

NEW YORK STATE

1996-97 Financial Plan

Mid-Year Update

INTRODUCTION

This is the second quarterly update to the State's 1996-97 cash-basis Financial Plan. The first quarterly update was incorporated with the July Financial Plan, following enactment of the State Budget. This update incorporates cash-basis results for the first six months of the fiscal year, as well as revised economic forecasts for both the United States and New York.

SUMMARY

Current projections show that the State's Financial Plan for 1996-97 remains soundly balanced. The revised forecast indicates that the State will receive an estimated net increase of \$420 million in tax and other receipts, largely reflecting continuing recovery in the State economy and particularly the strong performance of the financial markets over the last two years. This increase is partially offset by a \$120 million decrease in projected lottery receipts, requiring a \$120 million increase in General Fund support for school aid — the only change made to disbursement projections.

Although projections for this year are favorable, the State faces litigation and other risks which could cost the State up to one-half billion dollars. Major risks faced by the State during the balance of 1996-97 are briefly described later in this update. Further, the State continues to project deficits in 1997-98 and beyond. The 1996-97 Financial Plan now contains a reserve which provides insurance against these and other unexpected contingencies and balances these risks. This reserve may also serve as a resource for the achievement of structural balance in 1997-98 or beyond.

ECONOMIC FORECAST

United States

The national economic growth rate increased in the first half of 1996, with the second quarter growing by an impressive 4.7 percent. However, recent economic news indicates, on balance, that growth has begun to slow. Nevertheless, in spite of indications of slower growth, as well as a lack of evidence of strong inflationary pressure, the Federal Reserve Board (FRB) is expected to increase short-term rates modestly over the next six to nine months. Growth is expected to remain slow through the first part of 1997 and then accelerate moderately to a rate that is unlikely to generate an upsurge in the inflation rate.

The Division of the Budget forecasts that real gross domestic product (GDP) will grow about 2.4 percent in 1997 with nominal GDP growing about 4.7 percent, a forecast which is close to the "Blue Chip" consensus of national economic forecasters. Inflation, as measured by the Consumer Price Index, is expected to be 3.0 percent in 1996 and 2.9 percent in 1997. The annual rate of job growth is expected to slow to about 2.2 percent by the end of 1996 and then fall to 1.8 percent in 1997. As a result, the rate of growth in personal income and wages will decrease accordingly.

The current outlook has changed only slightly from the Budget Division's July forecast. There are, however, uncertainties inherent in any economic forecast. The pace of economic growth could be faster if productivity, consumer and business confidence, or growth of global trading partners becomes stronger than anticipated. If such growth, or a rapid rise in labor, health or energy costs, intensifies inflationary pressures, the FRB may raise interest rates substantially. The result would be a sharp reduction in economic growth toward the end of the forecast period. Alternatively, poor productivity growth or weak consumer spending during the first half of 1997 could result in a sluggish economic performance. Under that scenario, the FRB would be likely to lower short-term interest rates in an effort to reignite the nation's economic engines and return the economy to a sustainable growth rate.

New York

The moderate growth that has characterized the New York economy recently continued during the first half of 1996. According to seasonally-adjusted employment data from the State Labor Department, New York has added 51,000 private-sector jobs since December 1995 and over 120,000 since December 1994. The service sector accounted for 46,000 of the 1996 increase, with retail trade and construction contributing significant gains as well. The unemployment rate was 6.4 percent in August and remains above the national rate as it has since 1991.

The Division of the Budget's current outlook for employment is nearly unchanged from the July forecast, but expected income and wage growth are up somewhat. The Division of the Budget's forecast calls for employment to increase in 1996 and 1997. Personal income should increase somewhat more than 5 percent in 1996 and slightly less than 5 percent in 1997. Wages should increase around 6 percent in 1996 and between 4 and 4.5 percent in 1997. Financial sector bonus payments are expected to rise significantly in late 1996 and early 1997, but slightly less than the prior-year increase.

Both private and overall employment growth will dip slightly in 1997 reflecting a similar slip in national growth. Government belt-tightening will continue and employment growth in the health industry will slow significantly.

The forecast for New York is subject to the same uncertainties as the national forecast, as well as some specific to New York. For example, should the average wages per employee grow more quickly or more slowly than forecasted, wage and personal income growth would be affected. The forecast could over or underestimate the impacts of cost-cutting measures in the health industry, and thereby misforecast employment.

SELECTED ECONOMIC INDICATORS

Calendar years

	<u>1993</u>	<u>1994</u>	<u>1995*</u>	<u>1996</u>	<u>1997</u>
United States					
Gross Domestic Product (current dollars, % change)	4.9	5.8	4.6	4.6	4.7
Gross Domestic Product (constant dollars, % change)	2.3	3.5	2.0	2.5	2.4
Consumer Price Index (% change)	3.0	2.6	2.8	3.0	2.9
Personal Income ¹ (% change)	4.1	5.0	6.3	5.4	5.2
New York State					
Personal Income ¹ (% change)**	2.9	5.1	4.6	5.2	4.7
Nonagricultural employment (% change)	0.3	0.9	0.6	0.8	0.6
Unemployment (%)	7.8	6.9	6.3	6.4	6.4

*Based on preliminary data.

**Series developed by N.Y.S. Division of the Budget; excludes legal underground wages.

Source: U.S. Department of Commerce, N.Y.S. Dept of Labor, U.S. Bureau of Labor Statistics.
(1996 estimates and 1997 projections by N.Y.S. Division of the Budget.)

¹ Technical note for personal income for 1993 and 1994: U.S. personal income reflects a shift of income into the fourth quarter of 1992, with most of this income drawn from the first quarter of 1993, and a similar shift from the first quarter of 1994 into the fourth quarter of 1993. N.Y. personal income smooths such income shifts across several quarters.

GENERAL FUND

General Fund Receipts

Total General Fund receipts are now projected at \$33,593, an increase of \$420 million from the enacted budget. A more robust State economy and continued strength in the financial markets and the financial services industry have buoyed State tax collections, increasing the fiscal year expectations by \$409 million, to \$29,806 million. Projected miscellaneous receipts and transfers from other funds have also increased modestly.

These receipt projections reflect some slackening in the pace of year-over-year improvement recorded in the first half of this year, in part because of the slowing of the national economy currently underway and in part from the strong performance of the State's revenue structure in the last half of the State's 1995-96 fiscal year.

Despite this expected slowing in the pace of growth, some significant downside risks remain. To a large extent the strength in tax receipts in the first three quarters of calendar 1996 has been a product of the extended period of success in the financial markets. Historically, such periods have ended, sometimes dramatically. No such events are reflected in the projections.

Also, over the last year, growth in personal income tax withholding collections has outpaced the rate implicit in the preliminary estimates of wages which form the basis for these receipts. The two changes in withholding tables since the Spring of 1995 have obscured these historical relationships and it is not clear how the measurement anomaly will be resolved. It may be that the preliminary economic measurements of wages simply understate the actual strength in the growth of wages, or it may be that, due to lags in implementing the new tables or misestimates of their value, withholding collections are overstating the growth in income tax liability. It will be well into 1997 before these discrepancies are resolved.

Projected Tax Collections

Personal Income Tax: Receipts from the personal income tax are now estimated to total \$17,342 million, up \$241 million from the July forecast. Consistent with slightly stronger growth in many areas of the economy, net collections from the tax exceeded expectations for the July-September quarter. This is largely attributable to higher-than-projected payments from estimated taxes and assessments, and lower-than-projected refunds. Continued strength in the financial markets is expected to lead to higher bonus payments and to sustain increases in estimated tax payments. Higher dividend income also is contributing to higher estimated tax payments. The withholding forecast reflects the moderate increases in wage forecasts for 1996 and 1997. Since most of the shortfall in current-year refunds in the last quarter was due to timing changes, the annual estimate for refunds on 1995 income is reduced minimally.

User Taxes and Fees: Receipts from user taxes and fees are now expected to total \$6,723 million in 1996-97, virtually unchanged from the July Financial Plan, but \$92 million, or about 1.4 percent, above collections in 1995-96. This forecast reflects continued improvement in collections from the economically sensitive taxes in this

category as offset by the impact of tax reductions, a continuing decline in the demand for cigarettes and alcoholic beverages, essentially static demand for gasoline, and only a moderate growth in collections from audit. Receipts through the first half of the fiscal year totaled \$3,405 million. This is only \$30 million, or less than one percent, above receipts in the first half of 1995-96. Growth in the last half of the fiscal year is expected to improve slightly to 1.9 percent, yielding \$3,318 million or \$62 million more than the comparable period in 1995-96.

The most significant increase in this category is attributable to sales tax collections which are projected to be \$5,181 million. This projection is \$186 million or 3.7 percent above 1995-96 actual deposits and \$9 million above the amount reflected in the July plan. Collections from this source reflect the improved economic outlook, modest increases in collections from audit and the impact of recent legislation. The estimate of the yield of cigarette and tobacco taxes has been lowered to \$665 million from \$673 million in July. The sharp decline in cigarette consumption in the first half of the year is expected to moderate even though prices are expected to continue to increase. Motor vehicle fee deposits are now projected at \$447 million, nearly \$20 million below last year and \$4 million below the July Financial Plan. Estimates for the other sources of revenue in this category show moderate changes based primarily upon the results of the first half of the year.

Business Taxes: Receipts from this category are now projected to total \$4,744 million, reflecting an increase of \$124 million compared to the July estimate. The adjustment reflects increases in the estimates of the yield from the corporation franchise tax and the corporation and utilities taxes offset by a decline in forecasted receipts from petroleum business taxes. Estimated receipts from bank and insurance taxes are unchanged from the July update.

The estimate of receipts for the corporation franchise tax has increased by \$75 million from the July estimate. This increase is the result of higher-than-projected receipts in September. The forecasted liability growth has been increased from the most recent estimate forecast to reflect the positive impact of strong corporate earnings reports from the financial services sector.

Estimated corporation and utilities tax receipts for 1996-97 are increased to \$1,485 million, \$60 million above the July Financial Plan. The increase reflects both stronger-than-anticipated growth in energy consumption for the first 6 months of 1996 and an upward revision to the estimated telecommunications tax liability base for 1995. The actual 1995 telecommunications liabilities are still somewhat uncertain because a number of major taxpayers filed for extensions for additional time to calculate their final 1995 returns.

Collections under the petroleum business taxes are expected to total \$140 million, \$11 million below the estimate in July and well below the \$272 million collected in 1995-96. These collection trends are due to the changes in the percentage of the tax deposited into the General Fund, the ongoing reduction in the business tax surcharge, and a decline in the expected receipts from the carrier tax.

Other Taxes: Receipts from other taxes are estimated at \$997 million, which is \$49 million above the July Plan but \$102 million below collections in 1995-96. Collection growth for the first six months has been 10.2 percent or \$54 million above

deposits in 1995-96. Receipts in the second half, however, are expected to decline sharply from 1995-96 levels. The main factors affecting collections will be tax cut legislation, the absence of significant one-time receipts recorded in this category in the last six months of last year, and higher deposits into the Environmental Protection Fund.

The estimate of estate and gift tax receipts has been increased sharply to \$814 million from \$772 million in July. This \$42 million increase is attributable primarily to receipt of a large estate tax payment in the first half of the year and slight growth in the gift tax base. The second half of the year should see a moderating growth in the estate tax and the absence of another large gift tax payment similar to the payment received in the last half of 1995-96. Real property gains tax receipts of \$46 million in the first half of the fiscal year are expected to be offset by net refunds of nearly \$11 million in the last half of the year reflecting the repeal of the tax and the payment of refunds for taxes paid subsequent to the repeal. Estimated real estate transfer tax receipts have been increased to \$104 million from the \$98 million expected in July. The sales of residential property during the first half of the year has exceeded expectations and there has been a slight upturn in sales of commercial property.

Miscellaneous Receipts and Transfers from Other Funds: Estimates for miscellaneous receipts and transfers from other funds have been revised up by \$11 million from the July Plan to \$3,787 million. Projected miscellaneous receipts are now expected to total \$2,111 million, up \$8 million, while expected transfers from other funds have been projected to reach \$1,676 million, up \$3 million from the July forecast. The revision to the miscellaneous receipts category largely reflects higher expectations for investment income while the increase in transfers reflects higher sales tax receipts in the Local Government Assistance Corporation Fund, which are planned to be transferred to the General Fund.

Revisions in Disbursement Estimates

General Fund disbursements including operating transfers to other funds are projected at \$33,243 million, up \$120 million from the July Plan. This reflects increased General Fund support for school aid as a result of lower than expected lottery proceeds. This support takes the form of a transfer from the General Fund to the Lottery Fund (to replace the lost revenues), pursuant to the lottery aid guarantee. Despite this increase, spending remains constrained as compared to prior fiscal years — down \$376 million or 1.1 percent below comparable spending in the 1994-95 fiscal year.

General Fund spending for the first six months of the fiscal year is just above \$15.4 billion, or about \$400 million below original cashflow projections. This variance is entirely the result of minor timing delays, reflecting late processing of new contracts and payments following the enactment of the budget. Payments for education are almost \$300 million less than projected as school aid claims (including preschool and summer school special education claims) have moved more slowly than anticipated. Similarly, social service spending was about \$200 million lower than expected because of payment delays in both the monthly foster care block grant and the quarterly welfare settlement with counties. These lower costs were partially offset by earlier-than-anticipated payments for debt service.

As these cashflow variances are timing related, spending is expected to be back on schedule in the next few months. Total projected spending remains on target, reflecting strict management controls and the continuing hiring freeze.

Fund Balance

The year-end fund balance in the General Fund remains projected at \$337 million. This balance includes \$252 million in the Tax Stabilization Reserve Fund, following a payment of \$15 million during the year, and a projected deposit during 1996-97 of \$85 million to the Contingency Reserve Fund.

Recent Events

Welfare Reform: Since the adoption of the enacted budget, the Federal government enacted welfare reform legislation which substantively changed the programmatic and fiscal responsibilities for administration of welfare programs at the Federal, State and local levels. To prepare for this dramatic change, the Governor created the "Task Force to Analyze Federal Welfare Reform," which recently presented a report identifying the major areas that require State statutory and /or regulatory changes in order to comply with the new Federal statute. Based on the framework detailed by the Task Force, the Governor will shortly introduce legislation necessary to comply with the Federal law and continue progress toward comprehensive welfare reform for New York State. Upon introduction, this legislation will be available for consideration by the Legislature. The final form of the enacted legislation will determine the short and long term fiscal impact of welfare reform.

The State has already taken administrative actions to submit the Temporary Assistance to Needy Families implementation plan to the Federal government. Submission of this plan requires the State to begin compliance with certain time limits on welfare benefits and work requirements and permits the State to become eligible for Federal Block Grant funding.

Risks

The Financial Plan remains subject to a number of risks from economic developments, litigation, Federal actions and a variety of other factors outside the State's control. Some of the larger risks are described below.

GTE: The Court of Appeals denied the State's motion for leave to appeal the Appellate Division's decision on GTE Spacenet cases. The Appellate Division's ruling that GTE Spacenet was not subject to the 3.5 percent tax on gross receipts imposed under section 186-a of the Tax Law because their transmissions were classified by the FCC as communication by "radio" not by wires had sustained a Supreme Court ruling making the same finding.

The decision is limited in its application to the provisions of section 186-a as it existed prior to the amendments adopted in 1995, and has little prospective effect. The fiscal consequences of this ruling could be far reaching and potentially entail refunds for pre-1995 years of taxes and interest of several hundred million dollars. The case has resulted in the filing of over \$300 million in refund claims which, with interest and assuming a similar exposure for open years for which claims have yet to be filed,

could approach \$600 million in potential claims. The effects of the ruling are still being reviewed by the Attorney General and Executive Branch counsel.

Tugbuster: This case was argued before the Court of Appeals on October 8, and a decision is expected before the end of the calendar year. Originally involving the taxability of fuel used in New York Harbor by New Jersey based tug boats, the case, based on the plaintiffs claims, has the potential to invalidate a significant portion of the State's tax on petroleum businesses.

Yonkers School Desegregation: In an action originally commenced in 1985, the United States Second Circuit Court of Appeals recently issued a decision which leaves the State potentially liable for a share of Yonkers' latest court-ordered plan to remedy the "vestiges" of racial segregation in its school system. This month, the State filed a petition for a rehearing of this decision. If this and any potential subsequent efforts are not resolved in the State's favor, the State could face potential fiscal costs as determined by the Courts.

Other Governmental Funds

Changes in the Other Governmental Funds in this update are largely limited to conforming changes necessitated by the reestimate of lottery proceeds reflected in the General Fund. The only material change is the \$120 million reduction of lottery receipts in the Special Revenue fund type, replaced by a \$120 million transfer of General Fund monies pursuant to the lottery aid guarantee.

State Funds disbursements (the portion of New York State's budget supported by State revenues -- taxes, fees, fines and other revenues imposed by the State) are still projected at \$43,726 million, slightly above (1.6 percent) comparable 1995-96 spending levels. This represents the second smallest increase ever reported, just above the 1995-96 increase of 1.1 percent.

Spending in all governmental funds, including Federal funds, the General Fund and other State funds, is still projected at \$66,125 million. This represents an increase of 4.1 percent from 1995-96, primarily from enhanced efforts to maximize Federal reimbursement of Medicaid costs.

**GENERAL FUND FINANCIAL PLAN PREPARED
ON THE CASH BASIS OF ACCOUNTING**

1996-97
(millions of dollars)

	<u>July</u> <u>Estimate</u>	<u>Revisions</u>	<u>October</u> <u>Estimate</u>
Opening fund balance	<u>287</u>		<u>287</u>
Receipts:			
Taxes			
Personal income tax	17,101	241	17,342
User taxes and fees	6,728	(5)	6,723
Business taxes	4,620	124	4,744
Other taxes	948	49	997
Miscellaneous receipts	2,103	8	2,111
Transfers from other funds			
--LGAC	1,402	3	1,405
--All other	271	0	271
Total receipts	<u>33,173</u>	<u>420</u>	<u>33,593</u>
Disbursements:			
Grants to local governments	23,134	0	23,134
State operations	5,818	0	5,818
General State charges	2,219	0	2,219
Debt service	10	0	10
Capital Projects	2	0	2
Transfers to other funds			
--Debt service	1,596	0	1,596
--Capital projects	152	0	152
--Other purposes	192	120	312
Total disbursements	<u>33,123</u>	<u>120</u>	<u>33,243</u>
Reserve for potential risks	<u>0</u>	<u>300</u>	<u>300</u>
Change in fund balance	<u>50</u>	<u>0</u>	<u>50</u>
Closing fund balance	<u>337</u>		<u>337</u>

**1996-97 STATE FINANCIAL PLAN
ALL GOVERNMENTAL FUNDS
(millions of dollars)**

	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	(MEMO) Total
Opening fund balance	<u>287</u>	<u>499</u>	<u>(292)</u>	<u>160</u>	<u>654</u>
Receipts:					
Taxes	29,806	1,242	979	1,832	33,859
Miscellaneous receipts	2,111	5,387	1,498	721	9,717
Federal grants	<u>0</u>	<u>21,291</u>	<u>1,102</u>	<u>0</u>	<u>22,393</u>
Total receipts	<u>31,917</u>	<u>27,920</u>	<u>3,579</u>	<u>2,553</u>	<u>65,969</u>
Disbursements:					
Grants to local governments	23,134	22,012	660	0	45,806
State operations	5,818	6,103	3	3	11,927
General State charges	2,219	348	0	0	2,567
Debt service	10	0	0	2,579	2,589
Capital projects	<u>2</u>	<u>48</u>	<u>3,186</u>	<u>0</u>	<u>3,236</u>
Total disbursements	<u>31,183</u>	<u>28,511</u>	<u>3,849</u>	<u>2,582</u>	<u>66,125</u>
Other financing sources (uses):					
Transfers from other funds	1,676	2,491	173	3,737	8,077
Transfers to other funds	(2,060)	(2,043)	(304)	(3,706)	(8,113)
Bond and note proceeds	<u>0</u>	<u>0</u>	<u>461</u>	<u>0</u>	<u>461</u>
Net other financing sources (uses)	<u>(384)</u>	<u>448</u>	<u>330</u>	<u>31</u>	<u>425</u>
Reserve for potential risks	<u>300</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>300</u>
Change in fund balance	<u>50</u>	<u>(143)</u>	<u>60</u>	<u>2</u>	<u>(31)</u>
Closing fund balance	<u>337</u>	<u>356</u>	<u>(232)</u>	<u>162</u>	<u>623</u>

1996-97 STATE FINANCIAL PLAN
STATE FUNDS
(millions of dollars)

	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	(MEMO) Total
Opening fund balance	<u>287</u>	<u>555</u>	<u>(187)</u>	<u>160</u>	<u>815</u>
Receipts:					
Taxes	29,806	1,242	979	1,832	33,859
Miscellaneous receipts	2,111	5,374	1,498	721	9,704
Federal grants	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>2</u>
Total receipts	<u>31,917</u>	<u>6,618</u>	<u>2,477</u>	<u>2,553</u>	<u>43,565</u>
Disbursements:					
Grants to local governments	23,134	3,881	484	0	27,499
State operations	5,818	3,085	3	3	8,909
General State charges	2,219	187	0	0	2,406
Debt service	10	0	0	2,579	2,589
Capital projects	<u>2</u>	<u>46</u>	<u>2,275</u>	<u>0</u>	<u>2,323</u>
Total disbursements	<u>31,183</u>	<u>7,199</u>	<u>2,762</u>	<u>2,582</u>	<u>43,726</u>
Other financing sources (uses):					
Transfers from other funds	1,676	673	173	3,737	6,259
Transfers to other funds	(2,060)	(136)	(304)	(3,706)	(6,206)
Bond and note proceeds	<u>0</u>	<u>0</u>	<u>461</u>	<u>0</u>	<u>461</u>
Net other financing sources (uses)	<u>(384)</u>	<u>537</u>	<u>330</u>	<u>31</u>	<u>514</u>
Reserve for potential risks	<u>300</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>300</u>
Change in fund balance	<u>50</u>	<u>(44)</u>	<u>45</u>	<u>2</u>	<u>53</u>
Closing fund balance	<u>337</u>	<u>511</u>	<u>(142)</u>	<u>162</u>	<u>868</u>

1996-97 STATE FINANCIAL PLAN
SPECIAL REVENUE FUNDS
(millions of dollars)

	<u>State</u>	<u>Federal</u>	<u>Total</u>
Opening fund balance	<u>555</u>	<u>(56)</u>	<u>499</u>
Receipts:			
Taxes	1,242	0	1,242
Miscellaneous receipts	5,374	13	5,387
Federal grants	<u>2</u>	<u>21,289</u>	<u>21,291</u>
Total receipts	<u>6,618</u>	<u>21,302</u>	<u>27,920</u>
Disbursements:			
Grants to local governments	3,881	18,131	22,012
State operations	3,085	3,018	6,103
General State charges	187	161	348
Capital projects	<u>46</u>	<u>2</u>	<u>48</u>
Total disbursements	<u>7,199</u>	<u>21,312</u>	<u>28,511</u>
Other financing sources (uses):			
Transfers from other funds	673	1,818	2,491
Transfers to other funds	<u>(136)</u>	<u>(1,907)</u>	<u>(2,043)</u>
Net other financing sources (uses)	<u>537</u>	<u>(89)</u>	<u>448</u>
Change in fund balance	<u>(44)</u>	<u>(99)</u>	<u>(143)</u>
Closing fund balance	<u>511</u>	<u>(155)</u>	<u>356</u>

**CHANGES TO GENERAL FUND
RECEIPTS ESTIMATES FOR
1996-1997 STATE FISCAL YEAR
(millions of dollars)**

	<u>July Estimate</u>	<u>Change</u>	<u>October Estimate</u>
Personal income tax	17,101	241	17,342
User taxes and fees	<u>6,728</u>	<u>(5)</u>	<u>6,723</u>
Sales and use taxes	5,172	9	5,181
Cigarette and tobacco taxes	673	(8)	665
Motor fuel tax	162	(2)	160
Motor vehicle fees	451	(4)	447
Alcoholic beverage taxes	183	2	185
Hotel/motel tax	2	(1)	1
ABC license fees	28	(1)	27
Container tax	26	0	26
Auto rental tax	31	0	31
Business taxes	<u>4,620</u>	<u>124</u>	<u>4,744</u>
Corporation franchise tax	1,754	75	1,829
Corp. & utilities taxes	1,425	60	1,485
Insurance taxes	605	0	605
Bank tax	685	0	685
Petroleum business taxes	151	(11)	140
Other taxes	<u>948</u>	<u>49</u>	<u>997</u>
Estate taxes	688	42	730
Gift taxes	83	0	83
Real property gains tax	35	0	35
Real estate transfer tax	98	6	104
Pari-mutuel taxes	43	1	44
Other taxes	1	0	1
Miscellaneous receipts	2,103	8	2,111
Transfers from other funds	<u>1,673</u>	<u>3</u>	<u>1,676</u>
Total receipts	<u><u>33,173</u></u>	<u><u>420</u></u>	<u><u>33,593</u></u>

SUMMARY OF DISBURSEMENTS BY FUNCTION
GENERAL FUND
(Thousands of Dollars)

	1996-97 Estimated
ECONOMIC AFFAIRS AND GOVERNMENT OVERSIGHT	
Agriculture & Markets, Department of	26,806
Alcoholic Beverage Control, Division of	7,393
Consumer Protection Board, State	247
Economic Development, Department of	38,762
Housing and Community Renewal, Division of	98,099
Housing Finance Agency	713
Science and Technology Foundation, New York State	20,040
Empire State Development Corporation	67,293
Functional Total	<u>259,353</u>
PARKS AND THE ENVIRONMENT	
Adirondack Park Agency	3,177
Environmental Conservation, Department of	81,263
Parks, Recreation and Historic Preservation, Office of	89,154
Functional Total	<u>173,594</u>
TRANSPORTATION	
Motor Vehicles, Department of	112,564
Transportation, Department of	371,927
Functional Total	<u>484,491</u>
HEALTH & SOCIAL WELFARE	
Advocate for Disabled, Office of	823
Aging, Office for the	55,083
Children & Families, Council on	778
Health, Department of	5,868,409
Medical Assistance	5,290,676
MA Administration	80,500
All Other	497,233
Human Rights, Division of	8,922
Labor, Department of	24,622
Social Services, Department of	3,181,912
Income Maintenance	1,985,148
All Other Local Aid	1,108,144
All Other Social Services Department	88,620
Youth, Division for	271,107
Functional Total	<u>9,411,656</u>
MENTAL HEALTH	
Mental Health, Office of	926,863
Mental Retardation and Developmental Disabilities, Division of	573,934
Alcohol and Substance Abuse Services, Office of	252,872
Quality of Care for the Mentally Disabled, Commission on	2,788
Functional Total	<u>1,756,457</u>
PUBLIC PROTECTION	
Correction, Commission of	2,067
Correctional Services, Department of	1,496,310
Crime Victims Services, Division of	2,983
Criminal Justice Services, Division of	95,136
Military and Naval Affairs, Division of	13,527
Parole, Probation & Correctional Alternatives Division of	168,474
Probation, Division of	81,947
State Police, Division of	226,329
Functional Total	<u>2,086,773</u>

EDUCATION

Arts, Council on the	33,451
City University of New York	871,877
Education, Department of	<u>9,586,746</u>
School Aid (1)	8,451,651
Handicapped	678,900
All Other Local Aid	412,990
Agency Operations	43,205
Higher Education Services Corporation, New York State	643,411
State University of New York	<u>989,221</u>
Functional Total	<u>12,124,706</u>

GENERAL GOVERNMENT

Audit and Control, Department of	78,273
Budget, Division of the	25,711
Civil Service, Department of	20,818
Elections, State Board of	2,622
Employee Relations, Office of	3,674
Executive Chamber	10,496
General Services, Office of	102,600
Law, Department of	70,879
Public Employment Relations Board	3,086
Racing and Wagering Board, State	9,189
Real Property Services, Office of	23,147
State, Department of	9,079
Taxation and Finance, Department of	266,627
Tax Appeals, Division of	3,035
Veterans Affairs, Division of	<u>5,942</u>
Functional Total	<u>635,178</u>

ALL OTHER CATEGORY

Miscellaneous	318,699
Legislature	177,040
Judiciary (excluding fringe benefits)	893,520
General State Charges (including fringe benefits for the Judiciary)	2,218,957
Short-Term Debt Service	10,287
Long-Term Debt Service	1,595,828
Capital Projects	151,855
Revenue Sharing	751,748
All Other (1)	<u>191,896</u>
Functional Total	<u>6,309,830</u>

TOTAL GENERAL FUND SPENDING33,242,038

(1) Reflects General Fund Transfer in support of school aid as school aid spending

