, and variances from the 2005-06 Enacted Budget to year-end results, are described in more detail below.

School Aid Sources of Annual Spending Change (millions of dollars)				
	General Fund	Other State Funds	Federal Funds	All Funds
<b>2004-05 Actual</b>	<b>12,759</b>	<b>2,290</b>	<b>2,544</b>	<b>17,593</b>
2005-06 School Aid	550	57	0	607
Balance of 2004-05 School Year Increase	191	0	0	191
Growth in Federal Aid	0	0	230	230
Capital Projects Spending	0	(71)	0	(71)
<b>2005-06 Results</b>	<b>13,500</b>	<b>2,276</b>	<b>2,774</b>	<b>18,550</b>
<b>Total Change 2004-05 to 2005-06</b>	<b>741</b>	<b>(14)</b>	<b>230</b>	<b>957</b>

**2005-06 School Aid:** On an All Funds basis, the State fiscal year spending increase of \$607 million in school aid comprises a General Fund increase of \$550 million and \$57 million in spending financed from video lottery terminals (VLT) and the regular lottery. This corresponds to a school year increase of over \$1 billion which includes SBE aid (\$325 million), Flex Aid (\$185 million), public and private excess cost aid (\$163 million), Building Aid (\$112 million), tax limitation aid (\$87 million), and Transportation Aid (\$71 million).

**Balance of 2004-05 School Year Increase:** Reflects the General Fund cost of financing the remaining "tail" payments related to the 2004-05 school year increase that were paid in the 2005-06 State fiscal year.

**Growth in Federal Aid:** Increased Federal aid consists of grants to high-poverty school districts around the State (\$215 million) and the School Lunch and Breakfast program (\$15 million).

**Capital Projects Spending:** Spending on school-related capital projects decreased due mainly to the near-completion of the Rebuilding Schools to Uphold Education (RESCUE) program.

School Aid				
Explanation of Major Variances -- Enacted to Year-End Results				
(millions of dollars)				
	General Fund	Other State Funds	Federal Funds	All Funds
<b>2005-06 Enacted</b>	<b>13,623</b>	<b>2,206</b>	<b>2,705</b>	<b>18,534</b>
Additional Federal Aid	0	0	69	69
Lottery Shortfall/Guarantee	(108)	108	0	0
Timing Delay in Capital Projects	0	(33)	0	(33)
All Other	(15)	(5)	0	(20)
<b>2005-06 Results</b>	<b>13,500</b>	<b>2,276</b>	<b>2,774</b>	<b>18,550</b>
<b>Total Change From Enacted</b>	<b>(123)</b>	<b>70</b>	<b>69</b>	<b>16</b>

**Additional Federal Aid:** Reflects higher than expected Federal assistance to high-poverty school districts around the State.

**Lottery Shortfall/Guarantee:** A General Fund lottery aid guarantee payment which covers any shortfall in lottery revenues budget for education, was initially in the Enacted Budget as a General Fund local assistance payment, but was processed as a transfer from the General Fund to the Lottery Fund at year-end.

**Timing Delay in Capital Projects:** Reflects lower spending by school districts due to the near-completion of the RESCUE program.

**All Other:** Primarily reflects the reclassification of actual spending related to the suballocation of appropriation authority and transfers to other agencies and programs.

**STAR Program**

The School Tax Relief (STAR) program provides school tax relief to taxpayers across New York. The three components of STAR, and their approximate shares in 2005-06 are: the basic school property tax exemption for homeowners (57 percent), the enhanced school property tax exemption for eligible senior citizen homeowners (21 percent), and a flat refundable credit and rate reduction for New York City resident personal-income taxpayers (22 percent).

<b>STAR Spending</b> (millions of dollars)					
	<u>2004-05</u>	<u>2005-06</u>		<u>Over/(Under)</u>	
	<u>Actual</u>	<u>Enacted</u>	<u>Year-End</u>	<u>2004-05</u>	<u>Enacted</u>
Other State Support	3,059	3,222	3,213	154	(9)
<b>All Funds</b>	<b>3,059</b>	<b>3,222</b>	<b>3,213</b>	<b>154</b>	<b>(9)</b>

Spending for the STAR program, which reflects reimbursements made to school districts to offset the reduction in property tax revenues, appears in other State Funds and is financed with a portion of personal income tax collections.

STAR spending totaled \$3.2 billion in 2005-06, an increase of \$154 million over the 2004-05 fiscal year. Year-end results were \$9 million below the initial estimate.

The sources of annual spending changes and variances from the 2005-06 Enacted Budget to year-end results are described in more detail below.

<b>STAR</b> <b>Sources of Annual Spending Change</b> (millions of dollars)	
	<u>All Funds</u>
<b>2004-05 Actual</b>	<b>3,059</b>
Basic Property Tax Exemption	88
New York City Personal Income Tax Relief	60
Enhanced Property Tax Exemption	6
<b>2005-06 Results</b>	<b>3,213</b>
<b>Total Change 2004-05 to 2005-06</b>	<b>154</b>

**Basic Property Tax Exemption:** This component of STAR program, which has historically been the largest and fastest growing component, grew by 5 percent over the prior year. This increase is driven by higher participation rates, property tax rates, and property values.

**New York City Personal Income Tax Relief:** Spending from this component of the STAR program grew by 9 percent and is driven largely by final reconciliation of prior-year payments as certified in 2005-06 by the State Department of Tax and Finance (\$97 million), partly offset by an expected annual decline due to an upward adjustment in estimates of incomes and income tax liabilities for the two prior fiscal years (\$37 million).

**Enhanced Property Tax Exemption:** The increase in this component reflects 1 percent annual growth due to higher participation rates, property tax rates, and property values.

STAR Explanation of Major Variances -- Enacted to Year-End Results (millions of dollars)	
	<u>All Funds</u>
<b>2005-06 Enacted</b>	<b>3,222</b>
Property Tax Relief	(106)
New York City Personal Income Tax Relief	97
<b>2005-06 Results</b>	<b>3,213</b>
<b>Total Change From Enacted</b>	<b>(9)</b>

**Property Tax Relief:** Actual spending fell below initial projections for STAR reimbursements to school districts largely due to lower than anticipated growth in school tax rates.

**New York City Personal Income Tax Relief:** Reflects additional payments due to a final reconciliation of prior-year payments certified by the State Department of Tax and Finance subsequent to budget enactment.

### Other Education Aid

In addition to school aid and other State aid provided through the STAR program, education aid is also provided for special education services and various other programs. Other education categories include elementary, middle, secondary and continuing education; cultural education; higher and professional education programs; and Vocational Education Services for Individuals with Disabilities. Major programs under elementary, middle, secondary and continuing education address specialized student needs or reimburse school districts for education-related services, including the School Lunch and Breakfast Program, the Preschool Special Education Program, and

non-public school aid. In special education, New York provides a full spectrum of services to over 400,000 students from ages 3 to 21. Higher and professional education programs monitor the quality and availability of post-secondary education programs and regulate the licensing and oversight for 44 State professions.

Other Education Aid Spending (millions of dollars)					
	2004-05	2005-06		Over/(Under)	
	Actual	Enacted	Year-End	2004-05	Enacted
<b>General Fund</b>	1,411	1,590	1,490	79	(100)
Other State Support	87	112	109	22	(3)
<b>State Funds</b>	<b>1,498</b>	<b>1,702</b>	<b>1,599</b>	<b>101</b>	<b>(103)</b>
Federal Funds	749	883	876	127	(7)
<b>All Funds</b>	<b>2,247</b>	<b>2,585</b>	<b>2,475</b>	<b>228</b>	<b>(110)</b>

On an All Funds basis, other education aid spending totaled \$2.5 billion in 2005-06, an increase of \$228 million (10.1 percent) over the 2004-05 fiscal year. Year-end results were below the initial projection by \$110 million.

The sources of annual spending changes and variances from the 2005-06 Enacted Budget to year-end results are described in more detail below.

Other Education Aid Sources of Annual Spending Changes (millions of dollars)				
	General Fund	Other State Funds	Federal Funds	All Funds
<b>2004-05 Actual</b>	<b>1,411</b>	<b>87</b>	<b>749</b>	<b>2,247</b>
Increase in Federal Spending	0	0	127	127
Preschool Special Education Program	49	0	0	49
Other Special Education Programs	16	0	0	16
Aid to Non-Public Schools	14	0	0	14
All Other	0	22	0	22
<b>2005-06 Results</b>	<b>1,490</b>	<b>109</b>	<b>876</b>	<b>2,475</b>
<b>Total Change 2004-05 to 2005-06</b>	<b>79</b>	<b>22</b>	<b>127</b>	<b>228</b>

**Increase in Federal Spending:** Reflects an increase in Federal spending for programs serving individuals with disabilities (\$97 million) and operational support (\$30 million).

**Preschool Special Education Program:** Spending for the preschool special education program increased due to a higher volume of claims and due to increases in enrollment and program costs.

**Other Special Education Programs:** Increases in spending for other special education programs include summer school (\$9 million) and private schools for the blind and deaf (\$7 million).

**Aid to Non-public Schools:** In 2005-06, increased aid was used to reimburse non-public schools for the cost of administering State mandated tests, attendance taking and other data collection efforts.

**All Other:** Primarily reflects local program growth and increased operating costs of the State Education Department.

Other Education Aid				
Explanation of Major Variances -- Enacted to Year-End Results				
(millions of dollars)				
	General Fund	Other State Funds	Federal Funds	All Funds
<b>2005-06 Enacted</b>	<b>1,590</b>	<b>112</b>	<b>883</b>	<b>2,585</b>
Timing of Program Spending	(78)	0	0	(78)
Capital Projects Matching Grants	0	(10)	0	(10)
Federal Aid Revisions	0	0	(7)	(7)
All Other	(22)	7	0	(15)
<b>2005-06 Results</b>	<b>1,490</b>	<b>109</b>	<b>876</b>	<b>2,475</b>
<b>Total Change From Enacted</b>	<b>(100)</b>	<b>(3)</b>	<b>(7)</b>	<b>(110)</b>

**Timing of Program Spending:** A delay in various local program aid that was initially expected to occur in 2005-06 includes legislative member items (\$27 million), prior year claims/fiscal stabilization grants (\$24 million), vocational services (\$15 million), educational opportunity programs (\$7 million), and various other programs (\$5 million).

**Capital Projects Matching Grants:** Reflects slower than expected spending for the Higher Education Capital Matching Grant program enacted in 2005-06 that is intended to finance infrastructure improvements for private colleges and universities.

**Federal Aid Revisions:** Actual spending for vocational and educational services and operating costs was lower than expected.

**All Other:** Primarily reflects the reclassification of spending resulting from the suballocation of appropriation authority to other agencies and programs.

## HIGHER EDUCATION

Higher education includes administrative and programmatic costs for State University of New York (SUNY), City University of New York (CUNY), and the Higher Education Services Corporation (HESC). The higher education budget is almost entirely supported by a combination of the General Fund, tuition revenues, and various fees.

The SUNY system is the largest public university system in the nation with 64 campuses, including 30 community colleges, offering a range of academic, professional and vocational programs. Currently, there are over 413,000 SUNY students pursuing studies ranging from one-year certificates to doctoral degrees.

The CUNY system is the third largest public university system in the nation and provides higher education with a focus on the urban community of New York City. The State has full financial responsibility for CUNY's senior college operations, and works in conjunction with the City of New York to support CUNY's community colleges. Approximately 221,000 full-time and part-time students are currently enrolled in degree programs at CUNY.

HESC is responsible for administering the Tuition Assistance Program (TAP) grant awards to income-eligible students and for providing centralized processing of other student financial aid programs. The Corporation also provides prospective students with information and guidance on how to finance a college education. The financial aid programs that the Corporation administers are funded by the State and the Federal government.

Higher Education Spending (millions of dollars)					
	2004-05	2005-06		Over/(Under)	
	Actual	Enacted	Year-End	2004-05	Enacted
<b>General Fund</b>	<b>2,955</b>	<b>3,177</b>	<b>2,757</b>	<b>(198)</b>	<b>(420)</b>
Other State Support	3,666	4,182	3,961	295	(221)
<b>State Funds</b>	<b>6,621</b>	<b>7,359</b>	<b>6,718</b>	<b>97</b>	<b>(641)</b>
Federal Funds	185	193	163	(22)	(30)
<b>All Funds</b>	<b>6,806</b>	<b>7,552</b>	<b>6,881</b>	<b>75</b>	<b>(671)</b>

On an All Funds basis, higher education spending totaled \$6.9 billion in 2005-06, an increase of \$75 million (1.1 percent) over the 2004-05 fiscal year. Year-end results were \$671 million below the initial projection.

The sources of annual spending changes and variances from the 2005-06 Enacted Budget to year-end results are described in more detail below.



<b>Higher Education</b>				
<b>Sources of Annual Spending Change</b>				
(millions of dollars)				
	<b>General Fund</b>	<b>Other State Funds</b>	<b>Federal Funds</b>	<b>All Funds</b>
<b>2004-05 Actual</b>	<b>2,955</b>	<b>3,666</b>	<b>185</b>	<b>6,806</b>
CUNY Senior Colleges	(267)	0	0	(267)
Federal Aid Revisions	0	0	(22)	(22)
SUNY Operating Costs	70	107	0	177
SUNY/CUNY Capital Projects	0	124	0	124
CUNY Community Colleges	20	0	0	20
HESC Program Growth	13	0	0	13
HESC Fund Balance	(52)	52	0	0
All Other	18	12	0	30
<b>2005-06 Results</b>	<b>2,757</b>	<b>3,961</b>	<b>163</b>	<b>6,881</b>
<b>Total Change 2004-05 to 2005-06</b>	<b>(198)</b>	<b>295</b>	<b>(22)</b>	<b>75</b>

**CUNY Senior Colleges:** Reflects a less than planned 2005-06 payment to New York City (\$428 million), partly offset by an annual increase in other senior college payments (\$161 million). The annual increase in other senior college payments includes costs associated with collective bargaining settlements for individuals in the DC-37 union (\$36 million) and in skilled trade titles (\$14 million), higher fringe benefits (\$28 million), and overall growth in costs (\$83 million).

**Federal Aid Revisions:** Primarily reflects timing of Federal LEAP/SLEAP payments and less Federal aid to SUNY for Pell grants.

**SUNY Operating Costs:** The annual growth in SUNY operating costs is largely attributable to salary increases resulting from collective bargaining agreements, salary and fringe benefit costs for additional positions at the three SUNY hospitals, and higher non-personal service costs due to inflationary increases and increased utility costs.

**SUNY/CUNY Capital Projects:** Growth in capital project spending reflects the increased spending levels under the multi-year capital plans for SUNY and CUNY.

**CUNY Community Colleges:** Increased funding for CUNY community colleges is primarily due to a combination of enrollment growth and a \$115 per full-time student base aid increase.

**HESC Program Growth:** Reflects TAP enrollment growth and spending for the new nursing faculty scholarship and loan forgiveness programs.

**HESC Fund Balance:** Available fund balances were used as planned to finance a portion of the TAP and the Aid for Part-Time Study (APTS) programs.

Higher Education				
Explanation of Major Variances -- Enacted to Year-End Results				
(millions of dollars)				
	General Fund	Other State Funds	Federal Funds	All Funds
<b>2005-06 Enacted</b>	3,177	4,182	193	7,552
CUNY Senior Colleges	(428)	0	0	(428)
SUNY/CUNY Capital Projects	0	(256)	0	(256)
Federal Aid Revisions	0	0	(30)	(30)
HESC Reestimates	0	(14)	0	(14)
CUNY Reestimates	4	(11)	0	(7)
SUNY Operating Costs	4	60	0	64
<b>2005-06 Results</b>	<b>2,757</b>	<b>3,961</b>	<b>163</b>	<b>6,881</b>
<b>Total Change From Enacted</b>	<b>(420)</b>	<b>(221)</b>	<b>(30)</b>	<b>(671)</b>

**CUNY Senior Colleges:** Reflects a less than planned payment to New York City.

**SUNY/CUNY Capital Projects:** Construction delays and other slowdowns resulted in lower than anticipated spending for SUNY/CUNY capital projects (\$219 million at CUNY and \$37 million at SUNY). Capital spending is expected to return to anticipated spending levels over the remaining years of the multi-year capital plans for SUNY and CUNY.

**Federal Aid Revisions:** Primarily reflects lower Federal aid to SUNY for Pell grants.

**HESC Reestimates:** Reflects lower-than-expected costs associated with the administration of student grants and loans.

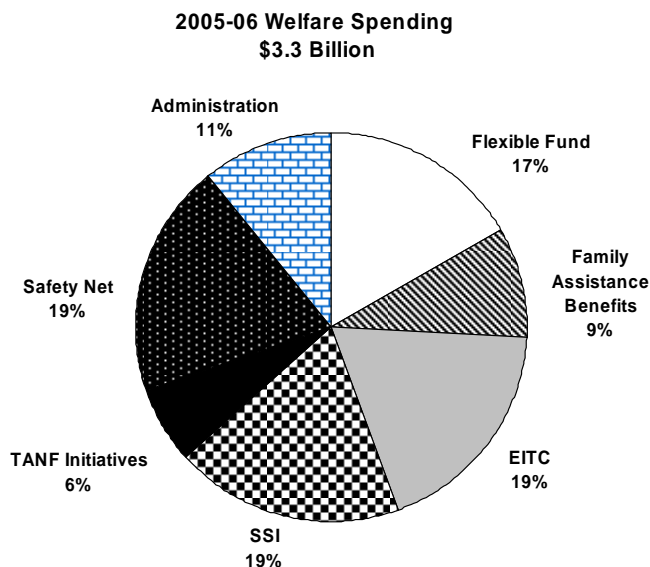
**CUNY Reestimates:** Reflects increased General Fund costs for collective bargaining settlements reached with individuals in skilled trade titles and lower than anticipated spending from other State funds.

**SUNY Operating Costs:** Actual operating costs, mainly for utilities, equipment, and contractual services, exceeded initial projections.

## SOCIAL SERVICES

### Welfare

Welfare programs provide benefits to poor families in the form of cash grants, child welfare services, tax credits for eligible low-income workers, and employment services. The State's three main programs include Family Assistance, Supplemental Security Income (SSI) and Safety Net. The Family Assistance program, which is financed jointly by the State, the Federal government, and local districts, provides employment assessments, support services and time-limited cash assistance to eligible families and children. Under the Federal SSI program, the State adds a supplement to the Federal benefit for the elderly, visually handicapped, and disabled. The Safety Net Assistance program provides cash assistance and employment services for single adults, childless couples, and families that have exhausted their five-year limit on Family Assistance imposed by Federal law and is financed jointly by the State and local districts. In addition, the State reimburses the local governments for the cost of administering welfare programs.



Federal assistance for welfare programs is provided through the Temporary Assistance for Needy Families (TANF) block grant, which also helps finance the State's Earned Income Tax Credit (EITC) for low-income workers and child care services, including child care subsidies for low-income working families. TANF funding is used for benefit payments, state operations, EITC, employment related initiatives, certain supportive services, and a Flexible Fund for Family Services. Local districts are able to use the Flexible Fund for any TANF purpose allowable under Federal guidelines, and are solely responsible for determining the distribution of their allocation for all non-benefit programs, including child welfare, and local district administration.

Welfare/Welfare Administration Spending (millions of dollars)					
	2004-05	2005-06		Over/(Under)	
	Actual	Enacted	Year-End	2004-05	Enacted
<b>General Fund</b>	1,440	1,373	1,251	(189)	(122)
Other State Support	0	0	0	0	0
<b>State Funds</b>	1,440	1,373	1,251	(189)	(122)
Federal Funds	1,998	2,311	2,097	99	(214)
<b>All Funds</b>	3,438	3,684	3,348	(90)	(336)

All Funds welfare spending totaling \$3.3 billion in 2005-06 consisted of \$1.2 billion in General Fund and \$2.1 billion in Federal funds, a net decline of \$90 million from the prior year. Actual year-end results were \$336 million below initial projections.

The sources of annual spending changes and variances from the 2005-06 Enacted Budget to year-end results are described in more detail below.

Welfare/Welfare Administration Sources of Annual Spending Change (millions of dollars)			
	General Fund	Federal Funds	All Funds
<b>2004-05 Actual</b>	1,440	1,998	3,438
Caseload Declines	(185)	(57)	(242)
TANF Reprogramming	(69)	69	0
Funding for Local Administration	60	0	60
SSI Adult Home Reclassification	5	0	5
TANF initiatives	0	87	87
<b>2005-06 Results</b>	1,251	2,097	3,348
<b>Total Change 2004-05 to 2005-06</b>	(189)	99	(90)

**Caseload Declines:** In the General Fund, lower spending comprises a \$103 million annual reduction in the costs of providing services under the “non-family” Safety Net (\$21 million) and a decline in the Family Assistance caseload level connected with a drop in both the number of families within the five-year Federal limit (\$62 million) and families exceeding the five-year limit (\$20 million). This decline in family caseload resulted in a corresponding decrease in Federal spending supported by the TANF block grant. Actual welfare caseload was approximately 600,000 recipients as of March 31, 2006, a decrease of 26,000 recipients from the prior year.

**TANF Reprogramming:** As a result of a 4.5 percent decrease in the number of families on assistance for less than five years, the amount of TANF available to refinance General Fund public assistance spending increased from the prior year.

**Funding for Local Administration:** An increase in State reimbursement for local administrative services related to public assistance, food stamps, and employment resulted in higher General Fund costs.

**Supplemental Security Income Adult Home Reclassification:** Reflects the State supplement for SSI recipients in adult care facilities, which was enacted in the middle of the 2005-06 fiscal year.

**TANF Initiatives:** The increase in Federal Funds spending is primarily due to higher spending on TANF Initiatives including the Flexible Fund for Family Services.

Welfare/Welfare Administration Explanation of Major Variances -- Enacted to Year-End Results (millions of dollars)			
	General Fund	Federal Funds	All Funds
<b>2005-06 Enacted</b>	<b>1,373</b>	<b>2,311</b>	<b>3,684</b>
Caseload Declines	(119)	(43)	(162)
TANF Reprogramming	26	(26)	0
Litigation and Operational Costs	(22)	0	(22)
SSI Adult Home Reclassification	(7)	0	(7)
TANF Initiatives	0	234	234
Child Care Spending	0	(379)	(379)
<b>2005-06 Results</b>	<b>1,251</b>	<b>2,097</b>	<b>3,348</b>
<b>Total Change From Enacted</b>	<b>(122)</b>	<b>(214)</b>	<b>(336)</b>

**Caseload Declines:** In the General Fund, a decline in caseload resulted in \$119 million in savings comprised of a drop in the number of families both within the five-year Federal limit (\$58 million) and exceeding the five-year limit (\$53 million), and in “non-family” Safety Net caseload (\$8 million). The family caseload decline resulted in a corresponding reduction in Federal spending supported by the TANF block grant. Welfare caseload was below forecasted levels by approximately 20,000, or 3.2 percent.

**TANF Reprogramming:** Loss of prior-year TANF surplus resulted in less TANF funds being available to refinance General Fund public assistance.

**Litigation and Operational Costs:** Reflects a decrease in the expected litigation and operational costs associated with the public assistance program.

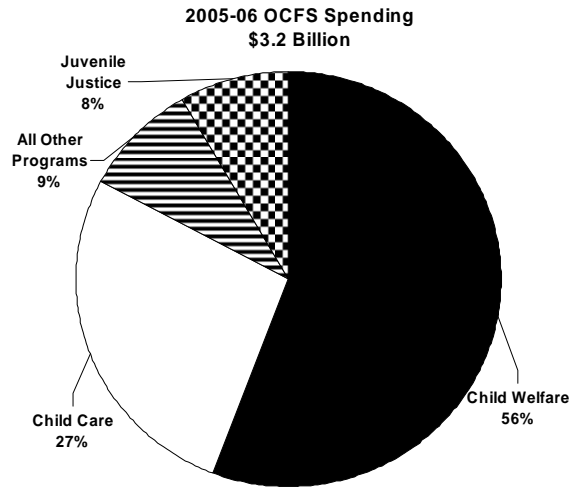
**Supplemental Security Income Adult Home Reclassification:** Actual costs incurred related to the State supplement for SSI recipients in adult care facilities were lower than initial projections.

**TANF Initiatives:** Reflects higher Federal funds spending on TANF initiatives, primarily the Flexible Fund for Family Services.

**Child Care Spending:** Year-end Federal spending was lower than the Enacted Budget projection due to a technical adjustment to the allocation of child care disbursements between agencies.

**Office of Children and Family Services**

The Office of Children and Family Services (OCFS) provides funding for foster care, adoption, child protective services, delinquency prevention, and child care. OCFS oversees the State’s system of family support and child welfare services administered by local departments of social services and community-based organizations. Specifically, child welfare services, which are financed jointly by the Federal government, the State, and local districts, are structured to encourage local governments to invest in preventive services to reduce out-of-home placement of children.



In addition, the State Child Care Block Grant, which is also financed by a combination of the Federal, State and local governments, supports child care subsidies for families receiving public assistance and low-income families. The youth facilities program serves youth directed by family or criminal courts to be placed in residential facilities.

Federal funding for OCFS programs is provided through the Flexible Fund for Family Services, Federal Title IV-E Foster Care and Adoption Assistance payments, the Federal Child Care and Development Fund, and the Title XX Social Services Block Grant.

Children and Family Services Spending (millions of dollars)					
	2004-05	2005-06		Over/(Under)	
	Actual	Enacted	Year-End	2004-05	Enacted
<b>General Fund</b>	1,319	1,437	1,435	116	(2)
Other State Support	16	38	22	6	(16)
<b>State Funds</b>	<b>1,335</b>	<b>1,475</b>	<b>1,457</b>	<b>122</b>	<b>(18)</b>
Federal Funds	1,792	1,620	1,717	(75)	97
<b>All Funds</b>	<b>3,127</b>	<b>3,095</b>	<b>3,174</b>	<b>47</b>	<b>79</b>

All Funds spending for OCFS totaling \$3.2 billion in 2005-06 consisted of \$1.5 billion in State support and \$1.7 billion in Federal aid. All Funds spending increased by \$47

million from the 2004-05 fiscal year and exceeded initial spending projections by \$79 million. All Funds spending in 2005-06 supported a range of services including child welfare (\$1.8 billion), child care (\$852 million) and juvenile justice services including delinquency prevention, youth facilities and local detention facilities (\$263 million).

The sources of annual spending changes and variances from the 2005-06 Enacted Budget to year-end results are described in more detail below.

<b>Children and Family Services Sources of Annual Spending Change (millions of dollars)</b>				
	<b>General Fund</b>	<b>Other State Funds</b>	<b>Federal Funds</b>	<b>All Funds</b>
<b>2004-05 Actual</b>	<b>1,319</b>	<b>16</b>	<b>1,792</b>	<b>3,127</b>
Increased Local Program Costs	140	0	0	140
Decreased Federal Support	0	0	(106)	(106)
Federal Reimbursement	(31)	0	31	0
All Other	7	6	0	13
<b>2005-06 Results</b>	<b>1,435</b>	<b>22</b>	<b>1,717</b>	<b>3,174</b>
<b>Total Change 2004-05 to 2005-06</b>	<b>116</b>	<b>6</b>	<b>(75)</b>	<b>47</b>

**Increased Local Program Costs:** Higher local assistance spending in 2005-06 is primarily attributable to increases in the State reimbursement to local districts for adoption, foster care, day care, and juvenile justice services.

**Decreased Federal Support:** Lower Federal spending in 2005-06 is primarily attributable to the consolidation of all TANF spending in OTDA, including TANF spending for both the child care and Title XX Social Services Block Grant in 2005-06. Spending for these programs was provided by OCFS in 2004-05.

**Federal Reimbursement:** The amount of Federal aid available to finance agency operations was higher in 2005-06 than in 2004-05.

**All Other:** Primarily reflects modest increases in various General Fund state operations and capital projects spending.

Children and Family Services				
Explanation of Major Variances -- Enacted to Year-End Results				
(millions of dollars)				
	General Fund	Other State Funds	Federal Funds	All Funds
<b>2005-06 Enacted</b>	<b>1,437</b>	<b>38</b>	<b>1,620</b>	<b>3,095</b>
Increased Federal Support	0	0	97	97
Lower Capital Projects Spending	0	(12)	0	(12)
All Other	(2)	(4)	0	(6)
<b>2005-06 Results</b>	<b>1,435</b>	<b>22</b>	<b>1,717</b>	<b>3,174</b>
<b>Total Change From Enacted</b>	<b>(2)</b>	<b>(16)</b>	<b>97</b>	<b>79</b>

**Increased Federal Support:** Federal State Operations spending was higher than projected due to greater than anticipated disbursements from prior year appropriations, for computer systems, child care, and the Commission for the Blind and Visually Handicapped.

**Lower Capital Projects Spending:** Resulted from slower than anticipated spending for child care and youth facility projects.



**MENTAL HYGIENE**

The Department of Mental Hygiene comprises three independent agencies - the Office of Mental Health (OMH), the Office of Mental Retardation and Developmental Disabilities (OMRDD), and the Office of Alcoholism and Substance Abuse Services (OASAS). Services are administered to individuals with mental illness, developmental disabilities, and chemical dependence through institutional and community-based settings. Specifically, OMH plans and operates an integrated system of mental health care that serves adults with serious and persistent mental illness and children with serious emotional disturbances. OMRDD serves individuals with developmental disabilities and their families. OASAS licenses and evaluates service providers and implements programs for the prevention, early intervention, treatment, and recovery from chemical dependence and compulsive gambling.

All three agencies provide services directly to their patients in State-operated facilities and indirectly through a network of community-based service providers, and receive reimbursement from Medicaid, Medicare and third-party insurance, commonly referred to as patient revenues. Patient revenues are pledged first to the payment of debt service on outstanding Mental Hygiene bonds, with the remaining revenues deposited into the Patient Income Account (PIA) and used to support a portion of General Fund costs of providing services.

<b>Mental Hygiene Spending</b> (millions of dollars)					
	<u>2004-05</u>	<u>2005-06</u>		<u>Over/(Under)</u>	
	<u>Actual</u>	<u>Enacted</u>	<u>Year-End</u>	<u>2004-05</u>	<u>Enacted</u>
<b>General Fund</b>	<b>2,494</b>	<b>2,468</b>	<b>2,522</b>	<b>28</b>	<b>54</b>
Other State Support	421	439	493	72	54
<b>State Funds</b>	<b>2,915</b>	<b>2,907</b>	<b>3,015</b>	<b>100</b>	<b>108</b>
Federal Funds	2,604	2,732	2,746	142	14
<b>All Funds</b>	<b>5,519</b>	<b>5,639</b>	<b>5,761</b>	<b>242</b>	<b>122</b>

All Funds spending for Mental Hygiene totaled \$5.8 billion in 2005-06, comprising of \$2.5 billion in General Fund spending, \$493 million in other State funding and \$2.7 billion in Federal funding. Total spending increased by \$242 million from the prior year and exceeded initial spending projections by \$122 million.

By agency, All Funds spending totaled \$2.9 billion in OMRDD, \$2.3 billion in OMH and \$483 million in OASAS. The State share of Medicaid spending included in the Department of Mental Hygiene totaled \$1.4 billion in 2005-06.

<b>Mental Hygiene</b>				
<b>Sources of Annual Spending Change</b>				
<b>(millions of dollars)</b>				
	<b>General Fund</b>	<b>Other State Funds</b>	<b>Federal Funds</b>	<b>All Funds</b>
<b>2004-05 Actual</b>	<b>2,494</b>	<b>421</b>	<b>2,604</b>	<b>5,519</b>
Local Program Enhancements	122	0	0	122
State Operations	117	0	0	117
Capital Program Spending	0	58	0	58
Increases in Patient Care Revenues	(142)	0	142	0
Extra Institutional Payroll	(69)	0	0	(69)
All Other	0	14	0	14
<b>2005-06 Results</b>	<b>2,522</b>	<b>493</b>	<b>2,746</b>	<b>5,761</b>
<b>Total Change 2004-05 to 2005-06</b>	<b>28</b>	<b>72</b>	<b>142</b>	<b>242</b>

**Local Program Enhancements:** Local services expansion and program enhancements including OMRDD's NYS-CARES program and OMH's Community based housing initiatives account for the majority of the annual growth.

**State Operations:** Annual growth is primarily attributable to scheduled wage increases under current labor contracts, salary grade changes, staffing adjustments and inflation.

**Capital Program Spending:** Higher spending is primarily attributable to growth in both the OMH and OMRDD capital programs necessary to preserve and maintain State institutions and support the on-going development of new community-based beds.

**Increases in Patient Care Revenues:** An increase in available patient care revenues resulting from enhanced trend factors, Medicaid rate adjustments, additional revenues for inpatient billings, and Medicare cost settlements reduced General Fund spending and increased Federal spending.

**Extra Institutional Payroll:** The 2004-05 fiscal year included a 27<sup>th</sup> institutional payroll resulting in a decline in 2005-06 personal service spending (which had 26 payrolls).

**All Other:** Growth in other State-supported funds spending is largely attributable to the NYS-OPTS initiative (\$17 million).

<b>Mental Hygiene</b>				
<b>Explanation of Major Variances -- Enacted to Year-End Results</b>				
<b>(millions of dollars)</b>				
	<b>General Fund</b>	<b>Other State Funds</b>	<b>Federal Funds</b>	<b>All Funds</b>
<b>2005-06 Enacted</b>	<b>2,468</b>	<b>439</b>	<b>2,732</b>	<b>5,639</b>
Capital Program Spending	0	69	0	69
Local Program Enhancements	46	0	0	46
Increased Federal Spending	0	0	14	14
Spending Delays	0	(16)	0	(16)
All Other	8	1	0	9
<b>2005-06 Results</b>	<b>2,522</b>	<b>493</b>	<b>2,746</b>	<b>5,761</b>
<b>Total Change From Enacted</b>	<b>54</b>	<b>54</b>	<b>14</b>	<b>122</b>

**Capital Program Spending:** Higher spending is primarily attributable to growth in the number of OMH and OMRDD projects necessary to maintain State and non-profit facilities to ensure the health and safety of clients.

**Local Program Enhancements:** Local program spending increased from the Enacted Budget primarily due to greater than anticipated local program payments.

**Increased Federal Spending:** Federal spending exceeded initial projections in OMRDD (\$7 million) and OMH (\$7 million).

**Spending Delays:** Underspending in other State-supported funds is primarily attributable to delays in various programs including OMH's enhanced community services program.

**All Other:** All other spending is primarily attributable to modest increases in State Operations spending.

**TRANSPORTATION**

New York's transportation network includes 239,000 lane miles of roads, 19,500 bridges, 4,000 railroad miles, 147 public-use airports, 12 major ports and over 70 mass transit systems. The State helps maintain and improve this extensive collection of assets through taxes, Federal grants, general obligation bonds, and bonds issued by public authorities pursuant to contractual agreements with the State. The Department of Transportation (DOT) directly maintains the more than 40,000 State highway lane miles and 7,500 bridges. In addition to State-owned transportation assets, DOT assists in funding projects for highways, bridges, transit systems and other transportation facilities which are owned by local governments.

<b>Transportation Spending</b> (millions of dollars)					
	<u>2004-05</u>	<u>2005-06</u>		<u>Over/(Under)</u>	
	<u>Actual</u>	<u>Enacted</u>	<u>Year-End</u>	<u>2004-05</u>	<u>Enacted</u>
<b>General Fund</b>	<b>113</b>	<b>108</b>	<b>149</b>	<b>36</b>	<b>41</b>
Other State Support	3,455	4,054	4,022	567	(32)
<b>State Funds</b>	<b>3,568</b>	<b>4,162</b>	<b>4,171</b>	<b>603</b>	<b>9</b>
Federal Funds	1,609	1,562	1,467	(142)	(95)
<b>All Funds</b>	<b>5,177</b>	<b>5,724</b>	<b>5,638</b>	<b>461</b>	<b>(86)</b>

DOT spending totaled \$5.6 billion in 2005-06, an increase of \$461 million (8.9 percent) over the 2004-05 fiscal year. Compared to spending projections at the time of the Enacted Budget, All Funds spending came in lower by \$86 million.

The variances from the 2005-06 Enacted Budget to year-end results and the sources of annual spending changes are described in more detail below.

<b>Transportation</b> <b>Sources of Annual Spending Change</b> (millions of dollars)				
	<u>General</u>	<u>Other</u>	<u>Federal</u>	<u>All</u>
	<u>Fund</u>	<u>State</u>	<u>Funds</u>	<u>Funds</u>
<b>2004-05 Actual</b>	<b>113</b>	<b>3,455</b>	<b>1,609</b>	<b>5,177</b>
GF Transit Savings	(9)			(9)
MTA Subsidy Acceleration	45	200		245
New Transit Revenues		306		306
Capital Projects Spending		61	(140)	(79)
Federal Support			(2)	(2)
<b>2005-06 Results</b>	<b>149</b>	<b>4,022</b>	<b>1,467</b>	<b>5,638</b>
<b>Total Change 2004-05 to 2005-06</b>	<b>36</b>	<b>567</b>	<b>(142)</b>	<b>461</b>

**General Fund Transit Savings:** Additional revenues in the Mass Transit Operating Assistance (MTOA) account were used to finance a portion of General Fund costs in 2005-06.

**MTA Acceleration:** The annual increase from 2004-05 in both the General Fund and Special Revenue Funds was primarily the result of an acceleration of spending from 2006-07 to 2005-06 (the prepayment of the General Fund Mass Transit Assistance School Subsidy and aid from the Metropolitan Transit Operating Assistance Fund).

**New Transit Revenues:** Spending in 2005-06 increased another \$306 million to help support several Mass Transit initiatives. This included funding from MTOA supported by MTA sales tax revenues. Included in the increase is a transfer of \$39 million from the Suburban Transportation Fund to the Additional Mass Transportation Assistance Program to help support the downstate commuter railroad system.

**Capital Projects Spending:** Annual All Funds spending from the Capital Projects Funds decreased by \$79 million (2.4 percent). This decrease includes lower spending from Federal grants, offset by higher Dedicated Highway and Bridge Trust Fund spending attributable to energy-related inflationary pressures, increased salary costs and increased engineering resources to support the 2005-10 capital plan.

**Federal Support:** Federal aid for non-capital programs declined modestly from the prior year.

Transportation				
Explanation of Major Variances -- Enacted to Year-End Results				
(millions of dollars)				
	General Fund	Other State Funds	Federal Funds	All Funds
<b>2005-06 Enacted</b>	<b>108</b>	<b>4,054</b>	<b>1,562</b>	<b>5,724</b>
MTA Acceleration	45	200		245
Transit Aid/Other	(4)	(51)		(55)
Capital Projects Spending		(181)	(101)	(282)
Federal Support			6	6
<b>2005-06 Results</b>	<b>149</b>	<b>4,022</b>	<b>1,467</b>	<b>5,638</b>
<b>Total Change From Enacted</b>	<b>41</b>	<b>(32)</b>	<b>(95)</b>	<b>(86)</b>

**MTA Acceleration:** The change from the Enacted Budget in both the General Fund and Special Revenue Funds was primarily the result of accelerated spending from 2006-07 to 2005-06 as described above.

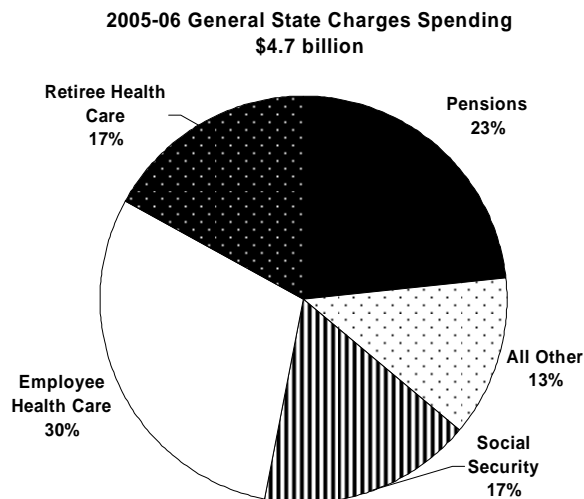
**Transit Aid/Other:** Savings in both the General Fund and Other State funds were due to lower than expected disbursements.

**Capital Projects Spending:** Transportation-related spending from the Capital Projects Funds totaled \$3.2 billion, a decrease of \$282 million (8.1 percent) from the Enacted projection. This decrease is primarily attributable to timing-related variances in the Dedicated Highway and Bridge Trust Fund and Federal funds, and a slower than anticipated ramp-up in spending for projects from the 2005 Transportation Bond Act.

**Federal Support:** Federal aid for non-capital programs increased modestly from the Enacted Budget.

## GENERAL STATE CHARGES

General State Charges account for the costs of fringe benefits to State employees and retirees of the Executive, legislative and judicial branches, as well as for tax payments related to public lands, litigation, and other areas. Fringe benefit payments, many of which are mandated by statute or collective bargaining agreements, include employer contributions for pensions, social security, health insurance, worker's compensation and unemployment insurance. Other costs, commonly referred to as fixed costs, include State payments-in-lieu-of-taxes to local governments for certain State-owned lands, and payments related to lawsuits against the State and its public officers.



Employee fringe benefits paid from the General Fund are financed primarily by General Fund revenues (84 percent) and supplemented with revenue from fringe benefit assessments on accounts financed by Federal and other dedicated revenue sources (16 percent). Fixed costs are paid in full by General Fund revenues. Ninety-five percent of General State Charges spending is State supported and the remaining five percent is federally-funded.

<b>General State Charges Spending</b> (millions of dollars)						
	<u>2004-05</u>		<u>2005-06</u>		<u>Over/(Under)</u>	
	<u>Actual</u>	<u>Enacted</u>	<u>Year-End</u>	<u>2004-05</u>	<u>Enacted</u>	
<b>General Fund</b>	3,653	4,050	3,975	322	(75)	
Other State Support	524	551	546	22	(5)	
<b>State Funds</b>	<b>4,177</b>	<b>4,601</b>	<b>4,521</b>	<b>344</b>	<b>(80)</b>	
Federal Funds	188	220	214	26	(6)	
<b>All Funds</b>	<b>4,365</b>	<b>4,821</b>	<b>4,735</b>	<b>370</b>	<b>(86)</b>	

All Funds spending for General State Charges totaled \$4.7 billion in 2005-06, a \$370 million increase over the prior fiscal year mainly due to escalating employer pension contributions and higher employee health insurance costs. Year-end results were \$86 million below initial projections.

The sources of annual spending changes and variances from the 2005-06 Enacted Budget to year-end results are described in more detail below.

General State Charges Sources of Annual Spending Change (millions of dollars)				
	General Fund	Other State Funds	Federal Funds	All Funds
<b>2004-05 Actual</b>	<b>3,653</b>	<b>524</b>	<b>188</b>	<b>4,365</b>
Pensions	241	0	0	241
Health Insurance	151	0	0	151
Social Security	33	0	0	33
All Other	(103)	22	26	(55)
<b>2005-06 Results</b>	<b>3,975</b>	<b>546</b>	<b>214</b>	<b>4,735</b>
<b>Total Change 2004-05 to 2005-06</b>	<b>322</b>	<b>22</b>	<b>26</b>	<b>370</b>

**Pension Costs:** State contributions to the New York State and Local Retirement Systems on behalf of employees for fiscal year 2005-06 increased \$241 million (28.9 percent) over the prior year to total \$1.1 billion. The employer pension contribution rate increased to 8.8 percent of payroll compared to 7.0 percent in 2004-05, which reflected a decrease in the amount amortized in 2005-06. In 2004-05, the actual pension costs reflected the deferral of a portion of the 2004 pension bill (roughly \$500 million) which is being amortized over ten years at an interest rate of 5 percent. In 2005-06, the actual pension costs reflected the deferral of a portion of the 2005 pension bill (roughly \$155 million). These actions were authorized to moderate the pension cost increases.

**Health Insurance:** The cost of providing health insurance to State employees and retirees totaled \$2.2 billion in 2005-06 (\$1.3 billion and \$887 million for employees and retirees, respectively). Growth in premium costs to cover the rising expense and utilization of employee health care, including escalating prescription drug costs, produced an annual increase of \$151 million.

**Social Security:** Social security costs increased by approximately \$33 million over the prior year driven by increases in salaries resulting from negotiated salary agreements and normal growth.

**All Other:** Primarily reflects an increase in non-General Fund agency payments which are used to reduce General Fund fringe benefits costs, resulting in lower General Fund costs.



<b>General State Charges</b>				
<b>Explanation of Major Variances -- Enacted to Actual Results</b>				
<b>(millions of dollars)</b>				
	<b>General Fund</b>	<b>Other State Funds</b>	<b>Federal Funds</b>	<b>All Funds</b>
<b>2005-06 Enacted</b>	<b>4,050</b>	<b>551</b>	<b>220</b>	<b>4,821</b>
Collective bargaining	(36)	(28)	0	(64)
Health Insurance	(37)	0	0	(37)
Judgments Against the State	(21)	0	0	(21)
All Other	19	23	(6)	36
<b>2005-06 Results</b>	<b>3,975</b>	<b>546</b>	<b>214</b>	<b>4,735</b>
<b>Total Change From Enacted</b>	<b>(75)</b>	<b>(5)</b>	<b>(6)</b>	<b>(86)</b>

All Funds spending results for General State Charges declined \$86 million (1.8 percent) from the Enacted Budget projections. The variance is primarily attributable to lower payments for health insurance costs resulting from more favorable claims experience (\$37 million) and for judgments against the State (\$21 million). In addition, initial projections assumed increases for unsettled collective bargaining agreements under negotiation, including the New York State Correctional Officers and Police Benevolent Association (NYSCOPBA), in 2005-06; an agreement was not reached until 2006-07 thus reducing All Funds spending (\$64 million). Modest increases in several categories of fringe benefit and fixed costs, including workers compensation, taxes on public lands and payments made pursuant to the Public Officers Law offset these declines.

**DEBT SERVICE**

The State pays debt service on all outstanding State-supported bonds. These include general obligation bonds, for which the State is constitutionally obligated to pay debt service, as well as bonds issued by State public authorities (e.g., Empire State Development Corporation, Dormitory Authority of the State of New York, Thruway Authority, and the Local Government Assistance Corporation (LGAC)) for which the State is contractually obligated to pay debt service, subject to an appropriation. Depending on the credit structure, debt service is financed through transfers from the General Fund, dedicated taxes and fees, and other resources, such as patient income revenues.

<b>Debt Service Spending</b> (millions of dollars)					
	<b>2004-05</b>	<b>2005-06</b>		<b>Over/(Under)</b>	
	<u>Actual</u>	<u>Enacted</u>	<u>Year-End</u>	<u>2004-05</u>	<u>Enacted</u>
<b>General Fund</b>	<b>1,731</b>	<b>1,667</b>	<b>1,710</b>	<b>(21)</b>	<b>43</b>
Other State Support	2,057	2,176	1,991	(66)	(185)
<b>All Funds</b>	<b>3,788</b>	<b>3,843</b>	<b>3,701</b>	<b>(87)</b>	<b>(142)</b>

Debt service costs totaled \$3.7 billion in 2005-06, an \$87 million decrease from the prior fiscal year. Compared to the initial projections at the time of the Enacted Budget, debt service costs declined by \$141 million.

The variances from the 2005-06 Enacted Budget to year-end results and the sources of annual spending changes are described in more detail below.

<b>Debt Service</b> <b>Sources of Annual Spending Change</b> (millions of dollars)			
	<b>General Fund</b>	<b>State Funds</b>	<b>All Funds</b>
<b>2004-05 Actual</b>	<b>1,731</b>	<b>2,057</b>	<b>3,788</b>
General Debt Service Fund	(21)	150	129
Dedicated Highway	0	(234)	(234)
Mental Health	0	32	32
LGAC	0	7	7
All Other	0	(21)	(21)
<b>2005-06 Results</b>	<b>1,710</b>	<b>1,991</b>	<b>3,701</b>
<b>Total Change 2004-05 to 2005-06</b>	<b>(21)</b>	<b>(66)</b>	<b>(87)</b>

**2005-06 Year-End Report**

Compared to 2004-05, debt service disbursements for 2005-06 decreased primarily due to reduced debt service costs in the Dedicated Highway and Bridge Trust Fund (costs which are reclassified into the General Debt Service Fund) due to the 2005 restructuring which lowered initial debt service costs. In addition, savings were realized from refundings and other debt management initiatives, which reduced the size of year-to-year increases in other debt service funds.

<b>Debt Service</b>			
<b>Explanation of Major Variances -- Enacted to Year-End Results</b>			
<b>(millions of dollars)</b>			
	<b>General Fund</b>	<b>Other State Funds</b>	<b>All Funds</b>
<b>2005-06 Enacted</b>	<b>1,667</b>	<b>2,176</b>	<b>3,843</b>
General Debt Service Fund	43	(102)	(59)
Dedicated Highway	0	(23)	(23)
Mental Health	0	(22)	(22)
LGAC	0	(15)	(15)
All Other	0	(23)	(23)
<b>2005-06 Results</b>	<b>1,710</b>	<b>1,991</b>	<b>3,701</b>
<b>Total Change From Enacted</b>	<b>43</b>	<b>(185)</b>	<b>(142)</b>

Compared to the Enacted Budget Financial Plan estimate, total disbursements for debt service were \$142 million below projections on an All Funds basis. General Fund costs increased by \$43 million, while debt service spending in other State funds decreased by \$185 million. This was attributable to a combination of several factors, including lower than anticipated bond-financed capital spending, changes in the timing of bond sales, savings from refundings and other debt management initiatives, and greater than anticipated savings from the Dedicated Highway restructuring.

## **HEALTH CARE REFORM ACT FINANCIAL PLAN**

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The following provides a 2005-06 summary for the HCRA program and related information regarding receipts and disbursements. Specifically, the information compares preliminary year-end results to three mileposts: (i) 2004-05 actual results; (ii) projections included in the 2005-06 Enacted Budget Financial Plan; and, (iii) the latest estimates for the 2005-06 fiscal year contained in the 2006-07 Executive Budget, as amended.

The 2005-06 Enacted Budget extended the HCRA authorization through June 30, 2007, and created a new HCRA Resources Fund. As a result, all of HCRA is now “on budget” (i.e., accounted for in the All Governmental Funds Financial Plan). Prior to 2005-06, roughly 25 percent of spending (roughly \$900 million in 2004-05) financed through HCRA was “off budget” (i.e., outside the Financial Plan). HCRA spending can be found in the following functions: Medicaid; Public Health; the State Office for the Aging; and the Office of Mental Health.

### **OVERVIEW**

HCRA was established in 1996 to improve the financing system for hospitals and consolidate a range of health care expansion programs. Subsequent extensions and modifications of HCRA enabling legislation have initiated new health care programs including the Family Health Plus Program (FHP) and Healthy New York, and provided additional funding for the expansion of existing programs such as Child Health Plus (CHP) program. HCRA has also provided financing for the health care industry, including investments in worker recruitment and retention and in the Health Care Equity and Affordability Law for New Yorkers (HEAL NY).

Over time, spending levels in major entitlement programs, such as CHP, FHP, and EPIC, have increased, placing added pressure on recurring revenues to keep pace with rising demands. In 2005-06, the receipt of over \$2.7 billion in conversion proceeds resulted in a sizeable balance at March 31, 2006.

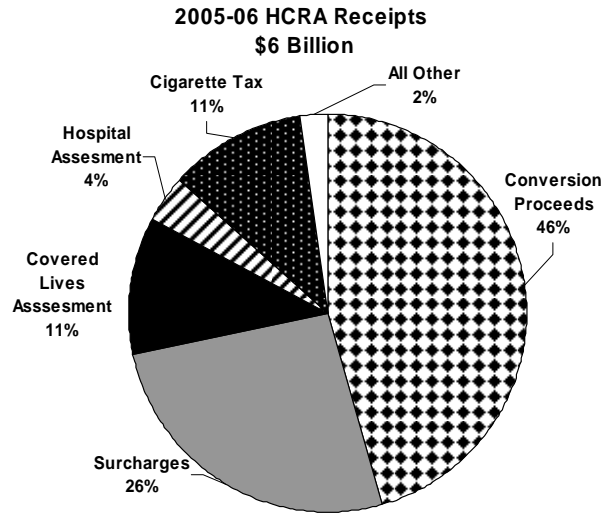
2005-06 Year-End Report

<b>HCRA Financial Plan</b> (millions of dollars)					
	<u>2004-05</u>	<u>2005-06</u>		<u>Over/(Under)</u>	
	<u>Actual</u>	<u>Enacted</u>	<u>Results</u>	<u>2004-05</u>	<u>Enacted</u>
<b>Opening Balance <sup>1</sup></b>	<b>430</b>	<b>164</b>	<b>412</b>	<b>(18)</b>	<b>248</b>
Conversion Proceeds	0	1,842	2,743	2,743	901
New Conversion Proceeds	0	400	0	0	(400)
Surcharges	1,601	1,591	1,560	(41)	(31)
Covered Lives Assessment	724	737	682	(42)	(55)
Hospital Assessment (1 percent)	232	192	223	(9)	31
Cigarette Tax Revenue	573	561	571	(2)	10
All Other	716	432	235	(481)	(197)
<b>Total Receipts</b>	<b>3,846</b>	<b>5,755</b>	<b>6,014</b>	<b>2,168</b>	<b>259</b>
Medicaid Assistance Account	1,372	2,651	1,985	613	(666)
HCRA Program Account (incl. GME)	904	848	869	(35)	21
Hospital Indigent Care	831	853	819	(12)	(34)
EPIC	462	570	541	79	(29)
Child Health Plus	301	349	345	44	(4)
Public Health Programs	101	142	129	28	(13)
Mental Health Programs	98	88	86	(12)	(2)
All Other	43	64	52	9	(12)
<b>Total Disbursements</b>	<b>4,112</b>	<b>5,565</b>	<b>4,826</b>	<b>714</b>	<b>(739)</b>
<b>Change in Fund Balance</b>	<b>(266)</b>	<b>190</b>	<b>1,188</b>	<b>1,454</b>	<b>998</b>
<b>Closing Balance</b>	<b>164</b>	<b>354</b>	<b>1,600</b>	<b>1,436</b>	<b>1,246</b>

<sup>1</sup> The actual 2005-06 HCRA opening balance was increased by \$248 million to reflect balances in existing HCRA financed special revenue funds that were previously reported elsewhere in the State Financial Plan before all HCRA activity was included "on-budget" beginning April 1, 2005.

**HCRA RECEIPTS**

HCRA receipts include recurring surcharges and assessments on hospital revenues, a “covered lives” assessment paid by insurance carriers, a portion of cigarette tax revenues, and other revenues dedicated by statute, as well as proceeds from insurance company conversions.



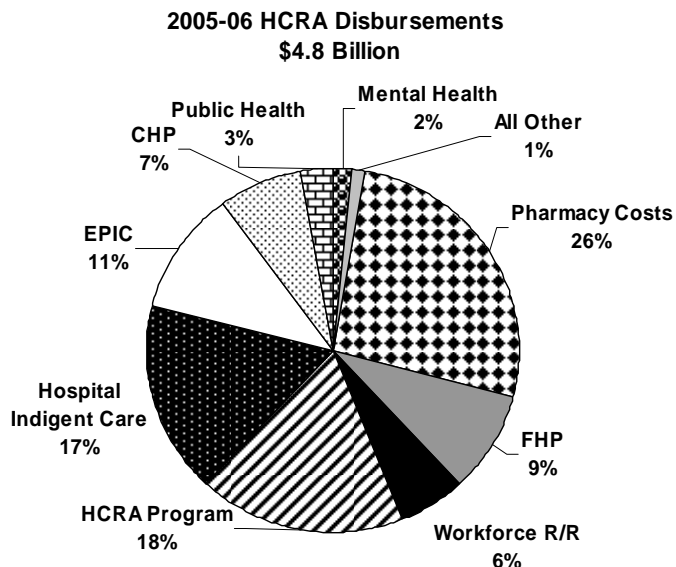
HCRA Receipts (millions of dollars)						
	2004-05		2005-06		Over/(Under)	
	Actual	Enacted	Results	2004-05	Enacted	
Conversion Proceeds	0	1,842	2,743	2,743	901	
New Conversion Proceeds	0	400	0	0	(400)	
Surcharges	1,601	1,591	1,560	(41)	(31)	
Covered Lives Assessment	724	737	682	(42)	(55)	
Hospital Assessment (1 percent)	232	192	223	(9)	31	
Cigarette Tax Revenue	573	561	571	(2)	10	
All Other	716	432	235	(481)	(197)	
<b>Total Receipts</b>	<b>3,846</b>	<b>5,755</b>	<b>6,014</b>	<b>2,168</b>	<b>259</b>	

HCRA receipts totaled \$6 billion in 2005-06, an increase of \$2.2 billion over the prior year. This increase is mainly due to the influx of \$2.7 billion in proceeds related to health care conversions in 2005-06 that included \$754 million in proceeds that had been received in prior years but set aside pending the resolution of ongoing litigation and another \$2.0 billion from the merger of WellChoice and WellPoint. The planned use of these proceeds reflects the divestiture of a portion of remaining WellPoint stock received as part of the merger.

Year-end results exceeded initial projections by \$259 million (4.5 percent), primarily due to higher than expected proceeds from the WellPoint merger partially offset by revisions to all other revenue sources.

## HCRA DISBURSEMENTS

HCRA provides support for various Medicaid, public health care and mental health programs such as hospital indigent care, EPIC, FHP, CHP, provider workforce recruitment and retention funds, Medicaid pharmacy costs, Graduate Medical Education, excess medical malpractice payments, Healthy New York, subsidy payments to the Roswell Park Cancer Institute, and various anti-tobacco and cancer related programs.



<b>HCRA Disbursements (millions of dollars)</b>						
	<u>2004-05</u>		<u>2005-06</u>		<u>Over/(Under)</u>	
	<u>Actual</u>	<u>Enacted</u>	<u>Results</u>	<u>2004-05</u>	<u>Enacted</u>	
Medicaid Assistance Account:	1,372	2,651	1,985	613	(666)	
<i>Pharmacy Costs</i>	396	1,261	498	102	(763)	
<i>Family Health Plus</i>	302	426	438	136	12	
<i>Workforce Recruitment &amp; Retraining</i>	238	344	279	41	(65)	
<i>All Other</i>	436	620	770	334	150	
HCRA Program Account	904	848	869	(35)	21	
Hospital Indigent Care	831	853	819	(12)	(34)	
EPIC	462	570	541	79	(29)	
Child Health Plus	301	349	345	44	(4)	
Public Health Programs	101	142	129	28	(13)	
Mental Health Programs	98	88	86	(12)	(2)	
All Other	43	64	52	9	(12)	
<b>Total Disbursements</b>	<b>4,112</b>	<b>5,565</b>	<b>4,826</b>	<b>714</b>	<b>(739)</b>	

Disbursements totaled \$4.8 billion in 2005-06, an increase of \$714 million from 2004-05 actual results. This increase is almost entirely due to higher spending on Medicaid costs and includes growth in Medicaid financing including pharmacy costs (\$102 million), FHP (\$136 million), and workforce recruitment and retraining (\$41 million).

Year-end results were \$739 million below the initial forecast. The single largest variance includes the impact of \$500 million in lower spending due to the timing of Medicaid payments which were originally planned for 2005-06 but which will now occur in 2006-07. This transaction results in a more stable level of spending by HCRA out of the Medicaid Assistance Account.

**SUMMARY OF CHANGES SINCE THE 30-DAY PLAN****REVENUE RESULTS VS. 30-DAY ESTIMATES**

The table below summarizes the largest receipts variances from the 30-day Financial Plan to year-end results for 2005-06.

<b>2005-06 Receipts -- 30-Day to Year-End Results</b>		
<b>Major Sources of Variance</b>		
<b>(millions of dollars)</b>		
	<b>General Fund</b>	<b>All Funds</b>
<b>30-Day Estimate</b>	<b>47,981</b>	<b>108,133</b>
Local Government Reimbursements	(457)	(457)
Abandoned Property	(250)	(250)
Personal income tax	(127)	(175)
PASNY	(75)	(75)
Other taxes	(14)	(5)
AIG settlement	100	100
User taxes and fees	2	141
Business taxes	61	159
All Other	(15)	(544)
<b>Year-End Results</b>	<b>47,206</b>	<b>107,027</b>
<i>Dollar Change</i>	<i>(775)</i>	<i>(1,106)</i>
<i>Percent Change</i>	<i>-1.6%</i>	<i>-1.0%</i>

On an All Funds basis, the year-end results were below the last public estimate for total receipts by \$1.1 billion (1 percent) including a \$775 million variance in the General Fund. The variance is mainly due to several payments that were not received in 2005-06 including a payment from New York City totaling roughly \$450 million that is subject to ongoing negotiations, abandoned property revenues totaling \$250 million, and a payment of \$75 million from the Power Authority of the State of New York (PASNY). In addition, the State received an unexpected payment of \$100 million from the American International Group Inc. settlement.

The remaining variances primarily comprise lower-than-expected personal income tax (PIT), estate tax, and Federal aid, partially offset by higher-than-expected business tax and user taxes and fees. The decrease reflects lower-than-estimated

The detailed reasons for the variances are consistent with those described earlier in this Report.



**SPENDING RESULTS VS. 30-DAY ESTIMATES**

The table below summarizes the largest spending variances from the 30-day Financial Plan to year-end results for 2005-06.

<b>2005-06 Spending -- 30-Day to Year-End Results</b>					
<b>Major Sources of Variance</b>					
<b>(millions of dollars)</b>					
	<b>General Fund</b>	<b>Other State Funds</b>	<b>State Funds</b>	<b>Federal Funds</b>	<b>All Funds</b>
<b>30-Day Estimate</b>	<b>47,226</b>	<b>23,205</b>	<b>70,431</b>	<b>35,789</b>	<b>106,220</b>
Federal Aid Delays	(26)	(64)	(90)	(750)	(840)
Lower NYC aid	(428)	0	(428)	0	(428)
Federal Child Services Revision	0	0	0	(379)	(379)
Criminal Justice Grants	0	0	0	(256)	(256)
Other Education Aid	(86)	2	(84)	20	(64)
Local Public Health/EI	(50)	0	(50)	0	(50)
Federal School Aid	0	0	0	230	230
All Other	(141)	85	(56)	(36)	(92)
<b>Year-End Results</b>	<b>46,495</b>	<b>23,228</b>	<b>69,723</b>	<b>34,618</b>	<b>104,341</b>
<i>Dollar Change</i>	<i>(731)</i>	<i>23</i>	<i>(708)</i>	<i>(1,171)</i>	<i>(1,879)</i>
<i>Percent Change</i>	<i>-1.5%</i>	<i>0.1%</i>	<i>-1.0%</i>	<i>-3.3%</i>	<i>-1.8%</i>

On an All Funds basis, year-end results differed from the 30-day estimates due mainly to a delay in Federal approval of certain direct payments to hospitals, a less than planned 2005-06 payment to New York City related to CUNY costs, technical adjustments to Federal aid for social services programs, slower than expected spending under the Federal Homeland Security Grant program, lower than anticipated county claiming for reimbursement of a share of the costs of administering public health programs, and higher than anticipated Federal aid for schools.

Spending results also varied from the most recent projections as a result of several accounting "reclassifications" of spending between agencies, fund types, and financial plan categories that are generally unrelated to program trends.

## 2005-06 GOVERNMENTAL FUNDS FINANCIAL PLAN (FUND TYPE)

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This section provides a summary of the 2005-06 year-end results from the perspective of each of the four major fund types that comprise All Funds: the General Fund, Special Revenue Funds, Capital Projects Funds, and Debt Service Funds. A detailed discussion of the annual changes in receipts and disbursements is provided earlier in this Year-End Report under the sections entitled "Detailed Review of 2005-06 Revenue Results" and "Detailed Review of 2005-06 Spending Results."

### GENERAL FUND

#### Receipts

General Fund Receipts (millions of dollars)				
	2004-05	2005-06	Annual Change	Percent Change
Taxes	32,507	35,304	2,797	8.6%
Miscellaneous Receipts	2,217	2,018	(199)	-9.0%
Federal Grants	9	11	2	22.2%
Transfers From Other Funds	9,130	9,873	743	8.1%
<b>Total Receipts</b>	<b>43,863</b>	<b>47,206</b>	<b>3,343</b>	<b>7.6%</b>

General Fund receipts, including transfers from other funds, totaled \$47.2 billion in 2005-06, an increase of \$3.3 billion (7.6 percent) from 2004-05 mainly due to strong growth in taxes including personal income, business, and sales taxes.

## Disbursements

<b>General Fund Disbursements</b> (millions of dollars)				
	<b>2004-05</b>	<b>2005-06</b>	<b>Annual Change</b>	<b>Percent Change</b>
<b>Grants to Local Governments</b>	<b>29,493</b>	<b>31,287</b>	<b>1,794</b>	<b>6.1%</b>
School Aid	12,759	13,500	741	5.8%
Medicaid	6,953	8,291	1,338	19.2%
Higher Education	2,051	1,782	(269)	-13.1%
All Other Education	1,370	1,448	78	5.7%
Mental Hygiene	1,692	1,438	(254)	-15.0%
Welfare	1,440	1,251	(189)	-13.1%
OCFS	1,111	1,251	140	12.6%
All Other	2,117	2,327	210	9.9%
<b>State Operations</b>	<b>7,565</b>	<b>8,160</b>	<b>595</b>	<b>7.9%</b>
Personal Service	5,553	5,705	152	2.7%
Non-Personal Service	2,012	2,455	443	22.0%
General State Charges	3,653	3,975	322	8.8%
Debt Service	1,731	1,710	(21)	-1.2%
Capital Projects	197	286	89	45.2%
All Other Transfers	980	1,077	97	9.9%
<b>Total Disbursements</b>	<b>43,619</b>	<b>46,495</b>	<b>2,876</b>	<b>6.6%</b>

General Fund disbursements, including transfers to other funds, totaled \$46.5 billion in 2005-06, an increase of \$2.9 billion (6.6 percent) from the prior year. The major causes of the annual change are summarized below.

Grants to Local Governments include financial aid to local governments and non-profit organizations, as well as certain benefits to individuals. The local assistance spending increase of \$1.8 billion is mainly due to increases in Medicaid and school aid.

State Operations, which accounts for the cost of running the Executive, Legislative, and Judicial branches of government, increased \$595 million from the prior year. Personal service costs (e.g., the State employee payroll) comprise 70 percent of State Operations spending and the remaining 30 percent represents non-personal service costs for contracts, rent, supplies, and other operating expenses. Increased personal service spending primarily reflects scheduled wage increases under current labor contracts, normal salary increments, and salary grade changes. Non-personal service spending growth includes a decline in other financing sources, including patient income revenues used to reduce General Fund costs (158 million), inflationary growth (roughly \$75 million), and higher energy and fuel costs (roughly \$100 million).

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

increased \$322 million (8.8 percent) over the prior year mainly due to higher employer pension contributions and health insurance costs.

General Fund support for debt service costs decreased modestly by \$21 million from 2004-05. Transfers to support capital projects increased by \$89 million, due mainly to delays in reimbursements for bond-financed spending and increased annual capital spending for several agencies. Growth in all other transfers primarily reflects additional support for education.

**SPECIAL REVENUE FUNDS**

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

**Receipts**

Special Revenue Funds Receipts (millions of dollars)				
	2004-05	2005-06	Annual Change	Percent Change
Taxes	4,858	6,057	1,199	24.7%
Miscellaneous Receipts	11,115	13,767	2,652	23.9%
Federal Grants	34,492	33,363	(1,129)	-3.3%
<b>Total Receipts</b>	<b>50,465</b>	<b>53,187</b>	<b>2,722</b>	<b>5.4%</b>

Total 2005-06 Special Revenue Fund receipts increased by \$2.7 billion (5.4 percent) from the prior year. The change is comprised of growth in miscellaneous receipts (\$2.7 billion) and taxes (\$1.2 billion), offset by a decrease in Federal grants (\$1.1 billion). The major reasons for annual receipt changes are summarized below.

Tax receipts growth primarily includes cigarette tax receipts supporting HCRA spending resulting from the inclusion of all HCRA activity “on-budget” in 2005-06 (\$571 million), growth in tax receipts dedicated to Mass Transit (\$387 million) and additional taxes dedicated to support the STAR program (\$154 million). The annual increase in miscellaneous receipts is mainly due to the receipt of \$2.7 billion in health care conversion proceeds in 2005-06 that will be used to finance health care costs. The decrease in Federal grants, which generally corresponds to changes in federally-reimbursed spending, includes the phase-out of Federal grants attributable to spending directly related to the September 11<sup>th</sup> attack.

## Disbursements

<b>Special Revenue Funds Disbursements</b> (millions of dollars)				
	<b>2004-05</b>	<b>2005-06</b>	<b>Annual Change</b>	<b>Percent Change</b>
<b>Grants to Local Governments</b>	<b>42,643</b>	<b>43,010</b>	<b>367</b>	<b>0.9%</b>
Medicaid	22,402	21,919	(483)	-2.2%
School Aid	4,763	5,051	288	6.0%
STAR	3,059	3,213	154	5.0%
Transportation	1,733	2,232	499	28.8%
Social Services	3,630	3,614	(16)	-0.4%
Public Health	2,163	3,004	841	38.9%
Mental Hygiene	989	1,365	376	38.0%
All Other	3,904	2,612	(1,292)	-33.1%
<b>State Operations</b>	<b>8,095</b>	<b>8,217</b>	<b>122</b>	<b>1.5%</b>
Personal Service	4,958	4,946	(12)	-0.2%
Non-Personal Service	3,137	3,271	134	4.3%
<b>General State Charges</b>	<b>712</b>	<b>760</b>	<b>48</b>	<b>6.7%</b>
<b>Capital Projects</b>	<b>11</b>	<b>41</b>	<b>30</b>	<b>272.7%</b>
<b>Total Disbursements</b>	<b>51,461</b>	<b>52,028</b>	<b>567</b>	<b>1.1%</b>

Special Revenue Fund disbursements totaled \$52.0 billion, an increase of \$567 million (1.1 percent) from 2004-05. The major causes of annual changes are summarized below.

Grants to Local Governments increased \$367 million from 2004-05 actuals reflecting growth in various program areas including public health due to the inclusion of all of HCRA "on-budget", offset by a decrease in Federal spending attributable to the World Trade Center attacks (\$1.3 billion) and Medicaid.

State Operations disbursements increased by \$122 million from 2004-05 after the reclassification of Mental Hygiene spending that supports General Fund costs from state operations to local assistance (\$400 million). The annual growth includes higher personal service costs due to collective bargaining agreements and performance advances (\$255 million), and an increase in revenues available to finance costs in the mental hygiene programs (\$164 million).

Disbursements for General State Charges increased by \$48 million (6.7 percent) from the prior year mainly due to growing employer pension contributions and higher health insurance costs.

**Other Financing Sources/(Uses)**

<b>Special Revenue Funds Other Financing Sources/(Uses)</b>				
<b>(millions of dollars)</b>				
	<b>2004-05</b>	<b>2005-06</b>	<b>Annual Change</b>	<b>Percent Change</b>
Transfers From Other Funds	3,614	3,856	242	6.7%
Transfers To Other Funds	(2,796)	(2,826)	(30)	1.1%
<b>Net Other Financing Sources (Uses)</b>	<b>818</b>	<b>1,030</b>	<b>212</b>	<b>25.9%</b>

Transfers from other funds increased by \$242 million largely due to non-recurring transfers from the General Fund to the Lottery Fund to support a shortfall in receipts (\$183 million) and the VLT Fund to supplement receipts until VLTs become fully operational at Yonkers and Aqueduct racetracks that will be utilized for SBE costs in 2006-07 (\$130 million).

Transfers to other funds increased by \$30 million from 2004-05 mainly due to an increase in transfers received from the Tribal State Compact Account (\$27 million) and a net increase in total fund sweeps (\$19 million).

**CAPITAL PROJECTS FUNDS**

The following section summarizes activity in the Capital Projects Fund type. For a complete explanation of the State's capital and debt programs, see the updated "Capital Program and Financing Plan."

The Capital Projects Fund group accounts for spending from the Capital Projects Fund, which is supported by a transfer from the General Fund, and spending from other funds for specific purposes, including transportation, mental health, housing, public protection, education, economic development and the environment.

The following tables for capital projects reflect accounting adjustments for certain capital spending that is not reported by the State Comptroller in actual cash spending results, but is reported in the State's Generally Accepted Accounting Principles Financial Statements. The "unreported" spending is related to programs which are financed directly from bond proceeds which are on deposit at various public authorities, rather than from a short-term loan from Short-Term Investment Pool or cash from the General Fund. This capital spending totaled roughly \$1.0 billion in both 2004-05 and 2005-06.

Receipts

<b>Capital Projects Fund Receipts</b> (millions of dollars)				
	<b>2004-05</b>	<b>2005-06</b>	<b>Annual Change</b>	<b>Percent Change</b>
Taxes	1,862	1,941	79	4.2%
Miscellaneous Receipts	2,783	2,731	(52)	-1.9%
Federal Grants	1,721	1,766	45	2.6%
<b>Total Receipts</b>	<b>6,366</b>	<b>6,438</b>	<b>72</b>	<b>1.1%</b>
GAAP Adjustment	(1,024)	(1,017)	7	-0.7%
<b>Financial Plan Total</b>	<b>5,342</b>	<b>5,421</b>	<b>79</b>	<b>1.5%</b>

Capital Projects Fund receipts include dedicated tax receipts from highway-related taxes deposited into the Dedicated Highway and Bridge Trust Fund, and real estate transfer taxes deposited into the Environmental Protection Fund. Miscellaneous receipts include bond proceeds that finance capital projects across all functional areas, as well as other fees, including State park fees, industry-specific environmental fees, and receipts from the sale of surplus land. Federal grants reflect reimbursements for State spending advanced pursuant to agreements with various Federal agencies.

Total Capital Projects Fund receipts (prior to adjustments) were \$6.4 billion in 2005-06, an increase of \$72 million from 2004-05 actual results. This increase comprises growth in taxes deposited to the Capital Projects Fund due mainly to highway-related taxes deposited to the Dedicated Highway and Bridge Trust Fund and additional Federal aid, offset by a decline in miscellaneous receipts primarily due to public authority bond proceeds to support various program spending.

## Disbursements

Capital Projects Fund Disbursements (millions of dollars)				
	2004-05	2005-06	Annual Change	Percent Change
Transportation	3,426	3,425	(1)	0.0%
Parks and Environment	480	500	20	4.2%
Economic Development and Govt Oversight	408	501	93	22.8%
Health and Social Welfare	103	154	51	49.5%
Education	667	725	58	8.7%
Public Protection	206	285	79	38.3%
Mental Hygiene	297	355	58	19.5%
General Government	90	116	26	28.9%
Other	43	88	45	104.7%
<b>Total Disbursements</b>	<b>5,720</b>	<b>6,149</b>	<b>429</b>	<b>7.5%</b>
GAAP Adjustment	(1,024)	(1,017)	7	-0.7%
<b>Financial Plan Total</b>	<b>4,696</b>	<b>5,132</b>	<b>436</b>	<b>9.3%</b>

Spending from the Capital Projects Fund (prior to adjustments) totaled over \$6.1 billion in 2005-06, an increase of \$429 million. These increases primarily reflect bond-financed capital spending for new economic development and higher education initiatives across the State. The increases also reflect the continuing emphasis to protect and maintain the State's existing capital facilities and environment.

## Other Financing Sources/(Uses)

Capital Projects Funds Other Financing Sources (Uses) (millions of dollars)				
	2004-05	2005-06	Annual Change	Percent Change
Transfers From Other Funds	217	279	62	28.6%
Transfers To Other Funds	(1,006)	(877)	129	-12.8%
Bond Proceeds	178	159	(19)	-10.7%
<b>Net Other Financing Sources (Uses)</b>	<b>(611)</b>	<b>(439)</b>	<b>173</b>	<b>-28.3%</b>

Transfers from other funds increased by \$62 million from 2004-05 primarily due to an increase in General Fund support for various Capital Projects Funds to support higher pay-as-you-go capital spending across agencies.

Transfers to other funds declined by \$129 million from 2004-05 reflecting reduced debt service costs attributable to the restructuring of bonds in the Dedicated Highway and Bridge Trust Fund, offset by increases in cash transfers from the Environmental Protection Fund and the Suburban Transportation Fund.

Bond proceeds reflect the revenues from the sale of General Obligation bonds that are issued pursuant to voter approval, and thus exclude bonds issued for the State by



public authorities pursuant to contractual agreements. The annual decline in bond proceeds of \$19 million primarily reflects decreased spending activity for bonded programs.

### **DEBT SERVICE FUNDS**

Debt Service Funds are used to account for all receipts, transfers and debt service payments made on State-supported bonds. State-supported bonds include general obligation bonds, for which the State is constitutionally obligated to pay debt service, as well as bonds issued by State public authorities (e.g., Empire State Development Corporation, Dormitory Authority of the State of New York, Thruway Authority, and LGAC) for which the State is contractually obligated to pay debt service, subject to an appropriation. Debt service is paid through transfers from the General Fund, dedicated taxes and fees, and other resources, such as patient income revenues.

Receipts in excess of those required to satisfy the State's debt service obligations are transferred to the General Fund or to other funds to support capital or operating disbursements.

### **Receipts**

<b>Debt Service Funds Receipts</b> (millions of dollars)				
	<u>2004-05</u>	<u>2005-06</u>	<u>Annual Change</u>	<u>Percent Change</u>
Taxes	9,371	10,341	970	10.4%
Miscellaneous Receipts	768	745	(23)	-3.0%
<b>Total Receipts</b>	<b>10,139</b>	<b>11,086</b>	<b>947</b>	<b>9.3%</b>

Total Debt Service Funds receipts were \$11.1 billion in 2005-06, an increase of \$947 million (9.3 percent) from 2004-05. The annual growth is due to increases in dedicated taxes (\$970 million) offset by decreases in miscellaneous receipts (\$23 million). These changes are described in more detail below.

The increase in taxes deposited to the Debt Service Funds is attributable to growth in dedicated personal income tax receipts deposited to the RBTF (\$640 million), growth in sales and use taxes deposited to the Local Government Assistance Tax Fund (\$122 million), and increased real estate transfer taxes deposited to the Clean Water/Clean Air Fund (\$208 million).

Miscellaneous receipts declined from 2004-05 due to higher receipts from SUNY dormitory fees (\$24 million) offset by less patient income for health and mental hygiene facilities (\$44 million), as well as reduced receipts for general obligation housing and LGAC bonds (\$3 million).

## Disbursements

Debt Service Funds Disbursements (millions of dollars)				
	2004-05	2005-06	Annual Change	Percent Change
General Debt Service Fund	2,414	2,573	159	6.6%
Dedicated Highway	708	474	(234)	-33.1%
LGAC	312	321	9	2.9%
Mental Health	256	288	32	12.5%
All Other	110	103	(7)	-6.4%
<b>Total Disbursements</b>	<b>3,800</b>	<b>3,759</b>	<b>(41)</b>	<b>-1.1%</b>

Total disbursements from the Debt Service Funds decreased by \$41 million (1.1 percent) from 2004-05. The decrease primarily reflects savings on debt service costs due to refundings and other debt management initiatives, as well as the restructuring of the Dedicated Highway and Bridge Trust Fund bonds. The State also continues to use highly rated PIT revenue bonds in lieu of more costly service contract bonds.

General Debt Service Fund spending, which includes the RBTF, increased by \$159 million from the prior year. The overall increase primarily reflects higher debt service costs for ongoing bond-financed capital projects offset by savings from continuing debt management initiatives.

Spending from the Dedicated Highway and Bridge Trust Fund, which the Comptroller reclassifies to the General Debt Service Fund, decreased by \$234 million in 2005-06. This primarily reflects the 2005 restructuring of existing bonds to better match the projects' useful lives.

Debt service and related costs on LGAC bonds increased by a modest amount from 2004-05. Local aid payments due to the State Tax Asset Receivable Corporation are paid from the Local Government Assistance Tax Fund after all LGAC debt and related obligations are met, and are reflected in the local assistance portion of the Financial Plan.

Mental Health debt service costs increased by \$32 million from 2004-05 levels due to new issuances to support the Mental Health capital program coupled with lower recurring refunding savings.

All other debt service spending includes the Health Income Fund, Housing Debt Fund, and the SUNY Dormitory Income Fund. The modest decrease in spending from 2004-05 is largely attributable to reduced debt service for SUNY dormitory bonds.

## Other Financing Sources/(Uses)

Debt Service Funds Other Financing Sources (Uses)				
(millions of dollars)				
	2004-05	2005-06	Annual Change	Percent Change
Transfers From Other Funds	5,134	5,168	34	0.7%
Transfers To Other Funds	(11,464)	(12,458)	(994)	8.7%
<b>Net Other Financing Sources (Uses)</b>	<b>(6,330)</b>	<b>(7,290)</b>	<b>(960)</b>	<b>15.2%</b>

Transfers from other funds increased by \$34 million from 2004-05 reflecting increased transfers from the Federal Health and Human Services Special Revenue Funds to the Mental Health Services Fund (\$151 million) and modest increases in various other transfers, offset by reduced transfers from the Dedicated Highway and Bridge Trust Fund to the General Debt Service Fund (\$212 million).

Transfers to other funds increased by \$994 million from 2004-05 mainly due to overall receipts in excess of debt service due on State personal income tax Revenue Bonds from the RBTF (\$519 million), higher transfers to the General Fund from the Clean Water Debt Service Fund (\$198 million) and the Local Government Assistance Tax Fund (\$113 million).

## CASH FLOW

In 2005-06, the General Fund had quarterly-ending balances of \$4.0 billion in June 2005, \$4.9 billion in September 2005, \$3.6 billion in December 2005, and \$3.3 billion in March 2006. The lowest month-end cash flow balance was \$3.0 billion in November 2005. Detailed actual monthly cash flow information for 2005-06 is also provided in the section "Financial Plan Tables," later in this Year-End Report.

## FUND BALANCES

The General Fund ended the 2005-06 fiscal year with a balance of \$3.3 billion with \$1.0 billion in undesignated reserves available to deal with unforeseen contingencies and \$2.3 billion designated for subsequent use. The \$1.0 billion of undesignated reserves includes the Tax Stabilization Reserve Fund (the State's "rainy day" reserve-\$944 million) and the Contingency Reserve Fund (\$21 million). The remaining General Fund balance of \$2.3 billion includes \$2.0 billion in a spending stabilization reserve and the Community Projects Fund balance (\$251 million).

The fund balance in the Special Revenue Funds reflects the timing of receipts and disbursements (e.g., dedicated moneys received for a specified purpose prior to disbursement). The largest fund balances are dedicated to finance ongoing HCRA programs (\$1.6 billion) and the operations and activities of SUNY campuses (\$339 million). The remaining fund balances are held in numerous funds and accounts that support a variety of programs including industry regulation, public health, and public

safety. The negative balance in the Capital Projects Fund results from outstanding loans from the Short-Term Investment Pool used to finance capital projects costs prior to the receipt of bond proceeds.

## **STATE WORKFORCE**

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The year-end Executive Branch workforce count was roughly 191,400 Full-Time Equivalent (FTE) positions at March 31, 2006, a decrease of 160 since the latest estimate included in the 2006-07 Executive Budget, as amended. Compared to 2004-05, the workforce increased by approximately 2,500 FTE positions, consisting of increases in Correctional Services and SUNY, offset by a decline in Labor. Additional detail by agency on the annual workforce change is contained in the section entitled "Financial Plan Tables" later in this Year-End Report.

**INDEX OF FINANCIAL PLAN TABLES**

	<b>Page</b>
<b>GENERAL FUND</b>	
Annual Change from 2004-2005 to 2005-2006 .....	74
Receipts from 2004-2005 to 2005-2006 .....	75
Personal Income Tax Components from 2004-2005 to 2005-2006 .....	76
2005-2006 Year-End Compared to Enacted Budget and 30-Day .....	77
2005-06 Receipts Year-End Compared to Enacted Budget.....	78
2005-06 Personal Income Tax Components Compared to Enacted Budget .....	79
<b>CASH FLOW — GENERAL FUND</b>	
2005-2006 Monthly Actuals.....	80
<b>STATE FUNDS</b>	
2005-2006 Year-End Financial Plan .....	81
Annual Change from 2004-2005 to 2005-2006 .....	82
2005-2006 Year-End Compared to Enacted Budget and 30-Day .....	83
<b>GOVERNMENTAL FUNDS</b>	
2005-2006 Year-End Financial Plan .....	84
Annual Change from 2004-2005 to 2005-2006 .....	85
Receipts from 2004-05 to 2005-06.....	86
2005-2006 Year-End Compared to Enacted Budget and 30-Day .....	87
2005-06 Receipts Compared to Enacted Budget.....	88
<b>SPECIAL REVENUE FUNDS</b>	
2005-2006 State and Federal Funds.....	89
<b>CAPITAL PROJECTS FUNDS</b>	
2005-2006 State and Federal Funds.....	90
<b>FUNCTIONAL SPENDING BY AGENCY</b>	
General Fund -- Annual Change from 2004-2005 to 2005-2006.....	91
State Funds -- Annual Change from 2004-2005 to 2005-2006 .....	94
All Governmental Funds -- Annual Change from 2004-2005 to 2005-2006 .....	97
General Fund -- 2005-2006 Year-End Compared to Enacted Budget .....	100
State Funds -- 2005-2006 Year-End Compared to Enacted Budget.....	103
All Governmental Funds -- 2005-2006 Year-End Compared to Enacted Budget.....	106
Capital Off-Budget Spending.....	109
<b>HEALTH CARE REFORM ACT</b>	
Annual Change from 2004-2005 to 2005-2006 .....	110
2005-2006 Year-End Compared Enacted Budget and 30-Day .....	111
2005-2006 Quarterly Actuals.....	112
<b>WORKFORCE SUMMARY REPORT</b>	
All Funds Annual Change from 2004-2005 to 2005-2006 .....	113
General Fund Annual Change from 2004-2005 to 2005-2006 .....	115

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

	<u>2004-2005</u>	<u>2005-2006</u>	<u>Annual Change</u>
<b>Opening fund balance</b>	<u>2,302</u>	<u>2,546</u>	<u>244</u>
<b>Receipts:</b>			
Taxes:			
Personal income tax	18,781	20,700	1,919
User taxes and fees	8,731	8,639	(92)
Business taxes	4,069	5,084	1,015
Other taxes	926	881	(45)
Miscellaneous receipts	2,217	2,018	(199)
Federal Grants	9	11	2
Transfers from other funds:			
PIT in excess of Revenue Bond debt service	5,981	6,500	519
Sales tax in excess of LGAC debt service	2,182	2,295	113
Real estate taxes in excess of CW/CA debt service	516	715	199
All other transfers	451	363	(88)
<b>Total receipts</b>	<u>43,863</u>	<u>47,206</u>	<u>3,343</u>
<b>Disbursements:</b>			
Grants to local governments	29,493	31,287	1,794
State operations	7,565	8,160	595
General State charges	3,653	3,975	322
Transfers to other funds:			
Debt service	1,731	1,710	(21)
Capital projects	197	286	89
Other purposes	980	1,077	97
<b>Total disbursements</b>	<u>43,619</u>	<u>46,495</u>	<u>2,876</u>
<b>Change in fund balance</b>	<u>244</u>	<u>711</u>	<u>467</u>
<b>Closing fund balance</b>	<u>2,546</u>	<u>3,257</u>	<u>711</u>
<b>General Reserves</b>			
Statutory Rainy Day Reserve Fund	872	944	72
Contingency Reserve Fund	21	21	0
<b>Designated Reserves</b>			
Spending Stabilization Reserve	601	2,041	1,440
Payment of Tax Refunds	552	0	(552)
Community Projects Fund	325	251	(74)
Reserve to Fund Prior-Year Obligations	175	0	(175)

The opening balances and personal income tax receipts in 2004-05 have been adjusted to reflect the inclusion of the Personal Income Tax Refund Reserve in the General Fund beginning in 2005-06 pursuant to Section 70 of the State Finance Law. This change in presentation has no impact on net Financial Plan results.

**2005-06 Year-End Report**

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

	<u>2004-2005</u>	<u>2005-2006</u>	<u>Annual Change</u>
<b>Personal income tax</b>	<u>18,781</u>	<u>20,700</u>	<u>1,919</u>
<b>User taxes and fees</b>	<u>8,731</u>	<u>8,639</u>	<u>(92)</u>
Sales and use tax	8,094	7,978	(116)
Cigarette and tobacco taxes	406	403	(3)
Motor vehicle fees	4	24	20
Alcoholic beverages taxes	185	192	7
Alcoholic beverage control license fees	42	42	0
<b>Business taxes</b>	<u>4,069</u>	<u>5,084</u>	<u>1,015</u>
Corporation franchise tax	1,858	2,664	806
Corporation and utilities tax	617	591	(26)
Insurance taxes	1,007	987	(20)
Bank tax	587	842	255
<b>Other taxes</b>	<u>926</u>	<u>881</u>	<u>(45)</u>
Estate tax	895	855	(40)
Gift tax	3	2	(1)
Real property gains tax	1	1	0
Pari-mutuel taxes	26	22	(4)
Other taxes	1	1	0
<b>Total taxes</b>	<u>32,507</u>	<u>35,304</u>	<u>2,797</u>
<b>Miscellaneous receipts</b>	<u>2,217</u>	<u>2,018</u>	<u>(199)</u>
<b>Federal Grants</b>	<u>9</u>	<u>11</u>	<u>2</u>
<b>Total</b>	<u><u>34,733</u></u>	<u><u>37,333</u></u>	<u><u>2,600</u></u>

The personal income tax receipts in 2004-05 have been adjusted to reflect the inclusion of the Personal Income Tax Refund Reserve in the General Fund beginning in 2005-06 pursuant to Section 70 of the State Finance Law. This change in presentation has no impact on net Financial Plan results.

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

	<u>2004-2005</u>	<u>2005-2006</u>	<u>Annual Change</u>
Withholdings	23,374	24,761	1,387
Estimated Payments	7,062	9,158	2,096
Final Payments	1,629	1,849	220
Delinquencies	<u>703</u>	<u>776</u>	<u>73</u>
<b>Gross Collections</b>	32,768	36,544	3,776
State/City Offset	(357)	(466)	(109)
Refunds	<u>(4,311)</u>	<u>(5,265)</u>	<u>(954)</u>
<b>Reported Tax Collections</b>	28,100	30,813	2,713
STAR	(3,059)	(3,213)	(154)
RBTF	<u>(6,260)</u>	<u>(6,900)</u>	<u>(640)</u>
<b>General Fund</b>	<u><u>18,781</u></u>	<u><u>20,700</u></u>	<u><u>1,919</u></u>

The personal income tax receipts in 2004-05 have been adjusted to reflect the inclusion of the Personal Income Tax Refund Reserve in the General Fund beginning in 2005-06 pursuant to Section 70 of the State Finance Law. This change in presentation has no impact on net Financial Plan results.



**2005-06 Year-End Report**

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

	<u>Enacted</u>	<u>30-Day</u>	<u>Year-End</u>	<u>Year-End vs. Enacted</u>	<u>Year-End vs. 30-Day</u>
<b>Opening fund balance</b>	<u>2,546</u>	<u>2,546</u>	<u>2,546</u>	<u>0</u>	<u>0</u>
<b>Receipts:</b>					
Taxes:					
Personal income tax	20,342	20,827	20,700	358	(127)
User taxes and fees	8,601	8,637	8,639	38	2
Business taxes	4,283	5,023	5,084	801	61
Other taxes	778	895	881	103	(14)
Miscellaneous receipts	2,348	2,591	2,018	(330)	(573)
Federal Grants	4	9	11	7	2
Transfers from other funds:					
PIT in excess of Revenue Bond debt service	6,338	6,541	6,500	162	(41)
Sales tax in excess of LGAC debt service	2,306	2,285	2,295	(11)	10
Real estate taxes in excess of CW/CA debt service	510	705	715	205	10
All other	513	468	363	(150)	(105)
<b>Total receipts</b>	<u>46,023</u>	<u>47,981</u>	<u>47,206</u>	<u>1,183</u>	<u>(775)</u>
<b>Disbursements:</b>					
Grants to local governments	31,448	32,079	31,287	(161)	(792)
State operations	8,067	8,207	8,160	93	(47)
General State charges	4,049	4,003	3,975	(74)	(28)
Transfers to other funds:					
Debt service	1,667	1,727	1,710	43	(17)
Capital projects	229	216	286	57	70
Other purposes	747	994	1,077	330	83
<b>Total disbursements</b>	<u>46,207</u>	<u>47,226</u>	<u>46,495</u>	<u>288</u>	<u>(731)</u>
<b>Change in fund balance</b>	<u>(184)</u>	<u>755</u>	<u>711</u>	<u>895</u>	<u>(44)</u>
<b>Closing fund balance</b>	<u>2,362</u>	<u>3,301</u>	<u>3,257</u>	<u>895</u>	<u>(44)</u>
<b>General Reserves</b>					
Statutory Rainy Day Reserve Fund	872	945	944	72	(1)
Contingency Reserve Fund	21	21	21	0	0
<b>Designated Reserves</b>					
Spending Stabilization Reserve	601	2,049	2,041	1,440	(8)
Payment of Tax Refunds	552	0	0	(552)	0
Community Projects Fund	316	286	251	(65)	(35)

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

	<u>Enacted</u>	<u>Year-End</u>	<u>Annual Change</u>
<b>Personal income tax</b>	20,342	20,700	358
<b>User taxes and fees</b>	8,601	8,639	38
Sales and use tax	7,969	7,978	9
Cigarette and tobacco taxes	401	403	2
Motor vehicle fees	0	24	24
Alcoholic beverages taxes	186	192	6
Alcoholic beverage control license fees	45	42	(3)
<b>Business taxes</b>	4,283	5,084	801
Corporation franchise tax	2,024	2,664	640
Corporation and utilities tax	643	591	(52)
Insurance taxes	1,031	987	(44)
Bank tax	585	842	257
<b>Other taxes</b>	778	881	103
Estate tax	752	855	103
Gift tax	0	2	2
Real property gains tax	0	1	1
Pari-mutuel taxes	25	22	(3)
Other taxes	1	1	0
<b>Total taxes</b>	34,004	35,304	1,300
<b>Miscellaneous receipts</b>	2,348	2,018	(330)
<b>Federal Grants</b>	4	11	7
<b>Total</b>	<u>36,356</u>	<u>37,333</u>	<u>977</u>

The personal income tax receipts in 2004-05 have been adjusted to reflect the inclusion of the Personal Income Tax Refund Reserve in the General Fund beginning in 2005-06 pursuant to Section 70 of the State Finance Law. This change in presentation has no impact on net Financial Plan results.

**2005-06 Year-End Report**

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

	<u>Enacted</u>	<u>Year-End</u>	<u>Change</u>
Withholdings	24,544	24,761	217
Estimated Payments	8,006	9,158	1,152
Final Payments	2,010	1,849	(161)
Delinquencies	<u>705</u>	<u>776</u>	<u>71</u>
<b>Gross Collections</b>	35,265	36,544	1,279
State/City Offset	(400)	(466)	(66)
Refunds	<u>(4,520)</u>	<u>(5,265)</u>	<u>(745)</u>
<b>Reported Tax Collections</b>	30,345	30,813	468
STAR	(3,222)	(3,213)	9
RBTF	<u>(6,781)</u>	<u>(6,900)</u>	<u>(119)</u>
<b>General Fund</b>	<u><u>20,342</u></u>	<u><u>20,700</u></u>	<u><u>358</u></u>

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

	2005		2006		Total								
	April	May	June	July		August	September	October	November	December	January	February	March
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
<b>Opening fund balance</b>	2,546	5,584	3,188	4,007	3,603	3,670	4,923	4,355	3,011	3,581	7,873	8,105	2,546
<b>Receipts:</b>													
<b>Taxes</b>													
Personal income tax	3,347	553	2,213	1,254	1,537	2,105	719	522	1,504	4,216	1,641	1,089	20,700
User taxes and fees	662	667	894	680	628	898	626	629	874	726	561	794	8,639
Business taxes	217	177	891	90	83	919	91	53	954	21	127	1,461	5,084
Other taxes	49	64	131	118	63	68	71	77	67	56	72	45	881
Miscellaneous receipts	160	81	175	95	107	108	178	223	201	99	48	543	2,018
Federal Grants	1	0	1	0	2	0	1	1	1	0	1	3	11
<b>Transfers from other funds</b>													
PIT in excess of Revenue Bond debt service	1,114	160	737	417	431	718	210	5	539	1,405	295	469	6,500
Sales tax in excess of LGAC debt service	174	57	392	201	113	281	187	188	263	221	4	214	2,295
Real estate taxes in excess of CW/CA debt service	108	60	15	66	65	66	71	50	48	71	25	42	715
All Other	0	76	63	7	6	12	9	5	11	14	5	155	363
<b>Total receipts</b>	<b>5,832</b>	<b>1,895</b>	<b>5,512</b>	<b>2,928</b>	<b>3,069</b>	<b>5,175</b>	<b>2,157</b>	<b>1,753</b>	<b>4,485</b>	<b>6,806</b>	<b>2,779</b>	<b>4,815</b>	<b>47,206</b>
<b>Disbursements:</b>													
<b>Grants to local governments</b>													
School Aid	168	1,917	1,253	53	351	1,205	431	463	1,104	284	583	5,569	13,381
Medicaid	798	633	1,155	466	864	494	447	875	352	645	774	1,131	8,634
Welfare	114	134	74	80	150	10	156	149	(4)	143	118	130	1,254
All Other	242	511	798	724	635	564	680	368	1,124	574	342	1,456	8,018
<b>State operations</b>													
Personal Service	562	520	687	556	476	690	433	621	368	349	229	214	5,705
Non-Personal Service	174	223	180	160	214	174	200	195	199	219	204	313	2,455
General State charges	405	186	269	1,212	213	379	249	189	237	276	203	157	3,975
<b>Transfers to other funds</b>													
Debt service	207	105	197	39	30	313	50	158	389	16	32	174	1,710
Capital projects	15	30	44	16	42	33	46	54	14	(14)	30	(24)	286
Other purposes	109	32	36	26	27	60	33	25	132	22	32	543	1,077
<b>Total disbursements</b>	<b>2,794</b>	<b>4,291</b>	<b>4,693</b>	<b>3,332</b>	<b>3,002</b>	<b>3,922</b>	<b>2,125</b>	<b>3,097</b>	<b>3,915</b>	<b>2,514</b>	<b>2,547</b>	<b>9,663</b>	<b>46,495</b>
<b>Change in fund balance</b>	3,038	(2,396)	819	(404)	67	1,253	(568)	(1,344)	570	4,292	232	(4,848)	711
<b>Closing fund balance</b>	5,584	3,188	4,007	3,603	3,670	4,923	4,355	3,011	3,581	7,873	8,105	3,257	3,257

2005-06 Year-End Report

CASH FINANCIAL PLAN  
STATE FUNDS  
2005-2006  
(millions of dollars)

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Debt Service Funds</u>	<u>(MEMO) Total</u>
<b>Opening fund balance</b>	<u>2,546</u>	<u>2,006</u>	<u>(206)</u>	<u>184</u>	<u>4,530</u>
<b>Receipts:</b>					
Taxes	35,304	6,057	1,941	10,341	53,643
Miscellaneous receipts	2,018	13,596	1,713	745	18,072
Federal grants	11	2	0	0	13
<b>Total receipts</b>	<u>37,333</u>	<u>19,655</u>	<u>3,654</u>	<u>11,086</u>	<u>71,728</u>
<b>Disbursements:</b>					
Grants to local governments	31,287	13,403	281	0	44,971
State operations	8,160	5,126	0	58	13,344
General State charges	3,975	546	0	0	4,521
Debt service	0	0	0	3,701	3,701
Capital projects	0	41	3,145	0	3,186
<b>Total disbursements</b>	<u>43,422</u>	<u>19,116</u>	<u>3,426</u>	<u>3,759</u>	<u>69,723</u>
<b>Other financing sources (uses):</b>					
Transfers from other funds	9,873	1,454	279	5,168	16,774
Transfers to other funds	(3,073)	(252)	(866)	(12,458)	(16,649)
Bond and note proceeds	0	0	159	0	159
<b>Net other financing sources (uses)</b>	<u>6,800</u>	<u>1,202</u>	<u>(428)</u>	<u>(7,290)</u>	<u>284</u>
<b>Change in fund balance</b>	<u>711</u>	<u>1,741</u>	<u>(200)</u>	<u>37</u>	<u>2,289</u>
<b>Closing fund balance</b>	<u>3,257</u>	<u>3,747</u>	<u>(406)</u>	<u>221</u>	<u>6,819</u>

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

	<u>2004-2005</u>	<u>2005-2006</u>	<u>Annual Change</u>
<b>Opening fund balance</b>	<u>3,844</u>	<u>4,530</u>	<u>686</u>
<b>Receipts:</b>			
Taxes	48,598	53,643	5,045
Miscellaneous receipts	15,710	18,072	2,362
Federal grants	9	13	4
<b>Total receipts</b>	<u>64,317</u>	<u>71,728</u>	<u>7,411</u>
<b>Disbursements:</b>			
Grants to local governments	40,961	44,971	4,010
State operations	12,494	13,344	850
General State charges	4,177	4,521	344
Debt service	3,788	3,701	(87)
Capital projects	2,552	3,186	634
<b>Total disbursements</b>	<u>63,972</u>	<u>69,723</u>	<u>5,751</u>
<b>Other financing sources (uses):</b>			
Transfers from other funds	15,655	16,774	1,119
Transfers to other funds	(15,494)	(16,649)	(1,155)
Bond and note proceeds	178	159	(19)
<b>Net other financing sources (uses)</b>	<u>339</u>	<u>284</u>	<u>(55)</u>
<b>Change in fund balance</b>	<u>684</u>	<u>2,289</u>	<u>1,605</u>
<b>Closing fund balance</b>	<u>4,528</u>	<u>6,819</u>	<u>2,291</u>

The opening balances and personal income tax receipts in 2004-05 have been adjusted to reflect the inclusion of the Personal Income Tax Refund Reserve in the General Fund beginning in 2005-06 pursuant to Section 70 of the State Finance Law. This change in presentation has no impact on net Financial Plan results.

2005-06 Year-End Report

CASH FINANCIAL PLAN  
STATE FUNDS  
2005-2006  
(millions of dollars)

	<u>Enacted</u>	<u>30-Day</u>	<u>Year-End</u>	<u>Year-End vs. Enacted</u>	<u>Year-End vs. 30-Day</u>
<b>Opening fund balance</b>	<u>4,530</u>	<u>4,530</u>	<u>4,530</u>	<u>0</u>	<u>0</u>
<b>Receipts:</b>					
Taxes	51,756	53,524	53,643	1,887	119
Miscellaneous receipts	17,543	18,309	18,072	529	(237)
Federal grants	5	10	13	8	3
<b>Total receipts</b>	<u>69,304</u>	<u>71,843</u>	<u>71,728</u>	<u>2,424</u>	<u>(115)</u>
<b>Disbursements:</b>					
Grants to local governments	46,491	46,439	44,971	(1,520)	(1,468)
State operations	13,248	13,292	13,344	96	52
General State charges	4,601	4,556	4,521	(80)	(35)
Debt service	3,843	3,723	3,701	(142)	(22)
Capital projects	2,090	2,421	3,186	1,096	765
<b>Total disbursements</b>	<u>70,273</u>	<u>70,431</u>	<u>69,723</u>	<u>(550)</u>	<u>(708)</u>
<b>Other financing sources (uses):</b>					
Transfers from other funds	16,290	16,844	16,774	484	(70)
Transfers to other funds	(16,042)	(16,617)	(16,649)	(607)	(32)
Bond and note proceeds	279	131	159	(120)	28
<b>Net other financing sources (uses)</b>	<u>527</u>	<u>358</u>	<u>284</u>	<u>(243)</u>	<u>(74)</u>
<b>Change in fund balance</b>	<u>(442)</u>	<u>1,770</u>	<u>2,289</u>	<u>2,731</u>	<u>519</u>
<b>Closing fund balance</b>	<u>4,088</u>	<u>6,300</u>	<u>6,819</u>	<u>2,731</u>	<u>519</u>

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

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Debt Service Funds</u>	<u>(MEMO) Total</u>
<b>Opening fund balance</b>	2,546	2,005	(454)	184	4,281
<b>Receipts:</b>					
Taxes	35,304	6,057	1,941	10,341	53,643
Miscellaneous receipts	2,018	13,767	1,714	745	18,244
Federal grants	11	33,363	1,766	0	35,140
<b>Total receipts</b>	<u>37,333</u>	<u>53,187</u>	<u>5,421</u>	<u>11,086</u>	<u>107,027</u>
<b>Disbursements:</b>					
Grants to local governments	31,287	43,010	739	0	75,036
State operations	8,160	8,217	0	58	16,435
General State charges	3,975	760	0	0	4,735
Debt service	0	0	0	3,701	3,701
Capital projects	0	41	4,393	0	4,434
<b>Total disbursements</b>	<u>43,422</u>	<u>52,028</u>	<u>5,132</u>	<u>3,759</u>	<u>104,341</u>
<b>Other financing sources (uses):</b>					
Transfers from other funds	9,873	3,856	279	5,168	19,176
Transfers to other funds	(3,073)	(2,826)	(877)	(12,458)	(19,234)
Bond and note proceeds	0	0	159	0	159
<b>Net other financing sources (uses)</b>	<u>6,800</u>	<u>1,030</u>	<u>(439)</u>	<u>(7,290)</u>	<u>101</u>
<b>Change in fund balance</b>	<u>711</u>	<u>2,189</u>	<u>(150)</u>	<u>37</u>	<u>2,787</u>
<b>Closing fund balance</b>	<u>3,257</u>	<u>4,194</u>	<u>(604)</u>	<u>221</u>	<u>7,068</u>



**2005-06 Year-End Report**

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

	<u>2004-2005</u>	<u>2005-2006</u>	<u>Annual Change</u>
<b>Opening fund balance</b>	<u>4,171</u>	<u>4,281</u>	<u>110</u>
<b>Receipts:</b>			
Taxes	48,598	53,643	5,045
Miscellaneous receipts	15,859	18,244	2,385
Federal grants	36,222	35,140	(1,082)
<b>Total receipts</b>	<u>100,679</u>	<u>107,027</u>	<u>6,348</u>
<b>Disbursements:</b>			
Grants to local governments	72,988	75,036	2,048
State operations	15,672	16,435	763
General State charges	4,365	4,735	370
Debt service	3,788	3,701	(87)
Capital projects	3,855	4,434	579
<b>Total disbursements</b>	<u>100,668</u>	<u>104,341</u>	<u>3,673</u>
<b>Other financing sources (uses):</b>			
Transfers from other funds	18,095	19,176	1,081
Transfers to other funds	(18,174)	(19,234)	(1,060)
Bond and note proceeds	178	159	(19)
<b>Net other financing sources (uses)</b>	<u>99</u>	<u>101</u>	<u>2</u>
<b>Change in fund balance</b>	<u>110</u>	<u>2,787</u>	<u>2,677</u>
<b>Closing fund balance</b>	<u>4,281</u>	<u>7,068</u>	<u>2,787</u>

The opening balances and personal income tax receipts in 2004-05 have been adjusted to reflect the inclusion of the Personal Income Tax Refund Reserve in the General Fund beginning in 2005-06 pursuant to Section 70 of the State Finance Law. This change in presentation has no impact on net Financial Plan results.

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

	<u>2004-2005</u>	<u>2005-2006</u>	<u>Annual Change</u>
<b>Personal income tax</b>	28,100	30,813	2,713
<b>User taxes and fees</b>	13,036	13,923	887
Sales and use taxes	11,016	11,196	180
Cigarette and tobacco taxes	406	974	568
Motor fuel tax	530	531	1
Motor vehicle fees	666	786	120
Highway use tax	151	160	9
Alcoholic beverage taxes	185	192	7
Alcoholic beverage control license fees	42	42	0
Auto rental tax	40	42	2
<b>Business taxes</b>	5,806	7,088	1,282
Corporation franchise tax	2,110	3,053	943
Corporation and utilities taxes	827	832	5
Insurance taxes	1,108	1,083	(25)
Bank tax	676	974	298
Petroleum business taxes	1,085	1,146	61
<b>Other taxes</b>	1,656	1,819	163
Estate tax	895	855	(40)
Gift tax	3	2	(1)
Real property gains tax	1	1	0
Real estate transfer tax	730	938	208
Pari-mutuel taxes	26	22	(4)
Other taxes	1	1	0
<b>Total taxes</b>	<u>48,598</u>	<u>53,643</u>	<u>5,045</u>
<b>Miscellaneous receipts</b>	<u>15,859</u>	<u>18,244</u>	<u>2,385</u>
<b>Federal grants</b>	<u>36,222</u>	<u>35,140</u>	<u>(1,082)</u>
<b>Total</b>	<u><u>100,679</u></u>	<u><u>107,027</u></u>	<u><u>6,348</u></u>

**2005-06 Year-End Report**

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

	<u>Enacted</u>	<u>30-Day</u>	<u>Year-End</u>	<u>Year-End vs. Enacted</u>	<u>Year-End vs. 30-Day</u>
<b>Opening fund balance</b>	<u>4,281</u>	<u>4,281</u>	<u>4,281</u>	<u>0</u>	<u>0</u>
<b>Receipts:</b>					
Taxes	51,756	53,524	53,643	1,887	119
Miscellaneous receipts	17,552	18,451	18,244	692	(207)
Federal grants	36,424	36,158	35,140	(1,284)	(1,018)
<b>Total receipts</b>	<u>105,732</u>	<u>108,133</u>	<u>107,027</u>	<u>1,295</u>	<u>(1,106)</u>
<b>Disbursements:</b>					
Grants to local governments	77,806	77,431	75,036	(2,770)	(2,395)
State operations	16,331	16,338	16,435	104	97
General State charges	4,821	4,772	4,735	(86)	(37)
Debt service	3,843	3,723	3,701	(142)	(22)
Capital projects	3,702	3,956	4,434	732	478
<b>Total disbursements</b>	<u>106,503</u>	<u>106,220</u>	<u>104,341</u>	<u>(2,162)</u>	<u>(1,879)</u>
<b>Other financing sources (uses):</b>					
Transfers from other funds	18,691	19,242	19,176	485	(66)
Transfers to other funds	(18,758)	(19,299)	(19,234)	(476)	65
Bond and note proceeds	279	131	159	(120)	28
<b>Net other financing sources (uses)</b>	<u>212</u>	<u>74</u>	<u>101</u>	<u>(111)</u>	<u>27</u>
<b>Change in fund balance</b>	<u>(559)</u>	<u>1,987</u>	<u>2,787</u>	<u>3,346</u>	<u>800</u>
<b>Closing fund balance</b>	<u>3,722</u>	<u>6,268</u>	<u>7,068</u>	<u>3,346</u>	<u>800</u>

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

	<u>Enacted</u>	<u>Year-End</u>	<u>Change</u>
<b>Personal income tax</b>	30,345	30,813	468
<b>User taxes and fees</b>	13,785	13,923	138
Sales and use taxes	11,219	11,196	(23)
Cigarette and tobacco taxes	962	974	12
Motor fuel tax	533	531	(2)
Motor vehicle fees	635	786	151
Highway use tax	163	160	(3)
Alcoholic beverage taxes	186	192	6
Alcoholic beverage control license fees	46	42	(4)
Auto rental tax	41	42	1
<b>Business taxes</b>	6,109	7,088	979
Corporation franchise tax	2,280	3,053	773
Corporation and utilities taxes	844	832	(12)
Insurance taxes	1,147	1,083	(64)
Bank tax	693	974	281
Petroleum business taxes	1,145	1,146	1
<b>Other taxes</b>	1,517	1,819	302
Estate tax	752	855	103
Gift tax	0	2	2
Real property gains tax	0	1	1
Real estate transfer tax	739	938	199
Pari-mutuel taxes	25	22	(3)
Other taxes	1	1	0
<b>Total taxes</b>	51,756	53,643	1,887
<b>Miscellaneous receipts</b>	17,552	18,244	692
<b>Federal grants</b>	36,424	35,140	(1,284)
<b>Total</b>	105,732	107,027	1,295

The opening balances and personal income tax receipts have been adjusted to reflect the inclusion of the Personal Income Tax Refund Reserve in the General Fund pursuant to Section 70 of the State Finance Law. This change as presented has no impact on net Financial Plan results.

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

	<u>State</u>	<u>Federal</u>	<u>Total</u>
<b>Opening fund balance</b>	<u>2,006</u>	<u>(1)</u>	<u>2,005</u>
<b>Receipts:</b>			
Taxes	6,057	0	6,057
Miscellaneous receipts	13,596	171	13,767
Federal grants	<u>2</u>	<u>33,361</u>	<u>33,363</u>
<b>Total receipts</b>	<u>19,655</u>	<u>33,532</u>	<u>53,187</u>
<b>Disbursements:</b>			
Grants to local governments	13,403	29,607	43,010
State operations	5,126	3,091	8,217
General State charges	546	214	760
Debt service	0	0	0
Capital projects	<u>41</u>	<u>0</u>	<u>41</u>
<b>Total disbursements</b>	<u>19,116</u>	<u>32,912</u>	<u>52,028</u>
<b>Other financing sources (uses):</b>			
Transfers from other funds	1,454	2,402	3,856
Transfers to other funds	(252)	(2,574)	(2,826)
Bond and note proceeds	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net other financing sources (uses)</b>	<u>1,202</u>	<u>(172)</u>	<u>1,030</u>
<b>Change in fund balance</b>	<u>1,741</u>	<u>448</u>	<u>2,189</u>
<b>Closing fund balance</b>	<u>3,747</u>	<u>447</u>	<u>4,194</u>

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

	<u>State</u>	<u>Federal</u>	<u>Total</u>
<b>Opening fund balance</b>	<u>(206)</u>	<u>(248)</u>	<u>(454)</u>
<b>Receipts:</b>			
Taxes	1,941	0	1,941
Miscellaneous receipts	1,713	1	1,714
Federal grants	0	1,766	1,766
<b>Total receipts</b>	<u>3,654</u>	<u>1,767</u>	<u>5,421</u>
<b>Disbursements:</b>			
Grants to local governments	281	458	739
State operations	0	0	0
General State charges	0	0	0
Debt service	0	0	0
Capital projects	3,145	1,248	4,393
<b>Total disbursements</b>	<u>3,426</u>	<u>1,706</u>	<u>5,132</u>
<b>Other financing sources (uses):</b>			
Transfers from other funds	279	0	279
Transfers to other funds	(866)	(11)	(877)
Bond and note proceeds	159	0	159
<b>Net other financing sources (uses)</b>	<u>(428)</u>	<u>(11)</u>	<u>(439)</u>
<b>Change in fund balance</b>	<u>(200)</u>	<u>50</u>	<u>(150)</u>
<b>Closing fund balance</b>	<u>(406)</u>	<u>(198)</u>	<u>(604)</u>

**2005-06 Year-End Report**

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

	<u>2004-2005</u>	<u>2005-2006</u>	<u>Annual Change</u>
<b>ECONOMIC DEVELOPMENT AND GOVERNMENT OVERSIGHT</b>			
Agriculture and Markets, Department of	42,384	45,628	3,244
Consumer Protection Board	315	19	(296)
Economic Development, Department of	38,683	38,581	(102)
Empire State Development Corporation	3,682	29,758	26,076
Housing and Community Renewal, Division of	67,895	76,297	8,402
Olympic Regional Development Authority	9,050	8,350	(700)
Science, Technology and Academic Research, Office of	44,950	41,117	(3,833)
<b>Functional Total</b>	<u>206,959</u>	<u>239,750</u>	<u>32,791</u>
<b>PARKS AND THE ENVIRONMENT</b>			
Adirondack Park Agency	4,271	4,278	7
Environmental Conservation, Department of	111,359	103,232	(8,127)
Parks, Recreation and Historic Preservation, Office of	106,659	112,691	6,032
<b>Functional Total</b>	<u>222,289</u>	<u>220,201</u>	<u>(2,088)</u>
<b>TRANSPORTATION</b>			
Motor Vehicles, Department of	4,244	74	(4,170)
Transportation, Department of	113,408	149,407	35,999
<b>Functional Total</b>	<u>117,652</u>	<u>149,481</u>	<u>31,829</u>
<b>HEALTH AND SOCIAL WELFARE</b>			
Advocate for Persons with Disabilities, Office of	717	18	(699)
Aging, Office for the	66,237	72,448	6,211
Children and Family Services, Office of	1,319,397	1,434,861	115,464
Health, Department of	7,756,088	9,160,956	1,404,868
<i>Medical Assistance</i>	6,953,096	8,290,981	1,337,885
<i>Medicaid Administration</i>	114,892	190,880	75,988
<i>All Other</i>	688,100	679,095	(9,005)
Human Rights, Division of	13,492	12,814	(678)
Labor, Department of	9,182	8,257	(925)
Medicaid Inspector General, Office of	0	0	0
Prevention of Domestic Violence, Office of	2,697	1,921	(776)
Temporary and Disability Assistance, Office of	1,516,787	1,345,401	(171,386)
<i>Welfare Assistance</i>	1,135,568	882,398	(253,170)
<i>Welfare Administration</i>	304,281	368,537	64,256
<i>All Other</i>	76,938	94,466	17,528
Welfare Inspector General, Office of	674	671	(3)
<b>Functional Total</b>	<u>10,685,271</u>	<u>12,037,347</u>	<u>1,352,076</u>
<b>MENTAL HEALTH</b>			
Mental Health, Office of	1,334,032	1,357,517	23,485
Mental Retardation and Developmental Disabilities, Office of	860,922	864,472	3,550
Alcohol and Substance Abuse Services, Office of	298,961	299,793	832
Quality of Care for the Mentally Disabled, Commission on	2,861	3,802	941
<b>Functional Total</b>	<u>2,496,776</u>	<u>2,525,584</u>	<u>28,808</u>

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

	<u>2004-2005</u>	<u>2005-2006</u>	<u>Annual Change</u>
<b>PUBLIC PROTECTION</b>			
Capital Defenders Office	11,335	4,572	(6,763)
Correction, Commission of	2,511	2,510	(1)
Correctional Services, Department of	2,057,270	2,035,287	(21,983)
Crime Victims Board	2,794	3,655	861
Criminal Justice Services, Division of	88,398	90,456	2,058
Homeland Security	6,968	9,142	2,174
Investigation, Temporary State Commission of	3,151	3,403	252
Judicial Commissions	2,647	2,714	67
Military and Naval Affairs, Division of	28,892	50,628	21,736
Parole, Division of	175,770	190,969	15,199
Probation and Correctional Alternatives, Division of	68,903	69,179	276
State Police, Division of	331,811	454,215	122,404
<b>Functional Total</b>	<u>2,780,450</u>	<u>2,916,730</u>	<u>136,280</u>
<b>EDUCATION</b>			
Arts, Council on the	44,758	41,965	(2,793)
City University of New York	753,615	504,291	(249,324)
Education, Department of	14,170,210	14,990,259	820,049
<i>School Aid</i>	12,759,113	13,499,886	740,773
<i>Handicapped</i>	835,884	884,328	48,444
<i>All Other</i>	575,213	606,045	30,832
Higher Education Services Corporation	928,159	889,328	(38,831)
State University of New York	1,273,698	1,363,492	89,794
<b>Functional Total</b>	<u>17,170,440</u>	<u>17,789,335</u>	<u>618,895</u>
<b>GENERAL GOVERNMENT</b>			
Audit and Control, Department of	156,540	167,788	11,248
Budget, Division of the	24,689	27,970	3,281
Civil Service, Department of	21,658	25,391	3,733
Elections, State Board of	3,374	3,764	390
Employee Relations, Office of	3,215	3,553	338
Executive Chamber	13,521	13,937	416
General Services, Office of	121,141	146,577	25,436
Inspector General, Office of	4,136	4,446	310
Law, Department of	114,458	119,041	4,583
Lieutenant Governor, Office of the	378	348	(30)
Real Property Services, Office of	20,837	13,645	(7,192)
Regulatory Reform, Governor's Office of	3,458	3,661	203
State Labor Relations Board	3,394	3,508	114
State, Department of	16,375	20,159	3,784
Tax Appeals, Division of	2,781	2,958	177
Taxation and Finance, Department of	309,622	312,337	2,715
Technology, Office for	20,212	20,789	577
TSC Lobbying	1,034	1,288	254
Veterans Affairs, Division of	10,235	10,823	588
<b>Functional Total</b>	<u>851,058</u>	<u>901,983</u>	<u>50,925</u>



**2005-06 Year-End Report**

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

	<u>2004-2005</u>	<u>2005-2006</u>	<u>Annual Change</u>
<b>ALL OTHER CATEGORIES</b>			
Legislature	206,711	210,051	3,340
Judiciary (excluding fringe benefits)	1,356,498	1,432,414	75,916
Local Government Assistance	972,652	1,018,896	46,244
Long-Term Debt Service	1,730,861	1,709,837	(21,024)
Capital Projects	212,293	285,524	73,231
General State Charges/Miscellaneous	4,608,939	5,057,585	448,646
<b>Functional Total</b>	<u>9,087,954</u>	<u>9,714,307</u>	<u>626,353</u>
<b>TOTAL GENERAL FUND SPENDING</b>	<u>43,618,849</u>	<u>46,494,718</u>	<u>2,875,869</u>

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

	<u>2004-2005</u>	<u>2005-2006</u>	<u>Annual Change</u>
<b>ECONOMIC DEVELOPMENT AND GOVERNMENT OVERSIGHT</b>			
Agriculture and Markets, Department of	67,055	69,085	2,030
Alcoholic Beverage Control	9,992	10,286	294
Banking Department	57,375	56,278	(1,097)
Consumer Protection Board	2,193	2,622	429
Economic Development, Department of	320,719	434,975	114,256
Empire State Development Corporation	33,820	31,628	(2,192)
Energy Research and Development Authority	26,135	26,151	16
Housing and Community Renewal, Division of	183,935	187,999	4,064
Insurance Department	121,655	124,142	2,487
Olympic Regional Development Authority	9,282	8,550	(732)
Public Service, Department of	49,268	49,147	(121)
Science, Technology and Academic Research, Office of	50,547	53,719	3,172
<b>Functional Total</b>	<u>931,976</u>	<u>1,054,582</u>	<u>122,606</u>
<b>PARKS AND THE ENVIRONMENT</b>			
Adirondack Park Agency	4,271	4,278	7
Environmental Conservation, Department of	555,167	629,070	73,903
Environmental Facilities Corporation	14,653	8,034	(6,619)
Parks, Recreation and Historic Preservation, Office of	201,134	225,257	24,123
<b>Functional Total</b>	<u>775,225</u>	<u>866,639</u>	<u>91,414</u>
<b>TRANSPORTATION</b>			
Motor Vehicles, Department of	199,227	226,411	27,184
Thruway Authority	1,473	1,671	198
Metropolitan Transportation Authority	0	38,078	38,078
Transportation, Department of	3,568,277	4,171,041	602,764
<b>Functional Total</b>	<u>3,768,977</u>	<u>4,437,201</u>	<u>668,224</u>
<b>HEALTH AND SOCIAL WELFARE</b>			
Advocate for Persons with Disabilities, Office of	859	18	(841)
Aging, Office for the	66,238	73,259	7,021
Children and Family Services, Office of	1,335,412	1,456,662	121,250
Health, Department of	11,871,458	14,841,827	2,970,369
<i>Medical Assistance</i>	9,577,068	11,522,379	1,945,311
<i>Medicaid Administration</i>	114,892	190,880	75,988
<i>All Other</i>	2,179,498	3,128,568	949,070
Human Rights, Division of	13,492	12,814	(678)
Labor, Department of	91,191	78,423	(12,768)
Medicaid Inspector General, Office of	0	1,049	1,049
Prevention of Domestic Violence, Office of	2,697	1,921	(776)

**2005-06 Year-End Report**

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

	<u>2004-2005</u>	<u>2005-2006</u>	<u>Annual Change</u>
<b>HEALTH AND SOCIAL WELFARE (Continued)</b>			
Temporary and Disability Assistance, Office of	1,577,445	1,426,236	(151,209)
<i>Welfare Assistance</i>	1,135,568	882,398	(253,170)
<i>Welfare Administration</i>	304,281	368,537	64,256
<i>All Other</i>	137,596	175,301	37,705
Welfare Inspector General, Office of	674	671	(3)
Workers' Compensation Board	130,193	138,436	8,243
<b>Functional Total</b>	<u>15,089,659</u>	<u>18,031,316</u>	<u>2,941,657</u>
<b>MENTAL HEALTH</b>			
Mental Health, Office of	1,637,391	1,700,086	62,695
Mental Hygiene, Department of	0	8,138	8,138
Mental Retardation and Developmental Disabilities, Office of	940,546	971,343	30,797
Alcohol and Substance Abuse Services, Office of	336,692	335,672	(1,020)
Quality of Care for the Mentally Disabled, Commission on	2,861	3,968	1,107
<b>Functional Total</b>	<u>2,917,490</u>	<u>3,019,207</u>	<u>101,717</u>
<b>PUBLIC PROTECTION</b>			
Capital Defenders Office	11,335	4,572	(6,763)
Correction, Commission of	2,511	2,510	(1)
Correctional Services, Department of	2,237,651	2,284,993	47,342
Crime Victims Board	23,718	24,806	1,088
Criminal Justice Services, Division of	97,934	104,457	6,523
Homeland Security	17,880	15,852	(2,028)
Investigation, Temporary State Commission of	3,288	3,586	298
Judicial Commissions	2,647	2,714	67
Military and Naval Affairs, Division of	44,016	66,359	22,343
Parole, Division of	175,773	190,969	15,196
Probation and Correctional Alternatives, Division of	68,903	69,179	276
State Police, Division of	472,177	591,065	118,888
<b>Functional Total</b>	<u>3,157,833</u>	<u>3,361,062</u>	<u>203,229</u>
<b>EDUCATION</b>			
Arts, Council on the	44,758	42,165	(2,593)
City University of New York	1,048,790	796,137	(252,653)
Education, Department of	19,605,955	20,587,693	981,738
<i>School Aid</i>	15,049,065	15,775,588	726,523
<i>STAR Property Tax Relief</i>	3,058,940	3,213,204	154,264
<i>Handicapped</i>	835,884	884,328	48,444
<i>All Other</i>	662,066	714,573	52,507
Higher Education Services Corporation	998,350	1,014,692	16,342
State University Construction Fund	9,139	10,013	874
State University of New York	4,574,033	4,907,618	333,585
<b>Functional Total</b>	<u>26,281,025</u>	<u>27,358,318</u>	<u>1,077,293</u>

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

	<u>2004-2005</u>	<u>2005-2006</u>	<u>Annual Change</u>
<b>GENERAL GOVERNMENT</b>			
Audit and Control, Department of	211,261	225,148	13,887
Budget, Division of the	32,214	37,423	5,209
Civil Service, Department of	22,408	26,391	3,983
Elections, State Board of	3,374	3,769	395
Employee Relations, Office of	3,231	3,579	348
Executive Chamber	13,521	13,937	416
General Services, Office of	211,609	254,267	42,658
Inspector General, Office of	5,082	5,336	254
Law, Department of	153,069	158,701	5,632
Lieutenant Governor, Office of the	378	348	(30)
Lottery, Division of	175,823	176,524	701
Racing and Wagering Board, State	14,656	13,093	(1,563)
Real Property Services, Office of	47,492	43,830	(3,662)
Regulatory Reform, Governor's Office of	3,458	3,661	203
State Labor Relations Board	3,394	3,508	114
State, Department of	61,523	76,116	14,593
Tax Appeals, Division of	2,781	2,958	177
Taxation and Finance, Department of	343,692	341,429	(2,263)
Technology, Office for	20,212	21,018	806
TSC Lobbying	1,273	1,572	299
Veterans Affairs, Division of	10,235	10,823	588
<b>Functional Total</b>	<u>1,340,686</u>	<u>1,423,431</u>	<u>82,745</u>
<b>ALL OTHER CATEGORIES</b>			
Legislature	206,711	210,051	3,340
Judiciary (excluding fringe benefits)	1,503,555	1,613,669	110,114
Local Government Assistance	972,652	1,018,896	46,244
Long-Term Debt Service	3,787,726	3,702,254	(85,472)
General State Charges/Miscellaneous	4,262,155	4,643,772	381,617
Capital GAAP Adjustments <sup>1</sup>	(1,024,054)	(1,017,218)	6,836
<b>Functional Total</b>	<u>9,708,745</u>	<u>10,171,424</u>	<u>462,679</u>
<b>TOTAL STATE FUNDS SPENDING</b>	<u><u>63,971,616</u></u>	<u><u>69,723,180</u></u>	<u><u>5,751,564</u></u>

<sup>1</sup> Reflects an accounting adjustment for certain capital spending that is not reported in actual cash spending results, but is reported in the State's GAAP Financial Statements. This spending is related to programs which are financed directly from bond proceeds that are on deposit at various public authorities rather than from a short-term loan from Short-Term Investment Pool or cash from the General Fund, and has been included in the above agency totals and removed from net spending totals. The detailed amounts by agency are presented on the table entitled "Capital Off-Budget Spending".

**2005-06 Year-End Report**

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

	<u>2004-2005</u>	<u>2005-2006</u>	<u>Annual Change</u>
<b>ECONOMIC DEVELOPMENT AND GOVERNMENT OVERSIGHT</b>			
Agriculture and Markets, Department of	77,489	84,036	6,547
Alcoholic Beverage Control	10,016	10,286	270
Banking Department	57,375	56,278	(1,097)
Consumer Protection Board	2,193	2,622	429
Economic Development, Department of	320,795	435,010	114,215
Empire State Development Corporation	33,820	31,628	(2,192)
Energy Research and Development Authority	26,135	26,151	16
Housing and Community Renewal, Division of	246,400	256,949	10,549
Insurance Department	121,655	124,142	2,487
Olympic Regional Development Authority	9,282	8,550	(732)
Public Service, Department of	50,374	50,453	79
Science, Technology and Academic Research, Office of	54,675	59,411	4,736
<b>Functional Total</b>	<u>1,010,209</u>	<u>1,145,516</u>	<u>135,307</u>
<b>PARKS AND THE ENVIRONMENT</b>			
Adirondack Park Agency	4,847	4,398	(449)
Environmental Conservation, Department of	743,115	814,171	71,056
Environmental Facilities Corporation	14,653	8,034	(6,619)
Parks, Recreation and Historic Preservation, Office of	207,308	231,390	24,082
<b>Functional Total</b>	<u>969,923</u>	<u>1,057,993</u>	<u>88,070</u>
<b>TRANSPORTATION</b>			
Motor Vehicles, Department of	213,422	238,186	24,764
Thruway Authority	1,473	1,671	198
Metropolitan Transportation Authority	0	38,078	38,078
Transportation, Department of	5,176,638	5,638,018	461,380
<b>Functional Total</b>	<u>5,391,533</u>	<u>5,915,953</u>	<u>524,420</u>
<b>HEALTH AND SOCIAL WELFARE</b>			
Advocate for Persons with Disabilities, Office of	1,124	18	(1,106)
Aging, Office for the	174,414	178,683	4,269
Children and Family Services, Office of	3,126,575	3,174,373	47,798
Health, Department of	33,306,253	35,186,395	1,880,142
<i>Medical Assistance</i>	29,354,681	30,209,572	854,891
<i>Medicaid Administration</i>	564,226	575,158	10,932
<i>All Other</i>	3,387,346	4,401,665	1,014,319
Human Rights, Division of	14,692	14,942	250
Labor, Department of	620,872	569,032	(51,840)
Medicaid Inspector General, Office of	0	1,049	1,049
Prevention of Domestic Violence, Office of	2,805	1,969	(836)

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

	<u>2004-2005</u>	<u>2005-2006</u>	<u>Annual Change</u>
<b>HEALTH AND SOCIAL WELFARE (Continued)</b>			
Temporary and Disability Assistance, Office of	4,359,329	4,389,984	30,655
<i>Welfare Assistance</i>	3,133,225	2,979,052	(154,173)
<i>Welfare Administration</i>	304,281	368,537	64,256
<i>All Other</i>	921,823	1,042,395	120,572
Welfare Inspector General, Office of	1,031	1,004	(27)
Workers' Compensation Board	132,521	140,892	8,371
<b>Functional Total</b>	<u>41,739,616</u>	<u>43,658,341</u>	<u>1,918,725</u>
<b>MENTAL HEALTH</b>			
Mental Health, Office of	2,221,924	2,318,666	96,742
Mental Hygiene, Department of	1,739	9,370	7,631
Mental Retardation and Developmental Disabilities, Office of	2,809,677	2,949,259	139,582
Alcohol and Substance Abuse Services, Office of	486,137	483,212	(2,925)
Developmental Disabilities Planning Council	3,444	4,081	637
Quality of Care for the Mentally Disabled, Commission on	10,628	12,650	2,022
<b>Functional Total</b>	<u>5,533,549</u>	<u>5,777,238</u>	<u>243,689</u>
<b>PUBLIC PROTECTION</b>			
Capital Defenders Office	11,335	4,572	(6,763)
Correction, Commission of	2,527	2,515	(12)
Correctional Services, Department of	2,252,305	2,315,295	62,990
Crime Victims Board	61,521	55,565	(5,956)
Criminal Justice Services, Division of	345,932	183,873	(162,059)
Homeland Security	19,123	19,586	463
Investigation, Temporary State Commission of	3,288	3,586	298
Judicial Commissions	2,647	2,714	67
Military and Naval Affairs, Division of	1,449,393	165,839	(1,283,554)
Parole, Division of	180,063	193,231	13,168
Probation and Correctional Alternatives, Division of	68,908	69,397	489
State Police, Division of	485,987	598,904	112,917
<b>Functional Total</b>	<u>4,883,029</u>	<u>3,615,077</u>	<u>(1,267,952)</u>
<b>EDUCATION</b>			
Arts, Council on the	45,466	42,825	(2,641)
City University of New York	1,048,790	796,137	(252,653)
Education, Department of	22,898,301	24,238,340	1,340,039
<i>School Aid</i>	17,592,818	18,549,645	956,827
<i>STAR Property Tax Relief</i>	3,058,940	3,213,204	154,264
<i>Handicapped</i>	1,413,453	1,560,076	146,623
<i>All Other</i>	833,090	915,415	82,325
Higher Education Services Corporation	1,016,771	1,018,291	1,520
State University Construction Fund	9,139	10,013	874
State University of New York	4,740,555	5,066,096	325,541
<b>Functional Total</b>	<u>29,759,022</u>	<u>31,171,702</u>	<u>1,412,680</u>

**2005-06 Year-End Report**

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

	<u>2004-2005</u>	<u>2005-2006</u>	<u>Annual Change</u>
<b>GENERAL GOVERNMENT</b>			
Audit and Control, Department of	211,261	225,148	13,887
Budget, Division of the	32,214	37,423	5,209
Civil Service, Department of	22,408	26,391	3,983
Elections, State Board of	3,374	4,206	832
Employee Relations, Office of	3,231	3,579	348
Executive Chamber	13,521	13,937	416
General Services, Office of	217,696	260,291	42,595
Inspector General, Office of	5,082	5,336	254
Law, Department of	174,635	182,175	7,540
Lieutenant Governor, Office of the	378	348	(30)
Lottery, Division of	175,823	176,524	701
Racing and Wagering Board, State	14,656	13,093	(1,563)
Real Property Services, Office of	47,492	43,830	(3,662)
Regulatory Reform, Governor's Office of	3,458	3,661	203
State Labor Relations Board	3,394	3,508	114
State, Department of	116,456	132,559	16,103
Tax Appeals, Division of	2,781	2,958	177
Taxation and Finance, Department of	343,791	341,429	(2,362)
Technology, Office for	20,212	21,018	806
TSC Lobbying	1,273	1,572	299
Veterans Affairs, Division of	11,198	11,812	614
<b>Functional Total</b>	<u>1,424,334</u>	<u>1,510,798</u>	<u>86,464</u>
<b>ALL OTHER CATEGORIES</b>			
Legislature	206,711	210,051	3,340
Judiciary (excluding fringe benefits)	1,507,117	1,618,170	111,053
World Trade Center	39,677	81,607	41,930
Local Government Assistance	972,652	1,018,896	46,244
Long-Term Debt Service	3,787,726	3,702,254	(85,472)
General State Charges/Miscellaneous	4,466,483	4,875,058	408,575
Capital GAAP Adjustments <sup>1</sup>	(1,024,054)	(1,017,218)	6,836
<b>Functional Total</b>	<u>9,956,312</u>	<u>10,488,818</u>	<u>532,506</u>
<b>TOTAL ALL GOVERNMENTAL FUNDS SPENDING</b>	<u>100,667,527</u>	<u>104,341,436</u>	<u>3,673,909</u>

<sup>1</sup> Reflects an accounting adjustment for certain capital spending that is not reported in actual cash spending results, but is reported in the State's GAAP Financial Statements. This spending is related to programs which are financed directly from bond proceeds that are on deposit at various public authorities rather than from a short-term loan from Short-Term Investment Pool or cash from the General Fund, and has been included in the above agency totals and removed from net spending totals. The detailed amounts by agency are presented on the table entitled "Capital Off-Budget Spending".

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

	<u>2005-2006 Enacted</u>	<u>2005-2006 Year-End</u>	<u>Change</u>
<b>ECONOMIC DEVELOPMENT AND GOVERNMENT OVERSIGHT</b>			
Agriculture and Markets, Department of	48,103	45,628	(2,475)
Banking Department	250	0	(250)
Consumer Protection Board	0	19	19
Economic Development, Department of	37,199	38,581	1,382
Empire State Development Corporation	80,598	29,758	(50,840)
Housing Finance Agency	74,010	0	(74,010)
Housing and Community Renewal, Division of	0	76,297	76,297
Olympic Regional Development Authority	50,834	8,350	(42,484)
Public Service, Department of	7,350	0	(7,350)
Science, Technology and Academic Research, Office of	0	41,117	41,117
<b>Functional Total</b>	<u>298,344</u>	<u>239,750</u>	<u>(58,594)</u>
<b>PARKS AND THE ENVIRONMENT</b>			
Adirondack Park Agency	4,408	4,278	(130)
Environmental Conservation, Department of	115,872	103,232	(12,640)
Parks, Recreation and Historic Preservation, Office of	109,348	112,691	3,343
<b>Functional Total</b>	<u>229,628</u>	<u>220,201</u>	<u>(9,427)</u>
<b>TRANSPORTATION</b>			
Motor Vehicles, Department of	0	74	74
Transportation, Department of	108,140	149,407	41,267
<b>Functional Total</b>	<u>108,140</u>	<u>149,481</u>	<u>41,341</u>
<b>HEALTH AND SOCIAL WELFARE</b>			
Advocate for Persons with Disabilities, Office of	0	18	18
Aging, Office for the	79,013	72,448	(6,565)
Children and Family Services, Office of	1,436,930	1,434,861	(2,069)
Health, Department of	8,316,976	9,160,956	843,980
<i>Medical Assistance</i>	<u>7,445,597</u>	<u>8,290,981</u>	<u>845,384</u>
<i>Medicaid Administration</i>	119,950	190,880	70,930
<i>All Other</i>	751,429	679,095	(72,334)
Human Rights, Division of	13,142	12,814	(328)
Labor, Department of	16,176	8,257	(7,919)
Prevention of Domestic Violence, Office of	2,415	1,921	(494)
Temporary and Disability Assistance, Office of	1,451,257	1,345,401	(105,856)
<i>Welfare Assistance</i>	<u>1,000,969</u>	<u>882,398</u>	<u>(118,571)</u>
<i>Welfare Administration</i>	371,550	368,537	(3,013)
<i>All Other</i>	78,738	94,466	15,728
Welfare Inspector General, Office of	754	671	(83)
<b>Functional Total</b>	<u>11,316,663</u>	<u>12,037,347</u>	<u>720,684</u>
<b>MENTAL HEALTH</b>			
Mental Health, Office of	1,337,781	1,357,517	19,736
Mental Retardation and Developmental Disabilities, Office of	831,992	864,472	32,480
Alcohol and Substance Abuse Services, Office of	298,127	299,793	1,666
Quality of Care for the Mentally Disabled, Commission on	4,263	3,802	(461)
<b>Functional Total</b>	<u>2,472,163</u>	<u>2,525,584</u>	<u>53,421</u>



**2005-06 Year-End Report**

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

	<u>2005-2006 Enacted</u>	<u>2005-2006 Year-End</u>	<u>Change</u>
<b>PUBLIC PROTECTION</b>			
Capital Defenders Office	10,916	4,572	(6,344)
Correction, Commission of	2,510	2,510	0
Correctional Services, Department of	1,995,345	2,035,287	39,942
Crime Victims Board	3,314	3,655	341
Criminal Justice Services, Division of	106,592	90,456	(16,136)
Homeland Security	5,219	9,142	3,923
Investigation, Temporary State Commission of	3,463	3,403	(60)
Judicial Commissions	2,703	2,714	11
Military and Naval Affairs, Division of	26,167	50,628	24,461
Parole, Division of	183,489	190,969	7,480
Probation and Correctional Alternatives, Division of	78,596	69,179	(9,417)
State Police, Division of	352,235	454,215	101,980
<b>Functional Total</b>	<u>2,770,549</u>	<u>2,916,730</u>	<u>146,181</u>
<b>EDUCATION</b>			
Arts, Council on the	42,705	41,965	(740)
City University of New York	928,826	504,291	(424,535)
Education, Department of	<u>15,212,855</u>	<u>14,990,259</u>	<u>(222,596)</u>
<i>School Aid</i>	13,623,270	13,499,886	(123,384)
<i>Handicapped</i>	908,473	884,328	(24,145)
<i>All Other</i>	681,112	606,045	(75,067)
Higher Education Services Corporation	889,478	889,328	(150)
State University of New York	<u>1,359,162</u>	<u>1,363,492</u>	<u>4,330</u>
<b>Functional Total</b>	<u>18,433,026</u>	<u>17,789,335</u>	<u>(643,691)</u>
<b>GENERAL GOVERNMENT</b>			
Audit and Control, Department of	167,367	167,788	421
Budget, Division of the	28,185	27,970	(215)
Civil Service, Department of	24,199	25,391	1,192
Elections, State Board of	3,594	3,764	170
Employee Relations, Office of	3,580	3,553	(27)
Executive Chamber	15,480	13,937	(1,543)
General Services, Office of	148,686	146,577	(2,109)
Inspector General, Office of	4,579	4,446	(133)
Law, Department of	125,637	119,041	(6,596)
Lieutenant Governor, Office of the	485	348	(137)
Real Property Services, Office of	21,197	13,645	(7,552)
Regulatory Reform, Governor's Office of	3,554	3,661	107
State Labor Relations Board	3,357	3,508	151
State, Department of	20,523	20,159	(364)
Tax Appeals, Division of	306,876	2,958	(303,918)
Taxation and Finance, Department of	2,994	312,337	309,343
Technology, Office for	20,076	20,789	713
TSC Lobbying	909	1,288	379
Veterans Affairs, Division of	<u>12,089</u>	<u>10,823</u>	<u>(1,266)</u>
<b>Functional Total</b>	<u>913,367</u>	<u>901,983</u>	<u>(11,384)</u>

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

	<u>2005-2006 Enacted</u>	<u>2005-2006 Year-End</u>	<u>Change</u>
<b>ALL OTHER CATEGORIES</b>			
Legislature	206,672	210,051	3,379
Judiciary (excluding fringe benefits)	1,392,500	1,432,414	39,914
Local Government Assistance	1,028,900	1,018,896	(10,004)
Long-Term Debt Service	1,666,548	1,709,837	43,289
Capital Projects	228,597	285,524	56,927
General State Charges/Miscellaneous	5,142,286	5,057,585	(84,701)
<b>Functional Total</b>	<u>9,665,503</u>	<u>9,714,307</u>	<u>48,804</u>
<b>TOTAL GENERAL FUND SPENDING</b>	<u><u>46,207,383</u></u>	<u><u>46,494,718</u></u>	<u><u>287,335</u></u>

**2005-06 Year-End Report**

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

	<u>2005-2006 Enacted</u>	<u>2005-2006 Year-End</u>	<u>Change</u>
<b>ECONOMIC DEVELOPMENT AND GOVERNMENT OVERSIGHT</b>			
Agriculture and Markets, Department of	77,099	69,085	(8,014)
Alcoholic Beverage Control	11,471	10,286	(1,185)
Banking Department	80,566	56,278	(24,288)
Consumer Protection Board	2,575	2,622	47
Economic Development, Department of	329,144	434,975	105,831
Empire State Development Corporation	270,798	31,628	(239,170)
Energy Research and Development Authority	26,006	26,151	145
Housing Finance Agency	0	0	0
Housing and Community Renewal, Division of	201,325	187,999	(13,326)
Insurance Department	149,444	124,142	(25,302)
Olympic Regional Development Authority	7,750	8,550	800
Public Service, Department of	55,395	49,147	(6,248)
Science, Technology and Academic Research, Office of	67,834	53,719	(14,115)
<b>Functional Total</b>	<u>1,279,407</u>	<u>1,054,582</u>	<u>(224,825)</u>
<b>PARKS AND THE ENVIRONMENT</b>			
Adirondack Park Agency	4,408	4,278	(130)
Environmental Conservation, Department of	785,269	629,070	(156,199)
Environmental Facilities Corporation	12,664	8,034	(4,630)
Parks, Recreation and Historic Preservation, Office of	244,728	225,257	(19,471)
<b>Functional Total</b>	<u>1,047,069</u>	<u>866,639</u>	<u>(180,430)</u>
<b>TRANSPORTATION</b>			
Motor Vehicles, Department of	255,630	226,411	(29,219)
Thruway Authority	4,000	1,671	(2,329)
Metropolitan Transportation Authority	0	38,078	38,078
Transportation, Department of	4,173,113	4,171,041	(2,072)
<b>Functional Total</b>	<u>4,432,743</u>	<u>4,437,201</u>	<u>4,458</u>
<b>HEALTH AND SOCIAL WELFARE</b>			
Advocate for Persons with Disabilities, Office of	0	18	18
Aging, Office for the	82,074	73,259	(8,815)
Children and Family Services, Office of	1,474,668	1,456,662	(18,006)
Health, Department of	15,075,307	14,841,827	(233,480)
<i>Medical Assistance</i>	<u>11,725,847</u>	<u>11,522,379</u>	<u>(203,468)</u>
<i>Medicaid Administration</i>	119,950	190,880	70,930
<i>All Other</i>	3,229,510	3,128,568	(100,942)
Human Rights, Division of	13,148	12,814	(334)
Labor, Department of	98,499	78,423	(20,076)
Medicaid Inspector General, Office of	0	1,049	1,049
Prevention of Domestic Violence, Office of	2,445	1,921	(524)

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

	<u>2005-2006</u> <u>Enacted</u>	<u>2005-2006</u> <u>Year-End</u>	<u>Change</u>
<b>HEALTH AND SOCIAL WELFARE (Continued)</b>			
Temporary and Disability Assistance, Office of	1,547,289	1,426,236	(121,053)
<i>Welfare Assistance</i>	1,000,969	882,398	(118,571)
<i>Welfare Administration</i>	371,550	368,537	(3,013)
<i>All Other</i>	174,770	175,301	531
Welfare Inspector General, Office of	754	671	(83)
Workers' Compensation Board	144,188	138,436	(5,752)
<b>Functional Total</b>	<u>18,438,372</u>	<u>18,031,316</u>	<u>(407,056)</u>
<b>MENTAL HEALTH</b>			
Mental Health, Office of	1,628,638	1,700,086	71,448
Mental Hygiene, Department of	4,800	8,138	3,338
Mental Retardation and Developmental Disabilities, Office of	936,748	971,343	34,595
Alcohol and Substance Abuse Services, Office of	336,347	335,672	(675)
Developmental Disabilities Planning Council	0	0	0
Quality of Care for the Mentally Disabled, Commission on	4,565	3,968	(597)
<b>Functional Total</b>	<u>2,911,098</u>	<u>3,019,207</u>	<u>108,109</u>
<b>PUBLIC PROTECTION</b>			
Capital Defenders Office	10,916	4,572	(6,344)
Correction, Commission of	2,510	2,510	0
Correctional Services, Department of	2,184,850	2,284,993	100,143
Crime Victims Board	30,890	24,806	(6,084)
Criminal Justice Services, Division of	130,803	104,457	(26,346)
Homeland Security	20,143	15,852	(4,291)
Investigation, Temporary State Commission of	3,652	3,586	(66)
Judicial Commissions	2,703	2,714	11
Military and Naval Affairs, Division of	45,611	66,359	20,748
Parole, Division of	183,589	190,969	7,380
Probation and Correctional Alternatives, Division of	78,596	69,179	(9,417)
Public Security, Office of	0	0	0
State Police, Division of	511,980	591,065	79,085
<b>Functional Total</b>	<u>3,206,243</u>	<u>3,361,062</u>	<u>154,819</u>
<b>EDUCATION</b>			
Arts, Council on the	43,405	42,165	(1,240)
City University of New York	1,451,318	796,137	(655,181)
Education, Department of	20,743,413	20,587,693	(155,720)
<i>School Aid</i>	15,829,014	15,775,588	(53,426)
<i>STAR Property Tax Relief</i>	3,222,000	3,213,204	(8,796)
<i>Handicapped</i>	908,473	884,328	(24,145)
<i>All Other</i>	783,926	714,573	(69,353)
Higher Education Services Corporation	1,029,192	1,014,692	(14,500)
State University Construction Fund	10,480	10,013	(467)
State University of New York	4,878,832	4,907,618	28,786
<b>Functional Total</b>	<u>28,156,640</u>	<u>27,358,318</u>	<u>(798,322)</u>

**2005-06 Year-End Report**

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

	<u>2005-2006 Enacted</u>	<u>2005-2006 Year-End</u>	<u>Change</u>
<b>GENERAL GOVERNMENT</b>			
Audit and Control, Department of	247,988	225,148	(22,840)
Budget, Division of the	43,399	37,423	(5,976)
Civil Service, Department of	25,199	26,391	1,192
Elections, State Board of	3,594	3,769	175
Employee Relations, Office of	3,768	3,579	(189)
Executive Chamber	15,580	13,937	(1,643)
General Services, Office of	242,312	254,267	11,955
Inspector General, Office of	6,017	5,336	(681)
Law, Department of	164,656	158,701	(5,955)
Lieutenant Governor, Office of the	485	348	(137)
Lottery, Division of	177,264	176,524	(740)
Public Employment Relations Board	0	0	0
Racing and Wagering Board, State	17,902	13,093	(4,809)
Real Property Services, Office of	51,299	43,830	(7,469)
Regulatory Reform, Governor's Office of	3,554	3,661	107
State Labor Relations Board	3,943	3,508	(435)
State, Department of	156,188	76,116	(80,072)
Tax Appeals, Division of	2,994	2,958	(36)
Taxation and Finance, Department of	343,506	341,429	(2,077)
Technology, Office for	20,076	21,018	942
TSC Lobbying	1,376	1,572	196
Veterans Affairs, Division of	12,089	10,823	(1,266)
<b>Functional Total</b>	<u>1,543,189</u>	<u>1,423,431</u>	<u>(119,758)</u>
<b>ALL OTHER CATEGORIES</b>			
Legislature	207,622	210,051	2,429
Judiciary (excluding fringe benefits)	1,618,566	1,613,669	(4,897)
World Trade Center	0	0	0
Local Government Assistance	1,028,900	1,018,896	(10,004)
Long-Term Debt Service	3,842,725	3,702,254	(140,471)
General State Charges/Miscellaneous	5,164,594	4,643,772	(520,822)
Capital GAAP Adjustments <sup>1</sup>	(1,233,944)	(1,017,218)	216,726
Other Adjustments <sup>2</sup>	(1,369,824)	0	1,369,824
<b>Functional Total</b>	<u>9,258,639</u>	<u>10,171,424</u>	<u>912,785</u>
<b>TOTAL STATE FUNDS SPENDING</b>	<u>70,273,400</u>	<u>69,723,180</u>	<u>(550,220)</u>

<sup>1</sup> Reflects an accounting adjustment for certain capital spending that is not reported in actual cash spending results, but is reported in the State's GAAP Financial Statements. This spending is related to programs which are financed directly from bond proceeds that are on deposit at various public authorities rather than from a short-term loan from Short-Term Investment Pool or cash from the General Fund, and has been included in the above agency totals and removed from net spending totals. The detailed amounts by agency are presented on the table entitled "Capital Off-Budget Spending".

<sup>2</sup> Reflects statewide unallocated adjustment to initial total spending projections in both Special Revenue Funds and Capital Projects Funds based on historical spending trend analysis.

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

	<u>2005-2006</u> <u>Enacted</u>	<u>2005-2006</u> <u>Year-End</u>	<u>Change</u>
<b>ECONOMIC DEVELOPMENT AND GOVERNMENT OVERSIGHT</b>			
Agriculture and Markets, Department of	92,639	84,036	(8,603)
Alcoholic Beverage Control	11,471	10,286	(1,185)
Banking Department	80,566	56,278	(24,288)
Consumer Protection Board	2,575	2,622	47
Economic Development, Department of	329,489	435,010	105,521
Empire State Development Corporation	270,798	31,628	(239,170)
Energy Research and Development Authority	26,006	26,151	145
Housing Finance Agency	0	0	0
Housing and Community Renewal, Division of	237,600	256,949	19,349
Insurance Department	149,444	124,142	(25,302)
Olympic Regional Development Authority	7,750	8,550	800
Public Service, Department of	56,800	50,453	(6,347)
Science, Technology and Academic Research, Office of	73,459	59,411	(14,048)
<b>Functional Total</b>	<u>1,338,597</u>	<u>1,145,516</u>	<u>(193,081)</u>
<b>PARKS AND THE ENVIRONMENT</b>			
Adirondack Park Agency	4,758	4,398	(360)
Environmental Conservation, Department of	968,063	814,171	(153,892)
Environmental Facilities Corporation	12,664	8,034	(4,630)
Parks, Recreation and Historic Preservation, Office of	250,000	231,390	(18,610)
<b>Functional Total</b>	<u>1,235,485</u>	<u>1,057,993</u>	<u>(177,492)</u>
<b>TRANSPORTATION</b>			
Motor Vehicles, Department of	281,335	238,186	(43,149)
Thruway Authority	4,000	1,671	(2,329)
Metropolitan Transportation Authority	0	38,078	38,078
Transportation, Department of	5,735,736	5,638,018	(97,718)
<b>Functional Total</b>	<u>6,021,071</u>	<u>5,915,953</u>	<u>(105,118)</u>
<b>HEALTH AND SOCIAL WELFARE</b>			
Advocate for Persons with Disabilities, Office of	0	18	18
Aging, Office for the	185,763	178,683	(7,080)
Children and Family Services, Office of	3,095,010	3,174,373	79,363
Health, Department of	36,630,384	35,186,395	(1,443,989)
<i>Medical Assistance</i>	31,592,054	30,209,572	(1,382,482)
<i>Medicaid Administration</i>	589,500	575,158	(14,342)
<i>All Other</i>	4,448,830	4,401,665	(47,165)
Human Rights, Division of	15,119	14,942	(177)
Labor, Department of	676,736	569,032	(107,704)
Medicaid Inspector General, Office of	0	1,049	1,049
Prevention of Domestic Violence, Office of	2,445	1,969	(476)

**2005-06 Year-End Report**

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

	<u>2005-2006 Enacted</u>	<u>2005-2006 Year-End</u>	<u>Change</u>
<b>HEALTH AND SOCIAL WELFARE (Continued)</b>			
Temporary and Disability Assistance, Office of	4,678,874	4,389,984	(288,890)
<i>Welfare Assistance</i>	3,312,576	2,979,052	(333,524)
<i>Welfare Administration</i>	371,550	368,537	(3,013)
<i>All Other</i>	994,748	1,042,395	47,647
Welfare Inspector General, Office of	1,184	1,004	(180)
Workers' Compensation Board	144,954	140,892	(4,062)
<b>Functional Total</b>	<u>45,430,469</u>	<u>43,658,341</u>	<u>(1,772,128)</u>
<b>MENTAL HEALTH</b>			
Mental Health, Office of	2,240,056	2,318,666	78,610
Mental Hygiene, Department of	4,800	9,370	4,570
Mental Retardation and Developmental Disabilities, Office of	2,906,993	2,949,259	42,266
Alcohol and Substance Abuse Services, Office of	486,682	483,212	(3,470)
Developmental Disabilities Planning Council	3,679	4,081	402
Quality of Care for the Mentally Disabled, Commission on	13,492	12,650	(842)
<b>Functional Total</b>	<u>5,655,702</u>	<u>5,777,238</u>	<u>121,536</u>
<b>PUBLIC PROTECTION</b>			
Capital Defenders Office	10,916	4,572	(6,344)
Correction, Commission of	2,510	2,515	5
Correctional Services, Department of	2,244,388	2,315,295	70,907
Crime Victims Board	62,478	55,565	(6,913)
Criminal Justice Services, Division of	468,964	183,873	(285,091)
Homeland Security	21,743	19,586	(2,157)
Investigation, Temporary State Commission of	3,652	3,586	(66)
Judicial Commissions	2,703	2,714	11
Military and Naval Affairs, Division of	144,950	165,839	20,889
Parole, Division of	184,789	193,231	8,442
Probation and Correctional Alternatives, Division of	78,596	69,397	(9,199)
Public Security, Office of	0	0	0
State Police, Division of	515,866	598,904	83,038
<b>Functional Total</b>	<u>3,741,555</u>	<u>3,615,077</u>	<u>(126,478)</u>
<b>EDUCATION</b>			
Arts, Council on the	44,134	42,825	(1,309)
City University of New York	1,451,318	796,137	(655,181)
Education, Department of	24,330,682	24,238,340	(92,342)
<i>School Aid</i>	18,533,881	18,549,645	15,764
<i>STAR Property Tax Relief</i>	3,222,000	3,213,204	(8,796)
<i>Handicapped</i>	1,579,373	1,560,076	(19,297)
<i>All Other</i>	995,428	915,415	(80,013)
Higher Education Services Corporation	1,039,686	1,018,291	(21,395)
State University Construction Fund	10,480	10,013	(467)
State University of New York	5,061,032	5,066,096	5,064
<b>Functional Total</b>	<u>31,937,332</u>	<u>31,171,702</u>	<u>(765,630)</u>

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

	<u>2005-2006 Enacted</u>	<u>2005-2006 Year-End</u>	<u>Change</u>
<b>GENERAL GOVERNMENT</b>			
Audit and Control, Department of	247,988	225,148	(22,840)
Budget, Division of the	43,399	37,423	(5,976)
Civil Service, Department of	25,199	26,391	1,192
Elections, State Board of	151,525	4,206	(147,319)
Employee Relations, Office of	3,768	3,579	(189)
Executive Chamber	15,580	13,937	(1,643)
General Services, Office of	246,778	260,291	13,513
Inspector General, Office of	6,017	5,336	(681)
Law, Department of	186,945	182,175	(4,770)
Lieutenant Governor, Office of the	485	348	(137)
Lottery, Division of	177,264	176,524	(740)
Public Employment Relations Board	0	0	0
Racing and Wagering Board, State	17,902	13,093	(4,809)
Real Property Services, Office of	51,299	43,830	(7,469)
Regulatory Reform, Governor's Office of	3,554	3,661	107
State Labor Relations Board	3,943	3,508	(435)
State, Department of	236,223	132,559	(103,664)
Tax Appeals, Division of	2,994	2,958	(36)
Taxation and Finance, Department of	343,784	341,429	(2,355)
Technology, Office for	20,076	21,018	942
TSC Lobbying	1,376	1,572	196
Veterans Affairs, Division of	13,520	11,812	(1,708)
<b>Functional Total</b>	<u>1,799,619</u>	<u>1,510,798</u>	<u>(288,821)</u>
<b>ALL OTHER CATEGORIES</b>			
Legislature	207,622	210,051	2,429
Judiciary (excluding fringe benefits)	1,626,166	1,618,170	(7,996)
World Trade Center	149,000	81,607	(67,393)
Local Government Assistance	1,028,900	1,018,896	(10,004)
Long-Term Debt Service	3,842,725	3,702,254	(140,471)
General State Charges/Miscellaneous	5,392,447	4,875,058	(517,389)
Capital GAAP Adjustments <sup>1</sup>	(1,233,944)	(1,017,218)	216,726
Other Adjustments <sup>2</sup>	(1,669,824)	0	1,669,824
<b>Functional Total</b>	<u>9,343,092</u>	<u>10,488,818</u>	<u>1,145,726</u>
<b>TOTAL ALL GOVERNMENTAL FUNDS SPENDING</b>	<u>106,502,922</u>	<u>104,341,436</u>	<u>(2,161,486)</u>

<sup>1</sup> Reflects an accounting adjustment for certain capital spending that is not reported in actual cash spending results, but is reported in the State's GAAP Financial Statements. This spending is related to programs which are financed directly from bond proceeds that are on deposit at various public authorities rather than from a short-term loan from Short-Term Investment Pool or cash from the General Fund, and has been included in the above agency totals and removed from net spending totals. The detailed amounts by agency are presented on the table entitled "Capital Off-Budget Spending".

<sup>2</sup> Reflects statewide unallocated adjustment to initial total spending projections in both Special Revenue Funds and Capital Projects Funds based on historical spending trend analysis.



**CAPITAL OFF-BUDGET SPENDING**  
(thousands of dollars)

	<u>2004-2005</u> <u>Actual</u>	<u>2005-2006</u> <u>Enacted</u>	<u>2005-2006</u> <u>Year-End</u>
<b>ECONOMIC DEVELOPMENT AND GOVERNMENT OVERSIGHT</b>			
Economic Development	270,742	218,000	212,262
Empire State Development Corporation	<u>12,387</u>	<u>8,200</u>	<u>1,870</u>
<b>Functional Total</b>	<u>283,129</u>	<u>226,200</u>	<u>214,132</u>
<b>TRANSPORTATION</b>			
Transportation, Department of	<u>301,834</u>	<u>348,689</u>	<u>316,973</u>
<b>Functional Total</b>	<u>301,834</u>	<u>348,689</u>	<u>316,973</u>
<b>HEALTH AND SOCIAL WELFARE</b>			
Health All Other	0	0	2,020
	<u>0</u>	<u>0</u>	<u>2,020</u>
<b>MENTAL HEALTH</b>			
Mental Health, Office of	96,194	52,500	120,439
Mental Retardation and Developmental Disabilities, Office of	9,787	18,584	23,959
Alcohol and Substance Abuse Services, Office of	1,470	4,579	802
<b>Functional Total</b>	<u>107,451</u>	<u>75,663</u>	<u>145,200</u>
<b>EDUCATION</b>			
City University of New York	189,802	393,392	177,415
Education, Department of			
<i>All Other</i>	0	0	2,497
State University of New York	<u>141,838</u>	<u>190,000</u>	<u>109,235</u>
<b>Functional Total</b>	<u>331,640</u>	<u>583,392</u>	<u>289,147</u>
<b>ALL OTHER CATEGORIES</b>			
State Equipment	0	0	49,746
<b>Functional Total</b>	<u>0</u>	<u>0</u>	<u>49,746</u>
<b>TOTAL CAPITAL OFF-BUDGET SPENDING</b>	<u>1,024,054</u>	<u>1,233,944</u>	<u>1,017,218</u>

Reflects certain capital spending that is not reported in actual cash spending results, but is reported in the State's GAAP Financial Statements. This spending is related to programs which are financed directly from bond proceeds that are on deposit at various public authorities rather than from a short-term loan from Short-Term Investment Pool or cash from the General Fund, and has been included in the above agency totals.

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

	<u>2004-2005</u>	<u>2005-2006</u>	<u>Annual Change</u>
<b>Opening fund balance</b>	<u>430</u>	<u>412</u>	<u>(18)</u>
<b>Receipts:</b>			
Cigarette taxes	573	571	(2)
Miscellaneous receipts	<u>3,273</u>	<u>5,443</u>	<u>2,170</u>
<b>Total receipts</b>	<u>3,846</u>	<u>6,014</u>	<u>2,168</u>
<b>Disbursements:</b>			
Hospital Indigent Care Fund	831	819	(12)
Professional Education/Graduate Medical Education	452	360	(92)
Elderly Pharmaceutical Insurance Coverage (EPIC)	462	541	79
Child Health Plus (CHP)	301	345	44
Family Health Plus (FHP)	302	438	136
Workforce Recruitment and Retention	306	312	6
Public Health	101	129	28
Mental Health	91	86	(5)
Roswell Park Cancer Institute	78	78	0
Physician Excess Medical Malpractice	55	65	10
Transfer To Medicaid:			
Pharmacy Costs	396	498	102
Physician Costs	85	106	21
Health Insurance Demonstration Project	39	69	30
Supplemental Medical Insurance	68	68	0
All Other Medicaid	243	527	284
All Other	<u>302</u>	<u>385</u>	<u>83</u>
<b>Total disbursements</b>	<u>4,112</u>	<u>4,826</u>	<u>714</u>
<b>Change in fund balance</b>	<u>(266)</u>	<u>1,188</u>	<u>1,454</u>
<b>Closing fund balance</b>	<u>164</u>	<u>1,600</u>	<u>1,436</u>

The 2005-06 HCRA opening balance was increased by \$248 million to reflect balances in existing HCRA financed special revenue funds that were previously reported elsewhere in the State Financial Plan.

**2005-06 Year-End Report**

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

	<u>Enacted</u>	<u>30-Day</u>	<u>Year-End</u>	<u>Year-End vs. Enacted</u>	<u>Year-End vs. 30-Day</u>
<b>Opening fund balance</b>	<u>164</u>	<u>412</u>	<u>412</u>	<u>248</u>	<u>0</u>
<b>Receipts:</b>					
Cigarette taxes	561	568	571	10	3
Miscellaneous receipts	<u>5,194</u>	<u>5,570</u>	<u>5,443</u>	<u>249</u>	<u>(127)</u>
<b>Total receipts</b>	<u>5,755</u>	<u>6,138</u>	<u>6,014</u>	<u>259</u>	<u>(124)</u>
<b>Disbursements:</b>					
Hospital Indigent Care Fund	853	856	819	(34)	(37)
Professional Education/Graduate Medical Education	353	372	360	7	(12)
Elderly Pharmaceutical Insurance Coverage (EPIC)	570	538	541	(29)	3
Child Health Plus (CHP)	349	344	345	(4)	1
Family Health Plus (FHP)	455	439	438	(17)	(1)
Workforce Recruitment and Retention	416	416	312	(104)	(104)
Public Health	142	121	129	(13)	8
Mental Health	88	91	86	(2)	(5)
Roswell Park Cancer Institute	78	78	78	0	0
Physician Excess Medical Malpractice	49	65	65	16	0
Transfer To Medicaid:					
Pharmacy Costs	1,232	498	498	(734)	0
Physician Costs	85	85	106	21	21
Health Insurance Demonstration Project	69	69	69	0	0
Supplemental Medical Insurance	68	68	68	0	0
All Other Medicaid	399	658	527	128	(131)
All Other	<u>359</u>	<u>338</u>	<u>385</u>	<u>26</u>	<u>47</u>
<b>Total disbursements</b>	<u>5,565</u>	<u>5,036</u>	<u>4,826</u>	<u>(739)</u>	<u>(210)</u>
<b>Change in fund balance</b>	<u>190</u>	<u>1,102</u>	<u>1,188</u>	<u>998</u>	<u>86</u>
<b>Closing fund balance</b>	<u>354</u>	<u>1,514</u>	<u>1,600</u>	<u>1,246</u>	<u>86</u>

The 2005-06 HCRA opening balance was increased by \$248 million to reflect balances in existing HCRA financed special revenue funds that were previously reported elsewhere in the State Financial Plan.

**CASH FLOW**  
**HEALTH CARE REFORM ACT RESOURCES FUND**  
**2005-2006**  
(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</b>
<b>Opening fund balance</b>	412	735	878	177	412
<b>Receipts:</b>					
Cigarette Taxes	151	152	143	125	571
Miscellaneous Receipts	516	1,473	714	2,740	5,443
<b>Total receipts</b>	<b>667</b>	<b>1,625</b>	<b>857</b>	<b>2,865</b>	<b>6,014</b>
<b>Disbursements:</b>					
Medical Assistance Account	0	587	789	609	1,985
HCRA Program Account	139	208	232	290	869
Hospital Indigent Care Fund	105	244	285	185	819
Elderly Pharmaceutical Insurance Coverage (EPIC)	0	268	61	212	541
Child Health Plus (CHP)	59	94	126	66	345
Public Health	20	37	36	36	129
Mental Health	7	28	15	36	86
All Other	14	16	14	8	52
<b>Total disbursements</b>	<b>344</b>	<b>1,482</b>	<b>1,558</b>	<b>1,442</b>	<b>4,826</b>
<b>Change in fund balance</b>	<b>323</b>	<b>143</b>	<b>(701)</b>	<b>1,423</b>	<b>1,188</b>
<b>Closing fund balance</b>	<b>735</b>	<b>878</b>	<b>177</b>	<b>1,600</b>	<b>1,600</b>

**WORKFORCE SUMMARY REPORT  
ALL FUNDS  
2004-05 THROUGH 2005-06**

<b>Major Agencies</b>	<b>2004-05 Actual (3/31/2005)</b>	<b>2005-2006 Actual (3/31/2006)</b>	<b>Change</b>
Audit and Control	2,214	2,399	185
Children and Family Services	3,730	3,714	(16)
Correctional Services	31,101	31,768	667
Education	2,988	3,013	25
Environmental Conservation	3,261	3,345	84
General Services	1,634	1,702	68
Health	5,854	5,860	6
Labor	4,065	3,632	(433)
Law	1,739	1,759	20
Mental Health	16,100	16,180	80
Mental Retardation	21,537	21,837	300
Motor Vehicles	2,694	2,733	39
Parks, Recreation and Historic Preservation	1,612	1,599	(13)
Parole	2,011	2,047	36
State Police	5,642	5,591	(51)
Taxation and Finance	4,757	4,760	3
Temporary and Disability Assistance	2,192	2,349	157
Transportation	9,597	9,687	90
Workers' Compensation Board	1,523	1,517	(6)
<b>SUBTOTAL - Major Agencies</b>	<b>124,251</b>	<b>125,492</b>	<b>1,241</b>
<b>All Other Agencies (Minor)</b>	<b>11,429</b>	<b>11,486</b>	<b>57</b>
<b>TOTAL</b>	<b>135,680</b>	<b>136,978</b>	<b>1,298</b>
<b>Universities and Off-Budget Agencies</b>			
City University	10,642	10,751	109
Industrial Exhibit Authority	43	43	0
Roswell Park Cancer Institute	1,565	1,627	62
State University Construction Fund	98	110	12
State Insurance Fund	2,656	2,687	31
State University	38,247	39,195	948
<b>GRAND TOTAL</b>	<b>188,931</b>	<b>191,391</b>	<b>2,460</b>

**WORKFORCE SUMMARY REPORT  
ALL FUNDS  
2004-05 THROUGH 2005-06**

<b>Minor Agencies</b>	<b>2004-05 Actual (3/31/2005)</b>	<b>2005-2006 Actual (3/31/2006)</b>	<b>Change</b>
Adirondack Park	63	67	4
Advocate for Disabled	13	0	(13)
Aging	119	125	6
Agriculture and Markets	546	565	19
Alcoholic Beverage Control	145	151	6
Alcoholism and Substance Abuse	916	934	18
Arts Council	49	51	2
Banking	550	529	(21)
Budget	336	360	24
Capital Defender	57	7	(50)
Civil Service	563	554	(9)
Consumer Protection	30	31	1
Correction Commission	32	34	2
Crime Victims	95	94	(1)
Criminal Justice Service	686	646	(40)
Deferred Compensation	4	4	0
Economic Development	212	204	(8)
Elections	38	49	11
Employee Relations	73	72	(1)
Environmental Facilities Corporation	98	103	5
Executive Chamber	145	143	(2)
Financial Control Board	16	16	0
Higher Education Service	678	662	(16)
Homeland Security	60	98	38
Housing and Community Renewal	915	919	4
Hudson River Park Trust	4	4	0
Human Rights	179	182	3
Inspector General	60	70	10
Insurance	903	914	11
Interest on Lawyer Account	8	8	0
Judicial Commissions	28	26	(2)
Labor Management Committees	52	57	5
Lieutenant Governor	4	3	(1)
Lottery	323	320	(3)
Military and Naval Affairs	526	533	7
Northeastern Queens Nature and Historical	2	2	0
NYSTAR	29	30	1
Prevention of Domestic Violence	28	30	2
Probation and Correctional Alternatives	32	30	(2)
Public Employment Relations Board	32	33	1
Public Service	530	527	(3)
Quality of Care and Advocacy for Disabled	84	95	11
Racing and Wagering Board	123	125	2
Real Property Services	386	385	(1)
Regulatory Reform	36	37	1
State	810	819	9
Tax Appeals	30	33	3
Technology	598	597	(1)
TSC Investigation	30	31	1
TSC Lobbying	18	30	12
Veterans Affairs	104	107	3
Welfare Inspector General	10	10	0
Wireless Network	21	30	9
<b>Subtotal - Minor Agencies</b>	<b>11,429</b>	<b>11,486</b>	<b>57</b>

**WORKFORCE SUMMARY REPORT  
GENERAL FUND  
2004-05 THROUGH 2005-06**

<b>Major Agencies</b>	<b>2004-05 Actual (3/31/2005)</b>	<b>2005-2006 Actual (3/31/2006)</b>	<b>Change</b>
Audit and Control	1,388	1,541	153
Children and Family Services	3,139	3,140	1
Correctional Services	30,428	31,136	708
Education	385	376	(9)
Environmental Conservation	1,154	1,172	18
General Services	1,044	1,070	26
Health	2,099	2,042	(57)
Labor	11	12	1
Law	1,171	1,183	12
Mental Health	16,038	16,113	75
Mental Retardation	21,520	21,820	300
Parks, Recreation and Historic Preservation	1,341	1,323	(18)
Parole	2,011	2,047	36
State Police	5,088	5,128	40
Taxation and Finance	4,720	4,721	1
Temporary and Disability Assistance	463	463	0
<b>SUBTOTAL - Major Agencies</b>	<b>92,000</b>	<b>93,287</b>	<b>1,287</b>
<b>All Other Agencies (Minor)</b>	<b>4,708</b>	<b>4,764</b>	<b>56</b>
<b>TOTAL</b>	<b>96,708</b>	<b>98,051</b>	<b>1,343</b>
<b>Universities and Off-Budget Agencies</b>			
State University of New York	22,650	23,148	498
<b>GRAND TOTAL</b>	<b>119,358</b>	<b>121,199</b>	<b>1,841</b>

**WORKFORCE SUMMARY REPORT  
GENERAL FUND  
2004-05 THROUGH 2005-06**

<b>Minor Agencies</b>	<b>2004-05 Actual (3/31/2005)</b>	<b>2005-2006 Actual (3/31/2006)</b>	<b>Change</b>
Adirondack Park Agency	63	67	4
Advocate for Disabled	9	0	(9)
Aging	27	27	0
Agriculture and Markets	366	411	45
Alcoholism and Substance Abuse	821	836	15
Arts Council	41	45	4
Budget	317	319	2
Capital Defender	57	7	(50)
Civil Service	333	324	(9)
Consumer Protection	8	0	(8)
Correction Commission	32	34	2
Crime Victims	61	61	0
Criminal Justice Service	556	528	(28)
Economic Development	202	195	(7)
Elections	38	49	11
Employee Relations	40	45	5
Executive Chamber	145	143	(2)
Homeland Security	26	39	13
Housing and Community Renewal	377	372	(5)
Hudson River Park Trust	4	4	0
Human Rights	179	182	3
Inspector General	50	59	9
Judicial Commissions	28	26	(2)
Labor Management Committees	52	57	5
Lieutenant Governor	4	3	(1)
Military and Naval Affairs	230	226	(4)
Northeastern Queens Nature and Historical	2	2	0
NYSTAR	29	30	1
Prevention of Domestic Violence	28	28	0
Probation and Correctional Alternatives	26	26	0
Public Employment Relations Board	32	33	1
Quality of Care and Advocacy for Disabled	32	41	9
Real Property Services, Office of	14	0	(14)
Regulatory Reform	36	37	1
State	170	202	32
Tax Appeals	30	33	3
Technology	92	109	17
TSC Investigation	30	31	1
TSC Lobbying	18	27	9
Veterans Affairs	93	96	3
Welfare Inspector General, Office of	10	10	0
<b>SUBTOTAL - Minor Agencies</b>	<b>4,708</b>	<b>4,764</b>	<b>56</b>