



2008-2009 Budget Outlook

Division of the Budget
Town Hall Meeting



Overview of the Budget Process



Governor Spitzer's Commitment

- Increase Transparency
- Increase Public Involvement
- Accelerate Budget Process to Help Facilitate an On-time Budget



Budget Calendar

- **October 2007**: Budget and Capital Hearings w/ Legislature
- **November 2007**: Quick Start Process and Budget Town Halls
- **December 2007**: Further Public Meetings
- **January 2008**: Governor Submits Executive Budget
- **January-March 2008**: Legislative Deliberation
- **April 2008**: Deadline for Enactment of FY 2008-2009 Budget



Fiscal Outlook

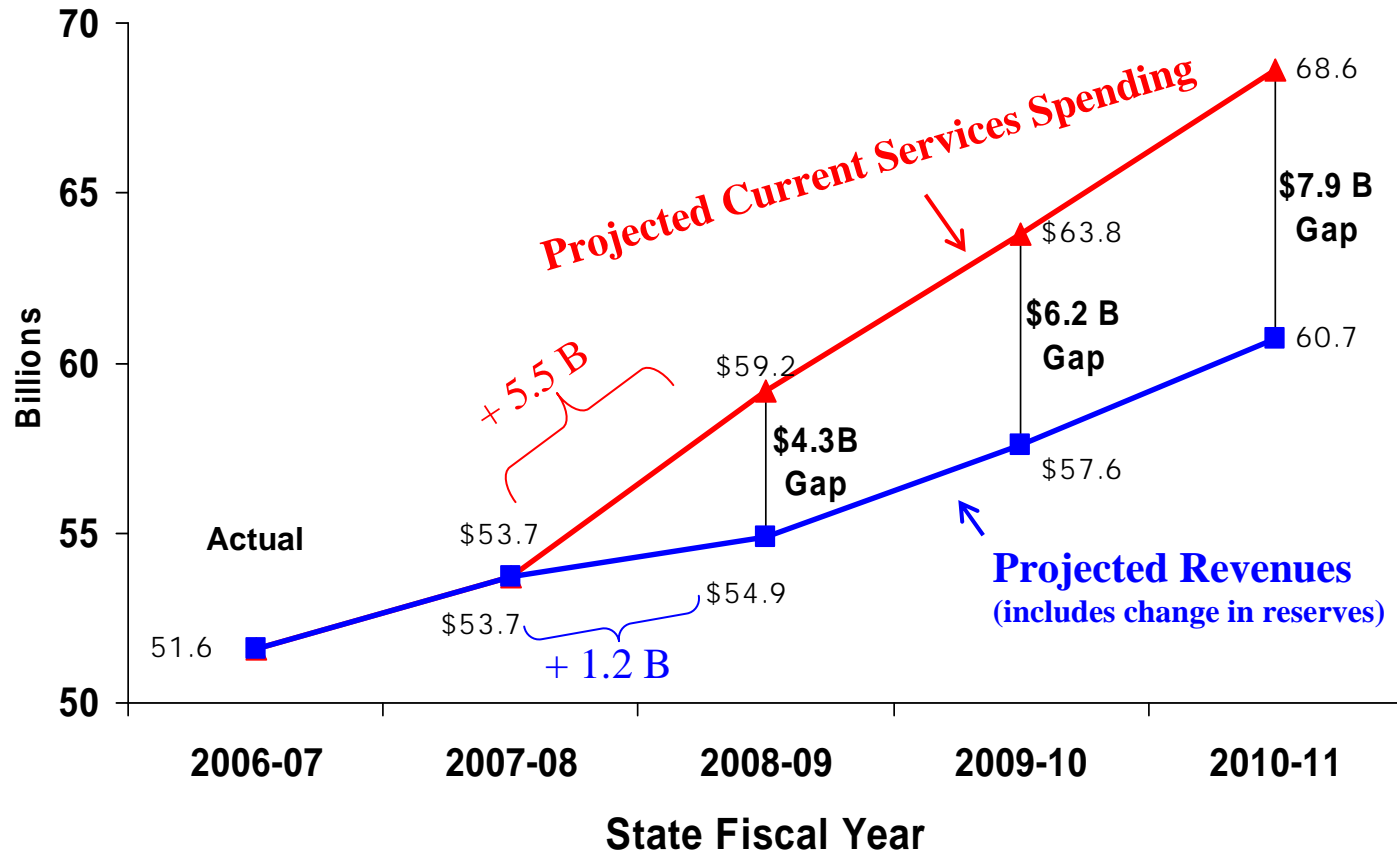


Financial Plan Overview

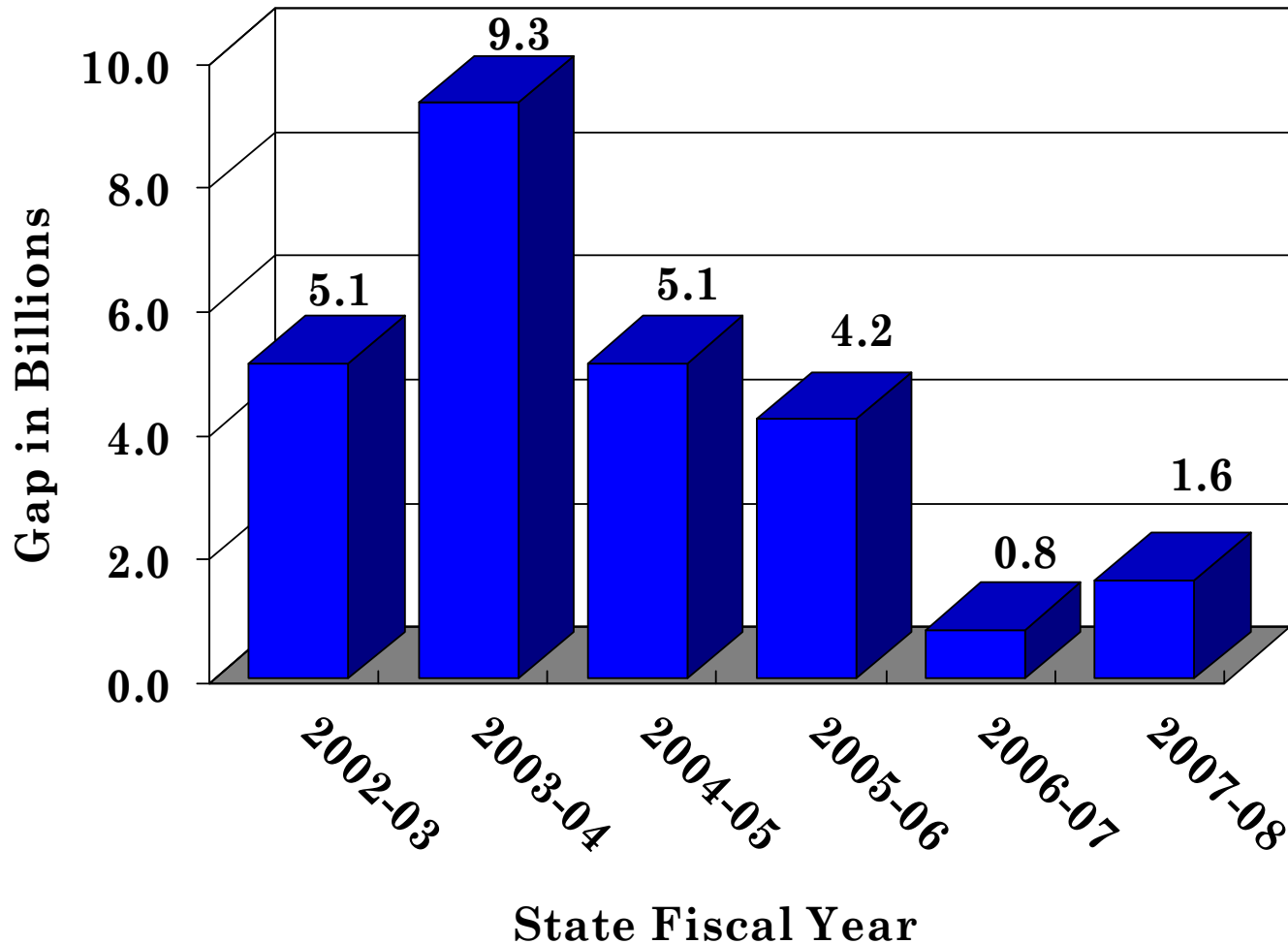
- 2007-2008 Budget Projected to be in Balance

	All Funds	State Operating Funds	General Fund
FY 2007-2008	\$118.6 Billion	\$77.9 Billion	\$53.7 Billion

General Fund Current Services Projections



Gaps Closed in Previous Years

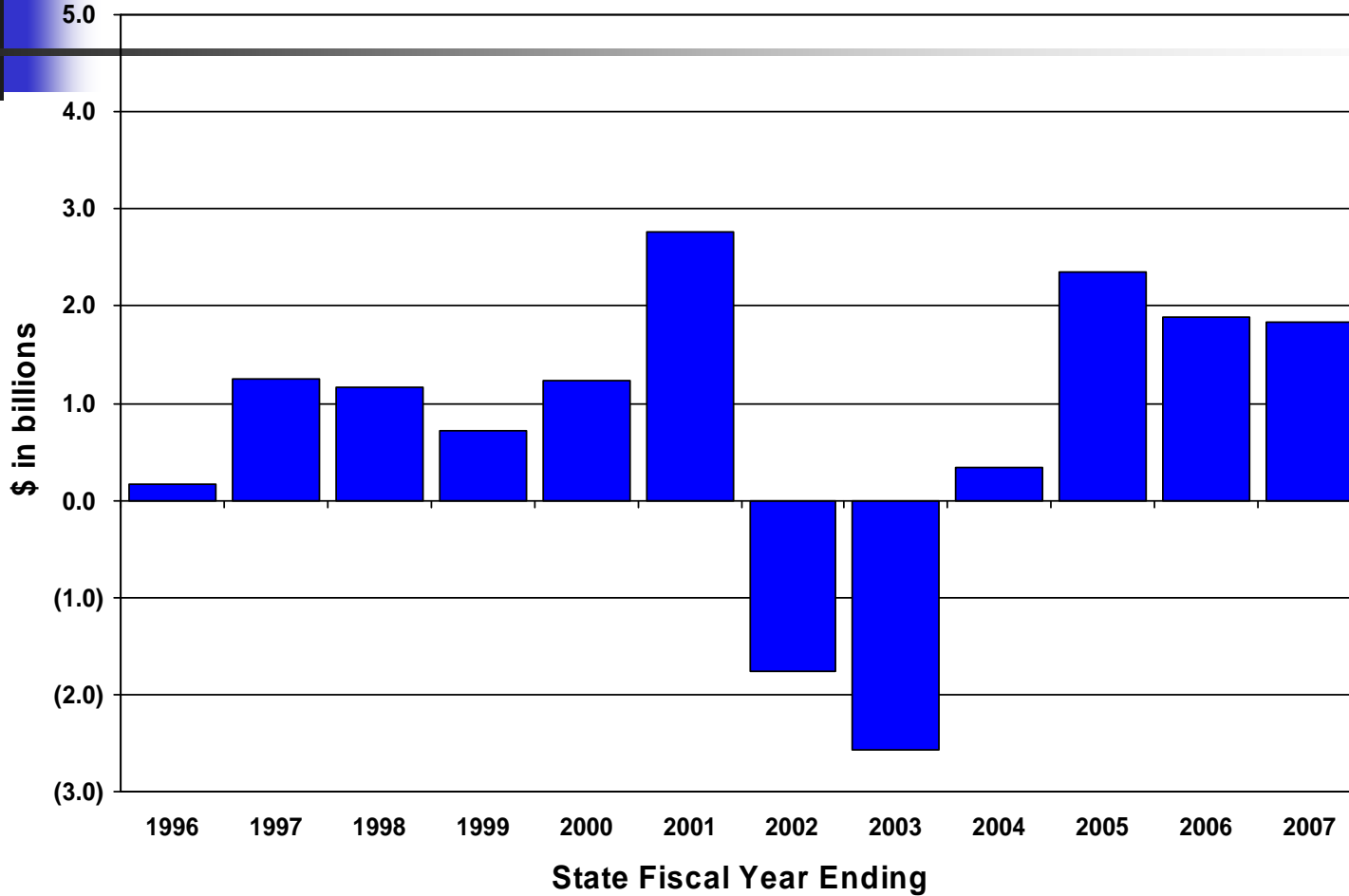


Why This Year Will Be Especially Difficult



State Tax Receipts

Actual vs. Enacted Difference





Extraordinary Revenue Growth is Not Likely to Continue

- All indications are that next year will be different
- 20 percent of state tax revenues come from Wall Street
 - When Wall Street catches a cold, New York gets pneumonia
- Problems on Wall Street
 - Sub prime mortgage fallout – increase in foreclosures
 - Credit Crunch – fewer mega real estate transactions
 - Big losses and layoffs for financial services firms
 - Decrease in Wall Street bonuses



Building on Last Year's Reforms, Setting Priorities for Next Year



Building on the Governor's Core Policy Goals

- Expanding health care access while reducing costs
- Increasing school aid – tied to accountability measures
- Increasing property tax relief – targeted to the middle class
- Closing corporate tax loopholes and providing broad-based business tax relief



New Health Care Initiatives

- Child Health Plus; access to coverage for 400,000 uninsured children
 - Efforts blocked by Bush Administration
 - Will continue to work to provide coverage
- Streamlining Medicaid enrollment and recertification; access to coverage for 900,000 Medicaid-eligible but uninsured adults and children
- Controlled unsustainable spending growth
 - Patient-centered
 - Funding flows to high-volume Medicaid hospitals
 - Curbing Medicaid fraud; 68 percent (\$205 million) fraud collection increase



Education

- New “Foundation Formula”
 - Aid targeted by student need, ability to pay
- \$1.76 Billion (10%) School Aid Increase
 - Tied to Contract for Excellence accountability measure
- \$146 million increase in Pre-K funding
 - 50 Percent Increase



Property Tax Relief

- New “Middle Class” STAR program, targeted by income
- \$1.3 billion increase

Income Level	0 - 90K	90-150K	150-250K	250K +
Upstate Increase	+60%	+45%	+30%	0%



Tax Fairness

- Closed unintended tax loopholes
 - Companies pay their fair share
- \$150 million in business tax cuts
 - Broad-based cuts that benefit the majority of businesses, rather than a select few



What Comes Next

- We're here to listen to your input on our state's priorities for next year
- Town Hall will be webcast
- Your written testimony will be available on our website