



New York State

2006-07 Financial Plan Mid-Year Update

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Mid-Year Update to the 2006-07 Financial Plan

INTRODUCTION

This Mid-Year Financial Plan Update (the "Mid-Year Plan") revises the State's budgetary projections for the 2006-07 through 2008-09 fiscal years that were set forth in the First Quarterly Financial Plan (the "July Update") issued on July 31, 2006. The Mid-Year Plan reflects revised spending and revenue estimates based on (a) operating results through the first six months of the 2006-07 fiscal year, (b) a review of factors affecting the long-term current services forecast, and (c) an updated economic forecast. The Mid-Year Plan is intended to assist the Legislature and public in understanding the current operating forecast of State finances over a multi-year period. The Mid-Year Plan is available on-line at www.budget.state.ny.us or by contacting the Division of the Budget, State Capitol, Albany, NY 12224, (518) 473-8705.

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2006-07 MID-YEAR PLAN

FINANCIAL PLAN AT-A-GLANCE

2006-07 Financial Plan At-A-Glance: Impact on Key Measures (billions of dollars)					
	2005-06 Results	2006-07			Change from July
		Enacted	July Update	Mid-Year	
Receipts (All Funds)					
Taxes	53.6	56.9	57.1	57.8	0.7
Miscellaneous Receipts	18.3	18.7	18.3	18.8	0.5
Federal Grants	35.1	35.6	35.9	36.2	0.3
Disbursements					
General Fund	46.5	50.8	51.0	51.3	0.3
State Funds	69.7	77.1	78.1	78.1	0.0
All Funds	104.3	112.5	113.6	114.0	0.4
Outyear Gap Forecast					
2007-08	n/a	3.7	3.2	2.4	(0.8)
2008-09	n/a	4.3	5.4	4.5	(0.9)
Key Reserves					
Spending Stabilization Reserve	2.0	1.8	0.8	0.8	0.0
Rainy Day Reserve	0.9	0.9	0.9	1.0	0.1
Cash-basis Surplus					
	2.0	n/a	n/a	1.1	1.1
Debt					
Debt Service as % All Funds	4.0%	4.2%	4.2%	4.5%	0.3%
State-Related Debt Outstanding	46.9	50.7	51.0	48.8	(2.2)

- Current year operations have improved since the July Update, resulting in a \$1.1 billion projected General Fund surplus, due to roughly \$700 million in higher receipts and \$400 million in lower spending that impact surplus results.
- Of the \$1.1 billion surplus, \$500 million will be set aside to guard against risks¹, \$81 million will be deposited in the Rainy Day Reserve that will bring the balance to its statutory maximum balance of 2 percent (\$1.0 billion), and the remaining amount will be used in equal installments to reduce the outyear gaps.
- The estimated 2007-08 General Fund budget gap has been reduced from \$3.2 billion at the July Update to \$2.4 billion, and the 2008-09 gap is down roughly

¹ Risks are discussed in the section entitled "Risks to the Financial Plan."

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\$900 million to \$4.5 billion. At this time, the 2007-08 gap of \$2.4 billion reflects the use of the entire spending stabilization reserve (\$787 million) and a portion of the 2006-07 surplus (\$256 million) to support operations in 2007-08. In addition, the 2008-09 gap of \$4.5 billion is also reduced by the use of a portion of the 2006-07 surplus (\$255 million).

- The Health Care Reform Act (HCRA) outyear gap, which is in addition to the General Fund gap, has been reduced by roughly \$300 million to an annual amount of \$420 million in 2007-08 and \$1.0 billion in 2008-09.
- Since the July Update, estimated All Governmental Funds² receipts have been adjusted upward by roughly \$1.1 billion primarily in the personal income tax (PIT), business taxes, and miscellaneous receipts, reflecting an increase in estimated PIT payments, and audit collections, as well as a payment from New York City that is subject to ongoing negotiations.
- All Funds spending projections for 2006-07 have increased by roughly \$400 million. The increase is primarily due to the full reimbursement to New York City for the City University of New York (CUNY) costs (\$428 million), which is offset in the Mid-Year Plan by expected higher receipts from New York City, and the use of moneys previously set aside to reduce outyear debt service costs (\$250 million), partially offset by downward revisions to spending projections for Public Health/HCRA, employee benefits, Judiciary, and Medicaid.
- General reserves have increased by \$1.1 billion from the July Update consistent with the projected surplus for 2006-07. Projected year-end General Fund reserves consist of \$1.0 billion from the estimated 2006-07 surplus, \$1.0 billion in the Rainy Day Reserve after a planned deposit of \$81 million, which is available only for unforeseen shortfalls after the beginning of the fiscal year, and \$787 million available in a spending stabilization reserve.
- Reserves set aside for designated purposes are projected to decline by \$250 million from the July Update. The change reflects the use of the Debt Reduction Reserve Fund, as expected, to reduce outyear debt service costs by \$380 million.
- The economic forecast is relatively unchanged from the July Update. Real U.S. Gross Domestic Product of 3.5 percent is now forecast for 2006, with the economy expected to lose considerable momentum over the course of the year. Growth of 2.7 percent is projected for 2007, with rates of economic expansion that are slightly below the nation's long-term trend rate projected for much of the forecast horizon.

² Hereafter "All Funds". Comprises the General Fund, Special Revenue Funds, Capital Projects Funds, and Debt Service Funds.

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- State debt outstanding is projected to total \$48.8 billion at the end of 2006-07, with debt service equal to roughly 4.4 percent of All Funds receipts. The decline of \$2.2 billion from the July Update reflects delays in the timing of bond sales primarily for the EXCEL and the Advance Micro Devices (AMD) initiatives.
- On a Generally Accepted Accounting Principles (GAAP) basis, the State expects to end 2006-07 with an accumulated General Fund surplus of roughly \$1.4 billion, an increase of \$800 million from the July Update primarily due to the projected cash-basis surplus.
- The State reported a \$49.1 billion net asset condition at the end of 2005-06 on a GAAP basis. The net asset condition does not reflect liabilities for retiree health care costs that will be reported starting with 2007-08 GAAP results under a new accounting rule -- Governmental Accounting Standards Board Statement 45 (GASB 45). The State continues to review a preliminary report prepared by the State's consultants. The report indicates that as of April 1, 2006 the State's total unfunded long-term liability could be roughly \$47 billion based on several actuarial cost methods, or up to \$54 billion based on one method, with the liability amortized over a period of up to 30 years. Beginning with the fiscal year ending March 31, 2008, the total unfunded liability will be disclosed in the footnotes to the financial statements as a long-term obligation, but only the annual amortized value (currently projected at roughly \$2.7 billion beyond the current pay-as-you-go amounts of \$1 billion based on several actuarial methods and \$5.1 billion based on one method) would be recognized in the financial statements.
- The State's risk profile remains similar to what was described in the July Update, with a payment agreement with New York City and School Supportive Health Services audits presenting the most significant risks in the current year, and school finance litigation, economic uncertainties, adverse Federal actions, and future labor settlements posing the greatest potential long-term fiscal risks. However, given the fact that the Financial Plan has been revised to include significant reductions in spending and increases in receipts, the Division believes it is prudent to create additional reserves of \$500 million to guard against current-year transaction risks.

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SUMMARY OF MULTI-YEAR CHANGES TO THE JULY UPDATE (GENERAL FUND)

Since the July Update, DOB has revised its revenue and spending estimates based on actual operating results through the first six months of the 2006-07 fiscal year,³ a review of program trends that affect current service costs, and a revised economic forecast. The table below summarizes the impact of these revisions on the three-year operating forecast for the General Fund.

Revisions to General Fund Operating Forecast for 2006-07 Through 2008-09			
Savings/(Costs)			
(millions of dollars)			
	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
July Update Surplus/(Gap) Estimate (after use of reserves)	0	(3,166)	(5,405)
<i>Personal Income Tax Receipts</i>	225	412	412
<i>Personal Income Tax Receipts Transferred from RBTF</i>	75	138	138
<i>Business Tax Receipts</i>	420	(248)	(231)
<i>Medicaid</i>	359	538	658
<i>State University</i>	(74)	2	(33)
<i>School Aid</i>	(65)	(161)	12
<i>Video Lottery Terminal Revenue Revision</i>	0	(247)	0
<i>Judiciary</i>	60	(44)	(52)
<i>Disaster Assistance</i>	(38)	(58)	(30)
<i>Child Welfare Adjustment</i>	(33)	(67)	(81)
<i>Mental Hygiene</i>	32	(47)	(82)
<i>Employee Benefits</i>	31	116	72
<i>Transportation</i>	(18)	(7)	(157)
<i>All Other</i>	118	134	38
Net Impact of Revenue and Spending Changes	1,092	461	664
Mid-Year Surplus/(Gap) Estimate (before use of 2006-07 surplus)	1,092	(2,705)	(4,741)
<i>Use Portion of 2006-07 Surplus to Reduce Outyear Gaps</i>	(511)	256	255
<i>Reserve Portion of 2006-07 Surplus for Risks</i>	(500)		
<i>Maximum Rainy Day Reserve Deposit</i>	(81)		
Mid-Year Surplus/(Gap) Estimate (after use of reserve/surplus)	0	(2,449)	(4,486)

The Mid-Year Plan projects that the State will end 2006-07 with a surplus of \$1.1 billion on a budgetary (cash) basis of accounting. Improved operations are due primarily to an upward revision to the revenue forecast of roughly \$700 million and lower expected spending of nearly \$400 million in Medicaid that impact surplus results.

The 2007-08 budget gap is roughly \$700 million below the level projected in the July Update. The positive revision to the revenue and spending forecast and the use of \$256 million from the 2006-07 surplus (for planning purposes) account for the reduction.

³ Operating results through the first six months are discussed in the section entitled "Mid-year Operating Results."

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In addition, the gap estimate reflects the use of \$787 million from the stabilization reserve as reported previously in the July Update. The gap for 2008-09 has decreased by over \$900 million as a result of an improved revenue forecast and lower estimated spending, primarily for slowed Medicaid spending growth consistent with national trends, and the planned use of the remaining \$255 million from the 2006-07 surplus.

Below is a description of the substantive revisions since the July Update.

- **Personal Income Tax (PIT):** Receipts have been revised upward by \$300 million, including transfers, based on year-to-date results and DOB's latest economic forecast. The outyear estimates also reflect growth associated with an increase in extensions and final return payments related to the 2006 tax year.
- **Business Taxes:** The 2006-07 increase reflects stronger than anticipated tax base and audit collections. The decrease in the outyear estimates primarily reflect an increase in estimated refunds associated with the current year base increase, as well as a return to historical levels of audit collection results.
- **Medicaid:** Spending estimates have been revised downward by roughly \$359 million in 2006-07 (growing to \$538 million in 2007-08 and \$658 million in 2008-09) due to \$190 million in recurring savings attributable to overall lower-than-expected trends in utilization, costs and Family Health Plus enrollment. In addition, the reconciliation of actual 2005 base year costs used to calculate the cap on local Medicaid costs resulted in lower local government costs and a resultant reduction in State costs (\$198 million in 2006-07; \$366 million in 2007-08; and \$583 million in 2008-09). Local governments permanently benefit from lower cap payments attributed to slowed program growth and implementation of cost containment. These savings are partially offset by additional funding for bills passed at the end of the legislative session including funds for the Westchester Hospital (\$19 million in 2006-07; \$18 million in 2007-08; and \$14 million in 2008-09)
- **State University (SUNY):** Spending increases primarily reflect higher-than-expected energy costs and an earlier than planned payment of the State subsidy to SUNY hospitals.
- **School Aid:** The spending estimate has increased due to updates in expenditure estimates provided by the State Education Department and a projected shortfall in the receipt of Federal Medicaid reimbursement for certain special education costs.⁴
- **Video Lottery Terminals:** Outyear revenue projections for VLTs have been revised due to a delay in the anticipated opening of the Aqueduct VLT facility

⁴ The Federal government's audit of School Supportive Health Services claims is discussed in the section entitled "Risks to the Financial Plan."

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from October 2007 to April 2008, which results in an increase in General Fund support for Sound Basic Education (SBE) Aid in 2007-08.

- **Judiciary:** Lower spending in 2006-07 primarily includes a revision in the timing of costs for the Court Facilities Incentive Aid (CFIA) Fund and personal service revisions due to slower than expected judgeship appointments.
- **Disaster Assistance:** Includes aid to the communities impacted by the summer flooding in Central New York and the early snow in Western New York. These amounts reflect direct aid to individuals, families and businesses, as well as assistance to localities in meeting the required match to Federal grants for repair, recovery, and future disaster mitigation.
- **Children and Family Services:** Reflects upward trends in local district claims for reimbursement for child welfare costs.
- **Mental Hygiene:** Includes delays in new local program initiatives and bed development, as well as additional operational efficiencies. Revised outyear costs are due to rising residential costs, Federal aid reductions, enhanced community development, and increased bed capacity for sexually violent predators confined in psychiatric centers.
- **Employee Benefits:** Costs have been revised downward based on actual experience to date, and updated information, primarily in the area of pensions, health insurance, and Social Security.
- **Transportation:** Includes General Fund support to eliminate projected outyear shortfalls in the Dedicated Highway and Bridge Trust Fund, which have increased by \$150 million -- from \$40 million to \$190 million -- in 2008-09. The revisions reflect updated revenue estimates and General Fund support to close a \$6 million deficit in the Public Transportation Operating Assistance Fund in 2006-07, and an additional \$3 million in 2007-08.
- **Other changes:** These include lower debt service costs in 2007-08 (\$189 million) consistent with revised spending patterns in New York City for the issuance of State bonds associated with the EXCEL program (\$75 million) and a later than planned bond sale for the AMD project (\$83 million). Other adjustments include lower than expected spending for public health, the new Office of the Medicaid Inspector General, Division of Probation and Correctional Alternatives, and Welfare.

The Mid-Year Plan includes full reimbursement to New York City for CUNY related costs (\$428 million). These costs are offset by higher expected miscellaneous receipts from New York City that are the subject of ongoing negotiations between the State and New York City.

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In addition, reserves previously set aside for debt reduction purposes (\$250 million) were transferred from the General Fund and used to defease debt and reduce long-term debt service costs by \$380 million (net present value savings of 10.4 percent). The use of reserves to reduce debt is reflected as debt service spending in 2006-07.

2006-07 RECEIPTS IN THE MID-YEAR PLAN

Summary of All Funds Receipts Changes to the July Update

2006-2007 Budget Receipts Estimates, Revised for Mid-year Update (millions of dollars)				
	July Update	Mid-Year	Change	
			Dollar	Percent
General Fund	50,005	51,162	1,157	2.3%
State Funds	75,396	76,694	1,298	1.7%
All Funds	111,214	112,877	1,663	1.5%

General Fund receipts, including transfers from other funds, are now projected to total \$51.2 billion in 2006-07, an upward revision of \$1.2 billion from the July Update estimate. State Funds and All Funds receipts have increased by \$1.3 billion and \$1.7 billion, respectively. All Funds tax receipts are now projected to total \$57.8 billion, an increase of nearly \$800 million from the July Update, primarily due to upward revisions to projections for PIT and corporate franchise tax. In addition, miscellaneous receipts collections have also been revised upward to reflect an expected payment that is subject to ongoing negotiations with New York City, revisions to HCRA receipts, and a one-time fine collection.

Personal Income Tax (PIT)/Revenue Bond Tax Fund

All Funds PIT receipts for 2006-07 have been increased by \$300 million, and is entirely due to stronger-than-expected results in estimated tax payments for the current 2006 tax year.

General Fund PIT receipts have been revised upward by \$225 million from the July Update, which reflect an additional \$300 million in current year estimated payments, which includes a \$75 million increase in the amount of receipts deposited to the Revenue Bond Tax Fund (RBTF) that are transferred to the General Fund.

Projected General Fund PIT receipts for 2007-08 have been increased by \$412 million (1.7 percent). The increase is attributable to higher current year (2007) estimated payments of \$300 million, along with an increase in extension and final return payments on tax year 2006 liabilities of \$125 million each, offset by an additional transfer to the RBTF of \$138 million. Projected General Fund PIT receipts for 2008-09 have been similarly revised.

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User Taxes and Fees

General Fund and All Funds user taxes and fees for 2006-07 are reduced by \$31 million and \$49 million, respectively, primarily due to the reduction in sales and use tax collections due to higher fuel prices and lower light truck sales offset by an ABC license fee accounting adjustment.

All Funds receipts have been reduced in 2007-08 and 2008-09 by \$73 million and \$85 million, respectively, to reflect year-to-date collections and modestly weaker economic assumptions for the sales tax forecast partially offset by a slight increase in alcohol and beverage license fees.

Business Taxes

All Funds business tax receipts for 2006-07 are up \$518 million or 6.9 percent, mainly due to higher-than-anticipated growth in audit collections and significant growth in corporate collections to date that together are estimated to increase corporate franchise tax receipts by \$550 million from the July Update estimates. Estimated All Funds receipts for corporate and utilities taxes remain unchanged from the July update, while estimated receipts for the bank tax and insurance taxes collectively increased by \$10 million and estimated receipts from the petroleum business tax were revised downward by \$42 million.

General Fund business tax receipts have been increased by \$420 million in 2006-07, reflecting stronger-than-expected growth in corporate franchise tax receipts. Estimated General Fund receipts from the insurance taxes, the bank tax, and corporation and utilities taxes remain unchanged from the July Update.

Estimated General Fund corporate franchise tax receipts were decreased by \$409 million over the 2007-08 and 2008-09 period, and bank tax receipts were reduced by \$56 million over the two years combined. Projected General Fund receipts from insurance taxes are decreased by \$14 million for 2007-08 and remain unchanged for 2008-09. Estimated corporation and utilities tax receipts for 2007-08 and 2008-09 remain unchanged from the July Update.

Other Taxes

General Fund and All Funds receipts estimates for other taxes are unchanged from the July Update, however the estate tax estimate has been revised up by \$12 million which is entirely offset by an unexpected refund in the gift tax. Positive collection trends continue in the estate tax as well as the real estate transfer tax. However, the real estate market is exhibiting a modest leveling off.

Projected General Fund and All Funds receipts for 2007-08 and 2008-09 are unchanged from the July Update.

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Miscellaneous Receipts

General Fund miscellaneous receipts estimates have been revised upward by \$475 million in 2006-07 to reflect an expected payment from New York City and a one-time fine collected by the State. All Funds miscellaneous receipts are up \$543 million, mainly due to increased HCRA receipts resulting from a revised forecast and collections to date in addition to the General Fund increases identified above.

Projected General Fund miscellaneous receipts increased by \$2 million in 2007-08 and increased by \$79 million in 2008-09 due to forecasted growth in fee income. All Funds receipts have been increased consistent with the HCRA revisions described above.

Summary of All Funds Annual Receipts Changes

Annual Growth in Receipts, 2005-06 Results to 2006-07 Current Forecast (millions of dollars)				
	2005-06	2006-07	Annual Change	
	Results	Mid-Year	Dollar	Percent
General Fund	47,206	51,162	3,956	8.4%
State Funds	71,728	76,694	4,966	6.9%
All Funds	107,027	112,877	5,850	5.5%

In 2006-07, General Fund receipts, including transfers from other funds, are projected to total \$51.2 billion. State Funds receipts, which include receipts from both the General Fund and other funds where dedicated taxes, assessments, tuition revenues, HCRA resources and other non-Federal revenues are reflected, is projected to total \$76.7 billion in 2006-07. All Funds receipts, which include Federal aid, is projected to total \$112.9 billion in 2006-07.

Annual Receipts 2006-07 Budget Receipts Estimates - Annual Increases/(Decreases) (millions of dollars)			
	General Fund	State Funds	All Funds
2005-06 Receipts Results	47,206	71,728	107,027
Personal Income Tax	2,136	3,677	3,677
User Taxes and Fees	(423)	(282)	(282)
Business Taxes	815	907	907
Other Taxes	43	(46)	(46)
Miscellaneous Receipts	881	532	518
Federal Grants	180	178	1,076
Transfers From Other Funds	324	n/a	n/a
2006-07 Receipts Estimate	51,162	76,694	112,877
Annual \$ Change	3,956	4,966	5,850
Annual % Change	8.4%	6.9%	5.5%

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Personal Income Tax (PIT)

All Funds 2006-07 PIT receipts are projected to increase by just under \$3.7 billion or 11.9 percent over the prior year, principally reflecting expected growth in withholding of \$1.6 billion (6.7 percent), growth in estimated taxes of \$1.3 billion (14.1 percent) and lower anticipated refunds of \$435 million (7.6 percent). The decline in 2006-07 refunds is primarily attributable to the \$552 million increase in 2005 tax year refunds paid in the last quarter of 2005-06.

Business Taxes

All Funds 2006-07 business tax receipts are projected to increase by \$907 million or 12.8 percent over the prior year. The overall increase in the business tax category is due primarily to growth in the corporate franchise tax (31 percent) and insurance tax (10 percent), offset by declines in corporation and utilities taxes (5 percent), the bank tax (9.6 percent) and the petroleum business tax (1.8 percent).

User Taxes and Fees

All Funds 2006-07 user taxes and fees are projected to decrease by \$282 million or 2.0 percent from 2005-06. The decline in 2006-07 is attributable to a decrease in sales and use tax collections from the enactment of the permanent exemption on clothing and footwear priced under \$110, the tax law change of capping sales and compensating use taxes on motor fuel and diesel motor fuel at 8 cents per gallon and the increase in the vendor credit allowance.

Other Taxes

All Funds 2006-07 other tax receipts are projected to be \$46 million or 2.5 percent less than the prior year. The year over year decline is attributable to the expected weakness in real estate transfer tax collections compared to last year.

Miscellaneous Receipts

All Funds miscellaneous receipts are projected to increase by \$518 million from 2005-06. The growth is comprised of higher expected receipts in the General Fund (\$881 million) offset by a net decline in other funds). General Fund growth primarily reflects the expected receipt of a \$428 million payment from New York City in 2006-07 and one-time fines collected in 2006-07. Capital Projects receipts increase to finance higher spending on projects for transportation (\$312 million), economic development (\$152 million), SUNY (\$84 million), and environment (\$80 million), as well as timing related year-to-year shifts of authority bond proceeds reimbursements resulting from delayed or deferred 2005-06 bond sales. Special Revenue receipts decline due to the receipt of health care conversion proceeds in 2005-06 that are being used to support State Medicaid and other public health care costs in 2006-07 (\$1.7

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billion), partially offset by projected increases in provider assessments (\$312 million), SUNY (\$271 million), and lottery receipts, including VLT revenues (\$136 million).

Federal Grants

All Funds Federal grants are projected to increase by \$1.1 billion from 2005-06 to total \$36.2 billion. Federal aid changes generally correspond to changes in federally-reimbursed spending and do not necessarily reflect changes in aid levels for New York authorized by Congress. The annual growth is largely due to increases in the areas of Medicaid (\$747 million), Welfare (\$480 million), Homeland Security (\$229 million) and SUNY (\$172 million). In addition, the State expects to receive Federal monies in 2006-07 related to Medicare Part D, including a \$120 million one-time reimbursement for costs associated with initial implementation delays experiences nationwide (\$180 million). These increase are partially offset by expected declines in Child and Family Services (\$379 million) and other modest decreases in various agencies.

2006-07 SPENDING IN THE MID-YEAR PLAN

Summary of All Funds Changes to the July Update

2006-07 Spending Estimates, Revised for Mid-Year Plan				
(millions of dollars)				
	<u>July Update</u>	<u>Mid-Year</u>	<u>Change</u>	
			<u>Dollar</u>	<u>Percent</u>
General Fund	50,984	51,299	315	0.6%
State Funds	78,081	78,065	(16)	0.0%
All Funds	113,607	114,048	441	0.4%

The Mid-Year Plan projects General Fund spending in 2006-07 that is \$315 million higher than forecast at the time of the July Update. State Funds spending is down by \$16 million, mainly due to projected decreases in HCRA, including Family Health Plus, spending that is partially offset by the General Fund increases. All Funds spending is now estimated at \$114.0 billion in 2006-07, an increase of \$441 million over the last update, mainly due to increases in Federal Aid, primarily in Medicaid. The main revisions to 2006-07 All Funds spending estimates since the July Update are summarized in the following table.

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Revisions to 2006-07 Spending Forecast			
July Update to Mid-Year Plan -- Increases/(Decreases)			
(millions of dollars)			
	General Fund	State Funds	All Funds
2006-07 July Update Estimate	50,984	78,081	113,607
Reimbursement to NYC for CUNY costs	428	428	428
Use of Reserves to reduce high cost debt	250	250	250
Medicaid reestimates	(359)	(440)	(23)
Public Health/HCRA	(6)	(79)	(79)
State University of New York	50	55	55
School Aid (excludes EXCEL)	52	52	52
Employee Benefits/Other	(38)	(39)	(44)
Judiciary Reestimates	(23)	(37)	(37)
All Other	(38)	(207)	(161)
2006-07 Mid-Year Estimate	51,299	78,065	114,048
\$ Change	315	(16)	441
% Change	0.6%	0.0%	0.4%

Full reimbursement to New York City for CUNY-related costs, the use of debt reduction reserves to reduce long-term debt service costs, and Medicaid revisions are responsible for most of the General Fund spending change since the July Update. Other upward revisions reflect increased school aid costs based on revised spending projections from the Education Department and a projected decrease in Federal Medicaid reimbursement used to offset school aid spending; and higher spending in SUNY primarily for energy costs. In addition, spending has been lowered in various other areas including Judiciary personal service due to slower than expected judgeship appointments, as well as employee benefit costs mainly for employee health insurance and social security.

The State Funds changes are consistent with the General Fund revisions described above, and include lower spending for various public health programs financed by HCRA including Elderly Pharmaceutical Insurance Coverage, Child Health Plus, and Family Health Plus.

In All Funds, in addition to the State Funds changes as noted above, Federal aid has been adjusted upward to reflect additional Federal Medicaid reimbursement (\$400 million) and hospital grants under the Community Health Care Conversion Demonstration Project (\$169 million) based on actual experience to date, which is partially offset by a reduction in estimated Family Health Plus spending.

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Summary of All Funds Annual Spending Changes

Annual Growth in Spending, 2005-06 Results to 2006-07 Mid-Year Forecast (millions of dollars)				
	2005-06	2006-07	Annual Change	
	Results	Mid-Year	Dollar	Percent
General Fund	46,495	51,299	4,804	10.3%
State Funds	69,723	78,065	8,342	12.0%
All Funds	104,341	114,048	9,707	9.3%

In 2006-07, General Fund spending, including transfers to other funds, is projected to total \$51.3 billion. State Funds spending, which includes spending from both the General Fund and other funds supported by dedicated taxes, assessments, tuition revenues, HCRA resources and other non-Federal revenues, is projected to total \$78.1 billion in 2006-07. All Funds spending, the broadest measure of the State Budget that includes Federal aid, is projected to total \$114.0 billion in 2006-07.

Size of the Budget 2006-07 Budget Spending Estimates - Annual Increases/(Decreases) (millions of dollars)			
	General Fund	State Funds	All Funds
2005-06 Actual Spending Results	46,495	69,723	104,341
Medicaid (including administrative costs)	538	1,012	1,688
Public Health (including HCRA)	59	518	454
School Aid (Excludes EXCEL)	1,087	1,470	1,486
Other Education Aid	252	271	323
Local Property Tax Relief/STAR	0	828	828
Higher Education	778	1,048	1,080
Social Services	135	145	199
Mental Hygiene	314	388	352
Transportation	(87)	179	333
General State Charges	388	428	450
Debt Service/Use of Debt Reduction Reserve	54	608	608
Correctional Services	466	458	487
Judiciary	182	203	206
Municipal Aid	158	158	158
All Other	481	629	1,054
2006-07 Mid-Year Spending Estimate	51,299	78,065	114,048
Annual \$ Change	4,804	8,342	9,707
Annual % Change	10.3%	12.0%	9.3%

Medicaid: Higher State costs are driven by modest increases in utilization, the total number of recipients and medical inflation (roughly \$700 million), the State cap on local Medicaid expenditures (\$327 million), the State takeover of Family Health Plus (\$149

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million), as well as program changes associated with Medicare Part D and HCRA. This growth is offset by the receipt of hospital assessment revenue used to finance a portion of General Fund costs (\$212 million).

Public Health (HCRA): Increases are primarily the result of higher spending for Graduate Medical Education, Healthy New York, AIDS Drug Assistance Program and cancer services, as well as targeted investments for anti-tobacco programs, Physicians Excess Medical Malpractice, and stockpiling medications and supplies for Avian Flu.

School Aid: Reflects an increase of nearly \$1.3 billion in school aid on a school year basis. Annual increases are provided for most categories of aid, including SBE Aid (\$375 million), Supplemental Extraordinary Needs Aid (\$136 million), Excess Cost Aid (\$126 million), Transportation Aid (\$100 million), Building Aid (\$96 million), Flex Aid (\$86 million), Tax Limitation Aid (\$76 million), BOCES (\$55 million), and additional Pre-K (\$50 million), as well as other categorical and formula-based programs.

School Construction (EXCEL): The State expects to finance roughly \$800 million of the \$2.6 billion EXCEL program in 2006-07 and the balance in 2007-08. The original expectation was for \$1.8 billion of financing to occur in 2006-07. Based on current accounting treatment, spending for EXCEL is not reflected in actual cash-basis results since spending will occur directly from bond proceeds.

Other Education Aid: Spending is driven by enrollment and cost increases in special education programs; additional funding for legislatively-directed education-related programs; aid enhancements for libraries; public broadcasting; vocational rehabilitation services; math and science high schools; and increases for agency operations.

Local Property Tax Relief: Estimates reflect the new local property tax rebate/credit program (\$675 million) and growth of \$153 million in the existing School Tax Relief (STAR) program associated with changes in property valuations, school tax rates, increased number of STAR exemptions, and an enhancement in the benefit for senior citizens.

Higher Education: Reflects an expansion of SUNY and CUNY capital programs, operating increases for senior and community colleges, as well as a full reimbursement to New York City for CUNY-related costs. Eligibility limits on the Tuition Assistance Program partially offset the growth in aid to public universities.

Social Services: Public Assistance caseloads continue to decline, but cost-of-living adjustments for foster care workers, increased local claims under the open-ended child welfare services program, and the loss of one-time offsets drive spending growth.

Mental Hygiene: Additional funding is provided for new or expanded community-based initiatives, as well as capital improvements and inflation in operating costs at State-operated and non-profit facilities and programs. The estimates reflect maximizing

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Federal aid, audit recoveries, overtime controls, and efficiency efforts for certain local programs.

Transportation: The annual change reflects the acceleration of \$245 million in transit aid to 2005-06 from 2006-07, and additional capital spending pursuant to the second year of the Department of Transportation's five-year Capital Plan.

General State Charges: Premiums for the State employee health plan are projected to increase by 9.1 percent in 2006-07. Spending growth is also attributable to increases in the State's pension contribution rate (from 8.8 percent to 10.2 percent) applied to higher salary costs.

Debt Service: Increases in bond-financed capital spending as detailed later in this report drive most of the growth in debt service.

Advanced Micro Devices (AMD): The State expects to finance \$650 million for this economic development project in 2007-08. The original expectation was for this financing to occur in 2006-07. Like EXCEL, this spending is not reflected in actual cash-basis accounting reports.

Other Changes: Other increases include retroactive lump sum collective bargaining payments for correctional officers; increased operational costs including expected salary increases for the Judiciary; and second year increases in funding for local governments under the Aid and Incentives for Municipalities program, as well as additional unrestricted aid.

Based on current accounting treatment, roughly \$1.9 billion of capital spending for projects spent directly from bond proceeds is not reflected in the State's budgetary basis results. A table at the end of this Mid-Year Plan details the 2006-07 "off-budget" capital spending, which is roughly \$900 million more than 2005-06 (mostly for EXCEL).

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PROJECTED 2006-07 YEAR-END BALANCES (GENERAL FUND)

DOB projects the State will end the 2006-07 fiscal year with a General Fund balance of \$3.1 billion, as detailed below.

General Fund Estimated Closing Balance 2006-07			
(millions of dollars)			
	<u>July Update</u>	<u>Change</u>	<u>Mid-Year</u>
Closing Fund Balance	2,278	842	3,120
Statutory Rainy Day Reserve Fund	944	81	1,025
Contingency Reserve Fund	21	0	21
Spending Stabilization Reserve	787	0	787
Remaining 2006-07 Surplus (after Rainy Day deposit)	0	1,011	1,011
Community Projects Fund	276	0	276
Debt Reduction Reserve	250	(250)	0

The reserves consist of \$1.0 billion in the State's Rainy Day Reserve, which, after a planned deposit of \$81 million, will increase the balance to its statutory maximum of 2 percent of spending; \$21 million in the Contingency Reserve for litigation risks; and \$500 million of the 2006-07 surplus set aside in a reserve for risks. Reserves set aside for planned commitments include \$787 million in a spending stabilization reserve (the amount of the 2005-06 surplus remaining after balancing the 2006-07 budget) and \$511 million from the projected 2006-07 surplus that is currently planned to be used in equal amounts to lower the projected 2007-08 and 2008-09 budget gaps, as well as \$276 million in the Community Projects Fund to finance existing legislative and gubernatorial initiatives.

The \$250 million reserve for debt reduction is being used, as planned, to reduce high cost debt and future debt service costs.

OPERATING RESULTS, APRIL THROUGH SEPTEMBER 2006

GENERAL FUND

The General Fund ended the first six months of the 2006-07 fiscal year with a cash balance of \$4.7 billion, \$345 million lower than the July Update projection. This variance is attributable to \$320 million in spending occurring earlier than planned and \$25 million in lower than expected receipts.

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General Fund Year-to-Date Results vs. July Update Projections

2006-07 Fiscal Year Year-to-Date Results through September 2006 General Fund Results vs. July Update Projections (millions of dollars)				
	July Update Projection	Actual Results	Favorable/ (Unfavorable) vs. Plan	Increase/ (Decrease) from 2005-06
Opening Balance (April 1, 2006)	3,257	3,257	n/a	711
<u>Receipts</u>	<u>26,095</u>	<u>26,070</u>	<u>(25)</u>	<u>1,657</u>
Personal Income Tax	12,031	12,071	40	1,061
User Taxes and Fees	4,188	4,151	(37)	(277)
Business Taxes	2,714	2,697	(17)	319
All Other Taxes, Receipts & Grants	1,549	1,640	91	417
Transfers From Other Funds	5,613	5,511	(102)	137
<u>Disbursements</u>	<u>24,273</u>	<u>24,593</u>	<u>(320)</u>	<u>2,558</u>
Local Assistance	14,705	15,246	(541)	1,854
State Operations	<u>5,252</u>	<u>5,157</u>	<u>95</u>	<u>540</u>
<i>Personal Service</i>	3,930	3,896	34	405
<i>Non-Personal Service</i>	1,322	1,261	61	135
General State Charges	2,805	2,663	142	(2)
Transfers To Other Funds	1,511	1,527	(16)	166
Change in Operations	1,822	1,477	(345)	(901)
Closing Balance (September 30, 2006)	5,079	4,734	(345)	(189)

Through September 2006, General Fund receipts, including transfers from other funds, totaled \$26.1 billion, \$25 million lower than the July Update forecast. This decrease is primarily due to lower than expected collections in the sales tax, corporate franchise taxes, and transfers from other funds, which is partially offset by higher than anticipated estimated tax payments on personal income and miscellaneous receipts.

General Fund disbursements, including transfers to other funds, totaled \$24.6 billion, \$320 million above the July Update estimate. The vast majority of variances are timing-related and are not expected to impact year-end results. Local assistance spending for the first six months exceeded projections by \$541 million. Earlier than anticipated initial school year aid payments, later-than-expected application of the public assistance offset, payments to CUNY for collective bargaining, and higher-than-projected spending for Children and Families and mental hygiene, were partially offset by lower-than-expected disbursements for public health, and a range of other programs. In State Operations, spending came in \$95 million below expectations, primarily due to shifts in spending patterns as compared to prior year trends. In General State Charges, later than expected payments for worker's compensation and taxes on public lands (\$130

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million occurred in October rather than September) accounted for most of the \$142 million in under-spending. Transfers to other funds were slightly above planned levels.

General Fund Year-to-Date Results vs. Prior Year

Through September 2006, total taxes, before the deposits to the debt service funds and the STAR Fund, increased by \$2.0 billion, or 8.5 percent, compared to the same period in 2005-06. This increase is largely attributable to continued economic improvement in 2005, strong payments on current and prior year PIT liability, and continued strength in the real estate market.

General Fund spending through September 2006 was \$2.6 billion, or 10.5 percent, higher than actual results through the same period for fiscal year 2005-06. The increase in year-to-year spending is concentrated in Medicaid (\$806 million) due to price and utilization increases, and the State takeover initiatives; higher than planned School Aid spending (\$527 million); and CUNY (\$134 million) and Welfare (\$168 million) increases due largely to timing of payments between years; and higher personal service spending driven by contractual salary increases and regular advancement through grade levels.

ALL FUNDS

2006-07 Fiscal Year Year-to-Date Disbursements through September 2006 All Governmental Funds Results vs. July Update Projections (millions of dollars)				
	July Projection	Actual Results	Favorable/ (Unfavorable) vs. Plan	Increase/ (Decrease) from 2005-06
Total Disbursements	52,369	51,771	598	3,437
General Fund (excluding transfers)	22,762	23,066	(304)	2,392
Special Revenue Funds	25,249	24,427	822	948
Capital Projects Funds	2,569	2,518	51	117
Debt Service Funds	1,789	1,760	29	(20)

Other Governmental Funds Year-to-Date Results vs. July Update Projections

Through September 2006, All Funds disbursements totaled \$51.8 billion, \$598 million below the July Update projection. Special Revenue Funds spending was under the July Update forecast by \$822 million. The lower spending is mainly due to: lower than anticipated Federal education spending due to reduced claims processed through the summer months (\$463 million); the delayed processing of an offset that reduces welfare spending, as described earlier (\$222 million); lower-than-projected Federal spending in the foster care and day care programs (\$153 million); and lower-than-projected spending in various other Federal aid programs (\$100 million). This lower spending is partially offset by higher Federal Medicaid spending (\$531 million).

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Other Funds Year-to-Date Results vs. Prior Year

Compared to the same period in 2005-06, Special Revenue disbursements were roughly \$950 million higher, due primarily to an increase in Federal Medicaid spending (\$837 million) and implementation of the Local Property Tax Rebate Program in September 2006 (\$393 million). The Capital Projects Funds spending increase from the prior year is primarily driven by higher spending in the Dedicated Highway and Bridge Trust Fund (\$122 million). Slightly lower Debt Service Funds spending versus the prior year reflects the continued implementation of the PIT Revenue Bond program, which is gradually replacing service-contract-based financing programs.

ECONOMIC FORECAST

THE NATIONAL ECONOMY

As anticipated in the First Quarterly Update the U.S. economy has lost substantial momentum since the first quarter of the year. A cooling housing market, combined with the effects of past energy price and interest rate increases, have generated a significant drag on economic growth. In addition, the most recent auto industry data are signaling a substantial inventory correction. The national economy is expected to continue to lose momentum through the end of this year, landing gently in the 2.0 percent range. However, with the Federal Reserve's most recent tightening cycle behind us and energy prices down significantly from their summer peaks, growth is expected to return to the economy's long-term trend rate by the second half of 2007. DOB now projects growth of 2.5 percent for 2007, following growth of 3.3 percent for 2006. These same forces are expected to have the reverse effect on inflation. An inflation rate of 3.6 percent is estimated for 2006, virtually unchanged from July, followed by a rate of 2.6 percent for 2007.

Strong corporate earnings, boosted by high energy sector profits, have continued to produce strong corporate profits from current production. Indeed, as of the second quarter of 2006, the most recent quarter for which data are available, profits had grown 34.5 percent in just two years. However, revisions to the historical data released by the U.S. Bureau of Economic Analysis (BEA) in its annual comprehensive revision at the end of July have led to a downward revision to profit growth for 2006. The Budget Division now projects corporate profits to rise 19.3 percent for 2006. Receding energy prices and a slower economy are expected bring profit growth for 2007 down to 4.0 percent for 2007. DOB forecast for employment growth for this year is virtually unchanged at 1.4 percent, followed by only slightly slower growth of 1.3 percent for 2007. However, when the U.S. Bureau of Labor Statistics (BLS) releases revised data in early February, the magnitude of the 2007 slowdown in job growth is expected to be larger. Based on revised data already released by BEA, U.S. personal income growth is expected to fall from 7.2 percent in 2006 to 6.1 percent in 2007, with growth in its largest component, wages and salaries, expected to fall from 7.9 percent in 2006 to 5.8 percent in 2007.

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Major U.S. Economic Indicators			
	2005	2006	2007
Gross Domestic Product (real)	3.2	3.3	2.5
Personal Income	5.2	7.2	6.1
Corporate Profits (with IVA and CCA)	12.5	19.3	4.0
Consumer Price Index	3.4	3.6	2.6
Note: Projected growth rates are percent changes, calendar year basis. Budget Division estimates are based on National Income and Product Account data through September 2006. Source: Moody's Economy.com, DOB staff estimates.			

Geopolitical concerns continue to pose a risk to the U.S. forecast. The recent declines in energy prices could easily reverse and take a larger bite out of both household and business spending than expected. In addition, should the housing market correction be more extensive than currently anticipated, consumption spending could be lower than expected. Lower household spending could, in turn, lead the business sector to pare down inventories even further, putting downward pressure on a labor market that has already shown signs of slowing. In contrast, stronger job growth or lower energy prices than anticipated could result in a stronger national economy than projected.

THE NEW YORK STATE ECONOMY

The New York economy began its fourth year of expansion at the end of the summer poised to grow at a slower pace than was observed in 2005 and earlier this year. The most recent data continue to indicate that the State's economic momentum peaked during the first half of 2005, presaging the current national slowdown. Because of the State's position as a financial market capital, the State economy was expected to be more sensitive to the Federal Reserve's ongoing policy of monetary tightening than the economies of other states. While the health, education, professional and business services, and tourism sectors are expected to continue to lead State economic growth, the overall pace of growth is expected to slow going forward. Total State employment growth of 0.8 percent is now projected for 2006, followed by growth of 0.7 percent for 2007. Private sector employment growth is projected to slow to 0.8 percent in 2007, following growth of 1.0 percent for this year. Correspondingly, DOB now projects growth in State wages to slow from 6.3 percent in 2006 to 5.5 percent in 2007. Similarly, growth in total State personal income is now projected to slow to 5.4 percent for 2007 from 5.8 percent in 2006.

All of the risks to the U.S. forecast apply to the State forecast as well, although interest rate risk and equity market volatility pose a particularly large degree of uncertainty for New York. Although it is DOB's view that the Federal Reserve's cycle of monetary tightening has ended, the effects of past interest rate increases continue to pose a risk to financial sector profits, particularly if IPO and merger and acquisition activity fall off more than anticipated. Lower than expected securities industry profits could result in lower bonus and wage income, the effects of which would ripple through the downstate regional economy. In addition, should the State's real estate market cool

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more rapidly than anticipated, household consumption and taxable capital gains realizations could be negatively affected. A return to last summer’s high energy prices poses a particular risk to the State’s tourism sector. In contrast, should the national and world economies grow faster than expected, an upturn in equity markets and other financial market activity could result in higher wage and bonus growth than projected. In addition, stronger growth in U.S. corporate profits could boost State employment growth beyond current expectations.

Major New York Economic Indicators			
	2005	2006	2007
Personal Income	4.2	5.8	5.4
Nonagricultural Employment	0.9	0.8	0.7
Unemployment Rate	5.0	4.9	5.2
Note: Numbers above are percent changes for personal income and nonagricultural employment and percents for the unemployment rate, calendar year basis. Data for 2006 and 2007 are projected by the Budget Division. Source: Moody’s Economy.com, NYS Department of Labor, DOB staff estimates.			

RISKS TO THE FINANCIAL PLAN

In any year, the Financial Plan is subject to risks that, if they were to materialize, could affect operating results. The profile of risk has not changed materially since the July Update. However, given the fact that the Financial Plan has been revised to include significant reductions in spending and increases in receipts, DOB believes it is prudent to create additional reserves of \$500 million to guard against current-year transaction risks.

The most significant risks include the following:

School Finance Litigation: 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 (SBE), in violation of the State Constitution. The State’s SBE aid program that began in 2005-06 is part of an effort to comply with the State Court of Appeals ruling. On May 8, 2006, the Court of Appeals authorized an expedited briefing schedule to hear arguments related to the State’s compliance with the Court’s order. Oral arguments were made on October 10, 2006, and a decision is anticipated within the next few months.

Approximately 40 percent of "traditional" school aid is provided to New York City. The 2006-07 Budget also includes \$700 million in SBE Aid in the 2006-07 school year, of which approximately 60 percent is for New York City (an increase of roughly \$225 million in 2006-07). VLT revenues, which are earmarked to finance SBE Aid, are forecasted to total \$328 million in State fiscal year 2006-07, \$663 million in State Fiscal Year 2007-08 and \$1.3 billion in State fiscal year 2008-09. To supplement VLT revenues until operations commence in all facilities, the State has provided \$100 million in General Fund support in 2006-07 and projects another \$247 million in 2007-08. Further delays in the opening of currently authorized VLT facilities or the failure to

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approve proposed expansion of the number of authorized facilities would adversely affect the level of VLT revenues available to finance SBE Aid. Specifically, the VLT estimate for 2008-09 depends on the Aqueduct VLT facility opening in April 2008. The expected opening has been moved from October 2007 due to delays in facility development. Also, additional VLT estimates of \$330 million beginning in 2008-09 depend upon the passage of legislation authorizing an expansion in the number of VLT facilities. It should be noted that the Legislature has not adopted proposed expansion legislation for the past three years. The Mid-Year Plan projects traditional school aid increases of roughly \$500 million annually for 2007-08 and 2008-09.

To directly address New York City school construction funding, the 2006-07 Budget authorized (1) \$1.8 billion in capital grants issued by the State for New York City school construction, and (2) the City's Transitional Finance Authority (TFA) to issue \$9.4 billion in bonds for school construction, which will be supported in part with State building aid receipts that the City may assign to TFA.

Litigation is ongoing and there is no assurance that these remedies will be sufficient to meet the Court's standards, or that other litigation will not arise related to the adequacy of the State's school financing system.

Federal Actions: At the request of the Federal government, the State discontinued intergovernmental transfer payments in 2005-06 pending Federal approval of a State Plan Amendment (SPA). The SPA was approved late in the 2005-06 fiscal year for a one-year term only and must be resubmitted annually. These payments are related to disproportionate share hospital payments to public hospitals throughout the State, including those operated by the New York City Health and Hospitals Corporation, SUNY and the counties. If these payments are not approved in 2006-07 and beyond, the State's health care financing system would be adversely affected.

Labor Contracts: Existing labor contracts with all of the State's major employee unions expire at the end of 2006-07. The Updated Financial Plan does not set aside any reserves for future collective bargaining agreements in 2007-08 or beyond. Each future 1 percent salary increase would cost roughly \$88 million annually in the General Fund and \$136 million in All Funds.

Miscellaneous Receipts: The State Financial Plan projections for 2006-07 and beyond assume approximately \$450 million annually in receipts that are the subject of ongoing negotiations between the State and New York City. Actual receipts in 2005-06 were \$450 million below planned levels, which the State recovered on a cash-basis by reducing spending for State aid to the City for reimbursement of CUNY costs.

School Supportive Health Services: The Office of the Inspector General (OIG) of the United States Department of Health and Human Services is conducting six audits of aspects of New York State's School Supportive Health Services program with regard to Medicaid reimbursement that cover \$1.4 billion in claims submitted between 1990 and 2001. To date, OIG has issued four final audit reports, which cover claims submitted by

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upstate and New York City school districts for speech pathology and transportation services. The final audits recommend that the Centers for Medicare and Medicaid Services (CMS) disallow \$173 million of the \$362 million in claims for upstate speech pathology services, \$17 million of \$72 million for upstate transportation services, \$436 million of the \$551 million in claims submitted for New York City speech pathology services, and \$96 million of the \$123 million for New York City transportation services. New York State disagrees with the audit findings on several grounds and has requested that they be withdrawn. If the recommended disallowances are not withdrawn, the State expects to appeal.

While CMS has not taken any action with regard to the disallowances recommended by OIG, CMS is deferring 25 percent of New York City claims and 9.7 percent of claims submitted by the rest of the State, pending completion of the audits. Since the State has continued to reimburse school districts for certain costs, these Federal deferrals are projected to drive additional spending of \$161 million over the next three years, which has been reflected in the State's Financial Plan.

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GENERAL FUND OUTYEAR PROJECTIONS (2007-08 AND 2008-09)

General Fund Mid-Year Plan (millions of dollars)					
	<u>2006-07</u>	<u>2007-08</u>	<u>Annual Change</u>	<u>2008-09</u>	<u>Annual Change</u>
Receipts:					
Personal Income Tax	22,836	23,959	1,123	25,296	1,337
User Taxes and Fees	8,216	8,525	309	8,821	296
Business Taxes	5,899	5,343	(556)	5,483	140
Other Taxes	924	994	70	1,054	60
Miscellaneous Receipts/Federal	3,090	2,244	(846)	2,110	(134)
Transfers from Other Funds	10,197	10,101	(96)	10,211	110
Total Receipts	<u>51,162</u>	<u>51,166</u>	<u>4</u>	<u>52,975</u>	<u>1,809</u>
Disbursements:					
Grants to Local Governments	34,386	37,534	3,148	39,985	2,451
State Operations	9,477	9,731	254	10,016	285
General State Charges	4,363	4,601	238	4,928	327
Transfers to Other Funds	3,073	2,717	(356)	2,937	3,283
Total Disbursements	<u>51,299</u>	<u>54,583</u>	<u>3,284</u>	<u>57,866</u>	<u>3,283</u>
Change in Reserves:					
Community Projects Fund	25	75	50	(150)	(225)
Tax Stabilization Reserve Fund	81	0	(81)	0	0
Spending Stabilization Reserve	(1,254)	(787)	467	0	787
2006-07 Surplus	1,011	(256)	(1,267)	(255)	1
Deposit to/(Use of):	<u>(137)</u>	<u>(968)</u>	<u>(831)</u>	<u>(405)</u>	<u>563</u>
Mid-Year Outyear Surplus/(Gap) Estimate		<u><u>(2,449)</u></u>		<u><u>(4,486)</u></u>	

Absent policy changes, growth in spending is expected to outpace revenue growth over the next two years, based on DOB's economic forecast and current services projections for the State's major programs.

General Fund receipts are expected to increase at roughly 5 percent annually in the outyears. The small annual change in expected 2007-08 receipts reflects the impact of the tax law changes that will lower receipts. Spending is projected to grow about 6 percent on average through 2008-09, based on the current services forecast.

DOB currently projects General Fund budget gaps of \$2.4 billion in 2007-08 and \$4.5 billion in 2008-09, after reflecting the use of \$1.0 billion in reserves (the entire \$787 million spending stabilization reserve and \$256 million from the 2006-07 surplus) to lower the 2007-08 and another \$255 million from the 2006-07 surplus to lower the 2008-09 gap. The HCRA Special Revenue Fund outyear budget gap of \$420 million in 2007-

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08 and another \$1.0 billion in 2008-09 are in addition to this gap, and described later in this Mid-Year Plan.

For a detailed discussion of the revisions to the gap forecast since budget enactment, see the section entitled "Summary of Changes to the July Update Financial Plan" earlier in the Mid-Year Plan.

The following chart provides a "zero-based" look at the causes of the 2007-08 General Fund budget gap. It is followed by a brief summary of the assumptions behind the projections. For a detailed explanation of the specific assumptions supporting the revenue and spending projections, see the sections entitled "Outyear General Fund Receipt Projections" and "Outyear General Fund Disbursement Projections" in this Mid-Year Plan.

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General Fund Gap Estimate for 2007-08: "Zero-Based" Estimate	
Annual Change	
Savings/(Costs)	
(millions of dollars)	
	2007-08
Receipts	4
Constant Law Growth	2,869
Tax Reductions	(1,590)
Phaseout of Temporary PIT Actions	(425)
Increase in Debt Service (PIT/LGAC/CWCA)/Capital	(380)
Non-recurring 2006-07 NYPA/SONYMA payments	(297)
Decrease in STAR Deposits	292
Abandoned Property	(150)
Non-recurring 2006-07 Federal Medicare Part D Reimbursements	(120)
All Other	(195)
Total Disbursements	(3,284)
Local Assistance	(3,148)
Medicaid (incl. admin)	(1,458)
<i>Price/Utilization/Admin Growth</i>	(614)
<i>Medicaid Cap/Family Health Plus Takeover</i>	(425)
<i>Elimination of Hospital Assessment/Other Financing</i>	(419)
School Aid	(914)
<i>Regular School Aid/Database</i>	(767)
<i>VLT subsidy</i>	(147)
Children and Family Services	(198)
Welfare	(172)
Mental Hygiene	(266)
All Other Local Assistance	(140)
State Operations	(254)
Personal Service	(90)
<i>\$800 Base Salary Adjustment and Performance/Merit Awards</i>	(300)
<i>Nonrecurring 2006-07 NYSCOPBA Arbitration Award</i>	210
Non-personal Service	(164)
General State Charges	(238)
Health Insurance -- Active Employees	(130)
Health Insurance -- Retired Employees	(87)
Pensions	24
All Other	(45)
Transfers to Other Funds (Use of \$250M DRRF/\$120M VLT in 2006-07)	356
Change in Reserves used for Operations	800
Change in Deposit to Community Projects Fund/Rainy Day Fund	31
BUDGET GAP FOR 2007-08	(2,449)

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The gap for 2007-08 is a forecast based on assumptions of economic performance, revenue collections, spending patterns, and projections for the current services costs of program activities. DOB believes the gap forecast and the assumptions from which it is derived are reasonable. However, as with any forecast, the gap estimate is subject to estimation risks that can lead to significant variations. The most significant assumptions affecting the 2007-08 gap include the following:

- 1. The entire \$787 million spending stabilization reserve and \$256 million of the 2006-07 surplus are projected to be used to lower the 2007-08 gap.**
- 2. Economic growth will continue at a steady pace over the forecast period.** DOB's forecast expects personal income in New York to grow at 5.9 percent in 2006 and 5.2 percent in 2007, bolstered by slow but consistent employment growth and moderate growth in the financial services sector. A significant shock to the economy, such as another terrorist attack, spiraling energy prices, or a steep decline in the housing market, pose the most significant risks to the State economy in the short-run.
- 3. Revenues, adjusting for tax law changes, will grow at roughly 5.2 percent in 2007-08.** The growth rate is consistent with DOB's forecast for the economy, but, as in any year, is subject to significant volatility. Changes in the economic growth rate, Federal law, and taxpayer behavior all have a significant influence on receipts collections.
- 4. The majority of the Medicaid cost containment approved annually since 1995 will continue,** providing roughly \$500 million in savings annually over the Financial Plan.
- 5. Any shortfall in the HCRA will be closed without the need for additional General Fund resources in 2007-08.** HCRA expires on July 1, 2007. In the past, reauthorization of HCRA has produced new savings actions or revenues that resulted in fully solvent plans that did not require direct General Fund support.
- 6. Anti-fraud savings are projected to increase from \$300 million in 2006-07 to \$390 million and \$520 million in 2007-08 and 2008-09, respectively.** These savings estimates are expected from reducing Medicaid fraud by providers and recipients, as well as initiatives to improve detection and strengthen the State's fraud fighting capabilities.
- 7. School Aid is projected to increase annually (including SBE Aid outside the General Fund) in amounts consistent with a phase-in of the plan submitted to the court. This growth includes \$500 million annually on a school year basis as well as funding for SBE aid of \$700 million in 2006-07, increasing to \$1 billion in 2007-08 and \$1.5 in 2008-09.** The projections assume that this total level of spending increase will be sufficient to satisfy court directives. In

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both 2006-07 and 2007-08, SBE Aid is funded by VLT receipts and a subsidy from the General Fund (\$100 million in 2006-07; \$247 million in 2007-08). On a State fiscal year basis, VLT receipts are projected to total \$663 million in 2007-08 and \$1.3 billion in 2008-09. The VLT estimates depend on the opening of the Aqueduct VLT facility (now expected in April 2008), and legislative approval of an expansion of VLT gaming. Lack of legislative approval for VLT expansion (as experienced in recent years) and delays in development at the Aqueduct facility constitute a risk to these assumptions. For example, an April 2008 opening of the Aqueduct VLT facility, which coincides with the start of the State fiscal year, is valued at \$300 million in 2008-09 and the VLT expansion is valued at an additional \$300 million in 2008-09.

8. **Receipts of roughly \$450 million annually are budgeted in 2006-07, 2007-08 and 2008-09 that are the subject of ongoing negotiations between the State and counties and New York City.** Actual miscellaneous receipts in 2005-06 were \$450 million less than planned but offsetting cash-basis savings were achieved through a reduction in State aid.
9. **The Federal government will not make substantive funding changes to major aid programs.**
10. **The projections for 2007-08 and 2008-09 do not include any extra costs for new labor settlements** once the current contracts expire on April 1, 2007. Each 1 percent salary increase is valued at \$88 million in the General Fund and \$136 million in All Funds.
11. **Spending for employee and retiree health care costs assumes a premium increase of 9.4 percent.** Escalating health care costs, including prescription drugs, will significantly influence future health care premiums.
12. **The projections do not assume any pre-funding for GASB 45 costs,** but do include pay-as-you-go costs for retiree healthcare of roughly \$1.0 billion in 2007-08 and \$1.1 billion in 2008-09.

Changes to any of these assumptions have the potential to materially alter the size of the budget gap for 2007-08. A detailed discussion of the receipts and disbursement estimates for 2007-08 and 2008-09 follows.

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OUTYEAR GENERAL FUND RECEIPT PROJECTIONS

General Fund receipts, including transfers from other funds, are projected to total \$51.2 billion in 2007-08, essentially unchanged from 2006-07 estimates mainly due to significant tax reduction enacted in 2006. Receipts are projected to grow by more than \$1.8 billion in 2008-09 to total nearly \$53 billion. The estimated growth in underlying tax receipts for 2006 through 2008 is consistent with average historical growth during the mature stages of an economic expansion. In general, there is significant uncertainty associated with forecasts of receipts more than 18 months into the future. Overall, the tax receipt projections for future years follows the path dictated by DOB's forecast of economic growth. History suggests a wide range of potential outcomes around these estimates.

General Fund Receipts Forecast (millions of dollars)					
	2006-07	2007-08	Annual Change	2008-09	Annual Change
Personal Income Tax	22,836	23,959	1,123	25,296	1,337
User Taxes and Fees	8,216	8,525	309	8,821	296
Business Taxes	5,899	5,343	(556)	5,483	140
Other Taxes	924	994	70	1,054	60
Miscellaneous Receipts	2,910	2,184	(726)	2,050	(134)
Federal Grants	180	60	(120)	60	0
Transfers from Other Funds					
Revenue Bond Tax Fund	7,048	7,129	81	7,100	(29)
LGAC Fund	2,164	2,259	95	2,355	96
CW/CA Fund	583	510	(73)	512	2
All Other	402	203	(199)	244	41
Total Receipts	51,162	51,166	4	52,975	1,809
<i>Annual Percent Change</i>			<i>0.0%</i>		<i>3.5%</i>

Taxes

In general, income tax growth for 2007-08 and 2008-09 is governed by projections of growth in taxable personal income and its major components, including wages, interest and dividend earnings, realized taxable capital gains, and business net income and income derived from partnerships and S corporations. In addition, recently enacted tax law changes have a significant impact on year-over-year comparisons.

General Fund PIT receipts are projected to increase by \$1.1 billion to nearly \$24 billion in 2007-08. The change from 2006-07 reflects the impact of the elimination of the temporary surcharge on the growth in base liabilities, and the full-year impact of the Enacted Budget tax reductions. General Fund PIT receipts for 2008-09 are projected to increase by \$1.3 billion to \$25.3 billion, reflecting growth in liability that is consistent with an expanding personal income base during a period of expected economic growth, along with the continued impact of Enacted Budget tax reductions.

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The 2007-08 and 2008-09 projections also assume increases in the other major components of income, consistent with continued growth in the overall economy.

General Fund user taxes and fees for 2007-08 are projected to increase by over \$300 million due to the reduction in sales and use tax collections resulting from law changes including the cap on the sales tax charged on gasoline purchases and the increase in the vendor allowance, which are more than offset by increases in user tax base due to forecasted economic growth.

General Fund business tax receipts are expected to decrease to \$5.3 billion in 2007-08 and increase to \$5.5 billion in 2008-09, reflecting trend growth in business tax receipts, slower growth in corporate profits, a return to audit collection levels that reflect historical trends, and the continued impact of tax reductions enacted in 2006 and earlier years.

General Fund receipts from other taxes are expected to increase to \$994 million in 2007-08 and \$1.1 billion in 2008-09, primarily reflecting continued growth in estate tax receipts.

Miscellaneous Receipts

General Fund miscellaneous receipts in 2007-08 are projected to be nearly \$2.2 billion, down \$726 million from the current year. This decrease is primarily the result of revised estimates of abandoned property receipts and the loss of one-time revenues. In 2008-09, General Fund miscellaneous receipts collections are projected to be slightly more than \$2.0 billion, down \$134 million from 2007-08. This decrease results from expected declines in licenses and fee receipts, investment income and a decrease in the value of the local government revenue and disbursement program.

Transfers from Other Funds

Transfers from other funds are estimated to decline \$96 million to \$10.1 billion in 2007-08, and grow to \$10.2 billion in 2008-09. In 2007-08, the projected decline is primarily due to the loss of one-time transfers of available fund balances from certain non-General Fund accounts in 2006-07 (\$200 million) offset by the net increase of dedicated tax receipts in excess of associated debt service payments for the PIT Revenue Bonds, the Local Government Assistance Corporation (LGAC) Bonds and Clean Water/Clean Air general obligation bonds. In 2008-09, transfers are projected to grow due primarily to the net increase of tax receipts in excess of the related debt service payments for such bonds.

OUTYEAR GENERAL FUND DISBURSEMENT PROJECTIONS

DOB forecasts General Fund current services spending of \$54.6 billion in 2007-08, an increase of \$3.3 billion (6.4 percent) over 2006-07 projections. Growth in 2008-09 is

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projected at \$3.3 billion (6.0 percent). The main sources of current services annual spending growth for 2007-08 and 2008-09 are itemized in the following table.

General Fund Disbursement Projections (millions of dollars)					
	2006-07	2007-08	Annual Change	2008-09	Annual Change
Grants to Local Governments:	34,386	37,534	3,148	39,985	2,451
School Aid	14,587	15,501	914	15,614	113
Medicaid (incl. admin)	9,019	10,478	1,458	12,375	1,898
Higher Education	2,283	2,360	77	2,411	51
Education Aid - All Other	1,714	1,614	(100)	1,661	47
Mental Hygiene	1,575	1,841	266	1,982	141
Children and Family Services	1,355	1,553	198	1,658	105
Welfare	1,250	1,423	172	1,434	11
Local Government Assistance	1,177	1,220	43	1,230	10
Public Health	595	689	94	707	19
All Other	830	857	27	913	56
State Operations:	9,477	9,731	254	10,016	285
Personal Service	6,786	6,877	90	6,988	111
Non-Personal Service	2,691	2,854	164	3,028	174
General State Charges:	4,363	4,601	238	4,928	327
Pensions	1,222	1,198	(24)	1,214	16
Health Insurance	2,397	2,615	218	2,913	298
All Other	744	788	44	801	13
Transfers to Other Funds:	3,073	2,717	(356)	2,937	220
Debt Service	1,764	1,755	(9)	1,732	(23)
Capital Projects	224	250	26	441	191
All Other	1,085	712	(373)	764	52
Total Disbursements	51,299	54,583	3,284	57,866	3,283
<i>Annual Percent Change</i>			6.4%		6.0%

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Grants to Local Governments

Annual growth in local assistance is driven primarily by Medicaid and school aid. The table below summarizes some of the factors that affect the local assistance projections over the Financial Plan period.

Forecast for Selected Program Measures Affecting Local Assistance					
(millions of dollars)					
	Actual		Forecast		
	2004-05	2005-06	2006-07	2007-08	2008-09
Medicaid					
Medicaid Coverage (excl. FHP)	3,531,938	3,674,167	3,690,578	3,839,312	3,992,884
Medicaid Inflation	4.1%	3.9%	4.2%	2.4%	3.7%
Medicaid Utilization	3.2%	3.7%	2.2%	1.3%	4.0%
State Takeover of County/NYC Costs					
- Family Health Plus	\$60	\$289	\$438	\$483	\$513
- Medicaid	N/A	\$113	\$440	\$820	\$1,261
Education					
School Aid (School Year)	\$15,400	\$16,400	\$17,700	\$18,500	\$19,500
K-12 Enrollment	2,850,124	2,826,981	2,810,128	2,810,128	2,810,128
Public Higher Education Enrollment (FTEs)	490,916	496,189	500,070	500,070	500,070
TAP Recipients	336,700	343,881	334,124	334,124	334,124
Welfare					
Family Assistance Caseload	485,500	453,200	416,200	403,500	399,600
Single Adult/No Children Caseload	140,200	146,000	151,100	156,100	156,200
Mental Hygiene					
Mental Hygiene Community Beds	81,446	82,948	84,445	86,105	86,943

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School Aid

Major Sources of Annual Change in School Aid Growth (billions of dollars)		
	Increase from Prior Year	
	2007-08	2008-09
<u>State Fiscal Year Basis:</u>		
Total General Fund and Lottery:	1.0	0.9
General Fund	0.9	0.1
Lottery/VLTs	0.1	0.8
<u>School Year Basis:</u>		
Total State Funds:	0.8	1.0
General School Aid	0.5	0.5
Sound Basic Education	0.3	0.5

On a school year basis, school aid (including funding for SBE Aid) is now projected at \$18.5 billion in 2007-08 and \$19.5 billion in 2008-09. Growth of \$800 million in 2007-08 and \$1.0 billion in 2008-09 reflects traditional school aid increases (\$500 million in each of 2007-08 and 2008-09), and growth in SBE aid. SBE aid is projected at \$700 million in 2006-07 growing to \$1 billion in 2007-08 and \$1.5 billion in 2008-09.

On a State fiscal year basis, General Fund school aid spending is projected to grow by approximately \$914 million in 2007-08 and \$113 million in 2008-09. The growth is attributable to a General Fund supplement to SBE aid (\$247 million in 2007-08), Building Aid increases (roughly \$100 million in 2007-08 and 2008-09); special education cost increases (approximately \$125 million in 2007-08 and 2008-09); Transportation Aid increases (roughly \$125 million in 2007-08 and 2008-09) and growth in other aid categories. The decrease in the level of annual growth in General Fund school aid, from \$914 million in 2007-08 to \$113 million in 2008-09 is largely attributable to a temporary shift in funding sources for the State's SBE program. Outside of the General Fund, revenues from the general lottery are projected to increase slightly (by \$36 million in 2007-08 and \$65 million in 2008-09) and VLT revenues are projected to increase by roughly \$335 million in 2007-08 and another \$687 million in 2008-09. Outyear VLT estimates assume the start of new operations at two racetracks, Yonkers (opened in October 2006) and Aqueduct (projected to open in April 2008), and the approval of an expansion plan early in 2007-08 providing \$300 million of the increase planned in 2008-09.

The \$2.6 billion EXCEL program, which authorizes State bonding for school construction throughout the State, is projected to total roughly \$800 million in 2006-07 and \$1.8 billion in 2007-08. The EXCEL Program is authorized to provide \$1.8 billion for New York City schools, \$400 million for "high-needs" school districts, and the remaining \$400 million will go to all other school districts based on a per-pupil formula.

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Based on current accounting treatment, spending for EXCEL is not reflected in actual cash-basis results since spending will occur directly from bond proceeds.

Districts will be able to use the EXCEL aid to help cover the local taxpayer share of costs for new school building projects. School districts will be able to use EXCEL funds either in lieu of building aid (provided as part of school aid) or as a supplement to building aid. To the extent that New York City and other school districts use EXCEL funds in lieu of building aid, projected building aid growth could be somewhat dampened as a result of the new EXCEL program. To the extent that EXCEL funds are used in conjunction with building aid to fully fund local school construction costs, there could be an acceleration in school construction that may produce an eventual increase in projected building aid growth. However, any such potential increase in State building aid over the next two to five years should be relatively modest due to: school districts using EXCEL funds to offset the recent construction materials cost increases that may exceed maximum cost allowances; the lead time needed to plan and implement school construction programs; the finite capacity of local school districts to undertake school construction programs; the payment of building aid on an assumed amortization basis; and the lag in initial building aid payments until at least 18 months after construction plans have been approved by the State Education Department (for school districts other than New York City).

Medicaid

General Fund spending for Medicaid is expected to grow by roughly \$1.5 billion in 2007-08 and another \$1.9 billion in 2008-09.

Major Sources of Annual Change in Medicaid Growth		
General Fund		
(billions of dollars)		
	Increase from Prior Year	
	2007-08	2008-09
Price/Utilization/Admin Growth	0.7	1.2
Medicaid Cap/FHP Takeover	0.4	0.5
Provider Assessments	0.2	0.1
HCRA Financing	0.2	0.1
Total	1.5	1.9

This growth results, in part, from the combination of modest growth in recipients, service utilization, and medical-care cost inflation. These factors are projected to add roughly \$700 million in 2007-08 and \$1.2 billion in 2008-09. In addition, the State cap on local Medicaid costs and takeover of local Family Health Plus costs is projected to increase spending by \$425 million in 2007-08 and \$471 million in 2008-09. The remaining growth is primarily attributed to the elimination of the 0.35 percent assessment on hospital revenues and lower levels of HCRA financing, both of which are used to lower General Fund costs.

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DOB revised Medicaid projections for slowed growth rates in enrollment for Medicaid and Family Health Plus. The average number of Medicaid recipients will grow to 3.8 million in 2007-08, an increase of 4 percent from the estimated 2006-07 caseload of almost 3.7 million. Family Health Plus enrollment is estimated to grow to approximately 528,000 in 2007-08, an increase of 2.7 percent over projected 2006-07 enrollment of 514,000.

Welfare

Welfare spending, including administration, is projected at \$1.4 billion in 2007-08, an increase of \$172 million (12.1 percent) from 2006-07, and will remain at the same level in 2008-09. Although the caseloads for family assistance and single adult/childless couples are projected to decline, spending from this caseload is expected to drop only marginally. This reduction is then countered by the use of less Federal TANF to support public assistance costs, thereby driving General Fund spending growth.

Mental Hygiene

Mental Hygiene spending, comprising of the Office of Mental Health (OMH), the Office of Mental Retardation and Developmental Disabilities (OMRDD), the Office of Alcoholism and Substance Abuse Services (OASAS), and the Commission on Quality of Care and Advocacy for Persons with Disabilities (CQC) is projected at \$1.8 billion in 2007-08 and \$2.0 billion in 2008-09 reflecting spending increases of \$266 million and \$141 million, respectively. The growth is largely attributable to increases in projected State share of Medicaid costs and other human services cost of living increases (2.5 percent in 2007-08 and 2.6 percent in 2008-09), projected expansions of the various mental hygiene service systems including a major expansion of OMH's Children's Services, increases in the NYS-CARES program and in the development of children's beds for out-of-state placements in OMRDD, the NY/NY III Supportive Housing agreement and community bed expansion in OMH, and several new chemical dependence treatment and prevention initiatives.

Children and Family Services

Children and Family Services spending is projected to grow by \$198 million (15.8 percent) in 2007-08 and an additional \$105 million (7.2 percent) in 2008-09 to total \$1.7 billion. The increases are driven primarily by expected growth in the open-ended child welfare services program and cost-of-living increases for workers in foster care, and foster and adoptive parents enacted in 2006-07.

Other Local

All other local assistance programs total \$6.7 billion in 2007-08, an increase of \$140 million over 2006-07 revised levels. This growth in spending primarily includes: higher education, with the majority of growth occurring in various public health programs including Early Intervention and expected growth in reimbursements to counties for

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General Public Health Works (\$94 million); local government assistance primarily due to new funding for municipalities hosting VLT facilities (\$42 million net increase); and the Tuition Assistance Program (\$18 million). These increases are partially offset by a decline in other education aid, including additional grants-in-aid to certain school districts, public libraries and not for profit institutions, and specifically for the Teacher Resources and Computer Training Centers and the Teacher Mentor intern program, in 2006-07 that does not recur in 2007-08 (\$100 million).

State Operations

Forecast of Selected Program Measures Affecting State Operations					
	Actual		Forecast		
	2004-05	2005-06	2006-07	2007-08	2008-09
State Operations					
Prison Population (Corrections)	63,307	62,890	63,100	63,100	63,100
Negotiated Salary Increases ⁽¹⁾	2.5%	2.75%	3.00%	0.0%	0.0%
Personal Service Inflation	0.8%	0.8%	0.8%	0.8%	0.8%
State Workforce	188,925	191,400	192,375	193,525	194,425

(1) Negotiated salary increases include a recurring \$800 base salary adjustment effective April 1, 2007.

State Operations spending in the General Fund is expected to total \$9.7 billion in 2007-08, an annual increase of \$254 million (2.7 percent). In 2008-09, spending is projected to grow by another \$285 million (2.9 percent) to a total of \$10.0 billion.

Personal service costs increase in 2007-08 and 2008-09 by \$90 million and \$111 million, respectively. Growth in 2007-08 reflects an \$800 base salary adjustment effective April 1, 2007, and both years reflect longevity increases. The 2007-08 growth is partially offset by the retroactive component associated with the NYSCOPBA arbitration award paid in 2006-07 that does not recur in 2007-08 (\$210 million). As noted previously, there is no provision for additional collective bargaining costs in 2007-08 or 2008-09.

Non-personal service spending is projected to grow by roughly 5 percent annually. Agencies projecting growth beyond inflation include: Correctional Services mainly driven by increases in the cost of housing inmates and providing inmate medical services (\$41 million); OMRDD quality assurance activities to ensure not-for-profit program and fiscal compliance and projected cost increases for continuing State-operated programs including pharmacy, energy and other inflationary adjustments (\$32 million); Judiciary due mostly to increases in security related equipment and contracts (\$27 million); OMH, due to projected increases in drug and utilities costs (\$15 million); and OCFS, driven primarily by exhaustion of prior year Federal revenue for the child welfare information system (\$15 million).

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General State Charges (GSCs)

Forecast of Selected Program Measures Affecting General State Charges					
	Actual		Forecast		
	2004-05	2005-06	2006-07	2007-08	2008-09
General State Charges					
Pension Contribution Rate	7.0%	8.8%	10.2%	9.4%	9.9%
Employee/Retiree Health Insurance Rate	13.5%	8.2%	9.1%	9.4%	11.0%

GSCs are projected to total \$4.6 billion in 2007-08 and \$4.9 billion in 2008-09. The annual increases are due mainly to anticipated cost increases in health insurance for State employees and retirees.

The State's pension contribution rate to the New York State and Local Retirement Systems is expected to decrease from 10.2 percent to 9.4 percent in 2007-08. Spending for employee and retiree health care costs is expected to increase by \$218 million in 2007-08 and another \$298 million in 2008-09. Health insurance is projected at \$2.6 billion in 2007-08 (\$1.6 billion for active employees and \$1.0 billion for retired employees) and \$2.9 billion in 2008-09 (\$1.8 billion for active employees and \$1.1 billion for retired employees). The projections do not assume any pre-funding of the GASB 45 liability.

Transfers to Other Funds

Forecast of Selected Program Measures Affecting Debt Service					
	Actual		Forecast		
	2004-05	2005-06	2006-07	2007-08	2008-09
State Debt					
Interest on Variable Rate Debt	1.44%	2.65%	3.25%	3.25%	3.30%
Interest on Fixed Rate 30-Year Bonds	5.09%	5.00%	5.65%	6.00%	6.15%

Transfers to other funds are estimated to total \$2.7 billion in 2007-08, \$356 million below 2006-07 levels mainly due to one-time transfers from the General Fund in 2006-07 of \$250 million to reduce high cost debt and \$120 million to supplant lower than originally projected VLT revenues to fund SBE aid.

In 2008-09, transfers are expected to increase by \$220 million as a result of General Fund support to the Dedicated Highway and Bridge Trust Fund to obviate a projected shortfall.

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CASH FLOW FORECAST (2006-07)

GENERAL FUND

In 2006-07, the General Fund is projected to have quarterly-ending balances of \$2.0 billion at the end of December 2006, and \$3.1 billion at the end of March 2007. The components of the year-end balances are discussed in the section entitled "Projected 2006-07 Year-End Balances (General Fund)."

The 2006-07 General Fund cash flow estimates by month appear in the Financial Plan Tables.

ALL FUNDS

All Funds quarterly-ending balances are expected to be \$6.1 billion by the end of December 2006, and at the end of March 2007. In addition to the General Fund cash flow described above, the All Funds cash flow includes the operations and resulting balances in Special Revenue Funds, Capital Projects Funds, and Debt Service Funds.

The projected 2006-07 year-end balance is comprised of \$3.1 billion in the General Fund, \$3.2 billion in Special Revenue Funds and \$243 million in Debt Service Funds partially offset by a negative cash balance of \$462 million in the Capital Projects Fund. 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 (\$708 million), mass transit (\$437 million), and the operations and activities of SUNY campuses (\$406 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 funds results from outstanding loans from the Short-Term Investment Pool used to finance capital projects costs prior to the receipt of bond proceeds. The Debt Service Fund balance primarily reflects monies required to be set aside for future debt service payments and other programmatic needs. These include the SUNY Dorms Fund (\$151 million), Mental Health Services Fund (\$66 million), and the Health Income Fund (\$25 million).

The projected year end All Funds balance reflects a decline of nearly \$1.0 billion from the March 31, 2006 balance, which is largely due to the use of health care conversion proceeds, as planned, in 2006-07 that were received in the HCRA Fund in 2005-06 and included in the year end balance.

The 2006-07 Special Revenue Funds, Capital Projects Funds, and Debt Service Funds by cash flow estimates by quarter appear in the Financial Plan Tables.

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GAAP-BASIS FINANCIAL PLANS/GASB 45

In addition to the cash-basis Financial Plans, the General Fund and All Funds Financial Plans are prepared on a GAAP basis in accordance with Governmental Accounting Standards Board (GASB) regulations. The GAAP projections are based on the accounting principles applied by the State Comptroller in the financial statements issued for 2005-06.

In 2006-07, the General Fund GAAP Financial Plan projects total revenues of \$43.4 billion, total expenditures of \$51.8 billion, and net other financing sources of \$7.5 billion, resulting in an operating deficit of roughly \$800 million and a projected accumulated surplus of \$1.4 billion. The operating results primarily reflect the 2006-07 cash-basis surplus, the impact of enacted tax reductions on revenue accruals and a partial use of the 2005-06 surplus to support 2006-07 operations.

The GAAP basis results for 2005-06 showed the State in a net positive overall asset condition of \$49.1 billion. The net positive asset condition is before the State reflects the impact of GASB 45 "Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions." GASB 45 requires State and local governments to reflect the value of post-employment benefits, predominantly health care, for current employees and retirees beginning with the financial statements for the 2007-08 fiscal year.

The State has hired an independent actuarial consulting firm to complete the analysis of retiree health care liabilities. A preliminary analysis has been completed by the firm and is currently under review by the State. Assuming there is no pre-funding of this liability, the preliminary analysis indicates that the present value of the actuarial accrued total liability for benefits to date would be roughly \$47 billion under several actuarial methods and \$54 billion under one method. This is based on a 4.1 percent annual discount rate. Any determination to pre-fund this liability via a trust fund or comparable structure would result in a higher discount rate, with a corresponding reduction in the estimated actuarial accrued liabilities to roughly \$27 billion under several actuarial methods (assuming an 8 percent discount rate).

The State's total unfunded liability will be disclosed in the 2007-08 basic financial statements. While the total liability is substantial, GASB rules indicate the liability may be amortized over a 30 year period; therefore, only the annual amortized value above the current pay-as-you-go costs would be recognized in the financial statements. Assuming no pre-funding, the 2007-08 liability would total roughly \$3.7 billion under several actuarial methods in total based on a level percent of salary (under one method it would be \$6.1 billion in total), or \$2.7 billion above the current pay-as-you-go costs. Assuming pre-funding, the 2007-08 liability would total roughly \$2.4 billion under several actuarial methods in total (under one method it would be \$3.9 billion in total), or \$1.4 billion above the current pay-as-you-go costs. GASB does not require the additional costs to be funded on the State's budgetary basis, and no funding is assumed for this purpose in the Financial Plan. On a budgetary (cash) basis, the State continues to

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finance these costs, along with all other employee health care expenses, on a pay-as-you-go basis. Anticipated increases in these costs are reflected in the State's multi-year Financial Plan. DOB's detailed GAAP Financial Plans for 2005-06 through 2008-09 appear in the Financial Plan tables at the end of this Updated Financial Plan.

2006-07 UPDATED HCRA FINANCIAL PLAN

2006-07 through 2008-09 (millions of dollars)			
	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
Opening Balance	1,600	708	(420)
Total Receipts	4,476	4,129	4,298
Conversion Proceeds	1,000	500	550
Surcharges	1,713	1,901	2,020
Covered Lives Assessment	775	775	775
Hospital Assessment (1 percent)	248	268	285
Cigarette Tax Revenue	563	578	570
All Other	177	107	98
Total Disbursements	5,368	5,257	5,256
Medicaid Assistance Account	2,112	1,841	1,750
<i>Pharmacy Costs</i>	625	418	304
<i>Family Health Plus</i>	446	496	519
<i>Workforce Recruitment and Retention</i>	481	370	370
<i>All Other</i>	560	557	557
HCRA Program Account (incl. GME)	1,163	1,177	1,231
Hospital Indigent Care	841	841	841
Elderly Prescription Insurance Coverage	542	586	586
Child Health Plus	335	354	354
Public Health Programs	160	133	133
Mental Health Programs	93	92	92
All Other	122	233	269
Excess/(Deficiency) of Receipts over Disbursements	(892)	(1,128)	(958)
Closing Balance ⁽¹⁾	708	(420)	(1,378)

⁽¹⁾ Prior to required spending reductions.

- The HCRA Fund for 2006-07 is balanced on a budgetary (cash) basis of accounting, with over \$700 million projected to be available at year end for use in 2007-08. The current statutory authorization for HCRA expires on June 30, 2007.

Mid-Year Update to the 2006-07 Financial Plan

- Since the July Update, the 2006-07 operational forecast has improved by nearly \$200 million reflecting a combination of higher receipts and lower projected spending.
- Cumulative outyear operating gaps have decreased to roughly \$400 million (from \$900 million) in 2007-08 and \$1.4 billion (from \$2.2 billion) in 2008-09. These decreases are primarily due to an upwards revision of estimated receipts, partially offset by a slight increase in spending.
- HCRA is now fully on budget. Under the current HCRA appropriation structure, spending reductions will occur if resources are insufficient to meet spending levels. These spending reductions could potentially impact core HCRA programs and the fiscal status of the General Fund. The reauthorizations of HCRA in prior years restored HCRA's solvency without the need for automatic spending reductions.

The table below summarizes the impact of changes since the July Update on the three-year operating forecast for the HCRA Financial Plan.

Changes to HCRA Operating Forecast for 2006-07 Through 2008-09			
Savings/(Costs)			
(millions of dollars)			
	2006-07	2007-08	2008-09
Opening Fund Balance	1,600	708	(420)
First Quarter Operational Surplus/(Gap)	(1,086)	(1,368)	(1,381)
Family Health Plus	80	76	50
Elderly Prescription Insurance Coverage	40	40	40
Child Health Plus	30	30	30
Interest Earnings	27	1	(5)
Surcharges	15	162	298
Hospital Assessment (1 percent)	7	26	43
Workforce Recruitment and Retention	4	1	1
Medicaid Pharmacy Costs	0	0	100
Healthy NY	(5)	(68)	(107)
All Other	(4)	(28)	(27)
Total Revenue and Spending Changes	194	240	423
Current Budget Operational Surplus/(Gap)	(892)	(1,128)	(958)
Closing Balance ⁽¹⁾	708	(420)	(1,378)

⁽¹⁾ Prior to required spending reductions.

Mid-Year Update to the 2006-07 Financial Plan

The updated HCRA Financial Plan projects disbursements will exceed receipts by nearly \$900 million in 2006-07, which will be financed by the significant fund balance available at the beginning of the fiscal year as a result of the receipt of \$2.7 billion in health care conversion proceeds in 2005-06. All conversion proceeds are expected to be utilized by the end of 2008-09. The outyear operating gaps have declined since the July Update primarily due to an increase in estimated receipts and a reduction in 2008-09 in Medicaid pharmacy costs paid for by HCRA.

Below is a description of the revisions since the July Update.

- Surcharges and the 1 percent assessment on hospital revenues have been revised upward based on current trends and a revised forecast. The increased projections are the result of a change in the forecasting model which is used to determine estimated collections.
- Interest earnings in 2006-07 have been realized from the balance resulting from the receipt of \$2.7 billion in health care conversion proceeds in 2005-06.
- Elderly Pharmaceutical Insurance Coverage spending has been lowered based on current experience and accelerated enrollment in Medicare Part D.
- Enrollment growth in the Child Health Plus program has been revised based on more recent experience with State share spending expected to decrease by 2.7 percent.
- Based on current trends, a slight re-estimate is made for public workforce and recruitment grants.
- HCRA financing of Medicaid pharmacy costs has been reduced in 2008-09 and is instead recognized in the General Fund.
- Healthy NY spending is expected to increase as a result of upward enrollment trends of 30,000 to 40,000.
- Family Health Plus re-estimate reflects lower enrollment projections.
- Additional detail on HCRA quarterly receipts and disbursements is contained in the Financial Plan Tables.

STATUTORY DEBT LIMITATIONS

DEBT REFORM ACT

The Debt Reform Act of 2000 imposed statutory limitations which restricted the issuance of State-supported debt to capital purposes only and established a maximum term of 30 years for such debt. The statute also imposed phased-in caps that ultimately limit the amount of new State-supported debt to 4 percent of State personal income and new State-supported debt service costs to 5 percent of All Funds receipts. The restrictions apply to all new State-supported debt issued on and after April 1, 2000.

The statute requires that the limitations on the amount of State-supported debt and debt service costs be calculated by October 31 of each year and reported in this Mid-Year Update. If the actual new State-supported debt outstanding and debt service costs are below the caps at this time, State-supported debt may continue to be issued. However, if either the debt outstanding or the debt service cap is met or exceeded, the State would be precluded from issuing new State-supported debt until the next cap calculation is made and debt is found to be within the applicable limitations.

For the 2005-06 fiscal year, the cumulative debt outstanding and debt service caps are 2.65 percent each. As shown in the table below, the actual level of debt outstanding and debt service costs continue to remain below the statutory caps. From April 1, 2000 through March 31, 2006 the State has issued new debt resulting in \$14.9 billion of debt outstanding applicable to the debt reform cap. This is \$5.6 billion below the statutory debt outstanding limitation. In addition, the debt service costs on this new debt totaled \$1.2 billion in 2005-06 – or roughly \$1.6 billion below the statutory debt service limitation.

Debt Outstanding Cap (millions of dollars)	
New Debt Outstanding	\$14,871
Personal Income (CY 2005)	\$771,568
Debt Outstanding (Percent of PI)	1.93%
Cap Imposed by Debt Reform Act	2.65%

Debt Service Cap (millions of dollars)	
New Debt Service	\$1,247
Governmental Funds Receipts*	\$107,027
Debt Service (Percent of Gov't Fund R)	1.16%
Cap Imposed by Debt Reform Act	2.65%

* Excludes surplus amounts.

Mid-Year Update to the 2006-07 Financial Plan

Current projections also estimate that debt outstanding and debt service costs will continue to remain below the limits imposed by the Act throughout the current capital plan period, as noted in the tables below. However, the estimates assume that in 2008-09 and beyond, new debt issuances return to more moderate levels of about \$4 billion annually rather than levels projected in 2006-07 and 2007-08 (primarily driven by EXCEL and new economic development initiatives).

New Debt Outstanding (millions of dollars)				
<u>Year</u>	<u>Personal Income*</u>	<u>Cap %</u>	<u>Actual/Recommended %</u>	<u>%(Above)/Below Cap</u>
2000-01 (Actual)	655,583	0.75	0.38	0.37
2001-02 (Actual)	682,206	1.25	0.67	0.58
2002-03 (Actual)	684,070	1.65	1.21	0.44
2003-04 (Actual)	701,852	1.98	1.55	0.43
2004-05 (Actual)	737,039	2.32	1.73	0.59
2005-06 (Actual)	771,568	2.65	1.93	0.72
2006-07	817,575	2.98	2.29	0.70
2007-08	861,286	3.32	2.97	0.35
2008-09	904,281	3.65	3.23	0.42
2009-10	949,231	3.98	3.40	0.59
2010-11	998,387	4.00	3.50	0.50

New Debt Service Costs (millions of dollars)				
<u>Year</u>	<u>All Funds Receipts*</u>	<u>Cap %</u>	<u>Actual/Recommended %</u>	<u>%(Above)/Below Cap</u>
2000-01 (Actual)	83,527	0.75	0.09	0.66
2001-02 (Actual)	84,312	1.25	0.36	0.89
2002-03 (Actual)	88,274	1.65	0.53	1.12
2003-04 (Actual)	99,698	1.98	0.84	1.14
2004-05 (Actual)	101,381	2.32	1.07	1.25
2005-06 (Actual)	107,027	2.65	1.16	1.49
2006-07	112,517	2.98	1.33	1.65
2007-08	115,895	3.32	1.70	1.62
2008-09	120,840	3.65	2.15	1.50
2009-10	124,367	3.98	2.44	1.55
2010-11	127,726	4.32	2.74	1.58

*Note: Pursuant to statutory requirements, personal income and All Funds Receipts are not adjusted subsequent to their actual calculation date under the Debt Reform Act of 2000

Mid-Year Update to the 2006-07 Financial Plan

DEBT/CAPITAL UPDATE

CAPITAL AND DEBT SUMMARY

The Mid-Year Plan reflects revised estimates of bond-financed capital authorizations. The most significant changes from the July Update are for the EXCEL and AMD programs. EXCEL is now expected to result in roughly \$800 million of State issuances in 2006-07 and \$1.8 billion in 2007-08. The change is consistent with revised spending patterns for the EXCEL program received from New York City. The delay of the \$650 million for the AMD project to 2007-08 is also consistent with revised spending patterns.

The other revisions are based primarily on year-to-date results.

Revisions to All Funds Capital Projects Spending Forecast July Update to Mid-Year Update -- Increases/(Decreases) (millions of dollars)					
	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>
2006-07 July Update Estimate	\$9,650	\$9,589	\$8,669	\$8,049	\$7,727
EXCEL	(\$1,050)	\$1,050	\$0	\$0	\$0
AMD	(\$650)	\$650	\$0	\$0	\$0
Transportation	(\$50)	\$1	\$21	\$13	\$27
Housing Grants	(\$28)	\$28	\$0	\$0	\$0
CUNY	(\$50)	(\$90)	(\$90)	\$0	\$40
SUNY	\$0	\$20	\$23	(\$22)	(\$75)
All Other	(\$32)	\$8	\$89	\$177	\$67
2006-07 Mid-year Estimate	\$7,790	\$11,256	\$8,712	\$8,217	\$7,786
\$ Change	(1,860)	1,667	43	168	59

The following tables summarize the net impact of these changes on State debt. The adjustments to debt outstanding, debt issuances and debt service costs detailed below are consistent with the capital spending changes noted in the previous chart. In addition, the changes in debt reflect revisions based on more recent information regarding the amount and timing of bond sales, and the savings associated with the use of \$250 million from the Debt Reform Reserve Fund to pay down existing high cost debt.

Mid-Year Update to the 2006-07 Financial Plan

Revisions to Projected State-Related Debt Outstanding July Update to Mid-Year Update -- Increases/(Decreases) (millions of dollars)					
	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>
2006-07 July Update Estimate	50,954	54,171	56,308	57,411	58,251
Use of Reserves to Defeasance High-Cost Debt	(243)	(243)	(243)	(243)	(243)
EXCEL Sale Delays	(1,071)	31	34	37	40
AMD Sale Delays	(663)	50	54	58	62
Other Economic Development Sale Timing	(88)	5	5	5	6
All Other Reestimates	(57)	(4)	(111)	(79)	(87)
2006-07 Mid-year Estimate	48,832	54,010	56,047	57,189	58,029
\$ Change	(2,122)	(161)	(261)	(222)	(222)

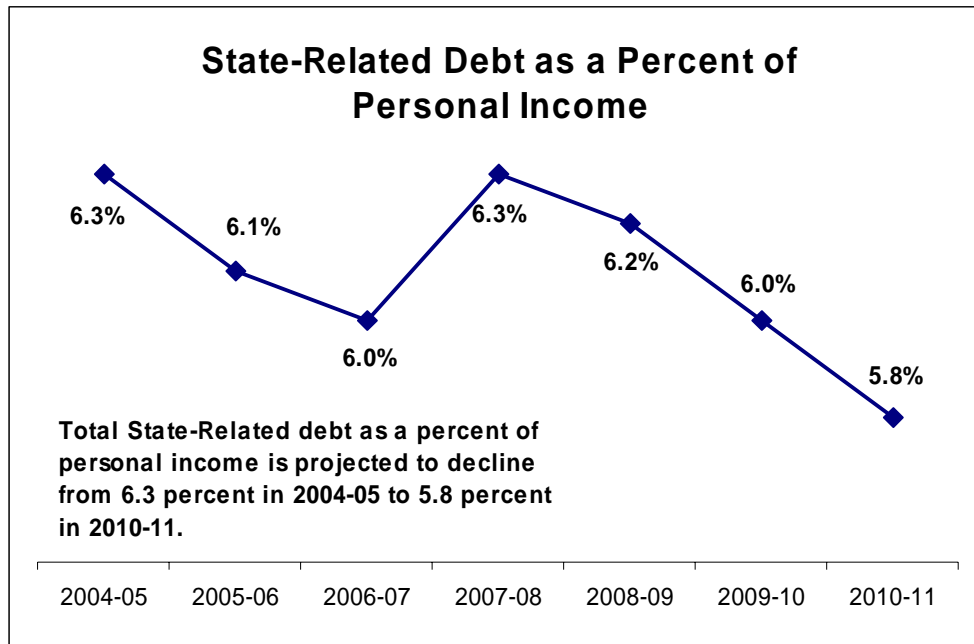
Revisions to Projected State-Related Debt Issuances July Update to Mid-Year Update -- Increases/(Decreases) (millions of dollars)					
	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>
2006-07 July Update Estimate	6,417	5,925	4,989	4,325	4,175
EXCEL Sale Delays	(1,071)	1,071	0	0	0
AMD Sale Delays	(663)	663	0	0	0
Other Economic Development Sale Timing	(88)	88	0	0	0
All Other Reestimates	(36)	52	(107)	32	(6)
2006-07 Mid-year Estimate	4,559	7,799	4,882	4,357	4,169
\$ Change	(1,858)	1,874	(107)	32	(6)

Revisions to Projected State-Related Debt Service/Use of Debt Reduction Reserve July Update to Mid-Year Update -- Increases/(Decreases) (millions of dollars)					
	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>
2006-07 July Update Estimate	4,700	5,338	5,830	6,254	6,761
Use of Reserves to Defeasance High-Cost Debt	250	0	0	0	0
Debt Service Savings from Defeasance	(1)	(14)	(14)	(14)	(14)
EXCEL Sale Delays	0	(75)	3	3	3
AMD Sale Delays	0	(83)	2	2	2
Other Economic Development Sale Timing	0	(10)	1	0	0
All Other Reestimates	(45)	(7)	(6)	(11)	(7)
2006-07 Mid-year Estimate	4,904	5,149	5,816	6,234	6,745
\$ Change	204	(189)	(14)	(20)	(16)

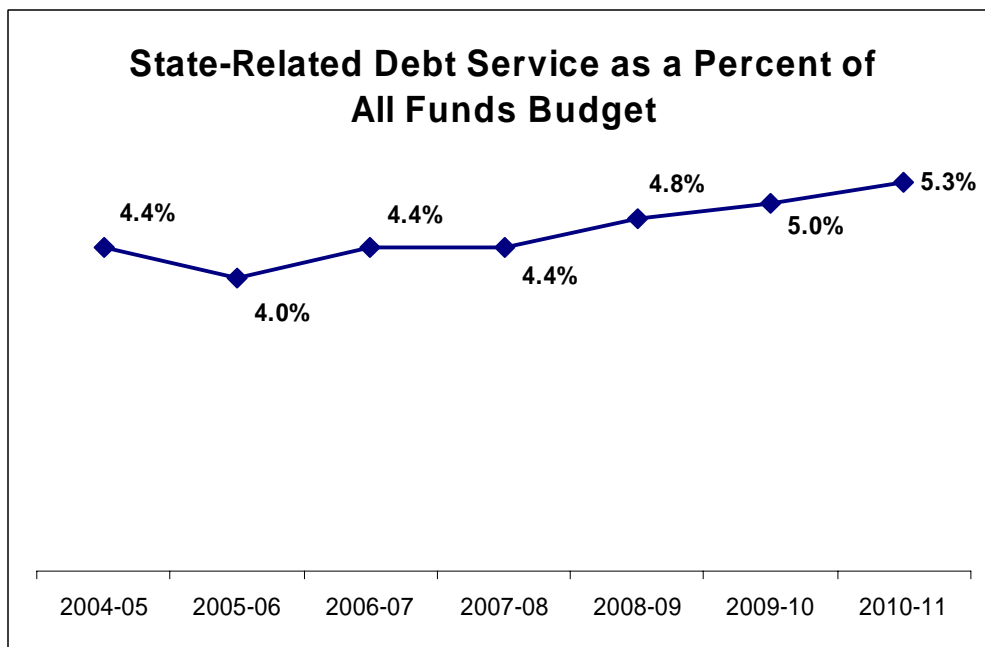
Mid-Year Update to the 2006-07 Financial Plan

DEBT AFFORDABILITY

State debt levels and costs, while higher, continue to remain affordable based on a variety of debt measures commonly used by the financial community. Some key measures are summarized below. All measures reflect the cash-basis total level of State-related debt issued for all State purposes as reported in the State's Comprehensive Annual Financial Report.



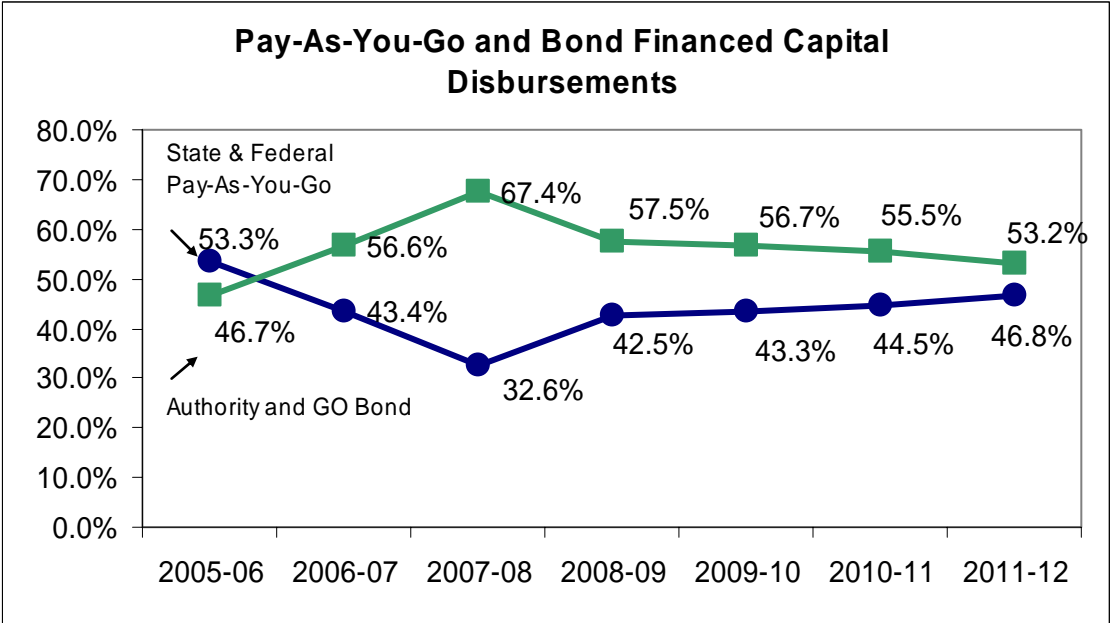
The projections from 2005-06 to 2010-11 reflect a roughly 4 percent average annual increase in debt levels and a roughly 5 percent average annual increase in statewide personal income.



Mid-Year Update to the 2006-07 Financial Plan

Beginning in 2006-07, debt service costs are projected to increase by an average of 8.3 percent annually, while All Funds receipts are projected to grow by 3.2 percent annually. The greater debt service costs primarily reflect increased costs for the Dedicated Highway and Bridge Trust Fund, the new EXCEL school construction initiative, the expanding SUNY and CUNY capital programs, and economic development initiatives like AMD.

The level of projects financed with cash from both State and Federal sources (i.e., PAYGO) is expected to average roughly 40 percent for the five years.



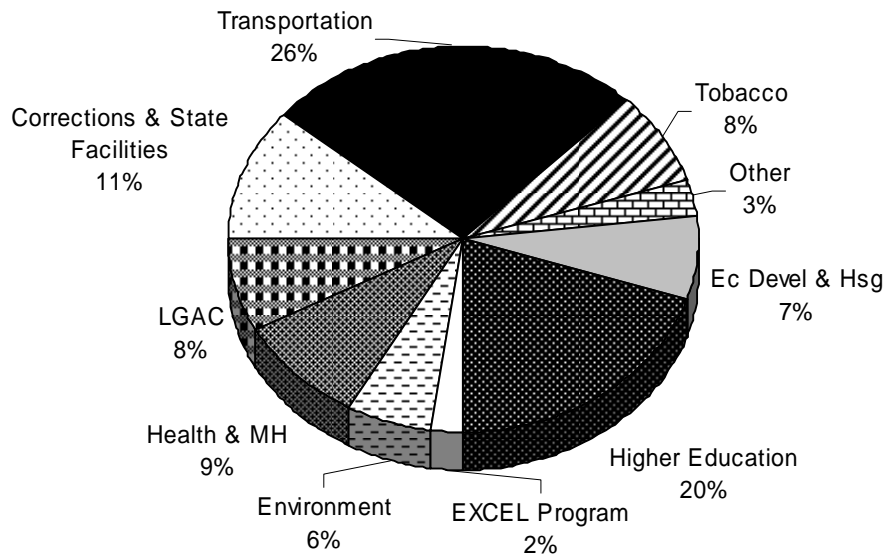
DEBT OUTSTANDING

The State’s debt levels are the result of three factors: (i) the amount of debt issued in prior years, (ii) the amount of capital spending that will be financed with new debt during the forecast period, and (iii) the amount of debt that is planned to be retired (paid off) during the forecast period.

The \$49 billion of State-related debt in 2006-07 consists of debt issued for each of the major programmatic areas as summarized below. The debt of the Local Government Assistance Corporation (LGAC), issued to eliminate seasonal borrowing) and Tobacco bonds (issued to stabilize finances after September 11th) are not allocable to any specific functional area since they served a statewide purpose.

Mid-Year Update to the 2006-07 Financial Plan

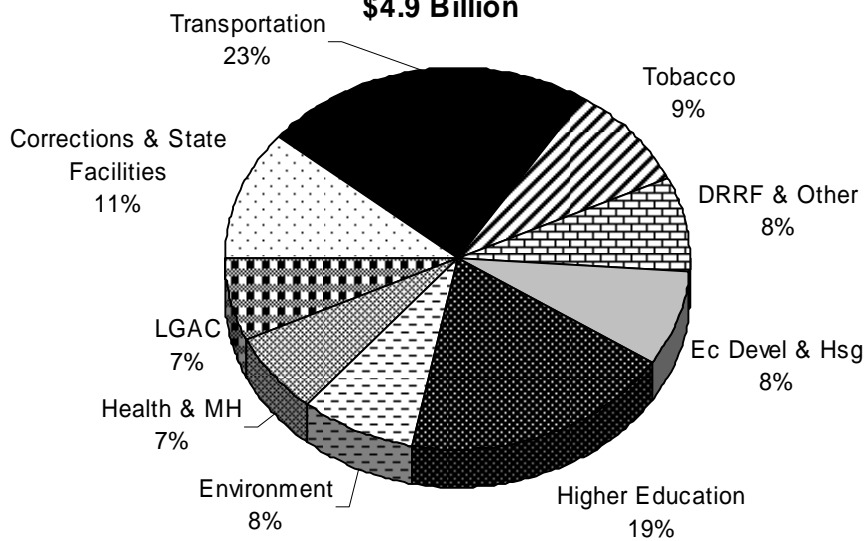
**Debt Outstanding by Function
\$49 Billion Projected at March 31, 2007**



DEBT SERVICE

The following chart provides a summary of the major debt service costs by function. Significant bond-financed capital investments, primarily for transportation, education, corrections, economic development, mental hygiene facilities, and the environment, drive more than 80 percent of the State's debt service costs.

**2006-07 Debt Service by Function
\$4.9 Billion**



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Mid-Year Update to the 2006-07 Financial Plan

CASH FINANCIAL PLAN GENERAL FUND 2005-2006 and 2006-2007 (millions of dollars)

	<u>2005-2006</u> <u>Actuals</u>	<u>2006-07</u> <u>Mid-Year</u>	<u>Annual</u> <u>Change</u>
Opening fund balance	<u>2,546</u>	<u>3,257</u>	<u>711</u>
Receipts:			
Taxes:			
Personal income tax	20,700	22,836	2,136
User taxes and fees	8,639	8,216	(423)
Business taxes	5,084	5,899	815
Other taxes	881	924	43
Miscellaneous receipts	2,029	2,910	881
Federal Grants	0	180	180
Transfers from other funds:			
PIT in excess of Revenue Bond debt service	6,500	7,048	548
Sales tax in excess of LGAC debt service	2,295	2,164	(131)
Real estate taxes in excess of CW/CA debt service	715	583	(132)
All other	363	402	39
Total receipts	<u>47,206</u>	<u>51,162</u>	<u>3,956</u>
Disbursements:			
Grants to local governments	31,287	34,386	3,099
State operations	8,160	9,477	1,317
General State charges	3,975	4,363	388
Transfers to other funds:			
Debt service	1,710	1,764	54
Capital projects	286	224	(62)
Other purposes	1,077	1,085	8
Total disbursements	<u>46,495</u>	<u>51,299</u>	<u>4,804</u>
Change in fund balance	<u>711</u>	<u>(137)</u>	<u>(848)</u>
Closing fund balance	<u>3,257</u>	<u>3,120</u>	<u>(137)</u>
Reserves			
Statutory Rainy Day Reserve Fund	944	1,025	81
Contingency Reserve Fund	21	21	0
Spending Stabilization Reserve	2,041	787	(1,254)
2006-07 Surplus (After deposit to Rainy Day Reserve)	0	1,011	1,011
Community Projects Fund	251	276	25
Debt Reduction Reserve	0	0	0

Mid-Year Update to the 2006-07 Financial Plan

**CURRENT STATE RECEIPTS
GENERAL FUND
2005-2006 and 2006-2007
(millions of dollars)**

	<u>2005-2006 Actuals</u>	<u>2006-2007 Mid-Year</u>	<u>Annual Change</u>
Personal income tax	20,700	22,836	2,136
User taxes and fees:	8,639	8,216	(423)
Sales and use tax	7,978	7,567	(411)
Cigarette and tobacco taxes	403	402	(1)
Motor vehicle fees	24	0	(24)
Alcoholic beverages taxes	192	191	(1)
Alcoholic beverage control license fees	42	56	14
Business taxes:	5,084	5,899	815
Corporation franchise tax	2,665	3,477	812
Corporation and utilities tax	591	593	2
Insurance taxes	987	1,083	96
Bank tax	841	746	(95)
Other taxes:	882	924	42
Estate tax	855	912	57
Gift tax	2	(11)	(13)
Real property gains tax	1	1	0
Pari-mutuel taxes	23	21	(2)
Other taxes	1	1	0
Total Taxes	<u>35,304</u>	<u>37,875</u>	<u>2,570</u>
Miscellaneous receipts	<u>2,029</u>	<u>2,910</u>	<u>881</u>
Federal grants	<u>0</u>	<u>180</u>	<u>180</u>
Total	<u><u>37,333</u></u>	<u><u>40,965</u></u>	<u><u>3,631</u></u>

Mid-Year Update to the 2006-07 Financial Plan

**GENERAL FUND
PERSONAL INCOME TAX COMPONENTS
2005-2006 and 2006-2007
(millions of dollars)**

	<u>2005-2006 Actuals</u>	<u>2006-2007 Mid-Year</u>	<u>Annual Change</u>
Withholdings	24,761	26,410	1,649
Estimated Payments	9,158	10,452	1,294
Final Payments	1,849	2,100	251
Delinquencies	<u>776</u>	<u>824</u>	<u>48</u>
Gross Collections	36,544	39,786	3,242
State/City Offset	(466)	(440)	26
Refunds	<u>(5,265)</u>	<u>(4,856)</u>	<u>409</u>
Reported Tax Collections	30,813	34,490	3,677
STAR	(3,213)	(4,041)	(828)
RBTF	<u>(6,900)</u>	<u>(7,613)</u>	<u>(713)</u>
General Fund	<u>20,700</u>	<u>22,836</u>	<u>2,136</u>

Mid-Year Update to the 2006-07 Financial Plan

CASH FINANCIAL PLAN GENERAL FUND 2006-2007 (millions of dollars)

	July Update	Change	Mid-Year
Opening fund balance	<u>3,257</u>	<u>0</u>	<u>3,257</u>
Receipts:			
Taxes:			
Personal income tax	22,611	225	22,836
User taxes and fees	8,247	(31)	8,216
Business taxes	5,479	420	5,899
Other taxes	924	0	924
Miscellaneous receipts	2,435	475	2,910
Federal Grants	180	0	180
Transfers from other funds:			
PIT in excess of Revenue Bond debt service	6,971	77	7,048
Sales tax in excess of LGAC debt service	2,179	(15)	2,164
Real estate taxes in excess of CW/CA debt service	583	0	583
All other	396	6	402
Total receipts	<u>50,005</u>	<u>1,157</u>	<u>51,162</u>
Disbursements:			
Grants to local governments	34,278	108	34,386
State operations	9,503	(26)	9,477
General State charges	4,401	(38)	4,363
Transfers to other funds:			
Debt service	1,760	4	1,764
Capital projects	225	(1)	224
Other purposes	817	268	1,085
Total disbursements	<u>50,984</u>	<u>315</u>	<u>51,299</u>
Change in fund balance	<u>(979)</u>	<u>842</u>	<u>(137)</u>
Closing fund balance	<u>2,278</u>	<u>842</u>	<u>3,120</u>
Reserves			
Statutory Rainy Day Reserve Fund	944	81	1,025
Contingency Reserve Fund	21	0	21
Spending Stabilization Reserve	787	0	787
2006-07 Surplus (After deposit to Rainy Day Reserve)	0	1,011	1,011
Community Projects Fund	276	0	276
Debt Reduction Reserve	250	(250)	0

Mid-Year Update to the 2006-07 Financial Plan

**CURRENT STATE RECEIPTS
GENERAL FUND
2006-2007
(millions of dollars)**

	<u>July Update</u>	<u>Change</u>	<u>Mid-Year</u>
Personal income tax	22,611	225	22,836
User taxes and fees:	8,247	(31)	8,216
Sales and use tax	7,610	(43)	7,567
Cigarette and tobacco taxes	402	0	402
Motor vehicle fees	0	0	0
Alcoholic beverages taxes	191	0	191
Alcoholic beverage control license fees	44	12	56
Business taxes:	5,479	420	5,899
Corporation franchise tax	3,057	420	3,477
Corporation and utilities tax	593	0	593
Insurance taxes	1,083	0	1,083
Bank tax	746	0	746
Other taxes:	924	0	924
Estate tax	900	12	912
Gift tax	1	(12)	(11)
Real property gains tax	1	0	1
Pari-mutuel taxes	21	0	21
Other taxes	1	0	1
Total Taxes	<u>37,261</u>	<u>614</u>	<u>37,875</u>
Miscellaneous receipts	<u>2,435</u>	<u>475</u>	<u>2,910</u>
Federal grants	<u>180</u>	<u>0</u>	<u>180</u>
Total	<u><u>39,876</u></u>	<u><u>1,089</u></u>	<u><u>40,965</u></u>

Mid-Year Update to the 2006-07 Financial Plan

**GENERAL FUND
PERSONAL INCOME TAX COMPONENTS
2006-2007
(millions of dollars)**

	<u>July Update</u>	<u>Change</u>	<u>Mid-Year</u>
Withholdings	26,410	0	26,410
Estimated Payments	10,152	300	10,452
Final Payments	2,100	0	2,100
Delinquencies	<u>824</u>	<u>0</u>	<u>824</u>
Gross Collections	39,486	300	39,786
State/City Offset	(440)	0	(440)
Refunds	<u>(4,856)</u>	<u>0</u>	<u>(4,856)</u>
Reported Tax Collections	34,190	300	34,490
STAR	(4,041)	0	(4,041)
RBTF	<u>(7,538)</u>	<u>(75)</u>	<u>(7,613)</u>
General Fund	<u><u>22,611</u></u>	<u><u>225</u></u>	<u><u>22,836</u></u>

Mid-Year Update to the 2006-07 Financial Plan

**CASH FINANCIAL PLAN
GENERAL FUND
2007-2008
(millions of dollars)**

	<u>July Update</u>	<u>Change</u>	<u>Mid-Year</u>
Receipts:			
Taxes:			
Personal income tax	23,547	412	23,959
User taxes and fees	8,573	(48)	8,525
Business taxes	5,591	(248)	5,343
Other taxes	994	0	994
Miscellaneous receipts	2,182	2	2,184
Federal Grants	60	0	60
Transfers from other funds:			
PIT in excess of Revenue Bond debt service	6,822	307	7,129
Sales tax in excess of LGAC debt service	2,276	(17)	2,259
Real estate taxes in excess of CW/CA debt service	510	0	510
All other	187	16	203
Total receipts	<u>50,742</u>	<u>424</u>	<u>51,166</u>
Disbursements:			
Grants to local governments	37,527	7	37,534
State operations	9,663	68	9,731
General State charges	4,717	(116)	4,601
Transfers to other funds:			
Debt service	1,768	(13)	1,755
Capital projects	248	2	250
Other purposes	697	15	712
Total disbursements	<u>54,620</u>	<u>(37)</u>	<u>54,583</u>
Deposit to/(use of) Community Projects Fund	<u>75</u>	<u>0</u>	<u>75</u>
Deposit to/(use of) Spending Stabilization Reserve Fund	<u>(787)</u>	<u>0</u>	<u>(787)</u>
Deposit to/(use of) 2006-07 Surplus	<u>0</u>	<u>(256)</u>	<u>(256)</u>
Margin	<u>(3,166)</u>	<u>717</u>	<u>(2,449)</u>

Mid-Year Update to the 2006-07 Financial Plan

**CASH FINANCIAL PLAN
GENERAL FUND
2008-2009
(millions of dollars)**

	<u>July Update</u>	<u>Change</u>	<u>Mid-Year</u>
Receipts:			
Taxes:			
Personal income tax	24,884	412	25,296
User taxes and fees	8,877	(56)	8,821
Business taxes	5,714	(231)	5,483
Other taxes	1,054	0	1,054
Miscellaneous receipts	1,971	79	2,050
Federal Grants	60	0	60
Transfers from other funds:			
PIT in excess of Revenue Bond debt service	6,966	134	7,100
Sales tax in excess of LGAC debt service	2,375	(20)	2,355
Real estate taxes in excess of CW/CA debt service	512	0	512
All other	191	53	244
Total receipts	<u>52,604</u>	<u>371</u>	<u>52,975</u>
Disbursements:			
Grants to local governments	40,491	(506)	39,985
State operations	9,923	93	10,016
General State charges	4,999	(71)	4,928
Transfers to other funds:			
Debt service	1,749	(17)	1,732
Capital projects	284	157	441
Other purposes	713	51	764
Total disbursements	<u>58,159</u>	<u>(293)</u>	<u>57,866</u>
Deposit to/(use of) Community Projects Fund	<u>(150)</u>	<u>0</u>	<u>(150)</u>
Deposit to/(use of) 2006-07 Surplus	<u>0</u>	<u>(255)</u>	<u>(255)</u>
Margin	<u>(5,405)</u>	<u>919</u>	<u>(4,486)</u>

Mid-Year Update to the 2006-07 Financial Plan

**CASH FINANCIAL PLAN
GENERAL FUND
2006-2007 through 2008-2009
(millions of dollars)**

	<u>2006-2007</u> <u>Mid-Year</u>	<u>2007-2008</u> <u>Estimated</u>	<u>2008-2009</u> <u>Estimated</u>
Receipts:			
Taxes:			
Personal income tax	22,836	23,959	25,296
User taxes and fees	8,216	8,525	8,821
Business taxes	5,899	5,343	5,483
Other taxes	924	994	1,054
Miscellaneous receipts	2,910	2,184	2,050
Federal Grants	180	60	60
Transfers from other funds:			
PIT in excess of Revenue Bond debt service	7,048	7,129	7,100
Sales tax in excess of LGAC debt service	2,164	2,259	2,355
Real estate taxes in excess of CW/CA debt service	583	510	512
All other	402	203	244
Total receipts	<u>51,162</u>	<u>51,166</u>	<u>52,975</u>
Disbursements:			
Grants to local governments	34,386	37,534	39,985
State operations	9,477	9,731	10,016
General State charges	4,363	4,601	4,928
Transfers to other funds:			
Debt service	1,764	1,755	1,732
Capital projects	224	250	441
Other purposes	1,085	712	764
Total disbursements	<u>51,299</u>	<u>54,583</u>	<u>57,866</u>
Deposit to/(use of) Community Projects Fund	<u>25</u>	<u>75</u>	<u>(150)</u>
Deposit to/(use of) Tax Stabilization Reserve	<u>81</u>	<u>0</u>	<u>0</u>
Deposit to/(use of) Spending Stabilization Reserve Fund	<u>(1,254)</u>	<u>(787)</u>	<u>0</u>
Deposit to/(use of) 2006-07 Surplus (\$500 million maintained in reserve)	<u>1,011</u>	<u>(256)</u>	<u>(255)</u>
Margin	<u>0</u>	<u>(2,449)</u>	<u>(4,486)</u>

Mid-Year Update to the 2006-07 Financial Plan

CASH FINANCIAL PLAN STATE FUNDS 2006-2007 (millions of dollars)

	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	(MEMO) Total
Opening fund balance	<u>3,257</u>	<u>3,747</u>	<u>(406)</u>	<u>221</u>	<u>6,819</u>
Receipts:					
Taxes	37,875	7,096	2,027	10,836	57,834
Miscellaneous receipts	2,910	12,599	2,507	664	18,680
Federal grants	180	0	0	0	180
Total receipts	<u>40,965</u>	<u>19,695</u>	<u>4,534</u>	<u>11,500</u>	<u>76,694</u>
Disbursements:					
Grants to local governments	34,386	15,442	849	0	50,677
State operations	9,477	5,325	0	65	14,867
General State charges	4,363	586	0	0	4,949
Debt service	0	0	0	4,309	4,309
Capital projects	0	2	3,261	0	3,263
Total disbursements	<u>48,226</u>	<u>21,355</u>	<u>4,110</u>	<u>4,374</u>	<u>78,065</u>
Other financing sources (uses):					
Transfers from other funds	10,197	1,266	346	5,624	17,433
Transfers to other funds	(3,073)	(493)	(806)	(12,728)	(17,100)
Bond and note proceeds	0	0	227	0	227
Net other financing sources (uses)	<u>7,124</u>	<u>773</u>	<u>(233)</u>	<u>(7,104)</u>	<u>560</u>
Change in fund balance	<u>(137)</u>	<u>(887)</u>	<u>191</u>	<u>22</u>	<u>(811)</u>
Closing fund balance	<u>3,120</u>	<u>2,860</u>	<u>(215)</u>	<u>243</u>	<u>6,008</u>

Mid-Year Update to the 2006-07 Financial Plan

CASH FINANCIAL PLAN STATE FUNDS 2005-2006 and 2006-2007 (millions of dollars)

	2005-06 Actuals	First Quarter	Mid-Year	Mid-Year vs. Actuals	Mid-Year vs. First Quarter
Opening fund balance	4,530	6,819	6,819	2,289	0
Receipts:					
Taxes	53,578	57,065	57,834	4,256	769
Miscellaneous receipts	18,148	18,151	18,680	532	529
Federal grants	2	180	180	178	0
Total receipts	<u>71,728</u>	<u>75,396</u>	<u>76,694</u>	<u>4,966</u>	<u>1,298</u>
Disbursements:					
Grants to local governments	44,971	50,821	50,677	5,706	(144)
State operations	13,344	14,883	14,867	1,523	(16)
General State charges	4,521	4,988	4,949	428	(39)
Debt service	3,701	4,087	4,309	608	222
Capital projects	3,186	3,302	3,263	77	(39)
Total disbursements	<u>69,723</u>	<u>78,081</u>	<u>78,065</u>	<u>8,342</u>	<u>(16)</u>
Other financing sources (uses):					
Transfers from other funds	16,774	17,123	17,433	659	310
Transfers to other funds	(16,649)	(16,847)	(17,100)	(451)	(253)
Bond and note proceeds	159	236	227	68	(9)
Net other financing sources (uses)	<u>284</u>	<u>512</u>	<u>560</u>	<u>276</u>	<u>48</u>
Change in fund balance	<u>2,289</u>	<u>(2,173)</u>	<u>(811)</u>	<u>(3,100)</u>	<u>1,362</u>
Closing fund balance	<u>6,819</u>	<u>4,646</u>	<u>6,008</u>	<u>(811)</u>	<u>1,362</u>

Mid-Year Update to the 2006-07 Financial Plan

**CASH FINANCIAL PLAN
STATE FUNDS
2007-2008
(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>
Opening fund balance	<u>0</u>	<u>2,860</u>	<u>(215)</u>	<u>243</u>	<u>2,888</u>
Receipts:					
Taxes	38,821	6,689	2,132	11,255	58,897
Miscellaneous receipts	2,184	13,095	3,412	671	19,362
Federal grants	60	0	0	0	60
Total receipts	<u>41,065</u>	<u>19,784</u>	<u>5,544</u>	<u>11,926</u>	<u>78,319</u>
Disbursements:					
Grants to local governments	37,534	15,134	826	0	53,494
State operations	9,731	5,575	0	66	15,372
General State charges	4,601	606	0	0	5,207
Debt service	0	0	0	4,532	4,532
Capital projects	0	2	4,612	0	4,614
Total disbursements	<u>51,866</u>	<u>21,317</u>	<u>5,438</u>	<u>4,598</u>	<u>83,219</u>
Other financing sources (uses):					
Transfers from other funds	10,101	1,131	460	5,545	17,237
Transfers to other funds	(2,717)	(410)	(915)	(12,841)	(16,883)
Bond and note proceeds	0	0	403	0	403
Net other financing sources (uses)	<u>7,384</u>	<u>721</u>	<u>(52)</u>	<u>(7,296)</u>	<u>757</u>
Deposit to/(use of) Community Projects Fund	<u>75</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>75</u>
Deposit to/(use of) Spending Stabilization Reserve Fund	<u>(787)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(787)</u>
Deposit to/(use of) 2006-07 Surplus	<u>(256)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(256)</u>
Change in fund balance	<u>(2,449)</u>	<u>(812)</u>	<u>54</u>	<u>32</u>	<u>(3,175)</u>
Closing fund balance	<u>(2,449)</u>	<u>2,048</u>	<u>(161)</u>	<u>275</u>	<u>(287)</u>

Mid-Year Update to the 2006-07 Financial Plan

**CASH FINANCIAL PLAN
STATE FUNDS
2008-2009
(millions of dollars)**

	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	(MEMO) Total
Opening fund balance	<u>0</u>	<u>2,048</u>	<u>(161)</u>	<u>275</u>	<u>2,162</u>
Receipts:					
Taxes	40,654	6,924	2,176	11,800	61,554
Miscellaneous receipts	2,050	14,072	3,195	680	19,997
Federal grants	<u>60</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>60</u>
Total receipts	<u>42,764</u>	<u>20,996</u>	<u>5,371</u>	<u>12,480</u>	<u>81,611</u>
Disbursements:					
Grants to local governments	39,985	15,921	791	0	56,697
State operations	10,016	5,519	0	66	15,601
General State charges	4,928	617	0	0	5,545
Debt service	0	0	0	5,140	5,140
Capital projects	<u>0</u>	<u>2</u>	<u>4,736</u>	<u>0</u>	<u>4,738</u>
Total disbursements	<u>54,929</u>	<u>22,059</u>	<u>5,527</u>	<u>5,206</u>	<u>87,721</u>
Other financing sources (uses):					
Transfers from other funds	10,211	1,189	682	5,716	17,798
Transfers to other funds	(2,937)	(495)	(1,025)	(12,966)	(17,423)
Bond and note proceeds	<u>0</u>	<u>0</u>	<u>545</u>	<u>0</u>	<u>545</u>
Net other financing sources (uses)	<u>7,274</u>	<u>694</u>	<u>202</u>	<u>(7,250)</u>	<u>920</u>
Deposit to/(use of) Community Projects Fund	<u>(150)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(150)</u>
Deposit to/(use of) 2006-07 Surplus	<u>(255)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(255)</u>
Change in fund balance	<u>(4,486)</u>	<u>(369)</u>	<u>46</u>	<u>24</u>	<u>(4,785)</u>
Closing fund balance	<u>(4,486)</u>	<u>1,679</u>	<u>(115)</u>	<u>299</u>	<u>(2,623)</u>

Mid-Year Update to the 2006-07 Financial Plan

**CASH FINANCIAL PLAN
ALL GOVERNMENTAL FUNDS
2006-2007
(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>
Opening fund balance	<u>3,257</u>	<u>4,194</u>	<u>(604)</u>	<u>221</u>	<u>7,068</u>
Receipts:					
Taxes	37,875	7,096	2,027	10,836	57,834
Miscellaneous receipts	2,910	12,757	2,507	664	18,838
Federal grants	180	34,278	1,747	0	36,205
Total receipts	<u>40,965</u>	<u>54,131</u>	<u>6,281</u>	<u>11,500</u>	<u>112,877</u>
Disbursements:					
Grants to local governments	34,386	46,292	987	0	81,665
State operations	9,477	8,439	0	65	17,981
General State charges	4,363	822	0	0	5,185
Debt service	0	0	0	4,309	4,309
Capital projects	0	2	4,906	0	4,908
Total disbursements	<u>48,226</u>	<u>55,555</u>	<u>5,893</u>	<u>4,374</u>	<u>114,048</u>
Other financing sources (uses):					
Transfers from other funds	10,197	3,639	346	5,624	19,806
Transfers to other funds	(3,073)	(3,217)	(819)	(12,728)	(19,837)
Bond and note proceeds	0	0	227	0	227
Net other financing sources (uses)	<u>7,124</u>	<u>422</u>	<u>(246)</u>	<u>(7,104)</u>	<u>196</u>
Change in fund balance	<u>(137)</u>	<u>(1,002)</u>	<u>142</u>	<u>22</u>	<u>(975)</u>
Closing fund balance	<u>3,120</u>	<u>3,192</u>	<u>(462)</u>	<u>243</u>	<u>6,093</u>

Mid-Year Update to the 2006-07 Financial Plan

**CASH FINANCIAL PLAN
ALL GOVERNMENTAL FUNDS
2005-2006 and 2006-2007
(millions of dollars)**

	2005-06 Actuals	First Quarter	Mid-Year	Mid-Year vs. Actuals	Mid-Year vs. First Quarter
Opening fund balance	<u>4,281</u>	<u>7,068</u>	<u>7,068</u>	<u>2,787</u>	<u>0</u>
Receipts:					
Taxes	53,578	57,065	57,834	4,256	769
Miscellaneous receipts	18,320	18,295	18,838	518	543
Federal grants	35,129	35,854	36,205	1,076	351
Total receipts	<u>107,027</u>	<u>111,214</u>	<u>112,877</u>	<u>5,850</u>	<u>1,663</u>
Disbursements:					
Grants to local governments	75,036	81,321	81,665	6,629	344
State operations	16,435	18,029	17,981	1,546	(48)
General State charges	4,735	5,229	5,185	450	(44)
Debt service	3,701	4,087	4,309	608	222
Capital projects	4,434	4,941	4,908	474	(33)
Total disbursements	<u>104,341</u>	<u>113,607</u>	<u>114,048</u>	<u>9,707</u>	<u>441</u>
Other financing sources (uses):					
Transfers from other funds	19,176	19,500	19,806	630	306
Transfers to other funds	(19,234)	(19,581)	(19,837)	(603)	(256)
Bond and note proceeds	159	236	227	68	(9)
Net other financing sources (uses)	<u>101</u>	<u>155</u>	<u>196</u>	<u>95</u>	<u>41</u>
Change in fund balance	<u>2,787</u>	<u>(2,238)</u>	<u>(975)</u>	<u>(3,762)</u>	<u>1,263</u>
Closing fund balance	<u>7,068</u>	<u>4,830</u>	<u>6,093</u>	<u>(975)</u>	<u>1,263</u>

Mid-Year Update to the 2006-07 Financial Plan

**CURRENT STATE RECEIPTS
ALL GOVERNMENTAL FUNDS
2005-2006 and 2006-2007
(millions of dollars)**

	2005-2006 Actuals	2006-2007 July Update	2006-2007 Mid-Year	Mid-Year vs. Actuals	Mid-Year vs. July Update
Personal income tax	30,813	34,190	34,490	3,677	300
User taxes and fees	13,857	13,624	13,575	(282)	(49)
Sales and use taxes	11,196	10,847	10,782	(414)	(65)
Cigarette and tobacco taxes	974	964	964	(10)	0
Motor fuel tax	531	520	521	(10)	1
Motor vehicle fees	720	854	854	134	0
Highway use tax	160	159	161	1	2
Alcoholic beverage taxes	192	191	191	(1)	0
Alcoholic beverage control license fees	42	44	57	15	13
Auto rental tax	42	45	45	3	0
Business taxes	7,088	7,477	7,995	907	518
Corporation franchise tax	3,053	3,457	4,007	954	550
Corporation and utilities taxes	832	791	791	(41)	0
Insurance taxes	1,083	1,186	1,191	108	5
Bank tax	974	876	881	(93)	5
Petroleum business taxes	1,146	1,167	1,125	(21)	(42)
Other taxes	1,820	1,774	1,774	(46)	0
Estate tax	855	900	912	57	12
Gift tax	2	1	(11)	(13)	(12)
Real property gains tax	1	1	1	0	0
Real estate transfer tax	938	850	850	(88)	0
Pari-mutuel taxes	23	21	21	(2)	0
Other taxes	1	1	1	0	0
Total taxes	53,578	57,065	57,834	4,256	769
Miscellaneous receipts	18,320	18,295	18,838	518	543
Federal grants	35,129	35,854	36,205	1,076	351
Total	107,027	111,214	112,877	5,850	1,663

Mid-Year Update to the 2006-07 Financial Plan

**CASH FINANCIAL PLAN
ALL GOVERNMENTAL FUNDS
2007-2008
(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>
Opening fund balance	<u>0</u>	<u>3,192</u>	<u>(462)</u>	<u>243</u>	<u>2,973</u>
Receipts:					
Taxes	38,821	6,689	2,132	11,255	58,897
Miscellaneous receipts	2,184	13,241	3,412	671	19,508
Federal grants	60	35,749	1,924	0	37,733
Total receipts	<u>41,065</u>	<u>55,679</u>	<u>7,468</u>	<u>11,926</u>	<u>116,138</u>
Disbursements:					
Grants to local governments	37,534	47,311	992	0	85,837
State operations	9,731	8,721	0	66	18,518
General State charges	4,601	848	0	0	5,449
Debt service	0	0	0	4,532	4,532
Capital projects	0	3	6,349	0	6,352
Total disbursements	<u>51,866</u>	<u>56,883</u>	<u>7,341</u>	<u>4,598</u>	<u>120,688</u>
Other financing sources (uses):					
Transfers from other funds	10,101	3,497	460	5,545	19,603
Transfers to other funds	(2,717)	(3,130)	(928)	(12,841)	(19,616)
Bond and note proceeds	0	0	403	0	403
Net other financing sources (uses)	<u>7,384</u>	<u>367</u>	<u>(65)</u>	<u>(7,296)</u>	<u>390</u>
Deposit to/(use of) Community Projects Fund	<u>75</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>75</u>
Deposit to/(use of) Spending Stabilization Reserve Fund	<u>(787)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(787)</u>
Deposit to/(use of) 2006-07 Surplus	<u>(256)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(256)</u>
Change in fund balance	<u>(2,449)</u>	<u>(837)</u>	<u>62</u>	<u>32</u>	<u>(3,192)</u>
Closing fund balance	<u>(2,449)</u>	<u>2,355</u>	<u>(400)</u>	<u>275</u>	<u>(219)</u>

Mid-Year Update to the 2006-07 Financial Plan

**CASH FINANCIAL PLAN
ALL GOVERNMENTAL FUNDS
2008-2009
(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>
Opening fund balance	<u>0</u>	<u>2,355</u>	<u>(400)</u>	<u>275</u>	<u>2,230</u>
Receipts:					
Taxes	40,654	6,924	2,176	11,800	61,554
Miscellaneous receipts	2,050	14,220	3,195	680	20,145
Federal grants	60	37,569	1,794	0	39,423
Total receipts	<u>42,764</u>	<u>58,713</u>	<u>7,165</u>	<u>12,480</u>	<u>121,122</u>
Disbursements:					
Grants to local governments	39,985	49,564	957	0	90,506
State operations	10,016	8,756	0	66	18,838
General State charges	4,928	867	0	0	5,795
Debt service	0	0	0	5,140	5,140
Capital projects	0	3	6,343	0	6,346
Total disbursements	<u>54,929</u>	<u>59,190</u>	<u>7,300</u>	<u>5,206</u>	<u>126,625</u>
Other financing sources (uses):					
Transfers from other funds	10,211	3,604	682	5,716	20,213
Transfers to other funds	(2,937)	(3,305)	(1,038)	(12,966)	(20,246)
Bond and note proceeds	0	0	545	0	545
Net other financing sources (uses)	<u>7,274</u>	<u>299</u>	<u>189</u>	<u>(7,250)</u>	<u>512</u>
Deposit to/(use of) Community Projects Fund	<u>(150)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(150)</u>
Deposit to/(use of) 2006-07 Surplus	<u>(255)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(255)</u>
Change in fund balance	<u>(4,486)</u>	<u>(178)</u>	<u>54</u>	<u>24</u>	<u>(4,586)</u>
Closing fund balance	<u>(4,486)</u>	<u>2,177</u>	<u>(346)</u>	<u>299</u>	<u>(2,356)</u>

Mid-Year Update to the 2006-07 Financial Plan

**CASH FINANCIAL PLAN
SPECIAL REVENUE FUNDS
2006-2007
(millions of dollars)**

	<u>State</u>	<u>Federal</u>	<u>Total</u>
Opening fund balance	<u>3,747</u>	<u>447</u>	<u>4,194</u>
Receipts:			
Taxes	7,096	0	7,096
Miscellaneous receipts	12,599	158	12,757
Federal grants	<u>0</u>	<u>34,278</u>	<u>34,278</u>
Total receipts	<u>19,695</u>	<u>34,436</u>	<u>54,131</u>
Disbursements:			
Grants to local governments	15,442	30,850	46,292
State operations	5,325	3,114	8,439
General State charges	586	236	822
Debt service	0	0	0
Capital projects	<u>2</u>	<u>0</u>	<u>2</u>
Total disbursements	<u>21,355</u>	<u>34,200</u>	<u>55,555</u>
Other financing sources (uses):			
Transfers from other funds	1,266	2,373	3,639
Transfers to other funds	(493)	(2,724)	(3,217)
Bond and note proceeds	<u>0</u>	<u>0</u>	<u>0</u>
Net other financing sources (uses)	<u>773</u>	<u>(351)</u>	<u>422</u>
Change in fund balance	<u>(887)</u>	<u>(115)</u>	<u>(1,002)</u>
Closing fund balance	<u>2,860</u>	<u>332</u>	<u>3,192</u>

Mid-Year Update to the 2006-07 Financial Plan

CASH FINANCIAL PLAN SPECIAL REVENUE FUNDS 2007-2008 (millions of dollars)

	<u>State</u>	<u>Federal</u>	<u>Total</u>
Opening fund balance	<u>2,860</u>	<u>332</u>	<u>3,192</u>
Receipts:			
Taxes	6,689	0	6,689
Miscellaneous receipts	13,095	146	13,241
Federal grants	<u>0</u>	<u>35,749</u>	<u>35,749</u>
Total receipts	<u>19,784</u>	<u>35,895</u>	<u>55,679</u>
Disbursements:			
Grants to local governments	15,134	32,177	47,311
State operations	5,575	3,146	8,721
General State charges	606	242	848
Debt service	0	0	0
Capital projects	<u>2</u>	<u>1</u>	<u>3</u>
Total disbursements	<u>21,317</u>	<u>35,566</u>	<u>56,883</u>
Other financing sources (uses):			
Transfers from other funds	1,131	2,366	3,497
Transfers to other funds	(410)	(2,720)	(3,130)
Bond and note proceeds	<u>0</u>	<u>0</u>	<u>0</u>
Net other financing sources (uses)	<u>721</u>	<u>(354)</u>	<u>367</u>
Change in fund balance	<u>(812)</u>	<u>(25)</u>	<u>(837)</u>
Closing fund balance	<u>2,048</u>	<u>307</u>	<u>2,355</u>

Mid-Year Update to the 2006-07 Financial Plan

CASH FINANCIAL PLAN SPECIAL REVENUE FUNDS 2008-2009 (millions of dollars)

	<u>State</u>	<u>Federal</u>	<u>Total</u>
Opening fund balance	<u>2,048</u>	<u>307</u>	<u>2,355</u>
Receipts:			
Taxes	6,924	0	6,924
Miscellaneous receipts	14,072	148	14,220
Federal grants	0	37,569	37,569
Total receipts	<u>20,996</u>	<u>37,717</u>	<u>58,713</u>
Disbursements:			
Grants to local governments	15,921	33,643	49,564
State operations	5,519	3,237	8,756
General State charges	617	250	867
Debt service	0	0	0
Capital projects	2	1	3
Total disbursements	<u>22,059</u>	<u>37,131</u>	<u>59,190</u>
Other financing sources (uses):			
Transfers from other funds	1,189	2,415	3,604
Transfers to other funds	(495)	(2,810)	(3,305)
Bond and note proceeds	0	0	0
Net other financing sources (uses)	<u>694</u>	<u>(395)</u>	<u>299</u>
Change in fund balance	<u>(369)</u>	<u>191</u>	<u>(178)</u>
Closing fund balance	<u>1,679</u>	<u>498</u>	<u>2,177</u>

Mid-Year Update to the 2006-07 Financial Plan

**CASH FINANCIAL PLAN
CAPITAL PROJECTS FUNDS
2006-2007
(millions of dollars)**

	<u>State</u>	<u>Federal</u>	<u>Total</u>
Opening fund balance	<u>(406)</u>	<u>(198)</u>	<u>(604)</u>
Receipts:			
Taxes	2,027	0	2,027
Miscellaneous receipts	2,507	0	2,507
Federal grants	<u>0</u>	<u>1,747</u>	<u>1,747</u>
Total receipts	<u>4,534</u>	<u>1,747</u>	<u>6,281</u>
Disbursements:			
Grants to local governments	849	138	987
State operations	0	0	0
General State charges	0	0	0
Debt service	0	0	0
Capital projects	<u>3,261</u>	<u>1,645</u>	<u>4,906</u>
Total disbursements	<u>4,110</u>	<u>1,783</u>	<u>5,893</u>
Other financing sources (uses):			
Transfers from other funds	346	0	346
Transfers to other funds	(806)	(13)	(819)
Bond and note proceeds	<u>227</u>	<u>0</u>	<u>227</u>
Net other financing sources (uses)	<u>(233)</u>	<u>(13)</u>	<u>(246)</u>
Change in fund balance	<u>191</u>	<u>(49)</u>	<u>142</u>
Closing fund balance	<u>(215)</u>	<u>(247)</u>	<u>(462)</u>

Mid-Year Update to the 2006-07 Financial Plan

**CASH FINANCIAL PLAN
CAPITAL PROJECTS FUNDS
2007-2008
(millions of dollars)**

	<u>State</u>	<u>Federal</u>	<u>Total</u>
Opening fund balance	<u>(215)</u>	<u>(247)</u>	<u>(462)</u>
Receipts:			
Taxes	2,132	0	2,132
Miscellaneous receipts	3,412	0	3,412
Federal grants	<u>0</u>	<u>1,924</u>	<u>1,924</u>
Total receipts	<u>5,544</u>	<u>1,924</u>	<u>7,468</u>
Disbursements:			
Grants to local governments	826	166	992
State operations	0	0	0
General State charges	0	0	0
Debt service	0	0	0
Capital projects	<u>4,612</u>	<u>1,737</u>	<u>6,349</u>
Total disbursements	<u>5,438</u>	<u>1,903</u>	<u>7,341</u>
Other financing sources (uses):			
Transfers from other funds	460	0	460
Transfers to other funds	(915)	(13)	(928)
Bond and note proceeds	<u>403</u>	<u>0</u>	<u>403</u>
Net other financing sources (uses)	<u>(52)</u>	<u>(13)</u>	<u>(65)</u>
Change in fund balance	<u>54</u>	<u>8</u>	<u>62</u>
Closing fund balance	<u>(161)</u>	<u>(239)</u>	<u>(400)</u>

Mid-Year Update to the 2006-07 Financial Plan

**CASH FINANCIAL PLAN
CAPITAL PROJECTS FUNDS
2008-2009
(millions of dollars)**

	<u>State</u>	<u>Federal</u>	<u>Total</u>
Opening fund balance	<u>(161)</u>	<u>(239)</u>	<u>(400)</u>
Receipts:			
Taxes	2,176	0	2,176
Miscellaneous receipts	3,195	0	3,195
Federal grants	<u>0</u>	<u>1,794</u>	<u>1,794</u>
Total receipts	<u>5,371</u>	<u>1,794</u>	<u>7,165</u>
Disbursements:			
Grants to local governments	791	166	957
State operations	0	0	0
General State charges	0	0	0
Debt service	0	0	0
Capital projects	<u>4,736</u>	<u>1,607</u>	<u>6,343</u>
Total disbursements	<u>5,527</u>	<u>1,773</u>	<u>7,300</u>
Other financing sources (uses):			
Transfers from other funds	682	0	682
Transfers to other funds	(1,025)	(13)	(1,038)
Bond and note proceeds	<u>545</u>	<u>0</u>	<u>545</u>
Net other financing sources (uses)	<u>202</u>	<u>(13)</u>	<u>189</u>
Change in fund balance	<u>46</u>	<u>8</u>	<u>54</u>
Closing fund balance	<u>(115)</u>	<u>(231)</u>	<u>(346)</u>

Mid-Year Update to the 2006-07 Financial Plan

CASHFLOW GENERAL FUND 2006-2007 (dollars in millions)

	2006 April Actual	May Actual	June Actual	July Actual	August Actual	September Actual	October Projected	November Projected	December Projected	2007 January Projected	February Projected	March Projected	Total
OPENING BALANCE	3,257	7,517	3,730	4,486	4,957	3,944	4,734	4,170	2,202	2,023	6,872	7,248	3,257
RECEIPTS:													
Personal Income Tax	4,170	689	2,393	1,340	1,537	1,943	785	348	1,816	4,476	1,936	1,403	22,836
User Taxes and Fees	600	597	843	663	607	852	603	603	810	727	552	769	8,216
Business Taxes	325	83	1,002	120	76	1,091	499	25	1,039	117	79	1,443	5,899
Other Taxes	104	80	112	119	70	61	96	56	56	56	56	58	924
Total Taxes	5,199	1,449	4,350	2,232	2,290	3,947	1,983	1,032	3,721	5,376	2,623	3,673	37,875
Miscellaneous Receipts	167	121	279	117	110	187	180	400	245	185	239	680	2,910
Federal Grants	0	0	112	0	0	0	15	1	25	1	1	25	180
PIT in excess of Revenue Bond Debt Service	1,388	199	803	445	386	673	248	57	493	1,491	244	621	7,048
Sales Tax in Excess of LGAC Debt Service	163	53	385	187	187	189	182	182	250	222	2	162	2,164
Real Estate Taxes in Excess of CW/GA Debt Service	92	72	57	53	64	0	41	41	41	41	41	40	583
All Other	1	0	63	30	9	10	10	6	10	0	56	207	402
Total Transfers from Other Funds	1,644	324	1,308	715	646	872	481	286	794	1,754	343	1,030	10,197
TOTAL RECEIPTS	7,010	1,894	6,049	3,064	3,046	5,006	2,659	1,719	4,785	7,316	3,206	5,408	51,162
DISBURSEMENTS:													
School Aid	135	1,948	1,567	128	393	1,302	503	700	1,177	339	574	5,820	14,586
Medicaid	916	1,195	820	626	1,117	493	386	922	787	359	516	554	8,691
Welfare	77	203	59	75	142	173	31	157	177	37	126	(7)	1,250
All Other	201	615	723	590	936	812	695	461	1,360	681	779	2,006	9,859
Total Local Assistance Grants	1,329	3,961	3,169	1,419	2,588	2,780	1,615	2,240	3,501	1,416	1,995	8,373	34,386
Personal Service	595	766	531	587	856	561	591	712	422	388	313	454	6,786
Non-Personal Service	177	234	239	183	233	195	195	202	221	229	243	340	2,691
Total State Operations	772	1,000	770	770	1,089	756	786	914	643	627	556	794	9,477
General State Charges	296	443	1,193	228	230	273	411	273	256	327	145	288	4,363
Debt Service	205	122	186	60	48	316	44	171	395	7	25	185	1,764
Capital Projects	26	124	(64)	37	57	17	87	106	106	20	90	(286)	224
Other Purposes	122	31	39	79	47	74	280	79	63	70	19	182	1,085
Total Transfers to Other Funds	353	277	161	176	152	407	411	260	564	97	134	81	3,073
TOTAL DISBURSEMENTS	2,750	5,681	5,293	2,593	4,059	4,216	3,223	3,687	4,964	2,467	2,830	9,536	51,299
Excess/(Deficiency) of Receipts over Disbursements	4,260	(3,787)	756	471	(1,013)	790	(564)	(1,968)	(179)	4,849	376	(4,128)	(137)
CLOSING BALANCE	7,517	3,730	4,486	4,957	3,944	4,734	4,170	2,202	2,023	6,872	7,248	3,120	3,120

Mid-Year Update to the 2006-07 Financial Plan

**CASH FLOW
SPECIAL REVENUE FUNDS
2006-2007
(millions of dollars)**

	First Quarter (Actual)	Second Quarter (Actual)	Third Quarter (Projected)	Fourth Quarter (Projected)	Total (Projected)
Opening fund balance	4,194	5,245	4,479	4,305	4,194
Receipts:					
Taxes	812	1,519	4,059	706	7,096
Miscellaneous receipts	2,749	3,322	2,812	3,874	12,757
Federal grants	7,902	7,981	9,130	9,265	34,278
Total receipts	11,463	12,822	16,001	13,845	54,131
Disbursements:					
Grants to local governments	8,699	12,003	13,906	11,684	46,292
State operations	1,690	1,610	2,133	3,006	8,439
General State charges	200	203	206	213	822
Debt service	0	0	0	0	0
Capital projects	13	9	0	(20)	2
Total disbursements	10,602	13,825	16,245	14,883	55,555
Other financing sources (uses):					
Transfers from other funds	929	903	846	961	3,639
Transfers to other funds	(739)	(666)	(776)	(1,036)	(3,217)
Bond and note proceeds	0	0	0	0	0
Net other financing sources (uses)	190	237	70	(75)	422
Change in fund balance	1,051	(766)	(174)	(1,113)	(1,002)
Closing fund balance	5,245	4,479	4,305	3,192	3,192

Mid-Year Update to the 2006-07 Financial Plan

CASH FLOW
CAPITAL PROJECTS FUNDS
2006-2007
(millions of dollars)

	First Quarter (Actual)	Second Quarter (Actual)	Third Quarter (Projected)	Fourth Quarter (Projected)	Total (Projected)
Opening fund balance	(604)	(593)	(677)	(630)	(604)
Receipts:					
Taxes	478	497	518	534	2,027
Miscellaneous receipts	428	404	583	1,092	2,507
Federal grants	339	466	489	453	1,747
Total receipts	<u>1,245</u>	<u>1,367</u>	<u>1,590</u>	<u>2,079</u>	<u>6,281</u>
Disbursements:					
Grants to local governments	98	125	143	621	987
State operations	0	0	0	0	0
General State charges	0	0	0	0	0
Debt service	0	0	0	0	0
Capital projects	1,078	1,217	1,350	1,261	4,906
Total disbursements	<u>1,176</u>	<u>1,342</u>	<u>1,493</u>	<u>1,882</u>	<u>5,893</u>
Other financing sources (uses):					
Transfers from other funds	93	118	123	12	346
Transfers to other funds	(151)	(227)	(173)	(268)	(819)
Bond and note proceeds	0	0	0	227	227
Net other financing sources (uses)	<u>(58)</u>	<u>(109)</u>	<u>(50)</u>	<u>(29)</u>	<u>(246)</u>
Change in fund balance	<u>11</u>	<u>(84)</u>	<u>47</u>	<u>168</u>	<u>142</u>
Closing fund balance	<u>(593)</u>	<u>(677)</u>	<u>(630)</u>	<u>(462)</u>	<u>(462)</u>

Mid-Year Update to the 2006-07 Financial Plan

**CASH FLOW
DEBT SERVICE FUNDS
2006-2007
(millions of dollars)**

	First Quarter (Actual)	Second Quarter (Actual)	Third Quarter (Projected)	Fourth Quarter (Projected)	Total (Projected)
Opening fund balance	221	277	299	383	221
Receipts:					
Taxes	3,287	2,460	1,724	3,365	10,836
Miscellaneous receipts	187	194	141	142	664
Federal grants	0	0	0	0	0
Total receipts	3,474	2,654	1,865	3,507	11,500
Disbursements:					
Grants to local governments	0	0	0	0	0
State operations	6	20	21	18	65
General State charges	0	0	0	0	0
Debt service	775	959	1,245	1,330	4,309
Capital projects	0	0	0	0	0
Total disbursements	781	979	1,266	1,348	4,374
Other financing sources (uses):					
Transfers from other funds	1,345	1,265	1,734	1,280	5,624
Transfers to other funds	(3,982)	(2,918)	(2,249)	(3,579)	(12,728)
Bond and note proceeds	0	0	0	0	0
Net other financing sources (uses)	(2,637)	(1,653)	(515)	(2,299)	(7,104)
Change in fund balance	56	22	84	(140)	22
Closing fund balance	277	299	383	243	243

Mid-Year Update to the 2006-07 Financial Plan

CASH DISBURSEMENTS BY FUNCTION GENERAL FUND (thousands of dollars)

	2005-2006 Actuals	2006-2007 Mid-Year	Annual Change
ECONOMIC DEVELOPMENT AND GOVERNMENT OVERSIGHT			
Agriculture and Markets, Department of	46,901	61,712	14,811
Banking Department	0	250	250
Consumer Protection Board	19	0	(19)
Economic Development, Department of	43,967	58,180	14,213
Empire State Development Corporation	45,829	73,433	27,604
Housing and Community Renewal, Division of	78,882	80,923	2,041
Olympic Regional Development Authority	8,350	7,986	(364)
Science, Technology and Academic Research, Office of	42,794	48,507	5,713
Functional Total	266,742	330,991	64,249
PARKS AND THE ENVIRONMENT			
Adirondack Park Agency	4,278	4,578	300
Environmental Conservation, Department of	105,107	135,444	30,337
Parks, Recreation and Historic Preservation, Office of	129,630	145,622	15,992
Functional Total	239,015	285,644	46,629
TRANSPORTATION			
Motor Vehicles, Department of	74	0	(74)
Transportation, Department of	151,731	64,479	(87,252)
Functional Total	151,805	64,479	(87,326)
HEALTH AND SOCIAL WELFARE			
Advocate for Persons with Disabilities, Office of	18	0	(18)
Aging, Office for the	79,281	104,022	24,741
Children and Family Services, Office of	1,457,402	1,593,044	135,642
Health, Department of	9,179,836	9,776,737	596,901
<i>Medical Assistance</i>	8,290,981	8,689,920	398,939
<i>Medicaid Administration</i>	190,880	329,450	138,570
<i>All Other</i>	697,975	757,367	59,392
Human Rights, Division of	12,814	13,278	464
Labor, Department of	12,337	16,291	3,954
Medicaid Inspector General, Office of	0	18,382	18,382
Prevention of Domestic Violence, Office of	1,937	2,519	582
Temporary and Disability Assistance, Office of	1,347,042	1,344,972	(2,070)
<i>Welfare Assistance</i>	882,398	868,503	(13,895)
<i>Welfare Administration</i>	368,537	381,897	13,360
<i>All Other</i>	96,107	94,572	(1,535)
Welfare Inspector General, Office of	671	378	(293)
Functional Total	12,091,338	12,869,623	778,285
MENTAL HEALTH			
Mental Health, Office of	1,358,449	1,576,136	217,687
Mental Retardation and Developmental Disabilities, Office of	869,016	928,110	59,094
Alcohol and Substance Abuse Services, Office of	301,412	338,296	36,884
Quality of Care for the Mentally Disabled, Commission on	3,922	4,485	563
Functional Total	2,532,799	2,847,027	314,228

Mid-Year Update to the 2006-07 Financial Plan

CASH DISBURSEMENTS BY FUNCTION GENERAL FUND (thousands of dollars)

	<u>2005-2006</u> <u>Actuals</u>	<u>2006-2007</u> <u>Mid-Year</u>	<u>Annual</u> <u>Change</u>
PUBLIC PROTECTION			
Capital Defenders Office	4,572	1,600	(2,972)
Correction, Commission of	2,510	2,607	97
Correctional Services, Department of	2,036,054	2,501,804	465,750
Crime Victims Board	3,655	4,274	619
Criminal Justice Services, Division of	99,919	140,690	40,771
Homeland Security	9,142	60,893	51,751
Investigation, Temporary State Commission of	3,403	3,651	248
Judicial Commissions	2,714	2,888	174
Military and Naval Affairs, Division of	50,747	133,499	82,752
Parole, Division of	190,969	200,572	9,603
Probation and Correctional Alternatives, Division of	72,036	73,708	1,672
State Police, Division of	454,215	471,451	17,236
Functional Total	<u>2,929,936</u>	<u>3,597,637</u>	<u>667,701</u>
EDUCATION			
Arts, Council on the	41,965	50,156	8,191
City University of New York	505,440	990,291	484,851
Education, Department of	15,004,267	16,343,270	1,339,003
<i>School Aid</i>	13,499,886	14,586,581	1,086,695
<i>Handicapped</i>	884,328	986,058	101,730
<i>All Other</i>	620,053	770,631	150,578
Higher Education Services Corporation	889,328	867,150	(22,178)
State University of New York	1,371,165	1,686,048	314,883
Functional Total	<u>17,812,165</u>	<u>19,936,915</u>	<u>2,124,750</u>
GENERAL GOVERNMENT			
Audit and Control, Department of	167,788	171,869	4,081
Budget, Division of the	27,970	33,500	5,530
Civil Service, Department of	25,391	22,452	(2,939)
Elections, State Board of	3,764	6,688	2,924
Employee Relations, Office of	3,553	3,768	215
Executive Chamber	13,937	15,480	1,543
General Services, Office of	146,645	154,912	8,267
Inspector General, Office of	4,446	4,783	337
Law, Department of	119,161	129,581	10,420
Lieutenant Governor, Office of the	348	485	137
Real Property Services, Office of	13,645	22,713	9,068
Regulatory Reform, Governor's Office of	3,661	3,744	83
State Labor Relations Board	3,508	3,539	31
State, Department of	45,794	46,614	820
Tax Appeals, Division of	2,958	3,423	465
Taxation and Finance, Department of	312,337	322,752	10,415
Technology, Office for	20,789	18,018	(2,771)
TSC Lobbying	1,288	2,109	821
Veterans Affairs, Division of	12,610	13,984	1,374
Functional Total	<u>929,593</u>	<u>980,414</u>	<u>50,821</u>

Mid-Year Update to the 2006-07 Financial Plan

CASH DISBURSEMENTS BY FUNCTION GENERAL FUND (thousands of dollars)

	<u>2005-2006</u> <u>Actuals</u>	<u>2006-2007</u> <u>Mid-Year</u>	<u>Annual</u> <u>Change</u>
ALL OTHER CATEGORIES			
Legislature	210,051	212,913	2,862
Judiciary (excluding fringe benefits)	1,432,414	1,614,005	181,591
Local Government Assistance	1,018,896	1,177,042	158,146
Long-Term Debt Service	1,709,837	1,763,668	53,831
Capital Projects	285,524	224,204	(61,320)
General State Charges/Miscellaneous	4,884,603	5,394,466	509,863
Functional Total	<u>9,541,325</u>	<u>10,386,298</u>	<u>844,973</u>
TOTAL GENERAL FUND SPENDING	<u>46,494,718</u>	<u>51,299,028</u>	<u>4,804,310</u>

Mid-Year Update to the 2006-07 Financial Plan

CASH DISBURSEMENTS BY FUNCTION STATE FUNDS (thousands of dollars)

	<u>2005-2006</u> <u>Actuals</u>	<u>2006-2007</u> <u>Mid-Year</u>	<u>Annual</u> <u>Change</u>
ECONOMIC DEVELOPMENT AND GOVERNMENT OVERSIGHT			
Agriculture and Markets, Department of	70,358	97,809	27,451
Alcoholic Beverage Control	10,286	12,076	1,790
Banking Department	56,278	59,783	3,505
Consumer Protection Board	2,622	3,003	381
Economic Development, Department of	440,361	365,331	(75,030)
Empire State Development Corporation	47,699	180,933	133,234
Energy Research and Development Authority	26,151	32,656	6,505
Housing and Community Renewal, Division of	190,584	207,464	16,880
Insurance Department	124,142	152,644	28,502
Olympic Regional Development Authority	8,550	13,886	5,336
Public Service, Department of	49,147	52,913	3,766
Science, Technology and Academic Research, Office of	55,396	65,453	10,057
Functional Total	<u>1,081,574</u>	<u>1,243,951</u>	<u>162,377</u>
PARKS AND THE ENVIRONMENT			
Adirondack Park Agency	4,278	4,578	300
Environmental Conservation, Department of	630,945	749,036	118,091
Environmental Facilities Corporation	8,034	14,258	6,224
Parks, Recreation and Historic Preservation, Office of	242,196	282,999	40,803
Functional Total	<u>885,453</u>	<u>1,050,871</u>	<u>165,418</u>
TRANSPORTATION			
Motor Vehicles, Department of	226,411	259,500	33,089
Thruway Authority	1,671	1,787	116
Metropolitan Transportation Authority	38,078	38,050	(28)
Transportation, Department of	4,173,365	4,318,707	145,342
Functional Total	<u>4,439,525</u>	<u>4,618,044</u>	<u>178,519</u>
HEALTH AND SOCIAL WELFARE			
Advocate for Persons with Disabilities, Office of	18	0	(18)
Aging, Office for the	80,092	107,073	26,981
Children and Family Services, Office of	1,479,204	1,624,964	145,760
Health, Department of	14,860,729	16,390,647	1,529,918
<i>Medical Assistance</i>	11,522,379	12,395,757	873,378
<i>Medicaid Administration</i>	190,880	329,450	138,570
<i>All Other</i>	3,147,470	3,665,440	517,970
Human Rights, Division of	12,814	13,284	470
Labor, Department of	82,503	73,375	(9,128)
Medicaid Inspector General, Office of	1,049	23,426	22,377
Prevention of Domestic Violence, Office of	1,937	2,549	612

Mid-Year Update to the 2006-07 Financial Plan

CASH DISBURSEMENTS BY FUNCTION STATE FUNDS (thousands of dollars)

	2005-2006 Actuals	2006-2007 Mid-Year	Annual Change
HEALTH AND SOCIAL WELFARE (Continued)			
Temporary and Disability Assistance, Office of	1,427,877	1,411,948	(15,929)
<i>Welfare Assistance</i>	882,398	868,503	(13,895)
<i>Welfare Administration</i>	368,537	381,897	13,360
<i>All Other</i>	176,942	161,548	(15,394)
Welfare Inspector General, Office of	671	378	(293)
Workers' Compensation Board	138,436	143,888	5,452
Functional Total	18,085,330	19,791,532	1,706,202
MENTAL HEALTH			
Mental Health, Office of	1,701,018	1,902,580	201,562
Mental Hygiene, Department of	8,138	8,645	507
Mental Retardation and Developmental Disabilities, Office of	975,887	1,112,825	136,938
Alcohol and Substance Abuse Services, Office of	337,291	385,841	48,550
Quality of Care for the Mentally Disabled, Commission on	4,088	4,860	772
Functional Total	3,026,422	3,414,751	388,329
PUBLIC PROTECTION			
Capital Defenders Office	4,572	1,600	(2,972)
Correction, Commission of	2,510	2,607	97
Correctional Services, Department of	2,285,760	2,744,005	458,245
Crime Victims Board	24,806	30,398	5,592
Criminal Justice Services, Division of	113,920	172,326	58,406
Homeland Security	15,852	73,075	57,223
Investigation, Temporary State Commission of	3,586	3,934	348
Judicial Commissions	2,714	2,888	174
Military and Naval Affairs, Division of	66,478	153,187	86,709
Parole, Division of	190,969	200,605	9,636
Probation and Correctional Alternatives, Division of	72,036	73,708	1,672
State Police, Division of	591,065	634,872	43,807
Functional Total	3,374,268	4,093,205	718,937
EDUCATION			
Arts, Council on the	42,165	50,856	8,691
City University of New York	797,286	1,375,085	577,799
Education, Department of	20,601,701	23,920,256	3,318,555
<i>School Aid (includes EXCEL)</i>	15,775,588	17,995,703	2,220,115
<i>STAR Property Tax Relief</i>	3,213,204	4,041,000	827,796
<i>Handicapped</i>	884,328	986,058	101,730
<i>All Other</i>	728,581	897,495	168,914
Higher Education Services Corporation	1,014,692	972,757	(41,935)
State University Construction Fund	10,013	12,077	2,064
State University of New York	4,915,291	5,427,259	511,968
Functional Total	27,381,148	31,758,290	4,377,142

Mid-Year Update to the 2006-07 Financial Plan

CASH DISBURSEMENTS BY FUNCTION STATE FUNDS (thousands of dollars)

	<u>2005-2006</u> Actuals	<u>2006-2007</u> Mid-Year	<u>Annual</u> Change
GENERAL GOVERNMENT			
Audit and Control, Department of	225,148	238,417	13,269
Budget, Division of the	37,423	69,562	32,139
Civil Service, Department of	26,391	24,051	(2,340)
Elections, State Board of	3,769	11,088	7,319
Employee Relations, Office of	3,579	3,843	264
Executive Chamber	13,937	15,480	1,543
General Services, Office of	254,335	253,117	(1,218)
Inspector General, Office of	5,336	6,369	1,033
Law, Department of	158,821	173,127	14,306
Lieutenant Governor, Office of the	348	485	137
Lottery, Division of	176,524	201,365	24,841
Racing and Wagering Board, State	13,093	19,133	6,040
Real Property Services, Office of	43,830	53,428	9,598
Regulatory Reform, Governor's Office of	3,661	3,744	83
State Labor Relations Board	3,508	3,776	268
State, Department of	101,751	124,607	22,856
Tax Appeals, Division of	2,958	3,423	465
Taxation and Finance, Department of	341,429	358,103	16,674
Technology, Office for	21,018	20,018	(1,000)
TSC Lobbying	1,572	2,663	1,091
Veterans Affairs, Division of	12,610	13,984	1,374
Functional Total	<u>1,451,041</u>	<u>1,599,783</u>	<u>148,742</u>
ALL OTHER CATEGORIES			
Legislature	210,051	213,863	3,812
Judiciary (excluding fringe benefits)	1,613,669	1,816,174	202,505
Local Government Assistance	1,018,896	1,177,042	158,146
Long-Term Debt Service	3,701,385	4,309,190	607,805
General State Charges/Miscellaneous	4,471,636	4,875,630	403,994
Capital GAAP Adjustments ⁽¹⁾	<u>(1,017,218)</u>	<u>(1,896,835)</u>	<u>(879,617)</u>
Functional Total	<u>9,998,419</u>	<u>10,495,064</u>	<u>496,645</u>
TOTAL STATE FUNDS SPENDING	<u>69,723,180</u>	<u>78,065,491</u>	<u>8,342,311</u>

⁽¹⁾ 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".

Mid-Year Update to the 2006-07 Financial Plan

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

	<u>2005-2006</u> <u>Actuals</u>	<u>2006-2007</u> <u>Mid-Year</u>	<u>Annual</u> <u>Change</u>
ECONOMIC DEVELOPMENT AND GOVERNMENT OVERSIGHT			
Agriculture and Markets, Department of	85,309	113,377	28,068
Alcoholic Beverage Control	10,286	12,076	1,790
Banking Department	56,278	59,783	3,505
Consumer Protection Board	2,622	3,003	381
Economic Development, Department of	440,376	365,676	(74,700)
Empire State Development Corporation	47,699	180,933	133,234
Energy Research and Development Authority	26,151	33,356	7,205
Housing and Community Renewal, Division of	259,534	282,508	22,974
Insurance Department	124,142	152,644	28,502
Olympic Regional Development Authority	8,550	13,886	5,336
Public Service, Department of	50,453	54,214	3,761
Science, Technology and Academic Research, Office of	61,088	71,078	9,990
Functional Total	<u>1,172,488</u>	<u>1,342,534</u>	<u>170,046</u>
PARKS AND THE ENVIRONMENT			
Adirondack Park Agency	4,398	4,928	530
Environmental Conservation, Department of	816,046	892,927	76,881
Environmental Facilities Corporation	8,034	14,258	6,224
Parks, Recreation and Historic Preservation, Office of	248,329	288,297	39,968
Functional Total	<u>1,076,807</u>	<u>1,200,410</u>	<u>123,603</u>
TRANSPORTATION			
Motor Vehicles, Department of	238,186	274,160	35,974
Thruway Authority	1,671	1,787	116
Metropolitan Transportation Authority	38,078	38,050	(28)
Transportation, Department of	5,640,342	5,937,768	297,426
Functional Total	<u>5,918,277</u>	<u>6,251,765</u>	<u>333,488</u>
HEALTH AND SOCIAL WELFARE			
Advocate for Persons with Disabilities, Office of	18	0	(18)
Aging, Office for the	185,516	210,606	25,090
Children and Family Services, Office of	3,196,915	2,917,185	(279,730)
Health, Department of	35,205,297	37,347,221	2,141,924
<i>Medical Assistance</i>	30,209,572	31,780,313	1,570,741
<i>Medicaid Administration</i>	575,158	692,100	116,942
<i>All Other</i>	4,420,567	4,874,808	454,241
Human Rights, Division of	14,942	15,227	285
Labor, Department of	573,112	564,815	(8,297)
Medicaid Inspector General, Office of	1,049	47,901	46,852
Prevention of Domestic Violence, Office of	1,985	2,549	564

Mid-Year Update to the 2006-07 Financial Plan

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

	<u>2005-2006</u> <u>Actuals</u>	<u>2006-2007</u> <u>Mid-Year</u>	<u>Annual</u> <u>Change</u>
HEALTH AND SOCIAL WELFARE (Continued)			
Temporary and Disability Assistance, Office of	4,391,625	4,848,790	457,165
<i>Welfare Assistance</i>	2,979,052	3,444,868	465,816
<i>Welfare Administration</i>	368,537	381,897	13,360
<i>All Other</i>	1,044,036	1,022,025	(22,011)
Welfare Inspector General, Office of	1,004	1,178	174
Workers' Compensation Board	140,892	144,670	3,778
Functional Total	<u>43,712,355</u>	<u>46,100,142</u>	<u>2,387,787</u>
MENTAL HEALTH			
Mental Health, Office of	2,319,598	2,423,765	104,167
Mental Hygiene, Department of	9,370	8,645	(725)
Mental Retardation and Developmental Disabilities, Office of	2,953,803	3,153,740	199,937
Alcohol and Substance Abuse Services, Office of	484,831	531,928	47,097
Developmental Disabilities Planning Council	4,081	3,648	(433)
Quality of Care for the Mentally Disabled, Commission on	12,770	14,524	1,754
Functional Total	<u>5,784,453</u>	<u>6,136,250</u>	<u>351,797</u>
PUBLIC PROTECTION			
Capital Defenders Office	4,572	1,600	(2,972)
Correction, Commission of	2,515	2,607	92
Correctional Services, Department of	2,316,062	2,803,076	487,014
Crime Victims Board	55,565	62,016	6,451
Criminal Justice Services, Division of	193,336	327,877	134,541
Homeland Security	19,586	310,619	291,033
Investigation, Temporary State Commission of	3,586	3,934	348
Judicial Commissions	2,714	2,888	174
Military and Naval Affairs, Division of	209,562	362,820	153,258
Parole, Division of	193,231	200,605	7,374
Probation and Correctional Alternatives, Division of	72,254	73,708	1,454
State Police, Division of	598,904	638,848	39,944
Functional Total	<u>3,671,887</u>	<u>4,790,598</u>	<u>1,118,711</u>
EDUCATION			
Arts, Council on the	42,825	52,125	9,300
City University of New York	797,286	1,375,085	577,799
Education, Department of	24,252,348	27,639,917	3,387,569
<i>School Aid (includes EXCEL)</i>	18,549,341	20,785,703	2,236,362
<i>STAR Property Tax Relief</i>	3,213,204	4,041,000	827,796
<i>Handicapped</i>	1,560,076	1,671,058	110,982
<i>All Other</i>	929,727	1,142,156	212,429
Higher Education Services Corporation	1,018,291	983,254	(35,037)
State University Construction Fund	10,013	12,077	2,064
State University of New York	5,073,769	5,611,049	537,280
Functional Total	<u>31,194,532</u>	<u>35,673,507</u>	<u>4,478,975</u>

Mid-Year Update to the 2006-07 Financial Plan

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

	<u>2005-2006</u> <u>Actuals</u>	<u>2006-2007</u> <u>Mid-Year</u>	<u>Annual</u> <u>Change</u>
GENERAL GOVERNMENT			
Audit and Control, Department of	225,148	238,417	13,269
Budget, Division of the	37,423	69,562	32,139
Civil Service, Department of	26,391	24,051	(2,340)
Elections, State Board of	4,206	76,126	71,920
Employee Relations, Office of	3,579	3,843	264
Executive Chamber	13,937	15,480	1,543
General Services, Office of	260,359	258,367	(1,992)
Inspector General, Office of	5,336	6,369	1,033
Law, Department of	182,295	199,059	16,764
Lieutenant Governor, Office of the	348	485	137
Lottery, Division of	176,524	201,365	24,841
Racing and Wagering Board, State	13,093	19,133	6,040
Real Property Services, Office of	43,830	53,428	9,598
Regulatory Reform, Governor's Office of	3,661	3,744	83
State Labor Relations Board	3,508	3,776	268
State, Department of	158,194	186,451	28,257
Tax Appeals, Division of	2,958	3,423	465
Taxation and Finance, Department of	341,429	358,381	16,952
Technology, Office for	21,018	20,018	(1,000)
TSC Lobbying	1,572	2,663	1,091
Veterans Affairs, Division of	13,599	15,084	1,485
Functional Total	<u>1,538,408</u>	<u>1,759,225</u>	<u>220,817</u>
ALL OTHER CATEGORIES			
Legislature	210,051	213,863	3,812
Judiciary (excluding fringe benefits)	1,618,170	1,823,674	205,504
World Trade Center	38,003	32,550	(5,453)
Local Government Assistance	1,018,896	1,177,042	158,146
Long-Term Debt Service	3,701,385	4,309,190	607,805
General State Charges/Miscellaneous	4,702,942	5,134,620	431,678
Capital GAAP Adjustments ⁽¹⁾	(1,017,218)	(1,896,835)	(879,617)
Functional Total	<u>10,272,229</u>	<u>10,794,104</u>	<u>521,875</u>
TOTAL ALL GOVERNMENTAL FUNDS SPENDING	<u>104,341,436</u>	<u>114,048,535</u>	<u>9,707,099</u>

⁽¹⁾ 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".

Mid-Year Update to the 2006-07 Financial Plan

CAPITAL OFF-BUDGET SPENDING (thousands of dollars)

	<u>2005-2006</u> <u>Actuals</u>	<u>2006-2007</u> <u>Mid-Year</u>	<u>Annual</u> <u>Change</u>
ECONOMIC DEVELOPMENT AND GOVERNMENT OVERSIGHT			
Economic Development	212,262	154,624	(57,638)
Empire State Development Corporation	1,870	7,500	5,630
Functional Total	<u>214,132</u>	<u>162,124</u>	<u>(52,008)</u>
TRANSPORTATION			
Transportation, Department of	316,973	349,800	32,827
Functional Total	<u>316,973</u>	<u>349,800</u>	<u>32,827</u>
HEALTH AND SOCIAL WELFARE			
Health All Other	2,020	10,150	8,130
Functional Total	<u>2,020</u>	<u>10,150</u>	<u>8,130</u>
MENTAL HEALTH			
Mental Health, Office of	120,439	4,149	(116,290)
Mental Retardation and Developmental Disabilities, Office of	23,959	122,924	98,965
Alcohol and Substance Abuse Services, Office of	802	35,584	34,782
Functional Total	<u>145,200</u>	<u>162,657</u>	<u>17,457</u>
EDUCATION			
City University of New York	177,415	255,694	78,279
Education, Department of	2,497	756,410	753,913
<i>EXCEL School Construction</i>	0	750,000	750,000
<i>All Other</i>	2,497	6,410	3,913
State University of New York	109,235	125,000	15,765
Functional Total	<u>289,147</u>	<u>1,137,104</u>	<u>847,957</u>
ALL OTHER CATEGORIES			
State Equipment	49,746	75,000	25,254
Functional Total	<u>49,746</u>	<u>75,000</u>	<u>25,254</u>
TOTAL CAPITAL OFF-BUDGET SPENDING	<u>1,017,218</u>	<u>1,896,835</u>	<u>879,617</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.

Mid-Year Update to the 2006-07 Financial Plan

**CASH DISBURSEMENTS BY FUNCTION
GENERAL FUND
2006-2007
(thousands of dollars)**

	<u>July Update</u>	<u>Change</u>	<u>Mid-Year</u>
ECONOMIC DEVELOPMENT AND GOVERNMENT OVERSIGHT			
Agriculture and Markets, Department of	60,180	1,532	61,712
Banking Department	250	0	250
Consumer Protection Board	0	0	0
Economic Development, Department of	53,180	5,000	58,180
Empire State Development Corporation	57,898	15,535	73,433
Housing and Community Renewal, Division of	78,378	2,545	80,923
Olympic Regional Development Authority	7,986	0	7,986
Science, Technology and Academic Research, Office of	47,507	1,000	48,507
Functional Total	<u>305,379</u>	<u>25,612</u>	<u>330,991</u>
PARKS AND THE ENVIRONMENT			
Adirondack Park Agency	4,555	23	4,578
Environmental Conservation, Department of	129,793	5,651	135,444
Parks, Recreation and Historic Preservation, Office of	130,084	15,538	145,622
Functional Total	<u>264,432</u>	<u>21,212</u>	<u>285,644</u>
TRANSPORTATION			
Motor Vehicles, Department of	0	0	0
Transportation, Department of	60,516	3,963	64,479
Functional Total	<u>60,516</u>	<u>3,963</u>	<u>64,479</u>
HEALTH AND SOCIAL WELFARE			
Advocate for Persons with Disabilities, Office of	0	0	0
Aging, Office for the	100,750	3,272	104,022
Children and Family Services, Office of	1,555,341	37,703	1,593,044
Health, Department of	10,141,854	(365,117)	9,776,737
<i>Medical Assistance</i>	9,258,738	(568,818)	8,689,920
<i>Medicaid Administration</i>	119,950	209,500	329,450
<i>All Other</i>	763,166	(5,799)	757,367
Human Rights, Division of	13,178	100	13,278
Labor, Department of	17,874	(1,583)	16,291
Medicaid Inspector General, Office of	35,082	(16,700)	18,382
Prevention of Domestic Violence, Office of	2,509	10	2,519
Temporary and Disability Assistance, Office of	1,342,043	2,929	1,344,972
<i>Welfare Assistance</i>	866,903	1,600	868,503
<i>Welfare Administration</i>	382,897	(1,000)	381,897
<i>All Other</i>	92,243	2,329	94,572
Welfare Inspector General, Office of	378	0	378
Functional Total	<u>13,209,009</u>	<u>(339,386)</u>	<u>12,869,623</u>
MENTAL HEALTH			
Mental Health, Office of	1,593,498	(17,362)	1,576,136
Mental Retardation and Developmental Disabilities, Office of	933,410	(5,300)	928,110
Alcohol and Substance Abuse Services, Office of	343,596	(5,300)	338,296
Quality of Care for the Mentally Disabled, Commission on	4,575	(90)	4,485
Functional Total	<u>2,875,079</u>	<u>(28,052)</u>	<u>2,847,027</u>

Mid-Year Update to the 2006-07 Financial Plan

**CASH DISBURSEMENTS BY FUNCTION
GENERAL FUND
2006-2007
(thousands of dollars)**

	<u>July Update</u>	<u>Change</u>	<u>Mid-Year</u>
PUBLIC PROTECTION			
Capital Defenders Office	1,600	0	1,600
Correction, Commission of	2,607	0	2,607
Correctional Services, Department of	2,500,004	1,800	2,501,804
Crime Victims Board	4,274	0	4,274
Criminal Justice Services, Division of	140,790	(100)	140,690
Homeland Security	66,318	(5,425)	60,893
Investigation, Temporary State Commission of	3,651	0	3,651
Judicial Commissions	2,888	0	2,888
Military and Naval Affairs, Division of	93,656	39,843	133,499
Parole, Division of	201,322	(750)	200,572
Probation and Correctional Alternatives, Division of	77,658	(3,950)	73,708
State Police, Division of	471,451	0	471,451
Functional Total	<u>3,566,219</u>	<u>31,418</u>	<u>3,597,637</u>
EDUCATION			
Arts, Council on the	50,156	0	50,156
City University of New York	542,333	447,958	990,291
Education, Department of	16,278,104	65,166	16,343,270
<i>School Aid</i>	14,534,915	51,666	14,586,581
<i>Handicapped</i>	986,058	0	986,058
<i>All Other</i>	757,131	13,500	770,631
Higher Education Services Corporation	867,150	0	867,150
State University of New York	1,636,404	49,644	1,686,048
Functional Total	<u>19,374,147</u>	<u>562,768</u>	<u>19,936,915</u>
GENERAL GOVERNMENT			
Audit and Control, Department of	171,851	18	171,869
Budget, Division of the	31,740	1,760	33,500
Civil Service, Department of	22,359	93	22,452
Elections, State Board of	9,688	(3,000)	6,688
Employee Relations, Office of	3,768	0	3,768
Executive Chamber	15,480	0	15,480
General Services, Office of	166,393	(11,481)	154,912
Inspector General, Office of	4,783	0	4,783
Law, Department of	129,178	403	129,581
Lieutenant Governor, Office of the	485	0	485
Real Property Services, Office of	22,713	0	22,713
Regulatory Reform, Governor's Office of	3,744	0	3,744
State Labor Relations Board	3,539	0	3,539
State, Department of	25,226	21,388	46,614
Tax Appeals, Division of	3,423	0	3,423
Taxation and Finance, Department of	322,752	0	322,752
Technology, Office for	22,818	(4,800)	18,018
TSC Lobbying	2,474	(365)	2,109
Veterans Affairs, Division of	11,684	2,300	13,984
Functional Total	<u>974,098</u>	<u>6,316</u>	<u>980,414</u>

Mid-Year Update to the 2006-07 Financial Plan

**CASH DISBURSEMENTS BY FUNCTION
GENERAL FUND
2006-2007
(thousands of dollars)**

	<u>July Update</u>	<u>Change</u>	<u>Mid-Year</u>
ALL OTHER CATEGORIES			
Legislature	212,913	0	212,913
Judiciary (excluding fringe benefits)	1,636,729	(22,724)	1,614,005
Local Government Assistance	1,182,592	(5,550)	1,177,042
Long-Term Debt Service	1,759,669	3,999	1,763,668
Capital Projects	225,204	(1,000)	224,204
General State Charges/Miscellaneous	5,338,299	56,167	5,394,466
Functional Total	<u>10,355,406</u>	<u>30,892</u>	<u>10,386,298</u>
TOTAL GENERAL FUND SPENDING	<u>50,984,285</u>	<u>314,743</u>	<u>51,299,028</u>

Mid-Year Update to the 2006-07 Financial Plan

**CASH DISBURSEMENTS BY FUNCTION
STATE FUNDS
2006-2007
(thousands of dollars)**

	<u>July Update</u>	<u>Change</u>	<u>Mid-Year</u>
ECONOMIC DEVELOPMENT AND GOVERNMENT OVERSIGHT			
Agriculture and Markets, Department of	96,277	1,532	97,809
Alcoholic Beverage Control	12,076	0	12,076
Banking Department	59,783	0	59,783
Consumer Protection Board	3,003	0	3,003
Economic Development, Department of	360,331	5,000	365,331
Empire State Development Corporation	815,398	(634,465)	180,933
Energy Research and Development Authority	32,656	0	32,656
Housing and Community Renewal, Division of	232,519	(25,055)	207,464
Insurance Department	152,644	0	152,644
Olympic Regional Development Authority	13,886	0	13,886
Public Service, Department of	52,101	812	52,913
Science, Technology and Academic Research, Office of	64,453	1,000	65,453
Functional Total	<u>1,895,127</u>	<u>(651,176)</u>	<u>1,243,951</u>
PARKS AND THE ENVIRONMENT			
Adirondack Park Agency	4,555	23	4,578
Environmental Conservation, Department of	740,902	8,134	749,036
Environmental Facilities Corporation	14,258	0	14,258
Parks, Recreation and Historic Preservation, Office of	267,461	15,538	282,999
Functional Total	<u>1,027,176</u>	<u>23,695</u>	<u>1,050,871</u>
TRANSPORTATION			
Motor Vehicles, Department of	259,785	(285)	259,500
Thruway Authority	2,000	(213)	1,787
Metropolitan Transportation Authority	38,050	0	38,050
Transportation, Department of	4,350,245	(31,538)	4,318,707
Functional Total	<u>4,650,080</u>	<u>(32,036)</u>	<u>4,618,044</u>
HEALTH AND SOCIAL WELFARE			
Advocate for Persons with Disabilities, Office of	0	0	0
Aging, Office for the	103,801	3,272	107,073
Children and Family Services, Office of	1,586,680	38,284	1,624,964
Health, Department of	16,909,126	(518,479)	16,390,647
<i>Medical Assistance</i>	<u>13,044,975</u>	<u>(649,218)</u>	<u>12,395,757</u>
<i>Medicaid Administration</i>	119,950	209,500	329,450
<i>All Other</i>	3,744,201	(78,761)	3,665,440
Human Rights, Division of	13,184	100	13,284
Labor, Department of	72,665	710	73,375
Medicaid Inspector General, Office of	36,426	(13,000)	23,426
Prevention of Domestic Violence, Office of	2,539	10	2,549

Mid-Year Update to the 2006-07 Financial Plan

CASH DISBURSEMENTS BY FUNCTION STATE FUNDS 2006-2007 (thousands of dollars)

	<u>July Update</u>	<u>Change</u>	<u>Mid-Year</u>
HEALTH AND SOCIAL WELFARE (Continued)			
Temporary and Disability Assistance, Office of	1,415,393	(3,445)	1,411,948
<i>Welfare Assistance</i>	866,903	1,600	868,503
<i>Welfare Administration</i>	382,897	(1,000)	381,897
<i>All Other</i>	165,593	(4,045)	161,548
Welfare Inspector General, Office of	378	0	378
Workers' Compensation Board	143,888	0	143,888
Functional Total	<u>20,284,080</u>	<u>(492,548)</u>	<u>19,791,532</u>
MENTAL HEALTH			
Mental Health, Office of	1,918,742	(16,162)	1,902,580
Mental Hygiene, Department of	8,645	0	8,645
Mental Retardation and Developmental Disabilities, Office of	1,118,125	(5,300)	1,112,825
Alcohol and Substance Abuse Services, Office of	390,206	(4,365)	385,841
Quality of Care for the Mentally Disabled, Commission on	4,964	(104)	4,860
Functional Total	<u>3,440,682</u>	<u>(25,931)</u>	<u>3,414,751</u>
PUBLIC PROTECTION			
Capital Defenders Office	1,600	0	1,600
Correction, Commission of	2,607	0	2,607
Correctional Services, Department of	2,742,386	1,619	2,744,005
Crime Victims Board	30,398	0	30,398
Criminal Justice Services, Division of	172,426	(100)	172,326
Homeland Security	77,545	(4,470)	73,075
Investigation, Temporary State Commission of	3,934	0	3,934
Judicial Commissions	2,888	0	2,888
Military and Naval Affairs, Division of	114,344	38,843	153,187
Parole, Division of	201,355	(750)	200,605
Probation and Correctional Alternatives, Division of	77,658	(3,950)	73,708
State Police, Division of	634,872	0	634,872
Functional Total	<u>4,062,013</u>	<u>31,192</u>	<u>4,093,205</u>
EDUCATION			
Arts, Council on the	50,856	0	50,856
City University of New York	977,127	397,958	1,375,085
Education, Department of	24,908,688	(988,432)	23,920,256
<i>School Aid (includes EXCEL)</i>	18,994,037	(998,334)	17,995,703
<i>STAR Property Tax Relief</i>	4,041,000	0	4,041,000
<i>Handicapped</i>	986,058	0	986,058
<i>All Other</i>	887,593	9,902	897,495
Higher Education Services Corporation	977,338	(4,581)	972,757
State University Construction Fund	12,077	0	12,077
State University of New York	5,372,196	55,063	5,427,259
Functional Total	<u>32,298,282</u>	<u>(539,992)</u>	<u>31,758,290</u>

Mid-Year Update to the 2006-07 Financial Plan

**CASH DISBURSEMENTS BY FUNCTION
STATE FUNDS
2006-2007
(thousands of dollars)**

	<u>July Update</u>	<u>Change</u>	<u>Mid-Year</u>
GENERAL GOVERNMENT			
Audit and Control, Department of	232,399	6,018	238,417
Budget, Division of the	52,215	17,347	69,562
Civil Service, Department of	23,958	93	24,051
Elections, State Board of	9,868	1,220	11,088
Employee Relations, Office of	3,956	(113)	3,843
Executive Chamber	15,480	0	15,480
General Services, Office of	264,597	(11,480)	253,117
Inspector General, Office of	6,369	0	6,369
Law, Department of	172,724	403	173,127
Lieutenant Governor, Office of the	485	0	485
Lottery, Division of	201,365	0	201,365
Racing and Wagering Board, State	19,133	0	19,133
Real Property Services, Office of	56,112	(2,684)	53,428
Regulatory Reform, Governor's Office of	3,744	0	3,744
State Labor Relations Board	3,776	0	3,776
State, Department of	128,219	(3,612)	124,607
Tax Appeals, Division of	3,423	0	3,423
Taxation and Finance, Department of	358,103	0	358,103
Technology, Office for	24,818	(4,800)	20,018
TSC Lobbying	3,028	(365)	2,663
Veterans Affairs, Division of	11,684	2,300	13,984
Functional Total	<u>1,595,456</u>	<u>4,327</u>	<u>1,599,783</u>
ALL OTHER CATEGORIES			
Legislature	213,863	0	213,863
Judiciary (excluding fringe benefits)	1,852,898	(36,724)	1,816,174
Local Government Assistance	1,182,592	(5,550)	1,177,042
Long-Term Debt Service	4,086,708	222,482	4,309,190
General State Charges/Miscellaneous	5,096,194	(220,564)	4,875,630
Capital GAAP Adjustments ⁽¹⁾	(3,604,133)	1,707,298	(1,896,835)
Functional Total	<u>8,828,122</u>	<u>1,666,942</u>	<u>10,495,064</u>
TOTAL STATE FUNDS SPENDING	<u>78,081,018</u>	<u>(15,527)</u>	<u>78,065,491</u>

⁽¹⁾ 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".

Mid-Year Update to the 2006-07 Financial Plan

**CASH DISBURSEMENTS BY FUNCTION
ALL GOVERNMENTAL FUNDS
2006-2007
(thousands of dollars)**

	<u>July Update</u>	<u>Change</u>	<u>Mid-Year</u>
ECONOMIC DEVELOPMENT AND GOVERNMENT OVERSIGHT			
Agriculture and Markets, Department of	111,845	1,532	113,377
Alcoholic Beverage Control	12,076	0	12,076
Banking Department	59,783	0	59,783
Consumer Protection Board	3,003	0	3,003
Economic Development, Department of	360,676	5,000	365,676
Empire State Development Corporation	815,398	(634,465)	180,933
Energy Research and Development Authority	33,356	0	33,356
Housing and Community Renewal, Division of	307,563	(25,055)	282,508
Insurance Department	152,644	0	152,644
Olympic Regional Development Authority	13,886	0	13,886
Public Service, Department of	53,402	812	54,214
Science, Technology and Academic Research, Office of	70,078	1,000	71,078
Functional Total	<u>1,993,710</u>	<u>(651,176)</u>	<u>1,342,534</u>
PARKS AND THE ENVIRONMENT			
Adirondack Park Agency	4,905	23	4,928
Environmental Conservation, Department of	884,793	8,134	892,927
Environmental Facilities Corporation	14,258	0	14,258
Parks, Recreation and Historic Preservation, Office of	272,759	15,538	288,297
Functional Total	<u>1,176,715</u>	<u>23,695</u>	<u>1,200,410</u>
TRANSPORTATION			
Motor Vehicles, Department of	274,445	(285)	274,160
Thruway Authority	2,000	(213)	1,787
Metropolitan Transportation Authority	38,050	0	38,050
Transportation, Department of	5,983,714	(45,946)	5,937,768
Functional Total	<u>6,298,209</u>	<u>(46,444)</u>	<u>6,251,765</u>
HEALTH AND SOCIAL WELFARE			
Advocate for Persons with Disabilities, Office of	0	0	0
Aging, Office for the	207,334	3,272	210,606
Children and Family Services, Office of	2,886,563	30,622	2,917,185
Health, Department of	37,448,500	(101,279)	37,347,221
<i>Medical Assistance</i>	32,012,331	(232,018)	31,780,313
<i>Medicaid Administration</i>	482,600	209,500	692,100
<i>All Other</i>	4,953,569	(78,761)	4,874,808
Human Rights, Division of	15,127	100	15,227
Labor, Department of	559,605	5,210	564,815
Medicaid Inspector General, Office of	73,901	(26,000)	47,901
Prevention of Domestic Violence, Office of	2,539	10	2,549

Mid-Year Update to the 2006-07 Financial Plan

CASH DISBURSEMENTS BY FUNCTION ALL GOVERNMENTAL FUNDS 2006-2007 (thousands of dollars)

	<u>July Update</u>	<u>Change</u>	<u>Mid-Year</u>
HEALTH AND SOCIAL WELFARE (Continued)			
Temporary and Disability Assistance, Office of	4,853,210	(4,420)	4,848,790
<i>Welfare Assistance</i>	3,443,268	1,600	3,444,868
<i>Welfare Administration</i>	382,897	(1,000)	381,897
<i>All Other</i>	1,027,045	(5,020)	1,022,025
Welfare Inspector General, Office of	1,178	0	1,178
Workers' Compensation Board	144,670	0	144,670
Functional Total	46,192,627	(92,485)	46,100,142
MENTAL HEALTH			
Mental Health, Office of	2,442,427	(18,662)	2,423,765
Mental Hygiene, Department of	8,645	0	8,645
Mental Retardation and Developmental Disabilities, Office of	3,159,040	(5,300)	3,153,740
Alcohol and Substance Abuse Services, Office of	536,293	(4,365)	531,928
Developmental Disabilities Planning Council	3,648	0	3,648
Quality of Care for the Mentally Disabled, Commission on	14,691	(167)	14,524
Functional Total	6,164,744	(28,494)	6,136,250
PUBLIC PROTECTION			
Capital Defenders Office	1,600	0	1,600
Correction, Commission of	2,607	0	2,607
Correctional Services, Department of	2,801,457	1,619	2,803,076
Crime Victims Board	62,016	0	62,016
Criminal Justice Services, Division of	327,977	(100)	327,877
Homeland Security	257,278	53,341	310,619
Investigation, Temporary State Commission of	3,934	0	3,934
Judicial Commissions	2,888	0	2,888
Military and Naval Affairs, Division of	257,852	104,968	362,820
Parole, Division of	201,355	(750)	200,605
Probation and Correctional Alternatives, Division of	77,658	(3,950)	73,708
State Police, Division of	638,848	0	638,848
Functional Total	4,635,470	155,128	4,790,598
EDUCATION			
Arts, Council on the	52,125	0	52,125
City University of New York	977,127	397,958	1,375,085
Education, Department of	28,626,849	(986,932)	27,639,917
<i>School Aid (includes EXCEL)</i>	21,784,037	(998,334)	20,785,703
<i>STAR Property Tax Relief</i>	4,041,000	0	4,041,000
<i>Handicapped</i>	1,671,058	0	1,671,058
<i>All Other</i>	1,130,754	11,402	1,142,156
Higher Education Services Corporation	987,835	(4,581)	983,254
State University Construction Fund	12,077	0	12,077
State University of New York	5,556,286	54,763	5,611,049
Functional Total	36,212,299	(538,792)	35,673,507

Mid-Year Update to the 2006-07 Financial Plan

**CASH DISBURSEMENTS BY FUNCTION
ALL GOVERNMENTAL FUNDS
2006-2007
(thousands of dollars)**

	<u>July Update</u>	<u>Change</u>	<u>Mid-Year</u>
GENERAL GOVERNMENT			
Audit and Control, Department of	232,399	6,018	238,417
Budget, Division of the	52,215	17,347	69,562
Civil Service, Department of	23,958	93	24,051
Elections, State Board of	121,119	(44,993)	76,126
Employee Relations, Office of	3,956	(113)	3,843
Executive Chamber	15,480	0	15,480
General Services, Office of	269,847	(11,480)	258,367
Inspector General, Office of	6,369	0	6,369
Law, Department of	198,656	403	199,059
Lieutenant Governor, Office of the	485	0	485
Lottery, Division of	201,365	0	201,365
Racing and Wagering Board, State	19,133	0	19,133
Real Property Services, Office of	56,112	(2,684)	53,428
Regulatory Reform, Governor's Office of	3,744	0	3,744
State Labor Relations Board	3,776	0	3,776
State, Department of	190,063	(3,612)	186,451
Tax Appeals, Division of	3,423	0	3,423
Taxation and Finance, Department of	358,381	0	358,381
Technology, Office for	24,818	(4,800)	20,018
TSC Lobbying	3,028	(365)	2,663
Veterans Affairs, Division of	12,697	2,387	15,084
Functional Total	<u>1,801,024</u>	<u>(41,799)</u>	<u>1,759,225</u>
ALL OTHER CATEGORIES			
Legislature	213,863	0	213,863
Judiciary (excluding fringe benefits)	1,860,398	(36,724)	1,823,674
World Trade Center	32,550	0	32,550
Local Government Assistance	1,182,592	(5,550)	1,177,042
Long-Term Debt Service	4,086,708	222,482	4,309,190
General State Charges/Miscellaneous	5,360,060	(225,440)	5,134,620
Capital GAAP Adjustments ⁽¹⁾	(3,604,133)	1,707,298	(1,896,835)
Functional Total	<u>9,132,038</u>	<u>1,662,066</u>	<u>10,794,104</u>
TOTAL ALL GOVERNMENTAL FUNDS SPENDING	<u>113,606,836</u>	<u>441,699</u>	<u>114,048,535</u>

⁽¹⁾ 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".

Mid-Year Update to the 2006-07 Financial Plan

CAPITAL OFF-BUDGET SPENDING 2006-2007 (thousands of dollars)

	<u>July Update</u>	<u>Change</u>	<u>Mid-Year</u>
ECONOMIC DEVELOPMENT AND GOVERNMENT OVERSIGHT			
Economic Development	154,624	0	154,624
Empire State Development Corporation	<u>657,500</u>	<u>(650,000)</u>	<u>7,500</u>
Functional Total	<u>812,124</u>	<u>(650,000)</u>	<u>162,124</u>
TRANSPORTATION			
Transportation, Department of	348,457	1,343	349,800
Functional Total	<u>348,457</u>	<u>1,343</u>	<u>349,800</u>
HEALTH AND SOCIAL WELFARE			
Health All Other	10,150	0	10,150
Functional Total	<u>10,150</u>	<u>0</u>	<u>10,150</u>
MENTAL HEALTH			
Mental Health, Office of	3,214	935	4,149
Mental Retardation and Developmental Disabilities, Office of	82,500	40,424	122,924
Alcohol and Substance Abuse Services, Office of	<u>35,584</u>	<u>0</u>	<u>35,584</u>
Functional Total	<u>121,298</u>	<u>41,359</u>	<u>162,657</u>
EDUCATION			
City University of New York	305,694	(50,000)	255,694
Education, Department of	1,806,410	(1,050,000)	756,410
<i>EXCEL School Construction</i>	<u>1,800,000</u>	<u>(1,050,000)</u>	<u>750,000</u>
<i>All Other</i>	6,410	0	6,410
State University of New York	<u>125,000</u>	<u>0</u>	<u>125,000</u>
Functional Total	<u>2,237,104</u>	<u>(1,100,000)</u>	<u>1,137,104</u>
ALL OTHER CATEGORIES			
State Equipment	75,000	0	75,000
Functional Total	<u>75,000</u>	<u>0</u>	<u>75,000</u>
TOTAL CAPITAL OFF-BUDGET SPENDING	<u>3,604,133</u>	<u>(1,707,298)</u>	<u>1,896,835</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.

Mid-Year Update to the 2006-07 Financial Plan

**GAAP FINANCIAL PLAN
GENERAL FUND
2005-2006 and 2006-2007
(millions of dollars)**

	<u>2005-2006</u> <u>Actuals</u>	<u>2006-2007</u> <u>Mid-Year</u>	<u>Change</u>
Revenues:			
Taxes:			
Personal income tax	21,060	22,201	1,141
User taxes and fees	8,454	8,076	(378)
Business taxes	4,970	6,083	1,113
Other taxes	1,028	902	(126)
Miscellaneous revenues	5,579	6,003	424
Federal grants	0	180	180
Total revenues	<u>41,091</u>	<u>43,445</u>	<u>2,354</u>
Expenditures:			
Grants to local governments	33,678	36,642	2,964
State operations	10,681	11,450	769
General State charges	3,962	3,656	(306)
Debt service	0	26	26
Capital projects	0	1	1
Total expenditures	<u>48,321</u>	<u>51,775</u>	<u>3,454</u>
Other financing sources (uses):			
Transfers from other funds	13,993	12,894	(1,099)
Transfers to other funds	(5,381)	(5,698)	(317)
Proceeds from financing arrangements/ advance refundings	254	347	93
Net other financing sources (uses)	<u>8,866</u>	<u>7,543</u>	<u>(1,323)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>1,636</u>	<u>(787)</u>	<u>(2,423)</u>
Accumulated Surplus/(Deficit)	<u>2,182</u>	<u>1,395</u>	<u>(787)</u>

Mid-Year Update to the 2006-07 Financial Plan

**GAAP FINANCIAL PLAN
GENERAL FUND
2006-2007
(millions of dollars)**

	<u>July Update</u>	<u>Change</u>	<u>Mid-Year</u>
Revenues:			
Taxes:			
Personal income tax	21,928	273	22,201
User taxes and fees	8,106	(30)	8,076
Business taxes	5,663	420	6,083
Other taxes	902	0	902
Miscellaneous revenues	5,500	503	6,003
Federal grants	180	0	180
Total revenues	<u>42,279</u>	<u>1,166</u>	<u>43,445</u>
Expenditures:			
Grants to local governments	36,868	(226)	36,642
State operations	11,544	(94)	11,450
General State charges	3,688	(32)	3,656
Debt service	26	0	26
Capital projects	1	0	1
Total expenditures	<u>52,127</u>	<u>(352)</u>	<u>51,775</u>
Other financing sources (uses):			
Transfers from other funds	12,830	64	12,894
Transfers to other funds	(4,949)	(749)	(5,698)
Proceeds from financing arrangements/ advance refundings	347	0	347
Net other financing sources (uses)	<u>8,228</u>	<u>(685)</u>	<u>7,543</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(1,620)</u>	<u>833</u>	<u>(787)</u>
Accumulated Surplus/(Deficit)	<u>562</u>		<u>1,395</u>

Mid-Year Update to the 2006-07 Financial Plan

**GAAP FINANCIAL PLAN
ALL GOVERNMENTAL FUNDS
2006-2007
(millions of dollars)**

	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	(MEMO) Total
Revenues:					
Taxes	37,262	7,060	2,028	10,857	57,207
Patient fees	0	0	0	326	326
Miscellaneous revenues	6,003	4,693	277	23	10,996
Federal grants	180	35,955	1,748	0	37,883
Total revenues	43,445	47,708	4,053	11,206	106,412
Expenditures:					
Grants to local governments	36,642	43,290	987	0	80,919
State operations	11,450	1,713	0	65	13,228
General State charges	3,656	326	0	0	3,982
Debt service	26	0	0	3,484	3,510
Capital projects	1	2	4,541	0	4,544
Total expenditures	51,775	45,331	5,528	3,549	106,183
Other financing sources (uses):					
Transfers from other funds	12,894	258	322	5,645	19,119
Transfers to other funds	(5,698)	(3,276)	(841)	(13,273)	(23,088)
Proceeds of general obligation bonds	0	0	227	0	227
Proceeds from financing arrangements/ advance refundings	347	0	1,899	0	2,246
Net other financing sources (uses)	7,543	(3,018)	1,607	(7,628)	(1,496)
(Excess) deficiency of revenues and other financing sources over expenditures and other financing uses					
	(787)	(641)	132	29	(1,267)

Mid-Year Update to the 2006-07 Financial Plan

GAAP FINANCIAL PLAN ALL GOVERNMENTAL FUNDS 2006-2007 (millions of dollars)

	Major Funds			Other Governmental Funds	Eliminations	Total
	General Fund	Federal Special Revenue	General Obligation Debt Service			
Revenues:						
Taxes:						
Personal income tax	22,201	0	7,617	4,041	0	33,859
User taxes and fees	8,076	0	0	5,284	0	13,360
Business taxes	6,083	0	0	2,153	0	8,236
Other taxes	902	0	0	850	0	1,752
Patient fees	0	0	0	326	0	326
Miscellaneous receipts	6,003	145	0	4,848	0	10,996
Federal grants	180	35,954	0	1,749	0	37,883
Total revenues	43,445	36,099	7,617	19,251	0	106,412
Expenditures:						
Grants to local governments	36,642	31,420	0	12,857	0	80,919
State operations	11,450	1,204	41	533	0	13,228
General State charges	3,656	237	0	89	0	3,982
Debt service	26	0	2,488	996	0	3,510
Capital projects	1	1	0	4,542	0	4,544
Total expenditures	51,775	32,862	2,529	19,017	0	106,183
Other financing sources (uses):						
Transfers from other funds	12,894	0	2,755	3,470	(19,059)	60
Transfers to other funds	(5,698)	(3,179)	(7,839)	(6,372)	19,059	(4,029)
Proceeds of General obligation bonds	0	0	0	227	0	227
Proceeds from financing arrangements/ advance refundings	347	0	0	1,899	0	2,246
Net other financing sources (uses)	7,543	(3,179)	(5,084)	(776)	0	(1,496)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(787)	58	4	(542)	0	(1,267)

Mid-Year Update to the 2006-07 Financial Plan

**CASH FINANCIAL PLAN
HEALTH CARE REFORM ACT RESOURCES FUND
2005-2006 AND 2006-2007
(millions of dollars)**

	<u>2005-2006</u> <u>Actuals</u>	<u>2006-2007</u> <u>Mid-Year</u>	<u>Annual</u> <u>Change</u>
Opening fund balance	<u>251</u>	<u>1,600</u>	<u>1,349</u>
Receipts:			
Cigarette taxes	571	563	(8)
Miscellaneous receipts	<u>5,605</u>	<u>3,913</u>	<u>(1,692)</u>
Total receipts	<u>6,176</u>	<u>4,476</u>	<u>(1,700)</u>
Disbursements:			
Medical Assistance Account	1,985	2,112	127
HCRA Program Account	869	1,163	294
Hospital Indigent Care Fund	819	841	22
Elderly Pharmaceutical Insurance Coverage (EPIC)	541	542	1
Child Health Plus (CHP)	345	335	(10)
Public Health	129	160	31
Mental Health	86	93	7
All Other (including transfers to other funds)	<u>53</u>	<u>122</u>	<u>69</u>
Total disbursements	<u>4,827</u>	<u>5,368</u>	<u>541</u>
Change in fund balance	<u>1,349</u>	<u>(892)</u>	<u>(2,241)</u>
Closing fund balance	<u>1,600</u>	<u>708</u>	<u>(892)</u>

The 2005-2006 miscellaneous receipt includes roughly \$248 million in existing fund balances on hand at April 1, 2005 that were previously reported elsewhere in the State Financial Plan.

Mid-Year Update to the 2006-07 Financial Plan

**CASH FINANCIAL PLAN
HEALTH CARE REFORM ACT RESOURCES FUND
2006-2007
(millions of dollars)**

	<u>July Update</u>	<u>Change</u>	<u>Mid-Year</u>
Opening fund balance	<u>1,600</u>	<u>0</u>	<u>1,600</u>
Receipts:			
Cigarette taxes	563	0	563
Miscellaneous receipts	<u>3,867</u>	<u>46</u>	<u>3,913</u>
Total receipts	<u>4,430</u>	<u>46</u>	<u>4,476</u>
Disbursements:			
Medical Assistance Account	2,192	(80)	2,112
HCRA Program Account	1,162	1	1,163
Hospital Indigent Care Fund	841	0	841
Elderly Pharmaceutical Insurance Coverage (EPIC)	582	(40)	542
Child Health Plus (CHP)	365	(30)	335
Public Health	160	0	160
Mental Health	92	1	93
All Other	<u>122</u>	<u>0</u>	<u>122</u>
Total disbursements	<u>5,516</u>	<u>(148)</u>	<u>5,368</u>
Change in fund balance	<u>(1,086)</u>	<u>194</u>	<u>(892)</u>
Closing fund balance	<u>514</u>	<u>194</u>	<u>708</u>

Mid-Year Update to the 2006-07 Financial Plan

**CASH FINANCIAL PLAN
HEALTH CARE REFORM ACT RESOURCES FUND
2006-2007 through 2008-2009
(millions of dollars)**

	<u>2006-2007</u> <u>Mid-Year</u>	<u>2007-2008</u> <u>Estimated</u>	<u>2008-2009</u> <u>Estimated</u>
Opening fund balance	<u>1,600</u>	<u>708</u>	<u>(420)</u>
Receipts:			
Cigarette taxes	563	578	570
Miscellaneous receipts	<u>3,913</u>	<u>3,551</u>	<u>3,728</u>
Total receipts	<u>4,476</u>	<u>4,129</u>	<u>4,298</u>
Disbursements:			
Medical Assistance Account	2,112	1,841	1,750
HCRA Program Account	1,163	1,177	1,231
Hospital Indigent Care Fund	841	841	841
Elderly Pharmaceutical Insurance Coverage (EPIC)	542	586	586
Child Health Plus (CHP)	335	354	354
Public Health	160	133	133
Mental Health	93	92	92
All Other	<u>122</u>	<u>233</u>	<u>269</u>
Total disbursements	<u>5,368</u>	<u>5,257</u>	<u>5,256</u>
Change in fund balance	<u>(892)</u>	<u>(1,128)</u>	<u>(958)</u>
Closing fund balance	<u>708</u>	<u>(420)</u>	<u>(1,378)</u>

Note: The current HCRA authorization expires on June 30, 2007.

Mid-Year Update to the 2006-07 Financial Plan

CASH FLOW
HEALTH CARE REFORM ACT RESOURCES FUND
2006-2007
(millions of dollars)

	<u>First Quarter (Actual)</u>	<u>Second Quarter (Actual)</u>	<u>Third Quarter (Projected)</u>	<u>Fourth Quarter (Projected)</u>	<u>Total (Projected)</u>
Opening fund balance	1,600	2,041	1,541	954	1,600
Receipts:					
Cigarette Taxes	148	155	126	134	563
Miscellaneous Receipts	773	770	727	1,643	3,913
Total receipts	<u>921</u>	<u>925</u>	<u>853</u>	<u>1,777</u>	<u>4,476</u>
Disbursements:					
Medical Assistance Account	2	517	570	1,023	2,112
HCRA Program Account	169	320	253	421	1,163
Hospital Indigent Care Fund	110	243	285	203	841
Elderly Pharmaceutical Insurance Coverage (EPIC)	80	130	182	150	542
Child Health Plus (CHP)	70	136	67	62	335
Public Health	29	43	46	42	160
Mental Health	6	22	26	39	93
All Other	14	14	11	83	122
Total disbursements	<u>480</u>	<u>1,425</u>	<u>1,440</u>	<u>2,023</u>	<u>5,368</u>
Change in fund balance	<u>441</u>	<u>(500)</u>	<u>(587)</u>	<u>(246)</u>	<u>(892)</u>
Closing fund balance	<u>2,041</u>	<u>1,541</u>	<u>954</u>	<u>708</u>	<u>708</u>

Mid-Year Update to the 2006-07 Financial Plan

**WORKFORCE IMPACT SUMMARY REPORT
GENERAL FUND
2005-06 ACTUALS THROUGH 2006-07 YEAR END ESTIMATES**

Major Agencies	2005-2006 Actual (03/31/06)	October Update Estimate (03/31/07)
Audit and Control	1,541	1,572
Children and Family Services	3,140	3,226
Correctional Services	31,136	30,337
Education	376	376
Environmental Conservation	1,172	1,257
General Services	1,070	1,093
Health	2,042	2,030
Labor	12	16
Law	1,183	1,220
Mental Health	16,113	16,674
Mental Health Memo (1)	16,113	17,199
Mental Retardation	21,820	22,072
Mental Retardation Memo (1)	21,820	23,272
Parks, Recreation and Historic Preservation (2)	1,323	1,908
Parole	2,047	2,079
State Police	5,128	5,473
Taxation and Finance	4,721	4,729
Temporary and Disability Assistance	463	460
SUBTOTAL - Major Agencies	93,287	94,522
All Other Agencies (Minor)	4,764	5,249
SUBTOTAL	98,051	99,771
Adjustments		
Hiring Freeze / Consolidation of Administrative Functions and Efficiencies	0	(1,198)
TOTAL	98,051	98,573
Universities and Off-Budget Agencies		
Science, Technology and Innovation	0	30
State University of New York	23,148	23,454
GRAND TOTAL	121,199	122,057

(1) Memo #'s are used to represent each agency's authorized fill, but are not counted in the total lines

(2) OPRHP growth due in part to one time conversion of long-term seasonal employees to full-time status

Mid-Year Update to the 2006-07 Financial Plan

WORKFORCE IMPACT SUMMARY REPORT GENERAL FUND 2005-06 ACTUALS THROUGH 2006-07 YEAR END ESTIMATES

Minor Agencies	2005-2006	October Update
	Actual (03/31/06)	Estimate (03/31/07)
Adirondack Park Agency	67	67
Aging	27	33
Agriculture and Markets	411	390
Alcoholism and Substance Abuse	836	866
Arts Council	45	55
Budget	319	297
Capital Defender	7	7
Civil Service	324	336
Correction Commission	34	35
Crime Victims	61	70
Criminal Justice Service	528	591
Deferred Comp	0	1
Economic Development	195	206
Elections	49	53
Employee Relations	45	45
Executive Chamber	143	153
Homeland Security	39	79
Housing and Community Renewal	372	373
Hudson River Park Trust	4	3
Human Rights	182	166
Inspector General	59	50
Judicial Commissions	26	28
Labor Management Committees	57	65
Lieutenant Governor	3	5
Medicaid Inspector General	0	301
Military and Naval Affairs	226	250
Northeastern Queens Nature and Historical	2	2
Science, Technology and Academic Research	30	0
Prevention of Domestic Violence	28	28
Probation and Correctional Alternatives	26	27
Public Employment Relations Board	33	37
Quality of Care and Advocacy for Disabled	41	46
Regulatory Reform	37	36
State	202	216
Tax Appeals	33	33
Technology	109	135
TSC Investigation	31	32
TSC Lobbying	27	28
Veterans Affairs	96	100
Welfare Inspector General	10	4
SUBTOTAL - Minor Agencies	4,764	5,249

Mid-Year Update to the 2006-07 Financial Plan

WORKFORCE IMPACT SUMMARY REPORT ALL FUNDS 2005-06 ACTUALS THROUGH 2006-07 YEAR END ESTIMATES

Major Agencies	2005-2006	October Update
	Actual (03/31/06)	Estimate (03/31/07)
Audit and Control	2,399	2,463
Children and Family Services	3,714	3,870
Correctional Services	31,768	31,567
Education	3,013	3,077
Environmental Conservation	3,345	3,371
General Services	1,702	1,751
Health	5,860	5,908
Labor	3,632	3,795
Law	1,759	1,881
Mental Health	16,180	16,740
Mental Health Memo (1)	16,180	17,265
Mental Retardation	21,837	22,090
Mental Retardation Memo (1)	21,837	23,290
Motor Vehicles	2,733	2,778
Parks, Recreation and Historic Preservation (2)	1,599	2,192
Parole	2,047	2,079
State Police	5,591	5,927
Taxation and Finance	4,760	4,766
Temporary and Disability Assistance	2,349	2,448
Transportation	9,687	9,949
Workers' Compensation Board	1,517	1,539
SUBTOTAL - Major Agencies	125,492	128,191
All Other Agencies (Minor)	11,486	12,727
SUBTOTAL	136,978	140,918
Adjustments		
Hiring Freeze / Consolidation of Administrative Functions and Efficiencies	0	(3,744)
TOTAL	136,978	137,174
Universities and Off-Budget Agencies		
City University	10,751	11,033
Industrial Exhibit Authority	43	49
Roswell Park Cancer Institute	1,627	1,692
Science, Technology and Innovation	0	30
State University Construction Fund	110	125
State Insurance Fund	2,687	2,657
State University	39,195	39,634
GRAND TOTAL	191,391	192,394

(1) Memo #'s are used to represent each agency's authorized fill, but are not counted in the total lines

(2) OPRHP growth due In part to one time conversion of long-term seasonal employees to full-time status

Mid-Year Update to the 2006-07 Financial Plan

**WORKFORCE IMPACT SUMMARY REPORT
ALL FUNDS
2005-06 ACTUALS THROUGH 2006-07 YEAR END ESTIMATES**

Minor Agencies	2005-2006 Actual (03/31/06)	October Update Estimate (03/31/07)
Adirondack Park	67	67
Aging	125	141
Agriculture and Markets	565	567
Alcoholic Beverage Control	151	156
Alcoholism and Substance Abuse	934	983
Arts Council	51	55
Banking	529	575
Budget	360	365
Capital Defender	7	7
Civil Service	554	573
Consumer Protection	31	32
Correction Commission	34	35
Crime Victims	94	103
Criminal Justice Service	646	706
Deferred Compensation	4	4
Economic Development	204	215
Elections	49	62
Employee Relations	72	72
Environmental Facilities Corporation	103	92
Executive Chamber	143	153
Financial Control Board	16	17
Higher Education Service	662	700
Homeland Security	98	153
Housing and Community Renewal	919	950
Hudson River Park Trust	4	3
Human Rights	182	203
Inspector General	70	70
Insurance	914	935
Interest on Lawyer Account	8	9
Judicial Commissions	26	28
Labor Management Committees	57	65
Lieutenant Governor	3	5
Lottery	320	350
Medicaid Inspector General	0	521
Military and Naval Affairs	533	615
Northeastern Queens Nature and Historical Science, Technology and Academic Research	2	2
Prevention of Domestic Violence	30	0
Probation and Correctional Alternatives	30	33
Public Employment Relations Board	30	32
Public Service	33	37
Quality of Care and Advocacy for Disabled	527	540
Racing and Wagering Board	95	105
Real Property Services	125	136
Regulatory Reform	385	401
State	37	36
Tax Appeals	819	873
Technology	33	33
TSC Investigation	597	679
TSC Lobbying	31	32
Veterans Affairs	30	34
Welfare Inspector General	107	112
Wireless Network	10	10
Subtotal - Minor Agencies	11,486	12,727

Mid-Year Update to the 2006-07 Financial Plan

STATE DEBT OUTSTANDING
SUMMARIZED BY FUNCTION AND FINANCING PROGRAM
2005-2006 THROUGH 2010-2011
 (thousands of dollars)

	Actual 2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
GENERAL OBLIGATION BONDS						
Economic Development & Housing	152,738	135,755	120,741	105,546	91,127	77,452
Education	270	0	0	0	0	0
Environment	2,125,472	2,055,333	1,976,460	1,828,848	1,689,789	1,558,592
Transportation	1,191,369	1,157,674	1,302,962	1,654,870	2,069,665	2,422,549
REVENUE BONDS						
Personal Income Tax						
Economic Development & Housing	1,519,760	2,028,290	3,922,213	4,549,081	4,711,682	4,780,200
Education	1,842,450	3,378,451	6,230,869	7,114,685	7,715,606	8,073,775
Environment	460,375	547,280	681,962	824,590	959,004	1,085,530
Health Care	0	18,870	64,013	151,225	254,977	392,908
State Facilities & Equipment	1,399,420	1,774,116	2,110,385	2,444,303	2,676,132	2,928,237
Transportation	1,101,160	1,389,375	1,684,001	1,966,655	2,240,182	2,498,981
Other Revenue						
Education						
SUNY Dorms	687,660	752,200	829,950	904,080	976,256	1,047,284
Health & Mental Hygiene						
Health Income	340,135	351,595	339,800	327,055	313,740	299,760
Mental Health Services	3,677,440	3,822,923	4,030,439	4,207,376	4,328,801	4,403,324
Local Government Assistance						
Sales Tax	4,317,217	4,203,951	4,053,232	3,890,893	3,695,085	3,490,008
Transportation						
Dedicated Highway	5,554,545	5,969,247	6,588,555	7,162,849	7,828,994	8,619,173
SERVICE CONTRACT & LEASE-PURCHASE BONDS						
Economic Development & Housing	1,483,064	1,365,164	1,268,243	1,175,657	1,083,629	983,136
Education	7,067,406	6,550,885	6,216,753	5,915,330	5,562,529	5,247,951
Environment	277,907	233,042	204,061	182,311	159,466	137,076
Health & Mental Hygiene	55,935	54,795	53,645	50,570	47,365	44,000
State Facilities & Equipment	3,633,155	3,436,437	3,276,638	3,113,454	2,935,205	2,745,001
Transportation	4,293,930	4,163,330	3,935,530	3,759,655	3,561,480	3,365,965
TOTAL STATE-SUPPORTED						
Economic Development & Housing	3,155,562	3,529,209	5,311,197	5,830,283	5,886,438	5,840,787
Education	9,597,786	10,681,537	13,277,572	13,934,094	14,254,391	14,369,010
Environment	2,863,754	2,835,655	2,862,483	2,835,749	2,808,260	2,781,198
Health & Mental Hygiene	4,073,510	4,248,183	4,487,898	4,736,227	4,944,883	5,139,992
LGAC	4,317,217	4,203,951	4,053,232	3,890,893	3,695,085	3,490,008
State Facilities & Equipment	5,032,575	5,210,553	5,387,023	5,557,757	5,611,337	5,673,238
Transportation	12,141,004	12,679,626	13,511,047	14,544,029	15,700,321	16,906,668
SUBTOTAL STATE-SUPPORTED	<u>41,181,409</u>	<u>43,388,713</u>	<u>48,890,451</u>	<u>51,329,031</u>	<u>52,900,715</u>	<u>54,200,901</u>
OTHER STATE DEBT OBLIGATIONS						
Tobacco	4,278,290	4,049,940	3,805,590	3,487,220	3,144,315	2,775,945
All Other	1,471,937	1,393,563	1,313,742	1,230,473	1,143,448	1,052,448
SUBTOTAL OTHER STATE	<u>5,750,227</u>	<u>5,443,503</u>	<u>5,119,332</u>	<u>4,717,693</u>	<u>4,287,763</u>	<u>3,828,393</u>
GRAND TOTAL STATE-RELATED	<u>46,931,636</u>	<u>48,832,216</u>	<u>54,009,783</u>	<u>56,046,724</u>	<u>57,188,478</u>	<u>58,029,294</u>

Mid-Year Update to the 2006-07 Financial Plan

STATE DEBT OUTSTANDING 2005-2006 THROUGH 2010-2011 (thousands of dollars)

	Actual					
	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
GENERAL OBLIGATION	3,469,849	3,348,762	3,400,163	3,589,263	3,850,581	4,058,592
LOCAL GOVERNMENT ASSISTANCE						
CORPORATION	4,317,217	4,203,951	4,053,232	3,890,893	3,695,085	3,490,008
OTHER LEASE-PURCHASE AND CONTRACTUAL-OBLIGATION FINANCING ARRANGEMENTS						
Transportation						
Metropolitan Trans Authority	2,310,930	2,265,955	2,218,820	2,169,325	2,117,340	2,062,790
Dormitory Authority						
Albany County Airport	31,925	31,925	31,895	31,700	31,500	31,290
Thruway Authority:						
Consolidated Local Highway Improvement	3,052,235	3,254,825	3,368,816	3,525,285	3,652,822	3,770,866
Dedicated Highway & Bridge	5,554,545	5,969,247	6,588,555	7,162,849	7,628,994	8,619,173
Education						
Dormitory Authority:						
SUNY Educational Facilities	4,663,479	4,730,158	5,074,196	5,369,889	5,682,752	5,830,537
SUNY Dormitory Facilities	687,660	752,200	829,950	904,080	976,256	1,047,284
SUNY Upstate Community Colleges	529,149	549,864	581,632	611,960	634,605	655,517
CUNY Educational Facilities	3,295,718	3,471,505	3,771,796	4,129,901	4,165,612	4,164,320
State Education Department	64,915	62,460	61,020	58,650	56,430	54,150
Library for the Blind	14,655	6,345	5,570	4,755	3,900	3,000
SUNY Athletic Facilities	23,305	22,300	21,250	20,165	19,020	17,810
RESCUE	151,865	138,645	124,895	110,475	95,425	79,675
University Facilities (Jobs 2000)	26,860	40,533	35,335	29,896	24,211	18,239
Judicial Training Institute	13,485	12,870	12,225	11,550	10,840	10,090
School District Capital Outlays	66,515	56,605	46,325	35,570	24,305	12,470
Transportation Transition Grants	55,255	43,085	30,355	17,000	0	0
Higher Ed Capital Matching Grants	0	9,428	27,490	53,344	67,199	69,688
Public Broadcasting Facilities	4,655	13,607	12,296	10,926	9,489	7,990
EXCEL School Construction	0	765,000	2,629,588	2,552,731	2,471,613	2,385,999
Library Facilities	0	6,931	13,649	13,204	12,735	12,240
Health						
DOH & Veterans' Home Facilities	396,070	406,390	393,445	377,625	361,105	343,760
Health Care Grants	0	18,870	64,013	151,225	254,977	392,908
Mental Hygiene						
Mental Health Facilities	3,677,440	3,822,923	4,030,439	4,207,376	4,328,801	4,403,324
Public Protection						
ESDC:						
Prison Facilities	4,106,744	4,197,746	4,333,158	4,468,848	4,585,512	4,667,032
Youth Facilities	181,485	183,080	188,336	185,325	184,364	182,113
Homeland Security	21,430	20,585	19,700	18,780	17,820	16,820
Environment						
EFC/ERDA:						
Riverbank Park	54,240	52,305	50,250	48,065	45,745	43,275
Water Pollution Control	19,970	3,705	0	0	0	0
Pilgrim Sewage Treatment	7,300	6,700	6,100	5,500	4,900	4,200
State Park Infrastructure	8,165	7,070	5,920	4,715	3,445	2,115
Fuel Tanks	2,550	0	0	0	0	0
Pipeline for Jobs (Jobs 2000)	22,465	24,420	20,774	16,940	12,915	8,675
Environmental Infrastructure	457,246	474,841	494,828	510,112	520,328	529,984
Hazardous Waste Remediation	138,264	191,714	295,490	411,373	523,506	627,671
West Valley	17,005	9,200	3,405	1,740	0	0
ESDC:						
Pine Barrens	11,077	10,367	9,256	8,456	7,631	6,686
State Buildings/Equipment						
ESDC:						
Empire State Plaza	36,032	27,638	19,885	12,724	6,110	0
State Buildings	12,090	11,354	10,561	9,706	8,785	7,792
State Capital Projects	204,395	195,430	185,900	175,850	165,230	154,005
ESDC / DA						
State Facilities	259,545	278,440	364,459	465,231	480,570	493,011
Equipment / Certificates of Participation	179,095	235,085	203,220	189,946	154,140	152,466
E911	31,760	61,195	61,804	31,347	8,806	0
Housing						
Housing Finance Agency	1,397,810	1,487,620	1,539,295	1,577,677	1,608,584	1,632,236
Economic Development						
TBTA/ESDC						
Javits Center Expansion & Extension	214,280	184,445	338,758	442,949	426,792	382,169
ESDC/DA						
University Technology Centers	127,585	118,760	107,704	95,547	83,344	69,566
Onondaga Convention Center	34,775	33,050	32,635	31,980	31,385	28,875
Sports Facilities	119,940	126,695	217,966	244,424	229,969	213,060
Community Enhancement Facilities	111,530	165,352	133,072	99,696	69,390	57,991
Natural Resources Preservation	5,320	0	0	0	0	0
Child Care Facilities	26,330	25,190	24,010	22,785	21,515	20,180
Buffalo Inner Harbor	0	18,360	39,410	46,466	42,371	38,019
Strategic Investment Program	58,915	37,441	15,185	20,358	29,787	36,407
Regional Economic Growth	720,017	783,263	885,781	968,338	1,070,507	1,159,840
JOBS Now	5,860	3,000	0	0	0	0
NYS Econ. Dev. Program	147,117	251,157	383,396	409,306	393,709	377,166
High Technology & Development	0	30,600	141,194	230,633	227,989	218,936
Regional Economic Development	33,346	39,466	74,845	87,972	84,888	81,612
Economic Development Initiatives	0	39,891	521,714	760,364	845,878	878,744
AMD	0	0	663,000	613,637	561,114	505,230
Other Economic Development	0	49,164	72,593	72,606	68,090	63,303
Total Other Financing Arrangements	33,394,343	35,836,000	41,437,057	43,848,875	45,355,049	46,652,300
SUBTOTAL STATE-SUPPORTED DEBT	41,181,409	43,388,713	48,890,451	51,329,031	52,900,715	54,200,901

Mid-Year Update to the 2006-07 Financial Plan

STATE DEBT OUTSTANDING 2005-2006 THROUGH 2010-2011 (thousands of dollars)

	Actual 2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
SUBTOTAL STATE-SUPPORTED	41,181,409	43,388,713	48,890,451	51,329,031	52,900,715	54,200,901
OTHER STATE DEBT OBLIGATIONS						
Contingent Contractual						
DASNY/MCFFA Secured Hospitals Program	837,090	793,355	748,490	701,445	652,055	600,265
Tobacco Settlement Financing Corp.	4,278,290	4,049,940	3,805,590	3,487,220	3,144,315	2,775,945
Moral Obligation						
Housing Finance Agency Moral Obligation Bonds	58,492	50,813	42,802	34,283	25,263	15,673
MCFFA Nursing Homes and Hospitals	8,565	7,530	6,415	5,210	3,910	2,515
State Guaranteed Debt						
Job Development Authority (JDA)	63,310	57,410	52,350	47,470	42,745	38,220
State Funded						
MBBA Prior Year School Aid Claims	504,480	484,455	463,685	442,065	419,475	395,775
SUBTOTAL OTHER STATE	5,750,227	5,443,503	5,119,332	4,717,693	4,287,763	3,828,393
GRAND TOTAL STATE-RELATED	46,931,636	48,832,216	54,009,783	56,046,724	57,188,478	58,029,294

Mid-Year Update to the 2006-07 Financial Plan

STATE DEBT SERVICE SUMMARIZED BY FUNCTION AND FINANCING PROGRAM 2005-2006 THROUGH 2010-2011 (thousands of dollars)

	Actual 2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
GENERAL OBLIGATION BONDS						
Economic Development & Housing	22,903	22,537	19,945	19,574	18,268	16,992
Education	297	284	0	0	0	0
Environment	274,880	286,536	287,701	283,863	269,378	256,519
Transportation	188,680	186,182	186,183	200,512	241,481	288,977
REVENUE BONDS						
Personal Income Tax						
Economic Development & Housing	198,703	223,995	334,471	533,826	624,395	655,049
Education	99,709	203,899	352,313	580,940	656,672	693,661
Environment	26,585	44,577	56,678	72,328	89,481	106,153
Health Care	0	0	2,935	10,390	25,402	43,183
State Facilities & Equipment	111,432	153,623	222,915	237,318	279,689	274,949
Transportation	79,199	108,960	143,410	174,247	206,011	238,202
Other Revenue						
Education						
SUNY Dorms	42,954	54,910	58,845	71,911	79,170	85,438
Health & Mental Hygiene						
Health Income	27,219	27,831	28,023	29,271	29,287	29,280
Mental Health Services	279,951	324,023	313,980	351,785	392,036	409,520
Local Government Assistance						
Sales Tax	316,265	350,845	363,900	368,155	368,642	369,786
Transportation						
Dedicated Highway	474,322	440,294	505,772	583,475	658,675	988,125
SERVICE CONTRACT & LEASE-PURCHASE BONDS						
Economic Development & Housing	145,061	156,817	150,094	140,373	139,304	143,538
Education	616,907	684,469	689,514	671,698	650,143	648,320
Environment	61,760	54,900	35,045	31,506	29,660	29,792
Health & Mental Hygiene	4,170	3,789	4,733	5,679	5,680	5,683
State Facilities & Equipment	365,077	362,777	390,418	387,945	402,717	387,656
Transportation	368,282	369,943	404,830	405,179	404,925	405,383
TOTAL STATE-SUPPORTED						
Economic Development & Housing	366,667	403,349	504,510	693,773	781,967	815,579
Education	759,867	943,561	1,100,672	1,324,548	1,385,986	1,427,419
Environment	363,225	386,014	379,425	387,697	388,519	392,464
Health & Mental Hygiene	311,340	355,643	349,671	397,125	452,406	487,665
LGAC	316,265	350,845	363,900	368,155	368,642	369,786
State Facilities & Equipment	476,509	516,401	613,333	625,263	682,406	662,606
Transportation	1,110,483	1,105,379	1,240,195	1,363,412	1,511,093	1,920,687
Debt Reduction Reserve Fund	0	250,000	0	0	0	0
SUBTOTAL STATE-SUPPORTED	<u>3,704,356</u>	<u>4,311,192</u>	<u>4,551,704</u>	<u>5,159,973</u>	<u>5,571,018</u>	<u>6,076,206</u>
OTHER STATE DEBT OBLIGATIONS						
Tobacco	430,842	437,581	443,989	503,296	510,539	517,063
All Other	128,288	154,953	153,043	152,693	152,348	151,973
SUBTOTAL OTHER STATE	<u>559,130</u>	<u>592,534</u>	<u>597,032</u>	<u>655,989</u>	<u>662,887</u>	<u>669,036</u>
GRAND TOTAL STATE-RELATED	<u>4,263,486</u>	<u>4,903,726</u>	<u>5,148,736</u>	<u>5,815,962</u>	<u>6,233,905</u>	<u>6,745,242</u>

Mid-Year Update to the 2006-07 Financial Plan

STATE DEBT SERVICE 2005-06 THROUGH 2010-11 (thousands of dollars)

	Actual 2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
GENERAL OBLIGATION	486,760	495,539	493,830	503,949	529,127	562,488
LOCAL GOVERNMENT ASSISTANCE CORPORATION	316,265	350,845	363,900	368,155	368,642	369,786
OTHER LEASE-PURCHASE AND CONTRACTUAL-OBLIGATION FINANCING ARRANGEMENTS						
Transportation						
Metropolitan Trans Authority	164,960	164,991	164,992	164,994	164,993	164,998
Dormitory Authority						
Albany County Airport	912	3,318	3,477	3,477	3,485	3,481
Thruway Authority:						
Consolidated Local Highway Improvement	281,609	310,594	379,770	410,955	442,458	475,107
Dedicated Highway & Bridge	474,322	440,294	505,772	583,475	658,675	988,125
Education						
Dormitory Authority:						
SUNY Educational Facilities	397,279	466,066	502,251	524,241	557,593	612,982
SUNY Dormitory Facilities	42,954	54,910	58,845	71,911	79,170	85,438
SUNY Upstate Community Colleges	13,872	31,586	42,605	49,725	53,199	52,273
CUNY Educational Facilities	246,443	323,101	348,546	379,835	390,946	387,624
State Education Department	4,660	4,436	5,234	4,983	4,962	4,968
Library for the Blind	1,687	1,307	1,108	1,108	1,107	1,108
SUNY Athletic Facilities	2,121	2,151	2,149	2,153	2,163	2,159
RESCUE	18,027	20,705	20,715	20,721	20,729	20,737
University Facilities (Jobs 2000)	4,732	6,620	7,274	7,282	7,273	7,281
Judicial Training Institute	1,336	1,336	1,335	1,336	1,337	1,336
School District Capital Outlays	13,192	13,188	13,183	13,178	13,171	13,160
Transportation Transition Grants	13,062	14,802	14,787	14,796	17,816	0
Higher Ed Capital Matching Grants	0	1,029	3,452	7,311	10,548	12,386
Public Broadcasting Facilities	205	1,674	1,949	1,947	1,949	1,944
EXCEL School Construction	0	0	76,284	222,830	222,830	222,830
Library Facilities	0	367	957	1,193	1,193	1,193
Health						
DOH & Veterans' Home Facilities	31,389	31,620	32,756	34,950	34,968	34,963
Health Care Grants	0	0	2,935	10,390	25,402	43,183
Mental Hygiene						
Mental Health Facilities	279,951	324,023	313,980	351,785	392,036	409,520
Public Protection						
ESDC:						
Prison Facilities	319,749	334,433	362,201	378,866	413,881	438,294
Youth Facilities	20,558	19,129	22,665	28,835	29,923	32,434
Homeland Security	1,959	1,959	1,960	1,960	1,957	1,956
Environment						
EFC/ERDA:						
Riverbank Park	4,829	4,794	4,796	4,794	4,799	4,795
Water Pollution Control	30,501	17,208	3,683	0	0	0
Pilgrim Sewage Treatment	756	834	796	758	720	783
State Park Infrastructure	1,243	1,503	1,504	1,501	1,506	1,502
Fuel Tanks	2,625	2,611	0	0	0	0
Pipeline for Jobs (Jobs 2000)	2,993	4,239	4,930	4,936	4,928	4,931
Environmental Infrastructure	30,127	53,926	60,622	66,956	73,521	75,439
Hazardous Waste Remediation	6,989	8,248	12,901	21,974	32,473	47,218
West Valley	7,272	4,926	1,720	1,721	0	0
ESDC:						
Pine Barrens	1,010	1,188	771	1,194	1,194	1,277
State Buildings/Equipment						
ESDC:						
Empire State Plaza	34,436	34,429	34,425	34,429	34,425	34,430
State Buildings	19,552	19,037	17,012	12,631	12,643	12,653
State Capital Projects	20,324	20,263	20,259	20,264	20,263	20,258
ESDC / DA						
State Facilities	18,835	20,396	24,313	32,684	40,779	43,464
Equipment / Certificates of Participation	37,530	53,687	103,079	82,930	104,901	69,989
E911	3,567	13,068	27,419	32,665	23,635	9,128
Housing						
Housing Finance Agency	99,602	117,077	127,823	135,046	144,571	154,786
Economic Development						
TBTA/ESDC						
Javits Center Expansion & Extension	41,923	41,843	51,780	63,168	67,475	68,016
ESDC/DA						
University Technology Centers	17,436	19,372	21,269	20,800	21,489	22,539
Onondaga Convention Center	5,767	3,279	1,979	2,002	2,021	3,910
Sports Facilities	10,298	11,441	11,326	23,148	27,068	29,364
Community Enhancement Facilities	13,613	14,380	39,081	34,373	34,378	14,331
Natural Resources Preservation	1,140	0	0	0	0	0
Child Care Facilities	2,224	2,478	2,476	2,476	2,477	2,478
Buffalo Inner Harbor	0	0	2,593	5,727	7,085	7,030
Strategic Investment Program	33,492	33,498	31,646	3,813	5,708	8,980
Regional Economic Growth	115,127	134,306	154,649	173,978	196,211	217,649
JOBS Now	3,142	3,139	3,143	0	0	0
NYS Econ. Dev. Program	0	0	11,858	27,423	31,295	31,096
High Technology & Development	0	0	3,488	16,426	27,273	27,991
Regional Economic Development	0	0	698	4,832	6,454	6,375
Economic Development Initiatives	0	0	4,546	60,787	89,645	103,515
AMD	0	0	10,608	91,795	91,795	91,795
Other Economic Development	0	0	5,603	8,404	8,754	8,733
Other State Purposes						
Debt Reduction Reserve Fund	0	250,000	0	0	0	0
Total Other Financing Arrangements	2,901,331	3,464,808	3,693,975	4,287,869	4,673,249	5,143,932
SUBTOTAL STATE-SUPPORTED DEBT SERVICE	3,704,356	4,311,192	4,551,704	5,159,973	5,571,018	6,076,206

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STATE DEBT SERVICE 2005-06 THROUGH 2010-11 (thousands of dollars)

	Actual 2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
SUBTOTAL STATE-SUPPORTED	3,704,356	4,311,192	4,551,704	5,159,973	5,571,018	6,076,206
OTHER STATE DEBT OBLIGATIONS						
Contigent Contractual						
DASNY/MCFFA Secured Hospitals Program	79,245	86,581	85,646	85,667	85,683	85,663
Tobacco Settlement Financing Corp.	430,842	437,581	443,989	503,296	510,539	517,063
Moral Obligation						
Housing Finance Agency Moral Obligation Bonds	15,727	13,103	12,975	12,998	12,982	13,002
MCFFA Nursing Homes and Hospitals	2,210	2,207	2,203	2,204	2,203	2,194
State Guaranteed Debt						
Job Development Authority (JDA)	2,743	7,873	7,033	6,640	6,298	5,925
State Funded						
MBBA Prior Year School Aid Claims	28,363	45,189	45,186	45,184	45,182	45,189
SUBTOTAL OTHER STATE	559,130	592,534	597,032	655,989	662,887	669,036
GRAND TOTAL STATE-RELATED	4,263,486	4,903,726	5,148,736	5,815,962	6,233,905	6,745,242

Mid-Year Update to the 2006-07 Financial Plan

STATE DEBT RETIREMENTS SUMMARIZED BY FUNCTION AND FINANCING PROGRAM 2005-2006 THROUGH 2010-2011 (thousands of dollars)

	Actual 2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
GENERAL OBLIGATION BONDS						
Economic Development & Housing	16,700	16,983	15,014	15,195	14,418	13,676
Education	270	270	0	0	0	0
Environment	188,597	200,924	201,173	199,712	191,159	183,297
Transportation	135,543	133,895	135,412	141,292	161,405	183,316
REVENUE BONDS						
Personal Income Tax						
Economic Development & Housing	140,550	154,700	211,640	299,958	355,829	375,310
Education	49,140	93,694	135,760	211,153	236,470	239,021
Environment	15,530	23,765	28,722	36,076	44,290	52,179
Health Care	0	0	2,032	7,138	17,441	29,281
State Facilities & Equipment	54,515	81,040	129,820	123,552	145,877	124,275
Transportation	40,105	50,055	67,063	79,524	93,140	107,173
Other Revenue						
Education						
SUNY Dorms	20,975	22,890	24,250	27,870	29,824	30,971
Health & Mental Hygiene						
Health Income	11,455	11,265	11,795	12,745	13,315	13,980
Mental Health Services	132,920	166,413	146,459	171,041	199,661	207,324
Local Government Assistance						
Sales Tax	131,577	113,266	150,719	162,339	195,808	205,077
Transportation						
Dedicated Highway	470,010	278,565	188,760	198,194	239,001	276,998
SERVICE CONTRACT & LEASE-PURCHASE BONDS						
Economic Development & Housing	114,484	117,900	96,921	92,587	92,028	100,493
Education	292,819	281,626	334,132	301,423	352,800	314,579
Environment	55,015	44,865	28,981	21,750	22,845	22,390
Health & Mental Hygiene	1,115	1,140	1,150	3,075	3,205	3,365
State Facilities & Equipment	163,488	163,614	159,798	163,184	178,249	190,204
Transportation	126,890	130,600	227,800	175,875	198,175	195,515
TOTAL STATE-SUPPORTED						
Economic Development & Housing	271,733	289,583	323,575	407,740	462,275	489,478
Education	363,204	398,481	494,142	540,447	619,094	584,571
Environment	259,142	269,554	258,876	257,538	258,293	257,866
Health & Mental Hygiene	145,490	178,818	161,436	193,999	233,622	253,950
LGAC	131,577	113,266	150,719	162,339	195,808	205,077
State Facilities & Equipment	218,003	244,654	289,619	286,736	324,126	314,479
Transportation	772,548	593,115	619,035	594,885	691,721	763,002
SUBTOTAL STATE-SUPPORTED	<u>2,161,698</u>	<u>2,087,471</u>	<u>2,297,402</u>	<u>2,443,683</u>	<u>2,784,940</u>	<u>2,868,423</u>
OTHER STATE DEBT OBLIGATIONS						
Tobacco	216,685	228,350	244,350	318,370	342,905	368,370
All Other	48,737	78,374	79,821	83,269	87,025	91,000
SUBTOTAL OTHER STATE DEBT	<u>265,422</u>	<u>306,724</u>	<u>324,171</u>	<u>401,639</u>	<u>429,930</u>	<u>459,370</u>
GRAND TOTAL STATE-RELATED	<u>2,427,120</u>	<u>2,394,195</u>	<u>2,621,573</u>	<u>2,845,322</u>	<u>3,214,870</u>	<u>3,327,793</u>

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STATE DEBT RETIREMENTS 2005-2006 THROUGH 2010-2011 (thousands of dollars)

	Actual					
	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
GENERAL OBLIGATION	341,110	352,072	351,599	356,200	366,982	380,288
LOCAL GOVERNMENT ASSISTANCE CORPORATION	131,577	113,266	150,719	162,339	195,808	205,077
OTHER LEASE-PURCHASE AND CONTRACTUAL-OBLIGATION FINANCING ARRANGEMENTS						
Transportation						
Metropolitan Trans Authority	42,995	44,975	47,135	49,495	51,985	54,550
Dormitory Authority						
Albany County Airport	1,790	0	30	195	200	210
Thruway Authority:						
Consolidated Local Highway Improvement	122,210	135,680	247,698	205,709	239,130	247,928
Dedicated Highway & Bridge	470,010	278,565	188,760	198,194	239,001	276,998
Education						
Dormitory Authority:						
SUNY Educational Facilities	163,230	188,297	198,215	213,862	210,020	242,282
SUNY Dormitory Facilities	20,975	22,890	24,250	27,870	29,824	30,971
SUNY Upstate Community Colleges	4,331	4,785	11,582	15,572	20,705	22,437
CUNY Educational Facilities	135,354	135,986	187,744	150,809	215,048	154,865
State Education Department	2,020	1,370	1,440	2,370	2,220	2,280
Library for the Blind	705	740	775	815	855	900
SUNY Athletic Facilities	965	1,005	1,050	1,085	1,145	1,210
RESCUE	11,135	13,220	13,750	14,420	15,050	15,750
University Facilities (Jobs 2000)	3,475	4,993	5,198	5,439	5,685	5,972
Judicial Training Institute	585	615	645	675	710	750
School District Capital Outlays	9,550	9,910	10,280	10,755	11,265	11,835
Transportation Transition Grants	10,470	12,170	12,730	13,355	17,000	0
Higher Ed Capital Matching Grants	0	772	2,338	4,747	6,545	7,711
Public Broadcasting Facilities	140	1,248	1,311	1,370	1,436	1,499
EXCEL School Construction	0	0	22,412	76,858	81,118	85,614
Library Facilities	0	209	422	445	469	495
Health						
DOH & Veterans' Home Facilities	12,570	12,405	12,945	15,820	16,520	17,345
Health Care Grants	0	0	2,032	7,138	17,441	29,281
Mental Hygiene						
Mental Health Facilities	132,920	166,413	146,459	171,041	199,661	207,324
Public Protection						
ESDC:						
Prison Facilities	124,323	130,814	129,788	129,510	148,536	183,680
Youth Facilities	16,545	12,685	14,073	21,371	21,360	22,651
Homeland Security	810	845	885	920	960	1,000
Environment						
EFC/ERDA:						
Riverbank Park	1,845	1,935	2,055	2,185	2,320	2,470
Water Pollution Control	22,040	16,265	3,705	0	0	0
Pilgrim Sewage Treatment	500	600	600	600	600	700
State Park Infrastructure	795	1,095	1,150	1,205	1,270	1,330
Fuel Tanks	2,510	2,550	0	0	0	0
Pipeline for Jobs (Jobs 2000)	2,090	3,145	3,646	3,834	4,024	4,240
Environmental Infrastructure	25,185	32,895	36,317	41,019	46,088	46,648
Hazardous Waste Remediation	1,550	1,630	3,324	6,517	10,267	18,235
West Valley	13,355	7,805	5,795	1,665	1,740	0
ESDC:						
Pine Barrens	675	710	1,111	800	825	945
State Buildings/Equipment						
ESDC:						
Empire State Plaza	9,088	8,394	7,752	7,161	6,614	6,110
State Buildings	683	736	793	855	921	993
State Capital Projects	8,440	8,965	9,530	10,050	10,620	11,225
ESDC / DA						
State Facilities	4,905	7,500	8,841	11,938	15,567	17,139
Equipment / Certificates of Participation	50,015	63,350	93,065	74,474	97,007	62,874
E911	3,195	11,365	24,891	30,457	22,540	8,806
Housing						
Housing Finance Agency	50,480	63,420	65,854	68,947	75,189	82,045
Economic Development						
TBTA/ESDC						
Javits Center Expansion & Extension	27,820	29,835	34,387	38,609	41,657	44,622
ESDC/DA						
University Technology Centers	14,569	8,825	11,056	12,157	12,203	13,778
Onondaga Convention Center	1,630	1,725	515	555	595	2,510
Sports Facilities	6,045	5,995	10,729	11,180	14,455	16,909
Community Enhancement Facilities	36,835	28,285	32,280	33,376	30,307	11,398
Natural Resources Preservation	5,055	5,320	0	0	0	0
Child Care Facilities	1,110	1,140	1,180	1,225	1,270	1,335
Buffalo Inner Harbor	0	0	1,390	3,145	4,095	4,352
Strategic Investment Program	29,510	30,725	29,907	3,191	4,852	7,659
Regional Economic Growth	79,240	94,470	106,199	117,188	132,431	145,267
JOBS Now	2,740	2,860	3,000	0	0	0
NYS Econ. Dev. Program	0	0	5,461	12,850	15,596	16,544
High Technology & Development	0	0	1,606	7,460	12,844	14,153
Regional Economic Development	0	0	321	2,173	3,084	3,275
Economic Development Initiatives	0	0	2,094	27,060	42,240	51,284
AMD	0	0	0	49,363	52,523	55,884
Other Economic Development	0	0	2,581	4,067	4,517	4,787
Total Other Financing Arrangements	1,689,011	1,622,132	1,795,084	1,925,145	2,222,149	2,283,058
SUBTOTAL STATE-SUPPORTED RETIREMENTS	2,161,698	2,087,471	2,297,402	2,443,683	2,784,940	2,868,423

Mid-Year Update to the 2006-07 Financial Plan

STATE DEBT RETIREMENTS 2005-2006 THROUGH 2010-2011 (thousands of dollars)

	Actual 2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
SUBTOTAL STATE-SUPPORTED	2,161,698	2,087,471	2,297,402	2,443,683	2,784,940	2,868,423
OTHER STATE DEBT OBLIGATIONS						
Contingent Contractual						
DASNY/MCFFA Secured Hospitals Program	34,250	43,735	44,865	47,045	49,390	51,790
Tobacco Settlement Financing Corp.	216,685	228,350	244,350	318,370	342,905	368,370
Moral Obligation						
Housing Finance Agency Moral Obligation Bonds	9,777	7,679	8,011	8,519	9,020	9,590
MCFFA Nursing Homes and Hospitals	960	1,035	1,115	1,205	1,300	1,395
State Guaranteed Debt						
Job Development Authority (JDA)	770	5,900	5,060	4,880	4,725	4,525
State Funded						
MBBA Prior Year School Aid Claims	2,980	20,025	20,770	21,620	22,590	23,700
SUBTOTAL OTHER STATE	265,422	306,724	324,171	401,639	429,930	459,370
GRAND TOTAL STATE-RELATED	2,427,120	2,394,195	2,621,573	2,845,322	3,214,870	3,327,793

Mid-Year Update to the 2006-07 Financial Plan

STATE DEBT ISSUANCES SUMMARIZED BY FUNCTION AND FINANCING PROGRAM 2005-2006 THROUGH 2010-2011 (thousands of dollars)

	Actual					
	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
GENERAL OBLIGATION BONDS						
Environment	102,594	126,600	122,300	52,100	52,100	52,100
Transportation	56,331	100,200	280,700	493,200	576,200	536,200
REVENUE BONDS						
Personal Income Tax						
Economic Development & Housing	360,465	663,230	2,105,563	926,826	518,430	443,828
Education	1,107,945	1,629,696	2,988,178	1,094,969	837,391	597,190
Environment	159,035	110,670	163,404	178,704	178,704	178,704
Health Care	0	18,870	47,175	94,350	121,193	167,212
State Facilities & Equipment	295,150	455,736	466,089	457,470	377,706	376,380
Transportation	236,140	338,270	361,689	362,179	366,667	365,973
Other Revenue						
Education						
SUNY Dorms	72,085	87,430	102,000	102,000	102,000	102,000
Health & Mental Hygiene						
Health Income	0	22,725	0	0	0	0
Mental Health Services	201,545	311,896	353,976	347,978	321,086	281,846
Transportation						
Dedicated Highway	377,315	693,267	808,067	772,488	905,146	1,067,177
TOTAL						
Economic Development & Housing	360,465	663,230	2,105,563	926,826	518,430	443,828
Education	1,180,030	1,717,126	3,090,178	1,196,969	939,391	699,190
Environment	261,629	237,270	285,704	230,804	230,804	230,804
Health & Mental Hygiene	201,545	353,491	401,151	442,328	442,279	449,058
State Facilities & Equipment	295,150	455,736	466,089	457,470	377,706	376,380
Transportation	669,786	1,131,737	1,450,456	1,627,866	1,848,013	1,969,350
SUBTOTAL STATE-SUPPORTED	<u>2,968,605</u>	<u>4,558,589</u>	<u>7,799,140</u>	<u>4,882,264</u>	<u>4,356,623</u>	<u>4,168,609</u>
OTHER STATE DEBT OBLIGATIONS						
Tobacco	0	0	0	0	0	0
All Other	0	0	0	0	0	0
SUBTOTAL OTHER STATE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
GRAND TOTAL STATE-RELATED	<u>2,968,605</u>	<u>4,558,589</u>	<u>7,799,140</u>	<u>4,882,264</u>	<u>4,356,623</u>	<u>4,168,609</u>

Mid-Year Update to the 2006-07 Financial Plan

STATE DEBT ISSUANCES 2005-2006 THROUGH 2010-2011 (thousands of dollars)

	Actual					
	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
GENERAL OBLIGATION	158,925	226,800	403,000	545,300	628,300	588,300
OTHER LEASE-PURCHASE AND CONTRACTUAL-OBLIGATION FINANCING ARRANGEMENTS						
Transportation						
Thruway Authority:						
Consolidated Local Highway Improvement	236,140	338,270	361,689	362,179	366,667	365,973
Dedicated Highway & Bridge	377,315	693,267	808,067	772,488	905,146	1,067,177
Education						
Dormitory Authority:						
SUNY Educational Facilities	694,405	481,182	542,253	509,555	522,883	390,066
SUNY Dormitory Facilities	72,085	87,430	102,000	102,000	102,000	102,000
SUNY Upstate Community Colleges	57,105	25,500	43,350	45,900	43,350	43,350
CUNY Educational Facilities	322,015	311,808	488,034	508,914	250,759	153,573
RESCUE	29,625	0	0	0	0	0
University Facilities (Jobs 2000)	0	18,666	0	0	0	0
Higher Ed Capital Matching Grants	0	10,200	20,400	30,600	20,400	10,200
Public Broadcasting Facilities	4,795	10,200	0	0	0	0
EXCEL School Construction	0	765,000	1,887,000	0	0	0
Library Facilities	0	7,140	7,140	0	0	0
Health						
DOH & Veterans' Home Facilities	0	22,725	0	0	0	0
Health Care Grants	0	18,870	47,175	94,350	121,193	167,212
Mental Hygiene						
Mental Health Facilities	201,545	311,896	353,976	347,978	321,086	281,846
Public Protection						
ESDC:						
Prison Facilities	186,880	246,126	265,200	265,200	265,200	265,200
Youth Facilities	0	14,280	19,329	18,360	20,400	20,400
Environment						
EFC/ERDA:						
Pipeline for Jobs (Jobs 2000)	6,360	5,100	0	0	0	0
Environmental Infrastructure	123,315	50,490	56,304	56,304	56,304	56,304
Hazardous Waste Remediation	29,360	55,080	107,100	122,400	122,400	122,400
State Buildings/Equipment						
ESDC / DA						
State Facilities	21,930	35,190	94,860	112,710	30,906	29,580
Equipment / Certificates of Participation	61,290	119,340	61,200	61,200	61,200	61,200
E911	25,050	40,800	25,500	0	0	0
Housing						
Housing Finance Agency	130,960	153,230	117,530	107,330	106,095	105,698
Economic Development						
TBTA/ESDC						
Javits Center Expansion & Extension	0	0	188,700	142,800	25,500	0
ESDC/DA						
Sports Facilities	0	12,750	102,000	37,638	0	0
Community Enhancement Facilities	0	82,107	0	0	0	0
Buffalo Inner Harbor	0	18,360	22,440	10,200	0	0
Strategic Investment Program	0	9,251	7,650	8,364	14,280	14,280
Regional Economic Growth	49,042	157,716	208,716	199,745	234,600	234,600
NYS Econ. Dev. Program	147,117	104,040	137,700	38,760	0	0
High Technology & Development	0	30,600	112,200	96,900	10,200	5,100
Regional Economic Development	33,346	6,120	35,700	15,300	0	0
Economic Development Initiatives	0	39,891	483,917	265,710	127,755	84,150
AMD	0	0	663,000	0	0	0
Other Economic Development	0	49,164	26,010	4,080	0	0
Total Other Financing Arrangements	<u>2,809,680</u>	<u>4,331,789</u>	<u>7,396,140</u>	<u>4,336,964</u>	<u>3,728,323</u>	<u>3,580,309</u>
TOTAL ISSUANCES	<u>2,968,605</u>	<u>4,558,589</u>	<u>7,799,140</u>	<u>4,882,264</u>	<u>4,356,623</u>	<u>4,168,609</u>