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**2004-05 Year-End Report  
New York State  
Division of the Budget**

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**George E. Pataki, Governor  
John F. Cape, Budget Director**

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## ***INTRODUCTION***

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This Year-End Report (the “Year-End Report”) compares preliminary 2004-05 year-end results (the “actual results” or “year-end results”) to three mileposts: (i) 2003-04 actuals; (ii) projections made at the time the 2004-05 budget was enacted (the “Enacted Budget Financial Plan” or “initial projections”); and (iii) the latest estimates for the 2004-05 fiscal year contained in the 2005-06 Executive Budget, as amended (the “30-day estimates,” “30-day Financial Plan,” or “last public estimate”).

The Year-End Report describes the differences between these planning assumptions for both receipts and disbursements and what actually occurred, and analyzes the reasons for the variances. In addition, it summarizes the reasons for the annual changes in receipts and disbursements from 2003-04 to 2004-05.

Tables appear at the end of this Year-End Report that summarize (a) Financial Plan results on a cash-basis for the General Fund, State Funds, and All Governmental Funds (hereafter “All Funds”), (b) the actual monthly General Fund cash flow for 2004-05, (c) General Fund, State Funds, and All Funds spending results by function, and (d) the Health Care Reform Act (HCRA) cash-basis Financial Plan results.

Readers should note that information in this Year-End Report relating to fiscal year 2004-05 is based on preliminary unaudited year-end results. The Comptroller is expected to issue the audited financial statements for 2004-05 in July 2005.

Readers may obtain additional copies of the Year-End Report by visiting DOB on-line at [www.budget.state.ny.us](http://www.budget.state.ny.us) or by contacting the Division of the Budget, State Capitol, Albany, NY 12224, (518) 473-8705.

## OVERVIEW OF 2004-05 RESULTS

In September 2004, following enactment of the 2004-05 budget, DOB issued its 2004-05 Enacted Budget Financial Plan. At the time of the Enacted Budget, DOB projected a potential 2004-05 imbalance of \$434 million in the General Fund, which it planned to close through fiscal management actions. During the fiscal year, General Fund receipts experience surpassed the most optimistic forecasts, with actual collections exceeding initial projections by \$1.8 billion. General Fund spending, excluding the prepayment of certain 2005-06 obligations in 2004-05, was roughly \$190 million above initial projections. This was due mainly to the delayed receipt of health care conversion proceeds to support Medicaid costs and higher costs for correctional services, offset by fiscal management savings. As a result, the State ended the 2004-05 fiscal year with a General Fund operating surplus of \$1.2 billion. The table below summarizes the major revisions from the Enacted Budget.

<b>SUMMARY OF 2004-05 GENERAL FUND OPERATING RESULTS</b>		
<b>Enacted Budget to Year-End Results</b>		
	<b>Savings/(Costs)</b>	<b>Comments</b>
<b>Enacted Budget Projected (Deficit)/Surplus <sup>1</sup></b>	<b>(434)</b>	
<b>Revenue Revisions <sup>2</sup></b>	<b>1,819</b>	
Mid-Year Revenue Reestimates	359	Increased tax collections primarily in personal income, real estate, business and estate.
Executive (including 30-day)	943	
Consensus Revenue	350	
Closeout Revenue Reestimates	231	
Change in Transfers/Fund Balances	(64)	
<b>Spending Revisions (net of prepayments)</b>	<b>(190)</b>	
Delayed Empire Conversion Proceeds	(200)	Delay due to ongoing litigation.
Corrections	(138)	Negotiated Salary Agreements and operating costs exceeded projections.
Fiscal Management Plan Savings	161	
All Other Changes	(13)	
<b>Operating Surplus</b>	<b>1,195</b>	
<b>Use of Surplus</b>	<b>(1,195)</b>	
Deposit to Fiscal Stability Reserve	(601)	New reserve.
Reserve for Timing-Related Underspending	(126)	Amounts budgeted in 2004-05, but now expected to be spent in 2005-06.
HCRA Transfer	(200)	Pre-payment of 2005-06 costs.
Prepay Medicaid Cycle	(190)	Pre-payment of projected 2005-06 costs.
Rainy Day Fund Deposit	(78)	Ninth annual deposit in ten years brings the balance to its statutory limit (\$872 million).

<sup>1</sup> Reflects the projected deficit before Fiscal Management Plan savings.

<sup>2</sup> Excludes impact of refund reserve transaction.

## **SUMMARY OF RECEIPTS AND DISBURSEMENT ANNUAL CHANGES**

### ***Annual Revenue Growth from 2003-04 to 2004-05***

Overall, 2004-05 annual tax revenue growth had the best performance in two decades (14.7 percent) and, in dollar terms, the largest annual increase ever (\$6.2 billion). The 2004-05 base tax revenue growth, which corrects for the impact of law changes and transfers between fund groups, is estimated at 11.6 percent.

Receipts results in 2004-05 significantly exceeded initial expectations. The strength in tax receipts growth and the revisions to estimates are fairly uniform across tax categories and can be traced to the combination of the following major factors:

- Better than expected economic growth, especially on the income-earned side of the economy, including Wall Street bonuses (15 to 20 percent) and stock market performance (the Standard and Poor's Index increased by 17 percent year-over-year in 2004).
- Income growth was concentrated at the high end of the income distribution and, combined with the temporary surcharge on upper income taxpayers, drove tax receipts in the income tax category up by 16.0 percent.
- A strong real estate market, especially downstate, drove real-estate related taxes up and also increased the taxable income (personal and corporate) of sellers of high priced commercial and residential real estate. The real estate transfer tax increased by 43.0 percent in 2004-05.
- A return to profitability in the corporate sector and the concomitant decline in prior year losses offsetting current year incomes drove corporate taxes up dramatically. Business taxes increased by 19.0 percent.
- A series of very large real estates were settled in 2004-05 resulting in unusually large estate tax payments. Estate tax collections were up by 22.3 percent.

### ***Annual Spending Growth from 2003-04 to 2004-05***

On an All Funds basis, spending grew by \$5.2 billion (5.5 percent) over 2003-04, excluding the impact of payment deferrals from 2002-03, which had the effect of increasing 2003-04 spending by \$1.9 billion, thus lowering the annual increase by \$1.9 billion (additional information on these deferrals is provided later in this Year-End Report).

The largest areas of annual growth include:

- Medicaid spending (\$1.8 billion), driven mainly by caseload, utilization, and inflationary pressures.

- K-12 education aid (\$966 million).
- Debt service (\$438 million).
- School Tax Relief (STAR) program tax cut (\$240 million).
- State pension costs (\$230 million).

The following table summarizes the annual growth in spending in the General Fund, State Funds, and All Funds. A detailed discussion of the annual changes for the State's major programs and activities is provided later in this Year-End Report under the section entitled "2004-05 Spending Results by Major Function."

2004-05 Year-End Report

<b>Annual Spending Change -- 2003-04 Actual to 2004-05 Year-End Results</b>					
<b>Major Sources of Change</b>					
<b>(millions of dollars)</b>					
	<b>General Fund</b>	<b>Other State Funds</b>	<b>State Funds</b>	<b>Federal Funds</b>	<b>All Funds</b>
<b>2003-04 Actual (unadjusted)</b>	<b>42,065</b>	<b>19,267</b>	<b>61,332</b>	<b>35,994</b>	<b>97,326</b>
Net Impact of FY 2003 Deferrals	(1,900)	0	(1,900)	0	(1,900)
<b>2003-04 Actual (adjusted)</b>	<b>40,165</b>	<b>19,267</b>	<b>59,432</b>	<b>35,994</b>	<b>95,426</b>
<b>Major Functions</b>					
<i>Public Health:</i>					
Medicaid	891	(147)	744	1,049	1,793
Public Health	(21)	104	83	24	107
<i>K-12 Education:</i>					
School Aid	386	413	799	167	966
STAR	0	240	240	0	240
All Other Education Aid	108	5	113	(24)	89
Higher Education	417	152	569	(217)	352
<i>Social Services:</i>					
Welfare	20	0	20	(20)	0
Children and Family Services	25	(8)	17	(195)	(178)
Mental Hygiene	363	(11)	352	(83)	269
Transportation	(48)	23	(25)	323	298
General State Charges	439	100	539	12	551
Debt Service	257	181	438	0	438
<b>All Other Changes</b>					
Correctional Services	145	(4)	141	(20)	121
Judiciary	74	3	77	(1)	76
Yonkers Settlement	25	0	25	0	25
Member Items	44	0	44	0	44
All Other	329	34	363	(312)	51
<b>2004-05 Year-End Results</b>	<b>43,619</b>	<b>20,352</b>	<b>63,971</b>	<b>36,697</b>	<b>100,668</b>
<i>Dollar Change (adjusted)</i>	<i>3,454</i>	<i>1,085</i>	<i>4,539</i>	<i>703</i>	<i>5,242</i>
<i>Percent Change (adjusted)</i>	<i>8.6%</i>	<i>5.6%</i>	<i>7.6%</i>	<i>2.0%</i>	<i>5.5%</i>
<i>Dollar Change (unadjusted)</i>	<i>1,554</i>	<i>1,085</i>	<i>2,639</i>	<i>703</i>	<i>3,342</i>
<i>Percent Change (unadjusted)</i>	<i>3.7%</i>	<i>5.6%</i>	<i>4.3%</i>	<i>2.0%</i>	<i>3.4%</i>

**SUMMARY OF RECEIPTS RESULTS AND CHANGES WITHIN THE YEAR**

<b>Comparison of 2004-05 Revenue Projections and Year-End Results (millions of dollars)</b>					
	<b>2004-05</b>			<b>Over/(Under)</b>	
	<b>Enacted</b>	<b>30-Day</b>	<b>Year-End</b>	<b>Enacted</b>	<b>30-Day</b>
	<b>Budget</b>	<b>Update</b>	<b>Results</b>		
General Fund	42,655	43,866	43,760	1,105	(106)
State Funds	63,153	63,901	64,215	1,062	314
All Funds	100,118	101,122	100,576	458	(546)

General Fund receipts, including transfers from other funds, were \$43.8 billion in 2004-05, an increase of \$1.1 billion from the Enacted Budget and a decrease of \$106 million from the 30-day estimate (after adjusting for the impact of the tax refund reserve transaction, which the State uses to move resources across fiscal years). Excluding the refund reserve transaction, total General Fund receipts exceeded projections in the Enacted Budget by \$1.8 billion. State Funds receipts, which include dedicated taxes and fees, as well as General Fund receipts, exceeded initial projections by \$1.1 billion and the 30-day estimate by \$314 million. On an All Funds basis, the broadest measure of the State budget that includes Federal grants, receipts totaled \$100.6 billion, an increase of \$458 million above the Enacted Budget and a decrease of \$546 million from the 30-day Financial Plan.

General Fund and All Funds receipts exceeded planned levels primarily as a result of higher than projected tax collections, particularly in the areas of personal income, real estate, business and estate taxes. A detailed discussion of the reasons for the receipts variances are provided later in this Year-End Report.

**SUMMARY OF DISBURSEMENTS RESULTS AND CHANGES WITHIN THE YEAR**

<b>Comparison of 2004-05 Spending Projections and Year-End Results (millions of dollars)</b>					
	<b>2004-05</b>			<b>Over/(Under)</b>	
	<b>Enacted</b>	<b>30-Day</b>	<b>Year-End</b>	<b>Enacted</b>	<b>30-Day</b>
	<b>Budget</b>	<b>Update</b>	<b>Results</b>		
General Fund	43,039	43,412	43,619	580	207
State Funds	64,293	64,025	63,971	(322)	(54)
All Funds	101,207	101,182	100,668	(539)	(514)

General Fund disbursements, including transfers to other funds, were \$43.6 billion in 2004-05, an increase of \$580 million from the Enacted Budget and \$207 million from the 30-day Financial Plan. State Funds disbursements were \$322 million below initial projections and \$54 million below the last public estimate. On an All Funds basis, disbursements totaled \$100.7 billion, a decrease of \$539 million from the Enacted Budget and \$514 million from the 30-day Financial Plan.

A detailed discussion of the reasons for spending variances is provided later in this Year-End Report. In summary, General Fund spending exceeded budgeted levels

due mainly to the delayed receipt of health care conversion proceeds, Medicaid program growth, the accelerated payment of the last weekly Medicaid cycle that was originally planned in 2005-06, an accelerated payment to HCRA, cost overruns in correctional services, reductions in public health program spending, and lower than expected lottery and Video Lottery Terminal (VLT) proceeds used to finance school aid costs. In State Funds and All Funds, these higher costs were more than offset by lower spending in various programs including public health, environmental conservation, transportation, mental hygiene, and World Trade Center aid for the Federal government.

### ***FUND BALANCES***

The General Fund ended the 2004-05 fiscal year with a balance of \$1.2 billion, which included \$872 million in the statutory Tax Stabilization Reserve Fund (after a \$78 million deposit at the close of 2004-05), \$325 million in the Community Projects Fund, and \$21 million in the Contingency Reserve Fund.

The closing balance excludes \$1.3 billion on deposit in the tax refund reserve account at the end of 2004-05. The tax refund reserve account is used to reserve money for the payment of tax refunds that are owed as part of the then-current fiscal year, but are not processed until early in the subsequent fiscal year, as well as to accomplish other Financial Plan objectives. The \$1.3 billion projected balance in the tax refund reserve includes \$601 million set aside in the new fiscal stability reserve.

## REVIEW OF 2004-05 REVENUE RESULTS

### SUMMARY OF ANNUAL COMPARISON OF RECEIPTS (2003-04 VS. 2004-05)

Annual Receipts Change -- 2003-04 Actual to 2004-05 Year-End Results (millions of dollars)								
	All Governmental Funds				General Fund			
	2003-04	2004-05	Annual Change	Percent Change	2003-04	2004-05	Annual Change	Percent Change
Personal Income Tax (PIT)	24,050	27,997	3,947	16.4%	15,774	18,677	2,903	18.4%
PIT (Excluding Refund Reserve)	24,647	28,100	3,453	14.0%	16,371	18,780	2,409	14.7%
User Taxes and Fees	11,919	13,036	1,117	9.4%	7,979	8,731	752	9.4%
Business Taxes	5,007	5,806	799	16.0%	3,413	4,069	656	19.2%
Other Taxes	1,278	1,656	378	29.6%	768	926	158	20.6%
<b>Total Taxes</b>	<b>42,254</b>	<b>48,495</b>	<b>6,241</b>	<b>14.8%</b>	<b>27,934</b>	<b>32,403</b>	<b>4,469</b>	<b>16.0%</b>
<b>Total Taxes (Excluding Refund Reserve)</b>	<b>42,851</b>	<b>48,598</b>	<b>5,747</b>	<b>13.4%</b>	<b>28,531</b>	<b>32,506</b>	<b>3,975</b>	<b>13.9%</b>
Miscellaneous Receipts	19,412	15,860	(3,552)	-18.3%	5,917	2,217	(3,700)	-62.5%
Federal Grants	37,323	36,221	(1,102)	-3.0%	654	9	(645)	-98.6%
Transfers From Other Funds	N/A	N/A	N/A	N/A	7,822	9,131	1,309	16.7%
<b>Total</b>	<b>98,989</b>	<b>100,576</b>	<b>1,587</b>	<b>1.6%</b>	<b>42,327</b>	<b>43,760</b>	<b>1,433</b>	<b>3.4%</b>

All Funds receipts in 2004-05 were \$100.6 billion, an increase of \$1.6 billion from the prior year. Total taxes increased by \$6.2 billion (14.8 percent) from 2003-04. Growth in taxes is primarily due to increased personal income tax, business tax and real estate transfer tax collections. These higher tax collections are partially offset by a decline in both miscellaneous receipts (\$3.5 billion) mainly due to the one-time receipt of \$4.2 billion in proceeds from the securitization of tobacco proceeds and Federal Grants (\$1.1 billion).

Excluding the impact of the deposit into the refund reserve account, All Funds tax collections grew by \$5.7 billion or 13.4 percent over 2003-04.

### COMPARISON OF 2004-05 ESTIMATES TO YEAR-END RESULTS

In summary, with results for 2004-05 now essentially complete, tax receipt estimates included in both the Enacted Budget Financial Plan and the last public estimate were significantly different from year-end results. The variances can be explained by several factors acting in concert to support higher-than-anticipated receipts.

The significant revenue increase experienced in fiscal year 2004-05 (almost 12 percent in base growth) was supported by a number of positive economic and tax policy related factors acting in concert. These factors supported higher-than-expected receipts growth throughout the fiscal year and included:

- a better-than-anticipated growth in incomes, particularly from high income taxpayers;

- an associated increase in personal income tax from taxpayers subject to the temporary tax surcharge on incomes about \$150,000;
- a rapid appreciation in real estate values, especially in downstate New York which supported higher real estate transfer and personal income tax collections;
- an unusually large number of significant estate tax payments over the fiscal year; and
- a large increase in corporate tax payments reflecting both improved business profitability and a reduction in refunds requested from overpayments of prior year liability.

2004-05 Receipts – Enacted Budget to Year-End Results (millions of dollars)								
	All Governmental Funds				General Fund			
	Enacted	Year-End	Variance	Percent Change	Enacted	Year-End	Variance	Percent Change
Personal Income Tax (PIT)	27,439	27,997	558	2.0%	18,490	18,677	187	1.0%
PIT (Excluding Refund Reserve)	26,738	28,100	1,362	5.1%	17,789	18,780	991	5.6%
User Taxes and Fees	12,886	13,036	150	1.2%	8,679	8,731	52	0.6%
Business Taxes	5,403	5,806	403	7.5%	3,714	4,069	355	9.6%
Other Taxes	1,226	1,656	430	35.1%	764	926	162	21.2%
<b>Total Taxes</b>	<b>46,954</b>	<b>48,495</b>	<b>1,541</b>	<b>3.3%</b>	<b>31,647</b>	<b>32,403</b>	<b>756</b>	<b>2.4%</b>
<b>Total Taxes (Excluding Refund Reserve)</b>	<b>46,253</b>	<b>48,598</b>	<b>2,345</b>	<b>5.1%</b>	<b>30,946</b>	<b>32,506</b>	<b>1,560</b>	<b>5.0%</b>
Miscellaneous Receipts	16,324	15,860	(464)	-2.8%	2,434	2,217	(217)	-8.9%
Federal Grants	36,840	36,221	(619)	-1.7%	4	9	5	125.0%
Transfers From Other Funds	N/A	N/A	N/A	N/A	8,570	9,131	561	6.5%
<b>Total</b>	<b>100,118</b>	<b>100,576</b>	<b>458</b>	<b>0.5%</b>	<b>42,655</b>	<b>43,760</b>	<b>1,105</b>	<b>2.6%</b>

All Funds receipts were \$458 million, or 0.5 percent, above the initial projections included in the Enacted Budget Financial Plan. This variance is primarily attributable to lower than expected receipts from both Federal grants and miscellaneous receipts offset by higher than expected collections from all tax categories. All Funds tax collection results were \$1.5 billion, or 3.3 percent, higher than expected. Excluding the refund reserve deposit, receipts were \$2.3 billion, or 5.1 percent, higher than the initial projections. The variance from the Enacted Budget estimate is attributable to the factors outlined above.

Compared to the Enacted Budget projections, total General Fund receipts were \$1.1 billion, or 2.6 percent, above the estimate. This growth resulted from increases in tax collections, Federal grants and transfers from other funds partially offset by lower than expected miscellaneous receipts.

Excluding the impact of the refund reserve, total General Fund tax collections were \$1.6 billion, or 5.0 percent, higher than the Enacted Budget projections. Again,

the better than expected results reflect an improved economy, a strong real estate market, and unusual estate tax payments.

2004-05 Receipts -- 30-Day to Year-End Results								
(millions of dollars)								
	All Governmental Funds				General Fund			
	<u>30-Day</u>	<u>Year-End</u>	<u>Variance</u>	<u>Percent Change</u>	<u>30-Day</u>	<u>Year-End</u>	<u>Variance</u>	<u>Percent Change</u>
Personal Income Tax (PIT)	28,288	27,997	(291)	-1.0%	19,044	18,677	(367)	-1.9%
PIT (Excluding Refund Reserve)	27,757	28,100	343	1.2%	18,513	18,780	267	1.4%
User Taxes and Fees	13,005	13,036	31	0.2%	8,752	8,731	(21)	-0.2%
Business Taxes	5,592	5,806	214	3.8%	3,864	4,069	205	5.3%
Other Taxes	1,564	1,656	92	5.9%	830	926	96	11.6%
<b>Total Taxes</b>	<b>48,449</b>	<b>48,495</b>	<b>46</b>	<b>0.1%</b>	<b>32,490</b>	<b>32,403</b>	<b>(87)</b>	<b>-0.3%</b>
<b>Total Taxes</b>	<b>47,918</b>	<b>48,598</b>	<b>680</b>	<b>1.4%</b>	<b>31,959</b>	<b>32,506</b>	<b>547</b>	<b>1.7%</b>
<b>(Excluding Refund Reserve)</b>								
Miscellaneous Receipts	15,567	15,860	293	1.9%	2,293	2,217	(76)	-3.3%
Federal Grants	37,106	36,221	(885)	-2.4%	8	9	1	12.5%
Transfers From Other Funds	N/A	N/A	N/A	N/A	9,075	9,131	56	0.6%
<b>Total</b>	<b>101,122</b>	<b>100,576</b>	<b>(546)</b>	<b>-0.5%</b>	<b>43,866</b>	<b>43,760</b>	<b>(106)</b>	<b>-0.2%</b>

All Funds tax receipts were \$46 million, or 0.1 percent, above the last public estimate. Excluding the increase in the refund reserve deposit, All Funds tax receipts were \$680 million above the 30-Day estimates. Year-end results for All Funds receipts were \$546 million, or 0.5 percent, below the last public estimate. The variance is primarily the result of lower than expected receipts from Federal grants offset by higher than expected collections from taxes and miscellaneous receipts.

General Fund tax collections in 2004-05 totaled \$32.4 billion, and were \$87 million, or 0.3 percent, below the last public estimate. This decline is due to the large deposit to the refund reserve account at the conclusion of 2004-05. Excluding the refund reserve transaction, General Fund tax receipts were \$547 million above the last public estimate.

Including miscellaneous receipts, Federal grants, and transfers from other funds, General Fund receipts totaled \$43.8 billion. Compared to the 30-Day estimates year-end receipts came in \$106 million, or 0.2 percent, lower than expected. This variance is primarily comprised of lower than expected personal income tax, user taxes and fees, and miscellaneous receipts collections partially offset by higher than expected business tax, other taxes, and transfers to the General Fund.

### *Personal Income Tax*

Total All Funds personal income tax net receipts in 2004-05 were \$28.0 billion, an increase of \$3.9 billion, or 16.4 percent, over 2003-04.

All Funds receipts exceeded the Enacted Budget estimate by \$1.5 billion. Compared to the 30-day Executive Budget estimate, total All Funds personal income tax net receipts in 2004-05 were down \$367 million, or 1.9 percent. Before the refund reserve, net collections were \$267 million higher than expected, primarily due to increased withholding and delinquency payments partially offset by higher than expected refunds.

Total General Fund personal income tax net receipts in 2004-05 were \$18.7 billion, an increase of \$2.9 billion, or 18.4 percent, over 2003-04. Along with the growth in all components and the refund reserve change discussed above, deposits into the Revenue Bond Tax Fund (RBTF) and STAR funds increased by \$803 million and \$239 million, respectively.

General Fund year-end results were almost \$1 billion above the Enacted Budget estimates excluding the impact of the refund reserve transaction. In addition to the changes reflected in All Funds net receipts, the amounts deposited into the RBTF and the STAR Funds were \$329 million and \$41 million, respectively, above the initial projections.

Compared to the 30-day estimate, total General Fund personal income tax receipts were \$367 million, or 1.9 percent, lower, again primarily due to the refund reserve adjustment and other factors discussed above. In addition to the changes reflected in All Funds net receipts, the amount deposited into the RBTF was \$88 million higher than anticipated, and the deposit into the STAR Fund was \$13 million less than anticipated with the Executive Budget.

### *Consumption and Use Taxes*

In 2004-05, All Funds user taxes and fees receipts were \$13.0 billion, an increase of \$1.1 billion, or 9.4 percent above the prior year. Sales and use tax collections exceeded 2003-04 levels by \$1.1 billion due to the full-year impact of the 0.25 percent surcharge and the tax changes on clothing, as well as stronger economic growth.

All Funds user taxes and fees exceed both the initial projection by \$150 million, or 1.2 percent, and the last public estimate by \$31 million, or 0.2 percent. The difference was due almost entirely to higher than expected motor vehicle fee receipts.

General Fund user taxes and fees receipts were \$8.7 billion, an increase of \$752 million, or 9.4 percent above 2003-04. Sales and use tax increased by \$852 million due to the full-year impact of the 0.25 percent surcharge and the tax changes on clothing, as well as stronger economic growth. The non-sales tax user taxes declined by \$101

million due mainly to the statutory decline in motor vehicle fees receipts dedicated to the General Fund.

General Fund user taxes and fees receipts exceeded initial projections by \$52 million, or 0.58 percent due to higher than expected sales tax receipts partially offset by lower than expected cigarette tax and motor vehicle fee receipts.

General Fund user taxes and fees receipts were \$21 million, or 0.2 percent below the 30-day estimate almost entirely to lower than expected motor vehicle fee receipts.

### *Business Taxes*

All Funds business tax receipts totaled \$5.8 billion in 2004-05, an increase of \$799 million, or 16.0 percent, over the prior year results. The growth is primarily due to higher than expected receipts in the corporate franchise tax and the bank tax as a result of strong profits, large CARTS payments, and lower than expected refunds on prior year activity. Insurance tax collections were higher than expected primarily due to exceptionally strong insurance premiums tax receipts.

Business taxes on an All Funds basis exceeded the Enacted Budget estimates by \$403 million, or 7.5 percent due primarily to strong growth in the corporate franchise tax and the bank tax, offset by lower than expected receipts in the corporation and utilities taxes.

Compared to the 30-day estimate, All Funds business tax collections exceeded projections by \$214 million or nearly 4 percent. This growth reflects higher than expected receipts in the corporate franchise tax and the insurance tax categories. Petroleum business tax receipts were down slightly, representing a decrease of 1.2 percent compared to the last public estimate.

General Fund business tax receipts increased by \$656 million, or 19.2 percent over 2003-04 due to stronger than expected growth in corporate profits and bank tax receipts and lower than expected refunds. Corporation and utilities taxes were down by nearly \$100 million due to the continued phase-in of previously enacted tax cuts for utilities.

General Fund business tax collections were \$355 million, or nearly 10 percent higher than anticipated in the Enacted Budget estimate. Corporate franchise tax and bank tax collections were stronger than expected, while corporation and utilities tax receipts were lower than expected.

Compared to the 30-day estimate, total General Fund business taxes were up \$205 million, or 5.3 percent as a result of stronger than expected corporate franchise tax and the insurance tax receipts.

### *Other Taxes*

All Funds other tax receipts in 2004-05 were \$1.7 billion, an increase of \$378 million, or 29.6 percent, from 2003-04 year-end results. This growth primarily includes increases in estate tax receipts and real estate transfer tax receipts partially offset by decreases in all other taxes.

All Funds other tax receipts exceeded the initial projections by \$430 million, or 35.1 percent due almost entirely due to rapid growth in real estate transfer and estate taxes. Compared to the 30-day estimate, other taxes increased by \$92 million, or 5.9 percent as a result of higher than expected estate tax receipts partially offset by lower than expected real estate transfer tax receipts.

General Fund other tax receipts totaled \$926 million in 2004-05, an increase of \$158 million, or 20.6 percent, from 2003-04 year-end results. This change reflected a large increase in estate tax receipts partially offset by decreases in receipts from other taxes in this category. The higher estate tax receipts reflected the impact of payments from several very large estates early in 2005.

General Fund other tax receipts exceeded the initial projections by \$162 million, or 21.2 percent. Estate tax receipts, which currently represent 96 percent of the other tax category, increased by \$165 million, or 23 percent, due to payments from a number of large estates since the beginning of 2005. Pari-mutuel tax receipts were \$2 million, or 7.1 percent, below the Enacted Budget estimate. Other tax receipts increased by \$96 million, or 11.6 percent, from the 30-day estimate.

### *Miscellaneous Receipts*

All Funds miscellaneous receipts for 2004-05 totaled \$15.9 billion, a decrease of \$3.6 billion from the prior fiscal year due largely to the \$3.7 billion decline in the General Fund, as described below, offset by a \$153 million net increase in other funds. Growth in other funds miscellaneous receipts was primarily comprised of the State University of New York (SUNY) (\$213 million), school aid (\$178 million), and economic development including capital projects (\$152 million), partially offset by lower transportation receipts (\$414 million).

All Funds miscellaneous receipts decreased by \$468 million from the Enacted Budget estimate. This decline comprises lower receipts in the General Fund (\$221 million), Capital Projects Funds due to delays in reimbursement for capital projects spending (\$228 million), and Special Revenue Funds (\$140 million), offset by an increase in Debt Service Funds receipts (\$121 million). The major areas of change in Special Revenue Funds include lower receipts in the areas of Medicaid (\$307 million) and public health (\$112 million), which are partially offset by increases in SUNY (\$125 million) and labor (\$103 million).

General Fund miscellaneous receipts in 2004-05 totaled \$2.2 billion, a decrease of \$3.7 billion from the prior year. This decline is primarily attributable to the one-time

receipt of proceeds from the securitization of tobacco proceeds in 2003-04. The year-end results were \$217 million, or 8.9 percent, below the Enacted Budget estimate and \$76 million, or 3.3 percent, below the last public estimate.

### *Federal Grants*

All Funds Federal grants for 2004-05 totaled \$36.2 billion, a decrease of \$1.1 billion from the prior year and \$619 billion from the Enacted Budget estimate. Changes in Federal Grants generally correspond to changes in federally reimbursed spending, as described later in this Year-End Report under the section entitled "2004-05 Spending Results by Major Function." However, Federal reimbursement is not always received in the State Fiscal Year in which spending occurs resulting in timing-related variances.

General Fund Federal grants for 2004-05 totaled \$9 million, a decrease of \$645 million from the prior year due to the one-time receipt of Federal revenue sharing payments in 2003-04. Federal grants exceeded initial projections by \$5 million and the last public estimate by \$1 million.

### *Transfers to the General Fund*

Transfers to the General Fund totaled \$9.1 billion in 2004-05, an increase of \$1.3 billion from the prior year. Growth primarily reflects stronger collections in personal income taxes (\$803 million), sales taxes (\$226 million) and real estate transfer taxes (\$219 million) partially offset by higher debt service costs (\$91 million). In addition, all other transfers increased due to transfers from SUNY and the City University of New York (CUNY) to reimburse the General Fund for equipment costs (\$172 million) and one-time fund sweeps (\$91 million) partially offset by decreases in the transfers from the Environmental Protection Fund (\$46 million), the Tribal State Compact Revenue Fund (\$27 million), the Division of Military and Naval Affairs (DMNA) Federal Funds (\$11 million) and the State Parks Infrastructure Fund (\$10 million).

Transfers to the General Fund exceeded the Enacted forecast by \$561 million. Receipts in excess of debt service needs contributed to the positive variance, reflecting both stronger collections in personal income taxes (\$329 million), sales taxes (\$19 million), and real estate transfer taxes (\$269 million), as well as lower debt service costs (\$46 million). All other transfers decreased by \$98 million comprised mainly of the Dedicated Highway Fund (\$36 million), the Tribal State Compact Revenue Fund (\$29 million), SUNY and CUNY for reimbursement of equipment costs (\$12 million), the Department of State Business License account (\$15 million), and the State Parks Infrastructure Fund (\$10 million).

## **REVIEW OF 2004-05 SPENDING RESULTS**

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This section analyzes trends in, and factors affecting, annual spending from 2003-04 to 2004-05. It also compares 2004-05 Financial Plan spending results against both the Enacted Budget Financial Plan projections and the revised projections in the 30-day Financial Plan. A full explanation of the variances from initial projections and annual changes for the State's major program and activities appears later in this Year-End Report in the section entitled "2004-05 Spending Results by Major Function."

Actual and projected disbursements are based on agency staffing levels, program caseloads, formulas contained in State and Federal law, inflation and other factors. The factors that affect spending vary by program. For example, welfare spending is based primarily on caseload levels that are estimated by analyzing historical trends, projected economic conditions and changes in Federal law. In criminal justice, spending estimates are based on recent trends and data from the criminal justice system, as well as on estimates of the State's prison population. All spending projections account for the timing of payments, since not all the amounts appropriated in the budget are disbursed in the same fiscal year. Major factors that drive actual spending results for the State's major programs and activities are summarized in the table below.

<b>Selected Program Measures</b>					
	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05 *</b>
<b>Economic Indicators</b>					
Base Revenue Growth	11.5%	-3.9%	-5.9%	5.4%	11.6%
Inflation Rate	3.4%	2.3%	2.0%	2.0%	3.0%
<b>Education</b>					
K-12 Enrollment	2,873,845	2,868,347	2,867,585	2,859,052	2,864,037
Public Higher Education Enrollment (FTEs)	443,714	457,619	469,739	484,200	487,018
TAP-Annual Average TAP Recipients	289,157	298,812	312,547	327,800	345,010
<b>Health</b>					
Medicaid Coverage	2,746,023	2,989,872	3,321,341	3,407,772	3,622,184
Medicaid Price Inflation	2.1%	4.0%	6.8%	3.9%	4.1%
Medicaid Utilization	2.2%	1.6%	1.3%	1.2%	2.3%
<b>Social Services</b>					
Family Assistance Caseload	645,700	556,100	490,700	486,500	487,100
Single Adult/No Children Caseload	119,600	112,000	120,800	130,800	139,900
<b>Mental Hygiene Community Beds</b>	<b>72,663</b>	<b>75,304</b>	<b>77,213</b>	<b>77,853</b>	<b>81,446</b>
<b>Prison Population</b>	<b>69,500</b>	<b>67,000</b>	<b>66,400</b>	<b>64,800</b>	<b>63,800</b>
<b>State Operations</b>					
Negotiated Salary Increases	3.0%	3.5%	3.5%	0.0%	2.5%
Personal Service Inflation	0.8%	0.8%	0.8%	0.8%	0.8%
State Workforce	194,900	195,600	190,800	187,900	189,650
<b>General State Charges</b>					
Pension Contribution Rate	0.0%	0.5%	0.9%	4.4%	7.0%
Employee Health Insurance Rate	13.7%	10.6%	10.2%	13.0%	13.5%
<b>State Debt</b>					
Debt as a Percent of Personal Income	5.6%	5.4%	5.6%	5.7%	5.5%

\* Preliminary data, subject to revision.

**2004-05 YEAR-END RESULTS: VARIANCE FROM ENACTED ESTIMATES**

The following table summarizes the most significant spending variances from the Enacted Budget Financial Plan to year-end results for 2004-05.

<b>2004-05 Spending -- Enacted Budget to Year-End Results</b>					
<b>Major Sources of Variance</b>					
<b>(millions of dollars)</b>					
	<b>General Fund</b>	<b>Other State Funds</b>	<b>State Funds</b>	<b>Federal Funds</b>	<b>All Funds</b>
<b>2004-05 Enacted Estimate</b>	<b>43,039</b>	<b>21,254</b>	<b>64,293</b>	<b>36,914</b>	<b>101,207</b>
<b>Major Functions</b>					
<i>Public Health:</i>					
Medicaid	428	(317)	111	(57)	54
Public Health	(82)	(13)	(95)	(154)	(249)
<i>K-12 Education:</i>					
School Aid	(80)	38	(42)	305	263
STAR	0	41	41	0	41
All Other Education Aid	(74)	6	(68)	(34)	(102)
Higher Education	10	(76)	(66)	3	(63)
<i>Social Services:</i>					
Welfare	(47)	0	(47)	19	(28)
Children and Family Services	5	(34)	(29)	63	34
Mental Hygiene	82	(108)	(26)	57	31
Transportation	0	(128)	(128)	13	(115)
General State Charges	(18)	45	27	(19)	8
Debt Service	(6)	(104)	(110)	0	(110)
<b>All Other Changes</b>					
Correctional Services	138	(8)	130	(19)	111
DMNA/World Trade Center	1	(5)	(4)	(348)	(352)
Environmental Conservation	11	(168)	(157)	8	(149)
All Other	212	(71)	141	(54)	87
<b>2004-05 Year-End Results</b>	<b>43,619</b>	<b>20,352</b>	<b>63,971</b>	<b>36,697</b>	<b>100,668</b>
<i>Dollar Change</i>	<i>580</i>	<i>(902)</i>	<i>(322)</i>	<i>(217)</i>	<i>(539)</i>
<i>Percent Change</i>	<i>1.3%</i>	<i>-4.2%</i>	<i>-0.5%</i>	<i>-0.6%</i>	<i>-0.5%</i>

In brief, the most important reasons for the variances from initial projections to year-end results include:

- **Medicaid:** The payment in 2004-05 of an extra Medicaid cycle originally planned for 2005-06; the delayed receipt of Empire conversion proceeds, resulting in higher State share costs; a downward revision to projected Federal aid; service utilization and enrollment modestly higher than initial projections; and delayed HCRA payments resulting from the timing of Federal approval.
- **Public Health:** Downward revisions in various public health programs including Child Health Plus (CHP); the implementation of Federal changes to the Early Intervention program; lower than expected county claiming for

reimbursement of services provided in county health clinics; and lower Elderly Pharmaceutical Insurance Coverage (EPIC) spending due to higher than anticipated savings from the implementation of the Federal Medicare Part D prescription card.

- **School Aid:** Lottery revenue available to finance General Fund school aid did not meet planned levels; delays in capital projects spending; and Federal aid below planned levels.
- **STAR:** Additional personal income tax relief payments to New York City for prior-year adjustments, offset by lower than projected formula increases for school districts.
- **Other Education Aid:** Delayed local program spending, including legislative additions, and a downward revision to projected Federal aid.
- **Higher Education:** Spending for capital projects at the State and City universities and CUNY tuition reimbursement occurred more slowly than expected, offset by increased SUNY operating costs for collective bargaining agreements and non-personal service spending.
- **Welfare:** The number of people receiving public assistance, and local program spending for various programs including Public Assistance, Supplemental Security Income (SSI), and Adult Shelters was below expectations. This was offset by higher Federal spending for the Temporary Assistance for Needy Families (TANF) initiatives, including food pantries and homeless assistance programs.
- **Children and Family Services:** Local claiming under prior year Federal grants exceeded projections, offset by spending delays in capital projects programs and the CONNECTIONS information technology system.
- **Mental Hygiene:** Patient care revenues, which are used in part to reduce State Operations costs in the General Fund, exceeded projections (due mainly to the refunding of mental hygiene facility bonding which lowered debt service costs), thereby reducing General Fund costs and increasing Federal Funds spending; and spending for other State-supported programs increased more slowly than expected, while General Fund costs increased due to negotiated salary agreements and greater than anticipated local program reimbursements.
- **Transportation:** Spending for capital projects occurred more slowly than expected, offset by higher Metropolitan Transportation Authority (MTA) spending and increased Federal grant award spending.
- **General State Charges (GSCs):** Lower than anticipated General Fund spending for various categories of fringe benefits and fixed costs, including

unemployment insurance and litigation costs, was partially offset by the prepayment of pension costs related to early retirement incentives.

- **Debt Service:** A combination of additional savings from refundings and other debt management activities and reduced or delayed bond sales resulted in lower debt service costs.
- **Correctional Services:** Negotiated salary agreements and higher than expected costs for health services and pharmaceuticals, overtime, and fuel and utility expenses.
- **DMNA/World Trade Center:** Federal Funds spending directly related to the September 11<sup>th</sup> attacks is substantially complete at March 31, 2005 totaling \$1.3 billion in 2003-04, a decrease of \$305 million from Enacted Budget estimates.
- **Environmental Conservation:** Slower spending for capital projects and the Waste Tire Management program.

**2004-05 YEAR-END RESULTS: VARIANCE FROM 30-DAY ESTIMATES**

The following table summarizes the most significant spending variances from the 30-day Financial Plan to year-end results for 2004-05.

<b>2004-05 Spending -- 30-Day to Year-End Results</b>					
<b>Major Sources of Variance</b>					
<b>(millions of dollars)</b>					
	<b>General Fund</b>	<b>Other State Funds</b>	<b>State Funds</b>	<b>Federal Funds</b>	<b>All Funds</b>
<b>2004-05 30-Day Estimate</b>	<b>43,412</b>	<b>20,613</b>	<b>64,025</b>	<b>37,157</b>	<b>101,182</b>
<b>Major Functions</b>					
<i>Public Health:</i>					
Medicaid	142	(53)	89	119	208
Public Health	(18)	27	9	(32)	(23)
<i>K-12 Education:</i>					
School Aid	(148)	138	(10)	(14)	(24)
STAR	0	(13)	(13)	0	(13)
All Other Education Aid	(77)	3	(74)	(121)	(195)
Higher Education	(9)	(127)	(136)	(9)	(145)
<i>Social Services:</i>					
Welfare	(6)	0	(6)	19	13
Children and Family Services	1	(14)	(13)	7	(6)
Mental Hygiene	49	(34)	15	9	24
Transportation	0	(71)	(71)	66	(5)
General State Charges	(12)	24	12	(8)	4
Debt Service	(1)	(17)	(18)	0	(18)
<b>All Other Changes</b>					
DMNA/World Trade Center	4	(2)	2	(318)	(316)
Environmental Conservation	(4)	(119)	(123)	6	(117)
All Other	286	(3)	283	(184)	99
<b>2004-05 Year-End Results</b>	<b>43,619</b>	<b>20,352</b>	<b>63,971</b>	<b>36,697</b>	<b>100,668</b>
<i>Dollar Change</i>	<i>207</i>	<i>(261)</i>	<i>(54)</i>	<i>(460)</i>	<i>(514)</i>
<i>Percent Change</i>	<i>0.5%</i>	<i>-1.3%</i>	<i>-0.1%</i>	<i>-1.2%</i>	<i>-0.5%</i>

Year-end results differed from the 30-day estimates due to the payment of a Medicaid cycle originally planned for 2005-06, shortfalls in lottery support for K-12 education, revisions to Federal aid for education programs, lower spending for "all other" education aid, higher education, debt service, Federal World Trade Center reimbursement, and environmental conservation. It was also affected by several accounting "reclassifications" of spending between agencies and fund types that are generally unrelated to program trends.

## **2004-05 SPENDING RESULTS BY MAJOR FUNCTION**\_\_\_\_\_

This section provides a comprehensive explanation of the Financial Plan activity within key functional areas across all governmental fund types. The focus in this section is on variances from the 2004-05 Enacted Budget to year-end results and on the sources of annual spending change from 2003-04 to 2004-05.

### **PUBLIC HEALTH**

The Department of Health (DOH) is responsible for ensuring access to high quality health services for all New York residents. In fulfilling this responsibility DOH works closely with county health departments to promote and monitor statewide health activities and reduce infectious diseases. In addition to the oversight and administration of various public health programs and services, including Medicaid, DOH operates one hospital, four nursing homes for veterans and three laboratory facilities.

#### **Medicaid**

Medicaid, the largest program budgeted in New York State, finances health care services for low-income individuals, long-term care for the elderly, and services for disabled individuals, primarily through payments to health care providers. New York's per capita Medicaid spending of over \$2,300 is the highest in the nation. The Medicaid program is financed jointly by the Federal government, the State, and counties (including New York City). The Federal government matching rate on eligible Medicaid expenditures is 50 percent, the lowest matching rate possible.

Total Medicaid financing (including administrative costs) from all sources is estimated to total \$44.5 billion in 2004-05, an increase of \$3.7 billion over the prior year. Total spending in 2004-05 consisted of \$22.9 billion in Federal support, \$14.5 billion in State funding, and \$7.1 billion in local government financing.

The State share of Medicaid spending is reflected principally in DOH, but also appears in the Office of Mental Health (OMH), the Office of Mental Retardation and Developmental Disabilities (OMRDD), the Office of Alcoholism and Substance Abuse Services (OASAS), the Office of Children and Family Services (OCFS) and the State Education Department (SED). DOH Medicaid spending totaled \$29.4 billion in 2004-05 on an All Funds basis, an increase of \$1.8 billion (6.5 percent) over the 2003-04 fiscal year. All Funds spending increased by \$54 million since the initial projections.

The 2004-05 Budget planned on \$200 million in Empire conversion proceeds to help support Medicaid spending that would otherwise occur in the General Fund. Ongoing litigation has resulted in the proceeds from a completed sale being held in escrow until a decision is reached. DOB expects a favorable ruling and projects that the funds will be available to support 2005-06 costs.

DEPARTMENT OF HEALTH -- MEDICAID SPENDING (millions of dollars)							
	2003-04	2004-05			Over/(Under)		
	Actual	Enacted	30-Day	Year-End	2003-04	Enacted	30-Day
<b>General Fund</b>	<b>6,062</b>	<b>6,525</b>	<b>6,811</b>	<b>6,953</b>	<b>891</b>	<b>428</b>	<b>142</b>
Other State Support	2,771	2,941	2,677	2,624	(147)	(317)	(53)
<b>State Funds</b>	<b>8,833</b>	<b>9,466</b>	<b>9,488</b>	<b>9,577</b>	<b>744</b>	<b>111</b>	<b>89</b>
Federal Funds	18,729	19,835	19,659	19,778	1,049	(57)	119
<b>All Funds</b>	<b>27,562</b>	<b>29,301</b>	<b>29,147</b>	<b>29,355</b>	<b>1,793</b>	<b>54</b>	<b>208</b>

The sources of annual spending changes and variances from the 2004-05 Enacted Budget to year-end results are described in more detail below.

DEPARTMENT OF HEALTH -- MEDICAID SOURCES OF ANNUAL SPENDING CHANGE (millions of dollars)				
	General Fund	Other State Funds	Federal Funds	All Funds
Program Growth	508		1,516	2,024
Family Health Plus/Local Takeover	60	94	153	307
Extra Medicaid Cycle	190			190
Cost Containment	(152)		(160)	(312)
Federal Changes	189		(449)	(260)
Indigent Care Fund	32	(97)	(65)	(130)
HCRA Financing	64	(144)	54	(26)
<b>Total Change 2003-04 to 2004-05</b>	<b>891</b>	<b>(147)</b>	<b>1,049</b>	<b>1,793</b>

On an All Funds basis, the annual spending increase primarily reflects growth in the number of people eligible for and receiving Medicaid benefits (i.e., caseload), increasing utilization, inflation in the costs of providing services, the payment of an additional weekly cycle, and growth in the Family Health Plus (FHP) program, as well as initial costs related to the takeover of local costs for the program. This growth is partially offset by the continuation of prior year cost containment, various Federal changes including the June 2004 expiration of a temporary increase of 2.95 percent in the Federal matching rate for Medicaid spending, and decreased spending from the Indigent Care Fund.

**Program Growth:** Annual underlying costs in 2004-05 increased approximately 6.4 percent over the prior year and primarily reflect growth in utilization, and inflation. The increase in Medicaid caseload contributes to growth in utilization of services including managed care premiums, prescription drugs, nursing homes and community based mental health services. In 2004-05, additional estimated costs of roughly \$185 million are the result of changes in utilization of Medicaid services driven primarily by changes in caseload (excluding FHP) which grew from 3.4 million in 2003-04 to an estimated 3.6 million in 2004-05. In addition, inflationary increases for prescription drugs and provider reimbursement rates represent an estimated \$323 million in higher spending.

**Family Health Plus:** The FHP program covers certain low-income adults who do not receive employer sponsored coverage and are ineligible for other public health programs due to income levels. Annual growth in the program is attributable to a rise in utilization and enrollment, which increased from approximately 305,000 in 2003-04 to an estimated 450,000 in 2004-05. In addition, the State began paying 50 percent of the local share of FHP in January 2005 as part a two-year, phased-in takeover authorized in the 2004-05 Enacted Budget.

**Extra Medicaid Cycle:** Medicaid payments to providers are made on a weekly basis each Wednesday, with 52 weekly payments made in most years. Depending on the number of Wednesdays that fall in a fiscal year, an extra weekly payment (the 53<sup>rd</sup> payment) will occur. The 2004-05 Enacted Budget assumed the deferral of the last weekly 2004-05 Medicaid payment from March 30, 2005 into the 2005-06 fiscal year. However, this final cycle was paid in 2004-05 producing an annual increase of \$190 million in the General Fund.

**Cost Containment:** The continuation of prior year cost containment in Medicaid produced savings that reduced the State costs by an estimated \$152 million and Federal costs by \$160 million. These savings which were included in the 2004-05 Enacted Budget forecast, primarily consist of maximization of Medicare billing for dual eligible recipients (\$46 million), pharmacy savings including lower reimbursement (\$35 million), reduction in the mentally disabled payment to counties (\$20 million), home care efficiencies (\$20 million), and various other program efficiencies and payment restructurings.

**Federal Changes:** Federal policy changes resulting in increased General Fund costs and reduced Federal aid include a change to the county shares adjustment, the final phase-out of nursing home intergovernmental transfers (IGTs), as required by the Federal government, and the expiration of the temporary Federal Medical Assistance Percentage (FMAP) increase. In addition, the temporary FMAP increase that expired in June 2004 resulted in higher General Fund costs (\$306 million) and lower spending from Federal Funds (\$595 million) in 2004-05. Additional information on the impact of the temporary FMAP increase is provided later in this section.

**Indigent Care Fund:** The Indigent Care Fund receives transfers from the Health Care Initiatives Pool, Bad Debt and Charity Care Pools, and the Tobacco Control and Insurance Initiatives Pool, which are financed with taxes, assessments and surcharges on hospital revenues and third-party payers. These transfers are used to make Medicaid payments to providers for the cost of providing care to the uninsured. Total disbursements from the Indigent Care Fund decreased by \$97 million in 2004-05, primarily due to the 2003-04 distribution of prior-year NYPHRM balances.

**HCRA Financing:** The HCRA Transfer Fund is supported by transfers from the “off-budget” Tobacco Control and Insurance Initiatives (TCII) Pool and the Health Care Initiatives (HCI) Pool, which are funded by taxes, assessments and surcharges on hospital revenues and third-party payers. Support for General Fund Medicaid costs, primarily for prescription drugs, declined by \$64 million. The remaining \$80 million in

lower State-supported spending primarily reflects decreases in various programs financed by HCRA and delayed Federal approval of State Plan Amendments to make certain payments. Higher Federal spending is primarily attributable to increases in the workforce recruitment and retention program and bad debt and charity care payments to clinics. See "HCRA Financial Plan" later in this Year-End Report for more information.

DEPARTMENT OF HEALTH -- MEDICAID				
EXPLANATION OF MAJOR VARIANCES -- ENACTED TO YEAR-END RESULTS				
(millions of dollars)				
	General Fund	Other State Funds	Federal Funds	All Funds
Federal Aid Revision			(182)	(182)
HCRA Financing		(86)		(86)
Program Cost Revisions	90		125	215
Extra Medicaid Cycle	190			190
Delayed Empire Conversion Proceeds	200	(200)		0
All Other	(52)	(31)		(83)
<b>Total Change From Enacted</b>	<b>428</b>	<b>(317)</b>	<b>(57)</b>	<b>54</b>

DOH Medicaid spending in the General Fund exceeded the Enacted forecast by \$428 million primarily due to the payment in 2004-05 of a Medicaid cycle that was originally planned for payment in 2005-06, the delayed receipt of Empire conversion proceeds and growth in caseload and the resulting increase in utilization of services. On an All Funds basis, the increase in the General Fund is more than offset in lower other State Funds spending (\$317 million) due to the delayed Federal approval to make certain payments to hospitals and nursing homes financed by HCRA and the Empire delay, and lower Federal Funds spending (\$57 million). These variances are described in more detail below.

**Federal Aid Revisions:** Primarily reflects an adjustment to initial projections of the nearly \$20 billion Federal government share of Medicaid costs.

**HCRA Financing:** Reflects lower spending primarily in the FHP program, the working disabled programs, delay in Federal approval of State Plan Amendments to make certain payments, and a reduction in the support of General Fund Medicaid costs.

**Program Cost Revisions:** Similar to the trends experienced nationwide, Medicaid costs in 2004-05 exceeded the Enacted Budget projections. Higher caseload and costs of services to these individuals produced additional costs of roughly \$90 million for the State and \$125 million for the Federal government.

**Extra Medicaid Cycle:** Payment of the extra weekly cycle originally planned to be deferred from March 30, 2005 into the 2005-06 fiscal year.

**Empire Conversion Proceeds:** Reflects the delayed receipt of conversion proceeds, as described earlier.

**All Other:** Downward revisions to the General Fund primarily include reclassifications of nonrecurring General Fund payments to the HCRA Transfer Fund and the EPIC Fund to finance 2004-05 legislative restorations, as well as suballocations of appropriation authority to other agencies and programs. The other State funds adjustments include a modest downward revision to the Provider Assessment Fund and the Indigent Care Fund.

**FMAP AT A GLANCE**

	Temporary Federal Medical Assistance Percentage (FMAP) Increase		
	2003-04	2004-05	Total
<b>General Fund Savings</b>	<b>(506)</b>	<b>(156)</b>	<b>(662)</b>
DOH Medicaid (net)	<u>(415)</u>	<u>(109)</u>	<u>(524)</u>
<i>Gross Medicaid</i>	<i>(588)</i>	<i>(204)</i>	<i>(792)</i>
<i>Savings to HCRA</i>	<i>173</i>	<i>95</i>	<i>268</i>
Mental Hygiene	(81)	(45)	(126)
School Based Services	(10)	(2)	(12)
<b>Federal Funds Increase</b>	<b>990</b>	<b>358</b>	<b>1,348</b>
State Benefit	679	250	929
Local Benefit	311	108	419
<b>Net All Funds Increase</b>	<b>484</b>	<b>202</b>	<b>686</b>

In May 2003, the Federal government authorized a temporary 15-month increase (retroactive to April 1, 2003 through June 30, 2004) of 2.95 percent to FMAP for Medicaid costs (from 50 percent to 52.95 percent). This increase financed an estimated \$1.3 billion of the State and local shares of Medicaid costs with Federal Funds in 2003-04 and 2004-05, resulting in State savings of \$929 million and \$419 million in savings passed on to counties and New York City.

The total projected State benefit of \$929 million is comprised of lower Medicaid spending for DOH (\$792 million), mental hygiene agencies (\$126 million), and school based services (\$12 million). A portion of the State benefit (\$268 million) was transferred to the HCRA pools, which finances a share of the State's Medicaid costs.

### Other Public Health Programs

The largest public health programs include the EPIC Program that provides prescription drug insurance to low-income seniors (\$734 million), the CHP program that finances health insurance coverage for children of low-income families up to the age of 19 (\$687 million), the General Public Health Works (GPHW) program that reimburses local health departments for the cost of providing certain public health services (\$244 million), the Early Childhood Intervention (EI) Program providing services to infants and toddlers under the age of three with disabilities or developmental delays (\$199 million), and health and support programs for people suffering from AIDS/HIV (\$98 million).

In addition to General Fund support, a portion of public health costs are financed by patient care revenues, and fees related to regulations, registration, testing, and certification. Several local aid programs are financed by dedicated revenues, including transfers from HCRA and certain fees. Finally, Federal aid helps support various programs, including Federal nutrition assistance for Women, Infants, and Children (WIC).

PUBLIC HEALTH SPENDING PROJECTIONS (millions of dollars)							
	2003-04		2004-05		Over/(Under)		
	Actual	Enacted	30-Day	Year-End	2003-04	Enacted	30-Day
<b>General Fund</b>	<b>708</b>	<b>769</b>	<b>705</b>	<b>687</b>	<b>(21)</b>	<b>(82)</b>	<b>(18)</b>
Other State Support	1,387	1,504	1,464	1,491	104	(13)	27
<b>State Funds</b>	<b>2,095</b>	<b>2,273</b>	<b>2,169</b>	<b>2,178</b>	<b>83</b>	<b>(95)</b>	<b>9</b>
Federal Funds	1,184	1,362	1,240	1,208	24	(154)	(32)
<b>All Funds</b>	<b>3,279</b>	<b>3,635</b>	<b>3,409</b>	<b>3,386</b>	<b>107</b>	<b>(249)</b>	<b>(23)</b>

All Funds public health spending in 2004-05 totaled \$3.4 billion, consisting of State share costs of \$2.2 billion and Federal aid of \$1.2 billion. On an annual change basis, All Funds spending increased by \$107 million. Compared to spending projections at the time of the Enacted Budget, All Funds spending was revised downward by \$249 million. The sources of annual spending changes and variances from the 2004-05 Enacted Budget to year-end results are described in more detail below.

PUBLIC HEALTH SOURCES OF ANNUAL SPENDING CHANGE (millions of dollars)				
	General Fund	Other State Funds	Federal Funds	All Funds
EPIC		81		81
Child Health Plus		17	42	59
Early Intervention	(21)			(21)
All Other		6	(18)	(12)
<b>Total Change 2003-04 to 2004-05</b>	<b>(21)</b>	<b>104</b>	<b>24</b>	<b>107</b>

**EPIC:** Growth in EPIC spending is due primarily to the rising cost of prescription drugs and to enrollment, which totaled 347,227 in 2004-05 (an increase of 4.2 percent over the prior year).

**Child Health Plus:** CHP spending increased over the prior year due primarily to higher premium costs.

**Early Intervention:** Spending on the EI program declined from the prior year as a result of the implementation of administrative efficiencies, such as graduating children over the age of three, maximizing Medicaid and establishing utilization review requirements.

PUBLIC HEALTH				
EXPLANATION OF MAJOR VARIANCES -- ENACTED TO YEAR END RESULTS				
(millions of dollars)				
	General Fund	Other State Funds	Federal Funds	All Funds
Child Health Plus		(22)	(99)	(121)
Early Intervention	(35)			(35)
Local Public Health	(30)			(30)
EPIC		(7)		(7)
All Other	(17)	16	(55)	(56)
<b>Total Change From Enacted</b>	<b>(82)</b>	<b>(13)</b>	<b>(154)</b>	<b>(249)</b>

**Child Health Plus:** Actual CHP spending, which is financed jointly by the State and Federal government, came in below the Enacted Budget projections due to enrollment below planned levels. Average CHP enrollment totaled approximately 440,000 in 2004-05.

**Early Intervention:** Revised EI spending reflects savings resulting primarily from the implementation of administrative efficiencies, as described above.

**General Public Health Works:** Lower spending is primarily due to lower than anticipated county claiming for reimbursement of a share of the costs of providing certain services in county health clinics.

**EPIC:** Revised spending for the EPIC program is due to higher than anticipated savings from the implementation of the Federal Medicare Part D prescription card.

## K-12 EDUCATION

### School Aid

School aid, the single largest program financed by the General Fund, helps finance elementary and secondary education provided to New York pupils enrolled in nearly 680 school districts throughout the State. State funding is provided to districts based on statutory aid formulas and through reimbursement for various categorical programs. In New York, approximately 45 percent of spending on education by local school districts is funded by the State. School aid is distributed in a manner intended to allow districts to meet locally defined needs, to receive aid for the construction of school facilities, and to transport approximately 3.0 million students statewide. In the 2004-05 school year, school aid totaled \$15.4 billion, an increase of \$827 million from the 2003-04 school year.

Federal funding supplements school aid, representing approximately 15 percent of projected cash disbursements. Federal education aid supports a range of services including educational programs, free and reduced price meals, and services for disadvantaged children.

SCHOOL AID SPENDING PROJECTIONS							
(millions of dollars)							
	2003-04	2004-05			Over/(Under)		
	Actual	Enacted	30-Day	Year-End	2003-04	Enacted	30-Day
<b>General Fund</b>	12,373	12,839	12,907	12,759	386	(80)	(148)
Other State Support	1,877	2,252	2,152	2,290	413	38	138
<b>State Funds</b>	<b>14,250</b>	<b>15,091</b>	<b>15,059</b>	<b>15,049</b>	<b>799</b>	<b>(42)</b>	<b>(10)</b>
Federal Funds*	2,364	2,226	2,545	2,531	167	305	(14)
<b>All Funds</b>	<b>16,614</b>	<b>17,317</b>	<b>17,604</b>	<b>17,580</b>	<b>966</b>	<b>263</b>	<b>(24)</b>

\*For comparison purposes, 2003-04 actuals results and 2004-05 Enacted and 30-Day projected spending have been adjusted to reflect the reclassification of Federal Funds from All Other Education Aid to School Aid.

On an All Funds basis, school aid spending totaled \$17.6 billion in 2004-05, an increase of \$966 million (5.8 percent) over the 2003-04 fiscal year. All Funds spending exceeded the initial projections by \$263 million. The sources of annual spending changes and variances from the 2004-05 Enacted Budget to year-end results are described in more detail below.

<b>SCHOOL AID</b>				
<b>SOURCES OF ANNUAL SPENDING CHANGE</b>				
(millions of dollars)				
	<u>General Fund</u>	<u>Other State Funds</u>	<u>Federal Funds</u>	<u>All Funds</u>
2004-05 School Aid	579			579
Balance of 2003-04 School Year Increase	191			191
Federal Aid Reestimate			167	167
Increase in Capital Projects Spending		29		29
Growth in Lottery Revenue	(104)	104		0
Implementation of Video Lottery Terminals	(154)	154		0
Lottery Shortfall/Guarantee	(126)	126		0
<b>Total Change 2003-04 to 2004-05</b>	<b>386</b>	<b>413</b>	<b>167</b>	<b>966</b>

**2004-05 School Aid:** The State Fiscal Year increase of \$579 million in school aid corresponds to a school year increase of \$827 million. The major components of the school year increase include Extraordinary Needs Aid (\$385 million), building aid (\$189 million), operating aid (\$120 million), and public and private Excess Cost Aid (\$89 million).

**Balance of 2003-04 School Year:** General Fund spending increased primarily to finance the remaining "tail" payments related to the 2003-04 school year.

**Federal Aid Reestimate:** Higher Federal spending reflects increased grants to high-poverty school districts around the State.

**Increase in Capital Projects Spending:** Spending on school-related capital projects increased due mainly to first-time spending for the Transportation Transition Grants program, offset by timing delays for spending under the Rebuilding Schools to Uphold Education (RESCUE) program.

**Growth in Lottery Revenue:** Annual growth in lottery revenues reduced the General Fund school aid contribution. The increase in lottery proceeds reflects growth in Instant Games and higher than expected sales in Mega Millions, primarily due to a high number of large prize payouts.

**Implementation of Video Lottery Terminals:** The implementation of VLTs at four racetracks across the State generated revenues that were used to finance support of additional school aid.

**Lottery Shortfall/Guarantee:** The 2004-05 Budget continued the longstanding "guarantee" that the General Fund revenues would be available to support any shortfall of the estimated \$2.2 billion in lottery revenues. At fiscal year-end, lottery revenues came in \$126 million lower than the level enacted by the Legislature (even though total

receipts grew on an annual basis). The General Fund transfer of \$126 million eliminated the Lottery Fund revenue shortfall and allowed full funding of school aid.

<b>SCHOOL AID</b>				
<b>EXPLANATION OF MAJOR VARIANCES -- ENACTED TO YEAR-END RESULTS</b>				
<b>(millions of dollars)</b>				
	<b>General Fund</b>	<b>Other State Funds</b>	<b>Federal Funds</b>	<b>All Funds</b>
Federal Aid Reestimates			305	305
Lottery Shortfall/Guarantee	(77)	77		0
Timing Delay in Capital Projects		(39)		(39)
All Other	(3)			(3)
<b>Total Change From Enacted</b>	<b>(80)</b>	<b>38</b>	<b>305</b>	<b>263</b>

**Federal Aid Reestimates:** Reflects higher than expected Federal grants to high-poverty school districts around the State.

**Lottery Shortfall/Guarantee:** As described above, lottery revenues came in \$126 million lower than the Enacted Budget level. The shortfall in the lottery fund was reflected as additional school aid spending in the Enacted Budget and as transfers from the General Fund to the Lottery Fund at year-end.

**Timing Delay in Capital Projects:** Delayed spending by school districts under the RESCUE program (\$32 million), which is now expected to occur in 2005-06, and savings achieved through lower than expected disbursements for Transportation Transition Grants program (\$7 million) resulted in lower spending in 2004-05.

### **STAR Program**

STAR provides New York's taxpayers with school property tax relief. The three components of STAR, and their approximate share in 2004-05, include the enhanced school property tax exemption to eligible senior citizen homeowners (22 percent), the basic school property tax exemption to all other eligible homeowners (57 percent), and a flat refundable credit and rate reduction for New York City resident personal income taxpayers (21 percent).

<b>STAR SPENDING PROJECTIONS</b>							
<b>(millions of dollars)</b>							
	<b>2003-04</b>	<b>2004-05</b>			<b>Over/(Under)</b>		
	<b>Actual</b>	<b>Enacted</b>	<b>30-Day</b>	<b>Year-End</b>	<b>2003-04</b>	<b>Enacted</b>	<b>30-Day</b>
<b>General Fund</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Other State Support	2,819	3,018	3,072	3,059	240	41	(13)
<b>State Funds</b>	<b>2,819</b>	<b>3,018</b>	<b>3,072</b>	<b>3,059</b>	<b>240</b>	<b>41</b>	<b>(13)</b>
Federal Funds	0	0	0	0	0	0	0
<b>All Funds</b>	<b>2,819</b>	<b>3,018</b>	<b>3,072</b>	<b>3,059</b>	<b>240</b>	<b>41</b>	<b>(13)</b>

Spending for the STAR program on an All Funds basis totaled \$3.1 billion in 2004-05, an increase of \$240 million over the 2003-04 fiscal year. All Funds spending exceeded the Enacted Budget projections by \$41 million. The sources of annual spending changes and variances from the 2004-05 Enacted Budget to year-end results are described in more detail below.

STAR SOURCES OF ANNUAL SPENDING CHANGE (millions of dollars)				
	General Fund	Other State Funds	Federal Funds	All Funds
Basic Property Tax Exemption		116		116
New York City Personal Income Tax Relief		92		92
Enhanced Property Tax Exemption		32		32
<b>Total Change 2003-04 to 2004-05</b>	<b>0</b>	<b>240</b>	<b>0</b>	<b>240</b>

**Basic Property Tax Exemption:** This component - historically the largest and fastest growing of the STAR program - reflects a 7 percent annual growth driven by higher participation rates, property tax rates, and property values.

**New York City Personal Income Tax Relief:** This component of STAR grew by an atypical 17 percent and is attributable to higher payments for additional prior-year adjustments certified in 2004-05 by the State Department of Tax and Finance (\$72 million) and normal program growth (\$20 million).

**Enhanced Property Tax Exemption:** The increase reflects 5 percent annual growth due to higher participation rates, property tax rates, and property values.

STAR EXPLANATION OF MAJOR VARIANCES -- ENACTED TO YEAR-END RESULTS (millions of dollars)				
	General Fund	Other State Funds	Federal Funds	All Funds
New York City Personal Income Tax Relief		72		72
State Property Tax Relief		(31)		(31)
<b>Total Change From Enacted</b>		<b>41</b>	<b>0</b>	<b>41</b>

**New York City Personal Income Tax Relief:** As described above, prior-year adjustments certified subsequent to budget enactment resulted in higher spending.

**State Property Tax Relief:** Initial projections for reimbursement to school districts for school property tax relief exceeded actual spending largely due to lower than anticipated growth in school tax rates.

### Other Education Aid

In addition to school aid, other education aid is provided for special education services and other targeted programs. Other education categories include Elementary, Middle, Secondary and Continuing Education (EMSC); cultural education; and higher education programs. Major programs under EMSC address specialized student needs or reimburse school districts for education-related services and include the School Lunch and Breakfast Program, the Pre-School Special Education Program, and non-public school aid. In special education, New York provides a full spectrum of services to over 400,000 students from ages 3 to 21. Higher and professional education programs ensure the quality and availability of post-secondary education programs and regulate the licensing and oversight for 44 State professions.

OTHER EDUCATION AID SPENDING PROJECTIONS							
(millions of dollars)							
	2003-04	2004-05		Over/(Under)			
	Actual	Enacted	30-Day	Year-End	2003-04	Enacted	30-Day
General Fund	1,303	1,485	1,488	1,411	108	(74)	(77)
Other State Support	82	81	84	87	5	6	3
<b>State Funds</b>	<b>1,385</b>	<b>1,566</b>	<b>1,572</b>	<b>1,498</b>	<b>113</b>	<b>(68)</b>	<b>(74)</b>
Federal Funds*	785	795	882	761	(24)	(34)	(121)
<b>All Funds</b>	<b>2,170</b>	<b>2,361</b>	<b>2,454</b>	<b>2,259</b>	<b>89</b>	<b>(102)</b>	<b>(195)</b>

\*For comparison purposes, 2003-04 actuals and 2004-05 Enacted and 30-Day projected spending have been adjusted to reflect the reclassification of Federal Funds from All Other Education Aid to School Aid.

On an All Funds basis, other education aid spending totaled \$2.3 billion in 2004-05, an increase of \$89 million (4.1 percent) over the 2003-04 fiscal year. All Funds spending declined by \$102 million since the initial projections. The sources of annual spending changes and variances from the 2004-05 Enacted Budget to year-end results are described in more detail below.

OTHER EDUCATION AID				
SOURCES OF ANNUAL SPENDING CHANGE				
(millions of dollars)				
	General Fund	Other State Funds	Federal Funds	All Funds
Handicapped Preschool Programs	103			103
Decrease in Federal Spending			(24)	(24)
All Other	5	5		10
<b>Total Change 2003-04 to 2004-05</b>	<b>108</b>	<b>5</b>	<b>(24)</b>	<b>89</b>

**Handicapped Preschool Programs:** Spending for preschool programs increased due to more efficient processing of claims including those from prior years.

**Decrease in Federal Spending:** Reflects a decline in Federal Funds spending due to a lag in claiming for handicapped programs.

<b>OTHER EDUCATION AID</b>				
<b>EXPLANATION OF MAJOR VARIANCES -- ENACTED TO YEAR-END RESULTS</b>				
(millions of dollars)				
	<b>General Fund</b>	<b>Other State Funds</b>	<b>Federal Funds</b>	<b>All Funds</b>
Timing Delay in Local Program Payments	(59)			(59)
Federal Aid Reestimates			(34)	(34)
All Other	(15)	6		(9)
<b>Total Change From Enacted</b>	<b>(74)</b>	<b>6</b>	<b>(34)</b>	<b>(102)</b>

**Timing Delay in Local Program Payments:** A delay in various local program payments reduced spending compared to initial projections, and is now expected in 2005-06. Delays resulted from slower than anticipated disbursement of legislative member items (\$20 million), increased departmental audit and review of claims for non-public school aid and submission of claims by non-public schools (\$20 million), and a new contract and procurement process that delayed spending for educational opportunity programs (\$14 million).

**Federal Aid Reestimates:** Decreased Federal Funds spending compared to the Enacted Budget estimate primarily reflects lower spending for vocational and educational services, as well as reduced operating costs.

### **HIGHER EDUCATION**

Higher education includes operational and administrative costs for the SUNY, CUNY, and the Higher Education Services Corporation (HESC). Nearly the entire higher education budget is supported by State funds, including General Fund support, tuition revenues and various fees.

The SUNY system is the largest public university system in the nation with 64 campuses offering a range of academic, professional and vocational programs. The SUNY hospitals work together with medical schools in academics and research and provide students with a wide variety of residency programs. The SUNY system also includes 30 community colleges. Currently, there are over 413,000 SUNY students pursuing studies ranging from one-year certificate programs to doctoral degrees.

The CUNY system is the third largest public university system in the nation, providing higher education with a focus on the urban community of New York City. The State has full financial responsibility for CUNY's senior college operations and, in conjunction with the City of New York, also supports CUNY's community colleges. Approximately 219,000 full-time and part-time students are currently enrolled in degree programs at CUNY.

HESC is responsible for administering TAP grant awards to income-eligible students and for providing centralized processing of other student financial aid

programs. The Corporation also helps students as they plan for college by providing information and guidance on how to finance a college education. The financial aid programs that the Corporation administers are funded by the State and the Federal government.

HIGHER EDUCATION SPENDING PROJECTIONS							
(millions of dollars)							
	2003-04		2004-05		Over/(Under)		
	Actual	Enacted	30-Day	Year-End	2003-04	Enacted	30-Day
General Fund	2,538	2,945	2,964	2,955	417	10	(9)
Other State Support	3,429	3,657	3,708	3,581	152	(76)	(127)
<b>State Funds</b>	<b>5,967</b>	<b>6,602</b>	<b>6,672</b>	<b>6,536</b>	<b>569</b>	<b>(66)</b>	<b>(136)</b>
Federal Funds	402	182	194	185	(217)	3	(9)
<b>All Funds</b>	<b>6,369</b>	<b>6,784</b>	<b>6,866</b>	<b>6,721</b>	<b>352</b>	<b>(63)</b>	<b>(145)</b>

On an All Funds basis, higher education spending totaled \$6.7 billion in 2004-05, an increase of \$352 million (5.5 percent) over the 2003-04 fiscal year. Compared to the Enacted Budget spending projections, All Funds spending declined by \$63 million. The sources of annual spending changes and variances from the 2004-05 Enacted Budget to year-end results are described in more detail below.

HIGHER EDUCATION				
SOURCES OF ANNUAL SPENDING CHANGE				
(millions of dollars)				
	General Fund	Other State Funds	Federal Funds	All Funds
SUNY Operating Costs	45	232	(6)	271
HESC Change in TAP Roll	72			72
HESC Program Growth	60		11	71
HESC Nonrecurring TANF Funds	221		(221)	0
SUNY/CUNY Capital Projects		(90)		(90)
All Other	19	10	(1)	28
<b>Total Change 2003-04 to 2004-05</b>	<b>417</b>	<b>152</b>	<b>(217)</b>	<b>352</b>

**SUNY Operating Costs:** The annual increase in SUNY's operating costs is largely attributable to the three SUNY hospitals and programs supported by user fees. The annual spending growth for SUNY hospitals was \$127 million and consisted of collectively bargained salary increases, and salaries for new hires (\$57 million), as well as increased non-personal service costs (\$70 million). Operating costs associated with SUNY's user fee programs increased by \$96 million, and includes collectively bargained salary increases (\$20 million) and non-personal service spending (\$76 million).

**HESC Change in TAP Roll:** Increasing the TAP roll from 20 percent to 30 percent in fiscal year 2003-04 resulted in nonrecurring savings of \$72 million in 2003-04.

**HESC Program Growth:** Increased General Fund costs are driven by enrollment growth in higher education grant and scholarship programs. Federal aid grants and administration of aid programs also increased.

**HESC Nonrecurring TANF Funds:** TANF funding used to finance the TAP program in 2003-04 was no longer available in 2004-05, resulting in an increase in General Fund spending and a decrease in Federal Funds spending by this amount.

**SUNY/CUNY Capital Projects:** Slower than anticipated spending for SUNY and CUNY capital projects reduced spending in 2004-05 and is now expected to occur over the remaining years of the multi-year capital plans for SUNY and CUNY.

<b>HIGHER EDUCATION</b>				
<b>EXPLANATION OF MAJOR VARIANCES -- ENACTED TO YEAR-END RESULTS</b>				
(millions of dollars)				
	<u>General Fund</u>	<u>Other State Funds</u>	<u>Federal Funds</u>	<u>All Funds</u>
SUNY/CUNY Capital Project Reestimates		(149)		(149)
CUNY Reestimates		(52)		(52)
SUNY Operating Costs	12	130		142
All Other	(2)	(5)	3	(4)
<b>Total Change From Enacted</b>	<b>10</b>	<b>(76)</b>	<b>3</b>	<b>(63)</b>

**SUNY/CUNY Capital Project Reestimates:** Construction delays and other slowdowns resulted in lower than anticipated spending for SUNY/CUNY capital projects (\$47 million at SUNY, \$102 million at CUNY) in 2004-05; the delay in capital disbursements is expected to catch up over the remaining years of the multi-year capital plans for SUNY and CUNY.

**CUNY Special Revenue Reestimates:** Lower spending from CUNY special revenue funds is primarily due to timing and is expected to catch up by the close of CUNY's 2004-05 academic year.

**SUNY Operating Costs:** Initial projections of operating costs were revised upward to finance new costs related to collectively bargained salary increases (\$130 million) and non-personal service (e.g. utilities, equipment, contractual service requirements) (\$12 million).

## **SOCIAL SERVICES**

### **Welfare**

Welfare programs provide benefits to poor families in the form of cash grants, child welfare services, tax credits for eligible low-income workers, and employment services. The State's three main programs include Family Assistance, SSI and Safety Net. The Family Assistance program, which is financed jointly by the Federal

government, the State, and local districts, provides employment assessments, support services and time-limited cash assistance to eligible families and children. The State adds a supplement to the Federal SSI benefit for the elderly, visually handicapped, and disabled. The Safety Net Assistance program is financed jointly by the State and local districts and provides cash assistance and employment services for single adults, childless couples, and families that have exhausted their five-year limit on Family Assistance imposed by Federal law. Funding is also provided for local administration of welfare programs.

Federal funding for welfare programs is provided through the TANF block grant. TANF funding also helps finance the State's Earned Income Tax Credit (EITC) for low-income workers and child care services, including child care subsidies for low-income working families. In addition, the State directs the difference between the block grant and current spending requirements towards TANF Initiatives such as employment and education.

WELFARE/WELFARE ADMINISTRATION SPENDING PROJECTIONS							
(millions of dollars)							
	2003-04	2004-05			Over/(Under)		
	Actual	Enacted	30-Day	Year-End	2003-04	Enacted	30-Day
<b>General Fund</b>	1,420	1,487	1,446	1,440	20	(47)	(6)
Other State Support	0	0	0	0	0	0	0
<b>State Funds</b>	1,420	1,487	1,446	1,440	20	(47)	(6)
Federal Funds	2,018	1,979	1,979	1,998	(20)	19	19
<b>All Funds</b>	3,438	3,466	3,425	3,438	0	(28)	13

All Funds welfare spending totaled \$3.4 billion in 2004-05 comprised of \$1.4 billion in General fund and \$2.0 billion in Federal funding, unchanged from the prior year. Compared to spending projections at the time of the Enacted Budget, All Funds declined by \$28 million. The sources of annual spending changes and variances from the 2004-05 Enacted Budget to year-end results are described in more detail below.

WELFARE/WELFARE ADMINISTRATION				
SOURCES OF ANNUAL SPENDING CHANGE				
(millions of dollars)				
	General Fund	Other State Funds	Federal Funds	All Funds
TANF Initiatives Spending			(104)	(104)
Caseload/Expenditure Growth	145			145
TANF Reprogramming	(84)		84	0
Funding for Local Administration	(41)			(41)
<b>Total Change 2003-04 to 2004-05</b>	<b>20</b>	<b>0</b>	<b>(20)</b>	<b>0</b>

**TANF Initiatives Spending:** The annual decrease in Federal Funds is primarily due to lower spending on TANF Initiatives including employment and transitional programs

(\$91 million) and supportive services such as pregnancy prevention and drug and alcohol screening (\$13 million).

**Caseload/Expenditure Growth:** In the General Fund, annual growth in the Family Assistance caseload level resulted in \$87 million in additional spending (\$51 million for families within the five-year Federal limit and \$36 million for families exceeding the five-year limit) and growth in the “non-family” Safety Net caseload level added \$58 million. The growth in family caseload levels permitted the use TANF funds, which were originally programmed to support EITC, for the support of welfare benefit costs, thereby producing no change to Federal Funds.

**TANF Reprogramming:** Lower spending on TANF initiatives as described above allowed TANF block grant funds to be redirected to support the EITC program resulting in lower General Fund costs and higher Federal costs.

**Funding for Local Administration:** A reduction in the administrative reimbursement cap, which represents the maximum level for which the State must reimburse local districts for administrative costs, resulted in an annual decline in General Fund spending.

WELFARE/WELFARE ADMINISTRATION				
EXPLANATION OF MAJOR VARIANCES -- ENACTED TO YEAR-END RESULTS				
(millions of dollars)				
	General Fund	Other State Funds	Federal Funds	All Funds
Caseload Declines	(38)			(38)
Local Program Reductions	(9)			(9)
TANF Initiatives Spending			19	19
<b>Total Change From Enacted</b>	<b>(47)</b>	<b>0</b>	<b>19</b>	<b>(28)</b>

**Caseload Declines:** In the General Fund, a decline in Family Assistance caseload resulted in \$46 million in savings (\$42 million for families within the five-year Federal limit and \$4 million for families exceeding the five-year limit) offset by an increase in “non-family” Safety Net caseload (\$8 million). The decline in family caseload made available TANF block grant funds originally earmarked to support welfare benefits which were then reprogrammed to support EITC thereby resulting in no change to Federal Funds. Actual welfare caseload was approximately 627,000 recipients as of March 31, 2005, a decrease of 26,000 recipients from the Enacted Budget projections.

**Local Program Reductions:** Year-end spending declined modestly from the Enacted Budget projections in various programs including Public Assistance, SSI and Adult Shelters.

**TANF Initiatives Spending:** The increase in Federal Funds spending is primarily due to higher spending on TANF Initiatives such as food pantries (\$8 million), health worker training programs (\$7 million), and homeless assistance programs (\$4 million).

### Office of Children and Family Services

OCFS provides child welfare services including foster care, adoption, child protective services, delinquency prevention, and child care. OCFS oversees the State's system of family support and child welfare services that are administered by local departments of social services and community-based organizations. Specifically, child welfare services programs, which are financed jointly by the Federal government, the State, and local districts, are structured to encourage local governments to invest in preventive services necessary to reduce out-of-home placement of children.

The State Child Care Block Grant, which is also financed by a combination of Federal, State and local sources, supports child care subsidies for public assistance and low-income families. The youth facilities program serves youth directed by family or criminal courts to be placed in residential facilities. Federal funding for OCFS programs is provided through the Flexible Fund for Family Services, Federal Title IV-E Foster Care and Adoption Assistance Payments, the Federal Child Care and Development Fund, and the Title XX Social Services Block Grant.

CHILDREN AND FAMILY SERVICES SPENDING PROJECTIONS							
(millions of dollars)							
	2003-04	2004-05			Over/(Under)		
	Actual	Enacted	30-Day	Year-End	2003-04	Enacted	30-Day
General Fund	1,294	1,314	1,318	1,319	25	5	1
Other State Support	24	50	30	16	(8)	(34)	(14)
<b>State Funds</b>	<b>1,318</b>	<b>1,364</b>	<b>1,348</b>	<b>1,335</b>	<b>17</b>	<b>(29)</b>	<b>(13)</b>
Federal Funds	1,987	1,729	1,785	1,792	(195)	63	7
<b>All Funds</b>	<b>3,305</b>	<b>3,093</b>	<b>3,133</b>	<b>3,127</b>	<b>(178)</b>	<b>34</b>	<b>(6)</b>

All Funds spending for OCFS totaled \$3.1 billion in 2004-05 comprised of \$1.3 billion in State support and \$1.8 billion in Federal aid. All Funds spending declined by \$178 million (5.3 percent) from the 2003-04 fiscal year and exceeded spending projections at the time of the Enacted Budget by \$34 million. The sources of annual spending changes and variances from the 2004-05 Enacted Budget to year-end results are described in more detail below.

CHILDREN AND FAMILY SERVICES				
SOURCES OF ANNUAL SPENDING CHANGE				
(millions of dollars)				
	General Fund	Other State Funds	Federal Funds	All Funds
Decreased Federal Support	60		(236)	(176)
All Other	(35)	(8)	41	(2)
<b>Total Change 2003-04 to 2004-05</b>	<b>25</b>	<b>(8)</b>	<b>(195)</b>	<b>(178)</b>

**Decreased Federal Support:** Lower Federal spending in 2004-05 is primarily attributable to an unusually high claiming pattern in 2003-04 for several programs including Foster Care (\$120 million), Day Care (\$93 million), Child Care (\$20 million) and Adoption (\$25 million). In addition, a reduction in Federal TANF resources for the Social Services Block Grant contributed to increased child welfare spending in the General Fund (\$60 million) and Federal Funds (\$22 million).

**All Other:** Primarily reflects increased use of Federal revenue to finance State Operations spending in 2004-05.

CHILDREN AND FAMILY SERVICES				
EXPLANATION OF MAJOR VARIANCES -- ENACTED TO YEAR-END RESULTS				
(millions of dollars)				
	General Fund	Other State Funds	Federal Funds	All Funds
Increased Federal Support			63	63
Lower Capital Projects Spending		(19)		(19)
All Other	5	(15)		(10)
<b>Total Change From Enacted</b>	<b>5</b>	<b>(34)</b>	<b>63</b>	<b>34</b>

**Increased Federal Support:** Federal spending under the Social Services Block Grant was higher than projected due to greater than anticipated disbursements from prior year appropriations, for computer systems and for the Commission for the Blind and Visually Handicapped. This increase was partially offset by lower than projected spending for child welfare services.

**Lower Capital Projects Spending:** Resulted from slower than anticipated spending for youth facilities and childcare programs.

**All Other:** Primarily reflects slower than anticipated spending for the CONNECTIONS computer systems development.

**MENTAL HYGIENE**

The Department of Mental Hygiene comprises three independent agencies — OMH, OMRDD, and OASAS. The agencies provide services to special needs populations. Services are administered to individuals with mental illnesses, developmental disabilities, and chemical dependencies through institutional or community-based settings. Specifically, OMH plans and operates an integrated system of mental health care that serves adults with serious and persistent mental illness and children with serious emotional disturbances. OMRDD serves and supports individuals and families of individuals with developmental disabilities. OASAS licenses and evaluates service providers and implements programs for the prevention, early intervention, and treatment of chemical dependence.

All three agencies provide services directly to their clients through State-operated facilities and receive reimbursement for these services from Medicaid, Medicare and third-party insurance. Patient revenues are pledged first to the payment of debt service on outstanding Mental Hygiene bonds, with the remaining revenue deposited to the Patient Income Account to help support General Fund costs of providing services.

MENTAL HYGIENE SPENDING PROJECTIONS							
(millions of dollars)							
	2003-04	2004-05			Over/(Under)		
	Actual	Enacted	30-Day	Year-End	2003-04	Enacted	30-Day
<b>General Fund</b>	2,131	2,412	2,445	2,494	363	82	49
Other State Support	415	512	438	404	(11)	(108)	(34)
<b>State Funds</b>	<b>2,546</b>	<b>2,924</b>	<b>2,883</b>	<b>2,898</b>	<b>352</b>	<b>(26)</b>	<b>15</b>
Federal Funds	2,688	2,548	2,596	2,605	(83)	57	9
<b>All Funds</b>	<b>5,234</b>	<b>5,472</b>	<b>5,479</b>	<b>5,503</b>	<b>269</b>	<b>31</b>	<b>24</b>

All Funds spending for Mental Hygiene totaled \$5.5 billion in 2004-05, comprised of \$2.5 billion in General Fund Spending, \$404 million in other State funding and \$2.6 billion in Federal funding. By agency, All Funds spending totaled \$2.8 billion in OMRDD, \$2.2 billion in OMH and \$492 million in OASAS. The State share of Medicaid spending included in the Department of Mental Hygiene totaled \$1.4 billion in 2004-05.

MENTAL HYGIENE				
SOURCES OF ANNUAL SPENDING CHANGE				
(millions of dollars)				
	General Fund	Other State Funds	Federal Funds	All Funds
Local Program Enhancements	139	0	0	139
Negotiated Salary Agreements	79	0	0	79
Extra Institutional Payroll	69	0	0	69
Decreases in Patient Care Revenues	58	0	(58)	0
Decreased Federal Spending	0	0	(27)	(27)
All other	18	(11)	2	9
<b>Total Change 2003-04 to 2004-05</b>	<b>363</b>	<b>(11)</b>	<b>(83)</b>	<b>269</b>

**Local Program Enhancements:** Local services expansion and program enhancements including OMRDD's NYS-CARES program and OMH Community based housing initiatives account for the majority of the annual growth.

**Negotiated Salary Agreements:** Personal service costs increased from the Enacted Budget projections for costs associated with unions that reached labor settlements with the State.

**Extra Institutional Payroll:** State institutional payrolls occur every two weeks on a Thursday and typically account for 26 payments made in a fiscal year. However, depending on the number of Thursdays that fall in a fiscal year, an extra institutional

payroll (the 27th payroll) can occur. The 2004-05 fiscal year included a 27th institutional payroll accounting for a \$69 million increase in personal service spending from the prior year.

**Decreases in Patient Care Revenues:** A reduction in available patient care revenues primarily as a result of the expiration of the temporary 15-month increase in the Federal Medicaid matching rate (\$41 million) increases General Fund spending and reduces Federal spending.

**Decreased Federal Spending:** A reduction in spending against Federal grant awards in OMRDD (\$15 million), OASAS (\$10 million) and OMH (\$2 million).

**All Other:** All Other annual growth in General Fund State Operations spending is primarily attributable to normal salary creep and salary grade changes and inflation. Lower spending in other State-supported funds is primarily attributable to a decline in spending in the mental hygiene capital program due to a lag in project disbursements (\$16 million).

<b>MENTAL HYGIENE</b>				
<b>EXPLANATION OF MAJOR VARIANCES -- ENACTED TO YEAR-END RESULTS</b>				
(millions of dollars)				
	<b>General Fund</b>	<b>Other State Funds</b>	<b>Federal Funds</b>	<b>All Funds</b>
Spending Delays	0	(90)	0	(90)
Capital Program Spending	0	(17)	0	(17)
Negotiated Salary Agreements	79	0	0	79
Local Program Enhancements	74	0	0	74
Increases in Patient Care Revenues	(50)	0	50	0
All other	(21)	(1)	7	(15)
<b>Total Change From Enacted</b>	<b>82</b>	<b>(108)</b>	<b>57</b>	<b>31</b>

**Spending Delays:** Underspending in other State-supported funds is primarily attributable to delayed implementation of OMRDD's NYS-OPTS program (\$63 million) and delays in various other programs including medication reimbursement and OMRDD joint clinics.

**Capital Program Spending:** Lower spending is primarily attributable to delays in bonded spending for OMH capital projects.

**Negotiated Salary Agreements:** Personal service costs increased from the Enacted Budget projections for costs associated with unions that reached labor settlements with the State.

**Local Program Enhancements:** Local program spending increased from the Enacted Budget primarily due to a reclassification of spending from Medicaid to OASAS for the Medicaid State share of chemical dependence treatment services (\$14 million), delayed

implementation of local savings initiatives due to late enactment of the 2004-05 Budget (\$15 million), and greater than anticipated local program payments (\$45 million).

**Increases in Patient Care Revenues:** The amount of available patient care revenues used to offset State Operations in the General Fund increased primarily as a result of debt management actions.

**All Other:** All other spending is primarily attributable to State Operations efficiencies including staffing controls and management of non-personal service spending.

## **TRANSPORTATION**

The Department of Transportation (DOT) directly maintains and improves the State's more than 40,000 highway lane miles and 7,500 bridges. Overall, the State's transportation network includes 239,000 lane miles of roads, 19,500 bridges, 4,000 railroad miles, 147 public use airports, 12 major ports and over 70 mass transit systems. The State maintains and improves this extensive collection of assets through taxes, Federal grants, voter-approved general obligation bonds, and bonds issued by public authorities pursuant to contractual agreements with the State. In addition to State-owned transportation assets, the DOT assists in funding projects for highways, bridges, transit systems and other transportation facilities which are owned by local governments.

<b>TRANSPORTATION SPENDING PROJECTIONS</b>							
<b>(millions of dollars)</b>							
	<b>2003-04</b>	<b>2004-05</b>			<b>Over/(Under)</b>		
	<u>Actual</u>	<u>Enacted</u>	<u>30-Day</u>	<u>Year-End</u>	<u>2003-04</u>	<u>Enacted</u>	<u>30-Day</u>
<b>General Fund</b>	161	113	113	113	(48)	0	0
Other State Support	3,474	3,625	3,568	3,497	23	(128)	(71)
<b>State Funds</b>	<b>3,635</b>	<b>3,738</b>	<b>3,681</b>	<b>3,610</b>	<b>(25)</b>	<b>(128)</b>	<b>(71)</b>
Federal Funds	1,286	1,596	1,543	1,609	323	13	66
<b>All Funds</b>	<b>4,921</b>	<b>5,334</b>	<b>5,224</b>	<b>5,219</b>	<b>298</b>	<b>(115)</b>	<b>(5)</b>

DOT spending totaled \$5.2 billion in 2004-05, an increase of \$298 million (6.1 percent) over the 2003-04 fiscal year. Compared to spending projections at the time of the Enacted Budget, All Funds spending came in under by \$115 million. The variances from the 2004-05 Enacted Budget to year-end results and the sources of annual spending changes are described in more detail below.

TRANSPORTATION SOURCES OF ANNUAL SPENDING CHANGE (millions of dollars)				
	General Fund	Other State Funds	Federal Funds	All Funds
Capital Projects Spending	0	(93)	328	235
Metropolitan Transportation Authority	0	67	0	67
MTOA	(50)	50	0	0
Decreased Federal Support	0	0	(5)	(5)
All Other	2	(1)	0	1
<b>Total Change 2003-04 to 2004-05</b>	<b>(48)</b>	<b>23</b>	<b>323</b>	<b>298</b>

**Capital Projects Spending:** Annual spending from the Capital Projects Funds increased by \$235 million (7.6 percent) on an All Funds basis. This growth includes accelerated spending for programs that are financed by Federal grants (\$328 million) offset by lower spending from the Dedicated Highway and Bridge Trust Fund and the DOT Engineering Services Fund.

**MTA:** An increase in motor vehicle fees dedicated to support the MTA resulted in annual program growth of \$67 million.

**MTOA:** Mass Transportation Operating Assistance (MTOA) moneys were used to support what otherwise would have been General Fund costs, lowering General Fund spending and increasing the other State Funds spending (\$50 million).

**Decreased Federal Support:** Federal grant spending for non-capital programs declined modestly.

TRANSPORTATION EXPLANATION OF MAJOR VARIANCES -- ENACTED TO YEAR-END RESULTS (millions of dollars)				
	General Fund	Other State Funds	Federal Funds	All Funds
Capital Projects Spending	0	(138)	5	(133)
Metropolitan Transportation Authority	0	10	0	10
Increased Federal Support	0	0	8	8
<b>Total Change From Enacted</b>	<b>0</b>	<b>(128)</b>	<b>13</b>	<b>(115)</b>

**Capital Projects Spending:** Transportation-related spending from the Capital Projects Funds totaled \$3.3 billion on an All Funds basis, a decrease of \$133 million (3.8 percent) from the Enacted Budget. This decrease is primarily attributable to lower than anticipated disbursements from the Dedicated Highway and Bridge Trust Fund.

**MTA:** Other State Funds spending increased from Enacted Budget projections primarily due to stronger than anticipated tax receipts dedicated to support the MTA allowing for additional program spending.

**Increased Federal Support:** An increase in the Federal grant awards for DOT accounts for the rise in Federal spending.

## GENERAL STATE CHARGES

GSCs account for the costs of fringe benefits to State employees and retirees of the Executive, Legislative and Judicial branches, as well as for tax payments related to public lands and litigation. Fringe benefit payments, many of which are mandated by statute or collective bargaining agreements, include employer contributions for pensions, social security, health insurance, workers' compensation and unemployment insurance. Other costs include State payments-in-lieu-of-taxes to local governments for certain State-owned lands, and payments related to lawsuits against the State and its public officers.

Employee fringe benefits paid from the General Fund are financed primarily by General Fund revenues (84 percent) and supplemented with revenue from fringe benefit assessments on Federal and other dedicated revenue programs (16 percent). Ninety-five percent of GSCs spending is State supported and the remaining five percent is federally funded. Other GSC costs are paid in full by General Fund revenues.

GENERAL STATE CHARGES SPENDING PROJECTIONS							
(millions of dollars)							
	2003-04	2004-05			Over/(Under)		
	Actual	Enacted	30-Day	Year-End	2003-04	Enacted	30-Day
<b>General Fund</b>	3,214	3,671	3,665	3,653	439	(18)	(12)
Other State Support	424	479	500	524	100	45	24
<b>State Funds</b>	<b>3,638</b>	<b>4,150</b>	<b>4,165</b>	<b>4,177</b>	<b>539</b>	<b>27</b>	<b>12</b>
Federal Funds	176	207	196	188	12	(19)	(8)
<b>All Funds</b>	<b>3,814</b>	<b>4,357</b>	<b>4,361</b>	<b>4,365</b>	<b>551</b>	<b>8</b>	<b>4</b>

All Funds spending for GSCs totaled \$4.4 billion in 2004-05, a \$551 million increase over the prior fiscal year. Escalating employer pension contributions and higher employee health insurance costs account for most of the growth in GSCs spending. Other significant areas of annual growth in GSCs payments for Social Security costs and higher taxes on public lands.

GENERAL STATE CHARGES SOURCES OF ANNUAL SPENDING CHANGE (millions of dollars)	
	All Funds
Pensions	230
Health Insurance	253
Social Security	23
All Other	45
<b>Total Change 2003-04 to 2004-05</b>	<b>551</b>

**Pension Costs:** State contributions to the New York State and Local Retirement Systems on behalf of employees for fiscal year 2004-05 increased \$224 million (46.3 percent) over the prior year to total \$709 million. In addition, SUNY contribution to

TIAA/CREF on behalf of SUNY employees increased by \$6 million. The employer pension contribution rate increased to 11 percent of payroll compared to 4.4 percent in 2003-04, resulting primarily from stock market experience. In 2004-05, the actual pension costs reflect the deferral of a portion of the 2004 pension bill (\$443 million) which will be amortized over 10 years at an interest rate of 5 percent. This action was approved with the 2004-05 Enacted Budget to moderate the pension increase.

**Health Insurance:** The cost of providing health insurance to State employees and retirees totaled \$2.1 billion in 2004-05. Growth in premium costs to cover the rising expense and utilization of employee health care, including escalating prescription drug costs, produced an annual increase of \$253 million.

**Social Security:** Social security costs increased by approximately \$23 million over the prior year driven by increases in salaries resulting from the negotiated salary agreements and normal growth.

**All Other:** The remaining annual GSC spending increase is partly comprised of higher payments for social security costs (\$21 million), higher taxes on public lands and payments pursuant to section 19 of the Public Land Law (\$17 million), and various other increases in fringe benefits and fixed costs.

All Funds spending results for GSCs were virtually unchanged from the Enacted Budget projections. The variance is primarily attributed to the State's decision to prepay a portion of its pension bill related to early retirement incentive costs (\$30 million) resulting in subsequent year savings. This increase is offset by lower spending across several categories of fringe benefits and fixed costs. The most significant downward revision include lower unemployment insurance costs (\$11 million) and litigation costs associated with defending lawsuits against the State (\$11 million).

**DEBT SERVICE**

The State pays debt service on all outstanding State-supported bonds. These include general obligation bonds, for which the State is constitutionally obligated to pay debt service, as well as bonds issued by State public authorities [e.g., Empire State Development Corporation (ESDC), Dormitory Authority of the State of New York (DASNY), Thruway Authority, Local Government Assistance Corporation (LGAC)] for which the State is contractually obligated to pay debt service, subject to an appropriation. Debt service is paid through transfers from the General Fund, dedicated taxes and fees, and other resources, such as patient income revenues.

<b>DEBT SERVICE SPENDING PROJECTIONS</b>							
<b>(millions of dollars)</b>							
	<b>2003-04</b>		<b>2004-05</b>		<b>Over/(Under)</b>		
	<b>Actual</b>	<b>Enacted</b>	<b>30-Day</b>	<b>Year-End</b>	<b>2003-04</b>	<b>Enacted</b>	<b>30-Day</b>
<b>General Fund</b>	1,474	1,737	1,732	1,731	257	(6)	(1)
Other State Support	1,877	2,162	2,075	2,058	181	(104)	(17)
<b>State Funds</b>	<b>3,351</b>	<b>3,899</b>	<b>3,807</b>	<b>3,789</b>	<b>438</b>	<b>(110)</b>	<b>(18)</b>
Federal Funds	0	0	0	0	0	0	0
<b>All Funds</b>	<b>3,351</b>	<b>3,899</b>	<b>3,807</b>	<b>3,789</b>	<b>438</b>	<b>(110)</b>	<b>(18)</b>

Debt service costs totaled \$3.8 billion in 2004-05, a \$438 million increase over the prior fiscal year. Compared to the initial projections at the time of the Enacted Budget, debt services costs declined by \$110 million. The variances from the 2004-05 Enacted Budget to year-end results and the sources of annual spending changes are described in more detail below.

<b>DEBT SERVICE</b>				
<b>SOURCES OF ANNUAL SPENDING CHANGE</b>				
<b>(millions of dollars)</b>				
	<b>General Fund</b>	<b>Other State Funds</b>	<b>Federal Funds</b>	<b>All Funds</b>
General Debt Service Fund	257	96	0	353
Dedicated Highway	0	18	0	18
SUNY Dorms	0	22	0	22
Mental Health	0	91	0	91
LGAC	0	16	0	16
All Other	0	(62)	0	(62)
<b>Total Change 2003-04 to 2004-05</b>	<b>257</b>	<b>181</b>	<b>0</b>	<b>438</b>

As compared to 2003-04, total disbursements for debt service in 2004-05 increased by \$438 million. This increase primarily reflects planned increases in debt service costs to support ongoing bonded capital needs, as well as reduced refunding savings as compared to 2003-04 levels.

<b>DEBT SERVICE</b>				
<b>EXPLANATION OF MAJOR VARIANCES -- ENACTED TO YEAR-END RESULTS</b>				
<b>(millions of dollars)</b>				
	<b>General Fund</b>	<b>Other State Funds</b>	<b>Federal Funds</b>	<b>All Funds</b>
General Debt Service Fund	(6)	(67)	0	(73)
Dedicated Highway	0	(27)	0	(27)
SUNY Dorms	0	(10)	0	(10)
Mental Health	0	(8)	0	(8)
LGAC	0	(4)	0	(4)
All Other	0	12	0	12
<b>Total Change From Enacted</b>	<b>(6)</b>	<b>(104)</b>	<b>0</b>	<b>(110)</b>

As compared to the Enacted Budget Financial Plan estimate, total disbursements for debt service were \$110 million below projections on an All Funds basis. General Fund costs declined by \$6 million, while debt service spending in other State funds decreased by \$104 million due to a combination of factors, including lower than anticipated bond financed spending, and changes in the timing of bond sales and savings from refundings, the use of interest rate exchange agreements and variable rate obligations.

## **STATE WORKFORCE**

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The year-end Executive Branch workforce count of 189,650 Full-Time Equivalent (FTE) positions for March 31, 2005, a decrease of 1,275 since the latest estimate included in the 2005-06 Executive Budget, as amended. Compared to the prior fiscal year, the workforce increased by 1,750 FTE positions, primarily concentrated in the Department of Correctional Services and State Police. Additional detail by agency on the annual workforce change is contained in the section entitled "Financial Plan Tables" later in this Year-End Report.

In January 1995, the workforce count was 211,200 full-time positions. Since that time, the workforce has been reduced by 10 percent, or about 21,550 positions.

## **CASH FLOW**

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In 2004-05, the General Fund had quarterly-ending balances of \$1.9 billion in June 2004, \$2.4 billion in September 2004, \$2.5 billion in December 2004, and \$1.2 billion in March 2005. The lowest month-end cash flow balance, other than March, was \$1.2 billion in May 2004. Actual monthly cash flow information for 2004-05 are provided in the section "Financial Plan Tables" later in this Year-End Report.

## **FUND BALANCES**

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The General Fund ended the 2004-05 fiscal year with a balance of \$1.2 billion. The balance is comprised of the Tax Stabilization Reserve Fund (the State's "rainy day" reserve -- \$872 million), the Contingency Reserve Fund (\$21 million) and the Community Projects Fund (\$325 million). This balance excludes the new Fiscal Stability Reserve Fund (\$601 million), which is set aside in the Tax Stabilization Reserve Account discussed earlier in this report.

At the close of 2004-05, the All Funds Cash Financial Plan had a positive fund balance of \$3.0 billion, comprised of \$1.2 billion in the General Fund, \$2.0 billion in the Special Revenue Funds and \$184 million in the Debt Service Funds, offset by a negative fund balance of \$454 million in the Capital Projects Fund.

The fund balance in the Special Revenue Funds partly reflects the timing of receipts and disbursements (e.g., dedicated moneys received for a specified purpose prior to disbursement). The largest fund balance is dedicated to finance the operations and activities of SUNY campuses (\$423 million). In addition, the \$200 million transferred from the General Fund to the HCRA Transfer Fund in 2004-05 is expected to be disbursed in 2005-06. The remaining fund balances are held in numerous funds/accounts that support a variety of programs including industry regulation, public health, and public safety. The negative balance in the Capital Projects Fund results from outstanding loans from the Short-Term Investment Pool (STIP) used to finance capital projects costs prior to the receipt of bond proceeds.

## ***IMPACT OF 2002-03 PAYMENT DEFERRALS***

The 2004-05 annual growth in General Fund, State Funds, and All Funds spending is affected by the deferral of \$1.9 billion in payments that were scheduled in 2002-03 but made in 2003-04 in response to a delay in the sale of the State's tobacco settlement revenues. The table below summarizes the payment deferrals by program. All the payments deferred in 2002-03 were paid in 2003-04, after the State received the tobacco securitization proceeds. To avoid distorting program growth trends, the program spending totals described in the "Summary of Receipts and Disbursement Annual Changes" and the "2004-05 Spending Results by Major Function" are adjusted to exclude the impact of the deferrals.

<b>2002-03 GENERAL FUND PAYMENT DEFERRALS</b>	
<b>(millions of dollars)</b>	
School Aid	1,312
CUNY Senior Colleges	219
Medicaid - Mentally Disabled Payments	82
Welfare - Administration	38
Empire State Development Corporation	32
Education - All Other	30
Education - Preschool Special Education	24
HESC	10
Division of Military and Naval Affairs	10
Welfare	8
All Other Local Assistance	61
<b>Total Local Assistance</b>	<b>1,826</b>
State Police	26
World Trade Center	9
All Other State Operations	2
<b>Total State Operations</b>	<b>37</b>
<b>General State Charges</b>	<b>33</b>
<b>Capital Projects</b>	<b>4</b>
<b>Total 2002-03 Payment Deferrals</b>	<b>1,900</b>

## **HEALTH CARE REFORM ACT (HCRA) FINANCIAL PLAN\_\_\_\_\_**

The following provides a 2004-05 year-end Financial Plan summary for the HCRA program and related information regarding receipts and disbursements. Specifically, the information compares preliminary year-end results to three mileposts: (i) 2003-04 actuals; (ii) projections included in the 2004-05 Enacted Budget Financial Plan; and (iii) the latest estimates for the 2004-05 fiscal year contained in the 2005-06 Executive Budget, as amended.

Prior to the enactment of the 2005-06 Budget, roughly 25 percent of spending (\$925 million in 2004-05) financed through HCRA was “off budget” (i.e., outside the Financial Plan). The remaining HCRA spending was included in the State Financial Plan and can be found in the following areas of the budget: Medicaid; Health; the State Office for the Aging; and OMH.

### **OVERVIEW**

HCRA was established in 1996 to improve the fiscal health of hospitals and ensure that affordable and quality health care coverage was available to all New Yorkers. Subsequent extensions and modifications of the legislation have initiated new health care programs including FHP, Healthy New York, and the workforce recruitment and retention program, and provided additional funding for the expansion of existing programs such as CHP. The 2005-06 Enacted Budget extended HCRA legislation through June 30, 2007.

Historically, HCRA cash balances have been significant as revenues have generally accumulated more rapidly than expenditures for new programs that often take time to implement and reach projected full annual expenditure levels. Recently, spending levels in many major programs, such as FHP and EPIC, have significantly increased, outpacing the growth in recurring revenues, thereby reducing the historically high HCRA balances. The HCRA cash balance on March 31, 2005 was \$164 million.

**HCRA RECEIPTS**

HCRA Receipts (millions of dollars)							
	2003-04		2004-05		Over/(Under)		
	Actual	Enacted	30-Day	Actual	2003-04	Enacted	30-Day
Empire Conversion Proceeds	0	1,217	0	0	0	(1,217)	0
Surcharges	1,429	1,493	1,603	1,601	172	108	(2)
Covered Lives Assessment	640	703	703	724	84	21	21
Cigarette Tax <sup>1</sup>	709	693	675	683	(26)	(10)	8
Other	659	509	528	606	(53)	97	78
Hospital Assessment (1 percent)	221	217	217	232	11	15	15
<b>Total Receipts</b>	<b>3,658</b>	<b>4,832</b>	<b>3,726</b>	<b>3,846</b>	<b>188</b>	<b>(986)</b>	<b>120</b>

<sup>1</sup> Includes a transfer of cigarette tax revenue from New York City, which appears under miscellaneous receipts in the Financial Plan Tables.

HCRA receipts totaled \$3.8 billion in 2004-05, a decrease of \$986 since the Enacted Budget projections primarily attributable to the delayed receipt of \$1.2 billion in Empire Conversion proceeds and a modest decline in cigarette tax receipts. These downward revisions were partially offset by increased revenues in all other categories.

As described above, the receipt of \$1.4 billion in Empire conversion proceeds planned in 2004-05 (including \$200 million that will support General Fund Medicaid spending) has been delayed pending the resolution of litigation. The HCRA plan assumes a favorable outcome in 2005-06.

**HCRA DISBURSEMENTS**

HCRA Disbursements (millions of dollars)							
	2003-04		2004-05		Over/(Under)		
	Actual	Enacted	30-Day	Actual	2003-04	Enacted	30-Day
Medicaid/Public Health Support	905	1,067	780	932	27	(135)	152
Hospital Indigent Care	953	826	826	831	(122)	5	5
Elderly Pharmaceutical Insurance Coverage	472	494	491	462	(10)	(32)	(29)
Graduate Medical Education	520	383	383	452	(68)	69	69
Family Health Plus	290	381	390	302	12	(79)	(88)
Child Health Plus	350	375	342	301	(49)	(74)	(41)
Workforce Recruitment and Retention	298	329	330	306	8	(23)	(24)
All Other	634	617	582	526	(108)	(91)	(56)
<b>Total Disbursements</b>	<b>4,422</b>	<b>4,472</b>	<b>4,124</b>	<b>4,112</b>	<b>(310)</b>	<b>(360)</b>	<b>(12)</b>

Disbursements totaled \$4.1 billion in 2004-05, a decrease of \$360 million since the initial projections. The largest areas of decline in HCRA spending include the delayed receipt of Empire proceeds that were planned to support General Fund Medicaid costs, as described above, lower than projected CHP enrollment, and higher than anticipated savings in EPIC from the implementation of the Federal Medicare Part D prescription card.

HCRA financed programs primarily include support for various Medicaid and public health costs, hospital indigent care, EPIC, FHP, CHP, provider workforce recruitment and retention funds paid through Medicaid rates, and mental health programs. The remaining spending excluded from the State Budget is comprised primarily of Graduate Medical Education, excess medical malpractice payments, Healthy New York, subsidy payments to the Roswell Park Cancer Institute, as well as various other programs including anti-tobacco and cancer related programs.

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**CASH FINANCIAL PLAN  
GENERAL FUND  
2003-2004 and 2004-2005  
(millions of dollars)**

	<u>2003-2004</u>	<u>2004-2005</u>	<u>Annual Change</u>
<b>Opening fund balance</b>	<u>815</u>	<u>1,077</u>	<u>262</u>
<b>Receipts:</b>			
Taxes:			
Personal income tax	15,774	18,677	2,903
User taxes and fees	7,979	8,731	752
Business taxes	3,413	4,069	656
Other taxes	768	926	158
Miscellaneous receipts	5,917	2,217	(3,700)
Federal Grants	654	9	(645)
Transfers from other funds:			
PIT in excess of Revenue Bond debt service	5,244	5,981	737
Sales tax in excess of LGAC debt service	1,971	2,182	211
Real estate taxes in excess of CW/CA debt service	307	516	209
All other transfers	300	452	152
<b>Total receipts</b>	<u>42,327</u>	<u>43,760</u>	<u>1,433</u>
<b>Disbursements:</b>			
Grants to local governments	29,246	29,493	247
State operations	7,093	7,565	472
General State charges	3,247	3,653	406
Transfers to other funds:			
Debt service	1,474	1,731	257
Capital projects	229	197	(32)
Other purposes	776	980	204
<b>Total disbursements</b>	<u>42,065</u>	<u>43,619</u>	<u>1,554</u>
<b>Change in fund balance</b>	<u>262</u>	<u>141</u>	<u>(121)</u>
<b>Closing fund balance</b>	<u>1,077</u>	<u>1,218</u>	<u>141</u>
Statutory Rainy Day Reserve Fund	794	872	78
Fiscal Stability Reserve Fund <sup>(1)</sup>	0	0	0
Contingency Reserve Fund	21	21	0
Community Projects Fund	262	325	63

<sup>(1)</sup> The \$601 million balance set aside at year-end in the Fiscal Stability Reserve Fund is not included in the year-end closing balance as it has been carried forward to 2005-2006.

**CURRENT STATE RECEIPTS**  
**GENERAL FUND**  
**2003-2004 and 2004-2005**  
(millions of dollars)

	<u>2003-2004</u>	<u>2004-2005</u>	<u>Annual Change</u>
<b>Personal income tax</b>	<u>15,774</u>	<u>18,677</u>	<u>2,903</u>
<b>User taxes and fees</b>	<u>7,979</u>	<u>8,731</u>	<u>752</u>
Sales and use tax	7,241	8,094	853
Cigarette and tobacco taxes	419	406	(13)
Motor vehicle fees	82	4	(78)
Alcoholic beverages taxes	191	185	(6)
Alcoholic beverage control license fees	46	42	(4)
<b>Business taxes</b>	<u>3,413</u>	<u>4,069</u>	<u>656</u>
Corporation franchise tax	1,482	1,858	376
Corporation and utilities tax	715	617	(98)
Insurance taxes	930	1,007	77
Bank tax	286	587	301
<b>Other taxes</b>	<u>768</u>	<u>926</u>	<u>158</u>
Estate tax	732	895	163
Gift tax	4	3	(1)
Real property gains tax	4	1	(3)
Pari-mutuel taxes	27	26	(1)
Other taxes	1	1	0
<b>Total taxes</b>	<u>27,934</u>	<u>32,403</u>	<u>4,469</u>
<b>Miscellaneous receipts</b>	<u>5,917</u>	<u>2,217</u>	<u>(3,700)</u>
<b>Federal Grants</b>	<u>654</u>	<u>9</u>	<u>(645)</u>
<b>Total</b>	<u><u>34,505</u></u>	<u><u>34,629</u></u>	<u><u>124</u></u>

**GENERAL FUND  
PERSONAL INCOME TAX COMPONENTS  
2003-2004 and 2004-2005  
(millions of dollars)**

	<u>2003-2004</u>	<u>2004-2005</u>	<u>Annual Change</u>
Withholdings	21,986	23,374	1,388
Estimated Payments	5,159	7,062	1,903
Final Payments	1,313	1,629	316
Delinquencies	<u>632</u>	<u>702</u>	<u>70</u>
<b>Gross Collections</b>	29,090	32,767	3,677
State/City Offset	(261)	(357)	(96)
Refund Reserve	(597)	(103)	494
Refunds	<u>(4,181) (1)</u>	<u>(4,311) (2)</u>	<u>(130)</u>
<b>Reported Tax Collections</b>	24,051	27,996	3,945
STAR	(2,820)	(3,059)	(239)
RBTF	<u>(5,457)</u>	<u>(6,260)</u>	<u>(803)</u>
<b>General Fund</b>	<u><u>15,774</u></u>	<u><u>18,677</u></u>	<u><u>2,903</u></u>

Net personal income tax collections are affected by transactions in the tax refund reserve account. The tax refund reserve account is used to hold moneys designated to pay tax refunds. The Comptroller deposits receipts into this account at the discretion of the Commissioner of Taxation and Finance. The deposit of moneys into the account during a fiscal year has the effect of reducing receipts for the fiscal year, and the withdrawal of moneys from the account has the effect of increasing receipts in the fiscal year of withdrawal. The tax refund reserve account also includes amounts made available as a result of the LGAC financing program. Beginning in 1998-99, a portion of personal income tax collections is deposited directly in the School Tax Reduction (STAR) fund and used to make payments to reimburse local governments for their revenue decreases due to the STAR program.

*Note 1: Reflects the payment of the balance of refunds on 2002 liability and payment of \$960 million of calendar year 2004 refunds in the last quarter of the State's 2003-04 fiscal year and a balance in the Tax Refund Reserve Account of \$1.2 billion.*

*Note 2: Reflects the payment of the balance of refunds on 2003 liability and the projected payment of \$960 million of calendar year 2003 refunds in the last quarter of the State's 2004-05 fiscal year and a balance in the Tax Refund Reserve Account of \$1.3 billion.*

**CASH FINANCIAL PLAN  
GENERAL FUND  
2004-2005  
(millions of dollars)**

	<u>Enacted</u>	<u>30-Day</u>	<u>Year-End</u>	<u>Year-End vs. Enacted</u>	<u>Year-End vs. 30-Day</u>
<b>Opening fund balance</b>	<u>1,077</u>	<u>1,077</u>	<u>1,077</u>	<u>0</u>	<u>0</u>
<b>Receipts:</b>					
Taxes:					
Personal income tax	18,490	19,044	18,677	187	(367)
User taxes and fees	8,679	8,752	8,731	52	(21)
Business taxes	3,714	3,864	4,069	355	205
Other taxes	764	830	926	162	96
Miscellaneous receipts	2,434	2,293	2,217	(217)	(76)
Federal Grants	4	8	9	5	1
Transfers from other funds:					
PIT in excess of Revenue Bond debt service	5,612	5,880	5,981	369	101
Sales tax in excess of LGAC debt service	2,158	2,171	2,182	24	11
Real estate taxes in excess of CW/CA debt service	246	520	516	270	(4)
All other	554	504	452	(102)	(52)
<b>Total receipts</b>	<u>42,655</u>	<u>43,866</u>	<u>43,760</u>	<u>1,105</u>	<u>(106)</u>
<b>Disbursements:</b>					
Grants to local governments	29,392	29,634	29,493	101	(141)
State operations	7,501	7,628	7,565	64	(63)
General State charges	3,671	3,665	3,653	(18)	(12)
Transfers to other funds:					
Debt service	1,737	1,732	1,731	(6)	(1)
Capital projects	196	196	197	1	1
Other purposes	542	557	980	438	423
<b>Total disbursements</b>	<u>43,039</u>	<u>43,412</u>	<u>43,619</u>	<u>580</u>	<u>207</u>
<b>Fiscal Management Plan/Federal Aid</b>	<u>434</u>	<u>0</u>	<u>0</u>	<u>(434)</u>	<u>0</u>
<b>Change in fund balance</b>	<u>50</u>	<u>454</u>	<u>141</u>	<u>91</u>	<u>(313)</u>
<b>Closing fund balance</b>	<u>1,127</u>	<u>1,531</u>	<u>1,218</u>	<u>91</u>	<u>(313)</u>
Statutory Rainy Day Reserve Fund	794	864	872	78	8
Fiscal Stability Reserve Fund <sup>(1)</sup>	0	352	0	0	(352)
Contingency Reserve Fund	21	21	21	0	0
Community Projects Fund	312	294	325	13	31

<sup>(1)</sup> The \$601 million balance set aside at year-end in the Fiscal Stability Reserve Fund is not included in the year-end closing balance as it has been carried forward to 2005-2006.

2004-05 Year-End Report

**CASHFLOW  
GENERAL FUND  
2004-2005  
(millions of dollars)**

	<b>First Quarter (Actual)</b>	<b>Second Quarter (Actual)</b>	<b>Third Quarter (Actual)</b>	<b>Fourth Quarter (Actual)</b>	<b>Total (Actual)</b>
<b>Opening fund balance</b>	<u>1,077</u>	<u>1,865</u>	<u>2,412</u>	<u>2,517</u>	<u>1,077</u>
<b>Receipts:</b>					
Taxes:					
Personal income tax	6,322	4,454	2,805	5,096	18,677
User taxes and fees	2,231	2,207	2,194	2,099	8,731
Business taxes	866	952	883	1,368	4,069
Other taxes	197	169	181	379	926
Miscellaneous receipts	454	510	715	538	2,217
Federal grants	3	3	2	1	9
Transfers from other funds					
PIT in excess of Revenue Bond debt service	1,681	1,435	817	2,048	5,981
Sales tax in excess of LGAC debt service	214	956	622	390	2,182
Real estate taxes in excess of CW/CA debt service	155	139	130	92	516
All Other	4	186	80	182	452
<b>Total receipts</b>	<u>12,127</u>	<u>11,011</u>	<u>8,429</u>	<u>12,193</u>	<u>43,760</u>
<b>Disbursements:</b>					
Grants to local governments					
School Aid	3,093	1,561	1,588	6,517	12,759
Medicaid	2,849	2,041	1,027	1,682	7,599
Welfare	294	556	210	381	1,441
All Other	1,279	2,024	2,191	2,200	7,694
State operations					
Personal Service	1,815	1,676	1,344	718	5,553
Non-Personal Service	519	475	442	576	2,012
General State charges	816	1,484	649	704	3,653
Transfers to other funds					
Debt service	476	404	570	281	1,731
Capital projects	70	122	102	(97)	197
Other purposes	128	121	201	530	980
<b>Total disbursements</b>	<u>11,339</u>	<u>10,464</u>	<u>8,324</u>	<u>13,492</u>	<u>43,619</u>
<b>Change in fund balance</b>	<u>788</u>	<u>547</u>	<u>105</u>	<u>(1,299)</u>	<u>141</u>
<b>Closing fund balance</b>	<u>1,865</u>	<u>2,412</u>	<u>2,517</u>	<u>1,218</u>	<u>1,218</u>

**CASHFLOW  
GENERAL FUND  
2004-2005  
(dollars in millions)**

	2004		2005											
	April	May	June	July	August	September	October	November	December	January	February	March	Total	
<b>Opening fund balance</b>	1,077	3,842	1,227	1,865	1,740	2,314	2,412	2,193	1,911	2,517	6,182	6,963	1,077	
<b>Receipts:</b>														
<b>Taxes</b>														
Personal income tax	3,851	526	1,945	1,215	1,344	1,895	625	560	1,620	3,287	1,991	(182)	18,677	
User taxes and fees	705	617	909	684	651	872	628	650	916	693	546	860	8,731	
Business taxes	148	(9)	727	91	56	805	33	10	840	102	30	1,236	4,069	
Other taxes	68	50	79	60	52	57	53	65	63	197	133	49	926	
Miscellaneous receipts	69	67	318	245	124	141	93	450	172	108	69	361	2,217	
Federal Grants	1	1	1	0	2	1	1	1	0	1	0	0	9	
<b>Transfers from other funds</b>														
PIT in excess of Revenue Bond debt service	875	158	648	405	381	649	208	68	541	1,093	505	450	5,981	
Sales tax in excess of LGAC debt service	181	33	0	0	617	339	179	177	266	197	9	184	2,182	
Real estate taxes in excess of CW/CA debt service	52	26	77	23	67	49	51	17	62	38	43	11	516	
All Other	4	0	0	6	1	179	60	0	20	4	1	177	452	
<b>Total receipts</b>	5,954	1,469	4,704	2,729	3,295	4,987	1,931	1,988	4,500	5,720	3,327	3,146	43,760	
<b>Disbursements:</b>														
<b>Grants to local governments</b>														
School Aid	162	1,877	1,054	27	386	1,148	296	335	957	292	595	5,630	12,759	
Medicaid	951	784	1,114	705	604	732	293	339	395	410	573	699	7,599	
Welfare	133	51	110	159	155	242	120	117	(27)	146	58	177	1,441	
All Other	375	377	527	778	532	714	709	478	1,004	336	609	1,255	7,694	
<b>State operations</b>														
Personal Service	657	553	605	614	430	632	201	416	727	421	250	47	5,553	
Non-Personal Service	180	155	184	181	171	123	134	133	175	170	165	241	2,012	
General State Charges	423	179	214	268	306	910	193	200	256	228	129	347	3,653	
<b>Transfers to Other Funds</b>														
Debt service	211	45	220	50	35	319	52	172	346	17	41	223	1,731	
Capital projects	1	46	23	56	32	34	30	43	29	23	64	(184)	197	
Other purposes	96	17	15	16	70	35	122	47	32	12	62	456	980	
<b>Total disbursements</b>	3,189	4,084	4,066	2,854	2,721	4,889	2,150	2,280	3,894	2,055	2,546	8,891	43,619	
<b>Change in fund balance</b>	2,765	(2,615)	638	(125)	574	98	(219)	(282)	606	3,665	781	(5,745)	141	
<b>Closing fund balance</b>	3,842	1,227	1,865	1,740	2,314	2,412	2,193	1,911	2,517	6,182	6,963	1,218	1,218	

**CASH FINANCIAL PLAN  
STATE FUNDS  
2004-2005  
(millions of dollars)**

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Debt Service Funds</u>	<u>(MEMO) Total</u>
<b>Opening fund balance</b>	1,077	1,703	(336)	174	2,618
<b>Receipts:</b>					
Taxes	32,403	4,859	1,862	9,371	48,495
Miscellaneous receipts	2,217	10,972	1,753	768	15,710
Federal grants	9	1	0	0	10
<b>Total receipts</b>	<u>34,629</u>	<u>15,832</u>	<u>3,615</u>	<u>10,139</u>	<u>64,215</u>
<b>Disbursements:</b>					
Grants to local governments	29,493	11,131	340	0	40,964
State operations	7,565	4,917	0	10	12,492
General State charges	3,653	524	0	0	4,177
Debt service	0	0	0	3,789	3,789
Capital projects	0	11	2,538	0	2,549
<b>Total disbursements</b>	<u>40,711</u>	<u>16,583</u>	<u>2,878</u>	<u>3,799</u>	<u>63,971</u>
<b>Other financing sources (uses):</b>					
Transfers from other funds	9,131	1,221	217	5,134	15,703
Transfers to other funds	(2,908)	(167)	(1,002)	(11,464)	(15,541)
Bond and note proceeds	0	0	178	0	178
<b>Net other financing sources (uses)</b>	<u>6,223</u>	<u>1,054</u>	<u>(607)</u>	<u>(6,330)</u>	<u>340</u>
<b>Change in fund balance</b>	<u>141</u>	<u>303</u>	<u>130</u>	<u>10</u>	<u>584</u>
<b>Closing fund balance</b>	<u>1,218</u>	<u>2,006</u>	<u>(206)</u>	<u>184</u>	<u>3,202</u>

**CASH FINANCIAL PLAN  
STATE FUNDS  
2003-2004 and 2004-2005  
(millions of dollars)**

	<u>2003-2004</u>	<u>2004-2005</u>	<u>Annual Change</u>
<b>Opening fund balance</b>	<u>1,645</u>	<u>2,618</u>	<u>973</u>
<b>Receipts:</b>			
Taxes	42,254	48,495	6,241
Miscellaneous receipts	19,271	15,710	(3,561)
Federal grants	645	10	(635)
<b>Total receipts</b>	<u>62,170</u>	<u>64,215</u>	<u>2,045</u>
<b>Disbursements:</b>			
Grants to local governments	39,935	40,964	1,029
State operations	11,599	12,492	893
General State charges	3,671	4,177	506
Debt service	3,351	3,789	438
Capital projects	2,776	2,549	(227)
<b>Total disbursements</b>	<u>61,332</u>	<u>63,971</u>	<u>2,639</u>
<b>Other financing sources (uses):</b>			
Transfers from other funds	13,787	15,703	1,916
Transfers to other funds	(13,790)	(15,541)	(1,751)
Bond and note proceeds	139	178	39
<b>Net other financing sources (uses)</b>	<u>136</u>	<u>340</u>	<u>204</u>
<b>Change in fund balance</b>	<u>974</u>	<u>584</u>	<u>(390)</u>
<b>Closing fund balance</b>	<u>2,619</u>	<u>3,202</u>	<u>583</u>

**CASH FINANCIAL PLAN  
STATE FUNDS  
2004-2005  
(millions of dollars)**

	<u>Enacted</u>	<u>30-Day</u>	<u>Year-End</u>	<u>Year-End vs. Enacted</u>	<u>Year-End vs. 30-Day</u>
<b>Opening fund balance</b>	<u>2,618</u>	<u>2,618</u>	<u>2,618</u>	<u>0</u>	<u>0</u>
<b>Receipts:</b>					
Taxes	46,954	48,449	48,495	1,541	46
Miscellaneous receipts	16,194	15,443	15,710	(484)	267
Federal grants	5	9	10	5	1
<b>Total receipts</b>	<u>63,153</u>	<u>63,901</u>	<u>64,215</u>	<u>1,062</u>	<u>314</u>
<b>Disbursements:</b>					
Grants to local governments	41,730	41,540	40,964	(766)	(576)
State operations	12,442	12,667	12,492	50	(175)
General State charges	4,150	4,165	4,177	27	12
Debt service	3,899	3,807	3,789	(110)	(18)
Capital projects	2,072	1,846	2,549	477	703
<b>Total disbursements</b>	<u>64,293</u>	<u>64,025</u>	<u>63,971</u>	<u>(322)</u>	<u>(54)</u>
<b>Other financing sources (uses):</b>					
Transfers from other funds	14,999	15,482	15,703	704	221
Transfers to other funds	(14,729)	(15,252)	(15,541)	(812)	(289)
Bond and note proceeds	193	193	178	(15)	(15)
<b>Net other financing sources (uses)</b>	<u>463</u>	<u>423</u>	<u>340</u>	<u>(123)</u>	<u>(83)</u>
<b>Fiscal Management Plan/Federal Aid</b>	<u>434</u>	<u>0</u>	<u>0</u>	<u>(434)</u>	<u>0</u>
<b>Change in fund balance</b>	<u>(243)</u>	<u>299</u>	<u>584</u>	<u>827</u>	<u>285</u>
<b>Closing fund balance</b>	<u>2,375</u>	<u>2,917</u>	<u>3,202</u>	<u>827</u>	<u>285</u>

**CASH FINANCIAL PLAN  
ALL GOVERNMENTAL FUNDS  
2004-2005  
(millions of dollars)**

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Debt Service Funds</u>	<u>(MEMO) Total</u>
<b>Opening fund balance</b>	1,077	2,184	(489)	174	2,946
<b>Receipts:</b>					
Taxes	32,403	4,859	1,862	9,371	48,495
Miscellaneous receipts	2,217	11,116	1,759	768	15,860
Federal grants	9	34,491	1,721	0	36,221
<b>Total receipts</b>	<u>34,629</u>	<u>50,466</u>	<u>5,342</u>	<u>10,139</u>	<u>100,576</u>
<b>Disbursements:</b>					
Grants to local governments	29,493	42,644	852	0	72,989
State operations	7,565	8,095	0	10	15,670
General State charges	3,653	712	0	0	4,365
Debt service	0	0	0	3,789	3,789
Capital projects	0	11	3,844	0	3,855
<b>Total disbursements</b>	<u>40,711</u>	<u>51,462</u>	<u>4,696</u>	<u>3,799</u>	<u>100,668</u>
<b>Other financing sources (uses):</b>					
Transfers from other funds	9,131	3,613	217	5,134	18,095
Transfers to other funds	(2,908)	(2,796)	(1,006)	(11,464)	(18,174)
Bond and note proceeds	0	0	178	0	178
<b>Net other financing sources (uses)</b>	<u>6,223</u>	<u>817</u>	<u>(611)</u>	<u>(6,330)</u>	<u>99</u>
<b>Change in fund balance</b>	<u>141</u>	<u>(179)</u>	<u>35</u>	<u>10</u>	<u>7</u>
<b>Closing fund balance</b>	<u>1,218</u>	<u>2,005</u>	<u>(454)</u>	<u>184</u>	<u>2,953</u>

**CASH FINANCIAL PLAN**  
**ALL GOVERNMENTAL FUNDS**  
**2003-2004 and 2004-2005**  
**(millions of dollars)**

	<u>2003-2004</u>	<u>2004-2005</u>	<u>Annual Change</u>
<b>Opening fund balance</b>	<u>1,222</u>	<u>2,946</u>	<u>1,724</u>
<b>Receipts:</b>			
Taxes	42,254	48,495	6,241
Miscellaneous receipts	19,412	15,860	(3,552)
Federal grants	37,323	36,221	(1,102)
<b>Total receipts</b>	<u>98,989</u>	<u>100,576</u>	<u>1,587</u>
<b>Disbursements:</b>			
Grants to local governments	71,396	72,989	1,593
State operations	14,968	15,670	702
General State charges	3,847	4,365	518
Debt service	3,351	3,789	438
Capital projects	3,764	3,855	91
<b>Total disbursements</b>	<u>97,326</u>	<u>100,668</u>	<u>3,342</u>
<b>Other financing sources (uses):</b>			
Transfers from other funds	16,317	18,095	1,778
Transfers to other funds	(16,396)	(18,174)	(1,778)
Bond and note proceeds	140	178	38
<b>Net other financing sources (uses)</b>	<u>61</u>	<u>99</u>	<u>38</u>
<b>Change in fund balance</b>	<u>1,724</u>	<u>7</u>	<u>(1,717)</u>
<b>Closing fund balance</b>	<u>2,946</u>	<u>2,953</u>	<u>7</u>

**CURRENT STATE RECEIPTS  
ALL GOVERNMENTAL FUNDS  
2003-2004 and 2004-2005  
(millions of dollars)**

	<u>2003-2004</u>	<u>2004-2005</u>	<u>Annual Change</u>
<b>Personal income tax</b>	24,050	27,997	3,947
<b>User taxes and fees</b>	11,919	13,036	1,117
Sales and use taxes	9,907	11,016	1,109
Cigarette and tobacco taxes	419	406	(13)
Motor fuel tax	516	530	14
Motor vehicle fees	654	666	12
Highway use tax	147	151	4
Alcoholic beverage taxes	191	185	(6)
Alcoholic beverage control license fees	46	42	(4)
Auto rental tax	39	40	1
<b>Business taxes</b>	5,007	5,806	799
Corporation franchise tax	1,700	2,110	410
Corporation and utilities taxes	882	827	(55)
Insurance taxes	1,031	1,108	77
Bank tax	342	676	334
Petroleum business taxes	1,052	1,085	33
<b>Other taxes</b>	1,278	1,656	378
Estate tax	732	895	163
Gift tax	4	3	(1)
Real property gains tax	4	1	(3)
Real estate transfer tax	510	730	220
Pari-mutuel taxes	27	26	(1)
Other taxes	1	1	0
<b>Total taxes</b>	<u>42,254</u>	<u>48,495</u>	<u>6,241</u>
<b>Miscellaneous receipts</b>	<u>19,412</u>	<u>15,860</u>	<u>(3,552)</u>
<b>Federal grants</b>	<u>37,323</u>	<u>36,221</u>	<u>(1,102)</u>
<b>Total</b>	<u><u>98,989</u></u>	<u><u>100,576</u></u>	<u><u>1,587</u></u>

**CASH FINANCIAL PLAN  
ALL GOVERNMENTAL FUNDS  
2004-2005  
(millions of dollars)**

	<u>Enacted</u>	<u>30-Day</u>	<u>Year-End</u>	<u>Year-End vs. Enacted</u>	<u>Year-End vs. 30-Day</u>
<b>Opening fund balance</b>	<u>2,945</u>	<u>2,946</u>	<u>2,946</u>	<u>1</u>	<u>0</u>
<b>Receipts:</b>					
Taxes	46,954	48,449	48,495	1,541	46
Miscellaneous receipts	16,324	15,567	15,860	(464)	293
Federal grants	36,840	37,106	36,221	(619)	(885)
<b>Total receipts</b>	<u>100,118</u>	<u>101,122</u>	<u>100,576</u>	<u>458</u>	<u>(546)</u>
<b>Disbursements:</b>					
Grants to local governments	73,507	73,601	72,989	(518)	(612)
State operations	15,730	16,016	15,670	(60)	(346)
General State charges	4,357	4,362	4,365	8	3
Debt service	3,899	3,807	3,789	(110)	(18)
Capital projects	3,714	3,396	3,855	141	459
<b>Total disbursements</b>	<u>101,207</u>	<u>101,182</u>	<u>100,668</u>	<u>(539)</u>	<u>(514)</u>
<b>Other financing sources (uses):</b>					
Transfers from other funds	17,175	17,708	18,095	920	387
Transfers to other funds	(17,223)	(17,778)	(18,174)	(951)	(396)
Bond and note proceeds	193	193	178	(15)	(15)
<b>Net other financing sources (uses)</b>	<u>145</u>	<u>123</u>	<u>99</u>	<u>(46)</u>	<u>(24)</u>
<b>Fiscal Management Plan/Federal Aid</b>	<u>434</u>	<u>0</u>	<u>0</u>	<u>(434)</u>	<u>0</u>
<b>Change in fund balance</b>	<u>(510)</u>	<u>63</u>	<u>7</u>	<u>517</u>	<u>(56)</u>
<b>Closing fund balance</b>	<u>2,435</u>	<u>3,009</u>	<u>2,953</u>	<u>518</u>	<u>(56)</u>

**CURRENT STATE RECEIPTS  
ALL GOVERNMENTAL FUNDS  
2004-2005  
(millions of dollars)**

	<u>2004-2005 Enacted</u>	<u>2004-2005 Year-End</u>	<u>Change</u>
<b>Personal income tax</b>	<u>27,439</u>	<u>27,997</u>	<u>558</u>
<b>User taxes and fees</b>	<u>12,886</u>	<u>13,036</u>	<u>150</u>
Sales and use taxes	10,907	11,016	109
Cigarette and tobacco taxes	411	406	(5)
Motor fuel tax	512	530	18
Motor vehicle fees	640	666	26
Highway use tax	183	151	(32)
Alcoholic beverage taxes	152	185	33
Alcoholic beverage control license fees	42	42	0
Auto rental tax	39	40	1
<b>Business taxes</b>	<u>5,403</u>	<u>5,806</u>	<u>403</u>
Corporation franchise tax	1,989	2,110	121
Corporation and utilities taxes	866	827	(39)
Insurance taxes	1,021	1,108	87
Bank tax	465	676	211
Petroleum business taxes	1,062	1,085	23
<b>Other taxes</b>	<u>1,226</u>	<u>1,656</u>	<u>430</u>
Estate tax	731	895	164
Gift tax	2	3	1
Real property gains tax	3	1	(2)
Real estate transfer tax	461	730	269
Pari-mutuel taxes	28	26	(2)
Other taxes	1	1	0
<b>Total taxes</b>	<u>46,954</u>	<u>48,495</u>	<u>1,541</u>
<b>Miscellaneous receipts</b>	<u>16,324</u>	<u>15,860</u>	<u>(464)</u>
<b>Federal grants</b>	<u>36,840</u>	<u>36,221</u>	<u>(619)</u>
<b>Total</b>	<u><u>100,118</u></u>	<u><u>100,576</u></u>	<u><u>458</u></u>

**CASH FINANCIAL PLAN  
SPECIAL REVENUE FUNDS  
2004-2005  
(millions of dollars)**

	<u>State</u>	<u>Federal</u>	<u>Total</u>
<b>Opening fund balance</b>	<u>1,703</u>	<u>481</u>	<u>2,184</u>
<b>Receipts:</b>			
Taxes	4,859	0	4,859
Miscellaneous receipts	10,972	144	11,116
Federal grants	1	34,490	34,491
<b>Total receipts</b>	<u>15,832</u>	<u>34,634</u>	<u>50,466</u>
<b>Disbursements:</b>			
Grants to local governments	11,131	31,513	42,644
State operations	4,917	3,178	8,095
General State charges	524	188	712
Debt service	0	0	0
Capital projects	11	0	11
<b>Total disbursements</b>	<u>16,583</u>	<u>34,879</u>	<u>51,462</u>
<b>Other financing sources (uses):</b>			
Transfers from other funds	1,221	2,392	3,613
Transfers to other funds	(167)	(2,629)	(2,796)
Bond and note proceeds	0	0	0
<b>Net other financing sources (uses)</b>	<u>1,054</u>	<u>(237)</u>	<u>817</u>
<b>Change in fund balance</b>	<u>303</u>	<u>(482)</u>	<u>(179)</u>
<b>Closing fund balance</b>	<u>2,006</u>	<u>(1)</u>	<u>2,005</u>

**CASH FINANCIAL PLAN  
CAPITAL PROJECTS FUNDS  
2004-2005  
(millions of dollars)**

	<u>State</u>	<u>Federal</u>	<u>Total</u>
<b>Opening fund balance</b>	<u>(336)</u>	<u>(153)</u>	<u>(489)</u>
<b>Receipts:</b>			
Taxes	1,862	0	1,862
Miscellaneous receipts	1,753	6	1,759
Federal grants	0	1,721	1,721
<b>Total receipts</b>	<u>3,615</u>	<u>1,727</u>	<u>5,342</u>
<b>Disbursements:</b>			
Grants to local governments	340	512	852
State operations	0	0	0
General State charges	0	0	0
Debt service	0	0	0
Capital projects	2,538	1,306	3,844
<b>Total disbursements</b>	<u>2,878</u>	<u>1,818</u>	<u>4,696</u>
<b>Other financing sources (uses):</b>			
Transfers from other funds	217	0	217
Transfers to other funds	(1,002)	(4)	(1,006)
Bond and note proceeds	178	0	178
<b>Net other financing sources (uses)</b>	<u>(607)</u>	<u>(4)</u>	<u>(611)</u>
<b>Change in fund balance</b>	<u>130</u>	<u>(95)</u>	<u>35</u>
<b>Closing fund balance</b>	<u>(206)</u>	<u>(248)</u>	<u>(454)</u>

**CASH FINANCIAL PLAN**  
**HEALTH CARE REFORM ACT RESOURCES FUND**  
**2003-2004 and 2004-2005**  
(millions of dollars)

	<u>2003-2004</u>	<u>2004-2005</u>	<u>Annual Change</u>
<b>Opening fund balance</b>	<u>1,194</u>	<u>430</u>	<u>(764)</u>
<b>Receipts:</b>			
Cigarette taxes	593	573	(20)
Miscellaneous receipts	<u>3,065</u>	<u>3,273</u>	<u>208</u>
<b>Total receipts</b>	<u>3,658</u>	<u>3,846</u>	<u>188</u>
<b>Disbursements:</b>			
Hospital Indigent Care Fund	953	831	(122)
Professional Education/Graduate Medical Education	520	452	(68)
Elderly Pharmaceutical Insurance Coverage (EPIC)	472	462	(10)
Child Health Plus (CHP)	350	301	(49)
Family Health Plus (FHP)	290	302	12
Workforce Recruitment and Retention	298	306	8
Public Health	121	101	(20)
Mental Health	85	91	6
Roswell Park Cancer Institute	83	78	(5)
Physician Excess Medical Malpractice	139	55	(84)
Transfer To Medicaid:			
Pharmacy Costs	231	396	165
Physician Costs	85	85	0
Health Insurance Demonstration Project	108	39	(69)
Supplemental Medical Insurance	68	68	0
All Other Medicaid	292	243	(49)
All Other	<u>327</u>	<u>302</u>	<u>(25)</u>
<b>Total disbursements</b>	<u>4,422</u>	<u>4,112</u>	<u>(310)</u>
<b>Change in fund balance</b>	<u>(764)</u>	<u>(266)</u>	<u>498</u>
<b>Closing fund balance</b>	<u>430</u>	<u>164</u>	<u>(266)</u>

**CASH FINANCIAL PLAN**  
**HEALTH CARE REFORM ACT RESOURCES FUND**  
**2004-2005**  
(millions of dollars)

	<u>Enacted</u>	<u>30-Day</u>	<u>Year-End</u>	<u>Year-End vs. Enacted</u>	<u>Year-End vs. 30-Day</u>
<b>Opening fund balance</b>	<u>430</u>	<u>430</u>	<u>430</u>	<u>0</u>	<u>0</u>
<b>Receipts:</b>					
Cigarette taxes	577	567	573	(4)	6
Miscellaneous receipts	<u>4,255</u>	<u>3,159</u>	<u>3,273</u>	<u>(982)</u>	<u>114</u>
<b>Total receipts</b>	<u>4,832</u>	<u>3,726</u>	<u>3,846</u>	<u>(986)</u>	<u>5,687</u>
<b>Disbursements:</b>					
Hospital Indigent Care Fund	826	826	831	5	5
Professional Education/Graduate Medical Education	383	383	452	69	69
Elderly Pharmaceutical Insurance Coverage (EPIC)	494	491	462	(32)	(29)
Child Health Plus (CHP)	375	342	301	(74)	(41)
Family Health Plus (FHP)	381	390	302	(79)	(88)
Workforce Recruitment and Retention	329	330	306	(23)	(24)
Public Health	95	96	101	6	5
Mental Health	86	88	91	5	3
Roswell Park Cancer Institute	78	78	78	0	0
Physician Excess Medical Malpractice	55	55	55	0	0
Transfer To Medicaid:					
Pharmacy Costs	525	254	396	(129)	142
Physician Costs	85	85	85	0	0
Health Insurance Demonstration Project	30	30	39	9	9
Supplemental Medical Insurance	68	68	68	0	0
All Other Medicaid	264	247	243	(21)	(4)
All Other	<u>398</u>	<u>361</u>	<u>302</u>	<u>(96)</u>	<u>(59)</u>
<b>Total disbursements</b>	<u>4,472</u>	<u>4,124</u>	<u>4,112</u>	<u>(360)</u>	<u>(12)</u>
<b>Change in fund balance</b>	<u>360</u>	<u>(398)</u>	<u>(266)</u>	<u>(626)</u>	<u>132</u>
<b>Closing fund balance</b>	<u>790</u>	<u>32</u>	<u>164</u>	<u>(626)</u>	<u>132</u>

**CASH FLOW**  
**HEALTH CARE REFORM ACT RESOURCES FUND**  
**2004-2005**  
(millions of dollars)

	<u>First Quarter (Actual)</u>	<u>Second Quarter (Actual)</u>	<u>Third Quarter (Actual)</u>	<u>Fourth Quarter (Actual)</u>	<u>Total (Projected)</u>
<b>Opening fund balance</b>	430	702	801	310	430
<b>Receipts:</b>					
Cigarette Taxes	154	150	140	129	573
Miscellaneous Receipts	774	622	970	907	3,273
<b>Total receipts</b>	<u>928</u>	<u>772</u>	<u>1,110</u>	<u>1,036</u>	<u>3,846</u>
<b>Disbursements:</b>					
Hospital Indigent Care Fund	238	196	191	206	831
Professional Education/Graduate Medical Education	85	112	113	142	452
Elderly Pharmaceutical Insurance Coverage (EPIC)	150	150	65	97	462
Child Health Plus (CHP)	72	56	90	83	301
Family Health Plus (FHP)	0	0	188	114	302
Workforce Recruitment and Retention	14	18	136	138	306
Public Health	18	40	20	23	101
Mental Health	33	28	30	0	91
Roswell Park Cancer Institute	0	25	20	33	78
Physician Excess Medical Malpractice	0	0	0	55	55
Transfer To Medicaid:					
Pharmacy Costs	0	0	396	0	396
Physician Costs	0	0	9	76	85
Health Insurance Demonstration Project	0	0	22	17	39
Supplemental Medical Insurance	0	0	68	0	68
All Other Medicaid	0	0	134	109	243
All Other	46	48	119	89	302
<b>Total disbursements</b>	<u>656</u>	<u>673</u>	<u>1,601</u>	<u>1,182</u>	<u>4,112</u>
<b>Change in fund balance</b>	<u>272</u>	<u>99</u>	<u>(491)</u>	<u>(146)</u>	<u>(266)</u>
<b>Closing fund balance</b>	<u>702</u>	<u>801</u>	<u>310</u>	<u>164</u>	<u>164</u>

**CASH DISBURSEMENTS BY FUNCTION  
GENERAL FUND  
(thousands of dollars)**

	<u>2003-2004</u>	<u>2004-2005</u>	<u>Annual Change</u>
<b>ECONOMIC DEVELOPMENT AND GOVERNMENT OVERSIGHT</b>			
Agriculture and Markets, Department of	36,462	42,384	5,922
Alcoholic Beverage Control	0	0	0
Banking Department	0	0	0
Consumer Protection Board	457	315	(142)
Economic Development, Department of	30,273	38,683	8,410
Empire State Development Corporation	0	3,682	3,682
Energy Research and Development Authority	0	0	0
Housing Finance Agency	0	0	0
Housing and Community Renewal, Division of	73,067	67,895	(5,172)
Insurance Department	0	0	0
Olympic Regional Development Authority	7,400	9,050	1,650
Public Service, Department of	0	0	0
Science, Technology and Academic Research, Office of	27,771	44,950	17,179
<b>Functional Total</b>	<u>175,430</u>	<u>206,959</u>	<u>31,529</u>
<b>PARKS AND THE ENVIRONMENT</b>			
Adirondack Park Agency	3,889	4,271	382
Environmental Conservation, Department of	97,757	111,359	13,602
Environmental Facilities Corporation	0	0	0
Parks, Recreation and Historic Preservation, Office of	100,574	106,659	6,085
<b>Functional Total</b>	<u>202,220</u>	<u>222,289</u>	<u>20,069</u>
<b>TRANSPORTATION</b>			
Motor Vehicles, Department of	1,025	4,244	3,219
Thruway Authority	0	0	0
Transportation, Department of	160,807	113,408	(47,399)
<b>Functional Total</b>	<u>161,832</u>	<u>117,652</u>	<u>(44,180)</u>
<b>HEALTH AND SOCIAL WELFARE</b>			
Advocate for Persons with Disabilities, Office of	828	717	(111)
Aging, Office for the	68,334	66,237	(2,097)
Children and Family Services, Office of	1,293,611	1,319,397	25,786
Health, Department of	6,893,949	7,756,088	862,139
<i>Medical Assistance</i>	<u>6,061,302</u>	<u>6,953,096</u>	<u>891,794</u>
<i>Medicaid Administration</i>	124,311	115,975	(8,336)
<i>All Other</i>	708,336	687,017	(21,319)
Human Rights, Division of	13,540	13,492	(48)
Labor, Department of	48,119	9,182	(38,937)
Prevention of Domestic Violence, Office of	1,677	2,697	1,020

**CASH DISBURSEMENTS BY FUNCTION  
GENERAL FUND  
(thousands of dollars)**

	<u>2003-2004</u>	<u>2004-2005</u>	<u>Annual Change</u>
<b>HEALTH AND SOCIAL WELFARE (Continued)</b>			
Temporary and Disability Assistance, Office of	1,511,467	1,516,787	5,320
<i>Welfare Assistance</i>	1,080,566	1,135,568	55,002
<i>Welfare Administration</i>	339,924	304,281	(35,643)
<i>All Other</i>	90,977	76,938	(14,039)
Welfare Inspector General, Office of	572	674	102
Workers' Compensation Board	0	0	0
<b>Functional Total</b>	<u>9,832,097</u>	<u>10,685,271</u>	<u>853,174</u>
<b>MENTAL HEALTH</b>			
Mental Health, Office of	1,150,498	1,334,032	183,534
Mental Hygiene, Department of	0	0	0
Mental Retardation and Developmental Disabilities, Office of	688,051	860,922	172,871
Alcohol and Substance Abuse Services, Office of	292,632	298,961	6,329
Developmental Disabilities Planning Council	0	0	0
Quality of Care for the Mentally Disabled, Commission on	2,800	2,861	61
<b>Functional Total</b>	<u>2,133,981</u>	<u>2,496,776</u>	<u>362,795</u>
<b>PUBLIC PROTECTION</b>			
Capital Defenders Office	12,519	11,335	(1,184)
Correction, Commission of	2,472	2,511	39
Correctional Services, Department of	1,907,860	2,057,270	149,410
Crime Victims Board	5,476	2,794	(2,682)
Criminal Justice Services, Division of	88,141	88,398	257
Homeland Security	4,717	6,968	2,251
Investigation, Temporary State Commission of	2,953	3,151	198
Judicial Commissions	2,298	2,647	349
Military and Naval Affairs, Division of	44,191	28,892	(15,299)
Parole, Division of	185,480	175,770	(9,710)
Probation and Correctional Alternatives, Division of	72,518	68,903	(3,615)
Public Security, Office of	0	0	0
State Police, Division of	341,671	331,811	(9,860)
<b>Functional Total</b>	<u>2,670,296</u>	<u>2,780,450</u>	<u>110,154</u>
<b>EDUCATION</b>			
Arts, Council on the	45,255	44,758	(497)
City University of New York	733,906	753,615	19,709
Education, Department of	13,675,911	14,170,210	494,299
<i>School Aid</i>	12,372,856	12,759,113	386,257
<i>STAR Property Tax Relief</i>	0	0	0
<i>Handicapped</i>	726,298	835,884	109,586
<i>All Other</i>	576,757	575,213	(1,544)
Higher Education Services Corporation	574,983	928,159	353,176
State University Construction Fund	0	0	0
State University of New York	1,228,574	1,273,698	45,124
<b>Functional Total</b>	<u>16,258,629</u>	<u>17,170,440</u>	<u>911,811</u>

**CASH DISBURSEMENTS BY FUNCTION**  
**GENERAL FUND**  
(thousands of dollars)

	<u>2003-2004</u>	<u>2004-2005</u>	<u>Annual Change</u>
<b>GENERAL GOVERNMENT</b>			
Audit and Control, Department of	146,318	156,540	10,222
Budget, Division of the	23,011	24,689	1,678
Civil Service, Department of	19,399	21,658	2,259
Elections, State Board of	3,356	3,374	18
Employee Relations, Office of	3,276	3,215	(61)
Executive Chamber	12,451	13,521	1,070
General Services, Office of	114,351	121,141	6,790
Inspector General, Office of	4,404	4,136	(268)
Law, Department of	110,553	114,458	3,905
Lieutenant Governor, Office of the	358	378	20
Lottery, Division of	0	0	0
Racing and Wagering Board, State	0	0	0
Real Property Services, Office of	24,976	20,837	(4,139)
Regulatory Reform, Governor's Office of	3,227	3,458	231
State Labor Relations Board	3,229	3,394	165
State, Department of	19,418	16,375	(3,043)
Tax Appeals, Division of	2,676	2,781	105
Taxation and Finance, Department of	308,508	309,622	1,114
Technology, Office for	32,737	20,212	(12,525)
TSC Lobbying	929	1,034	105
Veterans Affairs, Division of	10,019	10,235	216
<b>Functional Total</b>	<u>843,196</u>	<u>851,058</u>	<u>7,862</u>
<b>ALL OTHER CATEGORIES</b>			
Legislature	200,752	206,711	5,959
Judiciary (excluding fringe benefits)	1,282,759	1,356,498	73,739
World Trade Center	0	0	0
Local Government Assistance	823,952	969,352	145,400
Long-Term Debt Service	1,473,720	1,730,861	257,141
Capital Projects	224,583	197,293	(27,290)
General State Charges/Miscellaneous	3,882,283	4,627,469	745,186
One-time Payment Deferrals	1,900,000	0	(1,900,000)
<b>Functional Total</b>	<u>9,788,049</u>	<u>9,088,184</u>	<u>(699,865)</u>
<b>TOTAL GENERAL FUND SPENDING</b>	<u>42,065,730</u>	<u>43,619,079</u>	<u>1,553,349</u>

Note: Spending by function has been adjusted for \$1.9 billion in one-time payment deferrals from 2002-03 to 2003-04, to provide comparable functional totals; the payment deferrals are shown in aggregate (see above).

**CASH DISBURSEMENTS BY FUNCTION**  
**STATE FUNDS**  
(thousands of dollars)

	<u>2003-2004</u>	<u>2004-2005</u>	<u>Annual Change</u>
<b>ECONOMIC DEVELOPMENT AND GOVERNMENT OVERSIGHT</b>			
Agriculture and Markets, Department of	55,053	67,055	12,002
Alcoholic Beverage Control	10,501	9,992	(509)
Banking Department	55,390	57,375	1,985
Consumer Protection Board	3,113	2,193	(920)
Economic Development, Department of	131,873	294,773	162,900
Empire State Development Corporation	20,264	32,970	12,706
Energy Research and Development Authority	29,557	26,135	(3,422)
Housing Finance Agency	0	0	0
Housing and Community Renewal, Division of	181,013	183,935	2,922
Insurance Department	105,913	121,655	15,742
Olympic Regional Development Authority	7,575	9,282	1,707
Public Service, Department of	46,086	49,268	3,182
Science, Technology and Academic Research, Office of	30,283	50,547	20,264
<b>Functional Total</b>	<u>676,621</u>	<u>905,180</u>	<u>228,559</u>
<b>PARKS AND THE ENVIRONMENT</b>			
Adirondack Park Agency	3,889	4,271	382
Environmental Conservation, Department of	602,399	564,405	(37,994)
Environmental Facilities Corporation	6,788	14,653	7,865
Parks, Recreation and Historic Preservation, Office of	189,367	201,134	11,767
<b>Functional Total</b>	<u>802,443</u>	<u>784,463</u>	<u>(17,980)</u>
<b>TRANSPORTATION</b>			
Motor Vehicles, Department of	188,994	199,227	10,233
Thruway Authority	2,865	1,473	(1,392)
Transportation, Department of	3,635,005	3,610,370	(24,635)
<b>Functional Total</b>	<u>3,826,864</u>	<u>3,811,070</u>	<u>(15,794)</u>
<b>HEALTH AND SOCIAL WELFARE</b>			
Advocate for Persons with Disabilities, Office of	977	859	(118)
Aging, Office for the	68,338	66,238	(2,100)
Children and Family Services, Office of	1,317,515	1,335,412	17,897
Health, Department of	11,052,164	11,871,458	819,294
<i>Medical Assistance</i>	8,832,973	9,577,068	744,095
<i>Medicaid Administration</i>	124,311	115,975	(8,336)
<i>All Other</i>	2,094,880	2,178,415	83,535
Human Rights, Division of	13,540	13,492	(48)
Labor, Department of	105,374	91,510	(13,864)
Prevention of Domestic Violence, Office of	1,679	2,697	1,018

**CASH DISBURSEMENTS BY FUNCTION**  
**STATE FUNDS**  
(thousands of dollars)

	<u>2003-2004</u>	<u>2004-2005</u>	<u>Annual Change</u>
<b>HEALTH AND SOCIAL WELFARE (Continued)</b>			
Temporary and Disability Assistance, Office of	1,555,585	1,577,445	21,860
<i>Welfare Assistance</i>	1,080,566	1,135,568	55,002
<i>Welfare Administration</i>	339,924	304,281	(35,643)
<i>All Other</i>	135,095	137,596	2,501
Welfare Inspector General, Office of	572	674	102
Workers' Compensation Board	126,458	129,676	3,218
<b>Functional Total</b>	<u>14,242,202</u>	<u>15,089,461</u>	<u>847,259</u>
<b>MENTAL HEALTH</b>			
Mental Health, Office of	1,463,580	1,606,697	143,117
Mental Hygiene, Department of	0	0	0
Mental Retardation and Developmental Disabilities, Office of	767,467	951,343	183,876
Alcohol and Substance Abuse Services, Office of	314,977	340,301	25,324
Developmental Disabilities Planning Council	0	0	0
Quality of Care for the Mentally Disabled, Commission on	2,800	2,861	61
<b>Functional Total</b>	<u>2,548,824</u>	<u>2,901,202</u>	<u>352,378</u>
<b>PUBLIC PROTECTION</b>			
Capital Defenders Office	12,519	11,335	(1,184)
Correction, Commission of	2,472	2,511	39
Correctional Services, Department of	2,092,719	2,237,651	144,932
Crime Victims Board	25,877	23,718	(2,159)
Criminal Justice Services, Division of	93,978	97,934	3,956
Homeland Security	23,413	17,880	(5,533)
Investigation, Temporary State Commission of	3,071	3,288	217
Judicial Commissions	2,298	2,647	349
Military and Naval Affairs, Division of	60,121	44,016	(16,105)
Parole, Division of	185,510	175,773	(9,737)
Probation and Correctional Alternatives, Division of	72,518	68,903	(3,615)
Public Security, Office of	0	0	0
State Police, Division of	465,322	472,177	6,855
<b>Functional Total</b>	<u>3,039,818</u>	<u>3,157,833</u>	<u>118,015</u>
<b>EDUCATION</b>			
Arts, Council on the	45,355	44,758	(597)
City University of New York	1,002,261	978,988	(23,273)
Education, Department of	18,454,167	19,605,955	1,151,788
<i>School Aid</i>	14,249,132	15,049,065	799,933
<i>STAR Property Tax Relief</i>	2,819,455	3,058,940	239,485
<i>Handicapped</i>	726,298	835,884	109,586
<i>All Other</i>	659,282	662,066	2,784
Higher Education Services Corporation	644,189	998,350	354,161
State University Construction Fund	8,184	9,139	955
State University of New York	4,319,983	4,558,232	238,249
<b>Functional Total</b>	<u>24,474,139</u>	<u>26,195,422</u>	<u>1,721,283</u>

**CASH DISBURSEMENTS BY FUNCTION**  
**STATE FUNDS**  
(thousands of dollars)

	<u>2003-2004</u>	<u>2004-2005</u>	<u>Annual Change</u>
<b>GENERAL GOVERNMENT</b>			
Audit and Control, Department of	148,963	211,261	62,298
Budget, Division of the	28,955	32,214	3,259
Civil Service, Department of	20,120	22,408	2,288
Elections, State Board of	3,356	3,374	18
Employee Relations, Office of	3,298	3,231	(67)
Executive Chamber	12,458	13,521	1,063
General Services, Office of	195,645	211,609	15,964
Inspector General, Office of	5,194	5,082	(112)
Law, Department of	131,137	153,069	21,932
Lieutenant Governor, Office of the	358	378	20
Lottery, Division of	159,224	175,823	16,599
Racing and Wagering Board, State	13,734	14,656	922
Real Property Services, Office of	43,472	47,492	4,020
Regulatory Reform, Governor's Office of	3,227	3,458	231
State Labor Relations Board	3,262	3,394	132
State, Department of	58,716	61,523	2,807
Tax Appeals, Division of	2,676	2,781	105
Taxation and Finance, Department of	343,892	343,692	(200)
Technology, Office for	32,737	20,212	(12,525)
TSC Lobbying	1,044	1,273	229
Veterans Affairs, Division of	10,019	10,235	216
<b>Functional Total</b>	<u>1,221,487</u>	<u>1,340,686</u>	<u>119,199</u>
<b>ALL OTHER CATEGORIES</b>			
Legislature	202,252	206,711	4,459
Judiciary (excluding fringe benefits)	1,426,526	1,503,555	77,029
World Trade Center	0	0	0
Local Government Assistance	823,952	969,352	145,400
Long-Term Debt Service	3,351,303	3,788,884	437,581
General State Charges/Miscellaneous	3,656,822	4,254,797	597,975
GAAP/Other Adjustments	(861,000)	(937,000)	(76,000)
One-time Payment Deferrals	1,900,000	0	(1,900,000)
<b>Functional Total</b>	<u>10,499,855</u>	<u>9,786,299</u>	<u>(713,556)</u>
<b>TOTAL STATE FUNDS SPENDING</b>	<u>61,332,253</u>	<u>63,971,616</u>	<u>2,639,363</u>

Note: Spending by function has been adjusted for \$1.9 billion in one-time payment deferrals from 2002-03 to 2003-04, to provide comparable functional totals; the payment deferrals are shown in aggregate (see above).

**CASH DISBURSEMENTS BY FUNCTION  
ALL GOVERNMENTAL FUNDS  
(thousands of dollars)**

	<u>2003-2004</u>	<u>2004-2005</u>	<u>Annual Change</u>
<b>ECONOMIC DEVELOPMENT AND GOVERNMENT OVERSIGHT</b>			
Agriculture and Markets, Department of	65,436	77,489	12,053
Alcoholic Beverage Control	10,558	10,016	(542)
Banking Department	55,868	57,375	1,507
Consumer Protection Board	3,113	2,193	(920)
Economic Development, Department of	131,877	294,849	162,972
Empire State Development Corporation	20,264	32,970	12,706
Energy Research and Development Authority	29,557	26,135	(3,422)
Housing Finance Agency	0	0	0
Housing and Community Renewal, Division of	248,348	246,400	(1,948)
Insurance Department	105,913	121,655	15,742
Olympic Regional Development Authority	7,575	9,282	1,707
Public Service, Department of	47,080	50,374	3,294
Science, Technology and Academic Research, Office of	35,584	54,675	19,091
<b>Functional Total</b>	<u>761,173</u>	<u>983,413</u>	<u>222,240</u>
<b>PARKS AND THE ENVIRONMENT</b>			
Adirondack Park Agency	4,207	4,847	640
Environmental Conservation, Department of	795,259	752,331	(42,928)
Environmental Facilities Corporation	6,788	14,653	7,865
Parks, Recreation and Historic Preservation, Office of	194,993	207,308	12,315
<b>Functional Total</b>	<u>1,001,247</u>	<u>979,139</u>	<u>(22,108)</u>
<b>TRANSPORTATION</b>			
Motor Vehicles, Department of	203,748	213,422	9,674
Thruway Authority	2,865	1,473	(1,392)
Transportation, Department of	4,921,394	5,219,130	297,736
<b>Functional Total</b>	<u>5,128,007</u>	<u>5,434,025</u>	<u>306,018</u>
<b>HEALTH AND SOCIAL WELFARE</b>			
Advocate for Persons with Disabilities, Office of	1,213	1,124	(89)
Aging, Office for the	177,333	174,414	(2,919)
Children and Family Services, Office of	3,305,235	3,126,575	(178,660)
Health, Department of	31,419,130	33,306,253	1,887,123
<i>Medical Assistance</i>	27,561,478	29,354,681	1,793,203
<i>Medicaid Administration</i>	578,628	565,309	(13,319)
<i>All Other</i>	3,279,024	3,386,263	107,239
Human Rights, Division of	14,067	14,692	625
Labor, Department of	800,764	621,191	(179,573)
Prevention of Domestic Violence, Office of	2,063	2,805	742

**CASH DISBURSEMENTS BY FUNCTION**  
**ALL GOVERNMENTAL FUNDS**  
(thousands of dollars)

	<u>2003-2004</u>	<u>2004-2005</u>	<u>Annual Change</u>
<b>HEALTH AND SOCIAL WELFARE (Continued)</b>			
Temporary and Disability Assistance, Office of	4,385,608	4,359,329	(26,279)
<i>Welfare Assistance</i>	3,098,220	3,133,225	35,005
<i>Welfare Administration</i>	339,924	304,281	(35,643)
<i>All Other</i>	947,464	921,823	(25,641)
Welfare Inspector General, Office of	892	1,031	139
Workers' Compensation Board	130,832	132,004	1,172
<b>Functional Total</b>	<u>40,237,137</u>	<u>41,739,418</u>	<u>1,502,281</u>
<b>MENTAL HEALTH</b>			
Mental Health, Office of	2,138,308	2,191,230	52,922
Mental Hygiene, Department of	1,654	1,739	85
Mental Retardation and Developmental Disabilities, Office of	2,623,994	2,820,474	196,480
Alcohol and Substance Abuse Services, Office of	470,030	489,746	19,716
Developmental Disabilities Planning Council	3,270	3,444	174
Quality of Care for the Mentally Disabled, Commission on	9,722	10,628	906
<b>Functional Total</b>	<u>5,246,978</u>	<u>5,517,261</u>	<u>270,283</u>
<b>PUBLIC PROTECTION</b>			
Capital Defenders Office	12,519	11,335	(1,184)
Correction, Commission of	2,503	2,527	24
Correctional Services, Department of	2,127,272	2,252,305	125,033
Crime Victims Board	60,392	61,521	1,129
Criminal Justice Services, Division of	305,713	345,932	40,219
Homeland Security	23,413	17,880	(5,533)
Investigation, Temporary State Commission of	3,071	3,288	217
Judicial Commissions	2,298	2,647	349
Military and Naval Affairs, Division of	90,155	108,240	18,085
Parole, Division of	188,005	180,063	(7,942)
Probation and Correctional Alternatives, Division of	73,114	68,908	(4,206)
Public Security, Office of	0	0	0
State Police, Division of	486,640	485,987	(653)
<b>Functional Total</b>	<u>3,375,095</u>	<u>3,540,633</u>	<u>165,538</u>
<b>EDUCATION</b>			
Arts, Council on the	45,949	45,466	(483)
City University of New York	1,002,261	978,988	(23,273)
Education, Department of	21,603,046	22,898,301	1,295,255
<i>School Aid</i>	16,612,783	17,580,504	967,721
<i>STAR Property Tax Relief</i>	2,819,455	3,058,940	239,485
<i>Handicapped</i>	1,320,140	1,413,453	93,313
<i>All Other</i>	850,668	845,404	(5,264)
Higher Education Services Corporation	872,380	1,016,771	144,391
State University Construction Fund	8,184	9,139	955
State University of New York	4,493,705	4,724,776	231,071
<b>Functional Total</b>	<u>28,025,525</u>	<u>29,673,441</u>	<u>1,647,916</u>

**CASH DISBURSEMENTS BY FUNCTION**  
**ALL GOVERNMENTAL FUNDS**  
(thousands of dollars)

	<u>2003-2004</u>	<u>2004-2005</u>	<u>Annual Change</u>
<b>GENERAL GOVERNMENT</b>			
Audit and Control, Department of	148,963	211,261	62,298
Budget, Division of the	28,955	32,214	3,259
Civil Service, Department of	20,148	22,408	2,260
Elections, State Board of	3,356	3,374	18
Employee Relations, Office of	3,298	3,231	(67)
Executive Chamber	12,458	13,521	1,063
General Services, Office of	200,233	218,939	18,706
Inspector General, Office of	5,194	5,082	(112)
Law, Department of	149,095	174,635	25,540
Lieutenant Governor, Office of the	358	378	20
Lottery, Division of	159,224	175,823	16,599
Racing and Wagering Board, State	13,734	14,656	922
Real Property Services, Office of	43,472	47,492	4,020
Regulatory Reform, Governor's Office of	3,227	3,458	231
State Labor Relations Board	3,262	3,394	132
State, Department of	125,628	116,456	(9,172)
Tax Appeals, Division of	2,676	2,781	105
Taxation and Finance, Department of	344,957	343,791	(1,166)
Technology, Office for	32,737	20,212	(12,525)
TSC Lobbying	1,044	1,273	229
Veterans Affairs, Division of	10,953	11,198	245
<b>Functional Total</b>	<u>1,312,972</u>	<u>1,425,577</u>	<u>112,605</u>
<b>ALL OTHER CATEGORIES</b>			
Legislature	202,252	206,711	4,459
Judiciary (excluding fringe benefits)	1,431,275	1,507,117	75,842
World Trade Center	1,540,169	1,380,430	(159,739)
Local Government Assistance	823,952	969,352	145,400
Long-Term Debt Service	3,351,303	3,788,884	437,581
General State Charges/Miscellaneous	3,915,732	4,459,120	543,388
GAAP/Other Adjustments	(861,000)	(937,000)	(76,000)
One-time Payment Deferrals	1,900,000	0	(1,900,000)
<b>Functional Total</b>	<u>12,303,683</u>	<u>11,374,614</u>	<u>(929,069)</u>
<b>TOTAL ALL GOVERNMENTAL FUNDS SPENDING</b>	<u>97,326,642</u>	<u>100,667,521</u>	<u>3,340,879</u>

Note: Spending by function has been adjusted for \$1.9 billion in one-time payment deferrals from 2002-03 to 2003-04, to provide comparable functional totals; the payment deferrals are shown in aggregate (see above).

**CASH DISBURSEMENTS BY FUNCTION  
GENERAL FUND  
(thousands of dollars)**

	<u>2004-2005 Enacted</u>	<u>2004-2005 Year-End</u>	<u>Change</u>
<b>ECONOMIC DEVELOPMENT AND GOVERNMENT OVERSIGHT</b>			
Agriculture and Markets, Department of	44,974	42,384	(2,590)
Alcoholic Beverage Control	0	0	0
Banking Department	0	0	0
Consumer Protection Board	367	315	(52)
Economic Development, Department of	38,140	38,683	543
Empire State Development Corporation	14,975	3,682	(11,293)
Energy Research and Development Authority	0	0	0
Housing Finance Agency	0	0	0
Housing and Community Renewal, Division of	66,543	67,895	1,352
Insurance Department	0	0	0
Olympic Regional Development Authority	7,350	9,050	1,700
Public Service, Department of	0	0	0
Science, Technology and Academic Research, Office of	57,057	44,950	(12,107)
<b>Functional Total</b>	<u>229,406</u>	<u>206,959</u>	<u>(22,447)</u>
<b>PARKS AND THE ENVIRONMENT</b>			
Adirondack Park Agency	4,173	4,271	98
Environmental Conservation, Department of	99,900	111,359	11,459
Environmental Facilities Corporation	0	0	0
Parks, Recreation and Historic Preservation, Office of	106,391	106,659	268
<b>Functional Total</b>	<u>210,464</u>	<u>222,289</u>	<u>11,825</u>
<b>TRANSPORTATION</b>			
Motor Vehicles, Department of	1,048	4,244	3,196
Thruway Authority	0	0	0
Transportation, Department of	113,316	113,408	92
<b>Functional Total</b>	<u>114,364</u>	<u>117,652</u>	<u>3,288</u>
<b>HEALTH AND SOCIAL WELFARE</b>			
Advocate for Persons with Disabilities, Office of	806	717	(89)
Aging, Office for the	65,961	66,237	276
Children and Family Services, Office of	1,313,811	1,319,397	5,586
Health, Department of	7,413,923	7,756,088	342,165
<i>Medical Assistance</i>	<u>6,525,059</u>	<u>6,953,096</u>	<u>428,037</u>
<i>Medicaid Administration</i>	120,150	115,975	(4,175)
<i>All Other</i>	768,714	687,017	(81,697)
Human Rights, Division of	13,265	13,492	227
Labor, Department of	10,885	9,182	(1,703)
Prevention of Domestic Violence, Office of	1,572	2,697	1,125

**CASH DISBURSEMENTS BY FUNCTION**  
**GENERAL FUND**  
(thousands of dollars)

	<u>2004-2005</u> <u>Enacted</u>	<u>2004-2005</u> <u>Year-End</u>	<u>Change</u>
<b>HEALTH AND SOCIAL WELFARE (Continued)</b>			
Temporary and Disability Assistance, Office of	1,560,183	1,516,787	(43,396)
<i>Welfare Assistance</i>	1,145,953	1,135,568	(10,385)
<i>Welfare Administration</i>	341,133	304,281	(36,852)
<i>All Other</i>	73,097	76,938	3,841
Welfare Inspector General, Office of	713	674	(39)
Workers' Compensation Board	0	0	0
<b>Functional Total</b>	<u>10,381,119</u>	<u>10,685,271</u>	<u>304,152</u>
<b>MENTAL HEALTH</b>			
Mental Health, Office of	1,340,784	1,334,032	(6,752)
Mental Hygiene, Department of	0	0	0
Mental Retardation and Developmental Disabilities, Office of	788,900	860,922	72,022
Alcohol and Substance Abuse Services, Office of	282,715	298,961	16,246
Developmental Disabilities Planning Council	0	0	0
Quality of Care for the Mentally Disabled, Commission on	2,962	2,861	(101)
<b>Functional Total</b>	<u>2,415,361</u>	<u>2,496,776</u>	<u>81,415</u>
<b>PUBLIC PROTECTION</b>			
Capital Defenders Office	12,519	11,335	(1,184)
Correction, Commission of	2,427	2,511	84
Correctional Services, Department of	1,919,692	2,057,270	137,578
Crime Victims Board	2,776	2,794	18
Criminal Justice Services, Division of	93,036	88,398	(4,638)
Homeland Security	4,374	6,968	2,594
Investigation, Temporary State Commission of	3,239	3,151	(88)
Judicial Commissions	2,542	2,647	105
Military and Naval Affairs, Division of	27,754	28,892	1,138
Parole, Division of	174,103	175,770	1,667
Probation and Correctional Alternatives, Division of	75,480	68,903	(6,577)
Public Security, Office of	6,990	0	(6,990)
State Police, Division of	330,086	331,811	1,725
<b>Functional Total</b>	<u>2,655,018</u>	<u>2,780,450</u>	<u>125,432</u>
<b>EDUCATION</b>			
Arts, Council on the	44,477	44,758	281
City University of New York	756,772	753,615	(3,157)
Education, Department of	14,323,740	14,170,210	(153,530)
<i>School Aid</i>	12,838,932	12,759,113	(79,819)
<i>STAR Property Tax Relief</i>	0	0	0
<i>Handicapped</i>	858,359	835,884	(22,475)
<i>All Other</i>	626,449	575,213	(51,236)
Higher Education Services Corporation	926,525	928,159	1,634
State University Construction Fund	0	0	0
State University of New York	1,262,137	1,273,698	11,561
<b>Functional Total</b>	<u>17,313,651</u>	<u>17,170,440</u>	<u>(143,211)</u>

**CASH DISBURSEMENTS BY FUNCTION  
GENERAL FUND  
(thousands of dollars)**

	<u>2004-2005 Enacted</u>	<u>2004-2005 Year-End</u>	<u>Change</u>
<b>GENERAL GOVERNMENT</b>			
Audit and Control, Department of	163,376	156,540	(6,836)
Budget, Division of the	27,737	24,689	(3,048)
Civil Service, Department of	20,552	21,658	1,106
Elections, State Board of	3,616	3,374	(242)
Employee Relations, Office of	3,495	3,215	(280)
Executive Chamber	14,816	13,521	(1,295)
General Services, Office of	117,716	121,141	3,425
Inspector General, Office of	4,142	4,136	(6)
Law, Department of	112,311	114,458	2,147
Lieutenant Governor, Office of the	458	378	(80)
Lottery, Division of	0	0	0
Public Employment Relations Board	3,173	0	(3,173)
Racing and Wagering Board, State	0	0	0
Real Property Services, Office of	25,614	20,837	(4,777)
Regulatory Reform, Governor's Office of	3,375	3,458	83
State Labor Relations Board	0	3,394	3,394
State, Department of	18,643	16,375	(2,268)
Tax Appeals, Division of	2,718	2,781	63
Taxation and Finance, Department of	301,683	309,622	7,939
Technology, Office for	19,897	20,212	315
TSC Lobbying	975	1,034	59
Veterans Affairs, Division of	11,185	10,235	(950)
<b>Functional Total</b>	<u>855,482</u>	<u>851,058</u>	<u>(4,424)</u>
<b>ALL OTHER CATEGORIES</b>			
Legislature	200,679	206,711	6,032
Judiciary (excluding fringe benefits)	1,311,000	1,356,498	45,498
World Trade Center	0	0	0
Local Government Assistance	802,661	969,352	166,691
Long-Term Debt Service	1,736,852	1,730,861	(5,991)
Capital Projects	196,492	197,293	801
General State Charges/Miscellaneous	4,615,991	4,627,469	11,478
<b>Functional Total</b>	<u>8,863,675</u>	<u>9,088,184</u>	<u>224,509</u>
<b>TOTAL GENERAL FUND SPENDING</b>	<u>43,038,540</u>	<u>43,619,079</u>	<u>580,539</u>

**CASH DISBURSEMENTS BY FUNCTION**  
**STATE FUNDS**  
(thousands of dollars)

	<u>2004-2005</u> <u>Enacted</u>	<u>2004-2005</u> <u>Year-End</u>	<u>Change</u>
<b>ECONOMIC DEVELOPMENT AND GOVERNMENT OVERSIGHT</b>			
Agriculture and Markets, Department of	73,527	67,055	(6,472)
Alcoholic Beverage Control	10,220	9,992	(228)
Banking Department	60,221	57,375	(2,846)
Consumer Protection Board	2,465	2,193	(272)
Economic Development, Department of	345,218	294,773	(50,445)
Empire State Development Corporation	65,975	32,970	(33,005)
Energy Research and Development Authority	26,123	26,135	12
Housing Finance Agency	0	0	0
Housing and Community Renewal, Division of	184,685	183,935	(750)
Insurance Department	128,217	121,655	(6,562)
Olympic Regional Development Authority	7,750	9,282	1,532
Public Service, Department of	55,860	49,268	(6,592)
Science, Technology and Academic Research, Office of	74,545	50,547	(23,998)
<b>Functional Total</b>	<u>1,034,806</u>	<u>905,180</u>	<u>(129,626)</u>
<b>PARKS AND THE ENVIRONMENT</b>			
Adirondack Park Agency	4,173	4,271	98
Environmental Conservation, Department of	721,509	564,405	(157,104)
Environmental Facilities Corporation	12,416	14,653	2,237
Parks, Recreation and Historic Preservation, Office of	222,843	201,134	(21,709)
<b>Functional Total</b>	<u>960,941</u>	<u>784,463</u>	<u>(176,478)</u>
<b>TRANSPORTATION</b>			
Motor Vehicles, Department of	203,172	199,227	(3,945)
Thruway Authority	4,000	1,473	(2,527)
Transportation, Department of	3,738,326	3,610,370	(127,956)
<b>Functional Total</b>	<u>3,945,498</u>	<u>3,811,070</u>	<u>(134,428)</u>
<b>HEALTH AND SOCIAL WELFARE</b>			
Advocate for Persons with Disabilities, Office of	1,018	859	(159)
Aging, Office for the	65,972	66,238	266
Children and Family Services, Office of	1,364,311	1,335,412	(28,899)
Health, Department of	11,858,658	11,871,458	12,800
<i>Medical Assistance</i>	9,465,959	9,577,068	111,109
<i>Medicaid Administration</i>	120,150	115,975	(4,175)
<i>All Other</i>	2,272,549	2,178,415	(94,134)
Human Rights, Division of	13,271	13,492	221
Labor, Department of	103,714	91,510	(12,204)
Prevention of Domestic Violence, Office of	1,602	2,697	1,095

**CASH DISBURSEMENTS BY FUNCTION**  
**STATE FUNDS**  
(thousands of dollars)

	<u>2004-2005</u> <u>Enacted</u>	<u>2004-2005</u> <u>Year-End</u>	<u>Change</u>
<b>HEALTH AND SOCIAL WELFARE (Continued)</b>			
Temporary and Disability Assistance, Office of	1,633,431	1,577,445	(55,986)
<i>Welfare Assistance</i>	1,145,953	1,135,568	(10,385)
<i>Welfare Administration</i>	341,133	304,281	(36,852)
<i>All Other</i>	146,345	137,596	(8,749)
Welfare Inspector General, Office of	713	674	(39)
Workers' Compensation Board	145,407	129,676	(15,731)
<b>Functional Total</b>	<u>15,188,097</u>	<u>15,089,461</u>	<u>(98,636)</u>
<b>MENTAL HEALTH</b>			
Mental Health, Office of	1,651,852	1,606,697	(45,155)
Mental Hygiene, Department of	0	0	0
Mental Retardation and Developmental Disabilities, Office of	948,825	951,343	2,518
Alcohol and Substance Abuse Services, Office of	323,301	340,301	17,000
Developmental Disabilities Planning Council	0	0	0
Quality of Care for the Mentally Disabled, Commission on	2,967	2,861	(106)
<b>Functional Total</b>	<u>2,926,945</u>	<u>2,901,202</u>	<u>(25,743)</u>
<b>PUBLIC PROTECTION</b>			
Capital Defenders Office	12,519	11,335	(1,184)
Correction, Commission of	2,427	2,511	84
Correctional Services, Department of	2,107,942	2,237,651	129,709
Crime Victims Board	30,326	23,718	(6,608)
Criminal Justice Services, Division of	118,569	97,934	(20,635)
Homeland Security	15,274	17,880	2,606
Investigation, Temporary State Commission of	3,426	3,288	(138)
Judicial Commissions	2,542	2,647	105
Military and Naval Affairs, Division of	47,103	44,016	(3,087)
Parole, Division of	174,203	175,773	1,570
Probation and Correctional Alternatives, Division of	75,480	68,903	(6,577)
Public Security, Office of	11,929	0	(11,929)
State Police, Division of	472,079	472,177	98
<b>Functional Total</b>	<u>3,073,819</u>	<u>3,157,833</u>	<u>84,014</u>
<b>EDUCATION</b>			
Arts, Council on the	45,177	44,758	(419)
City University of New York	1,134,572	978,988	(155,584)
Education, Department of	19,674,699	19,605,955	(68,744)
<i>School Aid</i>	15,090,841	15,049,065	(41,776)
<i>STAR Property Tax Relief</i>	3,018,000	3,058,940	40,940
<i>Handicapped</i>	858,359	835,884	(22,475)
<i>All Other</i>	707,499	662,066	(45,433)
Higher Education Services Corporation	1,004,796	998,350	(6,446)
State University Construction Fund	9,402	9,139	(263)
State University of New York	4,462,504	4,558,232	95,728
<b>Functional Total</b>	<u>26,331,150</u>	<u>26,195,422</u>	<u>(135,728)</u>

**CASH DISBURSEMENTS BY FUNCTION**  
**STATE FUNDS**  
(thousands of dollars)

	<u>2004-2005</u> <u>Enacted</u>	<u>2004-2005</u> <u>Year-End</u>	<u>Change</u>
<b>GENERAL GOVERNMENT</b>			
Audit and Control, Department of	176,815	211,261	34,446
Budget, Division of the	39,786	32,214	(7,572)
Civil Service, Department of	21,652	22,408	756
Elections, State Board of	3,616	3,374	(242)
Employee Relations, Office of	3,550	3,231	(319)
Executive Chamber	14,916	13,521	(1,395)
General Services, Office of	209,363	211,609	2,246
Inspector General, Office of	5,441	5,082	(359)
Law, Department of	149,725	153,069	3,344
Lieutenant Governor, Office of the	458	378	(80)
Lottery, Division of	159,651	175,823	16,172
Public Employment Relations Board	3,472	0	(3,472)
Racing and Wagering Board, State	14,832	14,656	(176)
Real Property Services, Office of	53,800	47,492	(6,308)
Regulatory Reform, Governor's Office of	3,375	3,458	83
State Labor Relations Board	0	3,394	3,394
State, Department of	160,647	61,523	(99,124)
Tax Appeals, Division of	2,718	2,781	63
Taxation and Finance, Department of	337,749	343,692	5,943
Technology, Office for	19,897	20,212	315
TSC Lobbying	1,325	1,273	(52)
Veterans Affairs, Division of	11,185	10,235	(950)
<b>Functional Total</b>	<u>1,393,973</u>	<u>1,340,686</u>	<u>(53,287)</u>
<b>ALL OTHER CATEGORIES</b>			
Legislature	201,629	206,711	5,082
Judiciary (excluding fringe benefits)	1,500,313	1,503,555	3,242
World Trade Center	1,375	0	(1,375)
Local Government Assistance	802,661	969,352	166,691
Long-Term Debt Service	3,898,993	3,788,884	(110,109)
General State Charges/Miscellaneous	4,123,714	4,254,797	131,083
GAAP/Other Adjustments	(1,090,000)	(937,000)	153,000
<b>Functional Total</b>	<u>9,438,685</u>	<u>9,786,299</u>	<u>347,614</u>
<b>TOTAL STATE FUNDS SPENDING</b>	<u>64,293,914</u>	<u>63,971,616</u>	<u>(322,298)</u>

**CASH DISBURSEMENTS BY FUNCTION  
ALL GOVERNMENTAL FUNDS  
(thousands of dollars)**

	<u>2004-2005 Enacted</u>	<u>2004-2005 Year-End</u>	<u>Change</u>
<b>ECONOMIC DEVELOPMENT AND GOVERNMENT OVERSIGHT</b>			
Agriculture and Markets, Department of	88,992	77,489	(11,503)
Alcoholic Beverage Control	10,220	10,016	(204)
Banking Department	60,221	57,375	(2,846)
Consumer Protection Board	2,465	2,193	(272)
Economic Development, Department of	345,557	294,849	(50,708)
Empire State Development Corporation	65,975	32,970	(33,005)
Energy Research and Development Authority	26,123	26,135	12
Housing Finance Agency	0	0	0
Housing and Community Renewal, Division of	219,674	246,400	26,726
Insurance Department	128,217	121,655	(6,562)
Olympic Regional Development Authority	7,750	9,282	1,532
Public Service, Department of	57,429	50,374	(7,055)
Science, Technology and Academic Research, Office of	80,170	54,675	(25,495)
<b>Functional Total</b>	<u>1,092,793</u>	<u>983,413</u>	<u>(109,380)</u>
<b>PARKS AND THE ENVIRONMENT</b>			
Adirondack Park Agency	4,523	4,847	324
Environmental Conservation, Department of	901,821	752,331	(149,490)
Environmental Facilities Corporation	12,416	14,653	2,237
Parks, Recreation and Historic Preservation, Office of	228,028	207,308	(20,720)
<b>Functional Total</b>	<u>1,146,788</u>	<u>979,139</u>	<u>(167,649)</u>
<b>TRANSPORTATION</b>			
Motor Vehicles, Department of	217,695	213,422	(4,273)
Thruway Authority	4,000	1,473	(2,527)
Transportation, Department of	5,334,101	5,219,130	(114,971)
<b>Functional Total</b>	<u>5,555,796</u>	<u>5,434,025</u>	<u>(121,771)</u>
<b>HEALTH AND SOCIAL WELFARE</b>			
Advocate for Persons with Disabilities, Office of	4,044	1,124	(2,920)
Aging, Office for the	171,228	174,414	3,186
Children and Family Services, Office of	3,092,522	3,126,575	34,053
Health, Department of	33,478,337	33,306,253	(172,084)
<i>Medical Assistance</i>	29,300,766	29,354,681	53,915
<i>Medicaid Administration</i>	542,400	565,309	22,909
<i>All Other</i>	3,635,171	3,386,263	(248,908)
Human Rights, Division of	14,884	14,692	(192)
Labor, Department of	766,602	621,191	(145,411)
Prevention of Domestic Violence, Office of	1,602	2,805	1,203

**CASH DISBURSEMENTS BY FUNCTION**  
**ALL GOVERNMENTAL FUNDS**  
(thousands of dollars)

	<u>2004-2005</u> <u>Enacted</u>	<u>2004-2005</u> <u>Year-End</u>	<u>Change</u>
<b>HEALTH AND SOCIAL WELFARE (Continued)</b>			
Temporary and Disability Assistance, Office of	4,455,899	4,359,329	(96,570)
<i>Welfare Assistance</i>	3,124,959	3,133,225	8,266
<i>Welfare Administration</i>	341,133	304,281	(36,852)
<i>All Other</i>	989,807	921,823	(67,984)
Welfare Inspector General, Office of	1,083	1,031	(52)
Workers' Compensation Board	145,860	132,004	(13,856)
<b>Functional Total</b>	<u>42,132,061</u>	<u>41,739,418</u>	<u>(392,643)</u>
<b>MENTAL HEALTH</b>			
Mental Health, Office of	2,172,437	2,191,230	18,793
Mental Hygiene, Department of	0	1,739	1,739
Mental Retardation and Developmental Disabilities, Office of	2,820,865	2,820,474	(391)
Alcohol and Substance Abuse Services, Office of	478,649	489,746	11,097
Developmental Disabilities Planning Council	3,730	3,444	(286)
Quality of Care for the Mentally Disabled, Commission on	11,200	10,628	(572)
<b>Functional Total</b>	<u>5,486,881</u>	<u>5,517,261</u>	<u>30,380</u>
<b>PUBLIC PROTECTION</b>			
Capital Defenders Office	12,519	11,335	(1,184)
Correction, Commission of	2,427	2,527	100
Correctional Services, Department of	2,140,898	2,252,305	111,407
Crime Victims Board	61,858	61,521	(337)
Criminal Justice Services, Division of	304,234	345,932	41,698
Homeland Security	141,974	17,880	(124,094)
Investigation, Temporary State Commission of	3,426	3,288	(138)
Judicial Commissions	2,542	2,647	105
Military and Naval Affairs, Division of	133,797	108,240	(25,557)
Parole, Division of	175,903	180,063	4,160
Probation and Correctional Alternatives, Division of	75,480	68,908	(6,572)
Public Security, Office of	11,929	0	(11,929)
State Police, Division of	489,083	485,987	(3,096)
<b>Functional Total</b>	<u>3,556,070</u>	<u>3,540,633</u>	<u>(15,437)</u>
<b>EDUCATION</b>			
Arts, Council on the	45,789	45,466	(323)
City University of New York	1,134,572	978,988	(155,584)
Education, Department of	22,694,716	22,898,301	203,585
<i>School Aid</i>	16,375,841	17,580,504	1,204,663
<i>STAR Property Tax Relief</i>	3,018,000	3,058,940	40,940
<i>Handicapped</i>	1,432,976	1,413,453	(19,523)
<i>All Other</i>	1,867,899	845,404	(1,022,495)
Higher Education Services Corporation	1,014,996	1,016,771	1,775
State University Construction Fund	9,402	9,139	(263)
State University of New York	4,634,189	4,724,776	90,587
<b>Functional Total</b>	<u>29,533,664</u>	<u>29,673,441</u>	<u>139,777</u>

**CASH DISBURSEMENTS BY FUNCTION  
ALL GOVERNMENTAL FUNDS  
(thousands of dollars)**

	<u>2004-2005 Enacted</u>	<u>2004-2005 Year-End</u>	<u>Change</u>
<b>GENERAL GOVERNMENT</b>			
Audit and Control, Department of	176,815	211,261	34,446
Budget, Division of the	39,786	32,214	(7,572)
Civil Service, Department of	21,652	22,408	756
Elections, State Board of	6,616	3,374	(3,242)
Employee Relations, Office of	3,550	3,231	(319)
Executive Chamber	14,916	13,521	(1,395)
General Services, Office of	213,756	218,939	5,183
Inspector General, Office of	5,441	5,082	(359)
Law, Department of	170,823	174,635	3,812
Lieutenant Governor, Office of the	458	378	(80)
Lottery, Division of	159,651	175,823	16,172
Public Employment Relations Board	3,472	0	(3,472)
Racing and Wagering Board, State	14,832	14,656	(176)
Real Property Services, Office of	53,800	47,492	(6,308)
Regulatory Reform, Governor's Office of	3,375	3,458	83
State Labor Relations Board	0	3,394	3,394
State, Department of	234,589	116,456	(118,133)
Tax Appeals, Division of	2,718	2,781	63
Taxation and Finance, Department of	338,027	343,791	5,764
Technology, Office for	19,897	20,212	315
TSC Lobbying	1,325	1,273	(52)
Veterans Affairs, Division of	12,517	11,198	(1,319)
<b>Functional Total</b>	<u>1,498,016</u>	<u>1,425,577</u>	<u>(72,439)</u>
<b>ALL OTHER CATEGORIES</b>			
Legislature	201,629	206,711	5,082
Judiciary (excluding fringe benefits)	1,508,013	1,507,117	(896)
World Trade Center	1,707,125	1,380,430	(326,695)
Local Government Assistance	802,661	969,352	166,691
Long-Term Debt Service	3,898,993	3,788,884	(110,109)
General State Charges/Miscellaneous	4,176,765	4,459,120	282,355
GAAP/Other Adjustments	(1,090,000)	(937,000)	153,000
<b>Functional Total</b>	<u>11,205,186</u>	<u>11,374,614</u>	<u>169,428</u>
<b>TOTAL ALL GOVERNMENTAL FUNDS SPENDING</b>	<u>101,207,255</u>	<u>100,667,521</u>	<u>(539,734)</u>

**WORKFORCE SUMMARY REPORT  
ALL FUNDS  
2003-2004 THROUGH 2005-2006**

<b>Major Agencies</b>	<b>2003-04 Actual (03/31/04)</b>	<b>2004-05 Actual (03/31/05)</b>
Audit and Control	2,184	2,214
Children and Family Services	3,834	3,730
Correctional Services	30,599	31,101
Education	2,995	2,988
Environmental Conservation	3,256	3,261
General Services	1,646	1,634
Health	5,802	5,854
Labor	4,075	4,065
Law	1,697	1,739
Mental Health	16,297	16,100
Mental Health Memo (1)	16,297	16,100
Mental Retardation	21,364	21,537
Mental Retardation Memo (1)	21,364	21,537
Motor Vehicles	2,812	2,694
Parks, Recreation and Historic Preservation	1,578	1,612
Parole	2,072	2,011
State Police	5,448	5,642
Temporary and Disability Assistance	2,229	2,192
Taxation and Finance	4,875	4,757
Transportation	9,631	9,597
Workers' Compensation Board	1,518	1,523
	123,912	124,251
<b>All Other Agencies (Minor)</b>	11,437	11,429
<b>TOTAL</b>	<b>135,349</b>	<b>135,680</b>
<b>Universities and Off-Budget Agencies</b>		
City University	10,409	10,642
Industrial Exhibit Authority	43	43
Roswell Park Cancer Institute	1,996	2,280
State University Construction Fund	106	98
State Insurance Fund	2,637	2,656
State University	37,362	38,247
<b>GRAND TOTAL</b>	<b>187,902</b>	<b>189,646</b>

(1) Memo #'s are used to represent each agency's authorized fill, but are not counted in the total lines.

**WORKFORCE SUMMARY REPORT  
ALL FUNDS  
2003-2004 THROUGH 2005-2006**

<b>Minor Agencies</b>	<b>2003-04 Actual (03/31/04)</b>	<b>2004-05 Actual (03/31/05)</b>
Adirondack Park	62	63
Advocate for Disabled	15	13
Aging	126	119
Agriculture and Markets	508	546
Alcoholism and Substance Abuse	916	916
Alcoholic Beverage Control	146	145
Arts Council	52	49
Banking	546	550
Budget	326	336
Capital Defender	59	57
Civil Service	571	563
Consumer Protection	26	30
Correction Commission	33	32
Quality of Care and Advocacy for Disabled	84	84
Criminal Justice Service	706	686
Crime Victims	98	95
Deferred Compensation	4	4
Economic Development	215	212
Elections	42	38
Employee Relations	70	73
Environmental Facilities Corporation	101	98
Executive Chamber	143	145
Financial Control Board	17	16
Higher Education Service	715	678
Homeland Security	54	60
Housing and Community Renewal	913	915
Hudson River Park Trust	4	4
Human Rights	180	179
Inspector General	66	60
Insurance	882	903
Interest on Lawyer Account	8	8
Judicial Commissions	27	28
Labor Management Committees	51	52
Lieutenant Governor	4	4
Lottery	316	323
Military and Naval Affairs	542	526
Northeastern Queens Nature and Historical	2	2
NYSTAR	29	29
Prevention Domestic Violence	30	28
Probation and Correctional Alternatives	31	32
Public Service	530	530
Racing and Wagering	110	123
Real Property Services	398	386
Regulatory Reform	35	36
State Labor Relations Board	38	32
State	779	810
Tax Appeals	29	30
Technology	623	598
TSC Investigation	27	30
TSC Lobbying	18	18
Veteran Affairs	111	104
Welfare Inspector General	10	10
Wireless Network	9	21
<b>SUBTOTAL - Minor Agencies</b>	<b>11,437</b>	<b>11,429</b>

**WORKFORCE SUMMARY REPORT  
GENERAL FUND  
2003-2004 THROUGH 2005-2006**

<b>Major Agencies</b>	<b>2003-04 Actual (03/31/04)</b>	<b>2004-05 Actual (03/31/05)</b>
Audit and Control	1,342	1,388
Children and Family Services	3,254	3,139
Correctional Services	29,917	30,428
Education	408	385
Environmental Conservation	1,151	1,154
General Services	1,049	1,044
Health	2,086	2,099
Labor	11	11
Law	1,136	1,171
Mental Health	16,206	16,038
Mental Health Memo (1)	16,206	16,038
Mental Retardation	21,346	21,520
Mental Retardation Memo (1)	21,346	21,520
Motor Vehicles	11	0
Parks, Recreation and Historic Preservation	1,324	1,341
Parole	2,072	2,011
State Police	4,940	5,088
Temporary and Disability Assistance	482	463
Taxation and Finance	4,840	4,720
	91,575	92,000
<b>All Other Agencies (Minor)</b>	4,902	4,708
<b>TOTAL</b>	<b>96,477</b>	<b>96,708</b>
<b>Universities and Off-Budget Agencies</b>		
State University	22,241	22,650
<b>GRAND TOTAL</b>	<b>118,718</b>	<b>119,358</b>

(1) Memo #'s are used to represent each agency's authorized fill, but are not counted in the total lines.

**WORKFORCE SUMMARY REPORT  
GENERAL FUND  
2003-2004 THROUGH 2005-2006**

<b>Minor Agencies</b>	<b>2003-04 Actual (03/31/04)</b>	<b>2004-05 Actual (03/31/05)</b>
Adirondack Park	62	63
Advocate for Disabled	12	9
Aging	28	27
Agriculture and Markets	367	366
Alcoholism and Substance Abuse	823	821
Arts Council	45	41
Budget	305	317
Capital Defender	59	57
Civil Service	338	333
Consumer Protection	8	8
Correction Commission	33	32
Quality of Care and Advocacy for Disabled	34	32
Criminal Justice Service	592	556
Crime Victims	62	61
Economic Development	207	202
Elections	42	38
Employee Relations	41	40
Executive Chamber	143	145
Higher Education Service	0	0
Homeland Security	23	26
Housing and Community Renewal	349	377
Hudson River Park Trust	4	4
Human Rights	180	179
Inspector General	54	50
Judicial Commissions	27	28
Labor Management Committees	51	52
Lieutenant Governor	4	4
Military and Naval Affairs	233	230
Northeastern Queens Nature and Historical	2	2
NYSTAR	29	29
Prevention of Domestic Violence	30	28
Probation and Correctional Alternatives	26	26
Real Property Services	147	14
Regulatory Reform	35	36
State Labor Relations Board	38	32
State	188	170
Tax Appeals	29	30
Technology	98	92
TSC Investigation	27	30
TSC Lobbying	18	18
Veteran Affairs	99	93
Welfare Inspector General	10	10
<b>SUBTOTAL - Minor Agencies</b>	<b>4,902</b>	<b>4,708</b>