UPDATE TO ANNUAL INFORMATION STATEMENT (AIS)
STATE OF NEW YORK

August 22, 2011

This is the first quarterly update (the “AIS Update”) to the Annual Information Statement of the State of New York (the “AIS”), dated May 24, 2011. The AIS Update contains information only through August 22, 2011 and should be read in its entirety, together with the AIS.

In this AIS Update, readers will find:

1. Extracts from the First Quarterly Update to the Financial Plan for fiscal year 2012 (the “Current Financial Plan”), which the Division of the Budget (“DOB”) issued on August 2, 2011. The Current Financial Plan makes no revisions to the annual receipts and disbursements forecasts contained in the AIS. The Current Financial Plan is available on the DOB website, www.budget.ny.gov.

2. A summary of operating results for the first four months of fiscal year 2012. Note that the First Quarterly Update to the Financial Plan, issued on August 2, 2011 included operating results for the first three months of fiscal year 2012, compared to the Enacted Budget forecast contained in the AIS.

3. A discussion of issues and risks that may affect the Financial Plan during the State’s current fiscal year or in future years (under the heading “Other Matters Affecting the Financial Plan”).

4. A summary of GAAP-basis results for prior fiscal years.

5. Updated information regarding the State Retirement Systems.

6. Updated information on certain public authorities and localities of the State.

7. The status of significant litigation and arbitration that has the potential to adversely affect the State’s finances.

DOB is responsible for preparing the State’s Financial Plan and presenting the information that appears in this AIS Update on behalf of the State. In preparing this AIS Update, DOB has also relied on information drawn from other sources, including the Office of the State Comptroller ("OSC"). In particular, information contained in the section entitled “State Retirement Systems” has been furnished by OSC, while information relating to matters described in the section entitled "Litigation and Arbitration" has been furnished by the State Office of the Attorney General. DOB has not undertaken any independent verification of the information contained in the sections entitled “State Retirement Systems” or “Litigation and Arbitration.”

During the fiscal year, the Governor, the State Comptroller, State legislators, and others may issue statements or reports that contain predictions, projections or other information relating to the State's financial position, including potential operating results for the current fiscal year and projected budget gaps for future fiscal years that may vary materially from the information provided in this AIS Update. Investors and other market participants should, however, refer to the AIS, as updated, or supplemented from time to time, for the most current official information regarding the financial position of the State.

The factors affecting the State's financial condition are complex. The Current Financial Plan contains forecasts, projections and estimates that are based on expectations and assumptions which existed at the time such forecasts were prepared. Since many factors may materially affect fiscal and economic conditions in the State, the inclusion in the Current Financial Plan of forecasts, projections, and estimates should not be regarded as a representation that such forecasts, projections, and estimates will occur. Forecasts, projections and estimates are not intended as representations of fact or guarantees of results. The words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," and analogous expressions are intended to identify forward-looking statements in the Current Financial Plan. Any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially and adversely from those projected. Such risks and uncertainties include, among others, general economic and business conditions, changes in political, social and economic conditions, impediments to the implementation of gap-closing actions, regulatory initiatives and compliance with governmental regulations, litigation and various other events, conditions and circumstances, many of which are beyond the control of the State. These forward-looking statements speak only as of the date they were prepared.

The State may issue AIS supplements or other disclosure notices to this AIS Update as events warrant. The State intends to announce publicly whenever an update or a supplement is issued. The State may choose to incorporate by reference all or a portion of this AIS Update in Official Statements or related disclosure documents for State or State-supported debt issuance. The State has filed this AIS Update with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access ("EMMA") system. An electronic copy of this AIS Update can be accessed through EMMA at www.emma.msrb.org. An official copy of this AIS Update may be obtained by contacting the New York State Division of the Budget, State Capitol, Albany, NY 12224, Tel: (518) 474-7705. In July 2011, OSC issued the Basic Financial Statements for FY 2011 (ended March 31, 2011) . Copies of the Basic Financial Statements for FY 2011 may be attained by contacting the Office of the State Comptroller, 110 State Street, Albany, NY 12236 and on its website at www.osc.state.ny.us. The Basic Financial Statements for FY 2011 can also be accessed through EMMA at www.emma.msrb.org.

USAGE NOTICE

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This AIS Update is available on the DOB website (www.budget.ny.gov) and is being provided solely as a matter of convenience to readers and does not create any implication that there have been no changes in the financial position of the State at any time subsequent to its release date. Maintenance of this AIS Update on the DOB website, or on the EMMA website, is not intended as a republication of the information therein on any date subsequent to its release date.

Neither this AIS Update nor any portion thereof may be (i) included in a Preliminary Official Statement, Official Statement, or other offering document, or incorporated by reference therein, unless DOB has expressly consented thereto following a written request to the State of New York, Division of the Budget, State Capitol, Albany, NY 12224, or (ii) considered to be continuing disclosure in connection with any offering unless a CDA relating to the series of bonds or notes has been executed by DOB. Any such use, or incorporation by reference, of this AIS Update, or any portion thereof, in a Preliminary Official Statement, Official Statement, or other offering document or continuing disclosure filing without such consent and agreement by DOB, is unauthorized and the State expressly disclaims any responsibility with respect to the inclusion, intended use, and updating of this AIS Update if so misused.

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OVERVIEW OF THE CURRENT FINANCIAL PLAN

INTRODUCTION

The State's General Fund — the fund that receives the majority of State taxes and all income not earmarked for a particular program or activity — is required to be balanced on a cash basis of accounting. The State Constitution and State Finance Law do not define budget balance. In practice, the General Fund is considered balanced on a cash basis of accounting if sufficient resources are expected to be available during the fiscal year for the State to (a) make all required payments, including personal income tax ("PIT") refunds, without the issuance of deficit notes or bonds, and (b) restore the balances in the Tax Stabilization Reserve and Rainy Day Reserve to levels at or above the levels on deposit when the fiscal year began.

The General Fund is typically the financing source of last resort for the State's other major funds, including Health Care Reform Act ("HCRA") funds, the Dedicated Highway and Bridge Trust Fund, the School Tax Relief Fund, and the Lottery Fund. Therefore, the General Fund projections account for any estimated funding shortfalls in these funds. Since the General Fund is the fund that is required to be balanced, the focus of the State's budget discussion is often weighted toward the General Fund.

The State accounts for all of its receipts and disbursements by the fund in which the activity takes place (such as the General Fund), and the broad category or purpose of that activity (such as State Operations). The Financial Plan tables sort all State projections and results by fund and category. The State also reports disbursements and receipts activity by two other broad measures: State Operating Funds, which includes the General Fund and funds specified for dedicated purposes, but excludes Federal Funds and Capital Projects Funds; and All Governmental Funds ("All Funds"), which includes both State and Federal Funds and provides the most comprehensive view of the financial operations of the State.

Fund types of the State include: the General Fund; State special revenue funds, which receive certain dedicated taxes, fees and other revenues that are used for a specified purpose; Federal Special Revenue Funds, which receive certain Federal grants; State and Federal Capital Projects Funds, which account for costs incurred in the construction and rehabilitation of roads, bridges, prisons, and other infrastructure projects; and Debt Service Funds, which account for the payment of principal, interest and related expenses for debt issued by the State and its public authorities.

SUMMARY

In the Current Financial Plan, DOB has made no revisions to the Financial Plan projections set forth in the AIS dated May 24, 2011. DOB estimates that the General Fund in FY 2012 is balanced on a cash basis of accounting. General Fund receipts, including transfers from other funds, are expected to total $57.3 billion. General Fund disbursements, including transfers to other funds, are expected to total $56.9 billion. DOB expects the General Fund to end the FY 2012 with a cash balance of approximately $1.7 billion, an increase of $361 million from FY 2011 results. See "Fiscal Year 2012 Summary Outlook - Projected Closing Balances" in the AIS. The budget gaps for future years are projected to total approximately $2.4 billion in FY 2013, $2.8 billion in FY 2014, and $4.6 billion in FY 2015.[1] See "Financial Plan Projections FYs 2012 Through 2015" in the AIS for a complete discussion of the State's Financial Plan projections. The Governor is required by law to propose an Executive Budget for each fiscal year that is balanced on a cash basis of accounting.

[1] Budget gaps represent the difference between (a) the projected General Fund disbursements, including transfers to other funds, needed to maintain anticipated service levels and specific commitments, and (b) the expected level of resources to pay for them. The gap estimates are based on a number of assumptions and projections developed by the DOB in consultation with other State agencies.

PRELIMINARY YEAR-TO-DATE OPERATING RESULTS

GENERAL FUND RESULTS VERSUS ENACTED BUDGET

DOB is making no revisions to the annual projections at this time. Positive operating results through July 2011 compared to the Enacted Budget forecast of monthly operating results presented in the AIS are believed to be timing-related and do not provide a basis for revising the annual estimates of receipts or disbursements. In addition, DOB believes the changes in receipts and disbursements through the first four months of FY 2012 compared to the first four months of FY 2011 do not provide a reliable basis for extrapolating annual trends, given the distorting impact of cash management actions that were taken in FY 2011.

General Fund receipts, including transfers from other funds, totaled $19.0 billion through July 2011, $520 million above the Enacted Budget forecast presented with the AIS. DOB attributes the favorable variance to the timing of tax payments, which are expected to be offset by marginally weaker receipts collections over the remainder of the year.

General Fund disbursements, including transfers to other funds, totaled $18.5 billion through July 2011, or $119 million below the Enacted Budget forecast presented with the AIS. The favorable results appear to be due entirely to the timing of disbursements.

GENERAL FUND OPERATING RESULTS THROUGH JULY 2011
(millions of dollars)

	Enacted Estimates	Results	Favorable/ (Unfavorable)
Opening Balance	**1,376**	**1,376**	**n/a**
Receipts	**18,489**	**19,009**	**520**
Personal Income Tax[1]	12,188	12,583	395
User Taxes and Fees[1]	3,832	3,856	24
Business Taxes	1,205	1,327	122
Other Taxes[1]	482	501	19
Non-Tax Revenue	782	742	(40)
Disbursements	**18,620**	**18,501**	**119**
Education	5,620	5,350	270
Health Care	4,050	4,322	(272)
Social Services	1,176	1,037	139
All Other Local	1,684	1,645	39
Personal Service	2,122	2,280	(158)
Non-Personal Service	655	556	99
General State Charges	1,249	1,264	(15)
Transfers To Other Funds	2,064	2,047	17
Change in Operations	**(131)**	**508**	**639**
Closing Balance	**1,245**	**1,884**	**639**

[1] Includes transfers from other funds after debt service.

Significant spending variances from the Enacted Budget projections include:

- Education: Largely reflects lottery aid financing of school aid payments that was inadvertently assumed in the General Fund and lower than projected school district claiming that impacts the timing of payments.

- Health Care: Spending exceeded the forecast largely due to higher Medicaid cycle spending.

- Social Services: Spending fell short of projections largely due to the timing of processing monthly settlement payments to social service districts for public assistance benefits and adult shelter payments.

- Personal Service/Non-Personal Service: Higher spending in personal service is primarily due to SUNY's timing of routine accounting transfers between funds. Lower spending in non-personal service is largely driven by SUNY, augmented by modest variances in numerous agencies.

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GENERAL FUND YEAR-OVER-YEAR RESULTS

Tax receipts through July 2011 were roughly $2.9 billion (18 percent) higher than the prior year, largely due to: sustained positive wage growth, lower personal income tax refunds due to timing differences, continued corporate profits and increased consumer spending.

Through July 2011, disbursements were $679 million higher than the same period last year. However, the year-over-year growth is affected by the deferral of a $2.1 billion school aid payment from FY 2010 to FY 2011. Excluding the impact of the school aid deferral, all other disbursements through the first four months of FY 2012 were approximately $2.4 billion above the comparable period for FY 2011. This increase is mainly due to the effect of strict cash controls that had been instituted by DOB to maintain positive cash balances in FY 2011 and the delay in enacting the FY 2011 budget. Other significant drivers of increased spending include growth in health care and social service costs, as well as growth in General State Charges for employee benefits.

The closing balance in the General Fund for the month of July 2011 was approximately $1.3 billion higher than the closing balance for the month of July 2010. Growth in revenue collections and limited growth in spending have improved the State's operating position through July 2011 as compared to the prior year.

GENERAL FUND OPERATING RESULTS YEAR OVER YEAR
APRIL THROUGH JULY
(millions of dollars)

	FY 2011 Results	FY 2012 Results	Increase/(Decrease) $	Increase/(Decrease) %
Opening Balance	**2,302**	**1,376**	**(926)**	
Receipts	**16,110**	**19,009**	**2,899**	**18.0%**
Personal Income Tax[1]	10,119	12,583	2,464	24.4%
User Taxes and Fees[1]	3,615	3,856	241	6.7%
Business Taxes	1,057	1,327	270	25.5%
Other Taxes[1]	571	501	(70)	-12.3%
Non-Tax Revenue	748	742	(6)	-0.8%
Disbursements	**17,822**	**18,501**	**679**	**3.8%**
Education	7,046	5,350	(1,696)	-24.1%
Health Care	3,111	4,322	1,211	38.9%
Social Services	429	1,037	608	141.7%
All Other Local	1,532	1,645	113	7.4%
Personal Service	2,267	2,280	13	0.6%
Non-Personal Service	573	556	(17)	-3.0%
General State Charges	750	1,264	514	68.5%
Transfers To Other Funds	2,114	2,047	(67)	-3.2%
Change in Operations	**(1,712)**	**508**	**2,220**	
Closing Balance	**590**	**1,884**	**1,294**	

[1] Includes transfers from other funds after debt service.

STATE OPERATING FUNDS RESULTS VERSUS ENACTED BUDGET

State Operating Funds ended July 2011 with a closing balance of $6.4 billion, $810 million above projected levels. Higher tax receipts were largely due to lower levels of PIT refunds and higher than expected corporate franchise tax collections.

Spending variances primarily reflect the General Fund variances in education, health care and social services and General State Charges described previously above.

STATE OPERATING FUNDS RESULTS APRIL - JULY 2011 (millions of dollars)			
	Enacted Estimate	**Results**	**Favorable/ (Unfavorable)**
Opening Balance	**3,970**	**3,970**	**n/a**
Receipts	**25,264**	**25,786**	**522**
Taxes	19,882	20,497	615
Miscellaneous/Federal Receipts	5,382	5,289	(93)
Disbursements	**25,129**	**24,947**	**182**
Education	5,954	5,672	282
Health Care	5,737	6,155	(418)
Social Services	1,181	1,041	140
All Other Local	3,887	3,737	150
Personal Service	3,852	3,921	(69)
Non-Personal Service	1,542	1,591	(49)
General State Charges	1,845	1,709	136
Debt Service	1,131	1,119	12
Capital Projects	-	2	(2)
Other Financing Sources	**1,479**	**1,585**	**106**
Change in Operations	**1,614**	**2,424**	**810**
Closing Balance	**5,584**	**6,394**	**810**

STATE OPERATING FUNDS YEAR-OVER-YEAR RESULTS

Consistent with the General Fund, State Operating Funds tax receipts and spending exceeded the prior year. In addition to the General Fund increase described earlier, higher spending in other State Funds through July 2011 is mainly due to the effect of strict cash controls that had been instituted by DOB to maintain positive cash balances in the prior year. Health insurance payments delayed in the prior year contribute to General State Charges increases.

APRIL - JULY STATE OPERATING FUNDS RESULTS YEAR OVER YEAR
(millions of dollars)

	FY 2011 Results	FY 2012 Results	Increase/(Decrease) $	Increase/(Decrease) %
Opening Balance	**4,810**	**3,970**	**(840)**	
Receipts	**22,698**	**25,786**	**3,088**	**13.6%**
Taxes	17,577	20,497	2,920	16.6%
Miscellaneous/Federal Receipts	5,121	5,289	168	3.3%
Disbursements	**23,675**	**24,947**	**1,272**	**5.4%**
Education	7,374	5,672	(1,702)	-23.1%
Health Care	4,674	6,155	1,481	31.7%
Social Services	436	1,041	605	138.8%
All Other Local	3,563	3,737	174	4.9%
Personal Service	3,959	3,921	(38)	-1.0%
Non-Personal Service	1,428	1,591	163	11.4%
General State Charges	1,156	1,709	553	47.8%
Debt Service	1,074	1,119	45	4.2%
Capital Projects	11	2	(9)	-81.8%
Other Financing Sources	1,489	**1,585**	**96**	
Change in Operations	**512**	**2,424**	**1,912**	
Closing Balance	**5,322**	**6,394**	**1,072**	

OTHER MATTERS AFFECTING THE FINANCIAL PLAN

GENERAL

The Current Financial Plan is subject to many complex economic, social, financial, and political risks and uncertainties, many of which are outside the ability of the State to control. DOB believes that the projections of receipts and disbursements in the Current Financial Plan are based on reasonable assumptions, but there can be no assurance that actual results will not differ materially and adversely from these projections. In recent fiscal years, actual receipts collections have fallen substantially below the levels forecast in the Financial Plan.

The Current Financial Plan is based on numerous assumptions, including the condition of the State and national economies and the concomitant receipt of economically sensitive tax receipts in the amounts projected. Other uncertainties and risks concerning the economic and receipts forecasts include the impact of: national and international events on consumer confidence, oil supplies, and oil prices; Federal statutory and regulatory changes concerning financial sector activities; changes concerning financial sector bonus payouts, as well as any future legislation governing the structure of compensation; shifts in monetary policy affecting interest rates and the financial markets; financial and real estate market developments on bonus income and capital gains realizations; and household deleveraging on consumer spending and State tax collections.

Among other factors, the Current Financial Plan is subject to various other uncertainties and contingencies relating to the extent, if any, to which wage increases for State employees exceed the annual wage costs assumed; realization of the projected rate of return for pension fund assets and current assumptions with respect to wages for State employees affecting the State's required pension fund contributions; the willingness and ability of the Federal government to provide the aid contemplated by the Current Financial Plan; the ability of the State to implement cost reduction initiatives, including the reduction in State agency operations, and the success with which the State controls expenditures; and the ability of the State and its public authorities to market securities successfully in the public credit markets. Some of these specific issues are described in more detail in this AIS Update. The projections and assumptions contained in the Current Financial Plan are subject to revisions which may involve substantial change. No assurance can be given that these estimates and projections, which include actions the State expects to be taken but which are not within the State's control, will be realized.

BUDGET RISKS AND UNCERTAINTIES

There can be no assurance that the budget gaps will not increase materially from current projections. If this were to occur, the State would be required to take additional gap-closing actions. These may include, but are not limited to, additional reductions in State agency operations; delays or reductions in payments to local governments or other recipients of State aid; suspension of capital maintenance and construction; extraordinary financing of operating expenses; or other measures. In nearly all cases, the ability of the State to implement these actions requires the approval of the Legislature and cannot be implemented solely by the action of the Governor.

State law changes approved in FY 2012 grant the Executive certain powers to achieve the Medicaid savings assumed in the Financial Plan. However, there can be no assurance that these powers will be sufficient to achieve the level of gap-closing savings anticipated in FY 2012 or limit the rate of annual growth in the Department of Health ("DOH") State Funds Medicaid spending. In addition, savings are dependent upon timely Federal approvals, appropriate amendments to existing systems and processes, and the participation of health care industry stakeholders.

The forecast contains specific transaction risks and other uncertainties including, but not limited to, the receipt of certain payments from public authorities; the receipt of miscellaneous revenues at the levels expected in the Financial Plan, including payments pursuant to the Tribal State Compact; and the achievement of cost-saving measures including, but not limited to, the transfer of available fund balances to the General Fund at the levels currently projected. Such risks and uncertainties, if they were to materialize, could have an adverse impact on the Financial Plan in the current year or future years.

STATE AGENCY SAVINGS AND STATUS OF CURRENT LABOR NEGOTIATIONS

The Current Financial Plan includes $1.5 billion in savings from State agency operations, consistent with the Enacted Budget Financial Plan. This includes approximately $450 million in gap-closing savings from, among other things, wage and benefit changes negotiated with State employee unions, operational efficiencies, and attrition. On August 15, 2011, members of the State's largest union, the Civil Service Employee Association ("CSEA"), ratified a five-year labor contract with the State. The terms of the agreement will take effect immediately as the State Legislature already approved the agreement contingent on the CSEA ratification.

Under the five year agreement, there will be no general salary increases in fiscal years 2012, 2013 or 2014. Employees will receive a 2 percent increase in fiscal years 2015 and 2016. In addition, employees will take a five-day unpaid deficit reduction leave during fiscal year 2012 and four days unpaid leave during fiscal year 2013. The value of the deficit reduction leave days will be deducted from employee pay over the remaining pay periods equally during the fiscal year in which they are taken. Employees will be repaid the value of the four days from fiscal year 2013 in equal consecutive installments starting at the end of the contract term. The agreement also includes substantial changes to employee health care contributions. CSEA employees will receive broad layoff protection for fiscal years 2012 and 2013. Workforce reductions due to management decisions to close or restructure facilities authorized by legislation, Spending and Government Efficiency (SAGE) Commission recommendations or material or unanticipated changes in the State's fiscal circumstances are not covered by this protection.

The membership of the State's second largest union, the Public Employees Federation ("PEF"), is scheduled to vote on a contract with comparable terms on September 27, 2011. Negotiations with the State's other unions are ongoing.

PRIOR-YEAR LABOR SETTLEMENTS

The Current Financial Plan includes a reserve of $346 million to cover the costs of a pattern settlement with all unions that have not agreed to contracts through FY 2011. The pattern is based on the general salary increases agreed to by the State's largest unions for this period. There can be no assurance that actual settlements, some of which are subject to binding arbitration, will not exceed the amounts reserved. An additional risk is the potential cost of salary increases for judges, which could occur in FY 2013 and beyond as a result of the actions of a statutorily authorized judicial compensation commission. The Current Financial Plan does not include any funds for potential salary increases for judges.

Current Cash-Flow Projections

The General Fund is authorized to borrow resources temporarily from other available funds in the State's Short-Term Investment Pool ("STIP") for up to four months, or to the end of the fiscal year, whichever period is shorter. The amount of resources that can be borrowed by the General Fund is limited to the available balances in STIP, as determined by the State Comptroller. Available balances include money in the State's governmental funds (labeled "All Funds" in the following table) as well as relatively small amounts of other money belonging to the State. In FY 2012, the General Fund used this authorization to meet certain payment obligations in April 2011, and repaid such amounts by the end of April 2011. The General Fund is likely to rely on this borrowing authority at other times during FY 2012.

The State continues to reserve money on a quarterly basis for debt service payments that are financed with General Fund resources. Money to pay debt service on bonds secured by dedicated receipts, including PIT bonds, continues to be set aside as required by law and bond covenants.

The month-end balances for FY 2012 are shown in the table below. DOB will continue to monitor and manage the State's cash position closely during the fiscal year in an effort to maintain adequate operating balances.

FY 2012 PROJECTED MONTH-END CASH BALANCES
(millions of dollars)

	General Fund	Other Funds	All Funds
April Results	4,510	4,238	8,748
May Results	1,809	4,225	6,034
June Results	2,492	2,936	5,428
July Results	1,884	4,103	5,987
August Projected	1,581	4,438	6,019
September Projected	4,984	2,358	7,342
October Projected	4,023	3,593	7,616
November Projected	2,737	3,541	6,278
December Projected	2,484	2,686	5,170
January Projected	6,664	4,280	10,944
February Projected	5,921	4,110	10,031
March Projected	1,737	2,523	4,260

PENSION AMORTIZATION

Under legislation enacted in FY 2011, the State and local governments may defer paying (or "amortize") a portion of their pension costs beginning in FY 2011. Amortization temporarily reduces the pension costs that must be paid by participating employers in a given fiscal year, but results in higher costs overall. Specifically, pension contribution costs in excess of the amortization thresholds that would otherwise be paid in a given fiscal year, which were 9.5 percent of payroll for the Employees Retirement System ("ERS") and 17.5 percent for the Police and Fire Retirement System ("PFRS") in FY 2011, may be amortized. The threshold for amortization in the legislation increases by one percentage point annually. As a result, when the State elects to amortize, the State's minimum ERS pension contribution rate as a percentage of payroll, which was 9.5 percent in FY 2011, will grow from 10.5 percent in FY 2012 to 13.5 percent in FY 2015. The PFRS rate, which was 17.5 percent in FY 2011, will grow from 18.5 percent in FY 2012 and grow to 21.5 percent in FY 2015. In addition, the State will begin repayment of the amounts amortized, beginning in the following fiscal year. The authorizing legislation also permits amortization in all future years if the actuarial contribution rate is greater than the amortization threshold, which may increase or decrease by no more than one percentage point for each year. Repayment of the amortized amounts will be made over a period of not more than ten-years at an interest rate to be determined by the State Comptroller. For amounts amortized in FY 2011, the Comptroller set an interest rate of five percent.

In March 2011, the State made a pension payment of $1.078 billion for FY 2011, and amortized $216 million. The State prepaid $46 million earlier in fiscal year 2011. In addition, the State's Office of Court Administrations (OCA) made its pension payment of $179 million, and amortized $33 million. The $249.6 million in total deferred payments will be repaid with interest over the next ten years, beginning in FY 2012. The Current Financial Plan assumes that the State and OCA will amortize pension costs, consistent with the provisions of the authorizing legislation, and repay such amounts at an interest cost assumed by DOB to be five percent over ten years from the date of each deferred payment.

The following table, which summarizes pension contributions and projections for future fiscal years, reflects the "normal costs" of pension contributions as the amount the State would contribute to fund pensions before amortization, along with "new amortized amounts" assumed in upcoming years. The repayment costs associated with these amortizations are reflected as the "amortization payment." Consistent with these amortization assumptions, Part TT of Chapter 57 of the Laws of 2010 requires that a) the State make "additional contributions" in upcoming fiscal years, above the actuarially required contribution, and b) once all outstanding amortizations are paid off, that additional contributions will be set aside as "reserves for rate increases", to be invested by the State Comptroller and used to offset future year rate increases. Projections in the following table are based on certain assumptions about actuarial factors on investment earnings and benefits to be paid, and actual results may vary from the projections provided below.

EMPLOYEE RETIREMENT SYSTEM AND POLICE AND FIRE RETIREMENT SYSTEM* PENSION CONTRIBUTIONS AND OUTYEAR PROJECTIONS (millions of dollars)							
Fiscal Year	Normal Costs**	New Amortized Amounts	Amortization Payment	Additional Contributions	Total	Reserves for Rate Increases	Plus Interest at 5%
2011 Actual	1,552.4	(249.6)	0.0	0.0	1,302.8	0.0	0.0
2012 Projected	2,105.9	(634.6)	32.4	0.0	1,503.7	0.0	0.0
2013 Projected	2,454.0	(877.8)	114.7	0.0	1,690.9	0.0	0.0
2014 Projected	2,832.9	(1,118.7)	228.7	0.0	1,942.9	0.0	0.0
2015 Projected	3,088.3	(1,221.2)	373.6	0.0	2,240.7	0.0	0.0
2016 Projected	2,734.1	(759.0)	532.2	0.0	2,507.3	0.0	0.0
2017 Projected	2,480.4	(414.0)	630.5	0.0	2,696.9	0.0	0.0
2018 Projected	2,393.0	(143.8)	684.1	0.0	2,933.3	0.0	0.0
2019 Projected	2,360.4	0.0	684.1	80.5	3,125.0	0.0	0.0
2020 Projected	2,082.1	0.0	656.0	321.6	3,059.8	0.0	0.0
2021 Projected	1,662.1	0.0	545.2	699.9	2,907.2	0.0	0.0
2022 Projected	1,104.1	0.0	347.2	1,182.4	2,633.7	0.0	0.0
2023 Projected	1,036.3	0.0	23.5	1,168.0	2,227.8	1,136.3	1,193.1
2024 Projected	1,005.9	0.0	0.0	1,109.4	2,115.3	2,245.7	2,417.7
2025 Projected	993.1	0.0	0.0	1,025.7	2,018.8	3,271.4	3,615.5
2026 Projected	957.0	0.0	0.0	957.8	1,914.8	4,229.2	4,802.0

Source: NYS DOB
*Pension contribution values do not include pension costs related to the Optional Retirement Program and Teachers' Retirement System for SUNY and SED, whereas the projected pension disbursements in the Financial Plan tables presented in this AIS include these costs. Pension contribution values include the State's Office of Court Administration (OCA)
**Includes amortization payments from amortizations prior to FY 2011.

DEBT REFORM ACT LIMIT

The Debt Reform Act of 2000 limits outstanding State-supported debt to no greater than four percent of New York State personal income, and debt service on State-supported debt to no greater than five percent of All Governmental Funds receipts. The limits apply to all State-supported debt issued on or after April 1, 2000. The State projects that $37.1 billion of State-supported debt outstanding will be subject to the limit as of March 31, 2012, which is equal to approximately 3.74 percent of personal income. Debt service subject to the limit will be approximately $3.5 billion, equal to 2.68 percent of All Governmental Funds receipts.

Debt outstanding and debt service costs through FY 2016 are expected to remain below the limits imposed by the Debt Reform Act. However, the available room under the debt outstanding cap is expected to decline from $5.0 billion in FY 2011 to approximately $1.1 billion in FY 2013 and FY 2014, as illustrated in the table below. The estimates do not include the potential impact of new capital spending that may be authorized in future budgets, or efforts to curtail existing bonded programs. The debt reform projections are sensitive to changes in State personal income levels. Adjustments to capital spending and debt financing practices will likely continue to be needed for the State to stay in compliance with the statutory debt limit.

STATE DEBT REFORM ACT - DEBT OUTSTANDING DEBT OUTSTANDING ISSUED AFTER APRIL 1, 2000 -- LIMITED TO 4 PERCENT OF PERSONAL INCOME (millions of dollars)					
Year	Personal Income	Cap %	Actual/ Recommended %	$ (Above)/Below	% (Above)/Below
2010-11	946,054	4.00%	3.47%	5,018	0.53%
2011-12	990,586	4.00%	3.74%	2,543	0.26%
2012-13	1,026,944	4.00%	3.89%	1,169	0.11%
2013-14	1,079,719	4.00%	3.90%	1,070	0.10%
2014-15	1,137,630	4.00%	3.85%	1,695	0.15%
2015-16	1,197,873	4.00%	3.78%	2,656	0.22%

SECURED HOSPITAL PROGRAM

Pursuant to legislation enacted in 1985, the State entered into service contracts establishing a contingent-contractual obligation with respect to financings related to the Secured Hospital Program, for the purpose of enabling certain financially distressed not-for-profit hospitals to gain access to the capital markets. The contracts obligate the State to pay debt service, subject to annual appropriations by the Legislature, on bonds issued by the New York State Medical Care Facilities Finance Agency ("MCFFA") and by the Dormitory Authority of the State of New York ("DASNY") (all now included as debt of DASNY). In the event there are shortfalls in revenues from other sources, which include hospital payments made under loan agreements between DASNY and the hospitals, and certain reserve funds held by the applicable trustees for the bonds, the State is liable for the debt service. As of March 31, 2011, there is a total of $585 million of outstanding bonds for the program, with total annual debt service requirements of about $79 million.

The financial condition of most hospitals in the State's Secured Hospital Program continues to deteriorate. Of the nine hospitals in the program, several are experiencing significant operating losses that are likely to impair their ability to remain current on their loan agreements with DASNY. If recent trends continue and other available funds become depleted, State resources will be needed to meet debt service obligations on outstanding bonds pursuant to the service contracts.

BOND MARKET

Implementation of the Current Financial Plan is dependent on the State's ability to market its bonds successfully. The State finances much of its capital spending in the first instance from the General Fund or STIP, which it then reimburses with proceeds from the sale of bonds. If the State cannot sell bonds at the levels (or on the timetable) expected in the capital plan, that can adversely affect the State's overall cash position and capital funding plan. The success of projected public sales will be subject to prevailing market conditions. Future developments in the financial markets generally, as well as future developments concerning the State and public discussion of such developments, may affect the market for outstanding State-supported and State-related debt.

LITIGATION

Litigation against the State may include potential challenges to the constitutionality of various actions. The State may also be affected by adverse decisions that are the result of various lawsuits. Such adverse decisions may not meet the materiality threshold to warrant individual description but, in the aggregate, could still adversely affect the State's Financial Plan.

FEDERAL ACTIONS

The State receives a substantial amount of Federal aid for health care, education, transportation, and other governmental purposes. Any changes in Federal funding levels could have a materially adverse impact on the State's Financial Plan.

In addition, the Current Financial Plan may be adversely affected by other actions taken by the Federal government, including audits, disallowances, and changes to Medicaid rules. For example, all Medicaid claims are subject to audit and review by the Federal government. The Federal Centers for Medicare and Medicaid Services (CMS) recently engaged the State regarding claims for services provided to individuals in developmental centers operated by the New York State Office for People with Development Disabilities (OPWDD). Although no official audit has commenced and the rates paid for these services are established in full accordance with the methodology set forth in the approved State Plan, adverse action by CMS relative to these claims could jeopardize a significant amount of Federal financial participation in the State Medicaid program. The State has begun the process of seeking CMS approval to proceed with the development of a new section 1115 demonstration waiver to create a contemporary and sustainable system of service funding and delivery for individuals with developmental disabilities.

HEALTH INSURANCE COMPANY CONVERSIONS

State law permits a health insurance company to convert its organizational status from a not-for-profit to a for-profit corporation (a "health care conversion"), subject to a number of terms, conditions, and approvals. Under State law, the State must use the proceeds from a health care company conversion for health-care-related expenses included in the HCRA account. For planning purposes, the Current Financial Plan assumes no proceeds from a health care conversion in FY 2012, but counts on proceeds of approximately $250 million annually in future years of the plan, which would be deposited into HCRA. If a conversion does not occur on the timetable or at the levels assumed in the Current Financial Plan, the State would be required to take other actions to increase available resources or to reduce planned spending to fund projected HCRA expenditures.

OTHER POST-EMPLOYMENT BENEFITS

Substantially all of the State's employees become eligible for post-retirement benefits if they reach retirement while working for the State. In accordance with the Governmental Accounting Standards Board Statement 45 ("GASBS 45"), the State must perform an actuarial valuation every two years for purposes of calculating Other Post-Employment Benefits ("OPEB") liabilities. As disclosed in Note 13 of the State's Basic Financial Statements for FY 2011[2], the Annual Required Contribution ("ARC") represents the annual level of funding that, if set-aside on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded liabilities of the plan over a period not to exceed 30 years. Amounts required but not actually set aside to pay for these benefits are accumulated with interest as part of the net OPEB obligation, after adjusting for amounts previously required.

As reported in the State's Basic Financial Statements for FY 2011, an actuarial valuation of OPEB liabilities was performed as of April 1, 2008, with results projected as of April 1, 2010 for the fiscal year ended March 31, 2011. The valuation calculated the present value of the actuarially accrued total liability for benefits as of March 31, 2011 at $55.9 billion ($46.3 billion for the State and $9.6 billion for SUNY).

[2] See the State Comptroller's Annual Financial Report, FY 2011 at http://www.osc.state.ny.us/finance/finreports/bfs2011.pdf

This was determined using the Frozen Entry Age actuarial cost method, and is amortized over an open period of 30 years using the level percentage of projected payroll amortization method.

The net OPEB liability for FY 2011 totaled $3.7 billion ($3.1 billion for the State and $0.6 billion for SUNY) under the Frozen Entry Age actuarial cost method, allocating costs on a level basis over earnings. This was $2.5 billion ($2.1 billion for the State and $0.4 billion for SUNY) above the payments for retiree OPEB costs made by the State in FY 2010. This difference between the State's pay-as-you-go (PAYGO) costs and the actuarially determined required annual contribution under GASBS 45 reduced the State's currently positive net asset condition at the end of FY 2011 by $2.5 billion.

The State's actuarial consultant has provided an updated calculation of the ARC and annual OPEB costs at April 1, 2010 based on the April 1, 2008 valuation. The updated calculation shows the present value of the actuarially accrued total liability for benefits at $63.9 billion ($53.8 billion for the State and $10.1 billion for SUNY). The updated calculation will ultimately be reflected in the financial statements for the State and SUNY for FY 2012. DOB expects the estimate of OPEB costs to increase substantially due to (i) higher than assumed increases in the cost of health care, (ii) implementation of the Federal Patient Protection and Affordable Care Act, and (iii) decreased interest rates.

The Governmental Accounting Standards Board ("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 Updated Financial Plan. On a budgetary (cash) basis, the State continues to finance these costs, along with all other employee health care expenses, on a PAYGO basis. The following table summarizes the actual and budgeted payments for health insurance included in the Updated Financial Plan.

FORECAST OF NEW YORK STATE EMPLOYEE HEALTH INSURANCE COSTS (millions of dollars)

Fiscal Year	Active Employees	Retirees	Total State
2008 (Actual)	1,390	1,182	2,572
2009 (Actual)	1,639	1,068	2,707
2010 (Actual)	1,609	1,072	2,681
2011 (Actual)	1,834	1,221	3,055
2012 (Projected)	2,144	1,285	3,429
2013 (Projected)	2,375	1,418	3,793
2014 (Projected)	2,583	1,543	4,126
2015 (Projected)	2,600	1,553	4,153

All numbers reflect the cost of health insurance for GSCs (Executive and Legislative branches) and the Office of Court Administration.

As noted, there is no provision in the Current Financial Plan to pre-fund the OPEB liability. If such liability were pre-funded now, the additional cost above the PAYGO amounts would be lowered. The State's Health Insurance Council, which consists of the Governor's Office of Employee Relations ("GOER"), Civil Service, and DOB, will continue to review this matter and seek input from the State Comptroller, the legislative fiscal committees, and other outside parties. However, it is not expected that the State will alter its planned funding practices due to existing fiscal constraints.

FINANCIAL PLAN PROJECTIONS
FISCAL YEARS 2012 THROUGH 2015

The DOB estimates that the General Fund Current Financial Plan is balanced in FY 2012 and projects budget gaps of approximately $2.4 billion in FY 2013, $2.8 billion in FY 2014, and $4.6 billion in FY 2015. The net operating deficits in State Operating Funds are projected at $1.8 billion in FY 2013, $2.1 billion in FY 2014, and $3.8 billion in FY 2015. The Multi-Year Financial Plan projections are unchanged from the Enacted Budget Financial Plan reflected in the AIS. For a complete discussion of the Financial Plan forecasts for receipts and disbursements, please see the AIS. The following tables present the multi-year projections for the General Fund and State Operating Funds.

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GENERAL FUND PROJECTIONS

MULTI-YEAR GENERAL FUND PROJECTIONS
(millions of dollars)

	2010-11	2011-12	2012-13	2013-14	2014-15
Receipts					
Taxes (After Debt Service)	49,529	53,137	53,893	56,705	58,201
Miscellaneous Receipts/Federal Grants	3,149	3,158	2,977	2,556	2,126
Other Transfers	1,769	998	772	615	610
Total Receipts	**54,447**	**57,293**	**57,642**	**59,876**	**60,937**
Disbursements					
Local Assistance Grants	37,206	38,888	40,115	41,996	43,734
School Aid	16,645	16,802	17,197	18,030	18,876
Other Education Aid	1,459	1,732	1,904	1,993	2,060
Higher Education	2,448	2,578	2,715	2,804	2,891
Medicaid (incl. administration)	7,478	10,236	10,456	11,009	11,458
Public Health/Aging	765	852	891	881	886
Mental Hygiene	2,239	1,881	1,978	2,161	2,280
Social Services	2,859	3,117	3,441	3,721	3,885
Local Government Assistance	776	767	797	787	787
All Other [1]	2,537	923	736	610	611
State Operations	7,973	7,356	7,951	7,915	8,210
Personal Service	6,151	5,560	5,773	5,879	6,047
Non-Personal Service	1,822	1,796	2,178	2,036	2,163
General State Charges	4,187	4,668	5,126	5,499	5,660
Pensions	1,470	1,670	1,857	2,113	2,411
Health Insurance (Active Employees)	1,834	2,144	2,367	2,575	2,592
Health Insurance (Retired Employees)	1,221	1,285	1,418	1,543	1,553
All Other	(338)	(431)	(516)	(732)	(896)
Transfers to Other Funds	6,007	6,020	6,738	7,160	7,796
State Share Medicaid	2,497	3,032	3,119	3,082	3,082
Debt Service	1,737	1,449	1,712	1,658	1,566
Capital Projects	932	800	1,168	1,361	1,456
SUNY- Hospital Medicaid	207	200	200	200	200
Judiciary Funds	131	119	119	121	123
Banking Services	74	55	55	55	55
Financial Management System	5	42	55	55	55
Indigent Legal Services	45	40	40	40	40
Mental Hygiene	0	0	0	317	869
All Other	379	283	270	271	350
Total Disbursements	**55,373**	**56,932**	**59,930**	**62,570**	**65,400**
Change in Reserves	**(926)**	**361**	**91**	**142**	**142**
Prior-Year Labor Agreements (2007-11)	0	346	142	142	142
Community Projects Fund	40	(85)	(51)		
Rainy Day Fund	0	100			
Reserved for Deferred Payments	(906)				
Reserved for Debt Management	(60)				
Budget Surplus/(Gap) Before Actions	**0**	**0**	**(2,379)**	**(2,836)**	**(4,605)**

[1] All other includes school aid deferral and local aid spending in a number of other programs, including parks and the environment, economic development, and public safety.

Source: NYS DOB

STATE OPERATING FUNDS PROJECTIONS

STATE OPERATING FUNDS PROJECTIONS (millions of dollars)					
	2010-11	2011-12	2012-13	2013-14	2014-15
Receipts:					
Taxes	59,532	63,615	64,901	68,139	70,093
Personal Income Tax	36,209	39,059	39,210	41,440	43,189
User Taxes and Fees	13,608	14,059	14,510	14,976	15,464
Business Taxes	6,657	7,544	8,024	8,338	7,828
Other Taxes	3,058	2,953	3,157	3,385	3,612
Miscellaneous Receipts/Federal Grants	19,260	19,399	20,126	20,135	19,982
Total Receipts	**78,792**	**83,014**	**85,027**	**88,274**	**90,075**
Disbursements:					
Local Assistance Grants	55,295	57,761	59,893	62,387	64,750
School Aid	19,788	19,686	20,250	21,151	22,018
STAR	3,234	3,293	3,322	3,510	3,693
Other Education Aid	1,474	1,744	1,912	2,000	2,067
Higher Education	2,470	2,594	2,715	2,804	2,891
Medicaid (DOH incl. administration)	11,915	15,280	15,894	16,531	17,192
Public Health/Aging	2,015	2,121	2,139	2,174	2,216
Mental Hygiene	3,578	3,601	3,853	4,169	4,370
Social Services	2,869	3,129	3,452	3,722	3,886
Transportation	4,254	4,236	4,325	4,405	4,495
Local Government Assistance	776	767	797	787	787
All Other [1]	2,922	1,310	1,234	1,134	1,135
State Operations	17,387	16,728	17,545	17,708	18,194
Personal Service	12,422	11,677	11,971	12,174	12,468
Non-Personal Service	4,965	5,051	5,574	5,534	5,726
General State Charges	6,102	6,530	7,125	7,644	7,990
Pensions	1,470	1,670	1,857	2,113	2,411
Health Insurance (Active Employees)	1,834	2,144	2,367	2,575	2,592
Health Insurance (Retired Employees)	1,221	1,285	1,418	1,543	1,553
All Other	1,577	1,431	1,483	1,413	1,434
Debt Service	5,615	5,855	6,332	6,498	6,551
Capital Projects	18	5	5	5	5
Total Disbursements	**84,417**	**86,879**	**90,900**	**94,242**	**97,490**
Net Other Financing Sources/(Uses)	**4,784**	**4,431**	**4,091**	**3,892**	**3,581**
Net Operating Surplus/(Deficit)	**(841)**	**566**	**(1,782)**	**(2,076)**	**(3,834)**
Reconciliation to General Fund Gap:					
Designated Fund Balances	**841**	**(566)**	**(597)**	**(760)**	**(771)**
General Fund	926	(361)	(91)	(142)	(142)
Special Revenue Funds	(42)	(85)	(404)	(512)	(483)
Debt Service Funds	(43)	(120)	(102)	(106)	(146)
General Fund Budget Gap	**0**	**0**	**(2,379)**	**(2,836)**	**(4,605)**

1 All other includes school aid deferral and local aid spending in a number of other programs, including parks and the environment, economic development, and public safety.

Source: NYS DOB

GAAP-BASIS RESULTS FOR PRIOR FISCAL YEARS

The Comptroller prepares Basic Financial Statements and Other Supplementary Information on a GAAP basis for governments as promulgated by the GASB. The Basic Financial Statements, released in July each year, include the Statements of Net Assets and Activities, the Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances for the Governmental Funds, the Statements of Net Assets, Revenues, Expenses and Changes in Fund Net Assets and Cash Flows for the Enterprise Funds, the Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets, and the Combining Statements of Net Assets and Activities for Discretely Presented Component Units. These statements are audited by independent certified public accountants. The Comptroller also prepares and issues a Comprehensive Annual Financial Report ("CAFR"), which includes a management discussion and analysis ("MD&A"), the Basic Financial Statements, required supplementary information, other supplementary information which includes individual fund combining statements, and a statistical section.

The following table summarizes recent governmental funds results on a GAAP basis. The State issued the Basic Financial Statements for FY 2011 in July 2011.

Comparison of Actual GAAP-Basis Operating Results
Surplus/(Deficit)
(millions of dollars)

Fiscal Year Ended	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	All Governmental Funds	Accum. General Fund Surplus/(Deficit)
March 31, 2011	1,529	742	198	(568)	1,901	(2,009)
March 31, 2010	(594)	(722)	378	1,061	123	(3,538)
March 31, 2009	(6,895)	(1,183)	35	44	(7,999)	(2,944)

Summary of Net Assets
(millions of dollars)

Fiscal Year Ended	Governmental Activities	Business-Type Activities	Total Primary Government
March 31, 2011	27,648	(618)	27,030
March 31, 2010	27,976	116	28,092
March 31, 2009	30,894	3,031	33,925

The Basic Financial Statements (including Other Supplementary Information) and the CAFR can be obtained from the Office of the State Comptroller, 110 State Street, Albany, NY 12236 or at the Office of the State Comptroller's website at www.osc.state.ny.us. The Basic Financial Statements can also be accessed through EMMA at www.emma.msrb.org.

STATE RETIREMENT SYSTEMS

GENERAL

This section summarizes key disclosures regarding the New York State and Local Retirement System (NYSLRS or the "Systems") and the Common Retirement Fund (CRF) which holds its assets. Greater detail, including the independent auditor's report, is included in NYSLRS' Comprehensive Annual Financial Report (NYSLRS' CAFR) for the fiscal year ended March 31, 2010. A copy of NYSLRS' CAFR and Asset Listing, as well as the NYSLRS' CAFR for each of the seven prior fiscal years is available on the Comptroller's web site. The Actuary's Annual Reports to the Comptroller issued from 2007 through 2010 are also available on the internet. Copies of these reports and benefit plan booklets may be accessed at www.osc.state.ny.us/retire/publications. The audited Financial Statements for the fiscal year ending March 31, 2011 were completed in July 2011 and may be accessed at www.osc.state.ny.us/retire/publications. The NYSLRS' CAFR for the fiscal year ending on March 31, 2011, which will include the independent auditor's report for the fiscal year ending March 31, 2011, will be available on the OSC website on September 30, 2011. The Systems provide coverage for public employees of the State and its localities (except employees of New York City and teachers, who are covered by separate plans). The Systems comprise the New York State and Local ERS and the New York State and Local PFRS. The Comptroller is the administrative head of the Systems. State employees made up about 32 percent of the membership during FY 2011. There were 3,039 other public employers participating in the Systems, including all cities and counties (except New York City), most towns, villages and school districts (with respect to non-teaching employees) and many local authorities of the State.

As of March 31, 2011, 672,723 persons were members of the Systems and 385,031 pensioners or beneficiaries were receiving benefits. The State Constitution considers membership in any State pension or retirement system to be a contractual relationship, the benefits of which shall not be diminished or impaired. Members cannot be required to begin making contributions or make increased contributions beyond what was required when membership began.

The investment losses experienced in FY 2009 negatively impacted the value of assets held for the Systems. The current actuarial smoothing method spreads the impact over a 5-year period. Thus, contribution rates increased for FY 2011 and FY 2012 and further increases are expected for FY 2013, 2014 and FY 2015. The amount of such future increases will depend, in part, on the value of the pension fund as of each April 1, as well as on the present value of the anticipated benefits to be paid by the pension fund as of each April 1. In addition, the assumed investment rate of return used by the Systems' Actuary, which is one of the factors used to calculate contribution requirements, was reduced from 8 percent to 7.5 percent beginning with FY 2012. Final contribution rates for FY 2012 were released in early September 2010. The average ERS rate increased from 11.9 percent of salary in FY 2011 to 16.3 percent of salary in FY 2012, while the average PFRS rate increased from 18.2 percent of salary in FY 2011 to 21.6 percent of salary in FY 2012. Final contribution rates for FY 2013 are expected to be released in late August 2011. Average rates are anticipated to increase, although by smaller percentages than the increases experienced in FY 2012. Information regarding average rates for FY 2013, once available, may be found in the 2011 Annual Report to the Comptroller on Actuarial Assumptions which will be accessible at www.osc.state.ny.us/retire/publications.

The Systems' members are categorized into one of five tiers depending on date of membership. Benefits provided to members vary depending on tier membership. On December 10, 2009, then Governor Paterson signed a bill that amended Articles 14, 15 and 19 and enacted Article 22 of the Retirement and Social Security Law. This bill created Tier 5, which resulted in significant changes to benefits for the Systems' members. ERS members joining on or after January 1, 2010 and PFRS members joining on or after January 9, 2010 are in Tier 5. The following chart compares the benefits provided to members in Tiers 3 and 4 (approximately 91 percent of the Systems' members as of March 31, 2011) to those benefits to be provided to members in Tier 5.

TIERS 3 THROUGH 5 BENEFIT COMPARISON

Comparison of Benefits	Tiers 3 & 4 Benefits	Tier 5 Benefits
Vesting – Both Systems	Five Years	Ten Years
Overtime Cap:		
ERS	No Cap	$15,000/year with 3% escalation
PFRS	No Cap	15%/year of regular salary
Contributions:		
ERS	3% for 10 years	3% for entire career*
PFRS	None, if employer offers non-contributory plan	3% for entire career**
Full Retirement:		
Both ERS and PFRS in "regular" plans	Age 62 and five years service credit --- Full benefits at age 55 and 30 years of service credit	Age 62 and ten years service credit --- Eliminated
Early Retirement:		
ERS	Reduction for early retirement between 55 and 62 with less than 30 years of service credit	Increased reduction for early retirement between 55 and 62 regardless of years of service***
PFRS	Reduction for early retirement between 55 and 62	Reduction for early retirement between 55 and 62

*Correction Officers' contributions cease w/ 30 years of service credit. Peace Officers/Court Officers contribute 4 percent.

**This does not apply to all PFRS members. Not required to contribute when maximum service credit accrued. Some PFRS members non-contributory if special plan elected under union-negotiated contracts in effect as of 1/9/10 AND date of membership.

***Except for Uniformed Court and Peace Officers employed by the Unified Court System.

Legislation enacted in June 2010 provided the State and local employers with the option to offer a temporary Retirement Incentive Program (ERI) for certain ERS members. This program did not apply to PFRS members. The Program had two distinct parts:

- Part A was a targeted incentive. Employers identified eligible titles. Part A provided one additional month of service credit for each year of credited service an eligible member had at retirement. The maximum additional incentive service credit was three years.

- Part B was not targeted. It was open to all eligible Tier 2, 3 and 4 members unless an employer deemed a member's position critical to the maintenance of public health and safety. Part B allowed members who were at least age 55 and had 25 years or more of service credit to retire without a benefit reduction.

Members whose employer offered both parts of the program, and who met the eligibility requirements of both parts, had to choose between the two. Employers established a 30-to-90-day window for Part A and/or a 90-day window for Part B. The incentive window for State Executive Branch employees was July 1 through September 28, 2010. Other public employers were able to establish incentive windows which could extend through December 31, 2010. The cost of the incentive is borne by the State and each employer electing the incentive over a five-year period commencing with a payment in FY 2012. The number of members who retired under the State ERI is 6,412. Three hundred ninety-nine (399) participating employers elected to participate in Part A of the ERI. Two hundred eleven (211) participating employers elected to participate in Part B of the ERI. Five thousand four hundred fifty three (5,453) members from participating employers retired under the ERI. Because of the large number of individuals who retired with the ERI in a relatively brief time period, many are still awaiting a final calculation of their monthly benefit payment. In the interim, these individuals are receiving monthly benefit payments based on the estimates they received at retirement and will receive a lump sum payment to correct any underpayment once the final calculation is completed.

Part TT of Chapter 57 of the Laws of 2010, authorized the State and local employers to amortize a portion of their annual pension costs during periods when actuarial contribution rates exceed thresholds established by the statute. Amortized amounts will be paid in equal annual installments over a ten-year period, and employers may prepay these amounts at any time without penalty. Employers would pay interest on the amortized amount at a rate determined by the Comptroller that is comparable to taxable fixed income investments of a comparable duration. The interest rate will be set annually. Rates will vary according to market performance. The interest rate on the amount an employer chooses to amortize in a particular rate year will be the rate for that year and will be fixed for the duration of the ten-year repayment period. Should the employer choose to amortize in the next rate year, the interest rate on that amortization will be the rate set for that year, which may be different from the previous rate year. For amounts amortized in 2011, the Comptroller has set an interest rate of 5 percent. The first payment will be due in the fiscal year following the decision to amortize. Part TT of Chapter 57 further provides that when contribution rates fall below legally specified levels and all outstanding amortizations have been paid, employers that elected to amortize will be required to pay additional monies into reserve funds, specific to each employer, which will be used to offset their contributions in the future. These reserve funds will be invested separately from pension assets. Over time, it is expected that this will reduce the budgetary volatility of employer contributions (see the section on "Other Matters Affecting the Financial Plan" in this AIS Update for DOB projections of amounts amortized in FY 2011 and amounts expected to be amortized in FY 2012 through FY 2018.) The State elected to amortize $249.6 million for FY 2011, and 57 participating employers amortized a total of $43.75 million. Please see section on “Pension Amortization”, on pages 13-14 of this AIS Update.

CONTRIBUTIONS

Contributions to the Systems are provided by employers and employees. Employers contribute on the basis of the plan or plans they provide for members. All ERS members joining from mid-1976 through 2009 are required to contribute 3 percent of their salaries for the first ten years of membership. All ERS members joining after 2009, and most PFRS members joining after January 9, 2010, are required to contribute 3 percent of their salaries for their career. Some Tier 5 PFRS members however, may be non-contributory because of the provisions of unexpired collective bargaining agreements.

Legislation enacted in May 2003 realigned the Retirement Systems billing cycle to match participating local governments' budget cycles and also instituted a minimum annual payment. The employer contribution for a given fiscal year is based on the value of the pension fund and its liabilities on the prior April 1. In addition, employers are required to make a minimum contribution of at least 4.5 percent of payroll every year.

Chapter 260 of the Laws of 2004 authorized the State and local employers to amortize over ten years, at five percent interest, a portion of their annual bill for FY 2005, FY 2006 and FY 2007. As of March 31, 2011, the amortized amount receivable for fiscal year 2004-05 from the State is $229.4 million and from participating employers is $48.5 million; the amortized amount receivable for FY 2006 from the State is $87.7 million and from participating employers is $17.2 million; and the amortized amount receivable for FY 2007 from participating employers is $15.8 million. The State did not amortize any portion of its 2007 contributions. The State paid $1,303.2 million in contributions for FY 2011, including amortization payments of some $87.0 million for 2005 and 2006 bills. As noted above, the State elected to amortize $249.6 million for FY 2011 under Part TT of Chapter 57 of the laws of 2010. Amounts amortized are treated as receivables for purposes of calculating assets of the CRF.

PENSION ASSETS AND LIABILITIES

Assets are held exclusively for the benefit of members, pensioners and beneficiaries. Investments for the Systems are made by the Comptroller as trustee of the CRF, a pooled investment vehicle that holds the Systems' assets. The Retirement System reports that the net assets available for benefits as of March 31, 2011 were $149.5 billion (including $3.4 billion in receivables, which consist of employer contributions, member contributions, member loans, accrued interest and dividends, investment sales and other miscellaneous receivables), an increase of $15.3 billion or 11.4 percent from the FY 2010 level of $134.2 billion. This increase reflects, in large part, equity market performance. The Retirement System reports that the present value of anticipated benefits for current members, retirees, and beneficiaries increased from $176.6 billion on April 1, 2009 to $186.8 billion (including $75.6 billion for current retirees and beneficiaries) on April 1, 2010. The funding method used by the Systems anticipates that the net assets, plus future actuarially determined contributions, will be sufficient to pay for the anticipated benefits of current members, retirees and beneficiaries. Actuarially determined contributions are calculated using actuarial assets and the present value of anticipated benefits. Actuarial assets differed from net assets on April 1, 2011 in that amortized cost was used instead of market value for bonds and mortgages, and the non-fixed investments utilized a smoothing method which recognized 20 percent of unexpected gain for the 2011 fiscal year, 40 percent of the unexpected gain for the 2010 fiscal year, 60 percent of the unexpected loss for the 2009 fiscal year and 80 percent of the unexpected gain for the 2008 fiscal year. Actuarial assets increased from $147.7 billion on April 1, 2010 to $148.6 billion on April 1, 2011. The funded ratio, as of April 1, 2011, calculated by the System Actuary in August 2011 using the entry age normal funding method and actuarial assets, was 90 percent. Detail on the funded ratios of ERS and PFRS as of April 1 for each of the 5 years previous to the fiscal year ended March 31, 2010 can be found on page 116 of the NYSLRS' CAFR for the fiscal year ending March 31, 2010.

The tables that follow show net assets, benefits paid and the actuarially determined contributions that have been made over the last ten years. See also "Contributions" above.

CONTRIBUTIONS AND BENEFITS
NEW YORK STATE AND LOCAL RETIREMENT SYSTEMS
(millions of dollars)

Fiscal Year Ended March 31	Contributions Recorded				Total Benefits Paid(3)
	All Participating Employers(1)(2)	Local Employers(1)(2)	State(1)(2)	Employees	
2000	165	11	154	423	3,787
2001	215	112	103	319	4,267
2002	264	199	65	210	4,576
2003	652	378	274	219	5,030
2004	1,287	832	455	222	5,424
2005	2,965	1,877	1,088	227	5,691
2006	2,782	1,714	1,068	241	6,073
2007	2,718	1,730	988	250	6,432
2008	2,649	1,641	1,008	266	6,883
2009	2,456	1,567	889	273	7,265
2010	2,344	1,447	897	284	7,719
2011	4,165	2,406	1,759	286	8,520
2012 (4)	4,940	3,112	1,828	306	8,904

(1) Contributions recorded include the full amount of unpaid amortized contributions.

(2) The annual required contributions (ARC) include the employers' normal costs, the Group Life Insurance Plan amounts, and other supplemental amounts.

(3) Includes payments from Group Life Insurance Plan which funds the first $50,000 of any death benefit paid.
(4) Amounts reflected for FY 2012 are estimates provided by the Division of the Budget.

NET ASSETS AVAILABLE FOR BENEFITS OF THE
NEW YORK STATE AND LOCAL RETIREMENT SYSTEMS (1)
(millions of dollars)

Fiscal Year Ended March 31	Total Assets	Percent Increase/ (Decrease) From Prior Year
2000	128,889	14.3
2001	114,044	(11.5)
2002	112,725	(1.2)
2003	97,373	(13.6)
2004	120,799	24.1
2005	128,038	6.0
2006	142,620	11.4
2007	156,625	9.8
2008	155,846	(0.5)
2009	110,938	(28.8)
2010	134,252	21.0
2011	149,549	11.4

Sources: State and Local Retirement Systems.

(1) Includes relatively small amounts held under Group Life Insurance Plan. Includes some employer contribution receivables. Fiscal year ending March 31, 2011 includes approximately $3.4 billion of receivables.

AUTHORITIES AND LOCALITIES

LOCALITIES

Certain localities outside New York City have experienced financial problems and have requested and received additional State assistance during the last several State fiscal years. While a relatively infrequent practice, deficit financing has become more common in recent years. Between 2004 and July 2010, the State Legislature authorized 21 bond issuances to finance local government operating deficits, including four deficit financing authorizations during the 2009 and 2010 legislative sessions. Furthermore, the State has periodically enacted legislation to create oversight boards in order to address deteriorating fiscal conditions within a locality.

The Buffalo Fiscal Stability Authority has exercised Control Period powers with respect to the City of Buffalo since the City's FY 2004, but may transition to Advisory Period powers during the City's FY 2012. In January 2011, the Nassau County Interim Finance Authority ("NIFA") declared that it was entering a Control Period, citing the "substantial likelihood and imminence" that Nassau will incur a major operating funds deficit of 1 percent or more during the County's FY 2011.

Nassau County commenced a lawsuit challenging NIFA's determination and authority to impose a Control Period, and seeking to enjoin the imposition of the Control Period. State Supreme Court denied the injunction and the County has indicated it is no longer pursuing the lawsuit. NIFA is now operating with Control Period powers.

Erie County has a Fiscal Stability Authority, the City of New York has a Financial Control Board, and the City of Troy has a Supervisory Board, all of which presently perform certain review and advisory functions. The City of Yonkers no longer operates under an oversight board but must adhere to a Special Local Finance and Budget Act. The City of Newburgh operates under fiscal monitoring by the State Comptroller. The potential impact on the State of any future requests by localities for additional oversight or financial assistance is not included in the projections of the State's receipts and disbursements for the State's FY 2012 or thereafter.

Like the State, local governments must respond to changing political, economic and financial influences over which they have little or no control. Such changes may adversely affect the financial condition of certain local governments. For example, the State or Federal government may reduce (or in some cases eliminate) funding of some local programs or disallow certain claims which, in turn, may require local governments to fund these expenditures from their own resources. The expected loss of temporary Federal stimulus funding in 2011 will particularly impact counties and school districts in New York State. The State's cashflow problems have resulted in delays to the payment of State aid, and in some cases, have necessitated borrowing by the localities. Additionally, recent enactment of legislation that caps most local government and school district property tax levies may affect the amount of property tax revenue available for local government and school district purposes. The legislation does not apply to New York City. Changes to sales tax distributions resulting from the 2010 Federal population census may also have a material impact on certain local governments. Ultimately, localities as well as local public authorities may suffer serious financial difficulties that could jeopardize local access to the public credit markets, which may adversely affect the marketability of notes and bonds issued by localities within the State. Localities may also face unanticipated problems resulting from certain pending litigation, judicial decisions and long-range economic trends. Other large-scale potential problems, such as declining urban populations, declines in the real property tax base, increasing pension, health care and other fixed costs, and the loss of skilled manufacturing jobs, may also adversely affect localities and necessitate requests for State assistance.

LITIGATION AND ARBITRATION

METROPOLITAN TRANSPORTATION AUTHORITY

There are several cases in which the plaintiffs challenge the constitutionality of Chapter 25 of the Laws of 2009, which imposed certain taxes and fees, including a regional payroll tax, in that portion of the State lying within the Metropolitan Commuter Transportation District. The revenues derived from this statute are intended to assist the Metropolitan Transportation Authority, which a State commission concluded was facing substantial financial pressure. The plaintiffs seek judgments declaring that the enactment of chapter 25 violated State constitutional provisions relating to the need for a home rule message, supermajority requirements for enactment of special or local laws, single purpose appropriation bill, and liability for the debts of public authorities. Some of the plaintiffs also seek a judgment declaring that the enactment of chapter 25 violated provisions of Public Authority Law §1266 requiring that the Metropolitan Transportation Authority be self-sustaining. These cases include *Hampton Transportation Ventures, Inc. et al. v. Silver et al. (*now in *Sup. Ct., Albany Co.), William Floyd Union Free School District v. State (*now in *Sup. Ct., New York Co.), Town of Brookhaven v. Silver, et al. (*now in *Sup. Ct., Albany Co.), Town of Southampton and Town of Southold v. Silver (*now in *Sup. Ct. Albany Co.), Town of Huntington v. Silver (*now in *Sup. Ct. Albany Co.), Mangano v. Silver (Sup. Ct. Nassau Co.)*, *Town of Smithtown v. Silver (*now part of the *Mangano* case in *Sup. Ct. Nassau Co.),* and *Vanderhoef v. Silver (now in Sup. Ct. Albany Co.)*. Suffolk County, the Orange County Chamber of Commerce, and a number of additional towns, and a village have also joined the *Mangano* case as plaintiffs.

The defendants have sought to change the venue of all of these cases to Albany County or New York County and venue has been changed in most of the cases. The plaintiffs in the *Huntington* and *Hampton* cases have appealed from the orders changing venue; the plaintiff in *Hampton* also moved for reargument and the motion was denied. In *Vanderhoef, Huntington, Floyd, Brookhaven, Southampton/Southold and Hampton,* the defendants have moved for judgment in their favor. In *Mangano*, the Supreme Court, Nassau County denied defendants' motion for change of venue. An appeal of that order is expected.

SCHOOL AID

In *Becker et al. v. Paterson et al. (Sup. Ct., Albany Co.),* plaintiffs seek a judgment declaring that the governor's determination to delay payment of school aid due by statute on December 15, 2009, violated State constitutional provisions related to, among other things, the separation of powers doctrine. Since the commencement of the suit, the moneys at issue were released. Following a February 3, 2010 conference with the court to discuss the status of the case, plaintiffs amended their complaint to reflect late payment of the moneys at issue. Pursuant to a Court-directed schedule, following defendants' answer, plaintiffs moved for summary judgment on March 5, 2010. Defendants cross-moved for summary judgment on April 15, 2010.

In a second case involving the parties, plaintiffs seek a judgment declaring that the governor's determination to delay payment of school aid from March 31, 2010 to June 1, 2010, also violated State constitutional provisions related to, among other things, the separation of powers doctrine. Since the commencement of the suit, the moneys at issue were also released. The defendants answered, claiming that the statue in question, Education Law §3609-a, permitted payment on June 1, 2010, and that March 31, 2010 was merely an authorized pre-payment date. Plaintiffs moved for summary judgment on July 21, 2010 and defendants responded and cross-moved for summary judgment on September 16, 2010.

On January 14, 2011, the Court issued a joint order and decision dismissing both actions as moot because of the payments made after the commencement of the actions. On February 25, 2011, plaintiffs appealed to the Appellate Division, Third Department.

In *Hussein v. State of New York*, plaintiffs seek a judgment declaring that the State's system of financing public education violates section 1 of article 11 of the State Constitution, on the ground that it fails to provide a sound basic education ("SBE"). In a decision and order dated July 21, 2009, Supreme Court, Albany County, denied the State's motion to dismiss the action. On January 13, 2011, the Appellate Division, Third Department, affirmed the denial of the motion to dismiss. On May 6, 2011, the Third Department granted defendants leave to appeal to the Court of Appeals. On May 25, 2011, the Court of Appeals issued a notice that it may examine the merits of the appeal without briefing or oral argument pursuant to Rule 500.11, and invited the parties to submit letter responses.

REPRESENTATIVE PAYEES

In *Weaver et ano. v. State of New York*, filed in the New York State Court of Claims on July 17, 2008 and subsequently amended, two claimants allege that the executive directors of the Office of Mental Health facilities in which the claimants were hospitalized, acting as representative payees under the Federal Social Security Act, improperly received benefits due them and improperly applied those benefits to the cost of their in-patient care and maintenance and, in the case of one of the claimants, also to the cost of her care and maintenance in a state-operated community residence.

The first named claimant initially sought benefits on her own behalf as well as certification of a class of claimants. However, the class claims were dismissed by the Court of Claims on February 10, 2010 for failure to comply with Court of Claims Act § 11(b), which provides that a claim must state when and where the claim arose, the nature of the claim, the items of damage, and the total sum claimed. By decision and order dated March 8, 2011, the Appellate Division, Second Department, affirmed the decision of the Court of Claims.

On June 4, 2010, the State moved for summary judgment against the individual claims on various grounds. By decision and order dated September 27, 2010, the Court of Claims (Ruderman, J.), granted the State's motion for summary judgment and dismissed the individual claims. The Court held that the state statutes relied on by claimants do not apply to Social Security benefits and that executive directors of OMH facilities are acting properly in accordance with the Social Security Act and applicable federal regulations. Claimants served a notice of appeal on November 23, 2010. The appeal is pending.

SALES TAX

There are several cases challenging the State's authority to collect taxes on cigarettes sold on Indian reservations.

In *Oneida Indian Nation of New York v. Paterson, et al.* (and four consolidated cases), the tribal plaintiffs seek judgments declaring that Chapters 134 and 136 of the Laws of 2010, which enacted amendments to the Tax Law regarding collection of excise taxes on reservation cigarette sales to non-tribal members, violate their rights under Federal law, and enjoining the State from enforcing those laws. In four of the five cases, the District Court for the Western District of New York denied plaintiffs' motions for preliminary injunctions but granted a stay of enforcement pending plaintiffs' appeal. In the fifth case, the District Court for the Northern District of New York granted the plaintiff's motion for a preliminary injunction. On May 9, 2011, the Second Circuit Court of Appeals affirmed the Western District's orders denying the plaintiffs' motions for preliminary injunctions, and vacated the Northern

District's order granting the motion for a preliminary injunction, vacated all stays pending appeal, and remanded the cases to the District Courts for further proceedings consistent with the Court's opinion.

In *Day Wholesale Inc., et al. v. State, et al. (Sup. Ct., Erie Co.)*, plaintiffs also seek to enjoin the collection of taxes on cigarettes sold to or by reservation retailers. On August 31, 2010, the Supreme Court, Erie County issued an order vacating two earlier preliminary injunctions of that court barring the collection of such taxes until defendants had taken certain steps to comply with prior law. The Court also denied plaintiffs' motion for a preliminary injunction enjoining enforcement of the provisions of Chapters 134 and 186 of the Laws of 2010.

The plaintiffs in *Day Wholesale* appealed. On September 14, 2010 the Appellate Division, Fourth Department denied plaintiffs' motion for a preliminary injunction pending appeal. Pursuant to the rules of the Appellate Division, Fourth Department, the appeal is deemed abandoned because plaintiffs failed to perfect the appeal within nine months of the filing of the notice of appeal.

On February 10, 2011, the Seneca Nation of Indians commenced *Seneca Nation of Indians v. State of New York, et al.*, in Supreme Court, Erie County, challenging the promulgation of regulations to implement the statutory voucher system intended to enable the State to collect taxes on certain sales of cigarettes on Indian reservations. Plaintiffs seek declaratory judgment that the regulations are void and temporary and permanent injunctions against enforcing both the regulations and the statutory provisions authorizing the voucher system. On May 10, 2011, the Supreme Court, Erie County issued a temporary restraining order that temporarily enjoined the implementation, administration, and enforcement of the statutory system, pending a hearing and determination of plaintiff's motion for a preliminary injunction. On June 8, 2011, the Court issued an order granting defendants' motion for summary judgment and vacating the temporary restraining order. Plaintiff appealed and that appeal is pending in the Appellate Division, Fourth Department. On June 21, 2011, the Appellate Division, Fourth Department, denied plaintiff's motion for a preliminary injunction pending appeal, and plaintiff moved for leave to appeal to the Court of Appeals from the denial of that motion. Plaintiff's motion for leave to appeal is pending. On June 23, 2011, a Judge of the Court of Appeals declined to stay the implementation, administration and enforcement of the statutory system pending the appeal to the Court of Appeals.

In July 2011, plaintiffs commenced *Akwesasne Convenience Store Association et al. v. State of New York,* in Supreme Court, Erie County, against the State of New York and other defendants, seeking a declaration that the statutory voucher system impermissibly burdens Indian commerce and is preempted by Federal law and further seeking to enjoin the implementation, administration or enforcement of the system. The court denied plaintiffs' request for a temporary restraining order and, by decision dated August 18, 2011, also denied plaintiffs' subsequent motion for a preliminary injunction.

PERSONAL INJURY CLAIMS

In *Watson v. State* (Court of Claims) claimants seek damages arising out of a motor vehicle accident in which four members of a family were injured. On February 2, 2010, the Court of Claims granted summary judgment on the issue of liability to claimants. Pursuant to negotiations among the parties, all claims were settled on February 8, 2011 for a total of $19 million. All infant compromise and Surrogate's Court proceedings have been completed and the settlement process is being completed.

INSURANCE DEPARTMENT ASSESSMENTS

In New *York Insurance Association, Inc. v. State (Sup. Ct., Albany Co.)*, several insurance companies and an association of insurance companies seek a declaration that certain assessments issued against the plaintiff insurance companies by the Insurance Department pursuant to Insurance Law § 332 violate the Insurance Law and the State and Federal Constitutions to the extent that the assessments include amounts for items that are not direct expenses of the Insurance Department. The State filed its answer on May 4, 2010. On June 9, 2010, the State filed a motion for summary judgment. By decision dated March 10, 2011, plaintiffs' motion for permission to conduct discovery prior to responding to the State's motion for summary judgment was granted. Plaintiffs have since filed an amended complaint adding challenges to assessments issued after the commencement of this action and the State has withdrawn its motion for summary judgment without prejudice. The State has filed its answer to the amended complaint and is engaged in the discovery process.

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CASHFLOW
GENERAL FUND
FY 2012
(dollars in millions)

	2011 April Actuals	May Actuals	June Actuals	July Actuals	August Projected	September Projected	October Projected	November Projected	December Projected	2012 January Projected	February Projected	March Projected	Total
OPENING BALANCE	1,376	4,510	1,809	2,492	1,884	1,581	4,984	4,023	2,737	2,484	6,664	5,921	1,376
RECEIPTS:													
Personal Income Tax	4,153	1,072	2,610	1,661	1,829	2,660	1,693	1,336	353	5,145	1,815	1,674	26,001
User Taxes and Fees	689	667	892	716	711	917	687	691	865	730	618	922	9,105
Business Taxes	161	28	1,173	(36)	58	1,321	61	62	1,255	52	75	1,891	6,101
Other Taxes	65	132	74	88	86	86	85	85	85	85	82	77	1,030
Total Taxes	5,068	1,899	4,749	2,429	2,684	4,984	2,526	2,174	2,558	6,012	2,590	4,564	42,237
Licenses, Fees, etc.	46	64	56	29	44	44	43	45	48	42	46	(52)	455
Abandoned Property	1	0	39	32	10	62	23	147	62	73	56	250	755
ABC License Fee	5	5	6	5	4	4	3	3	3	4	5	2	49
Motor vehicle fees	0	0	13	0	0	7	21	21	21	21	21	7	132
Reimbursements	4	7	56	2	12	20	12	12	23	9	10	35	202
Investment Income	1	0	1	1	0	0	1	0	0	1	1	4	10
Other Transactions	21	16	146	46	43	366	39	41	85	39	68	585	1,495
Total Miscellaneous Receipts	78	92	317	115	113	503	142	269	242	189	207	831	3,098
Federal Grants	2	13	0	0	0	15	0	0	15	0	0	15	60
PIT in Excess of Revenue Bond Debt Service	1,385	211	1,000	491	241	1,051	324	168	1,014	1,023	326	862	8,096
Sales Tax in Excess of LGAC Debt Service	201	98	378	215	151	283	209	210	265	221	3	175	2,409
Real Estate Taxes in Excess of CW/CA Debt Service	38	41	19	41	56	34	37	25	31	30	26	17	395
All Other	96	2	17	13	15	55	42	22	27	6	(48)	751	998
Total Transfers from Other Funds	1,720	352	1,414	760	463	1,423	612	425	1,337	1,280	307	1,805	11,898
TOTAL RECEIPTS	6,868	2,356	6,480	3,304	3,260	6,925	3,280	2,868	4,152	7,481	3,104	7,215	57,293
DISBURSEMENTS:													
School Aid	233	2,579	1,894	120	532	1,190	560	975	1,580	230	480	6,429	16,802
Higher Education	32	19	525	130	300	73	470	57	175	40	323	434	2,578
All Other Education	23	21	223	256	70	53	237	160	21	236	97	335	1,732
Medicaid - DOH	962	904	983	1,327	811	332	1,073	1,214	654	789	927	260	10,236
Public Health	15	18	41	72	137	79	29	75	86	22	23	145	742
Mental Hygiene	19	2	387	3	4	544	6	1	380	137	118	280	1,881
Children and Families	8	114	230	67	86	239	76	104	186	83	74	448	1,715
Temporary & Disability Assistance	326	63	65	166	143	122	75	75	95	75	18	179	1,402
Transportation	0	24	0	0	24	0	0	24	15	0	10	3	100
Unrestricted Aid	1	12	294	0	3	101	2	2	205	2	2	143	767
All Other	(30)	16	190	20	59	72	(39)	43	35	38	482	47	933
Total Local Assistance Grants	1,589	3,772	4,832	2,161	2,169	2,805	2,489	2,730	3,432	1,652	2,554	8,703	38,888
Personal Service	602	525	598	554	623	347	335	422	495	332	508	219	5,560
Non-Personal Service	199	125	90	143	166	118	123	161	123	131	180	237	1,796
Total State Operations	801	650	688	697	789	465	458	583	618	463	688	456	7,356
General State Charges	404	322	119	419	302	174	243	427	188	326	290	1,454	4,668
Debt Service	522	22	(129)	377	(4)	(107)	552	0	(84)	423	(18)	(105)	1,449
Capital Projects	(23)	52	52	15	59	(42)	87	81	(48)	130	67	370	800
State Share Medicaid	273	202	206	217	200	202	273	274	274	278	248	385	3,032
Other Purposes	168	37	29	26	48	25	139	59	25	29	18	136	739
Total Transfers to Other Funds	940	313	158	635	303	78	1,051	414	167	860	315	786	6,020
TOTAL DISBURSEMENTS	3,734	5,057	5,797	3,912	3,563	3,522	4,241	4,154	4,405	3,301	3,847	11,399	56,932
Excess/(Deficiency) of Receipts over Disbursements	3,134	(2,701)	683	(608)	(303)	3,403	(961)	(1,286)	(253)	4,180	(743)	(4,184)	361
CLOSING BALANCE	4,510	1,809	2,492	1,884	1,581	4,984	4,023	2,737	2,484	6,664	5,921	1,737	1,737

Source: NYS DOB