NEW YORK STATE ASSEMBLY

MID-YEAR UPDATE

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FINANCIAL PLAN

FINANCIAL PLAN

Financial Plan Overview

New York State reserves and balances had reached an all-time high with significant level of Federal aid and higher-than expected revenue collections during the height of the COVID-19 pandemic. Starting in State Fiscal Year (SFY) 2022-23, revenue receipts have slowed as Federal aid related to COVID-19 is depleting and tax collections return to pre-pandemic growth levels.

However, the State has a sound cash position with closing balances of $52.4 billion in the General Fund and $74 billion in All Funds. As such, receipts currently exceed disbursements by $6.1 billion in the General Fund and $8.2 billion in All Funds.

Table 1

BUDGETARY BASIS
SFY 2024-25 vs SFY 2023-24
($ in millions)

	GENERAL FUND			ALL FUNDS		
	Mid-year 2024	Mid-year 2023	Difference	Mid-year 2024	Mid-year 2023	Difference
OPENING CASH BALANCE - April 1, 2024	46,331	43,451	2,880.3	65,912	65,956	(43)
RECEIPTS	54,633	50,779	3,854	120,616	117,653	2,963
DISBURSEMENTS	48,566	46,258	2,308	112,427	110,394	2,032
EXCESS (DEFICIENCY) of RECEIPTS OVER DISBURSEMENTS	6,067	4,521	1,545	8,189	7,259	931
OTHER FINANCING SOURCES (USES)	-	-	-	(70)	(10)	(61)
EXCESS (DEFICIENCY)	*6,067*	*4,521*	1,545	*8,119*	*7,249*	870
CLOSING CASH BALANCE - Sept. 30, 2024	52,398	47,972	4,426	74,031	73,205	826

Year to Year Financial Plan Actuals: Revenues and spending increase

In the first six months of SFY 2024-25, the General Fund closing cash balance increased by $4.4 billion from the previous mid-year results. General Fund mid-year receipts totaled $54.6 billion, an increase of $3.9 billion from SFY 2023-24. These higher receipts are due to a substantial increase in Transfers from Other Funds of approximately $2.3 billion and Personal Income Tax (PIT) collections of $1.5 billion compared to last fiscal year. This increase is partially offset by a lower Other Taxes collection of $325.6 million. In terms of spending, General Fund disbursements total $48.6 billion, an increase of $2.3 billion from the previous mid-year results.

Transfers to Other Funds, Department Operations, and Education are the main drivers of this growth; all-together accounting for $1.8 billion, $1.4 billion, and $877.5 million, respectively. The growth in spending is partially offset by lower spending of $1.4 billion in Medicaid and $779.4 million in General State Charges.

Through September 2024, All Funds receipts totaled $120.6 billion, an increase of $3 billion, or 2.5 percent from SFY 2023-24. This increase is primarily due to $2.9 billion in additional PIT collections. All Funds disbursements totaled $112.4 billion, $2 billion above the previous mid-year results. As in the General Fund, increase in spending is driven by Education and Department Operations spending accounting for $3.5 billion and $1 billion, respectively. Spending in Other Public Health, as well as, Public Welfare have also increased by $2 billion and $959 million, respectively, compared to prior year levels.

Actual General Fund revenues collected to date make up 48.6 percent of estimated annual collections in The Division of the Budget's Mid-Year Update, which is equal to the 48.6 percent that was anticipated in the Enacted Financial Plan. Disbursements to date make up 44.4 percent of estimated annual spending, lower than the 46.9 percent Enacted Financial Plan estimate.

On an All Funds basis, revenues collected to date make up 50.5 percent of estimated annual collections, slightly higher than the 49.7 percent anticipated in the Enacted Financial Plan. Current disbursements make up 46.7 percent of total spending, slightly lower than the 47.5 percent estimated in the Enacted Financial Plan.

Financial Plan Estimates versus Actual Receipts and Disbursements

Table 2

BUDGETARY BASIS Financial Plan v. Actual ($ in millions)					
	Enacted Financial Plan (*)	1st Quarter Financial Plan (**)	Actual/ Midyear Financial Plan	Enacted (Over/Under) Financial Plan	1st Quarter (Over/Under) Financial Plan
	GENERAL FUND				
OPENING CASH BALANCE - April 1, 2024	46,331	46,331	46,331	(0.1)	(0.1)
RECEIPTS	53,427	53,427	54,633	1,206.2	1,206.2
DISBURSEMENTS	50,558	50,558	48,566	(1,991.6)	(1,991.6)
EXCESS (DEFICIENCY) of RECEIPTS OVER DISBURSEMENTS	2,869	2,869	6,067	3,197.8	3,197.8
OTHER FINANCING SOURCES (USES)	-	-	-	-	
EXCESS (DEFICIENCY)	*2,869*	*2,869*	*6,067*	*3,197.8*	*3,197.8*
CLOSING CASH BALANCE - Sept. 30, 2024	49,200	49,200	52,398	3,197.7	3,197.7
	ALL FUNDS				
OPENING CASH BALANCE - April 1, 2024	65,912	65,912	65,912	0.2	0.2
RECEIPTS	117,577	117,577	120,616	3,039.1	3,039.1
DISBURSEMENTS	113,520	113,520	112,427	(1,093.2)	(1,093.2)
EXCESS (DEFICIENCY) of RECEIPTS OVER DISBURSEMENTS	4,057.0	4,057.0	8,189.3	4,132.3	4,132.3
OTHER FINANCING SOURCES (USES)	(80)	(80)	(70)	9.7	9.7
EXCESS (DEFICIENCY)	*3,977*	*3,977*	*8,119*	*4,142.0*	4,142.0
CLOSING CASH BALANCE - Sept. 30, 2024	69,889	69,889	74,031	4,142.2	4,142.2

General Fund Revenue through September 2024 was $1.2 billion above the First Quarter Financial Plan Update. This is mainly the result of increased transfers from the Revenue Bond Tax Fund of $771.9 million.

All Funds spending through September 2024 was $112.4 billion, which is $1.1 billion below the First Quarter Financial Plan Update. This is attributed to lower than anticipated spending across most categories, including a $1.6 billion decrease in Capital Projects disbursements, partially offset by a spending increase of $419.4 million in Local Assistance Grants.

General Fund spending, including transfers, through September 2024 was $48.6 billion, which is nearly $2 billion below the First Quarter Financial Plan Update. This is primarily attributed to lower than anticipated spending of $1.3 billion in Local Assistance Grants, $873.2 million in Transfers to Capital Projects and $688 million in Transfers for Other Purposes. The lower spending is partially offset by higher than expected spending of $453.9 million in Departmental Operations and $359.2 million in Transfers to State Share of Medicaid.

Comparing mid-year to the First Quarter Financial Plan Update, the General Fund and All Funds cash balances are $3.2 billion and $4.1 billion above projections, respectively.

All Funds receipts through September 2024 were $3 billion above the First Quarter Financial Plan Update. This is mostly attributed to an increase of $2.9 billion in PIT collections.

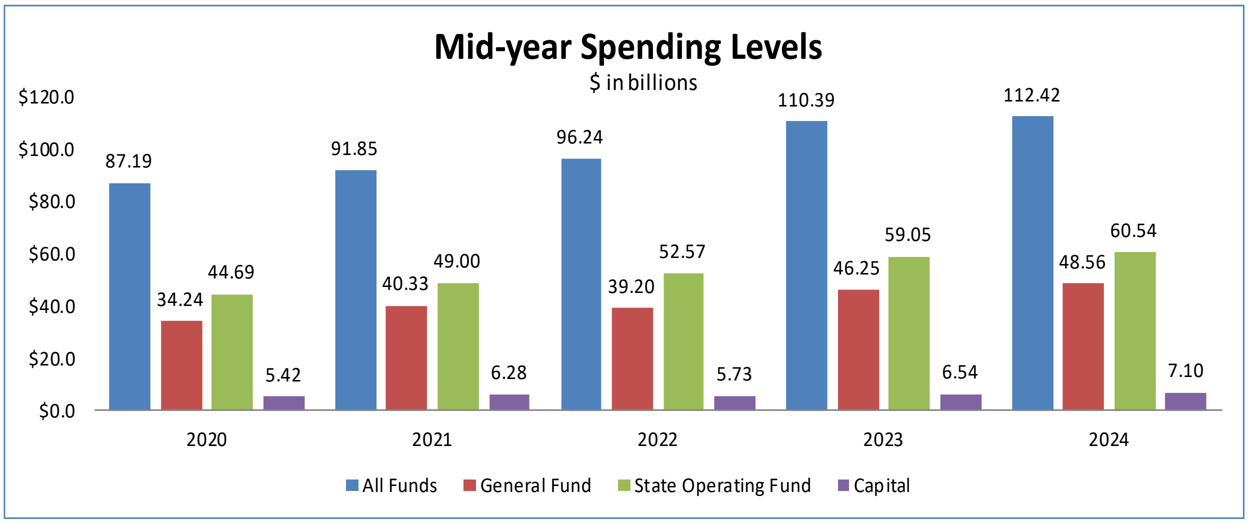

Figure 1

Mid-year Spending Levels over the Past Five Fiscal Years

Historically, the five-year average for mid-year All Funds spending is $99.6 billion. Current All Funds spending is $112.4 billion, or 47 percent of planned spending for SFY 2024-25. This represents a growth of $12.8 billion, or 12.9 percent over the five-year average.

The five-year average for mid-year General Fund spending is $41.7 billion. Current General Fund spending is $48.6 billion, or 44 percent of planned spending for SFY 2024-25. This represents a growth of $6.9 billion, or 16.4 percent over the five-year average.

The five-year average for mid-year State Operating Funds spending is $53.2 billion. Current State Operating Fund spending is $60.5 billion, or 45 percent of planned spending for SFY 2024-25. This reflects a growth of $7.4 billion, or 13.9 percent over the five-year average.

The five-year average for mid-year Capital Fund spending is $6.2 billion. Current Capital Fund spending is $7.1 billion, or 67 percent of planned spending for SFY 2024-25, indicating an increase of $875.6 million, or 14.1 percent over the five-year average.

Table 3

ALL FUNDS
Receipts
($ in millions)

	Mid-year 2024	Mid-year 2023	Difference	% Change
RECEIPTS	**120,616.1**	**117,653.2**	**2,962.9**	**2.5**
Taxes	**54,625.1**	**51,489.0**	**3,136.1**	**6.1**
Personal Income Tax	28,926.8	25,981.0	2,945.8	11.3
Consumption/Use Taxes and Fees	11,302.6	11,037.3	265.3	2.4
Business Taxes	13,035.9	12,791.5	244.4	1.9
Other Taxes	1,359.8	1,679.2	(319.4)	(19.0)
Other				
Miscellaneous Receipts	17,004.0	17,034.1	(30.1)	(0.2)
Federal Grants	48,987.0	49,130.1	(143.1)	(0.3)

All Funds Receipts Increase Slightly from SFY 2023-24

To date, on a year-over-year basis, All Funds receipts totaled $120.6 billion, nearly $3 billion, or 2.5 percent higher than last year for the same period and $3 billion higher than anticipated in the First Quarterly Update. Most notably, the annual growth of $3.1 billion in tax collections was driven by $2.9 billion growth in PIT collections, which is partially offset by a decline of $319.4 million in Other Taxes. Miscellaneous Receipts decreased by $30.1 million from the previous year levels, and Federal Grants decreased by $143.1 million.

Table 4

ALL FUNDS Disbursements ($ in millions)	Mid-year 2024	Mid-year 2023	Difference	% Change
DISBURSEMENTS	**112,426.8**	**110,394.4**	**2,032.4**	**1.8**
Local Assistance Grants	**90,256.4**	**88,605.2**	**1,651.2**	**1.9**
Education	23,505.9	20,021.7	3,484.2	17.4
Environment	256.3	383.7	(127.4)	(33.2)
General Government	1,171.8	1,105.5	66.3	6.0
Public Health Medicaid	44,064.7	47,510.2	(3,445.5)	(7.3)
Public Health Other	10,079.3	8,047.2	2,032.1	25.3
Public Safety	1,422.0	3,090.9	(1,668.9)	(54.0)
Public Welfare	5,851.2	4,892.2	959.0	19.6
Support and Regulate Business	935.2	678.3	256.9	37.9
Transportation	2,970.0	2,875.5	94.5	3.3
Department Operations	**13,006.5**	**11,970.6**	**1,035.9**	**8.7**
Personal Service	8,860.4	8,114.2	746.2	9.2
Non-Personal Service	4,146.1	3,856.4	289.7	7.5
Other	**9,163.9**	**9,818.6**	**(654.7)**	**(6.7)**
General State Charges	4,297.0	5,060.3	(763.3)	(15.1)
Debt Service (including pymts. on financing agreements)	324.3	561.4	(237.1)	(42.2)
Capital Projects	4,542.6	4,196.9	345.7	8.2

All Funds Disbursements Increase Slightly over SFY 2023-24

All Funds disbursements year-to-date have increased 1.8 percent over the previous fiscal year. This is mainly attributed to a $1.7 billion increase in Local Assistance Grants. Education spending increased by approximately $3.5 billion, mainly due to spending out the remaining funds from the American Rescue Plan Act (ARPA) and increased funding for Foundation Aid. Public Health Other spending increased by $2 billion, due largely to the timing of Child Health Plus payments. Department Operations spending increased by $1 billion over last year, primarily due to Federal Emergency Management Agency (FEMA) reimbursements received in the SFY 2023-24 for State costs related to the COVID-19 pandemic, as well salary increases across various agencies. Public Welfare spending grew by $959 million due largely to migrant assistance. Medicaid spending decreased by $3.4 billion due primarily to the timing of certain payments.

ECONOMIC OUTLOOK

ECONOMIC OUTLOOK

United States Economy

- The U.S. economy is performing well near full employment in 2024. The yearly average level of national output, measured with inflation-adjusted **Gross Domestic Product** (GDP), is projected to increase 2.7 percent in 2024, a slight slowdown from 2.9 percent in 2023. The Federal Reserve's monetary easing will support further growth of private spending and employment in the next two years. However, as the economy is operating at its full employment capacity and the post-pandemic pent-up demand fades, the pace of growth in employment and spending will likely moderate. Growth of inflation-adjusted GDP is forecast to slow to 2.3 percent in 2025.

- U.S. **personal income** grew by 5.9 percent in 2023 and is estimated to increase at the same rate in 2024, driven by robust growth in wages, salaries, and transfer receipts. However, personal income growth is forecast to decelerate to 5.0 percent in 2025, as moderating inflation dampens wage, rent, and transfer payment increases. Additionally, a slowdown in corporate profits is likely to curb growth in dividend income, contributing to the more modest overall income growth in 2025.

- **Wages and salaries**, the largest component of personal income, increased by an estimated 6.8 percent in 2024, following growth of 5.4 percent in 2023 and 7.8 percent in 2022. Inflationary pressures have helped keep wage growth strong, but as price pressures ease, wage growth is expected to slow down. Slower employment growth over the forecast period will also restrain wage growth. As a result, wages and salaries are projected to grow at a slower pace, increasing 5.2 percent in 2025.

- Despite rising cost pressures, **corporate earnings** have grown strongly each year since 2020, supported by robust sales growth and pricing power. With sales growth and inflation expected to soften, the yearly growth of corporate profits is forecast to moderate to 2.8 percent in 2025 from an estimated 7.5 percent in 2024. In the third quarter of 2020, corporate profits' share in national income increased to the highest level since 1947. Albeit its short-term volatility, the share will likely remain elevated in the next two years.

- As the economy is operating at its full employment capacity, the pace of hiring has slowed. Consequently, on a yearly average basis, **payroll employment growth** is projected to decelerate to 1.6 percent in 2024, following a solid 2.3 percent in 2023. With hiring anticipated to moderate further due to slower sales growth, payroll job gains are projected to slow to 1.0 percent in 2025.

- As the demand side of commodities, services and labor markets eases, the headline **inflation of consumer prices** continues to improve, after a sharp jump to a four-decade-high 8.0 percent in 2022. With the pace of economic growth likely to slow and the demand pressure in the labor market cooling, the growth of the prices of consumer goods and services is forecast to moderate to 2.2 percent in 2025, after decelerating to an estimated 2.9 percent in 2024 from 4.1 percent in 2023.

- The **Federal Reserve** ended its two-and-a-half-year-long tightening cycle in September 2024 by cutting the target range for the interbank overnight interest rate by 50 basis points to 4.75-5 percent. The current forecast assumes that the Federal Reserve will continue to cut rates until the second quarter of 2026 when its target range falls to 3-3.25 percent. These expected cuts in the overnight rate will cascade into short-term Treasury yields and put downward pressures on longer-term Treasury yields and mortgage interest rates. On a yearly average basis, the **yield on 3-month Treasury bills** is forecast to decrease from an estimated 5.20 percent in 2024 to 3.94 percent in 2025. The **yield on 10-year Treasury notes** is forecast to decrease to a yearly average of 3.81 percent in 2025, after averaging an estimated 4.14 percent in 2024.

- **Risks to the current economic forecast** are mostly neutral. A major upside potential is a stronger-than-expected boost to household and business spending from the Federal Reserve's monetary easing. However, this boost may run a risk of poking inflation and complicating the Federal Reserve's policy path. Downside risks include the intensifying military conflicts in the Middle East and uncertainties surrounding potential significant changes in U.S. fiscal policy after the 2024 elections. Also, should the sentiments of households and businesses turn sour abruptly, consumer and business spending could cool more sharply than anticipated in the current forecast.

National Forecast Comparisons

- The NYS Assembly Ways and Means Committee's forecast for overall national economic growth for 2025 is 2.3 percent. The Committee's forecast is the same as the forecast by The Division of the Budget (DOB) and Moody's Analytics' projections. It is 0.2 percentage point above the S&P Global forecast; and 0.3 percentage point above the average forecast by the Blue Chip Economic Indicators.

Table 5

U.S. Real GDP Forecast Comparison			
	Actual 2023	Estimate 2024	Forecast 2025
Ways and Means	2.9	2.7	2.3
Division of the Budget	2.9	2.8	2.3
Blue Chip Consensus	2.9	2.7	2.0
Moody's Analytics	2.9	2.7	2.3
S&P Global	2.9	2.7	2.1

Sources: NYS Assembly Ways and Means Committee; NYS Division of the Budget, FY 2025 Enacted Budget Financial Plan Mid-Year Update, October 2024; Blue Chip Economic Indicators, October 2024; Moody's Analytics, October 2024; S&P Global Market Intelligence, October 2024.

New York State Economy

- Total nonfarm **employment** in the State grew 1.8 percent in State Fiscal Year (SFY) 2023-24, as the economy continued to recover from the pandemic-led recession. Nonfarm employment is estimated to grow slower at 1.5 percent in SFY 2024-25 due to a cooling labor demand and slowing labor force growth. With overall economic growth and consumer spending growth expected to soften, growth of nonfarm employment is forecast to decelerate to 0.9 percent in SFY 2025-26.

- Overall **personal income** growth in the State grew solidly at 5.3 percent in SFY 2023-24, driven by healthy gains in wages and property income. Personal income in the State is estimated to increase another 5.1 percent in SFY 2024-25, driven by robust gains in both base and variable wages. Personal income growth is forecast to slow to 4.5 percent in SFY 2025-26 as wages growth is expected to slow down.

- Total nonfarm **wages and salaries** in the State grew 4.2 percent in SFY 2023-24 supported by a continued robust growth in employment and base wages. Although employment growth is expected to slow, bonuses are anticipated to rebound after two consecutive years of decline. Consequently, the growth of total wages is estimated to accelerate to 5.1 percent in SFY 2024-25. Total wages are forecast to grow slower at 4.3 percent in SFY 2025-26, as both base and variable wages are expected to grow slower.

- The key **risks** to the national economy also apply to the State's forecast. In addition, Wall Street and the financial markets play a central role in the State economy. If current conditions change and financial market volatility worsens, consumer and business spending could cool more sharply, potentially having critical implications for the economic and fiscal health of the State.

State Forecast Comparisons

- For SFY 2024-25, the NYS Assembly Ways and Means Committee forecasts that the State's total nonfarm payroll employment will grow by 1.5 percent, which is 0.4 percentage point above the forecast by The Division of the Budget. The Committee's forecast for wage growth for SFY 2024-25 is 5.1 percent and it is 0.5 percentage point above the projection by The Division of the Budget. The Committee's estimate of personal income growth is 5.1 percent, which is 0.4 percentage point higher than the estimate by The Division of the Budget.

- For SFY 2025-26, the NYS Assembly Ways and Means Committee's forecast for total nonfarm payroll employment growth is 0.9 percent, 0.2 percentage point higher than the forecast by The Division of the Budget. The Committee's forecast for wage growth in SFY 2025-26 is 4.3 percent, which is 0.4 percentage point above the forecast by The Division of the Budget. The Committee's forecast for personal income growth for SFY 2025-26 is 4.5 percent, which is 0.5 percentage point higher than the projection by The Division of the Budget.

Table 6

New York State Economic Forecast Comparison

	Actual SFY 2023-24	Estimate SFY 2024-25	Forecast SFY 2025-26
Employment			
Ways and Means	1.8	1.5	0.9
Division of the Budget	1.8	1.1	0.7
Wages			
Ways and Means	4.2	5.1	4.3
Division of the Budget	4.2	4.6	3.9
Personal Income			
Ways and Means	5.3	5.1	4.5
Division of the Budget	5.3	4.7	4.0

Sources: NYS Assembly Ways and Means Committee staff; NYS Division of the Budget, FY 2025 New York State Enacted Budget Financial Plan, Mid-Year Update, October 2024.

U.S. ECONOMIC FORECAST TABLE

Table 7

U.S. Economic Outlook (Percent Change)	Actual 2022	Actual 2023	Estimate 2024	Forecast 2025
Real GDP	2.5	2.9	2.7	2.3
Personal Income	3.1	5.9	5.9	5.0
Wages & Salaries	7.8	5.4	6.8	5.2
Corporate Profits	7.8	6.9	7.5	2.8
Productivity	(1.9)	1.5	2.3	1.6
Employment	4.3	2.3	1.6	1.0
Unemployment Rate*	3.6	3.6	4.0	4.2
CPI-Urban	8.0	4.1	2.9	2.2
S&P 500 Stock Price	(3.9)	4.5	24.8	5.9
Treasury Bill Rate (3-month)*	2.1	5.3	5.2	3.9
Treasury Note Rate (10-year)*	3.0	4.0	4.1	3.8

* Annual average rate.

Note: Personal income and corporate profits growth rates are based on nominal values.

Sources: U.S. Bureau of Economic Analysis; U.S. Bureau of Labor Statistics; Federal Reserve; Standard & Poor's; NYS Assembly Ways and Means Committee staff.

N.Y.S. ECONOMIC FORECAST TABLES

Table 8

New York State Economic Outlook (Percent Change)	Actual 2022	Actual 2023	Estimate 2024	Forecast 2025
Employment	5.0	2.2	1.6	1.0
Personal Income	0.8	5.4	5.4	4.6
Total Wages	6.9	4.3	5.3	4.3
Base Wages	8.3	6.2	4.7	4.3
Variable Compensation	(2.1)	(8.5)	9.5	4.4
New York Area CPI	6.1	3.8	3.5	2.6

Note: Base wages and variable compensation are estimated by the NYS Assembly Ways and Means Committee staff and sum to total wages. New York area CPI is based on the New York-Northern NJ-Long Island, NY-NJ-CT-PA CPI-U series from the U.S. Bureau of Labor Statistics.

Sources: U.S. Bureau of Economic Analysis; NYS Department of Labor; U.S. Bureau of Labor Statistics; NYS Assembly Ways and Means Committee staff.

Table 9

New York State Economic Outlook State Fiscal Year		Actual 2023-24	Estimate 2024-25	Forecast 2025-26
Employment	Percent Change	1.8	1.5	0.9
	Level (Thousands)	9,440.2	9,586.9	9,685.8
Personal Income	Percent Change	5.3	5.1	4.5
	Level (Billions)	1,581.0	1,666.3	1,742.2
Total Wages	Percent Change	4.2	5.1	4.3
	Level (Billions)	863.5	908.9	948.4
Base Wages	Percent Change	5.0	4.8	4.3
	Level (Billions)	765.2	801.3	835.9
Variable Compensation	Percent Change	(1.2)	7.3	4.1
	Level (Billions)	98.3	107.7	112.5
New York Area CPI	Percent Change	3.2	3.2	2.7
	Index Level (1982-84=100)	322.0	333.3	341.9

Note: Employment level is in thousands; wage and personal income levels are in billions of dollars.

Sources: U.S. Bureau of Economic Analysis; NYS Department of Labor, QCEW; U.S. Bureau of Labor

REVENUE UPDATE

REVENUE UPDATE

All Funds Receipts State Fiscal Year 2024-25

- **All Funds revenues** are estimated to total $239.9 billion in State Fiscal Year (SFY) 2024-25 for a year-to-year increase of 2.3 percent, or an increase of $5.4 billion, mainly attributed to strong growth in **Personal Income Tax (PIT) collections**.

- The Assembly Ways and Means Committee projection of **All Funds tax revenue** for SFY 2024-25 is $114.5 billion, representing an increase of 7.6 percent, or $8.1 billion, from SFY 2023-24.

- The increase in overall tax receipts is primarily related to a $6.4 billion increase in projected **PIT collections** due to continued growth in bonus and non-bonus wages, and an increase in tax year 2024 non-wage income. This increase is partially offset by a $2.1 billion decrease in **Miscellaneous Receipts**.

- The Committee's All Funds revenue estimate is $1.1 billion above the Executive's estimate at mid-year, with slight positive variances across all major tax areas**.**

All Funds Receipts State Fiscal Year 2025-26

- The Committee expects **All Funds revenues** to decrease by 1.1 percent, for a total of $237.3 billion, in SFY 2025-26, primarily related to a $5.5 billion decrease in **Federal Funds Receipts**, which is partially offset by a $2.3 billion increase **PIT receipts.**

- The Committee expects a 0.7 percent increase in All Funds tax receipts in SFY 2025-26, for a total of $115.3 billion.

- The Committee's All Funds revenue forecast is $1.3 billion above the Executive's estimates.

- The Committee's forecasts reflect ongoing economic uncertainty at the state and national levels, as well as unpredictability in taxpayer behavior in response to the **Pass-Through Entity Tax (PTET)**, which complicates forecasting tax collections**.**

Table 10

SFY 2024-25 All Funds Estimate Summary ($ in millions)	2023-24 Actual	2024-25 Estimate	Change	Growth	Diff. Exec.
Personal Income Tax	53,839	60,266	6,427	11.9%	721
User Taxes	21,865	22,521	656	3.0%	78
Business Taxes	27,695	29,159	1,464	5.3%	85
Other Taxes	3,048	2,563	(485)	(15.9%)	12
Total Tax Collections	**106,447**	**114,509**	**8,062**	**7.6%**	**896**
All Funds Miscellaneous Receipts	29,026	26,887	(2,139)	(7.4%)	1
Gaming	4,729	4,760	31	0.7%	157
Total w/Miscellaneous Receipts & Gaming	**140,202**	**146,156**	**5,954**	**4.2%**	**1,054**
Federal Funds	94,276	93,726	(550)	(0.6%)	-
Total All Funds Receipts	**234,478**	**239,882**	**5,404**	**2.3%**	**1,054**

* Totals may not add up due to rounding.

Table 11

SFY 2025-26 All Funds Forecast Summary ($ in millions)	2024-25 Estimate	2025-26 Forecast	Change	Growth	Diff. Exec.
Personal Income Tax	60,266	62,600	2,334	3.9%	932
User Taxes	22,521	23,077	557	2.5%	89
Business Taxes	29,159	26,944	(2,215)	(7.6%)	53
Other Taxes	2,563	2,708	145	5.7%	12
Total Tax Collections	**114,509**	**115,329**	**820**	**0.7%**	**1,086**
All Funds Miscellaneous Receipts	26,887	29,055	2,168	8.1%	8
Gaming	4,760	4,731	(29)	(0.6%)	161
Total w/Miscellaneous Receipts & Gaming	**146,156**	**149,115**	**2,959**	**2.0%**	**1,255**
Federal Funds	93,726	88,207	(5,519)	(5.9%)	-
Total All Funds Receipts	**239,882**	**237,322**	**(2,562)**	**(1.1%)**	**1,255**

* Totals may not add up due to rounding.

Year-To-Date Tax Receipts

- Year-to-date tax receipts through September reflect a moderate rebound compared to the first six months of SFY 2023-24. However, when compared to the SFY 2020-21 level, this fiscal year's tax collections indicate a continuation of the strong growth in overall collections that had occurred prior to the pandemic (see Figure 2 below).

- Through September, All Funds tax revenue has increased by 6.1 percent compared to the same period in SFY 2023-24. Furthermore, total tax receipts have increased 38.1 percent over the SFY 2020-21 level.

- The year-to-date increase in collections has largely been driven by growth in PIT receipts, mainly attributed to strong increases in total wages and capital gains income. The year-to-date increase in overall collections have been partially offset by a steep decline in Estate and Gift tax receipts.

- While there is some room for upside growth in overall tax collections, mainly related to sustained growth in total wages, non-wage income, and consumer demand, the Committee is cautiously optimistic and will continue to monitor the Federal Reserve's anticipated actions regarding the easing of its monetary policy to address inflationary concerns.

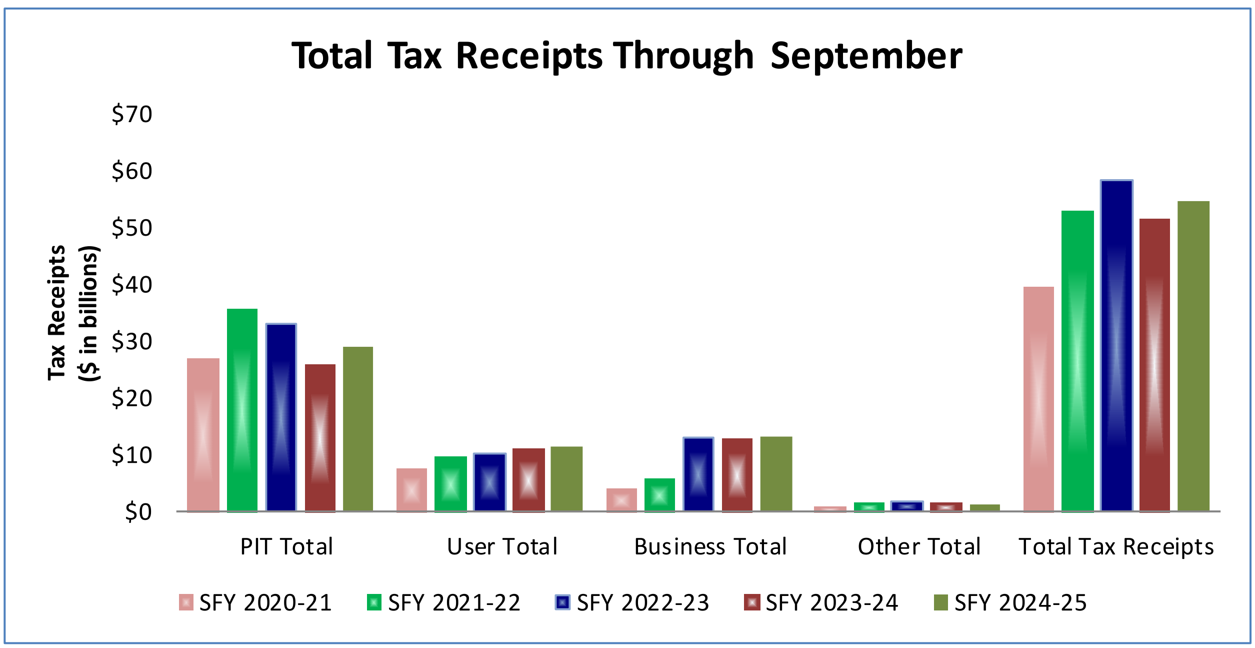

Figure 2

SFY 2024-25 Enacted Budget - Major Revenue Actions

- **Extend the Itemized Deduction Limit on High Income Filers:** The Enacted Budget provided a five-year extension to the personal income tax limitation on charitable contribution deductions for taxpayers with incomes above $10 million. This action would maintain the current state deduction limit of 25 percent of the federal deduction for these taxpayers.

- **Supplemental Empire State Child Credit (ESCC):** The Enacted Budget provided a one-time supplemental child tax credit payment, which is calculated as a percentage of a taxpayer's 2023 ESCC subject to a declining sliding scale based on their federal adjusted gross income. This action is projected to reduce PIT collections by $350 million in SFY 2024-25.

- **Establish the Commercial Security Tax Credit:** The Enacted Budget provided a $3,000 tax credit for small businesses to help offset the cost of implementing retail theft prevention measures. Businesses with 25 or fewer employees would receive the credit for spending at least $4,000 on these measures, while businesses with 26 to 50 employees would receive the credit for spending at least $6,000. The two-year Program is capped at $5 million per year beginning in tax year 2024.

- **Establish the Newspaper and Broadcast Media Jobs Program:** The Enacted Budget provided a payroll tax credit and job creation program for independently owned media entities. Eligible businesses may claim a credit equal to 50 percent of the wages earned by every eligible employee, up to $50,000 of annual wages per employee. The three-year Program is capped at $30 million per year and applies to tax years 2025, 2026, and 2027. Of the $30 million in annual credits, $26 million is set aside to support existing jobs, and up to $4 million would support new jobs within the State's newspaper and broadcast media industry.

- **Repeal and Replace the Cannabis Potency Tax:** The Enacted Budget repealed the wholesale Tetrahydrocannabinol (THC) potency tax, which was based on THC per milligram for each product and replaced it with a single wholesale excise tax of nine percent. The State's retail excise tax rate would remain at nine percent and the local retail excise tax rate would remain at four percent.

EXPENDITURE FORECAST AND RISKS

EXPENDITURE FORECAST AND RISKS

Medicaid

Enrollment Impact

With the enactment of the Families First Coronavirus Response Act (FFCRA) in March 2020, Federal Medical Assistance Percentages (FMAP) were increased by 6.2 percent for each calendar quarter that had occurred during the declared Public Health Emergency (PHE). Due to this enhanced level of Federal cost sharing, for the period of January 2020 to December 2023, an additional $11.8 billion in eFMAP benefit was claimed by the State. These funds have been utilized to offset state-share expenditure associated with elevated COVID-19 enrollment and lost savings from Medicaid Redesign Team II initiatives due to Federal Maintenance of Effort (MOE) requirements during the PHE.

Medicaid enrollment reached a peak of eight million recipients in June 2023, an increase of 1.8 million enrollees since the beginning of the COVID-19 pandemic. Beginning in July 2023, the State has started the process of disenrolling individuals who are found to be no longer eligible for Medicaid with the ending of the MOE requirements during the initial PHE. Enrollees will still be afforded 12 months of continuous coverage regardless of eligibility status even with the lifting of other MOE requirements. As of March 2024, Medicaid enrollment sits at approximately 7.2 million recipients, which remains nearly a million enrollees higher than pre-pandemic levels (see Figure 3 below). Due to this increased enrollment, the Financial Plan Mid-year Update has assumed nearly $1 billion in additional costs between State Fiscal Year (SFY) 2023-24 and SFY 2024-25. Outyear projections continue to account for nearly $300 million in average annual costs due to heightened enrollment over the life of the Financial Plan.

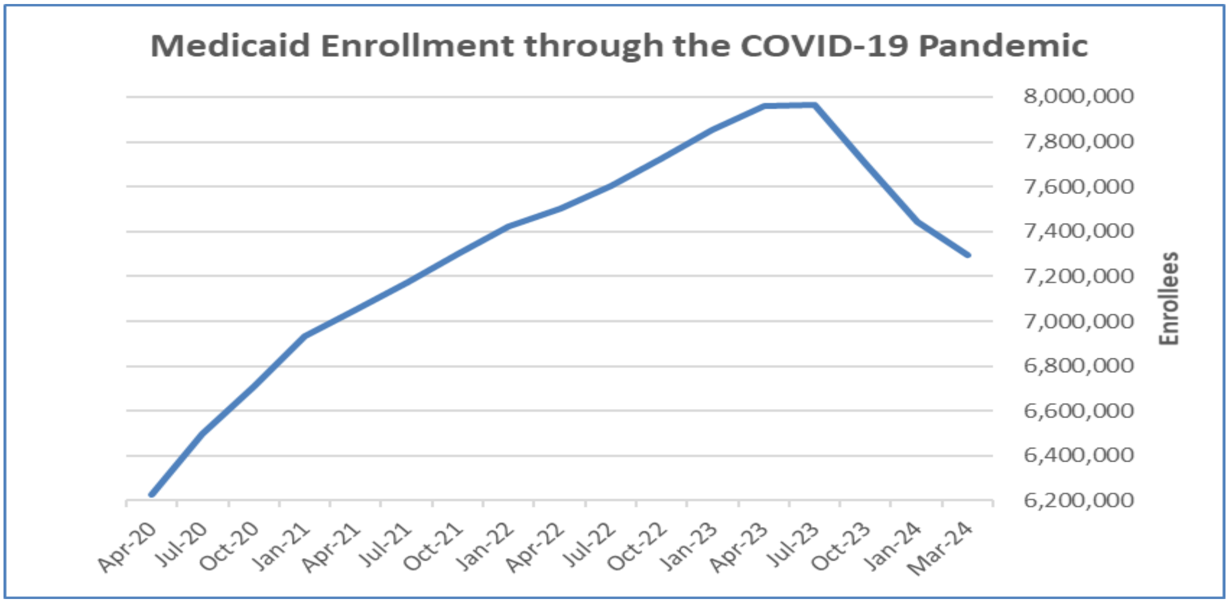

Figure 3

Medicaid Spending: SFY 2023-24, 2024-25, 2025-26

Total New York State share Medicaid spending for the Department of Health (DOH) in SFY 2023-24 was $28.2 billion. Based on the data for the first six months of SFY 2024-25, and accounting for adjustments related to enhanced federal support, it is estimated that DOH Medicaid expenditures will total $31.3 billion in SFY 2024-25, an increase of 11.1 percent. In SFY 2025-26, DOH Medicaid spending is projected at $35.1 billion, representing an increase in State share spending of 12 percent. The notable increase in projected State spending in SFY 2025-26 can be attributed to the expiration of Federal funds that have offset home care minimum wage increases, increased utilization of long-term care services, increased provider reimbursements, and costs associated with elevated enrollment levels compared to pre-pandemic levels.

Table 12

Medicaid Spending Impacts ($ in millions)			
	SFY 2023-24	**SFY 2024-25**	**SFY 2025-26**
Adjusted DOH Medicaid Spending	$25,724	$29,404	$32,908
State Share eFMAP	($1,703)	($23)	$0
Forecasted Enrollment Support	$547	$402	$356
Home Care Minimum Wage	$214	$1,480	$1,795
Total DOH Medicaid Spending	**$28,188**	**$31,309**	**$35,059**

Medicaid Global Cap

The SFY 2022-23 Enacted State Budget implemented an update to the metric used to calculate the Global Cap by utilizing the five-year rolling average of the CMS Medicaid Spending Annual Growth Rate. Under the new Global Cap metric, SFY 2024-25 DOH Medicaid expenditures will be capped at $24.8 billion. This represents indexed growth of 6.7 percent or $1.6 billion over the SFY 2023-24 Global Cap. In SFY 2025-26 the Global Cap is indexed to grow by 5.7 percent, or $1.4 billion to $26.3 billion. Over the five-year Financial Plan, the new Global Cap metric allows for $15.6 billion in combined new allowable expenditure compared to the prior Global Cap metric. As of the release of the Financial Plan Mid-year Update, the Medicaid Global Cap is projected to exceed allowable spending levels in SFY 2024-25 by $1.1 billion, due to forecast revisions associated with revised enrollment, utilization, and costs. The State will provide $1.1 billion in General Fund relief to the Global Cap to account for the revised spending projections to avoid a deficit in the current fiscal year. In SFY 2025-26, the Global Cap is now projected to exceed the allowable index by $2.2 billion compared to the $1.6 billion originally projected in the Enacted State Budget. The deficit is projected to grow to roughly $3 billion in subsequent years.

If DOH Medicaid spending is projected to exceed the Global Cap, the State Medicaid Director is authorized to implement a Medicaid Savings Allocation Plan, consisting of reimbursement rate reductions and/or benefit reductions, to bring expenditures in-line with the budgeted amounts under the cap. The Executive must notify the Legislature 30 days prior to the implementation of any savings plan.

Risks to the Medicaid Spending Forecast

Enrollment remains a perennial risk to the Financial Plan, with nearly one million recipients enrolled above pre-pandemic levels as of March 2024. While the staggered phase-out of eFMAP provided financial relief through SFY 2023-24, the State now assumes the full amount of elevated costs as General Fund expenditure. The Financial Plan Mid-year Update assumes that disenrollment is expected to be significantly slower than originally projected, and due to that the State will assume nearly $1.3 billion in additional General Fund costs through SFY 2027-28.

Additionally, state-share costs associated with home care wage differential payments are anticipated to increase from $214 million in SFY 2023-24 to $1.5 billion in SFY 2024-25. This notable increase in State expenditure is due to the expiration of Federal Home and Community Based Service (HCBS) eFMAP that was serving to offset State support for wage increases for home health and personal care workers of $1.55 for Downstate and $1.35 for Rest of State effective January 1, 2024. This wage increase will now be fully financed by State General Fund support. These costs will continue to rise as an additional statewide increase of $0.55 takes effect January 1, 2025, and on January 1, 2026. Thereafter, wages will increase consistent with the year-over-year CPI-W for the Northeast Region. Outyear Financial Plan support is projected to increase by roughly $300 million annually, for a total of $1.8 billion in State support in SFY 2025-26.

Another notable risk to the Financial Plan is the savings actions enacted in the SFY 2024-25 Budget. One major initiative sought to provide savings in the long-term care sector through the establishment of one statewide Fiscal Intermediary for the Consumer Directed Patient Assistance Program (CDPAP), though litigation or delayed implementation could threaten the $504 million in savings associated with this proposal for SFY 2025-26. The successful implementation of this initiative is crucial in beginning to mitigate growing trends in long-term care expenditure that continue to put upward pressure on the Global Cap and Financial Plan.

Finally, the Managed Care Organization (MCO) tax, assuming it is approved later this fiscal year by the Centers for Medicare and Medicaid Services (CMS), will provide funds that can be used to alleviate state-share costs associated with the Medicaid program. It is still unclear how much revenue the MCO tax will generate, but any revenue could be utilized for investments in Medicaid programming or to offset deficit spending already occurring within the Global Cap. Even with the risks Medicaid poses to the Financial Plan, there remains a general stakeholder consensus that the Medicaid program is underfunded in multiple sectors.

Public Assistance Caseload and Expenditures

Public assistance expenditures consist of two main categories of spending: Family Assistance and Safety Net Assistance. The Family Assistance program is a federal program that provides support services and cash assistance to eligible families and children, and is financed through the federal Temporary Assistance for Needy Families (TANF) grant. The Safety Net Assistance program is a State program, financed jointly between the State and local governments. As the name implies, it offers a “safety net” by providing cash assistance to those individuals who do not qualify for Family Assistance (i.e., single adults, childless couples, and families that have exhausted their five year time limit for TANF eligibility imposed under federal law).

It should be noted that while the data available from the Office of Temporary and Disability Assistance (OTDA) is sufficient for estimating the public assistance caseload, it lacks the needed specificity for preparing a public assistance spending forecast. While economic factors such as employment, wages, and unemployment exhaustions may help to forecast the number of recipients on the public assistance rolls, translating those figures into spending terms cannot be done with precision because a significant portion of public assistance expenditures are made for emergency situations that are unrelated to the public assistance caseload. Consequently, in order to forecast public assistance expenditures more accurately, OTDA needs to refine currently available data by segregating emergency and other non-assistance spending from basic expenditures that are directly related to the public assistance caseload.

Table 13

Expenditures (in millions)	SFY 2023-24 (actual)	SFY 2024-25 (WAM estimate)	SFY 2025-26 (WAM estimate)
Federal	$1,123	$1,215	$1,184
General Fund	$687	$767	$782

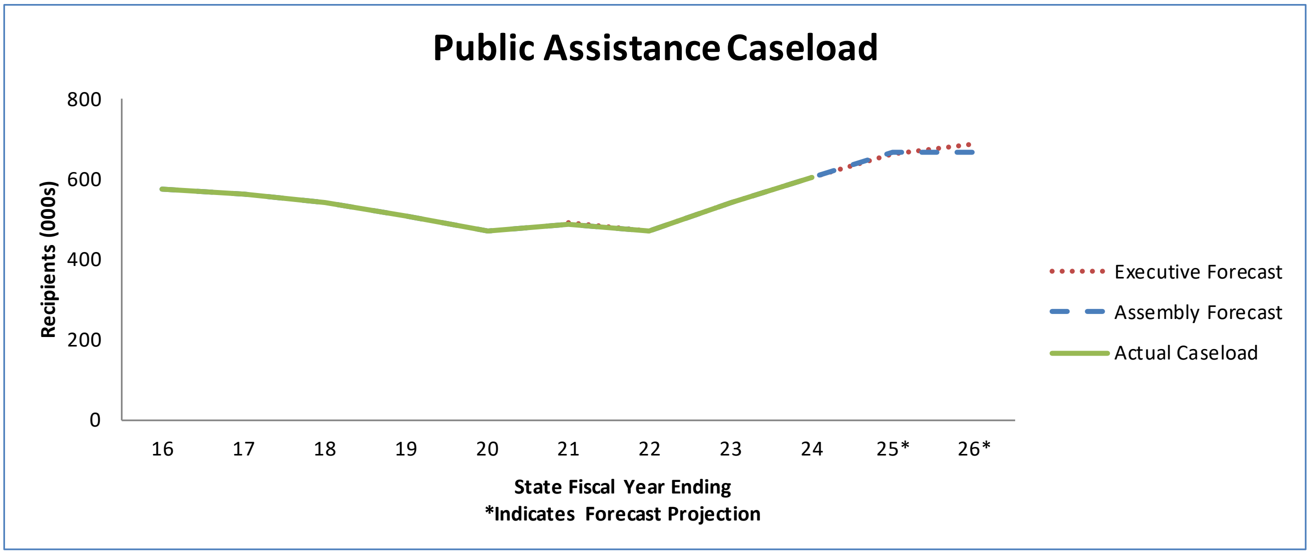

Figure 4

SFY 2023-24 Closeout

For SFY 2023-24, actual public assistance expenditures, including local costs, were $3.5 billion, with an average monthly caseload of 603,444. This represents a caseload increase of 11.6 percent over the previous State Fiscal Year and a spending increase of $379 million or 12.2 percent.

The actual caseload in SFY 2023-24 was 45,444 recipients higher than levels projected in the SFY 2023-24 Enacted Budget. At the time, expenditures for SFY 2023-24 were estimated at $3.2 billion, or $312.7 million lower than the actual spending level.

SFY 2024-25 Forecast

The Assembly Ways and Means Committee staff estimates that public assistance spending, including local costs, will total approximately $3.9 billion in SFY 2024-25, with State share spending of $766.7 million, to provide benefits to 665,473 recipients. This represents an aggregate increase of $368.6 million and 62,029 recipients above the SFY 2023-24 closeout. Localities can expect to see a similar trend in their share of public assistance contributions. On a State Funds basis, the Committee staff projection is $101 million higher than the SFY 2024-25 Enacted Budget. At Mid-year, the Executive estimates expenditures for SFY 2024-25 at $3.9 billion ($774 million State share), approximately $403.6 million above the SFY 2023-24 closeout and $35 million ($7.3 million State share) above the Assembly's estimate. The Executive projects a monthly average caseload of 663,461, a 13.3 percent caseload increase over SFY 2023-24. This estimate is 0.3 percent lower than the Assembly's projection.

SFY 2025-26 Forecast

The Executive estimates caseload will increase to 688,153, or 3.7 percent in SFY 2025-26, with a State share spending of $795 million. The Ways and Means Committee staff estimates that the public assistance caseload will increase to 668,310 or 19,843 recipients below the Executive's Mid-year forecast. State share for public assistance expenditures are estimated to increase to $782.4 million, which is $12.6 million below the Executive's forecast.

Risks to the Public Assistance Forecast

New York State is experiencing an increase in public assistance recipients, related to both policy and economic factors. The economic repercussions of the COVID-19 pandemic, particularly on low wage jobs in New York City, have led to more individuals relying on public assistance for financial help. This is the biggest factor driving increased enrollment. Currently, there is vast uncertainty in the global economy and how such conditions may affect New York State. Previous policy changes that were made in SFY 2022-23 are also likely to have increased the public assistance caseload slightly. While the State has experienced an influx of asylum seekers, some who may qualify for certain benefits, these individuals are not likely to significantly impact caseload. High inflation, increased rents, and higher energy bills may lead to more financial burden in the coming year. It is projected that public assistance caseloads will be higher in the coming fiscal year for these reasons.

Education

School Year 2024-25

The 2024-25 Enacted Budget for Education provides a total of $35.9 billion in General Support for Public Schools. Of this amount, $35.4 billion is allocated through computerized school aid formulas. This amount reflects a year-to-year increase of approximately $1.3 billion from School Year 2023-24. Federal stimulus funding from the American Rescue Plan Act of 2021 (ARPA) for school districts will be fully expended by January 1, 2025, while funds from the CARES Act and the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA) have already been fully spent out.

Foundation Aid remains the largest component of school aid totaling of $24.9 billion. The Foundation Aid formula was developed to take into account the needs of individual districts with low fiscal capacity and concentrations of high-need students. The 2024-25 State Budget increased Foundation Aid by $934.5 million over the 2023-24 School Year. The Executive had proposed eliminating the Save Harmless provision, which prevents a decrease in the Foundation Aid paid to school districts if the proposed aid totals would be less than the prior year. The Executive had also proposed changing the Consumer Price Index annual calculation to a 10-year rolling average, resulting in an inflation factor of 2.4 percent. The Legislature fully restored the Save Harmless provision, and provided a higher inflation factor of 2.8 percent.

Reimbursable Aids for School Year 2024-25 totaled approximately $9.2 billion, an increase of $225.4 million, or 2.5 percent over School Year 2023-24. The 2024-25 Enacted Education Budget also provided $1.2 billion in Universal Prekindergarten funding for school districts. The "supplement, not supplant" language which had restricted Statewide Universal Full-Day Pre-kindergarten program (SUFPK) funding for school districts was eliminated as well.

School Year 2025-26

School aid increases are statutorily benchmarked to a 10-year average of the Personal Income Growth Index (PIGI), a measure of personal income growth in New York State. The School Year 2025-26 PIGI is 4.5 percent, or an increase of approximately $1.6 billion. Statutorily, this amount must support Foundation Aid, Reimbursable Aids and the payment of certain grants. However, the Legislature has traditionally overridden this cap, if necessary, to provide appropriate levels of school aid funding.

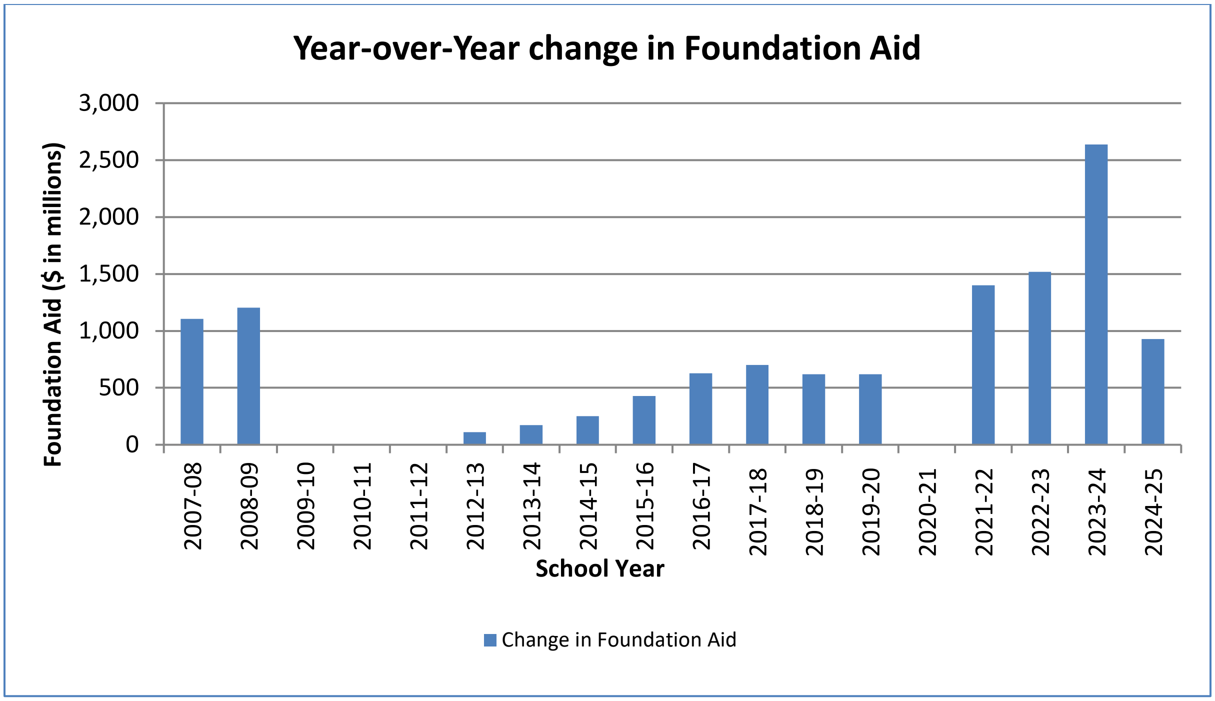

Figure 5

Statutorily, school districts will be eligible to receive inflationary increases from the Foundation Aid formula, along with any changes due to demographic factors. In SFY 2024-25, the Legislature and Executive agreed to a CPI inflation factor of 2.8 percent, lower than the statutorily calculated amount but greater than the Executive's proposed change to a 10-year rolling average. Taking into account anticipated inflation and demographic changes for the 2025-26 School Year, the Assembly estimates a $696 million or 2.8 percent increase in Foundation Aid, for a total of $25.6 billion. In the past, school districts may have been given a minimum increase in Foundation Aid, though this practice is not in statute.

Foundation Aid Study

The Nelson A. Rockefeller Institute of Government is currently conducting a comprehensive study of the Foundation Aid formula, which will provide recommendations with the goal of improving fiscal stability for the State, local taxpayers, and school districts using more recent data on several formula components. The Rockefeller Institute of Government has conducted five public hearings across the State and is researching potential modifications based on feedback. The Foundation Aid study will be published by December 1, 2024. Any recommendations of the study may be used to inform potential changes to Foundation Aid.

Universal Pre-kindergarten

The State's Universal Pre-kindergarten (UPK) funding reached $1.2 billion in School Year 2024-25, and includes both for pre-kindergarten funding via formula at a minimum of $5,400 per pupil, and the SUFDPK, which funds pre-kindergarten programs at $10,000 per pupil. The State

Education Department was also required in the 2024-25 State Budget to conduct a study on consolidating the pre-kindergarten funding streams and make recommendations on potential modifications to streamline the UPK funding process and programmatic implementation. The UPK study will be available to the Executive and the State Legislature by December 1, 2024.

Reimbursable Aids

The State provides reimbursement for a variety of education expenses that school districts incur. Ensuring proper facilities, reducing costs by using shared services, educating students with special needs, and transporting students to and from schools safely are all part of providing a sound, basic education to students throughout the State. In developing estimates of growth in formula based aids, the Assembly has traditionally used an average of recent growth in these programs to reflect current expenditure levels. Over the past five years the rate of change in formula based aids has been drastically inconsistent, due in part to the COVID-19 pandemic, ranging anywhere from -16 percent to 21 percent. However, based on overall trends, the Assembly estimates Reimbursable Aids will increase by $314.2 million or 3.4 percent for a total of $9.6 billion. The November 15th database is currently unavailable and will provide more specific data on projected growth.

Table 14

YEAR TO YEAR AID GROWTH									
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26 (Estimated)
Reimburable Aids	7,602,091,849	7,809,984,062	8,079,823,953	6,717,913,372	8,128,342,165	8,713,851,219	9,018,018,380	9,243,445,692	9,557,722,846
Change		207,892,213	269,839,891	(1,361,910,581)	1,410,428,793	585,509,054	304,167,161	225,427,312	314,277,154
% Change		2.73%	3.46%	-16.86%	21.00%	7.20%	3.49%	2.50%	3.40%

Source: State Education Department Local Assistance Tables

When accounting for increases in Foundation Aid and Reimbursable Aids, the Assembly projects School Aid will increase from $35.9 billion in School Year 2024-25, to $36.9 billion in School Year 2025-26, for a total increase of $1 billion, or 2.8 percent. As noted above, more specific data will become available from the State Education Department on the projected growth of Foundation Aid and Reimbursable Aids with the release of the November 15th database. In addition, any changes adopted from or based on recommendations from the Foundation Aid Study could impact the estimates for Foundation Aid and GSPS. As the school year continues, any other needs of the almost 700 school districts in New York State will become more apparent.

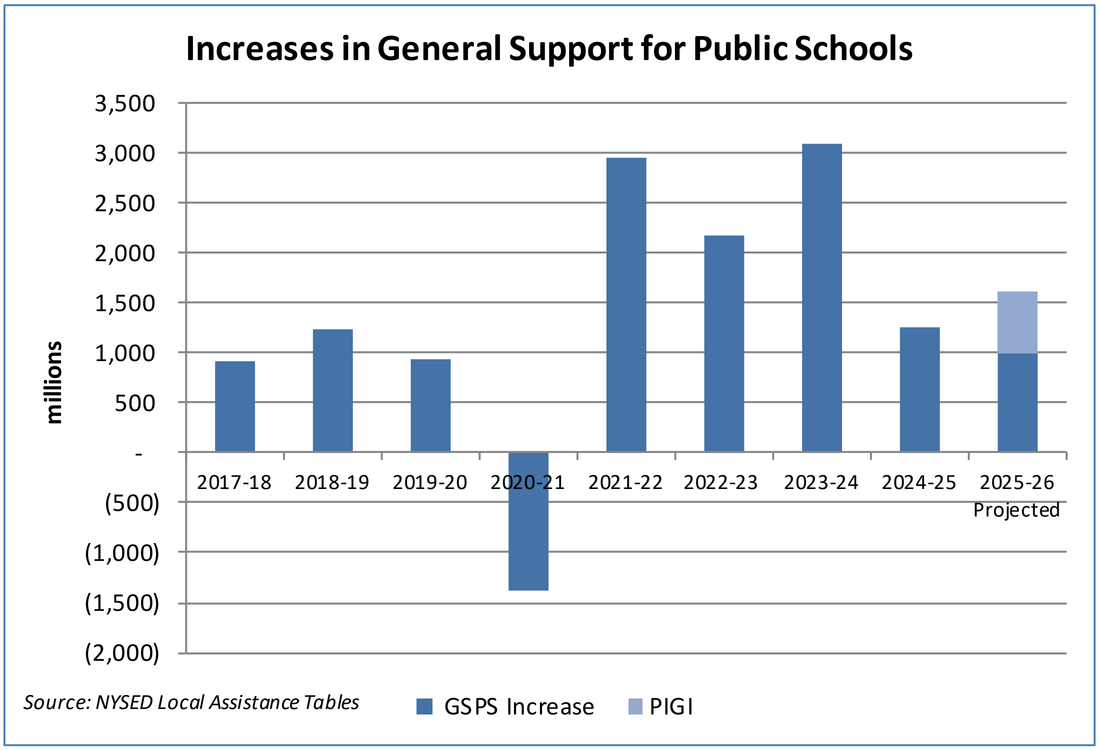
Increases in General Support for Public Schools
3,500
3,000
2,500
2,000
1,500
1,000
500
-
(500)
(1,000)
(1,500)
(2,000)
millions
2017-18
2018-19
2019-20
2020-21
2021-22
2022-23
2023-24
2024-25
2025-26 Projected
Source: NYSED Local Assistance Tables
GSPS Increase
PIGI

Figure 6

Federal Impacts to the Financial Plan

Federal Funds Projected Disbursements per Program Area

Federal Funds spending is expected to total $92.5 billion in SFY 2024-25 including $13.2 billion in spending related to pandemic assistance. Federal Funds spending is estimated to decrease by $2 billion from SFY 2023-24 driven by a sharp decrease in pandemic assistance spending. DOB assumes total projected pandemic assistance spending over the next three years of $1.5 billion, with spending dropping from $7.6 billion in SFY 2024-25 to $24 million in SFY 2027-28. An additional $12.75 billion in unrestricted federal aid is not reflected in total disbursements and is instead used over the course of the Financial Plan to support the General Fund.

Table 15

FEDERAL FUNDS DISBURSEMENTS ($ in millions)						
	SFY 2023-24 Actuals	SFY 2024-25 Projected	SFY 2025-26 Projected	SFY 2026-27 Projected	SFY 2027-28 Projected	5-Year Total Projected
DISBURSEMENTS						
Medicaid[1]	53,707	53,964	53,983	55,409	55,588	**272,651**
Health	12,737	15,890	15,366	15,932	16,650	**76,575**
Social Welfare	5,114	5,254	5,145	5,129	5,131	**25,773**
Education	4,682	4,458	4,387	4,387	4,387	**22,301**
Public Protection	1,285	1,326	1,337	1,303	1,301	**6,552**
Transportation	1,983	2,353	2,811	2,870	2,872	**12,889**
All Other	1,756	1,649	1,646	1,666	1,735	**8,452**
Pandemic Assistance[2]	13,223	7,648	1,347	93	24	**22,335**
Child Care Funds	801	262	0	0	0	**1,063**
Education ARP Funds	2,467	4,185	0	0	0	**6,652**
FFCRA/COVID eFMAP, including local passthrough	2,061	0	0	0	0	**2,061**
ARP HCBS eFMAP	1,241	764	0	0	0	**2,005**
Education Supplemental Appropriations Act	1,573	168	0	0	0	**1,741**
Emergency Rental Assistance Program (ERAP)	325	0	0	0	0	**325**
Education CARES Act Funds	0	10	0	0	0	**10**
FEMA Reimbursement of Eligible Pandemic Expenses	961	500	0	0	0	**1,461**
FEMA Local Pass-Through Funding	3,350	1,500	1,100	0	0	**5,950**
Homeowner Assistance Program	52	0	0	0	0	**52**
Home Energy Assistance Program	43	0	0	0	0	**43**
Coronavirus Capital Projects Fund	69	69	69	69	0	**276**
State Small Business Credit Initiative	165	40	98	24	24	**351**
FHWA Surface Transportation Block Grant	115	150	80	0	0	**345**
Total Disbursements	**94,517**	**92,542**	**86,022**	**86,789**	**87,688**	**447,528**

[1]All Other includes housing and homeless services, economic development, mental hygiene, environment, higher education and general government areas.

[2]Pandemic Assistance excludes $12.75 billion in State aid provided through the American Rescue Plan Act. This fund is reflected as a receipt to Federal Funds and transfer to the General Fund.

Source: DOB 2024-25 Mid-year Financial Plan.

Federal Funds Spending - Pandemic Assistance

- **Child Care Funds:** Provided more funding to help in stabilizing the childcare sector.

- **Education ARP Funds:** The ARP provided more education funding for the Elementary and Secondary School Emergency Relief (ESSER) and Emergency Assistance for Nonpublic Schools (EANS) programs, and funding for homeless education, IDEA, library services and the arts.

- **Families First Coronavirus Response Act (FFCRA)/COVID eFMAP:** The Federal government increased its share of Medicaid funding (eFMAP) by 6.2 percent for each calendar quarter in response to the COVID-19 pandemic. However, by the end of December 2023, eFMAP will be reduced to 5 percent from April 1, 2023 through June 30, 2023, to 2.5 percent from July 1, 2023 through September 30, 2023, and to 1.5 percent from October 1, 2023 through December 31, 2023.

- **eFMAP Home and Community Based Services:** The ARP temporarily increase by 10 percentage points the FMAP for certain Medicaid Home and Community-Based Services (HCBS) through March 31, 2022. The State is expecting to receive a total of $2.6 billion ($589 million in SFY 2022-23, $1.3 billion in SFY 2023-24, and $764 million in SFY 2025-26) for HCBS services across health and mental hygiene programs.

- **Education Supplemental Appropriations Act:** Has provided additional funding for education to support pandemic-related services and assistance to nonpublic schools through the EANS program.

- **Education CARES Act Funds**: Has provided more education support through the CARES Act including funding to school districts and charter schools.

- **Emergency Rental Assistance Program:** Makes funding available to assist households that are unable to pay rent and utilities due to the COVID-19 pandemic. Additional funding for the program is provided through the ARP.

- **FEMA Reimbursement of Eligible Pandemic Expenses:** The State has applied for reimbursement of spending incurred to date and due to the COVID-19 pandemic. However, there is no guaranty that FEMA will approve those claims and that the State would be reimbursed in the amounts or State Fiscal Years as projected in the Financial Plan.

- **FEMA Local Pass-Through Funding:** The Financial Plan assumes that Federal funding for COVID-19 claims submitted to FEMA will pass through the Financial Plan to reimburse local entities.

- **Homeowner Assistance Fund:** This program delivers services to ensure that homeowners going through economic hardships due to the pandemic can stay in their homes.

- **Home Energy Assistance Program:** This program helps low-income households pay for the cost of heating, cooling, and weatherizing of their homes**.** Supplemental funding to the existing program is provided through the ARP.

- **Coronavirus Capital Projects Fund:** New York State was allocated $345 million to carry out critical capital projects that directly enable work, education, and health monitoring in response to COVID-19.

- **State Small business Credit Initiative:** Funding to help small businesses to receive capital needed to invest in job-creating opportunities.

- **Federal Highway Administration (FHWA) Surface Transportation Block Grant**: Provided under the CRRSA Act, this funding addresses the impact of COVID-19 on Highway Infrastructure Programs.