

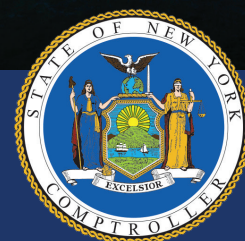
# STATE OF NEW YORK

# Financial Condition Report

*for Fiscal Year Ended March 31, 2024*



New York State Comptroller **THOMAS P. DiNAPOLI**



# Message from the Comptroller

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This report provides information and analysis on a broad spectrum of New York State government finances and services, starting with key fiscal indicators for revenue, spending, capital investments, and debt. It highlights major issues in programmatic areas ranging from public health to public safety, energy and the environment, K-12 and higher education, transportation, and more.



Federal aid provided \$94.3 billion, or 40.1 percent, of the State's All Funds receipts in State Fiscal Year (SFY) 2023-24. This aid supports health coverage for over 9 million New Yorkers and plays essential roles in programs including social assistance, mass transit, and education. SFY 2023-24 included \$13.2 billion in federal pandemic assistance, but these resources are expected to be substantially depleted soon.

State tax receipts totaled \$106.4 billion in SFY 2023-24, a decrease of \$5.3 billion from the prior year. Declines in receipts of \$4.9 billion in Personal Income Tax (PIT), \$922 million in Business Taxes, and \$632 million in Other Taxes were partially offset by an increase of almost \$1.3 billion in Consumption and Use Taxes.

Due to ongoing economic growth, SFY 2023-24 closed in a stronger-than-expected position, with revenues that were greater than anticipated by the Division of the Budget. The Budget continued to grow, driven primarily by funding for School Aid and Medicaid, and spending growth is projected to outpace revenue growth, signifying a structural budget imbalance. While economic conditions continue to remain favorable, policymakers have an opportunity to take meaningful steps to improve the State's financial position.

My hope is that this Financial Condition Report can serve as a resource for all New Yorkers to better understand State government and its finances.

Thomas P. DiNapoli  
State Comptroller

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# ABOUT THIS REPORT

This report provides citizens with an overview of the financial condition of New York State. It presents selected financial, economic, and demographic information in an easy-to-understand format.

The report also presents basic information on trends in State receipts (revenues) and spending (expenses), the State’s financial position as measured by Generally Accepted Accounting Principles (GAAP), and selected economic and demographic trends affecting the State. This report fills an information need not met by the traditional, more detailed financial reports issued by the Office of the New York State Comptroller, and is meant to complement those other reports, not to replace them. Detailed accounting data can be found in reports such as the [Annual Comprehensive Financial Report \(ACFR\)](#).

Financial condition is a broad concept aimed at assessing the ability of a government to balance recurring expenditures with recurring revenues and meet current and future financial and service obligations. This concept relates to a government’s ability to deliver services and generate revenues, while achieving budget balance and making required debt

service payments and pension contributions.

The Office of the New York State Comptroller was honored for the 27th year when it received the Award for Outstanding Achievement in Popular Annual Financial Reporting from the Government Finance Officers Association for the [2023 Financial Condition Report](#).



Government Finance Officers Association

**Award for  
Outstanding  
Achievement in  
Popular Annual  
Financial Reporting**

Presented to

**State of New York**

For its Annual Financial Report  
For the Fiscal Year Ended

March 31, 2023

*Christopher P. Morill*

Executive Director/CEO

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# Government-Wide Financial Data

Government-wide financial statements provide a long-term view of finances. They record revenues and expenses when the earnings process is complete (full accrual basis), as opposed to when they are actually received or paid (cash basis).

Each statement breaks down the activities of State government into two types:

- Governmental activities: includes most of the State's core services as well as general administrative support.
- Business-type activities: includes activities that are partially or fully supported by user fees.

## Statement of Net Position

This statement reports:

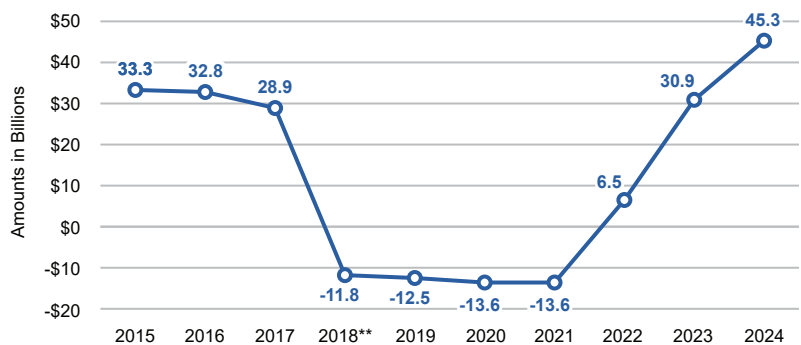
- Assets;
- Deferred outflows of resources (the consumption of net assets applicable to a future reporting period);
- Liabilities;
- Deferred inflows of resources (the acquisition of net assets applicable to a future reporting period); and
- The difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources in three categories:
  - Net investment in capital assets
  - Restricted net position
  - Unrestricted net position (deficits)
- The 2024 year-over-year increase in net position is most notably related to a decrease in State-issued debt not resulting in a capital asset related to State governmental activities, the obligation related to other post-employment benefits, and revenue and State support exceeding expenses in Business-type Activities.

### Condensed Statement of Net Position – Primary Government\*

As of March 31, 2024 (amounts in millions)

	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Noncapital assets:			
Cash and investments	\$88,838	\$11,592	\$100,430
Receivables, net	47,922	3,811	51,733
Other	2,968	406	3,374
<b>Total noncapital assets</b>	<b>139,728</b>	<b>15,809</b>	<b>155,537</b>
Capital assets	98,372	19,977	118,349
<b>Total assets</b>	<b>238,100</b>	<b>35,786</b>	<b>273,886</b>
<b>Deferred outflows of resources</b>	<b>12,520</b>	<b>2,893</b>	<b>15,413</b>
<b>Liabilities:</b>			
Other liabilities	64,833	3,813	68,646
Long-term liabilities	116,610	42,891	159,501
<b>Total liabilities</b>	<b>181,443</b>	<b>46,704</b>	<b>228,147</b>
<b>Deferred inflows of resources</b>	<b>11,115</b>	<b>4,754</b>	<b>15,869</b>
<b>Net position:</b>			
Net investment in capital assets	77,740	2,563	80,303
Restricted	7,748	2,015	9,763
Unrestricted deficits	(27,426)	(17,357)	(44,783)
<b>Total net position</b>	<b>\$58,062</b>	<b>(\$12,779)</b>	<b>\$45,283</b>

### Primary Government Net Position



\*\* 2018 has been restated due to the effect of the adoption of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, and State University of New York (SUNY) adoption of GASB Statement No. 81, Irrevocable Split-Interest Agreements.

\* The primary government category includes governmental activities and business-type activities combined.

### Condensed Statement of Activities – Primary Government For the year ended March 31, 2024 (amounts in millions)

Functions/Programs	Expenses	Program Revenues	Net (Expenses) Revenues
<b>Governmental activities:</b>			
Education	\$48,561	\$9,251	(\$39,310)
Public health	121,815	90,051	(31,764)
Public welfare	22,221	16,443	(5,778)
Public safety	8,748	2,533	(6,215)
Transportation	14,464	3,884	(10,580)
Environment and recreation	2,393	904	(1,489)
Support and regulate business	2,762	1,184	(1,578)
General government	26,618	6,343	(20,275)
Interest on debt	1,413	71	(1,342)
<b>Total governmental activities</b>	<b>248,995</b>	<b>130,664</b>	<b>(118,331)</b>
<b>Business-type activities:</b>			
Lottery	7,016	10,550	3,534
Unemployment insurance	3,158	3,507	349
State University of New York	12,515	8,313	(4,202)
City University of New York	3,981	1,923	(2,058)
<b>Total business-type activities</b>	<b>26,670</b>	<b>24,293</b>	<b>(2,377)</b>
<b>Total primary government</b>	<b>\$275,665</b>	<b>\$154,957</b>	<b>(120,708)</b>
<b>General revenues, net transfers and special item:</b>			
Taxes			110,505
Other			26,495
Net transfers			(1,897)
<b>Total general revenues and net transfers</b>			<b>135,103</b>
<b>Change in net position</b>			<b>\$14,395</b>

### Statement of Activities

This statement reports the change in net position, which is calculated by:

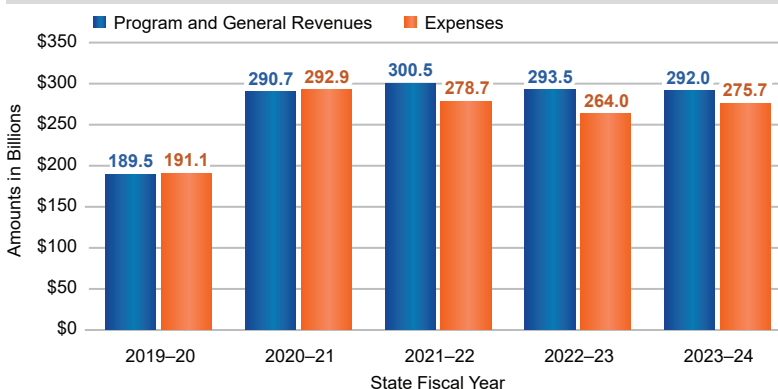
- Reducing the expenses of each of the State’s programs by the revenues generated by those programs to arrive at net program expense; and
- Reducing the net program expense by general revenues and other gains and losses.

### Program revenues include:

- Charges to customers or others for services related to the program;
- Grants and contributions that can only be used to pay for the operations of a particular function or segment; and
- Capital grants and contributions, including special assessments.

General revenues include internally dedicated resources, taxes and other items not included as program revenues.

### Total Primary Government Revenues and Expenses



For prior years’ comparative government-wide data, please see the Statistical Section of the [Annual Comprehensive Financial Report \(ACFR\)](#) (Net Position by Component, Changes in Net Position, and Program Revenues by Function schedules). For an overview of the reasons for changes in revenues and expenses, please see Management’s Discussion and Analysis in the ACFR.

# Fund Financial Data

Fund financial statements provide a short-term view of finances. As such, these statements only focus on the inflows and outflows of current financial resources—cash or liquid assets that are available to pay current obligations (or will be soon).

Funds represent sources of funding and spending for particular purposes.

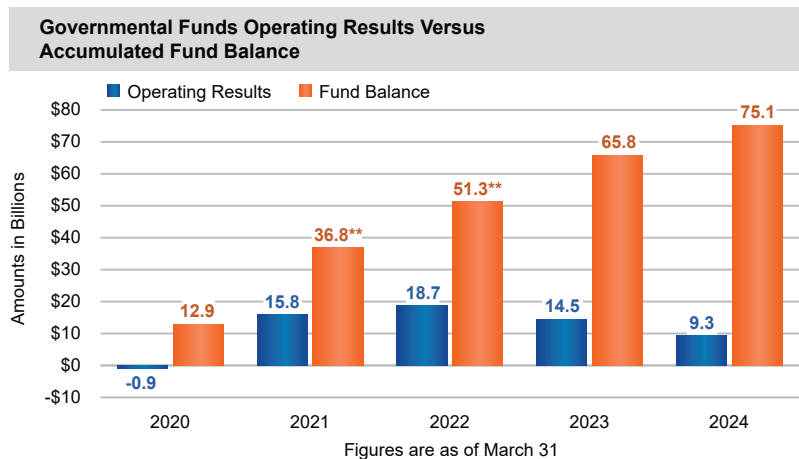
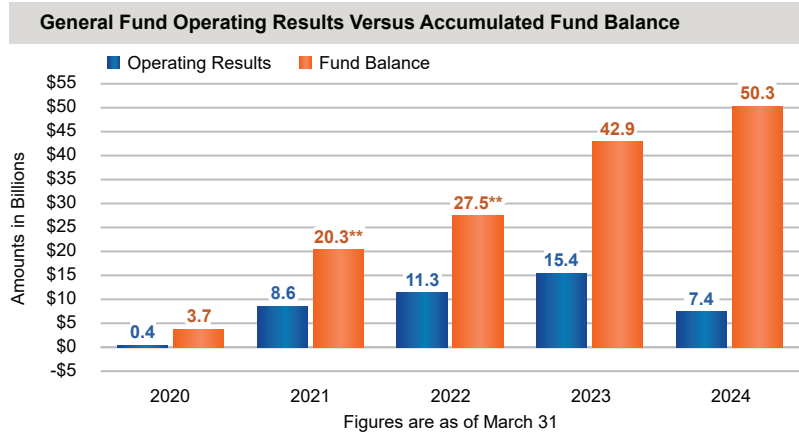
- The General Fund is used to report sources of funds and expenditures that are not required to be accounted for in another separate fund.
- In New York State, significant sources of funds that normally would be reported in the General Fund have been pledged or dedicated to other funds for repayment of debt or project funding and are therefore reported in other governmental funds.

The accumulated fund balance is the amount of funds available at the end of the fiscal year. The operating result is the amount the fund balance increased or decreased during the year.

## General Fund Balance (GAAP Basis) Increases From Prior Year

- At the end of State Fiscal Year (SFY) 2023-24, the General Fund balance was \$50.3 billion, an increase from the previous year's balance of \$42.9 billion.
- For SFY 2023-24, governmental funds\* reported a combined operating surplus of \$9.3 billion, increasing the fund balance to \$75.1 billion.
- The operating surplus included a \$7.4 billion surplus in the General Fund.

For more detail, please see the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) in the [ACFR](#).



\* The State's governmental funds include the General Fund, the Federal Special Revenue Fund, the General Debt Service Fund and all nonmajor governmental funds.

\*\* The 2021 and 2022 beginning fund balances were restated due to the implementation of GASB Statement No. 84, Fiduciary Activities, and an immaterial correction related thereto, respectively.

# Total Receipts

Revenues are affected by economic changes and changes in federal and State policies. Tax base is a measure of the State’s ability to generate revenue. A decreasing tax base may force spending reductions, increased taxes, or both. Receipts are revenues that have been recorded on a cash basis.

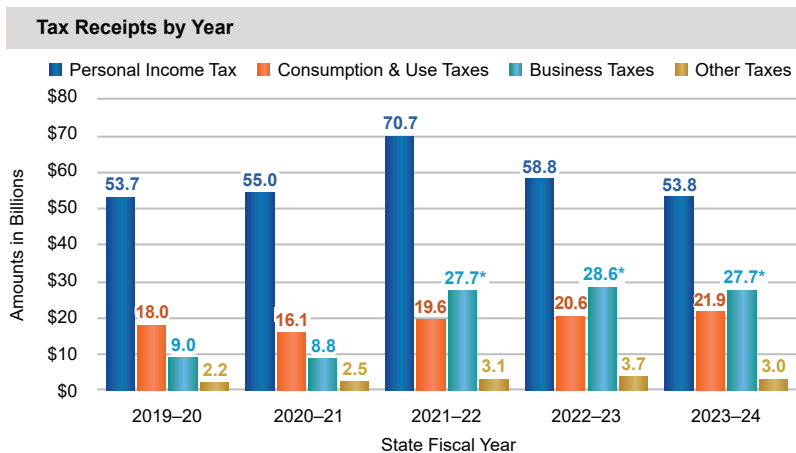
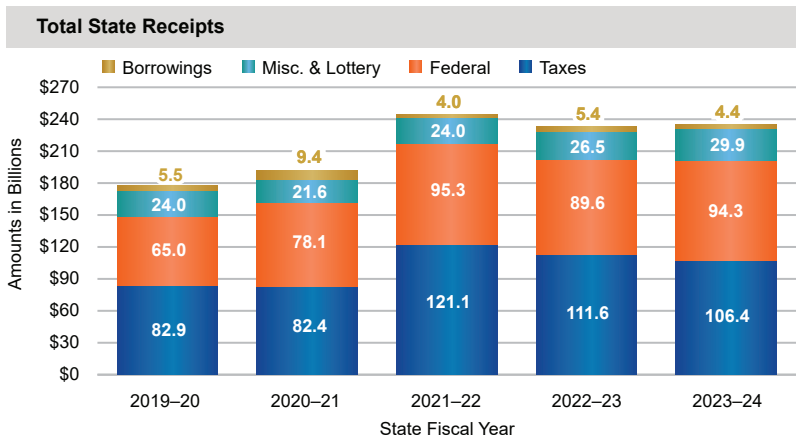
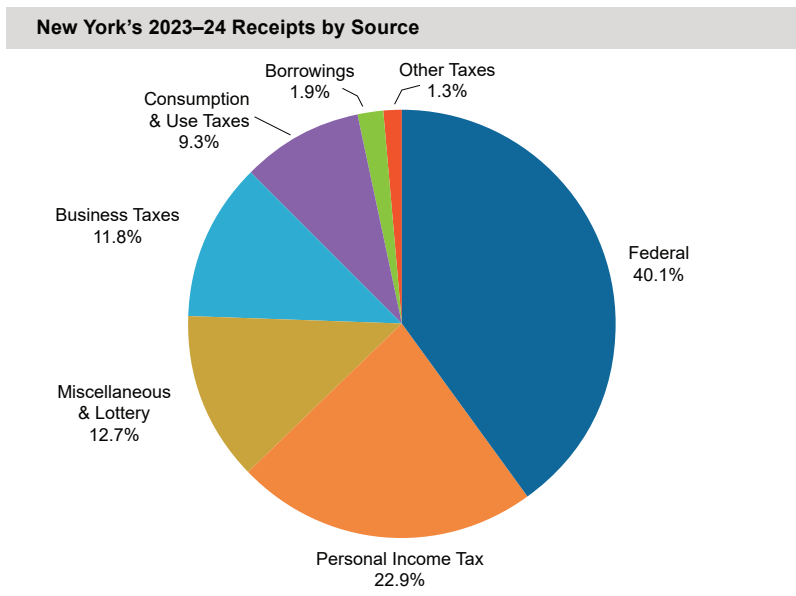
See [Appendix 3](#) for a breakdown of State receipts by major source for the past five State fiscal years.

## Total State Receipts Have Increased Over the Past Five Fiscal Years

- From 2020 to 2024:
  - Total receipts increased 32.4 percent.
  - Tax receipts increased 28.4 percent.
  - Federal receipts increased 44.9 percent.

## Personal Income Tax and Consumer Tax Receipts Have Increased Over the Past Five Fiscal Years

- Personal income tax and consumer (consumption and use) taxes:
  - Accounted for 32.2 percent of 2024 receipts; and
  - Have increased 5.6 percent since 2020.
- In 2024, personal income tax receipts—the State’s largest tax revenue source—decreased 8.4 percent from the previous year.



\* Beginning in SFY 2021-22, Pass-through entity tax (PTET) is an elective tax that allows NYS partnerships and S-corporations to make tax payments at the corporate tax rate for their principal employees for which a corresponding personal income tax credit can be received by the principal tax filer.

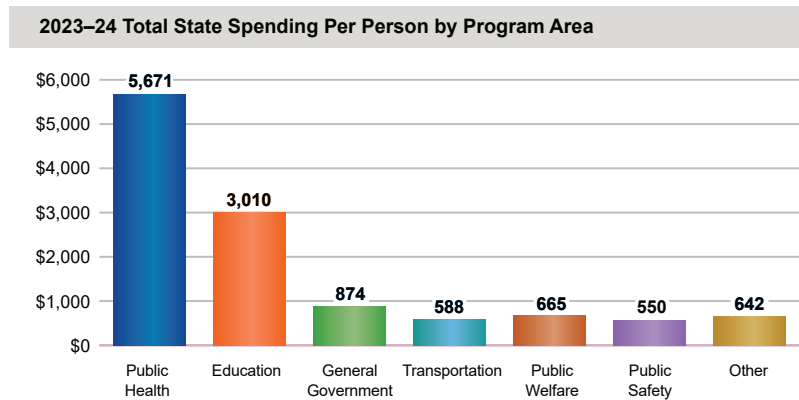
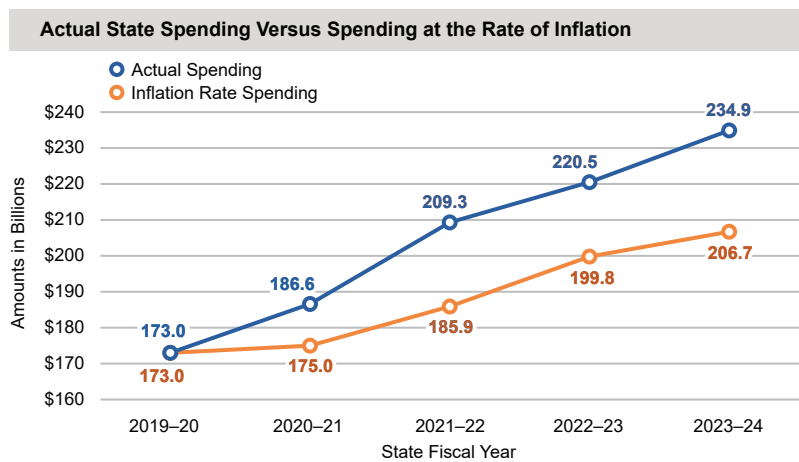
# Total Spending

Spending generally reflects the State’s program priorities. Comparing spending to revenue provides an indication of the State’s ability to support continuing programs. State spending, which includes spending from federal funds, is recorded on a cash basis.

See [Appendices 1](#) and [2](#) for a breakdown of State spending by major service function and funding source for the past five years.

## Growth in State Spending Has Exceeded the Rate of Inflation Over the Past Five Years

- Compared to the prior year, State spending increased \$14.4 billion (6.5 percent) to \$234.9 billion in 2024.
- Since 2020, the growth in State spending (35.8 percent) has exceeded the rate of inflation (Consumer Price Index increase of 19.5 percent).
- State spending has been partially paid for by borrowing \$28.7 billion since 2020, including \$4.4 billion in 2024.
- In 2024, State spending was \$12,000 per person.
- Spending on public health and education represents 72.3 percent of total State spending.



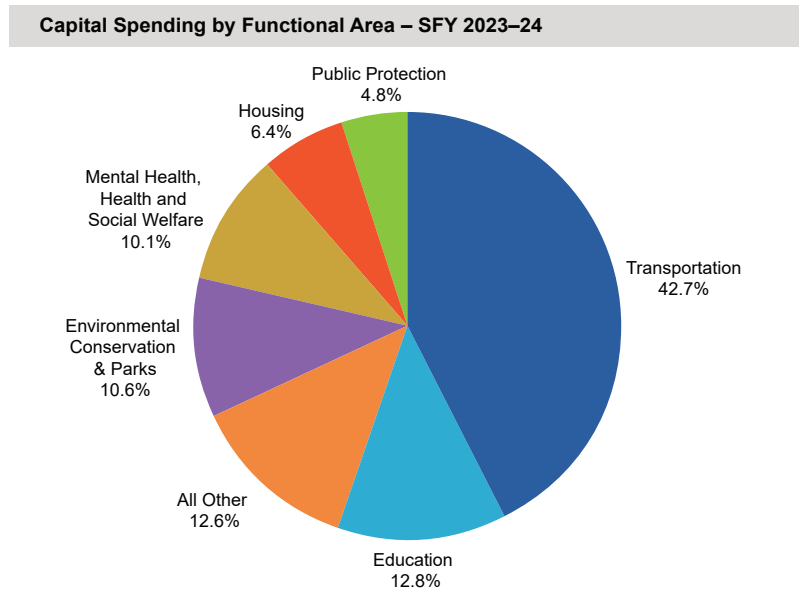
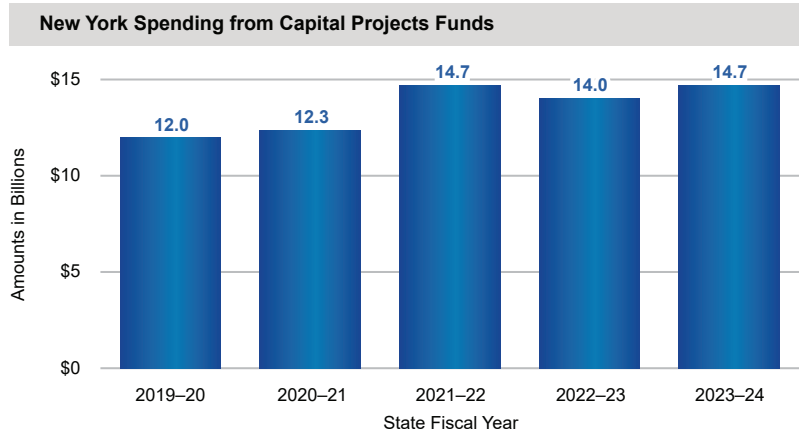


# Capital

A robust, efficiently managed capital investment program can support healthy economic growth, while the deterioration of capital assets can weaken the State’s economy and its ability to attract and retain residents and businesses. Capital assets include not only highways and bridges, but also facilities for education, government, health, housing, environmental conservation and recreation.

## Capital Spending Has Increased Over the Past Five Years\*

- From SFY 2019-20 to SFY 2023-24, capital spending increased by \$2.7 billion (22.6 percent). Spending increases within major categories included:
  - Transportation, up by approximately \$690.3 million (12.3 percent). Transportation accounted for 42.7 percent of all capital projects spending in SFY 2023-24, down from 46.6 percent five years earlier. The increased spending impacted multiple program areas.
  - Education, up by \$655.7 million (53.9%).
  - Housing, up by \$572.7 million (159.0 percent). This category’s share of total capital spending increased from 3.0 percent to 6.4 percent.
  - Mental Health, Health and Social Welfare purposes, up \$351.2 million (30.8 percent).
  - Environmental Conservation and Parks increased by \$557.9 million (55.5 percent).

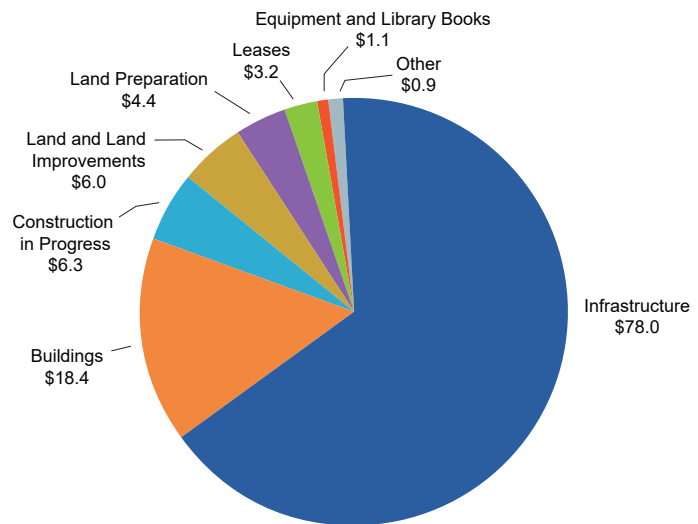


\* Actual spending figures in this section do not include off-budget spending by public authorities funded directly from State-Supported bond proceeds, while figures for Division of the Budget’s projections include such spending.

- Over the past 20 years, the State has financed an average of 39.1 percent of non-federal capital spending on a pay-as-you-go basis when including off-budget spending.
- Over the next five years, the Division of the Budget projects:
  - Capital spending to average \$18.8 billion per year; and
  - The share of non-federal capital spending financed on a pay-as-you-go basis to average 36.6 percent.

At the end of SFY 2023-24, the State reported \$118.3 billion in capital assets, an increase of \$1.6 billion (1.4 percent) from the prior year.

**New York State Capital Assets – as of March 31, 2024, Amounts in Billions**



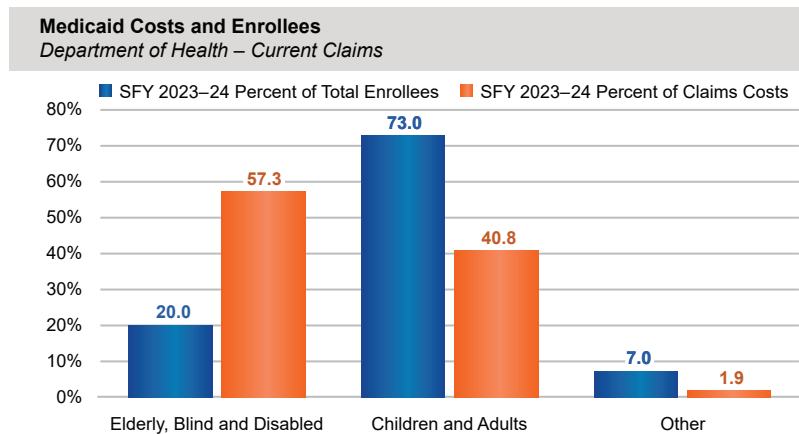
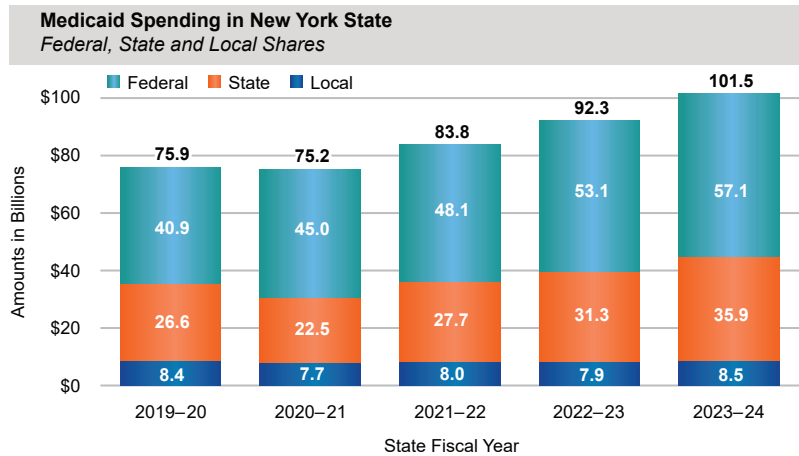
# Public Health

## Total Medicaid Spending Tops \$100 Billion

- State Medicaid spending grew by \$4.6 billion (14.6 percent) to \$35.9 billion in SFY 2023-24, its highest level ever, due to the phase-out of enhanced federal pandemic funding, elevated enrollment, medical cost inflation, growth in managed long term care, payments to financially distressed hospitals and other factors.
- Enhanced federal pandemic funding helped lower overall State Medicaid spending by \$1.7 billion and local Medicaid spending by \$358 million in SFY 2023-24, but this enhanced funding ended in December 2023.
- State share spending is further influenced by the continued deferral of certain Medicaid payments with a State share total of \$1.4 billion shifted from SFY 2023-24 to SFY 2024-25.

## Unwind Trims Medicaid Enrollment

- Medicaid enrollment grew from 6.1 million prior to the pandemic to a peak of more than 8 million in June 2023.
- Following the end of federal requirements for continuous coverage in March 2023, New York and other states began a process of redetermining eligibility, referred to as the “unwind.”
- From March 2023 to March 2024, enrollment in Medicaid decreased by 635,504 (8.0 percent) to about 7.3 million.

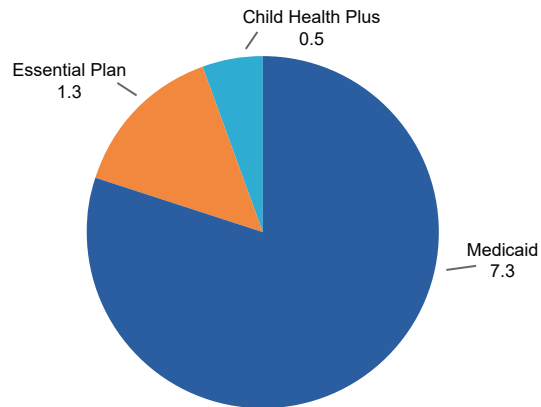


- Children and adults represented 73.0 percent of all average monthly DOH Medicaid enrollees, but only 40.8 percent of the costs of DOH Medicaid claims for the State in SFY 2023-24. Elderly, blind, and disabled enrollees made up 20.0 percent of eligible recipients but accounted for 57.3 percent of DOH Medicaid claims costs.

## Essential Plan and Child Health Plus Enrollment Continues to Climb

- Many people found ineligible for Medicaid due to the “unwind” were enrolled in Child Health Plus (CHP) or the Essential Plan (EP). CHP enrollment increased by 121,207 or 32.6 percent to 493,206 and EP enrollments by 8.9 percent to nearly 1.3 million.
- The percentage of all New Yorkers enrolled in either of the three programs declined from 47.6 percent in March 2023 to 46.3 percent in March 2024.
- Authorized by the Affordable Care Act, the EP is available in New York to individuals who are under 65, not eligible for Medicaid or CHP, without access to affordable coverage and with incomes at or below 200 percent of the federal poverty level.

Enrollment in Medicaid, Essential Plan and Child Health Plus\* – As of March 2024, Amounts in Millions



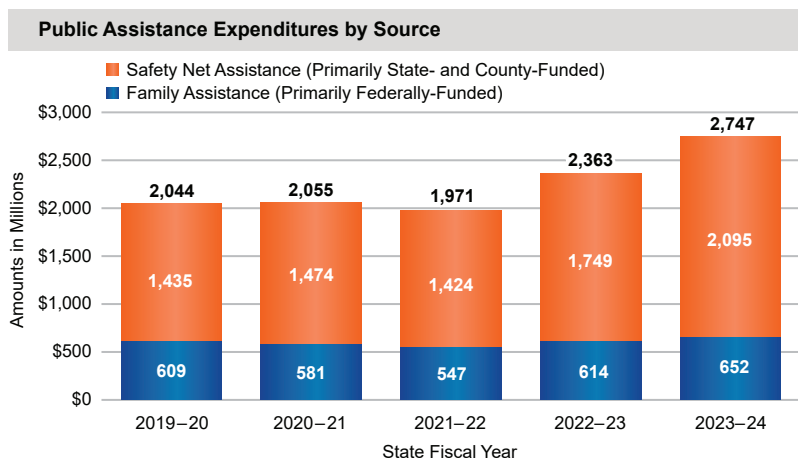
\* Reflects preliminary unaudited actuals.

- Spending on the EP increased by \$3.4 billion (53.7 percent) to \$9.7 billion in SFY 2023-24, largely due to the additional enrollees as well as initiatives to increase reimbursement rates for healthcare providers, reduce enrollee cost sharing, make investments in social determinants of health and encourage health plans to increase coverage for mental health and social services. In SFY 2023-24, federal funds covered 99.1 percent of these costs.

# Public Welfare

## Public Assistance Recipients Surge to Highest Level in Nearly 20 Years

- For SFY 2023-24, the average monthly number of public assistance recipients in the State increased by 62,787 (11.6 percent) to 603,444, the highest it has been since SFY 2004-05. The number of public assistance recipients reached 647,472 in March 2024 – its highest level since January 2002.
- “Public assistance” as discussed in this report includes both Family Assistance (FA) and Safety Net Assistance (SNA). FA provides up to 60 months of cash assistance to eligible needy families; SNA provides cash or non-cash assistance to eligible single adults, childless couples, persons who have exceeded the 60-month limit on Family Assistance, children living apart from adult relatives and certain other individuals. FA is largely funded by the federal government, while SNA is largely funded by the State and the counties and comprises 76 percent of public assistance expenditures.
- The average number of FA recipients increased for the second year in a row, by 6.4 percent to 187,037 in SFY 2023-24, reaching 199,817 in March 2024 – the highest level since May 2018. The average number of SNA recipients increased by 14.1 percent to 416,407, reaching 447,655 in March 2024 – the highest it has ever been.

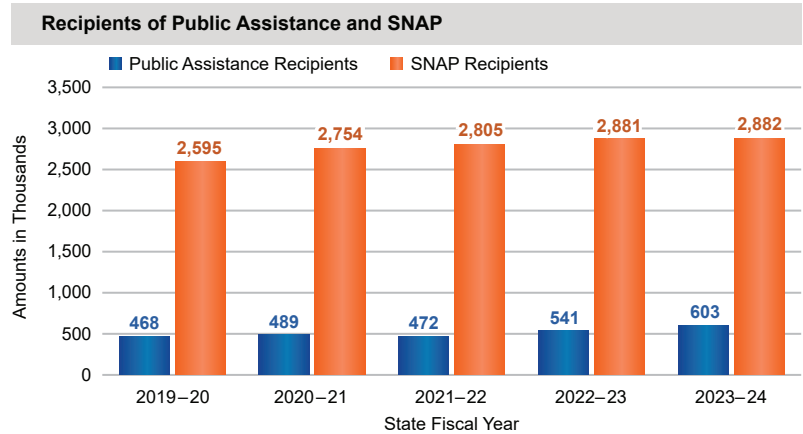


## Spending for Public Assistance Reaches Another Record Level

- Public assistance spending increased in SFY 2023-24 by \$383.9 million (16.2 percent) from the previous year, mainly because of an increase in SNA expenditures in New York City.
- SNA expenditures increased by \$345.8 million (19.8 percent) from the prior year.
- FA expenditures in New York State increased by \$38.1 million (6.2 percent) from the prior year.

## SNAP Spending Drops Following Pandemic Surge

- Compared to the prior year, disbursements for the State’s Supplemental Nutrition Assistance Program (SNAP) fell by nearly \$2.1 billion (21.4 percent) to \$7.5 billion, ending an upsurge in spending largely related to supplemental pandemic benefits, inflation and increases in SNAP recipients. Over the three previous years, spending for SNAP, formerly known as the Food Stamp Program and funded by the federal government, more than doubled, but – even after the decrease in SFY 2023-24 – still remains 75.3 percent higher than pre-pandemic spending in SFY 2019-20.
- The average number of SNAP recipients increased for the fourth consecutive year, but by only 965 (0.03 percent) to nearly 2.9 million, and remains 11.1 percent higher than pre-pandemic levels.



## SSI Recipients Decrease for Eighth Consecutive Year; Disbursements Increase due to Higher Federal Expenditures

- The average number of recipients of Supplementary Security Income (SSI) – a State- and federally-funded program for the aged, blind and disabled with little or no income and resources – decreased by 12,521 (2.0 percent) to 609,084 in SFY 2023-24.
- Compared to the prior year, SSI disbursements in the State increased by \$51.0 million (1.0 percent) to over \$4.9 billion. Of this amount, the federal government contributed nearly \$4.5 billion, an increase of \$71.5 million (1.6 percent) compared to the prior year. State expenditures totaled \$502.3 million, a decrease of \$20.5 million (3.9 percent) compared to the prior year.

# Public Safety

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## Overall Number of Index Crimes Rose in Areas Outside of New York City in 2023\*

- According to data published by the State Division of Criminal Justice Services (DCJS), the number of Index crimes reported by local law enforcement agencies outside of NYC rose by 7,396 incidents, or 4 percent, in 2023.\*\*
- Within the seven major crime categories, property crimes (Burglary, Larceny and Motor Vehicle Theft) rose by 8,337 (or 5 percent) in areas outside New York City, driven largely by an increase in motor vehicle theft of 7,606 incidents.
- Conversely, all four categories of violent crime (Murder, Rape, Robbery and Aggravated Assault) collectively dropped by 941 incidents (or 4 percent) from 2022 in non-New York City regions.

## NYPD Data Shows Smaller Overall Crime Increase for NYC in 2023\*\*\*

- The NYPD publishes comparable data for New York City on seven major felony offenses under the State Penal Law. The data is not organized in the Federal Bureau of Investigation's Uniform Crime Reporting system (UCR) format; however, the data is classified and scored in the same fashion as the UCR.
- 126,786 offenses occurred in New York City in the seven major felony categories in 2023, a slight increase of 197 incidents in 2023.
- Cumulatively, the three property crime categories (Burglary, Grand Larceny and Grand Larceny of a Motor Vehicle) dropped by 906 incidents in New York City; however, motor vehicle theft increased by 2,046 incidents in 2023 from the year prior.
- Murder, Rape and Robbery dropped slightly in NYC, but instances of Felony Assault rose by 1,813 incidents, or 7 percent, in 2023.

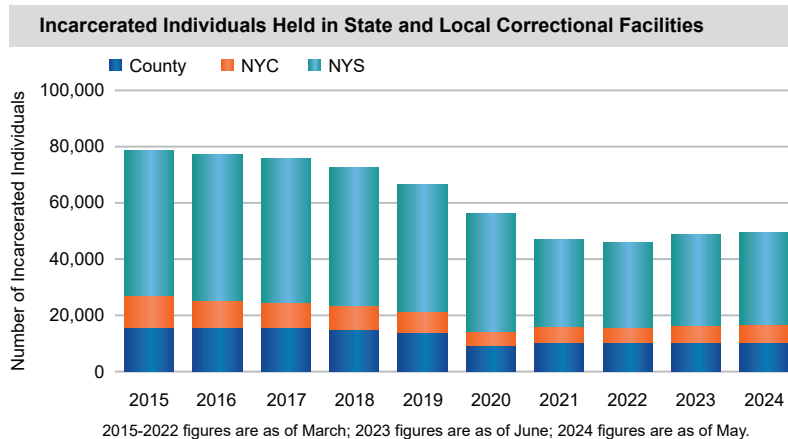
\* 2023 reported crime data for New York City was not published by the State Division of Criminal Justice Services (DCJS). Therefore, aggregate statewide crime rates for 2023 are not available, and analysis of Index crime rates for 2023 is discussed for non-New York City (NYC) regions of the State with data published by DCJS. For NYC, data made available by the New York City Police Department (NYPD) for 2023 is discussed separately.

\*\* The New York City Police Department (NYPD) is the best available source of citywide crime data for 2023 (<https://www.nyc.gov/site/nypd/stats/crime-statistics/citywide-crime-stats.page>). NYPD upgraded its records management system as part of its transition to the National Incident Based Reporting System last year. Any questions about the data submitted to the State during this transition should be directed to the NYPD.

\*\*\* Index crimes refer to the seven major crime categories developed by the Federal Bureau of Investigation under the Uniform Crime Reporting system to standardize reporting across all states. Chosen primarily based on their seriousness and frequency of occurrence, they are used by law enforcement as indicators of overall crime trends.

## Incarcerated Individual Populations

- As of May 2024, 49,115 incarcerated individuals—an increase of 1,538 (3.2 percent) from the prior year—were collectively being held in 44 State correctional facilities, 63 county jail and correctional facilities and 12 New York City correctional facilities.
- Over the last 10 years, the total incarcerated population has declined by 29,685 individuals (37.7 percent), with the majority of the decline occurring in State correctional facilities, followed by county jail and then facilities in New York City.
- The State Fiscal Year 2024-25 Enacted Budget authorized the Executive to close up to five additional State prisons in the fiscal year with 90 days’ notice to the State Legislature.



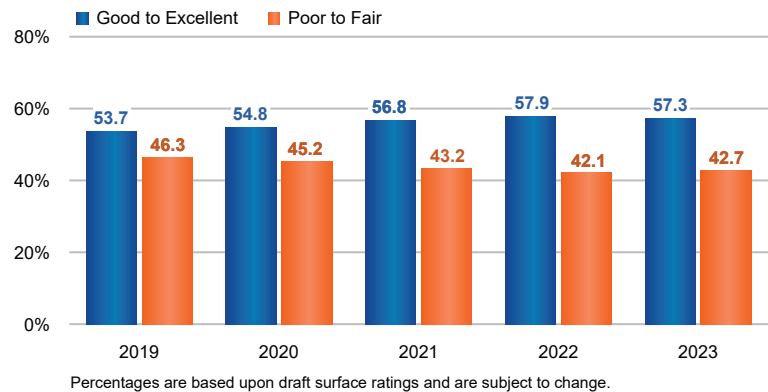


# Transportation

## Highway Conditions Have Improved Since 2019

- The State is responsible for maintaining more than 42,700 lane miles of highway.
- Compared to the prior year, the number of highway lane miles rated poor to fair decreased by 0.3 percent in 2023.
- In 2023, 57.3 percent of the State’s highway lane miles were rated good to excellent, a 0.6 percentage decrease since 2022.

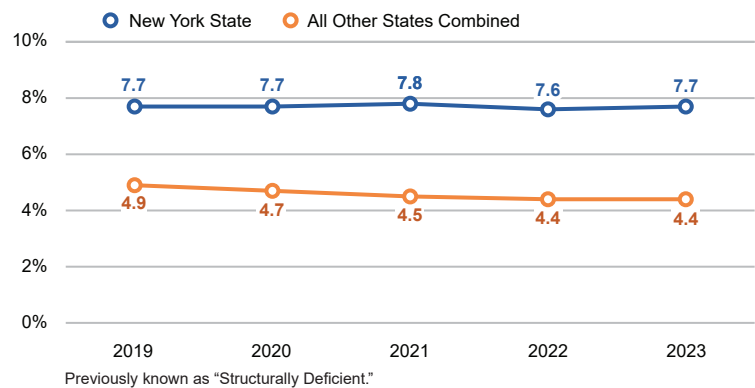
**Highway Condition Ratings in New York**  
(as a percentage of total lane miles)



## Bridge Conditions Have Improved Since 2019, But Are Worse Than in Other States

- In 2023, New York State was responsible for maintaining 8,546 bridges.\*
- A bridge is considered in poor condition if it has deterioration to one or more major components. The fact that a bridge is in poor condition does not imply that it is unsafe or likely to collapse. A poor bridge, when left open to traffic, typically requires posting for weight limits, significant maintenance and repair to remain in service and eventual rehabilitation or replacement to address deficiencies. In 2023, 7.7 percent of State-maintained bridges were rated poor. This amount is consistent with the 7.7 percent in 2019, but it compares unfavorably to the 4.4 percent share for all other states combined.

**State Bridges in Poor Condition**  
(as a percentage of total State-maintained bridges)



\* Based upon the U.S. Federal Highway Administration’s National Bridge Inventory, all bridges where the owner is State, State Park, Other State and State Toll are included as State-maintained bridges.

# Environment, Energy and Agriculture

## Department of Environmental Conservation (DEC)

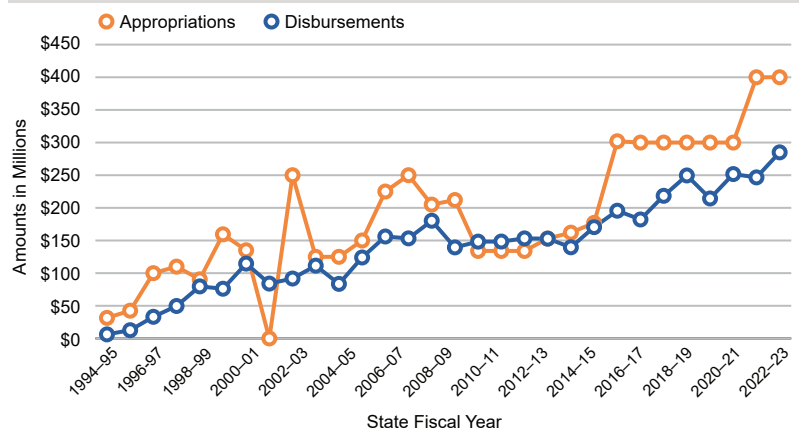
- In SFY 2023-24, DEC All Funds spending totaled \$1.9 billion, an increase of \$374.5 million (25.3 percent) from SFY 2022-23, with local assistance spending growing 37.1 percent year-over-year. This increase is accounted for by additional spending from federal clean water funding provided by the federal Infrastructure Investment and Jobs Act of 2021.
- As of March 31, 2024, employment at DEC was 3,075 Full-Time Equivalent (FTE) positions, an increase of 190 FTEs above levels as of March 31 in the previous year and 158 FTEs above levels from March 31, 2014.

## Environmental Protection Fund (EPF)

Created in 1993, the EPF:

- Provides an ongoing source of primarily pay-as-you-go funding to address the State’s environmental needs. Appropriations to the EPF have fluctuated over time and reached a high of \$400 million in the Enacted Budget for SFY 2022-23. In SFY 2023-24, \$400 million was again appropriated to the EPF.
- Supports an array of environmental programs, such as State and municipal open space conservation; municipal and agricultural nonpoint source water pollution control; State and local parks projects; municipal water pollution control and aquatic habitat conservation; support for the State’s zoos, botanical gardens and aquaria; waterfront revitalization; farmland conservation; and municipal climate change mitigation and resilience programs.

History of EPF Appropriations and Disbursements (1994–95 Through 2023–24)



The SFY 2016-17 Enacted Budget contained an EPF appropriation of \$302 million. The SFY 2017-18 Enacted Budget amended and reappropriated the SFY 2016-17 appropriation, reducing it to \$300 million.

- Has been primarily funded with a portion of the State’s real estate transfer tax. However, since SFY 2014-15, General Fund transfers have also been a recurring funding source. In SFY 2023-24 General Fund transfers accounted for 23 percent of total EPF revenues.

## Clean Water, Clean Air, and Green Jobs Environmental Bond Act of 2022

- In November 2022, New York State voters approved the \$4.2 billion “Clean Water, Clean Air, and Green Jobs Environmental Bond Act of 2022.” The SFY 2022-23 Enacted Budget appropriated the full \$4.2 billion in the DEC Capital Projects Budget. The Bond Act is authorized to fund climate change resiliency and mitigation, flood risk reduction, water quality improvement and infrastructure, as well as open space conservation and recreation. As of May 22, 2024, close to \$270 million in Bond Act funds had been awarded to projects.

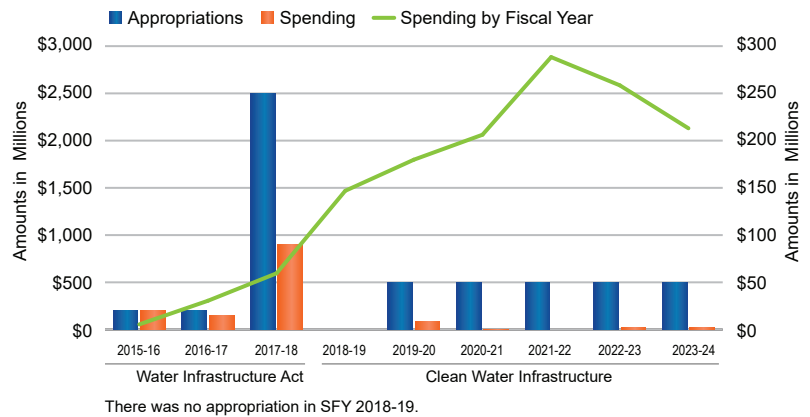
## Water

- Since SFY 2015-16, Enacted Budgets have included a total of \$5.9 billion for clean water infrastructure projects, including those projects authorized by the New York State Water Infrastructure Improvement and Clean Water Infrastructure Improvement Acts. Eligible projects include nonagricultural nonpoint source control; municipal wastewater treatment; remediation of contaminated sites that contribute to water contamination; source water protection; and upgrades to septic systems and cesspools. As of March 31, 2024, \$1.4 billion (23 percent) had been spent from these appropriations.

## State Parks

- In SFY 2023-24, State Parks spending was \$492.9 million, an increase of 21.7 percent over SFY 2022-23 spending. The largest areas of increased spending were in capital projects with a 30.9 percent year-over-year increase and personal service with a 15.0 percent year-over-year increase.
- As of March 31, 2024, employment at State Parks was 2,324 FTE positions, an increase of 225 FTEs over SFY 2022-23 employment and 576 FTEs over March 31, 2014 levels.

**Clean Water Infrastructure Appropriations, and Disbursements by Appropriation and Fiscal Year, SFY 2015-16 Through SFY 2023-24**



## Agriculture

- In SFY 2023-24, Department of Agriculture and Markets spending was \$136.3 million, an increase of 36.4 percent over SFY 2022-23 spending supported by a 63.8 percent increase in assistance and grants spending.
- As of March 31, 2024 employment at the Department of Agriculture and Markets was 527 FTE positions, an increase of 43 FTEs over SFY 2022-23 employment and an increase of 44 FTEs over March 31, 2014 levels.

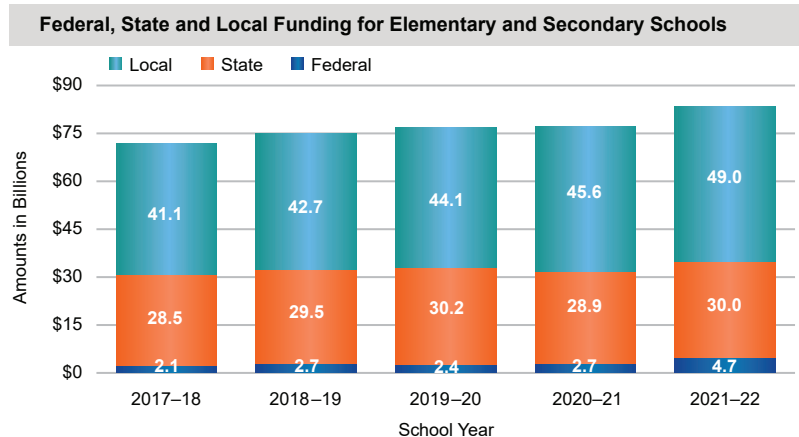
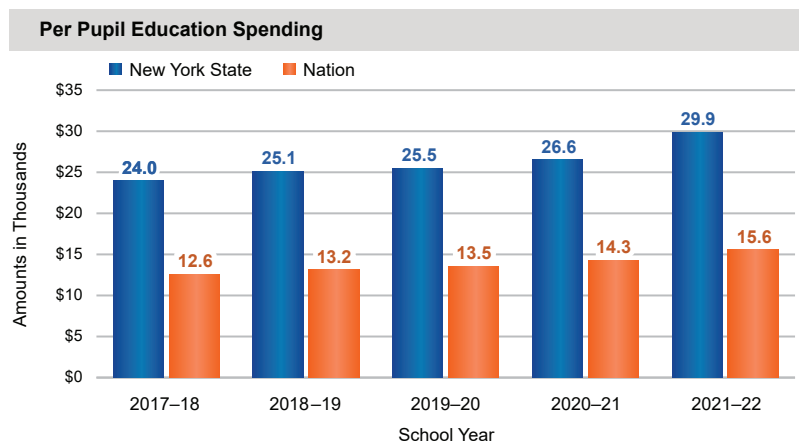
## New York State Energy Research and Development Authority

- In SFY 2023-24 New York State Energy Research and Development Authority (NYSERDA) spending was \$1.8 billion, an increase of \$361.0 million, or 25.2 percent over SFY 2022-23 spending.
- Revenues collected by NYSERDA in SFY 2023-24 totaled \$1.8 billion. Of these revenues \$1.5 billion, or 84 percent, were derived from assessments on electric and gas utilities, or from the proceeds of auctions conducted under the Regional Greenhouse Gas Initiative.

# Elementary and Secondary Education

## New York State Ranks Highest in Nation in Per Pupil Spending

- For the 2021-22 school year (SY), the most recent year for which comparable state-level data are available, New York State led the nation in per-pupil disbursements for public elementary and secondary education at \$29,873, according to the U.S. Census Bureau.
- New York's per-pupil spending rose 12.4 percent from the previous year and is 91.1 percent greater than the national average. Differences in educational spending among states may reflect variations in student profiles and regional costs, among other factors.
- In SY 2022-23, 57.1 percent of K-12 students were certified for free and reduced-price school meals based on household income, higher than the national average (53.3 percent).



## Local Resources Represent the Largest Source of Funding

- In SY 2021-22, support for public elementary and secondary schools in New York came from the following sources:
  - Local, \$49.0 billion;
  - State, \$30.0 billion, including the School Tax Relief Program (STAR) of \$1.9 billion; and
  - Federal, \$4.7 billion.
- According to the Division of the Budget, schools received \$4.7 billion of federal education aid in SFY 2023-24. Schools also received temporary funding from COVID-19 assistance programs, including \$2.5 billion from the American Rescue Plan Act and \$1.6 billion from the Education Supplemental Appropriations Act. Federal

pandemic relief for K-12 education is expected to run through SFY 2024-25.

- In SFY 2023-24, the combined total of federal COVID-19 recovery funding disbursed to New York school districts was equal to 12.1 percent of State school aid funding for the same period.

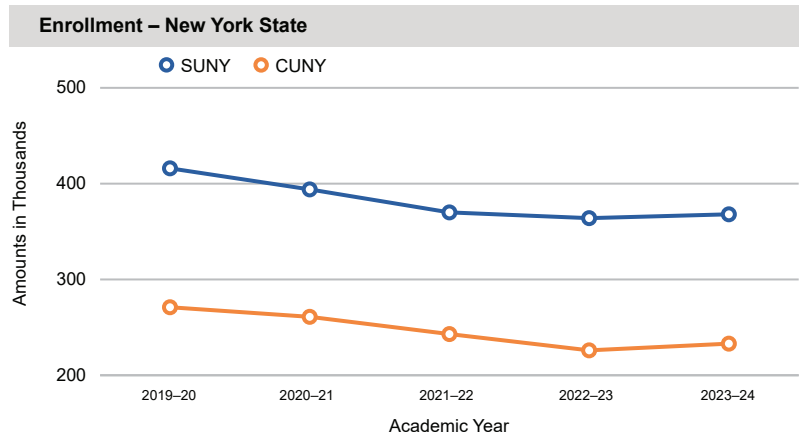
## Student Performance

- The graduation rate in New York State was 86 percent for SY 2022-23, a decrease from 87 percent the prior year and an increase from 77 percent in SY 2012-13.
- For SY 2022-23 high school graduates, 36 percent received an advanced regents diploma, a decrease from the prior year's 42 percent, and 50 percent received a regents diploma, an increase from the prior year's 45 percent. Both metrics improved when compared to SY 2012-13 high school graduates, when only 31 percent received an advanced regents diploma and 43 percent received a regents diploma.

# Higher Education

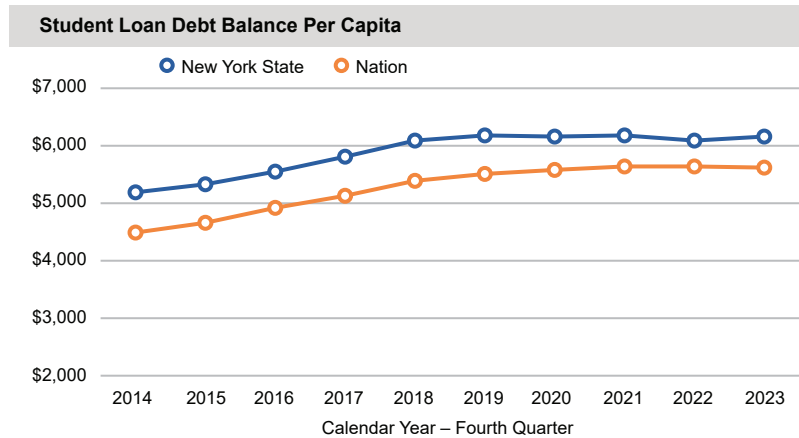
## Enrollment

- The State has a higher proportion of private college attendance than most states, or 47 percent compared to 24 percent of students nationwide in Spring 2024, according to the National Student Clearinghouse (NSC).
- In Fall 2023, total SUNY enrollment increased by 1.1 percent to 367,542 and total CUNY enrollment increased by 3.3 percent to 233,352. Total public sector enrollment was 12.5 percent less than enrollment in 2019.



## Costs, Financial Assistance and Student Debt

- Tuition and fees for full-time, in-state students at state-operated and senior colleges for the State and City University of New York (SUNY and CUNY) were:
  - SUNY, \$8,900 (\$6,410 for two-year colleges; 2024-25); and
  - CUNY, \$7,190 (\$5,060 for two-year colleges; Spring 2023).
- In the 2022-23 academic year, an estimated 234,144 students received State Tuition Assistance Program (TAP) awards, totaling \$622.4 million. New York State also provided an estimated 48,469 other scholarships and awards totaling almost \$186.6 million in aid, including 29,000 Excelsior scholarships totaling \$136 million. The New York State TAP provides grant awards to eligible New York residents for paying tuition at a SUNY, CUNY or not-for-profit independent degree-granting college in New York State. For eligible students, the Excelsior Scholarship Program covers any remaining tuition



expenses at SUNY or CUNY after other federal and state grants and scholarships have been applied.

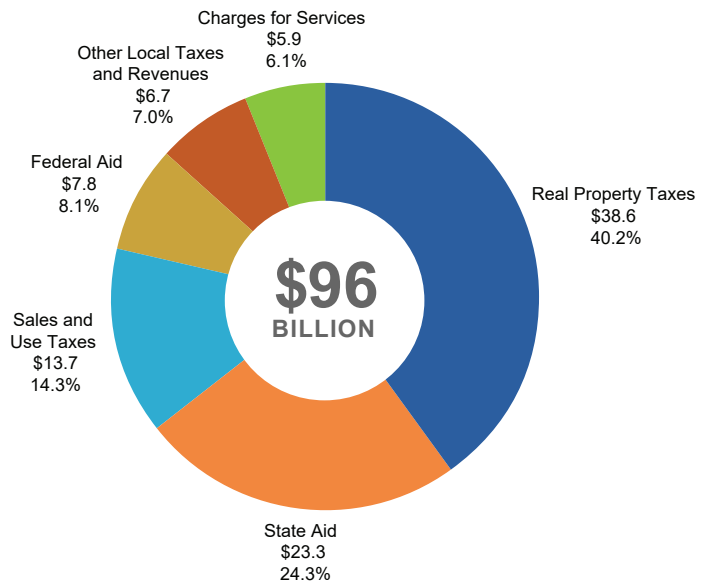
- The increase from 2018-19 to 2023-24 in average in-state tuition and fees at public four-year colleges in New York (5.1 percent) was half the rate as for the nation (10.3 percent) overall.
- The percentage of student loan debt balance in New York State that was 90 or more days delinquent (and in default) was 0.70 percent in 2023, down from 4.5 percent in 2020 and 8.5 percent in 2019. New York’s figure is marginally higher than the national average in 2023 (0.66 percent).

# Local Government

## Major Local Revenue Sources Strong, with Large Boosts in Federal Aid

- Real property tax revenues are the largest source of revenue for local governments. In local fiscal years ending (LFY) in 2022, property taxes accounted for \$38.6 billion, or 40.2 percent, of total revenue (\$96 billion) for local governments outside of New York City.
- School districts, towns and villages received \$24.2 billion, \$4.5 billion and \$1.5 billion, respectively, in real property taxes, representing close to half of the total revenue for each of those classes. Fire districts depend the most on property taxes, which represented 94.8 percent (\$887 million) of their total revenue; counties and cities are least reliant at 20.9 percent (\$6.1 billion) and 23.6 percent (\$1.4 billion), respectively.
- State aid was the second-largest source of local government revenue in LFY 2022. School districts were the most dependent on State aid, as it represented 37 percent (\$17.5 billion) of their total revenue. It also represents a significant share of revenue for other types of local governments – for social service programs in counties, to support highways (mostly in cities and towns), and as unrestricted municipal aid (mainly cities).

**Local Revenues by Source, Local Fiscal Years Ending 2022**  
Amounts in Billions

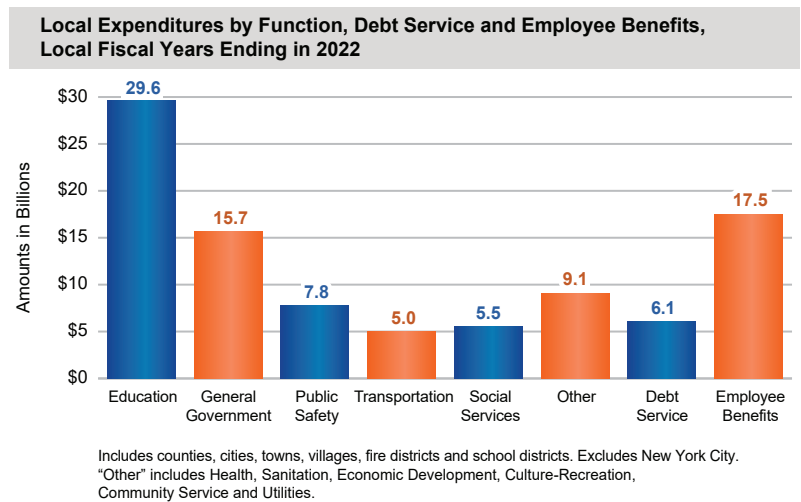
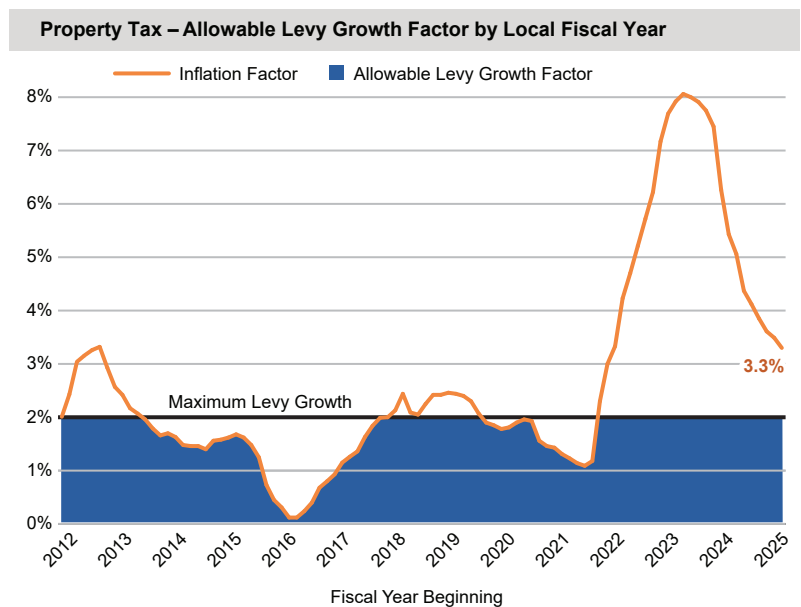


Includes counties, cities, towns, villages, fire districts and school districts. Excludes New York City.

- Sales and use taxes, the third-largest source of revenue for local governments at \$13.7 billion in LFY 2022, increased by 7.1 percent over LFY 2021. Consumer spending began to rebound strongly in LFY 2021 after being negatively impacted by the temporary closure of nonessential businesses during the first wave of the COVID-19 pandemic. In LFY 2022, continued demand, as well as high inflation, helped boost sales tax revenues. For counties, sales taxes remained the largest single revenue source, accounting for 37.3 percent (\$11 billion) of their total revenue, followed by cities at 19.9 percent (\$1.1 billion).
- Federal aid was the next largest source of local government revenue, representing 8.1 percent (\$7.8 billion) of total revenue in LFY 2022. While typically the smallest single source of revenue, an influx of federal pandemic relief payments to most local governments boosted federal aid by 38.5 percent (\$2.2 billion) over LFY 2021. Nearly every class experienced double-digit growth in federal aid, with school districts increasing 74.2 percent (\$1.5 billion), followed by villages and towns at 44.8 percent (\$33.3 million) and 37.1 percent (\$132 million), respectively.

## Property Tax – Inflation Far Outpaced Allowable Levy Growth

- Generally, the property tax cap limits levy increases for municipal governments and school districts to the lesser of 2 percent or the rate of inflation, with some exceptions. However, each entity’s tax cap calculation involves a multi-step formula. The law also includes provisions that allow all entities to override the tax cap.
- Low inflation reduced the allowable levy growth factor to below 2 percent for nearly all municipal governments and school districts in local fiscal years beginning in 2020 and 2021. However, the inflation factor exceeded 2 percent for fiscal years beginning in 2022 and continued to increase through the first half of 2023 before cooling off. This means that the allowable levy growth factor held steady at the maximum value (2 percent) through this entire period.
- Calculated in July 2024, the inflation factor for entities with a calendar fiscal year in 2025 is 3.3 percent. The combination of elevated inflation and the 2 percent tax cap may create budgetary challenges for municipal governments and school districts.



## Education and Employee Benefits Account for Nearly Half of Local Expenditures

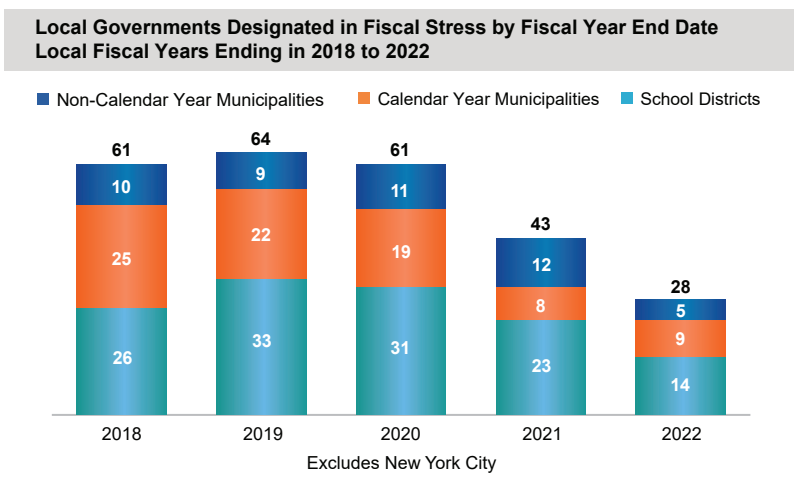
- Local expenditures totaled \$96.4 billion in LFY 2022, an increase of 5.3 percent over LFY 2021. School districts spent the most at \$48.1 billion, followed by counties (\$28.6 billion), towns (\$9.4 billion), cities (\$5.8 billion), villages (\$3.4 billion) and fire districts (\$1.1 billion).

- When looking at spending by function, education was the largest category at \$29.6 billion or 30.7 percent of total expenditures in LFY 2022. Nearly all of this (95.8 percent) came from school district elementary and secondary education, with most of the rest being county expenditures on higher education. An influx of federal pandemic relief aid boosted spending by 8.5 percent in LFY 2022 over LFY 2021 when continued pandemic-related changes to school district operations resulted in cuts to expenses.

- Employee benefits was the next largest area of expenditures in LFY 2022, accounting for \$17.5 billion (18.2 percent) of total spending, an increase of 2.9 percent (\$495 million) compared to LFY 2021.

### Fiscal Stress Designations at All-Time Low in LFY 2022

- The Office of the New York State Comptroller analyzes the financial condition of counties, cities, towns, villages and school districts through its Fiscal Stress Monitoring System (FSMS), which combines a number of financial indicators into an overall score intended to measure each entity’s budgetary solvency.
- Overall fiscal stress designations significantly declined in LFY 2022 compared to LFY 2021. A total of 28 local governments, including 14 school districts, were in a fiscal stress designation in LFY 2022, 15 fewer than in LFY 2021. This marked the smallest number of local governments in a fiscal stress designation since FSMS was implemented in 2013.
- The number of calendar year fiscal year municipalities (all counties, towns, most cities and a few villages) designated in fiscal stress increased from 8 in LFY 2021 to 9 in LFY 2022, while the number of non-calendar year fiscal year entities (some cities and most villages) dropped considerably over the same period, from 12 to 5. Separately, school districts saw a large decrease in stress designations – from 23 in LFY 2021 to 14 in LFY 2022.



- The decline in fiscal stress levels was largely due to a significant infusion of federal pandemic relief aid, mostly from either the American Rescue Plan Act or the Coronavirus Aid, Relief and Economic Security Act, which helped lower the number of municipalities and school districts facing operating deficits, low fund balances and low cash positions, thereby improving their overall fiscal health in LFY 2022.
- A total of 209 municipalities failed to file their annual financial reports in time to receive a fiscal stress score in LFY 2022. This was highest rate of non-filers since FSMS began in 2013. (School districts do a much better job than other types of local governments of filing in time to receive a score.)



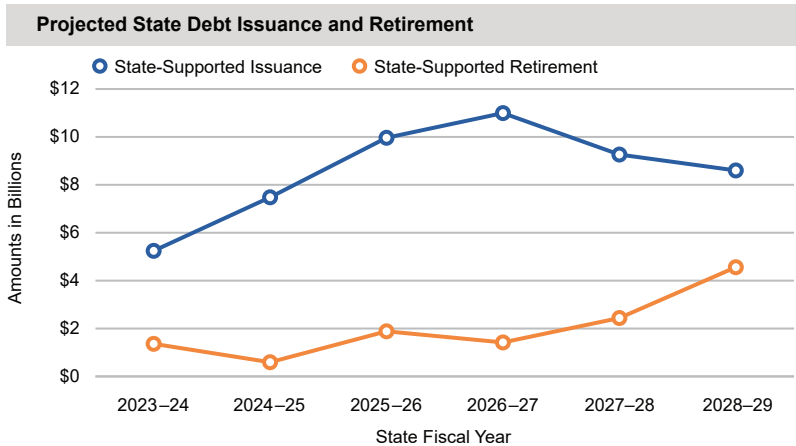
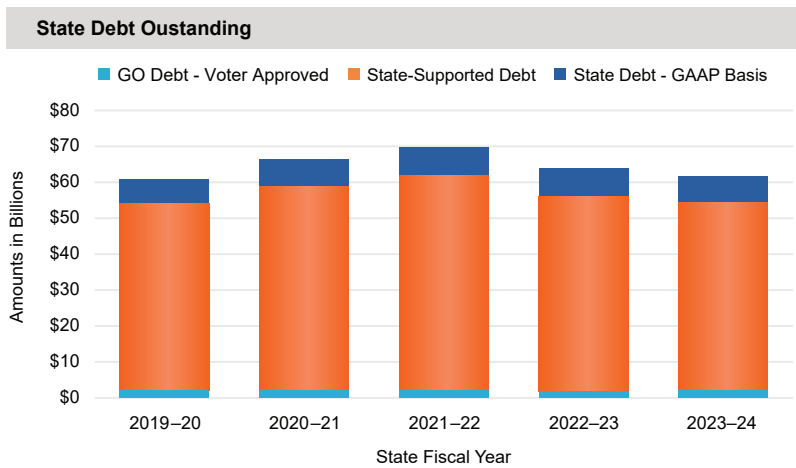
# Debt

The debt burden of a governmental entity creates fixed costs that directly affect its ability to provide current services and affect its long-term fiscal health. High borrowing levels may:

- Indicate reduced ability to support current programs with current revenues.
- Force future program reductions, increased taxation or additional future borrowing.
- Limit the capacity to finance future capital assets and grants.

## New York State Ranks Second Highest in Outstanding Debt Nationwide

- At the end of SFY 2023-24, the State reported the following debt levels:
  - \$2.1 billion of constitutionally authorized, voter-approved general obligation (GO) debt, a decrease of \$4 million or nearly 0.2 percent since SFY 2019-20.
  - \$54.3 billion of State-Supported debt, as defined in State law, an increase of \$112 million or 0.2 percent since SFY 2019-20. Over 96 percent of State-Supported debt outstanding is so-called “backdoor borrowing” issued by public authorities without voter approval.
  - \$61.6 billion of State debt reported in accordance with Generally Accepted Accounting Principles (GAAP), an increase of \$649 million or 1.1 percent since SFY 2019-20.

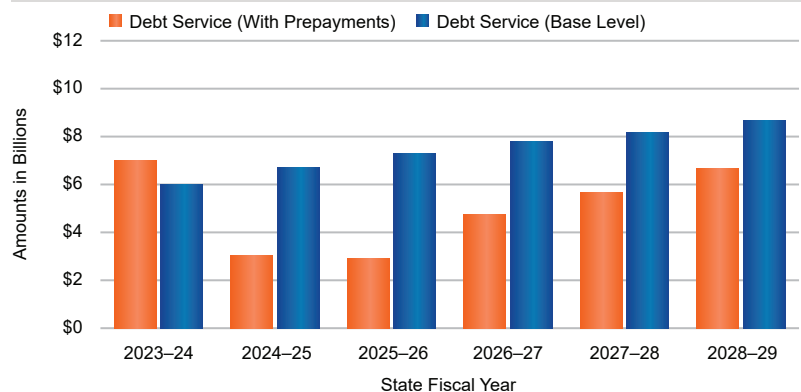


- According to Moody’s Investor Service, New York State had the second highest debt burden in 2022, behind only California. It was sixth highest among all states in their measure of debt per capita.
- At the end of SFY 2023-24, State-Supported debt per capita was \$2,775. State-Supported debt was equivalent to 3.5 percent of State personal income.
- State-Supported debt outstanding is projected to grow from \$54.3 to \$89.7 billion over the next five years, an increase of \$35.4 billion, or over 65 percent.
- New York issues State-Supported debt to fund certain capital purpose grants to other entities, which creates State liabilities without corresponding State assets.

## New York State Projects Increasing Debt Levels in Coming Years

- The SFY 2024-25 Enacted Budget Five-Year Capital Program and Financing Plan projects that the State will issue over 4.2 times more debt than it will retire over the next five years, with:
  - \$46.3 billion of new issuances of State-Supported debt; and
  - \$10.9 billion of State-Supported debt retirements.
- The Debt Reform Act of 2000 defines State-Supported debt and sets limits on the amount of debt outstanding and debt service, based on affordability measures such as State personal income and All Funds Receipts. The State projects reduced statutory debt capacity over the next five years, declining to \$800 million in SFY 2028-29. For both SFYs 2020-21 and 2021-22, new debt issuances were excluded from the caps on debt outstanding and debt service. The State has since resumed counting new debt issued under the caps, but continues to exclude debt resulting from the \$17.9 billion issued during those two years. It also continues to authorize debt issuance for MTA purposes in excess of the 30-year maximum term limit, up to 50 years.

### State-Supported Debt Service



- \$4.7 billion in State-Supported debt service otherwise due during SFY 2024-25 through SFY 2028-29 was prepaid or defeased in SFY 2023-24. Prepayments typically do not reduce the State's interest costs, and artificially reduce reported year-over-year growth in both debt service and overall spending levels. Excluding the distortions from prepayment actions, base level debt service costs are projected to grow from \$6.0 to \$8.7 billion over the next five years, an increase of nearly \$2.7 billion or 45 percent.

## New York State Bond Ratings

At the end of SFY 2023-24, the State's general obligation bond ratings were assigned as follows:

- AA+ by Fitch Ratings;
- Aa1 by Moody's Investors Service; and
- AA+ by Standard & Poor's (S&P) Rating Services.

These ratings are one step below the highest investment grade ratings. Ratings can influence interest rates and bond pricing. Higher ratings provide greater confidence to the investment community that the issuer is willing and able to meet the financial commitments of its obligations. The rating agencies have previously cited issuing additional debt for operating purposes as a potential risk factor that may lead to a downgrade of the State's credit ratings.

# Public Authorities

Public authorities are distinct legal entities that provide services to the public as well as to the State and local governments. New Yorkers pay for public authorities in a variety of ways including service charges, tolls, fees, and in some cases, taxes. Public authorities are generally self-supporting through their revenue-generating activities; however, in some cases, governmental support is provided for operating and other expenses. In 2023, public authorities and subsidiaries reported almost \$84 billion in revenue and capital contributions, employed more than 170,000 people, and made almost \$20 billion in contract payments.

The finances of the State are intertwined with certain public authorities. Some public authorities issue debt on behalf of the State for which the State provides the funds for repayment. In 2023, public authorities reported more than \$325 billion in debt outstanding; of this, roughly 20 percent is for State purposes. The State's access to public credit markets could also be impaired if public authorities closely associated with the State were to default on their obligations.

For more information on public authorities, please see [www.osc.state.ny.us/public-authorities](http://www.osc.state.ny.us/public-authorities)

\*The data reported are submitted by public authorities through the Public Authorities Reporting Information System (PARIS). The data contained in PARIS and used in this section of the report are self-reported by the authorities and have not been verified by the Office of the State Comptroller. As required by Public Authorities Law, certain data submitted are required to be approved by the board of directors and/or the accuracy and completeness certified in writing by the authority's chief executive officer and chief financial officer. Not all authorities have complied with reporting requirements for 2023.

\*\*Numbers may not add due to rounding.

\*\*\*Certain New York State Urban Development Corporation staff are also reported as employees of the Job Development Authority.

\*\*\*\*Certain Long Island Power Authority (LIPA) staff are also reported as employees of the Utility Debt Securitization Authority (UDSA).

## The Enacted Budget for State Fiscal Year 2024-25:

- Increased bonding authorizations for 22 programs financed through State-Supported debt issued by public authorities; and
- Provided for a combined increase in State-Supported public authority bonding authorizations of \$16.7 billion, or 8.4 percent over previous limits. Most of the bond cap increase was for economic development, transportation, and environmental infrastructure projects, and included almost \$900 million more for the State Housing Plan.

**Public Authority Data on Expenses, Debt and Employees\***  
For Fiscal Years Ending in 2023

Authority	Expenses** (amounts in millions)	Debt Outstanding** (amounts in millions)	Employees
Dormitory Authority of the State of New York	\$ 1,858	\$ 54,461	521
Metropolitan Transportation Authority	21,681	45,059	80,126
New York State Urban Development Corporation***	2,387	17,598	417
New York State Housing Finance Agency	1,317	18,094	282
New York Job Development Authority	1	17,091	2
New York State Thruway Authority	1,016	10,801	1,986
Environmental Facilities Corporation	536	5,566	107
Long Island Power Authority	3,715	5,557	90
Utility Debt Securitization Authority (UDSA)****	449	3,656	3
State of New York Mortgage Agency	199	2,899	282
Power Authority of the State of New York	2,998	3,081	2,631
New York State Energy Research and Development Authority	1,433	1,607	520
Battery Park City Authority	306	1,074	212
Niagara Frontier Transportation Authority	271	123	1,678
New York State Bridge Authority	63	112	161
All Other State Public Authorities	11,949	2,483	22,195
<b>Total State</b>	<b>50,177</b>	<b>189,263</b>	<b>111,213</b>
<b>Total Local</b>	<b>31,093</b>	<b>136,100</b>	<b>59,205</b>
<b>Grand Total</b>	<b>\$ 81,270</b>	<b>\$ 325,363</b>	<b>170,418</b>

# Economic and Demographic Trends

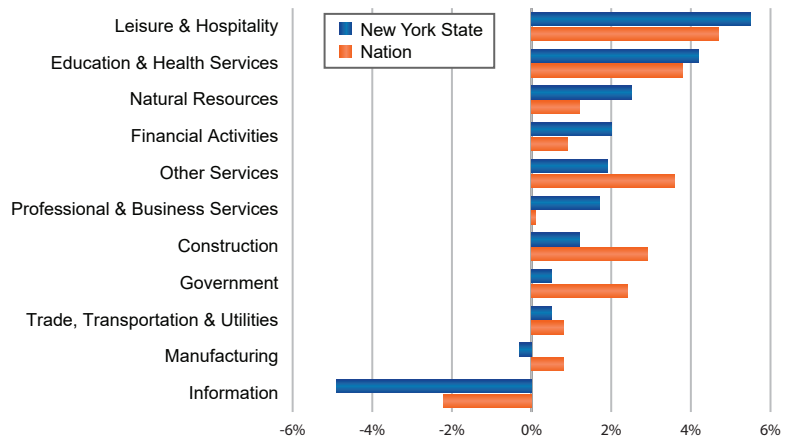
## Employment Edged Closer to Full Recovery in 2023

- In calendar year 2023, the State gained over 204,700 jobs, an increase of 2.2 percent compared to growth nationally of 2.9 percent.
- Employment in the State was still 0.8 percent lower than that in 2019.
- The State’s unemployment rate was slightly lower, 4.2 percent compared to 4.3 percent in 2022.
- The leisure and hospitality sector realized the largest job gains in 2023, 5.5 percent, but was still 5.4 percent below that in 2019.
- Employment in seven industry sectors exceeded 2019 levels: healthcare and social assistance, professional and technical services, transportation and warehousing, finance and insurance, information, utilities, and natural resources.
- The information and manufacturing sectors lost jobs, down 4.9 percent and 0.3 percent, respectively, from 2022.
- Job gains were realized in all 10 State regions in 2023. New York City had the highest percentage of job gains of any region (3.1 percent) while the Mohawk Valley and Central New York had the lowest (0.7 percent).
- None of the 10 regions have returned to their 2019 employment levels.

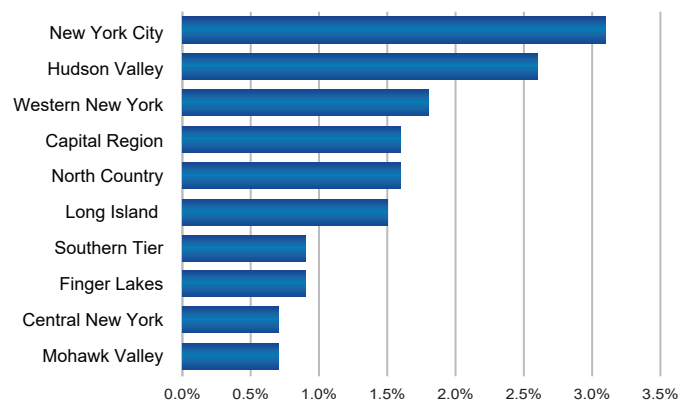
## New York Ranked 24th Nationwide for Personal Income Growth in 2023

- Personal income in 2023 grew by 5.0 percent; all components of personal income realized gains.
- Florida ranked first with an increase of 7.0 percent.

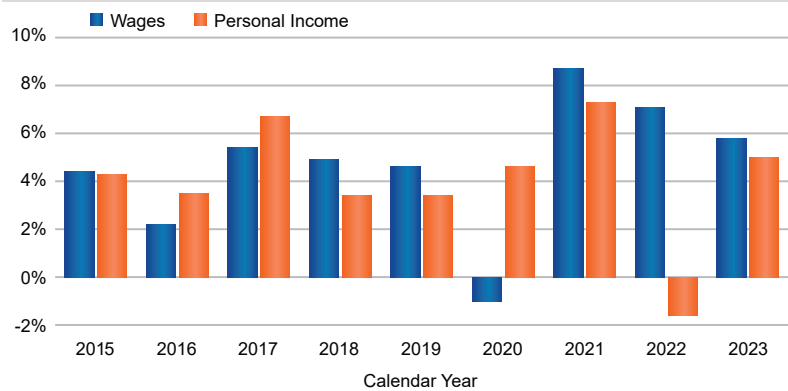
2023 Employment Growth by Industry Sector



2023 Employment Change by Region



Wage and Personal Income Growth in New York

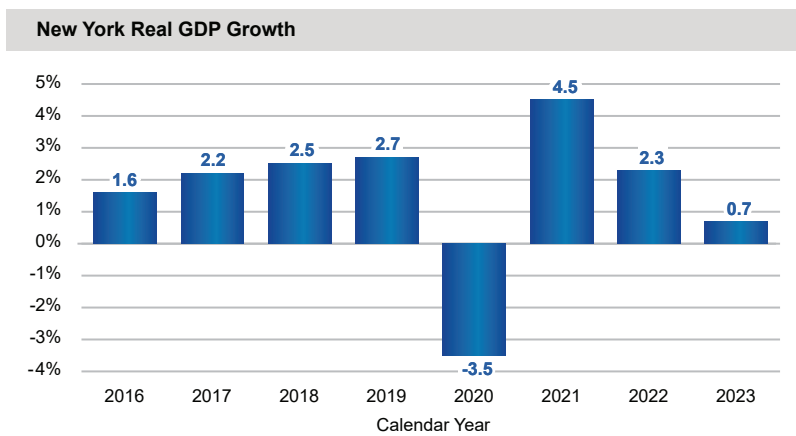


- With employment growth, total wages in the State increased by 5.8 percent in 2023. The other services industry, which includes personal care services and repair and maintenance services realized the largest increase in wages (9.8 percent).
- Average annual wages statewide increased by 2.0 percent. The government sector had the largest growth (5.5 percent).
- The finance and insurance sector realized wage loss of 1.6 percent.

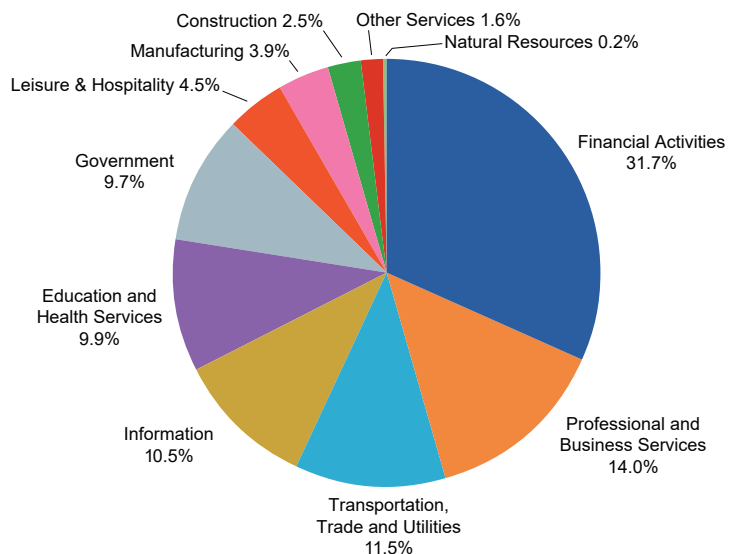
### NYS GDP Nearly \$1.8 Trillion in 2023

A state’s Gross Domestic Product (GDP) is the value of production originating from all industries in the state, as defined by the U.S. Bureau of Economic Analysis.

- New York State’s real GDP increased by 0.7 percent, compared to 2.5 percent nationally.
- State GDP was 7.9 percent of the U.S. total in 2023, ranking third nationwide behind California and Texas.
- New York ranked among the lowest (48th) for economic growth in 2023. North Dakota ranked highest (5.9 percent), while Delaware ranked the lowest (-1.2 percent).
- The financial activities sector comprised the largest share of the State’s GDP in 2023 at 31.7 percent, up from 29.2 percent in 2022. The second and third top industries—professional and business services and transportation, trade, and utilities—together make up 25.5 percent.



Composition of New York GDP, 2023



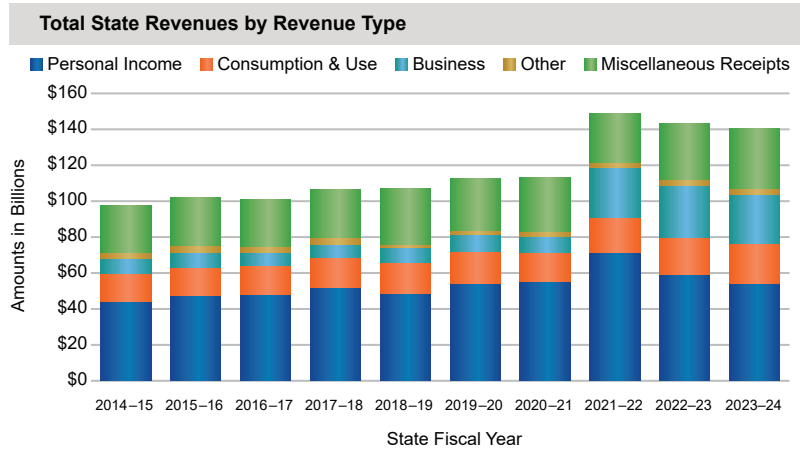
### New York’s Population Continued to Decline in 2023

- According to U.S. Census estimates, the State’s population decreased by 0.5 percent from 2022, whereas the population in the rest of the nation increased by 0.6 percent.

# Taxes

## State Tax Collections Declined in SFY 2023-24 from \$111.7 Billion to \$106.4 Billion

- In SFY 2023-24, reported New York State tax collections decreased by 4.7 percent, primarily due to lower personal income tax (PIT) receipts.
  - PIT collections declined by 8.4 percent due, in part, to weaker payments made with the filing of tax year 2022 annual returns as well as the full year impact of lower tax rates on the middle class that went into effect January 1, 2023.
  - The 6.2 percent increase in Consumption and Use Taxes was due, in part, to the resumption of sales and excise taxes on motor fuel as of January 1, 2023.



## The Pass-Through Entity Tax (PTET) Obscuring Collections Trends

- The PTET provides a way for certain taxpayers to avoid the \$10,000 limit on federal itemized deductions for state and local taxes (SALT) paid by imposing a tax on the business entity (S-corporations, LLCs, and partnerships) rather than imposing the PIT on individual members of the business.
  - PTET acts as a substitute for quarterly estimated payments under the PIT.
  - PTET collections totaled nearly \$14.0 billion in SFY 2023-24, a year-over-year decrease of 6.6 percent.

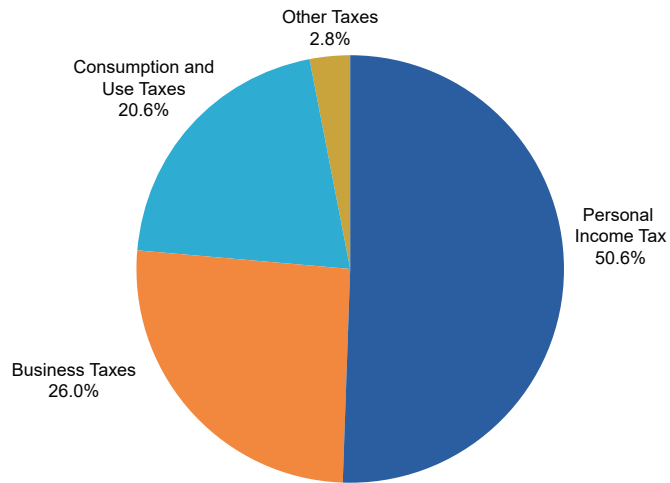
## The State Budget Relies Heavily on the Personal Income Tax

- Personal income tax collections:
  - Made up 50.6 percent of New York State's tax collections in SFY 2023-24.
  - Were lower than the 52.6 percent in SFY 2022-23 due to lower middle-class tax rates and weaker payments related to the filing of tax year 2022 returns.
  - Combined with the PTET, comprised 63.7 percent of total collections in SFY 2023-24.
- Oregon and Massachusetts had a greater reliance on the personal income tax, 63.6 percent and 52.7 percent of total tax collections, respectively. Nationwide, nearly 40 percent of the states rely more heavily on sales and user taxes.

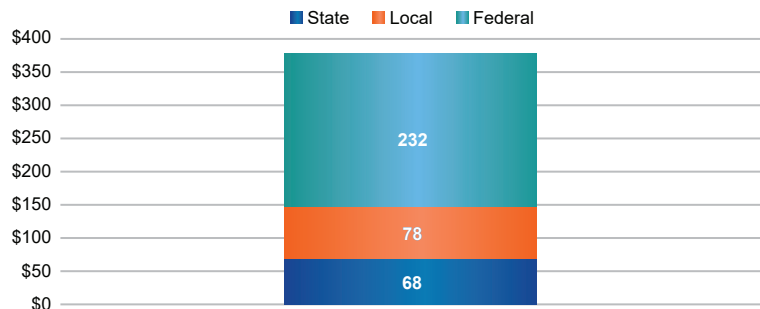
## Tax Burden Decreases

- The combined federal, State, and local tax burden in New York State was \$378 per \$1,000 of personal income in fiscal year 2023, a decrease from \$384 in 2022.

SFY 2023–24 State Tax Collections by Tax Type



Taxes of New York Taxpayer per \$1,000 of Personal Income (Fiscal year ending in 2023)



# Implications for the Future

## The Economic Outlook: Slow Job Growth and Declining Labor Force

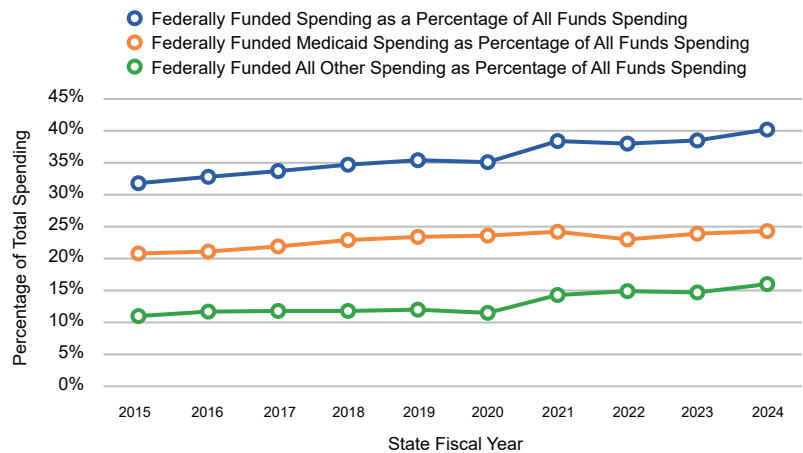
At the end of 2023, the number of jobs in New York remained below 2019 levels. Only by the second quarter of 2024 did the State fully recover all the jobs lost during the pandemic shutdown. In comparison, employment nationally was at pre-pandemic levels in June 2022 and had increased by nearly 3.1 million jobs in 2023. In addition, the State's labor force has been growing at a slower rate than the rest of the nation since 2020; it declined in the first half of 2024. The State's labor force participation rate continues to remain below the nation.

## The Importance and Expected Decline of Federal Funding

Federal aid plays an essential role in the State's budget and its ability to provide health care, education, human services and other essential programs. In SFY 2023-24, federal aid was 40.2 percent of total State receipts, which is more than a third higher than the 29 percent average in the 10-year period ending in March 2020 prior to the impact of COVID-19. The largest share of federal aid supports Medicaid and other health care programs.

As the State recovers from the pandemic and continues utilizing available extraordinary federal aid, these federal resources are dwindling. The Division of the Budget indicates that the State utilized \$13.2 billion in federal pandemic assistance in SFY 2023-24, excluding the \$2.25 billion the State used from the original \$12.7 billion received as part of the American Rescue Plan Act.

Total Federally Funded Spending as a Percentage of All Funds Spending



Up until Federal Fiscal Year (FFY) 2020, New Yorkers consistently paid more in federal taxes than the State received in federal spending, as several reports by the Office of the State Comptroller have shown. This trend was reversed, however, due to the unprecedented level of federal pandemic assistance. FFY 2022 data analyzed by the Office of the State Comptroller indicates the State received \$1.06 for every \$1.00 paid to the federal government; however, this was still below the national average of \$1.28. It is expected that once the extraordinary federal aid is depleted, the State will no longer have a positive balance of payments.

## Reliance on Small Segment of Taxpayers/Expiration of Federal and State Policy Actions

New York State's budget heavily relies on the Personal Income Tax (PIT); it comprises over half of total tax revenues. However, a large share of the PIT is generated by a small segment of taxpayers. Those with incomes over \$1 million comprised just 1.4 percent of the PIT filers in tax year 2022 but paid one third of the total liability.

These filers also have a large share of income subject to volatility, particularly capital gains. For example, in tax year 2021, the financial markets, as measured by the S&P 500, increased by nearly 33 percent; just over \$150 billion in capital gains were reported. In 2022, with a decline in the financial markets, capital gains decreased by over half; tax liability declined by nearly \$10 billion. Such volatility can affect the State's year-to-year tax collections significantly.

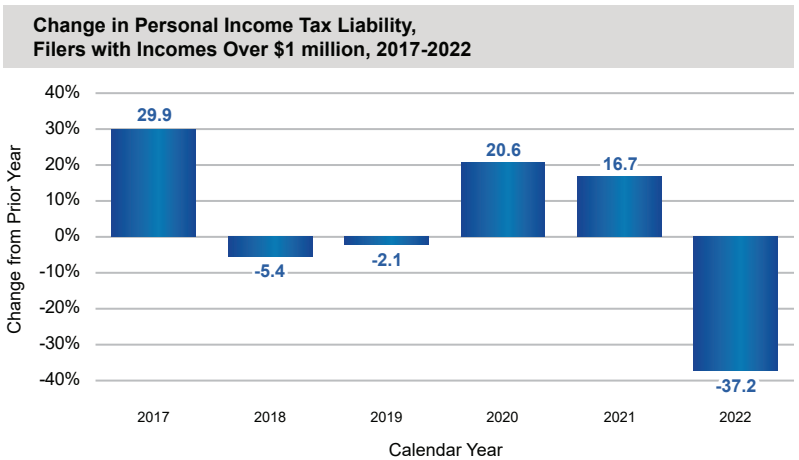
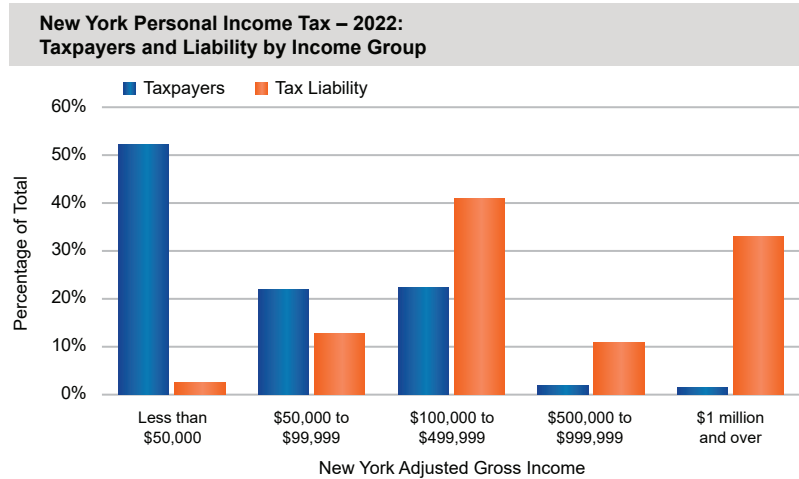


In addition, certain tax provisions at both the State and federal levels are due to sunset over the next three years. These will not only directly impact revenues through changes in tax rates but also through taxpayer behavior, particularly in the realization of taxable income in response to those changes.

### Continue with Commitment to Increase Statutory Reserves

Comptroller DiNapoli has long advocated for increasing statutory rainy day reserves. In recent years, the State has acted upon this suggestion and built up its reserves. At the close of SFY 2023-24, the State has approximately \$6.3 billion in statutory rainy day reserves and an additional \$13.8 billion in an informal reserve designated by the Division of the Budget for Economic Uncertainties. Combined, these resources represented 15.6 percent of State Operating spending in SFY 2023-24.

The State did not make any additional contributions to these reserves in SFY 2023-24, but is planning on an additional deposit to its rainy day reserves in SFY 2024-25. It would be beneficial for the State to make regular deposits to reserves, particularly statutory reserves with conditions and/or limitations on use and with repayment requirements. That way, any use of the funds would be for an intended purpose and would be replenished for future use. As always, reserve funds are not a substitute for prudent fiscal practices.



# Appendix 1: State Funds Spending by Major Service Function

(Cash Basis, amounts in millions)

State Funds Spending for the Fiscal Year Ended March 31:	2020	2021	2022	2023	2024
<b>EDUCATION</b>	<b>\$41,880</b>	<b>\$41,255</b>	<b>\$43,076</b>	<b>\$45,817</b>	<b>\$49,882</b>
Public Schools	29,855	28,791	30,712	32,819	36,254
School Tax Relief (STAR)	2,184	2,027	1,904	1,781	1,608
State University of New York	7,734	7,355	7,720	8,393	8,995
City University of New York	1,075	2,411	2,014	2,093	2,324
Higher Education Services Corporation	980	633	628	630	595
Cultural Programs	52	38	98	101	106
<b>PUBLIC HEALTH</b>	<b>31,884</b>	<b>28,009</b>	<b>34,419</b>	<b>37,606</b>	<b>41,381</b>
Health and Mental Health Services	8,411	8,471	9,545	9,558	8,981
Medical Assistance (Medicaid)	23,473	19,538	24,874	28,048	32,400
<b>PUBLIC WELFARE</b>	<b>3,329</b>	<b>4,181</b>	<b>6,425</b>	<b>6,457</b>	<b>6,143</b>
Public Welfare	2,579	3,256	3,376	5,270	4,694
Public Housing	542	720	719	895	1,210
Employment Services	208	205	2,330	292	239
<b>PUBLIC SAFETY</b>	<b>4,733</b>	<b>2,817</b>	<b>3,663</b>	<b>4,772</b>	<b>5,203</b>
Criminal Justice and Correctional Alternatives	1,196	797	1,049	1,366	1,709
Emergency Management and Security Services	255	440	330	392	434
Prisons and Reformatories	3,282	1,580	2,284	3,014	3,060
<b>TRANSPORTATION</b>	<b>7,196</b>	<b>8,294</b>	<b>10,031</b>	<b>9,787</b>	<b>9,410</b>
Traffic Safety	237	275	271	280	304
Transportation	6,959	8,019	9,760	9,507	9,106
<b>ENVIRONMENT AND RECREATION</b>	<b>1,302</b>	<b>1,246</b>	<b>1,379</b>	<b>1,423</b>	<b>1,722</b>
Environmental Protection	912	832	1,011	1,012	1,209
Parks, Recreation and Historic Preservation	390	414	368	411	513
<b>SUPPORT AND REGULATE BUSINESS</b>	<b>1,617</b>	<b>1,405</b>	<b>2,059</b>	<b>2,099</b>	<b>1,964</b>
Commerce, Industry and Agriculture	1,200	1,005	1,680	1,422	1,388
Regulate Business	417	400	379	677	576
<b>SHARE GENERAL REVENUES WITH LOCAL GOVERNMENTS</b>	<b>1,109</b>	<b>1,004</b>	<b>1,022</b>	<b>1,263</b>	<b>1,059</b>
<b>REPAY BORROWED MONEY AND REDUCE DEBT</b>	<b>4,952</b>	<b>13,258</b>	<b>12,559</b>	<b>10,528</b>	<b>7,045</b>
<b>GENERAL GOVERNMENT</b>	<b>14,291</b>	<b>13,432</b>	<b>15,223</b>	<b>15,801</b>	<b>16,541</b>
Executive Agencies	2,432	2,139	1,922	2,057	2,127
Office of the State Comptroller	188	187	198	210	185
Office of the Attorney General	189	193	194	230	230
Legislature	228	226	230	236	257
Court Administration	2,310	2,222	2,149	2,320	2,396
Pension Contributions and Other Employee Benefits	8,581	8,046	10,096	10,326	10,812
Other	363	419	434	422	534
<b>TOTAL STATE FUNDS SPENDING</b>	<b>\$112,293</b>	<b>\$114,901</b>	<b>\$129,856</b>	<b>\$135,553</b>	<b>\$140,350</b>

## Appendix 2: Federal Funds Spending by Major Service Function

(Cash Basis, amounts in millions)

Federal Funds Spending for the Fiscal Year Ended March 31:	2020	2021	2022	2023	2024
<b>EDUCATION</b>	<b>\$4,053</b>	<b>\$3,642</b>	<b>\$7,464</b>	<b>\$9,252</b>	<b>\$9,036</b>
Public Schools	3,698	3,165	6,641	8,781	8,657
State University of New York	348	473	818	469	367
City University of New York	2	1	–	–	–
Higher Education Services Corporation	4	2	3	1	3
Cultural Programs	1	1	2	1	9
<b>PUBLIC HEALTH</b>	<b>47,339</b>	<b>51,827</b>	<b>56,346</b>	<b>61,931</b>	<b>69,598</b>
Health and Mental Health Services	6,495	6,976	8,261	8,853	12,545
Medical Assistance (Medicaid)	40,844	44,851	48,085	53,078	57,053
<b>PUBLIC WELFARE</b>	<b>5,379</b>	<b>9,082</b>	<b>8,540</b>	<b>7,163</b>	<b>6,862</b>
Public Welfare	4,934	8,342	7,769	6,219	6,277
Public Housing	27	23	151	447	89
Employment Services	418	717	620	497	496
<b>PUBLIC SAFETY</b>	<b>1,578</b>	<b>3,765</b>	<b>3,031</b>	<b>3,425</b>	<b>5,563</b>
Criminal Justice and Correctional Alternatives	118	476	427	145	153
Emergency Management and Security Services	1,459	1,992	1,842	3,277	5,399
Prisons and Reformatories	1	1,297	762	3	11
<b>TRANSPORTATION</b>	<b>1,621</b>	<b>1,677</b>	<b>1,974</b>	<b>1,854</b>	<b>2,104</b>
Traffic Safety	28	27	46	34	36
Transportation	1,593	1,650	1,928	1,820	2,068
<b>ENVIRONMENT AND RECREATION</b>	<b>234</b>	<b>68</b>	<b>184</b>	<b>296</b>	<b>587</b>
Environmental Protection	219	49	162	279	568
Parks, Recreation and Historic Preservation	15	19	22	17	19
<b>SUPPORT AND REGULATE BUSINESS</b>	<b>25</b>	<b>20</b>	<b>27</b>	<b>26</b>	<b>194</b>
Commerce, Industry and Agriculture	23	18	22	22	192
Regulate Business	2	2	5	4	2
<b>SHARE GENERAL REVENUES WITH LOCAL GOVERNMENTS</b>	<b>1</b>	<b>1</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>REPAY BORROWED MONEY</b>	<b>–</b>	<b>102</b>	<b>42</b>	<b>–</b>	<b>–</b>
<b>GENERAL GOVERNMENT</b>	<b>457</b>	<b>1,502</b>	<b>1,875</b>	<b>961</b>	<b>573</b>
Executive Agencies	79	141	769	535	118
Office of the Attorney General	26	25	29	26	26
Court Administration	8	8	12	10	11
Pension Contributions and Other Employee Benefits	344	1,328	1,065	390	418
<b>TOTAL FEDERAL FUNDS SPENDING</b>	<b>\$60,687</b>	<b>\$71,686</b>	<b>\$79,483</b>	<b>\$84,908</b>	<b>\$94,517</b>

## Appendix 3: State Receipts by Major Source

(Cash Basis, amounts in millions)

State Receipts for the Fiscal Year Ended March 31:	2020	2021	2022	2023	2024
<b>TOTAL TAXES</b>	<b>\$82,889</b>	<b>\$82,376</b>	<b>\$121,136</b>	<b>\$111,656</b>	<b>\$106,447</b>
<b>Personal Income Tax</b>	<b>53,659</b>	<b>54,967</b>	<b>70,737</b>	<b>58,776</b>	<b>53,840</b>
<b>Consumer Taxes</b>	<b>18,022</b>	<b>16,118</b>	<b>19,621</b>	<b>20,585</b>	<b>21,866</b>
Sales and Use	15,932	14,146	17,580	18,933	19,903
Cigarette/Tobacco Products	1,035	1,006	957	860	843
Cannabis	6	8	13	13	42
Motor Fuel	512	425	495	179	487
Alcoholic Beverage	259	271	277	282	275
Highway Use	142	135	142	142	139
Auto Rental	107	64	99	122	131
Vapor Excise	10	33	29	25	24
Opioid Excise	19	30	29	27	22
Peer-to-Peer Car Sharing	-	-	-	2	-
<b>Business Taxes</b>	<b>8,996</b>	<b>8,792</b>	<b>27,725</b>	<b>28,616</b>	<b>27,694</b>
Corporation Franchise	4,824	4,954	7,235	9,017	9,262
Corporation and Utilities	705	550	555	525	554
Insurance	2,306	2,190	2,453	2,680	2,813
Bank	-	156	20	355	1
Pass-Through Entity	-	-	16,430	14,944	13,955
Petroleum Business	1,161	942	1,032	1,095	1,109
<b>Other Taxes</b>	<b>2,212</b>	<b>2,499</b>	<b>3,053</b>	<b>3,679</b>	<b>3,047</b>
Estate and Gift	1,070	1,537	1,386	2,185	1,856
Employer Compensation Expense Tax	2	3	13	7	13
Pari-Mutuel	14	10	13	13	12
Real Estate Transfer	1,124	949	1,639	1,472	1,165
Racing and Combative Sports	2	-	2	2	1
<b>GAMING – LOTTERY INCOME, WAGERING, VLT AND CASINO</b>	<b>3,749</b>	<b>3,066</b>	<b>4,756</b>	<b>4,812</b>	<b>4,881</b>
<b>FEDERAL RECEIPTS</b>	<b>65,080</b>	<b>78,152</b>	<b>95,306</b>	<b>89,563</b>	<b>94,276</b>
<b>OTHER RECEIPTS</b>	<b>20,219</b>	<b>18,542</b>	<b>19,182</b>	<b>21,666</b>	<b>24,997</b>
Student Tuition and Fees (SUNY/CUNY)	1,541	1,390	1,244	1,287	1,293
Revenues of State Departments	4,465	4,561	4,687	4,872	5,015
Receipts from Municipalities	105	330	326	229	224
Income from Investments	431	120	66	1,801	4,225
Abandoned Property	462	591	585	732	802
Unclaimed Bottle Deposits	117	139	129	121	131
Public Benefit Corporations	182	136	116	135	121
Assessments	7,404	6,806	7,281	7,861	8,449
Fees, Licenses, Permits	3,696	3,316	3,791	3,668	3,804
Fines, Penalties and Forfeitures	1,386	924	434	521	548
Miscellaneous	430	229	523	439	385
<b>BORROWED AND ADDED TO DEBT</b>	<b>5,498</b>	<b>9,367</b>	<b>3,995</b>	<b>5,363</b>	<b>4,382</b>
Bonds and Notes Issued by the State	-	203	-	-	505
Public Authority Financings	5,498	9,164	3,995	5,363	3,877
<b>TOTAL RECEIPTS</b>	<b>\$177,435</b>	<b>\$191,503</b>	<b>\$244,375</b>	<b>\$233,060</b>	<b>\$234,983</b>

# Data Sources

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City University of New York

College Board

Federal Reserve Bank of New York

Fitch Ratings

IHS Markit/S&P Global

Internal Revenue Service

Moody's Investors Service

National Student Clearinghouse Research Center

NYS Department of Corrections and Community Supervision

NYS Department of Health

NYS Department of Taxation and Finance

NYS Department of Transportation

NYS Division of Criminal Justice Services

NYS Division of the Budget

NYS Education Department

NYS Energy Research and Development Authority

NYS Higher Education Services Corporation

NYS Office of Temporary and Disability Assistance

Office of the New York State Comptroller

Public Authorities Reporting Information System

Standard and Poor's Rating Services

State University of New York

U.S. Commerce Department – Bureau of the Census and Bureau of Economic Analysis

U.S. Department of Labor – Bureau of Labor Statistics

U.S. Federal Highway Administration

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