New York State Senate Finance Committee

2010 Mid Year Report

On Receipts and Disbursements

Senator Carl Kruger
Chair, Senate Finance Committee

Senator Liz Krueger
Vice-Chair, Senate Finance Committee

Joseph F. Pennisi
Secretary, Senate Finance Committee

Senator John L. Sampson
Conference Leader

Senator Malcolm A. Smith
President Pro Tem

Senator Pedro Espada, Jr.
Majority Leader

November 2010

EXECUTIVE SUMMARY

Section 7 of Chapter 1 of the Laws of 2007 requires representatives of the Governor, Senate, Assembly and Comptroller to meet on or before November 15th to review State financial and economic information and projections for the current and upcoming State Fiscal Year. Dubbed 'Quick Start', its goal is to facilitate timely adoption of the State budget for the next fiscal year. As part of this process, each house is required to prepare and make available a forecast of receipts and disbursements for the current and ensuing fiscal year no later than November 5th. A joint report is published and made available on the respective web sites after the meeting.

The Senate Finance Committee staff projects moderate economic growth and low inflation for 2011 at both the national level and in New York State. While corporate profits are expected to be very positive, robust hiring is not projected, thus leaving the unemployment rate above eight percent in New York and the United States. Wage growth is projected to be a little more than two percent in 2010 and nearly four percent in 2011. But consumption is expected to remain sluggish.

Based on this economic forecast, All Funds tax collections are now projected to reach nearly $61.1 billion in SFY 2010-11, an increase of $3.4 billion or 5.9 percent from SFY 2009-10. Further growth is projected for SFY 2011-12 as All Funds tax collections increase to $64.8 billion, an increase of $3.7 billion or six percent. Of this $3.7 billion projected increase from the current year, nearly $2.7 billion or seventy-three percent will come from an increase in Personal Income Tax collections. Business Taxes are projected to rise in SFY 2011-12 by $762 million or 10.4 percent. User Taxes and Fees are projected to rise in SFY 2011-12 by $250 million or 1.7 percent. Other Taxes are projected to remain at approximately $3 billion again in SFY 2011-12. Miscellaneous Receipts are also projected to remain at approximately $2.9 billion again in SFY 2011-12.

On the disbursement side of the ledger, $21.1 billion in School Aid is estimated to flow in SFY 2010-11. This is projected to rise to $22.5 billion in SFY 2011-12, an increase of $1.4 billion or 6.5 percent. Foundation Aid, which comprises $14.9 billion or seventy-one percent of the total, is projected to remain at SFY 2010-11 levels. Expense-based aids, which include Building Aid, Transportation Aid, Special Education Aids and BOCES aid, are projected to grow by $548 million or more than nine percent. Loss of the one-time federal Education Jobs aid ($607 million) is more than offset by the projected absence of the Gap Elimination Adjustment ($1.4 billion) in SFY 2011-12.

The State share of Medicaid disbursements are projected to reach $12.5 billion in SFY 2010-11 and grow to $18.4 billion in SFY 2011-12, an increase of $5.9 billion or 47.8 percent. This dramatic increase arises mostly ($3.6 billion or more than sixty-one percent of the total) from the loss of Enhanced Federal Medical Assistance Percentage that came via the federal stimulus package. The State is scheduled to return to its fifty percent Medicaid reimbursement from the federal government in June 2011. We also expect an increase in utilization of health care services and rising costs for most of the services financed by Medicaid, including skilled nursing facilities, hospital outpatient services, freestanding clinics and pharmaceuticals.

The State share of Public Assistance disbursements is projected to reach $935 million in SFY 2010-11 and grow to $942 million in SFY 2011-12, an increase of $7 million or 0.8 percent. Public Assistance consists of Family Assistance (financed by federal Temporary Assistance to Needy Families funds as well as State and local funds) and Safety Net Assistance for both families and single individuals. Safety Net is financed from State and local sources only. The Family Assistance caseload (and, by extension, disbursements) is projected to decline in SFY 2011-12 but will be offset by growth in the caseload for Safety Net for individuals, which is projected to grow by nearly 5,900 or 3.5 percent. Safety Net for families is not projected to grow.

ECONOMIC OUTLOOK

National Economy

According to the National Bureau of Economic Research (NBER), what is now being called "the Great Recession" ended in June 2009, after 18 months. Although real GDP for all of 2009 declined by 2.6 percent, the infusion of both fiscal and monetary policy by the Federal government through the Troubled Asset Relief Program (TARP) and the American Recovery and Reinvestment Act (ARRA) resulted in economic growth in the third and fourth quarters of 2009 of 1.6 percent and 5.0 percent, respectively. The economy continued to exhibit strong growth in the first quarter of 2010 as the impact of these two programs was felt; real GDP increased by 3.7 percent. However, as these stimulus programs ended, the economic recovery slowed. Although jobs are being created, the pace of such creation has been slow. In addition, the consumer has not shown enough confidence in the recovery to significantly increase spending. As a result, real GDP for all of 2010 is estimated to increase by 2.6 percent.

For 2011, the rate of the economic recovery is still projected to be slow in the first three quarters. Only in the fourth quarter will the economy realize stronger growth, with growth on an annualized basis in excess of three percent. As a result, real GDP is projected to grow by 2.2 percent in 2011.

In the Fall of 2008, the federal government implemented the Troubled Asset Relief Program (TARP). Through TARP funding, the US Treasury was able to make a series of investments to help stabilize the financial system. As of October 2010, the Treasury "had already recovered $204 billion of the $475 billion authorized and $387 billion paid out, and expected to recover most of the funds that have been paid out".[1] After adjusting for the recent AIG restructuring and the value of investments at current market prices, the Treasury anticipates that the total cost for taxpayers of the TARP relief will total $50 billion. They also estimate that TARP, along with other government initiatives, saved nearly 8.5 million jobs.

Along with TARP, the Federal government enacted the American Recovery and Reinvestment Act (ARRA) in February 2009. ARRA has provided a number of spending measures and tax cuts with the intent of spurring consumer spending and promoting economic growth. As of August, the Congressional Budget Office estimates that "the total impact over the 2009-2019 period will amount to $814 billion."[2] Approximately 70 percent of these funds are projected to be realized by the close of Federal fiscal year 2010. The Congressional Budget Office estimates also show that ARRA contributed a baseline average of 3.1 percent in real GDP growth in the second quarter of 2010. This estimate is in a range of 1.7 and 4.5 percent and is subject to revision dependent on incoming economic data. The CBO estimates that the effects from ARRA funding will subside through the second half of 2010 and project that the average baseline contribution to GDP growth will be 2.8 percent in calendar year 2010. In 2011, the estimated baseline impact of ARRA on GDP growth is 1.5 percent.

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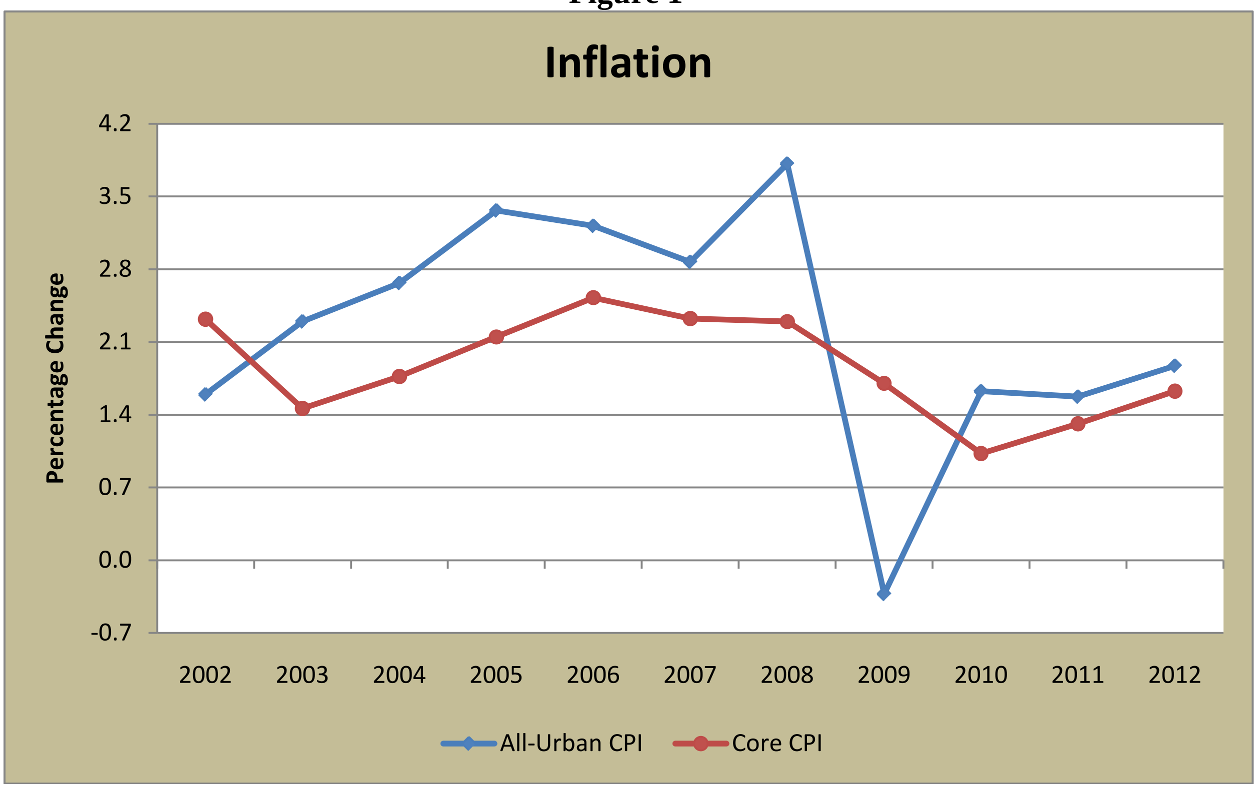
[1] <http://www.financialstability.gov/docs/105CongressionalReports/September%20105(a)%20report_FINAL.pdf>
[2] < http://www.cbo.gov/ftpdocs/117xx/doc11706/08-24-ARRA.pdf>

In addition to these fiscal policies, the Federal Reserve is expected to keep interest rates steady through 2011 with rates remaining in the 0 to 0.25 percent range. The Fed is able to maintain this low interest rate environment due to the lack of inflationary pressures. Core CPI (excluding food and energy prices) continues to track below the Fed's target rate of two percent . Core inflation is projected to total 1 percent over 2009 prices through the end of 2010. Total consumer price inflation is forecasted to average 1.6 percent through 2010, driven primarily by increases in energy and food prices. More of the same can be expected in 2011, as consumer prices maintain a 1.6 percent inflation rate. Core prices may exhibit slightly higher growth, with a projected annual increase of 1.3 percent in 2011.

As shown in the Figure 1, inflation is projected to stay below 2 percent through 2012. As a result, the Fed is not projected to begin raising rates until March 2012. These low inflation projections will allow the Fed to continue to focus on helping small businesses and consumers gain access to credit.

Figure 1



Source: IHS Global Insight

Business and Wall Street

These fiscal and monetary policies have allowed major corporations, particularly those within the financial sector, to stabilize after the economy's worst recession. They have also created an economic environment, through an easing of credit conditions and renewed confidence in the banking sector, in which these businesses have thrived over the past year and a half despite the lack of growth in employment and consumption.

In addition, as the recession adversely impacted consumption, businesses significantly reduced the inventories of their goods. This reduction in inventories is referred to as inventory decumulation. As the economy recovered from the recession through the end of 2009 and into 2010, businesses once again needed to replenish their inventories. The rapid slowdown in inventory decumulation that had occurred during the recession, in turn, generated strong growth in GDP as inventories were replenished.

In relation to this decumulation, history has shown that inventory investments are procyclical; as the business cycle turns downwards, inventories decrease and vice versa. While inventory corrections may not necessarily cause recessions, the scale of cutbacks in inventories often affects the magnitude or depth of an economic downturn.

In the first half of 2009, businesses were looking to liquidate their stock of inventory as consumer demand was incredibly low. As a result of reducing inventory, managers were hoping to cut their costs (e.g. costs of storage and depreciation). As of September 2010, the effects from the inventory correction appeared to be waning. However, the cost cutting measures paired with productivity gains from the inventory cycle have contributed to positive corporate cash flows, resulting in increased corporate profits. After three consecutive years of annual declines, corporate profits have rebounded considerably. As a result, current year projections for corporate profits (Figure 2) have been increased; an estimated increase of 27.1 percent in 2010, the largest year over year growth since 2004. Growth in profits will stabilize through 2011, maintaining an annual increase of 5.7 percent.

Figure 2

Source: IHS Global Insight

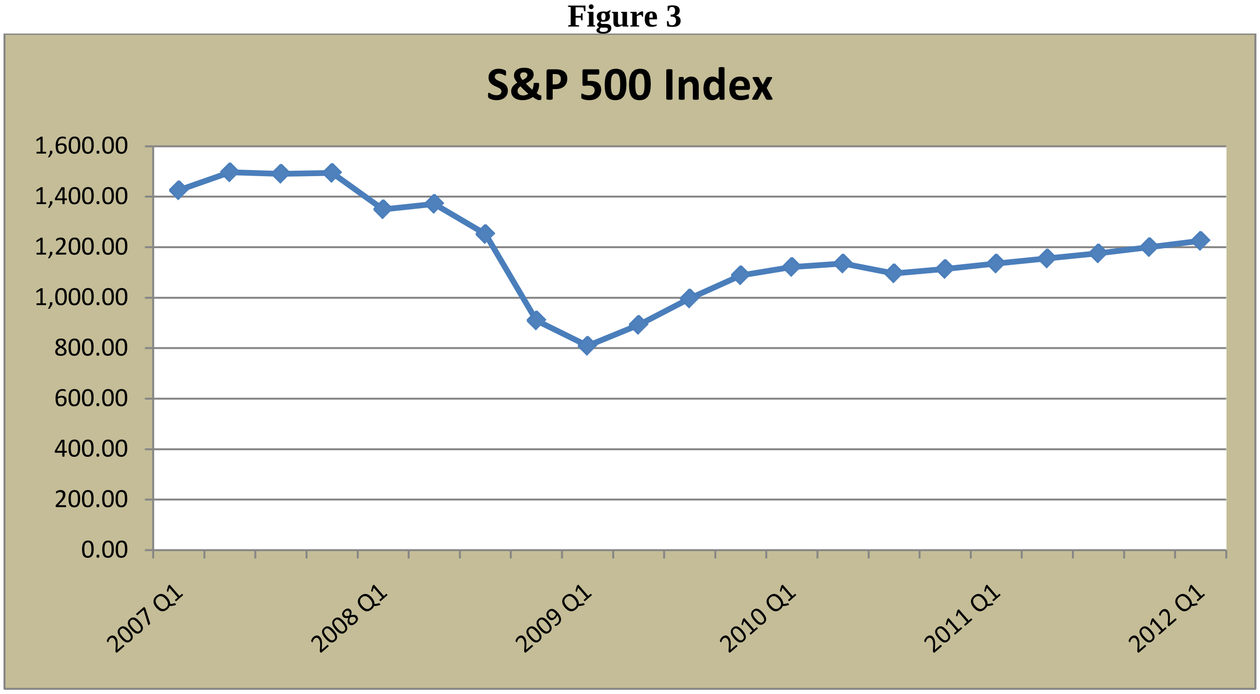
Even with the increased corporate profits, companies, sensitive to the risks of another downturn, seem hesitant to spend their increased cash flows on expanding business capacity and creating jobs. With firms also facing limited access to capital markets, financing such business expansion remains difficult. After declining by 20.4 percent in 2009, non-residential investment in structures is projected to experience further declines of 15.2 percent and 6.1 percent in 2010 and 2011, respectively.

While companies may not be using the excess cash flows to increase capacity, they have been directing these funds towards maximizing efficiency and worker productivity. Non-residential investment in equipment and software is projected to increase by 14.7 percent in 2010, followed by 11.1 percent in 2011.

Growth in corporate profits represents one of the few positive statistics for an economic recovery that is struggling to gain momentum. Unemployment remains high, consumption is showing stagnant growth, and access to credit remains tight for both consumers and employers. These indicators, coupled with debt problems within the Eurozone, have created a growing sense of uncertainty in the financial markets concerning the economic recovery, both locally and internationally.

Figure 3 illustrates the quarterly annualized movement in the S&P 500 Index. After rebounding from a thirteen year low in early 2009, stock market activity has slowed considerably as the public began to doubt the pace and sustainability of the current recovery. In the third quarter of 2010, the Index experienced an annualized decline of 3.4 percent, although compared to the same period last year, the index is still up 10 percent. Assuming that the economy will avoid "back-to-back" recessions, the S&P 500 Index is estimated to increase by 18 percent through 2010 and 4.4 percent through 2011.

Figure 3



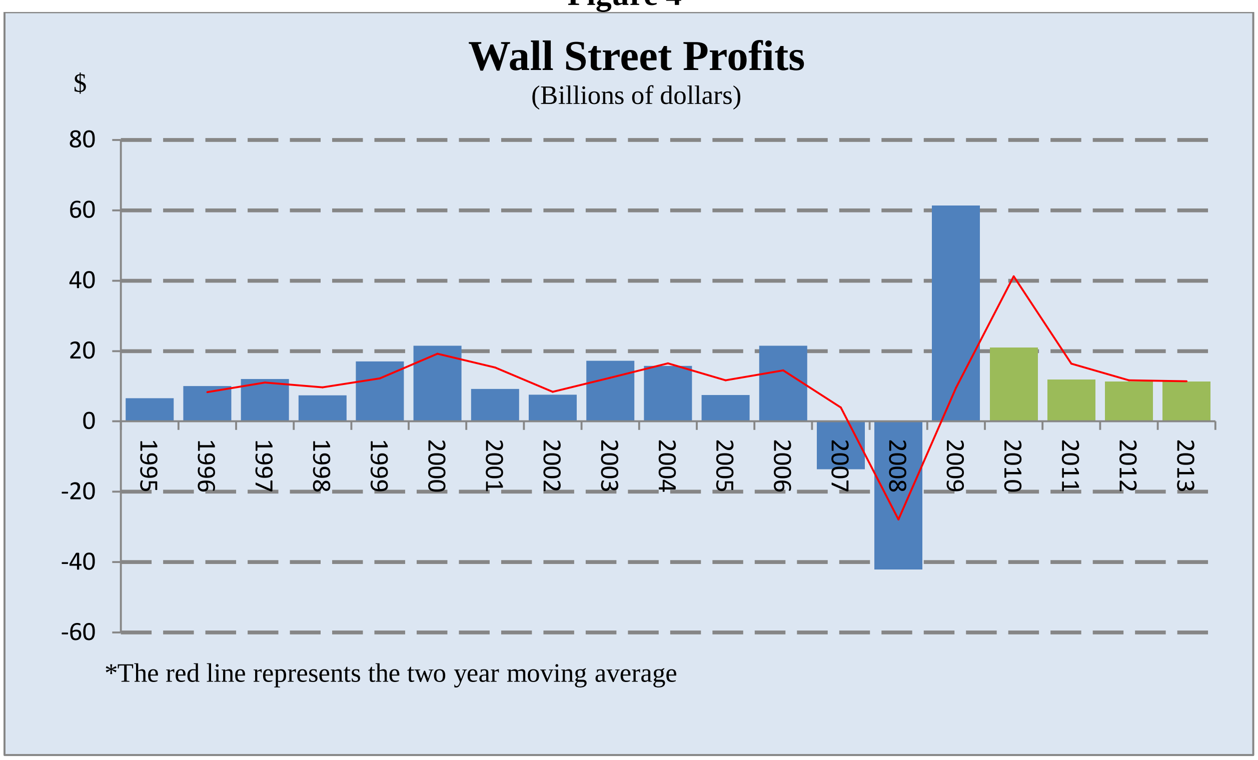
Source: IHS Global Insight

With the bursting of the housing market bubble and its impact on the credit markets, Wall Street was completely transformed over the course of the recession. Of the five large investment banking institutions, two declared bankruptcy, one was bought by a major bank, and the remaining two reorganized as commercial banks. In 2009, the national economy was still in recession, but Wall Street recovered much faster than anyone envisioned. In 2009, Wall Street firms earned a total of $433.1 billion in revenue, an increase of $73.4 billion (20.4 percent) over 2008.

Wall Street is on pace to have increased revenues for the second consecutive year, according to a study conducted by the Wall Street Journal. Total revenue in 2010 is projected to increase by 3.5 percent, an increase of $15.2 billion.

Similarly, Wall Street profits, which had been depressed by losses, have rebounded from the decline in 2008. In 2009, Wall Street firms reached a record $61.4 billion in profits, almost triple that of the previous record set in 2000. The gain also exceeded the $54 billion in cumulative losses incurred in 2007 and 2008. According to a forecast by the New York State Comptroller, Wall Street profits in 2010 will return to a more normal and sustainable level, totaling $21 billion. Figure 4 shows Wall Street profits since 1995 and projection for 2010 and onward.

Figure 4

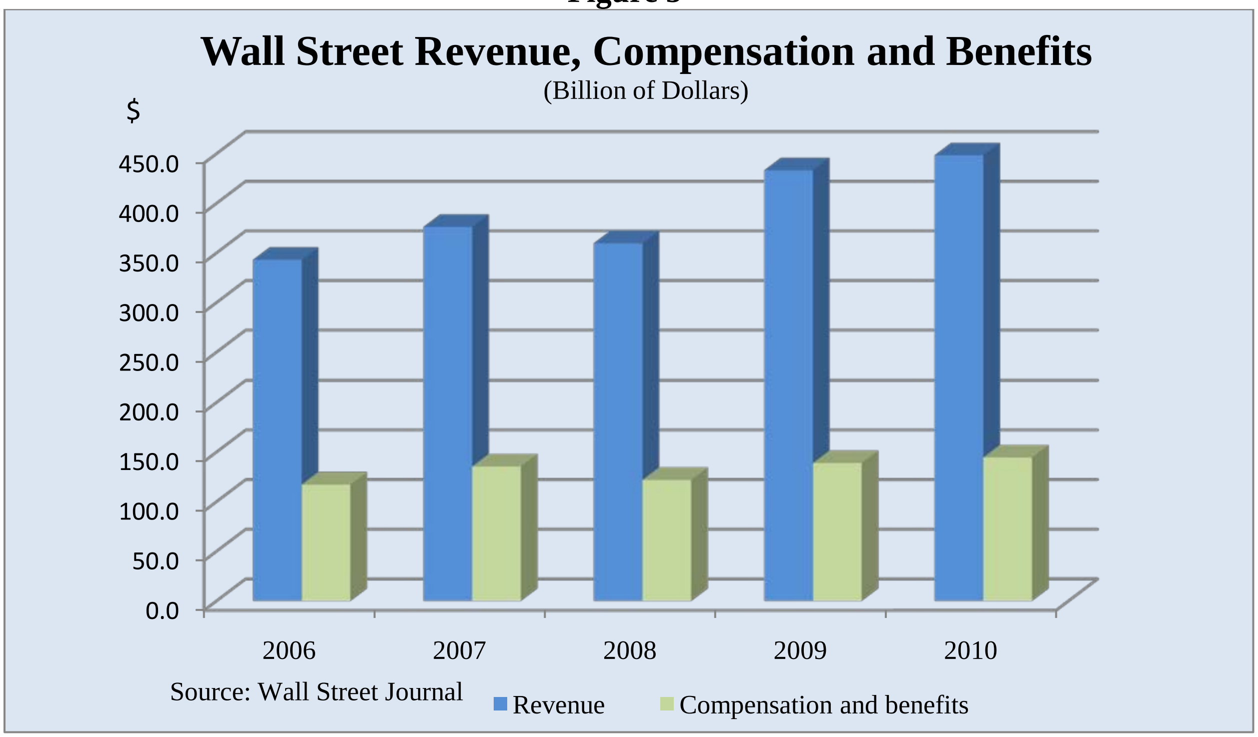


With the rebound in the profitability of Wall Street in 2009, the focus then turned to the compensation of Wall Street employees, primarily bonus compensation. With the public backlash against the payment of bonuses by firms that received funds from the TARP, Wall

Street firms changed the methods by which bonuses were paid. Some bonus compensation packages included a larger percentage of stock options. Others included cash payments that were staggered over a number of years. Some companies, especially banks, changed their compensation structure to decrease the amount of bonuses but increase salaries. As a result, compensation as a percentage of revenues has declined.

Compensation and benefits for 2010 are projected to be $144.5 billion, an increase of $5.6 billion over 2009. Overall, Wall Street is expected to pay 32.2 percent of its revenue to employees, the same as last year, but below the 36 percent it paid in 2007.

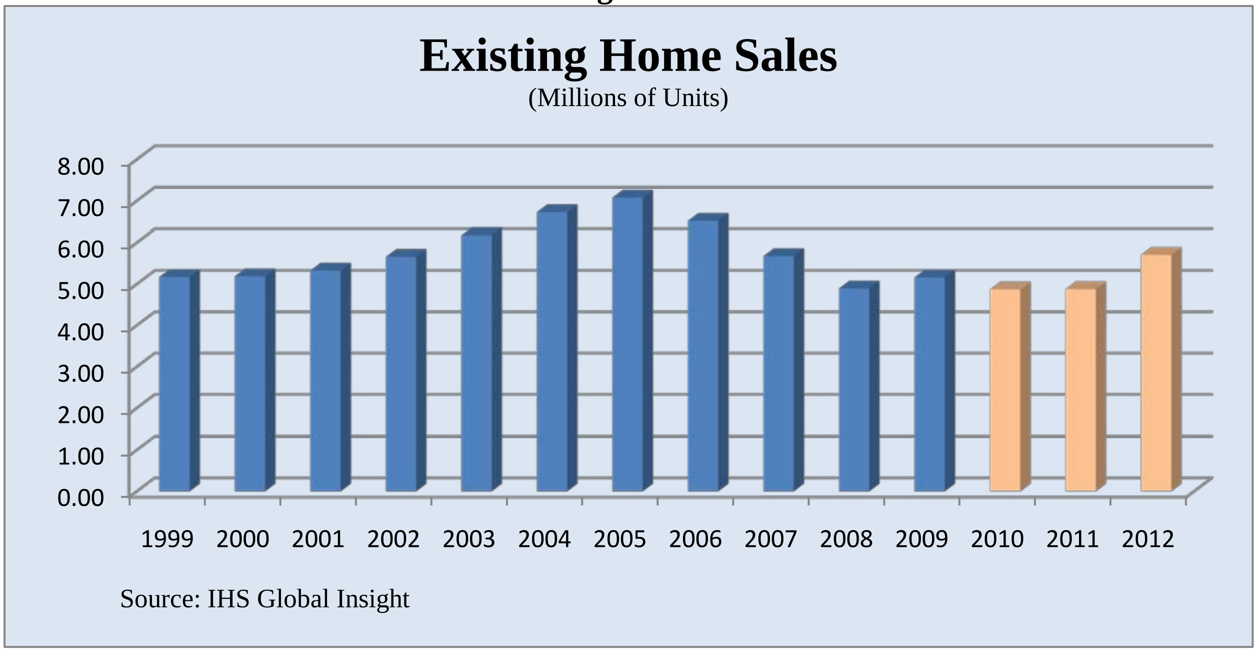
Figure 5



Housing Market

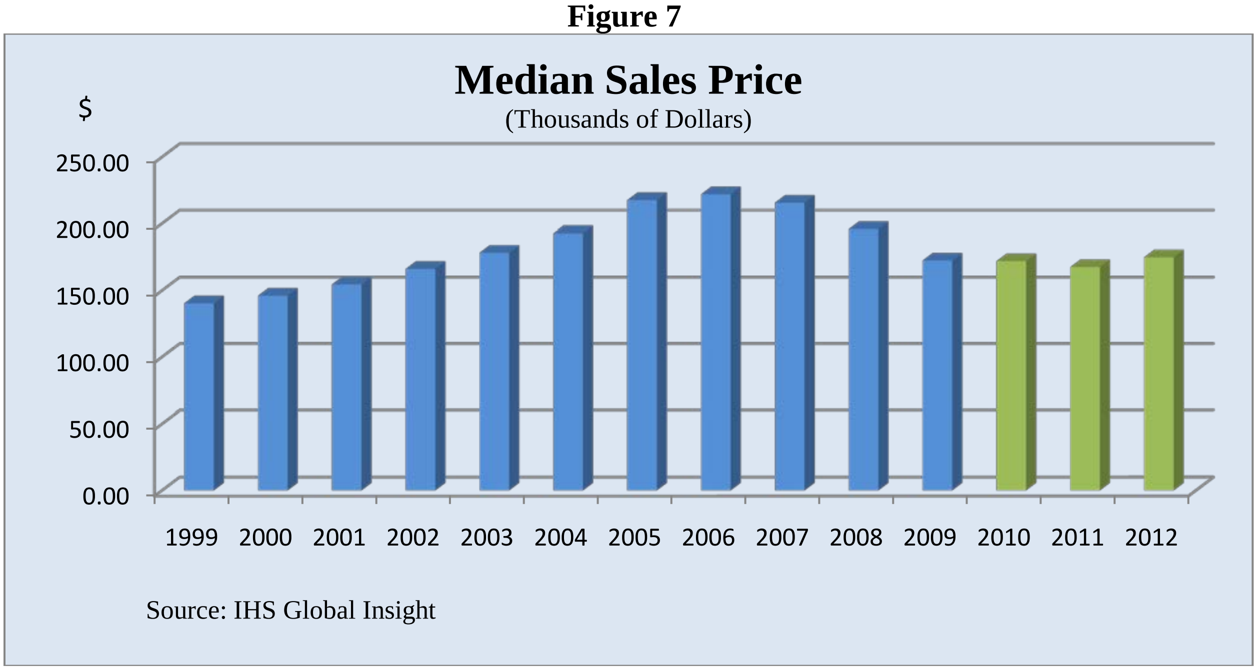
Besides the financial markets, the main focus of the recession and the economic recovery has been the housing market. With the bursting of the housing market bubble, both home sales and home prices decreased significantly. In order to revive the housing market, the American Recovery and Reinvestment Act (ARRA) provided a personal income tax credit to first time homebuyers. With the extension of this tax credit from December 2009 to April 30, 2010, existing home sales nationwide increased in the first half of 2010. However, once the tax credit expired, home sales declined. As shown in Figure 6, existing home sales are estimated to be lower in 2010 than in 2009 primarily as a result of the expiration of the tax credit. Significant growth in home sales is not projected until 2012.

Figure 6



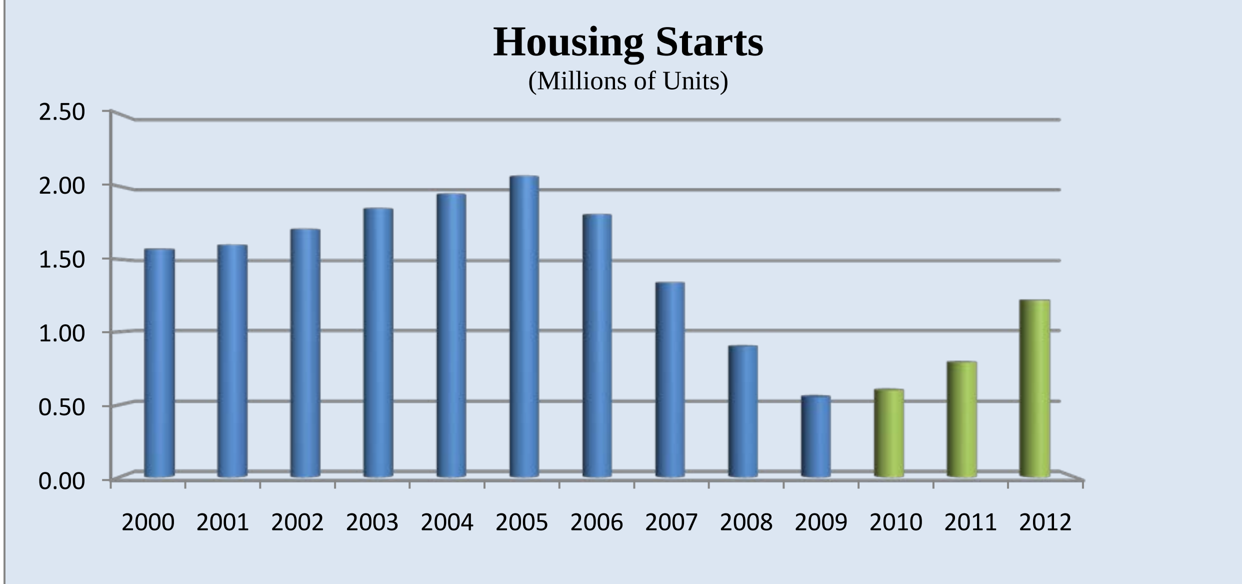
With the slow recovery in existing home sales, the pace of recovery in the sales price of existing homes is also delayed. Figure 7 shows the median sales price for single family homes. As shown, the median sales price is projected to increase in 2012, similar to the projected increase in existing home sales.

Figure 7



Similar to the situation for existing home sales, housing starts have realized a precipitous decline since the bursting of housing market bubble. With the number of unsold new and existing homes still high, housing starts have only improved slightly in 2010. A more gradual improvement is projected in 2011, with more significant growth in 2012.

Figure 8



Source: IHS Global Insight

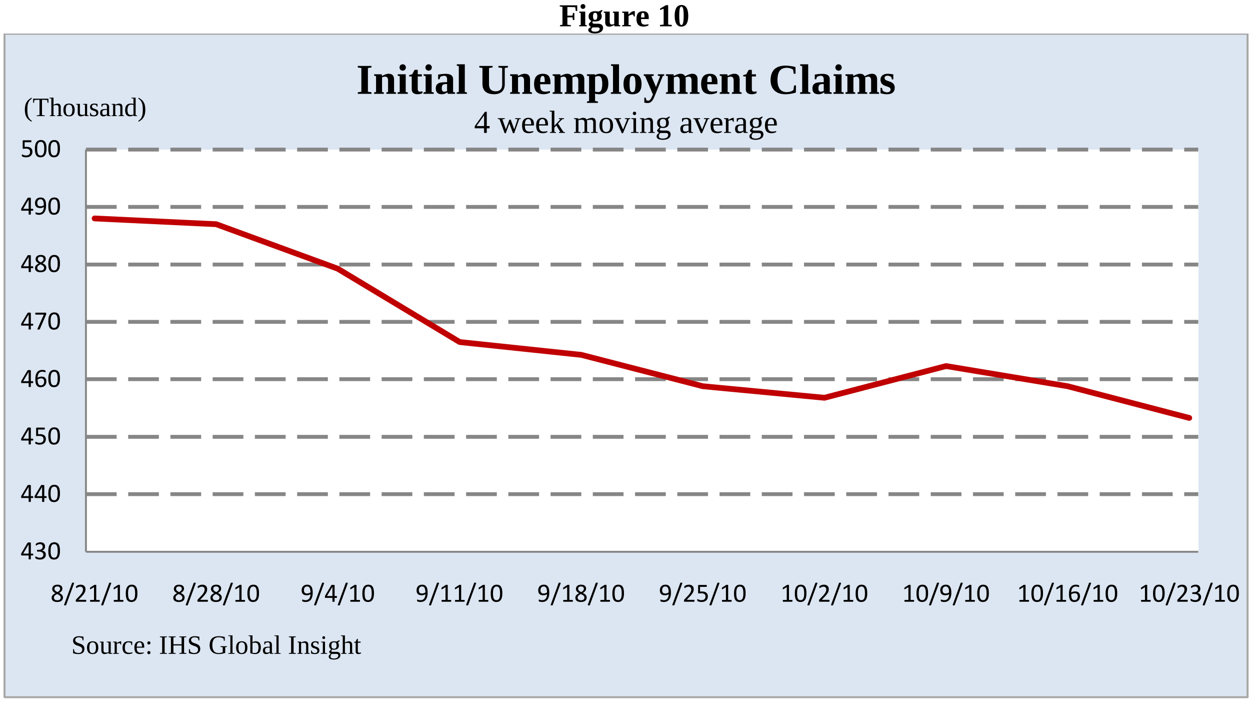
Employment and Income

During the course of the recession, the nation lost approximately 8.4 million jobs. In 2010, employment declined by 0.5 percent, following a decline in employment of 4.3 percent in 2009. However, with the impact of the federal stimulus programs, global market growth, especially in the emerging markets, and the end of the largest inventory correction, employment growth is projected to return in 2011, growing by 0.7 percent.

Figure 9

Over the course of 2009, the unemployment rate increased from 7.7 percent and peaked at a high of 10.1 percent in October 2009, ending the year at an average annualized unemployment rate of 9.6 percent. In 2010, the unemployment rate has been fluctuating between 9.9 percent and 9.5 percent, reflecting the impact of the temporary increase in government employment due to the decennial census. For the whole of 2010, the unemployment rate is estimated to be 9.7 percent. With the slow growth in employment in 2011, the unemployment rate is projected to improve slightly, decreasing to 9.6 percent.

Figure 10



In the week ending October 23, the advance figure for seasonally adjusted initial unemployment claims was 434,000, a decrease of 21,000 from the previous week's revised figure of 455,000. As shown in figure 10, the 4-week moving average, the more stable measure of unemployment claims, was 453,250 for the same week. This was a decrease of 5,500 from the previous week's revised average of 458,750 and a 7.1 percent decline from the four week moving average two months ago.

Although employment continued to decline, wages are estimated to increase in 2010, albeit by a slow rate of 1.6 percent. With the increased employment and gradual economic recovery in 2011, wages are projected to continue to grow at a more robust rate of 3.5 percent.

Figure 11

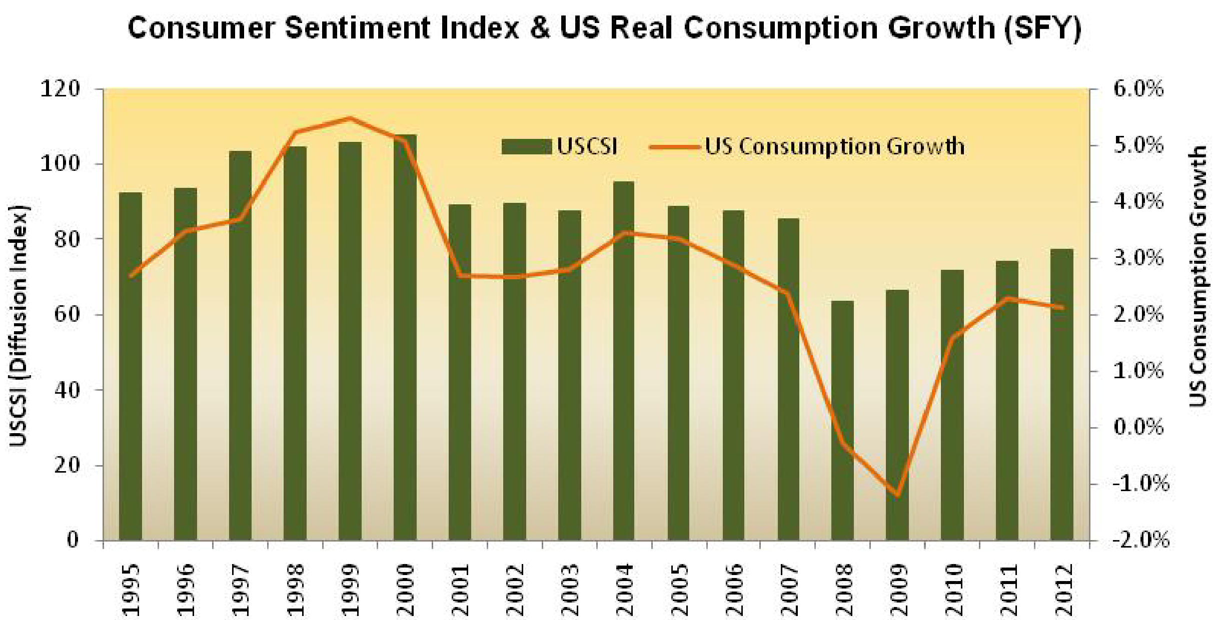
Although wages are a component part of personal income, personal income is also comprised of capital gains, interest and dividend payments, and self-employment income. As shown in figure 11, even though growth in personal income is similar to growth in wages, the variability of the other components of personal income cause the decline in personal income to be less severe than the decline in wages.

Personal income declined by 1.7 percent in 2009. With the estimated growth in wages in 2010, personal income is estimated to grow as well, increasing by 2.8 percent. As the economy continues to recover in 2011 and exhibits stronger growth, personal income exhibits stronger growth as well. Personal income is projected to increase by 3.2 percent.

Consumption

With the decline in personal income in 2009 and the slow growth in 2010, consumers have been hesitant to increase their spending. As shown in Figure 11, The University of Michigan's consumer sentiment index, which measures consumers outlook of the economy and their willingness to increase spending, has barely broken 70 in the past year, after pre-recession highs of 90 or above. In September 2010, the Index dropped to 68.2. The decline was driven mostly by lower consumer expectations and the Index is projected to remain at relatively depressed levels through 2011.

Figure 12



Source: IHS Global Insight

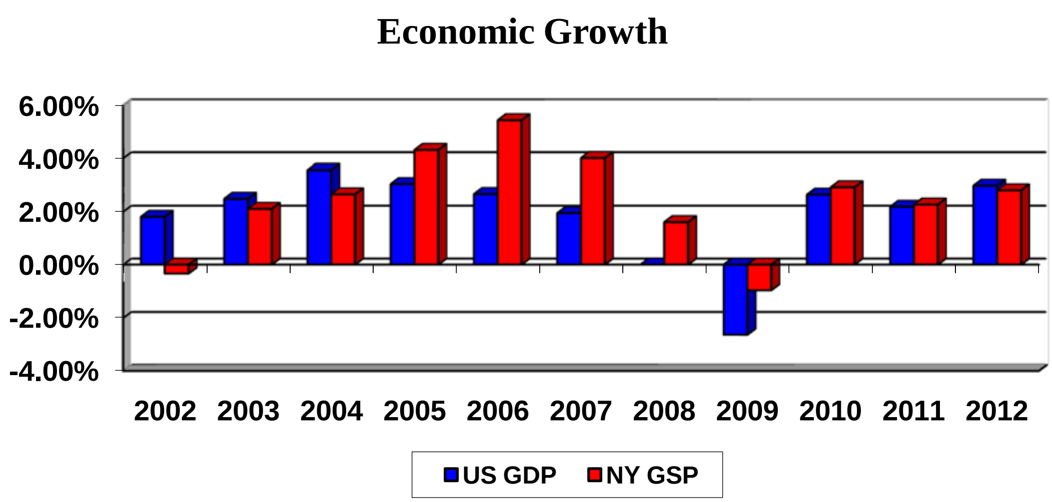
As a result of this low consumer sentiment and the slow economic recovery, consumption is estimated to increase by only 1.6 percent in 2010. However, this growth is welcome news after two years of declining consumption. A continuing recovery in private-sector employment should help to promote income and spending gains. Real growth in consumer spending is projected to increase by 2.3 percent for 2011.

At present, consumers' hesitancy to spend and businesses' reluctance to hire are reinforcing each other. Consumers will spend more when they regain confidence in employment, but firms will not feel very confident in hiring more people until the economy starts growing faster—which will require stronger consumer spending growth.

New York Economy

Even though the recent recession had a significant impact on the financial markets, New York entered the recession after the nation. As shown in figure 13, there was no growth in the national economy as the recession took hold in 2008. Conversely, the New York economy continued to grow, albeit at a slower pace of 1.6 percent. Even though the New York economy declined in 2009, it declined at a much slower rate than the national economy. For 2010, the New York economy is estimated to perform slightly better, growing by 2.9 percent as compared to real GDP growth of 2.6 percent. Similar to economic growth at the national level, economic growth in New York is projected to slow down in 2011; increasing by 2.3 percent as compared to 2.2 percent growth at the national level.

Figure 13

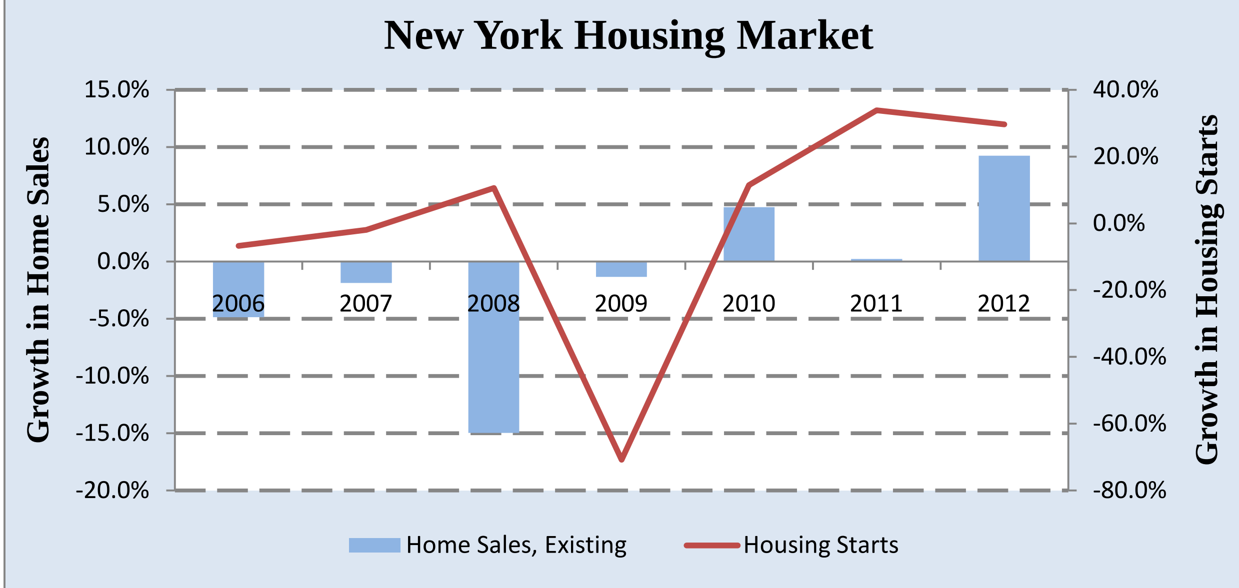


Source: IHS Global Insight

Housing Market

Similar to the experience of the nation as a whole, the housing market in New York was severely impacted as the recession continued. Housing starts in New York State fell sharply in 2009 as the housing crisis deepened nationwide. In 2010, the housing market in the first quarter improved due to the extension of the federal tax credit until April 30. As shown in Figure 14, both existing home sales and housing starts improved. However, with the continued slow recovery and the expiration of the tax credit, the trend for the housing market in New York in 2011 is projected to be similar to the experience of the nation as a whole.

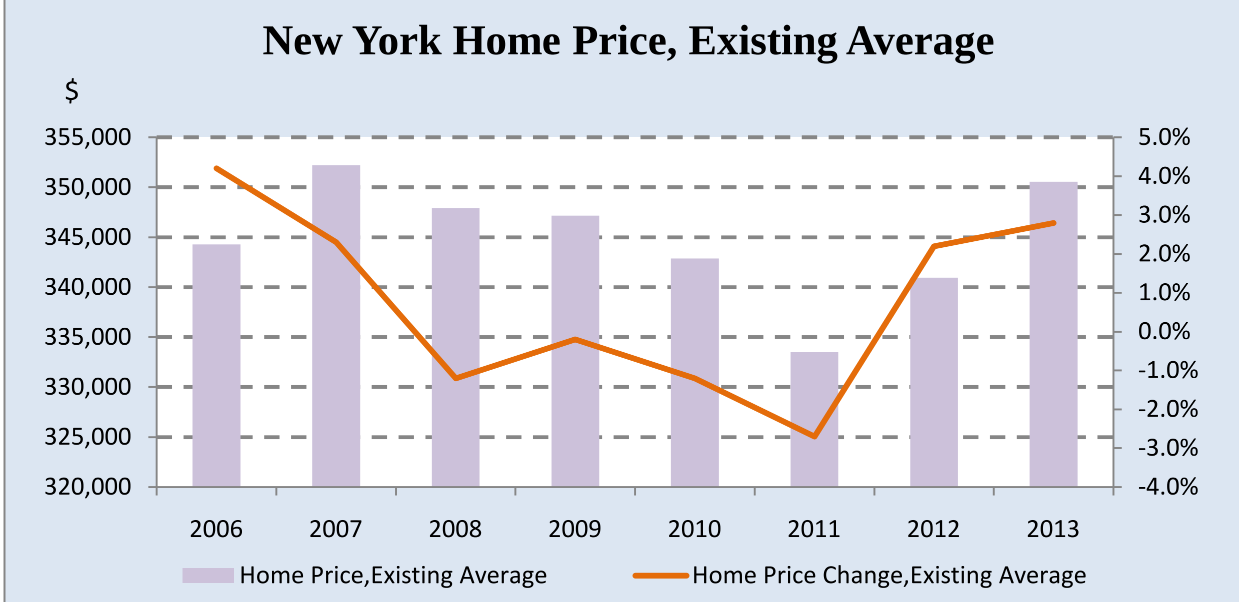
Figure 14



Source: IHS Global Insight

As the housing market has been slow to recover in New York, so too, have home prices. As shown in the following chart, home prices are projected to continue to decline through 2011, only showing moderate growth in 2012.

Figure 15



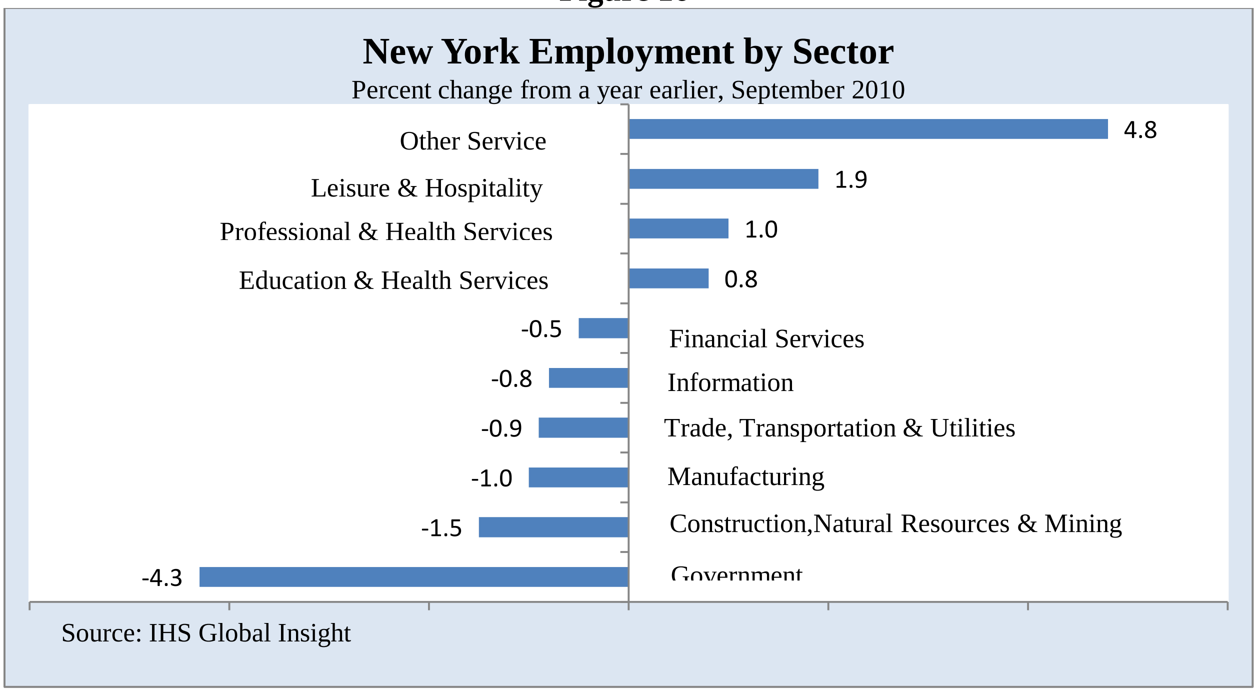
Source: IHS Global Insight

Employment and Income

During 2009, the recession had much less of an impact on employment in New York State as compared to the nation. Annual average employment in New York declined by 2.7 percent in 2009. However, nationwide, employment declined by 4.3 percent. In 2010, employment in New York is estimated to follow a similar trend as the nation, declining by 0.4 percent as compared to a decline of 0.5 percent nationally. In 2011, as the New York economy continues to recover, employment is projected to grow by 1.0 percent.

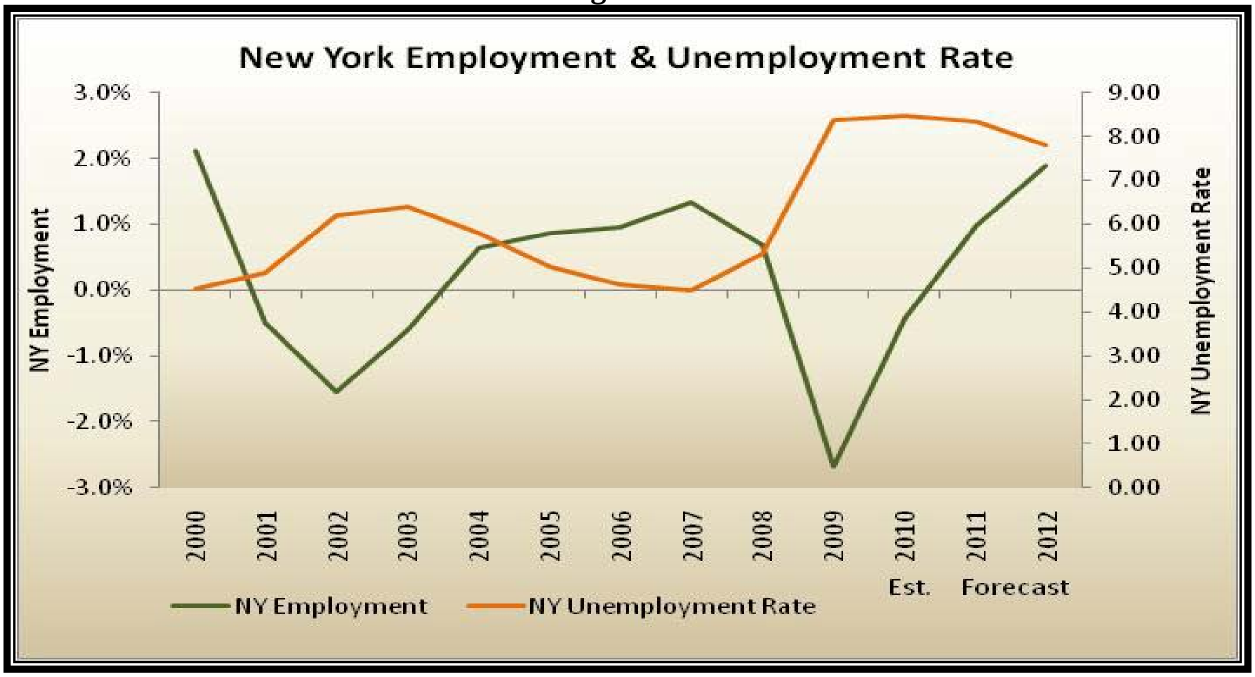
The growth in employment in 2010 has mainly been in the services sector, as shown in Figure 16. With the decline in the housing market, construction employment is still declining. In addition, as the recession has had a negative impact on state and local government revenues, employment in the government sector has realized the largest decline.

Figure 16



As the impact of the recession on employment has not been as severe on the State as on the nation over the past two years, the rate of unemployment in New York is lower than that nationwide. The unemployment rate in New York peaked at 8.9 percent at the end of 2009. Over the course of 2010, the unemployment rate has been declining and is estimated to be 8.5 percent. Similar to the projections for unemployment at the national level, the unemployment rate in New York is projected to continue to decline in 2011, decreasing to 8.3 percent.

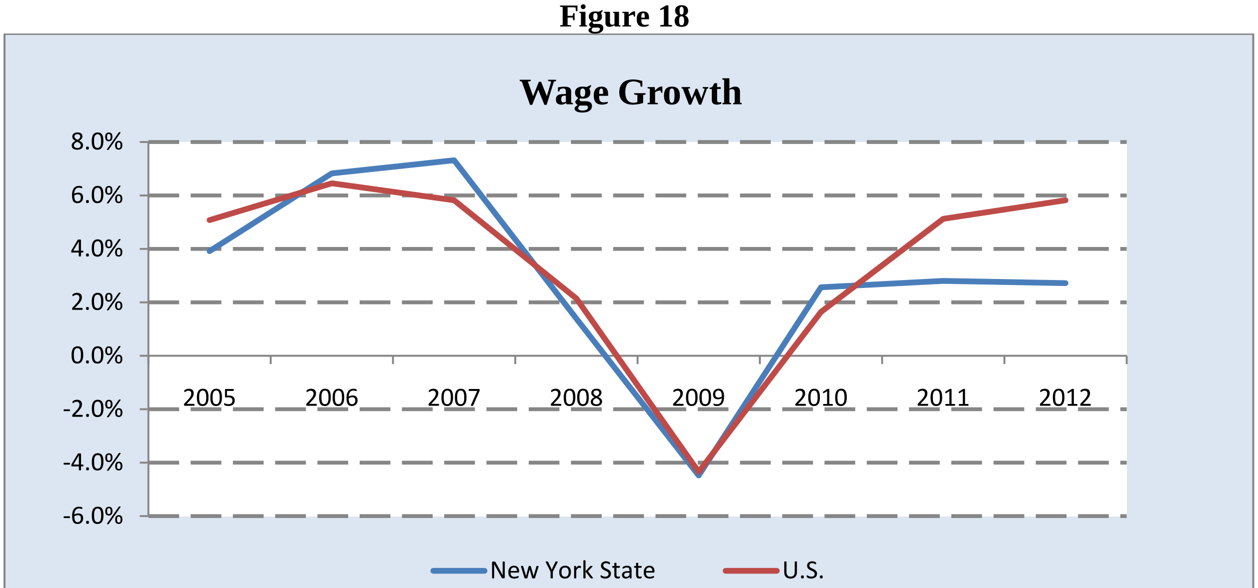
Figure 17



Source: IHS Global Insight

Although employment in New York fared better during the recession, wage growth exhibited the same pattern as at the national level, as shown in figure 18. As the decline in the housing market had an adverse impact on the financial markets, this impact decreased the level of bonus compensation that was paid in 2009. With the economic recovery and the strengthening of the financial markets, wages are estimated to increase by 2.2 percent in 2010; slightly better than wage growth of 1.6 percent at the national level. Similarly, wage growth is projected to continue into 2011, growing at 3.8 percent.

Figure 18



Source: IHS Global Insight

As the State is realizing wage growth during the economic recovery, it is also realizing personal income growth. As shown in figure 19, personal income in New York declined in 2009, following the same pattern as wage growth. In 2010, personal income is estimated to increase by 3.1 percent, slightly higher than growth at the national level. Growth is projected to remain at the same level in 2011, increasing by 3.2 percent.

Figure 19

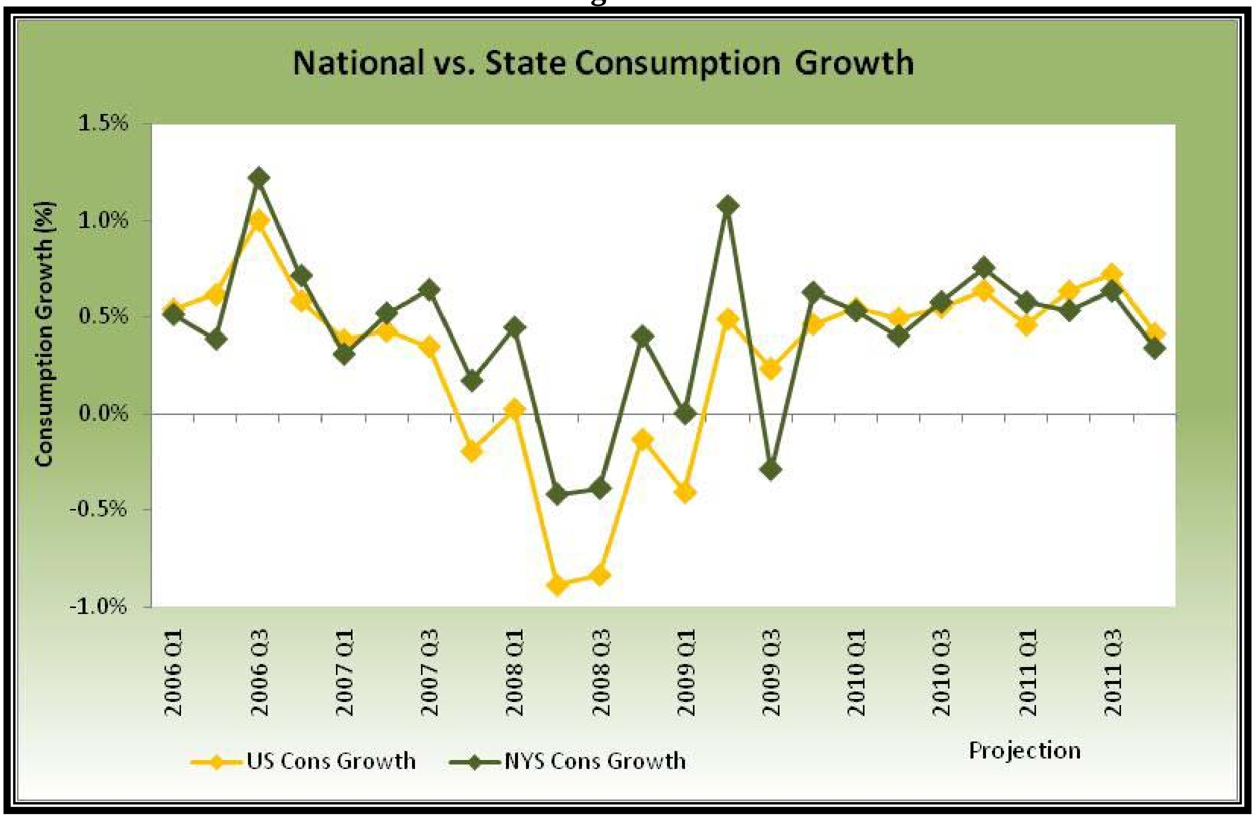
Source: IHS Global Insight

Consumption

Although personal income and wages are growing in 2010, the New York consumer, like the national consumer, is still hesitant to increase his spending. In the third quarter of 2009, consumption in New York declined, significantly lagging national consumption. Since then, as reflected in Figure 20, consumption in New York has been similar to consumption at the national level.

In the second quarter of 2010, consumption growth in New York again lagged national growth. Through the remainder of 2010 and through 2011, consumption in New York is projected to remain sluggish, quarterly growth of 0.5 percent on average.

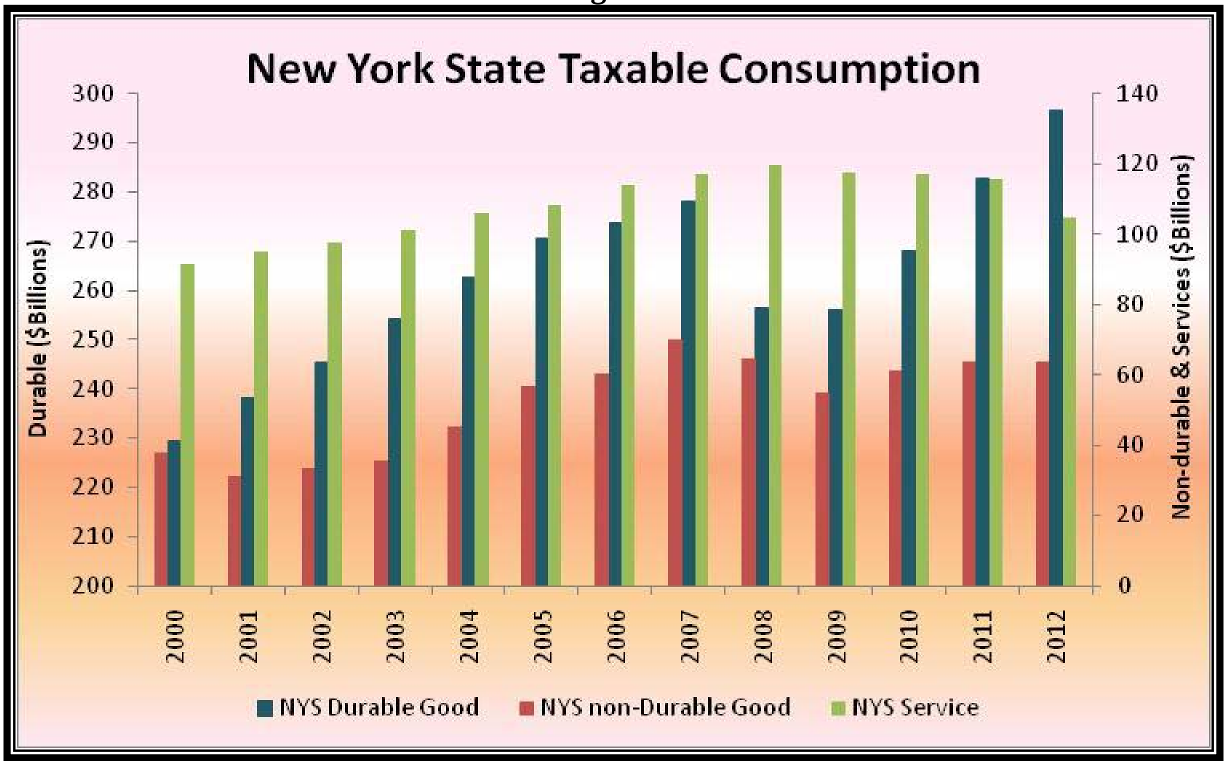
Figure 20



Source: Global Insight & Senate Finance Committee

As shown in Figure 21, during the recession, the largest decline in consumption by New York consumers was in durable goods. With both new and existing home sales at record low levels, consumers are not spending on the goods that go into newly purchased homes. With personal income declining in 2009, the consumption of non-durable goods also declined. With the projected increase in income in 2010 and 2011, as well as the projected improvement in the housing market, consumption of both durable and non-durable goods is projected to increase.

Figure 21



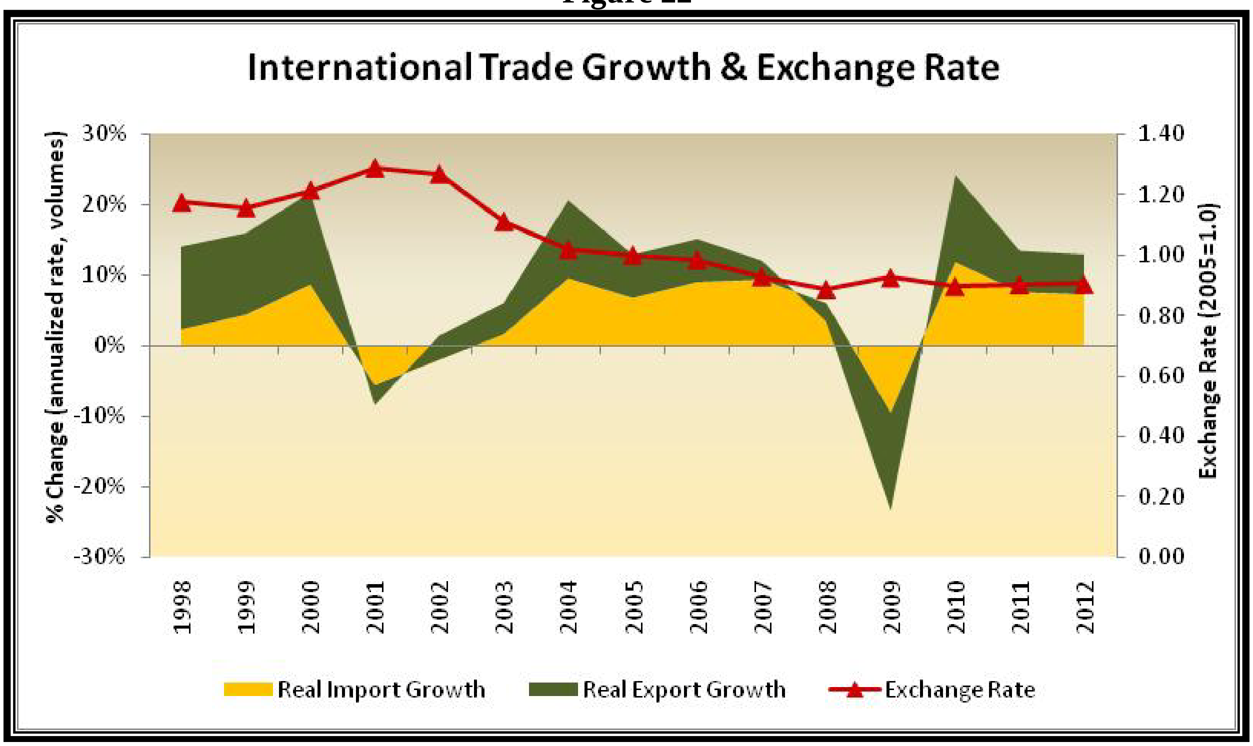
Source: Global Insight & Senate Finance Committee

Global Economy

As shown in figure 22, the volume of both exports and imports are estimated to increase by approximately 12 percent in 2010, reversing almost the entire decline in volumes of 2009. As the recession took its toll on the global economy, trade volumes fell, hitting a trough in mid-2009. Since then, trade has reversed its course and trade volumes accelerated into the second quarter of 2010. For the remainder of 2010, trade volumes are likely to grow at a more moderate pace now that the rebound phase is finished.

With the weaker value of the dollar and weak domestic demand, the pull for imports will be constrained, but it will not be immune to businesses' desire to replenish stocks. Looking forward, export growth through 2012 is projected to outpace import growth. This export growth will be supported by solid growth in emerging markets and the continued weakness of the dollar.

Figure 22



Source: Global Insight & Senate Finance Committee

Risks to the Forecast

As with any forecast, there are unforeseen risks associated with forecasting the economy. Any "shock" to the various sectors of the economy, whether positive or negative, can have significant effects on whether the economy continues to recover or falls back into recession. For example, the state of the economic recovery is of significant risk to the forecast. Although 2010 is estimated to show real GDP growth of 2.6 percent, most of this growth occurred in the beginning of the year. The sustainability of economic growth subsequent to the expiration of the fiscal stimulus is still in question.

The timing of New York's fiscal year also affects the forecast, most notably in the forecast of tax collections. Although calendar year 2010 is over three quarters complete, the fiscal year is only half complete. The final quarter of the calendar year as well as the first two months of the subsequent year play a major role in New York's tax collections. These collections, as well as the economic variables, affect the forecast going forward.

The most notable in this aspect is the amount of bonus payments to be paid by the finance and insurance sector. Early reports on Wall Street bonuses state that they will be flat or less than last year. In addition, how bonus payments may be paid is unclear. With the political backlash from bonus payments being made by firms who received Federal stimulus funds, the structure of bonus payments may be significantly different than in years past. For example, firms may spread the amount of the bonus throughout the year in the form of increased base compensation. Another option would be to issue stock options as bonuses. In this form, tax revenues would not be received until the option was exercised.

Holiday sales are also a risk. As stated above, consumers have been loath to increase their spending, as personal income and employment have exhibited slow growth. Although the economy has shown signs of improvement, consumer confidence has not.

Economic Outlook (Percent Change)			
	2010	2011	2012
National Economy			
GDP	3.6	3.6	4.4
Real GDP	2.6	2.2	3.0
Real Consumption Expenditures	1.6	2.3	2.1
Real Government Expenditures	0.7	(0.1)	(1.4)
Real Exports	11.8	7.6	7.2
Real Imports	12.3	5.8	5.7
CPI - All Urban, Percent Change	1.6	1.6	1.9
Pretax Corporate Profits	27.1	5.7	5.2
Personal Income	2.8	3.2	4.0
Wages and Salaries	1.6	3.5	4.6
Nonagricultural Employment	(0.5)	0.7	2.2
Unemployment Rate	9.7	9.6	9.1
T-Note Rate, 10-Year	3.13	2.50	3.14
Standard and Poor's 500 Stock Index	18.0	4.5	8.1
New York Economy			
Personal Income	3.1	3.2	4.2
Wages and Salaries	2.2	3.8	4.6
Nonagricultural Employment	(0.4)	1.0	1.9
Unemployment Rate	8.5	8.3	7.8
Source: IHS Global Insight October Forecast			

REVENUE OUTLOOK

All Funds

All Funds tax collections are estimated to total $61.1 billion in SFY 2010-11. This reflects an increase of 5.9 percent from collections of $57.7 billion in SFY 2009-10. Although a portion of the increase is due to the current economic recovery, a majority is the result of the full year impact of revenue measures that were enacted as part of the SFY 2009-10 budget as well as legislation included in the SFY 2010-11 budget. These revenue measures include: the temporary personal income tax surcharge, revenues dedicated to the Metropolitan Transportation Authority, the elimination of the sales tax on clothing, and the increase in the excise tax on cigarettes and tobacco products.

For SFY 2011-12, All Funds tax collections are projected to increase by 6.0 percent to $64.8 billion. This increase reflects economic growth as a result of the continued recovery projected for 2011 as well as the full year impact of the revenue measures enacted in SFY 2010-11 as mentioned above. In addition, the increase includes revenues from the deferral of tax credits for businesses who claim tax credits in excess of $2 million. Although this provision has a fiscal impact in SFY 2010-11, most of the revenue will be realized in SFY 2011-12.

General Fund

General Fund tax collections are estimated to be $39.3 billion in SFY 2010-11, an increase of 6.1 percent from SFY 2009-10 collections of $37.0 billion. Similar to the increase in tax collections at the All Funds level, the increase in General Fund collections is a result of the economic recovery as well as the revenue measures enacted in the SFY 2010-11 budget.

For SFY 2011-12, General Fund tax collections are projected to increase by 6.5 percent to $41.8 billion. As with All Funds collections for SFY 2011-12, this increase reflects projected economic growth as well as the full year impact of the revenue measures enacted in SFY 2010-11.

ALL FUNDS TAX COLLECTIONS (Millions of Dollars)			
	2009-10 Actual	**2010-11 Estimated**	**2011-12 Projected**
Personal Income Tax	**34,751**	**36,405**	**39,064**
Withholding	29,443	31,316	32,432
Estimated Payments	9,028	9,969	11,127
Final Returns	1,877	2,020	2,210
Other	1,045	1,056	1,131
Gross Collections	41,393	44,361	46,900
Refunds	(6,642)	(7,956)	(7,838)
User Taxes and Fees	**12,852**	**14,328**	**14,578**
Sales and Use	10,529	11,654	11,734
Auto Rental	76	95	97
Cigarette/Tobacco	1,364	1,629	1,780
Motor Fuel	507	508	517
Highway Use	137	134	145
Alcoholic Beverage	226	223	220
MTA Taxicab Surcharge	13	85	85
Business Taxes	**7,459**	**7,305**	**8,067**
Corporate Franchise	2,511	2,853	3,382
Corporate Utilities	954	786	822
Insurance	1,491	1,445	1,509
Bank	1,399	1,147	1,245
Petroleum Business	1,104	1,074	1,109
Other Taxes	**2,606**	**3,045**	**3,060**
Real Estate Transfer	493	582	605
Estate and Gift	865	1,083	1,026
MCT Mobility Tax	1,228	1,361	1,410
Pari-mutuel	19	18	18
Other	1	1	1
Total All Funds Taxes	**57,668**	**61,083**	**64,769**

GENERAL FUND TAX COLLECTIONS

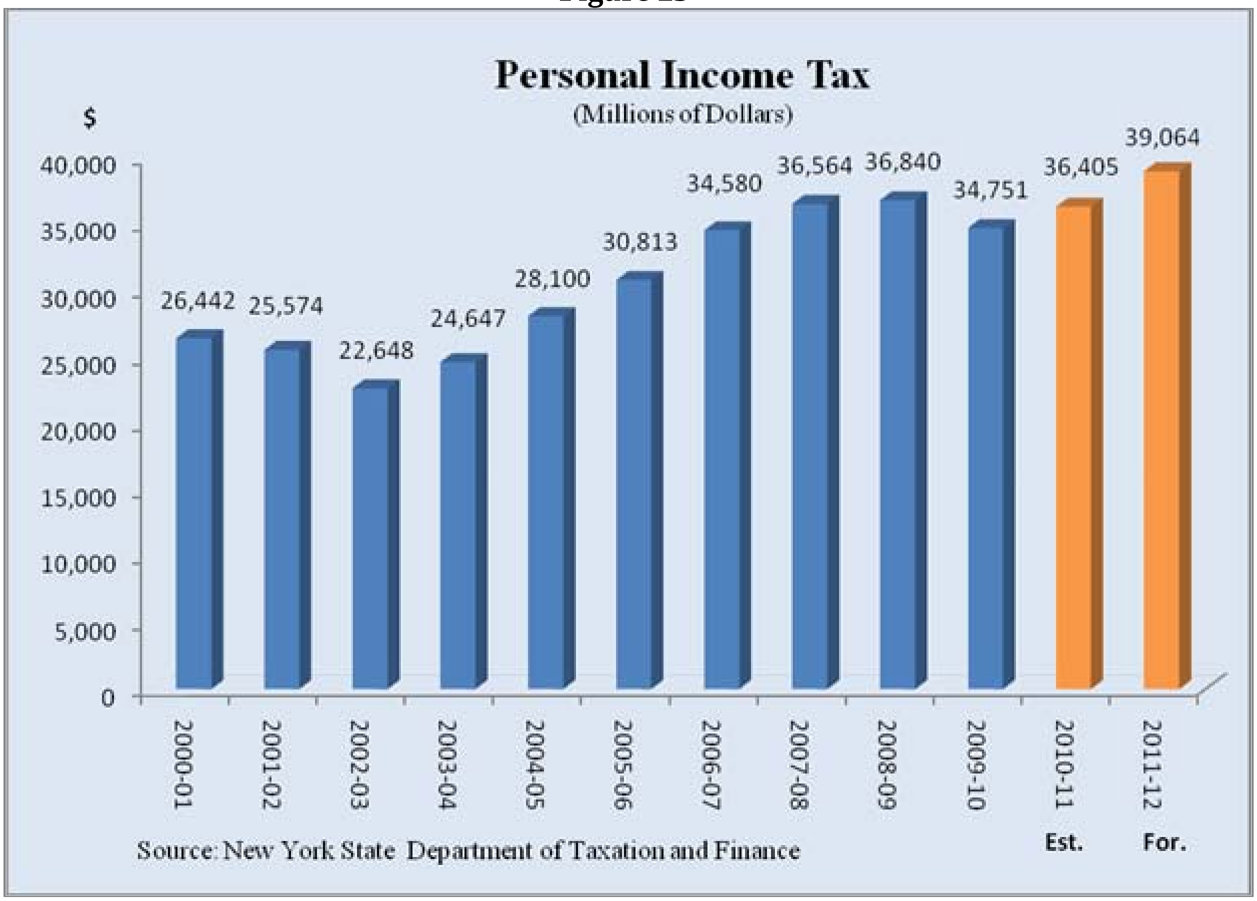
(Millions of Dollars)

	2009-10 Actual	2010-11 Estimated	2011-12 Projected
Personal Income Tax	**22,654**	**24,004**	**25,879**
Withholding	29,443	31,316	32,432
Estimated Payments	9,028	9,969	11,127
Final Returns	1,877	2,020	2,210
Other	1,045	1,056	1,131
Gross Collections	**41,393**	**44,361**	**46,900**
Refunds	(6,642)	(7,956)	(7,838)
STAR	(3,409)	(3,299)	(3,417)
RBTF	(8,688)	(9,101)	(9,766)
User Taxes and Fees	**8,087**	**8,814**	**8,879**
Sales and Use	7,405	8,158	8,214
Cigarette/Tobacco	456	433	445
Alcoholic Beverage	226	223	220
Business Taxes	**5,371**	**5,347**	**6,007**
Corporate Franchise	2,145	2,483	2,975
Corporate Utilities	722	595	622
Insurance	1,331	1,312	1,367
Bank	1,173	957	1,043
Other Taxes	**886**	**1,102**	**1,045**
Estate and Gift	866	1,083	1,026
Pari-mutuel	19	18	18
Other	1	1	1
Total General Fund Taxes	**36,998**	**39,267**	**41,810**

Personal Income Tax

Article 22 of the Tax Law imposes a tax on the income of individuals, estates and trusts. Personal Income Tax (PIT) receipts contribute over one half of all tax collections deposited into the General Fund. New York's definition of income closely follows federal rules, which include wages, salaries, capital gains, unemployment compensation, and interest and dividend income. Those components sum to federal adjusted gross income (FAGI). New York State adjusted gross income (NYSAGI) is calculated starting with this base, from which certain income items are then added or subtracted. The New York standard deduction or itemized deductions are subtracted from NYSAGI to arrive at New York State taxable income. Certain credits are then subtracted from the calculated tax to determine total personal income tax liability.

Figure 23



The personal income tax is paid in a variety of ways: the withholding of wages and other income payments, the payment of estimated taxes, the payment of unpaid taxes through final returns, and the payment of overdue taxes known as delinquencies through assessments. Any overpayment of the personal income tax is refunded to the taxpayer. The manner of payment determines the income year to which the tax applies. For example, withholding is paid when the income is earned. Therefore, 2010 wages would be reflected in 2010 withholding. However, tax payments made with the final returns are based on the prior year's income. As a result, final payments made in 2010 are a reflection of income earned in 2009. The same pattern holds true for refunds.

All Funds net personal income tax receipts for SFY 2010-11 are estimated at $36,405 million, an increase of $1,654 million, or 4.8 percent over SFY 2009-10. Gross receipts are estimated to increase by $2,968 million, or 7.2 percent over SFY 2009-10. All Funds net personal income tax receipts for SFY 2011-12 are projected to increase by $2,659 million, or 7.3 percent, to $39,064 million. Gross receipts are projected to increase by $2,539 million, or 5.7 percent over SFY 2010-11, reflecting an increase in wage growth.

General Fund receipts for SFY 2010-11 are estimated to be $24,004 million, $1,350 million higher than SFY 2009-10. General Fund receipts for SFY 2011-12 are projected at $25,879 million, an increase of $1,875 million from SFY 2010-11. This increase is a result of an increase in withholding taxes and estimated payments as a result of better economic conditions.

Components of PIT Collections

Withholding

In order to spread the payment of the personal income tax over the course of the tax year, employers are required to withhold a portion of the taxpayer's tax liability from the employee's earnings. Withholding has a slight lag from the period in which it is withheld to the time the State receives the payment from the employer. Withholding is closely correlated to wage and salaries received during any given quarter. As part of the SFY 2009-10 Enacted Budget, the tax rate was increased on New York's high income taxpayers. However, with the unemployment rate still high and the slow recovery of the economy, increased revenues from the higher tax rates have been offset as a result of these factors. For SFY 2010-11, withholding taxes are estimated to be $31,316 million; an increase of $1,873 million from SFY 2009-10.

For SFY 2011-12, withholding tax is projected to increase to $32,432 million, an increase of $1,116 million from SFY 2010-11. Even though both wages and personal income are projected to increase in 2011, growth in receipts from withholding is mitigated by the expiration of the temporary increase in the top personal income tax rate at the end of 2011.

Estimated Taxes

Individuals make estimated payments if the tax they will owe for the year is significantly more than the amount of tax being withheld from their wages. Individuals who have large amounts of non-wage income (self-employment income, interest, dividends, or capital gains) generally make these quarterly payments. Estimated tax payments are due on the fifteenth of April, June, September, and January. Estimated payments are also made when a taxpayer files for an extension to file his annual return. When a taxpayer files for an extension, he is required to estimate his tax liability and, if payment is due, submit it with the extension. Estimated payments for SFY 2010-11 are estimated to be $9,969 million, an increase of $941 million from SFY 2009-10. For SFY 2011-12, estimated payments are projected to be $11,127 million. This increase is a result of the increase in personal income as a result of the recovering economy.

Final Returns

Final returns are due by April fifteenth of every year. The final return is essentially a reconciliation between a taxpayer's withholding and/or estimated payments and the tax liability calculated on the total personal income received throughout the tax year. A payment is due when the combination of withholding and estimated payments result in an underpayment of the total tax liability. For SFY 2010-11, personal income tax collections from final returns are estimated at $2,020 million, $143 million higher than collections in SFY 2009-10. For SFY 2011-12, collections from final returns are projected to be $2,210 million, an increase of $ 190 million from SFY 2010-11.

Other Payments

These collections are comprised of assessments due on late or audited returns and filing fees required to be paid by the State's limited liability companies and limited liability partnerships. For SFY 2010-11, other payments are estimated at $1,056 million, an increase of $11 million from SFY 2009-10. For SFY 2011-12, collections from other payments are projected at $1,131 million.

Refunds

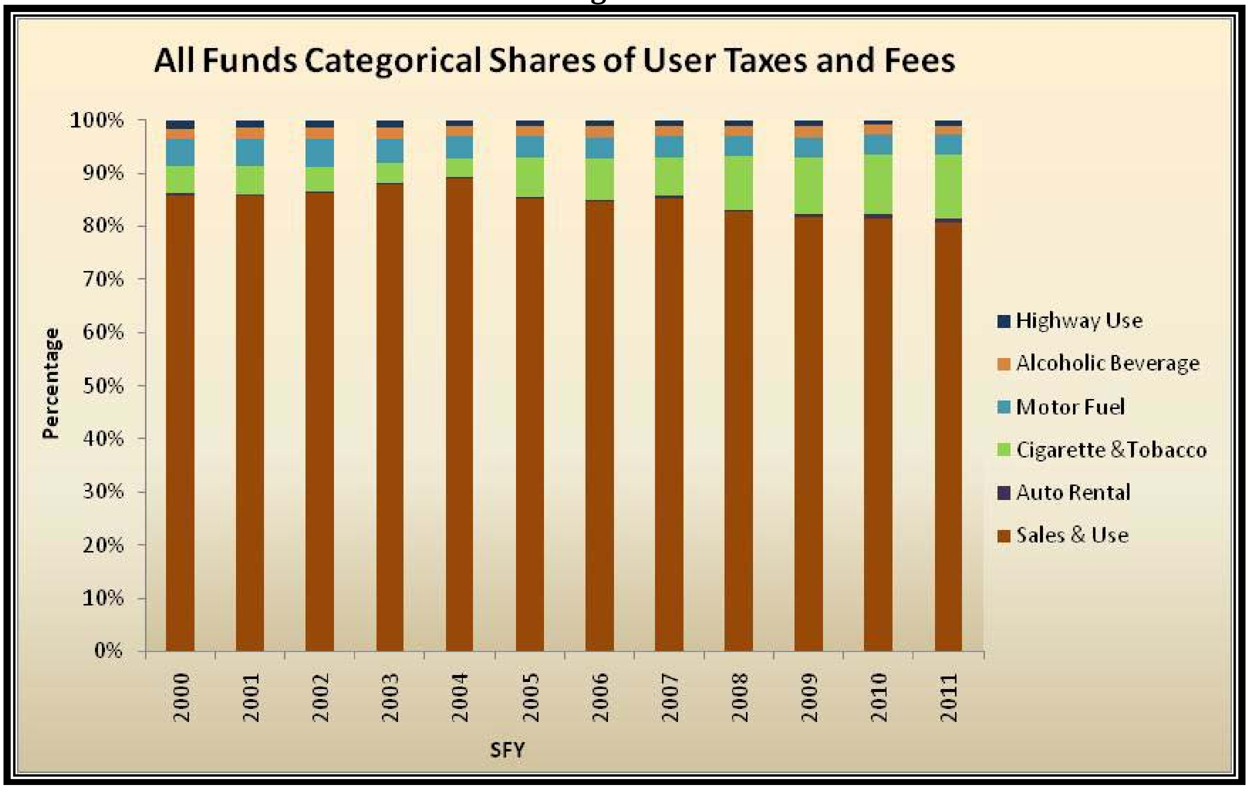
A refund occurs when a taxpayer overpays his personal income tax, either through over-withholding or remitting excess estimated payments. Similar to payments made with final returns, refunds are made as a result of filing an annual return. For SFY 2010-11, refunds are estimated at $7,956 million, an increase of $1,314 million from SFY 2009-10. The primary reason for this increase is the amount of refunds paid out in the final quarter of the fiscal year. For the January through March period, a specific amount of refunds is authorized to be issued to those taxpayers who file their returns early. Prior to SFY 2008-09, these refunds were set at $1.5 billion. In SFY 2008-09, the amount was increased to $1.75 billion. However, in SFY 2009-10, this amount has reduced to $1.25 billion in order to provide cash flow saving to the State. This resulted in a portion of refunds that would have been paid in March to be paid in April, For SFY 2010-11, those refunds to be paid from January through March went back to $1.75 billion. For SFY 2011-12, refunds are projected to be $7,838 million, a decrease of $118 million.

User Taxes

Cash flow in user taxes and fees follows a quarterly pattern. Collections for the months at the conclusion of a calendar quarter exhibiting larger collections as a result of taxes remitted by quarterly taxpayers. User taxes in New York are comprised of six taxes, as follows:

- Sales and Use Tax
- Cigarette & Tobacco Tax
- Motor Fuel Tax
- Alcoholic Beverage Tax
- Highway Use Tax
- Auto Rental Tax

Figure 24



Source: NYS Tax & Finance Department & Senate Finance Committee

As can be seen from Figure 24, the sales and use tax is the largest component of user taxes. However, sales tax as a proportion of All Funds collections, declines over the years from SFY 2004-05 while cigarette and tobacco taxes has increased as a result of various tax rate changes. Similarly, collections from the motor fuel tax decline marginally while the other taxes in this category remain the same.

All Funds sales and user taxes collections are estimated to be $15.4 billion in SFY 2010-11, a 12 percent increase from SFY 2009-10. On a General Fund basis receipts are estimated to increase by 9 percent to $8.8 billion in SFY 2010-11. All Funds collections from sales and user taxes are projected to be $15.7 billion in 2011-12, a 1.7 percent increase from the SFY 2010-11 estimate. General Fund collections are projected to be $8.9 billion in SFY 2011-12, 0.7 percent increase from the estimate in SFY 2010-11.

Sales Tax

The Sales and Use tax is the second largest tax revenue source for the State. Sales of tangible personal properties and some services are taxed under Article 28 of the Tax Law unless statutorily exempt. The sales tax is imposed upon receipts from the following:

- the sales of tangible personal property
- statutorily specified services
- non-residential utility services

- telephone service
- food and beverages sold by restaurants and caterers
- hotel occupancy
- certain admission charges.

In New York State, the sales and compensating use tax was enacted in 1965 at the rate of 2 percent. The tax rate was subsequently increased to 3 percent in 1969, 4 percent in 1971, and to 4.25 percent in 2003. The last increase in the tax rate was a temporary change as a result of the economic recession beginning in 2001. The sales tax rate reverted back to 4 percent in June 2005.

For SFY 2010-11, All Funds sales and use tax receipts are estimated to be $11.62 billion, a 10.4 percent increase from that in SFY 2009-10. General Fund collections are estimated to increase to $8.14 billion in SFY 2010-11, an increase of 10.4 percent. All Funds collection are projected to be $11.78 billion in SFY 2011-12, an increase of 1.3 percent. On a General Fund basis, sales and use tax collections are projected to be $8.25 billion, a 1.3 percent increase from the estimates in SFY 2010-11.

The increase in sales tax collections is impacted by economic activities, such as changes in employment, prices of consumer goods and services, the consumer sentiment index, and tax law changes. One of the factors impacting collections is the temporary removal of the sales tax exemption on clothing from October 2010 until March 2011. In SFY 2011-12, the exemption is reinstated, except at a threshold of $55 per item of clothing or footwear.

Cigarette & Tobacco Tax

The New York State cigarette excise tax is imposed by Article 20 of the Tax Law on the import or use of cigarettes within the State. The tax is paid through the purchase of a tax stamp which is adhered to the package of cigarettes. The tax rate is currently $4.35 per package of 20 cigarettes.

Over the past ten years, the cigarette tax has been increased four times. New York City levies a separate cigarette excise tax equal to $1.50 per pack.

In addition to the excise tax on cigarettes, the State imposes a tax on other tobacco products, such as chewing tobacco, snuff, and cigars. These products are taxed at a rate of 75 percent of the wholesale price. However, snuff products are taxed at a rate of 96 cents per ounce.

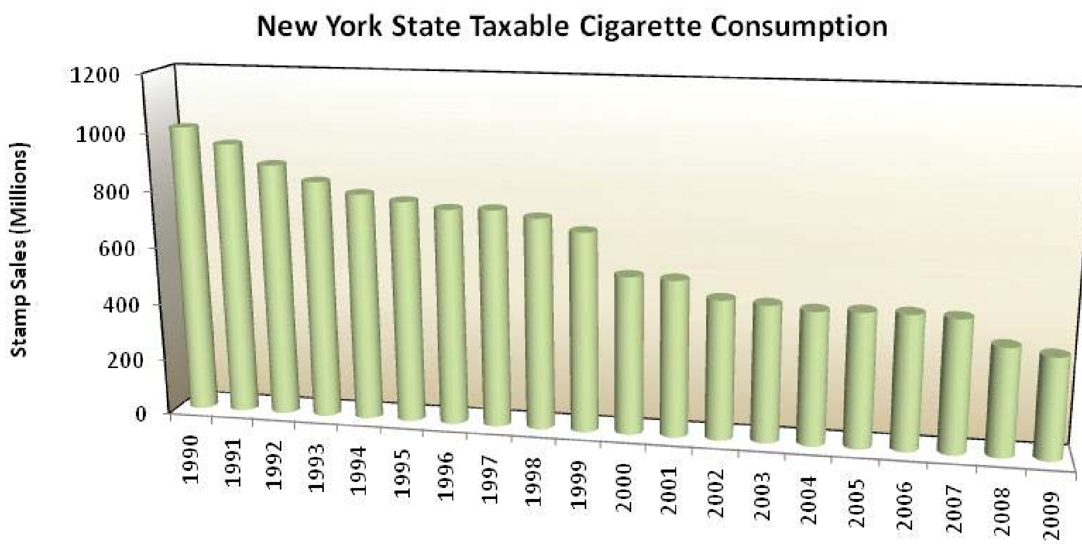
All Funds receipts from the cigarette and tobacco taxes are estimated to be $1.63 billion, a 19.3 percent increase from collections in SFY 2009-10. This increase is due to the $1.60 per pack increase in the tax on cigarettes as well as an increase in the tax rate on other tobacco products. However, this increase is partially offset by the absence of additional revenues from the enforcement of the collection of taxes from sales on Native American reservations due to the restraining order that was imposed in September.

General Fund receipts are estimated to decline 3 percent to $433 million in SFY 2010-11. This decrease is due to the percentage of cigarette tax receipts being deposited to General Fund being reduced from 32 percent to 25 percent beginning in July 2010.

In SFY 2011-12, All Funds collections are projected to be $1.8 billion, $445 million to be deposited to the General Fund. This reflects a 9.3 percent increase in All Funds receipts and a 2.7 percent increase in General Fund receipts.

Taxable cigarette consumption is a function of retail cigarette prices and a long-term downward trend in consumption. The decline in consumption reflects the impact of increased public awareness of the adverse health effects of smoking, smoking restrictions imposed by governments, anti-smoking education programs, and changes in consumer preferences toward other types of tobacco.

Figure 25



Source: New York State Department of Tax and Finance

Motor Fuel Tax

Motor fuel and diesel motor fuel taxes are imposed by Article 12-A of the Tax Law upon the sale, generally for highway use, of motor fuel and diesel motor fuel, respectively. The motor fuel tax is levied on fuel used in motor vehicles operating on the public highways of the State or on fuel used in recreational motorboats operating on the State's waterways. Currently, the tax is imposed at a rate of 8 cents per gallon on both gasoline and diesel motor fuel.

Receipts from the motor fuel tax are estimated to be $508 million in SFY 2010-11, a 0.2 percent increase from SFY 2009-10. For SFY 2011-12, All Funds collections are projected to be $517 million, a 1.7 percent increase. All motor fuel receipts are deposited into the Dedicated Highway and Bridge Trust Fund (DHBTF) and Dedicated Mass Transportation Trust Fund (DMTTF).

Motor fuel tax collections are a function of the number of gallons of fuel imported into the State by distributors. Gallonage is determined in large part by fuel prices, the amount of fuel held in inventories, the fuel efficiency of motor vehicles, as well as changes in the law that exempt certain types of fuel and/or users from the tax.

Alcoholic Beverage Tax

New York State imposes excise taxes at various rates on liquor, beer, wine and specialty alcoholic beverages. The tax is remitted by licensed distributors and noncommercial importers of such beverages in the month following the month of delivery.

Overall, per capita consumption of taxed beverages and receipts has remained fairly constant in recent years with declines in one beverage class being offset with increases in others. This shift is primarily due to shifts in consumer preferences.

Collections from the alcoholic beverage tax are estimated to be $223 million in SFY 2010-11, a 1.3 percent decrease from SFY 2009-10. In SFY 2011-12, All funds collections are projected to be $220 million, a 1.3 percent decrease from SFY 2010-11.

Currently, all receipts from the alcoholic beverage tax are deposited in the General Fund. In SFY 2009-10, the rate on beer increased from 11 cents to 14 cents per gallon and that on wine increased from 18.9 cents to 30 cents per gallon.

Auto Rental Tax

Since June 1990, the State has 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. The tax does not apply to a car lease covering a period of one year or more. In SFY 2009-10, this rate was increased to 6 percent. Receipts from the auto rental tax are influenced by the overall health of the economy, particularly consumer and business spending on travel.

For SFY 2010-11, collections from the auto rental tax are estimated to be $95 million, a 25 percent increase from that in SFY 2009-10. This increase is primarily the result of the increase in the tax rate as well as the imposition of the rental tax in the MTA district. In SFY 2011-12, collections from this tax are projected to be $97 million, a 2 percent increase, as a result of the economic recovery**.**

Highway Use Tax

Articles 21 and 21-A of the Tax Law impose a highway use tax on commercial vehicles using the public highways of the State. Highway use tax revenues are derived from three sources:

- the truck mileage tax,
- fuel use tax, and
- registration fees

The truck mileage tax (TMT) is levied on commercial vehicles having a loaded gross weight of more than 18,000 pounds, or an unloaded weight in excess of 8,000 pounds for trucks and 4,000 pounds for tractors. The tax is imposed at rates graduated according to the gross vehicle weight. All highway use tax receipts are directed to the Dedicated Highway and Bridge Trust Fund. In addition, a supplemental tax equal to the base truck mileage tax is imposed.

For SFY 2010-11, collections from the highway use tax are estimated to be $134 million, a 2 percent decrease from SFY 2009-10. Collections from this tax are projected to be $145 million in SFY 2011-12, a 8 percent increase. Fuel tax collection on highway use fluctuates with fuel consumption and hence, in turn, is influenced by economic conditions. These tax collections can also be affected by fuel prices.

Business Taxes

All Funds business tax receipts are estimated to total $7.3 billion for SFY 2010-11, a decrease of 2.1 percent from SFY 2009-10 collections. Much of this decline can be attributed to higher than anticipated refund payments that were delayed from March to April. Also contributing to these declines is the acceleration of tax receipts from SFY 2010-11 to SFY 2009-10 caused by the increase of the March prepayment from 30 percent to 40 percent. These factors are offset by higher estimated audit returns, additional revenues resulting from the deferral of certain tax credits that were enacted in the SFY 2010-11 budget, and stronger growth in corporate profits. General Fund collections are estimated to total $5.35 billion for the current fiscal year, a decrease of 0.5 percent from SFY 2009-10.

For SFY 2011-12, All Funds business tax receipts are projected to increase to $8.1 billion, an increase of 10.4 percent over SFY 2010-11. General Fund receipts are projected to increase to $6.0 billion, an increase of 12.3 percent. Projected growth reflects revenues as a result of the deferral of tax credits and increased corporate profitability as businesses continue to rebound from the latest economic recession.

Corporate Franchise Tax

Levied by Article 9A of the New York State Tax Law, the corporate franchise tax imposes a tax on income from domestic and foreign corporations for the privilege of exercising their corporate franchise or doing business, employing capital, owning or leasing property, or maintaining an office in New York. The corporate franchise tax is imposed at a rate of 7.1 percent on businesses' entire net incomes. Article 13 imposes a 9 percent tax on unrelated business income from not-for-profit organizations. The corporate franchise tax generates nearly half of all business tax revenues, averaging 43 percent in All Funds receipts over the last five years.

For SFY 2010-11, All Funds receipts are estimated to total $2.85 billion, 13.6 percent growth over SFY 2009-10. This increase is primarily driven by an additional $206 million in audit receipts. Excluding audits, corporate franchise tax revenues are estimated to increase 7.5 percent due to growth in corporate profits and additional revenues from the deferral of tax credits.

Refund payments that were delayed from March into April slightly offset year over year growth. General Fund receipts are estimated to total $2.5 billion, an increase of 15.8 percent.

For SFY 2011-12, All Funds receipts are projected to increase to $3.4 billion, an increase of 18.5 percent. On a General Fund basis, receipts are projected to increase to $3.0 billion, 19.8 percent growth. The projected growth is a result of increased revenues from the continued deferral of the tax credits and continued growth in corporate profitability.

Corporation and Utilities Tax

Specialized industries, including public utilities, newly organized or reorganized corporations, out-of-State corporations doing business in New York State, transportation and transmission companies, and agricultural cooperatives are required to pay taxes and fees under Article 9 of the Tax Law. Historically, a majority of Article 9 revenues have been derived from public utilities and the transportation and telecommunications industries. However, due to regulatory and statutory changes over the last seven years, the telecommunications industry has become the primary source of revenues from this tax.

For SFY 2010-11, All Funds receipts are estimated to total $786 million, a decrease of 17.6 percent from SFY 2009-10. General Fund receipts are estimated at $595 million. This decline is largely the result of accelerated tax receipts from SFY 2010-11 into SFY 2009-10 due to the increase in the March prepayment from 30 percent to 40 percent. Lower year to date revenues also reflect a $37 million decline in Sections 186 and 186-a attributed to increased refunds as a result of a Tax Tribunal decision in relation to the calculation of the tax on excess dividends resulting from the sale of property. Through September, All Funds receipts have amounted to $318 million, 25 percent less than the comparable period last year and 14 percent less than the average midyear totals over the last five years.

For SFY 2011-12, All Funds receipts are projected to increase to $822 million, an increase of 4.6 percent. General Fund receipts are projected to increase to $622 million. The rebound in revenues is a result of steady increases in the consumption of telecommunications and public utilities services projected through 2012.

Insurance Tax

Article 33 of the Tax Law imposes taxes on insurance companies, insurance brokers, and certain insurers for the privilege of conducting business in the State. The tax base for Article 33 is divided between life and non-life insurers. A premiums-based tax is levied on non-life insurers and independently procured insurance. Life insurance companies pay an income tax similar to the corporate franchise tax, as well as a premiums tax component at a rate of 0.7 percent of taxable premiums. However, the sum of the two cannot exceed 2 percent of taxable premiums. Accident and health insurers are taxed at a rate of 1.75 percent of premiums and all other insurers are taxed at a rate of 2 percent.

Insurance tax receipts are estimated to total $1.4 billion for SFY 2010-11, a decrease of 3.1 percent. A slight increase in liability over the fiscal year is offset by a reduction in receipts as a result of the increased prepayment from 30 to 40 percent that went into effect last March as well as an anticipated decline in audits receipts. General Fund receipts are estimated to total $1.31 billion in SFY 2010-11, a 1.4 percent decrease from the previous fiscal year.

All Funds revenues are projected to increase by 4.4 percent in SFY 2011-12, totaling $1.5 billion. General Fund revenues, in turn, are projected to increase 4.2 percent for a total of $1.4 billion. This growth is primarily attributed to increased revenues from the provision that defers certain tax credits.

Bank Tax

Bank Tax revenues are collected under Article 32 of the Tax Law. The tax is imposed on banking corporations conducting business in New York State, comprised of three types: clearinghouses, savings institutions, and other commercial banks. Similar to Article 9-A requirements, bank tax liability is computed under four alternative bases: alternative minimum, entire net income (ENI), asset base, and a fixed dollar minimum. The tax is collected on the base that yields the highest liability.

For SFY 2010-11, All Funds receipts are estimated to total $1.15 billion, a decrease of 18 percent from SFY 2009-10. The decline in revenues results from a decrease in audit receipts and higher than anticipated refund payments that were delayed from March into April. These are offset by growth in profitability performance within the financial sector along with an additional $15 million from legislation that was enacted as part of the SFY 2010-11 budget which altered the way by which banks could deduct their bad debts. General Fund revenues are estimated to total $957 million in SFY 2010-11, a decrease of 18.4 percent.

In SFY 2011-12, All Funds and General Fund receipts are projected to increase to $1.2 billion and $1.0 billion respectively, as increased revenues are collected from the deferral of tax credits and liability growth steadily increases year over year.

Petroleum Business Tax

The Petroleum Business Tax (PBT) is levied under Article 13-A of the Tax Law. The tax is imposed on petroleum related businesses and is based upon the quantity of various petroleum products imported for sale or use in the State. PBT rates are amended on January 1st of each year to reflect the change in the Petroleum Producers Price Index for the twelve month period ending the previous August 13th. The changes in the rates are, by law, only allowed to fluctuate by 5 percent per year.

All Funds receipts for SFY 2010-11 are estimated at $1.07 billion, a 2.7 percent decrease over SFY 2009-10. Increased demand for petroleum products is offset by a 5 percent decrease in the PBT Index effective January 1, 2010. For SFY 2011-12, PBT receipts are projected to increase to $1.11 billion, a 3.3 percent increase attributed to a 5 percent increase in the PBT index effective January 1, 2011.

Other Taxes

Other taxes are primarily comprised of the estate and gift taxes, real estate transfer taxes, the Metropolitan Commuter Transportation Mobility Tax, and pari-mutuel taxes.

Estate Tax

New York's estate taxes do not have to be remitted until nine months following a person's death. As a result, the amount of estate taxes paid in any particular month is not a reflection of the current economy, but the economy at the time of death. These collections are also a function of the size of the estates on which the taxes are paid.

Estate tax collections are estimated to increase in SFY 2010-11 by 25.4 percent, to $1.08 billion from SFY 2009-10. Estate taxes are projected to decline by 5.3 percent in SFY 2011-12 to $1.03 million. The estate tax revenue is a function of household's real net worth, indirectly to the stock index and any kind of tax law change, specifically related to credit exemption on the value of inherited estates. In current fiscal year, household's real net worth are expected to increase compared to SFY 2009-10.

Real Estate Transfer Tax

Real estate transfer tax collection for SFY 2010-11 are estimated to be $582 million, up by $89 Million. This increase in collection is due to the extension of federal tax credit that expired in April 30, 2010. Real estate transfer collection for SFY 2011-12 are projected to be $605, increasing by $23 million, this increase reflects the projected improvement in the housing market.

Metropolitan Commuter Transportation Mobility Tax

Established in 2009, the Metropolitan Commuter Transportation Mobility Tax, also referred to as the payroll tax, provides additional revenue to the Metropolitan Transportation Authority. The tax imposes a rate of 0.34 percent on the payrolls of certain employers and self-employed individuals doing business within the Metropolitan Commuter Transportation District.

All Funds receipts for SFY 2010-11 are estimated $1.36 billion, an 10.8 percent increase from SFY 2009-10. Although a portion of this increase is due to wage growth in the current fiscal year, the increase is also due to the tax being imposed on a fully annualized basis. When the tax was enacted in SFY 2009-10, it was effective from March 1 and not the entire tax year. Offsetting a portion of this increase is the imposition of the payroll tax on self-employeds. A portion of the tax is paid when the taxpayer files his annual return which shifts receipts into the following fiscal year.

In SFY 2011-12, receipts are projected to increase 3.6 percent, totaling $1.41 billion. This increase is attributed to forecasted growth in wages and proprietorship incomes.

Miscellaneous Receipts

	SFY 2009-10 Actual	SFY 2010-11 Estimated	SFY 2011-12 Projected
Licenses, Fines, and Fees	702	667	587
Abandoned Property	608	650	645
Motor Vehicle Fees	15	40	54
Alcoholic Beverage License Fees	49	45	49
Reimbursements	323	222	222
Investment Income	14	18	17
Other	2,177	1,253	1,282
Total	**3,888**	**2,895**	**2,856**

General Fund miscellaneous receipts are estimated to total $2.9 billion in SFY 2010-11; reflecting a 25.5 percent decrease in receipts from SFY 2009-10. This decrease is a reflection of the elimination of various "one-shots" that were included in the SFY 2009-10, including the transfers from the Battery Park City Authority and the Power Authority. This decrease also reflects the "pre-payment" of Article 18-A assessments which were shifted into the previous fiscal year. In addition, low interest rates and the decrease in fund balances have resulted in lower investment income collections.

Collections in SFY 2011-12 are projected to decrease by 1.3 percent; decreasing from $2.9 billion to $2.86 billion. This decrease is primarily a result of lower projected collections from licenses and fees to reflect the cyclical nature of these collections.

***Alcoholic Beverage License Fees*:**

New York State distillers, brewers, wholesalers, retailers, and others who sell alcoholic beverages are required by law to be licensed by the State Liquor Authority. License fees vary depending on the type and location of the establishment or premises operated, as well as the class of beverage for which the license is issued.

For SFY 2010-11, collections are estimated to be $45 million, a 2.3 percent increase from SFY 2009-10. Collections are projected to be $49 million in SFY 2011-12, a 8.9 percent decrease.

Lottery/VLT's

Traditional Lottery

In 2010, the New York State Lottery offered two multi-state jurisdictional games: Mega Millions and Powerball, which was made available in New York in early 2010. Initially, lottery revenues were projected to increase with the introduction of Powerball. However, as revenue from traditional lottery games, such as Lotto, has declined, revenue as a result of the introduction of Powerball has only increased slightly. In addition, sales from these games are down. This is due in part to low jackpots which the number of people participating in the games, causing less sales. Typically, as multi-state games jackpots increase and approach the $100 million prize amount, there is an increase in sales. However when jackpots are below the $100 million prize amount, there tends to be less participants in the game. In regards to Instant Games, sales have experienced a slight decline as evidenced in the weekly sales reports. Some within the industry believe this decline could be a direct result of the slow economic growth and higher unemployment levels, leading to people having less disposable income to participate in lottery games. In addition, anecdotal evidence suggests that the increased cost of cigarettes on patrons who also purchase Lottery tickets, could be having an adverse impact on lottery sales.

National reports continue to indicate a declining trend in profits for gambling operations. Nationally, there is approximately a 2.6 percent decline in gambling profits.

As part of the SFY 2010-11 Budget, legislation passed that removed some restrictions on the operations of Quick Draw. This legislation increased the amount of hours per day the game can be played from 13 hours to 23.5 hours a day. It is anticipated that the increased hours of play will generate $9 million in additional revenue for the remainder of SFY 2010-11, and $12 million annually thereafter.

For SFY 2010-11 it is estimated that traditional lottery sales will contribute $2.1 billion on Aid to Education for New York State. In SFY 2011 -12, traditional lottery sales are projected to remain flat at $2.1 billion. This reflects a continuation of the decline in sales from Lotto and Quick Draw offset by growth in sales as a result of the projected increase in employment and personal income.

Video Gaming

The current trend of increased revenue from video gaming is estimated to continue through the end of SFY 2010. In 2009 New York's eight video-gaming facilities realized a 6 percent increase. To date revenues from VLT's are 7 percent higher than the same period in 2009. Also, as part of the SFY 2010-11 budget, legislation passed expanding the hours of operation in New York's Video Lottery Terminals (VLT's). However, even with this legislation, most of the States' facilities have not increased their hours of operation significantly enough to create the projected impact for increased revenues.

In September, the State finalized the franchise agreement for the creation of VLT's at Aqueduct and secured a $380 million upfront licensing fee from Genting, NY LLC. The number of machines the facility will open will impact the amount of revenue the State will realize from the facility. Construction at Aqueduct is estimated to be completed in July 2011.

For SFY 2010-11 it is estimated that revenue from video gaming sales, combined with the revenue from the franchise agreement for Aqueduct and the anticipated increase in sales with expanded hours at VLT facilities, will contribute more than $924 million in Aid to Education for New York State.

Collections from video gaming are projected to decline to $600 million in SFY 2011-12. This decrease is due to the elimination of the upfront payment from Genting NY, partially offset by an increase in revenue due to the opening of the Aqueduct facility.

DISBURSEMENT OUTLOOK

Education

The State Education Department (SED) is required by law to provide an update of State Aid claims for school districts. This updates take place three times a year in the months of February, May and November, on or before the 15th of each month. The most recent data we currently have in an unofficial update provided by SED in September 2010.

The State Budget process for the 2010-2011 School Year has followed a very different path than in prior years due to the State's continuing fiscal crisis and the expectations of additional federal aid. The Legislature adopted a school aid budget that included a $600 million school aid restoration in June 2010. The Executive vetoed the school aid restoration and the language bill that accompanied such restoration.

Senate Finance projections are based on enacting legislation to address several outstanding issues regarding State Aid to schools. Expense-base aid projections are determined by an analysis of historical school aid data. If legislation is not enacted most of the State Aid to school provisions will revert to current law. There is an expectation that these agreements will be included as part of legislation which will probably be enacted in the remaining months of this year.

School Aid

The Senate Majority estimates are based on historical school aid data and differ from the Division of the Budget based on different assumptions of annual growth for the time periods assessed. The Senate assumes passage of enacting legislation for School Year 2010-2011 State Aid.

Two-Year School Aid Projection-School Year Basis (millions of dollars)				
	2010-2011	**2011-2012**	**Annual Change**	**Annual % Change**
Foundation Aid/Academic Achievement Grant	$14,894	$14,894	$0	**0%**
Universal Pre-Kindergarten	$378	$378	$0	**0%**
Other Aid Categories/Initiatives	$775	$798	$23	**3%**
Expense-Based Aids	$5,917	$6,465	$548	**9%**
Gap Elimination Adjustment	($1,412)	$0	$1,412	**100%**
Federal Education Jobs Restoration	$607	$0	-$607	**-100%**
Total School Aid	**$21,159**	**$22,535**	**$1,376**	**7%**

The reported School Aid allocation for 2010-2011 is approximately $21.15 billion. Of this amount 71 percent or $14.89 billion is associated with Foundation Aid. Expense Base Aids (Building Aid, Transportation Aid and Special Education Aids, BOCES) are approximately $5.9 billion or 28% of the reported School Aid allocation for School Year 2010-2011. It should be noted that $1.3 billion or 6% of the total 2010-2011 School Aid allocation is associated with federal American Recovery and Reinvestment (ARRA) funds including the State Fiscal Stabilization Fund and the Federal Education Jobs.

On a school year basis, school aid is projected to grow at an annual rate of 7 percent, from $21.12 billion in 2010-2011 to $22.53 billion in 2011-2012. Growth is primarily due to an increase of 9 percent or $548 million associated with expense base aids and due to the elimination of the one-time Executive gap elimination adjustment.

Federal ARRA Funds and Race to the Top

The 2010-2011 reported School Aid allocation includes $726 million in State Fiscal Stabilization Fund for education. This was the remaining amount of the federal ARRA funds available to New York State for school aid restorations. School districts are required to submit ARRA-related financial data and other non-financial data including the number of jobs created or preserved, tax increases averted, project completion status, total costs of projects and other relevant information in order to comply with federal guidelines and receive those funds. The federal ARRA program funding will come to an end unless it is reauthorized by the federal program. This appears to be unlikely.

The approval of the federal education jobs legislation allocated $607 million for New York State school districts. Yet, even with the promised infusion of more than $607 million in federal aid to restore, retain and create education jobs, some school districts across the state are reluctant to use the funding to rehire laid-off educators or restore positions right away. Anticipating another difficult year ahead, school officials plan to use much of the federal aid to help prevent layoffs next year. Federal guidelines give districts until September 2012 to allocate the funds.

The American Recovery and Reinvestment Act (ARRA) provides $4.35 billion for Race to the Top, a competitive grant program designed to encourage and reward states that are creating the conditions for education innovation and reform; achieving significant improvement in student outcomes, including making substantial gains in student achievement, closing achievement gaps, improving high school graduation rates, and ensuring student preparation for success in college and careers. New York State was awarded a Race to the Top grant in the amount of $696.6 million to implement 27 State projects over the four year grant period. It is estimated that $477 million will pass through directly to local school districts.

Foundation Aid

New York State's financial crisis forced policymakers to make difficult decisions when providing funding for particular programs. The $32 billion financial gap closed by the Executive and the Legislature during the last two fiscal years and the estimated upcoming gap of $9.2 billion for the next State Fiscal Year will delay any major changes in Foundation Aid unless the incoming administration changes the way in which Foundation Aid is funded.

The Senate Finance Committee projects that Foundation Aid for the 2011-2012 School Year will be flat at the $14.89 billion level. As consequence, legislation is required to authorize the freezing of Foundation Aid for one more year and, to continue with the planned three year phase in starting in the 2012-13 School Year and the extension of the phase in of Foundation Aid by an additional three years. Without enacting legislation Foundation Aid would revert to current law.

Universal Pre-K

According to the National Institute for Early Education Research (NIEER), approximately more than 1.2 million children participate in State-funded Prekindergarten programs, about 30% of all 3 and 4-year-olds in the nation. State spending on Prekindergarten programs totals more than $5 billion. More than half of the states established Prekindergarten programs during the last two decades.

The New York State Universal Prekindergarten (UPK) program was established under Chapter 436 of the Laws of 1997. During the 2004-05 school year, 192 districts (224 eligible) served approximately 57,000 students. In School Year 2009-2010, this number has increased considerably from 192 to 450 school districts and the number of 4-year old has increased from 57,000 to almost 108,000.

The Senate Finance Committee estimates that Universal Pre K for the 2011-2012 School Year will be flat at the $378 million level. Without enacting legislation UPK would revert to current law. In his New NY Agenda, Governor elect Cuomo mentions that his administration will study the viability of full day UPK programs.

Expense Based Aids

Expense based aid are an important part of the funding received by school districts. These funds reimburse school districts for costs already incurred in areas such as transportation, school construction, special education and cooperative services. For SY 2010-2011, the enacted budget funded all expense based aids at present law levels. Without enacting legislation for expense base aids these school aid categories would revert to current law.

- BOCES services are created when two or more school districts decide they have similar needs that can be met by a shared program. BOCES helps school districts save money by providing opportunities to pool resources and share costs. Sharing is an economical way for districts to provide programs and services that they might not be able to afford otherwise. It is often more efficient and less costly to operate one central service than it is to have separate programs in each school district. BOCES services are often customized offering districts the flexibility to meet their individual needs. The reported School Aid amount for School Year 2010-2011 totaled $735.5 million, an increase of $44 million or 9.5 percent above SY 2009-2010. If we were to estimate BOCES aid based on percentage increases over the last seven years, BOCES Aid for the next School Year could increase by 7 percent or $50 million in SY 2011-2012.

- Transportation Aid reimburses school districts for approved transportation expenses including equipment, salary, and benefits. A precise estimate for SY 2011-2012 cannot be provided at this time since the most recent data that we currently have is based on the latest SED September 2010 database update. If we were to estimate Transportation Aid based on percentage increases over the last seven years, Transportation Aid would increase by a range between 4 percent and 6 percent or $122.59 million in SY 2011-2012.

- Building Aid allows school districts to receive aid for approved building projects. The reported School Aid amount for School Year 2010-2011 totaled $2.4 billion, an increase of $233.3 million or 11% above SY 2009-2010. We will not have actual data until the November 2010 release of the database update. If we were to estimate Building Aid based on percentage increases over the last three years, Building Aid would increase by 10% or $246.8 million in SFY 2011-2012.

- Private Excess Cost Aid provides reimbursement for public school children with more severe disabilities who are placed in private school settings or in the State-operated schools in Rome and Batavia. The reported School Aid amount for School Year 2010-2011 totaled $331.1 million, a reduction of $667,000 or -.20% percent above SY 2009-2010.

- Public Excess Cost: It is difficult to determine the total amount of this increase since Public Excess Cost Aid is folded into the Foundation Aid formula. In the case of High Cost Excess Cost Aid the data can only address three years making a precise estimate difficult. This results from the reality that during economic downturn the share of overall school spending on special education services increases in comparison to general education. Consequently, the Senate Finance Committee estimates an increase of 1.45 percent or $7.1 million for School Year 2011-2012.

MEDICAID

Methodology

The Senate Finance Medicaid forecast model is comprised of five components including, institutional, non-institutional, managed care, non institutional long term care, and other categories and is based on the projections of price and service units to forecast Medicaid expenditures for Department of Health Medicaid spending. This forecast does not include Medicaid spending in other agencies. These calculations are derived from data contained in the Management Accounting Reporting Subsystem (MARS) reports 39, 51, 72 and 73. Projections are based on an analysis of service category trends. State spending is analyzed and compared to prior year levels of spending. The projected changes are further refined to larger data sets and compared with quarterly percentage changes. In order to account and adjust for periodic reconciliation of account, the Senate Finance forecast model includes review of quarterly data, which is more reliable.

The total expenditures for the next year are projected from the current year base by multiplying the cost per unit of beneficiary by the trended units of service. This total is also multiplied by the expected State share for each category of service. The Senate Finance model also continues to refine these calculations to apply other variables not expressed in the model such as economic indicators like unemployment rate trends, public assistance caseload trends and wages and salary trends.

Midyear Projections

The midyear forecast projects State Medicaid baseline expenditures for SFY 2010-11 at $12.48 billion compared to the Executive's Midyear projection of 11.95 billion, with both the Executive and the Senate Midyear updates representing a $358 million or $884.6 million increase (respectively) in Medicaid baseline expenditures from the projections of the SFY 2010-11 Enacted Budget.

The Midyear projections for Medicaid baseline expenditures continue to trend upward and it is anticipated that Medicaid expenditures will be more than seven percent higher than projected for the SFY 2010-11 Enacted Budget. When compared to the SFY 2009-10 Medicaid closeout spending of $11.48 billion, the Senate Midyear forecast projects year to year spending to increase by $999.7 million for SFY 2010-11 or 8.71 percent. This projected increase in Medicaid spending for SFY 2010-11 is attributed to a projected increase in utilization as well as a projected increase in cost of services. Notably, the Senate Finance forecast projects increased spending in ***hospital outpatient services and freestanding clinic services.*** These two categories of spending are expected to experience year to year growth of $180 million and $50 million respectively. It is projected that these two categories of spending will have an average year to year growth of 34.5 percent. This dramatic projected increase in spending for outpatient and freestanding clinic services is offset by projected year to year reductions in spending for Hospital inpatient services. In fact the Senate Midyear forecast projects year to year spending to decline in this category by approximately $426.9 million or 18.3 percent. This spending trend can once again be attributed to the enactment of Medicaid reimbursement reform for inpatient and outpatient services, which has a goal of shifting spending from inpatient services to outpatient and primary care services.

The Midyear projection also includes increases in spending for the categories of skilled nursing facilities and personal care services. For ***Skilled Nursing Facilities*** the year to year increase in spending is projected to be $78.2 million or 2.7 percent over SFY 2009-10 spending closeouts. Spending for ***Personal Care Services*** is also projected to experience year to year growth of $42.3 million or 3.65 percent and is also attributed to increase in utilization and higher price for services provided.

For ***Pharmacy services***, the Senate Finance Midyear forecast projects Medicaid expenditures of $1.4 billion representing a projected decrease of $190 million or 12.2 percent from SFY 2009-10 expenditures. This decrease in expenditures for pharmacy services is attributed stable year to year utilization of services and lower cost for services.

SFY 2011-12 Forecast for Medicaid Spending

The Senate Finance forecast model was trended forward primarily using the most recent 12 months of spending and utilization data, along with various projected adjustments to project the State Medicaid expenditures for SFY 2011-12. The Senate forecast projects that baseline Medicaid expenditures for SFY 2011-12 would be $18.44 billion, reflecting a $5.9 billion or 47.77 percent increase above SFY 2010-11 projected Medicaid expenditures. The most significant portion of the projected increase in spending for SFY 2011-12 can be attributed to the loss of the Enhanced Federal Medical Assistance Percentage (FMAP). Starting June 2011 New York State will receive 50 percent reimbursement from the Federal government for all qualified Medicaid expenditures. This reduction in New York State's FMAP would result in increased State Medicaid expenditures of approximately $3.6 billion. In addition, to the projected increase in SFY 2011-12 Medicaid baseline spending of $3.6 billion attributed to the loss of the enhanced FMAP, the remaining projected increase in SFY 2011-12 Medicaid baseline spending would occur as a result of projected increases in utilization and increase cost of services for most of the Medicaid services including, skilled nursing facilities, hospital outpatient services, freestanding clinics and drugs.

Risks to the Forecast

A significant portion of the forecast relies on economic indicators such as unemployment rates and public assistance caseloads trends. As a result, upward or downward trends in the economy can change the projections of the forecast for SFY 2010-11 and SFY 2011-12. It addition, failure of the Centers for Medicare and Medicaid Services (CMS) CMS to approve cost containment measures in New York State's Medicaid program, that were authorized by the Legislature, could result in spending higher than projected by the Medicaid expenditure forecasts for SFY 2010-11 and SFY 2011-12.

Public Assistance

New York State's Public Assistance caseload consists of two major categories of recipients: Family Assistance and Safety Net Assistance. The temporary cash assistance programs offer support services and cash assistance to eligible low-to moderate-income families and individuals. The Family Assistance program is financed through federal Temporary Assistance for Needy Families (TANF) funds, State funds, and local government funds. The Safety Net Assistance program is financed only by State and local funds and provides cash assistance to individuals and families who have exhausted their five-year time limit for TANF eligibility.

Although welfare caseload is volatile and difficult to predict, there is a strong relationship between the number of welfare recipients and economic factors, such as employment and low wage work, unemployment rate, and entry level employment.

Family Assistance

New York City

For SFY 2010-11, the updated Family Assistance caseload for New York City (NYC) is projected at 146,817, a decrease of 12,838 or 8.0 percent from the SFY 2010-11 Enacted Budget. The Family Assistance caseload for NYC was determined by analyzing a multiyear trend in actual monthly caseload adjusted for unemployment and average low wage data for the period from January 2003 through July 2010. Carrying that trend forward results in a projected caseload of 144,481 for SFY 2011-12. The Monthly Average Payment is projected at $416.85.

Rest of State

For SFY 2010-11, the updated Family Assistance caseload for the Rest of State (ROS) is projected at 106,535, an increase of 5,168 or 4.6 percent from the SFY 2010-11 Enacted Budget. The Family Assistance caseload for the ROS was determined by analyzing a multiyear trend in actual monthly caseload adjusted for unemployment and average low wage data for the period from January 2003 through July 2010. Carrying that trend forward results in a projected caseload of 98,473 for SFY 2011-12. The Monthly Average Payment is projected at $276.73.

Safety Net Families

New York City

For SFY 2010-11, the updated Safety Net Families caseload for New York City (NYC) is projected at 88,308, a decrease of 3,423 or 3.4 percent from the SFY 2010-11 Enacted Budget. The Safety Net Families caseload for NYC was determined by analyzing a multiyear trend in actual monthly caseload adjusted for unemployment and average low wage data for the period from January 2003 through July 2010. Carrying that trend forward results in a projected caseload of 88,073 for SFY 2011-12. The Monthly Average Payment is projected at $286.53.

Rest of State

For SFY 2010-11, the updated Safety Net Families caseload for the Rest of State (ROS) is 31,513, a decrease of 2,661 or 7.8 percent from the SFY 2010-11 Enacted Budget. The Safety Net Families caseload for the ROS was determined by analyzing a multiyear trend in actual monthly caseload adjusted for unemployment and average low wage data for the period from January 2003 through July 2010. Carrying that trend forward results in a projected caseload of 31,569 for SFY 2011-12. The Monthly Average Payment is projected at $217.54.

Safety Net Singles

New York City

For SFY 2010-11, the updated Safety Net Singles caseload for New York City (NYC) is projected at 108,051, an increase of 3,508 or 3.4 percent from the SFY 2009-10 Enacted Budget. The Safety Net Singles caseload for NYC was determined by analyzing a multiyear trend in actual monthly caseload adjusted for unemployment and average low wage data for the period from January 2003 through July 2010. Carrying that trend forward results in a projected caseload of 112,759 for SFY 2011-12. The Monthly Average Payment (MAP) is projected at $519.88.

Rest of State

For SFY 2010-11, the updated Safety Net Singles caseload for the Rest of State (ROS) is projected at 60,254 an increase of 5,760 or 10.6 percent from the SFY 2010-11 Enacted Budget. The Safety Net Singles caseload for the ROS was determined by analyzing a multiyear trend in actual monthly caseload adjusted for unemployment data and average low wage data for the period from January 2003 through July 2010. Carrying that trend forward results in a projected caseload of 61,399 for SFY 2011-12. The Monthly Average Payment is projected at $366.91.

Statewide

For SFY 2010-11, the mid-year revision projects a statewide caseload of 541,478, reflecting a decrease of 14,822 or 2.7 percent from the Enacted Budget. The mid-year revision projects a total State share cost related to that caseload of $934.7 million for SFY 2010-11, a decrease of $17.8 million or 1.9 percent from the Enacted Budget Spending level.

For SFY 2011-12, the statewide total caseload is projected to be 536,754, reflecting an anticipated decrease of 4,724 or 0.9 percent from the current year. The projected SFY 2011-12 State share spending level related to that caseload is $941.9 million, an increase of $7.3 million or 0.8 percent from the estimated current year level spending.

These projections presume economic activity to be consistent with the economic forecast included within this report. Should economic activity vary in any measured amount, caseload numbers will change accordingly.

Public Assistance			
	Enacted 10-11	SFC Recast 10-11	SFC Projected 11-12
<u>Family Assistance</u>			
NYC			
Recipients/month	159,655	146,817	144,481
Total Expenditures	$813,780,694	$734,407,997	$722,722,858
MAP	$424.76	$416.85	$416.85
State Share	$203,445,173	$183,601,999	$180,680,715
ROS			
Recipients/month	111,703	106,535	98,473
Total Expenditures	$370,764,598	$353,777,167	$327,005,199
MAP	$276.60	$276.73	$276.73
State Share	$92,691,149	$88,444,292	$81,751,300
Family Assistance - State Share	**$296,136,323**	**$272,046,291**	**$262,432,014**
Total Family Assistance Recipients	**271,358**	**253,352**	**242,954**
<u>Safety Net Families</u>			
NYC			
Recipients/month	91,731	88,308	88,073
Total Expenditures	$313,521,881	$303,634,695	$302,826,680
MAP	$284.82	$286.53	$286.53
State Share	$156,760,941	$151,817,347	$151,413,340
ROS			
Recipients/month	34,174	31,513	31,569
Total Expenditures	$89,259,754	$82,264,056	$82,410,243
MAP	217.66	217.54	217.54
State Share	$44,629,877	$41,132,028	$41,205,122
Safety Net Families - State Share	**$201,390,818**	**$192,949,376**	**$192,618,462**
Safety Net Families. Recipients	**125,905**	**119,821**	**119,642**
<u>Safety Net Singles</u>			
NYC			
Recipients/month	104,543	108,051	112,759
Total Expenditures	$672,809,476	$674,082,647	$703,453,787
MAP	$536.31	$519.88	$519.88
State Share	$336,404,738	$337,041,323	$351,726,894
ROS			
Recipients/month	54,494	60,254	61,399
Total Expenditures	$237,140,450	$265,293,542	$270,334,885
MAP	$362.64	$366.91	$366.91
State Share	$118,570,225	$132,646,771	$135,167,443
Safety Net Singles- State Share	**$454,974,963**	**$469,688,094**	**$486,894,336**
Safety Net Singles Recipients	**159,037**	**168,305**	**174,158**
Total - State Share	**$952,502,103**	**$934,683,761**	**$941,944,812**
Total Caseload	**556,300**	**541,478**	**536,754**