New York State
Statement of Updated Annual Information
For FY 2022
(Ended March 31, 2022)

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

GOVERNOR **KATHY HOCHUL**

BUDGET DIRECTOR **ROBERT F. MUJICA, JR.**

July 29, 2022

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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 29, 2022 (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.

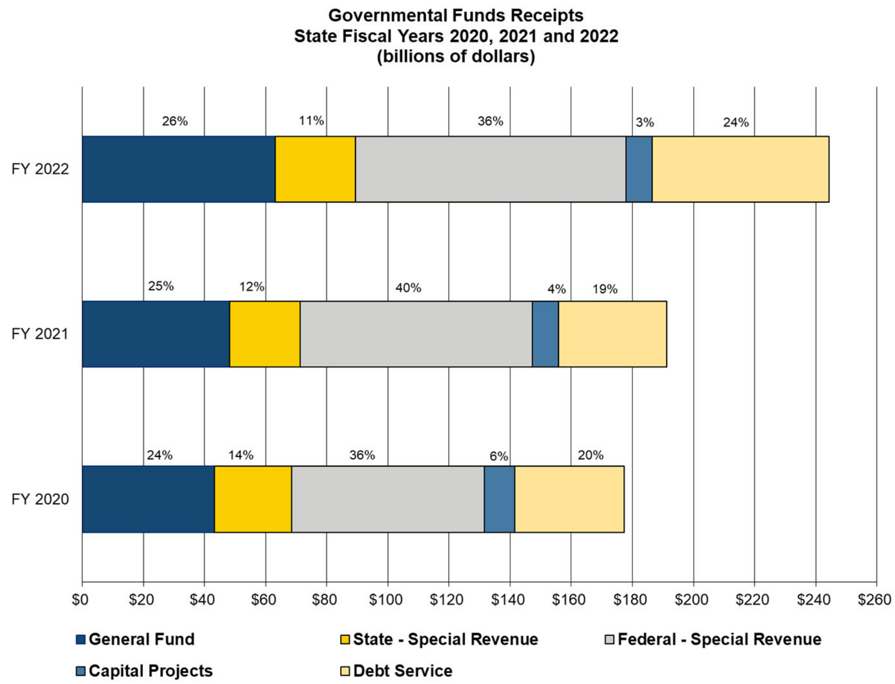
Section 1: Subsection A

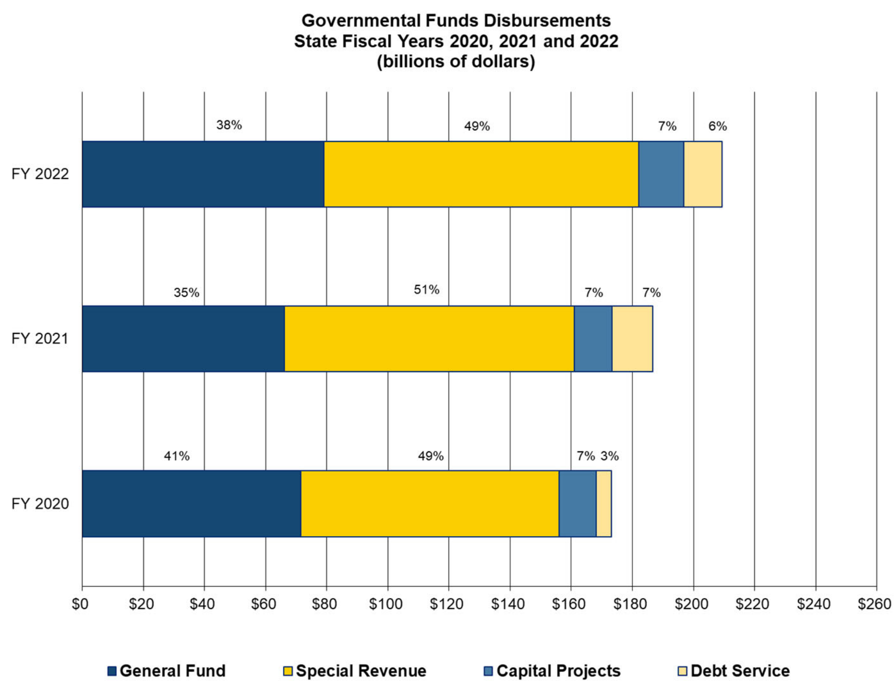
“Prior Fiscal Years” Extract From AIS

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.

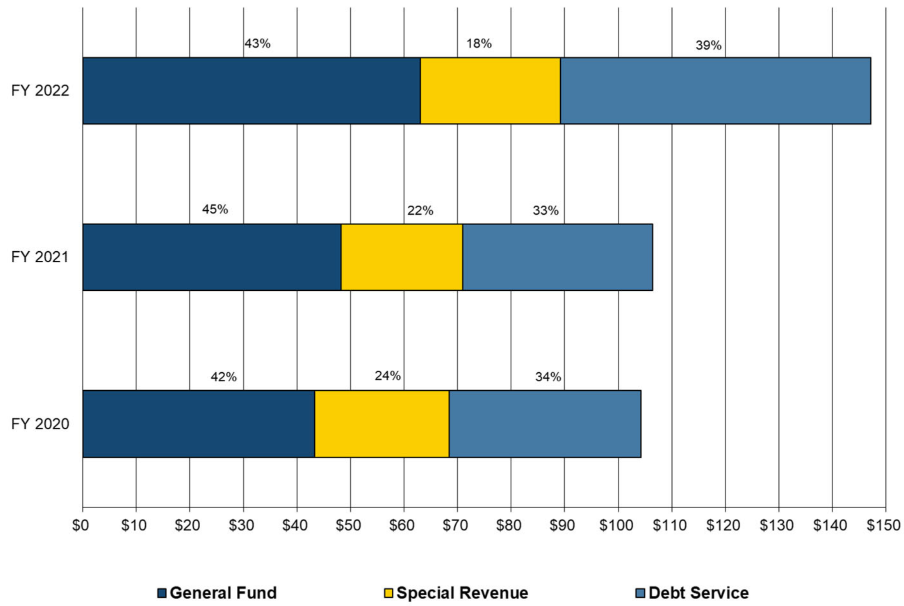
Capitalized terms used in this Subsection A and not otherwise defined shall have the meanings ascribed to them in the AIS.

The following six charts show the composition of the State's governmental funds, State Operating Funds and the General Fund as of March 31, 2022. Following the tables is a summary of the cash-basis results for the State's three most recent fiscal years.

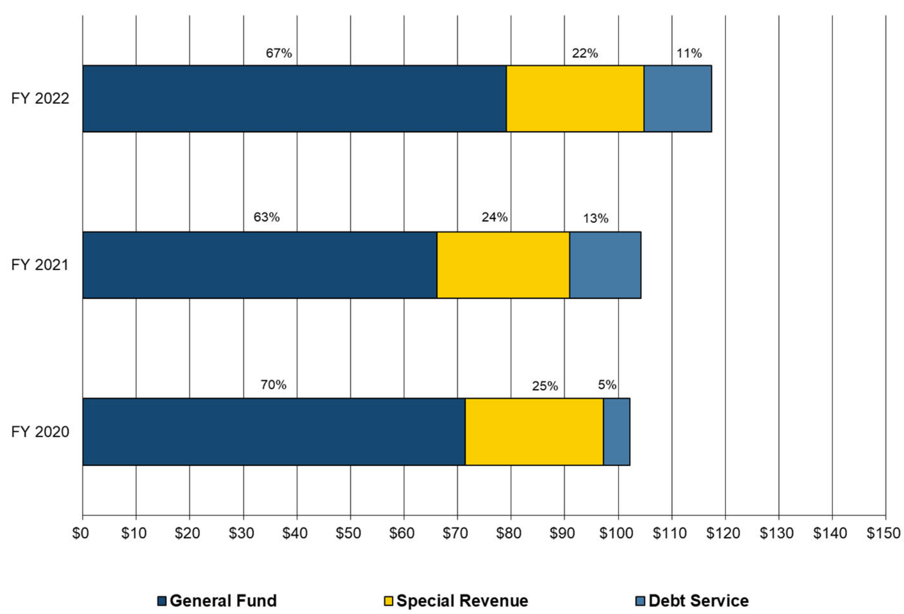




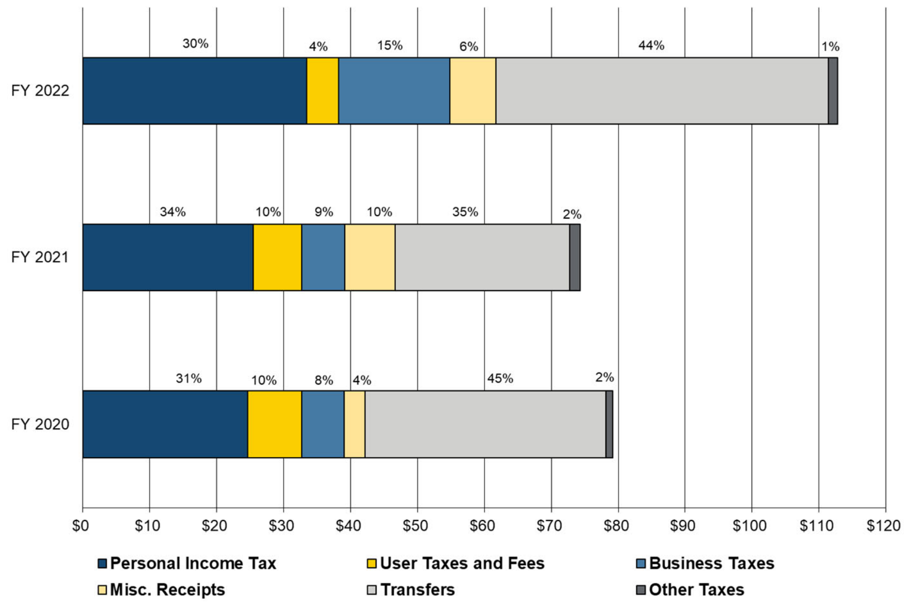
State Operating Funds Receipts
State Fiscal Years 2020, 2021 and 2022
(billions of dollars)



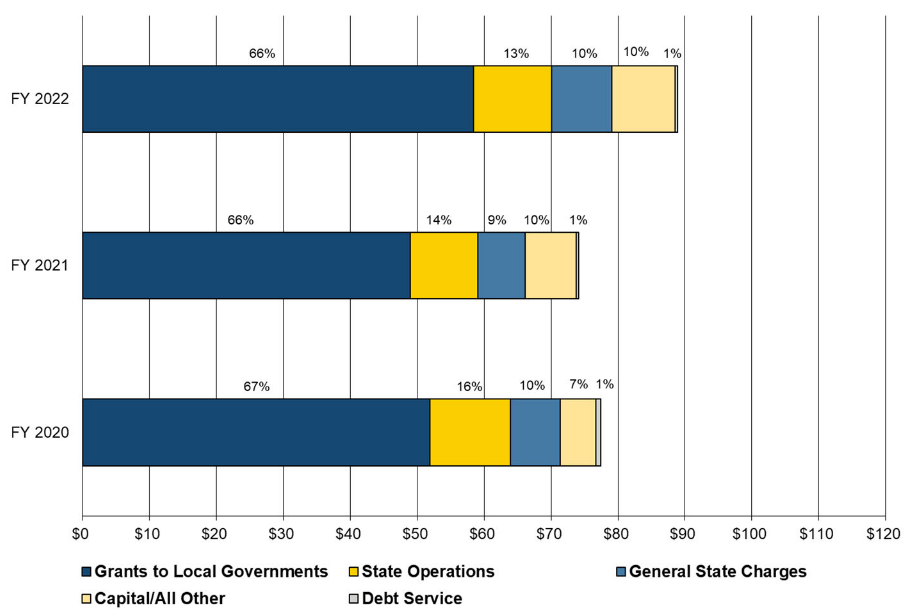
State Operating Funds Disbursements
State Fiscal Years 2020, 2021 and 2022
(billions of dollars)



General Fund Receipts and Transfers by Source
State Fiscal Years 2020, 2021 and 2022
(billions of dollars)



General Fund Disbursements and Transfers by Type
State Fiscal Years 2020, 2021 and 2022
(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 2022 financial results, the State's GAAP-basis financial results set forth in this section have been audited. Note that the FY 2022 financial results included in this AIS are preliminary and unaudited.

Cash-Basis Results for Prior Fiscal Years

General Fund FY 2020 Through FY 2022

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 2020 THROUGH FY 2022
(millions of dollars)

	FY 2020	FY 2021	FY 2022
OPENING FUND BALANCE	7,206	8,944	9,161
Personal Income Tax [1]	24,646	25,456	33,464
Consumption/User Taxes:			
Sales and Use Tax[2]	7,447	6,639	4,122
Cigarette and Tobacco Tax	313	310	293
Alcoholic Beverage Taxes	259	271	277
Opioid Excise Tax	19	30	29
Subtotal	8,038	7,250	4,721
Business Taxes:			
Corporation Franchise Tax	3,791	3,890	5,818
Corporation and Utilities Taxes	518	417	434
Insurance Taxes	2,053	1,976	2,214
Bank Tax	8	137	16
Pass-Through Entity Tax[1]	0	0	8,215
Subtotal	6,370	6,420	16,697
Other Taxes:			
Estate and Gift Taxes	1,070	1,538	1,386
Pari-Mutuel Tax	14	10	13
Other Taxes[1]	3	1	8
Subtotal	1,087	1,549	1,407
Miscellaneous Receipts & Federal Grants	3,159	7,515	6,825
Transfers from Other Funds:			
PIT in Excess of Revenue Bond Debt Service	25,862	18,578	26,055
PTET in Excess of Revenue Bond Debt Service	0	0	8,215
Sales Tax in Excess of Revenue Bond Debt Service	2,762	1,278	5,572
Sales Tax in Excess of LGAC Debt Service	3,417	3,238	4,121
All Other Transfers	3,866	3,028	5,733
Subtotal	35,907	26,122	49,696
TOTAL RECEIPTS	79,207	74,312	112,810
Grants to Local Governments:			
School Aid	23,521	23,127	24,783
Medicaid - DOH	16,071	13,871	16,153
All Other Local Aid	12,271	11,984	17,448
State Operations:			
Personal Service	8,940	7,154	8,063
Non-Personal Service	3,114	2,950	3,675
General State Charges	7,454	7,032	8,983
Transfers to Other Funds:			
In Support of Debt Service	736	326	340
In Support of Capital Projects	3,128	4,540	6,818
SUNY Operations	1,179	1,229	1,385
All Other Transfers	1,055	1,883	1,270
Subtotal	6,098	7,978	9,813
TOTAL DISBURSEMENTS	77,469	74,095	88,918
Excess (Deficiency) of Receipts and Other Financing Sources over Disbursements and Other Financing Uses	1,738	217	23,892
CLOSING FUND BALANCE	8,944	9,161	33,053

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

(1) Excludes 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.

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

FY 2022

The State ended FY 2022 in balance on a cash basis in the General Fund, based on preliminary unaudited results. General fund receipts, including transfers from other funds, totaled $112.8 billion. General Fund disbursements, including transfers to other funds, totaled $88.9 billion. The State ended FY 2022 with a General Fund balance of $33.1 billion, an increase of $23.9 billion from FY 2021 results. A large share of the higher balance reflects $16.4 billion in PTET collections and $1.1 billion in eligible public safety payroll expenses moved to the CRF, partly offset by prepayments and advances totaling $9 billion. Excluding these transactions, the General Fund ended March 2022 with a balance of $24.4 billion, an increase of $15.3 billion from FY 2021 results.

FY 2021

The State ended FY 2021 in balance on a cash basis in the General Fund. General Fund receipts, including transfers from other funds, totaled $74.3 billion. General Fund disbursements, including transfers to other funds, totaled $74.1 billion. The State ended FY 2021 with a General Fund balance of $9.2 billion, an increase of $217 million from FY 2020 results.

FY 2020

The State ended FY 2020 in balance on a cash basis in the General Fund. General Fund receipts, including transfers from other funds, totaled $79.2 billion. General Fund disbursements, including transfers to other funds, totaled $77.5 billion. The State ended FY 2020 with a General Fund balance of $8.9 billion, an increase of $1.7 billion from FY 2019 results.

State Operating Funds FY 2020 Through FY 2022

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.

FY 2022

State Operating Funds receipts totaled $147.2 billion in FY 2022, an increase of $40.8 billion over FY 2021 results. Disbursements totaled $117.4 billion in FY 2022, an increase of $13.2 billion or 13 percent from FY 2021 results. The State ended FY 2022 with a State Operating Funds cash balance of $40.8 billion.

FY 2021

State Operating Funds receipts totaled $106.4 billion in FY 2021, an increase of $2.1 billion over the FY 2020 results. Disbursements totaled $104.2 billion in FY 2021, an increase of $2.1 billion or 2 percent from the FY 2020 results. The State ended FY 2021 with a State Operating Funds cash balance of $15.1 billion.

FY 2020

State Operating Funds receipts totaled $104.2 billion in FY 2020, an increase of $6.5 billion over the FY 2019 results. Disbursements totaled $102.2 billion in FY 2020, an increase of $2.0 billion or 2 percent from the FY 2019 results. The State ended FY 2020 with a State Operating Funds cash balance of $14.4 billion.

CASH FINANCIAL PLAN
STATE OPERATING FUNDS BUDGET
FY 2022
(millions of dollars)

	General Fund	State Special Revenue Funds	Debt Service Funds	State Operating Funds Total
Opening Fund Balance	**9,161**	**5,708**	**65**	**14,934**
Receipts:				
Taxes	56,289	6,054	57,480	119,823
Miscellaneous Receipts	2,325	19,990	428	22,743
Federal Receipts	4,500	38	68	4,606
Total Receipts	**63,114**	**26,082**	**57,976**	**147,172**
Disbursements:				
Local Assistance	58,384	16,614	0	74,998
State Operations:				
Personal Service	8,063	5,180	0	13,243
Non-Personal Service	3,675	2,904	14	6,593
General State Charges	8,983	1,042	0	10,025
Debt Service	0	0	12,545	12,545
Capital Projects	0	0	0	0
Total Disbursements	**79,105**	**25,740**	**12,559**	**117,404**
Other Financing Sources (Uses):				
Transfers from Other Funds*	49,696	2,535	1,896	54,127
Transfers to Other Funds*	(9,813)	(973)	(47,276)	(58,062)
Bond and Note Proceeds	0	0	0	0
Net Other Financing Sources (Uses)	**39,883**	**1,562**	**(45,380)**	**(3,935)**
Excess (Deficiency) of Receipts and Other Financing Sources (Uses) Over Disbursements	**23,892**	**1,904**	**37**	**25,833**
Closing Fund Balance	**33,053**	**7,612**	**102**	**40,767**

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 2021
(millions of dollars)

	General Fund	State Special Revenue Funds	Debt Service Funds	State Operating Funds Total
Opening Fund Balance	**8,944**	**5,401**	**63**	**14,408**
Receipts:				
Taxes	40,675	5,576	34,949	81,200
Miscellaneous Receipts	7,515	17,193	401	25,109
Federal Receipts	0	(13)	74	61
Total Receipts	**48,190**	**22,756**	**35,424**	**106,370**
Disbursements:				
Local Assistance	48,981	16,106	0	65,087
State Operations:				
Personal Service	7,154	5,201	0	12,355
Non-Personal Service	2,950	2,639	62	5,651
General State Charges	7,032	886	0	7,918
Debt Service	0	0	13,196	13,196
Capital Projects	0	0	0	0
Total Disbursements	**66,117**	**24,832**	**13,258**	**104,207**
Other Financing Sources (Uses):				
Transfers from Other Funds*	26,122	3,088	3,224	32,434
Transfers to Other Funds*	(7,978)	(507)	(25,388)	(33,873)
Bond and Note Proceeds	0	0	0	0
Net Other Financing Sources (Uses)	**18,144**	**2,581**	**(22,164)**	**(1,439)**
Excess (Deficiency) of Receipts and Other Financing Sources (Uses) Over Disbursements	**217**	**505**	**2**	**724**
Closing Fund Balance	**9,161**	**5,906**	**65**	**15,132**

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 2020 (millions of dollars)				
	General Fund	State Special Revenue Funds	Debt Service Funds	State Operating Funds Total
Opening Fund Balance	**7,206**	**5,091**	**65**	**12,362**
Receipts:				
Taxes	40,141	6,059	35,272	81,472
Miscellaneous Receipts	3,159	19,064	477	22,700
Federal Receipts	0	(13)	74	61
Total Receipts	**43,300**	**25,110**	**35,823**	**104,233**
Disbursements:				
Local Assistance	51,863	16,789	0	68,652
State Operations:				
Personal Service	8,940	5,150	0	14,090
Non-Personal Service	3,114	2,928	36	6,078
General State Charges	7,454	969	0	8,423
Debt Service	0	0	4,916	4,916
Capital Projects	0	0	0	0
Total Disbursements	**71,371**	**25,836**	**4,952**	**102,159**
Other Financing Sources (Uses):				
Transfers from Other Funds*	35,907	2,269	3,742	41,918
Transfers to Other Funds*	(6,098)	(1,233)	(34,615)	(41,946)
Bond and Note Proceeds	0	0	0	0
Net Other Financing Sources (Uses)	**29,809**	**1,036**	**(30,873)**	**(28)**
Excess (Deficiency) of Receipts and Other Financing Sources (Uses) Over Disbursements	**1,738**	**310**	**(2)**	**2,046**
Closing Fund Balance	**8,944**	**5,401**	**63**	**14,408**

Source: NYS DOB.

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

All Funds FY 2020 Through FY 2022

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 2022

The FY 2022 All Funds closing balance totaled $53.5 billion, $34.6 billion above FY 2021. The growth was attributable to a larger opening balance ($4.5 billion) and higher receipts ($53.1 billion), including $16.4 billion of PTET collections, partly offset by higher spending ($22.8 billion). Receipts growth, excluding PTET, includes growth in tax receipts ($22.3 billion) and Federal aid ($17.2 billion) inclusive of pandemic-related aid.

Tax collections increased in every category compared to FY 2021. PIT collections were $15.8 billion (28.7 percent) higher than last year driven by substantial growth in total estimated payments, final returns and delinquencies coupled with a decrease in current year refunds and the state/city offset. Consumption/use tax collections grew by $3.5 billion due to a recovery in sales tax collections, which were depressed in 2020 by taxpayers' behavioral responses to COVID-19 closures and stay-at-home orders. Higher business taxes collections ($18.9 billion) were driven mainly by PTET collections ($16.4 billion) and strong CFT gross receipts.

Federal grants in FY 2022 were $17.2 billion higher than FY 2021. This increase includes the net increase in extraordinary Federal aid to the State ($12.75 billion in ARP aid received in May 2021 less $5.1 billion in CRF aid received in April 2020), and other pandemic related aid, including education aid and emergency rental assistance, as well as growth in ordinary Federal operating aid.

Through March, State Operating Funds spending totaled $117.4 billion in FY 2022, an increase of $13.2 billion (12.7 percent) from FY 2021.

Local assistance spending through March was $9.9 billion higher than in the prior year. The largest areas of change include the following.

- Mental Hygiene ($2.7 billion) spending reflects changes in funding reported under the Medicaid Global Cap, a delay of non-Medicaid payments in FY 2021, and the timing of COVID-19 related payments.

- Medicaid ($2.6 billion) spending growth is due to higher claims spending ($1.7 billion) associated with the Federal PHE restriction on disenrolling members during the pandemic, Managed Care/Managed Long-Term Care (MC/MLTC) Encounter Withhold payments ($518 million) that were new in FY 2022, and lower COVID eFMAP collections ($491 million) due to the claiming of 14 months in FY 2021 (for the period of January 2020 to February 2021) and 11 months claimed in FY 2022 (for the period of March 2021 to January 2022).

- Department of Labor ($2.0 billion) spending increased due to the inception of the new Excluded Workers Program in FY 2022.

- School Aid spending growth ($1.5 billion) is primarily due to an increase in General Aid payments ($1.4 billion) related to the first year of the three-year phase-in of the Foundation Aid formula and the full restoration of the $1.1 billion Pandemic Adjustment State aid reduction that was implemented in SY 2021, as well as an increase in payments related to the Teacher Retirement System ($124 million).

Executive agency operations spending growth ($1.7 billion) is driven primarily by the purchase of COVID test kits ($905 million), a reduction in the amount of eligible payroll costs being offset through the CRF, and the payment of deferred FY 2021 General Salary Increases for CSEA, DC-37, NYSCOPBA, Police Investigators Association (PIA), Police Benevolent Association (PBA), Unified Court System (UCS), Management Confidential (MC), UUP and the new PEF settlement.

Increased fringe benefits spending ($2.1 billion) includes normal costs increases for employee benefits and repayments and advances executed in FY 2022. As provided for in the CARES Act, the State took advantage of the interest free deferral of Social Security payments in FY 2021 and repaid the deferred payments in two equal installments of $278 million in November 2021 and March 2022. In addition, the State advanced monies to the health insurance escrow fund for future Health Insurance costs ($724 million).

Lower debt service spending is largely due to the repayment of the FY 2021 liquidity financing ($4.5 billion) and the net impact of debt service prepayments executed in FY 2021 and FY 2022 ($9.7 billion).

Higher Capital Projects spending (State and Federal) was due to uncertainty surrounding the COVID-19 pandemic in April and May of 2020, resulting in lower than usual spending in FY 2021. DOT ($431 million), DEC ($306 million) and DOH ($245 million) had the highest levels of year-to-year spending growth. In addition, the State made $1.5 billion more in payments to the MTA in FY 2022 than in FY 2021, including a $931 million advance made to the MTA in March of 2022 to support the MTA's 2015-2019 capital plan.

Increased Federal operating spending growth ($7.2 billion) was due predominantly to the following:

- Social Services ($3.5 billion higher) due to a resumption of regular Social Services program payments relative to FY 2021 and the allocation of nearly $1.7 billion in emergency rental assistance in FY 2022.

- Medicaid ($3.1 billion higher) due largely to higher claim spending ($3.8 billion) associated with increased enrollment and HCBS Federal financial participation payments ($702 million); partially offset by the ending of the DSRIP program in FY 2021 ($727 million) and delays in timing of credits.

- School Aid ($2.9 billion higher) due primarily to spending from K-12 COVID-19 relief grants ($1.8 billion) and Elementary and Secondary Education Act grants ($444 million) as well as increased U.S. Department of Agriculture School Lunch Act claiming ($670 million).

FY 2021

All Funds ended FY 2021 with a balance of $18.9 billion, $4.7 billion above FY 2020. The higher balance is attributable to higher receipts, which are partly offset by higher spending as summarized below.

Higher receipts reflect PIT collections that were higher than in FY 2020 by $1.3 billion (2.4 percent), primarily due to growth in withholding and final returns, augmented by a decline in advanced credit payments related to the expiration of the Property Tax Relief Credit. The growth in PIT collections was offset by a decrease in total estimated payments driven by a decline in the growth of nonwage income not related to unemployment insurance and by an increase in current year refunds. Consumption/use tax collections were significantly lower ($1.9 billion) than the prior year due to substantial declines in sales tax and motor fuel tax receipts due to the pandemic. Lower business taxes ($204 million) were attributable to reduced CFT and gross insurance taxes combined with lower PBT collections, partially offset by higher CFT audits and lower CFT refunds.

The receipt of $4.5 billion in note proceeds from the FY 2021 liquidity financing, along with increased income from SUNY, resulted in annual growth in miscellaneous receipts ($1.3 billion). Offsetting this growth, significant declines were observed in lottery receipts ($554 million), HCRA receipts ($425 million), other licenses/fees ($199 million), and investment income ($137 million), all of which were negatively impacted by the COVID-19 pandemic. In addition, receipts from extraordinary monetary settlements decreased ($187 million). Receipts also reflect a decrease in reimbursements of capital projects from bond proceeds ($900 million).

Federal grants were $13.1 billion higher in FY 2021 than in FY 2020, largely due to the receipt of Federal CARES Act funding, funding for the Lost Wages Assistance (LWA) program, eFMAP and emergency rental assistance.

State Operating Funds spending totaled $104.2 billion in FY 2021, an increase of $2 billion (2.0 percent) from FY 2020 due primarily to the prepayment of debt service obligations and pension amortizations, offset by reduced disbursements in local assistance and agency operations.

Local assistance spending was $3.6 billion lower than in the prior year, mainly due to a decline in Medicaid ($2.4 billion) attributable to COVID-19 Federal funding which had the effect of reducing State spending ($3.4 billion). State share costs associated with increased pandemic-related enrollment ($912 million) and timing of offline payments ($107 million) eroded the value of the eFMAP benefit.

Local assistance payments totaling $1.4 billion were delayed from FY 2020 to FY 2021 due to interruptions and uncertainty caused by the pandemic. These payments affected spending levels for higher education, social welfare, public health, transportation, and mental hygiene. The delay partly offset the overall reduction in local assistance spending.

Other significant variances in local assistance spending include:

- Timing delays attributable to the ongoing payment review and withholding process, as well as claiming and processing delays. Impacted areas include student financial aid ($148 million), Preschool Special Education and Summer School Special Education programs ($189 million), Non-Public School Aid ($137 million) and various other education programs ($162 million).

- General Aid payments for School Aid ($190 million) reflect lower expense-based aid claims and the offset of a portion of State support to school districts with Federal CARES Act funds. The portion of School Aid supported by Lottery revenues also declined ($186 million) due to lower receipt projections.

- TRS payments ($238 million) reflect a lower employer contribution rate consistent with the forecasted pension portfolio.

- STAR ($157 million lower) reflects the transition of beneficiaries from the STAR benefit program to the STAR PIT credit.

Lower spending in executive agency operations was driven by the reclassification of certain eligible FY 2021 expenses to the Federal CRF, one-time NYSCOPBA collective bargaining retroactive payments made in FY 2020, the withholding of general salary increases, execution of 10 percent State Operations reductions and general underspending. Fringe benefit spending declined due to the deferment of Social Security payments, as permitted under the CARES Act, and increased reimbursement of fringe costs from Federal funds due to the reclassification of eligible personal service expenses to the CRF. These declines were partially offset by the repayment of pension amortizations ($918 million) and higher health insurance payments ($111 million).

Higher debt service spending is largely due to the repayment of the FY 2021 liquidity financing ($4.5 billion) and the impact of debt service prepayments ($3.1 billion).

Higher capital projects spending ($333 million) reflects higher spending on capital projects for the MTA ($825 million), DHCR ($202 million) and other agencies. This growth is offset by underspending in SIA ($455 million), Environmental Conservation ($241 million), ESD ($154 million), and SUNY ($126 million).

Federal operating spending growth ($11.2 billion) mainly reflects the LWA payments, temporary eFMAP, and public health and safety costs charged to the Federal CRF.

FY 2020

All Funds ended FY 2020 with a balance of $14.3 billion, $4.3 billion above FY 2019 as both receipts and disbursements were higher than the prior year levels.

Higher receipts include growth in tax collections and Federal Grants that were partly offset by a drop in miscellaneous receipts. Growth in local assistance spending is primarily comprised of Medicaid, attributable to increased claiming and offline payments, and School Aid, reflecting the authorized School Aid increase. State operations growth reflects the payment of retroactive salary increases, higher SUNY spending, and non-personal spending for COVID-19 related expenses. Debt service spending was lower than the prior year due mainly to the prepayment of FY 2020 obligations at the end of FY 2019.

PIT collections were $5.6 billion (11.6 percent) higher than last year due to an increase in April 2019 extensions and final returns related to taxpayer behavior in response to the cap on SALT deductions and moderate growth in withholding, partially offset by a scheduled increase in Tax Year 2019 Property Tax Relief Credits and continued phase-in of the middle class tax cut program.

Business tax collections growth ($1.1 billion) is due to higher corporate franchise tax (CFT) and insurance gross receipts partially offset by higher refunds. Growth in consumption/use tax collections ($666 million) reflects growth of the sales tax base. It also reflects additional revenues from the requirement that marketplace providers collect Sales and Use Tax (SUT) on sales that they facilitate, the elimination of the Energy Service Companies (ESCOs) exemption, and DTF guidance associated with the U.S. Supreme Court Wayfair ruling. These increases were partially offset by the direct remittance of various supplemental fees and taxes to the MTA beginning in FY 2020.

Miscellaneous receipts declined by $1.7 billion (5.5 percent) due to a reduction in bond proceeds reimbursements in response to capital spending ($946 million), reduced proceeds from Fidelis Care pursuant to the sale of substantially all its assets to Centene Corporation in July 2018 ($600 million) and a drop in Extraordinary Monetary Settlement receipts ($319 million).

Federal grants were $3.7 billion higher in FY 2020 than in FY 2019 largely due to the deferral of the final FY 2019 Medicaid cycle as well as the timing of reimbursements for program costs initially financed by the State and later reimbursed with Federal funding.

State Operating Funds spending totaled $102.2 billion in FY 2020, an increase of $2 billion (2.0 percent) over FY 2019.

Local assistance spending was $2.5 billion higher than the prior year, mainly due to growth in Medicaid ($1.7 billion), Mental Hygiene ($1.3 billion) and School Aid ($965 million). Medicaid spending growth reflects escalating program utilization and costs for certain populations, including Managed Long-Term Care and an increase in "offline" payments such as Medicaid clawback and Supplemental Medical Insurance (SMI). Lower rebates augmented the increase. In addition, an adjustment to the amount of mental hygiene spending funded under the Global Cap resulted in a decrease in Medicaid spending with a commensurate increase in mental hygiene spending ($1 billion). Higher School Aid spending includes the authorized 3.8 percent State aid increase.

The higher spending was partly offset by the roughly $1.9 billion of payments that were not released. Other significant variances include:

- Transportation ($449 million lower) included one-time payments made to the MTA in FY 2019 for the MTA Subway Action Plan ($194 million), and a final payment of payroll mobility tax collections attributable to FY 2018 ($135 million).

- STAR ($239 million lower) reflects the transition of beneficiaries from the STAR Exemption program to a STAR Personal Income Tax credit.

- Public Health ($282 million higher) due to higher CHP disbursements related to the Medicaid eligible immigrant population.

- All Other Education ($176 million higher) largely related to the timing of payments for nonpublic school aid ($77 million), charter schools ($55 million) and preschool special education programs ($44 million).

Agency operational spending growth ($1.1 billion) includes costs associated with the payment of retroactive salary increases in FY 2020 and costs related to the State response efforts to the COVID-19 pandemic. Higher University System costs reflect spending for SUNY hospitals and personal service costs at SUNY colleges. Fringe benefits spending increased due to growing employee health insurance, social security, and pension payments.

Debt service spending declined due to the impact of prepayments affecting both FY 2020 and FY 2019. Lower Capital Projects spending (State and Federal) occurred in ESD ($317 million), Special Infrastructure ($230 million), and MTA ($195 million); which was partly offset by growth in public health ($223 million), housing ($79 million), and various other areas.

Federal operating spending growth reflects Medicaid utilization and cost increases ($1.0 billion), higher Division of Homeland Security & Emergency Services (DHSES) spending ($237 million); partially offset by a timing variance related to school district claiming of Individuals with Disabilities in Education (IDEA) grants ($268 million), and reduced spending for Medicaid administration ($252 million), EP ($173 million) and child care ($115 million).

CASH FINANCIAL PLAN
ALL GOVERNMENTAL FUNDS
FY 2022
(millions of dollars)

	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	All Funds Total
Opening Fund Balance	**9,161**	**10,669**	**(1,144)**	**65**	**18,751**
Receipts:					
Taxes	56,289	6,054	1,313	57,480	121,136
Miscellaneous Receipts	2,325	20,172	5,007	428	27,932
Federal Receipts	4,500	88,673	2,066	68	95,307
Total Receipts	**63,114**	**114,899**	**8,386**	**57,976**	**244,375**
Disbursements:					
Local Assistance	58,384	88,230	7,324	0	153,938
State Operations:					
Personal Service	8,063	7,031	0	0	15,094
Non-Personal Service	3,675	5,591	0	14	9,280
General State Charges	8,983	2,077	0	0	11,060
Debt Service	0	42	0	12,545	12,587
Capital Projects	0	0	7,380	0	7,380
Total Disbursements	**79,105**	**102,971**	**14,704**	**12,559**	**209,339**
Other Financing Sources (Uses):					
Transfers from Other Funds	49,696	2,535	7,172	1,896	61,299
Transfers to Other Funds	(9,813)	(3,194)	(1,254)	(47,276)	(61,537)
Bond and Note Proceeds	0	0	0	0	0
Net Other Financing Sources (Uses)	**39,883**	**(659)**	**5,918**	**(45,380)**	**(238)**
Excess (Deficiency) of Receipts and Other Financing Sources (Uses) Over Disbursements	**23,892**	**11,269**	**(400)**	**37**	**34,798**
Closing Fund Balance	**33,053**	**21,938**	**(1,544)**	**102**	**53,549**

Source: NYS DOB.

CASH FINANCIAL PLAN ALL GOVERNMENTAL FUNDS FY 2021 (millions of dollars)					
	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	All Funds Total
Opening Fund Balance	**8,944**	**6,313**	**(1,035)**	**63**	**14,285**
Receipts:					
Taxes	40,675	5,576	1,176	34,949	82,376
Miscellaneous Receipts	7,515	17,375	5,481	401	30,772
Federal Receipts	0	76,124	1,954	74	78,152
Total Receipts	**48,190**	**99,075**	**8,611**	**35,424**	**191,300**
Disbursements:					
Local Assistance	48,981	80,550	5,241	0	134,772
State Operations:					
Personal Service	7,154	7,638	0	0	14,792
Non-Personal Service	2,950	4,364	0	62	7,376
General State Charges	7,032	2,228	0	0	9,260
Debt Service	0	102	0	13,196	13,298
Capital Projects	0	0	7,090	0	7,090
Total Disbursements	**66,117**	**94,882**	**12,331**	**13,258**	**186,588**
Other Financing Sources (Uses):					
Transfers from Other Funds	26,122	3,088	4,855	3,224	37,289
Transfers to Other Funds	(7,978)	(2,727)	(1,447)	(25,388)	(37,540)
Bond and Note Proceeds	0	0	203	0	203
Net Other Financing Sources (Uses)	**18,144**	**361**	**3,611**	**(22,164)**	**(48)**
Excess (Deficiency) of Receipts and Other Financing Sources (Uses) Over Disbursements	**217**	**4,554**	**(109)**	**2**	**4,664**
Closing Fund Balance	**9,161**	**10,867**	**(1,144)**	**65**	**18,949**

Source: NYS DOB.

CASH FINANCIAL PLAN ALL GOVERNMENTAL FUNDS FY 2020 (millions of dollars)					
	General Fund	**Special Revenue Funds**	**Capital Projects Funds**	**Debt Service Funds**	**All Funds Total**
Opening Fund Balance	**7,206**	**3,842**	**(1,138)**	**65**	**9,975**
Receipts:					
Taxes	40,141	6,059	1,417	35,272	82,889
Miscellaneous Receipts	3,159	19,279	6,551	477	29,466
Federal Receipts	0	62,897	2,109	74	65,080
Total Receipts	**43,300**	**88,235**	**10,077**	**35,823**	**177,435**
Disbursements:					
Local Assistance	51,863	73,242	5,013	0	130,118
State Operations:					
Personal Service	8,940	5,787	0	0	14,727
Non-Personal Service	3,114	4,327	0	36	7,477
General State Charges	7,454	1,303	0	0	8,757
Debt Service	0	0	0	4,916	4,916
Capital Projects	0	0	6,986	0	6,986
Total Disbursements	**71,371**	**84,659**	**11,999**	**4,952**	**172,981**
Other Financing Sources (Uses):					
Transfers from Other Funds	35,907	2,269	3,547	3,742	45,465
Transfers to Other Funds	(6,098)	(3,375)	(1,522)	(34,615)	(45,610)
Bond and Note Proceeds	0	0	0	0	0
Net Other Financing Sources (Uses)	**29,809**	**(1,106)**	**2,025**	**(30,873)**	**(145)**
Excess (Deficiency) of Receipts and Other Financing Sources (Uses) Over Disbursements	**1,738**	**2,470**	**103**	**(2)**	**4,309**
Closing Fund Balance	**8,944**	**6,312**	**(1,035)**	**63**	**14,284**

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 2022 on July 29, 2022. The Comptroller also prepares and issues an Annual Comprehensive Financial Report, which, in addition to the components referred to above, also includes an introductory section and a statistical section. The Annual Comprehensive Financial Report for the fiscal year ended March 31, 2022 is expected to be issued later in the current calendar year.

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

COMPARISON OF ACTUAL GAAP-BASIS OPERATING RESULTS SURPLUS/(DEFICIT) (in 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, 2021	8,600	467	2,596	4,186	15,849	20,338
March 31, 2020	355	(296)	(900)	(79)	(920)	3,736
March 31, 2019	(1,291)	1,873	594	(1,079)	97	3,381

SUMMARY OF NET POSITION (millions of dollars)

Fiscal Year Ended	Governmental Activities	Business-Type Activities	Total Primary Government
March 31, 2021	7,329	(20,925)	(13,596)
March 31, 2020	(5,240)	(8,375)	(13,615)
March 31, 2019	(4,127)	(8,334)	(12,461)

The most recent Annual Comprehensive Financial Report and those 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.

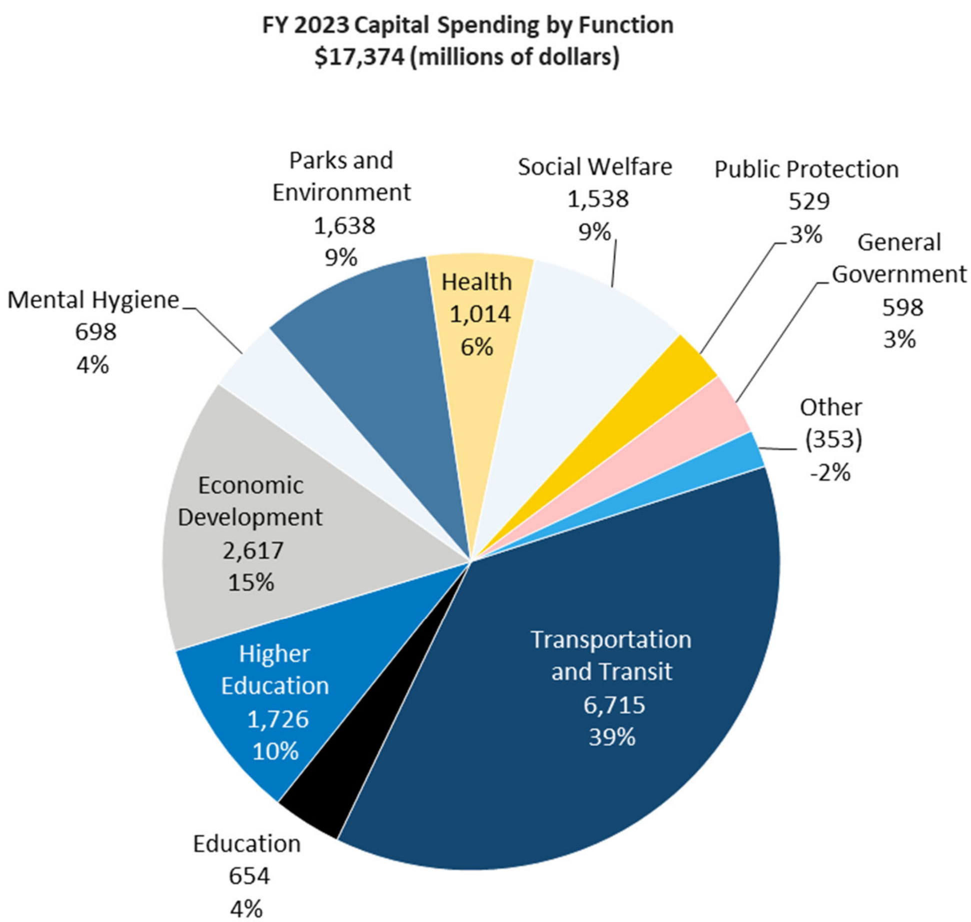
A copy of the Capital Plan can be obtained by contacting the Division of the Budget, State Capitol, Albany, NY 12224, (518) 474-8282, and it is also posted at www.budget.ny.gov.

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 2023.

FY 2023 Capital Projects Spending

Spending on capital projects is projected to total $17.4 billion in FY 2023. Overall, capital spending in FY 2023 is projected to increase by $2.7 billion or 18.1 percent from FY 2022.



In FY 2023, transportation and transit spending is projected to total $6.7 billion, which represents 39 percent of total capital spending. Economic development spending accounts for 15 percent, higher education accounts for 10 percent, and spending related to parks and the environment represents 9 percent. The remaining 27 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 spending.

Overall transportation and transit spending is projected to decrease by $1.4 billion from FY 2022 to FY 2023. This is almost exclusively due to an advance of $931 million from the State's contribution to the MTA's 2015-19 Capital Plan. This amount was originally planned to be disbursed in FY 2023, but was accelerated to FY 2022, to fund ongoing MTA capital projects during FY 2023. When adjusted for this payment, underlying transportation and transit spending is expected to increase by $500 million, which is primarily attributable to major road and bridge projects undertaken by DOT and increases in local road and bridge support from the State.

Parks and environment spending is estimated to increase by $479 million (41 percent) in FY 2023, primarily reflecting the continued phase-in of the $5 billion clean water drinking grants program and increased capital support for State parks.

Economic development spending is projected to increase by $1.7 billion (173 percent) in FY 2023. This reflects spending from new investments such as the State's offshore wind port infrastructure and supply chain, ConnectALL broadband expansion, and regional economic and community development programs. The plan also continues to invest in programs created to promote regional economic development, including spending from both phases of the Buffalo Billion program, the URI, Lake Ontario REDI, REDCs, and construction of a new Buffalo Bills stadium in Orchard Park, NY.

Spending for health care is projected to increase by $225 million (29 percent) in FY 2023. The increase is due to spending from Health Care Restructuring Program grant awards; the continued phase-in of spending related to rounds one through three of the Health Care Facility Transformation Program; and $1.6 billion to support the new, fourth round of the program.

Spending for social welfare is projected to increase by $834 million (118 percent) in FY 2023, primarily reflecting ongoing spending from the prior housing plan and the influx of funding from the new $25 billion housing plan, of which the State is supporting $6.3 billion in direct capital assistance.

Education spending is projected to increase by $433 million (196 percent) in FY 2023. The increase is due to continued spending from the Smart Schools Bond Act.

Higher education spending is projected to increase by $552 million (47 percent) in FY 2023, which is primarily related to the ongoing maintenance and preservation of SUNY and CUNY facilities and infrastructure.

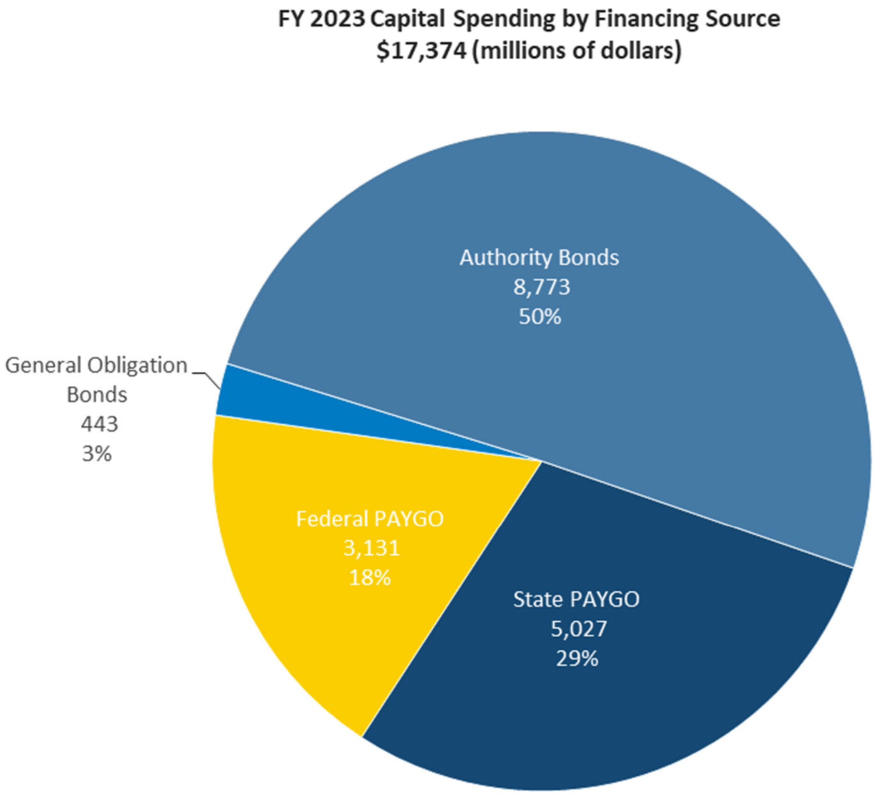
Spending for public protection is projected to decrease by $121 million (-19 percent) in FY 2023, which is mainly attributable to high levels of spending for DMNA in FY 2022 due to the pandemic relief efforts. Spending for public protection supports maintaining and operating DOCCS, DHSES, DMNA, and DSP infrastructure. In addition, FY 2023 includes spending for a new capital investment in communities with high gun violence and another round of the SCAHC grant program.

Mental hygiene capital spending is anticipated to increase by $312 million (81 percent) in FY 2023, reflecting continued investment in mental health facilities.

General governmental capital spending is projected to increase by $262 million (78 percent) in FY 2023, which is mainly attributable to maintenance of State facilities and State information technology projects.

Spending in the All Other category is projected to decrease by $613 million (-236 percent). Total planned capital disbursements are reduced by $1.2 billion, or approximately 10 percent, in each year of the Plan to account for typical variances between estimates and results.

Financing FY 2023 Capital Projects Spending



In FY 2023, the State plans to finance 53 percent of capital projects spending with long-term bonds and 47 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 the issuing authority's board of directors, and, in certain instances, is subject to approval by the PACB. Authority Bonds, as defined in the Capital Plan, do not include debt issued by authorities that are backed by non-State resources. State cash resources, including monetary settlements, will finance 29 percent of capital spending. Federal aid is expected to fund 18 percent of the State's FY 2023 capital spending, primarily for transportation. Year-to-year, total PAYGO support is projected to increase by $2.6 billion, with State PAYGO increasing by $1.8 billion and Federal PAYGO support increasing by $783 million. Bond-financed spending is projected to increase by $71 million, with Authority Bond spending decreasing by $198 million and General Obligation Bond spending increasing by $269 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, 2022, State-related debt outstanding totaled $62.0 billion excluding capital leases and mortgage loan commitments, equal to approximately 4.1 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, 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. This category also includes inter-governmental loans, where no bonds are issued but the State has agreed to pay annual loan payments to another governmental entity.

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.

The issuance of General Obligation debt 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 2020	FY 2021	FY 2022
State-Supported Debt	**54,207**	**58,714**	**61,936**
Personal Income Tax Revenue Bonds	37,118	43,769	46,681
Sales Tax Revenue Bonds	11,542	10,716	12,444
General Obligation	2,131	2,170	1,996
Local Government Assistance Corporation	253	90	0
Service Contract & Lease Purchase	1,475	1,111	140
Other Revenue Bonds	1,687	858	675
Contingent-Contractual Obligation Financings	**135**	**100**	**0**
DASNY/MCFFA - Secured Hospital Program	135	100	0
Other State Financings	**633**	**587**	**621**
MBBA Prior Year School Aid Claims	104	68	30
Capital Leases	466	458	530
Mortgage Loan Commitments	63	61	61
TOTAL STATE-RELATED DEBT [2]	54,975	59,401	62,557

Source: NYS DOB. Except Mortgage Loan Commitments which are taken from the CAFR for FY 2020 and FY 2021. Mortgage Loan Commitments and Capital Leases are estimated by DOB for FY 2021.

[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, 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. Legislation included in the FY 2021 and FY 2022 Enacted Budgets authorized the exclusion of all State-supported debt issued in FY 2021 and FY 2022 from the calculation of the debt caps. See "Financial Plan Overview — Other Matters Affecting the Financial Plan — Debt Reform Act Limit" herein for more information.

Legislation included in the Enacted Budget authorized short-term financing for liquidity purposes during FY 2023. In doing so, it maintained a tool to help the State manage cashflow if unanticipated financial disruptions arise. Specifically, the authorization allows for the issuance of up to $3 billion of PIT revenue anticipation notes that mature no later than March 31, 2023. It also allows up to $2 billion in line of credit facilities, which are limited to a maximum of one year in duration and may be drawn through March 31, 2023 subject to available appropriation. Neither authorization allows borrowed amounts to be extended or refinanced beyond their initial maturity. The Financial Plan does not currently assume short-term liquidity financing during FY 2023. DOB evaluates cash results regularly and may adjust the use of notes and/or the line of credit based on liquidity needs, market considerations, and other factors.

The FY 2023 Enacted Budget reinstated the provisions of the Debt Reform Act for State-supported debt issued in FY 2023. Previously, the State had enacted legislation to suspend the Debt Reform Act for FY 2021 and FY 2022 bond issuances as part of the State response to the COVID-19 pandemic.

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. Over time, other State revenue sources have been dedicated to the RBTF in order to address the anticipated impact that certain legislative changes could have on the level of State PIT receipts, namely, the enactment of (i) the ECEP and the Charitable Gifts Trust Fund in 2018, and (ii) the PTET in 2021. The legislative changes were implemented to mitigate the effect of the TCJA that, among other things, limited the SALT deduction. In order to preserve coverage in the PIT Revenue Bond program, State legislation was enacted that dedicated 50 percent of ECEP receipts and 50 percent of PTET receipts for deposit to the RBTF for the payment of PIT bonds. In addition, in 2018 legislation was enacted that increased the percentage of PIT receipts dedicated to the payment of PIT bonds from 25 to 50 percent. As a result, 50 percent of PIT receipts, 50 percent of

ECEP receipts and 50 percent of PTET receipts (collectively, the "RBTF Receipts") now secure the timely payment of debt service on all PIT bonds.

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 requires that RBTF Receipts continue to be deposited to the RBTF until amounts on deposit in the Fund equal the greater of 40 percent of the aggregate of annual State PIT receipts, ECEP receipts, and PTET receipts or $12 billion. Debt service on State PIT Revenue Bonds is subject to legislative appropriation, as part of the annual debt service bill.

DOB expects that the ECEP and PTET will be revenue neutral on a multi-year basis for PIT bondholders, although PIT receipts would decrease and ECEP and PTET receipts would increase to the extent that employers elect to participate in the ECEP and qualifying entities elect to pay PTET. However, because the PTET credits are not necessarily realized by taxpayers within the same fiscal year that PTET revenue is received by the State, the PTET will not be revenue-neutral to the State within each fiscal year.

Donations to the Charitable Gifts Trust Fund, however, 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 aggregate amount of New York State PIT receipts that would otherwise be received in a given year. On June 13, 2019, the IRS issued final regulations (Treasury Decision 9864) that effectively curtailed further donations to the Charitable Gifts Trust Fund beyond the $93 million in donations that the State received in 2018, when the U.S. Treasury and the IRS first published proposed regulatory changes. Virtually no additional donations to the Charitable Gifts Trust Fund have been received by the State after the 2018 tax year. If Treasury Decision 9864 is upheld in Federal court, taxpayer participation in the future will likely be reduced. However, if the legal challenge is successful in restoring the full Federal tax deduction for charitable contributions, donations to the Charitable Gifts Trust Fund in future years could be higher than in 2018. In such event, the amount of donations to the Charitable Gifts Trust Fund would likely pose a risk to the amount of New York State PIT receipts deposited to the RBTF in future years.

DOB and DTF have calculated the maximum amount of charitable donations to the Charitable Gifts Trust Fund for Tax Years 2022 through 2025[1] to be, on average, in the range of $23 billion annually. The calculation 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 SALT payments, less the value of the $10,000 Federal SALT deduction limit, 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 PIT 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

[1] Under current law, the Federal SALT deduction limit is scheduled to expire on December 31, 2025, thereby rendering the Charitable Gifts Trust Fund an unnecessary tool for realizing unlimited Federal SALT deductibility beginning Tax Year 2026.

standardized filers. It also relies on DOB's projections of the level of PTET liability and the associated PTET credits, which serve to reduce PIT liability. The calculation assumes that all PTET credits are claimed by taxpayers negatively affected by the $10,000 Federal SALT deduction limit, thereby reducing the maximum amount of charitable donations to the Charitable Gifts Trust Fund on a dollar-for-dollar basis. The calculation also assumes that (a) no further changes in tax law occur and (b) DOB projections of the level of State taxpayer liability for the forecast period as set forth in the Financial Plan are materially accurate. The calculation is only intended to serve as a stress test on State PIT receipts that may flow to the RBTF under different levels of assumed taxpayer participation. Accordingly, the calculation should not, under any circumstances, be viewed as a projection of likely donations in any future year. Other factors that may influence donation activity include: continued federal limitations on the SALT deduction coupled with 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; and advice or guidance of tax advisors or other professionals.

DOB believes that after factoring in the legislative adjustments to the dedicated portion of PIT receipts to be deposited to the RBTF, as well as the addition of the ECEP receipts and PTET revenues, RBTF Receipts are expected to remain above the level of PIT receipts that would have been expected under statutes in effect prior to April 1, 2018 (before the creation of the Charitable Gifts Trust Fund), even assuming maximum Charitable Gifts Trust Fund participation by taxpayers. While DOB believes that multiple 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 RBTF below the levels projected in February 2018 before State tax reforms were enacted. 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 RBTF.

As of March 31, 2022, approximately $46.7 billion of State PIT Revenue Bonds were outstanding. The projected PIT Revenue Bond coverage ratios, noted below, are based upon estimates of RBTF Receipts 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 and Sales Tax Revenue Bond programs. 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," does not reflect any estimate of charitable donations or the impact of any such charitable donations on the amount of PIT receipts deposited into the RBTF.

PROJECTED PIT REVENUE BOND COVERAGE RATIOS
FY 2022 THROUGH 2027
(millions of dollars)

	FY 2022 Actuals	FY 2023 Projected	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
Projected RBTF Receipts [1]	43,590	30,991	38,963	40,899	41,359	42,561
Projected New PIT Bonds Issuances	6,954	5,817	6,398	5,366	6,264	6,435
Projected Total PIT Bonds Outstanding	46,681	50,652	54,972	57,894	60,852	63,823
Projected Maximum Annual Debt Service	4,509	4,947	5,396	5,750	6,262	6,199
Projected PIT Coverage Ratio	9.7	6.3	7.2	7.1	6.6	6.9

1 Reflects the timing of PTET receipts and subsequent decrease in PIT receipts, which are estimated to be revenue-neutral on a multi-year basis, but are not estimated to be revenue-neutral within each fiscal year.

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 originally by dedicated revenues consisting of one cent of the State's four cent sales and use tax. The legislation also provided that upon the satisfaction of all the obligations and liabilities of LGAC, dedicated revenues will increase to 2 cents of the State's four-cent sales and use tax. This occurred when LGAC bonds were fully retired on April 1, 2021. 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, 2022, $12.4 billion of Sales Tax Revenue Bonds were outstanding.

Debt service coverage for the Sales Tax Revenue Bond program reflects the increased deposit to the Sales Tax Revenue Bond Tax Fund from an amount equal to a one percent rate of taxation to a two percent rate of taxation due to the full retirement of LGAC Bonds on April 1, 2021. 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
(millions of dollars)

	FY 2022 Actuals	FY 2023 Projected	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
Projected Sales Tax Receipts [1]	8,248	8,336	8,643	8,824	9,037	9,280
Projected New Sales Tax Bonds Issuances	2,105	2,279	2,745	2,469	2,156	2,145
Projected Total Sales Tax Bonds Outstanding	12,444	14,044	16,072	17,734	19,010	20,190
Projected Maximum Annual Debt Service	1,231	1,421	1,511	1,671	1,796	1,846
Projected Sales Tax Coverage Ratio	6.7	5.9	5.7	5.3	5.0	5.0

[1] Reflects increased deposits to the Sales Tax Revenue Bond Tax Fund from an amount equal to a one percent rate of taxation to two percent rate of taxation due to the full retirement of LGAC Bonds on April 1, 2021.

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. 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.

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. As part of the FY 2023 Enacted Budget, the State authorized the $4.2 billion Clean Water, Clean Air, and Green Jobs Bond Act to fund environmental restoration and climate mitigation projects across the State, subject to voter approval in November 2022. 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, 2022, approximately $2.0 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. LGAC bonds were fully retired on April 1, 2021.

General Obligation 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.

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. In FY 2023, the State is authorized to enter into up to $2.0 billion of line of credit facilities supported by a State service contract. The Enacted Budget does not currently assume any use of the line of credit in FY 2023. As of March 31, 2022, approximately $140 million of State-supported lease-purchase and other contractual obligation financings were outstanding.

Legislation first enacted in FY 2011, and extended through June 30, 2023, 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, including the line of credit facility authorized in the Enacted Budget.

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, 2022, approximately $587 million 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, 2022, there are no outstanding Mental Health Facilities Improvement Bonds. 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 of March 31, 2022, there are no Lease Revenue Bonds outstanding.

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. There is no State contingent-contractual debt 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. The final MBBA debt payment is expected on December 1, 2022.

Intergovernmental Loans

Intergovernmental loans represent loans where no bonds are issued but the State has agreed to pay annual loan payments, subject to appropriation, to another governmental entity. The FY 2023 Enacted Budget authorized a $2.35 billion State capital commitment through a Federal transportation loan for the Gateway Hudson Tunnel Project supported by a service contract with the Gateway Development Commission.

Borrowing Plan

STATE DEBT ISSUANCES BY FINANCING PROGRAM (millions of dollars)	FY 2022 Actuals	FY 2023 Projected	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
Personal Income Tax Revenue Bonds	6,954	5,817	6,398	5,366	6,264	6,435
Sales Tax Revenue Bonds	2,105	2,279	2,745	2,469	2,156	2,145
General Obligation Bonds	0	438	629	584	419	335
Total Issuances	9,059	8,534	9,772	8,419	8,839	8,915

In FY 2023, debt issuances totaling $8.5 billion are planned to finance new capital spending, a decrease of $525 million (5.8 percent) from FY 2022. The decrease is mainly attributable to the one-time issuance of State-supported debt to refinance all of the then outstanding Sales Tax Asset Receivable Corporation (STARC) and Secured Hospitals Bonds in FY 2022. Additionally, the Financial Plan assumes that the State's contributions to the MTA Capital Plans will be funded by the State-supported bonds on an ongoing basis, which is consistent with the approach used in FY 2022.

The bond issuances are expected to finance capital commitments for economic development and housing ($1.9 billion), education ($1.4 billion), the environment ($850 million), health and mental hygiene ($754 million), State facilities and equipment ($503 million), and transportation ($3.2 billion).

Over the period of the Capital Plan, new debt issuances are projected to total $44.5 billion. New issuances are expected for economic development and housing ($10.0 billion), education facilities ($7.0 billion), the environment ($4.4 billion), mental hygiene and health care facilities ($3.9 billion), State facilities and equipment ($2.6 billion), and transportation infrastructure ($16.4 billion). Assuming an issuance plan consistent with the prior table, the State projects debt outstanding levels through FY 2027 as reflected in the following table:

PROJECTED DEBT OUTSTANDING BY CREDIT (millions of dollars)	FY 2022 Actuals	FY 2023 Projected	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
Personal Income Tax Revenue Bonds	46,681	50,652	54,972	57,894	60,852	63,823
Sales Tax Revenue Bonds	12,444	14,044	16,072	17,734	19,010	20,190
General Obligation Bonds	1,996	2,274	2,739	3,109	3,295	3,368
Other Revenue Bonds	675	611	540	465	389	360
Service Contract & Lease Purchase	140	48	16	0	0	0
TOTAL STATE-SUPPORTED	61,936	67,629	74,339	79,202	83,546	87,741

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 $7.6 billion in FY 2023, a decrease of $4.9 billion (39 percent) from FY 2022, which is largely due to the prepayment of $7.6 billion in FY 2022 of future debt service costs. 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 2022 Actuals	FY 2023 Projected	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	Total
Personal Income Tax Revenue Bonds	9,373	5,917	3,134	2,473	3,527	3,347	27,771
Sales Tax Revenue Bonds	2,676	1,280	1,397	1,568	1,707	1,846	10,474
General Obligation Bonds	239	220	202	222	210	216	1,309
Other State-Supported Bonds [2]	258	194	171	206	194	258	1,281
All Other State-Related Bonds [2]	41	31	0	0	0	0	72
Total Debt Service	12,587	7,642	4,904	4,469	5,638	5,667	40,907

[1] Reflects existing debt service on debt issued and projected debt service on assumed new debt issuances. Debt service requirements for variable rate bonds for which there are no related interest rate exchange agreements were calculated at assumed rates, which average 1.76%. Debt service is not adjusted for prepayments.

[2] Excludes Mortgage Loan Commitments and Capital Leases

Adjusting debt service shown in the previous table for prepayments, State-related debt service is projected at $6.7 billion in FY 2023, an increase of $682 million (11.3 percent) from FY 2022. Adjusted State-related debt service is projected to increase from $6.0 billion in FY 2022 to $8.1 billion in FY 2027, an average rate of 6.1 percent annually.

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
Kathy C. Hochul	Governor	Democrat	2021*
Antonio Delgado	Lieutenant Governor	Democrat	2022*
Thomas P. DiNapoli	Comptroller	Democrat	2007
Letitia James	Attorney General	Democrat	2018

* Assumed office.

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, 2022. 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 Robert Ortt (Republican) in the Senate and William Barclay (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 as well as 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 and Federal funds are limited to the level of authorized appropriations. 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. Certain contracts, primarily of SUNY and CUNY, and those established as a centralized contract through the Office of General Services, are subject to Comptroller review under a Memorandum of Understanding agreed to with the Executive in 2019. 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.

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 through (i) reserves on the level of appropriation segregation and (ii) quarterly spending controls, both of which are established within the Statewide Financial System. 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, 2022 was $5.936 billion, an increase of $96 million from the outstanding loan balance of $5.840 billion at March 31, 2021.

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, 2022, the State had approximately 169,200 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 State workforce is projected to total 184,000 positions at the end of FY 2023. The State workforce subject to direct Executive control is expected to total 118,802 full time equivalent positions at the end of FY 2023. The State workforce peaked in 1990, at approximately 230,000 positions.

HISTORICAL SUMMARY OF EXECUTIVE BRANCH WORKFORCE
ANNUAL SALARIED FTEs
ALL FUNDS

Date	Subject to Direct Executive Control	Grand Total
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
3/31/2020	118,193	183,715
3/31/2021	111,230	175,559
3/31/2022	106,622	169,272

* 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.

WORKFORCE SUMMARY ALL FUNDS FY 2021 THROUGH FY 2023	FY 2021 Actuals (03/31/21)	FY 2022 Actuals (03/31/22)	FY 2023 Estimate (03/31/23)
Major Agencies			
Children and Family Services, Office of	2,647	2,542	2,886
Corrections and Community Supervision, Department of	26,694	24,950	26,423
Education Department, State	2,555	2,534	2,876
Environmental Conservation, Department of	2,853	2,815	3,100
Financial Services, Department of	1,289	1,224	1,391
General Services, Office of	1,741	1,685	1,856
Health, Department of	4,567	4,438	5,984
Information Technology Services, Office of	3,200	2,967	3,569
Labor, Department of	2,616	2,744	2,778
Mental Health, Office of	13,332	12,834	14,011
Motor Vehicles, Department of	2,663	2,942	3,028
Parks, Recreation and Historic Preservation, Office of	1,947	2,095	2,087
People with Developmental Disabilities, Office for	17,749	16,178	18,960
State Police, Division of	5,450	5,390	5,879
Taxation and Finance, Department of	3,589	3,413	3,785
Temporary and Disability Assistance, Office of	1,791	1,781	1,922
Transportation, Department of	8,107	7,883	8,485
Workers' Compensation Board	1,018	943	1,081
Subtotal - Major Agencies	**103,808**	**99,358**	**110,101**
Minor Agencies	**7,422**	**7,264**	**8,701**
Subtotal - Subject to Direct Executive Control	**111,230**	**106,622**	**118,802**
Adjustments			
Hiring Freeze Savings			
Subtotal - Adjustments	**0**	**0**	**0**
University Systems			
City University of New York	13,350	13,243	14,016
State University Construction Fund	130	136	145
State University of New York	46,373	44,877	46,771
Subtotal - University Systems	**59,853**	**58,256**	**60,932**
Independently Elected Agencies			
Audit and Control, Department of	2,721	2,614	2,770
Law, Department of	1,755	1,780	1,820
Subtotal - Independently Elected Agencies	**4,476**	**4,394**	**4,590**
Grand Total	**175,559**	**169,272**	**184,324**

Source: NYS DOB, as provided with the FY 2023 Enacted Budget Report published in May 2022.

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.

THE INFORMATION THAT FOLLOWS UNDER THIS HEADING HAS BEEN PREPARED SOLELY BY THE OFFICE OF THE STATE COMPTROLLER, AND DOB HAS NOT UNDERTAKEN ANY INDEPENDENT VERIFICATION OF SUCH INFORMATION.

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, 2021, is included in NYSLRS' Comprehensive Annual Financial Report ("NYSLRS' Financial Report") for the fiscal year ended March 31, 2021 and is available on the OSC website at the following address: https://www.osc.state.ny.us/files/retirement/resources/pdf/comprehensive-annual-financial-report-2021.pdf.

Additionally, available at the OSC website is the System's asset listing for the fiscal year ended March 31, 2021. The audited financial statements with the independent auditor's report for the fiscal year ended March 31, 2021 is available on the OSC website at the following address: https://www.osc.state.ny.us/files/retirement/resources/pdf/asset-listing-2021.pdf.

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 2021 are available at the OSC website at: https://www.osc.state.ny.us/retirement/resources/financial-statements-and-supplementary-information.

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' Financial Report, 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, 2021 was issued on February 7, 2022.

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 32 percent of the System's membership as of March 31, 2021. There were 2,966 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, 2021, 675,519 persons were members of the System, and 496,628 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, 2021, approximately 45 percent of ERS members were in Tiers 3 and 4 and approximately 54 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. More than 48 percent of ERS members are in Tier 6 while close to 40 percent of PFRS members are in Tier 6.

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: http://www.osc.state.ny.us/retire/employers/tier-6/ers_comparison.php
PFRS Chart: http://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 78 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 5.9 percent.[2]

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.

[1] Less than 1 percent of the 13,956 PFRS Tier 6 members are non-contributory.

[2] During 2020, 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 September 2020, the Comptroller announced the assumed rate of return for NYSLRS would remain at 6.8 percent. In August 2021, the Comptroller announced the assumed rate of return for NYSLRS would be lowered from 6.8 percent to 5.9 percent. The 6.8 percent rate of return has been used to determine employer contribution rates in FY 2021 and FY 2022. The 5.9 percent rate of return has been used to determine employer contribution rates in FY 2023.

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 2023 were released in August 2021. The average ERS rate decreased by 4.6 percent from 16.2 percent of salary in FY 2022 to 11.6 percent of salary in FY 2023, while the average PFRS rate decreased by 1.3 percent from 28.3 percent of salary in FY 2022 to 27.0 percent of salary in FY 2023. Information regarding average rates for FY 2023 may be found in the 2021 Annual Report to the Comptroller on Actuarial Assumptions which is accessible at:
https://www.osc.state.ny.us/files/retirement/resources/pdf/actuarial-assumptions-2021.pdf.

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, FY 2019, FY 2020, FY 2021, and FY 2022 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, 3.64 percent, 2.55 percent, 1.33 percent, and 1.76 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, 2021, the amortized amount receivable, including accrued interest, for the 2012 amortization is $0 from the State and $18.5 million from 80 participating employers; the amortized amount receivable, including accrued interest, for the 2013 amortization is $23.3 million from the State and $68.9 million from 116 participating employers; the amortized amount receivable, including accrued interest, for the 2014 amortization is $36.8 million for the State and $58 million from 88 participating employers; the amortized amount receivable including accrued interest, for the 2015 amortization is $41.1 million from the State and $57.6 million from 76 participating employers; the amortized amount receivable, including accrued interest for the 2016 amortization, is $32.2 million from the State and $34.8 million from 50 participating employers; the amortized amount receivable, including accrued interest for the 2017 amortization, is $3.8 million from 9 participating employers; the State did not amortize in 2017; the amortized amount receivable, including accrued interest for the 2018 amortization, is $3.2 million from 4 participating employers; the State did not amortize in 2018; and the amortized amount receivable, including accrued interest for the 2019 amortization, is $3.5 million from 1 participating employer; the State did not amortize in 2019. No participating employer or the State amortized under the Contribution Stabilization Program in 2020 or 2021.

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, 2021, the amortized amount receivable, including interest, from 23 participating employers for the 2014 amortization is $64.4 million. The amortized amount receivable, including interest, from 25 participating employers for the 2015 amortization is $97.7 million. The amortized amount receivable, including interest, from 22 participating employers for the 2016 amortization is $76.7 million. The amortized amount receivable, including interest, from 18 participating employers for the 2017 amortization is $59.9 million. The amortized amount receivable, including interest, from 13 participating employers for the 2018 amortization is $58.9 million. The amortized amount receivable, including interest, from 11 participating employers for the 2019 amortization is $21.7 million. The amortized amount receivable, including interest, from 4 participating employers for the 2020 amortization is $18.1 million. The amortized amount receivable, including interest, from 5 participating employers for the 2021 amortization is $45.1 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 2021 amounts are 14.1 percent for ERS and 23 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, 3.99 percent for FY 2019, 2.87 percent for FY 2020, 1.60 percent for FY 2021, and 2.24 percent for FY 2022). 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 State paid off all outstanding amortizations under the Contribution Stabilization Program on March 29, 2021 for non-Judiciary and on October 1, 2021 for Judiciary. The total State payment (including Judiciary) due to NYSLRS for FY 2022 is approximately $2.247 billion. The State has opted not to amortize under the Contribution Stabilization Program and has paid the March 1, 2022 invoice in full.

The estimated total State payment (including Judiciary) for FY 2023 is approximately $1.950 billion. Multiple prepayments (including interest credit) have reduced the estimated total to approximately $20 million.

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, 2021 was $260.1 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 $62 billion or 31.3 percent from the FY 2020 level of $198.1 billion. The increase in net position restricted for pension benefits from FY 2020 to FY 2021 is primarily the result of the net appreciation of the fair value of the investment portfolio.[3] The System's audited Financial Statement reports a time-weighted investment rate of return of 33.6 percent (gross rate of return before the deduction of certain fees) for FY 2021.

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, 2020, an asset liability analysis was completed, and a long-term policy allocation was adopted as of April 1, 2021. The current long-term policy allocation seeks a mix that includes 47 percent public equities (32 percent domestic and 15 percent international); 24 percent fixed income and cash; and 29 percent alternative investments (10 percent private equity, 9 percent real estate, 4 percent credit, 3 percent opportunistic/absolute return or hedge funds, 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]

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[3] On February 8, 2022, the State Comptroller announced that the New York State Common Retirement Fund's ("Fund") estimated time-weighted return (gross of certain investment fees) for the three-month period ending December 31, 2021 was 4.74 percent, and the Fund ended the quarter with an estimated value of $279.7 billion. These returns reflect unaudited data for the invested assets of the System. The value of the invested assets changes daily.

[4] More detail on the CRF's asset allocation as of March 31, 2021, long-term policy and transition target allocation can be found on page 100 of the NYSLRS' Financial Report for the fiscal year ending March 31, 2021.

The System reports that the present value of anticipated benefits for current members, retirees, and beneficiaries increased to $308.8 billion (including $157.9 billion for retirees and beneficiaries) as of April 1, 2021, up from $268.9 billion as of April 1, 2020. 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, 2021. Actuarially determined contributions are calculated using actuarial assets and the present value of anticipated benefits. Actuarial assets did not differ from plan net position on April 1, 2021 due to the implementation of a "market restart". Specifically, the determination of actuarial assets for the 2021 fiscal year suspended the utilization of a traditional smoothing method recognizing previous fiscal years' unexpected gains and losses. Instead, the actuarial value of assets was set equal to the market value of assets. Actuarial assets increased from $214.1 billion on April 1, 2020 to $260.1 billion (the market value of assets) on April 1, 2021.

The ratio of fiduciary net position to the total pension liability for ERS, as of March 31, 2021, calculated by the System's Actuary, was 99.95 percent. The ratio of the fiduciary net position to the total pension liability for PFRS, as of March 31, 2021, calculated by the System's Actuary, was 95.79 percent.

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/retirement/resources/financial-statements-and-supplementary-information?redirect=legacy.

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)
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
2019	4,744	2,973	1,771	387	12,834
2020	4,783	3,023	1,760	454	13,311
2021	5,030	3,160	1,870	492	14,122

Sources: State and Local Retirement System.

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

(2) The actuarially determined contribution (ADC) include the employers' normal costs, the Group Life Insurance Plan amounts, and other supplemental amounts.

(3) Includes payments from the 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
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%
2019	215,169	1.5%
2020	198,080	-7.9%
2021	260,081	31.3%

Sources: State and Local Retirement System.

(1) Includes relatively small amounts held under the Group Life Insurance Plan. Includes some employer contribution receivables. Fiscal year ending March 31, 2021 includes approximately $5.5 billion of receivables.

Additional Information Regarding the System

The NYSLRS' Financial Report contains in-depth and audited information about the System. Among other things, the NYSLRS' Financial Report 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 2021 NYSLRS' Financial Report is available on the OSC website at the following web address:

http://www.osc.state.ny.us/files/retirement/resources/pdf/comprehensive-annual-financial-report-2021.pdf.

1) Information on the number of members and retirees, including the change in the number of members and retirees and beneficiaries since 2011 can be found on page 31 of the NYSLRS' Financial Report at the link noted above. More information on this topic is available in the "Statistical" section of the NYSLRS' Financial Report.

2) A combined basic statement of changes in fiduciary net position can be found on page 45 of the NYSLRS' Financial Report at the link noted above.

3) Schedule of Changes in the Employers' Net Pension Liability and Related Ratios (unaudited) can be found on pages 74-77 at the link noted above.

4) Information on contributions can be found on pages 149-157 of the NYSLRS' Financial Report 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 2011 can be found on page 158 of the NYSLRS' Financial Report at the link noted above.

Information related to the salaries of members can be found on pages 191-195 of the NYSLRS' Financial Report 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 Annual Comprehensive Financial Report. 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 arrangements 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.

As of December 31, 2021 (with respect to JDA as of March 31, 2021), 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 $220 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 as of the date of this AIS.

OUTSTANDING DEBT OF CERTAIN AUTHORITIES[1]
AS OF DECEMBER 31, 2021[2]
(millions of dollars)

Authority	State-Related Debt	Authority and Conduit	Total
Dormitory Authority	37,783	21,960	59,743
Metropolitan Transportation Authority	0	39,281	39,281
Port Authority of NY & NJ	0	27,112	27,112
UDC/ESD	20,832	1,035	21,867
Housing Finance Agency	0	17,534	17,534
Job Development Authority[2]	0	14,516	14,516
Thruway Authority	2,734	6,198	8,932
Long Island Power Authority[3]	0	8,894	8,894
Triborough Bridge and Tunnel Authority	0	8,739	8,739
Environmental Facilities Corporation	0	5,387	5,387
State of New York Mortgage Agency	0	2,908	2,908
Power Authority	0	2,207	2,207
Energy Research and Development Authority	0	1,603	1,603
Battery Park City Authority	0	844	844
Niagara Frontier Transportation Authority	0	125	125
Bridge Authority	0	114	114
TOTAL OUTSTANDING	61,349	158,457	219,806

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 Annual Comprehensive Financial Report (ACFR). 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 outstanding do not reflect accretion of capital appreciation bonds or premiums received.

(2) All Job Development Authority (JDA) debt outstanding reported as of March 31, 2021. This includes $14.5 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), $516 million issued by the Brooklyn Arena Local Development Corporation, and $7.9 billion issued by the New York Transportation Development Corporation.

(3) Includes $3.70 billion of Utility Debt Securitization Authority (UDSA) bonds. Chapter 173 of the Laws of 2013, as amended, authorized UDSA to restructure certain outstanding indebtedness of the Long Island Power Authority (LIPA) and UDSA, as well as to finance system resiliency costs. UDSA is reported as a blended component unit of LIPA in LIPA's audited financial statements.

Localities

There have been severe financial and other adverse impacts on localities throughout the State, but particularly on New York City and the surrounding counties as the initial epicenter of the COVID-19 pandemic. No attempt is made in this AIS to assess, at this time, the financial and healthcare impacts on the State's 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 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 STARC Corp. [2]	Obligations of TSASC, Inc.	Hudson Yards Infrastructure Corporation	Other Obligations [3]	Total
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
2019	37,519	46,624	1,721	1,053	2,724	1,901	91,542
2020	38,784	48,978	1,634	1,023	2,724	1,882	95,025
2021	38,574	49,957	0	993	2,677	1,983	94,184

Source: Office of the State Comptroller; The City of New York Annual Comprehensive 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 was funded from annual revenues provided by the State, subject to annual appropriation. These revenues were 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://fcb.ny.gov/; 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 29 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-six 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 or not it is classified in one of three levels of stress: significant, moderate or susceptible. Entities that do not meet established scoring thresholds are classified as "No Designation".

Based on financial data filed with OSC for the local fiscal years ending in 2021, a total of 12 non-calendar fiscal year end local governments (2 cities and 10 villages) and 23 school districts have been placed in a stress category by OSC. Additionally, of the local governments with a December 31, 2020 fiscal year end, 19 — including 6 counties, 4 cities and 9 towns — were placed in a fiscal stress category by OSC. The vast majority of local governments (97.8 percent) and school districts (96.6 percent) are not classified in a fiscal stress 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; the economic ramifications of a pandemic; 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 2020.

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
2016	83,639	0	35,006	6,952	118,645	6,952
2017	86,345	0	34,788	5,617	121,133	5,617
2018	89,668	0	35,855	5,737	125,523	5,737
2019	91,542	0	36,661	7,632	128,203	7,632
2020	95,025	0	36,088	8,626	131,113	8,626

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

NOTE: For localities other than New York City, the amounts shown for fiscal years ending 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 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 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 that may have a bearing on the State's fiscal and economic affairs. Further, such information requires economic and demographic analysis to assess its significance and may be interpreted differently by individual experts. Note that DOB has chosen to provide certain economic and demographic analyses updated through the date of this AIS, although continuing disclosure requirements require analysis only through March 31, 2022.

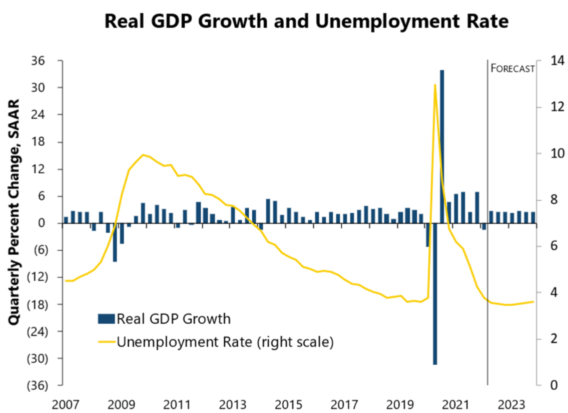
The U.S. Economy

The nation's economic recovery stalled entering 2022, initially due to the Omicron wave of domestic COVID infections but then worsened following Russia's invasion of Ukraine, which resulted in a surge in energy and commodity prices. Furthermore, COVID outbreaks and subsequent lockdowns in China exacerbated ongoing global supply-chain disruptions, slowing economic growth in China and weakening demand for U.S. exports. According to the second estimate released by the Bureau of Economic Analysis (BEA), U.S. real Gross Domestic Product (GDP) decreased at an annual rate of 1.5 percent in the first quarter of 2022, a reversal from the strong growth of 6.9 percent in the fourth quarter of 2021. This decline was driven by a large 3.2 percentage point drag from net exports, a 1.1 percentage point hit from inventories, and a negative 0.5 percentage point contribution from government spending as Federal fiscal support waned. Real consumption and residential and business investment, on the other hand, continued to grow in the first quarter of 2022.

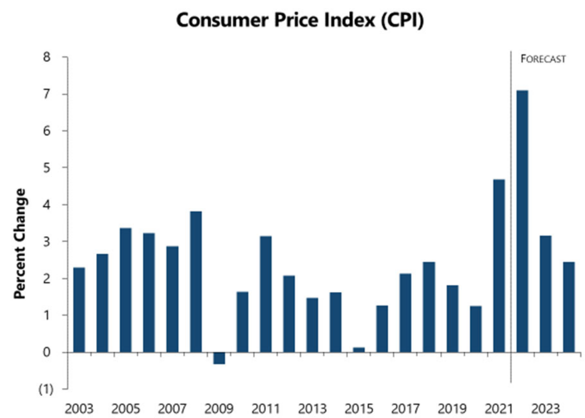
The U.S. labor market recovery has been exceptional in recent months, despite a decline in real GDP during the first quarter. Job growth averaged 539,000 per month in the first quarter of 2022 — nearly as strong as the average monthly job gains in 2021. As of May 2022, U.S. total nonfarm employment recovered to within 0.8 million of its pre-pandemic level in February 2020, only 0.5 percent below that previous peak. The U.S. labor market is expected to recover all its pandemic-era job losses by the second half of 2022, as tourism and travel demand continue to return. Moreover, the rebound in the prime-age labor force participation rate to 82.6 percent in May 2022 is within 0.4 percentage point of its pre-pandemic level in February 2020. Additionally, the civilian unemployment rate was 3.6 percent as of May 2022, nearly back to its February 2020 level of 3.5 percent.

Although the Federal Reserve has accomplished the employment side of its dual mandate, it has largely left inflation unchecked as price levels have continued to ramp up since April 2021, reaching historically high rates during the first quarter of 2022. The high inflation was driven by a combination of labor shortages, supply-chain disruptions, rebounding energy prices, strong housing market demand, and excess consumer demand supported by Federal fiscal stimulus. The Russian invasion of Ukraine at the end of February 2022 further propelled prices of crude oil, natural gas, and many industrial and agricultural commodities. As a result, the Consumer Price Index (CPI) grew by 1.2 percent in March 2022, the largest monthly increase since September 2005. The year-over-year CPI inflation rate recorded a 40-year high of 8.6 percent in May 2022.

The Federal Open Market Committee (FOMC) kicked off a monetary tightening cycle by announcing an increase in the federal funds target rate by 25 basis points at its March 15-16 meeting, followed by an increase of 50 basis points at its May 3-4 meeting, and another increase of 75 basis points at its June 14-15 meeting. The FOMC has signaled its willingness to raise the federal funds rate further in its upcoming meetings in order to achieve its maximum employment and 2 percent long-term inflation targets. This trajectory raises concerns about a monetary tightening-induced economic contraction. The Federal Reserve is more likely to be placed in a position of needing to weigh faster inflation against slower economic growth as surging inflation erodes real income and real output.



Source: Haver Analytics/BEA, BLS; DOB staff estimates.



Source: Haver Analytics/BLS; DOB staff estimates.

U.S. Economic Forecast

DOB's U.S. economic forecast incorporates the third estimate of GDP for the fourth quarter of 2021, estimates of personal income and outlays for February 2022, the CPI report for March 2022, and the initial estimate of employment for March 2022.

Real GDP is projected to grow 3.0 percent in 2022, reflecting mainly the softening real consumption and weakening of exports growth. According to BEA's second estimate, real consumption growth held up well at an annualized rate of 3.1 percent in the first quarter of 2022, indicating that consumers quickly restored spending — especially on services affected by the precautionary restrictions under the Omicron wave. Strong job and wage gains are likely to continue to support consumer spending. However, rapidly rising prices — particularly in food and gasoline — are weighing on real disposable personal income. In conjunction with the saving rate falling to 4.4 percent in April of 2022, this economic headwind indicates that real consumption is set up for a much weaker showing in the remainder of 2022. DOB estimates real consumption growth will decelerate from 7.9 percent in 2021 to 3.1 percent in 2022.

ECONOMIC INDICATORS FOR THE UNITED STATES (Calendar Year)	2017	2018	2019	2020	2021	2022 [1]
Gross Domestic Product						
Nominal ($ billions)	$19,479.6	$20,527.2	$21,372.6	$20,893.7	$22,996.1	$24,980.3
Percent Change	4.2	5.4	4.1	(2.2)	10.1	8.6
Real ($ billions)	$18,079.1	$18,606.8	$19,032.7	$18,384.7	$19,427.3	$20,009.7
Percent Change	2.3	2.9	2.3	(3.4)	5.7	3.0
Personal Income						
($ billions)	$16,850.2	$17,706.0	$18,424.4	$19,627.6	$21,077.2	$21,509.7
Percent Change	4.7	5.1	4.1	6.5	7.4	2.1
Nonfarm Employment						
(millions)	146.6	148.9	150.9	142.1	146.1	151.9
Percent Change	1.6	1.6	1.4	(5.8)	2.8	3.9
Unemployment Rate (%)	4.3	3.9	3.7	8.1	5.4	3.6
Consumer Price Index						
(1982-84=100)	245.1	251.1	255.7	258.8	271.0	290.2
Percent Change	2.1	2.4	1.8	1.2	4.7	7.1

Sources: U.S. Bureau of Economic Analysis; U.S. Bureau of Labor Statistics. Table reflects revisions by source agencies to figures for prior years.

[1] As projected by DOB, based on National Income and Product Account, employment and CPI data released through March 2022.

Meanwhile, a decline in real exports, coupled with strong growth in real imports due to the easing of shipping congestion, made net exports a considerable drag on U.S. real GDP growth in the first quarter of 2022. As the global demand for U.S. goods and services is expected to remain weak for the rest of 2022, real exports are projected to grow 4.7 percent in 2022.

DOB estimates that U.S. total nonfarm employment will grow by 3.9 percent in 2022, and the unemployment rate will decline to 3.6 percent on average in 2022. DOB estimates significantly higher average wages in 2022, and thus total wage growth is projected to grow robustly at 8.7 percent in 2022, only slightly below the increase of 9.3 percent in 2021. Accordingly, personal income is projected to grow 2.1 percent in 2022. As the unemployment rate falls to the pre-pandemic level of 3.5 percent, job growth is expected to slow down to 1.7 percent in 2023. Despite this slower pace of job gains, high average wage growth is expected to lead to an increase in total wages at a robust 5.5 percent in 2023, as well as support overall personal income growth of 4.8 percent.

Driven by the continued strength in energy and food prices, the CPI inflation was stronger-than-expected in the first quarter of 2022. DOB estimates CPI inflation to increase 7.1 percent on an annual average basis in 2022. Crude oil prices were above $115 per barrel as of mid-June 2022, with no signs of immediate reprieve for consumers at the pump. Food prices are also unlikely to ease in 2022, as the war in Ukraine has damaged global supplies of grains and fertilizers. However, DOB expects inflation to be brought under control with the rapid monetary tightening projected in 2022 and 2023. As a result, CPI inflation is expected to slow to 3.2 percent in 2023, followed by 2.4 percent in 2024.

As the Federal Reserve has taken a hawkish stance on short-term interest rates, the longer end of the yield curve has also quickly moved up. The 10-year Treasury yield has increased by over 100 basis points since the beginning of 2022, reflecting the improving U.S. economic outlook and the accelerating recovery from the COVID-19 pandemic. However, this shift also reflects rising inflation expectations and greater uncertainty about the future path of interest rates. Increased long-term interest rates drive up borrowing costs for homebuyers and businesses. The 30-year mortgage rate crept above 5.0 percent in April 2022, the highest level in over ten years. As a result, DOB expects the housing market to cool down in the second half of 2022, leading to stagnant residential investment. Due to higher borrowing costs and tighter financial conditions, the business investment outlook is also weaker during the second half of the year. In addition, the global supply-chain recovery may be further delayed by temporary closures of key trading hubs in China amid COVID outbreaks. This delay offsets some of the strength in mining structure investment, as oil and natural gas drilling activities are expected to increase alongside elevated energy prices.

In the U.S. equity market, valuations are being pressured by concerns about high inflation, the prospects for more aggressive monetary tightening than previously anticipated, and fallouts from the war in Ukraine. The S&P 500 stock price index declined at an annual rate of 11.1 percent in the first quarter of 2022. It is projected to continue on this downward trend during the remainder of 2022.

The U.S. economy faces several significant downside risks, including the potential for overly aggressive monetary tightening by the Federal Reserve, which could bring about a recession. DOB's forecast assumes that the nation's COVID response continues to transition from pandemic to endemic. However, COVID infections and policy responses remain a significant direct risk to countries like China that could hamper its growth, further spilling over into global supply chains and increasing the likelihood of a domestic recession. Another significant downside risk is the war in Ukraine. The war could lead to persistently higher energy prices and weigh down global growth without a resolution. Furthermore, it could extend the already burdensome supply-chain disruptions. Although highly unlikely, a spiraling of the current conflict into a drawn-out military confrontation between Russia and western nations presents an even more perilous downside risk to the U.S. economy.

On the upside, a quicker-than-anticipated resolution of supply-chain issues domestically and abroad could contribute to stronger overall growth and lower-than-expected inflation.

The New York State Economy[1]

The New York State labor market continues recovering from the initial 1,986,000 job losses at the onset of the pandemic in March and April 2020. According to Current Employment Statistics (CES) data, the State had regained 1,540,000 of these jobs as of April 2022, representing 77.6 percent of its pandemic-related job losses. Despite these significant gains, New York State continues to trail the nation, which had recovered 94.5 percent of its pandemic-related job losses during the same period.

In 2022, the New York State jobs recovery is expected to slow due to high and persisting inflation, rising interest rates, and the ongoing war in Ukraine. Additionally, a decline in New York State's population in 2021 and reluctance among many workers to return to the office or re-enter the workforce are also expected to contribute to the anticipated slowdown in the jobs recovery. State employment is estimated to grow by 3.8 percent in FY 2023. New York State is expected to reach its pre-pandemic employment level by 2025, approximately three years after the nation's anticipated employment recovery in the second half of 2022.

Strong earnings by NYSE member firms in 2021 contributed to the finance and insurance sector bonuses forecast of 18.2 percent in FY 2022. However, uncertainties in the current fiscal year, anticipated increases in the federal funds rate, and the depletion of the pandemic-era reserves lead to a projected 13.6 percent decline in finance and insurance sector bonuses in FY 2023. State wages are estimated to increase by 11.7 percent in FY 2022. Persistent and higher-than-anticipated inflation is expected to drive non-bonus average wage growth upward. As a result, New York State's total wages are projected to grow by 3.3 percent in FY 2023 — despite the decline in bonuses.

Pandemic-related stimulus payments raised personal incomes in 2020 and 2021. Given the conclusion of these payments, New York State's personal income is estimated to increase by only 1.1 percent in FY 2022, followed by projected growth of 1.2 percent in FY 2023.

The New York State economy faces several significant downside risks, including the persistence of supply-chain disruptions. A prolonged war in Ukraine, as well as extended lockdowns in China, could exacerbate these supply-chain issues and weigh down the global recovery from the pandemic. In addition, soaring energy and other commodity prices, as well as continuing labor shortages, could accelerate increases in production costs pushing inflation even higher and undermining profits. In turn, these factors could increase the volatility in the U.S. equity market, bring about unexpected layoffs and weaker bonuses, slowing overall wage growth. Furthermore, higher interest rates represent a serious downside risk that could hinder the State's economic recovery, especially in the commercial and residential real estate markets. More locally, the persistence of telework, relocation of urban workers outside of New York, and the continued decline in State population pose long-run risks to wages and employment. Finally, New York State and the nation remain vulnerable to consumers' reluctance to return to pre-pandemic norms — especially spending patterns in service-oriented industries.

[1] DOB's New York State economic forecast incorporates the 2021 fourth quarter BEA State personal income report released on March 23, 2022.

The State also faces several noteworthy upside risks, including a more rapid reversion to pre-pandemic consumer norms, as well as a faster and more substantial return to an in-office working environment. These shifts could propel robust growth through higher output and employment, bringing about a sooner-than-expected recovery to pre-pandemic economic conditions. Finally, a more-swift-than-anticipated end to the war in Ukraine and ratcheting back of sanctions by Western Nations could ease energy prices and the associated supply chain disruptions, benefiting the U.S. and New York economies.

ECONOMIC INDICATORS FOR NEW YORK STATE
(Calendar Year)

	2018	2019	2020	2021	2022 [1]
Personal Income					
($ billions)	$1,316.4	$1,361.5	$1,440.0	$1,515.8	$1,509.9
Percent Change	3.4	3.4	5.8	5.3	(0.4)
Nonfarm Employment					
(thousands)	9,404.3	9,515.5	8,563.0	8,788.8	9,216.8
Percent Change	1.3	1.2	(10.0)	2.6	4.9
Unemployment Rate (NSA, %)	4.1	3.8	9.9	6.9	4.7

Sources: Personal income data are based on U.S. Bureau of Economic Analysis; employment data come from NYS Department of Labor; unemployment rate data come from U.S. Bureau of Labor Statistics. Table reflects revisions by source agencies to data for prior years.

[1] As projected by DOB, based on National Income and Product Account and employment data released through March 2022.

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 small share of the nation's farming and mining activity. The State's location, 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 stagnate as a share of total State nonfarm 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 higher concentrations of manufacturers.

Trade, Transportation, and Utilities: As defined under the North American Industry Classification System (NAICS), the trade, transportation, and utilities supersector accounts for the third-largest component of State nonfarm 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.

Financial Activities: New York City is the nation's leading center for banking and finance. For this reason, this sector is far more important for the State than the nation. Although this sector accounts for less than one-tenth of all nonfarm jobs in the State, it contributes more than 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. When combined, these industries account for over half of all nonfarm 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 less than 0.2 percent of the total State GDP. According to the New York State Department of Agriculture and Markets, New York ranked in the top ten in the production of 30 commodities in 2020. Notably, the State was the second-largest producer of apples, snap beans, and maple syrup. The State was also the third-largest producer of cabbage, grapes, and dairy, which represented the largest segment of the State's agricultural sector that year.

Government: Federal, State, and local governments comprise the second-largest sector in terms of nonfarm jobs. Public education is the source of over 40 percent of total State and local government employment.

THE COMPOSITION OF NONFARM EMPLOYMENT AND WAGES (2021)
(Percent)

	Employment		Wages	
	New York	U.S.	New York	U.S.
Natural Resources and Mining	0.1	0.4	0.1	0.8
Construction	4.1	5.1	4.1	5.4
Manufacturing	4.5	8.4	4.0	9.5
Trade, Transportation, and Utilities	15.7	19.0	11.1	15.6
Information	3.1	1.9	6.0	4.3
Financial Activities	7.8	6.0	20.2	9.9
Professional and Business Services	14.1	14.5	18.6	18.9
Educational and Health Services	22.7	16.2	15.2	13.6
Leisure and Hospitality	8.0	9.6	3.9	4.4
Other Services	4.0	3.7	2.7	3.0
Government	15.9	15.1	14.3	14.7

Sources: U.S. Bureau of Labor Statistics; U.S. 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 nonfarm employment and wages by sector for the State and the nation. Construction accounts for a smaller share 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 concentrated in manufacturing and construction but likely to be more affected by any economic downturn concentrated in the services sector.

Economic and Demographic Trends

In the calendar years 1990 through 1998, the State's rate of economic growth was somewhat slower than that of the nation. During the 1990-91 recession, the State, like much of the Northeast, experienced a greater economic contraction than the nation as a whole and was 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 their growth rates were nearly the same. In 2001, the September 11th attack resulted in a downturn in New York that was more severe than for the nation. In contrast, the State's labor market fared better than that of the nation during the 2008 recession, though New York experienced a historically large wage decline in 2009. The State's unemployment rate was higher than the national rate from 1991 to 2004. The State's rate fell below the nation's for much of the Great Recession and remained below until November 2011. The State's unemployment rate rose above the national rate in December 2011 but fell below yet again in May 2015, where it remained competitive with the nation's rate until the second half of 2016. As the epicenter of the COVID-19 pandemic, the virus struck New York's economy especially hard, bringing its unemployment rate well above the nation's rate throughout the crisis.

The following table compares population changes in the State and the United States since 1980. Between April 2020 and July 2021, the nation's total population continued to increase by 0.1 percent, whereas the population of the State decreased by 1.8 percent.

COMPARATIVE POPULATION FIGURES

	New York			U.S.	
	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	11.5
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
2020	20,201	4.2	6.1	331,449	7.4
2021	19,836	(1.8)	6.0	331,894	0.1

Note: All population numbers are based on the Decennial Census, except for 2021.
Source: U.S. Census Bureau.

Total State nonfarm employment has declined as a share of national nonfarm employment compared with the 1980s and 1990s. The following historical table compares these levels and the rate of unemployment for the State and the nation.

NONFARM EMPLOYMENT AND UNEMPLOYMENT RATE FOR NEW YORK AND THE UNITED STATES					
	Employment (NSA, 000s)		New York as Percent of U.S. Employment	Unemployment Rate (NSA, %)	
	New York	U.S.		New York	U.S.
1980	7,207	90,533	8.0	7.4	7.1
1990	8,204	109,526	7.5	5.3	5.6
2000	8,619	132,011	6.5	4.5	4.0
2010	8,545	130,345	6.6	8.7	9.6
2020	8,814	142,186	6.2	9.9	8.1
2021	9,045	146,124	6.2	6.9	5.4

Note: Nonfarm employment and unemployment rates are generated from separate surveys.
Source: U.S. Bureau of Labor Statistics.

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)			
	New York	U.S.	Ratio New York/U.S.
1980	$11,001	$10,180	1.08
1990	$23,990	$19,621	1.22
2000	$36,090	$30,672	1.18
2010	$48,768	$40,683	1.20
2020	$71,449	$59,147	1.21
2021	$76,415	$63,444	1.20

Source: U.S. Bureau of Economic Analysis.

Section 2: Subsection G

New York Local Government Assistance Corporation Bonds

No Bonds Outstanding
Intentionally Omitted

All outstanding bonds were retired on April 1, 2021

Section 2: Subsection H

Tobacco Settlement Financing Corporation Asset-Backed Revenue Bonds

No Bonds Outstanding
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.

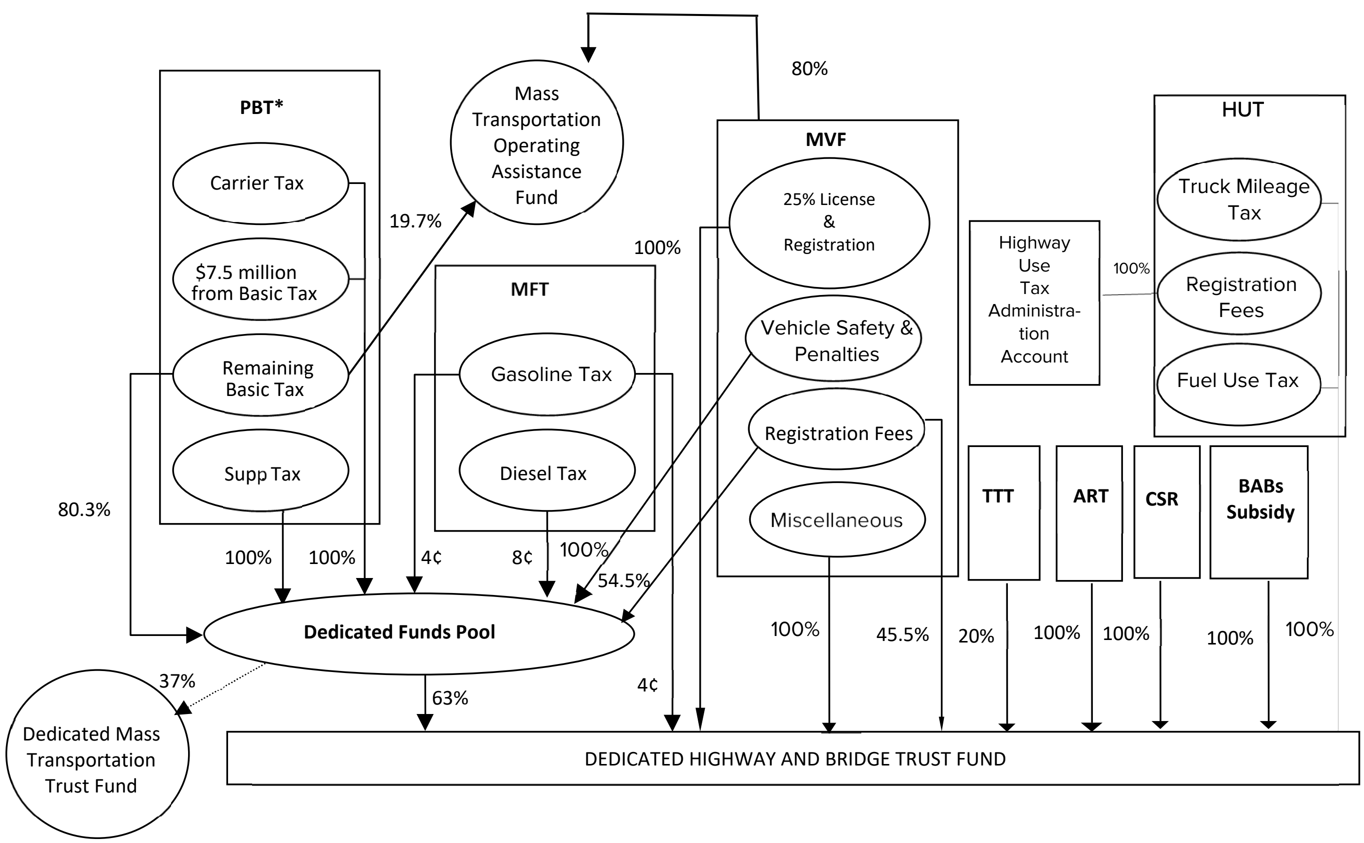
Introduction

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 2023.

Transportation-Related Taxes & Fees Allocation
FY 2023 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.



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.

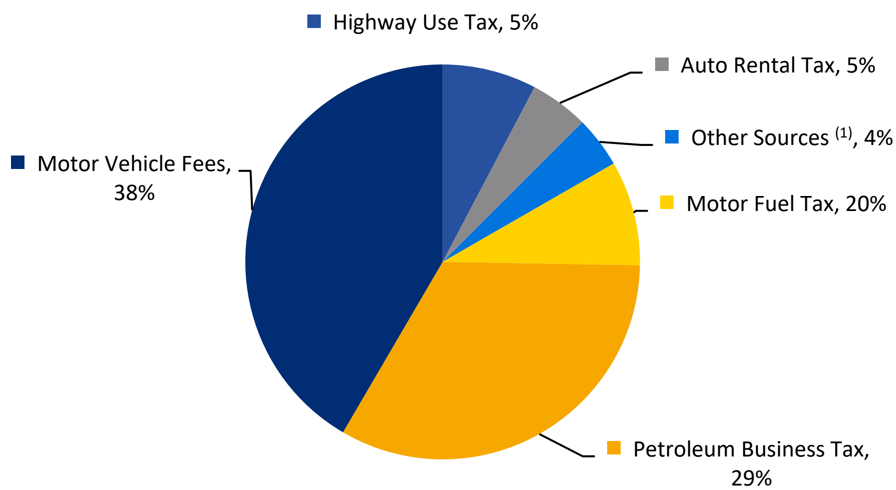
Currently the State imposes a six percent tax on charges to certain rental passenger cars. Effective June 1, 2019, legislation enacted with the FY 2020 Budget increased the supplemental tax within the Metropolitan Commuter District ("MCTD") from 5 percent to 6 percent and established a new 6 percent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

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 2023 Enacted Budget

The following chart indicates the portion of FY 2023 Trust Fund Revenues that is estimated in the FY 2023 Enacted Budget to be derived from each of the revenue sources.

Dedicated Highway and Bridge Trust Fund Revenue Sources



(1) 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 2012 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)
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	-2.0	2020	-2.0
2019-20	-21.7	2021	-5.0
2020-21	27.8	2022	5.0
2021-22[1]	59.1	2023	5.0

(1) Estimated.

The table below shows the rates per gallon for the PBT in effect for calendar years 2021 and 2022 and estimated rates for calendar year 2023, respectively.

PETROLEUM BUSINESS NET TAX RATES FOR 2021 - 2023[1]
(cents per gallon)

	2021			2022			2023[2]		
Petroleum Products	Base	Supp	Total	Base	Supp	Total	Base	Supp	Total
Highway-use fuel									
Gasoline and other non-diesel	9.90	6.70	16.60	10.30	7.00	17.30	10.80	7.30	18.10
Diesel	9.90	4.95	14.85	10.30	5.25	15.55	10.80	5.55	16.35
Aviation gasoline or Kero-jet fuel	6.70	0.00	6.70	7.00	0.00	7.00	7.30	0.00	7.30
Non-automotive diesel fuels									
Commercial gallonage	9.10	0.00	9.10	9.50	0.00	9.50	9.90	0.00	9.90
Nonresidential heating	4.90	0.00	4.90	5.10	0.00	5.10	5.30	0.00	5.30
Residual petroleum products									
Commercial gallonage	7.00	0.00	7.00	7.30	0.00	7.30	7.60	0.00	7.60
Nonresidential heating	3.80	0.00	3.80	3.90	0.00	3.90	4.10	0.00	4.10
Railroad diesel fuel	8.60	0.00	8.60	9.00	0.00	9.00	9.50	0.00	9.50

(1) The tax rates represent the net tax rate after credits.

(2) Projected — The projected petroleum producer price index increase of 59.1 percent through August 2022 will result in a projected increase of 5.0 percent in the PBT tax rates on January 1, 2023.

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"), initially until September 1, 2011. Since then, this exemption has been extended several times and is currently in effect until September 1, 2026.

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 authorized 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.

Legislation adopted with the FY 2023 Enacted Budget exempted tugboats and towboats from the petroleum business tax.

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 2021, 35 taxpayers, accounting for 95 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 use 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
(dollars in millions)

Collection Period State Fiscal Year	Basic PBT	Supplemental PBT
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
2019-20	705.5	436.9
2020-21	568.8	358.0
2021-22	625.6	391.5

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 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 2020 reflect a 5 percent increase in PBT rates effective January 1, 2019 and a 2 percent decrease in PBT rates effective January 1, 2020. In addition to basic tax and supplemental tax receipts, total PBT collections also include $18.3 million from the carrier tax.

Receipts for FY 2021 reflect a 2 percent decrease in PBT rates effective January 1, 2020 and a 5 percent decrease in PBT rates effective January 1, 2021. In addition to basic tax and supplemental tax receipts, total PBT collections also include $15.2 million from the carrier tax.

Receipts for FY 2022 reflect a 5 percent decrease in PBT rates effective January 1, 2021 and a 5 percent increase in PBT rates effective January 1, 2022. In addition to basic tax and supplemental tax receipts, total PBT collections also include $14.5 million from the carrier tax.

Actual and Estimated Revenues from Dedicated PBT. Actual receipts since FY 2013 and DOB's estimates of receipts from the dedicated PBT for FY 2023 are as set forth in the following table:

TRUST FUND REVENUES FROM PBT
(dollars in millions)

State Fiscal Year	Dedicated Funds Pool	Trust Fund Revenue	Trust Fund Share
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	1,011.5	637.3	63.0
2020-21	828.3	521.8	63.0
2021-22	902.7	568.7	63.0
2022-23(1)	965.2	608.1	63.0

(1) Estimated in the FY 2023 Enacted Budget.

In formulating its projection for FY 2023, 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, 2022 and are projected to increase the rates by 5 percent on January 1, 2023.

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 an increase in FY 2023. The estimated receipts include $14.5 million in FY 2023 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 2021, 34 taxpayers with motor fuel excise tax obligations participated in the electronic funds transfer program and accounted for 96 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 2013 and DOB's forecast of Trust Fund receipts from the gasoline and diesel MFT for FY 2023 are set forth in the following table:

TRUST FUND REVENUES FROM MFT
(dollars in millions)

State Fiscal Year	Gasoline MFT	Diesel MFT	Total Revenues
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	357.6	46.0	403.6
2020-21	293.0	41.3	334.3
2021-22	341.9	47.6	389.5
2022-23(1)	138.0	19.3	157.3

(1) Estimated. The FY 2023 Enacted Budget suspends the State motor fuel tax imposed on gasoline and diesel motor fuel, from June 1, 2022, through December 31, 2022. Additionally, a "hold harmless" General Fund transfer provision was included to transfer the projected revenue amounts that would have been distributed to the Trust Fund component of the Motor Fuel Tax ($233.7 million; $205.1 million for gasoline and $28.6 million for diesel) as though the suspension of such taxes was not in effect. Please note that the referenced estimates in the table above do not reflect or include the noted "hold harmless" General Fund transfer amounts.

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 increase in FY 2023, notwithstanding the seven-month suspension of the motor fuel excise tax between June 1, 2022 and December 31, 2022.

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 remain flat in FY 2023, notwithstanding the seven-month suspension of the motor fuel excise tax between June 1, 2022 and December 31, 2022.

Legislative Changes. Legislation adopted with the FY 2006 Enacted Budget exempted or partially exempted MFT on alternative fuels, including ethanol ("e85") and biodiesel ("B20"), initially until September 1, 2011. Since then, this exemption has been extended several times and is currently in effect until September 1, 2026.

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.

Legislation adopted with the FY 2023 Enacted Budget suspended the motor fuel excise tax on gasoline and diesel fuel from June 1, 2022 through December 31, 2022.

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 2013 and DOB's forecast of HUT receipts for FY 2023. FY 2018 included a one-time payment of $44 million in refunds related to the lowering of the cost of registration and decal fees. Due to the COVID-19 pandemic, FY 2021 receipts decreased by $6.5 million from FY 2020. The forecast of FY 2023 receipts reflects the FY 2023 Enacted Budget and is based upon forecasts of national and State economic conditions and motor fuel prices.

TRUST FUND REVENUES FROM HUT
(dollars in millions)

State Fiscal Year	Revenues
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	140.9
2020-21	134.4
2021-22	140.3
2022-23[1]	141.6

(1) 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"), initially until September 1, 2011. Since then, this exemption has been extended several times and is currently in effect until September 1, 2026.

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.

Legislation adopted with the FY 2022 Enacted Budget reduced the filing frequency and reporting requirements for certain monthly and quarterly filers.

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 2018 (the most recent year for which data is available), 11.4 million vehicles were registered in New York State, including 9.6 million standard series vehicles and 773,674 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 2018, New York State had 12.0 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[(1)]
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		$12.95
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

(1) 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[(1)]
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

(1) 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 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).

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. Additionally, legislation enacted in June 2019 expanded access to standard (not for federal purposes), non-commercial driver licenses or learner permits for all undocumented immigrants, age 16 or older, who reside in New York State.

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 2023. The forecast reflects the State's FY 2023 Enacted Budget.

TRUST FUND REVENUES FROM MVF
(dollars in millions)

State Fiscal Year	Revenues(1)
2012-13	$795.9
2013-14	785.3
2014-15(2)	726.7
2015-16(2)	753.9
2016-17(2) (3)	786.8
2017-18(2) (3)	833.1
2018-19(2) (3)	794.5
2019-20(2) (3)	805.9
2020-21(2) (3)	713.3
2021-22(2) (3)	742.5
2022-23(2) (3) (4)	762.7

(1) 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.

(2) 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).

(3) 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.

(4) 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
(dollars in millions)

State Fiscal Year	Revenues
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	87.5
2020-21	51.9
2021-22	77.0
2022-23(1)	88.0

(1) 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 2013 and DOB estimate of such deposits for FY 2023. The estimate for FY 2023 reflects the FY 2023 Enacted Budget.

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

State Fiscal Year	MTOAF	Trust Fund
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	58.3	14.6
2020-21	40.7	10.2
2021-22	37.5	9.4
2022-23[(1)]	48.0	12.0

(1) Estimated.

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 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 were projected to generate $15 million in revenue in FY 2020 and increasing amounts thereafter and are deposited in the Dedicated Highway and Bridge Trust Fund. This fee was repealed as part of the FY 2023 Enacted Budget. Future revenue assumptions of $50 Million in FY 2023 and FY 2024, and $20 Million per year in subsequent outyears, were removed from the financial plan.

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

A one-time receipt, totaling about $10 million, is expected in FY 2023 from the Metropolitan Transportation Authority (MTA) as reimbursement for work DOT performed relating to the MTA's Long Island Rail Road Expansion project.

CERTAIN SPECIAL REVENUES
(dollars in millions)

State Fiscal Year	Revenues
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	103.5
2020-21	77.8
2021-22	82.1
2022-23(1)	60.4

(1) 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.(1)

TRUST FUND REVENUES FROM BABs SUBSIDY
(dollars in millions)

State Fiscal Year	Revenues
2017-18(1)	$5.0
2018-19(1)	5.0
2019-20(1)	4.6
2020-21(1)	4.2
2021-22(1)	2.1
2022-23(2)	4.2

(1) As a result of Federal sequestration, the subsidy paid to the Trust Fund was reduced to a 32.5 percent subsidy in FY 2015 through FY 2018, a 32.8 percent subsidy in FY 2019 and FY 2020, and a 32.9 percent subsidy in FY 2021. In FY 2022, the subsidy amount is estimated to be a 33.0 percent subsidy.

(2) 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
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	637.3	403.6	140.9	805.9	87.5	14.6	103.5	4.6	2,197.9
2020-21	521.8	334.3	134.4	713.3	51.9	10.2	77.8	4.2	1,847.9
2021-22	568.7	389.5	140.3	742.5	77.0	9.4	82.1	2.1	2,011.6
2022-23(1)	608.1	157.3(2)	141.6	762.7	88.0	12.0	60.4	4.2	1,834.3

(1) Estimated.

(2) The FY 2023 Enacted Budget suspends the State motor fuel tax imposed on gasoline and diesel motor fuel, from June 1, 2022, through December 31, 2022. Additionally, a “hold harmless” General Fund transfer provision was included to transfer the projected revenue amounts that would have been distributed to the Trust Fund component of the Motor Fuel Tax ($233.7 million) as though the suspension of such taxes was not in effect. Please note that the referenced estimate in the table above does not reflect or include the noted “hold harmless” General Fund transfer amounts.

Factors Affecting Trust Fund Revenues

The discussion above has generally covered receipts since FY 2013. 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) severe epidemic or pandemic events, including the COVID-19 pandemic; (10) the price of natural gas relative to certain competing taxable petroleum products, which primarily affect the consumption of taxable petroleum products by utilities; (11) environmental pressures to reduce acid rain through reduction of sulfur dioxide emissions from facilities burning fossil fuels; (12) the shift in the State from a manufacturing-based to service-based economy; (13) State and Federal initiatives encouraging energy efficiency and environmental protection; (14) impact of utility deregulation on Statewide supply and demand of electricity; and (15) 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

No Bonds Outstanding
Intentionally Omitted

All outstanding bonds were defeased on
December 17, 2021, and redeemed on February 1, 2022

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 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, 2015 through March 31, 2020 (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)] (dollars in thousands)
2015	$10,586,136
2016	$11,218,292
2017	$11,339,300
2018	$11,656,059
2019	$12,618,800
2020	$13,016,020

(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.

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 2019 was approximately $266 million. The total amount for FY 2020 was approximately $292 million.

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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 15 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; 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 2023 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 2023 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 2022 and estimated for FY 2023, 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
(dollars in thousands, 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
2018	$ 699,015	$27,223	$ 671,792	26x
2019	749,179	26,905	722,274	28x
2020	878,042	26,465	851,577	33x
2021	911,178	25,919	885,259	35x
2022 (Prelim)	871,552	25,668	845,884	34x
2023 (Est.)	1,330,216	25,122	1,305,094	53x

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]
2018	$ 161,013,000
2019	162,013,000
2020	166,013,000
2021	166,013,000
2022	166,013,000
2023[3]	186,283,000

(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 2023 Enacted Budget.

Employee Relations and Indemnity

As of March 31, 2022, the Department employed approximately 4,429 full-time equivalent employees, including approximately 1,212 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 52 such centers designated in the United States. The Institute is a facility licensed for and operating 142 beds, 16 ambulatory care centers offering 35 different specialties, and outpatient treatment centers for chemotherapy, imaging services, and radiation medicine. It has over 3,800 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 Comptroller 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 five most recent fiscal years, preliminary for FY 2022 and estimated for FY 2023.

State Fiscal Year Ended March 31	Annual Average Beds in Service	Annual Average Inpatient Occupancy Rate	Outpatient Visits
2017	133	80%	231,987
2018	133	79	248,798
2019	133	84	261,299
2020	133	89	278,552
2021	142	80	268,329
2022 (Prelim)	142	85	288,758
2023 (Est.)	157	82	310,018

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, 2023, the Institute is projected to generate 90 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 2022 and estimated for FY 2023.

State Fiscal Year Ended March 31	Annual Average Inpatient Occupancy Rate	Outpatient Visits
2018	63%	57,942
2019	63	60,135
2020	63	60,150
2021[1]	46	43,920
2022 (Prelim.)	47	40,914
2023 (Est.)	47	46,860

[1] Decrease in occupancy rates for FY 2021 is attributable to the COVID-19 pandemic.

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, 2023, the Hospital is projected to generate 5 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 2022 and estimated for FY 2023, is described in the following table:

State Fiscal Year Ended March 31	Annual Average Inpatient Occupancy Rate
2018	86%
2019	73
2020	70
2021[(1)]	57
2022 (Prelim)	48
2023 (Est.)	60

(1) Decrease in occupancy rates for FY 2021 is attributable to the COVID-19 pandemic.

For the fiscal year ending March 31, 2023, the Home is projected to generate 2 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 2022 and estimated for FY 2023, is described in the following table:

State Fiscal Year Ended March 31	Annual Average Inpatient Occupancy Rate
2018	90%
2019	89
2020	95
2021[(1)]	72
2022 (Prelim.)	55
2023 (Est.)	75

(1) Decrease in occupancy rates for FY 2021 is attributable to the COVID-19 pandemic.

For fiscal year ending March 31, 2023, the WNY Veterans Home is projected to generate 1 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 2022 and estimated for FY 2023, is described in the following table:

State Fiscal Year Ended March 31	Annual Average Inpatient Occupancy Rate(1)
2018	95%
2019	94
2020	92
2021(2)	64
2022 (Prelim)	62
2023 (Est.)	75

(1) Based on annual average beds in service of 252.
(2) Decrease in occupancy rates for FY 2021 is attributable to the COVID-19 pandemic.

For the fiscal year ending March 31, 2023 the HV Veterans Home is projected to generate 2 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 2 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 veteran's 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

	2018-19	2019-20	2020-21	2021-22[1]
Roswell Park Cancer Institute				
Medicare	$99,383,096	$119,964,874	$171,060,546	$119,232,256
Medicaid	3,499,613	4,680,761	2,541,467	2,603,918
Blue Cross	166,722,933	205,760,862	218,204,325	244,404,300
Other Third Party Payors	311,816,485	354,592,921	345,667,923	356,697,194
Self-Pay	8,513,755	9,534,933	9,437,535	11,717,553
TOTAL	$589,935,882	$694,534,351	$746,911,796	$734,655,221
Helen Hayes Hospital				
Medicare	$26,712,714	$29,852,610	$22,112,041	$26,035,849
Medicaid	5,398,764	2,785,121	2,448,477	4,298,542
Blue Cross	7,494,639	7,701,301	6,107,860	6,467,274
Other Third Party Payors	10,970,628	14,559,498	12,847,541	12,294,693
Self-Pay	965,524	520,510	1,085,649	1,056,512
Other	7,330,760	6,956,255	3,322,412	8,633,100
TOTAL	$58,873,029	$62,375,295	$47,923,980	$58,785,970
Oxford Homes				
Medicaid	$4,386,627	$3,449,112	$4,616,675	$6,961,840
Self-Pay	9,329,905	9,780,134	6,771,526	4,099,815
VA Reimbursement	8,543,457	8,457,954	6,838,199	7,344,776
Medicare	650,436	438,145	249,025	208,629
Miscellaneous	112,420	84,140	102,246	74,484
TOTAL	$23,022,845	$22,209,485	$18,577,671	18,792,372
WNY Veterans Home				
Medicaid	$3,563,897	$3,893,899	$3,845,220	$2,990,838
Self-Pay	5,813,476	6,464,174	4,272,340	2,659,656
VA Reimbursement	4,807,133	5,306,279	5,303,954	5,001,146
Medicare	375,315	320,801	436,136	667,566
TOTAL	$14,559,821	$15,985,153	$13,857,650	$11,319,206
HV Veterans Home				
Medicaid	$4,817,305	$4,859,451	$5,658,426	$15,586,963
Self-Pay	11,638,263	11,881,359	8,164,707	5,964,823
VA Reimbursement	13,561,069	13,518,261	9,708,494	11,739,932
Medicare	1,516,369	1,936,514	1,859,860	2,314,612
TOTAL	$31,533,006	$32,195,585	$25,391,487	$35,606,330

(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

	2017-18	2018-19	2019-20	2020-21
Revenues				
Roswell Park	$665,861,389	$751,567,310	$817,266,490	$861,351,054
Helen Hayes Hospital	89,788,951	86,881,057	88,694,038	104,233,994
Oxford Home	28,801,177	34,972,451	32,706,992	31,254,915
WNY Veterans Home	19,998,814	21,886,502	22,165,870	20,285,972
HV Veterans Home	45,042,414	47,723,723	21,812,368	41,062,790
Total Revenues	$849,492,745	$943,031,043	$982,645,758	$1,058,188,725
Expenses				
Roswell Park	$691,521,673	$726,694,433	$777,387,056	$846,772,325
Helen Hayes Hospital	98,265,539	90,819,383	88,259,507	100,274,366
Oxford Home	33,099,988	38,435,343	37,423,571	38,317,039
WNY Veterans Home	20,580,196	21,614,175	20,894,390	22,287,905
HV Veterans Home	43,551,165	46,887,796	21,281,220	46,686,591
Total Expenses	$887,018,561	$924,451,130	$945,245,744	$1,054,338,226
Results from Operation	$(37,525,816)	$18,579,913	$37,400,014	$3,850,499

Section 2: Subsection M

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

No Bonds Outstanding Intentionally Omitted

All outstanding bonds were retired on July 1, 2021

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, New York State ECEP Receipts, and New York State PTET 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, excluding refunds owed to taxpayers, 50 percent of the receipts from the ECEP imposed by Article 24 of the Tax Law, excluding refunds owed to employers, and 50 percent of the receipts from the PTET imposed by Article 24-A of the Tax Law, excluding receipts owed to taxpayers. The aggregate of such tax revenues deposited to the Revenue Bond Tax Fund are referred to herein as the "Revenue Bond Tax Fund Receipts".

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, 24, and 24-A of the Tax Law.

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

On December 22, 2017, President Trump signed into law the Tax Cuts and Jobs Act of 2017 (the "TCJA") (H.R. 1, P.L. 115-97), making major changes to the Federal Internal Revenue Code, most of which were effective in Tax Year 2018. The TCJA made extensive changes to Federal personal income taxes, corporate income taxes, and estate taxes. The State has since enacted legislation, described below to mitigate the negative impact of the TCJA on State taxpayers, which have impacted the State Personal Income Tax Revenue Bond financing program as described below.

To offset the potential reduction in New York State Personal Income Tax Receipts, the Fiscal Year ("FY") 2019 Enacted Budget amended the State Finance Law and the Enabling Act so as to hold harmless the State Personal Income Tax Revenue Bond Financing 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 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 the aggregate of the annual New York State Personal Income Tax Receipts and New York State ECEP 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 the State legislative changes, the amount required to be deposited was the greater of 25 percent of the annual New York State Personal Income Tax Receipts or $6 billion.

Employer Compensation Expense Program (ECEP) / Charitable Gifts Trust Fund. State tax reforms enacted in 2018 to mitigate issues arising from the TCJA included the creation of an optional payroll tax program (ECEP), and establishment of a new State Charitable Gifts Trust Fund. The ECEP and the Charitable Gifts Trust Fund were expected to reduce New York State Personal Income Tax Receipts, to the extent that employers elected to participate in the ECEP and taxpayers made donations to the Charitable Gifts Trust Fund.

The ECEP was created pursuant to Article 24 of the Tax Law, and a corresponding amendment to the Enabling Act provide that 50 percent of New York State ECEP Receipts, which exclude refunds owed to employers, be deposited into 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 the State. Accompanying State legislation created a new Personal Income Tax credit for employees whose wages are subject to the ECEP. The credit is calculated using a statutory formula that corresponds in value to the tax imposed by 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 was expected to be revenue neutral.

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

Pass-Through Entity Tax. In connection with the FY 2022 Enacted Budget, the State Legislature enacted legislation that provides for an optional pass-through entity tax (the "PTET") on the State sourced income of (i) partnerships and (ii) S corporations. Qualifying entities that elect to pay tax imposed by the PTET pay a tax of up to 10.9 percent on their taxable income at the partnership or corporation level, and their individual partners, members and shareholders receive a refundable tax credit equal to the proportionate or pro rata share of taxes paid by the electing entity. Additionally, the program includes a resident tax credit that allows reciprocity with other states that have implemented substantially similar taxes, which currently include Connecticut and New Jersey.

DOB expects that the PTET legislation will be revenue neutral for the State on a multi-year basis; however, because PTET payments will generally be received in the fiscal year prior to credit claiming, the PTET will not be revenue-neutral for the State within each fiscal year and redistribution of total revenue across fiscal years is expected to be significant. To hold harmless the Revenue Bond Tax Fund and to maintain comparable levels of amounts to be deposited into the Revenue Bond Tax Fund for the Bondholders, the State Legislature also enacted legislation that causes 50 percent of receipts from PTET to be deposited into the Revenue Bond Tax Fund. Accordingly, aggregate contributions to the Revenue Bond Tax Fund are expected to be unaffected because 50 percent of both New York State Personal Income Tax Receipts and New York State PTET Receipts will be deposited into the Revenue Bond Tax Fund.

The Fiscal Year 2023 Enacted Budget Financial Plan includes estimates for PTET receipts and a corresponding decrease in PIT receipts. The overall impact on projected Revenue Bond Tax Fund receipts is that PTET increased FY 2022 receipts and is expected to decrease FY 2023 receipts by a significant amount. Projections are, however, based on limited experience to date, and there can be no assurance that such projections will be realized.

The U.S. Treasury Department and IRS have determined that State and local income taxes imposed on and paid by a partnership or an S corporation on its income, such as the PTET, are allowable as a Federal deduction to taxable income. In November 2020, the IRS released Notice 2020-75 which announced that the Treasury and IRS intend to issue clarifying regulations with respect to such pass through taxes.

Litigation Challenging Certain TCJA Provisions. As described above, the ECEP and Charitable Gifts Trust Fund were developed based on a review of then existing laws, regulations, and precedents. However, subsequent to the enactment of legislation effectuating the ECEP and Charitable Gifts Trust Fund, on June 13, 2019, the IRS adopted final regulations (Treasury Decision 9864) that effectively curtailed further donations to the Charitable Gifts Trust Fund beyond the $93 million in donations the State received in 2018, when the U.S. Treasury and the IRS first published proposed regulatory changes. Virtually no additional donations to the Charitable Gifts Trust Fund have been received by the State after the 2018 tax year.

On July 17, 2019, the State, joined by Connecticut and New Jersey, filed a federal lawsuit challenging Treasury Decision 9864. Among other things, the lawsuit seeks to restore the full federal income tax deduction for charitable contributions, regardless of the amount of any state tax credit provided to taxpayers as a result of contributions made to the Charitable Gifts Trust Fund, in accordance with the precedent since 1917. The federal defendants moved to dismiss the complaint or, in the alternative for summary judgment, on December 23, 2019, and the states responded and filed their own motion for summary judgment on February 28, 2020. Briefing on the motions was completed in July 2020. The district court denied the states' request for oral argument, but a decision on the outstanding motions to dismiss and cross-motions for summary judgment remain pending.

If Treasury Decision 9864 is upheld in Federal court, taxpayer participation in the future will likely be reduced. However, if the legal challenge is successful in restoring the full Federal tax deduction for charitable contributions, donations to the Charitable Gifts Trust Fund in future years could be higher than in 2018. In such event, the donations to the Charitable Gifts Trust Fund would likely pose a risk to the amount of New York State Personal Income Tax Receipts deposited to the Revenue Bond Tax Fund in future years. 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.

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. To date, the State has not received any claims for reimbursement of interest on underpayments of Federal tax liability. The FY 2023 Enacted Budget Financial Plan does not include any estimate of the possible State reimbursement of interest expense by the State.

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.

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 $47.7 billion are available to pay financing agreement payments on a pro-forma basis, which amount represents approximately 10.6 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.* As noted above, however, additional bonds may not be issued unless the additional bonds test under the respective general resolution has been satisfied.

* 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 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, 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.

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 Revenue Bond Tax Fund Receipts, which are 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 DOB.

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

   (d) 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 estimated monthly New York State Personal Income Tax Receipts (excluding refunds owed to taxpayers), estimated monthly New York State ECEP Receipts (excluding refunds owed to employers), and estimated monthly New York State PTET Receipts (excluding refunds owed to taxpayers), required to be deposited to the Revenue Bond Tax Fund as provided in 2(a), 2(b) and 2(c) 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 Revenue Bond Tax Fund 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), the amount of estimated New York State ECEP Receipts, and the amount of estimated New York State PTET 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 New York State ECEP Receipts, the daily receipts from the Withholding Component, and the daily New York State PTET Receipts 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, 50 percent of estimated monthly New York State ECEP Receipts, and 50 percent of estimated monthly New York State PTET 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 Revenue Bond Tax Fund 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 DOB 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 <u>estimates</u> 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 • 50% of monthly New York State PTET 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)

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Beginning on the First Day of Each Month
100% of daily New York State Personal Income Tax Receipts from the Withholding Component, New York State ECEP Receipts and New York State PTET 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), 50% of the estimated monthly New York State ECEP Receipts (excluding refunds owed to employers) and 50% of the estimated monthly New York State PTET Receipts have been deposited ** New York State Personal Income Tax Receipts, New York State ECEP Receipts and New York State PTET 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, 50% of actual New York State ECEP Receipts, and 50% of actual New York State PTET Receipts for the prior month and the State Comptroller adjusts deposits to the Revenue Bond Tax Fund accordingly

* The Director of the Budget can amend the certification at any time to more precisely account for a revised Revenue Bond Tax Fund 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 Revenue Bond Tax Fund 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, 50 percent of estimated monthly New York State ECEP Receipts, and 50 percent of estimated monthly New York State PTET 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

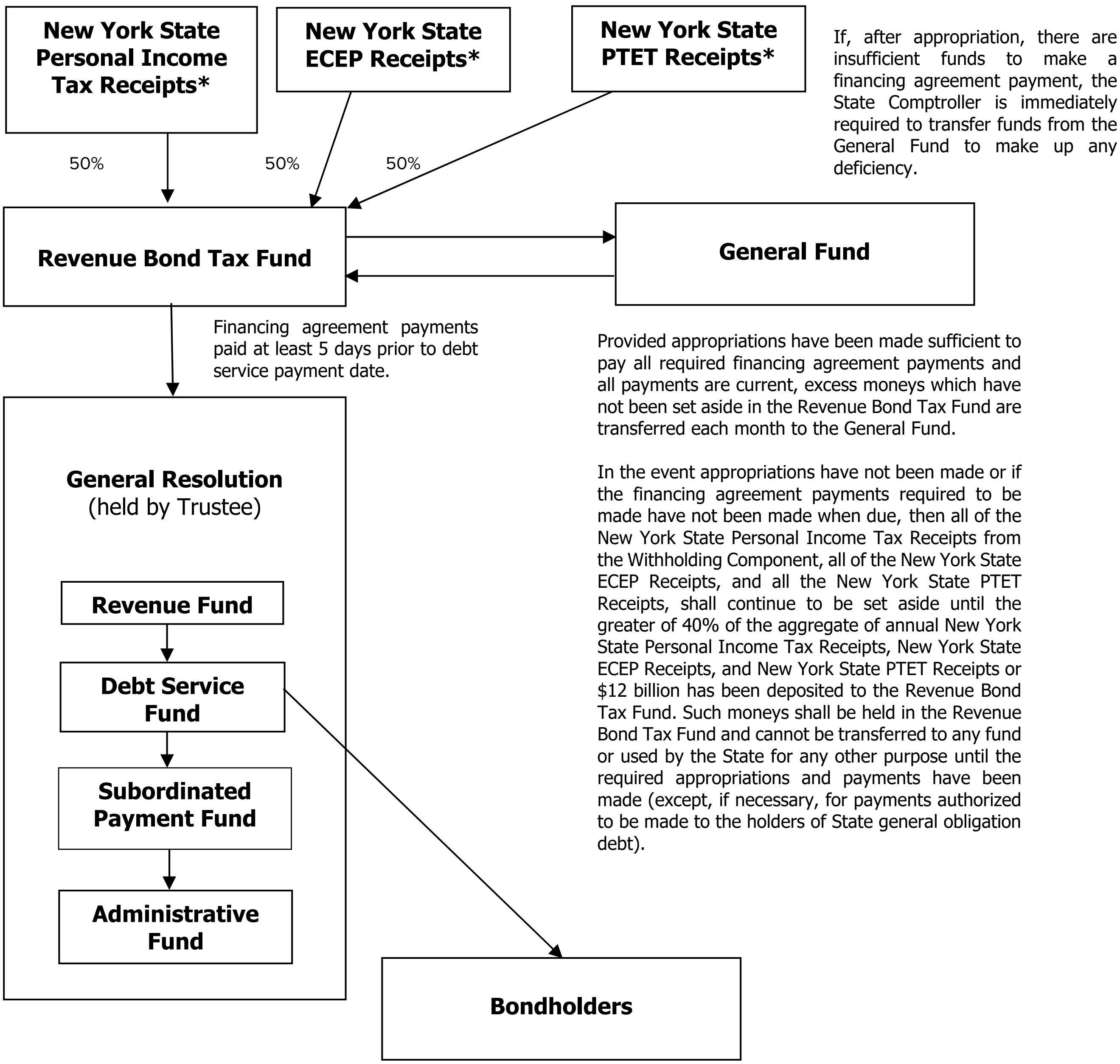
The Enabling Act prohibits the State Comptroller from paying over or distributing any amounts deposited in the Revenue Bond Tax Fund (except, if necessary, for payments authorized to be made to the holders of State general obligation debt) other than to the Authorized Issuers (which are paid to the applicable 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 New York State Personal Income Tax Receipts from the Withholding Component, all of the New York State ECEP Receipts, and all of the New York State PTET 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, New York State ECEP Receipts and New York State PTET 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.

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 taxes imposed pursuant to Article 22, Article 24, and Article 24-A 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 30 or September 15 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, all of the New York State ECEP Receipts, and all of the New York State PTET 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 Revenue Bond Tax Fund 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, Article 24, and Article 24-A 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 DOB 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 taxes imposed pursuant to Article 22, Article 24, and Article 24-A 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 taxes imposed pursuant to Article 22, Article 24, and Article 24-A of the Tax Law could have a serious impact on the flow of Revenue Bond Tax Fund 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; Earned Income Tax Credit; Child and Dependent Care Credit; Household Credit; College Tuition Credit; Long-term Care Insurance Credit; Investment Credits; Real Property Tax Circuit Breaker Credit; STAR credit for new homeowners; and the New York City STAR PIT credit.

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. Beginning tax year 2021, the former 8.82 percent top rate increased to 9.65 percent and two new high-income brackets were added, including a new top rate of 10.9 percent. The phase-in of the middle-income tax cuts was accelerated by FY 2023 Enacted Budget legislation, rendering the cuts fully-effective beginning tax year 2023.

The following tables set forth the current rate schedules for tax year 2022, for tax years after 2022 and before 2028 and for tax years after 2027.

New York State Personal Income Tax Rates for Tax for Tax Year 2022

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 $161,550	$1,202 plus 5.85% of excess over $27,900
Over $161,550 but not over $323,200	$9,021 plus 6.25% of excess over $161,550
Over $323,200 but not over $2,155,350	$19,124 plus 6.85% of excess over $323,200
Over $2,155,350 but not over $5,000,000	$144,626 plus 9.65% of excess over $2,155,350
Over $5,000,000 but not over $25,000,000	$419,135 plus 10.3% of excess over $5,000,000
Over $25,000,000	$2,479,135 plus 10.9% of excess over $25,000,000
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 5.85% of excess over $13,900
Over $80,650 but not over $215,400	$4,504 plus 6.25% of excess over $80,650
Over $215,400 but not over $1,077,550	$12,926 plus 6.85% of excess over $215,400
Over $1,077,550 but not over $5,000,000	$71,984 plus 9.65% of excess over $1,077,550
Over $5,000,000 but not over $25,000,000	$450,500 plus 10.3% of excess over $5,000,000
Over $25,000,000	$2,510,500 plus 10.9% of excess over $25,000,000
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 5.85% of excess over $20,900
Over $107,650 but not over $269,300	$5,976 plus 6.25% of excess over $107,650
Over $269,300 but not over $1,616,450	$16,079 plus 6.85% of excess over $269,300
Over $1,616,450 but not over $5,000,000	$108,359 plus 9.65% of excess over $1,616,450
Over $5,000,000 but not over $25,000,000	$434,871 plus 10.3% of excess over $5,000,000
Over $25,000,000	$2,494,871 plus 10.9% of excess over $25,000,000

* A supplemental income tax recaptures the savings due to graduated marginal tax rates such that, for example, when a taxpayer's AGI exceeds $25,050,000 in tax year 2022, all taxable income becomes effectively subject to a flat 10.9 percent tax rate.

New York State Personal Income Tax Rates for Tax for Tax Years After 2022 and Before 2028

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 but not over $2,155,350	$18,252 plus 6.85% of excess over $323,200
Over $2,155,350 but not over $5,000,000	$143,754 plus 9.65% of excess over $2,155,350
Over $5,000,000 but not over $25,000,000	$418,263 plus 10.3% of excess over $5,000,000
Over $25,000,000	$2,478,263 plus 10.9% of excess over $25,000,000
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 but not over $1,077,550	$12,356 plus 6.85% of excess over $215,400
Over $1,077,550 but not over $5,000,000	$71,413 plus 9.65% of excess over $1,077,550
Over $5,000,000 but not over $25,000,000	$449,929 plus 10.3% of excess over $5,000,000
Over $25,000,000	$2,509,929 plus 10.9% of excess over $25,000,000
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 but not over $1,616,450	$15,371 plus 6.85% of excess over $269,300
Over $1,616,450 but not over $5,000,000	$107,651 plus 9.65% of excess over $1,616,450
Over $5,000,000 but not over $25,000,000	$434,163 plus 10.3% of excess over $5,000,000
Over $25,000,000	$2,494,163 plus 10.9% of excess over $25,000,000

* A supplemental income tax recaptures the savings due to graduated marginal tax rates such that, for example, when a taxpayer's AGI exceeds $25,050,000 in tax years 2023 through 2027, all taxable income becomes effectively subject to a flat 10.9 percent tax rate.

New York State Personal Income Tax Years 2028 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 but not over $2,155,350	$18,252 plus 6.85% of excess over $323,200
Over $2,155,350	$143,754 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 $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 but not over $1,077,550	$12,356 plus 6.85% of excess of $215,400
Over $1,077,550	$71,413 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 $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 but not over $1,616,450	$15,371 plus 6.85% of excess over $269,300
Over $1,616,450	$107,651 plus 8.82% of excess over $1,616,450

* A supplemental income tax recaptures the savings due to graduated marginal tax rates such that when a taxpayer's AGI exceeds $2,205,350 for married filing jointly taxpayers for tax years after 2027, all taxable income becomes effectively subject to a flat 8.82 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, New York State ECEP Receipts to the Revenue Bond Tax Fund also began in January 2019. Employers participating in the ECEP for the 2020 tax year were required to make an election by December 1, 2019, and employers participating in the ECEP for the 2021 tax year were required to make an election by December 1, 2020.

New York State ECEP Receipts are dependent on the extent to which employers elect to participate in the program. In State Fiscal Year 2019-20, the State received $2.0 million of New York State ECEP Receipts, based on the 262 employers that elected to participate in tax year 2019. New York State ECEP Receipts increased to $3.2 million in State Fiscal Year 2020-21, based on 299 participating employers in tax year 2020, and increased again to $13 million in State Fiscal Year 2021-22, based on 328 participating employers in tax year 2021. The participation data count for tax year 2022 has declined to 286, but substantial uncertainty exists with respect to New York State ECEP Receipts after State Fiscal Year 2021-22 due to its limited and volatile history.

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 tax imposed by 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.

Pass-Through Entity Tax Program

As part of the FY 2022 Enacted Budget, the State Legislature enacted legislation that provides for an optional pass-through entity tax on the State sourced income of (i) partnerships and (ii) S corporations. Qualifying entities that elect to pay into PTET will pay a graduated tax on their State sourced ordinary income (and guaranteed payments for partnerships) at the partnership or corporation level and their individual partners, members and shareholders will receive a refundable tax credit equal to the proportionate or pro rata share of taxes paid by the electing entity.

For each taxable year beginning on or after January first, two thousand twenty-one, the PTET schedule is as follows:

If pass-through entity taxable income is:

Not over $2,000,000	6.85% of taxable income
Over $2,000,000 but not over $5,000,000	$137,000 plus 9.65% of the excess over $2,000,000
Over $5,000,000 but not over $25,000,000	$426,500 plus 10.30% of excess over $5,000,000
Over $25,000,000	$2,486,500 plus 10.90% of excess over $25,000,000

The FY 2023 Enacted Budget Financial Plan includes estimates for PTET receipts and a corresponding decrease in PIT receipts. The overall effect on projected receipts to the Revenue Bond Tax Fund, to which 50 percent of both PIT and PTET receipts are deposited, is that PTET has significantly increased FY 2022 receipts and is expected to significantly decrease FY 2023 receipts. Projections are, however, based on limited experience to date, and there can be no assurance that such projections will be realized.

Revenue Bond Tax Fund Receipts

The Enabling Act provides that 50 percent of the 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 New York State ECEP Receipts shall be deposited in the Revenue Bond Tax Fund. Such receipts currently exclude refunds paid to employers.

Effective April 1, 2021, pursuant to legislative changes, 50 percent of the New York State PTET Receipts shall be deposited in the Revenue Bond Tax Fund. Such receipts currently exclude refunds paid to taxpayers.

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, all of the New York State ECEP Receipts and all of the New York State PTET Receipts until 50 percent of estimated monthly New York State Personal Income Tax Receipts, 50 percent of estimated monthly New York State ECEP Receipts, and 50 percent of the estimated monthly New York State PTET 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, New York State PTET Receipts, and deposits to the Revenue Bond Tax Fund from State Fiscal Years 2012-13 through 2022-23.

NYS PERSONAL INCOME TAX RECEIPTS AND WITHHOLDING COMPONENT,
NYS ECEP RECEIPTS, AND REVENUE BOND TAX FUND RECEIPTS
STATE FISCAL YEARS 2012-13 THROUGH 2022-23
(DOLLARS IN MILLIONS)

State Fiscal Year	New York State Personal Income Tax Receipts	Withholding Component	Withholding as a % of State Personal Income Tax Receipts	New York State PTET Receipts	New York State ECEP Receipts	Revenue Bond Tax Fund Receipts[2]
2012-13	$40,227	$31,958	79.4%	N/A	N/A	$ 10,057
2013-14	42,961	33,368	77.7	N/A	N/A	10,740
2014-15	43,710	34,907	79.9	N/A	N/A	10,927
2015-16	47,055	36,549	77.7	N/A	N/A	11,764
2016-17	47,566	37,524	78.9	N/A	N/A	11,891
2017-18	51,501	40,269	78.2	N/A	N/A	12,875
2018-19	48,087	41,084	85.4	N/A	$ 0.1	24,044[1]
2019-20	53,659	43,118	80.4	N/A	2.0	26,831[1]
2020-21	54,967	44,218	80.4	N/A	3.2	27,485[1]
2021-22	70,737	53,328	75.4	$16,430	13.0	43,590[1]
2022-23 (Proj.)[2]	46,975	51,638	109.9	14,997	13.0	30,991[1]

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

(2) Includes New York State Personal Income Tax Receipts, New York State ECEP Receipts, and New York State PTET Receipts. Reflects the timing of PTET receipts that results in a decrease in PIT receipts, which are estimated to be revenue-neutral to the State on a multi-year basis, but are not estimated to be revenue-neutral to the State within each fiscal year.

For State Fiscal Year 2021-22, New York State Personal Income Tax Receipts totaled approximately $70.7 billion and accounted for approximately 58.4 percent of State tax receipts in all State Funds. The FY 2023 Enacted Budget Financial Plan estimates that total New York State Personal Income Tax Receipts (net of refunds to taxpayers but before deposits to the School Tax Relief (STAR) Fund) will decrease by 33.6 percent to approximately $47.0 billion in State Fiscal Year 2022-23. The decrease in FY 2022-23 receipts and the resulting increased share of total receipts represented by the withholding component are due to the influence of PTET. The FY 2023 Enacted Budget assumes that revenue loss from tax year 2021 PTET credits will be realized entirely through PIT settlement payments, beginning April 2022. Furthermore, there is also the assumption that that revenue loss from tax year 2022 PTET credits will be realized primarily through reduced PIT quarterly estimated payments, also beginning April 2022. Therefore, FY 2022-23 PIT receipts are negatively affected by nearly two full tax years' worth of PTET credits. New York State ECEP Receipts are estimated to total $13 million in State Fiscal Year 2022-23, reflecting the second complete fiscal year of collection based on fully phased-in ECEP tax rate (5 percent).

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 DOB 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. Total State personal income tax receipts are projected to decline again in State Fiscal Year 2022-23 due to the payment of tax year 2021 PTET credits – following the completion of tax year 2021 PIT final returns – and a reduction of tax year 2022 PIT estimated payments in anticipation of tax year 2022 PTET credits.

The following table shows the historical pattern of State adjusted gross income growth and Personal Income Tax liability for 2013 through 2022.

NYS ADJUSTED GROSS INCOME (AGI) AND PERSONAL INCOME TAX LIABILITY 2013-2022[1]

Tax Year	NYS AGI ($ in millions)	Percent Change	Personal Income Tax Liability ($ in millions)	Percent Change
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	874,568	10.1	48,000	15.0
2018	906,868	3.7	48,712	1.5
2019	930,755	2.6	49,567	1.8
2020 (Est.)	951,092	2.2	53,043	7.0
2021 (Est.)	1,084,952	14.1	67,118	26.5
2022 (Proj.)	1,100,826	1.5	67,934	1.2

(1) 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.

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 2013, adjusted gross income has 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 growing minimally in tax year 2018 due to the aforementioned strategic income shifting.

The FY 2023 Enacted Budget Financial Plan estimates that tax year 2020 personal income tax liability totaled $53.0 billion, increasing 7.0 percent from the prior year. Reflecting not only the economic impact of the COVID-19 pandemic, including the extraordinary support to personal incomes provided by the Federal government and the robust recovery of equity markets, but also the effects of new, high-income tax brackets and rates that are effective with the 2021 tax year, personal income tax liability is projected to increase by 26.5 percent to $67.1 billion in tax year 2021.

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 Revenue Bond Tax Fund Receipts that cannot be predicted at this time.

DEBT SERVICE COVERAGE ON OUTSTANDING PERSONAL INCOME TAX REVENUE BONDS[1]
(dollars in thousands)

Revenue Bond Tax Fund Receipts	$47,778,900
Maximum Annual Debt Service	$4,508,711
Debt Service Coverage	10.6x

(1) As of March 31, 2022

Based upon the assumptions used in preparing the following table, including assumed average State Personal Income Tax Revenue Bond issuances of approximately $5.6 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, New York State ECEP Receipts, and New York State PTET Receipts is expected to increase from 6.3 times in State Fiscal Year 2022-23 to 7.2 times in State Fiscal Year 2023-24 and then decline in State Fiscal Year 2024-25 and State Fiscal Year 2025-26 to 7.1 times and 6.6 times, respectively.

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.

PROJECTED DEBT SERVICE COVERAGE ON STATE PERSONAL INCOME TAX REVENUE BONDS
STATE FISCAL YEARS 2022-23 THROUGH 2025-26
(dollars in thousands)

	FY 2023	FY 2024	FY 2025	FY 2026
Projected Revenue Bond Tax Fund Receipts	$30,991,000	$38,963,000	$40,899,000	$41,359,000
Projected New State Personal Income Tax Revenue Bonds Issuances[(1)]	5,817,000	6,398,000	5,366,000	6,264,000
Projected Total State Personal Income Tax Revenue Bonds Outstanding	50,652,000	54,972,000	57,894,000	60,852,000
Projected Maximum Annual Debt Service	4,947,000	5,396,000	5,750,000	6,262,000
Projected Debt Service Coverage[(2)]	6.3x	7.2x	7.1x	6.6x

(1) Includes New York State Personal Income Tax Receipts and New York State ECEP Receipts. Reflects the timing of PTET receipts and subsequent decrease in PIT receipts, which are estimated to be revenue-neutral to the State on a multi-year basis, but are not estimated to be revenue-neutral to the State within each fiscal year.

(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.

Prior to the June 13, 2019 release of Treasury Decision 9864, the DOB and the Department of Taxation and Finance have calculated the maximum amount of charitable donations to the Charitable Gifts Trust Fund for Tax Year 2022 through 2025* to be, on average, in the range of $23 billion annually. The calculation 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 ("SALT"), less the value of the $10,000 Federal SALT deduction limit, 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 also relies on the Division of the Budget's projections of the level of PTET liability and the associated PTET credits, which serve to reduce the Personal Income Tax liability. The calculation assumes that all PTET credits are claimed by taxpayers negatively affected by the $10,000 Federal SALT deduction limit, thereby reducing the maximum amount of charitable donations to the Charitable Gifts Trust Fund on a dollar-for-dollar basis. The calculation also assumes that (a) no further changes in tax law occur and (b) DOB's projections of the level of State taxpayer liability for the forecast period as set forth in the Financial Plan are materially accurate. The calculation is only intended to serve 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. Accordingly, the calculation should not, under any circumstances, be viewed as a projection of likely donations in any future year. Other factors that may influence donation activity include: continued federal limitations on the SALT deduction coupled with 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; and advice or guidance of tax advisors or other professionals.

* The Federal SALT deduction limit is currently scheduled to expire on December 31, 2025. Upon such expiration, the Charitable Gifts Trust Fund would not provide any federal tax advantages to participating State residents.

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.

POTENTIAL EFFECT OF CONTRIBUTIONS TO THE STATE CHARITABLE GIFTS TRUST FUND ON
REVENUE BOND TAX FUND RECEIPTS
STATE FISCAL YEARS 2023 THROUGH 2026
(dollars in billions)

	FY 2023	FY 2024	FY 2025	FY 2026
Revenue Bond Tax Fund Receipts, Prior Law	$ 16.0	$19.5	$20.6	$20.3
Revenue Bond Tax Fund Receipts, Current Law	32.1	39.0	41.1	40.7
Revenue Bond Tax Fund Receipts After Charitable Gifts				
100% Participation	28.9	28.8	30.5	30.1
75% Participation	29.7	31.4	33.2	32.7
50% Participation	30.5	33.9	35.8	35.4
25% Participation	31.3	36.5	38.5	38.0
10% Participation	31.7	38.0	40.1	39.6

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 percent 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 and New York State PTET 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 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 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 DOB's and Department of Taxation and Finance's current best judgment and estimates, such amount may be higher.

As of the FY 2023 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 DOB'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 two percent rate of taxation (equivalent to two cents on every dollar taxed). Such New York State Sales Tax Receipts required to be deposited in the Sales Tax Revenue Bond Tax Fund (currently equal to a two percent rate of taxation) comprise Sales Tax Revenue Bond Tax Fund Receipts. The Sales Tax Revenue Bonds were secured originally by dedicated revenues consisting of one cent of the State's four cent sales and use tax, but the legislation provided that upon the satisfaction of all the obligations and liabilities (the "LGAC Obligations") of the Local Government Assistance Corporation ("LGAC"), dedicated revenues will increase to 2 cents of the State's four-cent sales and use tax. This occurred when LGAC bonds were fully retired on April 1, 2021. 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. Deposits to the Local Government Assistance Corporation Tax Fund will no longer be required in FY 2023 due to the retirement of all LGAC Obligations and the $170 million annual obligation to The City of New York.

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.

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, 2022, Sales Tax Revenue Bond Tax Fund Receipts of approximately $8.25 billion are available to pay financing agreement payments on a pro forma basis, which amount represents approximately 6.7 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 or her 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 DOB 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

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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)

↓

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

↓

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 last outstanding LGAC Obligations were redeemed on April 1, 2021, at which time Sales Tax Revenue Bond Tax Fund Receipts increased to a two percent rate of taxation.

Moneys Held in the Sales Tax Revenue Bond Tax Fund

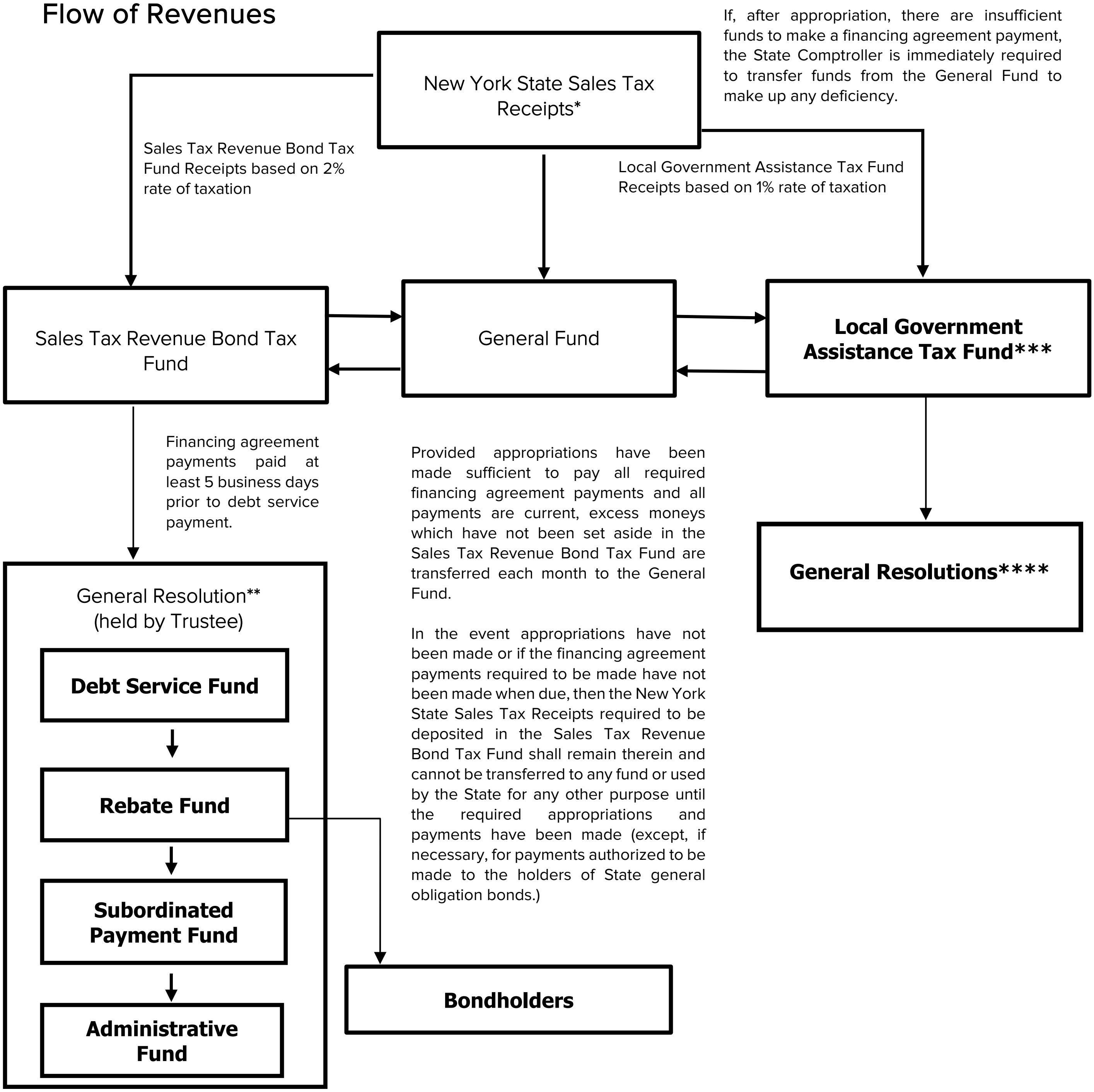
The Enabling Act prohibits the State Comptroller from paying over or distributing any amounts deposited in the Sales Tax Revenue Bond Tax Fund (except, if necessary, for payments authorized to be made to the holders of State general obligation debt) other than to the Authorized Issuers (which are paid 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.

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.

*** Effective July 1, 2021, the $170 million annual obligation to The City of New York has been eliminated as a result of the defeasance of all of the outstanding STARC bonds.

**** As of April 1, 2021, all of the outstanding LGAC Obligations were redeemed, which eliminated the requirement for monies in the Local Government Assistance Tax Fund to be used to pay LGAC Obligations.

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 30 or September 15 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 DOB 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 20th 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 (notwithstanding the temporary suspension of State Sales Tax on motor fuel in effect for June 2022 through December 2022). 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 13.6 percent of State tax receipts in all State Funds in FY 2022. 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 2013 through FY 2022, and estimated amounts for FY 2023. The information reflects State Tax Law changes described below.

NEW YORK STATE SALES TAX RECEIPTS [1]
(dollars in billions)

State Fiscal Year	New York State Sales Tax Receipts	Sales Tax Revenue Bond Tax Fund Receipts[2]	% Change [3]
2013	$11.232	$2.808	1.0%
2014	11.786	2.954	5.2
2015	12.137	3.027	2.5
2016	12.485	3.121	3.1
2017	12.967	3.242	3.9
2018	13.553	3.388	4.5
2019	14.164	3.537	4.4
2020	14.883	3.718	5.1
2021	13.273	3.317	-10.8
2022	16.491	8.248	148.6
2023[4]	16.671	8.336	1.1

Source: NYS DOB.

(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 prior to FY 2022, and equivalent to a 2 percent rate of taxation beginning FY 2022. Amounts shown prior to the enactment of the Sales Tax Revenue Bond Tax Fund (pre-FY 2014) are pro forma. On April 1, 2021, following the redemption of all outstanding LGAC obligations, the deposit to the Sales Tax Revenue Bond Fund increased to an amount equal to 2 percent rate of taxation, while the deposit to the Local Government Assistance Tax Fund remained at an amount equal to 1 percent rate of taxation. See page O-1 for further information.

(3) Represents growth rate of net receipts of 1 percent rate share prior to FY 2022. FY 2022 represents growth rate of net receipts of 2 percent rate share.

(4) As estimated in the FY 2023 Enacted Budget Financial Plan.

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 exempting 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.

Actual FY 2019 receipts of $14.164 billion reflect an increase of 5.3 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.

Actual FY 2020 receipts of $14.883 billion reflect an increase of 3.3 percent in the continuing New York State Sales Tax base, tax law changes, and administrative changes. These tax law changes included 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 enforced 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.

Actual FY 2021 receipts of $13.273 billion reflect a decrease of 14.9 percent in the continuing New York State Sales Tax base related to the economic downturn caused by the COVID-19 pandemic.

Actual FY 2022 receipts of $16.491 billion, reflect an increase of 23.6 percent in the continuing New York State Sales Tax base due to the recovery from the prior year's economic downturn caused by the COVID-19 pandemic, and tax law changes. These tax law changes included: eliminating and replacing the racing admissions tax with the State sales tax; extending certain exemptions related to the Dodd-Frank Protection Act for three years; making technical corrections to the sales tax remote vendor registration; extending the alternative fuels exemption for five years; codifying into law the existing tax exemption for breast pumps and certain replacement parts; extending the exemption for certain vending machine purchases for an additional year; clarifying when sales tax is due on the full (not discounted) retail price of a purchase if a rebate, discount, or similar price reduction is used, and the vendor is fully reimbursed by a third party; and modifying the treatment of vehicle leases with terminal rental adjustment clauses (TRACs) to authorize lessees or lessors, depending on the circumstance, to claim a SUT refund/credit for tax paid in the event the lessor refunds the lessee at the end of the lease term.

FY 2023 receipts are estimated to be $16.671 billion, reflecting an estimated increase of 4.1 percent in the continuing New York State Sales Tax base and tax law changes. These tax law changes include extending the exemption for certain vending machine purchases for an additional year, and suspending the State and MCTD sales taxes on gasoline and diesel fuel from June 1, 2022 through December 31, 2022.

(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.)

The following table sets forth monthly Sales Tax Revenue Bond Tax Fund Receipts from April 1, 2017 through March 31, 2022 and reflects the State Tax Law changes described above.

MONTHLY SALES TAX REVENUE BOND TAX FUND RECEIPTS[1]
APRIL 1, 2017 THROUGH MARCH 31, 2022 (dollars in millions)

MONTH	2017-18	%[2]	2018-19	%[2]	2019-20	%[2]	2020-21	%[2]	2021-22	%[2]
APRIL	$236.5	7%	$251.4	7%	$269.1	7%	$197.1	6%	$598.7	7%
MAY	243.9	7	263.3	7	275.5	7	184.9	6	590.2	7
JUNE	338.2	10	362.0	10	371.5	10	286.0	9	804.7	10
JULY	263.3	8	275.1	8	289.7	8	264.9	8	647.7	8
AUGUST	257.6	8	274.0	8	290.7	8	268.2	8	625.4	8
SEPTEMBER	340.6	10	354.9	10	380.8	10	354.5	11	815.1	10
OCTOBER	259.9	8	269.2	8	289.2	8	275.0	8	628.6	8
NOVEMBER	275.3	8	274.9	8	292.0	8	272.5	8	646.0	8
DECEMBER	346.4	10	360.5	10	370.9	10	353.4	11	821.6	10
JANUARY	279.9	8	286.8	8	317.5	9	298.9	9	693.2	8
FEBRUARY	235.1	7	242.8	7	261.1	7	249.7	8	575.9	7
MARCH	311.5	9	322.3	9	310.3	8	312.5	9	800.6	10
TOTAL[3]	$3,388.3	100%	$3,536.8	100%	$3,718.3	100%	$3,317.2	100%	$8,247.7	100%

Source: NYS DOB.

[1] Percentages indicate the monthly share of yearly receipts.

[2] Totals may not add due to rounding.

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
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	44.2	28.4	5.6	6.3	6.2	2.4	3.9	2.7	0.2
2018	43.8	28.7	5.7	6.0	6.6	2.5	4.0	2.8	0.0
2019	43.2	28.8	5.8	5.8	6.9	2.5	4.1	2.8	0.1
2020	43.1	28.6	5.8	6.0	7.2	2.4	4.0	2.8	0.1
2021[3]	49.2	20.3	6.0	7.2	7.0	2.8	4.7	2.8	0.1

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[1]
(dollars in thousands)

Sales Tax Revenue Bond Tax Fund Receipts	$8,247,707
Maximum Annual Debt Service	$1,231,384
Debt Service Coverage	6.7x

[1] As of March 31, 2022.

Based upon the assumptions used in preparing the following table, including assumed average State Sales Tax Revenue Bond issuances of approximately $1.6 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 two percent rate of taxation is expected to decrease from 5.9 times in FY 2023 to 5.0 times in FY 2026.

PROJECTED STATE SALES TAX REVENUE BOND DEBT SERVICE COVERAGE RATIOS
STATE FISCAL YEARS 2023 THROUGH 2026
(dollars in thousands)

	FY 2023	FY 2024	FY 2025	FY 2026
Projected Sales Tax Revenue Bond Tax Fund Receipts	$8,335,500	$8,642,500	$8,823,500	9,037,000
Projected New State Sales Tax Revenue Bonds Issuances	2,279,000	2,745,000	2,469,000	2,156,000
Projected Total State Sales Tax Revenue Bonds Outstanding	14,044,000	16,072,000	17,734,000	19,010,000
Projected Maximum Annual Debt Service	1,421,000	1,511,000	1,671,000	1,796,000
Projected Debt Service Coverage	5.9x	5.7x	5.3x	5.0x

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

12/22/2004	New York State Urban Development Corporation, State Personal Income Tax Revenue Bonds (State Facilities & Equipment), Series 2004A-2
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, Third General Resolution Revenue Bonds (State University Educational Facilities Issue), Series 2005A
3 /2 /2005	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds (Education), Series 2005B
3 /3 /2005	Dormitory Authority of the State of New York, Upstate Community Colleges, 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
7 /17/2008	New York State Urban Development Corporation State Personal Income Tax Revenue Variable Rate Remarketing Bonds, 2004 A-3
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
8 /31/2009	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2009F
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 Contruction Bonds, Series 2009
12/1 /2009	New York State Urban Development Corporation State Personal Income Tax Revenue Bonds, General Purpose 2009 E (Federally Taxable Build America Bonds)
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 2010C
3 /17/2010	New York State Thruway Authority 2nd General Highway and Bridge Trust Fund Bonds, Series 2010B

APPENDIX A
Bonds with a Section 1 Disclosure Obligation

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
10/14/2010	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2010H
12/8 /2010	New York State Urban Development Corporation State Personal Income Tax Revenue Bonds, General Purpose 2010 C (Federally Taxable Build America Bonds)
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
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 /28/2012	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2012A
10/18/2012	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2012D
3 /19/2013	New York State Urban Development Corporation State Personal Income Tax Revenue Bonds, General Purpose 2013 A-1, 2013 A-2
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

APPENDIX A
Bonds with a Section 1 Disclosure Obligation

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
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
1 /14/2015	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2015A
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 2015C
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

APPENDIX A
Bonds with a Section 1 Disclosure Obligation

12/17/2015	New York State Urban Development Corporation, State Personal Income Tax Revenue Bonds, General Purpose 2015 A (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
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
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 /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.
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 2018C

APPENDIX A
Bonds with a Section 1 Disclosure Obligation

7 /19/2018	Dormitory Authority of the State of New York, State Sales Tax Revenue Bonds, Series 2018D
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
10/12/2018	Dormitory Authority of the State of New York, State Sales Tax Revenue Bonds, Series 2018E
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
1 /16/2019	New York State Urban Development Corporation State Personal Income Tax Revenue Bonds, General Purpose 2019 A, 2019 B (Federally Taxable)
3 /21/2019	Office of the State Comptroller, New York State General Obligation Bonds, Series 2019A Tax-Exempt Bonds, Dated March 21, 2019.
6 /28/2019	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2019A
10/30/2019	New York State Urban Development Coporation State Sales Tax Revenue Bonds, 2019 A, 2019 B (Federally Taxable)
10/30/2019	Office of the State Comptroller, New York State General Obligation Bonds, Series 2019B Taxable Refunding Bonds, Dated October 30, 2019.
1 /3 /2020	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2019E
1 /3 /2020	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2019F
1 /3 /2020	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2019D
6 /25/2020	New York State Urban Development Corporation State Personal Income Tax Revenue Bonds, General Purpose 2020 A, 2020 B (Federally Taxable)

APPENDIX A
Bonds with a Section 1 Disclosure Obligation

7 /23/2020	New York State Urban Development Corporation State Personal Income Tax Revenue Bonds, General Purpose 2020 C, 2020 D (Federally Taxable)
10/15/2020	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2020A&B
12/23/2020	New York State Urban Development Corporation State Personal Income Tax Revenue Bonds, General Purpose 2020 E, 2020 F (Federally Taxable)
3 /23/2021	Office of the State Comptroller, New York State General Obligation Bonds, Series 2021A Tax-Exempt Bonds and Series 2021B Taxable Bonds, Dated March 23, 2021
3 /25/2021	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2021A&B
6 /23/2021	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2021C&D
7 /28/2021	New York State Thruway Authority State Personal Income Tax Revenue Bonds, Series 2021A
10/21/2021	New York State Urban Development Corporation State Sales Tax Revenue Bonds, 2021 A, 2021 B (Federally Taxable)
12/17/2021	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2021E&F
3 /25/2022	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2022A&B

Appendix B

APPENDIX B
Bonds with a Section 2 Disclosure Obligation

12/22/2004	New York State Urban Development Corporation, State Personal Income Tax Revenue Bonds (State Facilities & Equipment), Series 2004A-2
3 /2 /2005	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds (Education), 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
7 /17/2008	New York State Urban Development Corporation State Personal Income Tax Revenue Variable Rate Remarketing Bonds, 2004 A-3
8 /31/2009	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2009F
10/20/2009	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds (Education), Qualified School Contruction Bonds, Series 2009
10/20/2009	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2009H
12/1 /2009	New York State Urban Development Corporation State Personal Income Tax Revenue Bonds, General Purpose 2009 E (Federally Taxable Build America Bonds)
3 /11/2010	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2010C
3 /17/2010	New York State Thruway Authority 2nd General Highway and Bridge Trust Fund Bonds, Series 2010B
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
10/14/2010	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2010H

APPENDIX B
Bonds with a Section 2 Disclosure Obligation

12/8 /2010	New York State Urban Development Corporation State Personal Income Tax Revenue Bonds, General Purpose 2010 C (Federally Taxable Build America Bonds)
3 /22/2012	New York State Thruway Authority 2nd General Highway Bridge and Trust Fund Bonds, Series 2012A
6 /28/2012	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2012A
10/18/2012	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2012D
3 /19/2013	New York State Urban Development Corporation State Personal Income Tax Revenue Bonds, General Purpose 2013 A-1, 2013 A-2
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
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
10/23/2014	Dormitory Authority of the State of New York, State Sales Tax Revenue Bonds, Series 2014A
12/30/2014	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2014E,F
1 /14/2015	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2015A

APPENDIX B
Bonds with a Section 2 Disclosure Obligation

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 2015C
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 (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
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
10/13/2017	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2017B

APPENDIX B
Bonds with a Section 2 Disclosure Obligation

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)
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 2018C
7 /19/2018	Dormitory Authority of the State of New York, State Sales Tax Revenue Bonds, Series 2018D
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 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)
6 /28/2019	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2019A
10/30/2019	New York State Urban Development Coporation State Sales Tax Revenue Bonds, 2019 A, 2019 B (Federally Taxable)
1 /3 /2020	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2019F
1 /3 /2020	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2019E

APPENDIX B
Bonds with a Section 2 Disclosure Obligation

1 /3 /2020	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2019D
3 /26/2020	New York State Urban Development Corporation State Sales Tax Revenue Bonds, 2020 A, 2020 B (Federally Taxable)
6 /25/2020	New York State Urban Development Corporation State Personal Income Tax Revenue Bonds, General Purpose 2020 A, 2020 B (Federally Taxable)
7 /23/2020	New York State Urban Development Corporation State Personal Income Tax Revenue Bonds, General Purpose 2020 C, 2020 D (Federally Taxable)
10/15/2020	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2020A&B
12/23/2020	New York State Urban Development Corporation State Personal Income Tax Revenue Bonds, General Purpose 2020 E, 2020 F (Federally Taxable)
3 /23/2021	Office of the State Comptroller, New York State General Obligation Bonds, Series 2021A Tax-Exempt Bonds and Series 2021B Taxable Bonds, Dated March 23, 2021
3 /25/2021	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2021A&B
6 /23/2021	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2021C&D
7 /28/2021	New York State Thruway Authority State Personal Income Tax Revenue Bonds, Series 2021A
10/21/2021	New York State Urban Development Corporation State Sales Tax Revenue Bonds, 2021 A, 2021 B (Federally Taxable)
12/17/2021	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2021E&F
3 /25/2022	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, (General Purpose), Series 2022A&B