New York State
Statement of Updated Annual Information

For FY 2019
(Ended March 31, 2019)

Pursuant to Continuing Disclosure Agreements Entered Into By the State of New York as "Obligated Person"

Andrew M. Cuomo, Governor
Robert F. Mujica Jr., Budget Director

July 29, 2019

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Section 1
Extracts of Certain Sections From the Annual Information Statement of the State of New York

The information contained in this Section 1 consists of extracts from the State's Annual Information Statement, dated June 12, 2019 (the "AIS").

The extracted information included in this Section 1 is not intended to and does not in any way update or change any of the information contained in the AIS.

Section 1: Subsection A

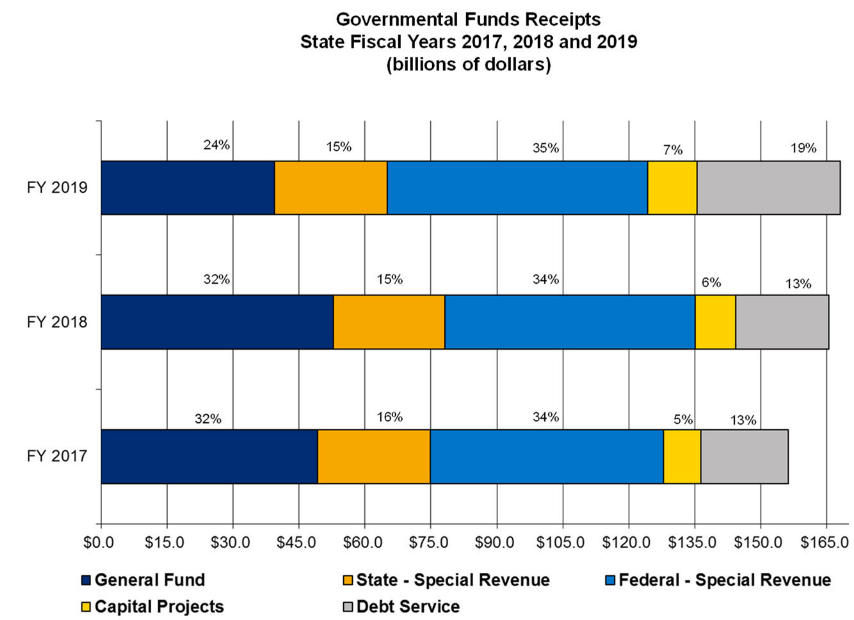
“Prior Fiscal Years”
Extract From AIS

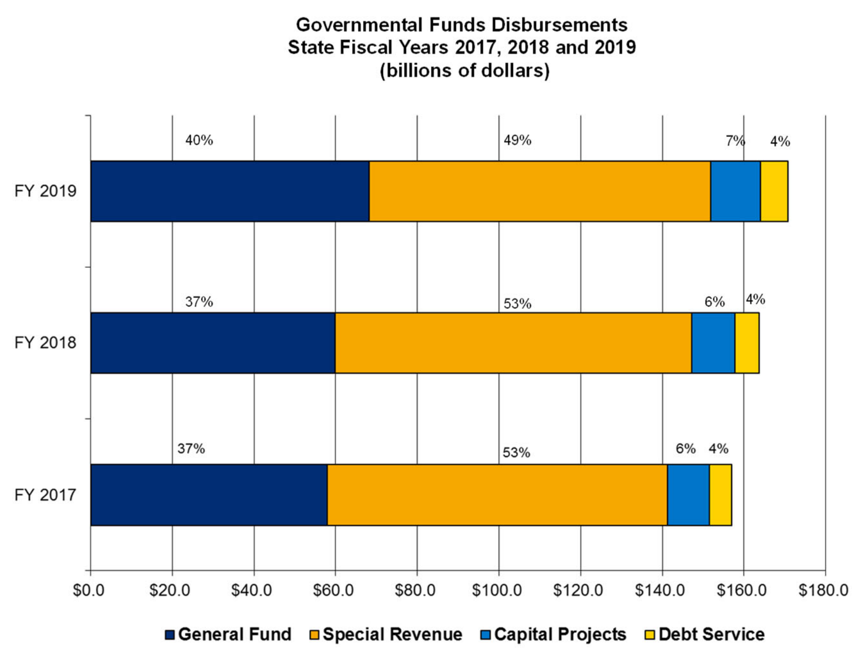
The extracted information included in this Subsection A is not intended to and does not in any way update or change any of the information contained in the AIS.

Capitalized terms used in this Subsection A and not otherwise defined shall have the meanings ascribed to them in the AIS.

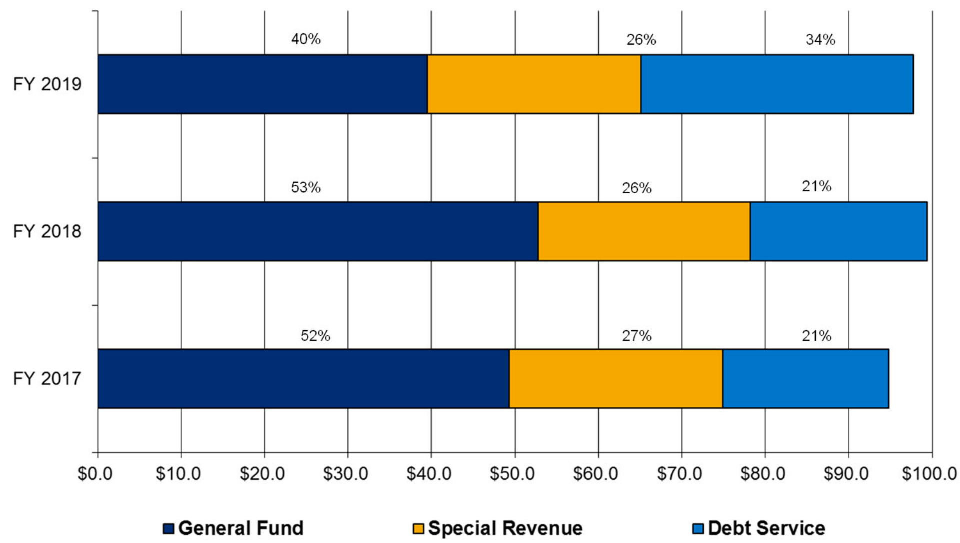
Prior Fiscal Years

The following six charts show the composition of the State's governmental funds, State Operating Funds and the General Fund as of March 31, 2019. Following the tables is a summary of the cash-basis results for the State's three most recent fiscal years.

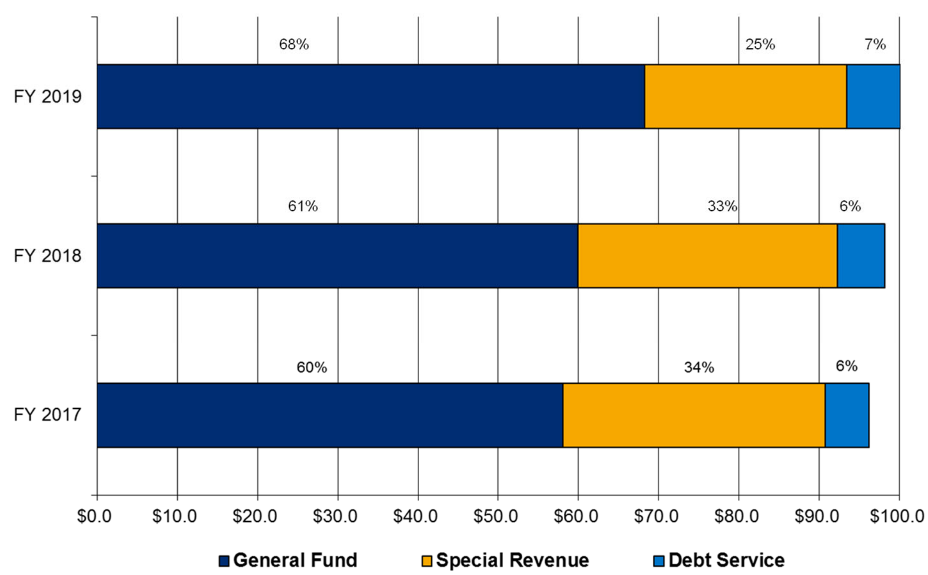




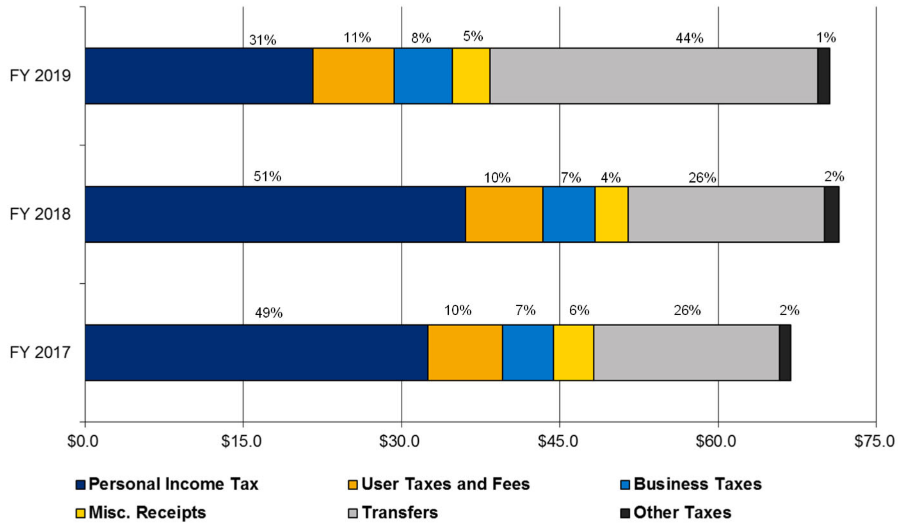
State Operating Funds Receipts
State Fiscal Years 2017, 2018 and 2019
(billions of dollars)



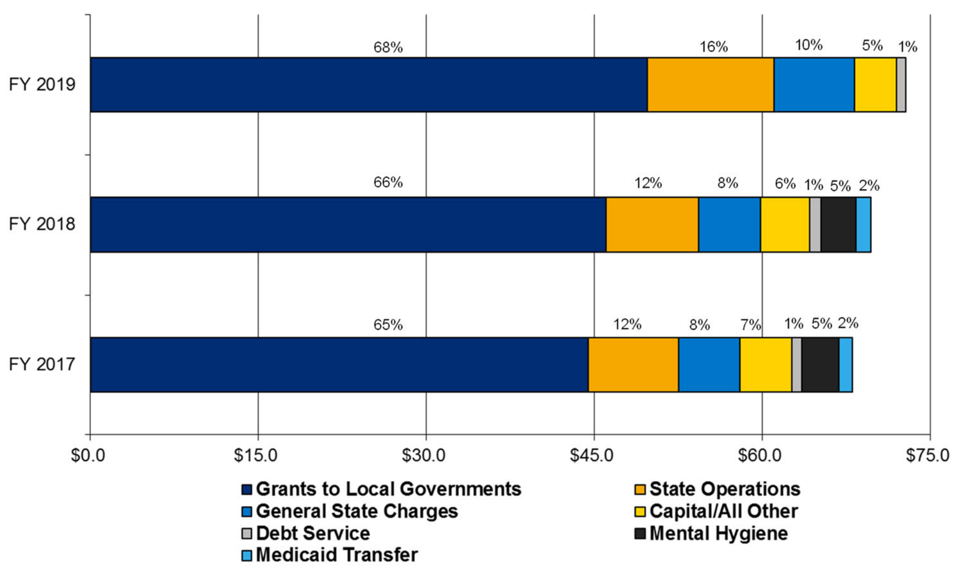
State Operating Funds Disbursements
State Fiscal Years 2017, 2018 and 2019
(billions of dollars)



General Fund Receipts and Transfers by Source
State Fiscal Years 2017, 2018 and 2019
(billions of dollars)



General Fund Disbursements and Transfers by Type
State Fiscal Years 2017, 2018 and 2019
(billions of dollars)



The State reports its financial results on the cash basis of accounting, showing receipts and disbursements; and the GAAP basis (including modified accrual and full accrual), as prescribed by GAAP, showing revenues and expenditures. With the exception of FY 2019 financial results, the State's GAAP-basis financial results set forth in this section have been audited. Note that the FY 2019 financial results included in this AIS are preliminary and unaudited.

Cash-Basis Results for Prior Fiscal Years

General Fund FY 2017 Through FY 2019

The General Fund is the principal operating fund of the State and is used to account for all financial transactions, except those required by law to be accounted for in another fund. It is the State's largest single fund and receives most State taxes and other resources not dedicated to particular purposes. General Fund moneys in prior fiscal years were also transferred to other funds, primarily to support certain State share Medicaid payments, capital projects and debt service payments in other fund types. In some cases, the fiscal year results provided below may exclude certain timing-related transactions which have no net impact on operations.

In the cash basis of accounting, the State defines a balanced budget in the General Fund in any given fiscal year as (a) the ability to make all planned payments anticipated in the Financial Plan, including tax refunds, without the issuance of deficit bonds or notes or extraordinary cash management actions, (b) the restoration of the balances in the Rainy Day Reserves to a level equal to or greater than the level at the start of the fiscal year, and (c) maintenance of other designated balances, as required by law.

The State has allowed limited spending growth to meet the demand for services. In addition, rainy day reserve fund balances have been supported and maintained. The following table summarizes General Fund results for the prior three fiscal years.

COMPARISON OF GENERAL FUND RECEIPTS AND DISBURSEMENTS
FY 2017 THROUGH FY 2019
(millions of dollars)

	FY 2017	FY 2018	FY 2019
OPENING FUND BALANCE	8,934	7,749	9,445
Personal Income Tax (1)	32,535	36,037	21,621
Consumption/User Taxes:			
Sales and Use Tax(2)	6,483	6,776	7,091
Cigarette and Tobacco Tax	360	342	328
Alcoholic Beverage Taxes	258	259	262
Subtotal	7,101	7,377	7,681
Business Taxes:			
Corporation Franchise Tax	2,476	2,326	3,410
Corporation and Utilities Taxes	538	570	495
Insurance Taxes	1,410	1,610	1,638
Bank Tax	337	410	(42)
Subtotal	4,761	4,916	5,501
Other Taxes:			
Estate and Gift Taxes	1,091	1,308	1,068
Pari-mutuel Tax	16	15	15
Other Taxes	3	3	3
Subtotal	1,110	1,326	1,086
Miscellaneous Receipts & Federal Grants	3,813	3,129	3,586
Transfers from Other Funds:			
PIT in excess of Revenue Bond debt service(1)	10,275	10,909	21,346
Sales Tax in excess of Revenue Bond debt service	2,672	2,763	2,653
Sales Tax in Excess of LGAC Debt Service	2,870	3,098	3,113
All Other Transfers	1,758	1,865	3,957
Subtotal	17,575	18,635	31,069
TOTAL RECEIPTS	66,895	71,420	70,544
Grants to Local Governments:			
School Aid	21,017	22,015	23,080
Medicaid	12,178	13,398	14,340
All Other Local Aid	11,244	10,659	12,325
State Operations:			
Personal Service	6,065	6,136	8,719
Non-Personal Service	2,022	2,092	2,622
General State Charges	5,462	5,572	7,139
Transfers to Other Funds:			
In Support of Debt Service	924	1,047	786
In Support of Capital Projects	2,569	2,191	1,888
State Share Medicaid(3)	1,239	1,333	(29)
Mental Hygiene Facilities(3)	3,287	3,127	0
SUNY Operations	996	1,015	1,020
All Other Transfers	1,077	1,139	893
Subtotal	10,092	9,852	4,558
TOTAL DISBURSEMENTS	68,080	69,724	72,783
Excess (Deficiency) of Receipts and Other Financing Sources over Disbursements and Other Financing Uses	(1,185)	1,696	(2,239)
CLOSING FUND BALANCE	7,749	9,445	7,206

Sources: NYS Office of the State Comptroller. Financial Plan categorical detail by NYS Division of the Budget.

(1) Excludes personal income tax receipts that flow into the Revenue Bond Tax Fund (RBTF) in the first instance and are then transferred to the General Fund after debt service obligation is satisfied. FY 2019 enacted budget legislation doubled the level of required RBTF deposits, from 25 percent to 50 percent of PIT receipts.

(2) Excludes sales tax in excess of LGAC Debt Service and Sales Tax Revenue Bond Fund.

(3) Reflects the reclassification in FY 2019 of certain mental hygiene spending from special revenue funds to the General Fund. As a result of the reclassification that began in FY 2019, the State share of mental hygiene Medicaid is transferred within the General Fund, rather than out of the General Fund to a Special Revenue Fund.

FY 2019

The State ended FY 2019 in balance on a cash basis in the General Fund, based on preliminary, unaudited results. General Fund receipts, including transfers from other funds, totaled $70.5 billion. General Fund disbursements, including transfers to other funds, totaled $72.8 billion. The State ended FY 2019 with a General Fund balance of $7.2 billion, a decrease of $2.2 billion from FY 2018 results. The decline in the fund balance is largely attributable to the use of $1.9 billion in cash received in FY 2018. These funds are related to the acceleration of an estimated $1.9 billion in PIT payments as taxpayers responded to the $10,000 limit on SALT deductibility of income and property taxes enacted by Congress and effective for tax year 2018.[24] In addition, the Extraordinary Monetary Settlements balance has declined consistent with planned spending.

FY 2018

The State ended FY 2018 in balance on a cash basis in the General Fund. General Fund receipts, including transfers from other funds, totaled $71.4 billion. General Fund disbursements, including transfers to other funds, totaled $69.7 billion. The State ended FY 2018 with a General Fund balance of $9.4 billion, an increase of $1.7 billion from FY 2017 results. The higher balance is due to acceleration of an estimated $1.9 billion in PIT payments as taxpayers responded to SALT deductibility.

FY 2017

The State ended FY 2017 in balance on a cash basis in the General Fund. General Fund receipts, including transfers from other funds, totaled $66.9 billion. General Fund disbursements, including transfers to other funds, totaled $68.1 billion. The State ended FY 2017 with a General Fund balance of $7.7 billion, a decrease of $1.2 billion from FY 2016 results, mainly due to the change in Extraordinary Monetary Settlement funds on hand, including the planned transfer to pay for spending appropriated from capital projects funds ($965 million). The decrease also reflects the use of balances, as planned, to fund: the costs of labor settlements reached in FY 2017 that covered current and prior contract periods ($140 million); expenses related to the timing of FY 2016 payments ($73 million); and disbursements from Community Projects Fund re-appropriations ($7 million).

State Operating Funds FY 2017 Through FY 2019

State Operating Funds is composed of the General Fund, State special revenue funds and debt service funds. The State Operating Funds perspective is primarily intended as a measure of State-financed spending. Similar to the General Fund, spending growth in State Operating Funds in recent years has also been limited.

FY 2019

State Operating Funds receipts totaled $97.7 billion in FY 2019, a decrease of $1.7 billion over the FY 2018 results. Disbursements totaled $100.1 billion in FY 2019, an increase of $2.0 billion or 2 percent from the FY 2018 results. The State ended FY 2019 with a State Operating Funds cash balance of $12.4 billion.

FY 2018

State Operating Funds receipts totaled $99.4 billion in FY 2018, an increase of $4.5 billion over the FY 2017 results. Disbursements totaled $98.2 billion in FY 2018, an increase of $2.0 billion or 2 percent from the FY 2017 results. The State ended FY 2018 with a State Operating Funds cash balance of $13.6 billion.

FY 2017

State Operating Funds receipts totaled $94.8 billion in FY 2017, a decrease of $1.8 billion over the FY 2016 results. Disbursements totaled $96.2 billion in FY 2017, an increase of $1.9 billion or 2 percent from the FY 2016 results. The State ended FY 2017 with a State Operating Funds cash balance of $11.6 billion.

CASH FINANCIAL PLAN
STATE OPERATING FUNDS BUDGET
FY 2019
(millions of dollars)

	General Fund	State Special Revenue Funds	Debt Service Funds	State Operating Funds Total
Opening Fund Balance	**9,445**	**4,009**	**153**	**13,607**
Receipts:				
Taxes	35,889	6,121	32,134	74,144
Miscellaneous Receipts	3,586	19,466	433	23,485
Federal Receipts	0	(1)	74	73
Total Receipts	**39,475**	**25,586**	**32,641**	**97,702**
Disbursements:				
Local Assistance	49,745	16,432	0	66,177
State Operations:				
Personal Service	8,719	4,968	0	13,687
Non-Personal Service	2,622	2,710	38	5,370
General State Charges	7,139	1,065	0	8,204
Debt Service	0	0	6,699	6,699
Capital Projects	0	0	0	0
Total Disbursements	**68,225**	**25,175**	**6,737**	**100,137**
Other Financing Sources (Uses):				
Transfers from Other Funds*	31,069	1,906	3,537	36,512
Transfers to Other Funds*	(4,558)	(1,235)	(29,529)	(35,322)
Bond and Note Proceeds	0	0	0	0
Net Other Financing Sources (Uses)	**26,511**	**671**	**(25,992)**	**1,190**
Excess (Deficiency) of Receipts and Other Financing Sources (Uses) Over Disbursements	**(2,239)**	**1,082**	**(88)**	**(1,245)**
Closing Fund Balance	**7,206**	**5,091**	**65**	**12,362**

Source: NYS DOB.

*Actual reported transfer amounts include eliminations between State Special Revenue Funds and Federal Special Revenue Funds.

CASH FINANCIAL PLAN
STATE OPERATING FUNDS BUDGET
FY 2018
(millions of dollars)

	General Fund	State Special Revenue Funds	Debt Service Funds	State Operating Funds Total
Opening Fund Balance	**7,749**	**3,732**	**144**	**11,625**
Receipts:				
Taxes	49,656	7,639	20,658	77,953
Miscellaneous Receipts	3,129	17,734	471	21,334
Federal Receipts	0	1	73	74
Total Receipts	**52,785**	**25,374**	**21,202**	**99,361**
Disbursements:				
Local Assistance	46,072	19,532	0	65,604
State Operations:				
Personal Service	6,136	7,034	0	13,170
Non-Personal Service	2,092	3,517	42	5,651
General State Charges	5,572	2,281	0	7,853
Debt Service	0	0	5,873	5,873
Capital Projects	0	0	0	0
Total Disbursements	**59,872**	**32,364**	**5,915**	**98,151**
Other Financing Sources (Uses):				
Transfers from Other Funds*	18,635	7,949	3,873	30,457
Transfers to Other Funds*	(9,852)	(682)	(19,151)	(29,685)
Bond and Note Proceeds	0	0	0	0
Net Other Financing Sources (Uses)	**8,783**	**7,267**	**(15,278)**	**772**
Excess (Deficiency) of Receipts and Other Financing Sources (Uses) Over Disbursements	**1,696**	**277**	**9**	**1,982**
Closing Fund Balance	**9,445**	**4,009**	**153**	**13,607**

Source: NYS DOB.

*Actual reported transfer amounts include eliminations between State Special Revenue Funds and Federal Special Revenue Funds.

CASH FINANCIAL PLAN
STATE OPERATING FUNDS BUDGET
FY 2017
(millions of dollars)

	General Fund	State Special Revenue Funds	Debt Service Funds	State Operating Funds Total
Opening Fund Balance	**8,934**	**3,547**	**160**	**12,641**
Receipts:				
Taxes	45,507	8,101	19,381	72,989
Miscellaneous Receipts	3,813	17,487	458	21,758
Federal Receipts	0	(1)	73	72
Total Receipts	**49,320**	**25,587**	**19,912**	**94,819**
Disbursements:				
Local Assistance	44,439	19,930	0	64,369
State Operations:				
Personal Service	6,065	7,028	0	13,093
Non-Personal Service	2,022	3,527	38	5,587
General State Charges	5,462	2,172	0	7,634
Debt Service	0	0	5,514	5,514
Capital Projects	0	2	0	2
Total Disbursements	**57,988**	**32,659**	**5,552**	**96,199**
Other Financing Sources (Uses):				
Transfers from Other Funds*	17,575	7,733	3,609	28,917
Transfers to Other Funds*	(10,092)	(476)	(17,985)	(28,553)
Bond and Note Proceeds	0	0	0	0
Net Other Financing Sources (Uses)	**7,483**	**7,257**	**(14,376)**	**364**
Excess (Deficiency) of Receipts and Other Financing Sources (Uses) Over Disbursements	**(1,185)**	**185**	**(16)**	**(1,016)**
Closing Fund Balance	**7,749**	**3,732**	**144**	**11,625**

Source: NYS DOB.

*Actual reported transfer amounts include eliminations between State Special Revenue Funds and Federal Special Revenue Funds.

All Funds FY 2017 Through FY 2019

The All Funds Financial Plan records the operations of the four governmental fund types: the General Fund, special revenue funds, capital projects funds, and debt service funds. It is the broadest measure of State governmental activity, and includes spending from Federal funds and capital projects funds.

FY 2019

All Funds receipts were $2.6 billion (1.6 percent) higher than the prior year, comprising $3.7 billion in lower tax receipts (4.7 percent), which was more than offset by $3.9 billion in higher miscellaneous receipts and $2.4 billion in additional Federal aid.

PIT receipts decreased by $3.4 billion (6.6 percent) due to a significant decline in current estimated payments (related to taxpayer response to the cap on SALT deductions) and growth in credits paid for property tax relief and STAR programs. The decrease was partially offset by modest growth in withholding receipts, and a decline in total Tax Year 2017 current refunds as the result of a nearly $500 million year over year increase in the FY 2018 administrative refund cap.

The declines in all other taxes includes the direct remittance of the PMT collections to the MTA beginning in FY 2019, which previously passed-through the State and were thus included in the FY 2018 receipts ($1.4 billion). In addition, estate tax payments were lower due to year-over-year decreases in the number of super-large estate tax payments. These declines were partly offset by higher Consumption/User tax collections ($645 million) due to growth in sales tax and the return to more normal refund levels for HUT. Business taxes were also higher than prior-year ($748 million) due to higher gross receipts and lower refunds, partially offset by lower audits.

Miscellaneous receipts were $3.9 billion (14.4 percent) higher in the current year mainly due to the receipt of a payment from Fidelis Care pursuant to the sale of substantially all its assets to Centene Corporation ($1 billion); unplanned extraordinary settlement moneys ($328 million); HCRA receipts ($136 million), Lottery ($94 million), Licenses and Fees ($74 million), revenues deposited into the newly created Charitable Gifts Trust Fund ($93 million) and increases in various fees deposited to Special Revenue funds across multiple agencies. Higher bond proceed reimbursements ($1.8 billion) were primarily associated with DOT and SUNY and were partly offset by the lower receipts from ESDC.

Federal grants were $2.4 billion higher, consistent with Federal operating aid disbursements described below.

All Funds spending was $7.1 billion (4.4 percent) higher than FY 2018. The increase resulted largely from higher Federal operating spending ($3.5 billion), higher State Operating Funds spending ($2.0 billion) and higher Capital Projects Fund spending ($1.6 billion).

State Operating Funds spending totaled $100.1 billion, an increase of nearly $2 billion (2 percent) compared to the prior-year. Growth in School Aid ($946 million) and Medicaid ($888 million) was partially offset by lower aggregate spending in all other programs and purposes.

School Aid spending growth is largely due to increase in General Aid payments ($905 million) and the timing of SUFPK aid payments to New York City which were delayed from FY 2018 to FY 2019 ($228 million). These increases were partially offset by lower spending for Teachers' Retirement ($221 million).

Medicaid Program growth is largely due to increased enrollment and utilization of the program ($1.5 billion). In particular, enrollment in the Managed Long Term Care program which generally serves a more expensive population experienced growth of roughly 13 percent over the prior year. These increases are partially offset by credits of $427 million, including prescription drug rebates for Medicaid recipients. Other savings were realized from the ACA tax reconciliation and use of tobacco settlement funds to partially offset the costs of the State's takeover of local Medicaid growth ($427 million).

Lower other local assistance spending was primarily related to the direct flow of PMT collections to the MTA, which previously passed through the State and was included in the FY 2018 results, and the transition of STAR from a spending program into a PIT tax credit.

Executive agency operations spending growth reflects certain transportation operating costs that were moved from the DHBTF to the General Fund beginning in the current year ($291 million). Excluding these costs, Executive agency operations declined. Operating spending for elected officials increased due to personal service costs associated with collectively bargained retroactive payments. SUNY costs reflect retroactive salary payments that were more than offset by a change in accounting for campus funded scholarship payments.

Higher fringe benefits spending is driven by planned cost increases for the State's share of employee health insurance and workers compensation payments.

Higher debt service spending is mostly attributable to the prepayment of FY 2020 obligations at the end of FY 2019.

Capital Projects Fund spending increases reflect higher expenses for the MTA ($674 million), DOH ($138 million), State and Municipalities projects ($137 million), ESDC ($159 million), and DEC ($225 million).

Growth in Federal operating aid spending was driven mainly by:

- Medicaid ($2.3 billion) program growth consistent with the summary above, as well as payments to providers serving a disproportionate share of low income individuals;
- Social Services ($609 million) timing of payments related to Child Care ($385 million), Flexible Fund for Family Services ($198 million), and public assistance benefit payments ($55 million); offset by lower Supplemental Nutrition Assistance Program (SNAP) payments ($54 million);
- School Aid ($396 million) increases in Federal Every Student Succeeds Act (ESSA) grants;
- Medicaid Administration ($315 million) resolution of FY 2016 CMS deferrals; and
- Special Education ($271 million) Individuals with Disabilities in Education (IDEA) flow-through grants.

FY 2018

All Funds receipts were $9.1 billion (5.8 percent) higher than the prior year, comprised of $4.9 billion in higher tax receipts (6.6 percent), $3.5 billion in Federal aid, and $670 million in miscellaneous receipts.

PIT, the largest contributor to the growth in tax receipts, was $3.9 billion (8.3 percent) higher, due to a $3.4 billion increase in tax year 2017 estimated payments and a $2.7 billion increase in withholding. These increases were partially offset by a $1.1 billion increase in tax year 2016 refunds, a $608 million decline in extension payments, and accelerated tax year 2017 refund payments of $500 million. The increase in tax year 2016 refunds was mostly timing-related. The amount of refunds paid in January through March was $2.55 billion in FY 2016, $1.75 billion in FY 2017, and $2.25 billion in FY 2018.

All other taxes were $958 million (3.6 percent) higher, mainly due to higher sales tax ($504 million), higher estate tax collections resulting from two large payments exceeding $100 million ($217 million), and business taxes driven by higher audit receipts ($185 million).

Miscellaneous receipts were $670 million (2.5 percent) higher in the current year, mainly due to higher bond proceeds reimbursements ($1.0 billion), offset by a decline in extraordinary monetary settlements ($477 million).

Federal grants were $3.5 billion (6.4 percent) higher, largely driven by Federal operating aid disbursements, as well as the timing of reimbursements for program costs initially financed by the State.

All Funds spending was $6.7 billion (4.3 percent) higher than FY 2017. The increase resulted largely from higher Federal operating spending ($4.3 billion), higher State Operating Funds spending ($1.95 billion) and higher Capital Projects Fund spending ($484 million).

State Operating Funds spending totaled $98.2 billion, an increase of almost $2 billion (2 percent) compared to the prior year.

Growth in School Aid ($1.1 billion) and Medicaid ($902 million) was partially offset by lower spending in other local assistance programs ($775 million). Higher School Aid spending was almost entirely for General Aid ($1.2 billion), which was partially offset by decreased spending on Teacher Retirement Systems ($144 million). Medicaid spending growth is due to increased claims for monthly managed care and long-term care programs ($1.4 billion), partly offset by increased Federal reimbursement for the EP spending ($269 million).

The annual decline in all other local assistance spending is mainly driven by the conversion of the New York City STAR benefit to a tax credit, and lower than expected payments for child care, and increased Mental Hygiene Stabilization Fund (MHSF) offsets resulting from DOH Medicaid savings.

Compared to the prior year, Executive agency operational spending decreased by $15 million (0.1 percent), while spending for University Systems and elected officials increased. Higher spending for SUNY mainly occurred in hospital operations. Judiciary spending included retroactive salary payments made pursuant to collective bargaining contracts settled in FY 2018.

Higher fringe benefits spending included expected increases for the State's share of employee health insurance.

Debt service spending reflects the impact of the FY 2018 prepayment of expenses due in FY 2019.

Capital Projects Fund spending increased by $484 million, primarily due to expenses for the Moynihan Station construction project ($275 million), continued implementation of the Housing Capital Plan ($148 million), and mental hygiene projects ($140 million).

Federal operating spending grew by $4.3 billion, with higher spending for Medicaid ($3.2 billion), Public Health/CHP ($692 million), EP ($618 million), and Children and Family Services ($297 million) driven by increased child welfare spending. Higher Medicaid spending was driven by enrollment growth ($2.6 billion) and increased spending in DSRIP ($1.5 billion), offset by Medicaid recovery from audits. Increased spending in Public Health was primarily driven by the CHP program as the result of increased enrollment. Growth in the EP was the result of increased enrollment in the program. The higher spending was partially offset by reduced spending for School Aid attributable to Title I Grants for districts with high percentages of students from low-income families ($504 million).

FY 2017

All Funds tax receipts were $301 million (-0.4 percent) lower than the prior year results, primarily attributable to a decline in business taxes ($905 million) due to lower gross receipts and a year-over-year decline in other taxes ($393 million) as a result of the continued phase-in of the estate tax cut enacted in 2014. Partly offsetting the annual decline were higher PIT receipts ($510 million), which experienced relatively low growth due to weaker than anticipated estimated payments and withholding components, and an increase in Consumption/Use Taxes ($487 million) consistent with anticipated levels. Miscellaneous receipts were $674 million below the prior year, largely due to the timing associated with the receipt of one-time Extraordinary Monetary Settlement proceeds in FY 2016, including over $1.3 billion from BNP alone. Federal grants were $4.1 billion higher than FY 2016, consistent with the impact of the annual changes in Federal spending described in more detail below.

Through March 2017, All Funds spending was $6.3 billion (4.2 percent) higher than FY 2016, which was comprised of higher spending for State Operating Funds ($1.9 billion), Capital Projects Funds ($1.2 billion), and Federal Operating Funds ($3.2 billion).

State Operating Funds spending during FY 2017 was $1.9 billion, or 2 percent, higher than total State Operating Funds spending during FY 2016. This increase was primarily attributable to the growth in School Aid ($1 billion), Medicaid and EP ($887 million), and transportation ($232 million), all of which was consistent with budgeted growth levels. Agency operations grew by $279 million, or 1.1 percent, reflecting the impact of retroactive collective bargaining agreements, which increased personal service costs, and budgeted growth in pension and health insurance expenses. Debt service spending in FY 2017 declined by $85 million, or 1.5 percent, from FY 2016, which was due largely to the impact of pre-payment expenses over the multi-year period; of which a greater share of such payment was made during FY 2016, thus driving an annual decline in base expenses for FY 2017. This decline was later mostly back-filled with additional pre-payments afforded by under-spending from other program areas.

School aid growth of $1 billion from FY 2016 to FY 2017 was consistent with program growth budgeted on an annual basis. Annual growth in Medicaid spending ($887 million) was consistent with initial spending projections, with the exception of an additional $31 million increase to the Medicaid Global Cap to fund updated costs associated with minimum wage increases. In addition, significant levels of Medicaid spending moved from the General Fund to HCRA and from state operations categories to local assistance, with no net impact to overall spending estimates within the Financial Plan and Global Cap. Annual spending growth for transit aid was largely attributable to increased revenue pass-thru to MTA ($116 million) and Metropolitan Mass Transportation Operating Assistance (MMTOA) ($121 million).

Growth in agency operations ($279 million) was due to higher personal service costs ($112 million), which was primarily attributable to general salary increases that were agreed to as part of multiple retroactive collective bargaining settlements reached during FY 2017. In addition, higher annual fringe benefit expenses ($182 million) reflected growth for pensions, including additional costs associated with legislation allowing for extra pension credits for eligible veterans meeting specific criteria in their application for such credits, and health insurance as a result of growth in utilization expenses and rate renewal costs.

Federal spending growth is largely driven by Medicaid and EP spending ($4.2 billion), most significantly reflecting the escalating cost impact associated with various Federal health care transformation initiatives (including new spending for the EP), and several significant retroactive share and claiming adjustments from prior years that were effectuated during FY 2017. Significant Federal spending declines relative to FY 2016 were driven largely by Social Services ($615 million), in part a result of claiming patterns, and Homeland Security ($522 million), which related to the timing and approval of various project submissions.

Growth in capital projects spending was primarily attributable to the continued implementation of several projects funded from DIIF, where initial spending did not occur until July 2016, and economic development programs.

CASH FINANCIAL PLAN
ALL GOVERNMENTAL FUNDS
FY 2019
(millions of dollars)

	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	All Funds Total
Opening Fund Balance	**9,445**	**4,302**	**(1,151)**	**153**	**12,749**
Receipts:					
Taxes	35,889	6,121	1,434	32,134	75,578
Miscellaneous Receipts	3,586	19,668	7,497	433	31,184
Federal Receipts	0	58,920	2,350	74	61,344
Total Receipts	**39,475**	**84,709**	**11,281**	**32,641**	**168,106**
Disbursements:					
Local Assistance	49,745	72,453	5,234	0	127,432
State Operations:					
Personal Service	8,719	5,605	0	0	14,324
Non-Personal Service	2,622	4,104	0	38	6,764
General State Charges	7,139	1,485	0	0	8,624
Debt Service	0	0	0	6,699	6,699
Capital Projects	0	0	7,032	0	7,032
Total Disbursements	**68,225**	**83,647**	**12,266**	**6,737**	**170,875**
Other Financing Sources (Uses):					
Transfers from Other Funds	31,069	1,906	2,219	3,537	38,731
Transfers to Other Funds	(4,558)	(3,428)	(1,354)	(29,529)	(38,869)
Bond and Note Proceeds	0	0	133	0	133
Net Other Financing Sources (Uses)	**26,511**	**(1,522)**	**998**	**(25,992)**	**(5)**
Excess (Deficiency) of Receipts and Other Financing Sources (Uses) Over Disbursements	**(2,239)**	**(460)**	**13**	**(88)**	**(2,774)**
Closing Fund Balance	**7,206**	**3,842**	**(1,138)**	**65**	**9,975**

Source: NYS DOB.

CASH FINANCIAL PLAN
ALL GOVERNMENTAL FUNDS
FY 2018
(millions of dollars)

	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	All Funds Total
Opening Fund Balance	**7,749**	**4,272**	**(1,060)**	**144**	**11,105**
Receipts:					
Taxes	49,656	7,639	1,313	20,658	79,266
Miscellaneous Receipts	3,129	17,933	5,729	471	27,262
Federal Receipts	0	56,744	2,125	73	58,942
Total Receipts	**52,785**	**82,316**	**9,167**	**21,202**	**165,470**
Disbursements:					
Local Assistance	46,072	72,126	3,797	0	121,995
State Operations:					
Personal Service	6,136	7,702	0	0	13,838
Non-Personal Service	2,092	4,886	0	42	7,020
General State Charges	5,572	2,603	0	0	8,175
Debt Service	0	0	0	5,873	5,873
Capital Projects	0	0	6,843	0	6,843
Total Disbursements	**59,872**	**87,317**	**10,640**	**5,915**	**163,744**
Other Financing Sources (Uses):					
Transfers from Other Funds	18,635	7,949	2,607	3,873	33,064
Transfers to Other Funds	(9,852)	(2,918)	(1,385)	(19,151)	(33,306)
Bond and Note Proceeds	0	0	160	0	160
Net Other Financing Sources (Uses)	**8,783**	**5,031**	**1,382**	**(15,278)**	**(82)**
Excess (Deficiency) of Receipts and Other Financing Sources (Uses) Over Disbursements	**1,696**	**30**	**(91)**	**9**	**1,644**
Closing Fund Balance	**9,445**	**4,302**	**(1,151)**	**153**	**12,749**

Source: NYS DOB.

CASH FINANCIAL PLAN
ALL GOVERNMENTAL FUNDS
FY 2017
(millions of dollars)

	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	All Funds Total
Opening Fund Balance	**8,934**	**3,607**	**(891)**	**160**	**11,810**
Receipts:					
Taxes	45,507	8,101	1,383	19,381	74,372
Miscellaneous Receipts	3,813	17,686	4,637	458	26,594
Federal Receipts	0	52,725	2,608	73	55,406
Total Receipts	**49,320**	**78,512**	**8,628**	**19,912**	**156,372**
Disbursements:					
Local Assistance	44,439	68,294	3,604	0	116,337
State Operations:					
Personal Service	6,065	7,659	0	0	13,724
Non-Personal Service	2,022	4,898	0	38	6,958
General State Charges	5,462	2,465	0	0	7,927
Debt Service	0	0	0	5,514	5,514
Capital Projects	0	2	6,552	0	6,554
Total Disbursements	**57,988**	**83,318**	**10,156**	**5,552**	**157,014**
Other Financing Sources (Uses):					
Transfers from Other Funds	17,575	7,733	2,751	3,609	31,668
Transfers to Other Funds	(10,092)	(2,262)	(1,392)	(17,985)	(31,731)
Bond and Note Proceeds	0	0	0	0	0
Net Other Financing Sources (Uses)	**7,483**	**5,471**	**1,359**	**(14,376)**	**(63)**
Excess (Deficiency) of Receipts and Other Financing Sources (Uses) Over Disbursements	**(1,185)**	**665**	**(169)**	**(16)**	**(705)**
Closing Fund Balance	**7,749**	**4,272**	**(1,060)**	**144**	**11,105**

Source: NYS DOB.

GAAP-Basis Results for Prior Fiscal Years

The Comptroller prepares Basic Financial Statements and Other Supplementary Information, including a management discussion and analysis, on a GAAP basis for governments as promulgated by the GASB. The Basic Financial Statements and Other Supplementary Information are released in July each year. These statements are audited by independent certified public accountants. The State expects to issue the Basic Financial Statements for FY 2019 by July 29, 2019. The Comptroller also prepares and issues a Comprehensive Annual Financial Report ("CAFR"), which, in addition to the components referenced to above, also includes an introductory section and a statistical section. The CAFR for the fiscal year ended March 31, 2019 is expected to be issued later in 2019.

The following tables summarize recent governmental funds results on a GAAP basis.

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	Accumulated General Fund Surplus/(Deficit)
March 31, 2018	2,386	1,095	(877)	(86)	2,518	4,672
March 31, 2017	(2,788)	188	(599)	(153)	(3,352)	2,286
March 31, 2016	(978)	460	754	172	408	5,074

SUMMARY OF NET POSITION
(millions of dollars)

Fiscal Year Ended	Governmental Activities	Business-Type Activities	Total Primary Government
March 31, 2018	28,608	69	28,677
March 31, 2017	28,580	332	28,912
March 31, 2016	32,539	225	32,764

The CAFR for the fiscal year ended March 31, 2018 and CAFRs related to prior fiscal years 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 the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") system website at www.emma.msrb.org.

Section 1: Subsection B

“Capital Program and Financing Plan”

Extract From AIS

The extracted information included in this Subsection B is not intended to and does not in any way update or change any of the information contained in the AIS.

Capitalized terms used in this Subsection B and not otherwise defined shall have the meanings ascribed to them in the AIS.

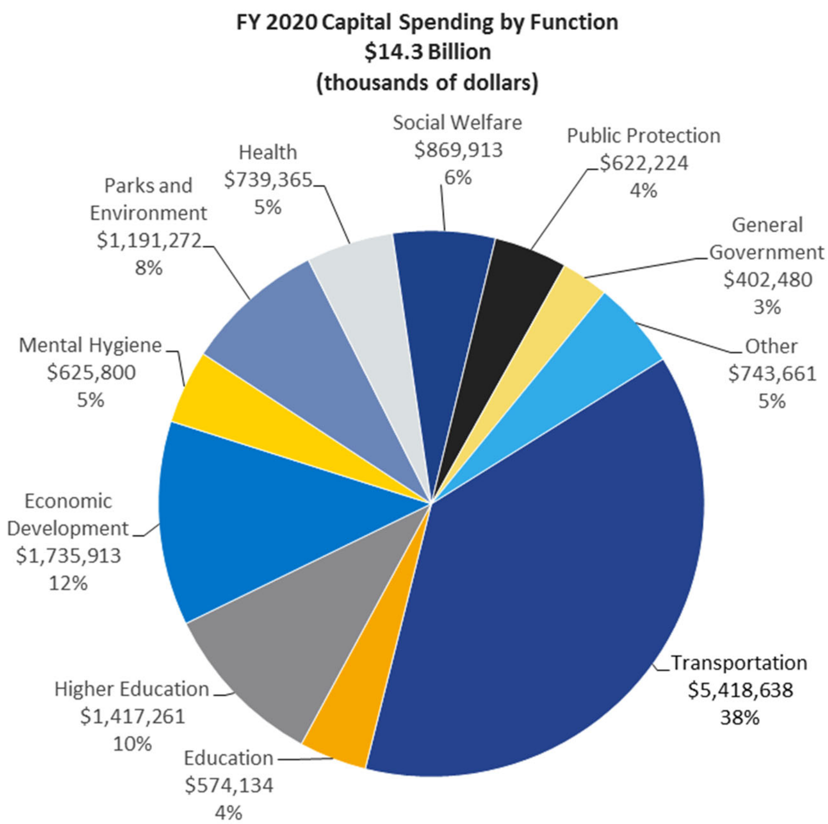
A copy of the Capital Plan can be obtained by contacting the Division of the Budget, State Capitol, Albany, NY 12224, (518) 474-8282, and it is also posted at www.budget.ny.gov.

Capital Plan

The total commitment and disbursement levels in the Capital Plan reflect, among other things, projected capacity under the State's statutory debt limit, anticipated levels of Federal aid, and the timing of capital activity based on known needs and historical patterns. The following capital projects information relates to FY 2020.

FY 2020 Capital Projects Spending

Spending on capital projects is projected to total $14.3 billion in FY 2020, which currently includes $551 million in “off-budget" spending. "Off-budget" spending refers to capital spending that occurs directly from bond proceeds held at public authorities, but still requires an enacted appropriation and bonding authorization. Overall, capital spending in FY 2020 is projected to increase by $1.6 billion or 12.2 percent from FY 2019.



In FY 2020, transportation spending is projected to total $5.4 billion, which represents 38 percent of total capital spending. Economic development spending accounts for 12 percent, higher education accounts for 10 percent, and spending related to parks and the environment represents 8 percent. The remaining 32 percent comprises spending for health care, mental hygiene, social welfare, public protection, education, general government, and the all other category, which includes Special Infrastructure Account investments such as the Thruway Stabilization Program.

Transportation spending is projected to remain flat from FY 2019 to FY 2020, which represents year five of DOT's capital plan.

Parks and environment spending is estimated to increase by $132 million (13 percent) in FY 2020 reflecting spending from the $2.5 billion Clean Water Infrastructure Act.

Economic development spending is projected to increase by $350 million (25 percent). This reflects the continued investment in programs created to promote regional economic development, including spending from both phases of the Buffalo Billion program, the Life Sciences Initiative, the Upstate Revitalization Initiative, and Regional Economic Development Councils.

Spending for health care is projected to increase by $390 million (111 percent) in FY 2020. The increase is due to spending from Health Care Restructuring Program grant awards; and the phase-in of spending related to the Health Care Facility Transformation Program.

Spending for social welfare is projected to increase by $438 million (102 percent). This is the result of an anticipated increase in activity for the Affordable and Homeless Housing Capital Plan, as well as spending for emergency repair projects at NYCHA.

Education spending is projected to increase by $415 million (261 percent) in FY 2020. The increase is primarily due to expected spending from the Smart Schools Bond Act, which was approved in November 2014.

Higher education spending is projected to increase by $88 million (7 percent) in FY 2020, which is related to the ongoing maintenance and preservation of SUNY and CUNY facilities and infrastructure.

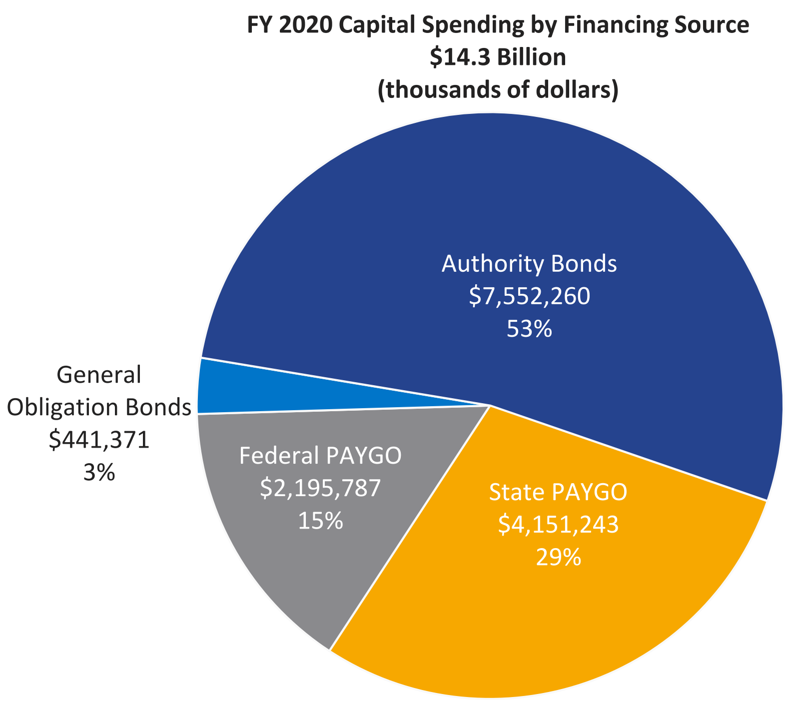
Spending for public protection is projected to increase by $90 million (17 percent) in FY 2020, which is attributable to the spend out of interoperable communications grants and additional funding for the maintenance and preservation of State armories and homeland security disaster preparedness facilities.

Mental hygiene capital spending is anticipated to increase by $48 million (8 percent). The increase in spending is related to the implementation of improvements at OMH's inpatient campuses and the construction of community-integrated housing opportunities.

General governmental capital spending is projected to increase by $170 million (73 percent), which is mainly attributable to OGS' maintenance and preservation of State-owned facilities and the development of a new IT system for the Worker's Compensation Board.

Spending in the All Other category is projected to decrease by $542 million (42 percent). The decrease reflects peak spending in FY 2019 for programs appropriated in the SIA as well as a timing adjustment that accommodates potential under-spending in FY 2020.

Financing FY 2020 Capital Projects Spending



In FY 2020, the State plans to finance 56 percent of capital projects spending with long-term bonds and 44 percent with cash and Federal aid. Most of the long-term bonds (95 percent) will be issued on behalf of the State through public authorities. All authority debt issued on behalf of the State is approved by the State legislature, acting on behalf of the people, and subject to approval by the PACB and the issuing authority's board of directors, except NYSTA, which does not require PACB approval. Authority bonds, as defined in this Plan, do not include debt issued by authorities that are backed by non-State resources. State cash resources, including Extraordinary Monetary Settlements, will finance 29 percent of capital spending. Federal aid is expected to fund 15 percent of the State's FY 2020 capital spending, primarily for transportation. Year-to-year, total PAYGO support is projected to increase by $619 million, with State PAYGO increasing by $691 million and Federal PAYGO support decreasing by $72 million. Bond-financed spending is projected to increase by $939 million, with Authority Bond spending increasing by $634 million and General Obligation Bond spending increasing by $305 million.

Financing Plan

New York State, including its public authorities, is one of the largest issuers of municipal debt in the United States, ranking second among the states, behind California, in the aggregate amount of debt outstanding. As of March 31, 2019, State-related debt outstanding totaled $53.5 billion excluding capital leases and mortgage loan commitments, equal to approximately 4.0 percent of New York personal income. The State's debt levels are typically measured by DOB using two categories: *State-supported debt* and *State-related debt*.

State-supported debt represents obligations of the State that are paid from traditional State resources (i.e., tax revenue) and have a budgetary impact. It includes General Obligation debt, to which the full faith and credit of the State has been pledged, and lease purchase and contractual obligations of public authorities and municipalities, where the State's legal obligation to make payments to those public authorities and municipalities is subject to and paid from annual appropriations made by the Legislature. These include the State PIT Revenue Bond program and the State Sales Tax Revenue Bond program. The State's debt reform caps on debt outstanding and debt service apply to State-supported debt.

State-related debt is a broader measure of State debt which includes all debt that is reported in the State's GAAP-basis financial statements, except for unamortized premiums and accumulated accretion on capital appreciation bonds. These financial statements are audited by external independent auditors and published by OSC on an annual basis. The debt reported in the GAAP-basis financial statements includes General Obligation debt, other State-supported debt as defined in the State Finance Law, debt issued by the Tobacco Securitization Finance Corporation, certain debt of the Municipal Bond Bank Agency (MBBA) issued to finance prior year school aid claims and capital leases and mortgage loan commitments. In addition, State-related debt reported by DOB includes State-guaranteed debt, moral obligation financings and certain contingent-contractual obligation financings, where debt service is paid from non-State sources in the first instance, but State appropriations are available to make payments if necessary. These numbers are not reported as debt in the State's GAAP-basis financial statements.

The State's debt does not encompass, and does not include, debt that is issued by, or on behalf of, local governments and secured (in whole or in part) by State local assistance aid payments. For example, certain State aid to public schools paid to school districts or New York City has been pledged by those local entities to help finance debt service for locally-sponsored and locally-determined financings. Additionally, certain of the State's public authorities issue debt supported by non-State resources (e.g., NYSTA toll revenue bonds, Triborough Bridge and Tunnel Authority (TBTA) revenue bonds, MTA revenue bonds and DASNY dormitory facilities revenue bonds) or issue debt on behalf of private clients (e.g., DASNY's bonds issued for not-for-profit colleges, universities, and hospitals). This debt, however, is not treated by DOB as either State-supported debt or State-related debt because it (i) is not issued by the State (nor on behalf of the State), and (ii) does not result in a State obligation to pay debt service. Instead, this debt is accounted for in the respective financial statements of the local governments or other entity responsible for the issuance of such debt and is similarly treated.

Capital Program and Financing Plan

The issuance of General Obligation debt and debt of the New York Local Government Assistance Corporation (LGAC) is undertaken by OSC. All other State-supported and State-related debt is issued by the State's financing authorities (known as "Authorized Issuers" in connection with the issuance of PIT and Sales Tax Revenue Bonds) acting under the direction of DOB, which coordinates the structuring of bonds, the timing of bond sales, and decides which programs are to be funded in each transaction. The Authorized Issuers for PIT Revenue Bonds are DASNY, ESD, NYSTA, the Environmental Facilities Corporation (EFC), and the New York State Housing Finance Agency (HFA) and the Authorized Issuers for Sales Tax Revenue Bonds are DASNY, ESD, and NYSTA. Prior to any issuance of new State-supported debt and State-related debt, approval is required by the State Legislature, DOB, the issuer's board, and in certain instances, PACB and the State Comptroller.

The State uses three primary bond programs, Personal Income Tax Revenue Bonds, Sales Tax Revenue Bonds, and to a lesser extent General Obligation Bonds to finance capital spending. These bonding programs, as well as older programs that are no longer being issued under but continue to have debt outstanding are described in more detail below.

OUTSTANDING STATE-SUPPORTED AND STATE-RELATED DEBT [1]
(millions of dollars)

	FY 2017	FY 2018	FY 2019
State-Supported Debt	**49,622**	**51,266**	**53,224**
Personal Income Tax Revenue Bonds	31,783	33,589	34,903
Sales Tax Revenue Bonds	5,008	7,377	10,421
General Obligation	2,463	2,371	2,286
Local Government Assistance Corporation	1,758	1,370	1,195
Service Contract & Lease Purchase	4,758	3,779	2,174
Other Revenue Bonds	3,852	2,780	2,245
Contingent-Contractual Obligation Financings	**880**	**193**	**165**
DASNY/MCFFA - Secured Hospital Program	220	193	165
Tobacco Settlement Financing Corporation	660	0	0
Moral Obligation Financings	**1**	**1**	**0**
Housing Finance Agency	1	1	0
Other State Financings	**745**	**708**	**664**
MBBA Prior Year School Aid Claims	203	172	139
Capital Leases	475	470	461
Mortgage Loan Commitments	67	66	64
State Guaranteed Debt			
Job Development Authority	3	0	0
TOTAL STATE-RELATED DEBT [2]	51,251	52,168	54,053

Source: NYS DOB. Except Mortgage Loan Commitments which are taken from the CAFR for FY 2017 and FY 2018. Mortgage Loan Commitments and Capital Leases are estimated by DOB for FY 2019.

[1] Reflects par amounts outstanding for bonds and financing arrangements or gross proceeds outstanding in the case of capital appreciation bonds. Amounts do not reflect accretion of capital appreciation bonds or premiums received.

[2] Capital leases and mortgage loan commitments are included in all figures and references to State-related debt in this AIS unless otherwise specifically noted.

State-Supported Debt Outstanding

State-supported debt includes General Obligation Bonds, State PIT Revenue Bonds, Sales Tax Revenue Bonds, LGAC bonds and lease purchase and service contract obligations of public authorities and municipalities. Payment of all obligations, except for General Obligation Bonds, cannot be made without annual appropriation by the State Legislature, but the State's credits have different security features, as described in this section. The Debt Reform Act of 2000 limits the amount of new State supported debt issued since April 1, 2000. See "Financial Plan Overview — Other Matters Affecting the Financial Plan — Debt Reform Act Limit" herein for more information.

State PIT Revenue Bond Program

Since 2002, the PIT Revenue Bond Program has been the primary financing vehicle used to fund the State's capital program. Legislation enacted in 2001 provided for the issuance of State PIT Revenue Bonds by the State's Authorized Issuers. The legislation required 25 percent of State PIT receipts (excluding refunds owed to taxpayers) to be deposited into the RBTF for purposes of making debt service payments on these bonds, with the excess amounts returned to the General Fund. The FY 2019 Enacted Budget included legislation to create the ECEP and Charitable Gifts Trust Fund and also included legislation that increased the percentage of PIT receipts dedicated to the payment of PIT bonds from 25 to 50 percent, and dedicated 50 percent of ECEP receipts to the payment of PIT bonds in order to preserve the coverage of the PIT Revenue Bond program.

In the event that (a) the State Legislature fails to appropriate amounts required to make all debt service payments on the State PIT Revenue Bonds or (b) having been appropriated and set aside pursuant to a certificate of the Director of the Budget, financing agreement payments have not been made when due on the State PIT Revenue Bonds, the legislation required that PIT receipts continue to be deposited to the RBTF until amounts on deposit in the Fund equal the greater of (i) 25 percent of annual PIT receipts or (ii) $6 billion. The FY 2019 Enacted Budget amended the State Finance Law provisions to provide that PIT receipts and ECEP receipts shall continue to be deposited to the RBTF equal to the greater of 40 percent of the aggregate of annual State PIT receipts and ECEP receipts or $12 billion. Debt service on State PIT Revenue Bonds is subject to legislative appropriation, as part of the annual debt service bill.

As described under the heading "Financial Plan Overview – Other Matters Affecting the Financial Plan – Federal Tax Law Changes", the Enacted Budget includes State tax reforms intended to mitigate issues arising from the Federal law, including the impact of tax law changes on PIT Revenue Bonds.

Donations to the Charitable Gifts Trust Fund could reduce State PIT receipts by nearly one dollar for every dollar donated. Accordingly, the amount of donations to the State Charitable Gifts Trust Fund is the principal direct risk to the amount of New York State PIT receipts deposited to the Revenue Bond Tax Fund under the tax law changes enacted by the State as part of the FY 2019 Enacted Budget. To address this risk, the State increased the amount of PIT receipts deposited into the Revenue Bond Tax Fund from 25 percent to 50 percent.

The factors that may influence donation activity are complex and include, but are not limited to, possible statements, actions, or interpretive guidance by the IRS or other governmental actors relating to the deductibility of such donations; the liquidity position, risk tolerance, and knowledge of individual taxpayers; advice or guidance of tax advisors or other professionals; changes in general economic conditions; adoption of similar trusts in other states; and tax reciprocity agreements among states. While DOB believes that these factors can be expected to constrain donation activity, there can be no assurance that, under conditions of maximum participation, the amount of annual charitable gifts will not reduce the level of PIT receipts deposited into the Revenue Bond Tax Fund below the levels projected in February 2018. If that were to occur, it is DOB's expectation that changes to the tax law would be recommended to further increase the percentage of PIT receipts deposited into the Revenue Bond Tax Fund.

As of March 31, 2019, approximately $34.9 billion of State PIT Revenue Bonds were outstanding. The projected PIT Revenue Bond coverage ratios, noted below, are based upon estimates of PIT receipts deposited into the RBTF and include projected debt issuances.

The projected PIT Revenue Bond coverage ratios assume that projects previously financed through the Mental Health Revenue Bond program and the DHBTF Revenue Bond program will be issued under the PIT Revenue Bond program. Revenues that would have been dedicated to bonds issued under the old programs are transferred to the RBTF to offset debt service costs for projects financed with PIT Revenue Bonds, but are not counted towards debt service coverage. While DOB routinely monitors the State's debt portfolio across all State-supported credits for refunding opportunities, no future refunding transactions are reflected in the following projected coverage ratios.

The following table entitled, "Projected PIT Revenue Bond Coverage Ratios – FY 2019 through FY 2024," does not reflect any estimate of charitable donations or the impact of such charitable donations on the amount of PIT receipts deposited into the Revenue Bond Tax Fund. As a result, the coverage ratios shown in the table may be materially and adversely affected by such donations.

PROJECTED PIT REVENUE BOND COVERAGE RATIOS
FY 2019 THROUGH 2024
(thousands of dollars)

	FY 2019 Results	FY 2020 Enacted	FY 2021 Projected	FY 2022 Projected	FY 2023 Projected	FY 2024 Projected
Projected RBTF Receipts	24,043,667	26,076,526	27,692,245	29,028,960	30,601,025	32,174,605
Projected New PIT Bonds Issuances	2,731,530	5,571,221	5,056,735	4,806,801	4,777,836	4,806,476
Projected Total PIT Bonds Outstanding	34,903,575	38,350,323	40,924,991	43,141,790	45,141,043	47,049,435
Projected Maximum Annual Debt Service	3,780,254	4,259,332	4,702,787	4,945,993	4,971,467	5,216,130
Projected PIT Coverage Ratio	6.4	6.1	5.9	5.9	6.2	6.2

* Includes New York State PIT Receipts and New York State ECEP Receipts.
** The projections of futher RBTF Receipts are based on a number of factors and considerations. With respect to donations to the Charitable Gifts Trust Fund, meaningful historical baseline data is not available for incorporation into revenue projections. Accordingly, the information in this table may be subject to variability.

Sales Tax Revenue Bond Program

Legislation enacted in 2013 created the Sales Tax Revenue Bond program. This bonding program replicates certain credit features of PIT and LGAC revenue bonds and is expected to continue to provide the State with increased efficiencies and a lower cost of borrowing.

The legislation created the Sales Tax Revenue Bond Tax Fund, a sub-fund within the General Debt Service Fund that will provide for the payment of these bonds. The Sales Tax Revenue Bonds are secured by dedicated revenues consisting of one cent of the State's four cent sales and use tax. With a limited exception, upon the satisfaction of all the obligations and liabilities of LGAC, expected April 1, 2025, dedicated revenues will increase to 2 cents of sales and use tax receipts. Such sales tax receipts in excess of debt service requirements are transferred to the State's General Fund.

The Sales Tax Revenue Bond Fund has appropriation-incentive and General Fund "reach back" features comparable to PIT and LGAC bonds. A "lock box" feature restricts transfers back to the General Fund in the event of non-appropriation or non-payment. In addition, in the event that sales tax revenues are insufficient to pay debt service, a "reach back" mechanism requires the State Comptroller to transfer moneys from the General Fund to meet debt service requirements.

The legislation also authorized the use of State Sales Tax Revenue Bonds and PIT Revenue Bonds to finance any capital purpose, including projects that were previously financed through the State's Mental Health Facilities Improvement Revenue Bond program and the DHBTF program. This allowed the State to transition to the use of three primary credits – PIT Revenue Bonds, Sales Tax Revenue Bonds and General Obligation bonds to finance the State's capital needs.

Sales Tax Revenue Bonds are used interchangeably with PIT Revenue Bonds to finance State capital needs. As of March 31, 2019, $10.4 billion of Sales Tax Revenue Bonds were outstanding.

Assuming average issuances of approximately $1.5 billion annually over the next five years, Sales Tax coverage based only upon the 1 cent pledge is expected to decline from 3.2 times in FY 2020 to 3.1 times in FY 2024, as shown in the following chart. While DOB routinely monitors the State's debt portfolio across all State-supported credits for refunding opportunities, no future refunding transactions are reflected in the following projected coverage ratios.

PROJECTED SALES TAX REVENUE BOND COVERAGE RATIOS
FY 2019 THROUGH 2024
(thousands of dollars)

	FY 2019 Results	FY 2020 Enacted	FY 2021 Projected	FY 2022 Projected	FY 2023 Projected	FY 2024 Projected
Projected Sales Tax Receipts	3,536,790	3,783,750	3,946,500	4,080,000	4,222,500	4,386,250
Projected New Sales Tax Bonds Issuances	2,588,280	1,366,521	1,407,517	1,449,742	1,493,235	1,538,032
Projected Total Sales Tax Bonds Outstanding	10,421,470	11,463,377	12,214,349	13,065,739	13,894,298	14,738,144
Projected Maximum Annual Debt Service	1,071,624	1,189,133	1,311,626	1,296,308	1,411,973	1,425,003
Projected Sales Tax Coverage Ratio	3.3	3.2	3.0	3.1	3.0	3.1

General Obligation Financings

With limited exceptions for emergencies, the State Constitution prohibits the State from undertaking a long-term General Obligation borrowing (i.e., borrowing for more than one year) unless it is authorized in a specific amount for a single work or purpose by the Legislature and approved by voter referendum. There is no constitutional limitation on the amount of long-term General Obligation debt that may be so authorized and subsequently incurred by the State. However, the Debt Reform Act imposed statutory limitations on all new State-supported debt issued on and after April 1, 2000. The State Constitution provides that General Obligation bonds, which can be paid without an appropriation, must be paid in equal annual principal installments or installments that result in substantially level or declining debt service payments, mature within 40 years after issuance, and begin to amortize not more than one year after the issuance of such bonds. However, general obligation housing bonds must be paid within 50 years after issuance, with principal commencing no more than three years after issuance. The Debt Reform Act limits the maximum term of State-supported bonds, including General Obligation bonds, to 30 years, and the State currently has no bonds outstanding with a remaining final maturity that is more than 30 years.

General Obligation debt is currently authorized for transportation, environment, housing and education purposes. Transportation-related bonds are issued for State and local highway and bridge improvements, mass transportation, rail, aviation, canal, port and waterway programs and projects. Environmental bonds are issued to fund environmentally sensitive land acquisitions, air and water quality improvements, municipal non-hazardous waste landfill closures and hazardous waste site cleanup projects. Education-related bonds are issued to fund enhanced education technology in schools, with eligible projects including infrastructure improvements to bring high-speed broadband to schools and communities in their school district and the purchase of classroom technology for use by students. Additionally, these bonds will enable long-term investments in full-day pre-kindergarten through the construction of new pre-kindergarten classroom space.

Most General Obligation debt-financed spending in the Capital Plan is authorized under ten previously approved bond acts (five for transportation, four for environmental and recreational programs and one for education purposes). The majority of projected general obligation bond-financed spending supports authorizations for the 2005 Rebuild and Renew New York Bond Act and the $2 billion Smart Schools Bond Act, which was approved by voters in November 2014. DOB projects that spending authorizations from the remaining bond acts will be virtually depleted by the end of the Capital Plan.

As of March 31, 2019, approximately $2.3 billion of General Obligation bonds were outstanding. See “Exhibit B — State-Related Bond Authorizations” for information regarding the levels of authorized, authorized but unissued, and outstanding General Obligation debt by bond act.

The State Constitution permits the State to undertake short-term General Obligation borrowings without voter approval in anticipation of the receipt of (i) taxes and revenues, by issuing general obligation tax and revenue anticipation notes (TRANs), and (ii) proceeds from the sale of duly authorized but unissued General Obligation bonds, by issuing bond anticipation notes (BANs). General Obligation TRANs must mature within one year from their date of issuance and cannot be refunded or refinanced beyond such period. However, since 1990, the State’s ability to issue general obligation TRANs that mature in the same State fiscal year in which they were issued has been limited due to the enactment of the fiscal reform program which created LGAC. BANs may only be issued for the purposes and within the amounts for which bonds may be issued pursuant to General Obligation authorizations, and must be paid from the proceeds of the sale of bonds in anticipation of which they were issued or from other sources within two years of the date of issuance or, in the case of BANs for housing purposes, within five years of the date of issuance. In order to provide flexibility within these maximum term limits, the State had previously used the BANs authorization to conduct a commercial paper program to fund disbursements eligible for General Obligation bond financing.

New York Local Government Assistance Corporation

In 1990, as part of a State fiscal reform program, legislation was enacted creating LGAC, a public benefit corporation empowered to issue long-term obligations to fund certain payments to local governments that had been traditionally funded through the State's annual issuance of general obligation TRANs that mature in the same State fiscal year that they are issued ("seasonal borrowing"). The legislation also dedicated revenues equal to one cent of the State's four cent sales and use tax to pay debt service on these bonds. As of July 1995, LGAC had issued State-supported bonds and notes to provide net proceeds of $4.7 billion, completing the program. The issuance of these long-term obligations is amortized over a period of no more than 30 years from the dates of their original issuance, with the final debt service payment on April 1, 2025. As of March 31, 2019, approximately $1.2 billion of LGAC bonds were outstanding.

The LGAC legislation eliminated seasonal borrowing except in cases where the Governor and the legislative leaders have certified the need for additional seasonal borrowing, based on emergency or extraordinary factors, or factors unanticipated at the time of adoption of the budget, and provide a schedule for eliminating it over time. Any seasonal borrowing is required by law to be eliminated by the fourth fiscal year after the limit was first exceeded (i.e., no seasonal borrowing in the fifth year). The provision limiting the State's seasonal borrowing practices was included as a covenant with LGAC's bondholders in the General Bond Resolution and General Subordinate Lien Bond Resolution authorizing such bonds. No restrictions were placed upon the State's ability to issue TRANs (issued in one year and maturing in the following year). The State last issued TRANs in this manner in 1992.

The LGAC changes, as well as other changes in revenue and spending patterns, have allowed the State to meet its cash flow needs throughout the fiscal year without relying on seasonal borrowings. However, the State has taken extraordinary measures in the past to manage its cash flow, including payment deferrals and permitting the State to borrow from other funds of the State (i.e., non-General Fund) for a limited period.

Legislation enacted in 2003 requires LGAC to certify, in addition to its own cash needs, $170 million annually to provide an incentive for the State to seek an annual appropriation to provide local assistance payments to New York City or its assignee. In May 2004, LGAC amended its General Bond Resolution and General Subordinate Lien Bond Resolution to make clear that any failure to certify or make payments to the City or its assignee has no impact on LGAC's own bondholders; and that if any such act or omission were to occur with respect to any bonds issued by the City of New York or its assignee, that act or omission would not constitute an event of default with respect to LGAC bonds. The Enacted Budget includes a local assistance appropriation of $170 million from the Local Government Assistance Tax Fund to the City.

State-Supported Lease-Purchase and Other Contractual-Obligation Financings

Prior to the 2002 commencement of the State's PIT Revenue Bond program, public authorities or municipalities issued other lease purchase and contractual-obligation debt. These types of debt, where debt service is payable from moneys received from the State and is subject to annual State appropriation, are not general obligations of the State.

Debt service payable to certain public authorities from State appropriations for such lease-purchase and contractual obligation financings are paid from general resources of the State. Although these financing arrangements involve a contractual agreement by the State to make payments to a public authority, municipality or other entity, the State's obligation to make such payments is expressly made subject to appropriation by the Legislature and the actual availability of money to the State for making the payments. As of March 31, 2019, approximately $2.2 billion of State-supported lease-purchase and other contractual obligation financings were outstanding.

Legislation first enacted in FY 2011, and extended through FY 2020, authorizes the State to set aside moneys in reserve for debt service on general obligation, lease-purchase, and service contract bonds. Pursuant to a certificate filed by the Director of the Budget with the State Comptroller, the Comptroller is required to transfer from the General Fund such reserved amounts on a quarterly basis in advance of required debt service payment dates. The State currently has no plans to issue lease-purchase or other contractual-obligation financings.

Dedicated Highway and Bridge Trust Fund Bonds

DHBTF bonds were issued for State transportation purposes and are backed by dedicated motor fuel, gas and other transportation related taxes and fees, subject to appropriation. As of March 31, 2019, approximately $1.4 billion of DHBTF bonds were outstanding. The State currently has no plans to issue additional DHBTF bonds, but could in the future if market conditions warrant.

Mental Health Facilities Improvement Bonds

Mental Health Facilities Improvement Bonds were issued to maintain both State and community-based facilities operated and/or licensed by OMH, OPWDD, and OASAS. As of March 31, 2019, approximately $269 million of Mental Health Facilities Improvement Bonds were outstanding. The State currently has no plans to issue additional Mental Health Facilities Improvement Bonds.

SUNY Dormitory Facilities Bonds

Legislation enacted in 2013 changed the method of paying debt service on outstanding SUNY Dormitory Facilities Lease Revenue Bonds (the "Lease Revenue Bonds") and established a new revenue-based financing credit, the SUNY Dormitory Facilities Revenue Bonds (the "Facilities Revenue Bonds") to finance the SUNY residence hall program in the future. The Facilities Revenue Bonds, unlike the Lease Revenue Bonds, do not include a SUNY general obligation pledge, thereby eliminating any recourse to the State with respect to the payment of the Facilities Revenue Bonds. The legislation also provided for the assignment of the revenues derived from the use and occupancy of SUNY's dormitory facilities (the "Dormitory Facilities Revenues") for the payment of debt service on both the Lease Revenue Bonds and the Facilities Revenue Bonds from SUNY to

DASNY. As a result, annual debt service on the outstanding Lease Revenue Bonds is no longer supported by a State appropriation, except under extraordinary circumstances (i.e., the generation of insufficient Dormitory Facilities Revenues implicating the need for SUNY payments from sources other than Dormitory Facilities Revenues for debt service on the Lease Revenue Bonds). DOB is not aware of any such extraordinary circumstance having ever occurred in the past and does not anticipate that it would occur in the future. However, since the outstanding Lease Revenue Bonds were incurred as State-supported debt, until these are defeased or are paid off to maturity, DOB will continue to count these bonds as outstanding State-supported debt for purposes of the Debt Reform Act caps and has included these bonds as State-supported debt in all figures, tables and charts. Annual debt service related to the Lease Revenue Bonds was $26 million in FY 2019. As of March 31, 2019, approximately $368 million of Lease Revenue Bonds were outstanding. Annual debt service payments on the remaining Lease Revenue Bonds is projected to be $39 million in FY 2020, $36 million in FY 2021, $32 million in FY 2022, $22 million in FY 2023, and $17 million in FY 2024.

State-Related Debt Outstanding

State-related debt is a broader measure of debt that includes State-supported debt, as discussed above, and contingent-contractual obligations, moral obligations, State-guaranteed debt and other debt.

Contingent-Contractual Obligation Financing

Contingent-contractual debt, included in State-related debt, is debt where the State enters into a statutorily authorized contingent-contractual obligation via a service contract to pay debt service in the event there are shortfalls in revenues from other non-State resources pledged or otherwise available to pay the debt service. As with State-supported debt, except for General Obligation bonds, all payments are subject to annual appropriation.

Secured Hospital Program

Under the Secured Hospital Program, the State entered into service contracts to enable certain financially distressed not-for-profit hospitals to issue debt. 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 Financing Agency (MCFFA) and by DASNY through the Secured Hospital Program. 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. The bankruptcy and deteriorating financial conditions of certain hospitals in the Secured Hospital Program resulted in the State paying approximately $26 million of the $38 million of total debt service payments in FY 2019. The remainder was paid by the hospitals consistent with the original intent of the program. As of March 31, 2019, there was approximately $165 million of bonds outstanding for this program. See “Financial Plan Overview — Other Matters Affecting the Financial Plan — Secured Hospital Program” herein for more information.

Moral Obligation Financings

Moral obligation financing generally involves the issuance of debt by a public authority to finance a revenue producing project or other activity. The debt is secured, in the first instance, by project revenues, but includes statutory provisions requiring the State, subject to appropriation by the Legislature, to make up any deficiencies which may occur in the issuer's debt service reserve fund. There has never been a payment default on any moral obligation debt of any public authority. DOB does not expect the State to increase statutory authorizations for moral obligation bond programs. From 1976 through 1987, the State was called upon to appropriate and make payments totaling $162.8 million to make up deficiencies in the debt service reserve funds of HFA pursuant to moral obligation provisions. In the same period, the State also expended additional funds to assist the Project Finance Agency, Urban Development Corporation (UDC) and other public authorities which had moral obligation debt outstanding. The State has not been called upon to make any payments pursuant to any moral obligations since FY 1987 and no such requirements are anticipated during FY 2020. As of March 31, 2019, approximately $155 thousand of moral obligation debt was outstanding.

State-Guaranteed Financings

Pursuant to specific constitutional authorization, the State may also directly guarantee certain public authority obligations. Payments of debt service on State guaranteed bonds and notes are legally enforceable obligations of the State. The only current authorization provides for the State guarantee of the repayment of certain borrowings for designated projects of the New York State Job Development Authority (JDA). However, all JDA bonds guaranteed by the State have been paid off, and the State does not anticipate any future JDA indebtedness to be guaranteed by the State. The State has never been called upon to make any direct payments pursuant to any such guarantees.

Other State Financings

Other State financings relate to the issuance of debt by a public authority, including capital leases, mortgage loan commitments and MBBA prior year school aid claims. Regarding the MBBA prior year school aid claims, the municipality assigns specified State and local assistance payments it receives to the MBBA or the bond trustee to ensure that debt service payments are made. The State has no legal obligation to make any debt service payments or to continue to appropriate local assistance payments that are subject to the assignment.

Borrowing Plan

STATE DEBT ISSUANCES BY FINANCING PROGRAM (millions of dollars)						
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Personal Income Tax Revenue Bonds	2,732	5,571	5,057	4,807	4,778	4,806
Sales Tax Revenue Bonds	2,588	1,367	1,407	1,450	1,493	1,538
General Obligation Bonds	114	441	798	412	322	137
Total Issuances	5,434	7,379	7,262	6,669	6,593	6,481

Debt issuances totaling $7.4 billion are planned to finance new capital project spending in FY 2020, an increase of $1.9 billion (36 percent) from FY 2019. It is anticipated that the State will finance these capital projects through PIT Revenue Bonds, Sales Tax Revenue Bonds and General Obligation bonds in FY 2020.

The bond issuances are expected to finance capital commitments for education ($1.3 billion), transportation ($1.9 billion), economic development and housing ($2.2 billion), health and mental hygiene ($790 million), State facilities and equipment ($465 million), and the environment ($658 million).

Over the period of the Capital Plan, new debt issuances are projected to total $34.4 billion. New issuances are expected for education facilities ($6.3 billion), transportation infrastructure ($9.0 billion), economic development and housing ($10.2 billion), mental hygiene and health care facilities ($3.7 billion), State facilities and equipment ($2.2 billion), and the environment ($3.1 billion). Assuming an issuance plan consistent with the prior table, the State projects debt outstanding levels through FY 2024 to be as follows:

PROJECTED DEBT OUTSTANDING BY CREDIT (millions of dollars)						
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Personal Income Tax Revenue Bonds	34,903	38,350	40,925	43,142	45,141	47,049
Sales Tax Revenue Bonds	10,421	11,463	12,214	13,066	13,894	14,738
General Obligation Bonds	2,286	2,537	3,146	3,343	3,443	3,354
Local Government Assistance Corp.	1,195	822	533	303	178	86
Other Revenue Bonds	2,174	1,986	1,463	1,206	946	825
Service Contract & Lease Purchase	2,245	1,873	1,431	1,188	994	780
TOTAL STATE-SUPPORTED	53,224	57,031	59,712	62,248	64,596	66,832

State-Related Debt Service Requirements

The following table presents the current and projected debt service (principal and interest) requirements on State-related debt. State-related debt service is projected at $5.2 billion in FY 2020, a decrease of $1.5 billion (23 percent) from FY 2019. Debt service costs from new issuances have been offset by the prepayment of FY 2020 debt service in FY 2019. The State also anticipates a prepayment of $200 million of FY 2021 debt service in FY 2020. The State is contractually required to make debt service payments prior to bondholder payment dates in most instances and may also elect to make payments earlier than contractually required. The State expects to use three principal bonding programs -- Personal Income Tax Revenue Bonds, Sales Tax Revenue Bonds, and General Obligation Bonds -- to fund all bond-financed capital spending.

ESTIMATED DEBT SERVICE REQUIREMENTS ON EXISTING STATE-RELATED DEBT BY CREDIT STRUCTURE [1]
(millions of dollars)

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Total
Personal Income Tax Revenue Bonds	4,135	2,896	4,403	4,900	5,104	5,184	21,438
Sales Tax Revenue Bonds	884	838	1,249	1,232	1,346	1,420	5,549
General Obligation Bonds	302	291	304	362	381	392	1,640
Local Government Assistance Corporation	424	301	251	137	98	57	1,211
Other State-Supported Bonds [2]	954	840	634	451	396	408	3,275
All Other State-Related Bonds [23]	54	49	48	48	34	3	233
Total Debt Service	6,753	5,215	6,889	7,130	7,359	7,464	33,346

[1] Reflects existing debt service on debt issued as of March 31, 2019 and projected debt service on assumed new debt issuances. Estimated debt service requirements are calculated based on swap rates in effect for all bonds that were synthetically fixed under an interest rate exchange agreement. Debt service requirements for variable rate bonds for which there are no related interest rate exchange agreements were calculated at assumed rates, which average 2.80%.

[2] Debt service in the Secured Hospital Program that is assumed to be paid by the State is captured in Other State-Supported Bonds.

[3] Excludes Mortgage Loan Commitments and Capital Leases

Adjusting for prepayments State-related debt service is projected at $6.5 billion in FY 2020 an increase of $665 million (11 percent) from FY 2019. Adjusted State-related debt service is projected to increase from $5.8 billion in FY 2019 to $7.5 billion in FY 2024, an average rate of 5.0 percent annually.

Interest Rate Exchange Agreements and Net Variable Rate Obligations

Chapter 81 of the Laws of 2002 authorized issuers of State-supported debt to issue a limited amount of variable rate debt instruments and to enter into a limited amount of interest rate exchange agreements. The current limit on debt instruments which result in a net variable rate exposure (i.e., both variable rate debt and interest rate exchange agreements) is no more than 15 percent of total outstanding State-supported debt. Interest rate exchange agreements are also limited to a total notional amount of no more than 15 percent of total outstanding State-supported debt. The outstanding State-supported debt of $53.2 billion as of March 31, 2019 results in a cap on variable rate exposure and a cap on interest rate exchange agreements of about $8.0 billion each (15 percent of total outstanding State-supported debt). As discussed below, as of March 31, 2019, both the amount of outstanding variable rate debt instruments and interest rate exchange agreements were less than the authorized totals of 15 percent of total outstanding State-supported debt.

Interest Rate Exchange Agreements

As of March 31, 2019, the State's Authorized Issuers have a notional amount of $1.4 billion in interest rate exchange agreements. The following table shows the amount of outstanding interest rate exchange agreements subject to the statutory cap. Overall, the State's swap exposure is expected to decline from 2.6 percent in FY 2019 to 1.0 percent in FY 2024.

INTEREST RATE EXCHANGE CAP
(millions of dollars)

	FY 2019 Results	FY 2020 Enacted	FY 2021 Projected	FY 2022 Projected	FY 2023 Projected	FY 2024 Projected
Interest Rate Exchange Cap	7,984	8,555	8,957	9,337	9,689	10,025
Notional Amounts of Interest Rate Exchange Agreements	1,383	1,277	1,062	927	794	650
Percent of Interest Rate Exchange Agreements to Debt Outstanding	2.6%	2.2%	1.8%	1.5%	1.2%	1.0%

Currently the State's swaps portfolio is comprised of synthetic fixed rate swaps. A synthetic fixed swap includes two separate transactions: (i) a variable rate bond is sold to bondholders, and (ii) an interest rate exchange agreement between the State and a counterparty is executed. The interest rate exchange agreement results in the State paying a fixed interest rate (i.e., synthetic fixed rate) to the counterparty and the counterparty agrees to pay the State a variable rate (65 percent of LIBOR for all State swaps). The variable rate the State pays to bondholders and the variable rate the State is receiving from the counterparty offset each other, leaving the State with the synthetic fixed rate payment. The synthetic fixed rate was less than the fixed rate the State would have paid to issue traditional fixed rate bonds at that time.

In July 2017, it was announced that LIBOR would be phased out by 2021. The State is evaluating its options to transition its swaps prior to that time.

The State has no plans to increase its swap exposure.

Variable Rate Exposure

The State's net variable rate exposure (including a policy reserve) is projected to average 0.8 percent of outstanding debt from FY 2019 through FY 2024. The debt that is counted against the variable rate cap represents the State's unhedged variable rate bonds. The variable rate bonds that are issued in connection with a swap are not included in the variable rate cap.

The State's current policy is to count 35 percent of the notional amount of outstanding 65 percent of the LIBOR fixed rate swaps in its variable rate exposure. This policy reserve accounts for the potential that tax policy or market conditions could result in significant differences between payments owed on the bonds and the amount received by the State under its 65 percent of LIBOR swaps, and that the factors affecting such payments can be consistent with variable rate exposure.

VARIABLE RATE EXPOSURE
(millions of dollars)

	FY 2019 Results	FY 2020 Enacted	FY 2021 Projected	FY 2022 Projected	FY 2023 Projected	FY 2024 Projected
Variable Rate Exposure Cap	7,984	8,555	8,957	9,337	9,689	10,025
Current Unhedged Variable Rate Obligations	97	97	90	90	90	90
Additional Planned Variable Rate Exposure	0	0	0	0	0	0
Total Net Variable Rate Exposure	97	97	90	90	90	90
Net Variable Rate Exposure to Debt Outstanding	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%
Current Policy Reserve for LIBOR Swaps	484	447	372	324	278	228
Net Variable Rate Exposure (with Policy Reserve)	581	544	462	414	368	317
Net Variable Rate Exposure (with Policy Reserve) to Debt Outstanding	1.1%	1.0%	0.8%	0.7%	0.6%	0.5%

State Bond Caps and Debt Outstanding

Bond caps are legal authorizations to issue bonds to finance the State's capital projects. As the bond cap for a particular programmatic purpose is reached, subsequent legislative changes are required to raise the statutory cap to the level necessary to meet the bondable capital needs, as permitted by a single or multi-year appropriation. In the Enacted Budget, statutory bond authorizations on State-supported debt were raised by $5.4 billion across multiple programmatic purposes. The bonded indebtedness (and related capital spending) from the new authorizations is expected to occur over many years, and is counted against the State's statutory debt caps only when bonds are actually issued.

Debt authorizations for capital programs are either approved or enacted at one time, expected to be fully issued over time, or enacted annually by the Legislature and are usually consistent with bondable capital projects appropriations. Authorization does not, however, indicate intent to sell bonds for the entire amount of those authorizations, because capital appropriations often include projects that do not materialize or are financed from other sources. The amount of bonds authorized may be increased or decreased from time to time by the Legislature. In the case of General Obligation debt, increases in the authorization must be approved by the voters. See "Exhibit B - State Related Bond Authorizations" herein for additional information.

For More Information

Additional information on the State's debt portfolio is available on DOB's public website (www.budget.ny.gov). The Investor's Guide section of the site contains information on New York State bonds including: the State's bond issuance schedule which is updated periodically; swap and variable rate capacity reports; variable rate trading activity; and State PIT Revenue Bond and Sales Tax Revenue Bond debt service and debt outstanding.

Section 1: Subsection C

“State Organization”

(Including State Employment)

Extract From AIS

The extracted information included in this Subsection C is not intended to and does not in any way update or change any of the information contained in the AIS.

Capitalized terms used in this Subsection C and not otherwise defined shall have the meanings ascribed to them in the AIS.

State Government Organization

The State has a centralized administrative system with most executive powers vested in the Governor. The State has four officials elected in statewide elections, the Governor, Lieutenant Governor, Comptroller and Attorney General. These officials serve four-year terms that next expire on December 31, 2022.

Name	Office	Party Affiliation	First Elected
Andrew M. Cuomo	Governor	Democrat	2010
Kathleen C. Hochul	Lieutenant Governor	Democrat	2014
Thomas P. DiNapoli	Comptroller	Democrat	2007
Letitia James	Attorney General	Democrat	2018

The Governor and Lieutenant Governor are elected jointly. The Comptroller and Attorney General are chosen separately by the voters during the election of the Governor. The Governor appoints the heads of most State departments, including the Director of the Budget (the current Director is Robert F. Mujica Jr.). DOB is responsible for preparing the Governor's Executive Budget, negotiating that budget with the State Legislature, and implementing the budget once it is adopted, which includes updating the State's fiscal projections quarterly. DOB is also responsible for coordinating the State's capital program and debt financing activities. The Comptroller is responsible for auditing the disbursements, receipts and accounts of the State, as well as for auditing State departments, agencies, public authorities and municipalities. The Comptroller is also charged with managing the State's General Obligation debt and most of its investments (see "Appropriations and Fiscal Controls" and "Investment of State Moneys" below). The Attorney General is the legal advisor to State departments, represents the State and certain public authorities in legal proceedings and opines upon the validity of all State General Obligation bonds and notes.

The State Legislature is presently composed of a 63-member Senate and a 150-member Assembly, all elected from geographical districts for two-year terms, expiring December 31, 2020. Both the Senate and the Assembly operate on a committee system. The Legislature meets annually, generally for about six months, and remains formally in session the entire year. In recent years there have been special sessions, as well. The current Leader of the Senate is President Pro Tempore and Majority Leader Andrea Stewart-Cousins (Democrat). Carl Heastie (Democrat) is the Speaker of the Assembly. The minority leaders are John Flanagan (Republican) in the Senate and Brian Kolb (Republican) in the Assembly.

Appropriations and Fiscal Controls

The State Constitution requires the Comptroller to audit the accrual and collection of State revenues and receipts and to audit vouchers before payment and all official accounts. Generally, no State payment may be made unless the Comptroller has audited it. Additionally, the State Constitution requires the Comptroller to prescribe such methods of accounting as are necessary for the performance of the foregoing duties.

Disbursements from State funds are limited to the level of authorized appropriations. Disbursements from Federal funds must be appropriated in accordance with appropriate legal authority, are limited to the amounts anticipated from Federal programs and may not be made in the absence of appropriate certifications from the Director of the Budget. Generally, most State contracts for disbursements in excess of $50,000 (or $85,000 in the case of the Office of General Services) require prior approval by the Comptroller. However, certain contracts, primarily of SUNY and CUNY, and those established as a centralized contract through the Office of General Services, are not subject to approval by the Comptroller, and certain other contracts are subject to higher thresholds. In most cases, State agency contracts depend upon the existence of an appropriation and the availability of that appropriation as certified by the Director of the Budget. The Budget Director must review all applications for State participation in continuing grant- or contract-supported programs, with specified exceptions. Certain legislative leaders have the opportunity to make recommendations on the applications. In addition, the Comptroller has the discretion to identify and review certain public authority contracts valued at $1.0 million or greater that are either awarded without competition or which are paid using State-appropriated funds.

Appropriations may be increased or decreased in accordance with statutory authority under certain circumstances by transfer, interchange or otherwise. In addition, appropriations may be increased or decreased by statutory amendment or by supplemental appropriations. Moneys or other financial resources from one fund may also be loaned to another fund where there is specific statutory authorization to do so. In addition, moneys or other financial resources of a fund may be temporarily loaned to the General Fund, but only if such loan is repaid in full within four months, or the end of the fiscal year, whichever occurs first. Pursuant to authority contained in most State operations appropriations for FY 2020, the Director of the Budget is also allowed to interchange, transfer, or suballocate such appropriation authority to other agencies in order to achieve the consolidation and realignment of certain State operations.

In addition, the Governor has traditionally exercised substantial authority in administering the State Financial Plan by limiting certain disbursements after the Legislature has enacted appropriation bills and revenue measures. The Governor may, primarily through DOB, limit certain spending by State departments, and delay construction projects to control disbursements using the Director of the Budget's certification process. If DOB identifies a potential General Fund budget imbalance of $500 million or more in then-current year, then the Director of the Budget may also transmit a plan to the Legislature which identifies specific appropriations and cash disbursements to be reduced, in response to which the Legislature has 30 days to either adopt their own plan for eliminating the imbalance or the Director of the Budget's plan takes effect automatically. An important limitation of the Governor's ability to restrict disbursements is that local assistance payments, which typically make up close to 70 percent of General Fund disbursements (including operating transfers to other funds), are generally mandated by statute. The State Court of Appeals has held that, even in an effort to maintain a balanced Financial Plan, neither the Governor nor the Director of the Budget has the authority to refuse to make a local assistance disbursement mandated by law.

Investment of State Moneys

The Comptroller is responsible for the investment of substantially all State moneys. By law, such moneys may be invested only in obligations issued or guaranteed by the Federal government or the State, obligations of certain Federal agencies that are not guaranteed by the Federal government, certain general obligations of other states, direct obligations of the State's municipalities and obligations of certain public authorities, certain short-term corporate obligations, certain bankers' acceptances, and certificates of deposit secured by legally qualified governmental securities. All securities in which the State invests moneys held by funds administered within the State Treasury must mature within twelve years of the date they are purchased. Money impounded by the Comptroller for payment of TRANs may only be invested, subject to the provisions of the State Finance Law, in (i) obligations of the Federal government, (ii) certificates of deposit secured by such obligations, or (iii) obligations of or obligations guaranteed by agencies of the Federal government as to which the payment of principal and interest is guaranteed by the Federal government.

The Comptroller invests General Fund moneys, bond proceeds, and other funds not immediately required to make payments through STIP, which is comprised of joint custody funds (Governmental Funds, Internal Service Funds, Enterprise Funds and Private Purpose Trust Funds), as well as several sole custody funds including the Tobacco Settlement Fund. The interest earnings accrued are allocated and deposited to the credit of those funds with positive balances that contribute to the overall invested STIP pool.

The Comptroller is authorized to make temporary loans from STIP to cover temporary cash shortfalls in certain funds and accounts resulting from the timing of receipts and disbursements. The Legislature authorizes the funds and accounts that may receive loans each year, based on legislation submitted with the Executive Budget. Loans may be granted only for amounts that the Director of the Budget certifies are "receivable on account" or can be repaid from the current operating receipts of the fund (i.e., loans cannot be granted in expectation of future revenue enhancements). The General Fund is authorized to receive temporary loans from STIP for a period not to exceed four months or the end of the fiscal year, whichever is shorter.

The State Comptroller repays loans from the first cash receipts into the borrowing fund or account. Fund balances outside the General Fund are presented on a net basis, i.e., they are reduced by the amount of outstanding temporary loans from STIP. Some sources of the State's temporary loans include timing-related delays in the receipt from Federal funds and the sale of bonds used to finance capital projects, and unreimbursed costs related to the Office of Information Technology Services (ITS) Internal Service Funds. The total outstanding balance of loans from STIP at March 31, 2019 was $5.405 billion, an increase of $2.3 billion from the outstanding loan balance of $3.090 billion at March 31, 2018.

Accounting Practices, Financial Reporting and Budgeting

Historically, the State has accounted for, reported and budgeted its operations on a cash basis. Under this form of accounting, receipts are recorded at the time money or checks are deposited in the State Treasury, and disbursements are recorded at the time a check or electronic payment is released. As a result, actions and circumstances, including discretionary decisions by certain governmental officials, can affect the timing of payments and deposits and therefore can significantly affect the cash amounts reported in a fiscal year. Under cash-basis accounting, all estimates and projections of State receipts and disbursements relating to a particular fiscal year are of amounts to be deposited in or disbursed from the State Treasury during that fiscal year, regardless of the fiscal period to which particular receipts or disbursements may otherwise be attributable.

The State also has an accounting and financial reporting system based on GAAP and currently formulates a GAAP financial plan. GAAP for governmental entities requires use of the accrual basis of accounting for the government-wide financial statements which includes governmental and business-type activities and component units. Revenues are recorded when they are estimated to have been earned and expenses are recorded when a liability is estimated to have been incurred, regardless of the timing of related cash flows. Governmental fund financial statements are prepared using the modified accrual basis of accounting. Under modified accrual procedures, revenues are recorded when they become both measurable and available within 12 months of the end of the current fiscal period to finance expenditures; expenditures are recorded in the accounting period for which the liability is incurred to the extent it is expected to be paid within the next 12 months with the exception of expenditures such as debt service, compensated absences, and claims and judgments. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Non-exchange grants and subsidies such as local assistance grants and public benefit corporation subsidies are recognized as expenditures when all requirements of the grant and or subsidy have been satisfied.

As of March 31, 2019, the State had approximately 182,800 FTE annual salaried employees funded from all funds including some part-time and temporary employees, independently-elected agencies and university systems, but excluding seasonal, legislative and judicial employees. The workforce is now substantially smaller than it was in 1990, when it peaked at approximately 230,000 positions. The State workforce is projected to total 183,869 positions at the end of FY 2020. The State workforce subject to direct Executive control is expected to total 119,491 full time equivalent positions at the end of FY 2020.

The State Public Employment Relations Board defines negotiating units for State employees. The Governor's Office of Employee Relations (GOER) conducts collective bargaining negotiations with the State's unions, with the exception of employees of the Judiciary, public authorities, CUNY and the Legislature. Such negotiations include terms and conditions of employment, except pension benefits.

The State has multi-year labor agreements in place with most of the unionized workforce. The Civil Service Employees Association (CSEA) and DC-37 (Local 1359 Rent Regulation Service Employees) have five-year labor contract that provide annual salary increases of 2 percent for FYs 2017 through 2021 and additional compensation changes, offset by benefit design changes within the New York State Health Insurance Program (NYSHIP) and reductions in overtime costs. Salary increases provided to CSEA and DC-37 employees were also extended to Management/Confidential (M/C) employees.

United University Professions (UUP) has a six-year collective bargaining agreement that covers academic years 2017 through 2022. The agreement provides for 2 percent general salary increases in each year of the contract and additional compensation changes, which are partly offset by benefit design changes within NYSHIP. The cost of the agreement (approximately $253 million in FY 2020) has been included in the Financial Plan and is primarily funded by SUNY except for related fringe benefit costs, paid by the State. At the request of SUNY, the State will advance approximately $110 million in planned payments for State-operated SUNY campuses from November 2019 to June 2019, to make resources available for retroactive payments.

On October 10, 2018, the Police Benevolent Association of the New York State Troopers (NYSTPBA) ratified a five-year collective bargaining agreement for FY 2019 through FY 2023. The agreement provides for 2 percent general salary increases in each year of the contract and additional compensation changes, which are partly offset by benefit design changes within NYSHIP.

On January 24, 2019, NYSCOPBA ratified a seven-year collective bargaining agreement for FY 2017 through FY 2023. The agreement provides for 2 percent general salary increases in each year of the agreement, and additional compensation changes, offset by benefit design changes within NYSHIP and reductions in overtime costs.

Contracts with the Public Employees Federation (PEF) and the Graduate Student Employees Union (GSEU) expired at the end of FY 2019. Negotiations have commenced for a successor agreement with PEF and negotiations with GSEU are planned later this year.

The State is in negotiations with all other employee unions whose contracts concluded in previous fiscal years including the New York State Police Investigators Association (NYSPIA) and Council 82. Negotiations also continue with the Police Benevolent Association of New York State (PBANYS), whose contract expired at the end of FY 2015.

Contract periods and related general salary increases for State employee union contracts are illustrated below.

UNION LABOR AGREEMENTS IN PLACE
(Annual Salary Increase Percentages)

	Current/Expired Contract Period	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
NYSTPBA	FY 2019 - FY 2023	2%	2%	2%	2%	2%	2%	2%	2%	2%
NYSCOPBA	FY 2017 - FY 2023	2%	2%	2%	2%	2%	2%	2%	2%	2%
UUP	AY 2017 - AY 2022	2%	2%	2%	2%	2%	2%	2%	2%	
CSEA	FY 2017 - FY 2021	2%	2%	2%	2%	2%	2%	2%		
DC-37	FY 2017 - FY 2021	2%	2%	2%	2%	2%	2%	2%		
PEF	FY 2017 - FY 2019	2%	2%	2%	2%	2%				
GSEU	FY 2017 - FY 2019	2%	2%	2%	2%	2%				
CUNY	FY 2011 - FY 2018	2.5%	2%	2%	1.5%					
NYSPIA	FY 2012 - FY 2018	2%	2%	1.5%	1.5%					
Council 82	FY 2010 - FY 2016	2%	2%							
PBANYS	FY 2006 - FY 2015	2%								

The Judiciary also has agreements with all 12 unions represented within its workforce. The contract periods are as follows: FY 2018 to FY 2020 for CSEA; FY 2012 to FY 2021 for the NYS Supreme Court Officers Association, the NYS Court Officers Association and the Court Clerks Association; and FY 2020 to FY 2021 for the remaining eight unions.

HISTORICAL SUMMARY OF EXECUTIVE BRANCH WORKFORCE
ANNUAL SALARIED FTEs
ALL FUNDS

Date	Subject to Direct Executive Control	Grand Total
3/31/2008	137,707	195,266
3/31/2009	136,517	195,347
3/31/2010	131,741	191,195
3/31/2011	125,787	183,921
2/29/2012*	119,579	179,598
3/31/2013	119,756	180,802
3/31/2014	118,492	180,041
3/31/2015	117,807	179,620
3/31/2016	117,862	180,220
3/31/2017	117,907	181,436
3/31/2018	117,397	181,599
3/31/2019	117,967	182,799

*Reflects a payroll prior to fiscal year-end due to concurrent implementation of the State's Statewide Financial System (SFS) which resulted in anomalies to the accounting of FTEs with the actual FY 2012 year-end payroll.

Section 1: Subsection D

"State Retirement System"

Extract From AIS

The extracted information included in this Subsection D is not intended to and does not in any way update or change any of the information contained in the AIS.

Capitalized terms used in this Subsection D and not otherwise defined shall have the meanings ascribed to them in the AIS.

General

This section summarizes key information regarding the New York State and Local Retirement System ("NYSLRS" or the "System") and the Common Retirement Fund ("CRF"). The System was established as a means to pay benefits to the System's participants. The CRF comprises a pooled investment vehicle designed to protect and enhance the long-term value of the System's assets.

Greater detail, including the independent auditor's report for the fiscal year ending March 31, 2018, is included in NYSLRS' Comprehensive Annual Financial Report ("NYSLRS' CAFR") for the fiscal year ended March 31, 2018 and is available on the OSC website at the following address:https://www.osc.state.ny.us/retire/about_us/financial_statements_index.php.
Additionally, available at the OSC website are the System's asset listing for the fiscal year ended March 31, 2018 and audited financial statements with the independent auditor's report for the fiscal year ended March 31, 2018.

The Annual Reports to the Comptroller on Actuarial Assumptions from the Retirement System's Actuary - the contents of which explain the methodology used to determine employer contribution rates to the System - issued from 2007 through 2018 are available at the OSC website at https://www.osc.state.ny.us/retire/about_us/financial_statements_index.php. Benefit plan booklets describing how each of the System's tiers works can be accessed at https://www.osc.state.ny.us/retire/publications/.

The State Comptroller is the administrative head of NYSLRS, which has the powers and privileges of a corporation and comprises the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS"). The State Comptroller promulgates rules and regulations for the administration and transaction of the business of the System. Pursuant to the State's Retirement and Social Security Law and Insurance Law, NYSLRS is subject to the supervision of the Superintendent of DFS.

The State Comptroller is also the trustee and custodian of the CRF, a trust created pursuant to the Retirement and Social Security Law to hold the System's assets, and, as such, is responsible for investing the assets of the System. Consistent with statutory limitations affecting categories of investment, the State Comptroller, as trustee of the CRF, establishes a target asset allocation and approves policies and procedures to guide and direct the investment activities of the Division of Pension Investment and Cash Management of the Office of the State Comptroller ("Division"). Division employees, outside advisors, consultants and legal counsel provide the State Comptroller with advice and oversight of investment decisions. Outside advisors and internal investment staff are part of the chain of approval that must recommend all investment decisions before final action by the State Comptroller. The Investment Advisory Committee and the Real Estate Advisory Committee, both made up of outside advisors, assist the State Comptroller in his investment duties. The Investment Advisory Committee advises the State Comptroller on investment policies relating to the CRF, reviews the portfolio of the CRF and makes such recommendations as the Committee deems necessary. The Real Estate Advisory Committee reviews and must approve mortgage and real estate investments for consideration by the State Comptroller.

The System engages an independent auditor to conduct an audit of the System's annual financial statements. Furthermore, an Actuarial Advisory Committee meets annually to review the actuarial assumptions and the results of the actuarial valuation of the System. The Actuarial Advisory Committee is composed of current or retired senior actuaries from major insurance companies or pension plans. The System also engages the services of an outside actuarial consultant to perform a statutorily required quinquennial review. At least once every five years, NYSLRS is also examined by DFS. The Comptroller has established within the Retirement System, the Pension Integrity Bureau, the purpose of which is to identify and prevent errors, fraud and abuse. The State Comptroller has also established an Office of Internal Audit to provide the Comptroller with independent and objective assurance and consulting services for the programs and operations of the Office of the State Comptroller, including programs and operations of NYSLRS. The Comptroller's Advisory Audit Committee, established in compliance with DFS regulations, meets three times per year to review the System's audited financial statements and the NYSLRS' CAFR, and to discuss a variety of financial and investment-related activities. Pursuant to DFS regulations, a fiduciary review of the System for the three-year period ended March 31, 2015 was submitted on June 16, 2016. The System is currently in the procurement process for the fiduciary review of the System for the three-year period ended March 31, 2018.

The System

The System provides pension benefits to public employees of the State and its localities (except employees of New York City, and public school teachers and administrators, who are covered by separate public retirement systems). State employees made up about 33 percent of the System's membership as of March 31, 2018. There were 3,044 public employers participating in the System, including the State, all cities and counties (except New York City), most towns, villages and school districts (with respect to non-teaching employees), and many public authorities.

As of March 31, 2018, 652,030 persons were members of the System and 470,596 pensioners or beneficiaries were receiving pension benefits. Article 5, section 7 of 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."

Comparison of Benefits by Tier

The System's members are categorized into six tiers depending on date of membership. As of March 31, 2018, approximately 58 percent of ERS members were in Tiers 3 and 4 and approximately 68 percent of PFRS members were in Tier 2. Tier 5 was enacted in 2009 and included significant changes to the benefit structure for ERS members who joined on or after January 1, 2010 and PFRS members who joined on or after January 9, 2010. Tier 6 was enacted in 2012 and included further changes to the benefit structure for ERS and PFRS members who joined on or after April 1, 2012.

Benefits paid to members vary depending on tier. Tiers vary with respect to vesting, employee contributions, retirement age, reductions for early retirement, and calculation and limitation of "final average salary" – generally the average of an employee's three consecutive highest years' salary (for Tier 6 members, final average salary is determined by taking the average of an employee's five consecutive highest years' salary). ERS members in Tiers 3 and 4 can begin receiving full retirement benefits at age 62, or at age 55 with at least 30 years of service. The amount of the benefit is based on years of service, age at retirement and the final average salary earned. The majority of PFRS members are in special plans that permit them to retire after 20 or 25 years regardless of age. Charts comparing the key benefits provided to members of ERS and PFRS in most of the tiers of the System can be accessed at:

ERS Chart: https://www.osc.state.ny.us/retire/employers/tier-6/ers_comparison.php

PFRS Chart: https://www.osc.state.ny.us/retire/employers/tier-6/pfrs_comparison.php

Contributions and Funding

Contributions to the System 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 were required to contribute 3 percent of their salaries. A statutory change in 2000, however, limited the contributions to the first 10 years of membership, but did not authorize refunds where contributions had already exceeded 10 years. All ERS members joining after 2009 and prior to April 1, 2012, and all PFRS members joining after January 9, 2010 and prior to April 1, 2012, are members of Tier 5. All Tier 5 ERS members and 88 percent of the Tier 5 PFRS members are required to contribute 3 percent of their salaries for their career. Members joining on or after April 1, 2012 are in Tier 6, and are required to pay contributions throughout their career on a stepped basis relative to each respective member's wages.[1] Members in Tier 6 of both ERS and PFRS earning $45,000 or less are required to contribute 3 percent of their gross annual wages; members earning between $45,001 and $55,000 are required to contribute 3.5 percent; members earning between $55,001 and $75,000 are required to contribute 4.5 percent; members earning between $75,001 and $100,000 are required to contribute 5.75 percent; and, those earning in excess of $100,000 are required to contribute 6 percent of their gross annual salary.

In order to protect employers from potentially volatile contributions tied directly to the value of the System's assets held by the CRF, the System utilizes a multi-year smoothing procedure. One of the factors used by the System's Actuary to calculate employer contribution requirements is the assumed investment rate of return, which is currently 7.0 percent.[2]

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[1] Less than 1 percent of the 9,210 PFRS Tier 6 members are non-contributory.

[2] During 2015, the Retirement System's Actuary conducted the statutorily required quinquennial actuarial experience study of economic and demographic assumptions. The assumed investment rate of return is an influential factor in calculating employer contribution rates. In addition, the Chief Investment Officer conducted an asset allocation study. The resulting asset allocation and long-term asset allocation policy informed the Actuary's recommendation regarding the revision of the investment rate of return (discount rate). In September 2015, the Comptroller announced the assumed rate of return for NYSLRS would be lowered from 7.5 percent to 7 percent. The 7 percent rate of return has been used to determine employer contribution rates in FYs 2017 through 2020.

The current actuarial smoothing method recognizes unexpected annual gains and losses (returns above or below the assumed investment rate of return) over a 5-year period.

The amount of future annual employer contribution rates will depend, in part, on the value of the assets held by the CRF as of each April 1, as well as on the present value of the anticipated benefits to be paid by the System as of each April 1. Contribution rates for FY 2020 were released in August 2018. The average ERS rate decreased by 0.3 percent from 14.9 percent of salary in FY 2019 to 14.6 percent of salary in FY 2020, while the average PFRS rate in FY 2020 will remain at 23.5 percent of payroll, the same rate as in FY 2019. Information regarding average rates for FY 2020 may be found in the 2018 Annual Report to the Comptroller on Actuarial Assumptions which is accessible at:
https://www.osc.state.ny.us/retire/about_us/financial_statements_index.php.

Legislation enacted in 2010 authorized the State and participating employers to amortize a portion of their annual pension costs during periods when actuarial contribution rates exceed thresholds established by the statute. The legislation provided employers with an optional mechanism intended to reduce the budgetary volatility of employer contributions. Amortized amounts must be paid by the State and participating employers in equal annual installments over a ten-year period, and employers may prepay these amounts at any time without penalty. Employers are required to pay interest on the amortized amounts at a rate determined annually by the State Comptroller that is comparable to taxable fixed income investments of a comparable duration. The interest rate on the amount an employer chooses to amortize in a particular rate year is 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. For amounts amortized in FY 2011, FY 2012, FY 2013, FY 2014, FY 2015, FY 2016, FY 2017, FY 2018 and FY 2019, the interest rates are 5 percent, 3.75 percent, 3 percent, 3.67 percent, 3.15 percent, 3.21 percent, 2.33 percent, 2.84 percent, and 3.64 percent respectively. The first payment is due in the fiscal year following the decision to amortize pension costs. 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, OSC expects that this will reduce the budgetary volatility of employer contributions. As of March 31, 2018, the amortized amount receivable, including accrued interest, for the 2011 amortization is $88.2 million from the State and $10.6 million from 30 participating employers; the amortized amount receivable, including accrued interest, for the 2012 amortization is $251.0 million from the State and $77.1 million from 106 participating employers; the amortized amount receivable, including accrued interest, for the 2013 amortization is $419.0 million from the State and $167.1 million from 124 participating employers; the amortized amount receivable, including accrued interest, for the 2014 amortization is $603.9 million for the State and $114.6 million from 92 participating employers; the amortized amount receivable including accrued interest, for the 2015 amortization is $523.3 million from the State and $97.3 million from 78 participating employers; the amortized amount receivable, including accrued interest for the 2016 amortization, is $294.4 million from the State and $53.4 million from 53 participating employers; the amortized amount receivable, including accrued interest for the 2017 amortization, is $5.6 million from 9 participating employers; the State did not amortize in 2017;

and the amortized amount receivable, including accrued interest for the 2018 amortization, is $4.4 million from 4 participating employers; the State did not amortize in 2018.

The FY 2014 Enacted Budget included an alternate contribution program (the "Alternate Contribution Stabilization Program") that provides certain participating employers with a one-time election to amortize slightly more of their required contributions than would have been available for amortization under the 2010 legislation. In addition, the maximum payment period was increased from ten years to twelve years. The election is available to counties, cities, towns, villages, BOCES, school districts and the four public health care centers operated in the counties of Nassau, Westchester and Erie. The State is not eligible to participate in the Alternate Contribution Stabilization Program. There are 41 employers that are currently enrolled in the program. Employers are not required to amortize every year. As of March 31, 2018, the amortized amount receivable, including interest, from 26 participating employers for the 2014 amortization is $171.7 million. The amortized amount receivable, including interest, from 26 participating employers for the 2015 amortization is $154.5 million. The amortized amount receivable, including interest, from 23 participating employers for the 2016 amortization is $115.2 million. The amortized amount receivable, including interest, from 19 participating employers for the 2017 amortization is $86.2 million. The amortized amount receivable, including interest, from 13 participating employers for the 2018 amortization is $74.9 million.

For those eligible employers electing to participate in the Alternate Contribution Stabilization Program, the graded contribution rate for fiscal years ending 2014 and 2015 is 12 percent of salary for ERS and 20 percent of salary for PFRS. Thereafter, the graded contribution rate will increase one half of one percent per year towards the actuarially required rate. The FY 2019 amounts are 14.0 percent for ERS and 22.0 percent for PFRS. Electing employers may amortize the difference between the graded rate and the actuarially required rate over a twelve-year period at an interpolated twelve-year U.S. Treasury Security rate (3.76 percent for FY 2014, 3.50 percent for FY 2015, 3.31 percent for FY 2016, 2.63 percent for FY 2017, 3.31 percent for FY 2018 and 3.99 percent for FY 2019). As with the original Contribution Stabilization Program, when contribution rates fall below legally specified levels and all outstanding amortizations have been paid, employers that elect to amortize under the alternate program 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.

Legislation enacted in June 2017 modified the calculation of an employer's graded rate to be the product of the System's graded rate with the ratio of the employer's average contribution rate to the System's average contribution rate, not to exceed the System's graded rate.

The total State payment (including Judiciary) due to NYSLRS for FY 2019 was approximately $2.327 billion. The State opted not to amortize under the Contribution Stabilization Program and paid the bill in full as of March 1, 2019.

The estimated total State payment (including Judiciary) due to NYSLRS for FY 2020 is approximately $2.342 billion. Multiple prepayments (including interest credit) have reduced this amount to $25 million.

The FY 2017 Enacted Budget authorized the State, as an amortizing employer, to prepay to NYSLRS the total amount of principal due for its annual amortization installment or installments for a given fiscal year prior to the expiration of a ten-year amortization period.

Pension Assets and Liabilities

The System's assets are held by the CRF for the exclusive benefit of members, retirees and beneficiaries. Investments for the System are made by the State Comptroller as trustee of the CRF. The System reports that the net position restricted for pension benefits as of March 31, 2018 was $212.1 billion (including $5.5 billion in receivables, which consist of employer contributions, amortized amounts, member contributions, member loans, accrued interest and dividends, investment sales and other miscellaneous receivables), an increase of $14.5 billion or 7.3 percent from the FY 2017 level of $197.6 billion. The increase in net position restricted for pension benefits from FY 2017 to FY 2018 reflects, in large part, equity market performance.[3] The System's audited Financial Statement reports a time-weighted investment rate of return of 11.35 percent (gross rate of return before the deduction of certain fees) for FY 2018.

Consistent with statutory limitations affecting categories of investment, the State Comptroller, as trustee of the CRF, establishes a target asset allocation and approves policies and procedures to guide and direct the investment activities of the Division of Pension Investment and Cash Management. The purpose of this asset allocation strategy is to identify the optimal diversified mix of assets to meet the requirements of pension payment obligations to members. In the fiscal year ended March 31, 2015, an asset liability analysis was completed and a long-term policy allocation was adopted. The current long-term policy allocation seeks a mix that includes 50 percent public equities (36 percent domestic and 14 percent international); 18 percent bonds, cash and mortgages; 4 percent inflation indexed bonds and 28 percent alternative investments (10 percent private equity, 10 percent real estate, 2 percent absolute return or hedge funds, 3 percent opportunistic and 3 percent real assets). Since the implementation of the long-term policy allocation will take several years, transition targets have been established to aid in the asset rebalancing process.[4]

The System reports that the present value of anticipated benefits for current members, retirees, and beneficiaries increased to $251.4 billion (including $127.8 billion for retirees and beneficiaries) as of April 1, 2018, up from $240.7 billion as of April 1, 2017. The funding method used by the System anticipates that the plan net position, plus future actuarially determined contributions, will be sufficient to pay for the anticipated benefits of current members, retirees and beneficiaries. The valuation used by the Retirement Systems Actuary was based on audited net position restricted for pension benefits as of March 31, 2018. Actuarially determined contributions are calculated using actuarial assets and the present value of anticipated benefits. Actuarial assets differed from plan net position on April 1, 2018 in that the determination of actuarial assets utilized a smoothing

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[3] On May 16, 2019, the State Comptroller released a statement indicating that the value of the System's invested assets posted a 5.23 percent time-weighted rate of return (gross rate of return before the deduction of certain fees) for the fiscal year ended March 31, 2019.
This report reflects unaudited data for assets invested for the System. The value of invested assets changes daily.

[4] More detail on the CRF's asset allocation as of March 31, 2018, long-term policy and transition target allocation can be found on page 96 of the NYSLRS' CAFR for the fiscal year ending March 31, 2018.

method that recognized 20 percent of the unexpected gain for FY 2018, 40 percent of the unexpected gain for FY 2017, 60 percent of the unexpected loss for FY 2016, and 80 percent of the unexpected loss for FY 2015. The asset valuation method smooths gains and losses based on the market value of all investments. Actuarial assets increased from $198.1 billion on April 1, 2017 to $206.7 billion on April 1, 2018.

In June 2012, GASB approved two related Statements that change the accounting and financial reporting of pensions by state and local governments and pension plans. These statements impact neither the System's actuarial funding method nor the calculation of rates.

Statement No. 67, Financial Reporting for Pension Plans, addresses financial reporting for state and local government pension plans, and replaced the requirements of Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, for most public employee pension plans and Statement No. 50, Pension Disclosures. Statement No. 67 mandates more extensive note disclosure and required supplementary information. The implementation of Statement No. 67 will have no impact on the System's Statement of Fiduciary Net Position, which measures the System's net position, restricted for pension benefits or Statement of Changes in Fiduciary Net Position. The System adopted Statement No. 67 in the March 31, 2015 Financial Statements.

The ratio of fiduciary net position to the total pension liability for ERS, as of March 31, 2018, calculated by the System's Actuary, was 98.2 percent. The ratio of the fiduciary net position to the total pension liability for PFRS, as of March 31, 2018, calculated by the System's Actuary, was 96.9 percent.[5]

Statement No. 68, Accounting and Financial Reporting for Pensions, replaced the requirements of Statement No. 27, Accounting for Pensions by State and Local Government Employers, and Statement No. 50, Pension Disclosures. Statement No. 68 establishes new accounting and financial reporting requirements for governments that provide their employees with pensions. Statement No. 68 requires employers participating in the plans to report expanded information concerning pensions in their financial statements, as well as their proportionate share of the Net Pension Liability effective for fiscal years beginning after June 15, 2014. The Net Pension Liability is a measure of the amount by which the Total Pension Liability exceeds a pension system's Fiduciary Net Position. Employers now have to recognize their proportionate share of the collective Net Pension Liability in their financial statements, as well as pension expense and deferred inflows and outflows.

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[5] The System previously disclosed a funded ratio in accordance with GASB Statements 25 and 27, which, as discussed herein, have been amended by GASB Statements 67 and 68. The GASB Statements 67 and 68 amendments had the effect, among other things, of no longer requiring the disclosure of a funded ratio. GASB now requires the disclosure of the ratio of the fiduciary net position to the total pension liability. This ratio is not called a funded ratio and is not directly comparable to the funded ratio disclosed in prior years.

As noted above, Statement No. 68 impacts neither the actuarial funding method nor the calculation of rates. The System provided employers with the information required to comply with Statement No. 68 in September 2017, based on the System's measurement date of March 31, 2017. The Net Pension liability is allocated to participating employers and reported pursuant to both Statements 67 and 68.

Detailed "Schedules of Employer Allocation" and "Schedules of Pension Amounts by Employer" can be found on the OSC website at the following link:
https://www.osc.state.ny.us/retire/about us/financial statements index.php.

The GASB 68 "Schedules of Employer Allocation" and "Schedules of Pension Amounts by Employer" as of March 31, 2018 have been posted to the OSC website.

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 "State Retirement System — Contributions and Funding" above.

CONTRIBUTIONS AND BENEFITS
NEW YORK STATE AND LOCAL RETIREMENT SYSTEM[1]
(millions of dollars)

Fiscal Year Ended March 31	Contributions Recorded: All Participating Employers[1][2]	Local Employers[1][2]	State[1][2]	Employees	Total Benefits Paid[3]
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	4,585	2,799	1,786	273	8,938
2013	5,336	3,386	1,950	269	9,521
2014	6,064	3,691	2,373	281	9,978
2015	5,797	3,534	2,263	285	10,514
2016	5,140	3,182	1,958	307	11,060
2017	4,787	2,973	1,814	329	11,508
2018	4,823	3,021	1,802	349	12,129

Sources: State and Local Retirement System.

[1] Contributions recorded include the full amount of unpaid amortized contributions.

[2] The actuarily determined contribution (ADC) 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.

NET POSITION RESTRICTED FOR PENSION BENEFITS OF THE
NEW YORK STATE AND LOCAL RETIREMENT SYSTEM [1]
(millions of dollars)

Fiscal Year Ended March 31	Net Assets	Percent Increase/ (Decrease) From Prior Year
2009	110,938	-28.8%
2010	134,252	21.0%
2011	149,549	11.4%
2012	153,394	2.6%
2013	164,222	7.1%
2014	181,275	10.4%
2015	189,412	4.5%
2016	183,640	-3.0%
2017	197,602	7.6%
2018	212,077	7.3%

Sources: State and Local Retirement System.

[1] Includes relatively small amounts held under Group Life Insurance Plan. Includes some employer contribution receivables. Fiscal year ending March 31, 2018 includes approximately $5.2 billion of receivables.

Additional Information Regarding the System

The NYSLRS CAFR contains in-depth and audited information about the System. Among other things, the NYSLRS CAFR contains information about the number of members and retirees, salaries of members, valuation of assets, changes in fiduciary net position and information related to contributions to the System. The 2018 NYSLRS CAFR is available on the OSC website at the following web address:

https://www.osc.state.ny.us/retire/about_us/financial_statements_index.php

1) Information on the number of members and retirees, including the change in the number of members and retirees and beneficiaries since 2009 can be found on page 27 of the NYSLRS CAFR at the link noted above. More information on this topic is available in the "Statistical" section of the NYSLRS CAFR.

2) A combining basic statement of changes in fiduciary net position can be found on page 41 of the NYSLRS CAFR at the link noted above.

3) Schedule of Changes in the Employers' Net Pension Liability and Related Ratios (unaudited) can be found on pages 70-71 at the link noted above.

4) Information on contributions can be found on pages 143-151 of the NYSLRS CAFR at the link noted above.

5) A table with the market value of assets, actuarial value of assets and actuarial accrued liability of the CRF since 2008 can be found on page 152 of the NYSLRS CAFR at the link noted above.

6) Information related to the salaries of members can be found on pages 185-189 of the NYSLRS CAFR at the link noted above.

Section 1: Subsection E

"Authorities and Localities"

Extract From AIS

The extracted information included in this Subsection E is not intended to and does not in any way update or change any of the information contained in the AIS.

Capitalized terms used in this Subsection E and not otherwise defined shall have the meanings ascribed to them in the AIS.

Public Authorities

For the purposes of this section, "authorities" refer to public benefit corporations or public authorities, created pursuant to State law, which are reported in the State's CAFR. Authorities are not subject to the constitutional restrictions on the incurrence of debt that apply to the State itself and they may issue bonds and notes within the amounts and restrictions set forth in legislative authorization. Certain of these authorities issue bonds under two of the three primary State credits - PIT Revenue Bonds and Sales Tax Revenue Bonds. The State's access to the public credit markets through bond issuances constituting State-supported or State-related debt issuances by certain of its authorities could be impaired and the market price of the outstanding debt issued on its behalf may be materially and adversely affected if any of these authorities were to default on their respective State-supported or State-related debt issuances.

The State has numerous public authorities with various responsibilities, including those which finance, construct and/or operate revenue-producing public facilities. These entities generally pay their own operating expenses and debt service costs on their notes, bonds or other legislatively authorized financing structures from revenues generated by the projects they finance or operate, such as tolls charged for the use of highways, bridges or tunnels; charges for public power, electric and gas utility services; tuition and fees; rentals charged for housing units; and charges for occupancy at medical care facilities. Since the State has no actual or contingent liability for the payment of this type of public authority indebtedness, it is not classified as either State-supported debt or State-related debt. Some public authorities, however, receive monies from State appropriations to pay for the operating costs of certain programs.

There are statutory arrangements that, under certain circumstances, authorize State local assistance payments that have been appropriated in a given year and are otherwise payable to localities to be made instead to the issuing public authorities in order to secure the payment of debt service on their revenue bonds and notes. However, in honoring such statutory arrangement for the redirection of local assistance payments, the State has no constitutional or statutory obligation to provide assistance to localities beyond amounts that have been appropriated therefor in any given year.

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As of December 31, 2018, (with respect to Job Development Authority or "JDA" as of March 31, 2018) each of the 16 authorities listed in the following table had outstanding debt of $100 million or more, and the aggregate outstanding debt, including refunding bonds, was approximately $192 billion, only a portion of which constitutes State-supported or State-related debt. Note that the outstanding debt information contained in the following table is the most current information provided by OSC from data submitted by the 16 authorities in the following table at the time of this AIS.

OUTSTANDING DEBT OF CERTAIN AUTHORITIES[1]
AS OF DECEMBER 31, 2018[2]
(millions of dollars)

Authority	State-Related Debt	Authority and Conduit	Total
Dormitory Authority	34,734	20,418	55,152
Metropolitan Transportation Authority	0	30,907	30,907
Port Authority of NY & NJ	0	25,136	25,136
Housing Finance Agency	154	17,582	17,736
UDC/ESD	12,679	1,080	13,759
Job Development Authority[2]	0	10,218	10,218
Triborough Bridge and Tunnel Authority	0	8,461	8,461
Thruway Authority	2,773	5,447	8,220
Long Island Power Authority[3]	0	7,711	7,711
Environmental Facilities Corporation	32	6,091	6,123
State of New York Mortgage Agency	0	2,782	2,782
Energy Research and Development Authority	0	1,887	1,887
Power Authority	0	1,285	1,285
Local Government Assistance Corporation	1,195	0	1,195
Battery Park City Authority	0	928	928
Municipal Bond Bank Agency	139	172	311
TOTAL OUTSTANDING	51,706	140,105	191,811

Source: Compiled by the Office of the State Comptroller from data submitted by the Public Authorities. Debt classifications by DOB.

(1) Includes only authorities with $100 million or more in outstanding debt which are reported as component units or joint ventures of the State in the Comprehensive Annual Financial Report (CAFR). Includes short-term and long-term debt. Reflects par amounts outstanding for bonds and financing arrangements or gross proceeds outstanding in the case of capital appreciation bonds. Amounts do not reflect accretion of capital appreciation bonds or premiums received.

(2) All Job Development Authority (JDA) debt outstanding reported as of March 31, 2018. This includes $10.2 billion in conduit debt issued by JDA's blended component units consisting of $6.1 billion issued by New York Liberty Development Corporation ($1.2 billion of which is also included in the amount reported for Port Authority of NY and NJ), $745 million issued by the Brooklyn Arena Local Development Corporation and $3.3 billion issued by the New York Transportation Development Corporation. JDA has no State-guaranteed bonds outstanding.

(3) Includes $4.14 billion of Utility Debt Securitization Authority (UDSA) bonds. Chapter 173 of the Laws of 2013 established UDSA for the sole purpose of retiring certain outstanding indebtedness of the Long Island Power Authority (LIPA) through the issuance of restructuring bonds. UDSA is reported as a blended component unit of LIPA in LIPA's audited financial statements.

Localities

While the fiscal condition of New York City and other local governments in the State is reliant, in part, on State aid to balance their annual budgets and meet their cash requirements, the State is not legally responsible for their financial condition and viability. Indeed, the provision of State aid to localities, while one of the largest disbursement categories in the State budget, is not constitutionally obligated to be maintained at current levels or to be continued in future fiscal years and the State Legislature may amend or repeal statutes relating to the formulas for and the apportionment of State aid to localities.

The City of New York

The fiscal demands on the State may be affected by the fiscal condition of New York City, which relies in part on State aid to balance its budget and meet its cash requirements. It is also possible that the State's finances may be affected by the ability of New York City, and its related issuers, to market securities successfully in the public credit markets. The official financial disclosure of the City of New York and its related issuers is available by contacting Jason Goh, Investor Relations, (212) 788-5864, or contacting the City Office of Management and Budget, 255 Greenwich Street, 8th Floor, New York, NY 10007. The official financial disclosures of the City of New York and its related issuers can also be accessed through the EMMA system website at www.emma.msrb.org. The State assumes no liability or responsibility for any financial information reported by the City of New York. The following table summarizes the debt of New York City and its related issuers.

**DEBT OF NEW YORK CITY AND RELATED ENTITIES[1]
AS OF JUNE 30 OF EACH YEAR
(millions of dollars)**

Year	General Obligation Bonds	Obligations of TFA [1]	Obligations of STAR Corp. [2]	Obligations of TSASC, Inc.	Hudson Yards Infrastructure Corporation	Other [3] Obligations	Total
2009	39,991	16,913	2,253	1,274	2,033	2,442	64,906
2010	41,555	20,094	2,178	1,265	2,000	2,444	69,536
2011	41,785	23,820	2,117	1,260	2,000	2,590	73,572
2012	42,286	26,268	2,054	1,253	3,000	2,493	77,354
2013	41,592	29,202	1,985	1,245	3,000	2,394	79,418
2014	41,665	31,038	1,975	1,228	3,000	2,334	81,240
2015	40,460	33,850	2,035	1,222	3,000	2,222	82,789
2016	38,073	37,358	1,961	1,145	3,000	2,102	83,639
2017	37,891	40,696	1,884	1,089	2,751	2,034	86,345
2018	38,628	43,355	1,805	1,071	2,724	2,085	89,668

Source: Office of the State Comptroller, The City of New York Comprehensive Annual Financial Report.

(1) Includes amounts for Building Aid Revenue Bonds (BARBS), the debt service on which will be funded solely from future State Building Aid payments that are subject to appropriation by the State and have been assigned by the City of New York to the Transitional Finance Authority (TFA).

(2) A portion of the proceeds of the Sales Tax Asset Receivable Corporation (STARC) Bonds were used to retire outstanding Municipal Assistance Corporation bonds. The debt service on STARC bonds will be funded from annual revenues to be provided by the State, subject to annual appropriation. These revenues have been assigned to the STARC by the Mayor of the City of New York.

(3) Includes bonds issued by the Fiscal Year 2005 Securitization Corporation, the New York City Educational Construction Fund, the Industrial Development Agency and, beginning in 2010, the New York City Tax Lien Collateralized Bonds. Also included are bonds issued by the Dormitory Authority of the State of New York for education, health, and court capital projects and other long-term leases which will be repaid from revenues of the City or revenues that would otherwise be available to the City if not needed for debt service.

The staffs of the Financial Control Board for the City of New York (FCB), the Office of the State Deputy Comptroller (OSDC), the City Comptroller and the Independent Budget Office issue periodic reports on the City's financial plans. Copies of the most recent reports are available by contacting: FCB, 80 Maiden Lane, Suite 402, New York, NY 10038, Attention: Executive Director, http://www.fcb.state.ny.us/; OSDC, 59 Maiden Lane, 29th Floor, New York, NY 10038, Attention: Deputy Comptroller, http://www.osc.state.ny.us/osdc/; City Comptroller, Municipal Building, 6th Floor, One Centre Street, New York, NY 10007-2341, Attention: Deputy Comptroller for Budget, https://comptroller.nyc.gov/; and IBO, 110 William Street, 14th Floor, New York, NY 10038, Attention: Director, http://www.ibo.nyc.ny.us/.

Other Localities

Certain localities other than 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 by local governments has become more common in recent years. State legislation enacted post-2004 includes 27 special acts authorizing bond issuances to finance local government operating deficits. Included in this figure are special acts that extended the period of time related to prior authorizations and modifications to issuance amounts previously authorized. When a local government is authorized to issue bonds to finance operating deficits, the local government is subject to certain additional fiscal oversight during the time the bonds are outstanding as required by the State's Local Finance Law, including an annual budget review by OSC.

In addition to deficit financing authorizations, the State has periodically enacted legislation to create oversight boards in order to address deteriorating fiscal conditions within particular localities. The Cities of Buffalo and Troy, and the Counties of Erie and Nassau are subject to varying levels of review and oversight by entities created by such legislation. The City of Newburgh operates under special State legislation that provides for fiscal oversight by the State Comptroller and the City of Yonkers must adhere to a Special Local Finance and Budget Act. The impact on the State of any possible requests in the future for additional oversight or financial assistance cannot be determined at this time and therefore is not included in the Financial Plan projections.

Legislation enacted in 2013 created the Financial Restructuring Board for Local Governments (the "Restructuring Board"). The Restructuring Board consists of ten members, including the State Director of the Budget, who is the Chair, the Attorney General, the State Comptroller, the Secretary of State and six members appointed by the Governor. The Restructuring Board, upon the request of a "fiscally eligible municipality", is authorized to perform a number of functions including reviewing the municipality's operations and finances, making recommendations on reforming and restructuring the municipality's operations, proposing that the municipality agree to fiscal accountability measures, and making available certain grants and loans. To date, the Restructuring Board is currently reviewing or has completed reviews for twenty-five municipalities. The Restructuring Board is also authorized, upon the joint request of a fiscally eligible municipality and a public employee organization, to resolve labor impasses between municipal employers and employee organizations for police, fire and certain other employees in lieu of binding arbitration before a public arbitration panel.

OSC implemented its Fiscal Stress Monitoring System (the "Monitoring System") in 2013. The Monitoring System utilizes a number of fiscal and environmental indicators with the goal of providing an early warning to local communities about stress conditions in New York's local governments and school districts. Fiscal indicators consider measures of budgetary solvency while environmental indicators consider measures such as population, poverty, and tax base trends. Individual entities are then scored according to their performance on these indicators. An entity's score on the fiscal components will determine whether it is classified in one of three levels of stress: significant, moderate or susceptible. Entities that are determined to have stress levels below established scoring thresholds are classified as "No Designation".

A total of 37 local governments (10 counties, 8 cities, 9 towns and 10 villages) and 26 school districts have been placed in a stress category by OSC based on financial data for their fiscal years ending in 2017. The vast majority of entities scored by OSC (97 percent) are classified in the "No Designation" category.

Like the State, local governments must respond to changing political, economic and financial influences over which they have little or no control, but which can adversely affect their financial condition. For example, the State or Federal government may reduce (or, in some cases, eliminate) funding of local programs, thus requiring local governments to pay these expenditures using their own resources. Similarly, past cash flow problems for the State have resulted in delays in State aid payments to localities. In some cases, these delays have necessitated short-term borrowing at the local level.

Other factors that have had, or could have, an impact on the fiscal condition of local governments and school districts include: the loss of temporary Federal stimulus funding; recent State aid trends; constitutional and statutory limitations on the imposition by local governments and school districts of property, sales and other taxes; and for some communities, the significant upfront costs for rebuilding and clean-up in the wake of a natural disaster. 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, or the loss of skilled manufacturing jobs, may also adversely affect localities and necessitate requests for State assistance.

Ultimately, localities as well as local public authorities may suffer serious financial difficulties that could jeopardize local access to public credit markets, which may adversely affect the marketability of notes and bonds issued by localities within the State.

The following table summarizes the debt of New York City and its related issuers, and other New York State localities, from 1980 to 2017.

DEBT OF NEW YORK LOCALITIES[1]
(millions of dollars)

Locality Fiscal Year Ending	Combined New York City Debt[2]		Other Localities Debt[3]		Total Locality Debt[3]	
	Bonds	Notes	Bonds[4]	Notes[4]	Bonds[3][4]	Notes[4]
1980	12,995	0	6,835	1,793	19,830	1,793
1990	20,027	0	10,253	3,082	30,280	3,082
2000	39,244	515	19,093	4,470	58,337	4,985
2010	69,536	0	36,110	7,369	105,646	7,369
2013	79,418	0	36,483	7,447	115,901	7,447
2014	81,240	0	36,290	7,236	117,530	7,236
2015	82,789	0	34,346	6,981	117,135	6,981
2016	83,639	0	35,006	6,952	118,645	6,952
2017	86,345	0	34,788	5,617	121,133	5,617

Source: Office of the State Comptroller; The City of New York Comprehensive Annual Financial Report.

NOTE: For localities other than New York City, the amounts shown for fiscal years ending in 1990 may include debt that has been defeased through the issuance of refunding bonds.

(1) Because the State calculates locality debt differently for certain localities (including New York City), the figures above may vary from those reported by such localities. In addition, this table excludes indebtedness of certain local authorities and obligations issued in relation to State lease-purchase arrangements.

(2) Includes bonds issued by New York City and its related issuers, the Transitional Finance Authority, STAR Corporation, TSASC, Inc., the Hudson Yards Infrastructure Corporation, and Treasury obligations (as shown in the table "Debt of New York City and Related Entities" in the section of this document entitled "Authorities and Localities - The City of New York"). Also included are the bonds of the Fiscal Year 2005 Securitization Corporation, the Industrial Development Agency, the Municipal Assistance Corporation, the Samurai Funding Corporation, the New York City Educational Construction Fund, and the Dormitory Authority of the State of New York for education, health and court capital projects, and other long-term leases which will be repaid from revenues of the City or revenues which would otherwise be available to the City if not needed for debt service and, beginning in 2010, the New York City Tax Lien Collateralized Bonds.

(3) Includes bonds issued by the localities and certain debt guaranteed by the localities and excludes capital lease obligations (for localities other than New York City), assets held in sinking funds and certain amounts available at the start of a fiscal year for redemption of debt. Starting in 2001, debt for other localities includes installment purchase contracts.

(4) Amounts reflect those set forth on Annual Update Documents provided to OSC by New York State localities. Does not include the indebtedness of certain localities that did not file Annual Update Documents (financial reports) with the State Comptroller.

Section 1: Subsection F
"Economics and Demographics"
Extract From AIS

The extracted information included in this Subsection F is not intended to and does not in any way update or change any of the information contained in the AIS.

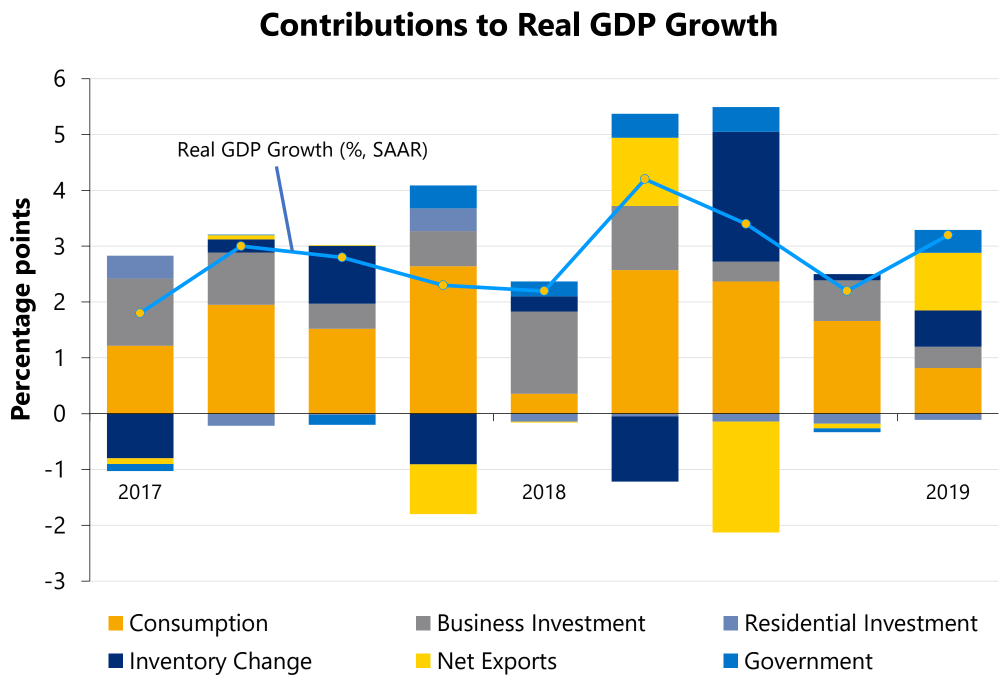
Capitalized terms used in this Subsection F and not otherwise defined shall have the meanings ascribed to them in the AIS.

The demographic and statistical data in this section, which have been obtained from the sources indicated, do not represent all factors which may have a bearing on the State's fiscal and economic affairs. Further, such information requires economic and demographic analysis in order to assess its significance and may be interpreted differently by individual experts. Note that DOB has chosen to provide certain economic and demographic analysis updated through the date of this AIS, although continuing disclosure requirements for this AIS require analysis only through March 31, 2019.

The U.S. Economy

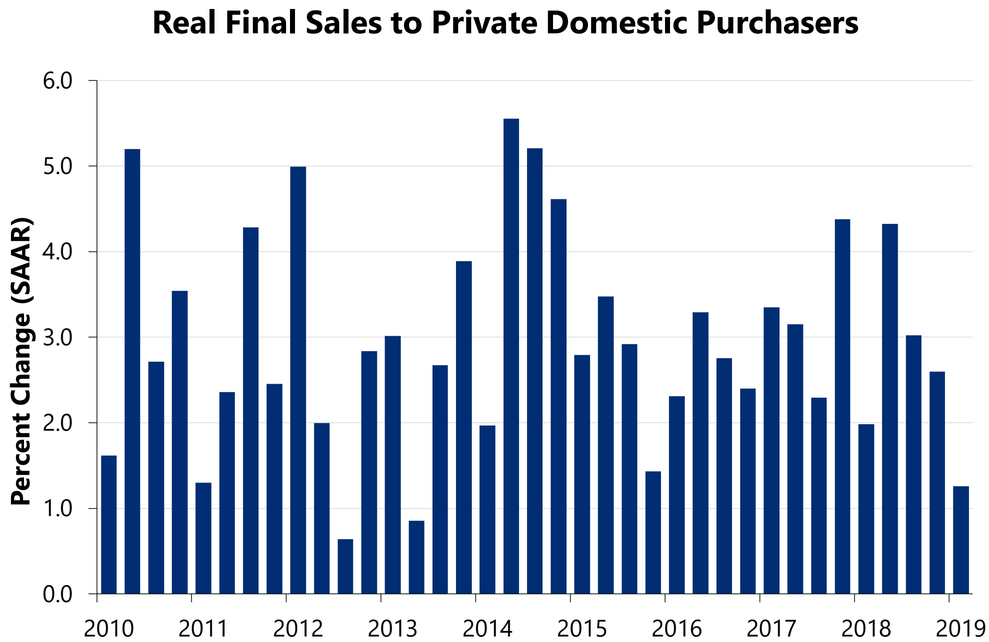
Current U.S. Economic Conditions

U.S. economic growth worries were intensifying at the end of 2018 due to stock market volatility, a partial Federal government shutdown, tightening monetary policy, and slowing global economic growth and trade volumes. Several economic indicators were signaling that a downturn may have been on the horizon – especially the December 2018 retail sales report, February 2019 payroll numbers, and a brief period of yield curve inversion. A resurgence in optimism occurred when the partial Federal government shutdown ended, the Chinese economy began to stabilize, and as it became apparent that further Federal Reserve rate hikes were on hold. In addition, U.S. equity markets started bouncing back, and incoming data for March 2019 indicate that U.S. economic growth is getting back on track. The March 2019 employment report, light-vehicle unit sales, retail sales, and durable goods orders all signaled stronger economic growth in the first quarter of calendar year 2019. The April 2019 employment and Conference Board's Consumer Confidence Reports signaled stronger consumer spending in the second quarter of calendar year 2019. Equity values have recovered from their late 2018 tumble and are expected to continue rising, albeit at a moderate pace, over the next several years.



Source: Moody's Analytics/BEA.

The advance estimate by the U.S. Bureau of Economic Analysis of first-quarter real GDP growth was a solid 3.2 percent, the strongest first-quarter gain since 2015. The graph above shows the breakdown of the GDP components and their contribution to growth. A stronger-than-expected inventory buildup, falling imports, and rising exports were the source of this strength, which was partially offset by decelerating consumer spending and business investment growth. Businesses had begun stocking up on inventories in mid-2018 due to dwindling inventory holdings, strong sales growth expectations, heightened trade tensions with China, and uncertainty over the North American Free Trade Agreement (NAFTA) negotiations. The global and domestic economic slowdown at the end of 2018 produced an unplanned inventory accumulation as sales underperformed expectations, suppressing imports in the first quarter. Real exports accelerated even as real import growth fell 3.7 percent, marking the weakest activity since the fourth quarter of 2012 and the second weakest since the end of the Great Recession in 2009. The contribution to first-quarter GDP growth from the combination of net exports and the change in real private inventories was 1.7 percent, the most since the first quarter of 2013. However, DOB believes that this pace of inventory accumulation is unsustainable. Slowing inventory accumulation is expected to exert a drag on real GDP growth for the remainder of the year and will assist in keeping core consumer price inflation modest.



Source: Moody's Analytics/BEA.

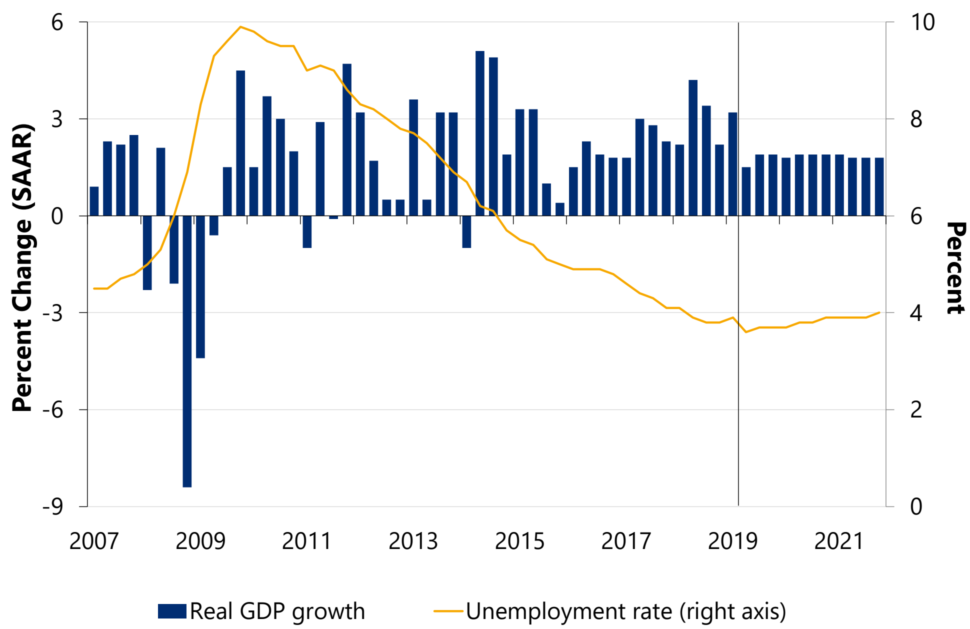
The first-quarter GDP report indicates that domestic private demand is slowing. As shown in the graph above, growth in real final sales to private domestic purchasers (GDP less exports, change in private inventories, government spending, plus imports) has been decelerating since the second quarter of 2018, reaching 1.3 percent in first quarter of 2019, the weakest showing since the second quarter of 2013. Real residential investment growth remained underwater for the fifth consecutive quarter, while growth of real nonresidential investment in structures was negative for the third consecutive quarter. Real business equipment growth recorded the weakest reading since the third quarter of 2016. Real consumer spending growth was 1.2 percent, although recent March and April data are pointing to a stronger showing for the remainder of 2019.

Consumer Price Inflation weakened during the first quarter despite solid GDP growth. The core Personal Consumption Expenditure (PCE) price index rose at a 1.7 percent rate in the first quarter on year-ago basis, below the Federal Reserve's 2 percent target and down from the 1.9 percent rate in the fourth quarter. Monthly core PCE inflation stood at 2 percent on a 12-month change basis in December and started slowing each month thereafter, reaching 1.6 percent in March.

U.S. Economic Forecast

As shown in the table below, DOB expects real GDP growth to slow from 2.9 percent in 2018 to 2.5 percent in 2019 due to waning support from fiscal stimulus, labor market capacity constraints, and slower real change in private nonfarm inventories. We anticipate that inventories will be a drag on growth for the next two quarters. Real GDP growth will slow further to 1.9 percent in 2020 and remain at 1.9 percent through 2021. DOB forecasts real GDP growth to cross below real potential GDP growth in early 2021.[6] The unemployment rate is forecast to be close to the Congressional Budget Office's (CBO) Non-Accelerating-Inflation Rate of Unemployment (NAIRU) estimate of 4.5 percent by the end of 2023.

GDP Growth and Unemployment Rate



Source: Moody's Analytics/BEA, BLS; DOB staff estimates.

Consumer price inflation (CPI) is forecast to fall back to 1.8 percent in 2019 from a 2018 reading of 2.4 percent, based on recent core consumer price readings. However, tight labor markets, rising wages, the fading impact of a stronger dollar on consumer goods import prices, and rising oil prices will combine to place upward pressure on consumer prices, with CPI forecast to accelerate to 2.2 percent in 2020 and inch up to 2.3 percent in 2021.

[6] Potential GDP is the level of output the economy can produce when all available resources are being utilized at their efficient levels.

ECONOMIC INDICATORS FOR THE UNITED STATES (Calendar year)	2014	2015	2016	2017	2018	2019 [1]
Gross Domestic Product						
Nominal ($ billions)	$17,521.7	$18,219.3	$18,707.2	$19,485.4	$20,494.1	$21,397.9
Percent Change	4.4	4.0	2.7	4.2	5.2	4.4
Real ($ billions)	$16,899.8	$17,386.7	$17,659.2	$18,050.7	$18,566.4	$19,033.5
Percent Change	2.5	2.9	1.6	2.2	2.9	2.5
Personal Income						
($ billions)	$14,991.8	$15,719.5	$16,125.1	$16,830.9	$17,582.4	$18,311.9
Percent Change	5.7	4.9	2.6	4.4	4.5	4.1
Nonagricultural Employment						
(millions)	138.9	141.8	144.3	146.6	149.1	151.5
Percent Change	1.9	2.1	1.8	1.6	1.7	1.6
Unemployment Rate (%)	6.2	5.3	4.9	4.4	3.9	3.7
Consumer Price Index						
(1982-84=100)	236.7	237.0	240.0	245.1	251.1	255.7
Percent Change	1.6	0.1	1.3	2.1	2.4	1.8

Sources: US Department of Commerce, Bureau of Economic Analysis; US Department of Labor, Bureau of Labor Statistics. Table reflects revisions by source agencies to figures for prior years.

[1] As projected by the NYS DOB, based on National Income and Product Account data through March 2019.

The Federal Reserve is currently on hold with respect to further Federal funds rate hikes. DOB expects no Federal Reserve rate hike for 2019 and 2020. Long-term interest rates are weak as well. The 10-year Treasury note yield is close to 2.5 percent. As the compressed term premia do not seem likely to improve any time soon, we project that the 10-year Treasury note yield will average 2.69 percent in 2019 and 3.05 percent in 2020.

The U.S. economy added 263,000 nonfarm payroll jobs in April 2019, and the national unemployment rate fell to its lowest level since December 1969. However, employment growth is expected to lose momentum over the next several years. Total nonfarm employment growth of 1.6 percent is projected for 2019, compared to the 1.7 percent growth rate of 2018.

Consistent with capacity-constrained labor markets and a current unemployment rate that is 0.9 percentage point below the CBO's NAIRU, the outlook for wage income growth is solid. Wage growth of 4.4 percent is projected for 2019. Personal income growth nationally is projected at 4.1 percent for 2019, below the 4.5 percent 2018 reading.

Real consumer spending grew 1.2 percent in the first quarter of 2019, half the rate of the previous quarter. However, DOB believes that the first-quarter slowdown is temporary. A recovery in consumer spending is expected due to solid wage growth, increasing household financial wealth, and modest consumer price inflation. Real consumer spending growth of 2.4 percent is forecasted for 2019, compared to the 2.6 percent growth of 2018.

Business investment growth slowed during the first quarter of 2019 as global and domestic demand cooled while borrowing and production costs rose. DOB projects 3.7 percent growth in business fixed investment during 2019, following 6.9 percent growth in 2018. Investment in equipment is expected to slow down to 3.1 percent in 2019, following 7.4 percent growth in 2018. Part of this slowdown is due to Boeing halting production of the 737 MAX aircraft. Investment in structures is expected to remain flat in 2019 after three consecutive declines during the second half of 2018 and the first quarter of this year. Investment in intellectual property is expected to maintain its healthy growth pace in 2019 with 7.1 percent growth, following 7.5 percent growth last year.

Mortgage rates have fallen since peaking in November 2018. The 30-year mortgage rate fell from 4.4 percent in February to 4.2 percent in April, which was expected to give the housing market a badly needed boost. However, the housing market's response so far has been disappointing. Real residential investment growth fell for the fifth consecutive quarter as of the first quarter this calendar year. It fell 0.3 percent in 2018. Real residential investment is expected to drop 2.1 percent this year before gaining traction and lurching into positive territory in 2020 and 2021.

Risks

Downside risks to the DOB outlook include U.S.-led policy uncertainty on trade, tariffs and immigration related matters, a potential U.S. debt ceiling crisis, a global growth downturn, commodity price shocks due to geopolitical instability, Brexit uncertainty, a splintering Eurozone, and a stock market correction. The upside risks to the DOB outlook include tariff reductions and the possibility of an infrastructure bill this year.

The New York Economy

Although recent growth in New York State's private sector employment has been above historical averages, it has been slowing since mid-2015. Sectors that are more sensitive to national and global trends, such as the finance and insurance and business sectors and professional services, decelerated substantially during 2018. Meanwhile, both the education and healthcare services sectors created jobs at robust rates. The retail trade sector continued to lose jobs as the less labor-intensive online retail business sector expanded, consistent with nationwide trends. On balance, private sector employment growth for 2018 was estimated to be 1.4 percent. Consistent with a further weakening in the national and global outlook, State private sector job growth of 1.2 percent is projected for 2019. The forecast for total employment was 1.1 percent growth in 2019, following 1.3 percent growth in 2018.

Although New York Stock Exchange member firms posted revenue growth of 19.9 percent for the 2018 calendar year, the strongest growth pace since 2006, total revenues for the five largest Wall Street banks grew by only 5.6 percent.[7] Indeed, two banks posted year-over-year declines in the fourth quarter consistent with the 20 percent equity market correction that ended Christmas Eve 2018. DOB estimates that finance and insurance sector bonuses fell 11.2 percent for FY 2019. Although the equity market's tumultuous fourth quarter performance likely played a key role, we note that FY 2018 bonus levels were elevated due to one-time bonus payouts possibly related to the Federal corporate tax cut under the Tax Cuts and Jobs Act (TCJA). Absent those one-time payments, FY 2019 finance and insurance sector bonuses are estimated to have fallen only 1.0 percent. FY 2019 wages are estimated to have grown 3.8 percent, following 4.6 percent growth in FY 2018.

Weakened equity market prices coupled with the partial Federal government shutdown in late 2018 brought the Initial Public Offering (IPO) market to a standstill during the first two months of 2019. While activity picked up in March 2019, total proceeds of only $4.8 billion were raised in the first quarter. Debt underwriting continued to fall on a year-over-year basis during the first quarter of 2019, following an annual decline of 10.6 percent in 2018. As a result, four of the five largest Wall Street banks experienced revenue declines during the first quarter of 2019. Finance and insurance sector bonus growth for FY 2020 is expected to remain flat at 0.4 percent. Overall wage growth is projected at 3.8 percent for FY 2020.

Recent changes to Federal tax law have resulted not only in large swings in taxable nonwage income for New York taxpayers, but also in the way that New York taxpayers pay their taxes. Taxpayers who in the past made large quarterly estimated payments in December appear to have moved much of those payments to April in the form of either extension payments or final payments. As a result, the 2018 tax year (TY) decline in non-wage income was likely not as deep as was feared. Positive capital gains realizations are estimated to have been virtually flat for TY 2018, following growth of 32.6 percent for 2017. Combined positive partnership and S Corp gains are estimated to have fallen 9.6 percent for TY 2018, following growth of 18.6 percent in 2017. Consistent with a weakening national economic outlook, capital gains realizations are

[7] NYSE revenues cover only the broker dealer arm of the member firms.

projected to fall 6.5 percent for TY 2019, while weak growth of 3.5 percent is projected for partnership and S Corp gains.

With State private-sector job growth slowing, there are many risks to the forecast. All the risks to the U.S. forecast also apply to the State forecast. However, as the nation's financial capital, both the volume of financial market activity and the volatility in equity markets involve a particularly large degree of uncertainty for New York. Since New York's financial services and professional and business services sectors serve a global market, they can be highly sensitive to global trends. Equity market volatility along with weaker than anticipated growth in both the U.S. and international economies could result in weaker bonus and overall wage growth, as well as lower taxable capital gains realizations. In contrast, stronger equity markets, along with stronger national and global growth, could result in stronger employment and wage growth than is reflected in this forecast.

ECONOMIC INDICATORS FOR NEW YORK STATE
(Calendar year)

	2015	2016	2017	2018	2019[1]
Personal Income					
($ billions)	$1,172.7	$1,208.3	$1,281.1	$1,341.9	$1,386.0
Percent Change	4.2	3.0	6.0	4.7	3.3
Nonagricultural Employment					
(thousands)	9,020.0	9,160.5	9,284.3	9,402.6	9,507.7
Percent Change	1.9	1.6	1.4	1.3	1.1
Unemployment Rate (%)	5.3	4.8	4.7	4.1	4.1

Sources: Personal Income based on data from US Department of Commerce, Bureau of Economic Analysis; NYS Department of Labor. Table reflects revisions by source agencies to data for prior years. Division of Budget staff estimates.

[1]As projected by Division of the Budget, based on National Income and Product Account data and employment data available through March 2019.

New York is the fourth most populous state in the nation, after California, Texas, and Florida, and has a relatively high level of personal wealth. The State's economy is diverse, with a comparatively large share of the nation's financial activities, information, education, and health services employment, and a very small share of the nation's farming and mining activity. The State's location and its air transport facilities and natural harbors have made it an important hub for international commerce. Travel and tourism constitute an important part of the economy. Like the rest of the nation, New York has a declining proportion of its workforce engaged in manufacturing, and an increasing proportion engaged in service industries.

Manufacturing: Manufacturing employment continues to decline as a share of total State employment, as in most other states, and as a result, New York's economy is less reliant on this sector than in the past. However, it remains an important sector of the State economy, particularly for the upstate region, which hosts high concentrations of manufacturers of transportation and other types of equipment.

Trade, Transportation, and Utilities: As defined under the North American Industry Classification System (NAICS), the trade, transportation, and utilities supersector accounts for the second largest component of State nonagricultural employment, but only the fifth largest when measured by wage share. This sector accounts for proportionally less employment and wages for the State than for the nation as a whole.

Financial Activities: New York City is the nation's leading center for banking and finance and, hence this is a far more important sector for the State than for the nation as a whole. Although this sector accounts for less than one-tenth of all nonagricultural jobs in the State, it contributes about one-fifth of total wages.

Other Service Sectors: The remaining service-producing sectors include information, professional and business services, private education and healthcare, leisure and hospitality services, and other services. Combined, these industries account for half of all nonagricultural jobs in New York. Information, education and health, and other services account for a higher proportion of total State employment than for the nation.

Agriculture: Farming is an important part of the State's rural economy, although it constitutes only about 0.1 percent of total State output. Principal agricultural products of the State include milk and dairy products, greenhouse and nursery products, fruits, and vegetables. New York ranks among the nation's leaders in the production of certain of these commodities.

Government: Federal, State, and local governments together comprise the third largest sector in terms of nonagricultural jobs, with the bulk of the employment accounted for by local governments. Public education is the source of about 40 percent of total State and local government employment.

THE 2018 COMPOSITION OF NONAGRICULTURAL EMPLOYMENT AND WAGES
(Percent)

	Employment		Wages	
	State	United States	State	United States
Natural Resources and Mining	0.1	0.5	0.1	1.0
Construction	4.1	4.9	4.3	5.3
Manufacturing	4.6	8.5	4.2	10.0
Trade, Transportation, and Utilities	16.2	18.6	11.7	15.4
Information	2.8	1.9	5.1	3.7
Financial Activities	7.4	5.7	19.6	9.4
Professional and Business Services	13.9	14.1	18.3	18.2
Educational and Health Services	21.4	15.9	14.7	13.4
Leisure and Hospitality	9.9	11.0	5.1	5.0
Other Services	4.3	3.9	2.9	3.1
Government	15.4	15.1	14.1	15.4

Source: NYS Department of Labor; US Department of Labor, Bureau of Labor Statistics; US Department of Commerce, Bureau of Economic Analysis.

The importance of the various sectors of the State's economy relative to the national economy is shown in the above table, which compares nonagricultural employment and wages by sector for the State and the nation. Construction accounts for smaller shares of employment for the State than for the nation, while the combined service industries account for a larger share. The share of total wages originating in the financial activities sector is particularly large for the State relative to the nation. Thus, the State is likely to be less affected than the nation during an economic recession that is concentrated in manufacturing and construction, but likely to be more affected by any economic downturn that is concentrated in the services sector.

Economic and Demographic Trends

In calendar years 1990 through 1998, the State's rate of economic growth was somewhat slower than that of the nation. In particular, during the 1990-91 recession and post-recession period, the economies of the State and much of the rest of the Northeast were more heavily damaged than the nation as a whole and were slower to recover. However, the situation subsequently improved. In 1999, for the first time in 13 years, State employment growth surpassed that of the nation, and in 2000 the rates were essentially the same. In 2001, the September 11th attack resulted in a downturn in New York that was more severe than for the nation as a whole. In contrast, the State labor market fared better than that of the nation as a whole during the most recent downturn that began in 2008, though New York experienced a historically large wage decline in 2009. The State unemployment rate was higher than the national rate from 1991 to 2004, but the gap between them closed by the end of 2004, with the State rate falling below that of the nation for much of the Great Recession, and remaining below through November 2011. The State unemployment rate rose above the national rate in December 2011, but fell below yet again in May 2015. It remained below the national rate for the period between May 2015 through June 2016, but has been near or slightly above the national rate since then.

The following table compares population change in the State and in the United States since 1980.

COMPARATIVE POPULATION FIGURES

	State			US	
	Total Population (000s)	% Change from Preceding Period	Percentage of U.S. Population	Total Population (000s)	% Change from Preceding Period
1980	17,558	(3.7)	7.8	226,546	11.4
1990	17,990	2.5	7.2	248,710	9.8
2000	18,976	5.5	6.7	281,422	13.2
2010	19,378	2.1	6.3	308,746	9.7
2018	19,542	0.8	6.0	327,167	6.0

Source: US Department of Commerce, Census Bureau.

Total State nonagricultural employment has declined as a share of national nonagricultural employment compared with 1980s and 1990s, however the share remained stable since 2000. The following historical table compares these levels and the rate of unemployment for the State and the nation.

NONAGRICULTURAL EMPLOYMENT AND UNEMPLOYMENT RATE FOR NEW YORK AND THE UNITED STATES

	Employment (000s)		State as Percent of US	Unemployment Rate (%)	
	State	US	Employment	State	US
1980	7,207	90,533	8.0	7.5	7.1
1990	8,203	109,527	7.5	5.3	5.6
2000	8,625	132,024	6.5	4.6	4.0
2010	8,544	130,362	6.6	8.6	9.6
2018	9,670	149,074	6.5	4.1	3.9

Source: US Department of Labor.
Note: Nonagricultural employment and unemployment rates are generated from separate surveys.

State per capita personal income has historically been significantly higher than the national average, although the ratio has varied substantially over time. Because New York City is an employment center for a multi-state region, State personal income measured on a residence basis understates the relative importance of the State to the national economy and the size of the base to which State taxation applies. The following table compares per capita personal incomes for the State and the nation.

PER CAPITA PERSONAL INCOME
(Income in Dollars)

	NYS	US	Ratio NYS/US
1980	$11,001	$10,180	1.08
1990	$23,990	$19,621	1.22
2000	$36,044	$30,657	1.18
2010	$49,194	$40,546	1.21
2018	$68,667	$53,712	1.28

Source: US Department of Commerce, Bureau of Economic Analysis.

Section 2
Annual Update of Official Statement Information

This Section 2 consists of updated extracts from the most recent Official Statement relating to particular series of bonds and financing programs and contains the information required to be updated annually pursuant to applicable continuing disclosure agreements entered into by the State of New York, as Obligor, thereunder. Readers are advised to review the contents of this Section 2 together with the complete sections of the relevant Official Statements from which the extracts were derived.

Capitalized terms that are not defined in this Section 2 shall have the meanings ascribed to them in the applicable Official Statements.

Section 2: Subsection G

New York Local Government Assistance Corporation Bonds

"The Sales Tax"

This Subsection G contains the information required to be updated annually pursuant to applicable continuing disclosure agreements relating to obligations issued by the New York Local Government Assistance Corporation.

Capitalized terms used in this Subsection G and not otherwise defined shall have the meanings ascribed to them in the related Official Statement.

General

In 1965, New York became the 39th state to impose a general sales and compensating use tax; 46 states now impose sales or gross receipts taxes. The statewide rate has been raised three times: from 2 percent to 3 percent on April 1, 1969, to 4 percent on June 1, 1971, and to 4.25 percent effective June 1, 2003 through May 31, 2005. The rate returned to 4 percent on June 1, 2005. The Sales Tax now applies to (1) sales and use within the State of most tangible personal property (2) certain utility service billings; and (3) charges for restaurant meals, hotel and motel occupancy, and for specified admissions and services. The base of the tax has been amended periodically since its imposition in 1965 and in almost every year since 1992. Legislation enacted from time to time since 1996 has (i) created special temporary and permanent Sales Tax exemptions for certain transactions (e.g., for clothing and footwear purchases under a certain dollar amount and for property and services used or consumed by qualifying businesses located in Empire Zones and New York City Liberty and Resurgence Zones) or (ii) expanded the scope of the Sales Tax (e.g., including the New York City cigarette excise tax of $1.50 in the State and local sales tax bases and requiring nonprofit organizations to collect sales tax on retail sales of certain property and services). (See Sales Tax Receipts below, for a description of recent amendments).

The Sales Tax is generally collected from the consumer by the final vendor. However, special provisions enacted in 1985 require prepayment of the bulk of the tax on motor fuel upon its import into the State, with ultimate collection and reconciliation at the retail level. Legislation effective September 1, 1995 requires similar prepayments of the Sales Tax on cigarettes. This prepayment was increased from 7 percent to 8 percent in 2009. Other provisions permit certain taxpayers to pay Sales Tax directly to the Commissioner of Taxation and Finance.

Vendors of goods and services which are subject to the Sales Tax are required to submit quarterly reports and remit tax collections with a postmarked due date of March 20, June 20, September 20 and December 20. Vendors collecting $3,000 or less in Sales Tax per year can elect to file annually on March 20. Vendors with taxable volume of $300,000 or more in one of the immediately preceding four quarters must remit the tax on a monthly basis. Monthly remittances are due on the 20th day of the month following the month of collection. Sales Tax vendors with more than $5 million in State and local annual tax liability remit tax for the first 22 days of the month by Electronic Funds Transfers (EFT) or certified check by the third business day thereafter. Tax for the balance of the month is paid with the monthly returns that such vendors file by the 20th of the following month. The threshold for mandatory EFT payments was initially $5 million and, effective September 2002, is currently $500,000. In addition, legislation in 1996 provided exemptions from the EFT program for certain materialmen that can demonstrate hardship, effective April 1, 1997. Effective March 1, 1999, Sales Tax vendors were allowed to keep for their Sales Tax collection services 3.5 percent of their Sales Tax liability up to a maximum of $150 per quarter. Legislation enacted in 2006 increased the percentage to 5 percent of their Sales Tax liability, up to a maximum of $175 in FY 2007. The cap increased to $200 on March 1, 2007. Legislation enacted in 2010 eliminated the allowance for monthly filers.

Sales Tax Receipts

Sales Tax receipts constitute the State's second largest source of tax receipts after PIT and accounted for approximately 18.6 percent of State tax receipts in all State Funds in FY 2019. The level of Sales Tax receipts is necessarily dependent upon economic and demographic conditions in the State, and therefore there can be no assurance that historical data with respect to collections of the Sales Tax will be indicative of future receipts.

Actual FY 2010 receipts of $9.871 billion reflect a decrease of 6.1 percent in the continuing New York Sales Tax base and tax law changes. These tax law changes included a sales tax on certain transportation services, increased tax compliance efforts, increased prepaid sales tax on cigarettes, an expanded definition of vendor to preclude certain taxpayers from avoiding the tax and narrowing the exemption for commercial aircraft and the use tax for exemption for motor vehicles, vessels and aircraft.

Actual FY 2011 receipts of $10.782 billion reflect an increase of 6.9 percent in the continuing New York Sales Tax base and tax law changes. These tax law changes included the elimination of the clothing and footwear exemption from October 1, 2010 to March 31, 2011, the elimination of the vendor credit for monthly filers and a clarification that room remarketers are required to collect sales and New York City occupancy taxes.

Actual FY 2012 receipts of $11.125 billion reflect an increase of 3.9 percent in the continuing New York State Sales Tax base and tax law changes such as the tax modernization project. In addition, clothing and footwear priced up to $55 were exempt from New York State Sales Tax until March 31, 2012.

Actual FY 2013 receipts of $11.232 billion reflect an increase of 3.2 percent in the continuing New York State Sales Tax base and tax law changes. The exemption for items of clothing and footwear priced under $110 went back into effect on April 1, 2012.

Actual FY 2014 receipts of $11.786 billion reflect an increase of 4.1 percent in the continuing New York State Sales Tax base and tax law changes affecting sales tax receipts that went into effect during FY 2014. These tax law changes included START-UP NY (tax-free zones on or near qualifying university and college campuses), a driver's license suspension program for certain tax delinquencies, and restrictions on certain Industrial Development Agencies ("IDAs") retail projects and a benefit clawback provision.

Actual FY 2015 receipts of $12.137 billion reflect a base increase of 4.7 percent in the continuing New York State Sales Tax base and tax law changes. These tax law changes included increasing the sales tax exemption from $0.75 to $1.50 on certain food and drink items sold through vending machines and establishing three regions for the prepaid sales tax on fuel to reduce tax evasion at retail.

Actual FY 2016 receipts of $12.485 billion reflect an increase of 3.6 percent in the continuing New York State Sales Tax base and tax law changes. These tax law changes included imposing local sales tax on prepaid wireless based on retail location instead of the customer's residence, exempting solar purchase power agreements from state and local sales tax, extending wine tasting sales and use tax exemption to other alcoholic beverages, an exemption of the portion of the purchase or lease of a boat in excess of $230,000 from sales and use tax, exempting general aviation aircraft and machinery or equipment installed on aircraft from state and local sales tax, and exempts certain related-party sales arising as a result of the Federal Dodd-Frank Wall Street Reform and Consumer Protection Act.

Actual FY 2017 receipts of $12.967 billion reflect an increase of 3.9 percent in the continuing New York State Sales Tax base and tax law changes. These tax law changes included motor fuel enforcement provisions that require wholesalers to file informational returns that will be used to audit retailers, and the exemption of feminine hygiene products.

Actual FY 2018 receipts of $13.553 billion reflect an increase of 4.1 percent in the continuing New York State Sales Tax base and tax law changes. These tax law changes included the exemption of cemetery monuments, the closure of related entities sales tax loophole, and motor fuel pre-payments reform.

Actual FY 2019 receipts of $14.164 billion reflect an increase of 5.4 percent in the continuing New York State Sales Tax base and tax law changes. These tax law changes included converting the prepared food purchased for resale and the veterinary sales tax credits/refunds into upfront exemptions and providing Responsible Person sales tax relief for minority LLC owners.

FY 2020 receipts are estimated to be $15.135 billion, reflecting an increase of 3.3 percent in the continuing New York State Sales Tax base, tax law changes, and administrative changes. The tax law changes include eliminating the sales tax exemption for ESCOs and requiring internet marketplace providers to collect and pay sales tax on transactions facilitated on their platforms. The administrative changes enforce the collection of sales tax on sales made by out-of-state companies due to the Supreme Court's Decision on South Dakota versus Wayfair.

Note: The Sales Tax receipts described in this section do not include additional Sales Tax collections in the Metropolitan Commuter Transportation District for the Mass Transportation Operating Assistance Fund.

Table 1 below sets forth historical information relating to Sales Tax receipts from State FYs 2010 through 2019 and estimated amounts for FY 2020. Table 2 sets forth monthly Sales Tax receipts from April 1, 2014 through March 31, 2019. The information reflects the tax law changes described above.

TABLE 1
SALES TAX RECEIPTS[1]
(billions of dollars)

State Fiscal Year	Net Receipts of Sales Tax	Net Receipts of 1% Sales Tax[2]	Annual Rate of Growth/Decline[3]
2010	$ 9.871	$2.468	(3.9)%
2011	10.782	2.696	9.2
2012	11.125	2.781	3.2
2013	11.232	2.808	1.0
2014	11.786	2.947	5.0
2015	12.137	3.034	3.0
2016	12.485	3.121	2.9
2017	12.967	3.242	3.9
2018	13.553	3.388	4.5
2019	14.164	3.537	4.4
2020[4]	15.135	3.784	7.0

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Source: Division of Budget.
(1) Reflects sales and compensating use tax receipts, net of refunds. Amounts are unadjusted for rate and base changes.
(2) Reflects amounts equivalent to a 1 percent rate of taxation. Amounts shown prior to the enactment of the Sales Tax Revenue Bond Tax Fund (pre-FY 2014) are pro forma.
(3) Represents growth rate of net receipts of 1% rate share.
(4) As estimated in the FY 2020 Enacted Budget Financial Plan.

TABLE 2
MONTHLY SALES TAX RECEIPTS (1) (2)
April 1, 2014 Through March 31, 2019
(millions of dollars)

MONTH	2014-15	%	2015-16	%	2016-17	%	2017-18	%	2018-19	%
April	$885	7.3	$955	7.6	$996	7.7	$950	7.0	$1,015	7.2
May	913	7.5	931	7.5	949	7.3	976	7.2	1,054	7.4
June	1,204	9.9	1,280	10.3	1,311	10.1	1,353	10.0	1,463	10.3
July	939	7.7	994	8.0	1,017	7.8	1,053	7.8	1,086	7.7
August	932	7.7	967	7.7	971	7.5	1,031	7.6	1,096	7.7
September	1,240	10.2	1,282	10.3	1,305	10.1	1,363	10.1	1,420	10.0
October	932	7.7	874	7.0	1,000	7.7	1,040	7.7	1,077	7.6
November	945	7.8	965	7.7	998	7.7	1,102	8.1	1,100	7.8
December	1,225	10.1	1,189	9.5	1,266	9.8	1,386	10.2	1,442	10.2
January	970	8.0	1,017	8.1	1,070	8.3	1,120	8.3	1,148	8.1
February	802	6.6	828	6.6	875	6.7	941	6.9	971	6.9
March	1,151	9.5	1,204	9.6	1,208	9.3	1,238	9.1	1,294	9.1
Total[3]	$12,137	100%	$12,485	100%	$12,967	100%	$13,553	100%	$14,164	100%

Source: NYS DOB.

(1) Amounts shown reflect both the General Fund and Debt Service Fund receipts from the State's 4 percent sales and compensating use taxes.

(2) Percentages indicate the monthly share of yearly receipts.

(3) Totals may not add due to rounding.

Estimated Debt Service Coverage

The following table sets forth (1) receipts from the net Sales Tax collection for FY 2019, (2) receipts from the 1 percent Sales Tax receipts for FY 2019, (3) estimated maximum annual debt service on Outstanding Bonds of the Corporation and (4) resulting debt service coverage. There can be no assurance that future Sales Tax collections will not be less than the amounts collected for FY 2019 as a result of numerous factors affecting Sales Tax collections.

TABLE 3
ESTIMATED DEBT SERVICE COVERAGE
NEW YORK LOCAL GOVERNMENT ASSISTANCE CORPORATION
(thousands of dollars)

FY 2019 Sales Tax Receipts..	$14,164,373
FY 2019 1% Sales Tax Receipts[(1)]	$3,536,793
Maximum Annual Debt Service[(2)]	$379,971
Debt Service Coverage[(3)]...	9.3x

(1) Net of approximately $17.4 million in estimated collection expenses.

(2) The calculation of maximum annual debt service assumes all variable rate bonds are unhedged, uses rates in effect as of March 31, 2019 and includes support costs.

(3) Assumes no interest earnings on the Capital Reserve Fund.

Legislation enacted in 2003 currently requires LGAC to certify, in addition to its own cash needs, for $170 million annually. In May 2004, LGAC amended its General Senior Bond Resolution and General Subordinate Lien Bond Resolution to clarify that any failure to certify or make payments to the City or its assignee has no impact on LGAC's own bondholders; and that if any such act or omission were to occur with respect to any possible bonds issued by New York City or its assignee, that act or omission would not constitute an Event of Default with respect to LGAC bonds. For purposes of calculating debt service coverage as shown in Table 3, such $170 million payment was not deducted from the 1 percent Sales Tax receipts or added to maximum annual debt service.

The Act does not restrict the right of the State to amend, repeal, modify or otherwise alter the Sales Tax. In addition, the Act permits, after appropriation of the Corporation's cash requirements, moneys derived from the 1 percent Sales Tax Fund to be paid over to the General Fund. The Act could be amended to provide that those moneys be used as a source of payment for financings by the Corporation in excess of its current authorization or for separate financings by other authorities of the State. In the case of the Corporation, however, such financing could not be issued under the Senior Resolution or otherwise by the Corporation unless (i) the date and amounts of payments have been scheduled so that they do not materially adversely affect the ability of the Corporation to pay, when due, debt service on the Senior Bonds and (ii) such financings are not entitled to a lien or charge equal or prior to the Senior Bonds on Revenues, moneys and securities in the Senior Debt Service Fund and the Senior Capital Revenue Fund and could not be issued under the Subordinate Resolution or otherwise by the Corporation unless (i) the date and amounts of payments have been scheduled so that they do not materially adversely affect the ability of the Corporation to pay, when due, debt service on the Subordinate Bonds and (ii) such financing is not entitled to a lien or charge equal or prior to the Subordinate Bonds on Revenues, moneys and securities in the Subordinate Debt Service Fund and the Subordinate Capital Revenue Fund. No such additional financing is permitted under existing law.

Section 2: Subsection H

Intentionally Omitted

Section 2: Subsection I

New York State Thruway Authority Highway and Bridge Trust Fund Bonds

“Sources of Revenue for the Trust Fund”

This Subsection I contains the information required to be updated annually pursuant to applicable continuing disclosure agreements relating to obligations issued by the New York State Thruway Authority for Highway and Bridge Trust Fund Bonds.

Capitalized terms used in this Subsection I and not otherwise defined shall have the meanings ascribed to them in the related Official Statement.

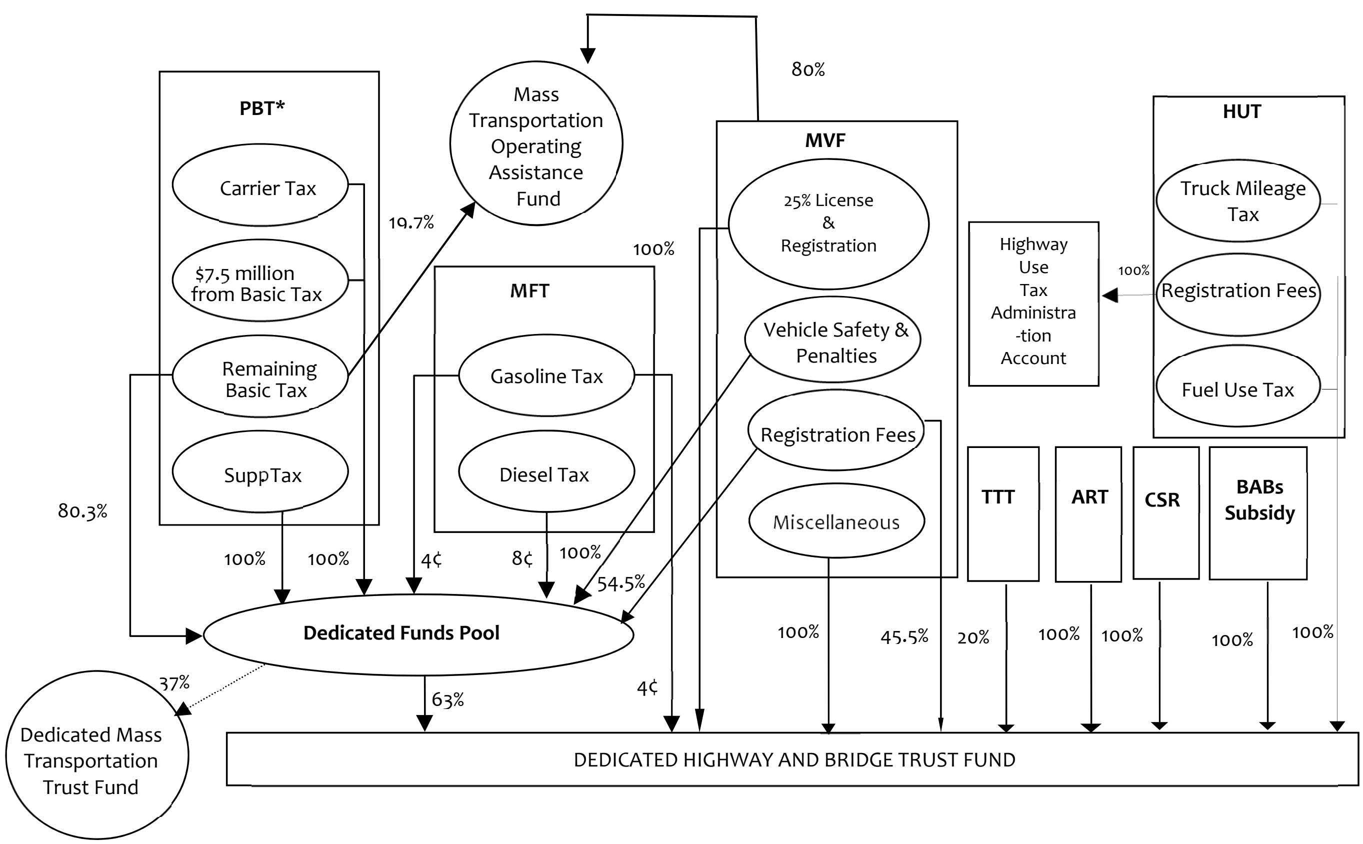
Sources of Revenue for the Trust Fund

Introduction

The State highway and bridge program is funded in part by various transportation-related taxes and fees including (a) portions of the State's (i) petroleum business taxes (the "PBT"), (ii) motor fuel taxes (the "MFT"), (iii) motor vehicle fees (the "MVF") and (iv) transmission and transportation taxes (the "TTT") in the corporation and utility taxes, (b) all revenues generated by the highway use tax (the "HUT") and auto rental tax (the "ART"), and (c) certain special revenues (the "CSR"). In addition to supporting this program through the Trust Fund, portions of the first four revenue sources are also statutorily allocated among several other State funds.

The chart below depicts the flow of funds to the Dedicated Highway and Bridge Trust Fund for FY 2020.

Transportation-Related Taxes & Fees Allocation
FY 2020 Enacted Budget



* Effective December 1, 2017, all receipts from aviation fuel began to be directed to an aviation purpose account, from which no receipts are directed to the Dedicated Highway and Bridge Trust Fund.

Sources of Revenue for the Trust Fund

The PBT is the business privilege tax imposed on petroleum businesses operating in the State. The tax is measured by the quantity of various petroleum products refined or sold in the State or imported for sale or use in the State. PBT rates generally have two aspects: (i) the basic tax whose rate varies by product type, and (ii) the supplemental tax, which, in general, is applied at a uniform rate. Since FY 2003, most of the net PBT receipts from the basic tax and all of the supplemental tax have been earmarked to the Dedicated Funds Pool. The Statewide Dedicated Funds Pool is the repository for revenues from the following dedicated taxes and fees: petroleum business taxes, motor fuel taxes, and motor vehicle fees that are derived mainly from vehicle registration and driver license fees. Subject to statutory allocation under State law, 63 percent of the Dedicated Funds Pool is deposited into the Trust Fund. The remaining 37 percent is deposited into the Dedicated Mass Transportation Trust Fund.

Dedicated motor fuel tax revenue earmarked to the Trust Fund has been derived from one hundred percent of the receipts from four cents of the aggregate eight-cent-per-gallon excise tax penalties levied with respect to gasoline and other non-diesel motor fuels, generally for highway use. The remaining four cents of the aggregate eight-cent-per-gallon excise tax imposed on gasoline and the eight-cent-per-gallon excise tax levied on diesel motor fuel are deposited into the Dedicated Funds Pool.

Two of the three components of the highway use tax revenues are earmarked to the Trust Fund: the truck mileage tax and the fuel use. The truck mileage tax is levied on certain commercial vehicles based on the number of miles driven on the public highways of the State and the loaded or unloaded weight of the vehicles. The fuel use tax is imposed upon amounts of fuel purchased outside the State by certain motor carriers and used while traveling on the public highways of the State.

A large portion of the State's motor vehicle fees is earmarked to the Trust Fund. There are three main categories of motor vehicle fees: registrations, vehicle safety and penalties and miscellaneous. The vast majority of motor vehicle fees that are directed to the Trust Fund are derived from the registration category. For motor vehicle registration fees, 45.5 percent is earmarked directly to the Trust Fund while the remaining 54.5 percent of the registration fees is earmarked to the Dedicated Funds Pool. The 25 percent increase in registration and license fees in 2009 does not follow the statutory split and instead is directed to the Trust Fund. Revenues from the miscellaneous category, which includes revenues from the Driver Responsibility Act and emission/inspection stickers, are directed solely to the Trust Fund. The smallest revenue source is the vehicle safety and penalties category, which includes revenues from the document image fee.

Currently the State imposes a six percent tax on charges to certain rental passenger cars. Effective June 1, 2019, legislation enacted with the FY 2020 Budget increased the supplemental tax within the Metropolitan Commuter District ("MCTD") from 5 percent to 6 percent and established a new 6 percent supplemental tax outside of the MCTD. All receipts from the State auto rental tax are deposited to the Trust Fund. All receipts from the supplemental tax within the MCTD are deposited to the MTA Trust Aid Account. All receipts from the supplemental tax outside of the MCTD are deposited to the Public Transportations Systems Operating Assistance Account.

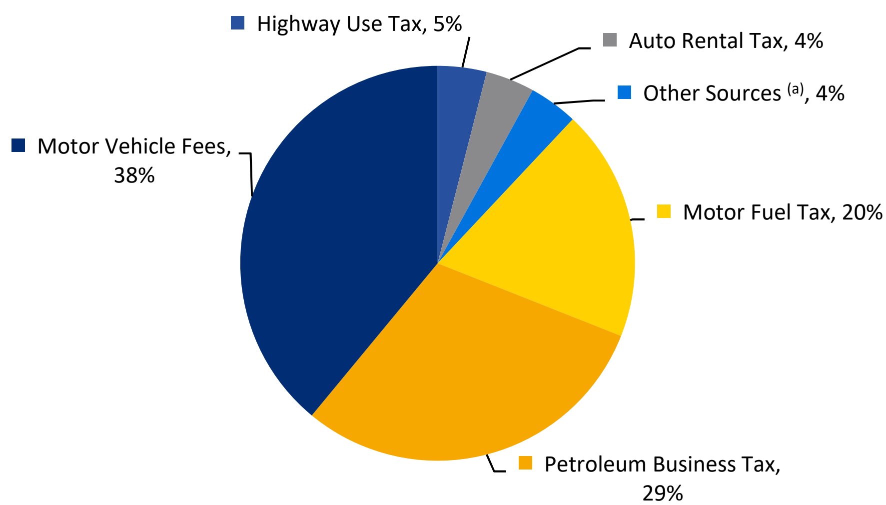
Sources of Revenue for the Trust Fund

The State imposes a franchise tax on transmission and transportation companies under Sections 183 and 184 of the corporation and utilities taxes. Additionally, effective May 2015, the excise tax imposed under Section 186-e was increased by 0.4 percent on the sale of mobile communication services with 1.52 percent of all section 186-e receipts dedicated to the Trust Fund.

FY 2020 Enacted Budget

The following chart indicates the portion of FY 2020 Trust Fund Revenues that is estimated in the FY 2020 Enacted Budget to be derived from each of the revenue sources.

Dedicated Highway and Bridge Trust Fund Revenue Sources



(a) Includes Build America Bonds Subsidy (see discussion herein), Certain Special Revenues, and Transmission and Transportation Taxes.

Dedicated Highway and Bridge Trust Fund Revenue Sources

The following sections provide general information on collections and projected receipts for each of the sources of revenues since the Trust Fund was established.

Dedicated Petroleum Business Tax

General. The PBT is the business privilege tax imposed on petroleum businesses operating in the State. The tax is measured by the quantity of various petroleum products refined or sold in the State or imported for sale or use in the State. PBT rates generally have two aspects: (i) the basic tax whose rate varies by product type, and (ii) the supplemental tax, which, in general, is applied at a uniform rate.

Tax Rates. The basic and supplemental PBT tax rates are subject to separately computed annual adjustments on January 1 of each year, to reflect the change in the Producer Price Index ("PPI") for refined petroleum products for the 12 months ended August 31 of the immediately preceding year. The tax rates, therefore, increase as prices rise and decrease as prices fall. The PBT rates are adjusted annually subject to a maximum change of five percent of the current rate in any year. In addition to the five percent cap on rate changes, the statute also requires basic and supplemental rates to be rounded to the nearest tenth of one cent. Subsequent legislation provided that diesel rates be rounded to the nearest hundredth of one cent. As a result, the tax rates usually do not change by the full five percent allowed under the statutory formula.

The following table shows the changes in the PPI for refined petroleum products since FY 2010 and the capped PBT index.

PETROLEUM BUSINESS TAX INDEX CHANGE
(percent)

Year for PPI Change (September 1 to August 31)	PPI for Refined Petroleum Products Change	Year for PBT Index	PBT Index Change (January 1)
2009-10	18.6	2011	5.0
2010-11	29.8	2012	5.0
2011-12	9.2	2013	5.0
2012-13	-0.8	2014	-0.8
2013-14	-3.2	2015	-3.2
2014-15	-29.1	2016	-5.0
2015-16	-30.4	2017	-5.0
2016-17	13.3	2018	5.0
2017-18	26.0	2019	5.0
2018-19[a]	-2.8	2020	-5.0

[a] Estimated.

The table below shows the rates per gallon for the PBT in effect for calendar years 2018 and 2019 and estimated rates for calendar year 2020, respectively.

PETROLEUM BUSINESS NET TAX RATES FOR 2018 - 2020[1]
(cents per gallon)

	2018			2019			2020[2]		
Petroleum Products	**Base**	**Supp**	**Total**	**Base**	**Supp**	**Total**	**Base**	**Supp**	**Total**
Highway-use fuel									
Gasoline and other non-diesel	10.10	6.80	16.90	10.60	7.10	17.70	10.10	6.70	16.80
Diesel	10.10	5.05	15.15	10.60	5.35	15.95	10.10	4.95	15.05
Aviation gasoline or Kero-jet fuel	6.80	0.00	6.80	7.10	0.00	7.10	6.70	0.00	6.70
Non-automotive diesel fuels									
Commercial gallonage	9.30	0.00	9.30	9.70	0.00	9.70	9.10	0.00	9.10
Nonresidential heating	5.00	0.00	5.00	5.20	0.00	5.20	4.80	0.00	4.80
Residual petroleum products									
Commercial gallonage	7.10	0.00	7.10	7.40	0.00	7.40	6.90	0.00	6.90
Nonresidential heating	3.80	0.00	3.80	3.90	0.00	3.90	3.60	0.00	3.60
Railroad diesel fuel	8.80	0.00	8.80	9.30	0.00	9.30	8.80	0.00	8.80

[1] The tax rates represent the net tax rate after credits.

[2] Projected — The projected petroleum producer price index decline of 2.8 percent through August 2019 will result in a projected decline of 5 percent in the PBT tax rates on January 1, 2020.

Tax Base. Generally, transactions that are excluded from the basic PBT base are also excluded from the supplemental tax base. Exclusions include sales for export from the State, sales of fuel oil for residential heating purposes and manufacturing use, and sales to government entities when such entities buy petroleum for their own use. Sales of kerosene (other than kero-jet fuel) and liquefied petroleum gas and sales of residual fuel oil used as bunker fuel also are exempted. Beginning January 1, 2002, all electric utilities that use petroleum to generate electricity have been allowed to apply commercial gallonage rates under deregulation.

The State also imposes a petroleum business carrier tax under the PBT on fuel purchased by motor carriers outside the State but consumed within the State. The carrier tax rates are the same as the PBT automotive gasoline and diesel rates listed above.

Legislative Changes. Legislation adopted with the FY 2006 Enacted Budget exempted or partially exempted PBT on alternative fuels, including ethanol (“e85”) and biodiesel (“B20”) until September 1, 2011. Since then, this alternative fuels exemption has been extended several times and is currently in effect until September 1, 2021.

Legislation adopted with the FY 2012 Enacted Budget modernized fuel definitions to conform with changes to Federal and State Law.

Legislation adopted with the FY 2014 Enacted Budget provided a reimbursement for motor fuel and diesel motor fuel used by volunteer ambulance and fire departments. Also, legislation adopted with the FY 2014 Enacted Budget allowed tax-free interdistributor sales of highway diesel motor fuel sold below the rack (i.e., not delivered by truck).

Legislation adopted with the FY 2016 Enacted Budget allows petroleum business tax refunds for farm use of highway diesel motor fuel.

Legislation adopted with the FY 2017 Enacted Budget conformed the State Tax Law to Federal Aviation Administration regulations regarding taxes on aviation fuel that includes limiting the use of the revenues for airport-related projects and required motor fuel wholesalers to register and file informational returns with the State to increase the effectiveness of fuel tax evasion auditing.

Tax Imposition and Payment. Imposition of the tax occurs at different points in the distribution chain, depending upon the type of product. The tax is imposed on motor fuels at the same time as the eight-cent-per-gallon motor fuel tax. Gasoline, which represents the preponderance of automotive fuel sales in the State, is taxed upon importation into the State for sale or upon manufacture in the State. Other non-diesel highway-use fuels such as compressed natural gas, methanol and ethanol become subject to the tax on their first sale as motor fuel in the State. Highway-use diesel motor fuel becomes taxed upon its first non-exempt sale or use in the State. Non highway-use diesel fuel (such as No. 2 fuel oil used for commercial heating) and residual fuel usually become taxable on the sale to the consumer or upon use of the product in the State.

Most petroleum businesses remit this tax on a monthly basis. Taxpayers with yearly motor fuel tax and PBT liability totaling more than $5 million remit tax for the first 22 days of the month by electronic funds transfer by the third business day thereafter. Tax for the balance of the month is paid with the monthly returns filed by the 20th of the following month. The Department of Taxation and Finance advises that in FY 2018, 34 taxpayers, accounting for 90 percent of all PBT receipts, participated in the electronic funds transfer program. As a complement to the fuel use tax, the PBT carrier tax is collected quarterly with the fuel use tax portion of the highway tax (see "Highway Use Tax" below).

Aspects relating to the imposition and collection of the PBT have been and may continue to be the subject of administrative claims and litigation by taxpayers.

Historical Summary of PBT Revenue. The following table provides ten year historical information on the basic PBT and the supplemental PBT, the major funding source for the Trust Fund.

ACTUAL BASIC AND SUPPLEMENTAL PBT COLLECTIONS
(millions of dollars)

Collection Period State Fiscal Year	Basic PBT	Supplemental PBT
2009-10	$674.1	$411.0
2010-11	660.4	412.8
2011-12	661.3	419.1
2012-13	688.4	430.2
2013-14	704.4	428.6
2014-15	700.4	435.9
2015-16	677.2	426.3
2016-17	682.3	423.1
2017-18	663.7	412.9
2018-19	705.3	443.5

Source: New York State Department of Taxation and Finance.

Several factors account for the changes in PBT revenues during the period referenced above.

Receipts for FY 2010 reflect a 5 percent increase in PBT rates effective January 1, 2009 and a 5 percent decrease in PBT rates effective January 1, 2010. In addition to basic tax and supplemental tax receipts, total PBT collections also include $18.4 million from the carrier tax.

Receipts for FY 2011 reflect a 5 percent decrease in PBT rates effective January 1, 2010 and a 5 percent increase in PBT rates effective January 1, 2011. In addition to basic tax and supplemental tax receipts, total PBT collections also include $17.1 million from the carrier tax.

Receipts for FY 2012 reflect a 5 percent increase in PBT rates effective January 1, 2011 and a 5 percent increase in PBT rates effective January 1, 2012. In addition to basic tax and supplemental tax receipts, total PBT collections also include $19.2 million from the carrier tax.

Sources of Revenue for the Trust Fund

Receipts for FY 2013 reflect a 5 percent increase in PBT rates effective January 1, 2012 and a 5 percent increase in PBT rates effective January 1, 2013. In addition to basic tax and supplemental tax receipts, total PBT collections also include $21.0 million from the carrier tax.

Receipts for FY 2014 reflect a 5 percent increase in PBT rates effective January 1, 2013 and a 0.8 percent decrease in PBT rates effective January 1, 2014. In addition to basic tax and supplemental tax receipts, total PBT collections also include $21.5 million from the carrier tax.

Receipts for FY 2015 reflect a 0.8 percent decrease in PBT rates effective January 1, 2014 and a 3.2 percent decrease in PBT rates effective January 1, 2015, offset by an increase in taxable gasoline and diesel gallonage. In addition to basic tax and supplemental tax receipts, total PBT collections also include $22.0 million from the carrier tax.

Receipts for FY 2016 reflect a 3.2 percent decrease in PBT rates effective January 1, 2015 and a 5 percent decrease in PBT rates effective January 1, 2016. In addition to basic tax and supplemental tax receipts, total PBT collections also include $20.3 million from the carrier tax.

Receipts for FY 2017 reflect a 5 percent decrease in PBT rates effective January 1, 2016 and a 5 percent decrease in PBT rates effective January 1, 2017. In addition to basic tax and supplemental tax receipts, total PBT collections also include $18.3 million from the carrier tax.

Receipts for FY 2018 reflect a 5 percent decrease in PBT rates effective January 1, 2017 and a 5 percent increase in PBT rates effective January 1, 2018. In addition to basic tax and supplemental tax receipts, total PBT collections also include $15.5 million from the carrier tax. Receipts for FY 2019 reflect a 5 percent increase in PBT rates effective January 1, 2018 and a 5 percent increase in PBT rates effective January 1, 2019. In addition to basic tax and supplemental tax receipts, total PBT collections also include $16.3 million from the carrier tax.

Receipts for FY 2019 reflect a 5 percent increase in PBT rates effective January 1, 2018 and a 5 percent increase in PBT rates effective January 1, 2019. In addition to basic tax and supplemental tax receipts, total PBT collections also include $16.3 million from the carrier tax.

Actual and Estimated Revenues from Dedicated PBT. Actual receipts since FY 2010 and DOB's estimates of receipts from the dedicated PBT for FY 2020 are as set forth in the following table:

TRUST FUND REVENUES FROM PBT
(millions of dollars)

State Fiscal Year	Dedicated Funds Pool	Trust Fund Revenue	Trust Fund Share
2009-10	$ 972.2	$612.5	63.0%
2010-11	961.9	605.9	63.0
2011-12	970.8	611.6	63.0
2012-13	1,005.6	633.5	63.0
2013-14	1,017.2	640.9	63.0
2014-15	1,021.9	643.8	63.0
2015-16	991.9	624.9	63.0
2016-17	990.8	624.2	63.0
2017-18	960.3	605.0	63.0
2018-19	1,016.4	640.4	63.0
2019-20[a]	1,016.0	640.1	63.0

[a] Estimated in the FY 2020 Enacted Budget.

In formulating its projection for FY 2020, DOB made various assumptions regarding income, gasoline prices and consumption, fuel efficiency of the motor vehicles in the State and certain demographic trends. Forecasts of these variables are generated by DOB's own economic models of the United States and State economies, and a forecast published by the Federal Energy Information Administration ("EIA"). These assumptions were supplemented with year-to-date actual receipts. The estimates for PBT receipts from gasoline motor fuel are consistent with the consumption estimates used in forecasting motor fuel tax receipts. The PBT forecast also incorporates the indexing provisions that increased the rates by 5 percent on January 1, 2019, and are projected to decrease the rates by 5 percent on January 1, 2020.

In formulating its estimates of PBT revenues from diesel motor fuel, DOB relied upon its own forecast of nationwide economic conditions, as reflected in national gross domestic product, and upon indicators of New York business activity. The estimates for PBT receipts from diesel motor fuel are also consistent with the consumption estimates used in forecasting motor fuel tax receipts.

The balance of the tax consists of tax paid with respect to commercial and utility usage of non-highway-use diesel fuel and residual fuel oils (Nos. 4, 5 and 6 oils). Effective December 1, 2017, all receipts from aviation fuel are directed to an aviation purpose account, from which no receipts are directed to the Dedicated Highway and Bridge Trust Fund. The forecast anticipates that total tax collections from these non-highway use diesel and residual fuels will experience a slight decline in FY 2020. The estimated receipts include $18.8 million in FY 2020 from the carrier tax.

Dedicated Motor Fuel Tax

General. MFT revenue is derived from an eight-cent-per-gallon excise tax levied with respect to gasoline and diesel motor fuels, generally for highway use. The aggregate rate of tax on gasoline has been eight cents per gallon since 1972. The aggregate rate of tax on diesel motor fuel was reduced from ten cents to eight cents per gallon in 1996.

Effective 2003, MFT gasoline revenue directed to the Trust Fund was increased from 67.7 percent to 81.5 percent. Currently, 63.0 percent of MFT diesel revenue is directed to the Trust Fund, which was 31.5 percent in 2000 and 49.2 percent in 2001.

Tax Imposition and Payment. The tax on motor fuel is payable by distributors registered with the State. The gasoline motor fuel tax is imposed when gasoline is imported (or caused to be imported) into the State for sale or use in the State, or manufactured in the State. Generally, the tax on other non-diesel motor fuels earmarked to the Trust Fund (such as compressed natural gas, propane, methanol and ethanol) is remitted by the dealer selling it as motor fuel. The tax on diesel motor fuel is imposed on the first non-exempt sale of diesel in the State.

Most petroleum businesses remit these taxes on a monthly basis. Businesses with annual MFT and PBT liability totaling more than $5 million remit the taxes for the first 22 days of the month by electronic funds transfer by the third business day thereafter. Tax for the balance of the month is paid with the monthly returns filed by the 20th of the following month. The Department of Taxation and Finance advises that, in FY 2018, 33 taxpayers with motor fuel excise tax obligations participated in the electronic funds transfer program and accounted for 91 percent of all motor fuel tax receipts.

Although the tax is remitted by distributors, the incidence of the tax falls primarily on final users of the fuel on the highways and waterways of the State. Governmental purchases are exempt from the tax. Fuel purchased for certain road vehicles (such as fire trucks, buses used in local transit, taxicabs and ambulances), upon which the tax has been paid, may be eligible for full or partial reimbursement of the MFT. Reimbursement of the tax is also available for fuel not used on the highways (e.g., fuel used in farming). Certain exemptions, including sales of kero-jet fuel for use in airplanes and sales to exempt organizations, apply only to the diesel motor fuel.

Actual and Estimated Revenues from Dedicated Motor Fuel Tax. Actual receipts since FY 2010 and DOB's forecast of Trust Fund receipts from the gasoline and diesel MFT for FY 2020 are set forth in the following table:

TRUST FUND REVENUES FROM MFT
(millions of dollars)

State Fiscal Year	Gasoline MFT	Diesel MFT	Total Revenues
2009-10	$360.1	$41.0	$401.1
2010-11	363.7	44.0	407.7
2011-12	354.0	42.4	396.4
2012-13	348.1	41.2	389.3
2013-14	336.5	38.0	374.5
2014-15	349.3	36.8	386.1
2015-16	357.5	40.6	398.1
2016-17	364.1	45.5	409.6
2017-18	353.5	49.6	403.1
2018-19	371.9	45.2	417.1
2019-20[a]	364.3	42.8	407.1

[a] Estimated.

In formulating the gasoline motor fuel tax forecast, DOB relied principally upon relationships among gross domestic product, income, gasoline prices and gasoline demand that have been established by DOB's own economic forecast and the EIA. Gasoline consumption is estimated to decline in FY 2020.

To develop the diesel MFT forecast, DOB relied primarily on its own forecasts of State economic conditions, and the EIA's forecast of diesel demand. Diesel consumption is estimated to decrease in FY 2020.

Legislative Changes. Legislation adopted with the FY 2006 Enacted Budget exempted or partially exempted MFT on alternative fuels, including ethanol ("e85") and biodiesel ("B20") until September 1, 2011. Since then, this alternative fuels exemption has been extended several times and is currently in effect until September 1, 2021.

Legislation adopted with the FY 2012 Enacted Budget modernized fuel definitions to conform with changes to Federal and State Law.

Legislation adopted with the FY 2014 Enacted Budget allowed tax-free interdistributor sales of highway diesel motor fuel sold below the rack (i.e., not delivered by truck).

Legislation adopted with the FY 2017 Enacted Budget required motor fuel wholesalers to register and file informational returns with the State to increase the effectiveness of fuel tax evasion auditing.

Highway Use Tax

General. The highway use tax includes three components: the truck mileage tax, the fuel use tax, and registration fees. Under current law, the truck mileage tax and fuel use tax are earmarked to the Trust Fund.

The truck mileage tax is levied on commercial vehicles having a loaded gross weight of more than 18,000 pounds. The State gives carriers the option of using an unloaded weight basis to compute truck mileage tax liability. A motor carrier pays tax based on both the number of miles driven on the public highways of this State and the weight of the vehicle.

The fuel use tax is a complement to the State motor fuel and sales taxes. In contrast to the latter taxes, which are imposed upon the amount of fuel purchased within the State, the fuel use tax applies to fuel purchased outside New York State by trucks and tractors and by foreign or interstate bus carriers, but used while traveling on the public highways of the State.

The State is a member of the federally mandated International Fuel Tax Agreement ("IFTA"). This agreement provides for the uniform reporting and collection of fuel-use-related taxes among IFTA jurisdictions. IFTA reduces and simplifies the reporting requirements of truckers by permitting motor carriers to file a single tax return with their base state. The base state then distributes revenues back to the other IFTA jurisdictions based on the miles traveled in those jurisdictions.

Actual and Estimated Revenues from Highway Use Tax. The following table shows actual receipts since FY 2010 and DOB's forecast of HUT receipts for FY 2020. FY 2018 includes a one-time payment of $44 million in refunds related to the lowering of the registration and decal fees. FY 2019 receipts increased by $47.6 million from FY 2018, due to a return to long-term trend levels for refunds following the previous year's spike in refunds. The forecast of FY 2020 receipts reflects the FY 2020 Enacted Budget and is based upon forecasts of national and State economic conditions and motor fuel prices.

TRUST FUND REVENUES FROM HUT
(millions of dollars)

State Fiscal Year	Revenues
2009-10	$137.2
2010-11	129.2
2011-12	132.1
2012-13	145.0
2013-14	136.2
2014-15	140.4
2015-16	158.6
2016-17	136.4
2017-18	91.4
2018-19	146.6
2019-20[a]	141.6

[a] Estimated.

Legislative Changes. Legislation adopted with the FY 2006 Enacted Budget exempted or partially exempted MFT on alternative fuels, including ethanol ("e85") and biodiesel ("B20") until September 1, 2011. Since then, this alternative fuels exemption has been extended several times and is currently in effect until September 1, 2021.

Legislation adopted with the FY 2007 Enacted Budget capped State sales tax on motor fuel and diesel motor fuel at eight cents per gallon. This change reduces the receipts from the fuel use tax sales tax component.

Legislation adopted with the FY 2010 Enacted Budget increased the highway use tax fee for a registration certificate from $4 to $15 for a motor vehicle, and from $2 to $15 for a trailer, semi-trailer, dolly or other drawn device.

Legislation adopted with the FY 2017 Enacted Budget decreased the highway use tax registration fee from $15 to $1.50 and made the decal free, which previously cost $4. This legislation also redirected the revenue from the registrations fees from the Trust Fund to a newly created Highway Use Tax Administration Account. Legislation adopted in this budget also required motor fuel wholesalers to register and file informational returns with the State to increase the effectiveness of fuel tax evasion auditing.

Dedicated Motor Vehicle Fees

General. Motor vehicle fees are imposed by the Vehicle and Traffic Law. Motor vehicle fees are derived from a variety of sources, but consist mainly of vehicle registration and driver licensing fees. In general, motor vehicles, motorcycles, trailers, semi-trailers, buses, and other types of vehicles operating in New York are required to be registered with the Department of Motor Vehicles. In 2017, 11.3 million vehicles were registered in New York State, including 9.5 million standard series vehicles and 775,400 commercial vehicles. The Vehicle and Traffic Law also requires drivers to be licensed by the Department of Motor Vehicles. The current license renewal period is eight years. In 2017, New York State had 12.1 million licensed drivers. Numerous other fees, related to the processes of registration or licensing, are also components of motor vehicle fees.

Most vehicle registration fees in New York are based on weight. Two important exceptions are buses, which are charged according to seating capacity, and semi-trailers, which are charged a flat fee. Registration fees for vehicles weighing less than 18,000 pounds are imposed biennially. The main registration fees are as follows:

MAIN REGISTRATION FEES

Type of Vehicle	Weight of Vehicle	Annual Fee*
Passenger vehicle	Each 100 lbs. or major fraction thereof up to 3,500 lbs. Plus: for each 100 lbs. or major fraction thereof above 3,500 lbs.	$0.81 $1.21
Passenger vehicle - minimum fee		$12.94
Passenger vehicle - maximum fee		$70.08
Passenger vehicle propelled by electricity		$16.18
Auto truck and light delivery vehicle	Each 500 lbs. maximum gross weight or fraction thereof	$3.60
Tractors (registered separately from semi-trailers)	Each 100 lbs. maximum gross weight or fraction thereof	$1.51
Trailers	Each 500 lbs. maximum gross weight or fraction thereof	$5.39
Semi-trailers - pre-1989 model year		$28.75 per year
Semi-trailers - model year 1989 or later		$28.75 per year or $86.25 for a period of 5.5 to 6.5 years
Bus - seating capacity 15 to 20 passengers		$74.75

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*This does not include the $25 supplemental fee imposed on registrations in the Metropolitan Commuter Transportation District (MCTD).

The main licensing fees are listed below:

MAIN DRIVER LICENSING FEES

Type of License	Fee*
Photo Fee	$12.50
Original/Renewal	
• A, B, CDL, or C (Commercial)	$9.50 - for each six months
• Non CDL/C or E	$6.25 - for each six months
• D (Passenger)	$3.25 - for each six months
• M (Motorcycle)	$3.75 - for each six months

*This does not include the $1 supplemental fee per six months imposed on licenses in the MCTD.

Registration and licensing occur in person or by mail at the central and district offices of the Department of Motor Vehicles, and county clerks' offices in most counties. Many transactions can also be completed via the Internet. County clerks receive 12.7 percent of gross receipts as compensation.

Certain vehicles registered in New York are exempt from registration fees. The exemptions include: vehicles owned by the State or municipalities; passenger vehicles owned by consular offices; and vehicles owned and used for the transportation of animals by societies for the prevention of cruelty to animals. Vehicles owned by nonresidents and registered with a political jurisdiction outside the State are not usually required to be registered in New York. The revenue loss from these exemptions is minimal.

Currently, revenues from the 25 percent registration and license fee increase, effective September 1, 2009, are directed solely to the Trust Fund. Of the total balance of registration and license fees, approximately 80 percent flows to the Trust Fund.

Legislative Changes. Legislation adopted with the FY 2010 Enacted Budget increased license and registration fees by 25 percent. The additional revenues from these increased fees are directed to the Trust Fund. The license plate issuance fee was increased from $15 to $25; monies from this increase are directed to the General Fund.

Legislation adopted with the FY 2015 Enacted Budget eliminated the $169.4 million MVF General Fund transfer to the Dedicated Funds Pool and replaced it with a generic General Fund transfer. Of the $106.7 million that is directed from the Dedicated Funds Pool to the Trust Fund, $66 million is a generic General Fund transfer to the Trust Fund. In addition, the first $40.7 million of the Driver Responsibility Assessment receipts that remained in the General Fund is now directed to the Trust Fund. This law change is revenue neutral to the Trust Fund.

In order to reduce the overall number of funds and improve programmatic efficiencies, legislation adopted with the FY 2017 Enacted Budget dedicated several categories of motor vehicle fees to the Dedicated Highway and Bridge Trust Fund that had previously flowed to four Special Revenue Funds (SROs). The SROs include DMV Compulsory Insurance, DMV Seized Assets, Motorcycle Safety, and the Accident Prevention Course Program (IPIRP).

Sources of Revenue for the Trust Fund

In order to align revenue sources with operating and capital functions, legislation adopted with the FY 2019 Enacted Budget moved several categories of motor vehicle fees to the General Fund, including DMV Compulsory Insurance, DMV Seized Assets, Motorcycle Safety, and the IPIRP. These fees had previously flowed to the Dedicated Highway and Bridge Trust Fund.

Legislation adopted with the FY 2020 Enacted Budget changed the process for distributing certain motor vehicle fees revenues to the Metropolitan Transportation Authority (MTA). No longer subject to the appropriation process, Motor Vehicle Fees revenues designated for the MTA Aid Trust Account are directly remitted to the MTA. This law change does not impact the Trust Fund.

Actual and Estimated Revenues from Motor Vehicle Fees. DOB has forecasted the registration fees for passenger and commercial motor vehicles and other motor vehicle fees for FY 2020. The forecast reflects the State's FY 2020 Enacted Budget.

TRUST FUND REVENUES FROM MVF
(millions of dollars)

State Fiscal Year	Revenues
2009-10	$626.6
2010-11[(a)]	813.3
2011-12[(a)]	811.6
2012-13[(a)]	795.9
2013-14[(a)]	785.3
2014-15[(a) (b)]	726.7
2015-16[(a) (b)]	753.9
2016-17[(a) (b) (c)]	786.8
2017-18[(a) (b) (c)]	833.1
2018-19[(a) (b) (c) (d)]	794.5
2019-20[(a) (b) (c) (d)]	794.1

(a) Includes all motor vehicle receipts that are directed to the Trust Fund. Nearly $107 million in CSR revenues, that are collected by the DMV, are now included in this amount.

(b) Effective April 1, 2014, the decline in MVF revenues directed to the DHBTF is being offset by a generic General Fund transfer to the Trust Fund ($66 million).

(c) Effective April 1, 2016, several categories of motor vehicle fees that had previously flowed to four Special Revenue Funds were being dedicated to the Trust Fund. Effective April 1, 2018, these same fees have been redirected to the General Fund.

(d) Estimated.

Auto Rental Tax

General. On June 1, 1990, the State imposed a 5 percent tax on charges for the rental or use in New York State of a passenger car with a gross vehicle weight of 9,000 pounds or less. On June 1, 2009, the rate was increased to 6 percent and a supplemental tax at the rate of 5 percent was imposed on the receipts from the rental of a passenger car within the Metropolitan Commuter Transportation District (MCTD).Effective June 1, 2019, legislation enacted with the FY 2020 Budget increased the supplemental tax within the MCTD from 5 percent to 6 percent and established a new 6 percent supplemental tax outside of the MCTD. All revenues from the State auto rental tax are directed to the Trust Fund. Revenues from the supplemental tax within the MCTD are directed to the MTA Aid Trust Account, while revenues from the supplemental tax outside the MCTD are directed to the Public Transportations Systems Operating Assistance Account. Both sources of revenue from the supplemental tax are not included in the table below.

The auto rental tax is remitted quarterly by the vendor on the vendor's sales tax return to the Department of Taxation and Finance.

TRUST FUND REVENUES FROM AUTO RENTAL TAX
(millions of dollars)

State Fiscal Year	Revenues
2009-10	$51.7
2010-11	60.0
2011-12	65.0
2012-13	68.0
2013-14	71.0
2014-15	74.0
2015-16	79.1
2016-17	78.0
2017-18	78.0
2018-19	81.0
2019-20[a]	87.5

[a] Estimated.

Transmission and Transportation Taxes

General. The State imposes franchise taxes on transmission and transportation companies doing business in New York State and an additional excise tax on the sale of mobile communications services within the State. Under Section 183 of the Tax Law, companies pay tax based on the highest of three alternatives: allocated value of issued capital stock at a tax rate of 1.5 mills (.0015); allocated value of issued capital stock on which dividends are paid at a rate of 6 percent or more, at a tax rate of 0.375 mills (.000375) for each 1 percent of dividends paid, or a rate of 1.5 mills (.0015) to capital stock on which dividends are not paid, or are paid at a rate of less than 6 percent; or a minimum tax of $75. Section 184 of the Tax Law provides for a tax rate of 0.375 percent of gross earnings. Section 186-e imposes an additional excise tax of 0.4 percent on the sale of mobile telecommunication services.

Legislative Changes. Legislation adopted with the FY 2004 Enacted Budget increased the flow of funds to the Trust Fund by shifting 20 percent of receipts from the transmission and transportation taxes (Section 183 and 184) from the General Fund, effective April 1, 2004. The remaining 80 percent of transmission and transportation taxes are deposited into the Mass Transportation Operating Assistance Fund ("MTOAF"). Since then, this distribution of receipts to the Trust Fund and the MTOAF has been extended several times and was made permanent in the FY 2018 Enacted Budget. Legislation adopted with the FY 2017 Enacted Budget increased the excise tax (Section 186-e) an additional 0.4 percent (from 2.5 percent to 2.9 percent) on the sale of mobile communications services and dedicated 7.6 percent of all section 186-e receipts to the Trust Fund and MTOAF in the same manner as above, effective May 1, 2015.

The following table shows deposits of transmission and transportation taxes into the MTOAF and the Trust Fund since FY 2010 and DOB estimate of such deposits for FY 2020. The estimate for FY 2020 reflects the FY 2020 Enacted Budget.

TRANSMISSION AND TRANSPORTATION TAXES
DEPOSITS TO MTOAF AND TRUST FUND
(millions of dollars)

State Fiscal Year	MTOAF	Trust Fund
2009-10	$78.6	$19.7
2010-11	65.6	16.4
2011-12	53.1	13.3
2012-13	58.6	14.6
2013-14	54.1	13.5
2014-15	38.0	9.5
2015-16	58.3	14.6
2016-17	61.4	15.3
2017-18	55.1	13.8
2018-19	61.2	15.3
2019-20[a]	56.0	14.0

[a] Estimated.

Sources of Revenue for the Trust Fund

Certain Special Revenues

General. Since April 1, 1999, certain transportation-related fees and charges have been deposited in the Dedicated Highway and Bridge Trust Fund. Prior to FY 2000, these transportation-related fees were deposited to the credit of four State special revenue funds. The FY 2000 Enacted Budget redirected these fees, through administrative action, to the Trust Fund. These fees are generated from the sale of permits for transportation of oversized and/or overweight cargo over the State's highways and bridges, the sale of permits for highway work, fees imposed for directional and outdoor advertising signs posted along State highways, and miscellaneous other transportation-related fees. These fees have been deposited directly in the Trust Fund since the FY 2001 Enacted Budget formalized in statute the redirection of these fees to the Trust Fund. Some of the fee schedules associated with these Trust Fund Revenues are subject to change by the Commissioner of Transportation.

Legislative Changes. Legislation adopted with the FY 2012 Enacted Budget recognizes $2.1 million in receipts from private sector partnerships in funding State HELP trucks.

Legislation adopted with the FY 2013 Enacted Budget merged the DOT accident damage account with the Dedicated Highway and Bridge Trust Fund, increasing dedicated revenues by $19.5 million in FY 2013 and $24 million thereafter.

Legislation adopted with the FY 2015 Enacted Budget merged DOT's Transportation Regulation Account and Rail Safety Inspection Account with the Dedicated Highway and Bridge Trust Fund, increasing dedicated revenues by $5.6 million in FY 2015 and $5.9 million thereafter.

Legislation adopted with the FY 2019 Enacted Budget transferred DOT's Transportation Regulation and Rail Safety programs from the Dedicated Highway and Bridge Trust Fund to the State's General Fund, decreasing dedicated revenues by $8.3 million in FY 2019 and thereafter.

Legislation adopted with the FY 2020 Enacted Budget authorized DOT to charge a fee for the use of its right of way (ROW) by fiber optic utilities. Such fees are projected to generate $15 million in revenue in FY 2020 and increasing amounts thereafter and are to be deposited in the Dedicated Highway and Bridge Trust Fund.

A one-time receipt, totaling about $35 million, is expected in FY 2020 from the Metropolitan Transportation Authority (MTA) as reimbursement for work DOT performed relating to the MTA's Long Island Rail Road Expansion project.

Legislation adopted with the FY 2020 Enacted Budget also increased the maximum penalty for notices of violation of DOT safety regulations. The incremental revenues, expected to be $625,000 in FY 2020, are to be deposited in the Dedicated Highway and Bridge Trust Fund.

CERTAIN SPECIAL REVENUES
(millions of dollars)

State Fiscal Year	Revenues
2009-10	$144.9
2010-11[(a)]	29.3
2011-12	30.3
2012-13	42.9
2013-14	48.8
2014-15	55.2
2015-16	56.6
2016-17	58.7
2017-18	59.2
2018-19	51.9
2019-20[(b)]	109.1

(a) Nearly $107 million in receipts are now categorized under motor vehicle receipts. Only dedicated receipts collected by the Department of Transportation are included in this category.

(b) Estimated.

Build America Bonds Subsidy

The American Recovery and Reinvestment Act of 2009 ("ARRA") authorized the Build America Bonds ("BABs") program, which offered issuers the opportunity to issue taxable bonds for capital projects that would otherwise qualify for tax-exemption and receive a subsidy equal to 35 percent of each interest payment from the U.S. Treasury. The Series 2010B Bonds were issued under the Second General Bond Resolution as BABs and pursuant to the BABs program as then in effect, the Trust Fund assumed it would receive an annual 35 percent interest subsidy on the Series 2010B Bonds[a].

TRUST FUND REVENUES FROM BABs SUBSIDY
(millions of dollars)

State Fiscal Year	Revenues
2014-15	$5.0
2015-16[a]	5.0
2016-17[a]	5.0
2017-18[a]	5.0
2018-19[a]	5.0
2019-20[a,b]	4.6

[a] As a result of Federal sequestration, the subsidy paid to the Trust Fund was reduced to a 32.5% subsidy in FY 2015 through FY 2018, and a 32.8% subsidy in FY 2019. In FY 2020, the amount is estimated to be a 32.8% subsidy.

[b] Estimated.

Actual and Estimated Trust Fund Revenues

The following table provides a summary of the actual and estimated Trust Fund Revenues derived from the sources discussed above.

ACTUAL AND ESTIMATED TRUST FUND REVENUES
(millions of dollars)

State Fiscal Year	PBT	MFT	HUT	MVF	ART	TTT	CSR	BABs	TOTAL
2009-10	$612.5	$401.1	$137.2	$626.0	$51.7	$19.7	$144.9	$--	$1,993.1
2010-11	605.9	407.7	129.2	813.0	60.0	16.4	29.3	5.6	2,067.1
2011-12	611.6	396.4	132.1	811.6	65.0	13.3	30.3	5.4	2,065.7
2012-13	633.6	389.3	145.0	795.9	68.0	14.6	42.9	5.4	2,094.7
2013-14	640.9	374.5	136.2	785.3	71.0	13.5	48.8	4.9	2,075.1
2014-15	643.8	386.1	140.4	726.7	74.0	9.5	55.2	5.0	2,040.7
2015-16	624.9	398.1	158.6	753.9	79.1	14.6	56.6	5.0	2,090.8
2016-17	624.2	409.6	136.4	786.8	78.0	15.3	58.7	5.0	2,114.0
2017-18	605.0	403.1	91.4	833.1	78.0	13.8	59.2	5.0	2,088.6
2018-19	640.4	417.1	146.6	794.5	81.0	15.3	51.9	5.0	2,151.8
2019-20[a]	640.1	407.1	141.6	794.1	87.5	14.0	109.1	4.6	2,198.1

[a] Estimated.

Factors Affecting Trust Fund Revenues

The discussion above has generally covered receipts since FY 2010. Trust Fund receipts should also be viewed from a long-term perspective.

An examination of historical data suggests that the Trust Fund revenues have been affected positively or negatively by a number of factors including, but are not limited to: (1) State legislative changes affecting the tax rates, the tax base, payment schedules and the allocation of receipts to the Trust Fund; (2) overall economic conditions in the State; (3) population growth in the State; (4) significant changes in the price of petroleum and refined petroleum products; (5) improvements in the fuel efficiency of automobiles; (6) the use of the extensive public transportation network of subways, buses and commuter rails; (7) world political events, such as the OPEC oil embargo (1973-75), the terrorist attacks on September 11, 2001 and the continuing conflicts in the Middle East; (8) variations in climate and severe weather conditions, including Hurricane Irene and Superstorm Sandy; (9) the price of natural gas relative to certain competing taxable petroleum products, which primarily affect the consumption of taxable petroleum products by utilities; (10) environmental pressures to reduce acid rain through reduction of sulfur dioxide emissions from facilities burning fossil fuels; (11) the shift in the State from a manufacturing-based to service-based economy; (12) State and Federal initiatives encouraging energy efficiency and environmental protection; (13) impact of utility deregulation on Statewide supply and demand of electricity; and (14) tax evasion and Federal and State enforcement measures.

Historically, the price of refined petroleum products has increased. In the long term, this could impact overall consumption as could technological changes in response to these price increases. However, an examination of the historical data factors noted in the prior paragraph indicate that even relatively sharp price increases have not had an immediate adverse effect on motor fuel consumption levels. Indeed the data suggests that the impact of higher prices is expected to be relatively limited and that short-term motor fuel consumption (by far the largest component of Trust Fund receipts) is relatively inelastic in the face of price changes, and, accordingly, that motor fuel tax collections are likely to remain relatively stable. General economic conditions also have an impact upon fuel consumption, especially on diesel fuel consumption. During recessions, diesel fuel consumption declines as business activity slows, but recovers and begins to grow during periods of economic strength. This also has an impact on HUT receipts, which is a tax based on commercial trucks travelling on State highways.

Generally, over the period covered by the historical data discussed above, the sources of revenue dedicated to the Trust Fund were subject to a variety of extreme economic and political conditions, yet would have provided a reasonably stable and moderately growing flow of revenue to the Trust Fund without intervention by the State. There can be no assurances, however, that future economic, political or statutory changes will not materially reduce the flow of revenues to the Trust Fund. In such an event, the State may, but is not obligated to, consider remedial actions, including but not limited to, restructuring revenues available to the Trust Fund or program activity.

Section 2: Subsection J
New York State Medical Care Facilities Finance Agency, Mental Health Services Facilities Improvement Revenue Bonds
and
Dormitory Authority of the State of New York, Mental Health Services Facilities Improvement Revenue Bonds

“Department of Mental Hygiene”

This Subsection J contains the information required to be updated annually pursuant to applicable Continuing Disclosure Agreements relating to obligations issued by the New York State Medical Care Facilities Finance Agency (now known as the Dormitory Authority of the State of New York) for Mental Health Services Facilities Improvement Revenue Bonds and the Dormitory Authority of the State of New York for Mental Health Services Facilities Improvement Revenue Bonds.

Capitalized terms used in this Subsection J and not otherwise defined shall have the meanings ascribed to them in the related Official Statement.

Department of Mental Hygiene

The Department was established on January 1, 1927, replacing and consolidating the functions of the State Hospital Commission and the State Commission for Mental Defectives. Pursuant to legislation effective in 1978, as amended in 1992, the Department is organized into three autonomous offices:

1. The Office of Mental Health ("OMH");

2. The Office for People With Developmental Disabilities ("OPWDD"); and

3. The Office of Alcoholism and Substance Abuse Services ("OASAS").

These three units function independently within the Department with complete responsibilities for the planning and administration of their respective programs. Each office is headed by a commissioner appointed by the Governor with the advice and consent of the Senate.

Office of Mental Health

As the State mental health agency, OMH has two main functions: assuring access to services of the highest quality for children with serious emotional disturbance and adults with serious mental illness, and promoting the mental health of all New Yorkers through a public health approach to education and advocacy. To that end, OMH works with local governments, voluntary agencies, and providers and consumers of mental health services to ensure appropriate care to those in need.

Currently, OMH operates 24 State psychiatric centers, including 15 facilities for adults, 4 for children and 3 for forensic patients, more than 50 residential care facilities, and over 100 outpatient programs. These provide a mix of inpatient, residential and outpatient services. In addition, OMH currently operates two research facilities, the Nathan S. Kline Institute and the New York State Psychiatric Institute, which conduct research into the causes and treatment of mental illness. OMH is responsible for regulating and licensing mental health programs operated by local governments and not-for-profit and proprietary agencies. In that capacity, OMH oversees a large array of programs, including more than 1,500 licensed inpatient, outpatient and residential programs and more than 3,000 unlicensed housing and support programs. For these housing-related programs, OMH is responsible for the regulation and licensing of certain Voluntary Agency Facilities financed with the proceeds of the Bonds and/or the Prior Authority Bonds. Such regulation and licensing includes participation in the determination of a facility's needs, review of plans and specifications for construction, the right to inspect and audit, and the establishment of reimbursement rates for client care. Additionally, the capital costs and projected financing sources for any such Voluntary Agency Facilities financed from proceeds of the Bonds and the Prior Authority Bonds are subject to the approval of the New York State Division of the Budget ("DOB").

Office for People with Developmental Disabilities

OPWDD is charged with developing a comprehensive, cost-effective, and integrated system to serve the full range of needs of individuals with developmental disabilities. OPWDD operates five Regional Offices, who oversee the provision of not-for-profit services, and six State Operations Offices, which are responsible for State-delivered programs and services. The 13 service districts within the State Operations Offices administer community-based and, where applicable, institutionally-based service programs for persons with developmental disabilities within regional catchment areas. Institutional programs offer residential care and habilitative services in campus settings, informally known as developmental centers, and at special population units located throughout the State. The community-based service programs, funded and regulated by OPWDD, reflect the cooperative efforts of local governments, voluntary not-for-profit service providers and OPWDD as a provider of services. Community programs include State- and voluntary-operated residential and day services, as well as a variety of support services to families and individuals living in their own homes, including respite and crisis intervention, which help prevent unnecessary and costly out-of-home placement. OPWDD is responsible for the regulation and licensing of certain Voluntary Agency Facilities financed with the proceeds of the Bonds as well as certain Voluntary Agency Facilities financed with the proceeds of the Prior Authority Bonds. Such regulation and licensing includes determining the need for the facility, review of plans and specifications for construction of the facility, inspections and audits and the establishment of a reimbursement rate for services. In addition, the capital costs and projected financing sources for any such Voluntary Agency Facilities financed from proceeds of the Bonds and the Prior Authority Bonds are subject to the approval of DOB.

Office of Alcoholism and Substance Abuse Services

OASAS is responsible for assuring the development of comprehensive plans, programs and services in the areas of research, prevention, care, education, training, treatment and rehabilitation to address chemical dependencies and/or compulsive gambling problems of individuals and their families. OASAS operates 12 inpatient Addiction Treatment Centers (“ATCs”) that provide short-term intensive chemical dependence rehabilitation services and residential treatment services. Except for the Kingsboro and the Van Dyke ATCs, all ATCs are housed on the grounds of State psychiatric centers. In addition, OASAS oversees an addiction treatment service system that provides a full array of drug, alcohol and compulsive gambling treatment, prevention and recovery programs that provide a continuum of care. The care ranges from short-stay detoxification centers to long-term drug and alcohol free residential communities. These services are provided to a large, diverse population of approximately 240,000 individuals with substance use disorders (“SUD”) or gambling problems each year. Additionally, over 454,000 youth receive recurring prevention services annually.

OASAS also is responsible for the regulation and certification of certain Voluntary Agency Facilities financed with the proceeds of the Bonds, as well as certain Voluntary Agency Facilities financed with the proceeds of the Prior Authority Bonds. Such regulation and certification includes determining the need for the facility, review of plans and specifications for construction of the facility, the right to conduct inspections and audits, and the establishment of a reimbursement rate for client care. In addition, the capital costs and projected financing sources for any such Voluntary Agency Facilities financed from proceeds of the Bonds and the Prior Authority Bonds are subject to the approval of DOB.

Department Facilities

A listing of institutions operated by each office of the Department, by category, follows. This listing excludes numerous small facilities that provide community services.

Office of Mental Health

Psychiatric Centers

- Greater Binghamton Health Center
- Bronx Psychiatric Center
- Buffalo Psychiatric Center
- Capital District Psychiatric Center
- Creedmoor Psychiatric Center
- Elmira Psychiatric Center
- Kingsboro Psychiatric Center
- Manhattan Psychiatric Center
- Mohawk Valley Psychiatric Center
- Pilgrim Psychiatric Center
- Richard H. Hutchings Psychiatric Center
- Rochester Psychiatric Center
- Rockland Psychiatric Center
- St. Lawrence Psychiatric Center
- South Beach Psychiatric Center

Children’s Psychiatric Centers

- New York City Children’s Psychiatric Center[(1)]
- Rockland Children’s Psychiatric Center
- Sagamore Children’s Psychiatric Center
- Western New York Children’s Psychiatric Center

Forensic Facilities

- Central New York Psychiatric Center
- Kirby Forensic Psychiatric Center
- Mid-Hudson Forensic Psychiatric Center

Research Facilities

- Nathan S. Kline Institute for Psychiatric Research
- New York State Psychiatric Institute

(1) Chapter 56 of the Laws of 2012 (Part O, Section 1) created the New York City Children’s Psychiatric Center as a singular facility resulting from the consolidation of the Bronx Children’s Psychiatric Center, Queens Children’s Psychiatric Center and Brooklyn’s Children’s Center.

Office for People With Developmental Disabilities[2]

Service Districts

- Bernard M. Fineson Developmental Disabilities Services Office
- Brooklyn Developmental Disabilities Services Office
- Broome Developmental Disabilities Services Office[3]
- Capital District Developmental Disabilities Services Office
- Central New York Developmental Disabilities Services Office
- Finger Lakes Developmental Disabilities Services Office
- Hudson Valley Developmental Disabilities Services Office
- Long Island Developmental Disabilities Services Office
- Metro New York Developmental Disabilities Services Office
- Staten Island Developmental Disabilities Services Office
- Sunmount Developmental Disabilities Services Office
- Taconic Developmental Disabilities Services Office
- Western New York Developmental Disabilities Services Office

Other Facilities

- Institute for Basic Research in Developmental Disabilities

Office of Alcoholism and Substance Abuse Services

Addiction Treatment Centers

- Bronx Addiction Treatment Center
- Charles K. Post Addiction Treatment Center
- Creedmoor Addiction Treatment Center
- Dick Van Dyke Addiction Treatment Center
- John L. Norris Addiction Treatment Center
- Kingsboro Addiction Treatment Center
- McPike Addiction Treatment Center
- Russell E. Blaisdell Addiction Treatment Center
- Richard C. Ward Addiction Treatment Center
- South Beach Addiction Treatment Center
- St. Lawrence Addiction Treatment Center
- Margaret A. Stutzman Addiction Treatment Center

(2) Chapter 56 of the Laws of 2012 reorganized OPWDD into five Regional Offices to oversee not-for-profit delivered services and six State Operations offices solely responsible for State-delivered programs. The DDSOs remain an integral part of service delivery for State-delivered services and will be overseen by the larger State Operations offices.

Population

Office of Mental Health

OMH's comprehensive Five-Year Plan continues to support the programmatic and fiscal strategy of implementing an integrated community-based system of care. While OMH continues to monitor the need for State adult inpatient hospitalization, the plan calls for continued development of a comprehensive and integrated community mental health system, for which OMH proposes sponsoring continued State capital assistance to the voluntary, not-for-profit provider network.

In FY 2020, consistent with the Enacted Budget, OMH will staff and operate 2,219 beds in adult psychiatric centers, 304 children's beds and 815 forensic beds. OMH also will continue implementation of the Sex Offender Management and Treatment Act ("SOMTA") at Central New York Psychiatric Center and St. Lawrence Psychiatric Center. In addition to inpatient hospital care, OMH will continue to provide residential services to more than 3,200 individuals in State-operated programs, and outpatient services to more than 30,000 individuals across the State.

Office for People with Developmental Disabilities

Consistent with its comprehensive Five-Year Plan, OPWDD serves a diverse population of individuals with developmental disabilities. OPWDD's programs are characterized by two related service systems: a State-operated institutional system and a community-based system with programs run by both the State and voluntary not-for-profit agencies.

The State-operated institutional system provides residential care and habilitative services to individuals at developmental centers and related special population units located throughout the State. The FY 2020 Enacted Budget supports a census of 189 individuals at the beginning of the State fiscal year. The FY 2020 Enacted Budget supports the additional development of community residential and non-residential services to support continued deinstitutionalization efforts, the transition of young adults aging out of the special educational system or individuals transitioning to a residential setting from their home.

The voluntary- and State-operated community-based service system provides a variety of day and residential programs for individuals. The emphasis in these programs is on habilitative and vocational services to meet the individualized needs of persons with developmental disabilities. The FY 2020 Enacted Budget includes resources for a start-of-year census of approximately 6,500 individuals in State-operated community residential programs and approximately 4,000 individuals in State-operated day programs.

Office of Alcoholism and Substance Abuse Services

Consistent with its comprehensive Five-Year Plan, OASAS supports a network of providers offering a continuum of services to treat and prevent substance use disorders and gambling problems. Treatment services are provided in inpatient, outpatient, and residential settings. New York State's continuum also includes school and community-based prevention services, as well as intervention, support, crisis, problem gambling and recovery services. While most of this system is operated by voluntary not-for-profit organizations, the State operates 12 ATCs. The State-Operated ATCs primarily provide inpatient rehabilitation, as well as a host of other specialized services. In FY 2020, consistent with the Enacted Budget, OASAS will staff and operate 572 beds in State-Operated ATCs throughout the State.

Population Statistics

The following are actual and projected population statistics for the State- and voluntary-operated residential programs of OMH, OPWDD and OASAS:

	OMH		OPWDD		OASAS
Year (as of 3/31)	Psychiatric Center [(1)]	Community Residences [(2)]	Developmental Center	Community Residences [(3)]	Addiction Treatment Centers [(4)]
2010	3,388	34,300	1,434	37,909	600
2011	3,218	34,800	1,313	38,908	570
2012	2,970	36,200	1,169	39,012	570
2013	2,869	38,600	1,015	39,565	570
2014	2,655	39,600	702	41,525	570
2015	2,552	40,800	468	41,966	558
2016	2,390	42,200	297	42,314	522
2017	2,323	43,000	233	42,737	530
2018	2,281	43,400	196	43,080	530
2019	2,244	45,000	189	43,193	530
2020[(5)]	2,219	47,000	189	43,542	530

(1) The actual and the estimated population statistics exclude forensic beds and children's beds. Figures also exclude (A) individuals who are civilly committed to sexual offender treatment programs and (B) 20 forensic beds for which OMH maintains contingency plans depending on need. 20 beds for adult individuals with forensic or dangerous histories known as the Manhattan STAIR Unit are included in the actual and estimated population.

(2) Includes both licensed and unlicensed programs.

(3) Numbers reported include both licensed and unlicensed programs. Beginning in 2014, numbers reported include individuals living in supported apartments, individuals living in OPWDD-licensed private residencies, and temporary use beds.

(4) Includes ATC Inpatient Rehabilitation, Detoxification, and Residential Services beds only.

(5) Estimated.

Income Available for Prior Authority Annual Payments and Annual Payments

Under applicable State statutes, the Authority is required to establish and maintain with the Commissioner of Taxation and Finance, the Mental Hygiene Facilities Improvement Fund Income Account. The Authority is required to deposit therein or have credited thereto all payments made for the care, maintenance, and treatment of patients in every mental hygiene facility now or hereafter under the possession, jurisdiction, supervision and control of the Authority, all income from investments and all moneys received or to be received for the purposes of the Mental Hygiene Facilities Improvement Fund Income Account on a recurring basis. Following deposit of receipts in the Mental Hygiene Facilities Improvement Fund Income Account, amounts therein are transferred to the Services Fund or the appropriate fund for debt service payments pursuant to State law.

Substantially all the Medicaid receipts shown below represent the Federal share thereof. The Federal government traditionally pays 50 percent under Medicaid and 100 percent under Medicare of allowable costs of covered services to eligible patients. The State share of Medicaid, which is used for inpatient services, is not available for the payment of Annual Payments and therefore is not reflected in the following tables.

The following table shows the amounts received in the Mental Hygiene Facilities Improvement Fund Income Account (not including Voluntary Agency Payments) and transferred to the Services Fund and that were available for (i) Prior Authority Annual Payments with respect to the Prior Authority Bonds, and Annual Payments with respect to the Bonds, and (ii) annual debt service for the Prior Authority Bonds and the Bonds, for FYs 2015 through 2019 inclusive.

HISTORICAL RECEIPTS AVAILABLE FOR
PRIOR AUTHORITY ANNUAL PAYMENTS AND ANNUAL PAYMENTS, AND ANNUAL DEBT SERVICE FOR
PRIOR AUTHORITY BONDS AND THE BONDS
(millions of dollars)

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Medicaid	$1,768	$1,297	$1,210	$1,415	$1,394
Medicare	58	57	70	61	58
Other	179	151	142	167	187
Total	$2,005	$1,505	$1,422	$1,643	$1,639
Annual Debt Service	$256	$202	$193	$171	$112
Debt Service Coverage	7.84x	7.43x	7.37x	9.59x	14.6x

Department of Mental Hygiene

The following table prepared by OPWDD, OMH and OASAS, in consultation with the State DOB, is based upon the FY 2020 Enacted Budget, and shows the projected receipts available for payment of annual debt service for the Prior Authority Bonds and the Bonds. This table also includes projected annual debt service for the Prior Authority Bonds and the Bonds.

PROJECTED RECEIPTS AVAILABLE FOR PRIOR AUTHORITY ANNUAL PAYMENTS AND ANNUAL DEBT SERVICE FOR THE PRIOR AUTHORITY BONDS AND THE BONDS (millions of dollars)

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
OPWDD					
Medicaid[2]	$823	$696	$696	$696	$696
Medicare	0	0	0	0	0
Other	51	51	51	51	51
Subtotal	874	747	747	747	747
OMH					
Medicaid	477	492	432	318	289
Medicare	52	52	52	52	52
Other	97	97	97	97	97
Subtotal	626	641	581	467	438
OASAS	26	26	26	26	26
Justice Center	4	4	4	4	4
Gross Receipts	1,530	1,418	1,358	1,244	1,215
Annual Debt Service [1]	53	53	50	39	31
Debt Service Coverage [1]	29x	27x	27x	32x	39x

(1) Includes debt service on all outstanding bonds. However, this does not include amounts equal to the debt service on Personal Income Tax (PIT) Revenue Bonds that were issued to finance State Facilities and Voluntary Agency Facilities and are required to be retained in the Services Fund and transferred to the Revenue Bond Tax Fund. On a going forward basis it is assumed that PIT Revenue Bonds will be used to finance all State Facilities and Voluntary Agency Facilities.

(2) Repayment of the $1.95B OPWDD audit disallowance relating to Medicaid costs for services provided in prior years to residents of Intermediate Care Facilities for individuals with Intellectual Disabilities (ICF/DD) is funded by the General Fund and does not impact the availability of OPWDD receipts to finance debt service expenses.

Factors Affecting Revenue Projections

As with any long-term projection, the level of revenue expected to be received by the Department in the above projections is dependent on many factors. Among these are patient and client census, the certification status of facilities as participants in the Medicare and Medicaid programs, and Federal and State reimbursement policies. A change in any of these factors can affect the revenues to be deposited in the Services Fund.

Census - Both total census and the proportion of patients who are Medicaid- or Medicare-eligible or can otherwise pay for their care are subject to change and therefore affect total revenue. Of particular significance is that over three quarters of OMH revenue is received through the Medicaid program, which does not provide reimbursement of inpatient costs for individuals from the ages of 21 through 64. To the extent the projection of total census or of the proportion of the population eligible for Medicaid is incorrect, revenue may be above or below projected levels. Assumptions regarding the percent of the age-eligible population that will meet billing criteria is also a factor. The Department considers census assumptions for the FY 2020 through FY 2024 forecast years to be relatively conservative.

No age limitations are imposed on OPWDD Medicaid eligibility, and most consumers are Medicaid-eligible.

Certification - Department facilities are periodically reviewed by Federal surveyors to determine continued eligibility as certified Medicaid or Medicare service providers. The revenue projections outlined above may be overstated to the extent that any facility loses certification. Substantial State investment is made to retain certification at all facilities. All OPWDD developmental centers, OMH psychiatric centers, and OASAS ATCs are currently certified by appropriate Federal and State regulatory agencies.

General Hospitals have been the focus of Federal efforts to control Medicare expenditures using Peer Review Organizations. However, their focus could shift to reviewing specialty hospitals, potentially impacting revenue. To date, less than 5 percent of cases reviewed have led to disallowances, and all the disallowances have been appealed.

Other - In addition to these specific factors, all claims are subject to audit and review by the Federal government and have on occasion resulted in disallowances. The potential for future disallowances remains but is not subject to forecast.

Over the last several years, various Federal legislative initiatives have been proposed to reduce the growth in Federal Medicaid and Medicare spending. The current Federal budget establishes limits on the amount of Federal disproportionate share payments made to mental hygiene facilities. The Department's Medicaid revenue projections largely reflect these changes and continued claiming under a fee-for-service Medicaid program, which utilizes trend factors, volume adjustments, capitated payments and other rate methodologies. The Department anticipates some decline in revenues due to continued census decline, changes in capitated program initiatives and lower spending on State institutions. Additionally, it is not known what the long-term impact of the Federal Affordable Care Act will be on Department revenues, particularly for disproportionate share payments. The forecast presented above reflects these factors, and the Department believes that such decline will not materially affect the State's ability to make required Prior Authority Annual Payments and Annual Payments.

Despite the potential influences on projected revenues described herein, the State believes that the forecast presented above is reasonable.

Disposition of Facilities

In the past, the State has closed several mental hygiene services facilities, some of which have been sold. The proceeds from the sale of such facilities with bonds outstanding have been used to redeem and/or defease certain Prior Authority Bonds and the Bonds or deposited into the Services Fund. Certain other closed facilities are being offered for sale but are not yet under contract or are under contract but have not closed. If and when such sales become finalized for facilities with bonds outstanding, the proceeds from the sales will be used to redeem and/or defease certain Prior Authority Bonds or the Bonds or deposited into the Services Fund. Negotiations for contracts of sale are taking place for certain other closed mental hygiene services facilities. It is possible that such facilities will be sold or conveyed to entities other than the Authority or the Department. Any such sale or conveyance would be required to comply with the provisions of the related agreements and the Prior Authority Resolution and related agreements, as applicable, including any applicable covenants as to preserving the tax-exempt status of the Prior Authority Bonds and the Bonds. Additional Prior Authority Bonds and the Bonds may be redeemed and/or defeased as a result of such sale or conveyance.

State Appropriations

The successful maintenance and operation of the Department, the payment of the Prior Authority Annual Payments, and the Annual Payments and the marketability of the Bonds, are dependent upon the ability and willingness of the State Legislature to continue making appropriations in the amounts required for both the operation of the Department and the payment of the Prior Authority Annual Payments and the Annual Payments. There can be no assurance that State appropriations of funds will be available in the amounts contemplated or required by the Department.

The costs of operating each of the offices of the Department are met principally out of appropriations made by the State Legislature from the State's General Fund and out of moneys deposited in the Services Fund which are not required for the payment of Prior Authority Annual Payments and Annual Payments and are therefore released from the lien of the pledge and assignment to the Authority.* These excess funds are transferred to the General Fund to support OMH, OPWDD and OASAS operations.

The appropriations made by the State Legislature from the General Fund for the operations of OMH, OPWDD and OASAS for the FYs 2010 through 2020 are as follows:

State Fiscal Year	OMH	OPWDD	OASAS	Total
2010	$1,045,439,000	$ 523,630,000	$102,739,000	$1,671,808,000
2011	863,466,000	537,910,000	97,725,000	1,499,101,000
2012	947,943,000	1,016,714,700	99,795,500	2,064,453,200
2013	645,806,000	1,011,937,000	101,325,000	1,759,068,000
2014	654,182,000	973,936,000	102,256,000	1,730,374,000
2015	673,051,000	958,327,000	99,737,000	1,731,115,000
2016	673,051,000	1,023,327,000	99,737,000	1,796,115,000
2017	675,251,000	1,023,327,000	102,448,000	1,801,026,000
2018	686,965,000	1,047,530,000	102,715,000	1,837,210,000
2019(1)	2,256,174,000	2,193,979,000	121,832,000	4,571,985,000
2020(2)	2,255,535,000	2,239,620,000	124,647,000	4,619,802,000

(1) The FY 2019 Enacted Budget reclassified all spending from two State special revenue accounts, the Mental Hygiene Program Fund and the Patient Income Account, to the General Fund in order to conform cash basis reporting with GAAP accounting. Effective FY 2019, approximately $1.4 billion in spending associated with Mental Hygiene agencies' fringe benefits will be centrally accounted for in the General Fund General State Charges Budget. On a statewide basis, transactions related to the Mental Hygiene reclassification are technical in nature and have no impact on programmatic spending across the Mental Hygiene agencies or the availability of receipts pledged to the repayment of Prior Authority Bonds, the Bonds or any other State-supported debt.

(2) Estimated.

* Amounts retained in the Services Fund with respect to debt service payments on PIT Bonds for State Facilities and Voluntary Agency Facilities (and subsequently transferred to the Revenue Bond Tax Fund) are not available to be transferred to the General Fund.

The appropriations made by the State Legislature from the Mental Hygiene Patient Income Account for the operations of OMH, OPWDD and OASAS for FYs 2010 through 2018* are as follows:

State Fiscal Year	OMH	OPWDD	OASAS	Total
2010	$ 978,601,000	$1,955,079,000	$22,200,000	$2,955,880,000
2011	1,242,974,000	2,043,852,000	22,848,000	3,309,674,000
2012	1,078,629,000	1,129,683,000	9,689,100	2,218,001,100
2013	1,375,638,000	1,124,374,000	8,966,000	2,508,978,000
2014	1,423,725,000	1,105,413,000	9,310,000	2,538,448,000
2015	1,499,728,000	1,072,881,000	9,242,000	2,581,851,000
2016	1,499,728,000	1,104,077,000	9,242,000	2,613,047,000
2017	1,499,728,000	1,110,577,000	9,916,000	2,620,221,000
2018*	1,566,669,000	1,097,463,000	10,007,000	2,674,139,000

* FY 2018 was the final year agency operations were appropriated from the Patient Income Account. The FY 2019 Enacted Budget reclassified all spending from two State special revenue accounts, the Mental Hygiene Program Fund and the Patient Income Account, to the General Fund in order to conform cash basis reporting with GAAP accounting. Effective FY 2019, approximately $1.4 billion in spending associated with Mental Hygiene agencies' fringe benefits will be centrally accounted for in the General Fund General State Charges Budget. On a statewide basis, transactions related to the Mental Hygiene reclassification are technical in nature and have no impact on programmatic spending across the Mental Hygiene agencies or the availability of receipts pledged to the repayment of Prior Authority Bonds, the Bonds or any other State-supported debt.

Litigation Affecting the Department

The Department at any given time is involved in a number of legal actions and proceedings. Most of these legal actions and proceedings involve special proceedings seeking the reversal of various administrative determinations. A number of cases are pending against the State in the Court of Claims seeking damages in tort or under contracts involving the Department. Other cases involve actions brought under the Americans With Disabilities Act and other related laws, which seek to require the State to develop additional services and/or housing for persons with mental illnesses in the most integrated setting appropriate to their needs. Certain of these legal actions and proceedings involve claims alleging deprivation of a patient's Federal constitutional rights by employees of the Department pursuant to 42 U.S.C. Section 1983 and the Civil Rights of Institutionalized Persons Act. Upon the basis of information presently available, the Department believes that there are substantial defenses in connection with said disputes. The Department further believes that, in any event, its ultimate liability, if any, resulting from such disputes should not materially affect its financial position; should be satisfied from moneys available to the Department from State appropriations and insurance funds; and should in no way affect the Department's obligations or its ability to carry out its obligations under the provisions of the Financing Agreements.

Section 2: Subsection K

New York State Housing Finance Agency, Health Facilities Revenue Bonds (New York City) and Dormitory Authority of the State of New York, Municipal Health Improvement Program Lease Revenue Bonds (The City of New York Issues)

"State Appropriations for Medicaid"

This Subsection K contains the information required to be updated annually pursuant to applicable Continuing Disclosure Agreements relating to obligations issued, respectively, by the New York State Housing Finance Agency for Health Facilities Revenue Bonds (New York City) and the Dormitory Authority of the State of New York for Municipal Health Improvement Program Lease Revenue Bonds (The City of New York Issue).

Capitalized terms used in this Subsection K and not otherwise defined shall have the meanings ascribed to them in the related Official Statement.

State Appropriations for Medicaid

State Medicaid payments made to the City as State Aid or on behalf of the City to Medicaid providers are funded through annual appropriations from the State Legislature for the support of the State Medicaid program and are therefore dependent upon the availability of financial resources and the allocation thereof. The Medicaid program may also be affected by State or Federal legislation relating to the health care system in general. The total annual amount of State Aid paid to the City pursuant to Section 368-a of the Social Services Law and funds appropriated for the purpose of making payment on behalf of the City pursuant to section 367-b of such Law for the fiscal years ended March 31, 2014 through March 31, 2017 (the most recent fiscal year for which data is available) were as follows:

State Fiscal Year	Annual Amount of State Medicaid Payments to or on behalf of the City [(1)(2)]
2014	$ 9,934,605,487
2015	10,586,136,586
2016	11,218,292,293
2017[(3)]	9,599,765,228

(1) Due to a lengthy adjustment period, during which Medicaid claims can be revised, there is typically a two-year lag in assembling these numbers.

(2) Additional Federal funding associated with the Patient Protection and Affordable Care Act (PPACA) is included beginning in January 2014.

(3) The amount for SFY 2017 does not include off-line payments, which historically has accounted for approximately 10% of total spending. The database that contained this information is no longer supported and the State is currently in the process of developing a database to provide this information going forward.

The total amount of State Aid paid to or on behalf of the City pursuant to Section 367-b and Section 368-a of the Social Services Law as related only to the services and or facilities provided by the health facilities owned, leased or operated by the City for FY 2016 was approximately $321,587,417. The total amount for FY 2017 was approximately $288,419,592.

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Section 2: Subsection L

Dormitory Authority of the State of New York, Department of Health of the State of New York Revenue Bonds

"The Department of Health" and "The Medical Care Facilities"

This subsection L contains the information required to be updated annually pursuant to applicable Continuing Disclosure Agreements relating to obligations issued by the Dormitory Authority of the State of New York for the Department of Health of the State of New York Revenue Bonds.

Capitalized terms used in this subsection L and not otherwise defined shall have the meanings ascribed to them in the related Official Statement.

General

The Department is a civil department of the State created pursuant to Article 2 of the Public Health Law.

The mission of the Department is to ensure the availability of appropriate high quality health services at reasonable cost to all State residents. The Department's responsibilities include:

1. Promoting and supervising public health activities throughout the State;
2. Ensuring sound, cost-effective medical care for all residents; and
3. Reducing the heavy toll taken by chronic disabling illnesses, including heart disease, cancer, stroke and respiratory diseases.

These responsibilities are carried out through a coordinated network of administrative units, including the Department's major operating arms, the Office of Public Health ("OPH"), the Office of Primary Care and Health Systems Management ("OPCHSM") and the Office of Health Insurance Programs ("OHIP") and through a system of area and field offices that conduct health facility surveillance, public health monitoring and direct public health activities. The Department is the agency designated for administering Federal moneys allotted for health work under the Public Health Service Act, the Social Security Act and other Federal authorizations. Single State agency responsibilities under Title 19 of the Social Security Act for the Medical Assistance Program were transferred from the former Department of Social Services to the Department in legislation enacted in 1996 and 1997. Finally, the Department operates facilities engaged in advanced medical research and patient care through its Health Facilities Management Group.

The Department currently carries out its responsibilities through 16 budgetary programs: Administration Program; Center for Environmental Health Program; Center for Community Health Program; AIDS Institute Program; Wadsworth Center for Laboratories and Research Program; Office of Primary Care and Health Systems Management Program; Office of Health Insurance Program; Medical Assistance Program; Medical Assistance Administration Program; Child Health Insurance Program; Essential Plan Program; Medical Cannabis Program; Elderly Pharmaceutical Insurance Coverage Program; Health Care Reform Act Program; New York State of Health Program; and the Institutional Management Program.

The State's Public Health Law enumerates six facilities as part of the Department: the Roswell Park Cancer Institute (the "Institute"), the Helen Hayes Hospital (the "Hospital"), the New York State Home for Veterans and their Dependents at Oxford (the "Home"), the New York State Home for Veterans in the City of New York (the "Veterans Home"), the New York State Home for Veterans in Western New York (the "WNY Veterans Home") and the New York State Home for Veterans in the Lower Hudson Valley (the "HV Veterans Home"). The Legislature has the power to decide whether or not the Department will continue to operate and maintain any of these facilities or programs. In 1999, the State transferred the Institute to a separate public benefit corporation, Roswell Park Cancer Institute Corporation ("RPCI"). The Legislature also may decide in the future to add by legislation additional facilities to the Department.

Fiscal Structure

The Department receives annual appropriations from the Legislature to operate all authorized programs and to provide specific services.

The Legislature appropriates moneys from the State's General Fund to the Department to meet the operational costs of the Department for program operations not otherwise supported by Federal or other funds. Within the total amount appropriated, funds may be interchanged or transferred between programs upon recommendation of the Commissioner of Health (the "Commissioner") and the approval of the State Budget Director, according to the formula established in the State Finance Law. These monies are not available for deposit to the Health Income Fund. The Legislature appropriated $7,600,000 from the State's Capital Projects Fund for FY 2020 for repairs and maintenance of the Hospital, the Home, the Veterans Home, the WNY Veterans Home, and the HV Veterans Home.

In addition to the appropriation of State funds, the Legislature also appropriates moneys made available by the Federal government for Department programs. None of the funds allocated by Federal agencies to the Department have been appropriated for the Hospital, the Home, the Veterans Home, the WNY Veterans Home and the HV Veterans Home.

The FY 2020 Enacted Budget includes funds appropriated to the Department from over 100 Special Revenue Accounts including, pursuant to Chapter 433 of the Laws of 1997, accounts supporting the operating budget for the Hospital, the Home, the Veterans Home, the WNY Veterans Home and the HV Veterans Home. Revenue is deposited in the self-supporting accounts from fees, billings, assessments and other charges as specified in law or regulation. Expenditures from these accounts are limited to the specific purpose of the individual account.

Patient care revenues received by the Department relating to the Veterans Home are deposited into the Veterans Home Income Fund. Amounts in excess of that required to be held by the Comptroller in the Veterans Home Income Fund are directly transferred periodically to the New York City Veterans Home Account, which was also authorized by Chapter 433 of the Laws of 1997. Funds in the New York City Veterans Home Account are appropriated for operation of the Veterans Home.

The amounts on deposit in the Veterans Home Income Fund and the New York City Veterans Home Account do not secure the payment of amounts due under the Agreement.

The Health Income Fund

The Health Income Fund is established in the custody of the Comptroller pursuant to Section 409 of the Public Health Law. The moneys on deposit in the Health Income Fund are kept separate and are not commingled with any other moneys held by the Comptroller. All of the revenues received by the Department for the care, maintenance and treatment of patients at the Institute, the Hospital, the Home, the WNY Veterans Home, and the HV Veterans Home, together with certain other moneys and miscellaneous receipts less certain payments and refunds made pursuant to law, are paid by the Commissioner to the Comptroller for deposit in the Health Income Fund. The revenues received by the Department for the care, maintenance and treatment of these patients come from Medicare, Medicaid, Blue Cross, private insurance companies and from the patients directly. Pursuant to Chapter 293 of the Laws of 1992, a clinical practice plan has been established at the Institute which provides for the collection and disbursement of clinical practice income resulting from the clinical practice of licensed health professionals employed by the Institute. Such clinical practice income is not factored in as part of the revenues of the Institute or the Health Income Fund.

Section 409 of the Public Health Law requires that the Comptroller maintain at all times in the Health Income Fund the amount of money needed by the Department during the next succeeding six calendar months to comply in full with all obligations of the Department under the Agreement, including amounts necessary to make payments under the Agreement during such period and to establish and maintain reserves. The Comptroller, at least biweekly, is required to pay to RPCI any moneys in the Health Income Fund which the Commissioner attributes to the operation of RPCI and which are in excess of the amount required to be maintained by the Comptroller in the Health Income Fund pursuant to Public Health Law Section 409. As discussed below under the subheading "DOH Hospital Holding Account and Facility-Specific Operating Accounts," the Comptroller from time to time, but in no event later than the last day of March, June, September and December of each year is required to deposit to the DOH Hospital Holding Account all moneys in the Health Income Fund in excess of the amount required to be maintained in the Health Income Fund described above. These moneys, in turn, are transferred to the Helen Hayes Hospital Account, the New York State Home for Veterans and Their Dependents at Oxford Account, the Western New York Veterans Home Account, and the New York State Home for Veterans in the Lower Hudson Valley Account. This transfer from the DOH Hospital Holding Account to these four accounts is based upon the amount the Hospital, the Home, the WNY Veterans Home and the HV Veterans Home deposit into the Health Income Fund. The moneys in the Health Income Fund shall be paid out on the audit and warrant of the Comptroller on vouchers approved by the Commissioner or his designee. Subject to the power to pay out such excess moneys in the Health Income Fund to RPCI and the DOH Hospital Holding Account, the Department in the Agreement has pledged and assigned to the Authority, subject to appropriation, all moneys in the Health Income Fund and all moneys which may be received by the Department and credited to the Health Income Fund.

Revenues on an audited cash, rather than an accrual, basis generated during the four most recent fiscal years, preliminary for FY 2019 and estimated for FY 2020, for the Institute, the Hospital, the Home, the WNY Veterans Home, and the HV Veterans Home as deposited in the Health Income Fund, are listed in the table below. The table also reflects the manner in which the revenues were used or are expected to be used (i.e., actual payments for debt service and transfers to the operating accounts or the RPCI for each year) as well as the ratio of Receipts in Health Income Fund to Health Income Fund Debt Service Payments ("Debt Service Coverage").

HEALTH INCOME FUND
(thousands of dollars, except ratios)

State Fiscal Year Ended March 31	Receipts in Health Income Fund	Health Income Fund Debt Service Payments[1]	Available for Transfer to Facility-Specific Operating Accounts or RPCI Corporation[1]	Debt Service Coverage
2015	$572,538	$28,330	$544,208	20x
2016	605,836	28,628	577,208	21x
2017	653,381	26,755	626,626	24x
2018	699,015	27,223	671,792	26x
2019 (Prelim)	749,179	26,905	722,274	28x
2020 (Est.)	807,612	27,154	780,458	30x

Source: Department of Health.

[1] Available fund balance may be increased or decreased, depending on the need to set aside future debt service payments, which would result in the transfer amount being adjusted accordingly.

DOH Hospital Holding Account and Facility-Specific Operating Accounts

The DOH Hospital Holding Account is a special account established by the Comptroller. At any time, but no later than the last day of each March, June, September and December, amounts in the Health Income Fund in excess of the amount required to be maintained therein or paid to RPCI are paid over by the Comptroller to the DOH Hospital Holding Account, and transferred, respectively, to the Helen Hayes Hospital Account, the New York State Home for Veterans and Their Dependents at Oxford Account, the Western New York Veterans Home Account, and the New York State Home for Veterans in the Lower Hudson Valley Account. The moneys in these four accounts are generally available for paying the costs related to the provision of health services to patients at the facilities, including the payment of costs for research, training, personal services and the costs of operating and maintaining such facilities. Pursuant to Chapter 293 of the Laws of 1992 and Chapter 505 of the Laws of 1995, the moneys become available, respectively, from these facility-specific operating accounts when the Commissioner executes a certificate of allocation and schedule of amounts to be available therefore. The moneys are payable from these operating accounts upon audit and warrant of the Comptroller on vouchers approved by the Commissioner or his designee. See preceding section entitled "The Health Income Fund" for information on RPCI revenue.

Sources of Operating Funds

The following table reflects the Department's State Operations appropriations for the Hospital, the Home, the Veterans Home, the WNY Veterans Home and the HV Veterans Home. As such this represents the maximum authority to spend, or budgeted levels, as approved by the Legislature and does not necessarily reflect actual spending levels.

State Fiscal Year Ended March 31	Appropriated for Facility-Specific Operating Accounts [(1)(2)]
2015	$147,692,000
2016	147,962,000
2017	147,962,000
2018	161,013,000
2019	162,013,000
2020[(3)]	166,013,000

(1) Exclusive of minor amounts available for patient benefits from gifts and bequests.

(2) These funds are transferred to individual Special Revenue Fund-Other accounts supporting the respective operating budgets of the Hospital, the Home, the Veterans Home, the WNY Veterans Home and the HV Veterans Home. The amounts shown here are from revenues derived from these facilities and vary in some degree from the revenues of such facilities as reflected in their financial statements for the years indicated, due to differences in accounting procedures and other factors.

(3) Reflects the FY 2020 Enacted Budget.

Employee Relations and Indemnity

As of March 31, 2019, the Department employed approximately 4,720 full-time equivalent employees, including approximately 1,412 full-time equivalent employees at the Hospital, the Home, the WNY Veterans Home, the HV Veterans Home and the Veterans Home. (Individuals at the Institute are considered employees of the RPCI rather than the Department and are not included as part of this number.) Employees of the Department are State employees. Section 17 of the Public Officers Law requires the State to save harmless and indemnify its employees from financial loss arising out of any claim, demand, suit or judgment by reason of alleged intentional wrong doing, negligence or other act by State employees provided that the employee was acting in the scope of his duties and did not commit a willful or wrongful act. The law further provides that the Attorney General may represent such employees.

Any actions involving malpractice claims brought against the Department are actions brought against the State itself. The State does not carry insurance with respect to malpractice claims and is a self-insurer for the payment of any judgments which may be rendered against the State for any such actions.

General

Section 403 of the Public Health Law enumerates the facilities which are part of the Department: the Institute, the Hospital, the Home, the Veterans Home, the WNY Veterans Home and the HV Veterans Home. Revenues for all facilities, except the Veterans Home, are deposited in the Health Income Fund.

Roswell Park Cancer Institute

The Institute was founded in 1898 and became a State Institute in 1911. In 1971, it was one of the first three institutions certified as a comprehensive cancer center by the National Cancer Institute. As such, it is committed to combat cancer through basic research, clinical research and treatment, and professional and public education. There are 49 such centers designated in the United States. The Institute is a facility licensed for and operating 133 beds, and an ambulatory care center containing 21 clinics within 15 multidisciplinary care centers and outpatient treatment centers for chemotherapy and radiation medicine. It has over 3,400 members, including clinical staff physicians, nurses, residents, fellows, and research staff.

In order to meet the demands of the changing health care marketplace and to promote the strengths and capabilities of the Institute, Chapter 5 of the Laws of 1997 added a new Title 4 to Article 10-c of the Public Authorities Law authorizing the RPCI. This legislative authorization was intended to change the Institute's governance structure to afford it market and managerial flexibility. Among the special powers granted by the legislation to RPCI were the powers to contract with the State to operate, manage, superintend and control the Institute, and to establish, collect, and adjust fees, rental and other charges in connection with the operation of the Institute.

Pursuant to subdivision 2 of Section 403 of the Public Health Law, added by such chapter, the Department, acting on behalf of the State, entered into an Operating Agreement with RPCI pursuant to which operating responsibility for the Institute was transferred to RPCI effective January 1, 1999, and giving RPCI substantial independence in operating the Institute, including the power to establish operating budgets, to establish and implement strategic business plans, to create subsidiary and affiliated entities, to enter into affiliations and alliances with other health care providers and to establish, collect and adjust fees, rentals and other charges in connection with the operation of the Institute.

Revenues generated by RPCI as a result of operating the Institute continue to be revenues of the State and are required to be deposited into the Health Income Fund for payment of debt service on the Bonds. After allowing for accumulation of the amount the Comptroller is required to maintain in the Health Income Fund pursuant to Public Health Law Section 409 and a reserve for refunds, the remaining revenues which the Commissioner attributes to the operations of RPCI are transferred to RPCI at least biweekly by the Comptroller.

The following table provides historic utilization data for the Institute for the four most recent fiscal years, preliminary for FY 2019 and estimated for FY 2020.

State Fiscal Year Ended March 31	Annual Average Beds in Service	Annual Average Inpatient Occupancy Rate	Outpatient Visits
2015	133	78%	201,490
2016	133	81	215,424
2017	133	80	231,987
2018	133	79	248,798
2019 (Prelim.)	133	84	261,299
2020 (Est.)	133	84	269,348

The Institute has undergone several key transitions over the last several years, including a major modernization of its Buffalo campus and a change in governance as noted above. RPCI's responsibility is to ensure the fiscal and programmatic integrity of the facility. The Institute is affiliated with the University of New York at Buffalo and has numerous affiliation agreements with other educational institutions and hospitals. Training provided by the Institute under these agreements include medical, nursing and medical research. For the fiscal year ending March 31, 2020, the Institute is projected to generate 84 percent of the patient care revenues deposited in the Health Income Fund.

Helen Hayes Hospital

The Hospital was established in 1900 primarily to provide care to children with disabilities. Since then, and particularly in recent years, the patient population and the services provided have changed dramatically. The Hospital has evolved into a comprehensive rehabilitation center offering a multi-specialty approach to medical rehabilitation and treatment of chronic diseases as well as specialized surgical services. The Hospital is the largest freestanding rehabilitation center in New York State. Research is also an integral component of the Hospital's operation and it also involves unique protocol studies directed at treatment and prevention of disabling diseases such as osteoporosis. In addition, the Hospital has established a 25-bed Skilled Nursing Unit and Transitional Rehabilitation Center to increase the continuum of services provided to patients.

The following table provides historic utilization data for the Hospital for the four most recent fiscal years, preliminary for FY 2019 and estimated for FY 2020.

State Fiscal Year Ended March 31	Annual Average Inpatient Occupancy Rate	Outpatient Visits
2015	66%	50,800
2016	69	56,000
2017	66	58,014
2018	63	57,942
2019 (Prelim.)	63	60,135
2020 (Est.)	63	60,150

The Hospital has been subject to the same market forces that have affected other acute care facilities in New York State. As a specialized rehabilitation facility, the Hospital must attract and retain a specialized staff, particularly in the various rehabilitation therapies. The national shortage of skilled medical professionals experienced over the past several years has had an impact on the Hospital's ability to maintain and increase its outpatient volume.

The Hospital is affiliated with Columbia University's College of Physicians and Surgeons in a formal residency program and the College participates with the Hospital in developing teaching and service programs. Pursuant to an affiliation agreement, New York Presbyterian Hospital serves as the Hospital's contracting agent for the employment of physicians and physical therapists for the Hospital. For the fiscal year ending March 31, 2020, the Hospital is projected to generate 8 percent of the patient care revenues deposited in the Health Income Fund.

New York State Veterans Home at Oxford

The Home admitted its first residents in 1897, when its primary mission was to provide room and board for Civil War veterans and their wives and other dependents. Historically, admission was limited to veterans and their dependents of U.S. wars through World War II and was prioritized by earliest service. Recent legislative changes opened admission to all veterans and prioritizes admissions by severity of illness and wartime status rather than by service date. The Home's total bed capacity is 242 beds.

The annual average occupancy rate for the Home for the four most recent fiscal years, preliminary for FY 2019 and estimated for FY 2020, is described in the following table:

State Fiscal Year Ended March 31	Annual Average Inpatient Occupancy Rate
2015	96%
2016	96
2017	96
2018	86
2019 (Prelim.)	73
2020 (Est.)	75

For the fiscal year ending March 31, 2020, the Home is projected to generate two percent of the patient care revenues deposited into the Health Income Fund.

New York State Home for Veterans in Western New York

The WNY Veterans Home in Batavia began admissions of residents in August of 1995. This facility also provides care for veterans and their dependents prioritized by degree of illness rather than by service date. The facility's bed capacity is 126.

The annual average occupancy rate for the WNY Veterans Home for the four most recent fiscal years, preliminary for FY 2019 and estimated for FY 2020, is described in the following table:

State Fiscal Year Ended March 31	Annual Average Inpatient Occupancy Rate
2015	96%
2016	91
2017	96
2018	90
2019 (Prelim.)	89
2020 (Est.)	93

For fiscal year ending March 31, 2020, the WNY Veterans Home is projected to generate two percent of the patient care revenues deposited into the Health Income Fund.

New York State Home for Veterans in the Lower Hudson Valley

The HV Veterans Home was authorized by legislation in 1994. Construction was completed in mid-2001 and resident admissions began in September 2001. The 252-bed facility is on the grounds of the Veterans Administration Hospital in Montrose, NY. The design is based on the cluster model used for the WNY Veterans Home in Batavia, which has received national recognition for cost efficient delivery of health care.

The annual average occupancy rate for the HV Veterans Home for the four most recent fiscal years, preliminary for FY 2019 and estimated for FY 2020, is described in the following table:

State Fiscal Year Ended March 31	Annual Average Inpatient Occupancy Rate(1)
2015	93%
2016	93
2017	93
2018	95
2019 (Prelim.)	93
2020 (Est.)	93

(1) Based on annual average beds in service of 252.

For the fiscal year ending March 31, 2020 the HV Veterans Home is projected to generate four percent of the patient care revenue deposited into the Health Income Fund.

Reimbursement Process

The Hospital and the Institute are considered "specialty" facilities and, for reimbursement purposes, have historically been exempt from the case methodology applied to other facilities. However, with the implementation of HCRA, which took effect during 1997 and the conversion from historic reimbursement and the move to managed care contracting, both facilities have entered into several contracts to provide medical services. The Institute is considered to be a Prospective Payment System ("PPS") facility for Medicare and is reimbursed on a cost basis for this payor. At the Hospital, Medicare established a new PPS reimbursement methodology for rehabilitation hospitals, which was effective April 1, 2002. This new methodology is based upon a case payment per discharge rather than the per diem payment which existed previously. Research costs are considered non-allowable and are not included in the calculation of the rates. The facilities also receive additional reimbursement for uncollectible bad debts and charity write-offs from regional and statewide pools; the bad debt write-off, however, is less than two percent due to screening and insurance verification of patients prior to admission.

Medicaid reimbursement for the Home and the WNY Veterans Home and the HV Veterans Home is based on a Statewide Regional Pricing model which was implemented in 2012. This methodology is partially based on a case-mix assessment. The Statewide Pricing Model also incorporates the cost of care incurred and provides some financial incentives to admit "high intensity" patients by linking payments to the level of services provided. The Medicaid Statewide Pricing Model is based on 2007 operational cost and also incorporates other factors such as: size of the facilities; geographic location, and quality measures in the determination of the final payment rate.

Beginning in January 2015, the Veterans Homes transitioned to Medicaid Managed Long Term Care contracts with provider organizations. These organizations will pay the published Medicaid Rate including capital through the end of 2020.

For Medicare, the reimbursement methodology for the Home, the WNY Veterans Home and HV Veterans Home is the same and is based on the PPS, which uses the average cost for the respective regions. For the veterans homes in the program, this has proven beneficial as the average regional cost exceeds the facility-specific cost, resulting in a higher rate of reimbursement for the veterans homes, which have also converted from a "flat rate" average charge to "fee for service." In addition to a room and board charge, the veterans homes bill for actual charges for pharmacy, therapies and other such ancillary services.

To further enhance collections at the Institute and the Hospital, a discrete Department of Law collection unit has been established with sites at each facility. A discrete unit has also been established to provide collection services to the Home, the WNY Veterans Home and the HV Veterans Home. The Department of Law serves as the facilities' collection agency since by law the facilities cannot, with certain exceptions, refer uncollectible accounts to outside agencies and have no authority to write off bad debts. Only the Attorney General and the Comptroller have the authority to write off bad debts.

Cash Receipts

Receipts for patient care and other miscellaneous income are deposited into the Health Income Fund on a weekly basis. The following tables display the final amount of cash receipts from each revenue source at the five facilities for the previous fiscal years for which data are available. Facility cash receipts vary with receipts into the Health Income Fund because of timing differences in the recording of the respective funds.

CASH RECEIPTS FROM PATIENTS AND MISCELLANEOUS INCOME

	2014-15	2015-16	2016-17	2017-18	2018-19[1]
Roswell Park Cancer Institute					
Medicare	$84,291,527	$73,301,377	$78,493,272	$97,389,157	$99,383,096
Medicaid	5,577,006	4,027,661	4,234,280	4,099,736	3,499,613
Blue Cross	123,545,865	134,311,126	148,948,168	150,550,953	166,722,933
Other Third Party Payors	199,659,920	218,073,077	245,139,933	308,057,992	311,816,485
Self-Pay	5,204,968	6,414,345	7,350,528	7,564,162	8,513,755
TOTAL	$418,279,286	$436,127,586	$484,166,181	$567,662,000	$589,935,882
Helen Hayes Hospital					
Medicare	$29,622,761	$27,829,665	$25,796,385	$29,832,877	$26,712,714
Medicaid	3,886,093	4,034,388	3,170,213	4,783,977	5,398,764
Blue Cross	6,711,645	7,537,989	7,241,191	6,886,687	7,494,639
Other Third Party Payors	14,022,944	13,438,197	9,384,648	14,704,232	10,970,628
Self-Pay	926,523	580,636	604,792	638,821	965,524
Other	5,031,708	16,039,654	11,093,945	11,257,737	7,330,760
TOTAL	$60,201,674	$69,460,529	$57,291,174	$68,104,331	$58,873,029
Oxford Homes					
Medicaid	$10,122,279	$10,934,179	$7,779,328	$5,118,873	$4,386,627
Self-Pay	7,505,992	7,920,251	8,448,715	8,210,059	9,329,905
VA Reimbursement	9,665,385	9,690,770	9,597,844	8,411,050	8,543,457
Medicare	493,602	439,494	416,473	261,831	650,436
Miscellaneous	147,043	139,272	143,644	109,120	112,420
TOTAL	$27,934,301	$29,123,984	$26,386,004	$22,110,933	$23,022,845
WNY Veterans Home					
Medicaid	$4,586,435	$4,808,234	$3,752,322	$3,444,699	$3,563,897
Self-Pay	4,059,761	4,588,273	4,080,572	4,850,231	5,813,476
VA Reimbursement	4,410,337	4,226,686	4,140,274	4,691,813	4,807,133
Medicare	260,208	314,693	446,795	451,804	375,315
TOTAL	$13,316,741	$13,937,886	$12,419,963	$13,438,548	$14,559,821
HV Veterans Home					
Medicaid	$9,600,272	$10,760,025	$8,396,368	$5,624,531	$4,817,305
Self-Pay	8,673,368	7,999,810	10,267,477	10,406,620	11,638,263
VA Reimbursement	10,767,377	11,971,738	9,952,889	12,010,406	13,561,069
Medicare	1,682,108	1,865,799	1,993,402	1,998,883	1,516,369
TOTAL	$30,723,125	$32,597,372	$30,610,135	$30,040,441	$31,533,006

[1] Reflects preliminary information.

The following table reflects the Medical Care Facilities' income statements prepared by independent auditors for the most recent four fiscal years for which such statements are available. The data presented reflect the net patient care income, which is derived by deducting a reserve for bad debts and contractual allowances from the gross charges for patient services. The contractual allowances are the differences between the Medical Care Facilities' charges and the actual amount reimbursed by third party payors. The net revenue varies from the cash receipts schedule provided above since the latter reflects actual cash collected and the differences between the two schedules are represented by accounts receivable. The expenses are reflected on an accrual basis in accordance with GAAP and as required by third party payors. Included in the expenses are all State appropriations, such as fringe benefits for the Medical Care Facilities' employees as well as non-cash expenses such as depreciation.

SUMMARY OF NET PATIENT CARE REVENUES OTHER NON-OPERATING REVENUES AND OPERATING EXPENSES AS REFLECTED ON THE FACILITIES' INCOME STATEMENTS

	2014-15	2015-16	2016-17	2017-18
Revenues				
Roswell Park	$556,676,370	$590,224,633	$613,543,838	$665,861,389
Helen Hayes Hospital	87,190,108	89,314,913	86,989,711	89,788,951
Oxford Home	36,684,950	38,185,478	35,762,602	28,801,177
WNY Veterans Home	17,816,922	20,071,459	20,091,971	19,998,814
HV Veterans Home	35,579,189	45,258,071	45,232,020	45,042,414
Total Revenues	$733,947,539	$783,054,554	$801,620,142	$849,492,745
Expenses				
Roswell Park	$543,469,727	$569,179,164	$635,066,390	$691,521,673
Helen Hayes Hospital	85,154,354	90,851,641	90,740,417	98,265,539
Oxford Home	35,905,321	35,855,714	36,933,013	33,099,988
WNY Veterans Home	18,515,583	17,860,079	19,532,382	20,580,196
HV Veterans Home	35,280,948	38,528,941	40,346,989	43,551,165
Total Expenses	$718,325,933	$752,005,539	$822,619,191	$887,018,561
Results from Operation	$15,621,606	$31,049,015	($20,999,049)	$(37,525,816)

Section 2: Subsection M

Dormitory Authority of the State of New York, Revenue Bonds (Department of Health Veterans Home Issue)

“The Department of Health” and “The Veterans Home”

This Subsection M contains the information required to be updated annually pursuant to applicable Continuing Disclosure Agreements relating to obligations issued by the Dormitory Authority of the State of New York for the Department of Health Veterans Home Revenue Bonds.

Capitalized terms used in this Subsection M and not otherwise defined shall have the meanings ascribed to them in the related Official Statement.

The Department of Health and The Veterans Home

General

The Department is a civil department of the State created pursuant to Article 2 of the Public Health Law.

The mission of the Department is to ensure the availability of appropriate high quality health services at reasonable cost to all State residents. The Department's responsibilities include:

1. Promoting and supervising public health activities throughout the State;
2. Ensuring sound, cost-effective medical care for all residents; and
3. Reducing the heavy toll taken by chronic disabling illnesses, including heart disease, cancer, stroke and respiratory diseases.

These responsibilities are carried out through a coordinated network of administrative units, including the Department's major operating arms: the Office of Public Health ("OPH"), the Office of Primary Care and Health Systems Management ("OPCHSM") and the Office of Health Insurance Programs ("OHIP) and through a system of area and field offices that conduct health facility surveillance, public health monitoring and direct public health activities. The Department is the agency designated for administering Federal moneys allotted for health work under the Public Health Service Act, the Social Security Act and other Federal authorizations. Single State agency responsibilities under Title 19 of the Social Security Act for the Medical Assistance Program were transferred from the former Department of Social Services to the Department in legislation enacted in 1996 and 1997. Finally, the Department operates facilities engaged in advanced medical research and patient care through its Health Facilities Management Group.

The Department currently carries out its responsibilities through 16 budgetary programs: Administration Program; Center for Environmental Health Program; Center for Community Health Program; AIDS Institute Program; Wadsworth Center for Laboratories and Research Program; Office of Primary Care and Health Systems Management Program; Office of Health Insurance Program; Medical Assistance Program; Medical Assistance Administration Program; Child Health Insurance Program; Elderly Pharmaceutical Insurance Coverage Program; Essential Plan Program; Medical Cannabis Program; Health Care Reform Act Program; New York State of Health Program; and the Institutional Management Program.

The State's Public Health Law enumerates six facilities as part of the Department: the Roswell Park Cancer Institute (the "Institute"), the Helen Hayes Hospital (the "Hospital"), the New York State Home for Veterans and Their Dependents at Oxford (the "Home"), the New York State Home for Veterans in the City of New York (the "Veterans Home"), the New York State Home for Veterans in Western New York (the "WNY Veterans Home") and the New York State Home for Veterans in the Lower Hudson Valley (the "HV Veterans Home"). The State Legislature has the power to decide whether or not the Department will continue to operate and maintain any of these facilities. In 1999, the State transferred the Institute to a separate public benefit corporation, The Roswell Park Cancer Institute Corporation ("RPCI"). The State Legislature also may decide in the future to add by legislation additional facilities to the Department.

Fiscal Structure

The Department receives annual appropriations from the Legislature to operate all authorized programs and to provide specific services. The State Legislature appropriates moneys from the State's General Fund to the Department to meet the operational costs of the Department for program operations not otherwise supported by Federal or other funds. Within the total amount appropriated, funds may be interchanged or transferred between programs upon recommendation of the Commissioner of Health (the "Commissioner") and the approval of the State Budget Director, according to the formula established in the State Finance Law. These moneys are not available for deposit to the Veterans Home Income Fund. Funding for any repairs and maintenance of the Veterans Home is drawn from a general appropriation by the State Legislature from the State's Capital Projects Fund to benefit the Veterans Home and certain other medical facilities of the Department established under Section 403 of the Public Health Law. For FY 2020 this appropriation is $7,600,000.

In addition to the appropriation of State funds, the Legislature also appropriates moneys made available by the Federal government for Department programs. None of the funds allocated by Federal agencies to the Department have been appropriated for the Veterans Home.

The FY 2020 Enacted Budget includes funds appropriated to the Department from over 100 Special Revenue Accounts including, pursuant to Chapter 433 of the Laws of 1997, accounts supporting the operating budget for the Veterans Home. Revenue is deposited in the self-supporting account from fees, billings, assessments, and other charges as specified in law or regulation. Expenditures from such account are limited to the specific purpose of such individual account.

Patient care revenues received by the Department relating to the Veterans Home are deposited into the Veterans Home Income Fund. Amounts in excess of that required to be held by the Comptroller in the Veterans Home Income Fund are directly transferred periodically to the New York City Veterans Home Account, which was also authorized by Chapter 433 of the Laws of 1997. Funds in the New York City Veterans Home Account are appropriated for operation of the Veterans Home.

The Veterans Home Income Fund

The Veterans Home Income Fund is established in the custody of the Comptroller pursuant to Section 409-a of the Public Health Law. The moneys deposited in the Veterans Home Income Fund are kept separate and are not commingled with any other moneys held by the Comptroller. All of the revenues received by the Department for the care, maintenance and treatment of patients at the Veterans Home together with certain other moneys and miscellaneous receipts, less certain payments and refunds made pursuant to law, are to be paid by the Commissioner to the Comptroller for deposit in the Veterans Home Income Fund. The amounts on deposit in the Veterans Home Income Fund are pledged to pay the debt service on the Bonds issued under the Resolution.

Section 409-a of the Public Health Law requires that the Comptroller maintain at all times in the Veterans Home Income Fund an amount required to be paid by the Department during the next succeeding six calendar months for debt service on the Bonds. The Comptroller is required from time to time, but in no event later than the last day of March, June, September and December of each year to deposit to the Veterans Home Account all moneys in the Veterans Home Income Fund in excess of the amount required to be maintained in the New York City Veterans Home Income Fund as described above. The moneys in the Veterans Home Income Fund are paid out on the audit and warrant of the Comptroller on vouchers certified or approved by the Commissioner or his designee.

Revenues on an audited cash, rather than an accrual, basis generated during the four most recent fiscal years, preliminary for FY 2019 and estimated for FY 2020, for the Veterans Home, Veterans Home Income Fund, are listed in the following table. The table also reflects the manner in which the revenues were used or are expected to be used (i.e., actual payments for debt service and transfers to the operating accounts for each year) as well as the ratio of Receipts in Veterans Home Income Fund to Veterans Home Income Fund Debt Service Payments ("Debt Service Coverage").

VETERANS HOME INCOME FUND [1]
(thousands of dollars, except ratios)

State Fiscal Year Ended March 31	Receipts in Veterans Home Income Fund	Veterans Home Income Fund Debt Service Payments[2]	Available for Transfer to Facility-Specific Operating Account[2]	Debt Service Coverage
2015	$27,403	$1,728	$25,675	16x
2016	28,498	1,728	26,770	16x
2017	29,497	1,728	27,769	17x
2018	29,068	1,568	27,500	19x
2019 (Prelim.)	28,777	1,388	27,389	21x
2020 (Est.)	28,922	1,474	27,448	20x

Source: Department of Health.

(1) Data provided reflects only NYC Veterans Homes Income Fund per Section 409-a.

(2) Available fund balance may be increased or decreased, depending on the need to set aside future debt service payments, which would result in the transfer amount being adjusted accordingly.

Sources of Operating Funds

The following table reflects the Department's State Operations appropriations for the Veterans Home. As such, this represents the maximum authority to spend, or budgeted levels, as approved by the State Legislature and does not necessarily reflect actual spending levels.

State Fiscal Year Ended March 31	Appropriated for NYC Veterans Home Accounts [1][2]
2015	$35,077,000
2016	31,377,000
2017	31,377,000
2018	33,055,000
2019	33,055,000
2020[3]	35,104,000

Source: Department of Health.

(1) Exclusive of minor amounts of money available for patient benefits from gifts and bequests.

(2) These funds are transferred to the Special Revenue Fund-Other account supporting the respective operating budget of the Veterans Home. The amounts shown here are from revenues derived from the Veterans Home and vary in some degree from the revenues of the Veterans Home as reflected in its financial statements for the years indicated, due to differences in accounting procedures and other factors.

(3) Reflects the FY 2020 Enacted Budget.

Employee Relations and Indemnity

As of March 31, 2019, the Department employed approximately 4,720 full-time equivalent employees, including approximately 279 full-time equivalent employees at the Veterans Home. Section 17 of the Public Officers Law requires the State to save harmless and indemnify its employees from financial loss arising out of any claim, demand, suit or judgment by reason of alleged intentional wrong doing, negligence or other act by State employees provided that the employee was acting in the scope of his duties and did not commit a willful or wrongful act. The law further provides that the Attorney General may represent such employee.

Any actions involving malpractice claims brought against the Department are actions brought against the State itself. The State does not carry insurance with respect to malpractice claims and is a self-insurer for the payment of any judgments which may be rendered against the State for any such actions.

The Veterans Home

Summary

The Veterans Home commenced operations in December of 1993 and is a 250-bed skilled nursing facility serving veterans and their dependents. The home is located in Queens, New York.

The Program offered at the Veterans Home serves two categories of residents – those requiring skilled long-term care and those with special health care needs. The primary recipients of the skilled long-term care services are typically 65 years of age and over, with the largest portion of residents being the frail elderly (those over age 85), and residents requiring special care including those suffering from dementia and mental confusion resulting from Alzheimer's disease and other related disorders. Also included in this category are residents with chronic pulmonary diseases, which create irreversible airway restriction or obstruction.

The bed complement for the Veterans Home is as follows:

Skilled Long-Term Care	200 beds
Alzheimer's/Dementia	35 beds
Sub-Acute Level of Care	15 beds
Total	250 beds

The Veterans Home average annual occupancy rate, for the four most recent fiscal years, preliminary for FY 2019 and estimated for FY 2020 is as follows:

State Fiscal Year Ended March 31	Annual Average Inpatient Occupancy Rate
2015	92
2016	89
2017	97
2018	96
2019 (Prelim.)	94
2020 (Est.)	96

Reimbursement Process

Medicaid reimbursement for the Home is based on a Statewide Regional Pricing Model which was implemented in 2012. This methodology is partially based on a case-mix assessment. The Statewide Pricing Model also incorporates the cost of care incurred and provides some financial incentives to admit “high intensity” patients by linking payments to the level of services provided. The Medicaid Statewide Pricing Model also incorporates other factors such as: size of the facilities; geographic location; 2007 operational cost; and quality measures in the determination of the final pay rate.

Beginning in January 2015, the Veterans Homes transitioned to Medicaid Managed Long Term Care contracts with provider organizations. These organizations will pay the published Medicaid Rate including capital for a three-year grace period. After the grace period is concluded the homes will receive a negotiated rate.

For Medicare, the reimbursement methodology for the Home is the same and is based on the Prospective Payment System, which uses the average cost for the respective regions. For the veterans’ homes in the program, this has proven beneficial as the average regional cost exceeds the facility-specific cost, resulting in a higher rate of reimbursement for veterans’ homes, which have also converted from a “flat rate” average charge to “fee for service.” In addition to a room and board charge, the veterans’ homes bill for the actual charges for pharmacy, therapies and other such ancillary services.

Cash Receipts

Collections are deposited daily to a bank and transferred routinely by the State Comptroller into the Veterans Home Income Fund. Receipts for the most recent four fiscal years are as follows.

**CASH RECEIPTS FROM PATIENTS
AND MISCELLANEOUS INCOME**

	FY 2016	FY 2017	FY 2018	FY 2019 (1)
Medicaid	$12,064,779	$8,839,739	$6,645,667	$6,002,034
Medicare	1,644,656	1,298,230	1,430,072	1,482,417
VA Reimbursement	13,588,094	15,536,176	14,840,381	15,431,531
Self-Pay	1,271,430	4,906,310	6,931,474	8,221,903
TOTAL	$28,581,812	$30,580,455	$29,847,594	$31,137,885

(1) Reflects preliminary information.

Summary of Revenue and Expenses

The following reflects the Veterans Home income statement for the most recent available four fiscal years.

**SUMMARY OF NET PATIENT CARE REVENUES,
OTHER NON-OPERATING REVENUES AND OPERATING EXPENSES AS REFLECTED
ON THE VETERANS HOME INCOME STATEMENTS[1]**

	FY 2015	FY 2016	FY 2017	FY 2018
Net Patient Care Revenues and Other Revenue	$40,063,928	$43,388,596	$45,177,674	$47,506,461
Expenses	40,190,034	38,654,369	40,071,002	45,602,110
Results from Operation[2][3]	($126,106)	$4,734,227	$5,106,672	$1,904,351

(1) The net revenue varies from the cash receipts schedule provided above since the latter reflected actual cash collected and the differences between the two schedules are represented by accounts receivable.

(2) Deficit operating results cause a decrease in the Veterans Home's fund balance.

(3) Lower rate of growth in spending as compared to revenue results in an increase in the Veterans Home's fund balance.

Section 2: Subsection N

New York State Personal Income Tax Revenue Bonds

This Subsection N contains the information required to be updated annually pursuant to the Master Continuing Disclosure Agreement, as amended, relating to obligations issued by the Authorized Issuers for State Personal Income Tax Revenue Bonds.

Capitalized terms used in this Subsection N and not otherwise defined shall have the meanings ascribed to them in the related Official Statement.

The Revenue Bond Tax Fund

The Enabling Act provides a source of payment for State Personal Income Tax Revenue Bonds by establishing the Revenue Bond Tax Fund for the purpose of setting aside New York State Personal Income Tax Receipts and New York State ECEP Receipts sufficient to make financing agreement payments to Authorized Issuers. The Enabling Act establishes the Revenue Bond Tax Fund to be held in the joint custody of the State Comptroller and the State Commissioner of Taxation and Finance ("Commissioner") and requires that all moneys on deposit in the Revenue Bond Tax Fund be held separate and apart from all other moneys in the joint custody of the State Comptroller and the Commissioner. The source of the financing agreement payments is a statutory allocation of 50 percent of the receipts from the New York State Personal Income Tax imposed by Article 22 of the Tax Law, which exclude refunds owed to taxpayers, and 50 percent of the receipts from the New York State ECEP imposed by Article 24 of Tax Law, which exclude refunds owed to employers, and which, pursuant to Section 171-a of the Tax Law, are deposited in the Revenue Bond Tax Fund.

Financing agreement payments made from amounts set aside in the Revenue Bond Tax Fund are subject to annual appropriation for such purpose by the State Legislature. The Enabling Act provides that: (i) no person (including the Authorized Issuers or the holders of State Personal Income Tax Revenue Bonds) shall have any lien on amounts on deposit in the Revenue Bond Tax Fund; (ii) Revenue Bond Tax Fund Receipts, which have been set aside in sufficient amounts to pay when due the financing agreement payments of all Authorized Issuers, shall remain in the Revenue Bond Tax Fund (except, if necessary, for payments authorized to be made to the holders of State general obligation debt) until they are appropriated and used to make financing agreement payments; and (iii) nothing shall be deemed to restrict the right of the State to amend, repeal, modify or otherwise alter statutes imposing or relating to the taxes imposed by Articles 22 and 24 of the Tax Law.

Legislative Changes to the State Personal Income Tax Revenue Bond Financing Program

On April 1, 2018, New York State legislative changes designed to mitigate the adverse impact of the Tax Cuts and Jobs Act of 2017 enacted by the United States Congress (the "TCJA") on New York State taxpayers went into effect. The legislative changes included the creation of the ECEP and the State Charitable Gifts Trust Fund described further below. The ECEP and the State Charitable Gifts Trust Fund are expected to reduce New York State Personal Income Tax Receipts, to the extent that employers elect to participate in the ECEP and taxpayers make donations to the Charitable Gifts Trust Fund. To offset the potential reduction in New York State Personal Income Tax Receipts, the FY 2019 Enacted Budget amended the State Finance Law and the Enabling Act so as to hold harmless the State Personal Income Tax Bond Program. Accordingly, the enacted legislation provided for:

1. An increase from 25 percent to 50 percent in the statutory allocation of New York State Personal Income Tax Receipts imposed by Article 22 of the Tax Law, which exclude refunds owed to taxpayers, that is required to be deposited in the Revenue Bond Tax Fund to provide for the payment of State Personal Income Tax Revenue Bonds.

2. An increase in the statutory maximum aggregate amount of New York State Personal Income Tax Receipts and New York State ECEP Receipts required to be deposited to the Revenue Bond Tax Fund to be the greater of 40 percent of Revenue Bond Tax Fund Receipts or $12 billion in the event that the State Legislature either fails to appropriate or, once appropriated, fails to pay, amounts sufficient to make financing agreement payments for outstanding New York State Personal Income Tax Revenue Bonds (the "Maximum Revenue Bond Tax Fund Deposit"). Prior to legislative changes, the amount required to be deposited was the greater of 25 percent of Revenue Bond Tax Fund Receipts or $6 billion.

3. The creation of the ECEP pursuant to Article 24 of the Tax Law and a corresponding amendment to the Enabling Act to provide that 50 percent of New York State ECEP Receipts, which exclude refunds owed to employers, be deposited to the Revenue Bond Tax Fund. The ECEP establishes an optional tax on payroll expenses that employers can elect to pay if they have employees that earn over $40,000 annually in New York State. Accompanying legislation created a new Personal Income Tax credit for employees whose wages are subject to the ECEP tax. The credit is calculated using a statutory formula that corresponds in value to the ECEP. As a result, aggregate receipts deposited to the Revenue Bond Tax Fund are expected to remain substantially the same regardless of the amount of New York State ECEP Receipts. Therefore, from a Revenue Bond Tax Fund perspective, the ECEP is expected to be revenue neutral.

4. The creation of a State Charitable Gifts Trust Fund to accept gifts for the purposes of improving health care and education in New York State. Taxpayers who itemize deductions may claim charitable gifts as a Personal Income Tax deduction, pursuant to statute existing prior to 2018. The legislative changes created a new Personal Income Tax credit equal to 85 percent of the donation amount. Credits based on contributions to the State Charitable Gifts Trust Fund are claimed for the tax year following the year in which the donation is made.

In addition, the FY 2019 Enacted Budget legislative changes allow taxpayers to claim reimbursement from the State for interest on underpayments of Federal tax liability for the 2019, 2020 and 2021 tax years if the underpayments arise from reliance on amendments to State tax law enacted in 2018. To receive reimbursement, taxpayers are required to submit their reimbursement claims to the Department of Taxation and Finance within 60 days of making an interest payment to the IRS. If taxpayer participation in the ECEP and donations made to the State Charitable Gifts Trust Fund for the 2019, 2020 and 2021 tax years results in Federal determinations of underpayment of Federal income tax, there could be a material expense to the State. However, any such State reimbursement of interest charges would occur in FY 2021 at the earliest, for determinations on 2019 tax payments due in April 2020, or thereafter, and is subject to a number of variables including the rate of participation in the ECEP; the magnitude of donations to the State Charitable Gifts Trust Fund; the amount of determinations of underpayment attributable to reliance on other changes in State tax law made in 2018; the amount of time between the due date of the return and the date any Federal determination is issued; the interest rate applied; and the frequency at which taxpayers submit timely reimbursement claims to the State. As a result, the FY 2020 Enacted Budget Financial Plan does not include any estimate of the possible State reimbursement of interest expense to the State.

The amount of donations made by New York State taxpayers to the State Charitable Gifts Trust Fund constitutes the principal direct risk to, and could materially and adversely affect the aggregate amount of, Revenue Bond Tax Fund Receipts. To address this risk, the FY 2019 Enacted Budget legislative changes (i) increased the amount of New York State Personal Income Tax Receipts deposited to the Revenue Bond Tax Fund from 25 percent to 50 percent (excluding refunds owed to taxpayers), (ii) added, as a new revenue source, the 50 percent statutory allocation of New York State ECEP Receipts (excluding refunds owed to employers), and (iii) increased the Maximum Revenue Bond Tax Fund Deposit.

Federal Response

In response to legislative proposals and actions taken by a number of states, including New York, which address the impact of the TCJA $10,000 limitation on the Federal income tax deduction for state and local taxes, the Internal Revenue Service and the United States Treasury have proposed regulations that would substantially reduce the availability of Federal income tax deductions for charitable contributions when a taxpayer receives or expects to receive a state or local tax credit for such charitable contributions. The proposed regulations, if adopted in their current form, would likely result in lower donations to the State Charitable Gifts Trust Fund.*

State Personal Income Tax Revenue Bonds

The State Personal Income Tax Revenue Bonds are special obligations of the respective Authorized Issuers, secured by and payable solely from Financing Agreement Payments payable by the State Comptroller to the applicable Trustee and Paying Agent (the “Trustee” or “Paying Agent”) on behalf of the respective Authorized Issuers in accordance with the terms and provisions of a Financing Agreement by and between the respective Authorized Issuers and the Director of the Budget, subject to annual appropriation by the State Legislature, and the Funds and accounts established under the applicable general resolution (other than the Rebate Fund and other Funds as provided in the applicable Resolution). State Personal Income Tax Revenue Bonds are entitled to a lien, created by a pledge under each of the general resolutions authorizing State Personal Income Tax Revenue Bonds, on the Pledged Property.

* On June 11, 2019, the U.S. Department of the Treasury issued final rules on the federal income tax treatment of payments made under state and local tax credit programs like New York State’s Charitable Gift Trust Fund.

The Enabling Act and each of the general resolutions permit the Authorized Issuers to issue additional State Personal Income Tax Revenue Bonds subject to statutory limitations on the maximum amount of bonds permitted to be issued by Authorized Issuers for Authorized Purposes and the additional bonds test described herein included in each of the general resolutions authorizing State Personal Income Tax Revenue Bonds. In accordance with the additional bonds test described herein, Revenue Bond Tax Fund Receipts of approximately $24.0[(1)] billion are available to pay financing agreement payments on a pro-forma basis, which amount represents approximately 6.4 times the maximum annual Debt Service for all Outstanding State Personal Income Tax Revenue Bonds. It should be noted, however, that if New York State taxpayer donations to the State Charitable Gifts Trust Fund approach maximum levels of participation, the aggregate amount of New York State Personal Income Tax Receipts would be materially and adversely affected which, in turn, could result in a material reduction in the debt service coverage on State Personal Income Tax Revenue Bonds.[(2)] As noted above, however, additional bonds may not be issued unless the additional bonds test under the respective general resolution has been satisfied.

The revenues, facilities, properties and any and all other assets of the Authorized Issuers of any name and nature, other than the Pledged Property, may not be used for, or, as a result of any court proceeding or otherwise applied to, the payment of State Personal Income Tax Revenue Bonds, any redemption premium therefor or the interest thereon or any other obligations under the General Resolution, and under no circumstances shall these be available for such purposes.

(1) Assumes 50 percent of Personal Income Tax Receipts and 50 percent of ECEP Receipts have been deposited in the Revenue Bond Tax Fund during the applicable 12 consecutive calendar months for purposes of calculating the additional bonds debt service coverage test.

(2) On June 11, 2019, the U.S. Department of the Treasury issued final rules on the federal income tax treatment of payments made under state and local tax credit programs like New York State's Charitable Gift Trust Fund.

Certification of Payments to be Set Aside in Revenue Bond Tax Fund

The Enabling Act, the general resolutions and the financing agreements provide procedures for setting aside amounts from the New York State Personal Income Tax Receipts and New York State ECEP Receipts deposited to the Revenue Bond Tax Fund to ensure that sufficient amounts will be available to make financing agreement payments, when due, to the applicable trustees on behalf of the Authorized Issuers.

The Enabling Act, as amended, provides that:

1. No later than October 1 of each year, each Authorized Issuer must submit its State Personal Income Tax Revenue Bond cash requirements (which shall include financing agreement payments) for the following State Fiscal Year and, as required by the financing agreements, each of the subsequent four State Fiscal Years to the Division of the Budget.

2. No later than thirty (30) days after the submission of the Executive Budget in accordance with Article VII of the State Constitution, the Director of the Budget shall prepare a certificate which sets forth an estimate of:

   (a) 50 percent of the amount of the estimated monthly New York State Personal Income Tax Receipts to be deposited in the Revenue Bond Tax Fund pursuant to the Enabling Act during that State Fiscal Year; and

   (b) 50 percent of the amount of the estimated monthly New York State ECEP Receipts to be deposited in the Revenue Bond Tax Fund pursuant to the Enabling Act during that State Fiscal Year; and

   (c) the monthly amounts necessary to be set aside in the Revenue Bond Tax Fund to make the financing agreement payments required to meet the cash requirements of the Authorized Issuers.

3. In the case of financing agreement payments due semi-annually, Revenue Bond Tax Fund Receipts shall be set aside monthly until such amount is equal to not less than the financing agreement payments for State Personal Income Tax Revenue Bonds of all Authorized Issuers in the following month as certified by the Director of the Budget.

4. In the case of financing agreement payments due on a more frequent basis, monthly Revenue Bond Tax Fund Receipts shall be set aside monthly until such amount is, in accordance with the certificate of the Director of the Budget, sufficient to pay the required payment on each issue on or before the date such payment is due.

In addition, the general resolutions and the financing agreements require the State Comptroller to set aside, monthly, in the Revenue Bond Tax Fund, amounts such that the combined total of the (i) amounts previously set aside and on deposit in the Revenue Bond Tax Fund and (ii) amount of In addition, the general resolutions and the financing agreements require the State Comptroller to set aside, monthly, in the Revenue Bond Tax Fund, amounts such that the combined total of the (i) amounts previously set aside and on deposit in the Revenue Bond Tax Fund and (ii) amount of estimated monthly New York State Personal Income Tax Receipts (excluding refunds owed to taxpayers) and estimated monthly New York State ECEP Receipts (excluding refunds owed to employers) required to be deposited to the Revenue Bond Tax Fund as provided in 2(a) and 2(b) above, are not less than 125 percent of the financing agreement payments required to be paid by the State Comptroller to the trustees on behalf of the Authorized Issuers in the following month.

The Director of the Budget may amend such certification as shall be necessary, provided that the Director of the Budget shall amend such certification no later than thirty (30) days after the issuance of any State Personal Income Tax Revenue Bonds, including refunding bonds, or after the execution of any interest rate exchange (or "swap") agreements or other financial arrangements which may affect the cash requirements of any Authorized Issuer.

The Enabling Act provides that on or before the twelfth day of each month, the Commissioner shall certify to the State Comptroller the actual New York State Personal Income Tax Receipts and the actual New York State ECEP Receipts for the prior month and, in addition, no later than March 31 of each State Fiscal Year, the Commissioner shall certify such amounts relating to the last month of the State Fiscal Year. At such times, the Enabling Act provides that the State Comptroller shall adjust the amount of estimated New York State Personal Income Tax Receipts (from the Withholding Component) and the amount of estimated New York State ECEP Receipts deposited to the Revenue Bond Tax Fund to the actual amount certified by the Commissioner.

Set Aside of Revenue Bond Tax Fund Receipts

As provided by the Enabling Act, the general resolutions, the financing agreements, and the certificate of the Director of the Budget, the State Comptroller is required to:

a) Beginning on the first day of each month, deposit all of the daily ECEP Receipts and the daily receipts from the Withholding Component to the Revenue Bond Tax Fund until there is on deposit in the Revenue Bond Tax Fund an amount equal to 50 percent of estimated monthly New York State Personal Income Tax Receipts and 50 percent of estimated monthly New York State ECEP Receipts.

b) Set aside, monthly, amounts on deposit in the Revenue Bond Tax Fund, such that the combined total of the (i) amounts previously set aside and on deposit in the Revenue Bond Tax Fund and (ii) amount of estimated monthly New York State Personal Income Tax Receipts and New York State ECEP Receipts required to be deposited to the Revenue Bond Tax Fund in such month, are not less than 125 percent of the financing agreement payments required to be paid by the State Comptroller to the trustees on behalf of all the Authorized Issuers in the following month.

The Enabling Act provides that Revenue Bond Tax Fund Receipts which have been set aside in sufficient amounts to pay, when due, the financing agreement payments of all Authorized Issuers shall remain in the Revenue Bond Tax Fund (except, if necessary, for payments authorized to be made to the holders of State general obligation debt) until they are appropriated and used to make financing agreement payments.

Subject to appropriation by the State Legislature, upon receipt of a request for payment from any Authorized Issuer pursuant to a financing agreement, the State Comptroller shall pay over to the trustee, on behalf of such Authorized Issuer, such amount. In the event that Revenue Bond Tax Fund Receipts are insufficient to meet financing agreement payments on all State Personal Income Tax Revenue Bonds of all the Authorized Issuers as set forth in the certificate of the Director of the Budget, the State Comptroller is required by the Enabling Act, without appropriation, to immediately transfer amounts from the General Fund to the Revenue Bond Tax Fund, the amount of such deficiency. Amounts so transferred to the Revenue Bond Tax Fund can only be used to pay financing agreement payments (except, if necessary, for payments authorized to be made to the holders of State general obligation debt).

The State Comptroller shall from time to time, but in no event later than the fifteenth day of each month (other than the last month of the fiscal year) and no later than the thirty-first day of the last month of each fiscal year, pay over and distribute to the credit of the General Fund all moneys in the Revenue Bond Tax Fund, if any, in excess of the aggregate amount required to be set aside for the payment of cash requirements as described above.

Flow of Revenue Bond Tax Fund Receipts

The following chart summarizes the flow of Revenue Bond Tax Fund Receipts.

On or before October 1

Authorized Issuers submit to the Division of the Budget the schedule of anticipated cash requirements (which include financing agreement payments) due with respect to State Personal Income Tax Revenue Bonds for the next State Fiscal Year and for the four subsequent State Fiscal Years

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No later than 30 Days after Budget Submission (Mid - February)

Director of the Budget submits a certificate to the State Comptroller which estimates for the following State Fiscal Year*:

- 50% of monthly New York State Personal Income Tax Receipts to be deposited in the Revenue Bond Tax Fund
- 50% of monthly New York State ECEP Receipts to be deposited in the Revenue Bond Tax Fund
- Monthly set asides for financing agreement payments and other cash requirements (for outstanding bonds and projected issuances)

↓

Beginning on the First Day of Each Month

100% of daily New York State Personal Income Tax Receipts from the Withholding Component and New York State ECEP Receipts flow to the Revenue Bond Tax Fund until 50% of estimated monthly New York State Personal Income Tax Receipts (excluding refunds owed to taxpayers) and 50% of the estimated monthly New York State ECEP Receipts (excluding refunds owed to employers) have been deposited**

New York State Personal Income Tax Receipts and New York State ECEP Receipts, which have been set aside to make financing agreement payments and meet other cash requirements, are required to remain in the Revenue Bond Tax Fund until appropriated and paid to the applicable trustees on behalf of the Authorized Issuers

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After the monthly amounts necessary to make financing agreement payments and meet other cash requirements have been set aside, and assuming appropriations have been enacted and any required payments have been made by the state comptroller, excess moneys in the Revenue Bond Tax Fund flow to the General Fund

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12th Day of the following Month

The Commissioner of Taxation and Finance certifies to the State Comptroller 50% of actual New York State Personal Income Tax Receipts and 50% of actual New York State ECEP Receipts for the prior month and the State Comptroller adjusts deposits to the Revenue Bond Tax Fund accordingly

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* The Director of the Budget can amend the certification at any time to more precisely account for a revised New York State Personal Income Tax Receipts and New York State ECEP Receipts estimate or actual debt service and other cash requirements, and to the extent necessary, shall do so not later than thirty days after the issuance of any State Personal Income Tax Revenue Bonds.

** The State can certify and set aside New York State Personal Income Tax Receipts and New York State ECEP Receipts in excess of the next month's financing agreement payment requirements to ensure amounts previously set aside and on deposit in the Revenue Bond Tax Fund together with 50 percent of estimated monthly New York State Personal Income Tax Receipts and 50 percent of estimated monthly New York State ECEP Receipts to be deposited in such month are not less than 125 percent of all financing agreement payments due in the following month, as required by the financing agreements.

Moneys Held in the Revenue Bond Tax Fund

The Enabling Act prohibits the State Comptroller from paying over or distributing any amounts deposited in the Revenue Bond Tax Fund (except, if necessary, for payments authorized to be made to the holders of State general obligation debt) other than to the Authorized Issuers (which are paid to the applicable trustees on behalf of the Authorized Issuers), unless two requirements are met. First, all payments as certified by the Director of the Budget for a State Fiscal Year must have been appropriated to the Authorized Issuers for the payment of financing agreement payments (including debt service) in the full amount specified in the certificate of the Director of the Budget. Second, each certified and appropriated payment for which moneys are required to be set aside as provided in the Enabling Act must have been made to the trustees on behalf of the Authorized Issuers when due.

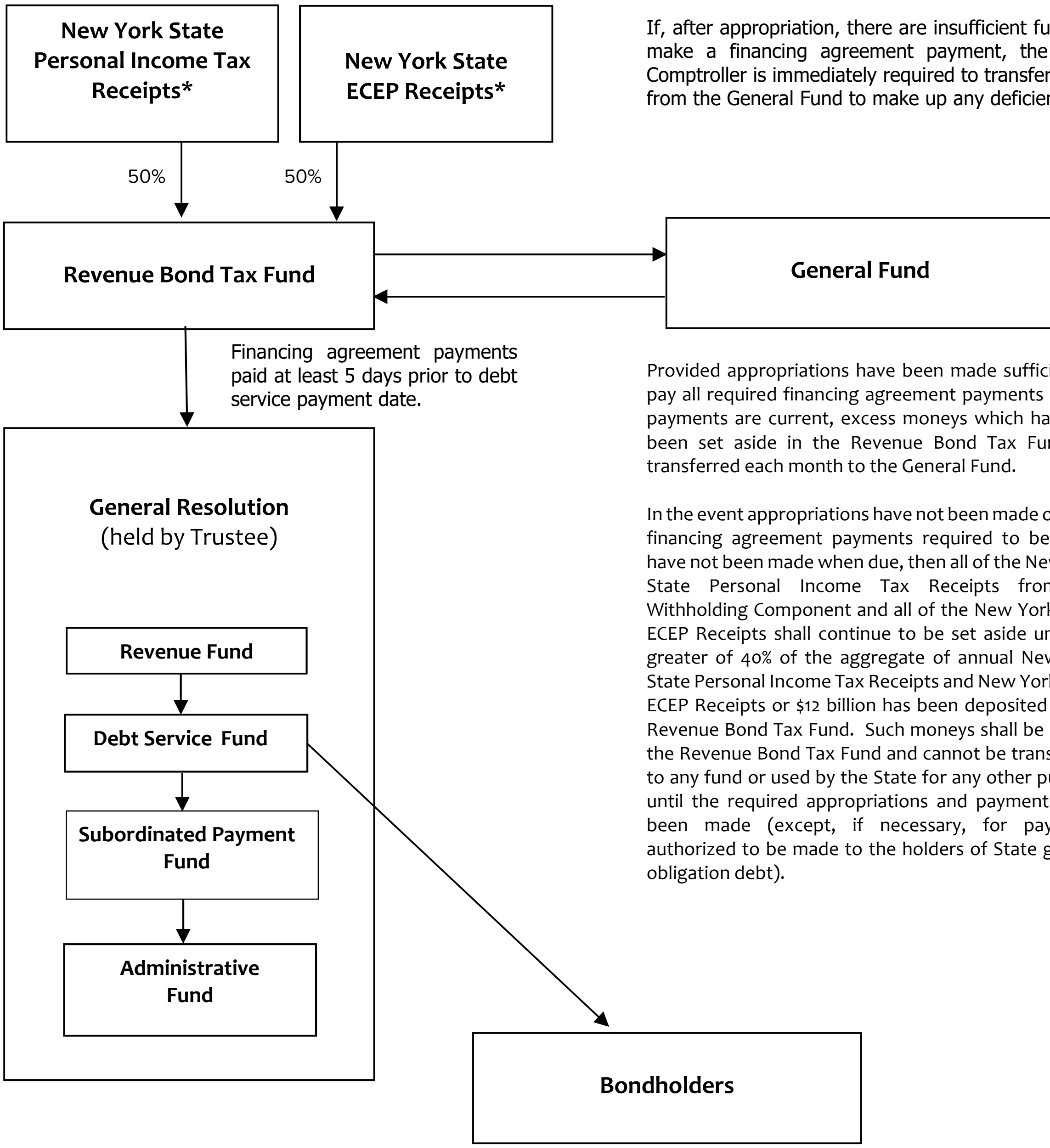
If such appropriations have been made to pay all annual amounts specified in the certificate of the Director of the Budget as being required by the Authorized Issuers for a State Fiscal Year and all such payments to the applicable trustees on behalf of the Authorized Issuers are current, then the State Comptroller is required by the Enabling Act to pay over and distribute to the credit of the General Fund of the State (the "General Fund"), at least once a month, all amounts in the Revenue Bond Tax Fund, if any, in excess of the aggregate amount required to be set aside. The Enabling Act also requires the State Comptroller to pay to the General Fund all sums remaining in the Revenue Bond Tax Fund on the last day of each State Fiscal Year, but only if the State has appropriated and paid to the applicable trustees on behalf of the Authorized Issuers the amounts necessary for the Authorized Issuers to meet their cash requirements for the current State Fiscal Year and, to the extent certified by the Director of the Budget, set aside any cash requirements required for the next State Fiscal Year.

In the event that (i) the State Legislature fails to appropriate all amounts required to make financing agreement payments on State Personal Income Tax Revenue Bonds to all Authorized Issuers or (ii) having been appropriated and set aside pursuant to a certificate of the Director of the Budget, any financing agreement payments have not been made when due on State Personal Income Tax Revenue Bonds, the Enabling Act, as amended, requires that all of the Revenue Bond Tax Fund Receipts shall continue to be set aside in the Revenue Bond Tax Fund until amounts on deposit in the Revenue Bond Tax Fund equal the greater of 40 percent of the aggregate of annual New York State Personal Income Tax Receipts and the annual New York State ECEP Receipts or twelve billion dollars ($12,000,000,000). Other than to make financing agreement payments from appropriated amounts, the Enabling Act prohibits the transfer of moneys in the Revenue Bond Tax Fund to any other fund or account or use of such moneys by the State for any other purpose (except, if necessary, for payments authorized to be made to the holders of State general obligation debt) until such time as the required appropriations and all required financing agreement payments have been made to the trustees on behalf of each Authorized Issuer.

The Enabling Act provides that no person (including the Authorized Issuers or the holders of State Personal Income Tax Revenue Bonds) shall have any lien on moneys on deposit in the Revenue Bond Tax Fund and that the State's agreement to make financing agreement payments shall be executory only to the extent such payments have been appropriated.

Sources of New York State Personal Income Tax Receipts for the Revenue Bond Tax Fund

Flow of Revenues



If, after appropriation, there are insufficient funds to make a financing agreement payment, the State Comptroller is immediately required to transfer funds from the General Fund to make up any deficiency.

Provided appropriations have been made sufficient to pay all required financing agreement payments and all payments are current, excess moneys which have not been set aside in the Revenue Bond Tax Fund are transferred each month to the General Fund.

In the event appropriations have not been made or if the financing agreement payments required to be made have not been made when due, then all of the New York State Personal Income Tax Receipts from the Withholding Component and all of the New York State ECEP Receipts shall continue to be set aside until the greater of 40% of the aggregate of annual New York State Personal Income Tax Receipts and New York State ECEP Receipts or $12 billion has been deposited to the Revenue Bond Tax Fund. Such moneys shall be held in the Revenue Bond Tax Fund and cannot be transferred to any fund or used by the State for any other purpose until the required appropriations and payments have been made (except, if necessary, for payments authorized to be made to the holders of State general obligation debt).

* Nothing shall be deemed to restrict the right of the State to amend, repeal, modify or otherwise alter statutes imposing or relating to the taxes imposed pursuant to Article 22 and Article 24 of the Tax Law.

Appropriation by the State Legislature

The State may not expend money without an appropriation, except for the payment of debt service on general obligation bonds or notes issued by the State. An appropriation is an authorization approved by the State Legislature to expend money. The State Constitution requires all appropriations of State funds, including funds in the Revenue Bond Tax Fund, to be approved by the State Legislature at least every two years. In addition, the State Finance Law generally provides that appropriations shall cease to have force and effect, except as to liabilities incurred thereunder, at the close of the State Fiscal Year for which they were enacted and that to the extent of liabilities incurred thereunder, such appropriations shall lapse on the succeeding June 30th or September 15th depending on the nature of the appropriation.

The Authorized Issuers expects that the State Legislature will make an appropriation from amounts on deposit in the Revenue Bond Tax Fund sufficient to pay financing agreement payments when due. Revenue Bond Tax Fund Receipts are expected to exceed the amounts necessary to pay financing agreement payments. In addition, in the event that the State Legislature fails to provide an appropriation, the Enabling Act requires that all of the New York State Personal Income Tax Receipts from the Withholding Component and all of the New York State ECEP Receipts shall continue to be deposited in the Revenue Bond Tax Fund until amounts on deposit in the Revenue Bond Tax Fund equal the greater of 40 percent of the aggregate of the annual New York State Personal Income Tax Receipts and the annual New York State ECEP Receipts or twelve billion dollars ($12,000,000,000). The Enabling Act prohibits the transfer of moneys in the Revenue Bond Tax Fund to any other fund or account or the use of such moneys by the State for any other purpose (other than to make financing agreement payments from appropriated amounts, and except, if necessary, for payments authorized to be made to the holders of State general obligation debt) until such time as the required appropriations and all required financing agreement payments have been made to the trustees on behalf of each Authorized Issuer. The State Legislature may not be bound in advance to make an appropriation, and there can be no assurances that the State Legislature will appropriate the necessary funds as anticipated. Nothing shall be deemed to restrict the right of the State to amend, repeal, modify or otherwise alter statutes imposing or relating to the taxes imposed pursuant to Article 22 and Article 24 of the Tax Law.

All payments required by financing agreements entered into by the State shall be executory only to the extent of the revenues available in the Revenue Bond Tax Fund. The obligation of the State to make financing agreement payments is subject to the State Legislature making annual appropriations for such purpose and such obligation does not constitute or create a debt of the State, nor a contractual obligation in excess of the amounts appropriated therefor. In addition, the State has no continuing legal or moral obligation to appropriate money for payments due under any financing agreement.

State Personal Income Tax Revenue Bonds shall not be a debt of the State and the State shall not be liable thereon, nor shall State Personal Income Tax Revenue Bonds be payable out of any funds other than those pledged therefor. Neither the faith and credit nor the taxing power of the State is pledged to the payment of the principal of, premium, if any, or interest on State Personal Income Tax Revenue Bonds.

Pursuant to the Enabling Act, Revenue Bond Tax Fund Receipts which have been set aside to pay when due the financing agreement payments of all Authorized Issuers shall remain in the Revenue Bond Tax Fund until they are appropriated and used to make financing agreement payments. However, the Enabling Act also provides that the use of such Revenue Bond Tax Fund Receipts by the State Comptroller is "subject to the rights of holders of debt of the state" (i.e., general obligation bondholders who benefit from the faith and credit pledge of the State). Pursuant to Article VII Section 16 of the State Constitution, if at any time the State Legislature fails to make an appropriation for general obligation debt service, the State Comptroller is required to set apart from the first revenues thereafter received, applicable to the General Fund, sums sufficient to pay debt service on such general obligation debt. In the event that such revenues and other amounts in the General Fund are insufficient to so pay State general obligation bondholders, the State may also use amounts on deposit in the Revenue Bond Tax Fund as well as other funds to pay debt service on State general obligation bonds.

The Division of the Budget is not aware of any existing circumstances that would cause Revenue Bond Tax Fund Receipts to be used to pay debt service on State general obligation bonds in the future. The Director of the Budget believes that any failure by the State Legislature to make annual appropriations as contemplated would have a serious impact on the ability of the State and the Authorized Issuers to issue State-supported bonds to raise funds in the public credit markets.

Additional Bonds

As provided in each general resolution, except as provided in the next paragraph with respect to certain Refunding Bonds, additional State Personal Income Tax Revenue Bonds may be issued by the related Authorized Issuer, provided that the amount of Revenue Bond Tax Fund Receipts for any 12 consecutive calendar months ended not more than six months prior to the date of such calculation, as certified by the Director of the Budget, is at least 2.0 times the maximum Calculated Debt Service on all Outstanding State Personal Income Tax Revenue Bonds, the State Personal Income Tax Revenue Bonds proposed to be issued, and any additional amounts payable with respect to parity reimbursement obligations.

Each general resolution also provides that additional Bonds may be issued to refund Outstanding Bonds either by meeting the debt service coverage test described above, or, in the alternative, by demonstrating that maximum annual debt service on all Outstanding Bonds will not increase as a result of such refunding.

Parity Reimbursement Obligations

An Authorized Issuer may incur Parity Reimbursement Obligations (as defined in each respective general resolution) pursuant to the terms of such general resolution which, subject to certain exceptions, would be secured by a pledge of, and a lien on, the pledged property on a parity with the lien created by the related general resolution with respect to bonds issued thereunder. A Parity Reimbursement Obligation may be incurred in connection with obtaining a Credit Facility and represents the obligation to repay amounts advanced under the Credit Facility. It may include interest calculated at a rate higher than the interest rate on the related State Personal Income Tax Revenue Bonds and may be secured by a pledge of, and a lien on, pledged property on a parity with the lien created by the general resolution for the State Personal Income Tax Revenue Bonds only to the extent that principal amortization requirements of the Parity Reimbursement Obligation are equal to the amortization requirements for the related State Personal Income Tax Revenue Bonds, without acceleration.

Certain Covenants of the State

Pursuant to the general resolutions, the State pledges and agrees with the holders of State Personal Income Tax Revenue Bonds, Bond Anticipation Notes, Parity Reimbursement Obligations or other obligations issued or incurred thereunder that the State will not in any way impair the rights and remedies of holders of such State Personal Income Tax Revenue Bonds, Bond Anticipation Notes, Parity Reimbursement Obligations or other obligations until such State Personal Income Tax Revenue Bonds, Bond Anticipation Notes, Parity Reimbursement Obligations or other obligations issued or incurred thereunder, together with interest thereon, with interest, if any, on any unpaid installments of interest and all costs and expenses in connection with any action or proceeding by or on behalf of the holders are fully met and discharged.

Pursuant to the Enabling Act and the general resolutions, nothing shall be deemed to restrict the right of the State to amend, repeal, modify or otherwise alter statutes imposing or relating to the State personal income taxes imposed pursuant to Article 22 and Article 24 of the Tax Law. An Event of Default under the general resolutions would not occur solely as a result of the State exercising its right to amend, repeal, modify or otherwise alter the statutes imposing or relating to such taxes. However, the Director of the Budget believes that any materially adverse amendment, modification or alteration of, or the repeal of, statutes imposing or related to the State personal income tax imposed pursuant to Article 22 and Article 24 of the Tax Law could have a serious impact on the flow of New York State Personal Income Tax Receipts to the Revenue Bond Tax Fund, the ability of the Authorized Issuers to issue Additional State Personal Income Tax Revenue Bonds and the marketability of outstanding State Personal Income Tax Revenue Bonds.

Reservation of State's Right to Substitute Credit

Pursuant to the Enabling Act, the State reserves the right, upon amendment of the State Constitution to permit the issuance of State Revenue Bonds, which may be payable from or secured by revenues that may include the Revenues pledged under the general resolutions, (i) to assume, in whole or in part, State Personal Income Tax Revenue Bonds, (ii) to extinguish the existing lien on the pledged property created under the general resolutions, and (iii) to substitute security for State Personal Income Tax Revenue Bonds, in each case only so long as the assumption, extinguishment and substitution is accomplished in accordance with either of two provisions of the general resolutions. (For these purposes, any State Personal Income Tax Revenue Bonds paid or deemed to have been paid in accordance with the applicable general resolution on or before the date of any assumption, extinguishment and substitution are not to be taken into account in determining compliance with those provisions.) The first provision of the general resolutions is intended to permit an assumption, extinguishment and substitution, without any right of consent of Bondholders or other parties, if certain conditions are satisfied. The second provision of the general resolutions permitting such an assumption, extinguishment and substitution is intended to permit a broader range of changes with the consent of issuers of Credit Facilities and the consent of certain Bondholders. It provides that any such assumption, extinguishment and substitution may be effected if certain conditions are satisfied.

In the event a constitutional amendment becomes a part of the State Constitution, there can be no assurance that the State will exercise its rights of assumption, extinguishment, and substitution with respect to State Personal Income Tax Revenue Bonds. There can be no assurance that the Authorized Issuer would be the issuer of any such State Revenue Bonds upon any such assumption, extinguishment and substitution and, if not the Authorized Issuer, the issuer of such State Revenue Bonds could be the State or another public entity.

General History of the State Personal Income Tax

In 1919, New York State became the seventh state to enact a personal income tax. The present system of conformity to Federal tax law with respect to income and deductions was adopted in 1960. The personal income tax is New York's largest source of tax revenue and consistently accounts for more than one-half of all State tax receipts.

The State's personal income tax structure adheres closely to the definitions of adjusted gross income and itemized deductions used for Federal personal income tax purposes, with certain modifications, such as: (1) the inclusion of investment income from debt instruments issued by other states and municipalities and the exclusion of income on certain Federal obligations; and (2) the exclusion of pension income received by Federal, New York State and local government employees, private pension and annuity income up to $20,000 ($40,000 for married couples filing jointly), and any Social Security income and refunds otherwise included in Federal adjusted gross income.

Changes in Federal tax law from time to time may positively or negatively affect the amount of personal income tax receipts collected by the State. State Tax Law changes may also impact personal income tax receipts by authorizing a wide variety of credits against the personal income tax liability of taxpayers.

Major tax credits include: Empire State Child Credit (enacted and effective in 2006); Earned Income Tax Credit; Child and Dependent Care Credit; Household Credit; College Tuition Credit; Long-term Care Insurance Credit; Investment Credits; and, Empire Zone Credits.

Personal Income Tax Rates

Taxable income equals New York adjusted gross income ("AGI") less deductions and exemptions. The tax provides separate rate schedules for married couples, single individuals and heads of households. For the 2009 through 2011 tax years, the State income tax was imposed at rates ranging from 4.0 percent to 8.97 percent on the taxable income of individuals, estates and trusts. For taxpayers with $100,000 or more of AGI, the savings from graduated marginal tax rates is recaptured through a supplementary mechanism in effect since 1991. Between tax years 2012 and 2017, the tax tables were revised to include additional middle-income brackets with reduced tax rates and a new top bracket, which imposed a tax rate of 8.82 percent. The tax tables were also subject to annual inflation-based adjustment beginning tax year 2013 and ending tax year 2017. Tax rate reductions were applied to the aforementioned middle-income brackets in tax year 2018 as part of a scheduled eight-year phase-in of middle-income tax cuts.

The following tables set forth the rate schedules for tax years 2019 through 2024 and tax years after 2024. Tax years 2020 through 2024 are the same as the tax year 2019 schedule except middle class tax rates are phased-in through 2025.

Sources of New York State Personal Income Tax Receipts for the Revenue Bond Tax Fund

NEW YORK STATE PERSONAL INCOME TAX RATES FOR TAX YEARS AFTER 2018 AND BEFORE 2025

Married Filing Jointly and Qualified Widow(er)	**Tax***
Taxable Income:	
Not over $17,150	4% of taxable income
Over $17,150 but not over $23,600	$686 plus 4.50% of excess over $17,150
Over $23,600 but not over $27,900	$976 plus 5.25% of excess over $23,600
Over $27,900 but not over $43,000	$1,202 plus 5.90% of excess over $27,900
Over $43,000 but not over $161,550	$2,093 plus 6.21% of excess over $43,000
Over $161,550 but not over $323,200	$9,455 plus 6.49% of excess over $161,550
Over $323,200 but not over $2,155,350	$19,946 plus 6.85% of excess over $323,200
Over $2,155,350	$145,448 plus 8.82% of excess over $2,155,350
Single, Married Filing Separately, Estates and Trusts	
Taxable Income:	
Not over $8,500	4% of taxable income
Over $8,500 but not over $11,700	$340 plus 4.50% of excess over $8,500
Over $11,700 but not over $13,900	$484 plus 5.25% of excess over $11,700
Over $13,900 but not over $21,400	$600 plus 5.90% of excess over $13,900
Over $21,400 but not over $80,650	$1,042 plus 6.21% of excess over $21,400
Over $80,650 but not over $215,400	$4,721 plus 6.49% of excess over $80,650
Over $215,400 but not over $1,077,550	$13,467 plus 6.85% of excess over $215,400
Over $1,077,550	$72,524 plus 8.82% of excess over $1,077,550
Head of Household	
Taxable Income:	
Not over $12,800	4% of taxable income
Over $12,800 but not over $17,650	$512 plus 4.50% of excess over $12,800
Over $17,650 but not over $20,900	$730 plus 5.25% of excess over $17,650
Over $20,900 but not over $32,200	$901 plus 5.90% of excess over $20,900
Over $32,200 but not over $107,650	$1,568 plus 6.21% of excess over $32,200
Over $107,650 but not over $269,300	$6,253 plus 6.49% of excess over $109,464
Over $269,300 but not over $1,616,450	$16,744 plus 6.85% of excess over $269,300
Over $1,616,450	$109,024 plus 8.82% of excess over $1,616,450

* A supplemental income tax recaptures the savings due to graduated marginal tax rates such that, for example, when a taxpayer's AGI exceeds $2,205,350 for married filing jointly taxpayers in tax years 2019 through 2024, all taxable income becomes effectively subject to a flat 8.82 percent tax rate. Furthermore, the marginal tax rates between 5.9 percent and 6.49 percent are gradually phased-in to rates between 5.61 percent and 6.09 percent between tax years 2019 and 2024.

NEW YORK STATE PERSONAL INCOME TAX RATES FOR TAX YEARS 2025 AND THEREAFTER

Married Filing Jointly	**Tax***
Taxable Income:	
Not over $17,150	4% of taxable income
Over $17,150 but not over $23,600	$686 plus 4.50% of excess over $17,150
Over $23,600 but not over $27,900	$976 plus 5.25% of excess over $23,600
Over $27,900 but not over $161,550	$1,202 plus 5.50% of excess over $27,900
Over $161,550 but not over $323,200	$8,553 plus 6.00% of excess over $161,550
Over $323,200	$18,252 plus 6.85% of excess over $323,200

Single, Married Filing Separately, Estates and Trusts	
Taxable Income:	
Not over $8,500	4% of taxable income
Over $8,500 but not over $11,700	$340 plus 4.50% of excess over $8,500
Over $11,700 but not over $13,900	$484 plus 5.25% of excess over $11,700
Over $13,900 but not over $80,650	$600 plus 5.50% of excess over $13,900
Over $80,650 but not over $215,400	$4,271 plus 6.00% of excess over $80,650
Over $215,400	$12,356 plus 6.85% of excess of $215,400

Head of Household	
Taxable Income:	
Not over $12,800	4% of taxable income
Over $12,800 but not over $17,650	$512 plus 4.50% of excess over $12,800
Over $17,650 but not over $20,900	$730 plus 5.25% of excess over $17,650
Over $20,900 but not over $107,650	$901 plus 5.50% of excess over $20,900
Over $107,650 but not over $269,300	$5,672 plus 6.00% of excess over $107,650
Over $269,300	$15,371 plus 6.85% of excess over $269,300

* A supplemental income tax recaptures the savings due to graduated marginal tax rates such that when a taxpayer's AGI exceeds $373,200 for married filing jointly taxpayers for tax years after 2024, all taxable income becomes effectively subject to a flat 6.85 percent tax rate.

Components of the Personal Income Tax

The components of personal income tax liability include withholding, estimated payments, final returns, delinquencies and refunds. Taxpayers prepay their tax liability through payroll withholding taxes imposed by Section 671 of Article 22 of the Tax Law (the "Withholding Component") and estimated taxes imposed by Section 685 of Article 22 of the Tax Law. The New York State Department of Taxation and Finance collects the personal income tax from employers and individuals and reports the amount collected to the State Comptroller, who deposits collections net of overpayments and administrative costs.

Initiated in 1959, withholding tax is the largest component of income tax collections. New York requires employers to withhold and remit personal income taxes on wages, salaries, bonuses, commissions and similar income. The amount of withholding varies with the rates, deductions and exemptions. Under current law, employers must remit withholding liability within three business days after each payroll once the cumulative amount of liability reaches $700. Certain small businesses and educational and health care organizations may make their withholding remittance within five business days, and employers with less than $700 of withheld tax can remit it on a quarterly basis. Large employers (aggregate tax of more than $100,000 per year) must make timely payment by electronic funds transfer or by certified check.

Employer Compensation Expense Program

The ECEP was enacted in 2018 in response to Federal legislation which limited the personal income tax deduction for state and local taxes to $10,000 per taxpayer annually. Businesses are provided the option to participate in the ECEP, and those that elect to participate remit a tax on annual wages paid to each employee in excess of $40,000. The tax rate is 1.5 percent in 2019, 3 percent in 2020, and 5 percent in 2021 and thereafter. The ECEP tax must be paid electronically on the same dates that the electing employer's withholding tax payments are required to be made. An employer that overpays the tax may apply for a refund.

Employers participating in the ECEP in 2019 were required to make an election by December 1, 2018, and participating employers began remittance of taxes on payrolls in January 2019. Likewise, ECEP Receipts to the Revenue Bond Tax Fund also began in January 2019. Employers must elect to participate in the ECEP for the 2020 tax year by December 1, 2019.

New York State ECEP Receipts are dependent on the extent to which employers elect to participate in the program. The Division of the Budget projects $2 million in State Fiscal Year 2019-20 ECEP receipts, based on the 262 employers that elected to participate in tax year 2019. However, with just one year of employer participation data available, substantial uncertainty exists with respect to participation after tax year 2019 and ECEP receipts after State Fiscal Year 2019-20.

From a Revenue Bond Tax Fund perspective, the ECEP is expected to be revenue neutral. New York State ECEP Receipts collected from participating employers are expected to be offset by a comparable decrease in Personal Income Tax Receipts, because employees whose wages are subject to the ECEP may claim a Personal Income Tax credit calculated using a statutory formula that corresponds in value to the ECEP. As a result, aggregate receipts deposited to the Revenue Bond Tax Fund are expected to remain substantially the same regardless of the amount of ECEP Receipts.

Revenue Bond Tax Fund Receipts

The Enabling Act provides that 50 percent of the receipts from the New York State personal income tax imposed by Article 22 of the Tax Law which are deposited pursuant to Section 171-a of the Tax Law ("New York State Personal Income Tax Receipts") shall be deposited in the Revenue Bond Tax Fund. Such receipts currently exclude refunds paid to taxpayers.

The Enabling Act also provides that 50 percent of the receipts from the New York State ECEP imposed by Article 24 of the Tax Law which are deposited pursuant to Section 171-a of the Tax Law ("New York State ECEP Receipts") shall be deposited in the Revenue Bond Tax Fund. Such receipts currently exclude refunds paid to employers.

Beginning on the first day of each month, the Enabling Act requires the State Comptroller to deposit in the Revenue Bond Tax Fund all of the receipts from the Withholding Component and all of the ECEP Receipts until 50 percent of estimated monthly New York State Personal Income Tax Receipts and 50 percent of estimated monthly New York State ECEP Receipts, respectively, have been deposited into the Revenue Bond Tax Fund.

The following table sets forth certain historical and projected information concerning New York State Personal Income Tax Receipts, the Withholding Component, New York State ECEP Receipts, and deposits to the Revenue Bond Tax Fund from State Fiscal Years 2009-10 through 2019-20.

**NYS PERSONAL INCOME TAX RECEIPTS AND WITHHOLDING COMPONENT,
NYS ECEP RECEIPTS, AND REVENUE BOND TAX FUND RECEIPTS
STATE FISCAL YEARS 2009-10 THROUGH 2019-20**

State Fiscal Year	New York State Personal Income Tax Receipts	Withholding Component	Withholding/State Personal Income Tax Receipts	New York State ECEP Receipts	Revenue Bond Tax Fund Receipts
2009-10	$34,751,381,665	$29,443,180,489	84.7%	N/A	$8,687,845,416
2010-11	36,209,215,560	31,240,169,745	86.3	N/A	9,052,303,890
2011-12	38,767,826,942	31,198,971,588	80.5	N/A	9,691,956,736
2012-13	40,226,714,989	31,957,653,106	79.4	N/A	10,056,678,747
2013-14	42,960,774,915	33,367,555,788	77.7	N/A	10,740,193,729
2014-15	43,709,833,323	34,906,793,775	79.9	N/A	10,927,458,331
2015-16	47,055,282,776	36,549,037,064	77.7	N/A	11,763,820,694
2016-17	47,565,878,296	37,523,891,435	78.9	N/A	11,891,469,574
2017-18	51,501,337,750	40,269,241,142	78.2	N/A	12,875,334,437
2018-19	48,087,336,735	41,084,099,022	85.4	$52,664	24,043,694,700*
2019-20 (proj.)	52,150,700,000	42,900,000,000	82.3	2,400,000	26,076,550,000*

* Reflects increased deposits to the Revenue Bond Tax Fund, resulting from FY 2019 Enacted Budget legislation.

Sources of New York State Personal Income Tax Receipts for the Revenue Bond Tax Fund

For State Fiscal Year 2018-19, New York State Personal Income Tax Receipts totaled approximately $48.1 billion and accounted for approximately 64 percent of State tax receipts in all State Funds. The FY 2020 Enacted Budget Financial Plan estimates that total New York State Personal Income Tax Receipts (net of refunds to taxpayers but before deposits to the STAR Fund) will increase by 8.4% to $52.2 billion in State Fiscal Year 2019-20. The strong growth projected in FY 2019-20 receipts is mainly attributable to the impact of the TCJA's $10,000 limit on state and local tax deductions effective in 2018, which led many taxpayers to delay estimated payments, which otherwise would have been made in December 2018, until April 2019 through extensions and final returns. ECEP tax receipts are estimated to total $2 million in State Fiscal Year 2019-20, reflecting the first complete fiscal year of ECEP tax collections.

Total State personal income tax receipts (as distinguished from New York State Personal Income Tax Receipts as defined herein and presented in the table above) estimates are based on the State personal income tax liability estimated by the Division of the Budget for each of the relevant tax years and the patterns of receipts and refunds for each tax year. Such tax year liability estimates are, in turn, based largely on forecasts of State adjusted gross income, with adjustments made for legislative changes (see "—General History of the State Personal Income Tax" above) that will affect each year's tax liability. The level of total State personal income tax receipts is necessarily dependent upon economic and demographic conditions in the State, and therefore there can be no assurance that historical data with respect to total State personal income tax receipts will be indicative of future receipts. Since the institution of the modern income tax in New York in 1960, total personal income tax receipts have fallen seven times on a year-over-year basis, in State Fiscal Years 1964-65, 1971-72, 1977-78, 1990-91, 2002-03, 2009-10, and 2018-19.

The following table shows the historical pattern of State adjusted gross income growth and Personal Income Tax liability for 2010 through 2019.

NYS ADJUSTED GROSS INCOME (AGI) AND PERSONAL INCOME TAX LIABILITY 2010 TO 2019*

Tax Year	NYS AGI ($ in millions)	Percent Change	Personal Income Tax Liability ($ in millions)	Percent Change
2010	$638,855	7.1%	$34,834	11.8%
2011	657,298	2.9	36,296	4.2
2012	714,698	8.7	38,017	4.7
2013	714,046	(0.1)	37,331	(1.8)
2014	776,477	8.7	41,910	12.3
2015	807,775	4.0	43,503	3.8
2016	794,105	(1.7)	41,736	(4.1)
2017	874,470	10.1	47,991	15.0
2018 (Est.)	891,584	2.0	47,917	(0.2)
2019 (Proj.)	912,799	2.4	49,147	2.6

* NYS AGI and Personal Income Tax Liability reflect amounts reported on timely filed individual returns, and therefore do not include tax paid by fiduciaries or through audits.

Sources of New York State Personal Income Tax Receipts for the Revenue Bond Tax Fund

The table indicates that under the State's progressive income tax structure with graduated tax rates, tax liability generally changes at a faster percentage rate than adjusted gross income, absent major law changes or economic events. Since tax year 2010, adjusted gross income and tax liability have grown in all but two years, with the two annual declines in large part due to strategic income shifting in response to changes, or anticipated changes, to the federal tax code. Consequently, tax liability declined in both of these years, while also declining in tax year 2018 due to the aforementioned strategic income shifting.

The FY 2020 Enacted Budget Financial Plan estimates that tax year 2018 personal income tax liability totaled $47.9 billion, decreasing 0.2 percent from the prior year. Personal income tax liability is projected to increase by 2.6 percent to $49.1 billion in tax year 2019.

A graph showing trendline growth in the Withholding Component since State Fiscal Year 2009-10 has appeared here in official statements relating to previous New York State Personal Income Tax Revenue Bonds but has been omitted from this Statement of Updated Annual Information and will be omitted from future statements because the graph did not reflect New York State ECEP Receipts deposited to the Revenue Bond Tax Fund and, therefore, would not be capable of providing comparable information on a going-forward basis. See the table entitled, "NYS Personal Income Tax Receipts and Withholding Component, NYS ECEP Receipts, and State Revenue Bond Tax Fund Receipts" for information on historical Revenue Bond Tax Fund Receipts.

Debt Service Coverage

The following table sets forth (1) Revenue Bond Tax Fund Receipts for a twelve consecutive calendar month period ended not more than six months prior to the date of such calculation, (2) maximum annual debt service on outstanding State Personal Income Tax Revenue Bonds, and (3) resulting debt service coverage. There can be no assurance that actual Revenue Bond Tax Fund Receipts will not be less than the amounts collected during the calculation period, as a result of numerous factors affecting New York State Personal Income Tax Receipts and ECEP Receipts that cannot be predicted at this time.

DEBT SERVICE COVERAGE ON OUTSTANDING PERSONAL INCOME TAX REVENUE BONDS*
(thousands of dollars)

Personal Income Tax Revenue Bond Tax Fund Receipts	$24,043,667**
Maximum Annual Debt Service	$3,780,254
Debt Service Coverage	6.4x

* As of March 31, 2019

** Assumes 50 percent of Personal Income Tax Receipts and 50 percent of ECEP Receipts have been deposited in the Revenue Bond Tax Fund during the applicable 12 consecutive calendar months for purposes of calculating the additional bonds debt service coverage test.

Based upon the assumptions used in preparing the following table, including assumed average State Personal Income Tax Revenue Bond issuances of approximately $5.0 billion annually over the next four years, State Personal Income Tax Revenue Bond debt service coverage based only upon the Revenue Bond Fund's receipt of the New York State Personal Income Tax Receipts and New York State ECEP Receipts is expected to decline from 6.1 times in State Fiscal Year 2019-20 to 5.9 times in State Fiscal Year 2021-22.

The following table entitled, "Projected Debt Service Coverage on State Personal Income Tax Revenue Bonds" does not reflect any estimate of charitable donations or the impact of such charitable donations on the amount of New York State Personal Income Tax Receipts deposited into the Revenue Bond Tax Fund. As a result, the coverage ratios shown in the table may be materially and adversely affected by such donations.

Sources of New York State Personal Income Tax Receipts for the Revenue Bond Tax Fund

PROJECTED DEBT SERVICE COVERAGE ON STATE PERSONAL INCOME TAX REVENUE BONDS
STATE FISCAL YEARS 2019-20 THROUGH 2022-23
(thousands of dollars)

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2023
Projected Revenue Bond Tax Fund Receipts	$26,076,526	$27,692,245	$29,028,960	$30,601,025
Projected New State Personal Income Tax Revenue Bonds Issuances[1]	5,571,221	5,056,735	4,806,801	4,777,836
Projected Total State Personal Income Tax Revenue Bonds Outstanding	38,350,323	40,924,991	43,141,790	45,141,043
Projected Maximum Annual Debt Service	4,259,332	4,702,787	4,945,993	4,971,467
Projected Debt Service Coverage[2]	6.1x	5.9x	5.9x	6.2X

[1] Includes New York State Personal Income Tax Receipts and New York State ECEP Receipts.
[2] The projections of future Revenue Bond Tax Fund Receipts are based on a number of factors and considerations. With respect to donations to the Charitable Gifts Trust Fund, meaningful historical baseline data is not available for incorporation into revenue projections. Accordingly, the information in this table may be subject to greater variability than other projections contained in this Statement.

Additional State Personal Income Tax Revenue Bonds may be issued, subject to satisfaction of a 2.0 times debt service coverage test. All State Personal Income Tax Revenue Bonds issued by any Authorized Issuer will be on a parity with each other as to payments from the Revenue Bond Tax Fund, subject to annual appropriation by the State Legislature.

Impact of State Charitable Gifts Trust Fund on Personal Income Tax Revenue Bonds

The amount of donations made by New York State taxpayers to the State Charitable Gifts Trust Fund is the principal direct risk to the amount of New York State Personal Income Tax Receipts deposited to the Revenue Bond Tax Fund. Donations to the Charitable Gifts Trust Fund could reduce State Personal Income Tax Receipts by nearly one dollar for every dollar donated because donors can claim a Personal Income Tax deduction and a tax credit equal to 85 percent of the donation amount for the tax year following the year in which the donation is made.

The Division of the Budget and the Department of Taxation and Finance performed a calculation of the maximum amount of charitable donations to the State Charitable Gifts Trust Fund that could occur annually under varying assumptions. The calculation of this ceiling is intended as a stress test on State Personal Income Tax Receipts that may flow to the Revenue Bond Tax Fund under different levels of assumed taxpayer participation. It should not, under any circumstances, be viewed as a projection of likely donations. The factors that may influence donation activity are complex and include, but are not limited to, possible statements, actions, or interpretive guidance by the IRS or other governmental actors relating to the deductibility of such donations; the liquidity position, risk tolerance, and knowledge of individual taxpayers; advice or guidance of tax advisors or other professionals; changes in general economic conditions; adoption of similar trusts in other states; and tax reciprocity agreements among states.

The ceiling on the amount of potential donations is calculated to be in the range of $30 billion annually, on average (2019 through 2023). The calculation of the ceiling assumes that every resident taxpayer who has an incentive to donate will do so, and such donations will be equal to the total value of each resident taxpayer's State and Local Tax payments, less the value of the $10,000 Federal income tax deduction for State and Local Tax payments established by the TCJA, up to the value of the taxpayer's total State tax liability. The calculation is dependent on several assumptions concerning the number of itemized filers. It relies on the most recent personal income tax population study file, as trended forward, as well as the impact of the TCJA and State law changes on the number and distribution of itemized and standardized filers. The calculation also assumes that (i) no further changes in Federal tax law occur, and (ii) Division of Budget projections of the level of State taxpayer liability for the forecast period as set forth in the FY 2020 Enacted Budget Financial Plan are materially accurate*.

The following table summarizes the calculation of the potential impact of charitable donations on Revenue Bond Tax Fund Receipts under different scenarios of possible taxpayer participation.

* On June 11, 2019, the U.S. Department of the Treasury issued final rules on the federal income tax treatment of payments made under state and local tax credit programs like New York State's Charitable Gift Trust Fund.

POTENTIAL EFFECT OF CONTRIBUTIONS TO THE STATE CHARITABLE GIFTS TRUST FUND ON REVENUE BOND TAX FUND RECEIPTS
STATE FISCAL YEARS 2020 THROUGH 2023
(billions of dollars)

	FY 2020	FY 2021	FY 2022	FY 2023
Revenue Bond Tax Fund Receipts, Prior Law	$ 13.0	$ 13.8	$ 14.5	$ 15.3
Revenue Bond Tax Fund Receipts, Current Law	26.1	27.7	29.0	30.6
Revenue Bond Tax Fund Receipts After Charitable Gifts				
100% Participation	22.2	14.9	15.6	16.8
75% Participation	23.2	18.1	19.0	20.3
50% Participation	24.1	21.3	22.3	23.7
25% Participation	25.1	24.5	25.7	27.2
10% Participation	25.7	26.4	27.7	29.2

NOTE: The calculation of the maximum amount of donations is intended as a stress test on New York State Personal Income Tax Receipts that may flow to the Revenue Bond Tax Fund under certain conditions. It should not under any circumstances be viewed as the likely or projected amount of State Charitable Gifts Trust Fund donations in any given year.

ASSUMPTIONS:

1. *Tax Rates, Deductions, and Credits.* Revenue Bond Tax Fund Receipts After Charitable Gifts reflects a State income tax deduction for the tax year that the charitable donation is made, and an 85% State tax credit in the following tax year.
2. *State cap on itemized deductions.* The values within this table are determined without respect to New York State's limitations on itemized deductions and, as a result, likely overestimate the negative effect on Revenue Bond Tax Fund Receipts.
3. *Timing.* The values in this table likely overstate the negative effect of future gift to the State Charitable Gifts Trust Fund on the Revenue Bond Tax Fund by assuming that taxpayers immediately reduce withholding and quarterly estimated tax payments, rather than reconciling through tax returns following the conclusion of the tax year.

In general, assumptions made regarding taxpayer behavior were intended to maximize the calculated impact of charitable giving on personal income tax receipts in each year. After these adjustments and with the inclusion of New York State ECEP Receipts, Revenue Bond Tax Fund Receipts are projected to remain above the level of receipts that would have been expected under statutes effective prior to April 2018, even assuming a maximum taxpayer participation scenario.

The calculation of the projected ceiling on the amount of donations is necessarily based on many assumptions that may change materially over time. While the Division of the Budget believes that these factors can be expected to constrain donation activity, there can be no assurance that, under conditions of maximum participation, the amount of annual donations to the State Charitable Gift Trust Fund will not reduce the level of New York State Personal Income Tax Receipts deposited into the Revenue Bond Tax Fund below the levels calculated. Accordingly, although the calculation of a maximum amount reflects the Division of the Budget's and Department of Taxation and Finance's current best judgment and estimates, such amount may be higher.

Sources of New York State Personal Income Tax Receipts for the Revenue Bond Tax Fund

As of the FY 2020 Enacted Budget Financial Plan, the State has received $93 million in charitable gifts that have been deposited to the State Charitable Gifts Trust Fund. Donations to the State Charitable Gifts Trust Fund will likely reduce New York State Personal Income Tax Receipts by nearly one dollar for every dollar donated. There can be no assurance that, under conditions of maximum participation, the amount of annual charitable gifts will not reduce the level of New York State Personal Income Tax Receipts deposited into the Revenue Bond Tax Fund below the levels projected in February 2018. If that were to occur, it is the Division of the Budget's expectation that changes to the tax law would be recommended to further increase the percentage of New York State Personal Income Tax Receipts deposited into the Revenue Bond Tax Fund.

Section 2: Subsection O

New York State Sales Tax Revenue Bonds

This Subsection O contains the information required to be updated annually pursuant to the Master Continuing Disclosure Agreement relating to obligations issued by the Authorized Issuers for State Sales Tax Revenue Bonds.

Capitalized terms used in this Subsection O and not otherwise defined shall have the meanings ascribed to them in the related Official Statement.

The Sales Tax Revenue Bond Tax Fund

The Enabling Act provides a source of payment for State Sales Tax Revenue Bonds by establishing the Sales Tax Revenue Bond Tax Fund for the purpose of setting aside New York State Sales Tax Receipts sufficient to make financing agreement payments to Authorized Issuers. The Enabling Act establishes the Sales Tax Revenue Bond Tax Fund to be held in the joint custody of the State Comptroller and the Commissioner and requires that all moneys on deposit in the Sales Tax Revenue Bond Tax Fund be held separate and apart from all other moneys in the joint custody of the State Comptroller and the Commissioner. The source of the financing agreement payments consist of New York State Sales Tax Receipts (which are net of amounts the Commissioner may determine to be necessary for refunds) required to be deposited in the Sales Tax Revenue Bond Tax Fund in an amount equal to a one percent rate of taxation (equivalent to one cent on every dollar taxed). On and after the date that all LGAC Obligations shall have been met or otherwise discharged, including by legal defeasance or maturity, the deposit to the Sales Tax Revenue Bond Tax Fund shall be increased to an amount equal to a 2 percent rate of taxation (equivalent to two cents on every dollar taxed) from the New York State Sales Tax Receipts. Such New York State Sales Tax Receipts required to be deposited in the Sales Tax Revenue Bond Tax Fund (equal initially to a one percent rate of taxation and increasing to a two percent rate of taxation as of a later date) comprise Sales Tax Revenue Bond Tax Fund Receipts. Pursuant to the State Finance Law, a portion of the New York State Sales Tax Receipts also are required to be deposited in the Local Government Assistance Tax Fund in a separate amount equal to a one percent rate of taxation, from which both the LGAC Obligations and the $170 million annual obligation to The City of New York are paid. The Enabling Act provides that the Sales Tax Revenue Bond Tax Fund Receipts shall be separate and distinct from the Local Government Assistance Tax Fund Receipts. The LGAC Obligations are expected to be paid or otherwise discharged on or before April 1, 2025.

Financing agreement payments made from amounts set aside in the Sales Tax Revenue Bond Tax Fund are subject to annual appropriation for such purpose by the State Legislature. The Enabling Act provides that: (i) no person (including the Authorized Issuers or the holders of State Sales Tax Revenue Bonds) shall have any lien on amounts on deposit in the Sales Tax Revenue Bond Tax Fund; (ii) Sales Tax Revenue Bond Tax Fund Receipts, which have been set aside in sufficient amounts to pay when due the financing agreement payments of all Authorized Issuers, shall remain in the Sales Tax Revenue Bond Tax Fund (except, if necessary, for payments authorized to be made to the holders of State general obligation bonds) until they are appropriated and used to make financing agreement payments; and (iii) nothing shall be deemed to restrict the right of the State to amend, repeal, modify or otherwise alter statutes imposing or relating to the New York State Sales Tax.

Sources of New York State Sales Tax Receipts for the Sales Tax Revenue Bond Tax Fund

The State Sales Tax Revenue Bonds are special obligations of the Authorized Issuers, secured by and payable solely from financing agreement payments payable by the State Comptroller to the applicable Trustee and Paying Agent (the "Trustee" or "Paying Agent") on behalf of the respective Authorized Issuers in accordance with the terms and provisions of a Financing Agreement, by and between the respective Authorized Issuers and the Director of the Budget subject to annual appropriation by the State Legislature, and the Funds and Accounts established under the General Resolution (other than the Rebate Fund and other Funds as provided in the General Resolution). The State Sales Tax Revenue Bonds are entitled to a lien, created by a pledge under the General Resolution, on the Pledged Property.

The Enabling Act and each of the general resolutions permit or are expected to permit the Authorized Issuers to issue additional State Sales Tax Revenue Bonds subject to statutory limitations on the maximum amount of bonds permitted to be issued by Authorized Issuers for Authorized Purposes and the additional bonds test included (or to be included) in each of the general resolutions authorizing State Sales Tax Revenue Bonds. In accordance with the additional bonds test described herein, as of March 31, 2019, Sales Tax Revenue Bond Tax Fund Receipts of approximately $3.54 billion are available to pay financing agreement payments on a pro forma basis, which amount represents approximately 3.3 times the maximum annual Debt Service for all Outstanding State Sales Tax Revenue Bonds. While additional State Sales Tax Revenue Bonds are expected to be issued by Authorized Issuers as appropriate for Authorized Purposes, in no event may any additional State Sales Tax Revenue Bonds (other than certain refunding bonds) be issued unless the additional bonds test under the respective general resolution has been satisfied.

The revenues, facilities, properties and any and all other assets of the Authorized Issuers of any name and nature, other than the Pledged Property, may not be used for, or, as a result of any court proceeding or otherwise applied to, the payment of State Sales Tax Revenue Bonds, any redemption premium therefor or the interest thereon or any other obligations under the General Resolution, and under no circumstances shall these be available for such purposes.

Certification of Payments to Be Set Aside in Sales Tax Revenue Bond Tax Fund

The Enabling Act, the general resolutions and the financing agreements of the Authorized Issuers provide (or are expected to provide) procedures for setting aside amounts from the New York State Sales Tax Receipts deposited to the Sales Tax Revenue Bond Tax Fund to ensure that sufficient amounts will be available to make financing agreement payments, when due, to the applicable trustees on behalf of the Authorized Issuers.

The Enabling Act provides that:

1. No later than October 1 of each year, each Authorized Issuer must submit its State Sales Tax Revenue Bond cash requirements (which shall include financing agreement payments) for the following State Fiscal Year and, as required by the financing agreements, each of the subsequent four State Fiscal Years to the Director of the Budget.
2. No later than thirty (30) days after the submission of the Executive Budget in accordance with Article VII of the State Constitution, the Director of the Budget shall prepare a certificate which sets forth an estimate of:
   a) the amount of the estimated monthly New York State Sales Tax Receipts to be deposited in the Sales Tax Revenue Bond Tax Fund pursuant to the Enabling Act during that State Fiscal Year; and
   b) the monthly amounts necessary to be set aside in the Sales Tax Revenue Bond Tax Fund to make the financing agreement payments required to meet the cash requirements of the Authorized Issuers.
3. Based on the Certificate of the Director of the Budget, the State Comptroller is required to set aside on a monthly basis Sales Tax Revenue Bond Tax Fund Receipts in amounts calculated to be sufficient to pay debt service on all State Sales Tax Revenue Bonds and other cash requirements of the Authorized Issuers when due.

The Director of the Budget may amend such certification as shall be necessary, provided that the Director of the Budget shall amend such certification no later than thirty (30) days after the issuance of any State Sales Tax Revenue Bonds, including refunding bonds, or after the execution of any interest rate exchange (or "swap") agreements or other financial arrangements which may affect the cash requirements of any Authorized Issuer.

The Enabling Act provides that on or before the twelfth day of each month, the Commissioner shall certify to the State Comptroller the actual New York State Sales Tax Receipts for the prior month and, in addition, no later than March 31 of each State Fiscal Year, the Commissioner shall certify such amounts relating to the last month of the State Fiscal Year. At such times, the Enabling Act provides that the State Comptroller shall deposit Sales Tax Revenue Bond Tax Fund Receipts so certified by the Commissioner in the Sales Tax Revenue Bond Tax Fund.

Set Aside of Sales Tax Revenue Bond Tax Fund Receipts

As provided by the Enabling Act, the general resolutions, the financing agreements, and the certificate of the Director of the Budget, the State Comptroller is required to set aside, on a monthly basis, Sales Tax Revenue Bond Tax Fund Receipts on deposit in the Sales Tax Revenue Bond Tax Fund, until:

a) with respect to financing agreement payments to be made to Authorized Issuers on a semi-annual or annual basis, the amount set aside in the fund during the then current month, together with amounts previously set aside in the fund, equals the sum of (i) one-fifth of the interest due on such obligations on the next succeeding interest payment date multiplied by the number of months from the last such interest payment, and (ii) one-eleventh of the next principal installment due on such obligations where principal is due on an annual basis or one-fifth of the next principal installment due on such obligations where principal is due on a semiannual basis, in each case multiplied by the number of months from the last such principal payment; and

b) with respect to financing agreement payments due on a monthly basis or more frequently, the amount so set aside is, in the reasonable judgment of the Director of the Budget as set forth in his certificate, sufficient to make the required payment on or before such payment date.

The Enabling Act provides that Sales Tax Revenue Bond Tax Fund Receipts which have been set aside in sufficient amounts to pay, when due, the financing agreement payments of all Authorized Issuers shall remain in the Sales Tax Revenue Bond Tax Fund (except, if necessary, for payments authorized to be made to the holders of State general obligation debt) until they are appropriated and used to make financing agreement payments.

Subject to appropriation by the State Legislature, upon receipt of a request for payment from any Authorized Issuer pursuant to a financing agreement, the State Comptroller shall pay over to the trustee, on behalf of such Authorized Issuer, such amount. In the event that Sales Tax Revenue Bond Tax Fund Receipts are insufficient to meet financing agreement payments on all State Sales Tax Revenue Bonds of all the Authorized Issuers as set forth in the certificate of the Director of the Budget, the State Comptroller is required by the Enabling Act, without appropriation, to immediately transfer from the General Fund to the Sales Tax Revenue Bond Tax Fund, the amount of such deficiency. Amounts so transferred to the Sales Tax Revenue Bond Tax Fund can only be used to pay financing agreement payments (except, if necessary, for payments authorized to be made to the holders of State general obligation debt).

The State Comptroller shall from time to time, but in no event later than the fifteenth day of each month (other than the last month of the fiscal year) and no later than the thirty-first day of the last month of each fiscal year, pay over and distribute to the credit of the General Fund all moneys in the Sales Tax Revenue Bond Tax Fund, if any, in excess of the aggregate amount required to be set aside for the payment of cash requirements as described above.

Flow of Sales Tax Revenue Bond Tax Fund Receipts

The following chart summarizes the flow of Sales Tax Revenue Bond Tax Fund Receipts.

On or before October 1

Authorized Issuers submit to the Division of the Budget the schedule of anticipated cash requirements (which include financing agreement payments) due with respect to State Sales Tax Revenue Bonds for the next State Fiscal Year and for the four subsequent State Fiscal Years

↓

No later than 30 Days after Budget Submission (no later than March 1)

Director of the Budget submits a certificate to the State Comptroller which estimates for the following State Fiscal Year:*

- The amount of New York State Sales Tax Receipts to be deposited into the Sales Tax Revenue Bond Tax Fund as Sales Tax Revenue Bond Tax Fund Receipts**
- The monthly set-asides for financing agreement payments and other cash requirements of the Authorized Issuers (for State Sales Tax Revenue Bonds that pay interest semi-annually and principal annually, the set aside amounts are 1/5 of the next interest payment and 1/11 of the next principal payment)

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On or before the 12th Day of Each Month

The Commissioner certifies to the State Comptroller the amount of actual Sales Tax Revenue Bond Tax Fund Receipts for the prior month and the State Comptroller deposits the amount so certified in the Sales Tax Revenue Bond Tax Fund

Sales Tax Revenue Bond Tax Fund Receipts which have been set aside to make financing agreement payments and meet other cash requirements are required to remain in the Sales Tax Revenue Bond Tax Fund until appropriated and paid to the applicable trustees on behalf of the Authorized Issuers

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Not later than the 15th Day of Each Month and the 31st Day of March

After all monthly amounts necessary to make financing agreement payments and meet other cash requirements have been set aside as certified by the Director of the Budget, and provided appropriations have been made to pay all such amounts, the State Comptroller shall distribute all excess moneys in the Sales Tax Revenue Bond Tax Fund to the General Fund

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* The Director of the Budget may revise such certification at any time to more precisely account for revised New York State Sales Tax Receipts estimate or actual debt service and other cash requirements, and to the extent necessary, shall do so not later than thirty days after the issuance of any State Sales Tax Revenue Bonds.

** Equal to a one percent rate of taxation until the LGAC Obligations are met or discharged, at which time Sales Tax Revenue Bond Tax Fund Receipts shall increase to a two percent rate of taxation.

Moneys Held in the Sales Tax Revenue Bond Tax Fund

The Enabling Act prohibits the State Comptroller from paying over or distributing any amounts deposited in the Sales Tax Revenue Bond Tax Fund (except, if necessary, for payments authorized to be made to the holders of State general obligation debt) other than to the Authorized Issuers (which are paid to the applicable trustees on behalf of the Authorized Issuers), unless two requirements are met. First, all payments as certified by the Director of the Budget for a State Fiscal Year must have been appropriated to the Authorized Issuers for the payment of financing agreement payments (including debt service) in the full amount specified in the certificate of the Director of the Budget. Second, each certified and appropriated payment for which moneys are required to be set aside as provided in the Enabling Act must have been made to the trustees on behalf of the Authorized Issuers when due.

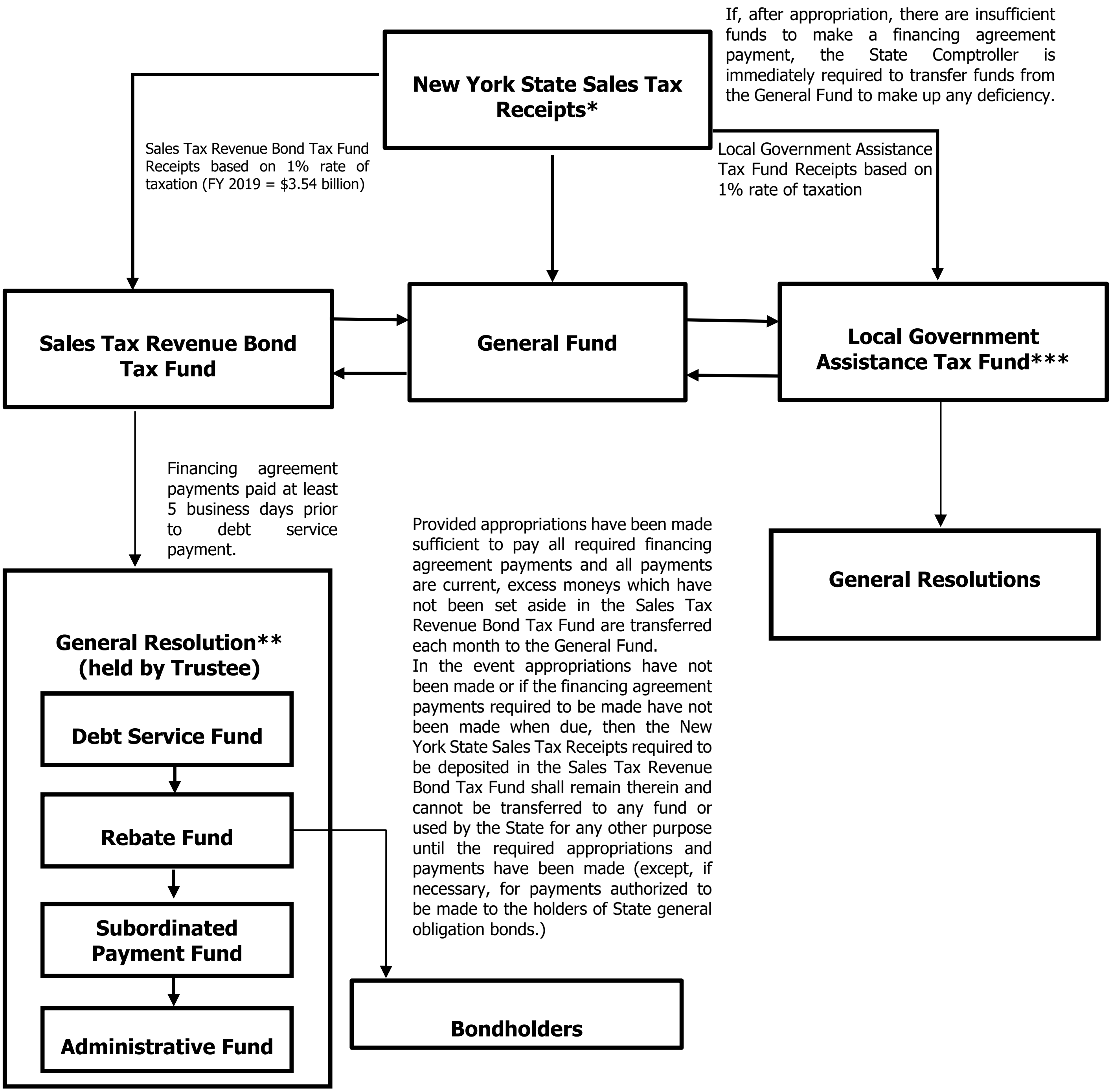
If such appropriations have been made to pay all annual amounts specified in the certificate of the Director of the Budget as being required by the Authorized Issuers for a State Fiscal Year and all such payments to the applicable trustees on behalf of the Authorized Issuers are current, then the State Comptroller is required by the Enabling Act to pay over and distribute to the credit of the General Fund at least once a month, all amounts in the Sales Tax Revenue Bond Tax Fund, if any, in excess of the aggregate amount required to be set aside. The Enabling Act also requires the State Comptroller to pay to the General Fund all sums remaining in the Sales Tax Revenue Bond Tax Fund on the last day of each State Fiscal Year, but only if the State has appropriated and paid to the applicable trustees on behalf of the Authorized Issuers the amounts necessary for the Authorized Issuers to meet their cash requirements for the current State Fiscal Year and, to the extent certified by the Director of the Budget, set aside any cash requirements required for the next State Fiscal Year.

In the event that (i) the State Legislature fails to appropriate all amounts required to make financing agreement payments on State Sales Tax Revenue Bonds to all Authorized Issuers or (ii) having been appropriated and set aside pursuant to a certificate of the Director of the Budget, financing agreement payments have not been made when due on State Sales Tax Revenue Bonds, the Enabling Act requires that all of the New York State Sales Tax Receipts required to be deposited in the Sales Tax Revenue Bond Tax Fund remain in such fund. Other than to make financing agreement payments from appropriated amounts, the Enabling Act prohibits the transfer of moneys in the Sales Tax Revenue Bond Tax Fund to any other fund or account or use of such moneys by the State for any other purpose (except, if necessary, for payments authorized to be made to the holders of State general obligation debt) until such time as the required appropriations and all required financing agreement payments have been made to the trustees on behalf of each Authorized Issuer.

The Enabling Act provides that no person (including the Authorized Issuers or the holders of State Sales Tax Revenue Bonds) shall have any lien on moneys on deposit in the Sales Tax Revenue Bond Tax Fund and that the State’s agreement to make financing agreement payments shall be executory only to the extent such payments have been appropriated.

Sources of New York State Sales Tax Receipts for the Sales Tax Revenue Bond Tax Fund

Flow of Revenues



* Nothing shall be deemed to restrict the right of the State to amend, repeal, modify or otherwise alter statutes imposing or relating to the New York State Sales Tax.

** The other Authorized Issuers are expected to adopt similar general resolutions.

*** Including the $170 million annual obligation (ending June 30, 2034) to The City of New York.

Appropriation by the State Legislature

The State may not expend money without an appropriation, except for the payment of debt service on general obligation bonds or notes issued by the State. An appropriation is an authorization approved by the State Legislature to expend money. The State Constitution requires all appropriations of State funds, including funds in the Sales Tax Revenue Bond Tax Fund, to be approved by the State Legislature at least every two years. In addition, the State Finance Law generally provides that appropriations shall cease to have force and effect, except as to liabilities incurred thereunder, at the close of the State Fiscal Year for which they were enacted and that to the extent of liabilities incurred thereunder, such appropriations shall lapse on the succeeding June 30th or September 15th depending on the nature of the appropriation.

The Authorized Issuers expect that the State Legislature will make an appropriation from amounts on deposit in the Sales Tax Revenue Bond Tax Fund sufficient to pay financing agreement payments when due. Sales Tax Revenue Bond Tax Fund Receipts are expected to exceed the amounts necessary to pay financing agreement payments. The Enabling Act prohibits the transfer of moneys in the Sales Tax Revenue Bond Tax Fund to any other fund or account or the use of such moneys by the State for any other purpose (other than to make financing agreement payments from appropriated amounts, and except, if necessary, for payments authorized to be made to the holders of State general obligation debt) until such time as the required appropriations and all required financing agreement payments have been made to the trustees on behalf of each Authorized Issuer. The State Legislature may not be bound in advance to make an appropriation, and there can be no assurances that the State Legislature will appropriate the necessary funds as anticipated. Nothing shall be deemed to restrict the right of the State to amend, repeal, modify or otherwise alter statutes imposing or relating to the New York State Sales Tax.

All payments required by financing agreements entered into by the State shall be executory only to the extent of the revenues available in the Sales Tax Revenue Bond Tax Fund. The obligation of the State to make financing agreement payments is subject to the State Legislature making annual appropriations for such purpose and such obligation does not constitute or create a debt of the State, nor a contractual obligation in excess of the amounts appropriated therefor. In addition, the State has no continuing legal or moral obligation to appropriate money for payments due under any financing agreement.

State Sales Tax Revenue Bonds shall not be a debt of the State and the State shall not be liable thereon, nor shall State Sales Tax Revenue Bonds be payable out of any funds other than those pledged therefor. Neither the faith and credit nor the taxing power of the State is pledged to the payment of the principal of, premium, if any, or interest on State Sales Tax Revenue Bonds.

Pursuant to the Enabling Act, Sales Tax Revenue Bond Tax Fund Receipts which have been set aside to pay when due the financing agreement payments of all Authorized Issuers shall remain in the Sales Tax Revenue Bond Tax Fund until they are appropriated and used to make financing agreement payments. However, the Enabling Act also provides that the use of such Sales Tax Revenue Bond Tax Fund Receipts by the State Comptroller is "subject to the rights of holders of debt of the state" (i.e., general obligation bondholders who benefit from the faith and credit pledge of the State). Pursuant to Article VII Section 16 of the State Constitution, if at any time the State

Legislature fails to make an appropriation for general obligation debt service, the State Comptroller is required to set apart from the first revenues thereafter received, applicable to the General Fund, sums sufficient to pay debt service on such general obligation debt. In the event that such revenues and other amounts in the General Fund are insufficient to so pay general obligation bondholders, the State may also use amounts on deposit in the Sales Tax Revenue Bond Tax Fund to pay debt service on general obligation bonds.

The Division of the Budget is not aware of any existing circumstances that would cause Sales Tax Revenue Bond Tax Fund Receipts to be used to pay debt service on general obligation bonds in the future. The Director of the Budget believes that any failure by the State Legislature to make annual appropriations as contemplated would have a serious impact on the ability of the State and the Authorized Issuers to issue State-supported bonds to raise funds in the public credit markets.

Additional Bonds

Pursuant to each general resolution, additional State Sales Tax Revenue Bonds may be issued by the related Authorized Issuer, only if the amount of Sales Tax Revenue Bond Tax Fund Receipts for any 12 consecutive calendar months ended not more than six months prior to the date of such calculation, as certified by the Director of the Budget, is at least 2.0 times the maximum Calculated Debt Service on all Outstanding State Sales Tax Revenue Bonds, the additional State Sales Tax Revenue Bonds proposed to be issued, and any additional amounts payable with respect to parity reimbursement obligations.

Pursuant to each general resolution, additional State Sales Tax Revenue Bonds may be issued to refund outstanding State Sales Tax Revenue Bonds either by meeting the debt service coverage test described above, or, in the alternative, by demonstrating that maximum annual debt service on all outstanding State Sales Tax Revenue Bonds will not increase as a result of such refunding.

Parity Reimbursement Obligations

An Authorized Issuer may incur Parity Reimbursement Obligations pursuant to the terms of the general resolution which, subject to certain exceptions, would be secured by a pledge of, and a lien on, the pledged property on a parity with the lien created by the related general resolution with respect to bonds issued thereunder. A Parity Reimbursement Obligation may be incurred in connection with obtaining a Credit Facility and represents the obligation to repay amounts advanced under the Credit Facility. It may include interest calculated at a rate higher than the interest rate on the related State Sales Tax Revenue Bond and may be secured by a pledge of, and a lien on, pledged property on a parity with the lien created by the general resolution for the State Sales Tax Revenue Bonds only to the extent that principal amortization requirements of the Parity Reimbursement Obligation are equal to the amortization requirements for the related State Sales Tax Revenue Bonds, without acceleration.

Certain Covenants of the State

Pursuant to the general resolutions, the State pledges and agrees with the holders of State Sales Tax Revenue Bonds, Bond Anticipation Notes ("BANs"), Parity Reimbursement Obligations or other obligations issued or incurred thereunder that the State will not in any way impair the rights and remedies of holders of such State Sales Tax Revenue Bonds, BANs, Parity Reimbursement Obligations or other obligations until such State Sales Tax Revenue Bonds, BANs, Parity Reimbursement Obligations or other obligations issued or incurred thereunder, together with interest thereon, with interest, if any, on any unpaid installments of interest and all costs and expenses in connection with any action or proceeding by or on behalf of the holders are fully met and discharged.

Pursuant to the Enabling Act and the general resolutions, nothing shall be deemed to restrict the right of the State to amend, repeal, modify or otherwise alter statutes imposing or relating to the New York State Sales Tax. An Event of Default under the general resolutions would not occur solely as a result of the State exercising its right to amend, repeal, modify or otherwise alter the statutes imposing or relating to such taxes. However, the Director of the Budget believes that any materially adverse amendment, modification or alteration of, or the repeal of, statutes imposing or related to the New York State Sales Tax could have a serious impact on the flow of New York State Sales Tax Receipts to the Sales Tax Revenue Bond Tax Fund, the ability of the Authorized Issuers to issue additional State Sales Tax Revenue Bonds and the marketability of outstanding State Sales Tax Revenue Bonds.

Reservation of State's Right to Substitute Credit

Pursuant to the Enabling Act, the State reserves the right, upon amendment of the State Constitution to permit the issuance of State Revenue Bonds, which may be payable from or secured by revenues that may include the Revenues pledged under the general resolutions, (i) to assume, in whole or in part, State Sales Tax Revenue Bonds, (ii) to extinguish the existing lien on the pledged property created under the general resolutions, and (iii) to substitute security for State Sales Tax Revenue Bonds, in each case only so long as the assumption, extinguishment and substitution is accomplished in accordance with either of two provisions of the general resolutions. (For these purposes, any State Sales Tax Revenue Bonds paid or deemed to have been paid in accordance with the applicable general resolution on or before the date of any assumption, extinguishment and substitution are not to be taken into account in determining compliance with those provisions.) The first provision of the general resolutions is intended to permit an assumption, extinguishment and substitution, without any right of consent of Bondholders or other parties, if certain conditions are satisfied. The second provision of the general resolutions permitting such an assumption, extinguishment and substitution is intended to permit a broader range of changes with the consent of issuers of Credit Facilities and the consent of certain Bondholders. It provides that any such assumption, extinguishment and substitution may be effected if certain conditions are satisfied.

In the event a constitutional amendment becomes a part of the State Constitution, there can be no assurance that the State will exercise its rights of assumption, extinguishment, and substitution with respect to State Sales Tax Revenue Bonds. There can be no assurance that the Authorized Issuer would be the issuer of any such State Revenue Bonds upon any such assumption, extinguishment and substitution and, if not the Authorized Issuer, the issuer of such State Revenue Bonds could be the State or another public entity.

General History of the State Sales Tax

In 1965, New York became the 39th state to impose a general sales and compensating use tax; 46 states now impose sales or gross receipts taxes. The statewide rate has been raised three times: from 2 percent to 3 percent on April 1, 1969, to 4 percent on June 1, 1971, and to 4.25 percent effective June 1, 2003 through May 31, 2005. The rate returned to 4 percent on June 1, 2005. The New York State Sales Tax now applies to: (1) sales and use within the State of most tangible personal property; (2) certain utility service billings; and (3) charges for restaurant meals, hotel and motel occupancy, and for specified admissions and services. The base of the tax has been amended periodically since its imposition in 1965 and in almost every year since 1992. The New York State Sales Tax is generally collected from the consumer by the final vendor, who is generally required to remit the tax quarterly. However, vendors with more than $300,000 of taxable sales and purchases in one of the immediately preceding four quarters must remit the tax monthly by the twentieth of the month following the month of collection. Vendors collecting less than 3,000 yearly may elect to file annually, in March. Monthly vendors with an annual sales and use tax liability exceeding $500,000 or with an annual liability for prepaid sales tax on motor fuel and diesel motor fuel exceeding $5 million are required to file using the State Tax Department's PrompTax program. PrompTax is an electronic filing and payment program that is mandatory for certain businesses.

The New York State Department of Taxation and Finance notifies vendors if they are required to participate. The payment schedule requires New York State Sales Tax for the first 22 days of a month to be paid within three business days thereafter.

To reduce tax evasion, special provisions for remitting the New York State Sales Tax on motor fuel and cigarettes have been enacted. Since 1985, the New York State Sales Tax on gasoline has been remitted by the first importer of the fuel into New York. Prior to 2006, the New York State Sales Tax was prepaid at a per gallon rate based on regional prices. Currently, the pre-payment is fixed at 16 cents in the Metropolitan Commuter Transportation District ("MCTD") region and 15 cents per gallon for the rest of the State. The cigarette prepayment rate is 8 percent and is prepaid by cigarette agents at the same time as payment for cigarette excise tax stamps.

Quarterly and annual sales tax filers are allowed to retain a portion of the New York State Sales Tax that they have collected, both as partial compensation for the administrative costs of collecting and remitting the New York State Sales Tax and as an incentive for timely payment of the New York State Sales Tax to the State. The vendor allowance applies to non-monthly filers and is 5 percent of tax liability, up to a maximum of $200 per quarter for returns filed on time.

New York State Sales Tax Receipts

New York State Sales Tax Receipts constitute the State's second largest source of tax receipts after the personal income tax and accounted for approximately 18.6 percent of State tax receipts in all State Funds in FY 2019. The level of New York State Sales Tax Receipts is necessarily dependent upon economic and demographic conditions in the State, and therefore there can be no assurance that historical data with respect to collections of the New York State Sales Tax will be indicative of future receipts.

The following table sets forth historical information relating to New York State Sales Tax Receipts from FY 2010 through FY 2019, and estimated amounts for FY 2020. The information reflects State Tax Law changes described below.

Sources of New York State Sales Tax Receipts for the Sales Tax Revenue Bond Tax Fund

New York State Sales Tax Receipts[1]
(billions of dollars)

State Fiscal Year	New York State Sales Tax Receipts	Sales Tax Revenue Bond Tax Fund Receipts[2]	% Change [3]
2010	$ 9.871	$2.468	(3.9)%
2011	10.782	2.696	9.2
2012	11.125	2.781	3.2
2013	11.232	2.808	1.0
2014	11.786	2.947	5.0
2015	12.137	3.034	3.0
2016	12.485	3.121	2.9
2017	12.967	3.242	3.9
2018	13.553	3.388	4.5
2019	14.164	3.537	4.4
2020[4]	15.135	3.784	7.0

Source: Division of the Budget.

(4) Reflects sales and compensating use tax receipts, net of refunds. Amounts are unadjusted for rate and base changes.

(5) Reflects amounts equivalent to a 1 percent rate of taxation. Amounts shown prior to the enactment of the Sales Tax Revenue Bond Tax Fund (pre-FY 2014) are pro forma.

(6) Represents growth rate of net receipts of 1% rate share.

(4) As estimated in the FY 2020 Enacted Budget Financial Plan.

Actual FY 2010 receipts of $9.871 billion reflect a decrease of 6.1 percent in the continuing New York Sales Tax base and tax law changes. These tax law changes included a sales tax on certain transportation services, increased tax compliance efforts, increased prepaid sales tax on cigarettes, an expanded definition of vendor to preclude certain taxpayers from avoiding the tax and narrowing the exemption for commercial aircraft and the use tax for exemption for motor vehicles, vessels and aircraft.

Actual FY 2011 receipts of $10.782 billion reflect an increase of 6.9 percent in the continuing New York Sales Tax base and tax law changes. These tax law changes included the elimination of the clothing and footwear exemption from October 1, 2010 to March 31, 2011, the elimination of the vendor credit for monthly filers and a clarification that room remarketers are required to collect sales and New York City occupancy taxes.

Actual FY 2012 receipts of $11.125 billion reflect an increase of 3.9 percent in the continuing New York State Sales Tax base and tax law changes such as the tax modernization project. In addition, clothing and footwear priced up to $55 were exempt from New York State Sales Tax until March 31, 2012.

Sources of New York State Sales Tax Receipts for the Sales Tax Revenue Bond Tax Fund

Actual FY 2013 receipts of $11.232 billion reflect an increase of 3.2 percent in the continuing New York State Sales Tax base and tax law changes. The exemption for items of clothing and footwear priced under $110 went back into effect on April 1, 2012.

Actual FY 2014 receipts of $11.786 billion reflect an increase of 4.1 percent in the continuing New York State Sales Tax base and tax law changes affecting sales tax receipts that went into effect during FY 2014. These tax law changes included START-UP NY (tax-free zones on or near qualifying university and college campuses), a driver's license suspension program for certain tax delinquencies, and restrictions on certain Industrial Development Agencies ("IDAs") retail projects and a benefit clawback provision.

Actual FY 2015 receipts of $12.137 billion reflect an increase of 4.7 percent in the continuing New York State Sales Tax base and tax law changes. These tax law changes included increasing the sales tax exemption from $0.75 to $1.50 on certain food and drink items sold through vending machines and establishing three regions for the prepaid sales tax on fuel to reduce tax evasion at retail.

Actual FY 2016 receipts of $12.485 billion reflect an increase of 3.6 percent in the continuing New York State Sales Tax base and tax law changes. These tax law changes included imposing local sales tax on prepaid wireless based on retail location instead of the customer's residence, exempting solar purchase power agreements from state and local sales tax, extending wine tasting sales and use tax exemption to other alcoholic beverages, an exemption of the portion of the purchase or lease of a boat in excess of $230,000 from sales and use tax, exempting general aviation aircraft and machinery or equipment installed on aircraft from state and local sales tax, and exempts certain related-party sales arising as a result of the Federal Dodd-Frank Wall Street Reform and Consumer Protection Act.

Actual FY 2017 receipts of $12.967 billion reflect an increase of 3.9 percent in the continuing New York State Sales Tax base and tax law changes. These tax law changes included motor fuel enforcement provisions that require wholesalers to file informational returns that will be used to audit retailers, and the exemption of feminine hygiene products.

Actual FY 2018 receipts of 13.553 billion reflect an increase of 4.1 percent in the continuing New York State Sales Tax base and State tax law changes. These tax law changes included the exemption of cemetery monuments, the closure of related entities sales tax loophole, and motor fuel pre-payments reform.

Sources of New York State Sales Tax Receipts for the Sales Tax Revenue Bond Tax Fund

Actual FY 2019 receipts of $14.164 billion reflect an increase of 5.4 percent in the continuing New York State Sales Tax base and State tax law changes. These tax law changes include converting the prepared food purchased for resale and the veterinary sales tax credits/refunds into upfront exemptions and providing Responsible Person sales tax relief for minority LLC owners.

FY 2020 receipts are estimated to be $15.135 billion, reflecting an increase of 3.3 percent in the continuing New York State Sales Tax base, tax law changes, and administrative changes. The tax law changes include eliminating the sales tax exemption for ESCOs and requiring internet marketplace providers to collect and pay sales tax on transactions facilitated on their platforms. The administrative changes enforce the collection of sales tax on sales made by out-of-state companies due to the Supreme Court's Decision on South Dakota versus Wayfair.

(Note: The New York State Sales Tax Receipts described in this section do not include additional New York State Sales Tax collections in the MCTD region for the Mass Transportation Operating Assistance ("MTOA") Fund.)

Sources of New York State Sales Tax Receipts for the Sales Tax Revenue Bond Tax Fund

The following table sets forth monthly Sales Tax Revenue Bond Tax Fund Receipts from April 1, 2014 through March 31, 2019 and reflects the State Tax Law changes described above.

MONTHLY SALES TAX REVENUE BOND TAX FUND RECEIPTS[1]
APRIL 1, 2014 THROUGH MARCH 31, 2019
(millions of dollars)

MONTH	2014-15	%[2]	2015-16	%[2]	2016-17	%[2]	2017-18	%[2]	2018-19	%[2]
APRIL	$215.8	7%	$240.0	8%	$249.1	8%	$236.5	7	$251.4	7
MAY	228.1	8	232.7	7	237.2	7	243.9	7	263.3	7
JUNE	301.0	10	319.8	10	327.5	10	338.2	10	362.0	10
JULY	234.5	8	248.4	8	254.2	8	263.3	8	275.1	8
AUGUST	233.0	8	241.8	8	242.7	7	257.6	8	274.0	8
SEPTEMBER	309.9	10	320.3	10	326.2	10	340.6	10	354.9	10
OCTOBER	232.8	8	218.3	7	250.0	8	259.9	8	269.2	8
NOVEMBER	236.1	8	241.2	8	249.3	8	275.3	8	274.9	8
DECEMBER	306.2	10	297.2	10	316.5	10	346.4	10	360.5	10
JANUARY	242.4	8	254.2	8	267.5	8	279.9	8	286.8	8
FEBRUARY	200.4	7	206.9	7	218.7	7	235.1	7	242.8	7
MARCH	286.3	10	300.6	10	302.8	9	311.5	9	322.3	9
TOTAL	$3,026.6	100%	$3,121.3	100%	$3,241.7	100%	$3,388.3	100%	$3,536.8	100%

Source: Division of the Budget.

[1] Amounts reflect the monies directed to the Sales Tax Revenue Bond Tax Fund starting April 1, 2013; amounts shown prior to the enactment of the Sales Tax Revenue Bond Tax Fund are pro forma.

[2] Percentages indicate the monthly share of yearly receipts.

[3] In May 2014, receipts were adjusted upward by roughly $54 million to reflect monies that should have been posted in April.

[4] Totals may not add due to rounding.

Sources of New York State Sales Tax Receipts for the Sales Tax Revenue Bond Tax Fund

The following table sets forth the stability in the shares of New York State Sales Tax Receipts when examined by industry. For the entirety of the ten-year period, receipts from the retail and services industries together consistently comprised roughly 70 percent of total receipts.

HISTORY OF INDUSTRY SHARES OF NEW YORK STATE SALES TAX RECEIPTS

Year[1]	Retail Trade	Services	Wholesale Trade	Information	Other[2]	Utilities	Manufacturing	Construction	Unclassified
2008	44.1%	25.0%	8.8%	7.6%	4.8%	3.5%	2.8%	2.5%	1.0%
2009	44.2	25.1	9.0	7.7	4.6	3.6	2.7	2.5	0.7
2010	45.1	25.4	8.4	7.8	4.6	3.5	2.5	2.3	0.4
2011	48.2	25.7	5.0	6.4	4.5	3.5	4.3	2.3	0.2
2012	48.4	26.2	5.2	6.0	4.5	3.1	4.2	2.4	0.0
2013	47.2	27.0	5.6	6.0	4.4	3.0	4.2	2.5	0.1
2014	45.8	27.3	5.6	6.8	4.6	3.0	4.1	2.7	0.2
2015	45.3	28.1	5.6	6.7	4.7	2.8	4.1	2.6	0.1
2016	45.2	28.7	5.7	6.4	4.7	2.6	3.9	2.8	0.1
2017[3]	44.9	28.9	5.7	6.4	4.8	2.4	3.9	2.8	0.2

Source: New York State Department of Taxation and Finance.

(1) March to February.

(2) Includes Agriculture, Mining, Transportation, FIRE (Finance, Insurance and Real Estate), Education, and Government.

(3) Preliminary.

Debt Service Coverage

The following table sets forth (1) Sales Tax Revenue Bond Tax Fund Receipts for a twelve consecutive calendar month period ended not more than six months prior to the date of such calculation, (2) maximum annual debt service on outstanding Sales Tax Revenue Bonds and (3) resulting debt service coverage.

DEBT SERVICE COVERAGE ON OUTSTANDING SALES TAX REVENUE BONDS*
(thousands of dollars)

Sales Tax Revenue Bond Tax Fund Receipts	$3,536,790
Maximum Annual Debt Service	$1,071,624
Debt Service Coverage	3.3x

* As of March 31, 2019.

Based upon the assumptions used in preparing the following table, including assumed average State Sales Tax Revenue Bond issuances of approximately $1.4 billion annually over the next four years, State Sales Tax Revenue Bond debt service coverage based only upon the Sales Tax Revenue Bond Fund's statutory allocation of an amount equal to a one percent rate of taxation is expected to decline from 4.0 times in FY 2020 to 3.8 times in FY 2023.

PROJECTED STATE SALES TAX REVENUE BOND DEBT SERVICE COVERAGE RATIOS
STATE FISCAL YEARS 2020 THROUGH 2023
(thousands of dollars)

	FY 2020	FY 2021	FY 2022	FY 2023
Projected Sales Tax Revenue Bond Tax Fund Receipts	$3,783,750	$3,946,500	$4,080,000	$4,222,500
Projected New State Sales Tax Revenue Bonds Issuances	1,366,521	1,407,517	1,449,742	1,493,235
Projected Total State Sales Tax Revenue Bonds Outstanding	9,317,915	10,149,634	11,131,916	13,894,298
Projected Maximum Annual Debt Service	993,468	1,117,603	1,052,942	1,411,973
Projected Debt Service Coverage	3.7x	3.4x	3.8x	3.0x

Additional State Sales Tax Revenue Bonds may be issued, subject to satisfaction of a 2.0 times debt service coverage test. All State Sales Tax Revenue Bonds issued by any Authorized Issuer will be on a parity with each other as to payments from the Sales Tax Revenue Bond Tax Fund, subject to annual appropriation by the State Legislature.

Appendix A

APPENDIX A
Bonds with a Section 1 Disclosure Obligation

4 /6 /1972	Office of the State Comptroller, New York State General Obligation Bonds, Dated April 1, 1972
10/12/1973	Office of the State Comptroller, New York State General Obligation Bonds, Dated October 1,
3 /16/1989	New York State Urban Development Corporation Cornell University Federally Taxable Revenue Bonds, Series 1989
3 /16/1989	New York State Urban Development Corporation Columbia University Federally Taxable Revenue Bonds, Series 1989
12/23/1993	Office of the State Comptroller, New York Local Government Assistance Corporation, Series 1993E Refunding Bonds, Dated December 1, 1993
11/21/1995	New York State Urban Development Corporation State Facilities Revenue Bonds, 1995
12/14/1995	New York State Urban Development Corporation, Project Revenue Bonds (University Facilities Grants), 1995 Refunding Series
12/14/1995	New York State Urban Development Corporation Project Revenue Bonds (Clarkson University Center for Advanced Materials Processing Loan) 1995 Refunding Series
1 /23/2003	Dormitory Authority of the State of New York, Secured Hospital Revenue Bonds, Series 2003 North General Hospital
7 /15/2003	Dormitory Authority of the State of New York, Mental Health Services Facilities Improvement Revenue Bonds, Series 2003D-2
12/22/2004	New York State Urban Development Corporation, State Personal Income Tax Revenue Bonds (State Facilities & Equipment), Series 2004A-2, 2004A-3
2 /24/2005	Dormitory Authority of the State of New York, City University System Consolidated Fifth General Resolution Revenue Bonds, Series 2005A
3 /2 /2005	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds (Education), Series 2005B
3 /2 /2005	Dormitory Authority of the State of New York, Third General Resolution Revenue Bonds (State University Educational Facilities Issue), Series 2005A
3 /3 /2005	Dormitory Authority of the State of New York, Upstate Community Colleges, 2005B

APPENDIX A
Bonds with a Section 1 Disclosure Obligation

3 /10/2005	New York State Housing Finance Agency, State Personal Income Tax Revenue Bonds (Economic Development and Housing), 2005 Series A, 2005 Series B and 2005 Series C
9 /8 /2005	New York State Thruway Authority, Second General Highway and Bridge Trust Fund Bonds, Series 2005B
3 /29/2006	Office of the State Comptroller, New York State General Obligation Bonds, Series 2006A Tax-Exempt and Series 2006B Taxable Bonds, Dated March 29, 2006
6 /14/2006	Dormitory Authority of the State of New York, Municipal Health Facilities improvement Program Lease Revenue Bonds (The City of New York Issue), Series 2006A
7 /12/2006	Dormitory Authority of the State of New York, City University System Consolidated Fifth General Resolution Revenue Bonds, Series 2006A
1 /18/2007	New York State Environmental Facilities Corporation, State Personal Income Tax Revenue Bonds, Series 2007A
3 /22/2007	Office of the State Comptroller, New York State General Obligation Bonds, Series 2007A Tax-Exempt Bonds, Series 2007B Taxable Bonds, Dated March 22, 2007
3 /28/2007	Dormitory Authority of the Stare of New York, Secured Hospital Revenue Refunding Bonds, Series 2007 (Interfaith Medical Center)
3 /27/2008	Office of the State Comptroller, New York State General Obligation Bonds, Series 2008A Tax-Exempt Bonds, 2008B Taxable Bonds, Dated March 27, 2008
6 /19/2008	New York State Housing Finance Agency State Personal Income Tax Revenue Variable Rate Refunding Bonds, Series 2005C
6 /24/2008	New York State Urban Development Corporation Service Contract Revenue Refunding Bonds, Series 2008 A1 & A5
6 /26/2008	Office of the State Comptroller, New York Local Government Assistance Corporation, Series 2008B Variable Rate Refunding Bonds, Dated June 26, 2008
7 /17/2008	New York State Urban Development Corporation State Personal Income Tax Revenue Variable Rate Remarketing Bonds, 2004 A-3
9 /10/2008	New York State Thruway Authority State Personal Income Tax Revenue Refunding Bonds, Series 2008A
12/11/2008	Dormitory Authority of the State of New York, City University System Consolidated Revenue Variable Rate Refunding Bonds, Series 2008CD

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12/11/2008	Dormitory Authority of the State of New York, City University System Consolidated Revenue Fixed Rate Refunding Bonds, Series 2008E (Community)
1 /14/2009	New York State Housing Finance Agency Service Contract Revenue Variable Rate Remarketing Bonds, Series 2003L, Series 2003M-1, and Series 2003M-2
3 /19/2009	Office of the State Comptroller, State of New York General Obligation Bonds, Series 2009A Tax-Exempt and Series 2009B Taxable Bonds, Dated March 19, 2009
6 /10/2009	Office of the State Comptroller, New York Local Government Assistance Corporation, Series 2008B-C/D Tax-Exempt and 2003A-5/6 Tax-Exempt Refunding Bonds, dated June 10, 2009
6 /16/2009	New York State Thruway Authority Personal Income Tax Revenue Bonds, Series 2009A
8 /3 /2009	Office of the State Comptroller, New York Local Government Assistance Corporation, Series 2003A-8V Refunding Bonds (Substitution of Liquidity Facility and Cancellation of Bond Insurance Policy), Dated August 3, 2009.
8 /31/2009	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2009D, E, F
9 /24/2009	Dormitory Authority of the State of New York, State of New York Consolidated Service Contract Refunding Revenue Bonds, Series 2009A
10/15/2009	New York State Thruway Authority Local Highway and Bridge Service Contract Bonds, Series
10/20/2009	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (Education), Qualified School Construction Bonds, Series 2009
10/20/2009	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2009H
11/19/2009	Dormitory Authority of the State of New York, Lease Revenue Bonds (State University Dormitory Facilities Issue), Series 2009A
12/1 /2009	New York State Urban Development Corporation State Personal Income Tax Revenue Bonds, General Purpose 2009 C & 2009 E (Federally Taxable Build America Bonds)
12/3 /2009	Office of the State Comptroller, State of New York General Obligation Bonds, Series 2009C Tax-Exempt Refunding Bonds, Dated December 3, 2009
3 /10/2010	Dormitory Authority of the State of New York, Mental Health Services Facilities Improvement Revenue Bonds, Series 2010A

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3 /10/2010	Office of the State Comptroller, State of New York General Obligation Bonds, Series 2010A Tax-Exempt Bonds, 2010B Taxable Bonds and 2010C Build America Bonds (BABs), Dated March 3, 2010
3 /11/2010	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2010A,C
3 /17/2010	New York State Thruway Authority 2nd General Highway and Bridge Trust Fund Bonds, Series 2010B
5 /27/2010	Office of the State Comptroller, New York Local Government Assistance Corporation Series 2010A Refunding Bonds, Dated May 27, 2010
6 /3 /2010	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2010D
6 /3 /2010	New York State Urban Development Corporation Service Contract Revenue Refunding Bonds, Series 2010A
6 /16/2010	Dormitory Authority of the State of New York, Municipal Health Facilities Improvement Program Lease Revenue Bonds (New York City Issue), 2010 Series 1
8 /26/2010	Dormitory Authority of the State of New York, Municipal Health Facilities Improvement Program Lease Revenue Bonds (The City of New York Issue), Series 2010A
9 /22/2010	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (Education), Qualified School Construction Bonds, Series 2010
9 /24/2010	New York State Thruway Authority Personal Income Tax Revenue Bonds, Series 2010A
9 /29/2010	Dormitory Authority of the State of New York, Lease Revenue Bonds (State University Dormitory Facilities Issue), Series 2010A
9 /30/2010	Dormitory Authority of the State of New York, City University System Consolidated Fifth General Resolution Revenue Bonds, Series 2010A
10/14/2010	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2010E,F,G,H
12/1 /2010	Office of the State Comptroller, New York Local Government Assistance Corporation, Series 2003A-4V Refunding Bonds (Substitution of Liquidity Facility and Cancellation of Bond Insurance Policy), Dated December 1, 2010.
12/1 /2010	Office of the State Comptroller, New York Local Government Assistance Corporation, Series 2010B Refunding Bonds, Dated December 1, 2010

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12/8 /2010	New York State Urban Development Corporation State Personal Income Tax Revenue Bonds, General Purpose 2010 A, & 2010 C (Federally Taxable Build America Bonds)
12/16/2010	Dormitory Authority of the State of New York, State of New York Consolidated Service Contract Refunding Revenue Bonds, Series 2010
3 /30/2011	Office of the State Comptroller, State of New York General Obligation Bonds, Series 2011A Tax-Exempt, Series 2011B Taxable, Series 2011C Tax-Exempt Refunding and 2011D Taxable Refunding Bonds, Dated March 30, 2011
3 /30/2011	Dormitory Authority of the State of New York, Secured Hospital Revenue Refunding Bonds, Series 2011 (New York Downtown Hospital)
6 /9 /2011	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2011A&B
6 /23/2011	New York State Thruway Authority 2nd General Highway Bridge & Trust Fund Bonds, Series
6 /29/2011	New York State Housing Finance Agency Consolidated Service Contract Revenue Bonds, 2011 Series A Refunding
7 /6 /2011	Dormitory Authority of the State of New York, Lease Revenue Bonds (State University Dormitory Facilities Issue), Series 2011A
7 /13/2011	Dormitory Authority of the State of New York, Department of Health Veterans Home Issue, Series 2011A
7 /13/2011	Dormitory Authority of the State of New York, Department of Health Revenue Refunding Bonds, Series 2011A
7 /21/2011	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2011C
9 /8 /2011	New York State Urban Development Corporation Service Contract Revenue Refunding Bonds, Series 2011 A
9 /14/2011	New York State Thruway Authority Personal Income Tax Revenue Bonds, Series 2011A
9 /15/2011	Office of the State Comptroller, New York Local Government Assistance Corporation, Series 2011A Refunding Bonds, Dated September 15, 2011
10/13/2011	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2011E&F

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12/8 /2011	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2011G
12/15/2011	Office of the State Comptroller, State of New York General Obligation Bonds, Series 2011E Tax-Exempt and 2011F Taxable Bonds, Dated December 15, 2011
12/21/2011	New York State Urban Development Corporation State Personal Income Tax Revenue Bonds, General Purpose 2011 A, 2011 B (Federally Taxable)
2 /23/2012	Dormitory Authority of the State of New York, Third General Resolution Revenue Bonds (State University Educational Facilities Issue), Series 2012A
3 /22/2012	New York State Thruway Authority 2nd General Highway Bridge and Trust Fund Bonds, Series 2012A
6 /1 /2012	Office of the State Comptroller, New York Local Government Assistance Corporation, Series 2012A Refunding Bonds, Dated June 1, 2012
6 /28/2012	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2012A
7 /26/2012	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2012B & 2012C
9 /6 /2012	New York State Thruway Authority Personal Income Tax Revenue Bonds, Series 2012A
9 /19/2012	Dormitory Authority of the State of New York, Lease Revenue Bonds (State University Dormitory Facilities Issue), Series 2012A
10/18/2012	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2012D,E,F
3 /19/2013	New York State Urban Development Corporation State Personal Income Tax Revenue Bonds, General Purpose 2013 A-1, 2013 A-2, 2013 B (Federally Taxable)
3 /19/2013	Office of the State Comptroller, State of New York General Obligation Bonds, Series 2013A Tax-Exempt, Series 2013B Taxable and Series 2013C Tax-Exempt Refunding Bonds, Dated March 19, 2013
7 /11/2013	New York State Thruway Authority, State Personal Income Tax Revenue Bonds, Series 2013A
7 /25/2013	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2013A&B

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9 /26/2013	New York State Urban Development Corporation State Personal Income Tax Revenue Bonds, General Purpose 2013 C, 2013 D
10/24/2013	Dormitory Authority of the State of New York, State Sales Tax Revenue Bonds, Series 2013A
12/19/2013	New York State Urban Development Corporation State Personal Income Tax Revenue Bonds, General Purpose 2013 E, 2013 F (Federally Taxable)
3 /21/2014	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2014A
7 /8 /2014	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2014C&D
10/23/2014	Dormitory Authority of the State of New York, State Sales Tax Revenue Bonds, Series 2014A
12/18/2014	New York State Urban Development Corporation State Personal Income Tax Revenue Bonds, General Purpose 2014 A, 2014 B (Federally Taxable)
12/30/2014	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2014E,F,G
1 /14/2015	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2015A
1 /22/2015	Dormitory Authority of the State of New York, Secured Hospital Revenue Refunding Bonds, Series 2015
3 /19/2015	Office of the State Comptroller, State of New York General Obligation Bonds, Series 2015A Tax-Exempt, Series 2015B Taxable and Series 2015C Tax-Exempt Refunding Bonds, Dated March 19, 2015
6 /19/2015	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2015B
6 /19/2015	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2015D (Federally Taxable)
6 /19/2015	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2015C
7 /30/2015	Dormitory Authority of the State of New York, State Sales Tax Revenue Bonds, Series 2015A

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9 /11/2015	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2015E
10/22/2015	Dormitory Authority of the State of New York, State Sales Tax Revenue Bonds, Series 2015B
12/17/2015	New York State Urban Development Corporation, State Personal Income Tax Revenue Bonds, General Purpose 2015 A, 2015 B (Federally Taxable)
3 /17/2016	New York State Urban Development Corporation State Personal Income Tax Revenue Bonds, General Purpose 2016 A
9 /16/2016	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2016A, B, and C
9 /29/2016	Dormitory Authority of the State of New York, State Sales Tax Revenue Bonds, Series 2016A
10/20/2016	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2016D
10/21/2016	Dormitory Authority of the State of New York, Department of Health of the State of New York Revenue Refunding Bonds, Series 2016A
3 /23/2017	New York State Urban Development Corporation State Personal Income Tax Revenue Bonds, General Purpose 2017 A and 2017 B (Federally Taxable)
7 /13/2017	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2017A
7 /27/2017	Dormitory Authority of the State of New York, State Sales Tax Revenue Bonds, Series 2017A
7 /27/2017	Dormitory Authority of the State of New York, State Sales Tax Revenue Bonds, Series 2017B
10/13/2017	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2017C
10/13/2017	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2017B
10/13/2017	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2017D

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12/21/2017	New York State Urban Development Corporation State Personal Income Tax Revenue Bonds, General Purpose 2017 C, 2017 D (Federally Taxable)
3 /15/2018	Office of the State Comptroller, State of New York General Obligation Bonds, Series 2018A Tax-Exempt, Series 2018B Taxable and Series 2018C Tax-Exempt Refunding Bonds, Dates March 15, 2018.
3 /22/2018	Office of the State Comptroller, New York Local Government Assistance Corporation, Series 2018A Refunding Bonds, Dated March 22, 2018.
3 /23/2018	Dormitory Authority of the State of New York, State Sales Tax Revenue Bonds, Series 2018B
3 /23/2018	Dormitory Authority of the State of New York, State Sales Tax Revenue Bonds, Series 2018A
7 /13/2018	Dormitory Authority of the State of New York, Municipal Health Facilities Improvement Program Lease Revenue Bonds (New York City Issue), 2018 Series 1
7 /19/2018	Dormitory Authority of the State of New York, State Sales Tax Revenue Bonds, Series 2018D
7 /19/2018	Dormitory Authority of the State of New York, State Sales Tax Revenue Bonds, Series 2018C
10/12/2018	Dormitory Authority of the State of New York, State Sales Tax Revenue Bonds, Series 2018E
10/12/2018	Dormitory Authority of the State of New York, State Sales Tax Revenue Bonds, Series 2018F
10/12/2018	Dormitory Authority of the State of New York, State Sales Tax Revenue Bonds, Series 2018G
12/21/2018	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2018A
12/21/2018	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2018B
3 /21/2019	Office of the State Comptroller, New York State General Obligation Bonds, Series 2019A Tax-Exempt Bonds, Dated March 21, 2019.
1/16/2019	New York State Urban Development Corporation State Personal Income Tax Revenue Bonds, General Purpose 2019 A, 2019 B (Federally Taxable)

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12/23/1993	Office of the State Comptroller, New York Local Government Assistance Corporation, Series 1993E Refunding Bonds, Dated December 1, 1993
7 /15/2003	Dormitory Authority of the State of New York, Mental Health Services Facilities Improvement Revenue Bonds, Series 2003D-2
12/22/2004	New York State Urban Development Corporation, State Personal Income Tax Revenue Bonds (State Facilities & Equipment), Series 2004A-2, 2004A-3
3 /2 /2005	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds (Education), Series 2005B
3 /10/2005	New York State Housing Finance Agency, State Personal Income Tax Revenue Bonds (Economic Development and Housing), 2005 Series A, 2005 Series B and 2005 Series C
9 /8 /2005	New York State Thruway Authority, Second General Highway and Bridge Trust Fund Bonds, Series 2005B
6 /14/2006	Dormitory Authority of the State of New York, Municipal Health Facilities improvement Program Lease Revenue Bonds (The City of New York Issue), Series 2006A
1 /18/2007	New York State Environmental Facilities Corporation, State Personal Income Tax Revenue Bonds, Series 2007A
6 /19/2008	New York State Housing Finance Agency State Personal Income Tax Revenue Variable Rate Refunding Bonds, Series 2005C
6 /26/2008	Office of the State Comptroller, New York Local Government Assistance Corporation, Series 2008B Variable Rate Refunding Bonds, Dated June 26, 2008
7 /17/2008	New York State Urban Development Corporation State Personal Income Tax Revenue Variable Rate Remarketing Bonds, 2004 A-3
9 /10/2008	New York State Thruway Authority State Personal Income Tax Revenue Refunding Bonds, Series 2008A
6 /10/2009	Office of the State Comptroller, New York Local Government Assistance Corporation, Series 2008B-C/D Tax-Exempt and 2003A-5/6 Tax-Exempt Refunding Bonds, dated June 10, 2009
6 /16/2009	New York State Thruway Authority Personal Income Tax Revenue Bonds, Series 2009A
8 /3 /2009	Office of the State Comptroller, New York Local Government Assistance Corporation, Series 2003A-8V Refunding Bonds (Substitution of Liquidity Facility and Cancellation of Bond Insurance Policy), Dated August 3, 2009.

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8 /31/2009	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2009D, E, F
10/20/2009	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2009H
10/20/2009	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (Education), Qualified School Construction Bonds, Series 2009
11/19/2009	Dormitory Authority of the State of New York, Lease Revenue Bonds (State University Dormitory Facilities Issue), Series 2009A
12/1 /2009	New York State Urban Development Corporation State Personal Income Tax Revenue Bonds, General Purpose 2009 C & 2009 E (Federally Taxable Build America Bonds)
3 /10/2010	Dormitory Authority of the State of New York, Mental Health Services Facilities Improvement Revenue Bonds, Series 2010A
3 /11/2010	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2010A,C
3 /17/2010	New York State Thruway Authority 2nd General Highway and Bridge Trust Fund Bonds, Series 2010B
5 /27/2010	Office of the State Comptroller, New York Local Government Assistance Corporation Series 2010A Refunding Bonds, Dated May 27, 2010
6 /3 /2010	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2010D
6 /16/2010	Dormitory Authority of the State of New York, Municipal Health Facilities Improvement Program Lease Revenue Bonds (New York City Issue), 2010 Series 1
8 /26/2010	Dormitory Authority of the State of New York, Municipal Health Facilities Improvement Program Lease Revenue Bonds (The City of New York Issue), Series 2010A
9 /22/2010	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (Education), Qualified School Construction Bonds, Series 2010
9 /24/2010	New York State Thruway Authority Personal Income Tax Revenue Bonds, Series 2010A
9 /29/2010	Dormitory Authority of the State of New York, Lease Revenue Bonds (State University Dormitory Facilities Issue), Series 2010A

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10/14/2010	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2010E,F,G,H
12/1 /2010	Office of the State Comptroller, New York Local Government Assistance Corporation, Series 2010B Refunding Bonds, Dated December 1, 2010
12/1 /2010	Office of the State Comptroller, New York Local Government Assistance Corporation, Series 2003A-4V Refunding Bonds (Substitution of Liquidity Facility and Cancellation of Bond Insurance Policy), Dated December 1, 2010.
12/8 /2010	New York State Urban Development Corporation State Personal Income Tax Revenue Bonds, General Purpose 2010 A, & 2010 C (Federally Taxable Build America Bonds)
6 /9 /2011	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2011A&B
6 /23/2011	New York State Thruway Authority 2nd General Highway Bridge & Trust Fund Bonds, Series
7 /6 /2011	Dormitory Authority of the State of New York, Lease Revenue Bonds (State University Dormitory Facilities Issue), Series 2011A
7 /13/2011	Dormitory Authority of the State of New York, Department of Health Revenue Refunding Bonds, Series 2011A
7 /13/2011	Dormitory Authority of the State of New York, Department of Health Veterans Home Issue, Series 2011A
7 /21/2011	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2011C
9 /14/2011	New York State Thruway Authority Personal Income Tax Revenue Bonds, Series 2011A
9 /15/2011	Office of the State Comptroller, New York Local Government Assistance Corporation, Series 2011A Refunding Bonds, Dated September 15, 2011
10/13/2011	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2011E&F
12/8 /2011	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2011G
12/21/2011	New York State Urban Development Corporation State Personal Income Tax Revenue Bonds, General Purpose 2011 A, 2011 B (Federally Taxable)

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3 /22/2012	New York State Thruway Authority 2nd General Highway Bridge and Trust Fund Bonds, Series 2012A
6 /1 /2012	Office of the State Comptroller, New York Local Government Assistance Corporation, Series 2012A Refunding Bonds, Dated June 1, 2012
6 /28/2012	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2012A
7 /26/2012	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2012B & 2012C
9 /6 /2012	New York State Thruway Authority Personal Income Tax Revenue Bonds, Series 2012A
9 /19/2012	Dormitory Authority of the State of New York, Lease Revenue Bonds (State University Dormitory Facilities Issue), Series 2012A
10/18/2012	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2012D,E,F
3 /19/2013	New York State Urban Development Corporation State Personal Income Tax Revenue Bonds, General Purpose 2013 A-1, 2013 A-2, 2013 B (Federally Taxable)
7 /11/2013	New York State Thruway Authority, State Personal Income Tax Revenue Bonds, Series 2013A
7 /25/2013	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2013A&B
9 /26/2013	New York State Urban Development Corporation State Personal Income Tax Revenue Bonds, General Purpose 2013 C, 2013 D
10/24/2013	Dormitory Authority of the State of New York, State Sales Tax Revenue Bonds, Series 2013A
12/19/2013	New York State Urban Development Corporation State Personal Income Tax Revenue Bonds, General Purpose 2013 E, 2013 F (Federally Taxable)
3 /21/2014	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2014A
7 /8 /2014	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2014C&D

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10/23/2014	Dormitory Authority of the State of New York, State Sales Tax Revenue Bonds, Series 2014A
12/18/2014	New York State Urban Development Corporation State Personal Income Tax Revenue Bonds, General Purpose 2014 A, 2014 B (Federally Taxable)
12/30/2014	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2014E,F,G
1 /14/2015	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2015A
1 /22/2015	Dormitory Authority of the State of New York, Secured Hospital Revenue Refunding Bonds, Series 2015
6 /19/2015	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2015C
6 /19/2015	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2015D (Federally Taxable)
6 /19/2015	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2015B
7 /30/2015	Dormitory Authority of the State of New York, State Sales Tax Revenue Bonds, Series 2015A
9 /11/2015	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2015E
10/22/2015	Dormitory Authority of the State of New York, State Sales Tax Revenue Bonds, Series 2015B
12/17/2015	New York State Urban Development Corporation, State Personal Income Tax Revenue Bonds, General Purpose 2015 A, 2015 B (Federally Taxable)
3 /17/2016	New York State Urban Development Corporation State Personal Income Tax Revenue Bonds, General Purpose 2016 A
9 /16/2016	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2016A, B, and C
9 /29/2016	Dormitory Authority of the State of New York, State Sales Tax Revenue Bonds, Series 2016A

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10/20/2016	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2016D
10/21/2016	Dormitory Authority of the State of New York, Department of Health of the State of New York Revenue Refunding Bonds, Series 2016A
3 /23/2017	New York State Urban Development Corporation State Personal Income Tax Revenue Bonds, General Purpose 2017 A and 2017 B (Federally Taxable)
7 /13/2017	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2017A
7 /27/2017	Dormitory Authority of the State of New York, State Sales Tax Revenue Bonds, Series 2017A
7 /27/2017	Dormitory Authority of the State of New York, State Sales Tax Revenue Bonds, Series 2017B
10/13/2017	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2017D
10/13/2017	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2017B
10/13/2017	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2017C
12/21/2017	New York State Urban Development Corporation State Personal Income Tax Revenue Bonds, General Purpose 2017 C, 2017 D (Federally Taxable)
3 /22/2018	Office of the State Comptroller, New York Local Government Assistance Corporation, Series 2018A Refunding Bonds, Dated March 22, 2018.
3 /23/2018	Dormitory Authority of the State of New York, State Sales Tax Revenue Bonds, Series 2018B
3 /23/2018	Dormitory Authority of the State of New York, State Sales Tax Revenue Bonds, Series 2018A
7 /13/2018	Dormitory Authority of the State of New York, Municipal Health Facilities Improvement Program Lease Revenue Bonds (New York City Issue), 2018 Series 1
7 /19/2018	Dormitory Authority of the State of New York, State Sales Tax Revenue Bonds, Series 2018D

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7 /19/2018	Dormitory Authority of the State of New York, State Sales Tax Revenue Bonds, Series 2018C
10/12/2018	Dormitory Authority of the State of New York, State Sales Tax Revenue Bonds, Series 2018G
10/12/2018	Dormitory Authority of the State of New York, State Sales Tax Revenue Bonds, Series 2018E
10/12/2018	Dormitory Authority of the State of New York, State Sales Tax Revenue Bonds, Series 2018F
12/21/2018	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2018B
12/21/2018	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2018A
1/16/2019	New York State Urban Development Corporation State Personal Income Tax Revenue Bonds, General Purpose 2019 A, 2019 B (Federally Taxable)