



NEW YORK STATE SENATOR

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Senate Issues Mid-Year Economic and Revenue Report

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This week the Senate Majority released a mid-year economic and revenue forecast for New York State. A copy of the report can be found at the Senate website, www.nysenate.gov.

Working together this year, with Governor Cuomo, we were able to close a \$10 billion budget deficit. We balanced the budget by finding efficiencies in government, identifying areas to make responsible cuts in spending, and most importantly, held the line on taxes," said Senator Gallivan. "Significant challenges remain and I look forward to returning to Albany to address next year's budget, continuing to focus on fiscal responsibility, economic development, and job creation for Western New York."

Highlights of the report including the following:

National and State Economy

· The Senate expects that low employment and wage growth will continue to be a drag on the economic recovery. Employment in New York is projected to increase by 0.8 percent and 1.0 percent in 2011 and 2012, respectively. The sovereign debt crisis in Europe and its impact on the financial markets and trade is an ongoing risk to the economy.

Overall Disbursements and Receipts

- Based upon the most recent economic and tax collection data, the Senate estimates revenues for SFY 2011-12 to increase by 6.4 percent over collections from SFY 2010-11 or \$286 million higher than Executive mid-year estimates on an All Funds basis. For SFY 2012-13, revenues are projected to increase by 0.75 percent or \$17 million over Executive estimates.
- The Senate forecast for the major spending categories are estimated at \$50.1 million higher than Executive's projections for the current fiscal year and \$332.6 million less in fiscal year 2012-13.

Medicaid

- Over the next two years the Senate projects Department of Health Medicaid spending of approximately \$31.3 billion, which is \$41.7 million more than projected by the Executive. The Senate Finance Mid-Year Review projects Medicaid baseline expenditures for SFY 2011-12 at \$15.39 billion. The Senate projection for SFY 2012-13 is \$15.91 billion.

Public Assistance

- For SFY 2011-12 the Senate projects a statewide total caseload of 559,588, a decrease of 5,930 or 1.0 percent from the Executive's SFY 2011-12 projections.
- For SFY 2011-12 the Senate projects a total State share cost of \$395.9 million, a decrease of \$18.0 million, or 4.4 percent from the Executive's SFY 2011-12 mid-year projections.

School Aid

- For SFY 2011-12 education disbursements are projected to be \$19.7 billion, consistent with the enacted budget amount.
- For SFY 2012-13 education spending is estimated to increase by \$805 million over the current fiscal year.

Under the state's Quickstart budget reform law, the Governor and each house of the Legislature are required to produce a mid-year economic forecast prior to issuing a joint financial update report.