NEW ISSUE – BOOK-ENTRY ONLY

DASNY

$1,744,540,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
STATE SALES TAX REVENUE BONDS

$1,400,935,000	$282,315,000	$61,290,000
Series 2023A-1	Series 2023A-2	Series 2023B
(Tax-Exempt)	(Tax-Exempt)	(Federally Taxable)

Dated: Date of Delivery **Due: As Shown on the Inside Cover Pages**

The Dormitory Authority of the State of New York State Sales Tax Revenue Bonds, Series 2023A-1 (Tax-Exempt) (the "Series 2023A-1 Bonds"), the Dormitory Authority of the State of New York State Sales Tax Revenue Bonds, Series 2023A-2 (Tax-Exempt) (the "Series 2023A-2 Bonds" and, together with the Series 2023A-1 Bonds, the "Series 2023A Bonds") and the Dormitory Authority of the State of New York State Sales Tax Revenue Bonds, Series 2023B (Federally Taxable) (the "Series 2023B Bonds" and, together with the Series 2023A Bonds, the "Series 2023 Bonds"), are special obligations of the Dormitory Authority of the State of New York ("DASNY"). The Series 2023 Bonds are secured by a pledge of certain financing agreement payments (the "Financing Agreement Payments") to be made to The Bank of New York Mellon, New York, New York, as trustee and paying agent (the "Trustee") on behalf of DASNY by the State of New York (the "State") under a financing agreement (the "Financing Agreement") between DASNY and the State, acting by and through the Director of the Division of the Budget (the "Director of the Budget"). Financing Agreement Payments are payable from amounts legally required to be deposited into the Sales Tax Revenue Bond Tax Fund (as defined herein) to provide for the payment of the Series 2023 Bonds and all other State Sales Tax Revenue Bonds (as defined herein). The Sales Tax Revenue Bond Tax Fund receives a statutory allocation from the revenues collected from the State's sales and compensating use taxes including interest and penalties (the "New York State Sales Tax") imposed on a statewide basis pursuant to Sections 1105 and 1110 of the New York State Tax Law (the "State Tax Law"), less such amounts as may be necessary for refunds ("New York State Sales Tax Receipts") in an amount equal to a two percent rate of taxation (the "Sales Tax Revenue Bond Tax Fund Receipts") as more fully described herein. See "PART 3—SECURITY AND SOURCES OF PAYMENT FOR STATE SALES TAX REVENUE BONDS."

DASNY is one of three Authorized Issuers (as hereinafter defined) that can issue State Sales Tax Revenue Bonds. All financing agreements entered into by the State to secure State Sales Tax Revenue Bonds shall be executory only to the extent of the revenues available in the Sales Tax Revenue Bond Tax Fund. The obligation of the State to make financing agreement payments is subject to the State Legislature making annual appropriations for such purpose and such obligation does not constitute or create a debt of the State, nor a contractual obligation in excess of the amounts appropriated therefor. In addition, the State has no continuing legal or moral obligation to appropriate money for payments due under any financing agreement. Nothing shall be deemed to restrict the right of the State to amend, repeal, modify or otherwise alter statutes imposing or relating to the State Sales Tax.

The Series 2023 Bonds shall not be a debt of the State and the State shall not be liable thereon, nor shall the Series 2023 Bonds be payable out of any funds other than those of DASNY pledged therefor. Neither the faith and credit nor the taxing power of the State is pledged to the payment of the principal of, premium, if any, or interest on the Series 2023 Bonds. DASNY has no taxing power.

The Series 2023 Bonds will be issued as fixed rate obligations, fully registered, in denominations of $5,000 or any integral multiple thereof. The Series 2023 Bonds will bear interest at the rates and mature at the times and in the principal amounts shown on the inside cover pages hereof. Interest on the Series 2023 Bonds is payable on each March 15 and September 15, commencing March 15, 2024.

The Series 2023 Bonds will be initially issued under a book-entry only system and will be registered in the name of Cede & Co., as Bondholder and nominee of The Depository Trust Company, New York, New York ("DTC"). See "PART 8—BOOK-ENTRY ONLY SYSTEM" herein. So long as Cede & Co., as nominee for DTC, is the registered owner of the Series 2023 Bonds, payments of principal or redemption price of and interest on the Series 2023 Bonds will be made by the Trustee and Paying Agent, to Cede & Co.

The Series 2023 Bonds are subject to redemption prior to maturity as more fully described herein.

In the opinion of Nixon Peabody LLP, Co-Bond Counsel to DASNY, under existing law and assuming compliance with the tax covenants described herein, and the accuracy of certain representations and certifications made by DASNY and the Departments described herein, interest on the Series 2023A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Nixon Peabody LLP is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. Nixon Peabody LLP and Bryant Rabbino LLP, Co-Bond Counsel to DASNY, are further of the opinion that, under existing law, interest on the Series 2023 Bonds is, by virtue of the Authority Act (as defined herein), exempt from personal income taxation imposed by the State of New York or any political subdivision thereof including The City of New York. Interest on the Series 2023B Bonds is not excluded from gross income for federal income tax purposes under the Code. See "PART 13—TAX MATTERS" herein.

The Series 2023 Bonds are offered, when, as and if issued and delivered to the Underwriters (as defined herein), and are subject to approval of legality by Nixon Peabody LLP, New York, New York, and Bryant Rabbino LLP, New York, New York, Co-Bond Counsel to DASNY (collectively, "Co-Bond Counsel"), and to certain other conditions. Certain legal matters will be passed upon for the Underwriters by their co-counsel, Orrick, Herrington & Sutcliffe LLP, New York, New York and D. Seaton and Associates, P.A., P.C., New York, New York. It is expected that the Series 2023 Bonds will be delivered in definitive form in New York, New York, on or about August 15, 2023.

J.P. Morgan **Jefferies** **Loop Capital Markets**

Academy Securities, Inc.	Bancroft Capital, LLC	Barclays	Blaylock Van, LLC
BofA Securities	Cabrera Capital Markets, LLC	Citigroup	Estrada Hinojosa
Goldman Sachs & Co. LLC	Great Pacific Securities	Mischler Financial Group, Inc.	Morgan Stanley
Raymond James	RBC Capital Markets	Rice Financial Products Company	Ramirez & Co., Inc.
San Blas Securities, LLC	Siebert Williams Shank & Co., L.L.C.	Stern Brothers & Co.	UBS Financial Services Inc.

Wells Fargo Securities

Dated: August 3, 2023

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$1,744,540,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
STATE SALES TAX REVENUE BONDS

Maturity Schedule

$1,400,935,000
SERIES 2023A-1 (TAX-EXEMPT)

$1,270,325,000 Serial Bonds

Due March 15	Amount	Interest Rate	Yield	CUSIP Numbers†	Due March 15	Amount	Interest Rate	Yield	CUSIP Numbers†
2027	$3,080,000	5.00%	2.87%	64990ARV9	2038	$90,310,000	5.00%	3.63%[1]	64990ASG1
2028	33,655,000	5.00	2.91	64990ARW7	2039	40,915,000	5.00	3.72[1]	64990ASH9
2029	69,875,000	5.00	2.98	64990ARX5	2040	42,975,000	5.00	3.74[2]	64990ASJ5
2030	76,450,000	5.00	3.00	64990ARY3	2040	64,920,000	5.00	3.79[1]	64990ASK2
2031	38,370,000	5.00	2.98	64990ARZ0	2041	113,150,000	5.00	3.87[1]	64990ASL0
2032	52,545,000	5.00	3.01	64990ASA4	2042	47,380,000	5.00	3.85[2]	64990ASM8
2033	81,740,000	5.00	3.09	64990ASB2	2042	31,605,000	5.00	3.93[1]	64990ASN6
2034	57,540,000	5.00	3.14[1]	64990ASC0	2043	49,730,000	4.00	4.24	64990ASP1
2035	85,620,000	5.00	3.23[1]	64990ASD8	2044	51,725,000	5.25	3.92[2]	64990ASQ9
2036	89,890,000	5.00	3.38[1]	64990ASE6	2045	54,455,000	5.00	4.02[1]	64990ASR7
2037	94,395,000	5.00	3.54[1]	64990ASF3					

$59,710,000 4.00% Term Bond due March 15, 2049 – Yield 4.35% CUSIP No.† 64990ASS5

$70,900,000 5.00% Term Bond due March 15, 2053 – Yield 4.16%[1] CUSIP No.† 64990AST3

$282,315,000
SERIES 2023A-2 (TAX-EXEMPT)[3]

Due September 15	Amount	Interest Rate	Yield	CUSIP Numbers†
2030	$141,160,000	5.00%	3.00%[2]	64990ASU0
2033	141,155,000	5.00	3.11[1]	64990ASV8

† Copyright, American Bankers Association ("ABA"). CUSIP numbers are assigned by, and managed on behalf of the ABA by, an organization not affiliated with DASNY. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Series 2023A Bonds, and neither DASNY nor the Underwriters make any representation with respect to such numbers or undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP numbers for a specific maturity are subject to being changed after the issuance of the Series 2023A Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2023A Bonds.

1 Priced at the stated yield to the March 15, 2033, optional redemption date at a redemption price of 100%.

2 Priced at the stated yield to the March 15, 2030, optional redemption date at a redemption price of 100%.

3 The Series 2023A-2 Bonds are Balloon Indebtedness under the Resolution. See "PART 3—SECURITY AND SOURCES OF PAYMENT FOR STATE SALES TAX REVENUE BONDS – Additional Bonds."

$1,744,540,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
STATE SALES TAX REVENUE BONDS

Maturity Schedule

$61,290,000
SERIES 2023B (FEDERALLY TAXABLE)

Due March 15	Amount	Interest Rate	Price	CUSIP Numbers†
2025	$18,925,000	5.200%	100%	64990ARR8
2026	19,925,000	4.968	100	64990ARS6
2027	19,740,000	4.848	100	64990ART4
2028	2,700,000	4.848	100	64990ARU1

† Copyright, ABA. CUSIP numbers are assigned by, and managed on behalf of the ABA by, an organization not affiliated with DASNY. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Series 2023B Bonds, and neither DASNY nor the Underwriters make any representation with respect to such numbers or undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP numbers for a specific maturity are subject to being changed after the issuance of the Series 2023B Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2023B Bonds.

No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2023 Bonds by any person in any jurisdiction in which it is unlawful for the person to make such offer, solicitation or sale. The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in the Official Statement in accordance with, and as part of, their responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information. The information set forth herein has been provided by DASNY, the State and other sources which are believed to be reliable by DASNY and with respect to the information supplied or authorized by the State and information provided by such other sources, is not to be construed as a representation by DASNY. The information herein is subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of DASNY or the State. This Official Statement is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

In connection with offers and sales of the Series 2023 Bonds, no action has been taken by DASNY that would permit a public offering of the Series 2023 Bonds, or possession or distribution of any information relating to the pricing of the Series 2023 Bonds, this Official Statement or any other offering or publicity material relating to the Series 2023 Bonds, in any non-U.S. jurisdiction where action for that purpose is required. Accordingly, the Underwriters are obligated to comply with all applicable laws and regulations in force in any non-U.S. jurisdiction in which they purchase, offer or sell the Series 2023 Bonds or possess or distribute this Official Statement or any other offering or publicity material relating to the Series 2023 Bonds and will obtain any consent, approval or permission required by them for the purchase, offer or sale by them of the Series 2023 Bonds under the laws and regulations in force in any non-U.S. jurisdiction to which they are subject or in which they make such purchases, offers or sales and DASNY shall have no responsibility therefor.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2023 BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE OFFERING INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THIS OFFICIAL STATEMENT CONTAINS STATEMENTS WHICH, TO THE EXTENT THEY ARE NOT RECITATIONS OF HISTORICAL FACT, CONSTITUTE "FORWARD-LOOKING

STATEMENTS." IN THIS RESPECT, THE WORDS "ESTIMATE," "PROJECT," "ANTICIPATE," "EXPECT," "INTEND," "BELIEVE" AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. A NUMBER OF IMPORTANT FACTORS AFFECTING THE STATE'S FINANCIAL RESULTS COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE STATED IN THE FORWARD-LOOKING STATEMENTS.

TABLE OF CONTENTS

PART 1—SUMMARY STATEMENT

This Summary Statement is subject in all respects to more complete information contained in this Official Statement and should not be considered a complete statement of the facts material to making an investment decision. The offering of the Series 2023 Bonds to potential investors is made only by means of the entire Official Statement. Capitalized terms used in this Summary Statement and not defined in this Summary Statement will have the meanings given to such terms elsewhere in this Official Statement.

State Sales Tax Revenue Bond Financing Program	Article 5-F and Article 6 (Section 92-h) of the New York State Finance Law (the "State Finance Law"), as amended from time to time (the "Enabling Act"), provides for the issuance of, and a source of payment for, State Sales Tax Revenue Bonds (the "State Sales Tax Revenue Bonds") by establishing the Sales Tax Revenue Bond Tax Fund (the "Sales Tax Revenue Bond Tax Fund") held separate and apart from all other moneys of the State in the joint custody of the State Commissioner of Taxation and Finance (the "Commissioner") and the Comptroller of the State (the "State Comptroller"). The Enabling Act authorizes the Dormitory Authority of the State of New York ("DASNY"), the New York State Thruway Authority (the "Thruway Authority") and the New York State Urban Development Corporation, doing business as Empire State Development ("ESD" and collectively with DASNY and the Thruway Authority, the "Authorized Issuers") to issue State Sales Tax Revenue Bonds for certain Authorized Purposes (as hereinafter defined). Prior to the initial issuance of any State Sales Tax Revenue Bonds, if any, by an Authorized Issuer, such Authorized Issuer will adopt one or more general resolutions and execute financing agreements with the Director of the Division of the Budget (the "Director of the Budget") pursuant to the Enabling Act. The financing agreements and the general resolutions for State Sales Tax Revenue Bonds issued by the Authorized Issuers have substantially identical terms except for applicable references to, and requirements of, the Authorized Issuer and the Authorized Purposes. References to financing agreements, financing agreement payments and general resolutions contained in this Official Statement mean generically the financing agreements, financing agreement payments and general resolutions of all Authorized Issuers, including DASNY. State Sales Tax Revenue Bonds issued by an Authorized Issuer are secured solely by a pledge of (i) the payments made pursuant to a financing agreement entered into by such Authorized Issuer with the Director of the Budget and (ii) certain funds held by the applicable trustee or Authorized Issuer under a general resolution and the investment earnings thereon; which together constitute the pledged property under the applicable general resolution.
Purposes of Issue	The Series 2023 Bonds are being issued for the purpose of financing Authorized Purposes, including (i) financing, refinancing or reimbursing all or a portion of the costs of certain programs and projects within the State, (ii) refunding through defeasance and redemption or through purchase by means of a tender offer and cancellation certain State-supported debt previously issued by DASNY and the Thruway Authority, and (iii) paying certain costs relating to the issuance of the Series 2023 Bonds. For a more complete description of the expected application of proceeds of the Series 2023 Bonds, see "PART 6—APPLICATION OF PROCEEDS" herein and "PART 7—THE

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	REFUNDING PLAN" herein. See also "APPENDIX F—BONDS TO BE REDEEMED OR PURCHASED" for a complete list of bonds expected to be refunded or purchased.
Sources of Payment and Security for State Sales Tax Revenue Bonds—Sales Tax Revenue Bond Tax Fund Receipts	The Enabling Act provides that New York State Sales Tax Receipts be deposited in the Sales Tax Revenue Bond Tax Fund in an amount equal to a two percent rate of taxation (equivalent to two cents on every dollar taxed) from the New York State Sales Tax Receipts. Such New York State Sales Tax Receipts required to be deposited in the Sales Tax Revenue Bond Tax Fund are referred to herein as the "Sales Tax Revenue Bond Tax Fund Receipts." The Sales Tax Revenue Bonds were secured originally by dedicated revenues consisting of one cent of the State's four cent sales and use tax. The legislation also provided that upon the satisfaction of all the obligations and liabilities of the Local Government Assistance Corporation ("LGAC"), dedicated revenues will increase to two cents of the State's four-cent sales and use tax. This occurred when LGAC bonds were fully retired on April 1, 2021, and dedicated revenues increased to two cents on that date. See "PART 3—SECURITY AND SOURCES OF PAYMENT FOR STATE SALES TAX REVENUE BONDS." New York State Sales Tax Receipts and the Sales Tax Revenue Bond Tax Fund Receipts for State Fiscal Years 2020-21 through 2023-24 are as follows (dollars in billions):

State Fiscal Year	New York State Sales Tax Receipts	Sales Tax Revenue Bond Tax Fund Receipts*
2020-21	$13.273	$3.317
2021-22	$16.491	$8.248
2022-23	$17.716	$8.855
2023-24**	$18.443	$9.222

* Reflects amounts equivalent to a one percent rate of taxation prior to FY 2021-22 and equivalent to a two percent rate of taxation beginning FY 2021-22.

** As estimated in the FY 2024 Enacted Budget Financial Plan.

For information related to the State see "APPENDIX A—INFORMATION CONCERNING THE STATE OF NEW YORK."

The Series 2023 Bonds are special obligations of DASNY, secured by, among other things, a pledge of Financing Agreement Payments to be made by the State Comptroller to the Trustee on behalf of DASNY pursuant to the Financing Agreement and certain funds held by the Trustee under DASNY's State Sales Tax Revenue Bonds General Bond Resolution adopted on September 11, 2013 (the "General Resolution").

The Series 2023 Bonds are issued on a parity with all other Bonds which have been or may be issued under the General Resolution. All State Sales Tax Revenue Bonds issued by any Authorized Issuer, of which $10.1 billion were outstanding as of June 30, 2023, are on a parity with each other as to payments from the Sales Tax Revenue Bond Tax Fund, subject to annual appropriation by the State.

	Financing agreement payments are made from Sales Tax Revenue Bond Tax Fund Receipts (as described herein) and deposited, as required by the Enabling Act, to the Sales Tax Revenue Bond Tax Fund. The financing agreement payments are to be paid by the State Comptroller to the applicable trustees on behalf of the Authorized Issuers from amounts deposited to the Sales Tax Revenue Bond Tax Fund. Financing agreement payments are to equal amounts necessary to pay the debt service and other cash requirements on the State Sales Tax Revenue Bonds. **All payments required by financing agreements entered into by the State are executory only to the extent of the revenues available in the Sales Tax Revenue Bond Tax Fund. The obligation of the State to make financing agreement payments is subject to the State Legislature making annual appropriations for such purpose and such obligation does not constitute or create a debt of the State, nor a contractual obligation in excess of the amounts appropriated therefor. In addition, the State has no continuing legal or moral obligation to appropriate money for payments due under any financing agreement.** The Enabling Act provides that: (i) no person (including the Authorized Issuers or the holders of State Sales Tax Revenue Bonds) shall have any lien on amounts on deposit in the Sales Tax Revenue Bond Tax Fund; (ii) Sales Tax Revenue Bond Tax Fund Receipts, which have been set aside in sufficient amounts to pay when due the financing agreement payments of all Authorized Issuers, shall remain in the Sales Tax Revenue Bond Tax Fund (except, if necessary, for payments authorized to be made to the holders of State general obligation debt) until they are appropriated and used to make financing agreement payments; and (iii) nothing shall be deemed to restrict the right of the State to amend, repeal, modify or otherwise alter statutes imposing or relating to the New York State Sales Tax. For additional information, see "PART 3—SECURITY AND SOURCES OF PAYMENT FOR STATE SALES TAX REVENUE BONDS" and "PART 4—SOURCES OF NEW YORK STATE SALES TAX RECEIPTS FOR THE SALES TAX REVENUE BOND TAX FUND." **The Series 2023 Bonds shall not be a debt of the State and the State shall not be liable thereon, nor shall the Series 2023 Bonds be payable out of any funds other than those of DASNY pledged therefor. Neither the faith and credit nor the taxing power of the State is pledged to the payment of the principal of, the premium, if any, or interest on the Series 2023 Bonds. DASNY has no taxing power.** **The Series 2023 Bonds are not secured by any mortgage on, any revenues from, or any other interest in, capital works or purposes authorized to be financed or refinanced with proceeds of the Series 2023 Bonds.**
Set Aside for Purpose of Making Financing Agreement Payments	The Enabling Act, general resolutions and financing agreements provide procedures for setting aside Sales Tax Revenue Bond Tax Fund Receipts designed to ensure that sufficient amounts are available in the Sales Tax Revenue Bond Tax Fund to make financing agreement payments to the applicable trustees on behalf of all Authorized Issuers, subject to annual appropriation by the State Legislature.

	The Enabling Act requires the Director of the Budget to annually prepare a certificate (which may be amended as necessary or required) which estimates monthly Sales Tax Revenue Bond Tax Fund Receipts anticipated to be deposited to the Sales Tax Revenue Bond Tax Fund and the amount of all set-asides necessary to make all financing agreement payments of all the Authorized Issuers. The Director of the Budget has prepared such certificate for State Fiscal Year 2023-24. See "PART 3—SECURITY AND SOURCES OF PAYMENT FOR STATE SALES TAX REVENUE BONDS."
Availability of General Fund to Satisfy Set-Aside of Sales Tax Revenue Bond Tax Fund Receipts	If at any time the amount of Sales Tax Revenue Bond Tax Fund Receipts set aside, as certified by the Director of the Budget, is insufficient to make all certified financing agreement payments on all State Sales Tax Revenue Bonds, the State Comptroller is required by the Enabling Act, without appropriation, to immediately transfer amounts from the General Fund of the State (the "General Fund") to the Sales Tax Revenue Bond Tax Fund sufficient to satisfy the cash requirements of the Authorized Issuers.
Moneys Held in Sales Tax Revenue Bond Tax Fund if State Fails to Appropriate or Pay Required Amounts	In the event that: (i) the State Legislature fails to appropriate all amounts required to make financing agreement payments on State Sales Tax Revenue Bonds to all Authorized Issuers or (ii) having been appropriated and set aside pursuant to a certificate of the Director of the Budget, financing agreement payments have not been made when due on any State Sales Tax Revenue Bonds, the Enabling Act requires that all of the Sales Tax Revenue Bond Tax Fund Receipts remain in such fund. Other than to make financing agreement payments from appropriated amounts, the Enabling Act prohibits the transfer of moneys in the Sales Tax Revenue Bond Tax Fund to any other fund or account or the use of such moneys by the State for any other purpose (except, if necessary, for payments authorized to be made to the holders of State general obligation debt) until such time as the required appropriations and all required financing agreement payments have been made to the trustees, on behalf of each Authorized Issuer, including DASNY. After the required appropriations and financing agreement payments have been made, excess moneys in the Sales Tax Revenue Bond Tax Fund are to be paid over and distributed to the credit of the General Fund. See "PART 3—SECURITY AND SOURCES OF PAYMENT FOR STATE SALES TAX REVENUE BONDS — Moneys Held in the Sales Tax Revenue Bond Tax Fund."
Additional Bonds and Debt Service Coverage	The Enabling Act and each of the general resolutions permit or are expected to permit the Authorized Issuers to issue additional State Sales Tax Revenue Bonds subject to (a) statutory limitations on the maximum amount of bonds permitted to be issued by Authorized Issuers for particular Authorized Purposes and (b) the additional bonds test described below and included (or to be included) in each general resolution authorizing State Sales Tax Revenue Bonds. As provided in the General Resolution, and provided in or expected to be provided in each of the general resolutions of the other Authorized Issuers, and

	subject to an exception for certain refunding bonds as described herein, additional State Sales Tax Revenue Bonds may be issued only if the amount of Sales Tax Revenue Bond Tax Fund Receipts for any 12 consecutive calendar months ended not more than six months prior to the date of such calculation, as certified by the Director of the Budget, is at least 2.0 times the maximum Calculated Debt Service on all outstanding State Sales Tax Revenue Bonds, the additional State Sales Tax Revenue Bonds proposed to be issued and any additional amounts payable with respect to parity reimbursement obligations. In accordance with the additional bonds debt service coverage test described above, Sales Tax Revenue Bond Tax Fund Receipts of approximately $8.9 billion are available to pay financing agreement payments, which amount represents approximately 8.6 times the maximum annual debt service on all outstanding State Sales Tax Revenue Bonds, including the debt service on the Series 2023 Bonds. While additional State Sales Tax Revenue Bonds are expected to continue to be issued by Authorized Issuers as appropriate for Authorized Purposes as noted herein, in no event may any additional State Sales Tax Revenue Bonds (other than certain refunding bonds) be issued unless the additional bonds test under the respective general resolution has been satisfied. See "PART 3—SECURITY AND SOURCES OF PAYMENT FOR STATE SALES TAX REVENUE BONDS — Additional Bonds" and "PART 4—SOURCES OF NEW YORK STATE SALES TAX RECEIPTS FOR THE SALES TAX REVENUE BOND TAX FUND — Projected Debt Service Coverage." As of June 30, 2023, approximately $10.1 billion of State Sales Tax Revenue Bonds were outstanding.
Appropriation by State Legislature	The State Legislature is expected to make appropriations annually from amounts on deposit in the Sales Tax Revenue Bond Tax Fund sufficient to pay annual financing agreement payments when due. Sales Tax Revenue Bond Tax Fund Receipts are expected to exceed the amounts necessary to pay financing agreement payments. Such an appropriation has been enacted for State Fiscal Year 2023-24. Pursuant to Article VII Section 16 of the State Constitution, if at any time the State Legislature fails to make an appropriation for State general obligation debt service, the State Comptroller is required to set apart from the first revenues thereafter received, applicable to the General Fund, sums sufficient to pay debt service on such general obligation bonds. In the event that such revenues and other amounts in the General Fund are insufficient to pay State general obligation bondholders, the State may also use amounts on deposit in the Sales Tax Revenue Bond Tax Fund as well as other funds to pay debt service on State general obligation bonds. The Division of the Budget is not aware of any existing circumstances that would cause Sales Tax Revenue Bond Tax Fund Receipts to be used to pay debt service on State general obligation bonds in the future. The Director of the Budget believes that any failure by the State Legislature to make annual appropriations as contemplated would have a serious impact on the ability of

	the State and the Authorized Issuers to issue State-supported bonds to raise funds in the public credit markets.
Continuing Disclosure	In order to assist the Underwriters of the Series 2023 Bonds in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "SEC"), all Authorized Issuers, the State and each applicable trustee, including the Trustee, have entered or will enter into a Master Disclosure Agreement (as hereinafter defined). See "PART 20—CONTINUING DISCLOSURE" and "APPENDIX E—FORM OF MASTER CONTINUING DISCLOSURE AGREEMENT."

DASNY

DORMITORY AUTHORITY – STATE OF NEW YORK 515 BROADWAY, ALBANY, N.Y. 12207
REUBEN R. McDANIEL, III – PRESIDENT LISA A. GOMEZ – CHAIR

OFFICIAL STATEMENT

Relating to

$1,744,540,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
STATE SALES TAX REVENUE BONDS

$1,400,935,000 **Series 2023A-1** **(Tax-Exempt)**	**$282,315,000** **Series 2023A-2** **(Tax-Exempt)**	**$61,290,000** **Series 2023B** **(Federally Taxable)**

PART 2—INTRODUCTION

The purpose of this Official Statement, including the cover page, the inside cover pages, the Summary Statement and appendices, is to set forth certain information concerning the State of New York (the "State") and the Dormitory Authority of the State of New York ("DASNY"), a public benefit corporation of the State, in connection with the offering by DASNY of its $1,400,935,000 State Sales Tax Revenue Bonds, Series 2023A-1 (Tax-Exempt) (the "Series 2023A-1 Bonds"), $282,315,000 State Sales Tax Revenue Bonds, Series 2023A-2 (Tax-Exempt) (the "Series 2023A-2 Bonds" and, together with the Series 2023A-1 Bonds, the "Series 2023A Bonds") and $61,290,000 State Sales Tax Revenue Bonds, Series 2023B (Federally Taxable) (the "Series 2023B Bonds" and, together with the Series 2023A Bonds, the "Series 2023 Bonds"). The interest rates, maturity dates, principal amounts, and prices or yields of the Series 2023 Bonds being offered hereby are set forth on the inside cover pages of this Official Statement.

This Official Statement also summarizes certain information concerning the provisions of the State Finance Law with respect to the issuance of State Sales Tax Revenue Bonds (the "State Sales Tax Revenue Bonds"), including the Series 2023 Bonds, and the statutory allocation from the revenues collected from the State's sales and compensating use taxes including interest and penalties (the "New York State Sales Tax") imposed on a statewide basis pursuant to Sections 1105 and 1110 of the New York State Tax Law (the "State Tax Law"), which allocation of New York State Sales Tax Receipts is required to be deposited in the Sales Tax Revenue Bond Tax Fund (as defined herein) to provide for the payment of State Sales Tax Revenue Bonds as more fully discussed herein. Such New York State Sales Tax Receipts exclude amounts the State Commissioner of Taxation and Finance (the "Commissioner") determines to be necessary for refunds ("New York State Sales Tax Receipts") in an amount equal to a two percent rate of taxation (the "Sales Tax Revenue Bond Tax Fund Receipts"). See "PART 3—SECURITY AND SOURCES OF PAYMENT FOR STATE SALES TAX REVENUE BONDS — The Sales Tax Revenue Bond Tax Fund."

The State expects that State Sales Tax Revenue Bonds, together with the State Personal Income Tax Revenue Bonds, will be the primary financing vehicles for financing State-supported programs over the current financial plan period.

The Series 2023 Bonds are authorized to be issued pursuant to Article 5-F and Article 6 (Section 92-h) of the New York State Finance Law (the "State Finance Law"), as amended from time to time (the

"Enabling Act"), and the Dormitory Authority Act, being Chapter 524 of the Laws of 1944 of the State, as the same may be amended from time to time, and constituting Title 4 of Article 8 of the Public Authorities Law of the State of New York (the "Authority Act" and together with the Enabling Act, the "Authorizing Legislation") and other provisions of State law. The Enabling Act authorizes the Authorized Issuers (as defined herein) to issue State Sales Tax Revenue Bonds for certain purposes for which State-supported Debt (as defined by Section 67-a of the State Finance Law and as limited by the Enabling Act) may be issued (the "Authorized Purposes"). The issuance of State-supported Debt is limited in the State Finance Law to the financing of capital works or purposes only, which include the acquisition, construction, demolition or replacement of fixed assets, the major repair or renovation thereof, or the planning or design of the acquisition, construction, demolition, replacement, repair or renovation of fixed assets. The Enabling Act also establishes the Sales Tax Revenue Bond Tax Fund (the "Sales Tax Revenue Bond Tax Fund") held separate and apart from all other moneys of the State in the joint custody of the Commissioner and the Comptroller of the State (the "State Comptroller").

The Series 2023 Bonds are additionally authorized under DASNY's State Sales Tax Revenue Bonds General Bond Resolution, adopted by DASNY on September 11, 2013 (the "General Resolution"), as supplemented by DASNY's Supplemental Resolution 2023-1 Authorizing State Sales Tax Revenue Bonds, adopted on May 10, 2023 (the "Series 2023 Supplemental Resolution") (such General Resolution, together with the Series 2023 Supplemental Resolution, being herein, except as the context otherwise indicates, collectively referred to as the "Resolution," and any bonds issued pursuant to the General Resolution, including the Series 2023 Bonds, being herein referred to as the "Bonds").

The Series 2023 Bonds, and any additional series of Bonds which have heretofore been issued or may hereafter be issued under the General Resolution, will be equally and ratably secured thereunder. The Series 2023 Bonds and all other State Sales Tax Revenue Bonds which have heretofore been issued or may be issued by DASNY, the New York State Thruway Authority (the "Thruway Authority") or the New York State Urban Development Corporation, doing business as Empire State Development ("ESD" and collectively with DASNY and the Thruway Authority, the "Authorized Issuers") are secured solely by a pledge of (i) the payments made pursuant to one or more financing agreements entered into by such Authorized Issuer with the Director of the Budget (as defined herein) and (ii) certain funds held by the applicable trustee or Authorized Issuer under the applicable general resolution and the investment earnings thereon ((i) and (ii) being collectively referred to herein as the "Pledged Property" with respect to each such Authorized Issuer, including DASNY). The financing agreements and the general resolutions for State Sales Tax Revenue Bonds adopted by the Authorized Issuers have substantially identical terms except for applicable references to, and requirements of, the Authorized Issuer and the Authorized Purposes. The financing agreement payments are required to be equal to the amounts necessary to pay the debt service and other cash requirements on all State Sales Tax Revenue Bonds. The making of financing agreement payments to the Authorized Issuers is subject to annual appropriation by the State Legislature.

References to financing agreements, financing agreement payments and general resolutions contained in this Official Statement mean generically the financing agreements, financing agreement payments and general resolutions of all Authorized Issuers, including DASNY. Descriptions of the provisions of the Enabling Act contained in this Official Statement are of the Enabling Act as it exists on the date of this Official Statement.

All State Sales Tax Revenue Bonds are on a parity with each other as to payments from the Sales Tax Revenue Bond Tax Fund, subject to annual appropriation by the State Legislature. As of June 30, 2023, approximately $10.1 billion of State Sales Tax Revenue Bonds were outstanding. See "PART 3— SECURITY AND SOURCES OF PAYMENT FOR STATE SALES TAX REVENUE BONDS — Series 2023 Bonds" and "— Additional Bonds."

The Series 2023 Bonds are being issued for the purpose of financing Authorized Purposes, including (i) financing, refinancing or reimbursing all or a portion of the costs of certain programs and projects within the State, (ii) refunding through defeasance and redemption or through purchase by means of a tender offer and cancellation certain State-supported debt previously issued by DASNY and the Thruway Authority, and (iii) paying certain costs relating to the issuance of the Series 2023 Bonds. For a more complete description of the expected application of proceeds of the Series 2023 Bonds, see "PART 6—APPLICATION OF PROCEEDS" herein and "PART 7—THE REFUNDING PLAN" herein. See also "APPENDIX F—BONDS TO BE REDEEMED OR PURCHASED" for a complete list of bonds expected to be refunded or purchased. **The Series 2023 Bonds are not secured by any mortgage on, any revenues from, or any other interest in, capital works or purposes authorized to be financed or refinanced with proceeds of the Series 2023 Bonds**.

Pursuant to the Resolution, the Series 2023A-2 Bonds constitute "Balloon Indebtedness" (as defined therein). DASNY expects to refinance the Series 2023A-2 Bonds on or prior to their respective maturity dates. DASNY does not expect to deposit with the Trustee any State Sales Tax Revenue Bond Tax Fund Receipts relating to the payment of any principal installments on the Series 2023A-2 Bonds on or prior to the expected refinancings thereof.

DASNY has retained Jefferies LLC, J.P. Morgan Securities LLC and Loop Capital Markets LLC to act as exclusive dealer managers (collectively, the "Dealer Managers") in connection with an offer to tender certain obligations. On July 14, 2023, DASNY released an "Invitation to Offer Bonds for Purchase" (the "Invitation") inviting owners of certain maturities of DASNY's outstanding State Personal Income Tax Revenue Bonds (General Purpose), Series 2019F (Federally Taxable) (the "Invited Bonds") to tender all or a portion of such bonds for cash purchase by DASNY. The Invitation was made by DASNY, as acknowledged and approved by the Director of the Division of the Budget (the "Director of the Budget"), with the assistance of the Dealer Managers. The purchase price of Invited Bonds tendered for purchase will be paid from the proceeds of the Series 2023 Bonds, as described herein. See "PART 6—APPLICATION OF PROCEEDS" and "PART 7—THE REFUNDING PLAN." The Dealer Managers will be paid a customary fee and will be reimbursed for any expenses they incur as the Dealer Managers of the Tender Offer (hereinafter defined). The Dealer Managers are also Underwriters of the Series 2023 Bonds. See "PART 16-UNDERWRITING" herein.

Pursuant to the Authorizing Legislation, DASNY and the State, acting by and through the Director of the Budget, entered into a financing agreement, dated as of October 1, 2013 (the "Financing Agreement"), providing for certain payments (the "Financing Agreement Payments") to be made to the Trustee (as defined herein) on behalf of DASNY by the State. See "APPENDIX C—FORM OF FINANCING AGREEMENT."

The revenues, facilities, properties and any and all other assets of DASNY of any name and nature, other than the Pledged Property, may not be used for, or, as a result of any court proceeding or otherwise applied to, the payment of State Sales Tax Revenue Bonds, any redemption premium therefor or the interest thereon or any other obligations under the Resolution, and under no circumstances shall these be available for such purposes. See "PART 11—DASNY" for a further description of DASNY.

As of the date of this Official Statement, DASNY and ESD are the only two Authorized Issuers who have issued State Sales Tax Revenue Bonds.

The Series 2023 Bonds shall not be a debt of the State and the State shall not be liable thereon, nor shall the Series 2023 Bonds be payable out of any funds other than those of DASNY pledged therefor. Neither the faith and credit nor the taxing power of the State is pledged to the payment of the principal of, premium, if any, or interest on the Series 2023 Bonds. DASNY has no taxing power.

Capitalized terms used herein unless otherwise defined have the same meaning as ascribed to them in the General Resolution. See “APPENDIX B—SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION.”

PART 3—SECURITY AND SOURCES OF PAYMENT FOR STATE SALES TAX REVENUE BONDS

The Sales Tax Revenue Bond Tax Fund

The Enabling Act provides a source of payment for State Sales Tax Revenue Bonds by establishing the Sales Tax Revenue Bond Tax Fund for the purpose of setting aside New York State Sales Tax Receipts sufficient to make financing agreement payments to Authorized Issuers. The Enabling Act establishes the Sales Tax Revenue Bond Tax Fund to be held in the joint custody of the State Comptroller and the Commissioner and requires that all moneys on deposit in the Sales Tax Revenue Bond Tax Fund be held separate and apart from all other moneys in the joint custody of the State Comptroller and the Commissioner. The source of the financing agreement payments consists of New York State Sales Tax Receipts (which are net of amounts the Commissioner may determine to be necessary for refunds) required to be deposited in the Sales Tax Revenue Bond Tax Fund in an amount equal to a two percent rate of taxation (equivalent to two cents on every dollar taxed) from the New York State Sales Tax Receipts. Such New York State Sales Tax Receipts required to be deposited in the Sales Tax Revenue Bond Tax Fund (currently equal to a two percent rate of taxation) comprise Sales Tax Revenue Bond Tax Fund Receipts. Pursuant to the State Finance Law, a portion of the New York State Sales Tax Receipts were previously required to be deposited in the Local Government Assistance Tax Fund in a separate amount equal to a one percent rate of taxation, from which both the (i) obligations and liabilities (the “LGAC Obligations”) of the Local Government Assistance Corporation (“LGAC”) and (ii) the $170 million annual obligation to The City of New York were paid. Such $170 million annual obligation was assigned by The City of New York to the Sales Tax Asset Receivable Corporation (“STARC”) to pay debt service on STARC obligations. Deposits to the Local Government Assistance Tax Fund are no longer required to be made due to the satisfaction of all outstanding obligations of LGAC in 2021 and the STARC obligations in 2021. By statute, upon the retirement of the LGAC Obligations, dedicated revenues increased to two cents of the State’s four-cent sales and use tax. See “PART 4—SOURCES OF NEW YORK STATE SALES TAX RECEIPTS FOR THE SALES TAX REVENUE BOND TAX FUND — Revenue Bond Tax Fund Receipts.”

Financing agreement payments made from amounts set aside in the Sales Tax Revenue Bond Tax Fund are subject to annual appropriation for such purpose by the State Legislature. The Enabling Act provides that: (i) no person (including the Authorized Issuers or the holders of State Sales Tax Revenue Bonds) shall have any lien on amounts on deposit in the Sales Tax Revenue Bond Tax Fund; (ii) Sales Tax Revenue Bond Tax Fund Receipts, which have been set aside in sufficient amounts to pay when due the financing agreement payments of all Authorized Issuers, shall remain in the Sales Tax Revenue Bond Tax Fund (except, if necessary, for payments authorized to be made to the holders of State general obligation debt) until they are appropriated and used to make financing agreement payments; and (iii) nothing shall be deemed to restrict the right of the State to amend, repeal, modify or otherwise alter statutes imposing or relating to the New York State Sales Tax.

Series 2023 Bonds

The Series 2023 Bonds are special obligations of DASNY, secured by and payable from Financing Agreement Payments payable by the State Comptroller to The Bank of New York Mellon, New York, New York as Trustee and Paying Agent (the “Trustee” or “Paying Agent”) on behalf of DASNY in accordance with the terms and provisions of the Financing Agreement, subject to annual appropriation by the State Legislature, and the Funds and accounts established under the General Resolution (other than the

Rebate Fund and other Funds as provided in the Resolution). A copy of the Financing Agreement relating to the Series 2023 Bonds is included as "APPENDIX C—FORM OF FINANCING AGREEMENT" hereto. The Series 2023 Bonds are entitled to a lien, created by a pledge under the General Resolution, on the Pledged Property.

The Enabling Act and each of the general resolutions permit or are expected to permit the Authorized Issuers to issue additional State Sales Tax Revenue Bonds subject to statutory limitations on the maximum amount of bonds permitted to be issued by Authorized Issuers for Authorized Purposes and the additional bonds test described herein included (or to be included) in each of the general resolutions authorizing State Sales Tax Revenue Bonds. In accordance with the additional bonds test described herein, Sales Tax Revenue Bond Tax Fund Receipts of approximately $8.9 billion are available to pay Financing Agreement Payments, which amount represents approximately 8.6 times the maximum annual Debt Service for all Outstanding State Sales Tax Revenue Bonds, including the debt service on the Series 2023 Bonds. While additional State Sales Tax Revenue Bonds are expected to continue to be issued by Authorized Issuers as appropriate for Authorized Purposes, in no event may any additional State Sales Tax Revenue Bonds (other than certain refunding bonds) be issued unless the additional bonds test under the respective general resolution has been satisfied. See "— Additional Bonds" below and "PART 4—SOURCES OF NEW YORK STATE SALES TAX RECEIPTS FOR THE SALES TAX REVENUE BOND TAX FUND — Projected Debt Service Coverage."

The revenues, facilities, properties and any and all other assets of DASNY of any name and nature, other than the Pledged Property, may not be used for, or, as a result of any court proceeding, otherwise applied to, the payment of State Sales Tax Revenue Bonds, any redemption premium therefor or the interest thereon or any other obligations under the General Resolution, and under no circumstances shall these be available for such purposes. See "PART 11—DASNY" for a further description of DASNY.

Certification of Payments to be Set Aside in Sales Tax Revenue Bond Tax Fund

The Enabling Act, the general resolutions and the financing agreements of the Authorized Issuers provide (or are expected to provide) procedures for setting aside amounts from the New York State Sales Tax Receipts deposited to the Sales Tax Revenue Bond Tax Fund to ensure that sufficient amounts will be available to make financing agreement payments, when due, to the applicable trustees on behalf of DASNY and the other Authorized Issuers.

The Enabling Act, as amended, provides that:

1. No later than October 1 of each year, each Authorized Issuer must submit its State Sales Tax Revenue Bond cash requirements (which shall include financing agreement payments) for the following State Fiscal Year and, as required by the financing agreements, each of the subsequent four State Fiscal Years to the New York State Director of the Division of the Budget (the "Division of the Budget").

2. No later than thirty (30) days after the submission of the Executive Budget in accordance with Article VII of the State Constitution, the Director of the Budget shall prepare a certificate which sets forth an estimate of:

    (a) the amount of the estimated monthly New York State Sales Tax Receipts to be deposited in the Sales Tax Revenue Bond Tax Fund pursuant to the Enabling Act during that State Fiscal Year; and

(b) the monthly amounts necessary to be set aside in the Sales Tax Revenue Bond Tax Fund to make the financing agreement payments required to meet the cash requirements of the Authorized Issuers.

3. Based on the Certificate of the Director of the Budget, the State Comptroller is required to set aside on a monthly basis Sales Tax Revenue Bond Tax Fund Receipts in amounts calculated to be sufficient to pay debt service on all State Sales Tax Revenue Bonds and other cash requirements of the Authorized Issuers when due, as more particularly described below under the heading "— Set Aside of Sales Tax Revenue Bond Tax Fund Receipts."

The Director of the Budget may amend such certification as shall be necessary, provided that the Director of the Budget shall amend such certification no later than thirty (30) days after the issuance of any State Sales Tax Revenue Bonds, including refunding bonds, or after the execution of any interest rate exchange (or "swap") agreements or other financial arrangements which may affect the cash requirements of any Authorized Issuer.

The Enabling Act provides that on or before the twelfth day of each month, the Commissioner shall certify to the State Comptroller the actual Sales Tax Revenue Bond Tax Fund Receipts for the prior month and, in addition, no later than March 31 of each State Fiscal Year, the Commissioner shall certify such amounts relating to the last month of the State Fiscal Year. At such times, the Enabling Act provides that the State Comptroller shall deposit Sales Tax Revenue Bond Tax Fund Receipts so certified by the Commissioner in the Sales Tax Revenue Bond Tax Fund.

Set Aside of Sales Tax Revenue Bond Tax Fund Receipts

As provided by the Enabling Act, the general resolutions, the financing agreements, and the certificate of the Director of the Budget, the State Comptroller is required to set aside, on a monthly basis, Sales Tax Revenue Bond Tax Fund Receipts on deposit in the Sales Tax Revenue Bond Tax Fund, until:

1. with respect to financing agreement payments to be made to Authorized Issuers on a semi-annual or annual basis, the amount set aside in the fund during the then current month, together with amounts previously set aside in the fund, equals the sum of (i) one-fifth of the interest due on such obligations on the next succeeding interest payment date multiplied by the number of months from the last such interest payment, and (ii) one-eleventh of the next principal installment due on such obligations where principal is due on an annual basis or one-fifth of the next principal installment due on such obligations where principal is due on a semi-annual basis, in each case multiplied by the number of months from the last such principal payment; and

2. with respect to financing agreement payments due on a monthly basis or more frequently, the amount so set aside is, in the reasonable judgment of the Director of the Budget as set forth in his or her certificate, sufficient to make the required payment on or before such payment date.

The Enabling Act provides that Sales Tax Revenue Bond Tax Fund Receipts which have been set aside in sufficient amounts to pay, when due, the financing agreement payments of all Authorized Issuers shall remain in the Sales Tax Revenue Bond Tax Fund (except, if necessary, for payments authorized to be made to the holders of State general obligation debt) until they are appropriated and used to make financing agreement payments.

Subject to appropriation by the State Legislature, upon receipt of a request for payment from any Authorized Issuer pursuant to a financing agreement, the State Comptroller shall pay over to the trustee, on behalf of such Authorized Issuer, such amount. In the event that Sales Tax Revenue Bond Tax Fund Receipts are insufficient to meet financing agreement payments on all State Sales Tax Revenue Bonds of all the Authorized Issuers as set forth in the certificate of the Director of the Budget, the State Comptroller is required by the Enabling Act, without appropriation, to immediately transfer from the General Fund to the Sales Tax Revenue Bond Tax Fund, the amount of such deficiency. Amounts so transferred to the Sales Tax Revenue Bond Tax Fund can only be used to pay financing agreement payments (except, if necessary, for payments authorized to be made to the holders of State general obligation debt).

The State Comptroller shall from time to time, but in no event later than the fifteenth day of each month (other than the last month of the fiscal year) and no later than the thirty-first day of the last month of each fiscal year, pay over and distribute to the credit of the General Fund all moneys in the Sales Tax Revenue Bond Tax Fund, if any, in excess of the aggregate amount required to be set aside for the payment of cash requirements as described above.

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Flow of Revenue Bond Tax Fund Receipts

The following chart summarizes the flow of Sales Tax Revenue Bond Tax Fund Receipts.

On or before October 1

Authorized Issuers submit to the Division of the Budget the schedule of anticipated cash requirements (which include financing agreement payments) due with respect to State Sales Tax Revenue Bonds for the next State Fiscal Year and for the four subsequent State Fiscal Years

No later than 30 Days after Budget Submission (no later than March 1)

Director of the Budget submits a certificate to the State Comptroller which estimates for the following State Fiscal Year:[*]

- The amount of New York State Sales Tax Receipts to be deposited into the Sales Tax Revenue Bond Tax Fund as Sales Tax Revenue Bond Tax Fund Receipts[**]
- The monthly set-asides for financing agreement payments and other cash requirements of the Authorized Issuers (for State Sales Tax Revenue Bonds that pay interest semi-annually and principal annually, the set aside amounts are 1/5 of the next interest payment and 1/11 of the next principal payment)

On or before the 12th Day of Each Month

The Commissioner certifies to the State Comptroller the amount of actual Sales Tax Revenue Bond Tax Fund Receipts for the prior month and the State Comptroller deposits the amount so certified in the Sales Tax Revenue Bond Tax Fund

Sales Tax Revenue Bond Tax Fund Receipts which have been set aside to make financing agreement payments and meet other cash requirements are required to remain in the Sales Tax Revenue Bond Tax Fund until appropriated and paid to the applicable trustees on behalf of the Authorized Issuers

Not later than the 15th Day of Each Month and the 31st Day of March

After all monthly amounts necessary to make financing agreement payments and meet other cash requirements have been set aside as certified by the Director of the Budget and, provided appropriations have been made to pay all such amounts, the State Comptroller shall distribute all excess moneys in the Sales Tax Revenue Bond Tax Fund to the General Fund

[*] The Director of the Budget may revise such certification at any time to more precisely account for revised New York State Sales Tax Receipts estimate or actual debt service and other cash requirements and, to the extent necessary, shall do so not later than thirty days after the issuance of any State Sales Tax Revenue Bonds.

[**] Equal to a one percent rate of taxation until the last outstanding LGAC Obligations were redeemed on April 1, 2021, at which time Sales Tax Revenue Bond Tax Fund Receipts increased to a two percent rate of taxation.

Moneys Held in the Sales Tax Revenue Bond Tax Fund

The Enabling Act prohibits the State Comptroller from paying over or distributing any amounts deposited in the Sales Tax Revenue Bond Tax Fund (except, if necessary, for payments authorized to be made to the holders of State general obligation debt) other than to DASNY and other Authorized Issuers (which are paid to the applicable trustees on behalf of DASNY and the other Authorized Issuers), unless two requirements are met. First, all payments as certified by the Director of the Budget for a State Fiscal Year must have been appropriated to DASNY and other Authorized Issuers for the payment of financing agreement payments (including debt service) in the full amount specified in the certificate of the Director of the Budget. Second, each certified and appropriated payment for which moneys are required to be set aside as provided in the Enabling Act must have been made to the trustees on behalf of DASNY and other Authorized Issuers when due.

If such appropriations have been made to pay all annual amounts specified in the certificate of the Director of the Budget as being required by DASNY and all other Authorized Issuers for a State Fiscal Year and all such payments to the applicable trustees on behalf of DASNY and all other Authorized Issuers are current, then the State Comptroller is required by the Enabling Act to pay over and distribute to the credit of the General Fund, at least once a month, all amounts in the Sales Tax Revenue Bond Tax Fund, if any, in excess of the aggregate amount required to be set aside. The Enabling Act also requires the State Comptroller to pay to the General Fund all sums remaining in the Sales Tax Revenue Bond Tax Fund on the last day of each State Fiscal Year, but only if the State has appropriated and paid to the applicable trustees on behalf of DASNY and all other Authorized Issuers the amounts necessary for DASNY and all other Authorized Issuers to meet their cash requirements for the current State Fiscal Year and, to the extent certified by the Director of the Budget, set aside any cash requirements required for the next State Fiscal Year.

In the event that: (i) the State Legislature fails to appropriate all amounts required to make financing agreement payments on State Sales Tax Revenue Bonds to all Authorized Issuers or (ii) having been appropriated and set aside pursuant to a certificate of the Director of the Budget, financing agreement payments have not been made when due on any State Sales Tax Revenue Bonds, the Enabling Act requires that all of the New York State Sales Tax Receipts required to be deposited in the Sales Tax Revenue Bond Tax Fund remain in such fund. Other than to make financing agreement payments from appropriated amounts, the Enabling Act prohibits the transfer of moneys in the Sales Tax Revenue Bond Tax Fund to any other fund or account or use of such moneys by the State for any other purpose (except, if necessary, for payments authorized to be made to the holders of State general obligation debt) until such time as the required appropriations and all required financing agreement payments have been made to the trustees, on behalf of each Authorized Issuer, including DASNY.

The Enabling Act provides that no person (including the Authorized Issuers or the holders of State Sales Tax Revenue Bonds) shall have any lien on moneys on deposit in the Sales Tax Revenue Bond Tax Fund and that the State's agreement to make financing agreement payments shall be executory only to the extent such payments have been appropriated.

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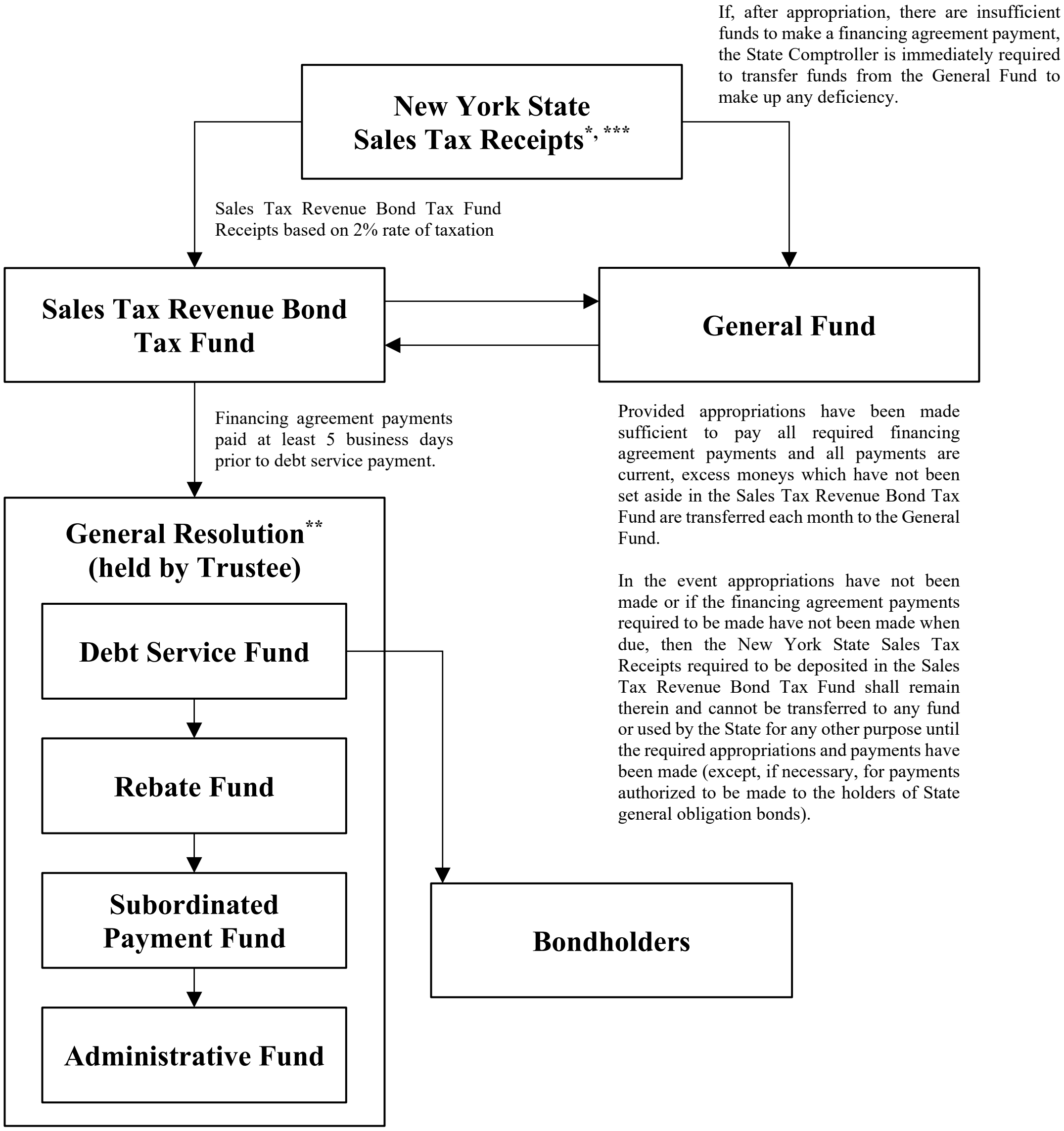
Flow of New York State Sales Tax Receipts



* Nothing shall be deemed to restrict the right of the State to amend, repeal, modify or otherwise alter statutes imposing or relating to the New York State Sales Tax.

** The other Authorized Issuers have adopted or are expected to adopt similar general resolutions.

*** Deposits into the Local Government Assistance Tax Fund are no longer required due to the retirement of all LGAC Obligations and the $170 million annual obligation to The City of New York.

Appropriation by the State Legislature

The State may not expend money without an appropriation, except for the payment of debt service on general obligation bonds or notes issued by the State. An appropriation is an authorization approved by the State Legislature to expend money. The State Constitution requires all appropriations of State funds, including funds in the Sales Tax Revenue Bond Tax Fund, to be approved by the State Legislature at least every two years. In addition, the State Finance Law generally provides that appropriations shall cease to have force and effect, except as to liabilities incurred thereunder, at the close of the State Fiscal Year for which they were enacted and that to the extent of liabilities incurred thereunder, such appropriations shall lapse on the succeeding June 30th or September 15th depending on the nature of the appropriation. See "—Moneys Held in the Sales Tax Revenue Bond Tax Fund" in this section.

DASNY expects that the State Legislature will make an appropriation from amounts on deposit in the Sales Tax Revenue Bond Tax Fund sufficient to pay Financing Agreement Payments when due. Sales Tax Revenue Bond Tax Fund Receipts are expected to exceed the amounts necessary to pay Financing Agreement Payments. The Enabling Act prohibits the transfer of moneys in the Sales Tax Revenue Bond Tax Fund to any other fund or account or the use of such moneys by the State for any other purpose (other than to make financing agreement payments from appropriated amounts, and except, if necessary, for payments authorized to be made to the holders of State general obligation debt) until such time as the required appropriations and all required financing agreement payments have been made to the trustees on behalf of each Authorized Issuer. The State Legislature may not be bound in advance to make an appropriation, and there can be no assurances that the State Legislature will appropriate the necessary funds as anticipated. Nothing shall be deemed to restrict the right of the State to amend, repeal, modify or otherwise alter statutes imposing or relating to the New York State Sales Tax.

All payments required by financing agreements entered into by the State shall be executory only to the extent of the revenues available in the Sales Tax Revenue Bond Tax Fund. The obligation of the State to make financing agreement payments is subject to the State Legislature making annual appropriations for such purpose and such obligation does not constitute or create a debt of the State, nor a contractual obligation in excess of the amounts appropriated therefor. In addition, the State has no continuing legal or moral obligation to appropriate money for payments due under any financing agreement.

State Sales Tax Revenue Bonds shall not be a debt of the State and the State shall not be liable thereon, nor shall State Sales Tax Revenue Bonds be payable out of any funds other than those pledged therefor. Neither the faith and credit nor the taxing power of the State is pledged to the payment of the principal of, premium, if any, or interest on State Sales Tax Revenue Bonds.

Pursuant to the Enabling Act, Sales Tax Revenue Bond Tax Fund Receipts which have been set aside to pay when due the financing agreement payments of all Authorized Issuers shall remain in the Sales Tax Revenue Bond Tax Fund until they are appropriated and used to make financing agreement payments. However, the Enabling Act also provides that the use of such Sales Tax Revenue Bond Tax Fund Receipts by the State Comptroller is "subject to the rights of holders of debt of the state" (i.e., general obligation bondholders who benefit from the faith and credit pledge of the State). Pursuant to Article VII Section 16 of the State Constitution, if at any time the State Legislature fails to make an appropriation for general obligation debt service, the State Comptroller is required to set apart from the first revenues thereafter received, applicable to the General Fund, sums sufficient to pay debt service on such general obligation debt. In the event that such revenues and other amounts in the General Fund are insufficient to so pay State general obligation bondholders, the State may also use amounts on deposit in the Sales Tax Revenue Bond Tax Fund as well as other funds to pay debt service on State general obligation bonds.

The Division of the Budget is not aware of any existing circumstances that would cause Sales Tax Revenue Bond Tax Fund Receipts to be used to pay debt service on State general obligation bonds in the future. The Director of the Budget believes that any failure by the State Legislature to make annual appropriations as contemplated would have a serious impact on the ability of the State and the Authorized Issuers to issue State-supported bonds to raise funds in the public credit markets.

Additional Bonds

As provided in the General Resolution, and expected to be provided in each of the general resolutions of the other Authorized Issuers, except as provided in the next paragraph with respect to certain refunding bonds, additional State Sales Tax Revenue Bonds may be issued only if the amount of Sales Tax Revenue Bond Tax Fund Receipts for any 12 consecutive calendar months ended not more than six months prior to the date of such calculation, as certified by the Director of the Budget, is at least 2.0 times the maximum annual Calculated Debt Service on all outstanding State Sales Tax Revenue Bonds, the additional State Sales Tax Revenue Bonds proposed to be issued and any additional amounts payable with respect to parity reimbursement obligations.

The General Resolution also provides, and each of the other general resolutions is also expected to provide, that additional State Sales Tax Revenue Bonds may be issued to refund outstanding State Sales Tax Revenue Bonds either by meeting the debt service coverage test described above or, in the alternative, by demonstrating that maximum annual debt service on all outstanding State Sales Tax Revenue Bonds will not increase as a result of such refunding.

With respect to any Obligations that constitute Balloon Indebtedness under the Resolution, Calculated Debt Service will be determined based on (i) principal installments that will be deemed to amortize over a 30-year period from their date of issuance based on substantially-level debt service as estimated by DASNY and (ii) interest that will be based on the actual interest rate or Estimated Average Interest Rate. The Series 2023A-2 Bonds constitute Balloon Indebtedness under the Resolution and interest for Calculated Debt Service will be based on the actual interest rate. DASNY expects to refinance the Series 2023A-2 Bonds on or prior to their respective maturity dates. DASNY does not expect to deposit with the Trustee any State Sales Tax Revenue Bond Tax Fund Receipts relating to the payment of any principal installments on the Series 2023A-2 Bonds on or prior to the expected refinancings thereof.

For additional information, see "APPENDIX B—SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION — Summary of Certain Provisions of the State Sales Tax Revenue Bonds Standard Resolution Provisions — Special Provisions for Additional Bonds" and "— Refunding Bonds."

Parity Reimbursement Obligations

An Authorized Issuer, including DASNY, may incur Parity Reimbursement Obligations (as defined in each respective general resolution, including the General Resolution) pursuant to the terms of its general resolution which, subject to certain exceptions, would be secured by a pledge of, and a lien on, the pledged property on a parity with the lien created by the related general resolution with respect to bonds issued thereunder. A Parity Reimbursement Obligation may be incurred in connection with obtaining a Credit Facility and represents the obligation to repay amounts advanced under the Credit Facility. It may include interest calculated at a rate higher than the interest rate on the related State Sales Tax Revenue Bonds and may be secured by a pledge of, and a lien on, pledged property on a parity with the lien created by the general resolution for the State Sales Tax Revenue Bonds only to the extent that principal amortization requirements of the Parity Reimbursement Obligation are equal to the amortization requirements for the related State Sales Tax Revenue Bonds, without acceleration. See "APPENDIX B—SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION."

Certain Covenants of the State

Pursuant to the general resolutions, the State pledges and agrees with the holders of State Sales Tax Revenue Bonds, Bond Anticipation Notes, Parity Reimbursement Obligations or other obligations issued or incurred thereunder that the State will not in any way impair the rights and remedies of holders of such

State Sales Tax Revenue Bonds, Bond Anticipation Notes, Parity Reimbursement Obligations or other obligations until such State Sales Tax Revenue Bonds, Bond Anticipation Notes, Parity Reimbursement Obligations or other obligations issued or incurred thereunder, together with interest thereon, with interest, if any, on any unpaid installments of interest and all costs and expenses in connection with any action or proceeding by or on behalf of the holders are fully met and discharged.

Pursuant to the Enabling Act and the general resolutions, nothing shall be deemed to restrict the right of the State to amend, repeal, modify or otherwise alter statutes imposing or relating to the New York State Sales Tax. An Event of Default under the general resolutions would not occur solely as a result of the State exercising its right to amend, repeal, modify or otherwise alter the statutes imposing or relating to such taxes. However, the Director of the Budget believes that any materially adverse amendment, modification or alteration of, or the repeal of, statutes imposing or related to the New York State Sales Tax could have a serious impact on the flow of New York State Sales Tax Receipts to the Sales Tax Revenue Bond Tax Fund, the ability of the Authorized Issuers to issue additional State Sales Tax Revenue Bonds and the marketability of outstanding State Sales Tax Revenue Bonds.

Reservation of State's Right to Substitute Credit

Pursuant to the Enabling Act, the State reserves the right, upon amendment of the State Constitution to permit the issuance of State Revenue Bonds, which may be payable from or secured by revenues that may include the Revenues pledged under the general resolutions, (i) to assume, in whole or in part, State Sales Tax Revenue Bonds, (ii) to extinguish the existing lien on the pledged property created under the general resolutions, and (iii) to substitute security for State Sales Tax Revenue Bonds, in each case only so long as the assumption, extinguishment and substitution is accomplished in accordance with either of two provisions of the general resolutions. (For these purposes, any State Sales Tax Revenue Bonds paid or deemed to have been paid in accordance with the applicable general resolution on or before the date of any assumption, extinguishment and substitution are not to be taken into account in determining compliance with those provisions.) The first provision of the general resolutions is intended to permit an assumption, extinguishment and substitution, without any right of consent of Bondholders or other parties, if certain conditions are satisfied. The second provision of the general resolutions permitting such an assumption, extinguishment and substitution is intended to permit a broader range of changes with the consent of issuers of Credit Facilities and the consent of certain Bondholders. It provides that any such assumption, extinguishment and substitution may be effected if certain conditions are satisfied.

In the event a constitutional amendment becomes a part of the State Constitution, there can be no assurance that the State will exercise its rights of assumption, extinguishment, and substitution with respect to State Sales Tax Revenue Bonds. There can be no assurance that DASNY or any other Authorized Issuer would be the issuer of any such State Revenue Bonds upon any such assumption, extinguishment and substitution and, if not DASNY or any other Authorized Issuer, the issuer of such State Revenue Bonds could be the State or another public entity.

See "APPENDIX B—SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION — Summary of Certain Provisions of the State Sales Tax Revenue Bonds Standard Resolution Provisions–Reservation of State Rights of Assumption, Extinguishment and Substitution."

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PART 4—SOURCES OF NEW YORK STATE SALES TAX RECEIPTS FOR THE SALES TAX REVENUE BOND TAX FUND

General History of the State Sales Tax

In 1965, New York became the 39th state to impose a general sales and compensating use tax; 46 states now impose sales or gross receipts taxes. The statewide rate has been raised three times: from two percent to three percent on April 1, 1969, to four percent on June 1, 1971, and to 4.25 percent effective June 1, 2003 through May 31, 2005. The rate returned to four percent on June 1, 2005. The New York State Sales Tax now applies to: (1) sales and use within the State of most tangible personal property; (2) certain utility service billings; and (3) charges for restaurant meals, hotel and motel occupancy, and for specified admissions and services. The base of the tax has been amended periodically since its imposition in 1965. The New York State Sales Tax is generally collected from the consumer by the final vendor, who is generally required to remit the tax quarterly. However, vendors with more than $300,000 of taxable sales and purchases in one of the immediately preceding four quarters must remit the tax monthly by the twentieth day of the month following the month of collection. Vendors collecting less than $3,000 yearly may elect to file annually, in March. Vendors required to file monthly with an annual sales and use tax liability exceeding $500,000 or with an annual liability for prepaid sales tax on motor fuel and diesel motor fuel exceeding $5 million are required to file using the State Tax Department's PrompTax program. PrompTax is an electronic filing and payment program that is mandatory for certain businesses. The New York State Department of Taxation and Finance notifies vendors if they are required to participate. The payment schedule requires New York State Sales Tax for the first 22 days of a month to be paid within three business days thereafter.

To reduce tax evasion, special provisions for remitting the New York State Sales Tax on motor fuel and cigarettes have been enacted. Since 1985, the New York State Sales Tax on gasoline has been remitted by the first importer of the fuel into New York. Prior to 2006, the New York State Sales Tax was prepaid at a per gallon rate based on regional prices. Currently, the pre-payment is fixed at 18 cents in the Metropolitan Commuter Transportation District ("MCTD") region and 17 cents per gallon for the rest of the State (notwithstanding the temporary suspension of the New York State Sales Tax on motor fuel in effect for June 2022 through December 2022). The cigarette prepayment rate is 8 percent and is prepaid by cigarette agents at the same time as payment for cigarette excise tax stamps.

Quarterly and annual sales tax filers are allowed to retain a portion of the New York State Sales Tax that they have collected, both as partial compensation for the administrative costs of collecting and remitting the New York State Sales Tax and as an incentive for timely payment of the New York State Sales Tax to the State. The vendor allowance applies to non-monthly filers and is 5 percent of tax liability, up to a maximum of $200 per quarter for annual returns filed on time.

In the FY 2020 Enacted Budget, adopted by the State on April 1, 2019, certain internet marketplace providers are required to collect sales tax, for which a portion of New York State revenues are dedicated to the Metropolitan Transportation Authority after the payment of debt service on Sales Tax Revenue Bonds. Dedicated revenues to the Metropolitan Transportation Authority were authorized at $320 million in FY 2021 ($170 million from New York City collections and $150 million from the State collections), which shall increase by one percent annually thereafter. These receipts are expected to be generated from requiring online marketplace providers to collect sales tax on all sales facilitated through their platforms (and the enforcement of the United States Supreme Court ruling in South Dakota v. Wayfair, Inc.) via notice from the Department of Taxation and Finance to out-of-state retailers whose annual sales in New York exceed both $500,000 and 100 transactions that they are required by law to collect and remit sales tax.

New York State Sales Tax Receipts

New York State Sales Tax Receipts constitute the State's second largest source of tax receipts after the personal income tax and accounted for approximately 15.9 percent of State tax receipts in all State Funds in State Fiscal Year 2023. The level of New York State Sales Tax Receipts is necessarily dependent upon economic and demographic conditions in the State, and therefore there can be no assurance that historical data with respect to collections of the New York State Sales Tax will be indicative of future receipts.

The following table sets forth historical information relating to New York State Sales Tax Receipts from State Fiscal Years 2013-14 through 2022-23, and estimated amounts for the State Fiscal Year 2023-24. The information reflects State Tax Law changes described below.

New York State Sales Tax Receipts[(1)]
(Dollars in Billions)

State Fiscal Year	New York State Sales Tax Receipts	Year over Year % Change[(2)]	Sales Tax Revenue Bond Tax Fund Receipts[(3)]
2013-14	$11.786	4.9%	$2.954
2014-15	12.137	3.0	3.027
2015-16	12.485	2.9	3.121
2016-17	12.967	3.9	3.242
2017-18	13.553	4.5	3.388
2018-19	14.164	4.5	3.537
2019-20	14.883	5.1	3.753
2020-21	13.273	(10.8)	3.317
2021-22	16.491	24.2	8.248
2022-23	17.716	7.4	8.855
2023-24[(4)]	18.443	4.1	9.222

Source: Division of the Budget.

(1) Reflects sales and compensating use tax receipts, net of refunds. Amounts are unadjusted for rate and base changes.
(2) Represents growth rate of New York State Sales Tax Receipts.
(3) Reflects amounts equivalent to a one percent rate of taxation prior to FY 2022, and equivalent to a two percent rate of taxation beginning FY 2022. On April 1, 2021, following the redemption of all outstanding LGAC Obligations, the deposit to the Sales Tax Revenue Bond Fund increased to an amount equal to two percent rate of taxation.
(4) As estimated in the FY 2024 Enacted Budget Financial Plan.

Actual FY 2013-14 receipts of $11.786 billion reflect an increase of 4.1 percent in the continuing New York State Sales Tax base and certain State Tax Law changes affecting sales tax receipts that went into effect during FY 2013-14. These State Tax Law changes included START-UP NY (tax-free zones on or near qualifying university and college campuses), a driver's license suspension program for certain tax delinquencies and restrictions on certain Industrial Development Agencies retail projects and a benefit clawback provision.

Actual FY 2014-15 receipts of $12.137 billion reflect an increase of 4.7 percent in the continuing New York State Sales Tax base and State Tax Law changes. These Tax Law changes included increasing the sales tax exemption from $0.75 to $1.50 on certain food and drink items sold through vending machines and establishing three regions for the prepaid sales tax on fuel to reduce tax evasion at retail.

Actual FY 2015-16 receipts of $12.485 billion reflect an increase of 3.6 percent in the continuing New York State Sales Tax base and State Tax Law changes. These Tax Law changes included imposing local sales tax on prepaid wireless based on retail location instead of the customer's residence, exempting solar purchase power agreements from state and local sales tax, extending wine tasting sales and use tax exemption to other alcoholic beverages, an exemption of the portion of the purchase or lease of a boat in excess of $230,000 from sales and use tax, exempting general aviation aircraft and machinery or equipment installed on aircraft from state and local sales tax, and exempting certain related-party sales arising as a result of the Federal Dodd-Frank Wall Street Reform and Consumer Protection Act.

Actual FY 2016-17 receipts of $12.967 billion reflect an increase of 3.6 percent in the continuing New York State Sales Tax base and State Tax Law changes. These Tax Law changes include motor fuel enforcement provisions that require wholesalers to file informational returns that will be used to audit retailers, and the exemption of feminine hygiene products.

Actual FY 2017-18 receipts of $13.553 billion reflect an increase of 4.5 percent in the continuing New York State Sales Tax base and State Tax Law changes. These Tax Law changes include exemption of cemetery monuments, the closure of related entities sales tax loopholes and motor fuel prepayment reform.

Actual FY 2018-19 receipts of $14.164 billion reflect an increase of 5.4 percent in the continuing New York State Sales Tax base and Tax Law changes. These Tax Law changes include converting the prepared foods purchased for resale and the veterinary sales tax credits/refunds into upfront exemptions and providing Responsible Person sales tax relief for minority LLC owners.

Actual FY 2019-20 receipts of $14.883 billion reflect an increase of 3.3 percent in the continuing New York State Sales Tax base, tax law changes, and administrative changes. The tax law changes included eliminating the sales tax exemption for ESCOs and requiring internet marketplace providers to collect and pay sales tax on transactions facilitated on their platforms. The administrative changes enforced the collection of sales tax on sales made by out-of-state companies due to the Supreme Court's Decision on South Dakota versus Wayfair.

Actual FY 2020-21 receipts of $13.273 billion reflect a decrease of 14.9 percent in the continuing New York State Sales Tax base related to the economic downturn caused by the COVID-19 pandemic.

Actual FY 2021-22 receipts of $16.491 billion reflect an increase of 23.6 percent in the continuing New York State Sales Tax base due to the recovery from the prior year's economic downturn caused by the COVID-19 pandemic, and tax law changes. These tax law changes included: eliminating and replacing the racing admissions tax with the State sales tax; extending certain exemptions related to the Dodd-Frank Protection Act for three years; making technical corrections to the sales tax remote vendor registration; extending the alternative fuels exemption for five years; codifying into law the existing tax exemption for breast pumps and certain replacement parts; extending the exemption for certain vending machine purchases for an additional year; clarifying when sales tax is due on the full (not discounted) retail price of a purchase if a rebate, discount, or similar price reduction is used, and the vendor is fully reimbursed by a third party; and modifying the treatment of vehicle leases with terminal rental adjustment clauses (TRACs) to authorize lessees or lessors, depending on the circumstance, to claim a SUT refund/credit for tax paid in the event the lessor refunds the lessee at the end of the lease term.

Actual FY 2022-23 receipts of $17.716 billion reflect an increase of 11.0 percent in the continuing New York State Sales Tax base and tax law changes. These tax law changes included extending the exemption for certain vending machine purchases for an additional year and suspending the State and MCTD sales taxes on gasoline and diesel fuel from June 1, 2022 through December 31, 2022.

FY 2023-24 receipts are estimated to be $18.443 billion reflecting an estimated increase of 2.7 percent in the continuing New York State Sales Tax base and tax law changes. These tax law changes include extending the exemption for certain vending machine purchases for an additional year and extending the Lower Manhattan sales tax exemption for an additional four years.

The New York State Sales Tax Receipts described in this section do not include additional New York State Sales Tax collections in the MCTD region for the Mass Transportation Operating Assistance Fund.

The following table sets forth monthly Sales Tax Revenue Bond Tax Fund Receipts from April 1, 2018 through March 31, 2023 and reflects the State Tax Law changes described above.

Monthly Sales Tax Revenue Bond Tax Fund Receipts
April 1, 2018 Through March 31, 2023
(Millions of Dollars)

MONTH	2018-19	%[1]	2019-20	%[1]	2020-21	%[1]	2021-22	%[1]	2022-23	%[1]
APRIL	$ 251.4	7%	$ 269.1	7%	$ 197.1	6%	$ 598.7	7%	$ 621.1	7%
MAY	263.3	7	275.5	7	184.9	6	590.2	7	654.8	7
JUNE	362.0	10	371.5	10	286.0	9	804.7	10	876.5	10
JULY	275.1	8	289.7	8	264.9	8	647.7	8	690.4	8
AUGUST	274.0	8	290.7	8	268.2	8	625.4	8	669.4	8
SEPTEMBER	354.9	10	380.8	10	354.5	11	815.1	10	884.3	10
OCTOBER	269.2	8	289.2	8	275.0	8	628.6	8	699.4	8
NOVEMBER	274.9	8	292.0	8	272.5	8	646.0	8	685.3	8
DECEMBER	360.5	10	370.9	10	353.4	11	821.6	10	859.1	10
JANUARY	286.8	8	317.5	9	298.9	9	693.2	8	756.1	8
FEBRUARY	242.8	7	261.1	7	249.7	8	575.9	7	652.7	7
MARCH	322.3	9	310.3	8	312.5	9	800.6	10	806.1	9
TOTAL[2]	$ 3,536.8	100%	$ 3,718.3	100%	$ 3,712.2	100%	$ 8,247.7	100%	$ 8,855.2	100%

Source: Division of the Budget.

(1) Percentages indicate the monthly share of yearly receipts.
(2) Total may not add due to rounding.

The following table sets forth the stability in the shares of New York State Sales Tax Receipts when examined by industry. For the entirety of the ten-year period, receipts from the retail and services industries together consistently comprised roughly 70 percent of total receipts.

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History of Industry Shares of New York State Sales Tax Receipts[1]

Year[2]	Retail Trade	Services	Wholesale Trade	Information	Other[3]	Utilities	Manufacturing	Construction	Unclassified
2013	47.2%	27.0%	5.6%	6.0%	4.4%	3.0%	4.2%	2.5%	0.1%
2014	45.8	27.3	5.6	6.8	4.6	3.0	4.1	2.7	0.2
2015	45.3	28.1	5.6	6.7	4.7	2.8	4.1	2.6	0.1
2016	45.2	28.7	5.7	6.4	4.7	2.6	3.9	2.8	0.1
2017	44.9	28.9	5.6	6.3	6.2	2.4	3.9	2.7	0.2
2018	44.6	29.0	5.7	6.0	6.6	2.5	4.0	2.8	0.0
2019	43.2	28.8	5.8	5.8	6.9	2.5	4.1	2.8	0.1
2020	43.1	28.6	5.8	6.0	7.2	2.4	4.0	2.8	0.1
2021	49.2	20.3	6.0	7.2	6.9	2.8	4.7	2.8	0.1
2022[4]	46.7	24.3	5.9	6.4	7.2	2.8	4.3	2.7	0.1

Source: New York State Department of Taxation and Finance.

(1) Industry shares within a fiscal year may not add due to rounding.
(2) March to February.
(3) Includes Agriculture, Mining, Transportation, FIRE (Finance, Insurance and Real Estate), Education, and Government.
(4) Preliminary.

Debt Service Coverage

The following table sets forth (1) Sales Tax Revenue Bond Tax Fund Receipts for a twelve consecutive calendar month period ended not more than six months prior to the date of such calculation, (2) maximum annual debt service on the outstanding State Sales Tax Revenue Bonds, including the debt service on the Series 2023 Bonds, and (3) resulting debt service coverage. There can be no assurance that actual Sales Tax Revenue Bond Tax Fund Receipts will not be less than the amounts collected during the calculation period, as a result of numerous factors affecting New York State Sales Tax Receipts that cannot be predicted at this time.

Debt Service Coverage on State Sales Tax Revenue Bonds
(Dollars in Thousands)

Sales Tax Revenue Bond Tax Fund Receipts	$8,944,185
Maximum Annual Debt Service	1,036,799
Debt Service Coverage	8.6x

Projected Debt Service Coverage

Based upon the assumptions used in preparing the following table (also included in the Annual Information Statement of the State of New York dated June 9, 2023), including assumed average State Sales Tax Revenue Bond issuances of approximately $2.3 billion annually over the next four years, State Sales Tax Revenue Bond debt service coverage based only upon the Sales Tax Revenue Bond Tax Fund's statutory allocation of an amount equal to a two percent rate of taxation is expected to decline from 8.3 times in State Fiscal Year 2023-24 to 5.8 times in State Fiscal Year 2026-27.

Projected Debt Service Coverage on State Sales Tax Revenue Bonds
State Fiscal Years 2023-24 Through 2026-27*
(Dollars in Thousands)

	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Projected Sales Tax Revenue Bond Tax Fund Receipts	$ 9,221,750	$ 9,321,500	$ 9,531,500	$ 9,746,500
Projected New State Sales Tax Revenue Bonds Issuances	2,382,249	2,488,183	2,196,321	2,135,466
Projected Total State Sales Tax Revenue Bonds Outstanding	12,331,863	14,553,963	16,383,264	18,052,452
Projected Maximum Annual Debt Service	1,104,826	1,314,533	1,499,642	1,679,622
Projected Debt Service Coverage	8.3x	7.1x	6.4x	5.8x

* As estimated in the FY 2024 Enacted Budget Financial Plan.

Additional State Sales Tax Revenue Bonds may be issued, subject to satisfaction of a 2.0 times debt service coverage test. All State Sales Tax Revenue Bonds issued by any Authorized Issuer will be on a parity with each other as to payments from the Sales Tax Revenue Bond Tax Fund, subject to annual appropriation by the State Legislature. See “PART 3—SECURITY AND SOURCES OF PAYMENT FOR STATE SALES TAX REVENUE BONDS — Additional Bonds.”

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PART 5—DESCRIPTION OF THE SERIES 2023 BONDS

General

The Series 2023 Bonds will bear interest, computed on the basis of a 360-day year and 30-day month, from their date of delivery, payable March 15, 2024 and on each September 15 and March 15 thereafter at the rates set forth on the inside cover pages of this Official Statement. The Series 2023 Bonds will be issued only as fully registered bonds in principal denominations of $5,000 or any integral multiple thereof.

The Record Date for the Series 2023 Bonds shall be the last day of the calendar month preceding such interest payment date. The Series 2023 Bonds will be issued under a book-entry only system, and will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York, which will act as bond depository for the Series 2023 Bonds. Principal or redemption price of and interest on the Series 2023 Bonds are payable by The Bank of New York Mellon, New York, New York, as Trustee and Paying Agent, to Cede & Co., so long as Cede & Co. is the registered owner of the Series 2023 Bonds, as nominee for DTC, which will, in turn, remit such principal and interest to the DTC Participants for subsequent disbursement to the Beneficial Owners. See "PART 8—BOOK-ENTRY ONLY SYSTEM" below.

Series 2023A-2 Bonds as Balloon Indebtedness

The Series 2023A-2 Bonds are considered Balloon Indebtedness under the Resolution. DASNY expects to refinance the Series 2023A-2 Bonds on or prior to their respective maturity dates of September 15, 2030 and September 15, 2033. DASNY does not expect to deposit with the Trustee any State Sales Tax Revenue Bond Tax Fund Receipts relating to the Series 2023A-2 Bonds relating to the payment of any principal installments prior to the expected refinancings thereof.

Optional Redemption

Series 2023A-1 Bonds

The Series 2023A-1 Bonds maturing on or before March 15, 2033, are not subject to redemption prior to maturity.

The Series 2023A-1 Bonds maturing after March 15, 2033, except for the Series 2023A-1 Bonds maturing on (i) March 15, 2040 (CUSIP Number 64990ASJ5), (ii) March 15, 2042 (CUSIP Number 64990ASM8) and (iii) March 15, 2044, are subject to redemption prior to maturity on or after March 15, 2033, in any order at the option of DASNY, as a whole or in part at any time, at a redemption price of par, plus accrued interest to the redemption date.

The Series 2023A-1 Bonds maturing on (i) March 15, 2040 (CUSIP Number 64990ASJ5), (ii) March 15, 2042 (CUSIP Number 64990ASM8) and (iii) March 15, 2044, are subject to redemption prior to maturity on or after March 15, 2030, in any order at the option of DASNY, as a whole or in part at any time, at a redemption price of par, plus accrued interest to the redemption date.

Series 2023A-2 Bonds

The Series 2023A-2 Bonds maturing on September 15, 2030, are subject to redemption prior to maturity on or after March 15, 2030, in any order at the option of DASNY, as a whole or in part at any time, at a redemption price of par, plus accrued interest to the redemption date.

The Series 2023A-2 Bonds maturing on September 15, 2033, are subject to redemption prior to maturity on or after March 15, 2033, in any order at the option of DASNY, as a whole or in part at any time, at a redemption price of par, plus accrued interest to the redemption date.

Series 2023B Bonds

The Series 2023B Bonds are subject to optional redemption prior to their stated maturity dates as a whole or in part, in any order, at the option of DASNY, on any Business Day, at the Make-Whole Redemption Price.

The "Make-Whole Redemption Price" is the greater of:

(1) 100% of the principal amount of the Series 2023B Bonds to be redeemed; and

(2) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of such Series 2023B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Series 2023B Bonds are to be redeemed, discounted to the date on which such Series 2023B Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (as defined below) plus (i) 5 basis points for the Series 2023B Bonds maturing on March 15, 2025 and (ii) 10 basis points for the Series 2023B Bonds maturing on March 15 in the years 2026 through 2028, plus accrued and unpaid interest on the Series 2023B Bonds to be redeemed on the redemption date.

The "Treasury Rate" is, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days, but no more than 60 calendar days, prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Series 2023B Bonds to be redeemed; (taking into account any sinking fund installments for such bonds) provided, however, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

Mandatory Redemption

The Series 2023A-1 Bonds maturing on March 15, 2049 and March 15, 2053 are subject to mandatory sinking fund redemption, in part, on each of the dates and in the respective principal amounts set forth below, at a redemption price of 100% of the principal amount thereof, plus accrued interest to the date of redemption, from mandatory Sinking Fund Installments which are required to be made in amounts sufficient to redeem the principal amounts of Series 2023A-1 Bonds specified for each of the dates shown in the following tables:

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Series 2023A-1 Term Bonds
Maturing March 15, 2049

March 15,	Sinking Fund Installment
2046	$14,060,000
2047	14,625,000
2048	15,210,000
2049†	15,815,000

† Stated maturity.

Series 2023A-1 Term Bonds
Maturing March 15, 2053

March 15,	Sinking Fund Installment
2050	$16,450,000
2051	17,270,000
2052	18,135,000
2053†	19,045,000

† Stated maturity.

Selection of Bonds to be Redeemed; Notice of Redemption

In the case of redemptions of the Series 2023A Bonds or Series 2023B Bonds at the option of DASNY, DASNY will select the maturities (and interest rates, if applicable) of the Series 2023A Bonds or Series 2023B Bonds to be redeemed.

Series 2023A Bonds

If less than all of the Series 2023A Bonds of a maturity (and interest rates, if applicable) are to be redeemed, the Trustee shall assign to each Outstanding Series 2023A Bond of such maturity (and interest rates, if applicable) to be redeemed a distinctive number for each unit of the principal amount of such Bond equal to the lowest denomination in which such Series 2023A Bonds are authorized to be issued and shall select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers assigned to such Series 2023A Bonds, as many numbers as, at such unit amount equal to the lowest denomination in which such Series 2023A Bonds are authorized to be issued for each number, shall equal the principal amount of such Series 2023A Bonds to be redeemed.

For so long as DTC is the registered owner of the Series 2023A Bonds, procedures with respect to the transmission of notices and the selection of Series 2023A Bonds to be redeemed and the corresponding redemption of Principal, Sinking Fund Installments, if any or Redemption Price, if any, of and interest on the Series 2023A Bonds so held shall be in accordance with arrangements among the Trustee, DASNY and DTC.

Series 2023B Bonds

While the Series 2023B Bonds are held in DTC book-entry only form, in the case of optional redemption of the Series 2023B Bonds, if less than all of the Series 2023B Bonds are to be redeemed, the particular Series 2023B Bonds or portions thereof to be redeemed are to be selected on a "Pro Rata Pass-Through Distribution of Principal" basis in accordance with DTC operational procedures then in effect. Such procedures currently provide for adjustment of the principal by a factor provided by the Trustee. If the Trustee does not provide the necessary information or does not identify the redemption as on a "Pro Rata Pass-Through Distribution of Principal" basis, the Series 2023B Bonds will be selected for redemption in accordance with DTC procedures by lot. DASNY intends that redemption allocations to be made by DTC, the DTC Participants or such other intermediaries that may exist between DASNY and the owners of the Series 2023B Bonds would be made on a "Pro Rata Pass-Through Distribution of Principal" basis as described above. However, DASNY cannot provide any assurance that DTC, the DTC Participants or any other intermediaries will allocate redemptions among the owners on such basis. If operational procedures of DTC (or of any successor depository) do not allow for the redemption of the Series 2023B Bonds on a "Pro Rata Pass-Through Distribution of Principal" basis, the Series 2023B Bonds will be selected for redemption by lot.

If the Series 2023B Bonds are not registered in book-entry form and if fewer than all of a maturity of the Series 2023B Bonds are to be redeemed, the particular Series 2023B Bonds to be redeemed will be selected on a pro rata basis; provided, however, that any such redemption must be performed in a manner that results in all of the remaining outstanding Series 2023B Bonds being in authorized denominations.

Notice of Redemption

Any notice of optional redemption of the Series 2023 Bonds may state that it is conditional upon receipt by the Trustee of money sufficient to pay the Redemption Price of such Series 2023 Bonds or upon the satisfaction of any other condition, or that it may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such Redemption Price if any such condition so specified is not satisfied or if any such other event occurs. Notice of such rescission shall be given by the Trustee to affected Bondholders as promptly as practicable upon the failure of such condition or the occurrence of such other event.

When the Trustee shall have received notice from DASNY that Series 2023 Bonds are to be redeemed, the Trustee shall give notice, in the name of DASNY, of the redemption of such Series 2023 Bonds, which notice shall specify the Series 2023 Bonds to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable, and, if less than all of the Series 2023 Bonds are to be redeemed, the letters and numbers or other distinguishing marks of such Series 2023 Bonds to be redeemed, if applicable, that such notice is conditional and the conditions that must be satisfied, and in the case of Series 2023 Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed.

Such notice shall further state that on the redemption date there shall become due and payable upon each Series 2023 Bond or portion thereof to be redeemed the Redemption Price thereof, together with interest accrued to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable on the Series 2023 Bonds or portions thereof to be redeemed.

Notice of any redemption shall be mailed by the Trustee, postage prepaid, no less than thirty (30) days before the redemption date, to the Owners of any Series 2023 Bonds or portions of Series 2023 Bonds, which are to be redeemed, at their last address, if any, appearing upon the registry books.

For a more complete description of the redemption and other provisions relating to the Series 2023 Bonds, see "APPENDIX B—SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION."

PART 6—APPLICATION OF PROCEEDS

The Series 2023 Bonds are being issued for the purposes of financing Authorized Purposes. Proceeds of the Series 2023 Bonds are expected to be used to (a) finance, refinance or reimburse all or a portion of the costs of programs and projects within the State, including but not limited to (i) Department of Corrections and Community Supervision projects; (ii) Economic Development projects and/or grants; (iii) various environmental initiatives including the Department of Environmental Conservation Clean Water Pollution Control Revolving Fund, the Hazardous Waste Superfund and other environmental infrastructure projects; (iv) Health Care grants; (v) Division of Homeland Security and Emergency Services projects; (vi) Office of Information and Technology Services projects; (vii) projects for libraries and other State Education Department programs; (viii) refinancing New York Power Authority energy project loans; (ix) Office of General Services projects; (x) Office of Mental Health, Office for People With Developmental Disabilities and Office of Addiction Services and Supports projects; (xi) State and Municipal Facilities grants; and (xii) projects for State University of New York educational facilities (collectively, the "Projects"), (b) refund through defeasance and redemption or through purchase by means of a tender offer and cancellation certain outstanding State-supported debt previously issued by DASNY and the Thruway Authority, and (c) pay certain costs relating to the issuance of the Series 2023 Bonds. See "PART 7—THE REFUNDING PLAN" and "APPENDIX F—BONDS TO BE REDEEMED OR PURCHASED" herein.

The Series 2023 Bonds are not secured by any mortgage on, any revenues from, or any other interest in, capital works or purposes authorized to be financed by such application of the proceeds of Series 2023 Bonds.

PART 7—THE REFUNDING PLAN

Redemption and Defeasance of Refunded Bonds

A portion of the proceeds of the Series 2023 Bonds are expected to be used to refund certain State-supported debt previously issued by DASNY and the Thruway Authority, as more particularly described in "APPENDIX F—BONDS TO BE REDEEMED OR PURCHASED" hereto (collectively, the "Refunded Bonds"). Simultaneously with the issuance and delivery of the Series 2023 Bonds, a portion of the proceeds of the Series 2023 Bonds will be deposited into separate escrows with the trustee for the respective Refunded Bonds and, together with other available funds, if any, will be sufficient to acquire direct non-callable obligations of the United States of America (the "Defeasance Securities"), the maturing principal of and interest on which will be sufficient, together with any uninvested cash, to pay the principal or redemption price of and interest due on such Refunded Bonds on the respective dates fixed for their redemption (the "Redemption Dates"). See "PART 18—VERIFICATION OF MATHEMATICAL COMPUTATIONS." At or prior to the time of such deposit, DASNY will provide to the trustee for the respective Refunded Bonds irrevocable instructions to (i) give notices of the defeasance and redemption of the respective Refunded Bonds, as applicable, and (ii) apply the maturing principal of and interest on the Defeasance Securities, together with any uninvested cash held in escrow, to the payment of the principal or redemption price of and interest coming due on the applicable Refunded Bonds on the Redemption Dates.

Tender for Purchase

On July 14, 2023, DASNY released the Invitation, inviting owners of the Invited Bonds to tender all or a portion of such Invited Bonds for cash purchase by DASNY (the "Tender Offer") on the terms and conditions described in the Invitation.

The Invitation was made by DASNY, as acknowledged and approved by the Director of the Budget, with the assistance of the Dealer Managers. The purpose of the Tender Offer was to give DASNY the opportunity to retire the Invited Bonds with proceeds of tax-exempt Bonds on the date of issuance of the Series 2023 Bonds (the "Settlement Date").

The Invitation expired by its terms on July 28, 2023. On August 3, 2023, DASNY accepted $551,530,000 aggregate principal amount of the Invited Bonds tendered for purchase. The Invited Bonds so purchased will be cancelled on the Settlement Date. See "PART 10–ESTIMATED SOURCES AND USES OF FUNDS."

The Invited Bonds accepted for purchase are listed in "APPENDIX F—BONDS TO BE REDEEMED OR PURCHASED."

PART 8—BOOK-ENTRY ONLY SYSTEM

The following information concerning DTC and DTC's book-entry system has been obtained from sources that DASNY believes to be reliable, but DASNY takes no responsibility for the accuracy thereof.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2023 Bonds. References to the Series 2023 Bonds under this caption "Book-Entry Only System" shall mean all Series 2023 Bonds, the beneficial interests in which are owned in the United States. The Series 2023 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2023 Bond certificate will be issued for the Series 2023 Bonds of each maturity of each series, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Direct and Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2023 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the related Series 2023 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2023 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2023 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2023 Bonds, except in the event that use of the book-entry system for the Series 2023 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2023 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2023 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2023 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2023 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Series 2023 Bonds of like series and maturity are being redeemed, DTC's practice is to determine by lot the amount of interest of each Direct Participant in the Series 2023 Bonds of such series and maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2023 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to DASNY as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2023 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption premium, if any, and interest payments on the Series 2023 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from DASNY or the Trustee on a payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the Trustee or DASNY, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee or DASNY, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DASNY and the Trustee may treat DTC (or its nominee) as the sole and exclusive registered owner of the Series 2023 Bonds registered in its name for the purposes of payment of the principal and redemption premium, if any, of, or interest on, the Series 2023 Bonds, giving any notice permitted or required to be given to registered owners under the Resolutions, registering the transfer of the Series 2023 Bonds, or other action to be taken by registered owners and for all other purposes whatsoever. DASNY and the Trustee shall not have any responsibility or obligation to any Direct or Indirect Participant, any person claiming a beneficial ownership interest in the Series 2023 Bonds under or through DTC or any Direct or Indirect

Participant, or any other person which is not shown on the registration books of DASNY (kept by the Trustee) as being a registered owner, with respect to the accuracy of any records maintained by DTC or any Direct or Indirect Participant; the payment by DTC or any Direct or Indirect Participant of any amount in respect of the principal, redemption premium, if any, or interest on the Series 2023 Bonds; any notice which is permitted or required to be given to registered owners thereunder or under the conditions to transfers or exchanges adopted by DASNY; or other action taken by DTC as registered owner. Interest, redemption premium, if any, and principal will be paid by the Trustee to DTC, or its nominee. Disbursement of such payments to the Direct or Indirect Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the Direct or Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to any series of the Series 2023 Bonds at any time by giving reasonable notice to DASNY or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2023 Bond certificates are required to be printed and delivered.

DASNY may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository) for any series of the Series 2023 Bonds. In that event, Series 2023 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that DASNY believes to be reliable, but DASNY takes no responsibility for the accuracy thereof.

Each person for whom a Participant acquires an interest in the Series 2023 Bonds, as nominee, may desire to make arrangements with such Participant to receive a credit balance in the records of such Participant, and may desire to make arrangements with such Participant to have all notices of redemption or other communications of DTC, which may affect such persons, to be forwarded in writing by such Participant and to have notification made of all interest payments. NEITHER DASNY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE SERIES 2023 BONDS.

So long as Cede & Co. is the registered owner of the Series 2023 Bonds, as nominee for DTC, references herein to the Bondholders or registered owners of the Series 2023 Bonds (other than under the caption "PART 13—TAX MATTERS" and "PART 20—CONTINUING DISCLOSURE" herein) shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Series 2023 Bonds.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference only relates to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they will be sent by the Trustee to DTC only.

For every transfer and exchange of Series 2023 Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

DASNY SHALL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO: (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, OR REDEMPTION PREMIUM, IF ANY, OR INTEREST ON, THE SERIES 2023

BONDS; (3) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS UNDER THE RESOLUTIONS; (4) ANY CONSENT GIVEN BY DTC OR OTHER ACTION TAKEN BY DTC AS A BONDHOLDER; (5) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2023 BONDS; OR (6) ANY OTHER MATTER.

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PART 9—DEBT SERVICE REQUIREMENTS

The following schedule sets forth, for each 12-month period ending March 31 of the years shown, the amounts required for the payment of debt service on the Series 2023 Bonds, for the payment of debt service on other outstanding State Sales Tax Revenue Bonds and the aggregate total during each such period.

	Series 2023 Bonds[(1)]				
12-Month Period Ending March 31	Principal Payments	Interest Payments	Total Debt Service	Other Outstanding NYS Sales Tax Revenue Bonds Debt Service[(2)(3)(4)]	Aggregate Debt Service[(3)(4)]
2024	-	$ 50,317,912.00	$ 50,317,912.00	$ 544,984,013.00	$ 595,301,925.00
2025	$ 18,925,000.00	86,259,277.70	105,184,277.70	557,765,324.00	662,949,601.70
2026	19,925,000.00	85,275,177.70	105,200,177.70	557,050,909.00	662,251,086.70
2027	22,820,000.00	84,285,303.70	107,105,303.70	556,934,142.00	664,039,445.70
2028	36,355,000.00	83,174,308.50	119,529,308.50	897,008,785.00	1,016,538,093.50
2029	69,875,000.00	81,360,662.50	151,235,662.50	885,563,491.00	1,036,799,153.50
2030	76,450,000.00	77,866,912.50	154,316,912.50	863,912,861.00	1,018,229,773.50
2031	38,370,000.00	73,478,612.50	111,848,612.50	882,313,496.00	994,162,108.50
2032	52,545,000.00	71,560,112.50	124,105,112.50	873,869,732.00	997,974,844.50
2033	81,740,000.00	68,932,862.50	150,672,862.50	801,457,699.00	952,130,561.50
2034	57,540,000.00	64,171,762.50	121,711,762.50	795,268,941.00	916,980,703.50
2035	85,620,000.00	61,294,762.50	146,914,762.50	732,962,971.00	879,877,733.50
2036	89,890,000.00	57,013,762.50	146,903,762.50	681,036,711.00	827,940,473.50
2037	94,395,000.00	52,519,262.50	146,914,262.50	591,726,844.00	738,641,106.50
2038	90,310,000.00	47,799,512.50	138,109,512.50	590,475,819.00	728,585,331.50
2039	40,915,000.00	43,284,012.50	84,199,012.50	548,711,469.00	632,910,481.50
2040	107,895,000.00	41,238,262.50	149,133,262.50	548,704,669.00	697,837,931.50
2041	113,150,000.00	35,843,512.50	148,993,512.50	548,732,969.00	697,726,481.50
2042	78,985,000.00	30,186,012.50	109,171,012.50	548,708,619.00	657,879,631.50
2043	49,730,000.00	26,236,762.50	75,966,762.50	548,705,319.00	624,672,081.50
2044	51,725,000.00	24,247,562.50	75,972,562.50	538,428,719.00	614,401,281.50
2045	54,455,000.00	21,532,000.00	75,987,000.00	505,432,919.00	581,419,919.00
2046	41,845,000.00	18,809,250.00	60,654,250.00	485,844,919.00	546,499,169.00
2047	43,800,000.00	16,857,600.00	60,657,600.00	485,878,469.00	546,536,069.00
2048	45,850,000.00	14,813,850.00	60,663,850.00	408,774,819.00	469,438,669.00
2049	47,985,000.00	12,673,450.00	60,658,450.00	193,984,169.00	254,642,619.00
2050	50,225,000.00	10,432,350.00	60,657,350.00	115,391,369.00	176,048,719.00
2051	52,560,000.00	8,091,400.00	60,651,400.00	115,386,419.00	176,037,819.00
2052	55,190,000.00	5,463,400.00	60,653,400.00	-	60,653,400.00
2053	57,955,000.00	2,703,900.00	60,658,900.00	-	60,658,900.00
Total[(3)]	**$1,727,025,000.00**	**$1,357,723,529.60**	**$3,084,748,529.60**	**$16,405,016,585.00**	**$19,489,765,114.60**

(1) Figures include interest only on the aggregate principal amount of the Series 2023A-2 Bonds, calculated based on the actual interest rate and through their respective call dates, and thereafter, estimated debt service on the expected refinancings of the Series 2023A-2 Bonds. Pursuant to the Resolution, the Series 2023A-2 Bonds constitute "Balloon Obligations," with expected refinancings on or prior to their respective maturity dates.

(2) The information set forth under the column captioned "Other Outstanding NYS Sales Tax Revenue Bonds Debt Service" reflects debt service on outstanding State Sales Tax Revenue Bonds and on State Sales Tax Revenue Bonds contractually obligated to be issued and delivered by Authorized Issuers as of the date of this Official Statement. The State expects that Authorized Issuers will be issuing State Sales Tax Revenue Bonds from time to time and to the extent that such other State Sales Tax Revenue Bonds are either issued or contractually obligated to be issued and delivered pursuant to one or more executed bond purchase agreements or bond awards after the date of this Official Statement, this Official Statement will not be supplemented to reflect such updated information.

(3) Totals may not add due to rounding.

(4) Excludes debt service on the Refunded Bonds that are State Sales Tax Revenue Bonds.

PART 10—ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds with respect to the Series 2023 Bonds:

	Series 2023A-1	Series 2023A-2	Series 2023B	Total
Sources of Funds				
Principal Amount of Series 2023 Bonds	$ 1,400,935,000.00	$ 282,315,000.00	$ 61,290,000.00	$ 1,744,540,000.00
Net Original Issue Premium.......................	137,116,335.50	38,706,705.80	-	175,823,041.30
Available Funds of DASNY........................	1,073,722.58	-	-	1,073,722.58
Total Sources	$ 1,539,125,058.08	$ 321,021,705.80	$ 61,290,000.00	$ 1,921,436,763.88
Uses of Funds				
Deposit to Series 2023 Bond Proceeds Accounts	$ 858,589,753.78	$ 317,246,614.81	$ 60,261,248.66	$ 1,236,097,617.25
Deposit to Refunding Escrows........................	202,292,227.48	-	-	202,292,227.48
Purchase of Invited Bonds	462,650,262.05	-	-	462,650,262.05
Costs of Issuance*	9,081,450.94	2,524,417.87	828,451.70	12,434,320.51
Underwriters' Discount........................	6,511,363.83	1,250,673.12	200,299.64	7,962,336.59
Total Uses	$ 1,539,125,058.08	$ 321,021,705.80	$ 61,290,000.00	$ 1,921,436,763.88

* Includes New York State Bond Issuance Charge and fees and expenses of the Dealer Managers.

PART 11—DASNY

Background, Purposes and Powers

DASNY is a body corporate and politic constituting a public benefit corporation. DASNY was created in 1944 to finance and build dormitories at State teachers' colleges to provide housing for the large influx of students returning to college on the G.I. Bill following World War II. Over the years, the State Legislature has expanded DASNY's scope of responsibilities. Today, pursuant to the Authority Act, DASNY is authorized to finance, design, construct or rehabilitate facilities for use by a variety of public and private not-for-profit entities.

DASNY provides financing services to its clients in three major areas: public facilities; not-for-profit healthcare; and independent higher education and other not-for-profit institutions. DASNY issues State-supported debt, including State Sales Tax Revenue Bonds and State Sales Tax Revenue Bonds, on behalf of public clients such as the State University of New York, the City University of New York, the Department of Health, the New York State Education Department, the Office of Mental Health, the Office of People with Developmental Disabilities, the Office of Addiction Services and Supports, the Office of General Services, and the Office of General Services of the State on behalf of the Department of Audit and Control. Other public clients for whom DASNY issues debt include Boards of Cooperative Educational Services ("BOCES"), State University of New York, the Workers' Compensation Board, school districts across the State and certain cities and counties that have accessed DASNY for the purpose of providing court facilities. DASNY's private clients include independent colleges and universities, private hospitals, certain private secondary schools, special education schools, facilities for the aged, primary care facilities, libraries, museums, research centers and government-supported voluntary agencies, among others.

To carry out its programs, DASNY is authorized to issue and sell negotiable bonds and notes to finance the construction of facilities for such institutions, to issue bonds or notes to refund outstanding bonds or notes, and to lend funds to such institutions. As of June 30, 2023, DASNY had approximately $55.6 billion aggregate principal amount of bonds and notes outstanding.

DASNY also is authorized to make tax-exempt leases, with its Tax-Exempt Leasing Program (TELP). As part of its operating activities, DASNY also administers a wide variety of grants authorized by the State for economic development, education, and community improvement, which are payable to both public and private grantees from proceeds of State Sales Tax Revenue Bonds issued by DASNY.

DASNY is a conduit debt issuer. Under existing law, and assuming continuing compliance with tax law, interest on most bonds and notes issued by DASNY has been determined to be excludable from gross income for federal tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended. All DASNY's outstanding bonds and notes, both fixed and variable rate, are special obligations of DASNY payable solely from payments required to be made by or for the account of the client institution for which the particular special obligations were issued. DASNY has no obligation to pay its special obligations other than from such payments. DASNY has always paid the principal of and interest on all of its obligations on time and in full; however, as a conduit debt issuer, payments on DASNY's special obligations are solely dependent upon payments made by the DASNY client for which the particular special obligations were issued and the security provisions relating thereto.

DASNY also offers a variety of construction services to certain educational, governmental, and not-for-profit institutions in the areas of project planning, design, and construction, monitoring project construction, purchasing of furnishings and equipment for projects, interior design of projects, and designing and managing projects to rehabilitate older facilities.

In connection with the powers described above, DASNY has the general power to acquire real and personal property, give mortgages, make contracts, operate certain facilities and fix and collect rentals or other charges for their use, contract with the holders of its bonds and notes as to such rentals and charges, borrow money, and adopt a program of self-insurance.

DASNY has a staff of approximately 475 employees located in four main offices (Albany, New York City, Buffalo and Rochester) and at approximately 39 field sites across the State.

Governance

DASNY is governed by an eleven-member board. Board members include the Commissioner of Education of the State, the Commissioner of Health of the State, the State Comptroller or one member appointed by him or her who serves until his or her successor is appointed, the Director of the Budget of the State, one member appointed by the Temporary President of the State Senate, one member appointed by the Speaker of the State Assembly, and five members appointed by the Governor, with the advice and consent of the Senate, for terms of three years. The Commissioner of Education of the State, the Commissioner of Health of the State, and the Director of the Budget of the State each may appoint a representative to attend and vote at DASNY meetings. The members of DASNY serve without compensation but are entitled to reimbursement of expenses incurred in the performance of their duties.

The Governor appoints a Chair from the members appointed by him or her and the members of DASNY annually choose the following officers, of which the first two must be members of DASNY: Vice-Chair, Secretary, Treasurer, Assistant Secretaries, and Assistant Treasurers.

The current members of DASNY are as follows:

LISA A. GOMEZ, *Chair*, Pelham.

Lisa A. Gomez was appointed as a Member of DASNY by the Governor on June 2, 2022. Ms. Gomez is CEO of L+M Development Partners, LLC (L+M). She previously served as Chief Operating Officer. L+M develops, builds and manages affordable housing with local agencies such as the New York City Department of Housing Preservation and Development and the New York City Housing Authority. Prior to joining L+M, Ms. Gomez held positions in the Bloomberg and Dinkins Administrations as well as with JP Morgan Chase & Co. and Silverstein Properties. Ms. Gomez has a B.A. from Louisiana State University.

GERARD ROMSKI, ESQ., *Vice-Chair*, Mount Kisco.

Gerard Romski was reappointed as a Member of DASNY by the Temporary President of the State Senate on May 9, 2016. He is Counsel and Project Executive for "Arverne by the Sea," where he is responsible for advancing and overseeing all facets of "Arverne by the Sea," one of New York City's largest mixed-use developments located in Queens, New York. Mr. Romski is also of counsel to the New York City law firm of Rich, Intelisano & Katz, LLP. Mr. Romski holds a Bachelor of Arts degree from the New York Institute of Technology and a Juris Doctor degree from Brooklyn Law School.

BERYL L. SNYDER, J.D., *Secretary*, New York.

Beryl L. Snyder was reappointed as a member of DASNY by the Governor on June 19, 2013. Ms. Snyder is a principal in HBJ Investments, LLC, an investment company where her duties include evaluation and analysis of a wide variety of investments in, among other areas: fixed income, equities, alternative investments and early stage companies. She holds a Bachelor of Arts degree in History from Vassar College and a Juris Doctor degree from Rutgers University. Her current term expired on August 31, 2016 and by law she continues to serve until a successor shall be chosen and qualified.

ROBERT J. RODRIGUEZ, Sleepy Hollow.

Robert J. Rodriguez was appointed as a Member of DASNY by the Governor on June 10, 2023. Mr. Rodriguez serves as New York's Secretary of State. He previously served as a member of the New York State Assembly for 11 years representing Assembly District 68. He was Co-Chair of the Legislative Task Force on Demographic Research and Reapportionment, founding Chair of the Assembly Sub-committee on Infrastructure and Member of Committees on Ways and Means, Housing, Labor, Banking, Corporations and Authorities, and Mental Health. Mr. Rodriguez also held positions at Public Financial Management, A.C. Advisory, Inc and Bloomberg L.P. Mr. Rodriguez has Bachelor of Arts in History and Political Science from Yale University and received his MBA in Finance from New York University Stern Business School.

ALFONSO L. CARNEY, JR., New York.

Alfonso L. Carney, Jr. was reappointed as a Member of DASNY by the Governor on June 19, 2013. Mr. Carney is a principal of Rockwood Partners, LLC, which provides medical consulting services in New York City. He has served as Acting Chief Operating Officer and Corporate Secretary for the Goldman

Sachs Foundation in New York. Mr. Carney has held senior level legal positions with Altria Group Inc., Philip Morris Companies Inc., Philip Morris Management Corporation, Kraft Foods, Inc., and General Foods Corporation. Mr. Carney holds a Bachelor's degree in philosophy from Trinity College and a Juris Doctor degree from the University of Virginia School of Law. His term expired on March 31, 2016 and by law he continues to serve until a successor shall be chosen and qualified.

WELLINGTON Z. CHEN, Queens.

Wellington Z. Chen was appointed as a Member of DASNY by the Governor on June 20, 2018. Mr. Chen is the Executive Director of the Chinatown Partnership Development Corporation. In this capacity, he leads the Chinatown Partnership in implementing initiatives in infrastructure, post 9/11 rebuilding and public space improvements in a comprehensive effort to improve the environmental and the business conditions. He is a graduate of the School of Architecture and Environmental Studies at The City College of New York. Mr. Chen's term expired on March 31, 2020 and by law he continues to serve until a successor shall be chosen and qualified.

JOAN M. SULLIVAN, Slingerlands.

Joan M. Sullivan was appointed as a Member of DASNY by the New York State Comptroller on March 26, 2019. Ms. Sullivan is President of On Wavelength Consulting LLC, a firm that assists governmental entities with development of public procurements and private companies with the preparation of effective responses to government solicitations. She possesses over 40 years of experience working in and for the government of New York State, including an expansive career at the NYS Office of State Comptroller where she last served as Executive Deputy Comptroller before accepting an appointment as Executive Director of The NYS Forum, Inc. Ms. Sullivan holds a Bachelor of Arts degree in Business Administration (Accounting) from Siena College.

JANICE McKINNIE, Buffalo.

Janice McKinnie was appointed as a Member of DASNY by the Speaker of the Assembly on June 12, 2020. Ms. McKinnie is the Executive Director of True Community Development Corporation where she has led various housing rehabilitation and development projects and has formed strategic alliances with local and regional community groups to promote affordable housing and economic growth within the area of Buffalo. She is also the owner of Developments By JEM, LLC, a construction and project development consulting firm and a NYS certified M/WBE business. Ms. McKinnie is a graduate of the State University College of Buffalo and holds a Master's degree in organizational leadership from Medaille College.

BETTY A. ROSA, *Commissioner of Education of the State of New York*, Bronx; *ex-officio*.

Dr. Betty A. Rosa was appointed by the Board of Regents to serve as Commissioner of Education and President of the University of the State of New York effective February 8, 2021. Previously, Dr. Rosa assumed the role of Interim Commissioner of Education and President of the University of the State of New York from August 14, 2020 through February 7, 2021. Dr. Rosa had served as a member of the Board of Regents and as Chancellor thereof from March 2016 through August 2020. She started her career with the NYC Department of Education as a paraprofessional and later served as a teacher, assistant principal, principal in the Bronx and, upon appointment, assumed the responsibilities of Superintendent of Community School District 8 then Senior Superintendent of the Bronx. Dr. Rosa is a nationally recognized education leader who has over 30 years of instructional and administrative experience with an expertise in inclusive education, cooperative teaching models, student achievement and policy implementation. She received a B.A. in psychology from the City College of New York and an Ed. M. and Ed. D. in

Administration, Planning and Social Policy from Harvard University as well as two other Master of Science in Education degrees, one in Administration and Supervision and the other in Bilingual Education from the City College of New York and Lehman College respectively.

ROBERT MEGNA, *Budget Director of the State of New York*, Albany; *ex-officio*.

Robert Megna was appointed Budget Director by the Governor on February 28, 2023. Prior to his appointment, Mr. Megna served as President of the Rockefeller Institute of Government and Senior Advisor to the Chancellor of the State University of New York (SUNY). Prior to that, Mr. Megna served as Senior Vice Chancellor and Chief Operating Officer of SUNY. He joined SUNY from Stony Brook University, where he served as Senior Vice President for Finance and Administration. Mr. Megna also served as Executive Director of the New York State Thruway Authority and New York State Canal Corporation and Commissioner of the Department of Taxation and Finance as well as numerous other governmental positions in New York State and Virginia. In addition, Mr. Megna served as Budget Director previously from 2009 to 2015. Mr. Megna received an M.S. in Economics from the London School of Economics and Political Science at the University of London and received both his B.A. in Economics and M.P.A. from Fordham University.

JAMES MCDONALD, M.D., *Commissioner of Health of the State of New York*, Albany; *ex-officio*.

James McDonald, M.D., was named Acting Commissioner starting January 1, 2023 and confirmed as Commissioner by the State Senate on June 10, 2023. Prior to that, Dr. McDonald served as the Medical Director of the State Department of Health's Office of Public Health and Interim Director of the Center for Community Health, part of the Office of Public Health. Before joining the State Department of Health, Dr. McDonald worked for 10 years at the Rhode Island Department of Health, most recently as Interim Director/Commissioner. Dr. McDonald earned his medical degree from Loyola Stritch School of Medicine in Chicago. He earned his MPH from the University of North Carolina in Chapel Hill. Dr. McDonald is board certified in pediatrics as well as preventive medicine.

The principal staff of DASNY are as follows:

REUBEN R. McDANIEL, III is the President and chief executive officer of DASNY, responsible for the overall management of DASNY's administration and operations. Mr. McDaniel possesses more than 30 years of experience in financial services, including public finance, personal wealth management, corporate finance and private equity. During his career in public finance, he participated in more than $75 billion in tax-exempt bond issuances throughout the country. He has also managed investment portfolios and business assets for a variety of professionals. He previously served as Chair of the Atlanta Board of Education for Public Schools. Mr. McDaniel holds an undergraduate degree in Economics and Mathematics from the University of North Carolina at Charlotte and a Master of Business Administration from the University of Texas at Austin.

CHARLIE WILLIAMS is the Vice President of DASNY and assists the President in the administration and operation of DASNY. Mr. Williams coordinates policy and operations across all DASNY business lines and serves as chief advisor on all DASNY operational matters. Mr. Williams most recently served as Managing Director for Executive Direction at DASNY. Prior to that, he served as Deputy Budget Director for the NYS Division of Budget where he oversaw the budgets of approximately 125 state agencies and authorities in the areas of economic development, human services, housing, energy, environment, education, arts, agriculture, parks, mental hygiene, developmental disabilities, addiction services and public protection. He holds a Bachelor of Arts degree from State University of New York at

Plattsburgh and a Master's degree in Public Administration from the Rockefeller College of the University at Albany.

KIMBERLY A. ELLIS is the Chief Financial Officer and Treasurer of DASNY. As Chief Financial Officer and Treasurer, Ms. Ellis is responsible for supervising DASNY's investment program, general accounting, accounts payable, accounts receivable, financial reporting functions, payroll and information services, as well as the development and implementation of financial policies, financial management systems and internal controls for financial reporting. Prior to her appointment to Chief Financial Officer and Treasurer, Ms. Ellis served in numerous senior positions within the Finance Division of DASNY, including as Deputy Financial Officer and Assistant Director of Investments, where she had direct involvement with the management of DASNY's financial operations, including DASNY's overall investment portfolio and the coordination and development of DASNY's annual operating budget and capital plans. Ms. Ellis holds a Bachelor of Science degree in Accounting from the State University of New York at Buffalo.

R. NADINE FONTAINE is General Counsel to DASNY. Ms. Fontaine is responsible for all legal services including legislation, litigation, contract matters, and the legal aspects of all DASNY financings. Ms. Fontaine is licensed to practice law in the States of New York and Connecticut, as well as the United States District Courts for the Southern District of New York, the Eastern District of New York, and the District of Connecticut. She has over twenty-seven years of combined legal experience in the private and public sector. Ms. Fontaine most recently served as First Assistant Counsel to the Governor and, prior thereto, served as Assistant Counsel to the Governor for Economic Development, Public Finance & Procurement and Assistant Counsel for Human Services. She holds a Bachelor of Arts degree from the State University of New York at Stony Brook University and a Juris Doctor degree from Pace University School of Law.

PORTIA LEE is the Managing Director of Public Finance and Portfolio Monitoring. She is responsible for supervising and directing DASNY bond issuance in the capital markets, implementing and overseeing financing programs, overseeing DASNY's compliance with continuing disclosure requirements and monitoring the financial condition of existing DASNY clients. Ms. Lee previously served as Senior Investment Officer at the New York State Comptroller's Office where she was responsible for assisting in the administration of the long-term fixed income portfolio of the New York State Common Retirement Fund, as well as the short-term portfolio, and the Securities Lending Program. Prior to that, Ms. Lee worked at Moody's Investors Service where she most recently served as Vice President and Senior Credit Officer in the Public Finance Housing Group. She holds a Bachelor of Arts degree from the State University of New York at Albany.

STEPHEN D. CURRO is the Managing Director of Construction. Mr. Curro is responsible for DASNY's construction groups, including design, project management, resource acquisition, contract administration, interior design, real property, sustainability and engineering, as well as other technical services. Mr. Curro joined DASNY in 2001 as Director of Technical Services, and most recently served as Director of Construction Support Services. He is a registered Professional Engineer in New York and has worked in the construction industry for more than 30 years. He holds a Bachelor of Science in Civil Engineering from the University of Rhode Island, a Master of Engineering in Structural Engineering from Rensselaer Polytechnic Institute and a Master of Business Administration from Rensselaer Polytechnic Institute's Lally School of Management.

SARA POTTER RICHARDS is the Managing Director for Executive Direction. Ms. Richards works with all Members of the Executive Management team to coordinate policy and operations across DASNY business lines. She is responsible for coordinating the work of the DASNY Board of Directors and overseeing the Grants Administration Unit and the Office of Environmental Affairs. Ms. Richards began her DASNY career in the Office of General Counsel and has held a variety of positions of increasing responsibility, most recently serving as Chief of Staff. She holds a Bachelor of Science degree from Ithaca College and a Juris Doctor degree from Albany Law School.

Claims and Litigation

Although certain claims and litigation have been asserted or commenced against DASNY, DASNY believes that such claims and litigation either are covered by insurance or by bonds filed with DASNY, or that DASNY has sufficient funds available or the legal power and ability to seek sufficient funds to meet any such claims or judgments resulting from such matters.

There is not now pending any litigation against DASNY (i) restraining or enjoining the issuance or delivery of the Series 2023 Bonds nor (ii) challenging the validity of the Series 2023 Bonds or the proceedings and authority under which DASNY will issue the Series 2023 Bonds.

Other Matters

New York State Public Authorities Control Board

The New York State Public Authorities Control Board (the "PACB") has authority to approve the financing and construction of any new or reactivated projects proposed by DASNY and certain other public authorities of the State. The PACB approves the proposed new projects only upon its determination that there are commitments of funds sufficient to finance the acquisition and construction of the projects. DASNY obtains the approval of the PACB for the issuance of all its bonds and notes.

Legislation

From time to time, bills are introduced into the State Legislature which, if enacted into law, would affect DASNY and its operations. DASNY is not able to represent whether such bills will be introduced or become law in the future. In addition, the State undertakes periodic studies of public authorities in the State (including DASNY) and their financing programs. Any of such periodic studies could result in proposed legislation which, if adopted, would affect DASNY and its operations.

Environmental Quality Review

DASNY complies with the New York State Environmental Quality Review Act and with the New York State Historic Preservation Act of 1980, and the respective regulations promulgated thereunder to the extent such acts and regulations are applicable.

Independent Auditors

The accounting firm of KPMG LLP audited the financial statements of DASNY for the fiscal year ended March 31, 2023. Copies of the most recent audited financial statements are available upon request at the offices of DASNY.

PART 12—AGREEMENT OF THE STATE

The Authority Act provides that the State pledges and agrees with the holders of DASNY's notes and bonds that the State will not limit or alter the rights vested in DASNY to, among other things, fulfill the terms of any agreements made with the holders of DASNY's notes and bonds or in any way impair the rights and remedies of the holders of such notes and bonds until such notes and bonds and interest thereon and all costs and expenses in connection with any action or proceeding by or on behalf of the holders of such notes and bonds are fully met and discharged. The General Resolution includes such pledge to the fullest extent enforceable under applicable federal and State law. Nevertheless, nothing shall be deemed to restrict the right of the State to amend, repeal, modify or otherwise alter statutes imposing or relating to the New York State Sales Tax imposed pursuant to Sections 1105 and 1110 of the State Tax Law. An Event of Default under the General Resolution would not occur solely as a result of the State exercising its right to amend, repeal, modify or otherwise alter such taxes and fees.

PART 13—TAX MATTERS

Series 2023A Bonds

Federal Income Taxes

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met subsequent to the issuance and delivery of the Series 2023A Bonds for interest thereon to be and remain excluded from gross income for Federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 2023A Bonds to be included in gross income for Federal income tax purposes retroactive to the date of issue of the Series 2023A Bonds. Pursuant to the Resolution and a Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986 (the "Tax Certificate"), DASNY and certain departments, agencies and authorities of the State of New York (the "Departments") have covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series 2023A Bonds from gross income for Federal income tax purposes pursuant to Section 103 of the Code. In addition, DASNY and the Departments have made certain representations and certifications in the Resolution, the Financing Agreement and the Tax Certificate. Nixon Peabody LLP, Co-Bond Counsel, will not independently verify the accuracy of those representations and certifications.

In the opinion of Nixon Peabody LLP, Co-Bond Counsel, under existing law and assuming compliance with the aforementioned covenant, and the accuracy of certain representations and certifications made by DASNY and the Departments described above, interest on the Series 2023A Bonds is excluded from gross income for Federal income tax purposes under Section 103 of the Code. Nixon Peabody LLP, Co-Bond Counsel, is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. For taxable years beginning after December 31, 2022, interest on the Series 2023A Bonds will be taken into account in computing the alternative minimum tax imposed on certain corporations under the Code to the extent that such interest is included in the "adjusted financial statement income" of such corporations.

State Taxes

Nixon Peabody LLP and Bryant Rabbino LLP, Co-Bond Counsel, are of the opinion that, under existing law, interest on the Series 2023A Bonds is, by virtue of the Authority Act, exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Nixon Peabody LLP and Bryant Rabbino LLP, Co-Bond Counsel, express no opinion as to other State or local tax consequences arising with respect to the Series 2023A Bonds nor as to the taxability of the Series 2023A Bonds or the income therefrom under the laws of any state other than the State of New York.

Original Issue Discount

Nixon Peabody LLP, Co-Bond Counsel, is further of the opinion that the excess of the principal amount of a maturity of the Series 2023A Bonds over the issue price (i.e., the first price at which a substantial amount of such maturity of the Series 2023A Bonds was sold to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) (each, a “Discount Bond” and collectively the “Discount Bonds”) constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the Series 2023A Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Bond and the basis of each Discount Bond acquired at such issue price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount Bonds, even though there will not be a corresponding cash payment. Owners of the Discount Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Discount Bonds.

Original Issue Premium

Series 2023A Bonds sold at prices in excess of their principal amounts are “Premium Bonds.” An initial purchaser with an initial adjusted basis in a Premium Bond in excess of its principal amount will have amortizable bond premium which offsets the amount of tax-exempt interest and is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each Premium Bond based on the purchaser’s yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, over the period to the call date, based on the purchaser’s yield to the call date and giving effect to any call premium). For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation with an amortizable bond premium is required to decrease such purchaser’s adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Series 2023A Bonds. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

Ancillary Tax Matters

Ownership of the Series 2023A Bonds may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, individuals receiving Social Security or Railroad Retirement benefits, and individuals seeking to claim the earned income credit. Ownership of the Series 2023A Bonds may also result in other federal tax consequences to taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Series 2023A Bonds. Prospective investors are advised to consult their own tax advisors regarding these rules.

Interest paid on tax-exempt obligations such as the Series 2023A Bonds is subject to information reporting to the Internal Revenue Service (the “IRS”) in a manner similar to interest paid on taxable obligations. In addition, interest on the Series 2023A Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner’s taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Nixon Peabody LLP, Co-Bond Counsel, is not rendering any opinion as to any Federal tax matters other than those described in its opinion attached as part of APPENDIX D. Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Series 2023A Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

Changes in Law and Post Issuance Events

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Series 2023A Bonds for Federal or state income tax purposes, and thus on the value or marketability of the Series 2023A Bonds. This could result from changes to Federal or state income tax rates, changes in the structure of Federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of the interest on the Series 2023A Bonds from gross income for Federal or state income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the Series 2023A Bonds may occur. Prospective purchasers of the Series 2023A Bonds should consult their own tax advisors regarding the impact of any changes in law on the Series 2023A Bonds.

Nixon Peabody LLP, Co-Bond Counsel, has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Series 2023A Bonds may affect the tax status of interest on the Series 2023A Bonds. Nixon Peabody LLP, Co-Bond Counsel, expresses no opinion as to any Federal, state or local tax law consequences with respect to the Series 2023A Bonds, or the interest thereon, if any action is taken with respect to the Series 2023A Bonds or the proceeds thereof upon the advice or approval of other counsel.

Series 2023B Bonds

The following is a summary of certain anticipated United States federal income tax consequences of the purchase, ownership and disposition of the Series 2023B Bonds. The summary is based upon the provisions of the Code, the Treasury Regulations promulgated thereunder and the judicial and administrative rulings and decisions now in effect, all of which are subject to change. Such authorities may be repealed, revoked, or modified, possibly with retroactive effect, so as to result in United States federal income tax consequences different from those described below. The summary generally addresses Series 2023B Bonds held as capital assets within the meaning of Section 1221 of the Code and does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances or certain types of investors subject to special treatment under the federal income tax laws, including but not limited to financial institutions, insurance companies, dealers in securities or currencies, persons holding such Series 2023B Bonds as a hedge against currency risks or as a position in a “straddle,” “hedge,” “constructive sale transaction” or “conversion transaction” for tax purposes, or persons whose functional currency is not the United States dollar. It also does not deal with holders other than original purchasers that acquire Series 2023B Bonds at their initial issue price except where otherwise specifically noted. Potential purchasers of the Series 2023B Bonds should consult their own tax advisors in determining the federal, state, local, foreign and other tax consequences to them of the purchase, holding and disposition of the Series 2023B Bonds.

DASNY has not sought and will not seek any rulings from the Internal Revenue Service with respect to any matter discussed herein. No assurance can be given that the Internal Revenue Service would not assert, or that a court would not sustain, a position contrary to any of the tax characterizations and tax consequences set forth below.

U.S. Holders

As used herein, the term "U.S. Holder" means a beneficial owner of Series 2023B Bonds that is (a) an individual citizen or resident of the United States for federal income tax purposes, (b) a corporation, including an entity treated as a corporation for federal income tax purposes, created or organized in or under the laws of the United States or any State thereof (including the District of Columbia), (c) an estate whose income is subject to federal income taxation regardless of its source, or (d) a trust if a court within the United States can exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust. Notwithstanding clause (d) of the preceding sentence, to the extent provided in Treasury regulations, certain trusts in existence on August 20, 1996, and treated as United States persons prior to that date that elect to continue to be treated as United States persons, also will be U.S. Holders. In addition, if a partnership (or other entity or arrangement treated as a partnership for federal income tax purposes) holds Series 2023B Bonds, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. If a U.S. Holder is a partner in a partnership (or other entity or arrangement treated as a partnership for federal income tax purposes) that holds Series 2023B Bonds, the U.S. Holder is urged to consult its own tax advisor regarding the specific tax consequences of the purchase, ownership and dispositions of the Series 2023B Bonds.

Taxation of Interest Generally

Interest on the Series 2023B Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code and so will be fully subject to federal income taxation. Purchasers will be subject to federal income tax accounting rules affecting the timing and/or characterization of payments received with respect to such Series 2023B Bonds. In general, interest paid on the Series 2023B Bonds and recovery of any accrued original issue discount and market discount will be treated as ordinary income to a bondholder, and after adjustment for the foregoing, principal payments will be treated as a return of capital to the extent of the U.S. Holder's adjusted tax basis in the Series 2023B Bonds and capital gain to the extent of any excess received over such basis.

Recognition of Income Generally

Section 451(b) of the Code provides that purchasers using an accrual method of accounting for U.S. federal income tax purposes may be required to include certain amounts in income no later than the time such amounts are reflected on certain financial statements of such purchaser. In this regard, Treasury Regulations provide that, with the exception of certain fees, the rule in section 451(b) will generally not apply to the timing rules for original issue discount and market discount, or to the timing rules for de minimis original issue discount and market discount. Prospective purchasers of the Series 2023B Bonds should consult their own tax advisors regarding any potential applicability of these rules and their impact on the timing of the recognition of income related to the Series 2023B Bonds under the Code.

Original Issue Discount

The following summary is a general discussion of certain federal income tax consequences of the purchase, ownership and disposition of Series 2023B Bonds issued with original issue discount ("Discount Bonds"). A Series 2023B Bond will be treated as having been issued with an original issue discount if the excess of its "stated redemption price at maturity" (defined below) over its issue price (defined as the initial offering price to the public at which a substantial amount of the Series 2023B Bonds of the same maturity have first been sold to the public, excluding bond houses and brokers) equals or exceeds one quarter of one percent of such Series 2023B Bond's stated redemption price at maturity multiplied by the number of complete years to its maturity (or, in the case of an installment obligation, its weighted average maturity).

A Series 2023B Bond's "stated redemption price at maturity" is the total of all payments provided by the Series 2023B Bond that are not payments of "qualified stated interest." Generally, the term "qualified stated interest" includes stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate or certain floating rates.

In general, the amount of original issue discount includible in income by the initial holder of a Discount Bond is the sum of the "daily portions" of original issue discount with respect to such Discount Bond for each day during the taxable year in which such holder held such Bond. The daily portion of original issue discount on any Discount Bond is determined by allocating to each day in any "accrual period" a ratable portion of the original issue discount allocable to that accrual period.

An accrual period may be of any length, and may vary in length over the term of a Discount Bond, provided that each accrual period is not longer than one year and each scheduled payment of principal or interest occurs at the end of an accrual period. The amount of original issue discount allocable to each accrual period is equal to the difference between (i) the product of the Discount Bond's adjusted issue price at the beginning of such accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and appropriately adjusted to take into account the length of the particular accrual period) and (ii) the amount of any qualified stated interest payments allocable to such accrual period. The "adjusted issue price" of a Discount Bond at the beginning of any accrual period is the sum of the issue price of the Discount Bond plus the amount of original issue discount allocable to all prior accrual periods minus the amount of any prior payments on the Discount Bond that were not qualified stated interest payments. Under these rules, holders generally will have to include in income increasingly greater amounts of original issue discount in successive accrual periods.

Holders utilizing the accrual method of accounting may generally, upon election, include in gross income all interest (including stated interest, acquisition discount, original issue discount, de minimis original issue discount, market discount, de minimis market discount, and unstated interest, as adjusted by any amortizable bond premium or acquisition premium) on a Series 2023B Bond by using the constant yield method applicable to original issue discount, subject to certain limitations and exceptions.

Market Discount

A holder who purchases a Series 2023B Bond at a price which includes market discount (i.e., at a purchase price that is less than its adjusted issue price in the hands of an original owner) in excess of a prescribed de minimis amount will be required to recharacterize all or a portion of the gain as ordinary income upon receipt of each scheduled or unscheduled principal payment or upon other disposition. In particular, such holder will generally be required either (a) to allocate each such principal payment to accrued market discount not previously included in income and to recognize ordinary income to that extent and to treat any gain upon sale or other disposition of such a Series 2023B Bond as ordinary income to the extent of any remaining accrued market discount or (b) to elect to include such market discount in income currently as it accrues on all market discount instruments acquired by such holder on or after the first day of the taxable year to which such election applies.

The Code authorizes the Treasury Department to issue regulations providing for the method for accruing market discount on debt instruments the principal of which is payable in more than one installment. Until such time as regulations are issued by the Treasury Department, certain rules described in the legislative history of the Tax Reform Act of 1986 will apply. Under those rules, market discount will be included in income either (a) on a constant interest basis or (b) in proportion to the accrual of stated interest.

A holder of a Series 2023B Bond who acquires such Series 2023B Bond at a market discount also may be required to defer, until the maturity date of such Series 2023B Bond or the earlier disposition in a taxable transaction, the deduction of a portion of the amount of interest that the holder paid or accrued during the taxable year on indebtedness incurred or maintained to purchase or carry a Series 2023B Bond in excess of the aggregate amount of interest (including original issue discount) includable in such holder's gross income for the taxable year with respect to such Series 2023B Bond. The amount of such net interest expense deferred in a taxable year may not exceed the amount of market discount accrued on the Series 2023B Bond for the days during the taxable year on which the holder held the Series 2023B Bond and, in general, would be deductible when such market discount is includable in income. The amount of any remaining deferred deduction is to be taken into account in the taxable year in which the Series 2023B Bond matures or is disposed of in a taxable transaction. In the case of a disposition in which gain or loss is not recognized in whole or in part, any remaining deferred deduction will be allowed to the extent gain is recognized on the disposition. This deferral rule does not apply if the bondholder elects to include such market discount in income currently as described above.

Bond Premium

A holder of a Series 2023B Bond who purchases such Series 2023B Bond at a cost greater than its remaining redemption amount will have amortizable bond premium. If the holder elects to amortize this premium under Section 171 of the Code (which election will apply to all Series 2023B Bonds held by the holder on the first day of the taxable year to which the election applies and to all Series 2023B Bonds thereafter acquired by the holder), such a holder must amortize the premium using constant yield principles based on the holder's yield to maturity. Amortizable bond premium is generally treated as an offset to interest income, and a reduction in basis is required for amortizable bond premium that is applied to reduce interest payments. Purchasers of Series 2023B Bonds who acquire such Series 2023B Bonds at a premium should consult with their own tax advisors with respect to federal, state and local tax consequences of owning such Series 2023B Bonds.

Surtax on Unearned Income

Section 1411 of the Code generally imposes a tax of 3.8% on the "net investment income" of certain individuals, trusts and estates. Among other items, net investment income generally includes gross income from interest and net gain attributable to the disposition of certain property, less certain deductions. U.S. Holders should consult their own tax advisors regarding the possible implications of this provision in their particular circumstances.

Sale or Redemption of Bonds

A bondholder's adjusted tax basis for a Series 2023B Bond is the price such holder pays for the Series 2023B Bond plus the amount of original issue discount and market discount previously included in income and reduced on account of any payments received on such Series 2023B Bond other than "qualified stated interest" and any amortized bond premium. Gain or loss recognized on a sale, exchange or redemption of a Series 2023B Bond, measured by the difference between the amount realized and the bondholder's tax basis as so adjusted, will generally give rise to capital gain or loss if the Series 2023B Bond is held as a capital asset (except in the case of Series 2023B Bonds acquired at a market discount, in which case a portion of the gain will be characterized as interest and therefore ordinary income).

If the terms of a Series 2023B Bond are materially modified, in certain circumstances, a new debt obligation would be deemed "reissued", or created and exchanged for the prior obligation in a taxable transaction. Among the modifications which may be treated as material are those related to the redemption provisions and, in the case of a nonrecourse obligation, those which involve the substitution of collateral. In addition, the defeasance of a Series 2023B Bond under the defeasance provisions of the Resolution could result in a deemed sale or exchange of such Series 2023B Bond.

EACH POTENTIAL HOLDER OF SERIES 2023B BONDS SHOULD CONSULT ITS OWN TAX ADVISOR CONCERNING (1) THE TREATMENT OF GAIN OR LOSS ON SALE, REDEMPTION OR DEFEASANCE OF THE SERIES 2023B BONDS, AND (2) THE CIRCUMSTANCES IN WHICH SERIES 2023B BONDS WOULD BE DEEMED REISSUED AND THE LIKELY EFFECTS, IF ANY, OF SUCH REISSUANCE.

Non-U.S. Holders

The following is a general discussion of certain United States federal income tax consequences resulting from the beneficial ownership of Series 2023B Bonds by a person other than a U.S. Holder, a former United States citizen or resident, or a partnership or entity treated as a partnership for United States federal income tax purposes (a "Non-U.S. Holder").

Subject to the discussion of backup withholding and the Foreign Account Tax Compliance Act ("FATCA"), payments of principal by DASNY or any of its agents (acting in its capacity as agent) to any Non-U.S. Holder will not be subject to federal withholding tax. In the case of payments of interest to any Non-U.S. Holder, however, federal withholding tax will apply unless the Non-U.S. Holder (1) does not own (actually or constructively) 10 percent or more of the voting equity interests of DASNY, (2) is not a controlled foreign corporation for United States tax purposes that is related to DASNY (directly or indirectly) through stock ownership, and (3) is not a bank receiving interest in the manner described in Section 881(c)(3)(A) of the Code. In addition, either (1) the Non-U.S. Holder must certify on the applicable IRS Form W-8 (series) (or successor form) to DASNY, its agents or paying agents or a broker under penalties of perjury that it is not a U.S. person and must provide its name and address, or (2) a securities clearing organization, bank or other financial institution, that holds customers' securities in the ordinary course of its trade or business and that also holds the Series 2023B Bonds must certify to DASNY or its agent under penalties of perjury that such statement on the applicable IRS Form W-8 (series) (or successor form) has been received from the Non-U.S. Holder by it or by another financial institution and must furnish the interest payor with a copy.

Interest payments may also be exempt from federal withholding tax depending on the terms of an existing Federal Income Tax Treaty, if any, in force between the U.S. and the resident country of the Non-U.S. Holder. The U.S. has entered into an income tax treaty with a limited number of countries. In addition, the terms of each treaty differ in their treatment of interest and original issue discount payments. Non-U.S. Holders are urged to consult their own tax advisor regarding the specific tax consequences of the receipt of interest payments, including original issue discount. A Non-U.S. Holder that does not qualify for exemption from withholding as described above must provide DASNY or its agent with documentation as to his, her, or its identity to avoid the U.S. backup withholding tax on the amount allocable to a Non-U.S. Holder. The documentation may require that the Non-U.S. Holder provide a U.S. tax identification number.

If a Non-U.S. Holder is engaged in a trade or business in the United States and interest on a Series 2023B Bond held by such holder is effectively connected with the conduct of such trade or business, the Non-U.S. Holder, although exempt from the withholding tax discussed above (provided that such holder timely furnishes the required certification to claim such exemption), may be subject to United States federal income tax on such interest in the same manner as if it were a U.S. Holder. In addition, if the Non-U.S. Holder is a foreign corporation, it may be subject to a branch profits tax equal to 30% (subject to a reduced rate under an applicable treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments. For purposes of the branch profits tax, interest on a Series 2023B Bond will be included in the earnings and profits of the holder if the interest is effectively connected with the conduct by the holder of a trade or business in the United States. Such a holder must provide the payor with a properly executed IRS Form W-8ECI (or successor form) to claim an exemption from United States federal withholding tax.

Generally, any capital gain realized on the sale, exchange, retirement or other disposition of a Series 2023B Bond by a Non-U.S. Holder will not be subject to United States federal income or withholding taxes if (1) the gain is not effectively connected with a United States trade or business of the Non-U.S. Holder, and (2) in the case of an individual, the Non-U.S. Holder is not present in the United States for 183 days or more in the taxable year of the sale, exchange, retirement or other disposition, and certain other conditions are met.

For newly issued or reissued obligations, such as the Series 2023B Bonds, FATCA imposes U.S. withholding tax on interest payments and, for dispositions after December 31, 2018, gross proceeds of the sale of the Series 2023B Bonds paid to certain foreign financial institutions (which is broadly defined for this purpose to generally include non-U.S. investment funds) and certain other non-U.S. entities if certain disclosure and due diligence requirements related to U.S. accounts or ownership are not satisfied, unless an exemption applies. An intergovernmental agreement between the United States and an applicable non-U.S. country may modify these requirements. In any event, bondholders or beneficial owners of the Series 2023B Bonds shall have no recourse against DASNY, nor will DASNY be obligated to pay any additional amounts to "gross up" payments to such persons, as a result of any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or government charges with respect to payments in respect of the Series 2023B Bonds. However, it should be noted that on December 13, 2018, the IRS issued Proposed Treasury Regulation Section 1.1473-1(a)(1) which proposes to remove gross proceeds from the definition of "withholdable payment" for this purpose.

Non-U.S. Holders should consult their own tax advisors with respect to the possible applicability of federal withholding and other taxes upon income realized in respect of the Series 2023B Bonds.

Information Reporting and Backup Withholding

For each calendar year in which the Series 2023B Bonds are outstanding, DASNY, its agents or paying agents or a broker is required to provide the IRS with certain information, including a holder's name, address and taxpayer identification number (either the holder's Social Security number or its employer identification number, as the case may be), the aggregate amount of principal and interest paid to that holder during the calendar year and the amount of tax withheld, if any. This obligation, however, does not apply with respect to certain U.S. Holders, including corporations, tax-exempt organizations, qualified pension and profit-sharing trusts, and individual retirement accounts and annuities.

If a U.S. Holder subject to the reporting requirements described above fails to supply its correct taxpayer identification number in the manner required by applicable law or under-reports its tax liability, DASNY, its agents or paying agents or a broker may be required to make "backup" withholding of tax on each payment of interest or principal on the Series 2023B Bonds. This backup withholding is not an additional tax and may be credited against the U.S. Holder's federal income tax liability, provided that the U.S. Holder furnishes the required information to the IRS.

Under current Treasury Regulations, backup withholding and information reporting will not apply to payments of interest made by DASNY, its agents (in their capacity as such) or paying agents or a broker to a Non-U.S. Holder if such holder has provided the required certification that it is not a U.S. person (as set forth in the second paragraph under "Non-U.S. Holders" above), or has otherwise established an exemption (provided that neither DASNY nor its agent has actual knowledge that the holder is a U.S. person or that the conditions of an exemption are not in fact satisfied).

Payments of the proceeds from the sale of a Series 2023B Bond to or through a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, information reporting (but not backup withholding) may apply to those payments if the broker is one of the following: (i) a U.S. person; (ii) a controlled foreign corporation for U.S. tax purposes; (iii) a foreign person 50-percent or more of whose gross income from all sources for the three-year period ending with the close of its taxable year preceding the payment was effectively connected with a United States trade or business; or (iv) a foreign partnership with certain connections to the United States.

Payment of the proceeds from a sale of a Series 2023B Bond to or through the United States office of a broker is subject to information reporting and backup withholding unless the holder or beneficial owner certifies as to its taxpayer identification number or otherwise establishes an exemption from information reporting and backup withholding.

The preceding federal income tax discussion is included for general information only and may not be applicable depending upon a holder's particular situation. Holders should consult their tax advisors with respect to the tax consequences to them of the purchase, ownership and disposition of the Series 2023B Bonds, including the tax consequences under federal, state, local, foreign and other tax laws and the possible effects of changes in those tax laws.

State Taxes

Nixon Peabody LLP and Bryant Rabbino LLP, Co-Bond Counsel, are of the opinion that, under existing law, interest on the Series 2023B Bonds is, by virtue of the Authority Act, exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Nixon Peabody LLP and Bryant Rabbino LLP, Co-Bond Counsel, express no opinion as to other State or local tax consequences arising with respect to the Series 2023B Bonds nor as to the taxability of the Series 2023B Bonds or the income therefrom under the laws of any state other than the State of New York.

Changes in Law and Post Issuance Events

Legislative or administrative actions and court decisions, at either the federal or state level, could have an impact on the inclusion in gross income of interest on the Series 2023B Bonds for federal or state income tax purposes, and thus on the value or marketability of the Series 2023B Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or otherwise. It is not possible to predict whether any such legislative or administrative actions or court decisions will occur or have an adverse impact on the federal or state income tax treatment of holders of the Series 2023B Bonds. Prospective purchasers of the Series 2023B Bonds should consult their own tax advisors regarding the impact of any change in law or proposed change in law on the Series 2023B Bonds.

IN ALL EVENTS, ALL INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE FEDERAL, STATE, LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE SERIES 2023B BONDS.

ERISA Considerations

The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), imposes certain fiduciary obligations and prohibited transaction restrictions on employee pension and welfare benefit plans subject to Title I of ERISA ("ERISA Plans"). Section 4975 of the Code imposes essentially the same prohibited transaction restrictions on tax-qualified retirement plans described in Section 401(a) and 403(a) of the Code, which are exempt from tax under Section 501(a) of the Code, other than governmental and church plans as defined herein ("Qualified Retirement Plans"), and on Individual Retirement Accounts ("IRAs") described in Section 408(b) of the Code (collectively, "Tax-Favored Plans"). Certain employee benefit plans such as governmental plans (as defined in Section 3(32) of ERISA) ("Governmental Plans"), and, if no election has been made under Section 410(d) of the Code, church plans (as defined in Section 3(33) of ERISA) ("Church Plans"), are not subject to ERISA requirements. Additionally, such Governmental Plans and Church Plans are not subject to the requirements of Section 4975 of the Code but may be subject to applicable federal, state or local law ("Similar Laws") which is, to a material extent, similar to the foregoing provisions of ERISA or the Code. Accordingly, assets of such plans may be invested in the Series 2023 Bonds without regard to the ERISA and Code considerations described below, subject to the provisions of Similar Laws.

In addition to the imposition of general fiduciary obligations, including those of investment prudence and diversification and the requirement that a plan's investment be made in accordance with the documents governing the plan, Section 406 of ERISA and Section 4975 of the Code prohibit a broad range of transactions involving assets of ERISA Plans and Tax-Favored Plans and entities whose underlying assets include plan assets by reason of ERISA Plans or Tax-Favored Plans investing in such entities (collectively, "Benefit Plans") and persons who have certain specified relationships to the Benefit Plans ("Parties In Interest" or "Disqualified Persons"), unless a statutory or administrative exemption is available. The definitions of "Party in Interest" and "Disqualified Person" are expansive. While other entities may be encompassed by these definitions, they include, most notably: (1) fiduciary with respect to a plan; (2) a person providing services to a plan; (3) an employer or employee organization any of whose employees or members are covered by the plan; and (4) the owner of an IRA. Certain Parties in Interest (or Disqualified Persons) that participate in a prohibited transaction may be subject to a penalty (or an excise tax) imposed pursuant to Section 502(i) of ERISA (or Section 4975 of the Code) unless a statutory or administrative exemption is available. Without an exemption an IRA owner may disqualify his or her IRA.

Certain transactions involving the purchase, holding or transfer of the Series 2023 Bonds might be deemed to constitute prohibited transactions under ERISA and Section 4975 of the Code if assets of DASNY or the Departments were deemed to be assets of a Benefit Plan. Under final regulations issued by the United States Department of Labor (the "Plan Assets Regulation"), the assets of DASNY or the Departments would be treated as plan assets of a Benefit Plan for the purposes of ERISA and Section 4975 of the Code only if the Benefit Plan acquires an "equity interest" in DASNY or the Departments and none of the exceptions contained in the Plan Assets Regulation is applicable. An equity interest is defined under the Plan Assets Regulation as an interest in an entity other than an instrument which is treated as indebtedness under applicable local law and which has no substantial equity features. Although there is little guidance on this matter, it appears that the Series 2023 Bonds should be treated as debt without substantial equity features for purposes of the Plan Assets Regulation. This determination is based upon the traditional debt features of the Series 2023 Bonds, including the reasonable expectation of purchasers of Series 2023 Bonds that the Series 2023 Bonds will be repaid when due, traditional default remedies, as well as the absence of conversion rights, warrants and other typical equity features.

However, without regard to whether the Series 2023 Bonds are treated as an equity interest for such purposes, though, the acquisition or holding of Series 2023 Bonds by or on behalf of a Benefit Plan could be considered to give rise to a prohibited transaction if DASNY, the Departments, the Underwriters or the Trustee, or any of their respective affiliates, is or becomes a Party in Interest or a Disqualified Person with respect to such Benefit Plan.

Most notably, ERISA and the Code generally prohibit the lending of money or other extension of credit between an ERISA Plan or Tax-Favored Plan and a Party in Interest or a Disqualified Person, and the acquisition of any of the Series 2023 Bonds by a Benefit Plan would involve the lending of money or extension of credit by the Benefit Plan. In such a case, however, certain exemptions from the prohibited transaction rules could be applicable depending on the type and circumstances of the plan fiduciary making the decision to acquire a Series 2023 Bond. Included among these exemptions are: Prohibited Transaction Class Exemption ("PTCE") 96-23, regarding transactions effected by certain "in-house asset managers"; PTCE 90-1, regarding investments by insurance company pooled separate accounts; PTCE 95-60, regarding transactions effected by "insurance company general accounts"; PTCE 91-38, regarding investments by bank collective investment funds; and PTCE 84-14, regarding transactions effected by "qualified professional asset managers." Further, the statutory exemption in Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provides for an exemption for transactions involving "adequate consideration" with persons who are Parties in Interest or Disqualified Persons solely by reason of their (or their affiliate's) status as a service provider to the Benefit Plan involved and none of whom is a fiduciary with respect to the Benefit Plan assets involved (or an affiliate of such a fiduciary). There can be no assurance that any class or other exemption will be available with respect to any particular transaction involving the Series 2023 Bonds, or that, if available, the exemption would cover all possible prohibited transactions.

By acquiring a Series 2023 Bond (or interest therein), each purchaser and transferee (and if the purchaser or transferee is a Plan, its fiduciary) is deemed to represent and warrant that either (i) it is not acquiring the Series 2023 Bond (or interest therein) with the assets of a Benefit Plan, Governmental Plan or Church Plan; or (ii) the acquisition and holding of the Series 2023 Bond (or interest therein) will not give rise to a nonexempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or Similar Laws. A purchaser or transferee who acquires Series 2023 Bonds with assets of a Benefit Plan represents that such purchaser or transferee has considered the fiduciary requirements of ERISA, the Code or Similar Laws and has consulted with counsel with regard to the purchase or transfer.

Because DASNY, the Departments, the Underwriters, Trustee or any of their respective affiliates may receive certain benefits in connection with the sale of the Series 2023 Bonds, the purchase of the Series 2023 Bonds using plan assets of a Benefit Plan over which any of such parties has investment authority or provides investment advice for a direct or indirect fee may be deemed to be a violation of the prohibited transaction rules of ERISA or Section 4975 of the Code or Similar Laws for which no exemption may be available. Accordingly, any investor considering a purchase of Series 2023 Bonds using plan assets of a Benefit Plan should consult with its counsel if DASNY, the Departments, the Underwriters, the Trustee or any of their respective affiliates has investment authority or provides investment advice for a direct or indirect fee with respect to such assets or is an employer maintaining or contributing to the Benefit Plan.

Any ERISA Plan fiduciary considering whether to purchase the Series 2023 Bonds on behalf of an ERISA Plan should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code to such investment and the availability of any of the exemptions referred to above. Persons responsible for investing the assets of Tax-Favored Plans that are not ERISA Plans should seek similar counsel with respect to the prohibited transaction provisions of the Code and the applicability of Similar Laws.

PART 14—LITIGATION

There is no litigation or other proceeding pending or, to the knowledge of DASNY, threatened in any court, agency or other administrative body (either State or federal) restraining or enjoining the issuance, sale or delivery of the Series 2023 Bonds, or in any way questioning or affecting (i) the proceedings under which the Series 2023 Bonds are to be issued, (ii) the pledge effected under the General Resolution, or (iii) the validity of any provision of the Authorizing Legislation, the Series 2023 Bonds, the General Resolution or the Financing Agreement. See "APPENDIX A—INFORMATION CONCERNING THE

STATE OF NEW YORK" under the heading "Litigation" for a description of certain litigation relating to the State generally.

PART 15—CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance, sale and delivery of the Series 2023 Bonds are subject to the approval of Nixon Peabody LLP, New York, New York, and Bryant Rabbino LLP, New York, New York, Co-Bond Counsel to DASNY, and to certain other conditions. The approving opinions of Co-Bond Counsel will be delivered with the Series 2023 Bonds. The proposed forms of such opinions are included in this Official Statement as "APPENDIX D—PROPOSED FORMS OF CO-BOND COUNSEL OPINIONS."

Certain legal matters will be passed on for the Underwriters by their co-counsel, Orrick, Herrington & Sutcliffe LLP, New York, New York and D. Seaton and Associates, P.A., P.C., New York, New York.

PART 16—UNDERWRITING

J.P. Morgan Securities, LLC, on behalf of the Underwriters of the Series 2023 Bonds (the "Underwriters"), has agreed, subject to the terms of a Contract of Purchase with DASNY relating to the Series 2023 Bonds (the "Series 2023 Contract of Purchase"), to purchase the Series 2023 Bonds from DASNY. The Series 2023 Contract of Purchase provides, in part, that subject to certain conditions, the Underwriters will purchase the Series 2023 Bonds from DASNY at a purchase price of $1,912,400,704.71 (representing the principal amount of the Series 2023 Bonds, plus a net original issue premium of $175,823,041.30 and less an underwriters' discount of $7,962,336.59) and will make a public offering of the Series 2023 Bonds at prices that are not in excess of the public offering price or prices (or less than the yields) stated on the inside cover pages of this Official Statement. The Underwriters will be obligated to purchase all of the Series 2023 Bonds if any Series 2023 Bonds are purchased. The Series 2023 Bonds may be offered and sold to certain dealers (including the Underwriters) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriters.

Jefferies LLC, J.P. Morgan Securities LLC and Loop Capital Markets LLC are also acting as the Dealer Managers in connection with the Tender Offer described in "PART 7—THE REFUNDING PLAN." The purchased Invited Bonds were tendered to DASNY under the terms of the Invitation with the assistance of the Dealer Managers, in their capacity as the Dealer Managers for the Tender Offer and not as Underwriters of the Series 2023 Bonds. The Dealer Managers will be paid a customary fee and will be reimbursed for any expenses they incur as the Dealer Managers of the Tender Offer.

The following paragraphs have been provided by the Underwriters:

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform various investment banking services for DASNY, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of DASNY. In addition, to the extent an Underwriter or an affiliate thereof holds any of the Refunded Bonds, such Underwriter or affiliate, as applicable, would receive a portion of the proceeds from the issuance of the Series 2023 Bonds contemplated herein in connection with the refunding of the Refunded Bonds.

In addition, certain of the Underwriters may have entered into distribution agreements with other broker-dealers (that have not been designated by DASNY as Underwriters) for the distribution of the offered bonds at the original issue prices. Such agreements generally provide that the relevant Underwriter will share a portion of its underwriting compensation or selling concession with such broker-dealers.

PART 17—LEGALITY OF INVESTMENT

Under New York State law, the Series 2023 Bonds are securities in which all public officers and bodies of the State and all municipalities and municipal subdivisions, all insurance companies and associations, all savings banks and savings institutions, including savings and loan associations, administrators, guardians, executors, trustees, committees, conservators and other fiduciaries in the State may properly and legally invest funds in their control. However, enabling legislation or bond resolutions of individual authorities and public benefit corporations of the State may limit the investment of funds of such authorities and corporations in the Series 2023 Bonds.

PART 18—VERIFICATION OF MATHEMATICAL COMPUTATIONS

AMTEC (the "Verification Agent"), upon the issuance of the Series 2023 Bonds, shall issue a report indicating that the Verification Agent has verified the arithmetic accuracy of (a) the mathematical computations of the adequacy of the cash and the maturing principal amounts of, and the interest on, the Defeasance Securities to pay the principal or redemption price of, and the interest on, the Refunded Bonds on the Redemption Dates, and (b) certain calculations relating to the Refunded Bonds and the Series 2023 Bonds. See "PART 7—THE REFUNDING PLAN."

PART 19—RATINGS

The Series 2023 Bonds are rated "Aa1" by Moody's Investors Service and "AA+" by S&P Global Ratings. Each rating reflects only the view of the rating agency issuing such rating and an explanation of the significance of such rating may be obtained from the rating agency furnishing the same. There is no assurance that such credit ratings will continue for any given period of time or that either or both will not be revised downward or withdrawn entirely by either or both of such rating agencies, if, in the judgment of either or both of them, circumstances so warrant. Any such downward revision or withdrawal of such rating or ratings may have an adverse effect on the market price of the Series 2023 Bonds. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

PART 20—CONTINUING DISCLOSURE

In order to assist the Underwriters of the Series 2023 Bonds to comply with Rule 15c2-12 ("Rule 15c2-12") promulgated by the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934, as amended, DASNY, ESD, the State and the Trustee have entered into a Master Continuing Disclosure Agreement (the "Master Disclosure Agreement") for the benefit of all holders of State Sales Tax Revenue Bonds, including the holders of the Series 2023 Bonds. The parties to the Master Disclosure Agreement have agreed to provide continuing disclosure of certain financial and operating data concerning the State and the sources of the Sales Tax Revenue Bond Tax Fund Receipts (collectively, the "Annual Information") in accordance with the requirements of Rule 15c2-12 and as described in the Master Disclosure Agreement. The Division of the Budget will electronically file with the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access ("EMMA") System on or before 120 days after the end of each State fiscal year, commencing, for the Series 2023 Bonds, with the fiscal year ending March 31, 2024. An executed copy of the Master Disclosure Agreement is attached hereto as "APPENDIX E—FORM OF MASTER CONTINUING DISCLOSURE AGREEMENT."

The State Comptroller is required by existing law to issue audited annual financial statements of the State, prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"), within 120 days after the close of the State Fiscal Year, and the State will undertake to electronically file with the MSRB, the State's annual financial statements prepared in accordance with GAAP and audited by an independent firm of certified public accountants in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, provided, however, that if audited financial statements are not then available, unaudited financial statements shall be filed no later than 120 days after the end of the State's fiscal year and such audited statements shall be electronically filed with the MSRB, if and when such statements are available. In addition, the Authorized Issuers have agreed in the Master Disclosure Agreement to electronically file with the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of any of the sixteen (16) events described in the Master Disclosure Agreement, notice of any such events.

If any party to the Master Disclosure Agreement fails to comply with any provisions thereof, then each of the other parties to the Master Disclosure Agreement and, as a direct or third party beneficiary, as the case may be, any holder of State Sales Tax Revenue Bonds, including the holders of the Series 2023 Bonds, may enforce, for the equal benefit and protection of all holders similarly situated, by mandamus or other suit or proceeding at law or in equity, the Master Disclosure Agreement against such party and any of its officers, agents and employees, and may compel such party or any such officers, agents or employees to perform and carry out their duties thereunder. The parties to the Master Disclosure Agreement, however, are not obligated to enforce the obligations of the others. The sole and exclusive remedy for breach or default under the Master Disclosure Agreement to provide the continuing disclosure described above is an action to compel specific performance of the obligations of the State and/or the applicable Authorized Issuer contained therein, and no person or other entity, including any holder of State Sales Tax Revenue Bonds, including the holders of the Series 2023 Bonds, may recover monetary damages thereunder under any circumstances. Any holder or beneficial owner of State Sales Tax Revenue Bonds, including the holders of Series 2023 Bonds, may enforce the Master Disclosure Agreement to the equal and proportionate benefit of all holders and beneficial owners similarly situated to the extent provided in the Master Disclosure Agreement. A breach or default under the Master Disclosure Agreement shall not constitute an Event of Default under the general resolutions. In addition, if all or any part of Rule 15c2-12 ceases to be in effect for any reason, then the information required to be provided under the Master Disclosure Agreement, insofar as the provision of Rule 15c2-12 no longer in effect required the provision of such information, shall no longer be required to be provided. The obligations of the State under the Master Disclosure Agreement may be terminated if the State ceases to be an obligated person as defined in Rule 15c2-12.

The State has not in the previous five years failed to comply, in any material respect, with the Master Disclosure Agreement or any other previous undertakings or agreements pursuant to Rule 15c2-12 in relation to State Sales Tax Revenue Bonds. Pursuant to the terms of the Master Disclosure Agreement, DASNY, as conduit issuer of State Sales Tax Revenue Bonds, has agreed in such agreement to provide notices of certain events as described in such agreement and has complied with such contractual undertaking in all material respects.

The Master Disclosure Agreement contains a general description of the type of financial information and operating data that will be provided; the descriptions are not intended to state more than general categories of financial information and operating data; and if an undertaking calls for information that no longer can be generated because the operations to which it is related have been materially changed or discontinued, a statement to that effect will be provided. As a result, it is not anticipated that it often will be necessary to amend the information undertakings. The Master Disclosure Agreement, however, may be amended or modified without Bondholders' consent under certain circumstances set forth therein.

PART 21—MISCELLANEOUS

Certain information concerning the State (which is either included in or appended to this Official Statement) has been furnished or reviewed and authorized for use by DASNY by such sources as described in this Official Statement. While DASNY believes that these sources are reliable, DASNY has not independently verified this information and does not guarantee the accuracy or completeness of the information furnished by the respective sources.

The State provided the information relating to the State, in "APPENDIX A—INFORMATION CONCERNING THE STATE OF NEW YORK."

The Director of the Budget is to certify that the statements and information appearing (a) under the headings (i) "PART 1—SUMMARY STATEMENT" (except under the subcaption "Purposes of Issue" and except for the fourth, eighth (last sentence only) and ninth paragraphs under the subcaption "Sources of Payment and Security for State Sales Tax Revenue Bonds — Sales Tax Revenue Bond Tax Fund Receipts", as to which no representation is made), (ii) "PART 2—INTRODUCTION" (the second, third, fourth, sixth, seventh, eighth, fourteenth and fifteenth (other than the last sentence thereof) paragraphs only), (iii) "PART 3—SECURITY AND SOURCES OF PAYMENT FOR STATE SALES TAX REVENUE BONDS," (iv) "PART 4—SOURCES OF NEW YORK STATE SALES TAX RECEIPTS FOR THE SALES TAX REVENUE BOND TAX FUND," (v) "PART 9—DEBT SERVICE REQUIREMENTS" as to the column "Other Outstanding NYS Sales Tax Revenue Bonds Debt Service," and (vi) "PART 20—CONTINUING DISCLOSURE" (the first sentence of the fourth paragraph only), and (b) in the "Annual Information Statement of the State of New York", including any updates or supplements, included in "APPENDIX A—INFORMATION CONCERNING THE STATE OF NEW YORK" to this Official Statement are true, correct and complete in all material respects, and that no facts have come to his attention that would lead him to believe that such statements and information contain any untrue statement of a material fact or omit to state any material fact necessary in order to make such statements and information, in light of the circumstances under which they were made, not misleading, provided, however, that while the information and statements contained under such headings and in "APPENDIX A—INFORMATION CONCERNING THE STATE OF NEW YORK" which were obtained from sources other than the State are not certified as to truth, correctness or completeness, such statements and information have been obtained from sources that he believes to be reliable and he has no reason to believe that such statements and information contain any untrue statement of a material fact or omit to state any material fact necessary in order to make such statements and information, in light of the circumstances under which they were made, not misleading; provided, further, however, that with regard to the statements and information in "APPENDIX A—INFORMATION CONCERNING THE STATE OF NEW YORK" hereto under the caption "Litigation", such statements and information as to legal matters are given to the best of his information and belief, having made such inquiries as he deemed appropriate at the offices of the Department of Law of the State, without any further independent investigation. The certification is to apply both as of the date of this Official Statement and as of the date of delivery of the Series 2023 Bonds.

Public Resources Advisory Group has acted as financial advisor to the Division of the Budget in connection with the sale and issuance of the Series 2023 Bonds.

The references herein to the Authority Act, the Enabling Act, other laws of the State, the General Resolution and the Financing Agreement are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and reference should be made to each for a full and complete statement of its provisions. The agreements of DASNY with the registered Owners of the Series 2023 Bonds are fully set forth in the General Resolution (including any supplemental resolutions thereto), and neither any advertisement of the Series 2023 Bonds nor this Official Statement is to be construed as a contract with the purchasers of the Series 2023 Bonds. So far as any statements are made in this Official Statement involving matters of opinion, forecasts or estimates, whether or not expressly stated, are intended merely as expressions of opinion, forecasts or estimates and not as representations of fact. Copies of the documents mentioned in this paragraph are available for review at the corporate headquarters of DASNY located at 515 Broadway, Albany, New York 12207.

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The execution and delivery of this Official Statement by an Authorized Officer have been duly authorized by DASNY.

DORMITORY AUTHORITY
OF THE STATE OF NEW YORK

By: /s/ Reuben R. McDaniel, III
Authorized Officer

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APPENDIX A

INFORMATION CONCERNING THE STATE OF NEW YORK

The State Legislature is not legally obligated to appropriate amounts for the payment of principal of, sinking fund installments, if any, or interest on the obligations to which this Official Statement relates. For information about the sources of payment of such obligations, the foregoing Official Statement to which this Appendix A is attached should be read in its entirety. The continued willingness and ability of the State, however, to make the appropriations and otherwise provide for the payments contemplated in the foregoing Official Statement, and the market for and market prices of the obligations, may depend in part upon the financial condition of the State.

Appendix A contains the Annual Information Statement of the State of New York ("Annual Information Statement" or "AIS"), as updated or supplemented to the date specified therein. The State intends to update and supplement that Annual Information Statement as described therein. It has been supplied by the State to provide information about the financial condition of the State in the Official Statements of all issuers, including public authorities of the State, that may depend in whole or in part on State appropriations as sources of payment of their respective bonds, notes or other obligations.

The AIS set forth in this Appendix A is dated June 9, 2023. The AIS was filed with the Municipal Securities Rulemaking Board (MSRB) through its Electronic Municipal Market Access (EMMA) system. An electronic copy of this AIS can be accessed through the EMMA system at www.emma.msrb.org. An official copy of the AIS may be obtained by contacting the Division of the Budget, State Capitol, Albany, NY 12224, Tel: (518) 473-8705. An informational copy of the AIS is available on the Internet at http://www.budget.ny.gov.

The Basic Financial Statements and Other Supplementary Information for the State fiscal year ended March 31, 2022 were prepared by the State Comptroller in accordance with accounting principles generally accepted in the United States of America and independently audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The Basic Financial Statements and Other Supplementary Information were issued on July 27, 2022 and have been referred to or set forth thereafter in appendices of information concerning the State in Preliminary Official Statements and Official Statements of the State and certain of its public authorities. The Basic Financial Statements and Other Supplementary Information, which are included in the Comprehensive Annual Financial Report, may be obtained by contacting the Office of the State Comptroller, 110 State Street, Albany, NY 12236 Tel: (518) 474-4015.

The Annual Information Statement of the State of New York (including any and all updates and supplements thereto) may not be included in an Official Statement or included by reference in an Official Statement without the express written authorization of the State of New York, Division of the Budget, State Capitol, Albany, NY 12224.

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ANNUAL INFORMATION STATEMENT

STATE OF NEW YORK

WE ARE NY

June 9, 2023

TABLE OF CONTENTS

INTRODUCTION

INTRODUCTION

This Annual Information Statement for FY 2024 (AIS) is dated June 9, 2023 (the same date as the release date of the FY 2024 Enacted Budget Financial Plan) and contains information only through that date. This AIS constitutes the official disclosure regarding the financial condition of the State of New York (the "State") and related matters and replaces the AIS dated June 29, 2022 and all updates and supplements issued in connection therewith. DOB is responsible for preparing the State's Financial Plan (which includes financial results as well as current and out-year projections) and utilizing such information to present the information that appears in this AIS on behalf of the State. The AIS is generally updated on a quarterly basis after the close of each of the first three quarters of the State's fiscal year, and may be supplemented from time to time as developments warrant. This AIS, including the Exhibits attached hereto, should be read in its entirety, together with any updates and supplements that may be issued during the fiscal year.

In this AIS, readers will find:

1. Information on the State's current financial projections, including summaries and extracts from the State's fiscal year 2024 (FY 2024)[1] Enacted Budget Financial Plan (the “Financial Plan”) issued by the Division of the Budget (DOB) on June 9, 2023. The Financial Plan sets forth the State’s official financial projections for FY 2024 through FY 2027 (the “Financial Plan period”). It includes, among other things, information on the major components of the FY 2024 General Fund gap-closing plan, future potential General Fund budget gaps, multi-year projections of receipts and disbursements for the State's operating funds, the impact on debt measures, and the anticipated debt issuances required to support planned capital spending. While the disclosure contained in this AIS is derived from the Financial Plan, this AIS contains updates to information set forth in the Financial Plan which DOB has determined do not materially change the projections contained in the Financial Plan.

   DOB expects to complete the first quarterly update to the FY 2024 Enacted Budget Financial Plan in July 2023. Given (i) the relatively short period of time since the release date of the FY 2024 Enacted Budget Financial Plan, and (ii) DOB's current analysis of preliminary operating results for the first quarter of FY 2024, DOB does not anticipate significant changes in the State's financial condition that would mandate the release of disclosure in a first quarterly update to the AIS. **Accordingly, DOB does not anticipate that it will be preparing and releasing a first quarterly update to this AIS and instead expects the next update of this AIS to be released following the mid-year update to the Enacted Budget Financial Plan.**

2. A discussion of issues and risks that may affect the State's financial projections during FY 2024 or in future fiscal years is provided under the heading “Other Matters Affecting the Financial Plan”.
3. Information on other subjects relevant to the State’s finances, including summaries of: (a) operating results for the three prior fiscal years (presented on a cash basis of accounting), (b) the State's revised economic forecast and a profile of the State economy, (c) the State’s debt and other financing activities, (d) activities of public authorities and localities, and (e) information regarding State government employment.

[1] The State fiscal year is identified by the calendar year in which it ends. For example, fiscal year 2024 (“FY 2024”) is the fiscal year that began on April 1, 2023 and will end on March 31, 2024.

4. Updated information regarding the State Retirement System.
5. The status of significant litigation that has the potential to adversely affect the State's finances.

After the end of each quarter, DOB publishes an updated Financial Plan containing financial results and any updates to projections. The Financial Plan, as updated, is the source of financial results and projections in the AIS, as updated.

The annual State budget process and financial reporting cycle begins with the start of a new State fiscal year on April 1 and the enactment of the State's annual budget (the "Enacted Budget"), which may be after the start of the fiscal year. Following the Enacted Budget, DOB publishes the State's Enacted Budget Financial Plan and generally updates it quarterly to reflect results through June 30 (the "First Quarterly Update to the Financial Plan"), September 30 (the "Mid-Year Update to the Financial Plan"), and December 31 (the "Executive Budget Financial Plan"). In addition, the Governor's Executive Budget proposal (the "Executive Budget") is typically submitted to the Legislature in January and the Governor's amendments are due within thirty days following the submission of the Executive Budget, at which time the Executive Budget Financial Plan may be amended (the "Updated Executive Budget Financial Plan"). However, following a gubernatorial election, the Governor's Executive Budget proposal is due on or before the first day of February and amendments are due in early March.

In preparing this AIS, DOB has also relied on information drawn from other sources, including the Office of the State Comptroller (OSC). In particular, information contained in the section entitled "State Retirement System" has been furnished by OSC, while information relating to matters described in the section entitled "Litigation" has been furnished by the State Office of the Attorney General. DOB has not undertaken any independent verification of the information contained in these sections of this AIS.

During the fiscal year, the Governor, the State Comptroller, State legislators, and others may issue statements or reports that contain predictions, projections, or other information relating to the State's financial position or condition, including potential operating results for the current fiscal year and projected budget gaps for future fiscal years, that may vary materially from the information provided in this AIS. Investors and other market participants should, however, refer to this AIS, as updated or supplemented, for the most current official information regarding the financial position of the State.

Factors affecting the State's financial condition are numerous and complex. This AIS contains "forward-looking statements" relating to future results and economic performance as defined in the Private Securities Litigation Reform Act of 1995. Since many factors may materially affect fiscal and economic conditions in the State, the forecasts, projections, and estimates should not be regarded as a representation that actual results will not vary. The forward-looking statements contained herein are based on the State's expectations at the time they were prepared and are necessarily dependent upon assumptions, estimates, calculations, and data that it believes are reasonable as of the date made, but that may be incorrect, incomplete or imprecise or not reflective of actual results. Forecasts, projections, and estimates are not intended as representations of fact or guarantees of results. The words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," "calculates," "assumes" and analogous expressions are intended to identify forward-looking statements. Any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially and adversely from projections. Such risks and uncertainties include, but are not limited to, general economic and business conditions; natural calamities; foreign hostilities or wars; domestic or foreign terrorism; changes in political, social, economic and environmental conditions, including climate change and extreme weather events; epidemics or pandemics; cybersecurity events; impediments to the implementation of gap-closing actions; regulatory initiatives and compliance with governmental regulations; litigation; Federal tax law changes; actions by the Federal government to reduce or disallow expected aid, including Federal aid authorized or appropriated by Congress, but subject to sequestration, administrative actions, or other actions that would reduce aid to the State; and various other events, conditions and circumstances. Many of these risks and uncertainties are beyond the control of the State. These forward-looking statements are based on the State's expectations as of the date of this AIS.

Note that all FY 2023 financial results contained within this AIS are unaudited and preliminary. The annual independent audit of the State's Basic Financial Statements for the fiscal year ending March 31, 2023 is expected to be completed by July 28, 2023. Both the Comptroller's Annual Report to the Legislature on State Funds Cash Basis of Accounting and the State's Basic Financial Statements are due by July 28, 2023. These reports will contain the final FY 2023 financial results. Copies may be obtained by contacting the Office of the State Comptroller, 110 State Street, Albany, NY 12236. The Basic Financial Statements for FY 2022 are available in electronic form at www.osc.state.ny.us and at www.emma.msrb.org.

In addition to regularly scheduled quarterly updates to this AIS, the State may issue AIS supplements or other disclosure notices related to this AIS as events warrant. The State intends to announce publicly whenever an update or a supplement is issued. The State may choose to incorporate by reference all or a portion of this AIS in official statements or related disclosure documents for State or State-supported debt issuances. The State has filed this AIS with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access (EMMA) system. An electronic copy of this AIS can be accessed through EMMA at www.emma.msrb.org. An official copy of this AIS may be obtained by contacting the New York State Division of the Budget, State Capitol, Albany, NY 12224, Tel: (518) 474-2302.

Usage Notice

This AIS has been prepared and made available by the State pursuant to its contractual undertakings under various continuing disclosure agreements (CDAs) entered into by the State in connection with financings of the State, as well as certain issuers, including public authorities of the State, that may depend in whole or in part on State appropriations as sources of payments of their respective bonds, notes or other obligations.

This AIS is available in electronic form on the DOB website at www.budget.ny.gov. Such availability does not imply that there have been no changes in the financial position of the State subsequent to the posting of this information. Maintenance of this AIS on the DOB website, or on the EMMA website, is not intended as a republication of the information herein on any date subsequent to its release date. No incorporation by reference or republication of any information contained on any website is intended or shall be deemed to have occurred as a result of the inclusion of any website address in this AIS.

Neither this AIS nor any portion thereof may be: (i) included in a preliminary official statement, official statement, or other offering document, or incorporated by reference therein, unless DOB has expressly consented thereto following a written request to the State of New York, Division of the Budget, State Capitol, Albany, NY 12224, or (ii) considered to be continuing disclosure in connection with any offering unless a CDA relating to the offered series of bonds or notes has been executed by DOB. Any such use, or incorporation by reference, of this AIS or any portion thereof in a preliminary official statement, official statement, or other offering document or continuing disclosure filing without such consent and agreement by DOB is unauthorized and the State expressly disclaims any responsibility with respect to the inclusion, intended use, and updating of this AIS if so misused.

BUDGETARY AND ACCOUNTING PRACTICES

Significant Budgetary and Accounting Practices

Unless clearly noted otherwise, all financial information is presented on a cash basis of accounting.[2]

The State accounts for receipts and disbursements by the fund in which the activity takes place (such as the General Fund), and the broad category or purpose of that activity (such as State Operations). The Financial Plan tables present State projections and actuals by fund and category.

Fund types of the State include[3]: the General Fund; State Special Revenue Funds, which receive certain dedicated taxes, fees, and other revenues used for specified purposes; Federal Special Revenue Funds, which receive certain Federal receipts; State and Federal Capital Projects Funds, which account for costs incurred in the construction, maintenance, and rehabilitation of roads, bridges, prisons, university facilities, and other infrastructure projects; and Debt Service Funds, which account for the payment of principal, interest, and related expenses for debt issued by the State and on the State's behalf by its public authorities.

The State's **General Fund** receives most State taxes and all income not earmarked for a specified program or activity. State law requires the Governor to submit, and the Legislature to enact, a General Fund Budget that is balanced on a cash basis of accounting. The State Constitution and State Finance Law do not provide a precise definition of budget balance. In practice, the General Fund is considered balanced if sufficient resources are, or are expected to be, available during the fiscal year for the State to: (a) make all planned payments, including Personal Income Tax (PIT) refunds, without the issuance of deficit notes or bonds, or extraordinary cash management actions; (b) restore the balances in the Tax Stabilization Reserve Fund and the Rainy Day Reserve Fund (collectively, the "Rainy Day Reserves") to levels at or above those on deposit when the fiscal year began; and (c) maintain other reserves, as required by law. For purposes of calculating budget balance, the General Fund includes transfers to and from other funds.

The General Fund is the sole financing source for the School Tax Relief (STAR) fund and is typically the financing source of last resort for the State's other major funds, including the Health Care Reform Act (HCRA) Fund, the Dedicated Highway and Bridge Trust Fund (DHBTF), and the Lottery Fund. Therefore, General Fund projections account for any estimated funding shortfalls in these funds. Since the General Fund is required by law to be balanced, the focus of the State's budgetary and gap-closing discussion in the Financial Plan is generally weighted toward the General Fund.

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[2] State Finance Law also requires the Division of the Budget to prepare a pro forma Financial Plan using, to the extent practicable, Generally Accepted Accounting Principles (GAAP). The GAAP-basis Financial Plan is informational only. DOB does not use it as a benchmark for planning or managing State finances during the fiscal year and does not update it on a quarterly basis. The GAAP-basis Financial Plan follows, to the extent practicable, the accrual methodologies and fund accounting rules applied by OSC in preparation of the audited Basic Financial Statements, but there can be no assurance that the pro forma GAAP financial plan conforms to all GAAP principles.

[3] The State's Fund Structure and listing of funds can be found at https://www.budget.ny.gov/citizen/nyfund/index.html

At times, DOB will informally designate unrestricted balances in the General Fund for specific policy goals (e.g., reserve for economic uncertainties; reserve for timing of payments). These amounts are typically, but not uniformly, identified with the phrase “reserved for.” These unrestricted amounts are not held in distinct accounts within the General Fund and may be used for other purposes.

Projections for future years may show budget gaps or budget surpluses in the General Fund. Budget gaps represent the difference between: (a) the projected General Fund disbursements, including transfers to other funds, needed to maintain current service levels and specific commitments, and (b) the projected level of resources, including transfers from other funds, to pay for these disbursements. The General Fund projections are based on many assumptions and are developed by DOB in conjunction with other State agencies. Some projections are based on specific, known information (e.g., a statutory requirement to increase payments to a prescribed level), while others are based on more uncertain or speculative information (e.g., the pace at which a new program will enroll recipients). In general, the multi-year projections assume that money appropriated in one fiscal year will continue to be appropriated in future years, even for programs that were not created in permanent law and that the State has no obligation to fund. Funding levels for nearly all State programs are reviewed annually in the context of the current and projected fiscal positions of the State.

State Operating Funds is a broader measure of spending on operations (as distinct from capital purposes) that is funded with State resources. It includes financial activity in the General Fund, as well as State-funded Special Revenue Funds and Debt Service Funds (spending from Capital Projects Funds and Federal Funds is excluded). As significant financial activity occurs in funds outside the General Fund, the State Operating Funds perspective is, in DOB’s view, a more comprehensive measure of operations funded with State resources (e.g., taxes, assessments, fees and tuition). The State Operating Funds perspective eliminates certain distortions in operating activities that may be caused by, among other things, the State's complex fund structure and the transfer of money between funds. For example, the State funds its share of the Medicaid program from both the General Fund and State Special Revenue Funds. The State Operating Funds perspective captures Medicaid disbursements from both fund types, giving a more complete accounting of State-funded Medicaid disbursements. Accordingly, projections often emphasize the State Operating Funds perspective.

The Financial Plan projections reflect certain actions that have affected, or are intended to affect, the amount of annual spending reported on a State Operating Funds basis. Such actions include but are not limited to: payment of certain operating costs using available resources outside the State Operating Funds basis of reporting. If transactions are not executed or reported in a manner consistent with DOB’s interpretation of the legislation and legislative intent, annual spending growth in State Operating Funds would be higher than projections.

The State also reports disbursements and receipts activity for All Governmental Funds (All Funds), which includes spending from Capital Projects Funds and Federal Funds, in addition to State Operating Funds. The All Funds basis is the most comprehensive view of the cash-basis financial operations of the State.

The term “actual” or “actuals” is used throughout the Financial Plan and this AIS to align with fiscal publications released by the State Comptroller. These terms are synonymous with the term “results” also used in the narrative discussion and refer to year-to-date and year-end actual but unaudited performance data.

Differences may occur from time to time between DOB and OSC's financial reports in presentation and reporting of receipts and disbursements. For example, DOB may reflect a net expenditure amount while OSC may report the gross expenditure. Any such differences in reporting between DOB and OSC could result in differences in the presentation and reporting for total receipts and disbursements under different fund perspectives (e.g., State Operating Funds and All Funds).

FINANCIAL PLAN OVERVIEW

The following table provides key financial measures for FY 2023 and the FY 2024 Financial Plan.

FINANCIAL PLAN AT-A-GLANCE: KEY MEASURES (millions of dollars)	FY 2023 Actuals	FY 2024 Projected
State Operating Funds Disbursements		
Size of Budget	$123,751	$125,331
Annual Growth	5.4%	1.3%
Other Disbursement Measures		
General Fund (Including Transfers)	$92,799	$104,412
Annual Growth	4.4%	12.5%
Capital Budget (Federal and State)	$14,024	$17,211
Annual Growth	-4.6%	22.7%
Federal Operating Aid	$82,687	$86,471
Annual Growth	7.1%	4.6%
All Funds	$220,462	$229,013
Annual Growth	5.3%	3.9%
Inflation (CPI)	7.4%	3.5%
All Funds Receipts		
Taxes[1]	$113,729	$104,843
Annual Growth	8.6%	-7.8%
Miscellaneous Receipts	$31,842	$26,837
Annual Growth	14.0%	-15.7%
Federal Receipts (Operating and Capital)	$89,563	$92,654
Annual Growth	-6.0%	3.5%
Total All Funds Receipts[1]	$235,134	$224,334
Annual Growth	3.2%	-4.6%
General Fund Cash Balance	$43,451	$39,537
Economic Uncertainties	$13,282	$13,282
Extraordinary Monetary Settlements	$1,570	$1,142
Pandemic Assistance	$245	$0
Rainy Day Reserves	$6,256	$6,256
Timing of PTET/PIT Credits	$14,358	$12,462
All Other	$7,740	$6,395
Debt		
Debt Service (excluding pre-payments) as % All Funds Receipts	2.4%	3.0%
State-Related Debt Outstanding	$55,911	$62,621
Debt Outstanding as % Personal Income	3.6%	4.0%

[1] Excludes the impact of the Pass Through Entity Tax program, which is expected to have no net Financial Plan impact across fiscal years.

Overview

The Governor submitted the FY 2024 Executive Budget, with amendments, to the Legislature on March 3, 2023. DOB estimated that the Executive Budget, if adopted without modification, would have provided for balanced General Fund operations in FY 2024, leaving projected budget gaps of $5.1 billion in FY 2025, $8.6 billion in FY 2026, and $7.2 billion in FY 2027, totaling roughly $21 billion. The gaps were principally due to the downward revisions in projected tax receipts at that time.

On March 31, 2023, the Legislature enacted the annual debt service appropriations, without amendment, in advance of the new fiscal year that began on April 1. The Governor and Legislative leaders reached agreement on the outlines of the budget for FY 2024 at the end of April, and the Legislature completed final action on the budget bills on May 2, 2023. The Governor completed her review of the budget bills on May 12, 2023.

The final budget agreement includes key elements proposed by the Governor in her Executive Budget, including fully funding existing commitments, such as the third and final year of the Foundation Aid phase-in funding; a comprehensive plan to put the Metropolitan Transportation Authority (MTA) on stable financial footing; adding substantial new operating and capital aid for health care; providing extraordinary funding for services to asylum seekers; expanding mental health inpatient, outpatient, and supportive services; providing matching funds to increase the State University of New York (SUNY) centers' endowments; providing a monthly discount on electric utility bills for moderate-income customers; and increasing the minimum wage and funding the cost for State service providers. The final agreement provides additional funding for many areas of the budget including increased operating aid for university systems, expansion of free school meals, aid for legal defense and discovery for indigent and low-income individuals, rent arrears assistance, and expansion of the Empire State Child Credit to include children under four years of age.

DOB estimates that the budget enacted by the Legislature and approved by the Governor is balanced in FY 2024, as required by law. The Enacted Budget Financial Plan includes savings and resources in FY 2024 that DOB estimates will be sufficient both to fund the negotiated additions and restorations to the budget, and fully cover downward revisions to tax receipts described later. The gaps in the outyears are projected at $9.1 billion in FY 2025, $13.9 billion in FY 2026, and $13.4 billion in FY 2027. The increase in the gaps over the Financial Plan period (FY 2025 through FY 2027) are principally due to additional downward revisions in projected tax receipts reflected in the Enacted Budget Financial Plan.

The Legislative session is expected to conclude in June 2023. DOB does not anticipate any legislation with significant fiscal impacts will be approved.

FY 2023 Results

At the close of FY 2023, the State completed the final deposits needed to reach the administration's goal of bringing principal reserves to a minimum of 15 percent of State Operating Funds spending. The increase in reserves was supported by the extraordinary growth in tax collections over the past two years. Principal reserves now total $19.5 billion (16 percent of State Operating Funds spending) and are complemented by additional reserves for debt management, future operational costs[4], and a transaction risk reserve.

The State ended FY 2023 in a stronger overall position in comparison to the estimates in both the initial FY 2023 Enacted Budget Financial Plan and the FY 2024 Executive Budget Financial Plan. Results reflected both strong receipts and disbursements that fell substantially below budgeted levels. The excess resources that were available at the close of FY 2023 have been carried forward through available balances and reserves, as well as used to prepay future expenses to reduce costs in future years of the Financial Plan. (See "FY 2023 Preliminary Year End Results" herein.)

Summary of Revisions to the Executive Budget Proposal

The following table summarizes revisions to the multi-year projections that were contained in the Executive Budget Financial Plan.

FY 2024 GENERAL FUND FINANCIAL PLAN
REVISIONS TO EXECUTIVE BUDGET ESTIMATES: SAVINGS/(COSTS)
(millions of dollars)

	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
EXECUTIVE BUDGET SURPLUS/(GAP) ESTIMATE	**0**	**(5,079)**	**(8,597)**	**(7,159)**
Tax Receipts[1]	**(5,623)**	**(5,291)**	**(5,399)**	**(5,818)**
Negotiated Changes	**0**	**(1,090)**	**(1,248)**	**(1,589)**
Adds:	(1,842)	(1,204)	(1,270)	(1,611)
Spending	(1,939)	(1,205)	(1,265)	(1,597)
Recurring	(770)	(1,043)	(1,219)	(1,551)
Non-Recurring	(1,152)	(116)	0	0
Restorations	(17)	(46)	(46)	(46)
Revenue	97	1	(5)	(14)
Available Resources/Offsets	1,842	114	22	22
Other Forecast Revisions	**5,623**	**2,405**	**1,371**	**1,128**
Prepayments/Advances/Other Resources	3,401	1,176	251	25
All Other	2,222	1,229	1,120	1,103
ENACTED SURPLUS/(GAP) ESTIMATE	**0**	**(9,055)**	**(13,873)**	**(13,438)**

[1] Excludes the impact of the Pass Through Entity Tax program, which is expected to have no net Financial Plan impact across fiscal years.

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[4] The Financial Plan includes an informal set aside of funds in the General Fund balance available for unexpected and new costs of Executive agencies inclusive of, but not limited to, future labor agreements, inflationary costs or other critical needs.

In FY 2024, the combination of available resources generated from operations in FY 2023 and downward revisions to spending based on prior year results are sufficient to offset the new initiatives and costs, as well as the downward revisions to tax receipts beginning in FY 2024.

A more detailed table of the revisions appears in the section entitled, "FY 2024 General Fund Financial Plan."

Tax Receipts

Tax receipts, excluding Pass-Through Entity Tax (PTET), have been decreased by over $5 billion annually in comparison to the Executive Budget forecast, due primarily to weaker than expected April PIT receipts from extension payments and final returns. Collections for April and May 2023 are projected to be roughly $4.6 billion below the last public forecast[5], particularly in extension payments and higher refunds, and are consistent with the experiences of comparable PIT-dependent states, as well the Federal government. The drop in tax receipts appears to be related to a decline in tax year 2022 liability, which is most directly attributable to a sharp decrease in nonwage income, with weakness in capital gains serving as the primary driver. This decline is the basis for the substantial downward revisions to tax receipts in the Enacted Budget Financial Plan. (See "State Financial Plan Multi-Year Projections – Receipts" herein.)

Negotiated Changes

The FY 2024 Enacted Budget authorized a net $1.9 billion in spending additions to the General Fund in FY 2024 compared to the Executive Budget proposal. The additions to the General Fund consist of recurring and non-recurring costs. Recurring additions carry an estimated net cost of $770 million in FY 2024, annualizing to nearly $1.6 billion in the outyears of the Financial Plan. The largest recurring costs include increases in the minimum wage, additional operating aid for university systems, increased rates for health care and human services providers, expansion of free school meals, and aid for legal defense and discovery for indigent and low-income individuals.

Excluding distressed hospital assistance and other Medicaid additions that are funded by resources within the Global Cap Index, non-recurring additions are estimated at roughly $1.2 billion in FY 2024. The largest one-time spending additions include rent arrears ($391 million) to support additional tenants and families, including the New York City Housing Authority and other public housing residents and recipients of Federal Section 8 vouchers, and discretionary additions ($390 million) for individual program areas. In addition, the final budget agreement excluded several Executive revenue proposals, such as the ban on flavored tobacco, but expanded the Empire State Child Credit to include children under four years of age.

The negotiated changes in FY 2024 are offset by available resources and balances carried forward from FY 2023, and the use of the Indigent Legal Services Fund to offset aid for legal defense.

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[5] FY 2024 Executive Budget Updated for Governor's Amendments and Forecast Revisions Financial Plan dated March 3, 2023.

Other Forecast Revisions

The Financial Plan includes revisions to reflect the management of surplus resources generated in FY 2023 to be used in subsequent years. Actions taken consisted of the prepayment of debt service and fringe benefit expenses due in future years and capital advances to the MTA, as well as carrying forward available balances and Federal reimbursements that have been programmed for use in FY 2024, in part to offset spending that carried over from FY 2023. In addition, discretionary deposits to the Retiree Health Benefit Trust Fund (RHBTF) in future years will be made pending fiscal conditions. Furthermore, the timing of transfers from the health care transformation fund have been revised over the multi-year plan to partially offset the cost of home care wage increases.

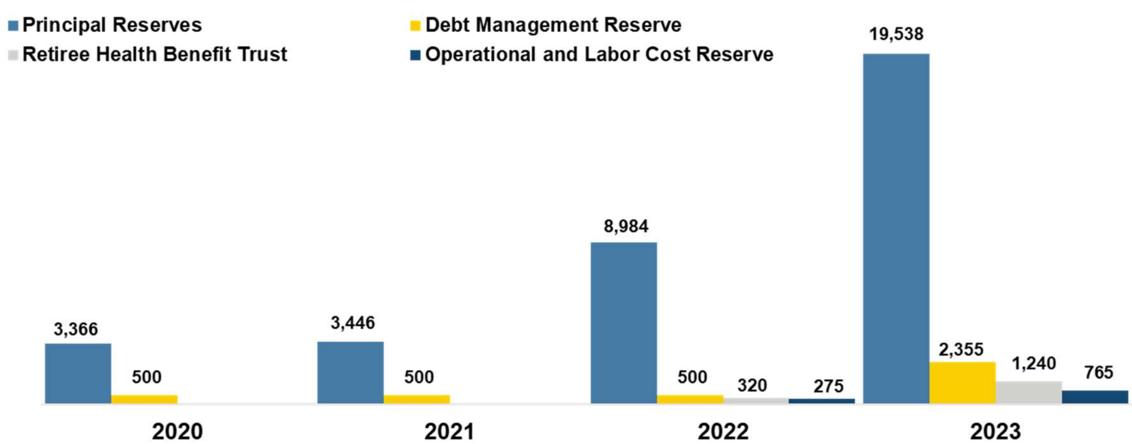
DOB has made other revisions to the Executive Budget Financial Plan projections of non-tax receipts and spending in all years based on prior year results, as well as updated forecasts and programmatic assumptions. The revisions include higher investment income and lower disbursements across numerous program areas and fringe benefit costs. In addition, the Financial Plan has been updated to reflect the full cost to the State of the bonus payments to eligible healthcare workers. The Centers for Medicare & Medicaid Services (CMS) has provided initial guidance indicating that the Federal government is unlikely to provide Federal matching funds for the bonus payments executed to date. The State is continuing to negotiate with CMS to find an acceptable process for documenting and claiming a Federal share.

FY 2024 Enacted Budget Financial Plan Highlights

Reserves and Risks

Economic turning points create heightened risks to the Financial Plan. In the two recessions prior to COVID, tax receipts fell more steeply and for a longer period than originally expected. While the DOB forecast is based on reasonable assumptions, the impact of an economic slowdown is highly unpredictable. A second, new risk has been created by the PTET program, which has introduced a high degree of uncertainty in the level and timing of expected PIT tax collections. Lastly, the State is dependent on a range of Federal approvals to implement savings measures and receive reimbursement for costs it has incurred in the first instance. The Financial Plan maintains a reserve for such transaction risks, in addition to the principal reserves and other reserves for specific purposes (e.g., future operational and labor costs).

$20 BILLION ADDED TO RESERVES SINCE 2020



Excludes other statutory and informal reserves for dedicated purposes (e.g., PTET, pandemic assistance, and undesignated fund balances)

Principal Reserves[6]**.** The State completed the entire $10.6 billion of planned deposits and set asides to principal reserves at the end of FY 2023 – two years ahead of the initial plan laid out in October 2021. The current balance in principal reserves is just over $19.5 billion, an amount equal to approximately 16 percent of projected FY 2024 State Operating Funds disbursements.

[6] DOB defines principal reserves as the two "rainy day" reserves (consisting of the Tax Stabilization Reserve and the Rainy Day Reserve) and the portion of the General Fund balance informally designated for economic uncertainties.

DRAFTv3

The FY 2024 Enacted Budget includes legislation that increases the amount the State is permitted to set aside in statutory reserves by increasing the maximum allowable balance for the Rainy Day Reserve from 15 percent to 25 percent, and the maximum annual deposit from 3 percent to 15 percent, of projected General Fund spending in the current year.

A deposit to the Rainy Day Reserve Fund is anticipated to be made at the end of FY 2024 depending on fiscal and economic conditions, including any material decline in tax collections. The allocation of principal reserves may be adjusted in future updates dependent on fiscal conditions and consistent with the allowable balance and deposit authorization for the Rainy Day Reserve.

Debt Management Reserve Fund. To ensure the State can abide by the limits imposed by the Debt Reform Act, $1 billion has been set aside in the debt management reserve.

RHBTF[7]. In FY 2022, the State made its first deposit to the RHBTF, which was created in FY 2018 to reserve money for the payment of health benefits of retired employees and their dependents. In FY 2023, deposits previously planned in later years ($600 million) were accelerated for a total deposit of $920 million, consistent with the statutory limit of 1.5 percent of the actuarial accrued liability. The balance in the reserve totals $1.2 billion. Future deposits will be dependent on fiscal conditions.

Operational/Labor Cost Reserve. The Financial Plan includes an informal set aside of funds in the General Fund balance available for unexpected and new costs of Executive agencies inclusive of, but not limited to, future labor agreements, inflationary costs or other critical needs. These funds are included in the General Fund balance and are not included in spending estimates.

The State recently reached a tentative labor agreement with the Public Employees Federation (PEF) for the three-year period from FY 2024 through FY 2026. The agreement is subject to ratification by union membership and the votes are expected to take place in the coming months. The tentative agreement includes 3 percent salary increases for each year of the agreement and a one-time bonus of $3,000, as well as other one-time payments that are expected to be partly offset by expected health insurance benefit savings. In the past, agencies have been required to fund general salary increases within existing budgets through efficiencies and other savings initiatives. However, certain one-time payments are expected to be covered with the General Fund reserve.

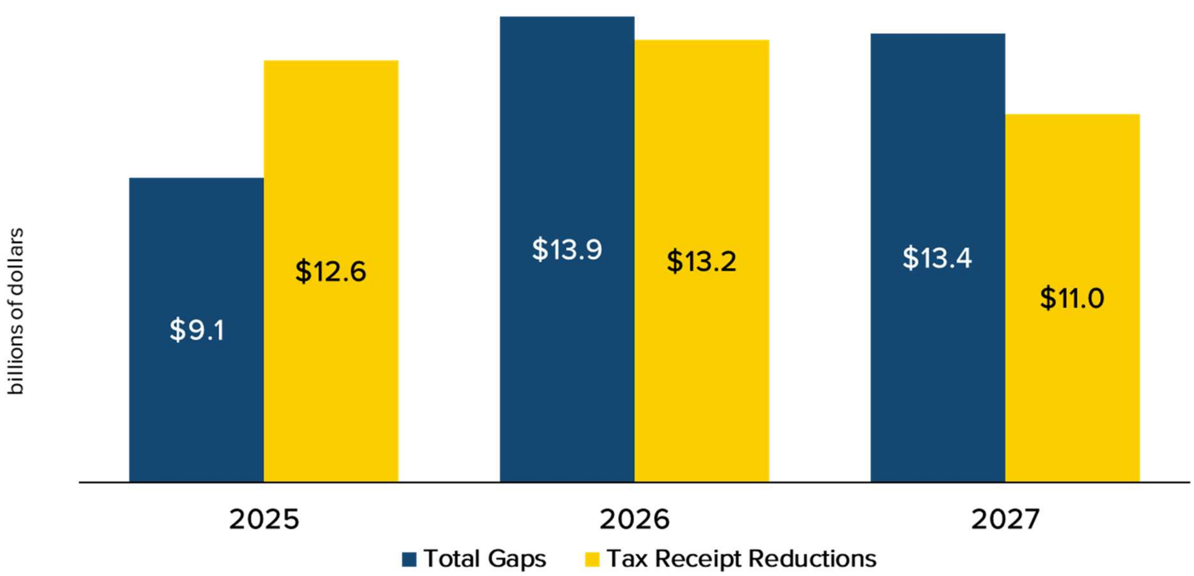
The State also reached a tentative agreement with United University Professions (UUP) representing SUNY employees for the four-year period from Academic Year 2023 through Academic Year 2026, which is also subject to ratification and includes general salary increases of 2 percent in FY 2023 followed by 3 percent salary increases for each of the next three years, as well as other payments and modifications to health insurance benefits. The cost of the UUP agreement is expected to be funded by SUNY except for related fringe benefits costs currently paid by the State, and onetime payments related to negotiated labor agreements.

[7] The RHBTF is a trust fund for the payment of health benefits of retired employees and their dependents and is not included in the General Fund balance. The reserves establish an asset against the State's post-employment health insurance liability.

Outyear Budget Gaps

The Enacted Budget Financial Plan projects outyear budget gaps of $9.1 billion in FY 2025, $13.9 billion in FY 2026, and $13.4 billion in FY 2027[8], a total of roughly $36 billion over three years. The budget gaps that have opened in each year are due principally to the downward revisions in projected tax receipts, which have been lowered by nearly $37 billion (FY 2025 to FY 2027) in comparison to the May 2022 forecast included in the FY 2023 Enacted Budget Financial Plan. If the FY 2025 Budget is balanced with recurring savings, the projected budget gap for FY 2026 would be $4.8 billion. The projected budget gaps do not reflect the use of any reserves to balance operations.

OUTYEAR BUDGET GAPS AND TAX RECEIPTS REDUCTIONS



Cash Position

DOB expects that the General Fund will have sufficient liquidity in FY 2024 to make all planned payments as they become due. DOB continues to reserve money on a quarterly basis for debt service payments that are financed with General Fund resources. Money to pay debt service on bonds secured by dedicated receipts, including PIT bonds and Sales Tax bonds, continues to be set aside as required by law and bond covenants.

[8] FY 2027 tax receipts projections assume the scheduled expiration of the State and Local Tax (SALT) deduction cap after December 31, 2025 under current Federal law, as well as the likelihood that NYS taxpayers will pay a greater share of liability through quarterly estimated payments in tax year 2026 to take advantage of the expiration. The impact on NYS tax receipts projections is an acceleration of tax receipts into FY 2027. If the SALT deduction cap is extended, the projection of tax receipts for FY 2027 will be reduced and the FY 2027 budget gap calculation will increase by a comparable amount.

State Spending

The Financial Plan projects that State Operating Funds spending will total $125.3 billion in FY 2024, an increase of $1.6 billion, or 1.3 percent, from FY 2023. The decline in all other spending reflects the management of surplus resources generated in prior years, which consist of the prepayment of debt service and fringe benefit expenses due in future years.

FY 2024 ENACTED BUDGET SPENDING (millions of dollars)				
	FY 2023 Actuals	FY 2024 Projected	$ Change	% Change
All Funds	**220,462**	**229,013**	**8,551**	**3.9%**
State Operating Funds	**123,751**	**125,331**	**1,580**	**1.3%**
School Aid (School Year Basis)	31,383	34,414	3,031	9.7%
Medicaid	25,468	27,253	1,785	7.0%
All Other	66,900	63,664	(3,236)	-4.8%

Debt Service

Debt service spending consists of the payment of principal, interest, and related expenses on State-supported debt. Prepayments executed in prior years, as well as prepayments in FY 2023, have a substantial impact on total debt service spending. The table below provides a summary of the impact of prepayments on debt service expenses.

STATE-SUPPORTED DEBT SERVICE (millions of dollars)						
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Base Debt Service	5,556	6,603	7,213	7,538	8,037	8,228
Total Prepayment Adjustment	**4,925**	**(3,705)**	**(3,695)**	**(2,380)**	**(2,860)**	**(2,000)**
Prior Prepayments	(1,075)	(2,255)	(2,395)	(1,630)	(2,360)	0
FY 2023 Prepayment	6,000	(1,450)	(1,300)	(750)	(500)	(2,000)
Enacted Budget State Debt Service	10,481	2,898	3,518	5,158	5,177	6,228

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Summary of Actions and Revisions Compared to Base Projections

The following table and narrative provide a summary of the impact of the FY 2024 Enacted Budget actions and revisions on General Fund operations, starting with the "base" estimates[9].

FY 2024 ENACTED BUDGET FINANCIAL PLAN (millions of dollars)	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
UPDATED "BASE" BUDGET SURPLUS/(GAP) ESTIMATE	**214**	**(6,813)**	**(7,418)**	**(5,465)**
Receipts	**(1,584)**	**(4,124)**	**(5,579)**	**(9,285)**
Tax Receipts	(5,236)	(4,927)	(5,392)	(8,773)
Forecast Revisions	(5,623)	(5,291)	(5,399)	(5,818)
PTET Forecast Revisions	400	(206)	(745)	(3,259)
Other Tax Receipts Changes	(13)	570	752	304
Debt Service Reestimates	10	123	157	54
Payment of Future Debt Service	1,450	550	0	0
Other Receipts/Transfers	2,192	130	(344)	(566)
Disbursements	**(123)**	**(1,748)**	**(2,296)**	**(2,772)**
Assistance and Grants	(3,123)	(1,850)	(2,372)	(2,680)
Education	56	410	28	18
Medicaid	(1,363)	(656)	(1,075)	(1,014)
eFMAP extension through Dec. 31, 2023	1,315	0	0	0
Asylum Seekers Services and Assistance	(944)	(355)	0	0
Minimum Wage/Home Care Wages	30	(314)	(605)	(964)
Bonus for Healthcare and Direct Care Workers	(823)	(256)	0	0
Mental Hygiene	(62)	(226)	(255)	(277)
Public Health/Aging	(105)	(34)	(23)	(23)
Social Services/Housing	(550)	(64)	(57)	(67)
Environment/Energy	(212)	(50)	(50)	(50)
Higher Education	(98)	(138)	(155)	(164)
Public Safety	(360)	(333)	(241)	(237)
Transportation	(381)	(78)	(78)	(74)
All Other	375	243	139	173
Agency Operations, including GSCs	1,338	(117)	284	301
Executive Agency Operations	(100)	(532)	(497)	(486)
Asylum Seekers Services and Assistance	(162)	0	0	0
Healthcare Worker Bonus	(54)	(27)	0	0
FEMA Reimbursement	800	0	0	0
State Police Recruiting Classes	(67)	(46)	(47)	(48)
SUNY Endowment Funding	(250)	(250)	0	0
Legislature/Judiciary (incl. fringe benefits)	(42)	(42)	(31)	(24)
Fringe Benefits/Fixed Costs	1,213	780	859	859
Transfers to Other Funds	1,662	219	(208)	(393)
Capital Projects	1,511	579	190	23
SUNY Operations	(203)	(226)	(260)	(274)
All Other	354	(134)	(138)	(142)
Use of/(Deposit to) Reserves	**1,493**	**3,630**	**1,420**	**4,084**
Accelerate Principal Reserve Deposits	2,448	2,926	0	0
Timing of PTET/PIT Credits	(400)	206	745	3,259
All Other Reserves	(555)	498	675	825
ENACTED BUDGET SURPLUS/(GAP) ESTIMATE	**0**	**(9,055)**	**(13,873)**	**(13,438)**

[9] The baselevel estimates, which were completed in February 2023, represent the projected surpluses and gaps before any changes proposed by the Governor or enacted by the Legislature, as well as subsequent revisions to the forecast of receipts, disbursements, and available resources.

Receipts

Tax Receipts. The estimates for tax receipts have been reduced in each year of the Financial Plan, consistent with collections through May 2023 and DOB's updated economic forecast.

In addition, the FY 2024 Enacted Budget extends through tax year 2026 the Article 9-A tax rates on taxpayers with business income over $5 million and the alternative capital base tax rate for certain taxpayers. Other tax changes include various extensions, enforcement initiatives and reforms including the extension of credits for historic property rehabilitation, New York City musical and theatrical productions, and farmers, as well as a new credit for child care expansion and the inclusion of children under four years of age to the Empire State Child Credit.

Debt Service. Revisions reflect savings from lower bond issuances due to increased PAYGO resources and slower than expected capital spending, as well as additional debt service prepayments made in FY 2023 that reduce debt service costs in future years.

Other Receipts/Transfers. The Financial Plan includes a $1.4 billion increase to the estimated investment income the State expects to generate consistent with higher interest rates and liquidity. Other changes include a reduction to the Transaction Risk Reserve, which is maintained at $2 billion annually, and revisions to certain planned transfers due to the availability of revenues and balances in other funds that are earmarked to support new investments. Other changes include restatements and adjustments between debt service transfers, resulting from the prepayment of DHBTF Bonds which increases debt service transfers from, along with a corresponding decrease in capital projects transfers. There is no resulting Financial Plan impact.

Disbursements

Assistance and Grants

School Aid. The Financial Plan provides $34.4 billion in State aid to schools for school year (SY) 2024, an increase of $3 billion (9.7 percent). Including Federal prekindergarten expansion grants, schools will receive $34.5 billion. This growth primarily reflects a $2.6 billion (12.3 percent) Foundation Aid increase, including a minimum 3 percent annual increase to fully funded districts that would otherwise not receive a Foundation Aid increase under current law. The growth in Foundation Aid largely reflects the full funding of the current formula for the first time in its 17-year history, marking the final year of the three-year phase-in of full funding. School Aid growth also includes a $225 million increase in expense-based aid and a $150 million increase in State-funded full-day prekindergarten programming for four-year-old children.

The decrease in projected General Fund disbursements for education shown in the previous table primarily reflects additional resources in the State's Lottery, Mobile Sports, Video Lottery Terminals (VLTs) and Commercial Gaming Funds available to finance School Aid spending.

Medicaid Global Cap. Global Cap spending growth in FY 2024 is estimated at $1.4 billion. The Global Cap index has been revised based on updated CMS annual projections of health care spending. The revised rates provide additional Medicaid spending of $475 million in FY 2024 growing to $754 million in FY 2027. Medicaid spending is currently projected to exceed the cap by $242 million in FY 2026 and $283 million in FY 2027. The higher cost is mainly attributable to higher-than-expected enrollment, utilization and spending trends. The Governor's healthcare commission will examine and recommend reforms to improve quality and reduce costs.

The FY 2024 Enacted Budget includes several investments in health care, including $500 million in assistance for financially distressed hospitals, increasing and/or adding Medicaid reimbursement for hospitals, nursing homes and assisted living providers, primary care, school-based health centers, transportation services, and additional types of mental health providers in community health centers. In addition, the Financial Plan includes savings which began on April 1, 2023, due to the transition of the prescription drug program for all Medicaid members enrolled in Mainstream Managed Care to the State run Medicaid Pharmacy Program. With this transition, the State will pay pharmacies directly for drugs and supplies on behalf of Medicaid members. Transitioning the pharmacy benefit from Managed Care to Medicaid Fee-for-Service will result in significant savings to the State, most of which will be reinvested back into healthcare. Other actions include expanding the Medicaid Buy-in program so more disabled persons can continue to work without the risk of losing health benefits and supporting critical primary and preventative care for Medicaid enrollees that will help improve population health and reduce preventable hospitalizations and emergency room visits.

To maintain spending within the Global Cap, the State will utilize a portion of the Affordable Care Act (ACA) Enhanced Federal Medical Assistance Percentage (eFMAP) savings to offset growth in Medicaid costs borne by the State rather than counties ($219 million). Other actions include shifting pregnancy coverage to the Essential Plan (EP) ($41 million in FY 2024 and $165 million annually thereafter); and aligning the timing of expanded coverage for certain groups with the Federal waiver submission ($172 million).

eFMAP Extension. The Federal FY 2023 Omnibus Appropriations bill extended eFMAP through the end of the 2023 calendar year but at declining levels. Beginning April 1, 2023, eFMAP is reduced over the next three quarters from 6.2 percent to 5 percent through June 30, 2.5 percent through September 30, and 1.5 percent through December 31.

Asylum Seekers Services and Assistance. The FY 2024 Enacted Budget provides support to New York City for services and assistance for asylum seekers, including shelter cost reimbursement.

Minimum Wage/Home Care Wages.

The FY 2024 Enacted Budget includes increasing the minimum wage for home care and non-home care workers. The increases will benefit hundreds of thousands of minimum wage workers across New York State and assist them to meet the rising cost of living, which results in increased State assistance to mental hygiene, health care and social services providers supported by the State.

For non-homecare workers, the FY 2024 Enacted Budget authorizes increasing the minimum wage on January 1, 2024 to $16 per hour in New York City and Nassau, Suffolk, and Westchester counties, and to $15 in the remainder of the State, followed by an additional $0.50 increase each year in 2025 and 2026, and then indexing to inflation annually thereafter.

For home health and personal care workers, the FY 2024 Enacted Budget authorizes increasing the minimum wage, effective January 1, 2024, by $1.55 downstate and $1.35 in the rest of the State, with additional Statewide minimum wage increases of $0.55 to come January 1, 2025 and January 1, 2026. Pending CMS approval, the increases are anticipated to be partially funded by HCBS eFMAP in FY 2024.

Bonus for Healthcare and Direct Care Workers. In FY 2023, healthcare, direct care and other critical safety workers earning less than $125,000 annually began receiving a State-funded bonus payment of up to $3,000. The amount of the bonus is based on hours worked and length of time in service. The program runs through April 1, 2024 and the timing of payments is dependent on claims submission. As such, the Financial Plan has been revised to reflect payments continuing into FY 2024 and FY 2025.

In addition, the State previously expected Federal matching funds of roughly $1.3 billion for the bonus payments made to eligible healthcare workers.[10] Based on initial CMS feedback, the Financial Plan has been revised to reflect the State paying the entire costs of these bonus payments between FY 2023 and FY 2025. This ensures funding has been included in the event of a final determination that these costs are ineligible for Federal matching funds; however the State is continuing to negotiate with CMS to find an acceptable process for documenting and claiming a Federal share.

Mental Hygiene. The FY 2024 Enacted Budget includes investments across the continuum of care for mental health and continued support for community-based services, including residential programs. Specifically, this includes establishing and operating 3,500 new residential units for people with mental illness, including 1,500 Supportive Housing beds, 900 transitional step-down beds, 600 licensed apartment treatment beds and 500 community residence-single room occupancy (CR-SRO) beds. Outpatient mental health services throughout the State will be significantly expanded by funding twelve new Comprehensive Psychiatric Emergency Programs; 42 new Assertive Community Treatment teams; 26 new Certified Community Behavioral Health Clinics, including an Indigent Care Program to ensure providers are reimbursed for care; eight new Safe Options Support teams; the expansion of the Critical Time Intervention (CTI) initiative started in 2022; 42 new Health Home Plus Care Managers; and start-up funding and operating costs for expanded clinic capacity at 20 sites. The FY 2024 Enacted Budget also expands mental health services for children and families, enhances suicide prevention programs, strengthens supportive housing programs, and supports the 4 percent Cost of Living Adjustment (COLA) for voluntary operated providers.

Public Health/Aging. The FY 2024 Enacted Budget adds funding for the Hunger Prevention and Nutrition Assistance Program (HPNAP), tobacco control, cancer services as well as a 4 percent COLA for SOFA consistent with the other Human Services agencies.

Social Services/Housing. The FY 2024 Enacted Budget provides funding to ensure continuity in the level of childcare subsidies; expands eligibility for child care subsidies to more families; creates an employer-supported child care pilot program to provide new financial support for child care; and continues funding for the emergency rental assistance and landlord aid programs, including legal services for tenants facing eviction. Other significant increases include investments in permanency resource centers and kinship services, consolidating afterschool program funding in the Office of Children and Family Services (OCFS), assisting foster care agencies with Federal provisions related to Institutions for Mental Disease (IMD), indexing of the minimum wage, and providing a 4 percent COLA for the human services workforce. These investments are offset by the restructured financing approach for residential school placements of children with special needs outside New York City and utilization of Mortgage Insurance Fund (MIF) resources to fund housing and homelessness programs.

[10] Beginning with the FY 2023 Mid-Year Update to the Financial Plan, dated November 2022, DOB noted considerable risk that CMS may not approve all of the Federal matching funds for the healthcare bonus payments and that the General Fund would incur unbudgeted costs of up to $1.3 billion through FY 2025 in the event the Federal matching funds are not approved.

Environment/Energy. The FY 2024 Enacted Budget includes $200 million in funding to expand the Energy Affordability Program to consumers who have not been previously eligible. The program will provide income-eligible customers with a discount on their monthly electric and/or gas bills.

Higher Education. The FY 2024 Enacted Budget adds $93 million in recurring annual operating support for City University of New York (CUNY) campuses starting in Academic Year 2024 and a multiyear commitment to provide CUNY with general operating aid increases of $36 million in each of the following two academic years (2025 and 2026).

Public Safety. The FY 2024 Enacted Budget includes increased support for Prosecutors and Defenders, Alternative to Incarceration (ATI), the Gun Involved Violence Elimination (GIVE) program, re-entry services, and additional funding to assist in the implementation of criminal discovery laws and pretrial services. The FY 2024 Enacted Budget also includes funding to combat the flow of fentanyl, including the establishment of an Anti-Fentanyl Innovation Grant, as well as support to hire additional crime and data analysts focused on fentanyl distribution and deaths.

Transportation. The FY 2024 Enacted Budget includes one-time State assistance to the MTA to address extraordinary revenue impacts caused by the pandemic ($305 million, of which $5 million is dedicated to the MTA's Outer Borough Transit Account) and increases to upstate transit operating aid to match the year to year increase in on-budget, traditional MTA aid. Other initiatives include $24 million annually for operating costs of the Gateway Development Commission and $2 million to begin funding an Innovative Mobility Initiative for non-MTA systems.

All Other Assistance and Grants. The FY 2024 Enacted Budget includes increased funding for various other programs and initiatives including recurring assistance to the City of Albany, the Liberty Defense Project and the Office of New Americans, various programs administered by the Empire State Development Corporation, immigration legal services and combating bias-based crimes. In addition, all other spending includes a reconciliation for the net impact of the Mental Hygiene Stabilization Fund and OPWDD Local Share Adjustments related to the Medicaid Global Cap.

The FY 2024 Enacted Budget also includes $80 million in FY 2024 and $134 million in annual outyear support for a new State-funded initiative to incentivize qualifying low-income public and nonpublic schools to participate in the Federal Community Eligibility Provision (CEP) program, allowing all students in those schools to eat breakfast and lunch at no charge regardless of their families' income.

Agency Operations

Agency Operations. The growth in executive agency budgets reflects funding to meet critical service needs, as well as efforts to assess lead risks and support lead abatement in housing across the State and modernize health reporting systems. In addition, funding is included to support consulting costs associated with development of Section 1115 Medicaid demonstration waivers that have allowed the State to implement a managed care program that provides comprehensive and coordinated health care to Medicaid patients. Increased funding for agency operations also supports inpatient beds in State-operated Psychiatric Centers, expanded State Police community stabilization units, enhanced parole supervisions programs, investments in information technology including the Joint Security Operations Center (JSOC), geographical wage adjustments, and additional enforcement to curb the illegal sale of cannabis.

Asylum Seekers Services and Assistance. The Division of Military and Naval Affairs (DMNA) has deployed national guard servicemembers to various hotels, homeless shelters, and emergency sites throughout New York City to implement, administer, and effectuate the provision of services.

State Police Recruiting Classes. Increased funding will support additional State Police recruiting classes in FY 2024.

SUNY Endowment Funding. The State will provide $1 in State funds (up to $500 million) for every $2 in private contributions to the endowments of SUNY's four university centers: Buffalo, Binghamton, Albany, and Stony Brook. The endowment funds are expected to be used to provide long-term support for campus operations, student scholarships, research, endowed professorships, and the development of new academic fields.

Legislature/Judiciary. The FY 2024 Enacted Budget reflects budget requests submitted by the Legislature and Judiciary. The Judiciary requested increases in annual operating spending to fund expected hiring, three planned Court Officer Academy classes, the addition of 34 new Judgeships, and collective bargaining increases implemented in March 2023. Additionally, there have been increases to the assigned counsel rate for attorneys providing services to indigent persons. Spending increases for the Legislature are mainly driven by personnel costs for legislative staff, as well as increases for member salaries.

Fringe Benefits/Fixed Costs. The fringe benefit projections have been lowered to account for the management of surplus resources generated in FY 2023 used to prepay fringe benefit expenses due in FY 2024, revised projections for employee health insurance and pension expenses, and future deposits to the RHBTF dependent on fiscal conditions.

Transfer to Other Funds

Capital Projects. The FY 2024 Enacted Budget reduces transfers to various capital projects funds, including: the DHBTF, due to the State's prepayment of dedicated bonds, described above; the Dedicated Infrastructure Investment Fund (DIIF), which is related to slower than anticipated program spending and an updated timeline for the construction of the stadium in Orchard Park; and the State Capital Project Fund, related to the timing of bond proceeds reimbursements. The reduction in transfers is partially offset by new investments for residential energy-efficiency upgrades, health care transformation, and the development of technology systems associated with pre-trial discovery laws.

SUNY Operations. The FY 2024 Enacted Budget provides $163 million ($122 million in FY 2024) in new recurring general operating support for SUNY campuses and a multiyear commitment to provide SUNY with general operating aid increases of $54 million in each of the following two academic years (2025 and 2026). Another $75 million in State aid to SUNY in Academic Year 2024 ($56 million in FY 2024) will fund transformational initiatives at campuses that support innovation, help meet workforce needs, and provide student support.

Other Transfers. Transfers reflect a revised schedule for funding the health care transformation fund.

Reserve Changes

The previously planned deposits to principal reserves in FY 2024 ($2.4 billion) and FY 2025 ($2.9 billion) were accelerated and completed in FY 2023. In addition, revisions to the estimated PTET/PIT tax credit payments are offset by the reserve set aside for this purpose. Other changes include the use of available, accumulated surpluses that were carried forward to lower the projected outyear budget gaps and revisions to spending supported by the Monetary Settlements Reserve.

General Fund Financial Plan

General Fund receipts are affected by the deposit of dedicated taxes in other funds for debt service and other purposes, the transfer of balances between funds of the State, and other factors. Three significant factors affect reported General Fund tax receipts, as described below.

First, changes in debt service on State-supported revenue bonds affect General Fund tax receipts. The State utilizes bonding programs where tax receipts are deposited into dedicated debt service funds (outside the General Fund) and used to make debt service payments. After satisfying debt service requirements for these bonding programs, the balance is transferred to the General Fund.

Second, the STAR program is funded from PIT receipts, with changes in the State-supported cost of the program affecting reported PIT receipts.

Lastly, beginning in FY 2022, the PTET program began affecting reported General Fund tax collections. The discussion and tables summarizing annual changes below generally exclude the impact of the PTET or show it distinctly. The operation of the PTET program is described under the heading, “PTET Financial Plan Impact” at the end of this section.

General Fund disbursements are affected by the level of financing sources available in other funds, transfers of balances between funds of the State, and other factors that may change annually. For example, education and health care programs are affected by the level of financing sources (i.e., HCRA and lottery/gaming receipts) available in other funds. Projected spending also reflects DOB's cautious estimates of disbursements, a practice that provides a cushion for potential receipts shortfalls and unanticipated costs.

For a more comprehensive discussion of the State's projections for tax receipts, miscellaneous receipts, disbursements, and transfers, presented on a State Funds and All Funds basis, see “State Financial Plan Multi-Year Projections” herein.

FY 2024 Enacted Budget Financial Plan

The following table summarizes the projected annual change in General Fund receipts, disbursements, and fund balances from FY 2023 to FY 2024.

GENERAL FUND FINANCIAL PLAN
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Annual Change: Dollar	Annual Change: Percent
Opening Fund Balance	**33,053**	**43,451**	**10,398**	**31.5%**
Total Receipts	**103,197**	**100,498**	**(2,699)**	**-2.6%**
Receipts (Excluding PTET)	105,269	102,394	(2,875)	-2.7%
Taxes	96,018	94,405	(1,613)	-1.7%
Miscellaneous Receipts	3,609	3,801	192	5.3%
Federal Receipts	2,351	2,250	(101)	-4.3%
Non-Tax Transfers from Other Funds	3,291	1,938	(1,353)	-41.1%
PTET Receipts	(2,072)	(1,896)	176	8.5%
PIT Credits	(17,016)	(14,936)	2,080	12.2%
Business Taxes	14,944	13,040	(1,904)	-12.7%
Total Disbursements	**92,799**	**104,412**	**11,613**	**12.5%**
Assistance and Grants	62,852	75,055	12,203	19.4%
State Operations	21,622	20,965	(657)	-3.0%
Transfers to Other Funds	8,325	8,392	67	0.8%
Net Change in Operations	**10,398**	**(3,914)**	**(14,312)**	**-137.6%**
Closing Fund Balance	**43,451**	**39,537**	**(3,914)**	**-9.0%**
Statutory Reserves:				
Community Projects	25	23	(2)	
Contingency	21	21	0	
Rainy Day[1]	6,256	6,256	0	
Fund Balance Reserved for:				
Consensus Revenue	0	0	0	
Debt Management	2,355	2,436	81	
Economic Uncertainties	13,282	13,282	0	
Labor Settlements/Agency Operations	765	1,765	1,000	
Pandemic Assistance	245	0	(245)	
Undesignated Fund Balance	4,574	2,150	(2,424)	
Subtotal Excluding Settlements/PTET	**27,523**	**25,933**	**(1,590)**	
Fund Balance Reserved for:				
Extraordinary Monetary Settlements	1,570	1,142	(428)	
Timing of PTET/PIT Credits	14,358	12,462	(1,896)	

[1] Consists of the Rainy Day Reserve and Tax Stabilization Reserve.

Receipts

General Fund receipts, including transfers from other funds, are estimated to total $100.5 billion in FY 2024, a decrease of $2.7 billion (2.6 percent) from FY 2023. Excluding the impact of the PTET program, total receipts are projected to decrease by $2.9 billion (2.7 percent) from FY 2023.

Tax receipts, excluding the impact of PTET and debt prepayments, but including transfers after payment of debt service, are estimated to total $90.7 billion in FY 2024, a decrease of $10.2 billion (10.1 percent) from FY 2023. The decrease reflects the effects of a mild recession on PIT revenues, in addition to declines in Corporate Franchise Tax (CFT) receipts and estate tax receipts. The actual and planned prepayments of debt service due in future years reduce reported PIT receipts in the fiscal year in which the payments are made and increase PIT receipts in the fiscal years in which the debt service was originally scheduled to be paid. Debt prepayments reduce General Fund PIT receipts by $4.9 billion in FY 2023 and increase PIT receipts $13.7 billion in FY 2024. Including these prepayments, tax receipts are estimated to decrease by $1.6 billion from FY 2023.

PIT receipts, excluding PTET and debt prepayments, but including transfers after payment of debt service, are estimated to total $60.4 billion in FY 2024, a decrease of $10 billion (14.2 percent) from FY 2023. The decrease reflects reduced extension payments for tax year 2022 driven by a strong decline in nonwage income, coupled with declines in final returns and delinquencies, offset by a decrease in total refunds primarily attributable to the expiration of the 2022 homeowner tax rebate credit.

Consumption/use tax receipts, including transfers after payment of debt service on Sales Tax Revenue Bonds, are estimated to total $18.4 billion in FY 2024, an increase of $1.6 billion (9.8 percent) from FY 2023. This increase reflects moderate growth in the sales tax base (2.7 percent).

Business tax receipts, excluding PTET, are estimated at $9.3 billion in FY 2024, a decrease of $1.1 billion (10.3 percent) from FY 2023. The decrease primarily reflects a decrease in CFT gross receipts, reflecting a projected decline in corporate profits, and a decrease in audit receipts to recent trend levels.

Other tax receipts, including transfers after payment of debt service on Clean Water/Clean Air (CW/CA) Bonds, are expected to total $2.6 billion in FY 2024, a decrease of $797 million from FY 2023. This is primarily due to the estate tax returning to typical trends following record receipt collections in FY 2023, as well as a decline in real estate transfer tax receipts as the market continues to cool off.

Miscellaneous receipts are projected to increase by $192 million from FY 2023 due to historically high investment income receipts associated with high interest rates and large fund balances associated with the timing of PTET receipts.

Non-tax transfers are estimated to total $1.9 billion in FY 2024, a decrease of $1.4 billion from FY 2023. The change is mainly attributable to an increase in the Transaction Risk Reserve compared to FY 2023 which reduces transfers from other funds, partially offset by increases in transfers from the Health Care Transformation, Mental Health Services, Tribal State Compact and Indigent Legal Services funds.

Disbursements

General Fund disbursements, including transfers to other funds, are expected to total $104.4 billion in FY 2024, an increase of $11.6 billion (12.5 percent) from FY 2023. The annual change in spending is in part due to the expected expiration of the eFMAP at the end of the third quarter of FY 2024. The higher Federal matching rate has temporarily lowered State-share spending and increased the Federal share of Medicaid costs.

Assistance and grants spending is estimated to total $75.1 billion in FY 2024, an increase of $12.2 billion from FY 2023. General Fund spending for education and health care represents most of the assistance and grants spending growth. General Fund support for these programs is affected by the level of financing sources (i.e., HCRA and lottery/gaming receipts) available in other funds, as well as the impact of an over $2 billion drop in eFMAP savings. School Aid is estimated to increase by $3.3 billion (12.8 percent) on a State fiscal year basis, primarily reflecting the final year of the phase-in of full funding of the current Foundation Aid formula, a $150 million investment in State-funded full-day prekindergarten programming for four-year old children and assumed growth in expense-based aids.

Medicaid spending is projected to grow by $1.7 billion due to investments in health care and provider reimbursement associated with the authorization to increase the State’s minimum wage, offset by savings resulting from the transition of the pharmacy benefit from Managed Care to Medicaid Fee-for-Service, the phase down of the eFMAP extension through December 31, 2023, and actions to maintain spending within the Global Cap. Other assistance and grants growth is primarily the result of additional assistance to the MTA to address operating shortfalls, initiatives and investments to improve mental health care services, access to affordable housing, additional support for public safety initiatives, wage increases, emergency rental and rental arrears assistance and landlord aid programs including legal services for tenants facing eviction, and significant one-time funding to support asylum seekers services and assistance in New York City.

General Fund agency operations costs, including fringe benefits, are expected to total $21 billion in FY 2024, a decrease of $657 million from FY 2023, driven primarily by a decline in General State Charges (GSCs) spending that partially offsets the increase in State Operations spending. The growth in executive agency budgets reflects efforts to assess lead risks and support lead abatement for housing across the State, modernize health reporting systems, conduct additional State Police recruiting classes, provide State matching funds for contributions to the endowments for SUNY’s four university centers, increase inpatient beds in State-operated Psychiatric Centers, and provide additional enforcement to curb the illegal sale of cannabis. Additionally, the cost of deploying the National Guard to assist New York City with providing care for asylum seekers and consulting costs associated with development of Section 1115 Medicaid demonstration waivers increase spending in FY 2024. Judiciary spending is projected to increase in FY 2024 driven by increases to the assigned counsel rate for attorneys providing services to indigent persons. Fringe benefit costs are expected to decrease in FY 2024 primarily due to a $920 million payment to the RHBTF and the advance of certain health insurance and workers compensation payments in FY 2023, partially offset by the increased costs of providing pension benefits to current and retired employees.

General Fund transfers to Other Funds are projected to total $8.4 billion in FY 2024, an increase of $67 million from FY 2023. The growth is mainly attributable to increased transfers for capital projects reflecting an increase in planned Pay-As-You-Go (PAYGO) capital spending and increased transfers to SUNY for transformational initiatives at campuses that support innovation, help meet workforce needs, and provide student support; partially offset by lower Health Care Transformation and Dedicated Mass Transportation Trust Fund transfers.

FY 2024 Closing Balance

Excluding the PTET[11] reserve for the timing of PTET/PIT credits and the reserve for extraordinary monetary settlements to fund existing commitments and projects, DOB projects the State will end FY 2024 with a General Fund cash balance of $25.9 billion, a decrease of $1.6 billion from FY 2023. The reserves for debt management and labor settlements are projected to increase by just over $1 billion. The balance available for all other purposes is expected to decline due to the planned use of prior year resources to fund certain commitments and operations in FY 2024.

[11] Starting in FY 2022, the General Fund balance is affected by the PTET program. Please see the description under the heading “PTET Financial Plan Impact” for more information.

Negotiated Changes to the Executive Budget

The following table summarizes the negotiated additions, restorations, modifications, and revisions to the FY 2024 Executive Budget proposal.

CHANGES TO THE EXECUTIVE BUDGET FINANCIAL PLAN
GENERAL FUND
(millions of dollars)

	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
EXECUTIVE BUDGET SURPLUS/(GAP) ESTIMATE	**0**	**(5,079)**	**(8,597)**	**(7,159)**
TAX RECEIPTS[1]	**(5,623)**	**(5,291)**	**(5,399)**	**(5,818)**
NEGOTIATED CHANGES	**0**	**(1,090)**	**(1,248)**	**(1,589)**
Spending Restorations/Adds	**(1,939)**	**(1,205)**	**(1,265)**	**(1,597)**
New Spending Adds:	(1,735)	(903)	(941)	(1,020)
Rent Arrears	(391)	0	0	0
University System Operating Assistance	(197)	(230)	(308)	(330)
Additional 1.5% Human Services COLA (4% Total)	(121)	(121)	(121)	(121)
Discovery and Defense Aid Support	(120)	(120)	(120)	(120)
18-b Assigned Counsel (County Assistance)	(92)	(92)	0	0
School Lunch Expansion	(80)	(134)	(134)	(134)
Minimum Wage	(14)	(45)	(93)	(158)
Legislative Table Adds	(390)	(24)	0	0
All Other	(330)	(137)	(165)	(157)
Medicaid	(187)	(256)	(278)	(531)
Distressed Hospital Assistance	(500)	0	0	0
NYC/County Assistance (eFMAP)	(405)	(270)	0	0
Additional Hospital/Nursing Home Rate Increases	(232)	(232)	(232)	(232)
Minimum Wage/Home Care Wages	44	(269)	(512)	(806)
Other Adds/Resources	906	515	466	507
Restorations/Modifications:	(17)	(46)	(46)	(46)
Committee on Special Education	0	(29)	(29)	(29)
Market Based Interest Rate on Judgments	(3)	(3)	(3)	(3)
All Other	(14)	(14)	(14)	(14)
Tax Law/Receipts Changes	**97**	**1**	**(5)**	**(14)**
Not Accepted:	105	200	192	183
Flavored Tobacco Ban Rejection	116	222	214	205
Eliminate Quick Draw Restrictions	(11)	(22)	(22)	(22)
Modified/New:	(8)	(199)	(197)	(197)
ESCC Expansion to Children Ages 0-4	0	(179)	(179)	(179)
All Other	(8)	(20)	(18)	(18)
AVAILABLE RESOURCES/OFFSETS	**1,842**	**114**	**22**	**22**
Consensus Revenue Reserve	800	0	0	0
Prior Year Fund Balance	491	0	0	0
Transaction Risk Reserve	437	0	0	0
Indigent Legal Services Fund Offset	114	114	22	22
RESOURCES/FORECAST REVISIONS	**5,623**	**2,405**	**1,371**	**1,128**
Investment Income	1,400	550	200	0
All Other Forecast/Cost Revisions	822	679	920	1,103
FY 2023 Prepayments	1,030	550	0	0
Capital Advances	376	376	376	0
Prior Year Fund Balances	445	0	0	0
Federal Offsets	800	0	0	0
Retiree Health Reserve Deposits	375	375	0	150
Health Care Transformation Reserve	375	(125)	(125)	(125)
ENACTED BUDGET SURPLUS/(GAP) ESTIMATE	**0**	**(9,055)**	**(13,873)**	**(13,438)**

[1] Excludes the impact of the Pass Through Entity Tax program, which is expected to have no net Financial Plan impact across fiscal years.

Cash Flow

State Finance Law authorizes the General Fund to borrow money temporarily from available funds held in the Short-Term Investment Pool (STIP). Loans to the General Fund are limited to a term not to exceed four months or the end of the fiscal year, whichever is shorter. The resources that can be borrowed by the General Fund are limited to available balances in STIP, as determined by the State Comptroller. Available balances include money in the State's governmental funds and a relatively small amount of other money belonging to the State that is held in internal service and enterprise funds, as well as certain agency funds. Several accounts in Debt Service Funds and Capital Projects Funds that are part of All Governmental Funds are excluded from the balances deemed available in STIP. These excluded funds consist of bond proceeds and money obligated for debt service payments.

The FY 2024 Enacted Budget continues to authorize short-term financing for liquidity purposes during the fiscal year. In doing so, it provides a tool to help the State manage cashflow, if needed, and more effectively deploy resources. Specifically, the authorization allows for the issuance of up to $3 billion of PIT revenue anticipation notes which mature no later than March 31, 2024. It also allows the State to obtain up to $1 billion in line of credit facilities, which may be drawn through March 31, 2024, subject to available appropriation. Neither authorization allows borrowed amounts to be extended or refinanced beyond their initial maturity. The Financial Plan does not assume the use of short-term financing for liquidity purposes during FY 2024. DOB evaluates cash results regularly and may adjust the use of notes and/or the line of credit based on liquidity needs, market considerations, and other factors.

The State continues to reserve money on a quarterly basis for debt service payments financed with General Fund resources. Money to pay debt service on bonds secured by dedicated receipts, including PIT bonds and Sales Tax Revenue bonds, continues to be set aside as required by law and bond covenants.

FY 2024 PROJECTED MONTH-END CASH BALANCES APRIL (ACTUALS)/MAY THROUGH MARCH (PROJECTED) (millions of dollars)	General Fund	Other Funds	All Funds
April 2023	46,939	24,949	71,888
May 2023	40,411	23,062	63,473
June 2023	42,860	24,658	67,518
July 2023	42,403	24,491	66,894
August 2023	42,214	24,157	66,371
September 2023	44,993	22,160	67,153
October 2023	42,264	21,314	63,578
November 2023	39,225	20,361	59,586
December 2023	43,131	21,539	64,670
January 2024	44,528	21,347	65,875
February 2024	42,491	21,515	64,006
March 2024	39,537	19,960	59,497

PTET Financial Plan Impact

The U.S. Department of the Treasury (Treasury) and the Internal Revenue Service (IRS) have determined that State and local income taxes imposed on and paid by a partnership or an S corporation on its income, such as the PTET, are allowable as a Federal deduction to taxable income. In November 2020, the IRS released Notice 2020-75, which announced that the Treasury and IRS intend to issue clarifying regulations with respect to such pass-through taxes.

As part of the State's continuing response to Federal tax law changes, legislation was enacted in FY 2022 to allow an optional PTET on the New York-sourced income of partnerships and S corporations. Qualifying entities that elect to pay PTET pay a tax of up to 10.9 percent on their taxable income at the partnership or corporation level, and their individual partners, members and shareholders receive a refundable PIT credit equal to the proportionate or pro rata share of taxes paid by the electing entity. Additionally, the program includes a resident tax credit that allows for reciprocity with other states that have implemented substantially similar taxes, which currently include Connecticut and New Jersey.

DOB expects that the PTET will, on a multi-year basis, be revenue neutral for the State. However, because the PTET credits are not necessarily realized by taxpayers within the same fiscal year that PTET revenue is received by the State, the PTET will not be revenue-neutral to the State within each fiscal year. The Financial Plan includes an estimate for PTET within business taxes and the corresponding decrease in PIT receipts. It is expected that the tax benefit accompanying the PTET program will end in 2025 due to the scheduled expiration of the SALT deduction cap under current Federal law. Therefore, the estimates in the Financial Plan reflect the likelihood that entities cease to participate in the later years of the Financial Plan period.

The table below displays the impact of the PTET program on the General Fund. The PTET estimates are excluded from certain tabular presentations in the Financial Plan due to the size of the impact on specific financial plan categories and because the financial plan impact is expected to be neutral on a multi-year basis. Tables that exclude PTET are noted.

FY 2024 ENACTED BUDGET
GENERAL FUND IMPACT OF THE PASS THROUGH ENTITY TAX
SAVINGS/(COSTS)
(millions of dollars)

	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
General Fund Impact	0	0	0	0	0	0
Tax Receipts[1]	16,430	(2,072)	(1,896)	(424)	(3,023)	(9,013)
PIT Credits	0	(17,016)	(14,936)	(13,064)	(12,339)	(7,845)
PTET Collections (Business Taxes)	16,430	14,944	13,040	12,640	9,316	(1,168)
Use of/(Deposit to) Reserve for PTET Refunds	(16,430)	2,072	1,896	424	3,023	9,013

[1] The impact of the PTET on Revenue Bond Tax Fund (RBTF) receipts is 50 percent of the impact on Tax Receipts.

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In December 2021, electing entities began making estimated PTET payments that were classified as business taxes and totaled $16.4 billion in FY 2022. The entire amount was set aside for purposes of offsetting the decrease in PIT receipts in FY 2023 and beyond. The accompanying tax credits result in decreased PIT collections beginning in April 2022. In FY 2024, the State expects to continue to collect PTET and pay PIT credits connected with the program for tax years 2021 through 2023. A portion of the reserve balance will cover the difference between PTET collections and related PIT credits.

FY 2023 PIT collections were reduced by an estimated $17.0 billion due to PTET credits and All Funds receipts were reduced by a net $2.1 billion, due to timing. PIT credits may be claimed on the tax return in the following fiscal year, or they can be reflected sooner through reductions in estimated payments. In tax year 2021, taxpayers could not reduce their current estimated PIT payments for PTET, because enrollment in the PTET was not completed until late 2021 and affected taxpayers were not statutorily authorized to do so. Taxpayers recognized a substantial portion of PTET PIT credits through current estimated payments beginning tax year 2022 and are expected to continue this behavior in future years. FY 2023 PIT collections were reduced by credits for most tax year 2021 PTET collections (through extensions and refunds) and a portion of tax year 2022 PTET collections (through reductions in current estimated PIT payments).

FY 2024 State Operating Funds Spending

STATE OPERATING FUNDS DISBURSEMENTS FY 2023 TO FY 2024 (millions of dollars)	FY 2023 Actuals	FY 2024 Projected	Annual Change $	Annual Change %
ASSISTANCE AND GRANTS	**81,877**	**91,558**	**9,681**	**11.8%**
School Aid (School Year Basis)	31,383	34,414	3,031	9.7%
DOH Medicaid	25,468	27,253	1,785	7.0%
Mental Hygiene (Gross)[1]	5,168	6,167	999	19.3%
Transportation	4,569	5,249	680	14.9%
Social Services	4,997	4,890	(107)	-2.1%
Higher Education	2,876	3,141	265	9.2%
Other Education	2,255	2,560	305	13.5%
All Other[2]	5,161	7,884	2,723	52.8%
STATE OPERATIONS/GENERAL STATE CHARGES	**31,393**	**30,875**	**(518)**	**-1.7%**
State Operations	21,190	22,071	881	4.2%
Executive Agencies	11,548	11,598	50	0.4%
University Systems	6,926	7,537	611	8.8%
Elected Officials	2,716	2,936	220	8.1%
General State Charges	10,203	8,804	(1,399)	-13.7%
Pension Contribution	2,045	2,131	86	4.2%
Health Insurance	6,003	4,845	(1,158)	-19.3%
Other Fringe Benefits/Fixed Costs	2,155	1,828	(327)	-15.2%
DEBT SERVICE	**10,481**	**2,898**	**(7,583)**	**-72.3%**
TOTAL STATE OPERATING FUNDS	**123,751**	**125,331**	**1,580**	**1.3%**
Capital Projects (State and Federal Funds)	**14,024**	**17,211**	**3,187**	**22.7%**
Federal Operating Aid	**82,687**	**86,471**	**3,784**	**4.6%**
TOTAL ALL GOVERNMENTAL FUNDS	**220,462**	**229,013**	**8,551**	**3.9%**

[1] Reflects mental hygiene spending with no adjustments for costs reported under the Medicaid Global Cap and/or OPWDD-related local share expenses that will be funded outside of the DOH Global Cap.

[2] All Other includes spending for certain recovery initiatives; reclassifications between financial plan categories; a reconciliation between school year and State fiscal year spending for School Aid; reconciliation for the net impact of the Mental Hygiene Stabilization Fund and OPWDD Local Share Adjustments related to the Medicaid Global Cap and various other functions.

State Operating Funds encompass the General Fund and a wide range of State activities funded from revenue sources outside the General Fund, including dedicated tax revenues, tuition, income, fees, and assessments. Activities funded with these dedicated revenue sources often have no direct bearing on the State's ability to maintain a balanced budget in the General Fund but are captured in State Operating Funds.

Assistance and Grants

Approximately two-thirds of State spending is for assistance and grants that includes payments to local governments, school districts, health care providers, managed care organizations, and other entities, as well as financial assistance to, or on behalf of, individuals, families, and not-for-profit organizations. School Aid and Medicaid account for more than half of assistance and grants spending.

Over the past two years, assistance and grants funding has included a significant amount of spending for pandemic recovery initiatives, which support time-limited programs including the Emergency Rental Assistance Program (ERAP), the Landlord Rental Assistance Program (LRAP), assistance to excluded workers, small business assistance, funding for hospitals that are experiencing financial distress as a result of the COVID-19 pandemic, public utility arrears assistance, Healthcare/Direct Care Worker Bonuses, and other targeted initiatives. Most of the one-time assistance was exhausted in FY 2023.

School Aid spending for SY 2024 is estimated at $34.4 billion, excluding Federal prekindergarten grants, representing an annual increase of $3.0 billion (9.7 percent). This annual growth is primarily driven by increased funding for Foundation Aid ($2.6 billion), expense-based reimbursement programs ($225 million), and the expansion of State-funded full-day prekindergarten programming for four-year-old children ($150 million). The growth in Foundation Aid reflects the full funding of the current formula for the first time in its history, marking the final year of the three-year phase-in, and a minimum 3 percent annual increase to fully funded districts that would otherwise not receive a Foundation Aid increase under current law.

Department of Health (DOH) Medicaid assistance and grants spending, excluding the effect of the temporary eFMAP, is estimated at $27.3 billion in FY 2024, an annual increase of 7.0 percent. Medicaid costs reported under the Global Cap are projected to increase by $1.4 billion, consistent with the updated growth index. Higher spending is attributable to enrollment and medical cost inflation, increased rates to nursing homes, increased homecare wages, expanded access to health coverage, and higher provider reimbursements. The remaining growth is attributable to costs reported outside the Global Cap and is mainly driven by minimum wage for health care providers ($190 million) and financial relief to counties and New York City associated with full coverage of the local share of spending growth ($182 million). A portion of Medicaid-related expenses of Office for People with Developmental Disabilities (OPWDD) will be funded outside of the DOH Global Cap to provide spending room for healthcare worker bonus payments and other initiatives.

State Medicaid spending is also affected by the Federal government's increased share of Medicaid funding through eFMAP. Beginning January 1, 2020, the Federal government increased its share by 6.2 percent, which will be phased out by the end of the 2023 calendar year. Beginning April 1, 2023, eFMAP is reduced for each of the three quarters to 5 percent through June 30, 2.5 percent through September 30, and 1.5 percent through December 31. The estimated State benefit of the eFMAP in FY 2023 and FY 2024 is $3.7 billion and $1.6 billion, respectively. State share savings from eFMAP have and continue to be used to offset increased costs associated with persistently elevated COVID related enrollment, asylum seekers services and assistance, and lost Medicaid Redesign Team II (MRT II) savings due to Federal restrictions regarding program restructuring while the eFMAP remained in place. These costs and most of the eFMAP are outside of the Global Cap and are funded through the Mental Hygiene Stabilization Fund.

Mental Hygiene spending growth provides increased support for targeted investments in services to ensure individuals with developmental disabilities, mental illness, substance use disorders and problem gambling have appropriate access to care. The increases include continued support for prior year initiatives, such as implementation of the nationwide 988 Suicide and Crisis Lifeline, OPWDD housing subsidy enhancements, and Office of Mental Health (OMH) residential investments. Additional funding is included for a 4 percent human services COLA, new costs associated with indexing the minimum wage to inflation, establishing and operating 3,500 new OMH residential units, increased support for youth suicide prevention programs and other evidence-based programs serving children, and enhanced mental health services in schools.

Spending for transportation is projected to increase significantly due to one-time funding to the MTA to address extraordinary financial impacts resulting from the pandemic ($305 million, of which $5 million is dedicated to the MTA's Outer Borough Transit Account), increases to upstate transit operating aid and forecasted increases in dedicated receipts that are collected by the State and remitted to the various transit systems. Including one-time aid, total year to year increases are expected to provide an additional $581 million to the MTA, $33 million for non-MTA downstate transit systems, and $38 million for upstate transit systems. The remaining increases reflect a new Innovative Mobility Initiative for non-MTA transit systems and funding for the State share of operating costs for the Gateway Development Commission.

Social Services increases include funding for services and assistance to New York City for asylum seekers in FY 2024, emergency rental assistance and landlord aid programs including legal services for tenants facing eviction, increases in child care assistance due to an expanded subsidy eligibility, increased reimbursement for child care providers and their workforce, and the creation of an employer-supported child care pilot program. Other Social Services actions include investments in permanency resource centers and kinship services, the consolidation of the Empire State and Advantage Afterschool programs under OCFS, assistance for foster care agencies adapting to Federal requirements, the indexing of the minimum wage and a 4 percent COLA for the human services workforce. There is also increased funding for Code Blue, New York's emergency weather safety plan, and increases in the Empire State Supportive Housing Initiative (ESSHI). Payments for the child welfare program will continue to support local districts' services and the year-to-year decline in such spending is attributable to the timing of such payments.

Higher education spending is projected to grow by 9.2 percent in FY 2024, primarily reflecting estimated increases in spending for student financial aid programs, including the continued expansion of Tuition Assistance Program (TAP) for part-time students in degree-granting programs as well as students enrolled in nondegree workforce credentialing programs at public institutions, and increased operating support for CUNY senior colleges.

Increased funding for other education programs largely reflects the continued impact of an 11 percent SY 2023 COLA for special education program tuition rates and the return of enrollment in such programs to pre-pandemic levels, and a new State-funded initiative to incentivize qualifying low-income public and nonpublic schools to participate in the CEP program, allowing all students in those schools to eat breakfast and lunch at no charge regardless of their families' income.

Other assistance and grants spending growth includes additional funding for energy affordability; and criminal justice programs including: Aid to Prosecution, Aid to Defense, ATI, GIVE programs, pretrial services, discovery reform funding, and anti-Fentanyl innovation grant funding. The FY 2024 Enacted Budget also provides additional funding for immigration legal services and combating biased based crimes. This increased spending is more than offset by time-limited pandemic recovery initiatives including small business assistance, public utility arrears assistance, and one time funding for the Office of Cannabis Management Social Equity Fund and World University Games.

State Operations/GSCs

Operating costs for State agencies include salaries, wages, fringe benefits, and Non-Personal Service (NPS) costs (e.g., supplies, utilities) and comprise about a quarter of State Operating Funds spending.

Operational spending for executive agencies is affected by the timing of Federal reimbursement for prior year State costs incurred for pandemic response and recovery efforts; and the payment of salary increases pursuant to existing contracts, including retroactive salary increases. FY 2024 spending growth includes increased spending to support asylum seekers services and assistance efforts, State Police recruiting classes, lead abatement, the opening of new inpatient beds in State-operated Psychiatric Centers, and additional enforcement to curb the illegal sale of cannabis.

University systems spending growth in FY 2024 reflects expected State payments related to the establishment of a $500 million program to match new philanthropic contributions to the endowments of SUNY's university centers. Among other purposes, the earnings on these funds will provide long-term support for campus operations, student scholarships, endowed professorships, innovative research, and the development of new academic fields. It also includes a one-time investment of $75 million for transformational initiatives across all SUNY campuses that support innovation, help meet the workforce needs of the future, and provide needed supports to students. In addition, the Financial Plan includes $120 million in new recurring operating aid support for SUNY State-operated campuses in FY 2024.

The operating costs for the offices of independently elected officials (Attorney General, Comptroller, Judiciary, and Legislature) are projected to increase by a combined $220 million (8.1 percent). The increase is primarily due to planned increases for personnel and contract costs. The FY 2024 Enacted Budget also increases the assigned counsel rate for attorneys providing services to indigent persons.

The decline in GSCs spending is primarily attributable to a payment into the State's Retiree Health Insurance Trust Fund of $920 million in FY 2023. Additionally, at the end of FY 2023, the State made certain prepayments of the Workers' Compensation and Health insurance obligations for FY 2024. These one-time non-recurring payments in FY 2023 partially offset the cost increases for health insurance and workers' compensation claims, driven by medical cost inflation and increases in the average weekly wage.

OTHER MATTERS AFFECTING THE FINANCIAL PLAN

General

This section is intended to provide readers with information on certain fiscal pressures, processes, and recent developments that may have financial plan implications and may not otherwise be described or detailed elsewhere. The emphasis is on risks to financial projections and management, but it also includes other information to provide context for the State's financial operations more broadly. This section includes information on the following topics:

- Financial Plan Projections
- Federal Risks
- Major Operating Programs
- State Labor Force
- Pension Contributions
- State Debt
- Localities and Authorities
- Other Risks and Ongoing Concerns

Financial Plan Projections

The Financial Plan is subject to economic, social, financial, political, public health, and environmental risks and uncertainties, many of which are outside the ability of the State to predict or control. The projections of receipts and disbursements in the Financial Plan are based on reasonable assumptions at the time they were prepared. DOB is unable to provide any assurance that actual results will not differ materially and adversely from these projections.

Receipts. State tax collections are economically sensitive and are affected by the condition of the State and national economies. Uncertainties and risks that may affect the economic and receipts forecasts include, but are not limited to: national and international events; inflation; consumer confidence; commodity prices; supply chain disruptions; major terrorist events; hostilities or war; climate change and extreme weather events; severe epidemic or pandemic events; cybersecurity events; Federal laws and regulations; financial sector compensation; capital gains; and monetary policy affecting interest rates and the financial markets.

The forecast of non-tax receipts and other available resources assumes various transactions will occur as planned, including, but not limited to: receipt of Federal aid as projected; certain payments from public authorities; revenue sharing payments under the Tribal-State Compacts and transfer of available fund balances to the General Fund.

Disbursements. Projections and timing of disbursements is subject to many of the same risks listed above for receipts, as well as assumptions which may have additional risks including, but not limited to: the level of wage and benefit increases for State employees; changes in the size of the State's workforce; factors affecting the State's required pension fund contributions; the availability of Federal reimbursement, including Federal COVID-19 emergency assistance; the receipt of Federal approvals necessary to implement the Medicaid savings actions; unanticipated growth in public assistance programs; the ability of the State to implement cost reduction initiatives, including reductions in State agency operations, when established, and the success with which the State controls expenditures; and the ability of the State and its public authorities to issue securities successfully in public credit markets. Some of these issues are described in more detail herein.

Litigation Risk. The Financial Plan forecast is subject to litigation risk. Litigation against the State may challenge the constitutionality of various actions with fiscal implications. Furthermore, certain adverse decisions may not meet the materiality threshold to warrant a description herein but, in the aggregate, could still negatively affect the Financial Plan.

Financial Plan Management. In developing the Financial Plan, DOB attempts to mitigate financial risks, with an emphasis on the General Fund. It does this by, among other things, exercising caution when calculating total General Fund disbursements and managing the accumulation of financial resources. Such resources include but are not limited to: fund balances that are not needed each year, reimbursement for capital advances, and prepayment of expenses subject to available resources, to maintain budget flexibility. DOB routinely executes cash management actions to manage the State's large and complex budget. These actions are intended to improve the State's cash flow, manage resources within and across State fiscal years, adhere to spending targets, and better position the State to address unanticipated costs, including economic downturns, revenue deterioration, and unplanned expenditures. There is no guarantee that such financial resources or cash management actions will be sufficient to address risks that may materialize in a given fiscal year.

In addition, there can be no assurance that the State's financial position will not change materially and adversely from current projections. If this were to occur, the State may be required to take additional gap-closing actions. Such actions may include, but are not limited to, reductions in State agency operations; delays or reductions in payments to local governments or other recipients of State aid; delays in or suspension of capital maintenance and construction; extraordinary financing of operating expenses; and use of non-recurring resources. In some cases, the ability of the State to implement such actions requires the approval of the Legislature and cannot be implemented solely by the Governor.

Federal Risks

The amount and composition of Federal funds received by the State have changed over time because of legislative and regulatory actions at the Federal level and will likely continue to change. The Financial Plan may also be adversely affected by other Federal government actions including audits, disallowances, changes to Federal participation rates or other Medicaid rules, and discretionary spending reductions. Any significant reductions in Federal aid could have a materially adverse impact on the Financial Plan. Health care and human services are the notable areas for potential changes in Federal funding.

Medicaid. Federal funding for Medicaid is subject to review by CMS every five years and is currently extended through March 31, 2027, which supports the Medicaid Managed Care Programs, Children's Home and Community Based Services (HCBS), and self-direction of personal care services.

In September 2022, the State requested $13.5 billion in new Federal Medicaid funding to address health disparities exacerbated by the COVID-19 pandemic. If approved by CMS, the funding would be available over a five-year term and would help support social, physical and behavioral health care services throughout the State. The qualification, however, is that this request may require additional State resources to draw down funding, as the State may be unable to identify sufficient Designated State Healthcare Programs (DSHP) to match the full Federal allocation. Fiscally, the request could also be scaled to the size of existing funding match and/or new State resources could be made available.

Federal Debt Limit. Periodically, Congress needs to act to increase or suspend the debt limit to avoid delaying payments and/or defaulting on debt obligations. A Federal government default on payments, particularly for a prolonged period, could have a materially adverse effect on national and state economies, financial markets, and intergovernmental aid payments. Specific effects on the Financial Plan resulting from a future Federal government default are unknown and impossible to predict. However, data from past economic downturns suggests that the State's revenue loss could be substantial if there was an economic downturn due to a Federal default.

A payment default by the Federal government may also adversely affect the municipal bond market. Municipal issuers, including the State and its public authorities and localities, could face higher borrowing costs and impaired access to capital markets. This would jeopardize planned capital investments and projects. Additionally, the market for and market value of outstanding municipal obligations, including municipal obligations of the State and its public authorities, could be adversely affected.

Federal Tax Law Changes. The Tax Cuts and Jobs Act of 2017 (TCJA) made major changes to the Federal Internal Revenue Code, most of which were effective in tax year 2018. The TCJA made extensive changes to Federal PIT, corporate income taxes, and estate taxes. One key impact of the TCJA on New York State taxpayers is the $10,000 limit on the deductibility of SALT payments, which, until its scheduled expiration after 2025, represents a large increase in the State's effective tax rate relative to historical experience. The Financial Plan estimates of tax receipts assume the SALT deduction cap is not extended or modified after 2025.

Major Operating Programs

Statutory Growth Caps for School Aid and Medicaid

In FY 2012, the State began utilizing spending growth caps intended to limit the year-to-year growth in the State's two largest assistance and grants programs, School Aid and Medicaid.

School Aid. The School Aid growth cap is intended to limit the growth in School Aid to the annual growth in State Personal Income, as calculated in the Personal Income Growth Index (PIGI). The statutory PIGI for School Aid limits School Aid increases to no more than the average annual income growth over a ten-year period. In certain years, the authorized School Aid increases exceeded the indexed levels. The SY 2024 increase of $3.0 billion (9.7 percent) is above the indexed PIGI rate of 4.2 percent. In SY 2025 and beyond, School Aid is projected to increase in line with the rate allowed under the School Aid growth cap.

Medicaid. Over 80 percent of DOH State Funds Medicaid spending growth is subject to the Global Cap. Prior to FY 2023, the Global Cap was previously calculated using the ten-year rolling average of the medical component of the consumer price index (CPI) for all urban consumers and thus allowed for growth attributable to increasing costs, though not increasing utilization. To accommodate growth in factors not indexed under the prior Global Cap, beginning in FY 2023, the allowable spending growth for activities under the Global Cap is set at the five-year rolling average of health care spending, using projections from the CMS Actuary. The FY 2024 Enacted Budget incorporates multi-year revisions to the index consistent with updated CMS Actuary projections issued on March 28, 2022.

The statutory provisions of the Global Cap grant the Commissioner of Health (the "Commissioner") certain powers to limit Medicaid disbursements to the level authorized by the Global Cap and allow for flexibility in adjusting Medicaid projections to meet unanticipated costs resulting from a disaster. The Commissioner's powers are intended to limit the annual growth rate to the levels set by the Global Cap for the then-current fiscal year, through actions which may include reducing reimbursement rates to providers. These actions may be dependent upon timely Federal approvals and other elements of the program that govern implementation. Additional State share Medicaid spending, outside of the Global Cap, includes State costs for the takeover of Medicaid growth from local governments and reimbursement to providers for increased minimum wage costs. It should be further noted that General Fund Medicaid spending remains sensitive to revenue performance in the State's HCRA fund that finances approximately one-quarter of DOH State-share Medicaid costs.

Since the enactment of the Global Cap, the portion of actual State Funds Medicaid spending subject to the Global Cap has remained at or below indexed levels. However, in certain fiscal years, DOH has taken management actions, including adjustments to the timing of Medicaid payments consistent with contractual terms, to ensure compliance with the Global Cap.

Public Health Insurance Programs/Public Assistance

Historically, the State has experienced growth in Medicaid enrollment and public assistance caseloads during economic downturns due mainly to increases in unemployment. Many people who were laid off or otherwise experienced a decrease in family income in 2020 and 2021 due to the COVID-19 pandemic became qualifying enrollees and began to participate in public health insurance programs such as Medicaid, EP, and CHP. Participants in these programs remain eligible for coverage for 12 continuous months regardless of changes in employment or income levels that may otherwise make them ineligible. Estimated costs for increased enrollment are budgeted in the Financial Plan through FY 2025. Beginning in June of 2023, the State will begin reprocessing eligibility determinations for approximately 9 million public health insurance enrollees to be completed over a fourteen-month period, consistent with CMS requirements.

Currently, only non-citizens with certain immigration statuses are eligible for Federal and/or State benefits, including those "Permanently Residing Under Color of Law" (PRUCOL). While the term PRUCOL is not an immigration status, it is a public benefit category used by the Office of Temporary and Disability Assistance (OTDA) for the purposes of determining eligibility for Safety Net Assistance (SNA) and by DOH for determining which non-citizens may be eligible for Medicaid. Administrative actions are being taken to align the OTDA and DOH definitions of PRUCOL. As a result, more households may be eligible for SNA, increasing State costs.

Extraordinary Aid to Hospitals

The pandemic further stressed the financial stability of hospitals responsible for supporting medical needs in underserved communities across the State, including those with higher rates of uninsured individuals and government payor mix. Accordingly, the FY 2024 Enacted Budget commits an additional $500 million in one-time resources in FY 2024, in addition to $984 million in ongoing annual base support, to strengthen the financial position of certain financially distressed providers. The importance of the hospital industry to local communities for purposes of accessing critical health care services, as well as other social and economic benefits, creates the potential for increased cost pressure within the Financial Plan should the State continue to assist hospitals.

Opioid Settlement Fund

The Attorney General (AG) and Department of Financial Services (DFS) have reached significant opioid related settlements with several corporations for their roles in helping fuel the opioid epidemic. As a result of the settlements, the State and its subdivisions are expected to receive payments over multiple years extending through 2040 which total more than $2.6 billion. A portion of this total will be paid directly to localities under the terms of the settlements, with the remainder paid to the State. The Financial Plan will be updated pending confirmation of the timing and value of the settlements the State will receive.

The State's share of these settlements will be deposited into the Opioid Settlement Fund pursuant to Chapter 190 of the Laws of 2021, as amended by Chapter 171 of the Laws of 2022. Money within the Opioid Settlement Fund will be used to supplement funding for substance use disorder prevention, treatment, recovery, and harm reduction services or programs and/or for payment to local governments pursuant to such settlements or judgments.

Money in the Opioid Settlement Fund must be kept separate and not commingled with any other funds and may only be expended following an appropriation consistent with State statute and the terms of any applicable statewide opioid settlement agreement. Detailed descriptions of prior settlements are available in previous Financial Plan publications.

State Labor Force

Labor Negotiations and Agreements

The State negotiates multi-year collective bargaining agreements with its unionized workforce that impact personal service and fringe benefit costs. The State's agreement with the Civil Service Employees Association (CSEA) extends through FY 2026, but all other contracts are now expired.

The State has commenced labor negotiations with several unions for successor contracts; however, there can be no assurance that amounts informally reserved in the Financial Plan for labor settlements and agency operations will be sufficient to fund the cost of future labor contracts.

UNION LABOR CONTRACTS

	Contract Period	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
CSEA	FY 2022 - FY 2026	2%	2%	2%	2%	2%	2%	2%	3%	3%	3%
DC-37	FY 2022 - FY 2023	2%	2%	2%	2%	2%	2%	2%	TBD	TBD	TBD
GSEU	AY 2020 - AY 2023	2%	2%	2%	2%	2%	2%	2%	TBD	TBD	TBD
PBANYS	FY 2020 - FY 2023	2%	2%	2%	2%	2%	2%	2%	TBD	TBD	TBD
PEF	FY 2020 - FY 2023	2%	2%	2%	2%	2%	2%	2%	TBD	TBD	TBD
NYSTPBA	FY 2019 - FY 2023	1.5%	1.5%	2%	2%	2%	2%	2%	TBD	TBD	TBD
NYSPIA	FY 2019 - FY 2023	1.5%	1.5%	2%	2%	2%	2%	2%	TBD	TBD	TBD
CUNY	AY 2018 - AY 2023	2%	1.5%	2%	2%	2%	2%	2%	TBD	TBD	TBD
Council 82	FY 2017 - FY 2023	2%	2%	2%	2%	2%	2%	2%	TBD	TBD	TBD
NYSCOPBA	FY 2017 - FY 2023	2%	2%	2%	2%	2%	2%	2%	TBD	TBD	TBD
UUP	AY 2017 - AY 2022	2%	2%	2%	2%	2%	2%	TBD	TBD	TBD	TBD

The State recently reached tentative agreements with PEF and UUP. Both agreements are subject to ratification by the respective membership of each union. The agreement with PEF runs from FY 2024 to FY 2026 and would provide 3 percent across the board salary increases for each year of the contract and a $3,000 bonus in FY 2024. The agreement with UUP runs from FY 2023 to FY 2026 and would provide a 2 percent across the board salary increase in FY 2023 and 3 percent across the board salary increases from FY 2024 to FY 2026. The tentative agreement with UUP would also provide a $1,500 bonus to employees in FY 2025 and FY 2026. If these tentative agreements are ratified, this table will be revised accordingly in future updates.

The Judiciary has contracts in place with all 12 unions represented within its workforce, which include CSEA; the New York State Supreme Court Officers Association, the New York State Court Officers Association and the Court Clerks Association; and eight other unions. These contracts cover a five-year period from FY 2022 through FY 2026 with terms consistent with the CSEA agreement.

Pension Contributions[12]

Overview

The State makes annual contributions to the New York State and Local Retirement System (NYSLRS) for employees in the New York State and Local Employees' Retirement Systems (ERS) and the New York State and Local Police and Fire Retirement System (PFRS). This section discusses contributions from the State, including the Judiciary, to the NYSLRS, which account for the majority of the State's pension costs.[13] All projections are based on estimated market returns and numerous actuarial assumptions which, if unrealized, could have a materially adverse effect on these projections.

New York State Retirement and Social Security Law (RSSL) Section 11 directs the actuary for NYSLRS to provide regular reports on the Systems' experience and to propose assumptions and methods for the actuarial valuations. Employer contribution rates for NYSLRS are determined based on investment performance in the Common Retirement Fund and actuarial assumptions recommended by the Retirement System's Actuary and approved by the State Comptroller. Pension estimates are based on the actuarial report issued in August 2022.

On September 1, 2022, the Comptroller announced an increase in employer contribution rates for both ERS and PFRS which will impact payments in FY 2024. The average employer contribution rate for ERS increased from 11.6 percent to 13.1 percent of payroll, and the average employer contribution rate for PFRS increased from 27 percent to 27.8 percent of payroll. The increase in rates was primarily attributed to salary increases for active members and a 3 percent COLA increase to most retirees' pension benefits. State law requires that COLA payments be calculated based on 50 percent of the annual rate of inflation, as measured at the end of the State fiscal year (March 31). The annual COLA increase is required to be at least 1 percent, but no more than 3 percent, and is applied to the first $18,000 of a retiree's pension.

In addition to the change in contribution rates, the Comptroller authorized a change in the asset smoothing methodology from five to eight years. Asset smoothing is used to mitigate the impact to employer contribution rates as a result of any unexpected gains or losses in annual investment returns. This is achieved by recognizing any deviation from the assumed rate of return, currently at 5.9 percent, in equal proportions. Increasing the asset smoothing methodology from five to eight years will dampen the effects of year-to-year volatility in the Common Retirement Fund's returns and the impact on employer rates.

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[12] The information contained under this heading was prepared solely by DOB and reflects the budgetary aspects of pension amortization. The information that appears later in this AIS under the section entitled "State Retirement System" was furnished solely by OSC.

[13] The State's aggregate pension costs also include State employees in the Teachers' Retirement System (TRS) for both the SUNY and the State Education Department (SED), the Optional Retirement Program (ORP) for both SUNY and SED, and the New York State Voluntary Defined Contribution Plan (VDC).

The Financial Plan reflects the actuarial changes approved by the Comptroller, including revised ERS/PFRS pension estimates of $1.9 billion for FY 2024 based on the February 2023 estimate provided by the Actuary. Approximately $77 million in pension interest savings was achieved from the payment of the State's FY 2024 ERS/PFRS bill in May 2023.

The FY 2024 Enacted Budget included legislation that modified the requirements when awarding an accidental disability benefit when the disability was related to the heart for all NYSLRS members. Furthermore, it enhanced the death and disability benefit paid to PFRS members in the event of incapacity or death due to heart disease. The Financial Plan reflects the cost to the changes which are estimated to be $14.6 million in FY 2024 and approximately $2.1 million annually thereafter.

The Comptroller does not forecast pension liability estimates for the later years of the Financial Plan. Thus, estimates for FY 2025 and beyond are developed by DOB. DOB's forecast assumes growth in the salary base consistent with collective bargaining agreements and a lower rate of return compared to the current assumed rate of return by NYSLRS.

Contribution Stabilization Program

Under legislation enacted in August 2010, the State and local governments may amortize (defer paying) a portion of their annual pension costs. Amortization temporarily reduces the pension costs that must be paid by public employers in a given fiscal year but results in higher costs overall when repaid with interest. The full amount of each amortization must be repaid within ten years at a fixed interest rate determined by OSC. The State and local governments are required to begin repayment on new amortizations in the fiscal year immediately following the year in which the amortization was initiated. The State currently has no outstanding pension amortization liability. The FY 2024 Enacted Budget included legislation to allow public employers the option to terminate participation in the program provided they have paid in full all prior year amortizations. The State currently has no plans to withdraw from the program.

The following table reflects projected pension contributions and prior amortizations exclusively for Executive branch and Judiciary employers participating in ERS and PFRS.

EMPLOYEE RETIREMENT SYSTEM AND POLICE AND FIRE RETIREMENT SYSTEM
IMPACTS OF AMORTIZATION ON PENSION CONTRIBUTIONS
(millions of dollars)

	Statewide Pension Payments[1]					Rates for Determining (Amortization Amount) / Excess Contributions			
Fiscal Year	Normal Costs[2]	(Amortization Amount) / Excess Contributions	Repayment of Amortization	Total Statewide Pension Payments	Interest Rate on Amortization Amount (%)[3]	System Average Normal Rate[4]		Amortization Threshold (Graded Rate)	
						ERS (%)	PFRS (%)	ERS (%)	PFRS (%)
2021[5]	1,827.2	0.0	1,350.3	3,177.5	1.33	14.1	24.4	14.1	24.4
2022[6]	2,107.8	0.0	151.3	2,259.1	1.76	15.8	28.3	15.1	25.4
2023	1,550.9	281.9	0.0	1,832.8	3.61	11.4	27.0	14.1	26.4
2024 Est.	1,844.0	35.1	0.0	1,879.1	TBD	13.1	27.8	13.1	27.4
Projected by DOB[7]									
2025	2,346.1	0.0	0.0	2,346.1	TBD	15.0	29.6	14.1	28.4
2026	2,921.7	0.0	0.0	2,921.7	TBD	17.4	31.3	15.1	29.4
2027	3,772.1	0.0	0.0	3,772.1	TBD	20.5	33.1	16.1	30.4

1 Pension Contribution values in this table do not include pension costs related to the ORP, VDC, and TRS for SUNY and SED, whereas the projected pension costs in other Financial Plan tables include such pension disbursements.

2 Normal costs include payments from amortizations prior to FY 2011, which ended in FY 2016 as a result of early repayments.

3 Interest rates are determined by the Comptroller based on the market rate of return on comparable taxed fixed income investments (e.g., Ten-Year Treasuries). The interest rate is fixed for the duration of the ten-year repayment period.

4 The system average normal rate represents system-wide amortization-eligible costs (i.e. normal and administrative costs, as well as the cost of certain employer options) as a percentage of the system's total salary base. The normal rate does not include the following costs, which are not eligible for amortization: Group Life Insurance Plan (GLIP) contributions, deficiency contributions, previous amortizations, incentive costs, costs of new legislation in some cases, and prior-year adjustments. "(Amortization Amount) / Excess Contributions" are calculated for each employer in the system using employer-specific normal rates, which may differ from the system average.

5 Includes $918.1 million in prior year (non-Judiciary) amortization balances under the Contribution Stabilization Program. The prepayment eliminates the State's repayment obligations through FY 2026, and results in roughly $65 million interest savings over the financial plan period.

6 The Judiciary paid off their entire prior year amortization balance in FY 2022 eliminating their repayment obligation through FY 2026 resulting in approximately $8.4 million in interest savings over the financial plan period.

7 Outyear projections are prepared by DOB. The retirement system does not prepare, or make available, outyear projections of pension costs.

The "Normal Costs" column shows the State's underlying pension cost in each fiscal year before the effects of the Contribution Stabilization Program. The "(Amortization Amount)/Excess Contributions" column shows amounts amortized or the excess contributions paid into the pension reserve account. The "Repayment of Amortization" column provides the amount paid in principal and interest towards the outstanding balance on prior-year amortizations. The "Total Statewide Pension Payments" column provides the State's actual or planned pension contribution, including amortization. The "Interest Rate on Amortization Amount (%)" column provides the interest rate at which the State will repay the amortized contribution, as determined by OSC. The remaining columns provide information on the normal rate and graded rate, which are used to determine the maximum allowed amortization amount or the mandatory excess contributions amount for a given fiscal year.

Other Post-Employment Benefits (OPEB)

State employees become eligible for post-employment benefits (e.g., health insurance) if they reach retirement while working for the State; are enrolled in either the New York State Health Insurance Program (NYSHIP) or the NYSHIP opt-out program at the time they reach retirement; and have the required years of eligible service. The cost of providing post-retirement health insurance is shared between the State and the retired employee. Contributions are established by law and may be amended by the Legislature. The State is not required to provide funding above the PAYGO amount necessary to provide current benefits to retirees. The State continues to fund these costs, along with all other employee health care expenses, on a PAYGO basis, meaning the State pays these costs as they become due.

State Debt

Bond Market and Credit Ratings

Successful execution of the Financial Plan is dependent on the State's ability to market bonds. The State finances much of its capital spending, in the first instance, from the General Fund or STIP, which it then reimburses with proceeds from the sale of bonds. An inability of the State to sell bonds or notes at the level or on the timetable it expects could have a material and adverse impact on the State's financial position and the implementation of its Capital Plan. The success of projected public sales of municipal bonds is subject to prevailing market conditions and related ratings issued by national credit rating agencies, among other factors. Future developments in the financial markets, including possible changes in Federal tax law relating to the taxation of interest on municipal bonds, may affect the market for outstanding State-supported and State-related debt.

The major rating agencies -- Fitch, Kroll, Moody's, and S&P -- have assigned the State general credit ratings of AA+, AA+, Aa1, and AA+, respectively. The State's rating has a stable outlook from all four rating agencies. These ratings reflect the State's economic recovery from the COVID-19 pandemic and commitment to strong reserve levels. The most recent rating action was on April 13, 2022, when Moody's raised the State's credit rating from Aa2 to Aa1, noting "a significant increase in resources combined with agile fiscal management that has resulted in balanced or nearly balanced budgets projected through the State's five-year financial plan."

Debt Reform Act Limit

The Debt Reform Act of 2000 ("Debt Reform Act") restricts the issuance of State-supported debt funding to capital purposes only and limits the maximum term of bonds to 30 years. The Act limits the amount of new State-supported debt to 4 percent of State personal income, and new State-supported debt service costs to 5 percent of All Funds receipts. The restrictions apply to State-supported debt issued after April 1, 2000. DOB, as administrator of the Debt Reform Act, determined that the State complied with the statutory caps in the most recent calculation period (FY 2022).

The State enacted legislation that suspended certain provisions of the Debt Reform Act for FY 2021 and FY 2022 bond issuances as part of the State's response to the COVID-19 pandemic. Accordingly, State-supported debt issued in FY 2021 and FY 2022 was not limited to capital purposes and is not counted towards the statutory caps on debt outstanding and debt service.

Following this temporary two year suspension as a result of the COVID-19 pandemic, the provisions of the Debt Reform Act were reinstated for State-supported debt issued in FY 2023 and beyond. One limited exception to the Debt Reform Act remains for issuances undertaken by the State for MTA capital projects which may be issued with maximum maturities longer than 30 years. This allows bonds to be issued over the full useful life of the assets being financed, subject to Federal tax law limitations, and is consistent with the rules that would have been in effect if the projects had been directly financed by the MTA.

Current projections anticipate that State-supported debt outstanding and State-supported debt service will continue to remain below the limits imposed by the Debt Reform Act, in part reflecting the statutory suspension of the debt caps during FY 2021 and FY 2022.

Based on the most recent personal income and debt outstanding forecasts, the available debt capacity under the debt outstanding cap is expected to decline from $24.8 billion in FY 2023 to a low point of $3.7 billion in FY 2028. This calculation includes the estimated impact of funding capital commitments with State bonds. The debt service on State-supported debt subject to the statutory cap is projected at $2.6 billion in FY 2024, or roughly $8.5 billion below the statutory debt service limit.

DEBT OUTSTANDING SUBJECT TO CAP (millions of dollars)								TOTAL STATE-SUPPORTED DEBT (millions of dollars)	
Year	Personal Income	Cap %	Cap $	Debt Outstanding Included in Cap [1]	$ Remaining Capacity	Debt as a % of PI	% Remaining Capacity	Debt Outstanding Excluded from Cap	Supported Debt Outstanding
FY 2023	$1,536,577	4.00%	61,463	36,696	24,767	2.39%	1.61%	19,215	55,911
FY 2024	$1,581,924	4.00%	63,277	44,019	19,258	2.78%	1.22%	18,602	62,621
FY 2025	$1,645,833	4.00%	65,833	51,715	14,118	3.14%	0.86%	17,717	69,432
FY 2026	$1,720,106	4.00%	68,804	58,985	9,819	3.43%	0.57%	16,903	75,888
FY 2027	$1,793,913	4.00%	71,757	66,614	5,143	3.71%	0.29%	16,171	82,785
FY 2028	$1,870,050	4.00%	74,802	71,077	3,725	3.80%	0.20%	15,411	86,488

DEBT SERVICE SUBJECT TO CAP (millions of dollars)								TOTAL STATE-SUPPORTED DEBT SERVICE (millions of dollars)	
Year	All Funds Receipts	Cap %	Cap $	Debt Service Included in Cap [1]	$ Remaining Capacity	DS as a % of Revenue	% Remaining Capacity	Debt Service Excluded from Cap	Total State-Debt Service [2]
FY 2023	$233,060	5.00%	11,653	2,652	9,001	1.14%	3.86%	2,904	5,556
FY 2024	$222,437	5.00%	11,122	2,575	8,547	1.16%	3.84%	4,029	6,604
FY 2025	$217,115	5.00%	10,856	3,106	7,750	1.43%	3.57%	4,107	7,213
FY 2026	$217,986	5.00%	10,899	3,589	7,310	1.65%	3.35%	3,949	7,538
FY 2027	$220,630	5.00%	11,031	6,574	4,457	2.98%	2.02%	1,463	8,037
FY 2028	$231,056	5.00%	11,553	6,784	4,769	2.94%	2.06%	1,444	8,228

[1] Does not include debt issued prior to April 1, 2000. Does not include debt issued in FY 2021 and FY 2022 because the debt caps were temporarily suspended in response to the COVID-19 pandemic, pursuant to Chapter 56 of the Laws of 2020 and Chapter 59 of the Laws of 2021.

[2] Total State-supported debt service is adjusted for prepayments.

The State uses personal income estimates published by the Federal government, specifically the Bureau of Economic Analysis (BEA), to calculate the cap on debt outstanding, as required by statute. The BEA revises these estimates on a quarterly basis and such revisions can be significant. For Federal reporting purposes, BEA reassigns income from the state where it was earned to the state in which a person resides, for situations where a person lives and earns income in different states (the “residency adjustment”). The BEA residency adjustment has the effect of reducing reported New York State personal income because income earned in New York by non-residents regularly exceeds income earned in other states by New York residents. The State taxes all personal income earned in New York, regardless of place of residency.

Enacted Budget - Debt Cap Changes

In the FY 2024 Enacted Budget, the State added new bond-financed capital commitments that are expected to add $1 billion in new debt over the five-year Capital Plan period, which is in addition to $4 billion of new capital proposed in the FY 2024 Executive Budget. The capital spending increases are offset by higher underspending on capital projects than previously assumed, the assumption that the State will issue bonds on a slower schedule, and $3 billion of new PAYGO capital spending. Debt capacity also reflects the suspension of the Debt Reform Act for FY 2021 and FY 2022 issuances in response to the COVID-19 pandemic, as discussed previously. The State may adjust capital spending priorities and debt financing practices from time to time to preserve available debt capacity and stay within the statutory limits, as events warrant. In addition, the State has set aside $1 billion in a debt management reserve that can be used, as needed, for debt management actions in the future, which is not reflected in the chart below.

DEBT OUTSTANDING SUBJECT TO CAP [1]
REMAINING CAPACITY SUMMARY
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
Executive Budget as Amended	**21,609**	**14,609**	**10,052**	**6,400**	**2,004**	**290**
Personal Income Forecast Update	590	574	594	703	794	921
Capital Adds	0	(208)	(432)	(701)	(899)	(966)
Capital Re-Estimates	0	1,802	506	(855)	(848)	(421)
Bond Sale Adjustments	2,568	1,473	1,423	1,371	1,317	1,258
Capital PAYGO - Issuances Offset ($3 Billion)	0	1,008	1,975	2,901	2,775	2,643
Enacted Budget	**24,767**	**19,258**	**14,118**	**9,819**	**5,143**	**3,725**

[1] Does not include debt issued in FY 2021 and FY 2022 because the debt cap was temporarily suspended in response to the COVID-19 pandemic, pursuant to Chapter 56 of the Laws of 2020 and Chapter 59 of the Laws of 2021.

Localities and Authorities

Financial Condition of New York State Localities

The State's localities rely in part on State aid to balance their budgets and meet their cash requirements. As such, unanticipated financial needs among localities can adversely affect the State's Financial Plan projections. Localities outside New York City, including cities and counties, have also experienced financial problems, and have been allocated additional State assistance during the last several State fiscal years. In 2013, the Financial Restructuring Board for Local Governments was created to aid distressed local governments. The Restructuring Board performs comprehensive reviews and provides grants and loans on the condition of implementing recommended efficiency initiatives. For additional details on the Restructuring Board, please visit frb.ny.gov.

MTA

The MTA operates public transportation in the New York City metropolitan area, including subways, buses, commuter rail, and tolled vehicle crossings. The services provided by MTA and its operating agencies are integral to the economy of New York City and the surrounding metropolitan region, as well as to the economy of the State. MTA operations are funded mainly from fare and toll revenue, dedicated taxes, and subsidies from the State and New York City.

MTA Capital Plans also rely on significant direct contributions from the State and New York City. The State is directly contributing $9.1 billion to the MTA's 2015-19 Capital Plan and $3.1 billion to the MTA's 2020-24 Capital Plan. These State commitment levels represent substantial increases from the funding levels for prior MTA Capital Plans (2010-2014: $770 million; 2005-2009: $1.45 billion). In addition, a substantial amount of new funding to the MTA was authorized in the FY 2020 Enacted Budget as part of a comprehensive reform plan expected to generate an estimated $25 billion in financing for the MTA's 2020-2024 Capital Plan.

The COVID-19 pandemic caused severe declines in MTA ridership and traffic in 2020, and ridership remains significantly below pre-pandemic levels. To offset operating losses to MTA's Financial Plan from the estimated fare, toll, and dedicated revenue loss attributable to the COVID-19 pandemic, significant Federal operating aid has been provided to the MTA from the Coronavirus Aid, Relief, and Economic Security (CARES) Act ($4 billion), Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act ($4.1 billion), and the American Rescue Plan Act (ARP) ($7 billion). The MTA also borrowed $2.9 billion through the Federal Reserve's Municipal Liquidity Facility (MLF).

In the FY 2024 Enacted Budget, the State took substantial action to provide the MTA with additional operating revenues dedicated to help solve the MTA's fiscal crisis due to the effects of the pandemic. This includes an increase in the metropolitan commuter transportation mobility tax (MCTMT) in New York City, a one-time State subsidy of $300 million, an increase in New York City's contribution to the MTA for the costs of paratransit services, and directing a portion of future casino revenues to the MTA.

Risks to the MTA's current financial projections include, but are not limited to, the level and pace at which ridership will return, the economic conditions of the MTA region, the ability to implement cost controls and savings actions, and the ability to implement biennial fare and toll increases. If additional resources are provided by the State in future years, either through additional subsidies or new revenues, it could have a material and adverse impact on the State's Financial Plan.

Other Risks and Ongoing Concerns

Climate Change

Overview

Climate change poses significant threats to physical, biological, and economic systems in New York and around the world. Hazards and risks related to climate change for the State include, among other things, rising sea levels, increased coastal flooding and related erosion hazards, intensifying storms and wildfires, and more extreme heat. The immediate and long-term effects of climate change could adversely impact the Financial Plan in current or future years. To mitigate and manage these impacts, the Federal government, the State, municipalities, and public utilities are undertaking actions to reduce greenhouse gas emissions and adapt existing infrastructure to a changed environment. There can be no assurance that such efforts will be adequate or timely enough to mitigate the most damaging effects of climate change.

Consequences of Climate Change

Storms affecting the State, including Hurricane Ida (September 2021), Superstorm Sandy (October 2012), Tropical Storm Lee (September 2011), and Hurricane Irene (August 2011), have demonstrated vulnerabilities in the State's infrastructure (including mass transit systems, power transmission and distribution systems, and other critical lifelines) to extreme weather-driven events, including coastal flooding caused by storm surges and flash floods from rainfall.

Rating agencies are incorporating Environmental, Social, and Governance (ESG) factors into their credit analysis for the State and other issuers. Rising sea levels and their effect on coastal infrastructure have been identified as the primary climate risks for the northeastern United States, including New York State. These risks are heightened by population and critical infrastructure concentration in coastal counties. The release of issuer ESG scores by the rating agencies does not cause a change in the State's overall credit ratings, which are based on financial information in addition to the ESG component. Climate change risks increasingly fall within the maximum maturity term of current outstanding bonds of the State, its public authorities, and municipalities. State bonds may generally be issued with a term of up to 30 years under State statute.

State Response to Climate Change

The State is participating in efforts to reduce greenhouse gas emissions to mitigate the risk of severe impacts from climate change. In 2019, the Climate Leadership and Community Protection Act (CLCPA) was signed into law. The CLCPA set the State on a path toward developing regulations to reduce statewide greenhouse gas emissions by 40 percent below the 1990 level by 2030, and 85 percent below the 1990 level by 2050. Additionally, in accordance with the CLCPA, the State plans to require a minimum of 70 percent of electricity to be generated from renewable sources by 2030 and to fully transition its electricity sector away from carbon emissions by 2040. There can be no assurances that such goals will ultimately be achieved.

The CLCPA created the Climate Action Council (CAC), which was tasked with developing a Scoping Plan with recommendations to reduce greenhouse gas emissions, increase renewable energy usage, and promote climate justice. The CAC approved and adopted the final Scoping Plan on December 19, 2022, which recommends, among other actions, that the State develop a cap-and-invest program to limit greenhouse gas emissions. Pursuant to the CLCPA, by January 1, 2024 the Department of Environmental Conservation is required to draft and circulate rules and regulations that are consistent with meeting the CLCPA's statewide greenhouse gas emission limits.

New York's electricity system is already part of a regional cap-and-invest style program, the Regional Greenhouse Gas Initiative (RGGI). Since RGGI was established in 2005, the program has helped reduce greenhouse gases from power plants by more than half and raised nearly $6 billion to support cleaner energy solutions amongst its 12 participating states.

Concurrently, the State has been taking regulatory and legislative actions that are intended to limit greenhouse gas emissions, electrify transportation, and generate more electricity from renewable sources. There can be no assurances that such actions, or their intended outcomes, will be realized as planned. Major regulatory and legislative actions include:

- Authorizing the New York Power Authority (NYPA) to plan, design, develop, finance, construct, own, operate, maintain and improve renewable energy generating projects;

- Prohibiting building systems and/or equipment that burn fossil fuels in new construction starting December 31, 2025 for any new building seven stories or lower, except large commercial and industrial buildings, and December 31, 2028 for all other new buildings;

- Requiring new off-road vehicles and equipment sold in New York to be zero-emissions by 2035 and new medium-duty and heavy-duty vehicles to be zero-emissions by 2045;

- Mandating that by no later than July 1, 2027, school districts and private transportation contractors purchase or lease only zero-emission school buses when purchasing or leasing new school buses, with full fleet conversion and operation of zero-emission school buses required by July 1, 2035;

- Appropriating $200 million to help low-income families retrofit their homes by adding insulation, installing energy efficient appliances, and switching to clean energy; and

- Appropriating $500 million to advance the offshore wind industry.

During the November 2022 general election, New York State voters approved the Clean Water, Clean Air, and Green Jobs Bond Act. The $4.2 billion bond act will support capital improvements and enhancements in the following areas: flood risk reduction/restorations; open space, working lands conservation, and recreation; climate change mitigation; and water quality improvement and resilient infrastructure.

Cybersecurity

New York State government, like many other large public and private entities, relies on a large and complex technology environment to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the State and its authorities, agencies and public benefit corporations, as well as its political subdivisions (including counties, cities, towns, villages and school districts) face multiple cyber threats involving, among others, hacking, viruses, malware and other electronic attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to the State's digital systems for the purposes of misappropriating assets or information or causing operational disruption and damage. In addition, the tactics used in malicious attacks to obtain unauthorized access to digital networks and systems change frequently and are often not recognized until launched against a target. Accordingly, the State may be unable to fully anticipate these techniques or implement adequate preventative measures.

To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the State invests in multiple forms of cybersecurity and operational controls. The State's Chief Information Security Office (CISO) within the State's Office of Information Technology Services (ITS) maintains policies and standards, programs, and services relating to the security of State government networks, and annually assesses the maturity of State agencies' cyber posture through the Nationwide Cyber Security Review. In addition, the CISO maintains the New York State Cyber Command Center team, which provides a security operations center, digital forensics capabilities, and cyber incident reporting and response. The CISO also distributes real-time advisories and alerts, provides managed security services, and implements statewide information, security awareness and training.

In February 2022, the Governor announced the creation of a JSOC that will serve as the center for joint local, state, and Federal cybersecurity efforts, including data collection, response efforts and information sharing. A partnership launched with New York City and other major cities and cybersecurity leaders across the State, the JSOC is intended to provide a statewide view of the cyber-threat landscape. The initiative is designed to increase collaboration on threat intelligence, reduce response times, and yield faster and more effective remediation in the event of a major cyber incident. The FY 2024 Enacted Budget provides funding to expand the shared services program to help local governments and other regional partners acquire and deploy high quality cybersecurity services to bolster their cyber defenses.

Occasionally, intrusions into State digital systems have been detected but they have generally been contained. While cybersecurity procedures and controls are routinely reviewed and tested, there can be no assurance that such security and operational control measures will be completely successful at preventing future cyber threats and attacks. The results of any successful attacks could adversely impact business operations and/or damage State digital networks and systems, or State and local infrastructure, and the costs of remediation could be substantial.

The State has also adopted regulations designed to protect the financial services industry from cyberattacks. Banks, insurance companies and other covered entities regulated by DFS are, unless eligible for limited exemptions, required to: (a) maintain a cybersecurity program, (b) create written cybersecurity policies and perform risk assessments, (c) designate someone with responsibility to oversee the cybersecurity program, (d) annually certify compliance with the cybersecurity regulations, and (e) report to DFS cybersecurity events that have a reasonable likelihood of materially harming any substantial part of the entity's normal operation(s) or for which notice is required to any government body, self-regulatory agency, or supervisory body.

SUNY Downstate Hospital and the Long Island College Hospital (LICH)

In May 2011, the real property and other assets of LICH were transferred to a New York State not-for-profit corporation ("Holdings"), the sole member of which is SUNY. Pursuant to a court-approved settlement in 2014, SUNY agreed to sell the assets acquired from LICH to the Fortis Property group and NYU Langone. The initial closing of the purchase agreement with Fortis was held in September 2015, and a second closing with NYU Langone occurred in March 2020. A final closing at which two remaining portions of the LICH properties will be conveyed to Fortis has not yet occurred. The final closing is conditioned on various contractual provisions. However, DOB has determined that the LICH transaction has been sufficiently resolved that it no longer poses a material risk to the Financial Plan and will discontinue reporting on this transaction at the end of the current Fiscal Year.

STATE FINANCIAL PLAN MULTI-YEAR PROJECTIONS

Introduction

This section presents the State's multi-year Financial Plan projections for receipts and disbursements, with an emphasis on FY 2024 projections.

The State's cash-basis budgeting system, complex fund structure, and practice of earmarking certain tax receipts for specific purposes complicate the discussion of the State's receipts and disbursements projections. Therefore, to minimize the distortions caused by these factors and, equally important, to highlight relevant aspects of the projections, DOB has adopted the following approaches in summarizing the projections:

Receipts. The detailed discussion of tax receipts covers projections for both the General Fund and State Funds (including capital projects). The State Funds perspective reflects estimated tax receipts before distribution to various funds and accounts, including tax receipts dedicated to Capital Projects Funds (which fall outside the General Fund and State Operating Funds accounting perspectives). DOB believes this presentation provides a clearer picture of projected receipts, trends, and forecast assumptions, by factoring out the distorting effects of earmarking tax receipts for specific purposes.

Disbursements. Roughly 30 percent of projected State-financed spending for operating purposes (excluding transfers) is accounted for outside the General Fund, concentrated primarily in the areas of School Aid, health care, higher education, and transportation. To provide a clear picture of spending commitments, the multi-year projections and growth rates are presented, where appropriate, on both a General Fund and State Operating Funds basis.

In evaluating the State's multi-year operating forecast, the reliability of the estimates and projections in the later years of the Financial Plan are typically subject to more substantial revision than those in the current year and first "outyear." Accordingly, in terms of outyear projections, the first "outyear," FY 2025, is the most relevant from a planning perspective. The Financial Plan assumes Federal reimbursement of previously incurred pandemic response and recovery costs. However, there can be no assurance that the Federal Emergency Management Agency (FEMA) will approve claims for the State to receive reimbursement in the amounts or State fiscal years projected in the Financial Plan.

Differences may occur from time to time between DOB and OSC's presentation and reporting of receipts and disbursements in financial reporting. For example, DOB may reflect a net expenditure while OSC may report the gross expenditure. Any such differences in reporting between DOB and OSC could result in differences in the presentation and reporting of receipts and disbursements for discrete funds, as well as differences in the presentation and reporting for total receipts and disbursements under different fund perspectives (e.g., State Operating Funds and All Governmental Funds).

The following tables present the Financial Plan multi-year projections for the General Fund and State Operating Funds, as well as a reconciliation between State Operating Funds projections and General Fund budget gaps.

General Fund Projections

GENERAL FUND PROJECTIONS
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
RECEIPTS					
Taxes (After Debt Service)	93,946	92,509	93,703	93,420	94,166
Miscellaneous Receipts	3,609	3,801	2,772	2,261	1,996
Federal Receipts	2,351	2,250	3,645	0	0
Other Transfers	3,291	1,938	1,632	1,555	1,417
Total Receipts	**103,197**	**100,498**	**101,752**	**97,236**	**97,579**
DISBURSEMENTS					
Assistance and Grants	62,852	75,055	78,717	82,303	86,085
School Aid (SFY)	25,645	28,937	30,623	32,311	33,694
Medicaid	19,380	21,087	24,373	26,793	28,806
All Other	17,827	25,031	23,721	23,199	23,585
State Operations	12,507	13,378	14,637	14,701	14,814
Personal Service	9,464	10,619	10,811	10,887	10,988
Non-Personal Service	3,043	2,759	3,826	3,814	3,826
General State Charges	9,115	7,587	9,319	10,569	12,010
Transfers to Other Funds	8,325	8,392	9,119	6,801	6,506
Debt Service	298	217	264	287	337
Capital Projects	4,649	4,877	5,410	3,049	2,676
SUNY Operations	1,491	1,677	1,718	1,752	1,766
All Other	1,887	1,621	1,727	1,713	1,727
Total Disbursements	**92,799**	**104,412**	**111,792**	**114,374**	**119,415**
Use (Reservation) of Fund Balance:	**(10,398)**	**3,914**	**985**	**3,265**	**8,398**
Community Projects	1	2	0	0	0
Consensus Revenue	0	0	0	0	0
Debt Management	(1,855)	(81)	576	860	0
Economic Uncertainties	(7,617)	0	0	0	0
Extraordinary Monetary Settlements[1]	267	428	516	286	290
Labor Settlements/Agency Operations	(490)	(1,000)	(1,450)	(1,450)	(1,450)
Pandemic Assistance	1,755	245	0	0	0
Rainy Day Reserve	(2,754)	0	0	0	0
Tax Stabilization Reserve	(183)	0	0	0	0
Timing of PTET/PIT Credits	2,072	1,896	424	3,023	9,013
Undesignated Fund Balance	(1,594)	2,424	919	546	545
BUDGET SURPLUS/(GAP) PROJECTIONS	**0**	**0**	**(9,055)**	**(13,873)**	**(13,438)**

[1] Reflects transfers of Extraordinary Monetary Settlement funds from the General Fund to the Dedicated Infrastructure Investment Fund, the Environmental Protection Fund, and the Capital Projects Fund.

State Operating Funds Projections

STATE OPERATING FUNDS DISBURSEMENTS
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
RECEIPTS					
Taxes	110,398	101,442	103,193	104,683	105,544
Miscellaneous Receipts/Federal Receipts	27,322	21,141	20,542	17,716	17,931
Total Receipts	**137,720**	**122,583**	**123,735**	**122,399**	**123,475**
DISBURSEMENTS					
Assistance and Grants	81,877	91,558	94,790	98,335	102,469
School Aid (School Year Basis)[1]	31,383	34,414	35,760	37,219	38,723
DOH Medicaid	25,468	27,253	30,137	32,441	34,438
Transportation	4,569	5,249	5,141	5,142	5,140
STAR	1,781	1,717	1,610	1,562	1,535
Higher Education	2,876	3,141	3,276	3,348	3,415
Social Services	4,997	4,890	4,902	4,549	4,612
Mental Hygiene[2]	4,786	7,433	6,237	6,221	6,565
All Other[3]	6,017	7,461	7,727	7,853	8,041
State Operations	21,190	22,071	23,068	24,450	24,798
Personal Service	14,840	16,023	16,111	16,358	16,602
Non-Personal Service	6,350	6,048	6,957	8,092	8,196
General State Charges	10,203	8,804	10,555	11,825	13,290
Pension Contribution	2,045	2,131	2,623	3,195	4,052
Health Insurance	6,003	4,845	5,696	6,279	6,808
All Other	2,155	1,828	2,236	2,351	2,430
Debt Service	10,481	2,898	3,518	5,158	5,177
Capital Projects	0	0	0	0	0
Total Disbursements	**123,751**	**125,331**	**131,931**	**139,768**	**145,734**
Net Other Financing Sources/(Uses)	(2,013)	(2,223)	(3,016)	(591)	(317)
RECONCILIATION TO GENERAL FUND GAP					
Designated Fund Balances:	(11,956)	4,971	2,157	4,087	9,138
General Fund	(10,398)	3,914	985	3,265	8,398
Special Revenue Funds	(1,501)	1,070	1,182	849	774
Debt Service Funds	(57)	(13)	(10)	(27)	(34)
GENERAL FUND BUDGET SURPLUS/(GAP)	**0**	**0**	**(9,055)**	**(13,873)**	**(13,438)**

[1] Does not reflect a significant amount of Federal CRRSA and ARP Act funding for school districts to be distributed over multiple years, such as prekindergarten expansion grants supported by ARP Act funding that appear on the School Aid run.

[2] Multi-year estimates exclude a portion of spending reported under the Medicaid Global Cap that has no impact on mental hygiene service delivery or operations.

[3] All Other includes education, parks, environment, economic development, and public safety, as well as the reconciliation between school year and State fiscal year spending on School Aid.

Receipts

Financial Plan receipts results and projections include a variety of taxes, fees and assessments, charges for State-provided services, Federal receipts, and other miscellaneous receipts. Multi-year receipts estimates are prepared by DOB with the assistance of the Department of Taxation and Finance (DTF) and other agencies which collect State receipts and are premised on economic analysis and forecasts.

Overall base growth (i.e., growth not due to law changes) in tax receipts is dependent on many factors. In general, base tax receipts growth rates are determined by economic changes including, but not limited to, changes in interest rates, prices, wages, employment, nonwage income, capital gains realizations, taxable consumption, corporate profits, household net worth, real estate prices and gasoline prices. Federal law changes can influence taxpayer behavior, which often alters base tax receipts. State taxes account for approximately half of total All Funds receipts.

Projections of Federal receipts generally correspond to the anticipated spending levels of a variety of programs supported by Federal aid including Medicaid, public assistance, mental hygiene, education, public health, and other activities.

Where noted, certain tables in the following section display General Fund tax receipts that exclude amounts transferred to the General Fund in excess of amounts needed for certain debt service obligations (e.g., PIT receipts in excess of the amount transferred for debt service on revenue bonds).

Overview of the Receipts Forecast

All Funds receipts in FY 2024 are projected to total $222.4 billion, a 4.6 percent ($10.6 billion) decrease from FY 2023 results as the Statewide slowdown takes shape. FY 2024 State tax receipts are projected to decrease $8.7 billion (7.8 percent) from FY 2023 results. A summary of the annual changes of each tax category is provided below.

ALL FUNDS RECEIPTS
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
Personal Income Tax	58,776	52,819	-10.1%	55,341	4.8%	59,206	7.0%	69,688	17.7%
Consumption/Use Taxes	20,585	21,715	5.5%	21,975	1.2%	22,477	2.3%	23,006	2.4%
Business Taxes	28,617	25,533	-10.8%	24,771	-3.0%	21,745	-12.2%	11,453	-47.3%
Other Taxes	3,679	2,880	-21.7%	2,609	-9.4%	2,750	5.4%	2,887	5.0%
Total State Taxes	**111,657**	**102,947**	**-7.8%**	**104,696**	**1.7%**	**106,178**	**1.4%**	**107,034**	**0.8%**
Miscellaneous Receipts	31,842	26,837	-15.7%	27,942	4.1%	29,234	4.6%	29,449	0.7%
Federal Receipts	89,563	92,654	3.5%	84,477	-8.8%	82,578	-2.2%	84,148	1.9%
Total All Funds Receipts	**233,062**	**222,438**	**-4.6%**	**217,115**	**-2.4%**	**217,990**	**0.4%**	**220,631**	**1.2%**

Personal Income Tax

FY 2024 All Funds PIT receipts are estimated to decrease from FY 2023 reflecting declines in extension payments for tax year 2022, current estimated payments for tax year 2023, final returns, and delinquencies. Total refunds are expected to decline, with underlying growth overshadowed by the influence of PTET, an elective tax paid by NYS partnerships and S-corporations for which a corresponding PIT credit may be received. Despite being revenue neutral to the overall Financial Plan across all fiscal years, it is expected that the PTET will have a significant negative impact on PIT collections for as long as the Federal limit on SALT deductions remains in effect. Net PIT collections over this period will be suppressed by reduced estimated payments and elevated refunds, with cumulative impacts equal to total PTET liability.

PERSONAL INCOME TAX
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
STATE/ALL FUNDS	**58,776**	**52,819**	**-10.1%**	**55,341**	**4.8%**	**59,206**	**7.0%**	**69,688**	**17.7%**
Gross Collections	78,151	70,461	-9.8%	72,541	3.0%	76,938	6.1%	88,173	14.6%
Refunds (Incl. State/City Offset)	(19,375)	(17,642)	8.9%	(17,200)	2.5%	(17,732)	-3.1%	(18,485)	-4.2%
GENERAL FUND[1]	**27,607**	**24,693**	**-10.6%**	**26,060**	**5.5%**	**28,041**	**7.6%**	**33,309**	**18.8%**
Gross Collections	78,151	70,461	-9.8%	72,541	3.0%	76,938	6.1%	88,173	14.6%
Refunds (Incl. State/City Offset)	(19,375)	(17,642)	8.9%	(17,200)	2.5%	(17,732)	-3.1%	(18,485)	-4.2%
STAR	(1,781)	(1,717)	3.6%	(1,610)	6.2%	(1,562)	3.0%	(1,535)	1.7%
RBTF	(29,388)	(26,409)	10.1%	(27,671)	-4.8%	(29,603)	-7.0%	(34,844)	-17.7%

[1]Excludes Transfers.

The following table summarizes, by component, actual receipts for FY 2023 and forecast amounts through FY 2027.

ALL FUNDS PERSONAL INCOME TAX FISCAL YEAR COLLECTION COMPONENTS (millions of dollars)					
	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
Receipts					
Withholding	52,477	53,108	55,686	58,582	61,638
Estimated Payments	18,428	12,464	12,010	13,266	21,196
Current Year	8,158	8,007	8,589	9,045	17,363
Prior Year[1]	10,270	4,457	3,421	4,221	3,833
Final Returns	5,367	3,280	3,181	3,371	3,567
Current Year	406	367	385	404	424
Prior Year[1]	4,961	2,913	2,796	2,967	3,143
Delinquent	1,879	1,609	1,664	1,719	1,772
Gross Receipts	78,151	70,461	72,541	76,938	88,173
Refunds					
Prior Year[1]	9,767	9,754	10,110	10,344	10,748
Previous Year	1,893	2,277	1,276	1,315	1,350
Current Year[1]	3,000	3,000	3,000	3,000	3,000
Advanced Credit Payment	2,707	908	1,082	1,242	1,418
State/City Offset[1]	2,008	1,703	1,732	1,831	1,969
Total Refunds	19,375	17,642	17,200	17,732	18,485
Net Receipts	**58,776**	**52,819**	**55,341**	**59,206**	**69,688**

[1]These components, collectively, are known as the "settlement" on the prior year's tax liability.

FY 2024 withholding is estimated to increase compared to the prior year, reflecting moderate growth in non-bonus wages offset by projected declines in bonus wages. Current estimated payments for tax year 2023 and extension payments (i.e., prior year estimated) for tax year 2022 are both expected to decrease. The decline in extensions is particularly dramatic, representing the steepest year-over-year decline for this component since tax year 2008 (FY 2010), and is attributed to a sharp decline in capital gains income. Delinquent collections and final return payments are projected to decrease as well, the latter in response to an extraordinary decline in overall nonwage income, in part due to the reversion of unemployment insurance income to a pre-pandemic level. The resulting decline in gross PIT receipts is expected to be partly offset by a decline in total refunds.

Total refunds in FY 2024 are projected to decrease, driven by a combination of decreased advanced credit payments attributable to the Homeowner Tax Rebate Credit expiration and PTET-related current refund payments for tax year 2022. Tax year 2022 PTET credits are also projected to drive a decrease in the state/city offset. These declines are offset by a projected increase in refunds for tax years prior to 2022, driven by tax year 2021 PTET credits. Current refund payments for tax year 2022 are expected to remain nearly flat year-over-year due to underlying growth offset by tax year 2022 PTET credits.

General Fund PIT receipts are net of deposits to the STAR Fund, which provides property tax relief, and RBTF, which supports debt service payments on State PIT revenue bonds. The FY 2024 STAR transfer is expected to decline slightly. PIT RBTF receipts are statutorily set to 50 percent of net PIT receipts, and FY 2024 RBTF receipts therefore reflect the decrease in All Funds receipts noted above. FY 2024 General Fund PIT receipts are expected to decrease due to these changes.

The FY 2025 All Funds PIT receipts are projected to increase due to growth in both withholding and current estimated payments for tax year 2024, coupled with a projected decline in total refunds. The decline in FY 2025 total refunds is attributable to previous year refunds, which are projected to be inflated in FY 2024 due to late realization of tax year 2021 PTET credits. The magnitude of late realization is expected to decline in future years as taxpayers gain familiarity with the PTET program. The increases in net PIT receipts are offset by a projected decline in tax year 2023 extension payments – attributable to continued weakness in capital gains income – and an increase in current refunds for tax year 2023. Growth in current refunds is driven, in part, by FY 2024 Enacted Budget legislation which expanded the Empire State Child Credit to include children under the age of four.

The FY 2025 STAR transfer is expected to decline. The FY 2025 RBTF is projected to increase based on the increase in FY 2025 All Funds receipts. General Fund PIT receipts for FY 2025 are also expected to increase, driven by changes to All Funds receipts, the STAR transfer, and RBTF receipts.

All Funds PIT receipts for FY 2026 are projected to increase from FY 2025 projections. Gross PIT receipts are projected to increase as well, offset by a projected increase in total refunds.

General Fund PIT receipts for FY 2026 are expected to increase, reflecting an increase in All Funds PIT receipts coupled with a further decrease in the STAR transfer, partially offset by an increase in RBTF receipts.

The FY 2027 All Funds and General Fund PIT receipts estimates are both expected to register double-digit growth due to the scheduled expiration of the Federal SALT deduction cap at the end of 2025. This expiration will eliminate the incentive to participate in the PTET program and, without the associated credits, quarterly estimated payments are projected to return to pre-PTET levels. Furthermore, the forecast assumes that taxpayers will adjust the timing of payments to benefit from unrestricted SALT deductions in tax year 2026, resulting in an increased share of liability paid through current estimated payments (FY 2027) and a reduced share paid through extension payments (FY 2028). Excluding PTET, All Funds PIT receipts are estimated to increase by 8.4 percent.

Consumption/Use Taxes

CONSUMPTION/USE TAXES (millions of dollars)	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
STATE/ALL FUNDS	**20,585**	**21,715**	**5.5%**	**21,975**	**1.2%**	**22,477**	**2.3%**	**23,006**	**2.4%**
Sales Tax	18,934	19,724	4.2%	19,931	1.0%	20,380	2.3%	20,841	2.3%
Cigarette and Tobacco Taxes	858	823	-4.1%	784	-4.7%	751	-4.2%	720	-4.1%
Vapor Excise Tax	25	25	0.0%	25	0.0%	25	0.0%	25	0.0%
Motor Fuel Tax	179	490	173.7%	491	0.2%	486	-1.0%	482	-0.8%
Highway Use Tax	143	141	-1.4%	143	1.4%	143	0.0%	144	0.7%
Alcoholic Beverage Taxes	282	284	0.7%	287	1.1%	289	0.7%	293	1.4%
Opioid Excise Tax	27	25	-7.4%	25	0.0%	25	0.0%	25	0.0%
Medical Cannabis Excise Tax	13	12	-7.7%	12	0.0%	12	0.0%	12	0.0%
Adult Use Cannabis Tax	0	70	0.0%	158	125.7%	245	55.1%	339	38.4%
Auto Rental Tax[1]	122	119	-2.5%	115	-3.4%	116	0.9%	119	2.6%
Peer to Peer Car Sharing Tax	2	2	0.0%	4	100.0%	5	25.0%	6	20.0%
GENERAL FUND[2]	**7,239**	**9,797**	**35.3%**	**9,895**	**1.0%**	**10,100**	**2.1%**	**10,312**	**2.1%**
Sales Tax	6,663	9,222	38.4%	9,321	1.1%	9,531	2.3%	9,746	2.3%
Cigarette and Tobacco Taxes	265	265	0.0%	259	-2.3%	251	-3.1%	243	-3.2%
Alcoholic Beverage Taxes	282	284	0.7%	287	1.1%	289	0.7%	293	1.4%
Opioid Excise Tax	27	25	-7.4%	25	0.0%	25	0.0%	25	0.0%
Peer to Peer Car Sharing Tax	2	1	-50.0%	3	200.0%	4	33.3%	5	25.0%

[1] No longer includes receipts remitted directly to the MTA without an appropriation as of FY 2020.

[2] Excludes Transfers.

All Funds consumption/use tax receipts for FY 2024 are estimated to increase from FY 2023 results. Sales tax receipts are estimated to increase due to a moderate increase in taxable consumption (i.e., estimated sales tax base increase of 2.7 percent). Cigarette and tobacco tax receipts are estimated to decrease reflecting a continuing trend of declining consumption as well as a $1 increase to the State cigarette excise tax. Highway use tax (HUT) collections are estimated to moderately decline. Motor fuel tax receipts are estimated to significantly increase largely due to the expiration of the temporary fuel taxes suspension on gasoline and diesel motor fuel on December 31, 2022. Opioid excise tax receipts are expected to moderately decline, reflecting the continued trend towards lower priced opioids. In addition to $38 million in estimated license and application fees, the State's THC-based and retail excise taxes on the sale of adult-use cannabis products are estimated to generate $32 million during the first full year of receipts.

Pursuant to statute, 25 percent of State sales tax receipts were deposited into the Local Government Assistance Tax Fund until the termination of the Fund on October 1, 2022. In FY 2022, the portion deposited into the Sales Tax Revenue Bond Fund was increased to 50 percent (previously 25 percent). Additionally, the portion deposited to the General Fund was temporarily reduced from 50 to 25 percent through October 1, 2022 (i.e., through the first half of FY 2023). These funds are intended to support debt service payments on bonds issued under the State's sales tax revenue bond programs. Excess receipts above the debt service requirements are subsequently transferred to the General Fund.

FY 2024 General Fund consumption/use tax receipts are projected to significantly increase, mainly due to the statutory elimination of the Local Government Assistance Tax Fund distribution for the entire fiscal year.

All Funds consumption/use tax receipts for FY 2025 are projected to moderately increase primarily due to a projected increase in sales tax receipts (projected sales tax base growth close to 1 percent). The peer-to-peer car sharing tax is estimated to moderately increase, reflecting the continued slow growth and expansion of an emerging new industry. Auto rental tax receipts are estimated to decrease from FY 2024, mainly due to the increasing impact of a gradual shift towards the less expensive peer-to-peer car sharing program. The State's THC-based and retail excise taxes on the sale of adult-use cannabis products are estimated to generate $158 million during the second full year of receipts. These increases are partially offset by a continued decline in taxable cigarette consumption.

All Funds consumption/use tax receipts for FYs 2026 and 2027 are projected to increase, largely reflecting a projected increase in sales tax receipts and the continued maturation of the adult-use cannabis market, partially offset by a continued decline in taxable cigarette consumption.

General Fund consumption/use tax receipts are projected to increase in fiscal years 2025 through 2027 primarily due to the All Funds trends noted above.

Business Taxes

BUSINESS TAXES (millions of dollars)									
	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
STATE/ALL FUNDS	**28,617**	**25,533**	**-10.8%**	**24,771**	**-3.0%**	**21,745**	**-12.2%**	**11,453**	**-47.3%**
Corporate Franchise Tax	9,017	7,945	-11.9%	7,631	-4.0%	7,915	3.7%	7,981	0.8%
Corporation and Utilities Tax	525	431	-17.9%	535	24.1%	518	-3.2%	523	1.0%
Insurance Tax	2,681	2,775	3.5%	2,858	3.0%	2,899	1.4%	3,030	4.5%
Bank Tax	355	236	-33.5%	0	-100.0%	0	0.0%	0	0.0%
Pass-Through-Entity Tax	14,944	13,040	-12.7%	12,640	-3.1%	9,316	-26.3%	(1,168)	-112.5%
Petroleum Business Tax	1,095	1,106	1.0%	1,107	0.1%	1,097	-0.9%	1,087	-0.9%
GENERAL FUND[1]	**17,856**	**15,836**	**-11.3%**	**15,257**	**-3.7%**	**13,833**	**-9.3%**	**8,692**	**-37.2%**
Corporate Franchise Tax	7,291	6,316	-13.4%	5,961	-5.6%	6,176	3.6%	6,159	-0.3%
Corporation and Utilities Tax	408	326	-20.1%	413	26.7%	399	-3.4%	402	0.8%
Insurance Tax	2,381	2,474	3.9%	2,563	3.6%	2,600	1.4%	2,715	4.4%
Bank Tax	304	200	-34.2%	0	-100.0%	0	0.0%	0	0.0%
Pass-Through-Entity Tax	7,472	6,520	-12.7%	6,320	-3.1%	4,658	-26.3%	(584)	-112.5%
Petroleum Business Tax	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%

[1] Excludes Transfers.

All Funds CFT receipts are estimated to decrease in FY 2024, reflecting a reduction in gross receipts due to softening economic conditions. Audit receipts are estimated to decrease sharply because FY 2023 results were exceptionally high with many large cases having materialized within FY 2023. Refunds are estimated to increase as compared to FY 2023 results.

All Funds Corporation and Utilities Tax (CUT) receipts for FY 2024 are estimated to decrease over the prior fiscal year, driven primarily by a further weakening of collections from the telecommunications sector and some weakness in the utility sector, both of which result in lower gross receipts. Audit receipts are estimated to decrease moderately from FY 2023 levels while refunds are estimated to increase significantly reflecting utilization of the Covid-19 Utility Debt Relief tax credit.

All Funds insurance tax receipts for FY 2024 are estimated to increase modestly due to projected increases in insurance tax premiums that drive increases in gross receipts, following an increase in FY 2023 gross receipts compared to FY 2022. Audits are expected to decrease sharply following an unusually strong FY 2023 while refunds are expected to decrease significantly as compared to FY 2023.

All Funds PTET collections for FY 2024 are estimated to decrease due to softening economic conditions and higher refunds. As noted, DOB expects PTET will be revenue neutral for the State, however, the PTET will not be revenue neutral within each fiscal year as PTET payments are generally received in the fiscal year prior to PIT credit claims.

Receipts from the repealed bank tax (all from prior liability periods) in FY 2024 are estimated to decrease due to an expectation of lower audit receipts. Petroleum Business Tax (PBT) receipts are estimated to moderately increase from FY 2023 results, primarily due to the impact of a 5 percent increase in the PBT rate index effective January 1, 2023, paired with an estimated 1.3 percent decline in the PBT rate index effective January 1, 2024.

General Fund business tax receipts for FY 2024 are estimated to increase due to the trends in CFT, PTET, CUT, bank, and insurance tax receipts described above.

General Fund and All Funds business tax receipts for FY 2025 are projected to decrease, primarily reflecting a decrease in audit collections and an increase in refunds attributed to the New York City Musical and Theatrical Production credit and the COVID-19 Capital Costs credit. This is partially offset by an overall increase in gross receipts.

General Fund and All Funds business tax receipts for FY 2026 are projected to increase in CFT and insurance tax, while PBT, CUT and PTET are projected to decline. The projected decline in PTET collections is the result of the scheduled expiration of the SALT deduction cap after tax year 2025 under current Federal law.

General Fund and All Funds business tax receipts for FY 2027 are projected to increase in CUT and insurance tax, while PBT, CFT, and PTET decline. Insurance tax is projected to have the strongest growth due to increases in premiums and overall base growth.

Other Taxes

OTHER TAXES (millions of dollars)	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
STATE/ALL FUNDS	**3,679**	**2,880**	**-21.7%**	**2,609**	**-9.4%**	**2,750**	**5.4%**	**2,887**	**5.0%**
Estate Tax	2,185	1,597	-26.9%	1,285	-19.5%	1,345	4.7%	1,407	4.6%
Real Estate Transfer Tax	1,472	1,258	-14.5%	1,299	3.3%	1,380	6.2%	1,465	6.2%
Employer Compensation Expense Program	7	10	42.9%	10	0.0%	10	0.0%	0	-100.0%
Pari-Mutuel Taxes	13	13	0.0%	13	0.0%	13	0.0%	13	0.0%
All Other Taxes	2	2	0.0%	2	0.0%	2	0.0%	2	0.0%
GENERAL FUND[1]	**2,204**	**1,617**	**-26.6%**	**1,305**	**-19.3%**	**1,365**	**4.6%**	**1,422**	**4.2%**
Estate Tax	2,185	1,597	-26.9%	1,285	-19.5%	1,345	4.7%	1,407	4.6%
Employer Compensation Expense Program	4	5	25.0%	5	0.0%	5	0.0%	0	-100.0%
Pari-Mutuel Taxes	13	13	0.0%	13	0.0%	13	0.0%	13	0.0%
All Other Taxes	2	2	0.0%	2	0.0%	2	0.0%	2	0.0%

[1] Excludes Transfers.

All Funds other tax receipts for FY 2024 are estimated to decrease from FY 2023 results, primarily due to the receipt of multiple super-large estate tax payments in excess of $100 million in FY 2023, as well as the expectation that real estate transfer activity continues to slow down from FY 2022 and FY 2023's record collections.

General Fund other tax receipts for FY 2024 are estimated to decrease, mainly due to an estimated decrease in estate tax receipts due to the reason noted above.

All Funds other tax receipts for FY 2025 are projected to decrease, primarily due to an expected return to a more typical amount of super-large payments and collections, which is slightly offset by a projected increase in real estate transfer tax receipts as bonuses and housing prices are expected to increase. All Funds other tax receipts in the outyears are projected to increase, largely due to increases in both estate tax and real estate transfer tax receipts, reflecting projected growth in household net worth, housing starts, housing prices and bonuses.

General Fund other tax receipts for FY 2025 are projected to decline due to the reasons noted above. Other tax receipts in the outyears are projected to increase, resulting from projected increases in estate tax receipts, which reflect projected growth in household net worth.

Miscellaneous Receipts

All Funds miscellaneous receipts include moneys received from HCRA financing sources, SUNY tuition and patient income, lottery and gaming receipts for education, assessments on regulated industries, Tribal-State Compact receipts, Extraordinary Monetary Settlements, and a variety of fees. As such, miscellaneous receipts are driven in part by year-to-year variations in health care surcharges and other HCRA resources, bond proceeds, tuition income revenue and other miscellaneous receipts.

MISCELLANEOUS RECEIPTS (millions of dollars)									
	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
ALL FUNDS	**31,842**	**26,837**	**-15.7%**	**27,942**	**4.1%**	**29,234**	**4.6%**	**29,449**	**0.7%**
General Fund	3,609	3,801	5.3%	2,772	-27.1%	2,261	-18.4%	1,996	-11.7%
Special Revenue Funds	21,414	15,029	-29.8%	14,033	-6.6%	15,316	9.1%	15,778	3.0%
Capital Projects Funds	6,363	7,629	19.9%	10,752	40.9%	11,262	4.7%	11,265	0.0%
Debt Service Funds	456	378	-17.1%	385	1.9%	395	2.6%	410	3.8%

General Fund miscellaneous receipts in FY 2024 are projected to increase from FY 2023 results, largely due to the combination of rising interest rates and larger state fund balances, leading to increases to anticipated investment returns, partially offset by lower projected abandoned property, license, fee and reimbursement receipts.

All Funds miscellaneous receipts in FY 2024 are projected to decrease from FY 2023 results, driven by the conservative estimation of non-general fund revenues partially offset by the projected growth of bond proceeds receipts, primarily due to the increase in bond-eligible capital spending in FY 2024, and the General Fund increases noted above.

All Funds miscellaneous receipts in FY 2025 are projected to increase from FY 2024 estimates, driven by growth in bond proceeds driven by higher bond-eligible capital spending and the timing of reimbursements, partially offset by the conservative estimation of investment income and non-General Fund revenues. In the later years of the Financial Plan, All Funds miscellaneous receipts reflect the timing of capital reimbursements and continued conservative estimation of investment income.

Consistent with past practice, the aggregate receipts projections (i.e., the sum of all projected receipts by individual agencies) in State Special Revenue Funds are centrally adjusted downward to reflect aggregate trends and patterns observed between estimated and actual results over time.

Federal Receipts

FEDERAL RECEIPTS (millions of dollars)	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
ALL FUNDS	**89,563**	**92,654**	**3.5%**	**84,477**	**-8.8%**	**82,578**	**-2.2%**	**84,148**	**1.9%**
General Fund	2,351	2,250	-4.3%	3,645	62.0%	0	-100.0%	0	0.0%
Special Revenue Funds	84,618	87,040	2.9%	77,230	-11.3%	78,911	2.2%	80,621	2.2%
Capital Projects Funds	2,523	3,297	30.7%	3,540	7.4%	3,609	1.9%	3,474	-3.7%
Debt Service Funds	71	67	-5.6%	62	-7.5%	58	-6.5%	53	-8.6%

Aid from the Federal government helps to pay for a variety of programs including Medicaid, public assistance, mental hygiene, School Aid, public health, transportation, and other activities. Annual changes to Federal receipts generally correspond to changes in Federally reimbursed spending. Accordingly, DOB typically projects Federal reimbursements will be received in the State fiscal year in which spending occurs, but due to the variable timing of Federal receipts, actual results often differ from projections.

The increase in All Funds Federal receipts projections correspond with expected increases in Federal spending, which include increases to Medicaid and FEMA reimbursement of eligible pandemic expenses and other pandemic assistance including categorical aid for schools, childcare, housing, infrastructure, and other purposes which are expected to be received over the multi-year period, partially offset by reductions in emergency rental assistance and eFMAP.

Under the Biden administration and the current and future Congress, many of the policies that drive Federal aid may be subject to change. At this time, it is not possible to assess the potential fiscal impact of future policies that may be proposed and adopted. If Federal funding to the State were reduced, this could have a materially adverse impact on the Financial Plan.

Disbursements

The multi-year disbursements projections consider various factors, including statutorily indexed rates intended to limit spending in certain programs, agency staffing levels, program caseloads, inflation, and funding formulas contained in State and Federal law. Factors that affect spending estimates vary by program. For example, public assistance spending is based primarily on anticipated caseloads that are estimated by analyzing historical trends and projected economic conditions. Projections also account for the timing of payments, since not all the amounts appropriated are disbursed in the same fiscal year. Consistent with past practice, the aggregate receipts and spending projections (i.e., the sum of all projected receipts and spending by individual agencies) in State Special Revenue Funds are centrally adjusted downward to reflect aggregate spending trends and patterns observed between estimated and actual results over time.

Assistance and Grants

Assistance and grants spending includes payments to local governments, school districts, health care providers, and other entities, as well as financial assistance to, or on behalf of, individuals, families, and not-for-profit organizations who provide services to individuals. School Aid and health care spending account for most of the State Operating Funds assistance and grants spending. Assistance and grants spending represents approximately two-thirds of total State Operating Funds spending.

Certain factors considered when preparing spending projections for the State's major assistance and grants programs and activities are summarized below. The impact of COVID-19 on unemployment and family income triggered an increase to the public assistance caseload, particularly in New York City.

FORECAST FOR SELECTED PROGRAM MEASURES AFFECTING OPERATING ACTIVITIES (millions of dollars)

	FY 2023 Actuals[1]	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
HEALTH CARE					
Medicaid - Individuals Covered	7,789,300	6,901,410	6,565,333	6,605,101	6,646,008
Essential Plan - Individuals Covered	1,163,584	1,163,500	1,179,993	1,211,267	1,237,391
Child Health Plus - Individuals Covered	405,265	457,936	462,549	471,799	481,235
State Takeover of County/NYC Costs[2]	$5,540	$6,370	$7,253	$8,176	$9,013
CY 2005 Local Medicaid Cap	$3,892	$4,539	$5,239	$5,980	$6,634
FY 2013 Local Takeover Costs	$1,648	$1,831	$2,014	$2,196	$2,379
EDUCATION					
School Aid (School Year-Basis Funding)[3]	$31,383	$34,414	$35,760	$37,219	$38,723
HIGHER EDUCATION					
Public Higher Education Enrollment (FTEs)	458,167	458,167	TBD	TBD	TBD
Tuition Assistance Program (FTEs)	216,000	235,000	TBD	TBD	TBD
PUBLIC ASSISTANCE					
Family Assistance Program (Families)	180,418	209,148	198,646	188,276	211,025
Safety Net Program (Families)	120,957	138,784	130,571	122,396	137,679
Safety Net Program (Singles)	229,043	210,068	207,482	208,728	225,876
MENTAL HYGIENE					
OMH Community Beds	48,088	51,081	54,679	55,449	56,079
OPWDD Community Beds	41,479	42,401	42,535	42,670	42,806
OASAS Community Beds	13,400	13,804	13,854	13,954	14,004
Total	102,967	107,286	111,068	112,073	112,889

[1] Reflects preliminary unaudited actuals.

[2] Reflects the total State cost of taking over the local share of Medicaid growth, which was initially capped at approximately 3 percent annually, then fully transferred to the State as of calendar year 2015. A portion of the State takeover costs are funded from Master Settlement Agreement resources.

[3] Does not reflect a significant amount of federal CRRSA and ARP Act funding for school districts to be distributed over multiple years, such as prekindergarten expansion grants supported by ARP Act funding that appear on the School Aid run.

Education

School Aid

School Aid supports elementary and secondary education for New York pupils enrolled in the State's 673 major school districts. State aid is provided to districts based on statutory aid formulas and through reimbursement of categorical expenses, such as prekindergarten programs, education of homeless children, and bilingual education. State funding for schools assists districts in meeting locally defined needs, such as the construction of school facilities and the education of students with disabilities.

School Year (July 1 — June 30)

The Financial Plan includes $34.4 billion for School Aid in SY 2024, exclusive of Federal prekindergarten expansion grants, representing an annual increase of approximately $3 billion (9.7 percent). This annual increase includes a $2.6 billion (12.3 percent) increase in Foundation Aid. The growth in Foundation Aid reflects the full funding of the current formula for the first time in its history, marking the final year of the three-year phase-in, and a minimum 3 percent annual increase to fully funded districts that would otherwise not receive a Foundation Aid increase under current law. School Aid growth also includes a $225 million increase in expense-based reimbursement programs such as Transportation Aid and Boards of Cooperative Educational Services (BOCES) Aid and a $150 million increase in State-funded full-day prekindergarten programming for four-year-old children, comprised of a $100 million formula-based allocation and a $50 million grant to be competitively awarded. The FY 2024 Enacted Budget also provides $21 million for new competitive grants, including $20 million to support the establishment of new Early College High School and Pathways in Technology Early College High School (P-TECH) programs.

In SY 2024, growth in School Aid largely reflects the final year of the three-year phase-in of full funding of the current Foundation Aid formula, increased support for full-day prekindergarten, and assumed growth in expense-based aids. In SY 2025 and thereafter, projected School Aid growth is based on the projected ten-year average growth in State personal income (PIGI).

SCHOOL AID - SCHOOL YEAR BASIS (JULY 1 - JUNE 30)[1]
(millions of dollars)

	SY 2023	SY 2024	Change	SY 2025	Change	SY 2026	Change	SY 2027	Change
Total	**31,383**	**34,414**	**3,031**	**35,760**	**1,346**	**37,219**	**1,459**	**38,723**	**1,504**
			9.7%		3.9%		4.1%		4.0%

[1] Does not reflect a significant amount of Federal CRRSA and ARP Act funding for school districts to be distributed over multiple years, such as prekindergarten expansion grants supported by ARP Act funding that appear on the School Aid run.

In addition to State School Aid, public schools received $13.0 billion of Federal ESSER and GEER funds allocated by CRRSA and ARP. This funding, available for use over multiple years, will continue to help schools safely operate with in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs resulting from the disruptions of the COVID-19 pandemic. Most of these funds ($12.2 billion) are allocated to school districts and charter schools, largely in proportion to their Federal Title I award, and allow for broad local discretion over the funds' use. A total of $629 million of these funds was allocated to school districts as targeted grants to address learning loss from the shutdown of in-person learning through activities such as summer enrichment and comprehensive after-school programs. The remaining $210 million was allocated for the expansion of full-day prekindergarten programs for four-year-old children, grants that the State will gradually take over and fully fund beginning in SY 2025.

State Fiscal Year School Aid

The State finances School Aid from the General Fund, commercial gaming receipts, cannabis sales, mobile sports wagering receipts, and Lottery Fund receipts, including revenues from VLTs. Commercial gaming, Lottery, mobile sports wagering and cannabis receipts are accounted for and disbursed from dedicated accounts. The amount of School Aid spending financed by mobile sports wagering receipts is expected to increase significantly in FY 2024 due to high revenue collections in FY 2023. Additionally, the amount of School Aid spending financed by Lottery Aid is expected to decrease in FY 2024 due to higher than anticipated revenue collections in FY 2022 that supported increased disbursements in FY 2023.

Because the State fiscal year begins on April 1 and the school year begins on July 1, the State typically pays approximately 70 percent of the annual school year commitment during the initial State fiscal year and the remaining 30 percent in the first three months of the following State fiscal year. The table below summarizes the projected sources of School Aid spending on a State fiscal year basis.

SCHOOL AID - STATE FISCAL YEAR BASIS[1,2]
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
TOTAL STATE OPERATING FUNDS	**30,290**	**33,477**	**10.5%**	**35,262**	**5.3%**	**36,695**	**4.1%**	**38,150**	**4.0%**
General Fund Local Assistance	25,519	28,797	12.8%	30,484	5.9%	32,170	5.5%	33,555	4.3%
Medicaid	125	140	12.0%	140	0.0%	140	0.0%	140	0.0%
Lottery Aid	2,653	2,303	-13.2%	2,629	14.2%	2,407	-8.4%	2,407	0.0%
VLT Lottery Aid	1,237	1,033	-16.5%	1,030	-0.3%	1,014	-1.6%	1,013	-0.1%
Commercial Gaming	141	138	-2.1%	147	6.5%	142	-3.4%	175	23.2%
Mobile Sports Wagering	615	1,061	72.5%	832	-21.6%	775	-6.9%	779	0.5%
Cannabis Revenue	0	5	0.0%	0	-100.0%	47	0.0%	81	72.3%

1 Does not reflect a significant amount of Federal CRRSA and ARP Act funding for school districts to be distributed over multiple years, such as prekindergarten expansion grants supported by ARP Act funding that appear on the School Aid run.

2 Spending from dedicated revenue sources is capped by appropriation authority as determined at the Enacted Budget and does not necessarily equate to annual revenue collections and/or projections. Gaming details can be found in the Accompanying Notes section (Note 10).

Other Education Funding

The State provides funding and support for various other education-related programs. These include special education services; programs administered by the Office of Prekindergarten through Grade 12 Education; cultural education; higher and professional education programs; and adult career and continuing education services.

OTHER EDUCATION FUNDING
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
TOTAL STATE OPERATING FUNDS	**2,255**	**2,560**	**13.5%**	**2,751**	**7.5%**	**2,905**	**5.6%**	**3,052**	**5.1%**
Special Education	1,274	1,426	11.9%	1,520	6.6%	1,612	6.1%	1,708	6.0%
All Other Education	981	1,134	15.6%	1,231	8.6%	1,293	5.0%	1,344	3.9%

The State helps fund special education services for approximately 500,000 students with disabilities, from ages 3 to 21. Major programs under the Office of Prekindergarten through Grade 12 address specialized student needs or reimburse school districts for education-related services, including the school breakfast and lunch programs, after-school programs, and other educational grant programs. Cultural education includes aid for operating expenses of the major cultural institutions, State Archives, State Library, and State Museum, as well as support for the Office of Educational Television and Public Broadcasting. Higher and professional education programs monitor the quality and availability of post-secondary education programs, and license and regulate over 50 professions. Adult career and continuing education services focus on the education and employment needs of the State's adult citizens, ensuring that such individuals have access to a one-stop source for all their employment needs, and are made aware of the full range of services available in other agencies.

Special Education costs are expected to increase from FY 2023 levels due to the continuing impact of an 11 percent COLA increase to provider tuition rates for SY 2023 and the return of enrollment to pre-pandemic levels. These increased tuition costs are paid in the first instance by school districts and counties and partially reimbursed by the State starting in the following year. Outyear spending increases are attributable to projected enrollment and cost growth.

The projected spending increase for All Other Education Programs in FY 2024 is largely attributable to a new State-funded initiative to incentivize qualifying low-income public and nonpublic schools to participate in the Federal CEP program, allowing all students in those schools to eat breakfast and lunch at no charge regardless of their families' income, as well as one-time aid and grant programs. The projected spending increase in FY 2025 is primarily due to continuation of the new school meal subsidy for CEP-participating schools, anticipated increases in reimbursement to nonpublic schools for Science, Technology, Engineering, and Math (STEM) instruction, charter school supplemental tuition payments paid as reimbursement to school districts, payments to New York City for charter school facilities aid, funds to support the development of robust high school-college-workforce pipelines, and the restoration of funding for payment of school districts' prior year aid claims in FY 2025.

School Tax Relief Program

The STAR program provides school tax relief to taxpayers by exempting the first $30,000 of every eligible homeowner's property value from the local school tax levy. Senior citizens with incomes below $93,200 will receive a $81,400 exemption in FY 2024.

Spending on STAR property tax exemptions reflects reimbursements made to school districts to offset the reduction in the amount of property tax revenue collected from homeowners. Since FY 2017, the STAR exemption program has been gradually transitioned from a spending program to an advance refundable PIT credit program. As a result, first-time homebuyers and homeowners who move receive a refundable PIT credit instead of a property tax exemption. This transition did not change the value of the STAR benefit received by homeowners. As of FY 2020, homeowners who receive a property tax exemption do not receive an increase in their STAR benefit (details below).

The STAR program also includes a credit for income-eligible resident New York City taxpayers. The New York City PIT rate reduction was converted into a State PIT tax credit starting with tax year 2017. As of FY 2019, New York City STAR payments are no longer a component of State Operating Funds spending. This change has no impact on the value of the STAR benefit received by taxpayers.

SCHOOL TAX RELIEF (STAR)
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
TOTAL STAR PROGRAM	**1,781**	**1,717**	**-3.6%**	**1,610**	**-6.2%**	**1,562**	**-3.0%**	**1,535**	**-1.7%**
Gross Program Costs	3,289	3,393	3.2%	3,460	2.0%	3,582	3.5%	3,727	4.0%
Personal Income Tax Credit	(1,508)	(1,676)	-11.1%	(1,850)	-10.4%	(2,020)	-9.2%	(2,192)	-8.5%
Basic Exemption	952	891	-6.4%	787	-11.7%	740	-6.0%	718	-3.0%
Gross Program Costs	1,555	1,617	4.0%	1,636	1.2%	1,727	5.6%	1,840	6.5%
Personal Income Tax Credit	(603)	(726)	-20.4%	(849)	-16.9%	(987)	-16.3%	(1,122)	-13.7%
Enhanced (Senior) Exemption	829	826	-0.4%	823	-0.4%	822	-0.1%	817	-0.6%
Gross Program Costs	979	1,008	3.0%	1,038	3.0%	1,059	2.0%	1,077	1.7%
Personal Income Tax Credit	(150)	(182)	-21.3%	(215)	-18.1%	(237)	-10.2%	(260)	-9.7%
New York City PIT	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Gross Program Costs	755	768	1.7%	786	2.3%	796	1.3%	810	1.8%
Personal Income Tax Credit	(755)	(768)	-1.7%	(786)	-2.3%	(796)	-1.3%	(810)	-1.8%

Starting in FY 2020, all homeowners with incomes above $250,000 were transitioned from the basic exemption benefit program to the advance credit program. Additionally, the zero percent growth cap on the STAR exemption benefit that was included in the FY 2020 Enacted Budget remains in effect. The decline in reported disbursements on STAR exemptions in FYs 2024 through 2027 can be attributed to these actions. By moving taxpayers to the credit program, the State can more efficiently administer the program while strengthening its ability to prevent abuse. The move from the basic exemption to the credit program does not reduce the value of the benefit received by homeowners.

Higher Education

Assistance and Grants spending for higher education includes funding for CUNY, SUNY, and the Higher Education Services Corporation (HESC).

HIGHER EDUCATION (millions of dollars)									
	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
TOTAL STATE OPERATING FUNDS	**2,876**	**3,141**	**9.2%**	**3,276**	**4.3%**	**3,348**	**2.2%**	**3,415**	**2.0%**
City University	**1,783**	**2,041**	**14.5%**	**2,058**	**0.8%**	**2,121**	**3.1%**	**2,168**	**2.2%**
Senior Colleges	1,539	1,800	17.0%	1,817	0.9%	1,880	3.5%	1,927	2.5%
Community College	244	241	-1.2%	241	0.0%	241	0.0%	241	0.0%
Higher Education Services	**596**	**642**	**7.7%**	**770**	**19.9%**	**779**	**1.2%**	**799**	**2.6%**
Tuition Assistance Program	534	543	1.7%	684	26.0%	701	2.5%	721	2.9%
Scholarships/Awards	55	87	58.2%	74	-14.9%	66	-10.8%	66	0.0%
Aid for Part-Time Study	7	12	71.4%	12	0.0%	12	0.0%	12	0.0%
State University	**497**	**458**	**-7.8%**	**448**	**-2.2%**	**448**	**0.0%**	**448**	**0.0%**
Community College	491	452	-7.9%	444	-1.8%	444	0.0%	444	0.0%
Other/Cornell	6	6	0.0%	4	-33.3%	4	0.0%	4	0.0%

SUNY and CUNY operate 47 four-year colleges and graduate schools with a total enrollment of nearly 371,000 full- and part-time students. SUNY and CUNY also operate 37 community colleges, serving approximately 234,000 students. State funds support a significant portion of SUNY and CUNY operations. In addition to the spending reflected in the above table, the State provides annual subsidies of approximately $1.3 billion for SUNY campus operations through a General Fund transfer and $2 billion to fully support fringe benefit costs of SUNY employees at State-operated campuses. The State is also projected to pay $964 million in FY 2024 for debt service on bond financed capital projects at SUNY and CUNY. In FY 2024, an estimated $330 million in student financial aid support will be transferred from HESC to SUNY. This is the result of an accounting change first implemented in FY 2020 to reflect certain financial aid payments from HESC to SUNY as transfers instead of disbursements.

HESC is New York State's student financial aid agency. HESC oversees State-funded financial aid programs, including the Excelsior Scholarship, TAP, and 26 other scholarship and loan forgiveness programs. Together, these programs provide financial aid to approximately 300,000 students. HESC also partners with OSC in administering the College Choice Tuition Savings program.

Higher education assistance and grants spending is projected to increase by $265 million, or 9.2 percent, from FY 2023 to FY 2024. This spending provides an increase in General Fund operating assistance to CUNY senior colleges. From FY 2023 to FY 2024, assistance and grants spending for the State University decreased because of nonrecurring investments and timing of payments related to workforce development programs. Increased HESC spending is driven by the continued implementation of the expansion of the TAP for part-time students in degree-granting programs, as well as students enrolled in nondegree workforce credentialing programs at public institutions.

Health Care

DOH works with local health departments and social services departments, including New York City, to coordinate and administer statewide health insurance programs and activities, including operating the Medicaid program which provides health care coverage to 7.8 million low-income individuals and long-term care services for the elderly and disabled. Most government-financed health care programs are included under DOH, however, several programs are also supported through multi-agency efforts. In addition to Medicaid and statewide public health programs, assistance and grants spending for health care includes a variety of mental hygiene programs.

DOH also engages in Federally supported initiatives, including Medicaid redesign, public health, and COVID-19 pandemic response efforts. For more information on the Medicaid Redesign Team (MRT) Medicaid Waiver and Federal COVID-19 response efforts please see "Other Matters Affecting the Financial Plan" herein.

Medicaid

Medicaid is a means-tested program that finances health care services for low-income individuals and long-term care services for the elderly and disabled, primarily through monthly premium payments to managed care plans that enroll Medicaid eligible individuals and direct payments to health care providers for services rendered to Medicaid enrollees. Medicaid services include inpatient hospital care, outpatient hospital services, clinics, nursing homes, managed care, prescription drugs, home care, and services provided in a variety of community-based settings (including personal care, mental health, substance abuse treatment, developmental disabilities services, school-based services, and foster care services). The Medicaid program is financed by the Federal government, the State, and counties, including New York City. DOB estimates that spending from all sources, including spending by local governments that is not part of the State's All Funds activity, will total $109 billion in FY 2024. The following table shows the estimated disbursements by level of government.

FY 2024 PROJECTED MEDICAID SPENDING [1]
(millions of dollars)

	Spending	Share
Federal	64,603	59.5%
State	35,564	32.7%
Local	8,505	7.8%
Total	**108,672**	**100.0%**

[1] Includes operational costs and the Essential Plan but excludes MSA payments deposited in the Medicaid Escrow Fund.

The State share of DOH Medicaid spending is financed by a combination of the General Fund, HCRA resources, indigent care support, provider assessment revenue, and tobacco settlement proceeds. The General Fund is expected to finance 78 percent of State-share Medicaid costs in FY 2024. In any year, Medicaid costs financed by the General Fund may be affected by several factors, including the Medicaid Global Cap, a statutory annual growth cap that applies to a subset of State-share Medicaid spending, financial resources available in HCRA, and, to a lesser extent, other special revenue funds, and temporary changes to the Federal share of Medicaid (e.g., eFMAP). The following tables summarize the expected financing shares over the multi-year plan.

STATE-SHARE MEDICAID FINANCING SOURCES [1]
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
General Fund	19,703	21,581	24,894	27,282	29,290
HCRA	4,551	4,486	4,203	4,058	4,041
All Other	1,537	1,680	1,561	1,590	1,591
Total	**25,791**	**27,747**	**30,658**	**32,930**	**34,922**

[1] Includes operational costs and the Essential Plan.

STATE-SHARE MEDICAID FINANCING SOURCES [1]
(percent)

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
General Fund	76.4%	77.8%	81.2%	82.8%	83.9%
HCRA	17.6%	16.2%	13.7%	12.3%	11.6%
All Other	6.0%	6.0%	5.1%	4.9%	4.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

[1] Includes operational costs and the Essential Plan.

See "Factors Affecting Medicaid Funding" and "HCRA Financial Plan" below for more information. Medicaid eligibility and enrollment fluctuate with economic cycles. Enrollment has increased by nearly 1.6 million since March 2020. This enrollment increase has been driven by the steep rise in unemployment triggered by the COVID-19 pandemic, as well as Federal limitations on Medicaid disenrollment activities during the public health emergency period. The Financial Plan forecast assumes that enrollment levels will peak at nearly 7.9 million in June of FY 2024 and decline thereafter in the later part of FY 2025.

As unemployment trends towards pre-pandemic levels, costs associated with individuals who are temporarily enrolled are projected to decline in FY 2024, along with enrollment.

Total Medicaid costs are expected to grow annually due in large part to an increase in high utilization populations. Other factors that continue to place upward pressure on State-share Medicaid costs, include but are not limited to, provider reimbursements to cover minimum wage increases; the phase-out of enhanced Federal funding; increased costs and enrollment growth in managed long-term care; and payments to financially distressed hospitals[14].

The following table summarizes State-share Medicaid spending by agency.

TOTAL DOH MEDICAID SPENDING
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
Medicaid Global Cap[1]	**21,762**	**23,124**	**24,569**	**26,092**	**27,478**
Annual $ Change	1,190	1,362	1,445	1,523	1,386
Annual % Change	5.8%	6.3%	6.2%	6.2%	5.3%
FY 2024 Enacted Budget Forecast[2]	0	0	0	242	283
Other Medicaid Not Subject to Global Cap	**4,029**	**4,623**	**6,089**	**6,596**	**7,161**
Minimum Wage	2,223	2,413	2,430	2,440	2,451
Home Care Wages	363	214	1,480	1,795	2,165
Local Takeover Cost[3]	1,648	1,830	2,013	2,195	2,378
MSA Payments (Share of Local Growth)[4]	(362)	(362)	(362)	(362)	(362)
All Other	157	528	528	528	529
Total DOH Medicaid	**25,791**	**27,747**	**30,658**	**32,930**	**34,922**
Annual $ Change	3,501	1,956	2,911	2,272	1,992
Annual % Change	15.7%	7.6%	10.5%	7.4%	6.0%

1 Effective FY 2023, growth is indexed to the 5-year rolling average of Medicaid spending projections within the National Health Expenditure Accounts produced by Office of the Actuary in the Centers for Medicare & Medicaid Services.

2 The Medicaid forecast is projected to spend within the allowable index through FY 2025. Gap-closing savings will be necessary in FY 2026 and FY 2027 to ensure Medicaid spending in future years adheres to the Global Cap indexed rate.

3 Reflects a portion of the State's costs related to paying the full share of Medicaid program growth on behalf of local governments that is outside of the Global Cap.

4 MSA payments are deposited directly to a Medicaid Escrow Fund to cover a portion of the State's share of local Medicaid growth.

14 There is a great deal of uncertainty regarding Medicaid enrollment levels and the timing of levels returning to pre-pandemic trends. The State continues to work with Urban Institute and other independent experts and will continue to test and refine the Medicaid enrollment projections utilizing available data.

FY 2024 Enacted State Operating Funds Budget Actions

FY 2024 ENACTED BUDGET
STATE OPERATING FUNDS -- SAVINGS/(COSTS)
DEPARTMENT OF HEALTH - MEDICAID GLOBAL CAP
(millions of dollars)

	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
FY 2024 Base Surplus/(Gap)	**(1,226)**	**(1,390)**	**(2,096)**	**(2,091)**
Forecasted Enrollment Projections	(547)	(140)	(396)	(412)
Financial Plan Adjustment for COVID Enrollment	547	(87)	**0**	**0**
Newly Signed Legislation	(6)	(7)	(7)	(7)
Updated New Statutory Global Cap Index	475	694	854	754
FY 2024 Revised Surplus/(Gap)	**(757)**	**(930)**	**(1,645)**	**(1,756)**
Enacted Budget Actions	**938**	**1,345**	**1,818**	**1,888**
SUNY Disproportionate Share Hospital (DSH)	(72)	(106)	(53)	(53)
Voluntary Hospital Indigent Care Reduction	43	43	43	43
Removal of Nursing Home Staffing Pool	94	94	94	94
Increase Nursing Home Reimbursement by 6.5% (up to 7.5% total, subject to FFP)	(205)	(205)	(205)	(205)
Increase Assisted Living Program (ALPs) reimbursement by 6.5%	(12)	(12)	(12)	(12)
DOH Veterans Home Investment	2	2	2	2
FY 2024 Medical Loss Ratio (MLR) Increase for MLTC & MMC	0	67	0	0
Managed Long-Term Care Plans (MLTCP) Reforms	0	52	52	52
Discontinue MLTC Distressed Plan Pool	15	15	15	15
Delay Implementation of Undocumented Coverage Expansion for 65+	172	0	0	0
Keep Pregnancy Coverage in Essential Plan	41	165	165	165
NYRx Transition	410	548	557	562
Support for Ryan White Centers (NYRx)	(30)	(30)	(30)	(30)
FQHC/DTC Supplemental Payments (NYRx)	(135)	(135)	(135)	(135)
Increase Hospital Inpatient Reimbursement by 7.5% (NYRx)	(319)	(319)	(319)	(319)
Additional NYRx Reinvestment	(35)	(35)	(35)	(35)
Utilize Available Federal Funding	219	439	774	808
Recalibrate Health Home Program	30	70	70	70
Financially Distressed Hospital Support	(500)	0	0	0
Increase Hospital Outpatient Reimbursement by 6.5%	(77)	(77)	(77)	(77)
Wage Parity Savings	115	469	500	534
Additional QIVAP Support	(71)	(87)	0	0
Prior Year State Funding Advance Recoveries	178	0	0	0
Available HCBS eFMAP to Offset Home Care Minimum Wage	214	0	0	0
Additional 1.5% OSA COLA	(30)	(30)	(30)	(30)
FP Support of OSA COLA	30	30	30	30
Timing of Payments and Other Revisions	860	386	411	408
State of the State Investments	**(181)**	**(415)**	**(415)**	**(415)**
Expand Medicaid Buy-In for those with Disabilities	0	(60)	(60)	(60)
Benchmarking Primary Care Reimbursement to 80% of Medicare	(18)	(35)	(35)	(35)
Establish Adverse Childhood Screening Rates	(5)	(19)	(19)	(19)
Establish Reimbursement for Community Health Workers	(9)	(35)	(35)	(35)
Expand Nutritionist Coverage to All	(14)	(18)	(18)	(18)
Increase Supportive Housing Funding	(15)	(30)	(30)	(30)
Integrated Licensure Standards	(16)	(33)	(33)	(33)
Ensure Adequate Transportation Rates	(14)	(18)	(18)	(18)
Mental Hygiene Medicaid	(59)	(114)	(114)	(114)
All Other SOTS	(31)	(53)	(53)	(53)
FY 2024 Enacted Budget Surplus/(Gap)	**0**	**0**	**(242)**	**(283)**
Non-Global Cap Medicaid Revisions (Excluded from Above)	**1,220**	**(269)**	**(512)**	**(806)**
Asylum Seekers Services and Assistance	(125)	0	0	0
Home Health Aides Minimum Wage Increase	(53)	(269)	(512)	(806)
Delay $1 Home Care Wage to 1/1/24	97	0	0	0
COVID eFMAP	1,301	0	0	0

Factors Affecting Medicaid Funding

Global Cap

The Medicaid Global Cap is a statutory spending cap that applies to a subset of State-share funded Medicaid spending. It is intended to limit the growth of Medicaid costs financed by the General Fund. From FY 2013, when the Global Cap was put in place, through FY 2022, the subset of Medicaid spending to which it applied was limited to no greater than the ten-year rolling average of medical price inflation. The FY 2023 Enacted Budget implemented a new Global Cap index based on the five-year rolling average of CMS annual projections of health care spending to better account for enrollment, including specific populations, such as the aging and disabled populations. The new index also accounts for enrollment and population changes, which are significant drivers of costs.

Consistent with the index, the FY 2023 Enacted Budget reflected $8 billion in additional Medicaid spending growth between FY 2023 and 2027. The FY 2024 Enacted Budget takes into account the latest projections published by CMS that further increases Global Cap allowable spending ranging from $224 million to $854 million annually between FY 2023 and FY 2027, providing another $3 billion over the multi-year plan and $11 billion in aggregate increased spending allowance over the five-year period.

The Global Cap is balanced through FY 2025; however, Medicaid spending is projected to exceed the cap beginning in FY 2026 due mainly to projected utilization and costs trends. The deficits are projected at $242 million in FY 2026 and $283 million in FY 2027. The State will monitor Medicaid spending on an ongoing basis. Additionally, the Governor's healthcare commission will examine and recommend reforms to improve quality and reduce costs.

STATE FINANCIAL PLAN MULTI-YEAR PROJECTIONS

MEDICAID GLOBAL CAP INDEX (millions of dollars)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	Five-Year Total
FY 2022 Enacted Budget	**21,172**	**21,749**	**22,333**	**22,957**	**23,612**	**111,823**
Annual $ Change	600	577	584	624	655	
Annual % Change	2.9%	2.7%	2.7%	2.8%	2.9%	
New Statutory Index[1]	366	900	1,542	2,280	3,112	8,200
Updated New Statutory Index[2]	224	475	694	854	754	3,001
Increased Spending Allowance	**590**	**1,375**	**2,236**	**3,134**	**3,866**	**11,201**
Index Pursuant to Statue	**21,762**	**23,124**	**24,569**	**26,091**	**27,478**	**123,024**
FY 2024 Enacted Budget	21,762	23,124	24,569	26,333	27,761	123,549
Enacted Budget Over/(Under) Index[3]	**0**	**0**	**0**	**242**	**283**	**525**
FY 2024 Enacted Budget	**21,762**	**23,124**	**24,569**	**26,333**	**27,761**	**123,549**
Annual $ Change	1,190	1,362	1,445	1,764	1,428	
Annual % Change	5.8%	6.3%	6.2%	7.2%	5.4%	

1 Effective FY 2023, growth is indexed to the 5-year rolling average of Medicaid spending projections within the National Health Expenditure Accounts produced by Office of the Actuary in the Centers for Medicare & Medicaid Services (CMS) as of March 2020.

2 Reflects the updated 5-year rolling average pursuant to CMS March 2022 Report.

3 The Medicaid forecast is projected to spend within the allowable index through FY 2025. Gap-closing savings will be necessary in FY 2026 and FY 2027 to ensure Medicaid spending in future years adheres to the Global Cap indexed rate.

The Global Cap applies to an estimated 80 percent of State-share DOH Medicaid spending. Medicaid spending not subject to the Global Cap includes certain Medicaid spending in other agencies, administrative costs, such as the takeover of local administrative responsibilities, costs related to a portion of the takeover of local government expenses, and costs related to State-mandated increases in the minimum wage and other wage enhancements.

TOTAL STATE-SHARE MEDICAID DISBURSEMENTS
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
Department of Health Medicaid	**25,791**	**27,747**	**30,658**	**32,930**	**34,922**
Assistance and Grants	29,120	28,820	30,137	32,441	34,438
State Operations	323	494	521	489	484
eFMAP[1]	(3,652)	(1,567)	0	0	0
Other State Agency Medicaid Spending	**5,504**	**7,455**	**6,234**	**6,110**	**6,325**
Mental Hygiene[2]	5,323	7,243	6,022	5,898	6,113
Foster Care	56	64	64	64	64
Education	125	140	140	140	140
Corrections	0	8	8	8	8
Total State-Share Medicaid (All Agencies)	**31,295**	**35,202**	**36,892**	**39,040**	**41,247**
Annual $ Change		3,907	1,690	2,148	2,207
Annual % Change		12.5%	4.8%	5.8%	5.7%

1 Includes a portion of the benefit of enhanced Federal share (eFMAP).

2 Excludes a portion of spending reported under the DOH Medicaid Global Cap that has no impact on mental hygiene service delivery or operations.

Temporary eFMAP

In March 2020, the Federal government signed into law the Families First Coronavirus Response Act (FFCRA) which included a 6.2 percent base increase to the FMAP rate for each calendar quarter occurring during the public health emergency, with exemptions placed on spending already eligible for enhanced Federal support, including portions of the ACA expansion.

State Medicaid spending is also impacted by the Federal government's increased share of Medicaid funding through eFMAP during the public health emergency. The enhanced funding began on January 1, 2020, and pursuant to the 2023 Consolidated Appropriations Act signed into law on December 29, 2022, will be phased out 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. The Enacted Budget Financial Plan includes a benefit to the State of approximately $1.6 billion in FY 2024 through this enhanced Federal funding.

State share savings from eFMAP have been, and will be, used to offset increased costs associated with persistently elevated COVID enrollment and lost MRT II savings due to Federal restrictions regarding program restructuring while the eFMAP remains in place.

Minimum Wage and Home Care Wages

Medicaid spending includes the cost of increases in the minimum wage for employees in the health care sector. These costs are not subject to the Global Cap.

The State costs of minimum wage increases in the health care sector are projected to grow by $190 million to roughly $2.4 billion in FY 2024. Home health care workers in New York City and certain counties receive supplemental benefits in addition to their base wage. These benefits include paid leave, differential wages, premiums for certain shifts, education, and fringe benefits. The required supplemental benefits typically can be satisfied by increasing the base cash wage for home health care workers by a corresponding amount. As a result, wages for home health care workers in these regions exceed minimum wage levels by $2.54 for New York City and $1.67 for Westchester, Nassau, and Suffolk counties. However, State statute exempts the supplemental wages portion of total compensation from the minimum wage calculation to ensure home health care workers in these counties receive incremental growth in wage compensation commensurate with the new minimum wage schedule.

The FY 2024 Enacted Budget authorized 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, with additional Statewide wage increases of $0.55 to come January 1, 2025 and January 1, 2026. Pending CMS approval, the increases are anticipated to be partially funded by HCBS eFMAP in FY 2024.

The FY 2024 Enacted Budget also automatically increases the State's minimum wage to keep pace with inflation going forward. After reaching $15 per hour, each region's minimum wage will increase consistent with the year-over-year CPI-W for the Northeast Region. The State cost is expected to be $53 million in FY 2024 growing to $806 million in FY 2027.

Local Medicaid Cap

The local Medicaid Cap was designed to relieve pressure on county property taxes and the New York City budget by capping local costs and having the State absorb all local program growth above a fixed statutory inflation rate. Beginning in January 2006, counties' Medicaid cost contributions were capped based on 2005 expenditures that were indexed at a growth rate of 3.5 percent in 2006, 3.25 percent in 2007, and 3 percent per year thereafter. In FY 2013, the State committed to phasing out over a three-year period all growth in the local share of Medicaid costs.

The State takeover, which capped local districts' Medicaid costs at calendar year 2015 levels is projected to save local districts a total of $6.4 billion in FY 2024 -- roughly $3.0 billion for counties outside New York City and $3.4 billion for New York City. The following table provides the multi-year savings to local districts.

LOCAL GOVERNMENT SAVINGS
STATE TAKEOVER OF LOCAL MEDICAID COSTS (2005 CAP AND GROWTH TAKEOVER)
FY 2023 to FY 2027

Region	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Rest of State	2,666,266	2,976,347	3,305,963	3,650,783	3,963,824
New York City	2,874,132	3,394,017	3,946,656	4,524,786	5,049,635
Statewide	5,540,398	6,370,364	7,252,619	8,175,569	9,013,459

Master Settlement Agreement (MSA)

DOB expects to receive annual payments from tobacco manufacturers under the MSA totaling roughly $362 million annually. State law directs these payments be used to help defray costs of the State's takeover of Medicaid costs for counties and New York City. Consistent with State law, the MSA payments are deposited directly to the Medicaid Payment Escrow Fund to offset the non-Federal share of annual Medicaid growth, formerly borne by local governments, which the State now pays on behalf of local governments. The deposit mechanism has no impact on overall Medicaid spending funded with State resources but reduces reported State-supported Medicaid spending accounted for in State Operating Funds.

Health Care Transformation Fund (HCTF)

The HCTF was created in 2018 to account for receipts associated with health care asset sales and conversions. Resources in the HCTF are transferred to any other fund of the State, as directed by the Director of the Budget, to support health care delivery, including for capital investment, debt retirement or restructuring, housing and other social determinants of health, or transitional operating support to health care providers. The HCTF may be used as a repository for future proceeds related to asset sales and conversions, subject to regulatory approvals.

The table below summarizes the actual and projected receipts from several health care provider conversions and acquisitions and the support for health care transformation activities, including subsidies for housing rental assistance, State-only health care payments, capital projects spending to enhance health care information technology, and support for home care delivery.

The Financial Plan maintains the use of $1 billion added in the FY 2023 Enacted Budget to support multi-year investments in home care delivery and sustainability efforts through wage increases.

HEALTH CARE TRANSFORMATION FUND
PURSUANT TO PART FFF OF CHAPTER 59 OF THE LAWS OF 2018
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
Opening Balance	**147**	**563**	**375**	**250**	**125**
Receipts	**579**	**125**	**125**	**125**	**125**
General Fund Transfer	500	125	125	125	125
Centene Payment	68	0	0	0	0
Cigna Payment	7	0	0	0	0
STIP Interest	4	0	0	0	0
Planned Uses	**163**	**313**	**250**	**250**	**250**
Home Care Wages	0	250	250	250	250
Housing Rental Subsidies	73	63	0	0	0
State-Only Payments	46	0	0	0	0
Capital Projects	44	0	0	0	0
Closing Balance	**563**	**375**	**250**	**125**	**0**

Essential Plan

The FY 2015 Enacted Budget authorized the State to participate in the EP, a health insurance program which receives Federal subsidies authorized through the ACA. The EP includes health insurance coverage for legally residing immigrants in New York not eligible for Medicaid, CHP, or other employer-sponsored coverage. Individuals who meet the EP eligibility standards are enrolled through the New York State of Health (NYSOH) insurance exchange, with the cost of insurance premiums subsidized by the State and Federal governments. The Exchange – NYSOH – serves as a centralized marketplace to shop for, compare, and enroll in a health plan. Nearly 1.2 million New Yorkers are expected to be enrolled in the EP in FY 2024, which represents an increase in enrollment from FY 2023 as the end of the Federal Public Health Emergency causes individuals to shift out of Medicaid and into EP. Growth in enrollment is also due to expanded eligibility under a Federal Section 1332 State Innovation Waiver.

ESSENTIAL PLAN
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
TOTAL ALL FUNDS SPENDING	**6,341**	**7,605**	**19.9%**	**9,369**	**23.2%**	**10,068**	**7.5%**	**10,572**	**5.0%**
State Operating Funds	**65**	**91**	**40.0%**	**95**	**4.4%**	**103**	**8.4%**	**104**	**1.0%**
Assistance and Grants[1]	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%
State Operations	65	91	40.0%	95	4.4%	103	8.4%	104	1.0%
Federal Operating Funds	**6,276**	**7,514**	**19.7%**	**9,274**	**23.4%**	**9,965**	**7.5%**	**10,468**	**5.0%**

[1] The EP is not a Medicaid program; however, State savings associated with the EP assistance and grants program are realized within the Global Cap, where EP resources are managed.

The FY 2023 Enacted Budget authorized the State to submit a Section 1332 State Innovation Waiver, which was recently submitted to the US Department of Treasury and the US Department of Health and Human Services. This Waiver will enable New York State to extend coverage to more low- and moderate-income individuals if it is approved. The EP currently provides affordable, comprehensive health insurance to more than 1 million New Yorkers, and under the replacement Waiver program, nearly 100,000 more New Yorkers are estimated to gain access to these same benefits. If approved, this Waiver will allow New York State to make important strides in broadening access to affordable health insurance coverage and advancing health equity among the remaining uninsured in the State.

On an All Funds basis, EP spending is anticipated to fluctuate over the Financial Plan period, reflecting a mix of factors. Spending growth in FY 2023 and FY 2024 primarily reflects costs associated with robust growth in program enrollment and DOH expanding eligibility to individuals with incomes between 200 and 250 percent of the Federal poverty level. The FY 2024 Enacted Budget also includes the shift of pregnant and post-partum women from Medicaid to the EP. This transfer will allow the State to maximize Federal revenue under the EP, while maintaining the same benefits for pregnant and post-partum women. Due to a high Federal reimbursement rate for the EP under current methodology, assistance and grants spending for the EP is not anticipated to drive a commensurate increase in State support.

Public Health/Aging Programs

Public Health includes many programs. Child Health Plus (CHP), the largest program in this category, provides health insurance coverage for children of low-income families up to the age of 19. The General Public Health Works (GPHW) program reimburses local health departments for the cost of providing certain public health services. The Elderly Pharmaceutical Insurance Coverage (EPIC) program provides prescription drug insurance to seniors. The Early Intervention (EI) program pays for services provided to infants and toddlers under the age of three with disabilities or developmental delays. Many public health programs, such as the EI and GPHW programs, are run by county health departments that are reimbursed by the State for a share of the program costs. State spending projections do not include the county share of these programs. In addition, a significant portion of HCRA spending is included under the Public Health budget.

The State Office for the Aging (SOFA) promotes and administers programs and services for New Yorkers 60 years of age and older. SOFA primarily oversees community-based services (including in-home services and nutrition assistance) provided through a network of county Area Agencies on Aging (AAA) and local providers.

PUBLIC HEALTH AND AGING
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
TOTAL STATE OPERATING FUNDS	**2,180**	**2,312**	**6.1%**	**2,365**	**2.3%**	**2,379**	**0.6%**	**2,401**	**0.9%**
Public Health	**2,011**	**2,120**	**5.4%**	**2,185**	**3.1%**	**2,193**	**0.4%**	**2,214**	**1.0%**
Child Health Plus[1]	753	933	23.9%	970	4.0%	988	1.9%	1,009	2.1%
General Public Health Work	196	225	14.8%	211	-6.2%	211	0.0%	211	0.0%
EPIC	93	63	-32.3%	63	0.0%	63	0.0%	63	0.0%
Early Intervention	113	81	-28.3%	81	0.0%	81	0.0%	81	0.0%
Unadjusted	210	178	-15.2%	178	0.0%	178	0.0%	178	0.0%
Health Services Initiatives Offset	(97)	(97)	0.0%	(97)	0.0%	(97)	0.0%	(97)	0.0%
Workforce Initiatives[2]	51	110	115.7%	110	0.0%	110	0.0%	110	0.0%
General Fund Assistance and Gra	51	92	80.4%	92	0.0%	92	0.0%	92	0.0%
HCRA Program	0	18	0.0%	18	0.0%	18	0.0%	18	0.0%
HCRA Program	436	228	-47.7%	321	40.8%	321	0.0%	321	0.0%
Nourish NY	58	50	-13.8%	50	0.0%	50	0.0%	50	0.0%
All Other	311	430	38.3%	379	-11.9%	369	-2.6%	369	0.0%
Aging	**169**	**192**	**13.6%**	**180**	**-6.3%**	**186**	**3.3%**	**187**	**0.5%**

[1] Increased spending for CHP in FY 2024 and beyond is attributable to the expiration of enhanced Federal resources, including FFCRA eFMAP.

[2] This item represents the local portion workforce Initiatives supported by the General Fund and HCRA Program, an additional $10 million is supported under HCRA State Operations.

Public Health spending grows over the Financial Plan period due to expiration of enhanced Federal resources, including FFCRA eFMAP, for the CHP program. Growth in FY 2024 reflects the timing of FY 2023 payment processing due to COVID-19, fully reflecting GPHW investments originating from FY 2023 and other one-time spending programs. Increased spending in FY 2024 will be partially offset by State savings from the utilization of Federal funding where applicable. Since the PHE and eFMAP were delinked in March 2023, the Federal government has started to phase down eFMAP rather than ending it abruptly. CHP is expected to receive a total of $26.7 million in FY 2024.

The Financial Plan continues SOFA support to address locally identified capacity needs for services to maintain the elderly in their communities, support family and friends in their caregiving roles, reduce future Medicaid costs by intervening earlier with less intensive services, and establish quality reporting and accreditation for assisted living residences and implement quality improvement initiatives in nursing homes to promote transparency. The Financial Plan also reflects funding for an annual Human Services COLA of 4 percent in FY 2024.

HCRA Financial Plan

HCRA was established in 1996 to help fund a portion of State health care activities and is currently authorized through FY 2026. HCRA resources include surcharges and assessments on hospital revenues, a "covered lives" assessment paid by insurance carriers, and a portion of cigarette tax revenues. These resources are used to fund roughly 25 percent of State share Medicaid costs, and other programs and health care industry investments including CHP, EPIC, Physician Excess Medical Malpractice Insurance, Indigent Care payments to hospitals serving a disproportionate share of individuals without health insurance; Worker Recruitment and Retention; Doctors Across New York (DANY); Nurses Across New York (NANY); and the Statewide Health Information Network for New York (SHIN-NY)/All-Payer Claims Database (APCD).

HCRA FINANCIAL PLAN
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
OPENING BALANCE	**88**	**91**		**0**		**0**		**0**	
TOTAL RECEIPTS	**6,676**	**6,492**	**-2.8%**	**6,477**	**-0.2%**	**6,326**	**-2.3%**	**6,325**	**0.0%**
Surcharges	4,251	4,037	-5.0%	4,058	0.5%	4,078	0.5%	4,098	0.5%
Covered Lives Assessment[1]	1,052	1,150	9.3%	1,150	0.0%	1,150	0.0%	1,150	0.0%
Cigarette Tax Revenue	595	558	-6.2%	525	-5.9%	500	-4.8%	477	-4.6%
Hospital Assessments	525	505	-3.8%	507	0.4%	510	0.6%	512	0.4%
Excise Tax on Vapor Products	25	25	0.0%	25	0.0%	25	0.0%	25	0.0%
NYC Cigarette Tax Transfer	16	17	6.3%	13	-23.5%	13	0.0%	13	0.0%
EPIC Receipts/ICR Audit Fees	62	50	-19.4%	49	-2.0%	50	2.0%	50	0.0%
Distressed Provider Assistance[2]	150	150	0.0%	150	0.0%	0	-100.0%	0	0.0%
TOTAL DISBURSEMENTS AND TRANSFERS	**6,673**	**6,583**	**(0)**	**6,477**	**(0)**	**6,326**	**(0)**	**6,325**	**(0)**
Medicaid Assistance Account	4,551	4,486	(0)	4,203	(0)	4,058	(0)	4,041	(0)
Medicaid Costs	4,226	4,161	-1.5%	3,878	-6.8%	3,883	0.1%	3,866	-0.4%
Distressed Provider Assistance[2]	150	150	0.0%	150	0.0%	0	-100.0%	0	0.0%
Workforce Recruitment & Retention	175	175	0.0%	175	0.0%	175	0.0%	175	0.0%
Hospital Indigent Care	656	631	-3.8%	631	0.0%	631	0.0%	631	0.0%
HCRA Program Account	442	265	-40.0%	358	35.1%	358	0.0%	359	0.3%
Child Health Plus	764	950	24.3%	990	4.2%	1,009	1.9%	1,030	2.1%
Elderly Pharmaceutical Insurance Coverage	104	74	-28.8%	74	0.0%	74	0.0%	74	0.0%
Qualified Health Plan Administration	36	45	25.0%	46	2.2%	48	4.3%	49	2.1%
Roswell Park Cancer Institute	57	51	-10.5%	51	0.0%	51	0.0%	51	0.0%
SHIN-NY/APCD/Modernization	39	43	10.3%	75	74.4%	45	-40.0%	40	-11.1%
All Other	24	38	58.3%	49	28.9%	52	6.1%	50	-3.8%
ANNUAL OPERATING SURPLUS/(DEFICIT)	**3**	**(91)**		**0**		**0**		**0**	
CLOSING BALANCE	**91**	**0**		**0**		**0**		**0**	

1 Pursuant to Chapter 820 of the laws of 2021, the Updated HCRA Financial Plan includes $40 million in additional Covered Lives Assessment for Early Intervention.

2 HCRA Financial Plan includes time limited resources from local county contributions in support of State funded payments to distressed health care providers through the Medicaid program ($150 million annually through FY 2025).

Total HCRA receipts are anticipated to steadily decline over the course of the multi-year plan reflecting the assumption that health care surcharge and assessment collections will remain relatively flat.

HCRA spending in FY 2024 is anticipated to decrease in line with the projected decline in receipts. The Financial Plan reflects over $4 billion in continued support for Medicaid spending, including $150 million annually through FY 2025 to increase support for distressed providers and nearly $1 billion for the CHP program. Estimated growth in CHP spending reflects the expiration of enhanced Federal resources provided through the ACA and expected growth in enrollment and utilization.

HCRA is expected to remain in balance over the Financial Plan period. Under the current HCRA appropriation structure, spending reductions will occur if resources are insufficient to maintain a balanced fund. Any such spending reductions could affect General Fund Medicaid funding or HCRA programs. Conversely, any unanticipated balances or excess resources in HCRA are expected to fund Medicaid costs that would have otherwise been paid from the General Fund.

Mental Hygiene

The Mental Hygiene agencies consist of OPWDD, OMH, Office of Addiction Services and Supports (OASAS), the Developmental Disabilities Planning Council (DDPC), and the Justice Center for the Protection of People with Special Needs (Justice Center). These agencies provide services directly to their clients through State-operated facilities and indirectly through community-based providers. Services are provided for adults with mental illness, children with emotional disturbance, individuals with intellectual and developmental disabilities and their families, people with substance use disorder, and individuals with gambling problems. The service costs are reimbursed by Medicaid, Medicare, third-party insurance, and State funding.

MENTAL HYGIENE
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
TOTAL STATE OPERATING FUNDS	**4,786**	**7,433**	**55.3%**	**6,237**	**-16.1%**	**6,221**	**-0.3%**	**6,565**	**5.5%**
People with Developmental Disabilities	**2,917**	**3,122**	**7.0%**	**3,260**	**4.4%**	**3,431**	**5.2%**	**3,624**	**5.6%**
Residential Services	1,471	1,584	7.7%	1,652	4.3%	1,737	5.1%	1,833	5.5%
Day Programs	698	751	7.6%	784	4.4%	824	5.1%	869	5.5%
Clinic	17	18	5.9%	19	5.6%	20	5.3%	21	5.0%
All Other Services (Net of Offsets)	731	769	5.2%	805	4.7%	850	5.6%	901	6.0%
Mental Health	**1,757**	**2,309**	**31.4%**	**2,397**	**3.8%**	**2,522**	**5.2%**	**2,630**	**4.3%**
Adult Local Services	1,441	1,837	27.5%	2,002	9.0%	2,111	5.4%	2,202	4.3%
Children Local Services	316	367	16.1%	395	7.6%	411	4.1%	428	4.1%
MLR/BHET Reinvestment[1]	0	105	0.0%	0	-100.0%	0	0.0%	0	0.0%
Addiction Services and Supports	**493**	**735**	**49.1%**	**633**	**-13.9%**	**620**	**-2.1%**	**658**	**6.1%**
Residential	117	130	11.1%	136	4.6%	143	5.1%	155	8.4%
Other Treatment	216	239	10.6%	248	3.8%	266	7.3%	286	7.5%
Prevention	62	70	12.9%	74	5.7%	77	4.1%	82	6.5%
Recovery	42	49	16.7%	53	8.2%	54	1.9%	55	1.9%
Opioid Settlement Fund[2]	49	167	240.8%	81	-51.5%	33	-59.3%	33	0.0%
Opioid Stewardship Fund[3]	7	27	285.7%	41	51.9%	47	14.6%	47	0.0%
MLR/BHET Reinvestment[1]	0	53	0.0%	0	-100.0%	0	0.0%	0	0.0%
Justice Center	**1**	**1**	**0.0%**	**1**	**0.0%**	**1**	**0.0%**	**1**	**0.0%**
Total DOH Medicaid Global Cap Adjustments[4]	**(382)**	**1,266**	**431.4%**	**(54)**	**-104.3%**	**(353)**	**-553.7%**	**(348)**	**1.4%**
OPWDD Local Share	15	1,349	8893.3%	308	-77.2%	0	-100.0%	0	0.0%
OPWDD Spending Funded by Global Cap	(397)	(83)	79.1%	(362)	-336.1%	(353)	2.5%	(348)	1.4%
TOTAL MENTAL HYGIENE SPENDING	**5,168**	**6,167**	**19.3%**	**6,291**	**2.0%**	**6,574**	**4.5%**	**6,913**	**5.2%**

1 The Financial Plan reinvests recoveries from Managed Care companies attributable to their underspending against Medical Loss Ratio (MLR) by Health and Recovery Plans (HARPs) and Behavioral Health Expenditure Targets (BHET) by Mainstream MCOs. Predetermined thresholds attribute a percentage of premium spending that must be spent on care for enrollees with any underspending being recovered from insurers.

2 Pursuant to Section 99-nn of the State Finance Law, the Opioid Settlement Fund consists of funds received by the State as the result of a settlement or judgment against opioid manufacturers, distributors, dispensers, consultants or resellers and will be used to supplement funding for substance use disorder prevention, treatment, recovery, and harm reduction services or programs consistent with statewide opioid settlement agreements.

3 The Opioid Stewardship Fund consists of funds received by the State through collection of Opioid Stewardship taxes and will be used to supplement funding for substance use disorder prevention, treatment, recovery, and harm reduction services or programs.

4 Reflects a portion of mental hygiene spending reported under the Medicaid Global Cap that has no impact on mental hygiene service delivery or operations. Adjustments in FY 2024 and FY 2025 reflect OPWDD-related local share expenses that will be funded outside of the DOH Global Cap through use of additional Financial Plan resources.

The Financial Plan includes continued support for individuals with developmental disabilities to ensure appropriate access to care, including funding to expand independent living opportunities, provide choice in service options, and support the return to pre-pandemic utilization levels.

Funding continues to be included to support OMH community services and the transition of individuals to more cost-effective community settings. Service expansion includes increases for residential programs and supported housing units throughout the State, additional peer support services, and targeted services, such as mobile crisis teams to directly assist homeless individuals and the nationwide 988 Suicide and Crisis Lifeline. Additionally, continued investments are made to restore inpatient psychiatric care capacity; recruit psychiatrists, psychiatric nurse practitioners, and other licensed mental health practitioners; and incentivize the provision of specialized treatments for children and families.

Increased funding for OASAS addiction service programs will support not-for-profit providers for addiction prevention, treatment, harm reduction, and recovery programs. In FY 2024, over $100 million in additional resources from the Opioid Stewardship Tax and litigation settlements with pharmaceutical manufacturers and distributors will be targeted at the opioid epidemic through investments in addiction services programs.

The FY 2024 Enacted Budget includes funding to increase the minimum wage index with inflation, establish and operate 3,500 new residential units for New Yorkers with mental illness, significantly expand outpatient mental health services, enhance mental health services in schools, and increase funding for CTI teams and specialized programs for children. The FY 2024 Enacted Budget also supports a 4 percent COLA for voluntary operated providers.

The level of Mental Hygiene spending reported under the DOH Medicaid Global Cap and/or the OPWDD related local share expenses funded with additional financial plan resources have no impact on mental hygiene service delivery or operations and may fluctuate depending on the availability of resources and other cost pressures within the Medicaid program.

Social Services

OTDA

OTDA assistance and grants programs provide cash benefits and supportive services to low-income families. The State's three main programs are Family Assistance, Safety Net Assistance, and Supplemental Security Income (SSI). The Family Assistance program, financed by the Federal government, provides time-limited cash assistance to eligible families. The Safety Net Assistance program, financed by the State and local districts, provides cash assistance for single adults, childless couples, and families that have exhausted their five-year limit on Family Assistance imposed by Federal law. The State SSI supplementation program provides a supplement to the Federal SSI benefit for the elderly, the visually handicapped, and disabled persons.

TEMPORARY AND DISABILITY ASSISTANCE
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
TOTAL STATE OPERATING FUNDS	**2,071**	**2,929**	**41.4%**	**2,179**	**-25.6%**	**1,813**	**-16.8%**	**1,862**	**2.7%**
SSI	555	622	12.1%	632	1.6%	632	0.0%	632	0.0%
Public Assistance Benefits	612	560	-8.5%	632	12.9%	578	-8.5%	578	0.0%
Public Assistance Initiatives	10	20	100.0%	12	-40.0%	12	0.0%	12	0.0%
Homeless Housing and Services	121	205	69.4%	404	97.1%	447	10.6%	495	10.7%
Rental Assistance	767	716	-6.6%	135	-81.1%	135	0.0%	135	0.0%
Asylum Seekers Services and Assistance	0	792	0.0%	355	-55.2%	0	-100.0%	0	0.0%
All Other	6	14	133.3%	9	-35.7%	9	0.0%	10	11.1%

DOB's caseload models project a total of 558,000 public assistance recipients in FY 2024. Approximately 209,148 families are expected to receive benefits through the Family Assistance program and 138,784 through the Safety Net program in FY 2024, an increase in both programs from FY 2023. The caseload for single adults and childless couples supported through the Safety Net program is projected to be 210,068 in FY 2024, a decrease of 8.3 percent from FY 2023 projections.

OTDA spending in FY 2024 continues funding for the emergency rental assistance and landlord aid programs including legal services for tenants facing eviction. Spending increases for homeless housing and services reflect a transition from State settlement funds to the General Fund for the ESSHI, which funds supportive housing constructed for vulnerable homeless populations under the Governor's Affordable Housing and Homelessness Plan. This reflects the full estimated costs for the ESSHI program that are shared by multiple agencies.

Growth in Safety Net Assistance spending is driven by the increase in public assistance caseload, particularly in New York City. There is a significant spending increase support for asylum seekers due to the State providing time-limited support to New York City for the projected costs of providing services and assistance to the eligible population that has grown in the last year. SSI costs increases are attributed to potential fluctuations in benefit payments. In addition, the FY 2024 Enacted Budget includes increased funding for Code Blue, New York State's emergency weather safety plan.

OCFS

OCFS provides funding for foster care, adoption, child protective services, preventive services, delinquency prevention, and childcare. It oversees the State's system of family support and child welfare services administered by local social services districts and community-based organizations. Specifically, child welfare services, financed jointly by the Federal government, the State, and local districts, are structured to encourage local governments to invest in preventive services for reducing out-of-home placement of children. In addition, the Child Care Block Grant, which is also financed by a combination of Federal, State, and local sources, supports childcare subsidies for public assistance and low and middle-income families.

CHILDREN AND FAMILY SERVICES (millions of dollars)									
	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
TOTAL STATE OPERATING FUNDS	**2,926**	**1,961**	**-33.0%**	**2,723**	**38.9%**	**2,736**	**0.5%**	**2,750**	**0.5%**
Child Welfare Service	1,903	461	-75.8%	461	0.0%	461	0.0%	461	0.0%
Foster Care Block Grant	391	399	2.0%	399	0.0%	399	0.0%	399	0.0%
Child Care	151	419	177.5%	1,205	187.6%	1,204	-0.1%	1,204	0.0%
Adoption	132	175	32.6%	175	0.0%	175	0.0%	175	0.0%
Youth Programs	154	102	-33.8%	99	-2.9%	99	0.0%	99	0.0%
Medicaid	56	64	14.3%	64	0.0%	64	0.0%	64	0.0%
Adult Protective/Domestic Violence	54	54	0.0%	54	0.0%	54	0.0%	54	0.0%
All Other	85	287	237.6%	237	-17.4%	251	5.9%	265	5.6%

The FY 2024 Enacted Budget continues funding to maintain the child care market rate to include 80 percent of providers and expand eligibility for child care subsidies to more families. In addition, the budget maintains for one year the restructured financing approach for residential school placements of children with special needs outside New York City that was included in the FY 2023 Enacted Budget, thereby aligning the fiscal responsibility with the school district responsible for the placement.

Additional FY 2024 Enacted Budget actions include consolidating the Empire State and Advantage Afterschool programs under OCFS, which currently have different funding sources and involve different agencies, assisting foster care agencies adapting to Federal requirements as they relate to IMD, investing in permanency resource centers and kinship services, creating a new business navigator program to assist businesses who wish to support their employee's child care needs, creating an employer-supported child care pilot program generating new financial support for child care, as well as funding for legislative program adds. Payments for the child welfare program will continue to support local districts' services and the year-to-year decline in such spending is attributable to the timing of such payments.

Transportation

The Department of Transportation (DOT) maintains approximately 43,700 State highway lane miles and 7,700 state highway bridges. DOT also partially funds regional and local transit systems, including the MTA; local government highway and bridge construction; and rail, airport, and port programs.

In FY 2024, the State plans to provide $9.4 billion in operating aid to mass transit systems, including $4.1 billion from the direct remittance of various dedicated taxes and fees to the MTA that do not flow through the State's Financial Plan and are thus excluded from the table below. The MTA, the nation's largest transit and commuter rail system, is scheduled to receive $8.5 billion (approximately 91 percent) of the State's mass transit aid.

TRANSPORTATION
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
STATE OPERATING FUNDS SUPPORT	**4,569**	**5,249**	**14.9%**	**5,141**	**-2.1%**	**5,142**	**0.0%**	**5,140**	**0.0%**
Mass Transit Operating Aid:	3,434	3,697	7.7%	3,887	5.1%	3,887	0.0%	3,887	0.0%
Metro Mass Transit Aid	3,273	3,538	8.1%	3,728	5.4%	3,728	0.0%	3,728	0.0%
Public Transit Aid	117	115	-1.7%	115	0.0%	115	0.0%	115	0.0%
18-b General Fund Aid	19	19	0.0%	19	0.0%	19	0.0%	19	0.0%
School Fare	25	25	0.0%	25	0.0%	25	0.0%	25	0.0%
Mobility Tax	244	244	0.0%	244	0.0%	244	0.0%	244	0.0%
NY Central Business District Trust	153	155	1.3%	156	0.6%	158	1.3%	159	0.6%
Dedicated Mass Transit	632	667	5.5%	671	0.6%	671	0.0%	671	0.0%
MTA Fiscal Relief	0	305	100.0%	0	-100.0%	0	0.0%	0	0.0%
AMTAP	106	155	46.2%	155	0.0%	155	0.0%	155	0.0%
Innovative Mobility	0	2	100.0%	4	100.0%	4	0.0%	0	-100.0%
All Other	0	24	100.0%	24	0.0%	23	-4.2%	24	4.3%

Projected operating aid to the MTA and other transit systems mainly reflects the current receipts forecast. A substantial amount of new funding to the MTA was authorized in the FY 2020 Enacted Budget as part of a comprehensive reform plan expected to generate an estimated $25 billion in financing for the MTA's 2020-2024 Capital Plan. This includes a portion of sales tax receipts collected by online marketplace providers on all sales facilitated through their platforms, and implementation and enforcement of regulations associated with the Supreme Court's Wayfair decision that permits a state to require vendors with no physical presence in such state to collect and remit sales tax on sales to instate consumers.

Projected on-budget increases in operating aid in FY 2024 to the MTA and other transit systems include an additional $581 million to the MTA, $33 million for non-MTA downstate transit systems, and $38 million for upstate systems. This includes $305 million in one-time assistance to the MTA to address extraordinary revenue impacts caused by the pandemic, of which $5 million, is dedicated to the MTA's Outer Borough Transit Account. Other new initiatives include $24 million annually for operating costs of the Gateway Development Commission and $2 million to begin funding an Innovative Mobility Initiative for non-MTA systems.

Agency Operations

Agency operations spending consists of Personal Service (PS) and NPS. Fringe benefits (e.g., pensions and health insurance) provided to State employees and retirees, as well as certain fixed costs such as litigation expenses and taxes on public lands, are also part of operating costs and are described separately under GSCs. PS includes salaries of State employees of the Executive, Legislative, and Judicial branches consistent with current negotiated collective bargaining agreements, as well as temporary/seasonal employees. NPS includes real estate rentals, utilities, contractual payments (e.g., consultants, IT, and professional business services), supplies and materials, equipment, and telephone service. Certain agency operating costs of DOT and the Department of Motor Vehicles (DMV) are included in Capital Projects Funds and are not reflected in State Operating Funds.

Over 90 percent of the State workforce is unionized. The largest unions include CSEA, which represents office support staff, administrative personnel, machine operators, skilled trade workers, and therapeutic and custodial care staff; PEF, which represents professional and technical personnel (attorneys, nurses, accountants, engineers, social workers, and institution teachers); UUP, which represents faculty and nonteaching professional staff within the SUNY system; and New York State Correctional Officers and Police Benevolent Association (NYSCOPBA), which represents security personnel (correctional, safety and security officers).

The following table presents certain factors used in preparing the spending projections for agency operations.

FORECAST OF SELECTED PROGRAM MEASURES AFFECTING PERSONAL SERVICE AND FRINGE BENEFITS

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
State Workforce[1]	108,080	120,684	TBD	TBD	TBD
ERS Contribution Rate[2]	14.3%	13.3%	15.2%	17.6%	20.7%
PFRS Contribution Rate[2]	27.0%	27.8%	29.6%	31.3%	33.1%
Employee/Retiree Health Insurance Growth Rates	5.3%	-19.3%	17.5%	10.2%	8.4%
PS/Fringe as % of Receipts (All Funds Basis)	11.0%	11.4%	12.6%	13.2%	13.8%

1 Reflects workforce that is subject to direct Executive control.

2 ERS / PFRS contribution rate reflects the State's normal and administrative costs, contributions to the Group Life Insurance Plan (GLIP), Chapter 41 of 2016 veteran's pension credit legislation (if applicable) and any graded payments required under the Contribution Stabilization Program.

Agency operations spending levels are mainly impacted by workforce levels, employee compensation, and fluctuations in energy and commodity prices.

STATE OPERATING FUNDS - PERSONAL SERVICE/NON-PERSONAL SERVICE COSTS
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
SUBJECT TO DIRECT EXECUTIVE CONTROL[1]	**11,548**	**11,598**	**12,391**	**13,712**	**13,831**
Corrections and Community Supervision	2,672	2,662	2,652	2,651	2,652
Office of Mental Health	1,726	1,678	1,683	1,695	1,749
Office for People with Developmental Disabilities	1,599	1,581	1,591	1,619	1,639
Environmental Conservation	238	269	285	289	284
Department of Health	920	1,072	1,069	1,051	1,041
State Police	805	955	950	968	987
Information Technology Services	599	668	677	691	706
Transportation	356	362	362	373	384
Children and Family Services	196	326	332	337	340
Tax and Finance	328	342	342	343	343
Office of Parks, Recreation and Historic Preservation	199	223	231	235	233
Department of Financial Services	213	217	217	217	217
Education	150	183	186	188	188
Office of Temporary and Disability Assistance	182	119	119	119	119
Labor	61	62	61	61	61
All Other	1,304	879	1,634	2,875	2,888
UNIVERSITY SYSTEMS	**6,926**	**7,537**	**7,737**	**7,792**	**8,015**
State University	6,926	7,537	7,737	7,792	8,015
INDEPENDENT AGENCIES	**391**	**421**	**425**	**431**	**437**
Law	219	242	242	246	248
Audit & Control (OSC)	172	179	183	185	189
TOTAL, EXCLUDING JUDICIARY AND LEGISLATURE	**18,865**	**19,556**	**20,553**	**21,935**	**22,283**
Judiciary	**2,089**	**2,231**	**2,231**	**2,231**	**2,231**
Legislature	**236**	**284**	**284**	**284**	**284**
Statewide Total	**21,190**	**22,071**	**23,068**	**24,450**	**24,798**
Personal Service	14,840	16,023	16,111	16,358	16,602
Non-Personal Service	6,350	6,048	6,957	8,092	8,196

[1] Excludes expenses funded by the Coronavirus Relief Fund, as well as costs incurred, or expected to be incurred, in response to the COVID-19 pandemic that are expected to be reimbursed with Federal aid.

Operational spending for executive agencies is affected by the timing of Federal reimbursement of State incurred pandemic response and recovery efforts, and new investments. Agencies with significant growth are summarized below:

- **DOCCS**. The FY 2024 Enacted Budget includes additional funding to expand the State's response to gun violence among the parolee population.

- **OMH.** The FY 2024 Enacted Budget reflects efforts to increase access to mental health care through the expansion of State operated services, including inpatient psychiatric care. These investments are offset by reductions in COVID-related spending and the time-limited pilot program extending two and a half times overtime to certain employees with critical titles.

- **DOH.** The growth in projected spending from FY 2023 reflects increased funding for consulting costs associated with the implementation of Section 1115 Medicaid demonstration waivers, assessment of lead risks and support for lead abatement, modernization of health reporting systems, takeover of the Non-Modified Adjusted Growth Income (MAGI) population, and additional support to counties for Emergency Medical Services; partially offset by the reduced costs associated with the COVID pandemic including home testing kits.

- **State Police.** Funding is increased to support additional State Police recruiting classes in FY 2024. Funding is also increased to expand the Community Stabilization Units and to increase State Police participation on Federal task forces to combat violent crime.

- **ITS.** Spending growth in FY 2024 and beyond reflects investments in cyber security, including the JSOC created for the coordination of local, state and Federal cyber security efforts, including data collection, response efforts and information sharing.

- **Children and Family Services**. Spending in FY 2024 and beyond reflects Statewide costs associated with implementing and supporting Raise the Age reforms, such as comprehensive diversion, probation, and programming services for 16- and 17-year-old youth in the juvenile justice system. Costs will be shifted to other agencies where costs are incurred in a later financial plan update.

- **Office of Temporary and Disability Assistance**. The spending decline from FY 2023 reflects the time limited spending associated with the ERAP and LRAP.

- **All Other Executive Agencies**. Other spending changes include support for asylum seekers response efforts in New York City, including the deployment of National Guard servicemembers to various hotels, homeless shelters, and emergency sites as well as the Port Authority to implement, administer, and effectuate the provision of services at each location. In addition, spending is affected by the timing of Federal reimbursement of State incurred pandemic response and recovery expenses incurred in FY 2021 and FY 2022, including the purchase of COVID-19 test kits for schools and local governments, Personal Protective Equipment (PPE), durable medical equipment, costs to build out field hospital facilities, testing, and vaccination activities are expected to be reimbursed by FEMA. The Financial Plan assumes reimbursement of $1.2 billion in FY 2024 and $225 million in FY 2025. However, there can be no assurance that FEMA will approve claims for the State to receive reimbursement in the amounts or State fiscal years as projected in the Financial Plan.

- **State University.** The FY 2024 Enacted Budget includes one-time funding for state matching contributions to endowments of the four university centers, additional operating aid support for strategic investments at campuses, and other SUNY transformation initiatives.

- **Judiciary.** Growth is mainly driven by planned increases in staff hiring and recently implemented collective bargaining agreements. Additionally, there have been increases to the assigned counsel rate for attorneys providing services to indigent persons.

Workforce

In FY 2024, $16.0 billion of the State Operating Funds budget is dedicated to supporting Full-Time Equivalent (FTE) employees under direct Executive control; individuals employed by SUNY and Independent Agencies; employees paid on a nonannual salaried basis; and overtime pay. Roughly 60 percent of the Executive agency workforce is in the mental hygiene agencies and DOCCS.

STATE OPERATING FUNDS
FY 2024 FTEs[1] AND PERSONAL SERVICE SPENDING BY AGENCY
(millions of dollars)

	Dollars	FTEs
SUBJECT TO DIRECT EXECUTIVE CONTROL	**9,112**	**97,988**
Corrections and Community Supervision	2,185	24,548
Office for People with Developmental Disabilities	1,339	18,557
Office of Mental Health	1,309	13,307
State Police	842	6,335
Department of Health	354	4,350
Information Technology Services	339	3,558
Tax and Finance	268	3,785
Children and Family Services	234	2,327
Environmental Conservation	214	2,430
Transportation	183	2,590
Office of Parks, Recreation and Historic Preservation	177	1,795
Department of Financial Services	161	1,391
Education	112	1,443
Office of Temporary and Disability Assistance	70	1,002
Workers' Compensation Board	88	1,081
All Other	1,237	9,489
UNIVERSITY SYSTEMS	**4,527**	**45,880**
State University	4,527	45,880
INDEPENDENT AGENCIES	**2,384**	**18,518**
Law	172	1,611
Audit & Control (OSC)	144	1,631
Judiciary	1,847	15,273
Legislature[2]	221	3
Statewide Total	**16,023**	**162,386**

[1] FTEs represent the number of annual-salaried full-time filled positions (e.g., one FTE may represent a single employee serving at 100 percent full-time, or a combination of employees serving at less than full-time that, when combined, equal a full-time position). The reported FTEs do not include nonannual salaried positions, such as those filled on an hourly, per-diem or seasonal basis.

[2] Legislative employees who are nonannual salaried are excluded from this table.

General State Charges

GSCs spending includes employee related expenses for fringe benefits the State provides to current and former employees, as well as certain statewide fixed costs. Fringe benefits include health insurance, pensions, workers' compensation coverage, unemployment insurance, survivors' benefits, and dental and vision benefits (some of which are provided through union-specific Employee Benefit Funds). The GSCs budget also pays the Social Security payroll tax, taxes on State-owned lands, Payments in Lieu of Taxes (PILOT), and judgments awarded in the Court of Claims. Many of these payments are mandated by law or collective bargaining agreements. Employee fringe benefits are paid centrally through GSCs in the General Fund. Some agencies with dedicated revenue sources outside of the General Fund partially reimburse the GSCs in the General Fund via the agency fringe benefit assessments.

GSCs spending is projected to increase over the Financial Plan period mostly due to increases in the health insurance program which reflects medical inflation and the potential for increased utilization in non-essential procedures that were postponed during the pandemic. Similarly, the pension program reflects associated costs increases in the employer contribution rates due to the State Comptroller's actuarial adjustments within the NYSLRS, higher salaries, and the annual COLA.

GENERAL STATE CHARGES
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
TOTAL STATE OPERATING FUNDS	**10,203**	**8,804**	**-13.7%**	**10,555**	**19.9%**	**11,825**	**12.0%**	**13,290**	**12.4%**
Fringe Benefits	**9,786**	**8,330**	**-14.9%**	**10,070**	**20.9%**	**11,327**	**12.5%**	**12,783**	**12.9%**
Health Insurance	5,083	4,845	-4.7%	5,696	17.6%	6,279	10.2%	6,808	8.4%
Retiree Health Benefit Trust Fund	920	0	-100.0%	0	0.0%	0	0.0%	0	0.0%
Pensions	2,045	2,131	4.2%	2,623	23.1%	3,195	21.8%	4,052	26.8%
Social Security	1,120	1,177	5.1%	1,190	1.1%	1,203	1.1%	1,226	1.9%
Workers' Compensation	830	301	-63.7%	650	115.9%	702	8.0%	723	3.0%
Employee Benefits	94	106	12.8%	115	8.5%	123	7.0%	123	0.0%
Dental Insurance	44	57	29.5%	62	8.8%	66	6.5%	66	0.0%
Unemployment Insurance	13	13	0.0%	13	0.0%	13	0.0%	13	0.0%
All Other/Non-State Escrow	(363)	(300)	17.4%	(279)	7.0%	(254)	9.0%	(228)	10.2%
Fixed Costs	**417**	**474**	**13.7%**	**485**	**2.3%**	**498**	**2.7%**	**507**	**1.8%**
Public Land Taxes/PILOTS	295	309	4.7%	318	2.9%	326	2.5%	335	2.8%
Litigation	122	165	35.2%	167	1.2%	172	3.0%	172	0.0%

The State has and continues to fund employee and retiree health care expenses as they become due, on a PAYGO basis. In FY 2022, the State made its first deposit ($320 million) to RHBTF which was created in FY 2018 to reserve money for the payment of health benefits of retired employees and their dependents. In FY 2023, the State deposited an additional $920 million, bringing the aggregate reserve balance up to $1.2 billion to support the State's post-employment health insurance liability. Future deposits into the fund will be dependent on fiscal conditions.

Higher pension costs are reflective of the increase in the employer contribution rates due to the State Comptroller's actuarial adjustments within the NYSLRS, higher salaries, and the annual COLA. The FY 2024 Enacted Budget changed certain eligibility requirements for awarding accidental disability benefits when the disability is related to diseases of the heart while enhancing the benefit paid to certain impacted members. Costs associated with these changes are $14.6 million in FY 2024 and $2.1 million annually thereafter.

Workers' compensation reflects current utilization and an increase in the average weekly wage. In FY 2023, the State made a prepayment ($300 million) towards its FY 2024 workers' compensation obligations. Similarly, the State made a partial advancement ($180 million) in March 2023 which was applied to the April 2023 Health Insurance payment.

The estimate for Social Security reflects general salary increases pursuant to the recent collective bargaining agreements and current spending trends. Other fringe benefits and fixed costs reflect wage and property tax increases, and current spending trends.

Transfers to Other Funds (General Fund Basis)

General Fund resources are transferred to other funds to finance a range of other activities, including debt service for bonds that do not have dedicated revenues, SUNY operating costs, and certain capital projects.

GENERAL FUND TRANSFERS TO OTHER FUNDS
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
TOTAL TRANSFERS TO OTHER FUNDS	**8,325**	**8,392**	**9,119**	**6,801**	**6,506**
Debt Service	298	217	264	287	337
SUNY University Operations	1,491	1,677	1,718	1,752	1,766
Capital Projects	4,649	4,877	5,410	3,049	2,676
Extraordinary Monetary Settlements:	**267**	**428**	**417**	**286**	**290**
Dedicated Infrastructure Investment Fund	260	350	345	216	220
Clean Water Grants	0	60	60	60	60
Mass Transit Capital	0	2	2	1	0
Health Care	7	16	10	9	10
Dedicated Highway and Bridge Trust Fund	691	65	114	189	123
Environmental Protection Fund	100	100	100	100	100
Other DIIF	0	50	250	118	0
All Other Capital	3,591	4,234	4,529	2,356	2,163
ALL OTHER TRANSFERS	**1,887**	**1,621**	**1,727**	**1,713**	**1,727**
Mobility Tax Trust Account	244	244	244	244	244
State University Hospital IFR Operations Account	314	302	302	302	302
NY Central Business District Trust	153	155	156	158	159
Court Facility Income Account	115	104	104	104	104
Dedicated Mass Transportation Trust Fund	129	65	65	65	65
Health Care Transformation	500	125	125	125	125
All Other	432	626	731	715	728

General Fund transfers to Other Funds are projected to total $8.4 billion in FY 2024, an increase of $67 million from FY 2023 mainly due to higher capital projects funding, offset by lower Health Care Transformation and Dedicated Mass Transportation Trust Fund transfers.

Transfers to capital projects funds are impacted by the timing of bond proceed reimbursements to offset costs initially funded with monetary settlements; bond proceed reimbursements to the capital projects fund; and increased PAYGO capital spending across the Financial Plan period. PAYGO capital spending has increased in an effort to: avoid issuing debt for higher cost taxable bonds and bonds for capital expenditures with short economic useful lives; remain within the statutory debt cap; and allow for a larger DOT capital plan.

The DHBTF receives motor vehicle fees, PBT, the motor fuel tax, HUT, the auto rental tax, utilities taxes, and miscellaneous transportation-related fees. These resources are used to pay debt service on transportation bonds, finance capital projects, and pay for certain operating expenses of the DOT and DMV. The General Fund subsidizes DHBTF expenses that are not covered by revenue and bond proceeds. In addition, the FY 2024 Enacted Budget increases transfers to the DHBTF to support a Statewide geographic pay differential increasing salaries for most maintenance program positions, including Highway Maintenance Workers, Bridge Repair Assistants, Tree Pruners, and Service and Repair Mechanics and costs associated with the DMV transformation to improve the customer experience and service offerings. The prepayment of DHBTF Bonds results in an increase to debt service transfers from and a corresponding decrease in capital projects transfers to the DHBTF. There is no resulting financial plan impact.

Debt Service

The State pays debt service on all outstanding State-supported bonds. These include General Obligation Bonds for which the State is constitutionally obligated to pay debt service, as well as certain bonds issued by State public authorities, such as Empire State Development (ESD), Dormitory Authority of the State of New York (DASNY), and New York State Thruway Authority (NYSTA). Depending on the credit structure, debt service is financed by transfers from the General Fund, dedicated taxes and fees, and other resources such as patient income revenues.

DEBT SERVICE SPENDING PROJECTIONS
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Change	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change
General Fund	298	217	-27.2%	264	21.7%	287	8.7%	337	17.4%
Other State Support	10,183	2,681	-73.7%	3,254	21.4%	4,871	49.7%	4,840	-0.6%
Total State Operating Funds	**10,481**	**2,898**	**-72.3%**	**3,518**	**21.4%**	**5,158**	**46.6%**	**5,177**	**0.4%**

State Operating Funds debt service is projected to be $2.9 billion in FY 2024, of which $217 million is paid from the General Fund and $2.7 billion is paid from other State funds supported by dedicated tax receipts. The General Fund finances debt service payments on General Obligation and service contract bonds. Debt service for other State-supported bonds is paid directly from other dedicated State funds, subject to appropriation, including PIT and Sales Tax Revenue bonds, and DHBTF bonds.

Debt service spending levels are impacted by prepayments. The FY 2024 Enacted Budget Financial Plan reflects prepayments that totaled $6.0 billion in FY 2023. Prior prepayments of $2.2 billion in FY 2021 and $7.6 billion in FY 2022 had a multi-year impact. As shown in the table below, the net impact of these prepayments in prior years increased debt service in FY 2023 and will decrease debt service costs in FY 2024 through FY 2028.

STATE-SUPPORTED DEBT SERVICE
(millions of dollars)

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Base Debt Service	**5,556**	**6,603**	**7,213**	**7,538**	**8,037**	**8,228**
Total Prepayment Adjustment	**4,925**	**(3,705)**	**(3,695)**	**(2,380)**	**(2,860)**	**(2,000)**
Prior Prepayments	(1,075)	(2,255)	(2,395)	(1,630)	(2,360)	0
FY 2023 Prepayment	6,000	(1,450)	(1,300)	(750)	(500)	(2,000)
Enacted Budget State Debt Service	**10,481**	**2,898**	**3,518**	**5,158**	**5,177**	**6,228**

The FY 2024 Enacted Budget authorized liquidity financing in the form of up to $3.0 billion of PIT notes and $1.0 billion of line of credit facilities in FY 2024 as a tool to manage unanticipated financial disruptions. The Financial Plan does not assume any PIT note issuances or use of the line of credit. DOB evaluates cash results regularly and may adjust the use of notes and/or the line of credit based on liquidity needs, market considerations, and other factors.

The Financial Plan estimates for debt service spending reflect bond sale results, including refundings, projections of future refunding savings, and the adjustment of debt issuances to align with projected bond-financed capital spending. Debt service projections were reduced to reflect the contribution of an additional $3 billion in PAYGO capital spending in lieu of bond issuances. In combination with $6 billion of cash resources added in the FY 2023 Enacted Budget, $9 billion of cash resources have been added since the start of FY 2023. The additional resources will be used to avoid debt issuances for capital expenditures with shorter economic useful lives.

PRIOR FISCAL YEARS

The State reports its financial results on the cash basis of accounting, showing receipts and disbursements; and the GAAP basis (including modified accrual and full accrual), as prescribed by GAAP, showing revenues and expenditures. With the exception of FY 2023 financial results, the State's GAAP-basis financial results set forth in this section have been audited. Note that the FY 2023 financial results included in this AIS are preliminary and unaudited.

Cash-Basis Results for Prior Fiscal Years

General Fund FY 2021 Through FY 2023

The General Fund is the principal operating fund of the State and is used to account for all financial transactions, except those required by law to be accounted for in another fund. It is the State's largest single fund and receives most State taxes and other resources not dedicated to particular purposes. General Fund moneys in prior fiscal years were also transferred to other funds, primarily to support certain State share Medicaid payments, capital projects and debt service payments in other fund types. In some cases, the fiscal year results provided below may exclude certain timing-related transactions which have no net impact on operations.

In the cash basis of accounting, the State defines a balanced budget in the General Fund in any given fiscal year as (a) the ability to make all planned payments anticipated in the Financial Plan, including tax refunds, without the issuance of deficit bonds or notes or extraordinary cash management actions, (b) the restoration of the balances in the Rainy Day Reserves to a level equal to or greater than the level at the start of the fiscal year, and (c) maintenance of other designated balances, as required by law.

The General Fund balance has increased by over $34 billion from FY 2021 to FY 2023, driven by extraordinary tax collections over the past two years that allowed significant increases in reserves, as well as the establishment of a reserve for payment of PTET/PIT tax credits[15] in FY 2022 which totaled $14.4 billion at the end of FY 2023. In addition, over $16 billion has been added to principal reserve balances since FY 2021, including the completion of $10.6 billion of planned deposits and set asides to principal reserves at the end of FY 2023 – two years ahead of the initial plan laid out in October 2021. The balance in principal reserves is just over $19.5 billion, an amount equal to approximately 16 percent of projected FY 2024 State Operating Fund disbursements, which is complimented by additional reserves for debt management and future operating costs.

The following table summarizes General Fund results for the prior three fiscal years.

[15] As part of the State's continuing response to Federal tax law changes, legislation was enacted in FY 2022 to allow an optional Pass Through Entity Tax (PTET) on New York-sourced income of partnerships and S corporations. The State collects PTET and pays PIT credits in connection with the PTET program. DOB expects that the PTET will, on a multi-year basis, be revenue neutral for the State with the reserve covering the difference between the PTET collections and related PIT credits.

GENERAL FUND RECEIPTS AND DISBURSEMENTS
FY 2021 THROUGH FY 2023
(millions of dollars)

	FY 2021	FY 2022	FY 2023
OPENING FUND BALANCE	8,944	9,161	33,053
Personal Income Tax [(1)]	25,456	33,464	27,607
Consumption/User Taxes:			
Sales and Use Tax[(2)]	6,639	4,122	6,665
Cigarette and Tobacco Tax	310	293	265
Alcoholic Beverage Taxes	271	277	282
Opioid Excise Tax	30	29	27
Subtotal	7,250	4,721	7,239
Business Taxes:			
Corporation Franchise Tax	3,890	5,818	7,291
Corporation and Utilities Taxes	417	434	408
Insurance Taxes	1,976	2,214	2,381
Bank Tax	137	16	304
Pass-Through Entity Tax[(1)]	0	8,215	7,472
Subtotal	6,420	16,697	17,856
Other Taxes:			
Estate and Gift Taxes	1,538	1,386	2,185
Pari-Mutuel Tax	10	13	13
Other Taxes[(1)]	1	8	6
Subtotal	1,549	1,407	2,204
Miscellaneous Receipts & Federal Grants	7,515	6,825	5,960
Transfers from Other Funds:			
PIT in Excess of Revenue Bond Debt Service	18,578	26,055	20,899
PTET in Excess of Revenue Bond Debt Service	0	8,215	7,472
Sales Tax in Excess of Revenue Bond Debt Service	1,278	5,572	7,291
Sales Tax in Excess of LGAC Debt Service	3,238	4,121	2,198
Real Estate Taxes in Excess of CW/CA Debt Service	783	1,479	1,180
All Other Transfers	2,245	4,254	3,291
Subtotal	26,122	49,696	42,331
TOTAL RECEIPTS	74,312	112,810	103,197
Grants to Local Governments:			
School Aid	23,127	24,783	25,645
Medicaid - DOH	13,871	16,153	19,380
All Other Local Aid	11,984	17,448	17,827
State Operations:			
Personal Service	7,154	8,063	9,464
Non-Personal Service	2,950	3,675	3,043
General State Charges	7,032	8,983	9,115
Transfers to Other Funds:			
In Support of Debt Service	326	340	298
In Support of Capital Projects	4,540	6,818	4,649
SUNY Operations	1,229	1,385	1,491
All Other Transfers	1,883	1,270	1,887
Subtotal	7,978	9,813	8,325
TOTAL DISBURSEMENTS	74,095	88,918	92,799
Excess (Deficiency) of Receipts and Other Financing Sources over Disbursements and Other Financing Uses	217	23,892	10,398
CLOSING FUND BALANCE	9,161	33,053	43,451

Sources: NYS Office of the State Comptroller. Financial Plan categorical detail by NYS Division of the Budget.

(1) Excludes tax receipts that flow into the Revenue Bond Tax Fund (RBTF) in the first instance and are then transferred to the General Fund after debt service obligation is satisfied.

(2) Excludes sales tax in excess of LGAC Debt Service and Sales Tax Revenue Bond Fund.

FY 2023

The State ended FY 2023 in balance on a cash basis in the General Fund, based on preliminary unaudited results. General fund receipts, including transfers from other funds, totaled $103.2 billion. General Fund disbursements, including transfers from other funds, totaled $92.8 billion. The State ended FY 2023 with a General Fund balance of $43.5 billion, an increase of $10.4 billion from FY 2022 results. The higher balance reflects the deposit of $10.6 billion to the State's principal reserves, partially offset by use of prior year resources as planned to fund certain commitments and operations in FY 2023.

FY 2022

The State ended FY 2022 in balance on a cash basis in the General Fund. General Fund receipts, including transfers from other funds, totaled $112.8 billion. General Fund disbursements, including transfers to other funds, totaled $88.9 billion. The State ended FY 2022 with a General Fund balance of $33.1 billion, an increase of $23.9 billion from FY 2021 results. A large share of the higher balance reflects $16.4 billion in PTET collections and $1.1 billion in eligible public safety payroll expenses moved to the CRF, partly offset by prepayments and advances totaling $9 billion. Excluding these transactions, the General Fund ended March 2022 with a balance of $24.4 billion, an increase of $15.3 billion from FY 2021 results.

FY 2021

The State ended FY 2021 in balance on a cash basis in the General Fund. General Fund receipts, including transfers from other funds, totaled $74.3 billion. General Fund disbursements, including transfers to other funds, totaled $74.1 billion. The State ended FY 2021 with a General Fund balance of $9.2 billion, an increase of $217 million from FY 2020 results.

All Funds FY 2021 Through FY 2023

The All Funds Financial Plan records the operations of the four governmental fund types: the General Fund, special revenue funds, capital projects funds, and debt service funds. It is the broadest measure of State governmental activity and includes spending from Federal funds and capital projects funds.

ALL GOVERNMENTAL FUNDS RECEIPTS AND DISBURSEMENTS
FY 2021 THROUGH FY 2023
(millions of dollars)

	FY 2021	FY 2022	FY 2023
OPENING BALANCE	**14,285**	**18,751**	**53,549**
ALL FUNDS RECEIPTS:	**191,300**	**244,375**	**233,060**
Total Taxes	**82,376**	**121,136**	**111,656**
Personal Income Tax	54,967	70,737	58,776
Pass Through Entity Tax	0	16,430	14,944
All Other Taxes	27,409	33,969	37,936
Miscellaneous Receipts	**30,772**	**27,932**	**31,841**
Federal Receipts	**78,152**	**95,307**	**89,563**
Bond & Note Proceeds	**0**	**0**	**0**
ALL FUNDS DISBURSEMENTS:	**186,588**	**209,339**	**220,460**
STATE OPERATING FUNDS	**104,207**	**117,404**	**123,750**
Assistance and Grants	**65,087**	**74,998**	**81,877**
School Aid	26,787	28,274	30,290
DOH Medicaid (incl. admin and EP)	19,346	21,972	25,467
All Other	18,954	24,752	26,120
State Operations	**25,924**	**29,861**	**31,392**
Agency Operations	**18,006**	**19,836**	**21,189**
Executive Agencies	9,114	10,773	11,547
University Systems	6,237	6,515	6,926
Elected Officials	2,655	2,548	2,716
Fringe Benefits/Fixed Costs	**7,918**	**10,025**	**10,203**
Pension Contribution	3,406	2,492	2,045
Health Insurance	4,415	5,699	6,003
Other Fringe Benefits/Fixed Costs	96	1,834	2,155
Debt Service	**13,196**	**12,545**	**10,481**
CAPITAL PROJECTS (State and Federal Funds)	**12,331**	**14,704**	**14,024**
FEDERAL OPERATING AID	**70,050**	**77,231**	**82,686**
NET OTHER FINANCING SOURCES	**(48)**	**(238)**	**(193)**
CHANGE IN OPERATIONS	**4,664**	**34,798**	**12,407**
CLOSING BALANCE	**18,949**	**53,549**	**65,956**

FY 2023

The FY 2023 All Funds closing balance totaled $66.0 billion, $12.4 billion above FY 2022. The growth was attributable to a larger opening balance ($34.8 billion), offset by lower receipts ($11.3 billion) and higher disbursements ($11.1 billion) compared to the prior year.

The decline in receipts primarily reflects lower tax collections ($9.5 billion). PIT receipts decreased by $12 billion in FY 2023, largely due to the PTET program and the timing of PTET credit realization during FY 2022 and FY 2023. In FY 2022, taxpayers were statutorily prohibited from adjusting tax year 2021 current estimated PIT payments based on anticipated PTET credits. This restriction did not apply for tax year 2022, and FY 2023 PIT collections reflect the realization of a high concentration of PTET credits from both tax years 2021 and 2022. PTET collections also decreased by $1.5 billion in FY 2023, primarily because five quarters of PTET collections were reflected in FY 2022 and FY 2023 was the first year in which PTET refunds were issued.

The decline in PIT and PTET receipts in FY 2023 was offset by growth in other tax categories compared to FY 2022. Higher business tax collections ($2.4 billion) were driven by increased Corporate Franchise Tax receipts, insurance gross receipts, and audits. Consumption/use tax collections grew by $964 million mostly due to stronger-than-expected sales tax collections, partially offset by the temporary suspension of the sales and motor fuel excise taxes (on gasoline and diesel motor fuel) from June 2022 through December 2022.

Non-tax miscellaneous receipts increased by $3.9 billion in FY 2023, primarily due to the timing of reimbursements for various capital programs ($1.4 billion) and higher investment income ($1.1 billion). Federal grants decreased by $5.7 billion, largely due to the receipt of $12.75 billion in ARP aid in FY 2022.

The increase in disbursements in FY 2023 primarily reflects increased spending on local assistance ($6.9 billion) from State Operating Funds, as well as higher spending from Federal grants ($5.5 billion) compared to FY 2022.

State Operating Funds spending totaled $123.8 billion in FY 2023, an increase of $6.3 billion (5.4 percent) compared to FY 2022. Within this category, local assistance spending through March was $6.9 billion higher than in the prior year. The largest local assistance spending changes were as follows:

- Medicaid ($3.5 billion higher) primarily attributable to enrollment growth in Managed Care associated with the Public Health Emergency and Federal requirement prohibiting the disenrollment of recipients ($1.8 billion); increased Fee for Service Spending related to higher utilization and prices ($689 million); and increased spending in the Vital Access Provider Assurance Program related to advancement of the Federal share of directed payment template payments for distressed hospitals ($2 billion). The higher spending is partially offset by increased COVID eFMAP collections in FY 2023 ($812 million) and Federal Family Planning credits ($108 million) that were not claimed in FY 2022.

- School Aid ($2 billion higher) due to planned General Aid payment increases ($675 million) related to the second year of the three-year phase-in of full funding of Foundation Aid, education payments supported by higher Mobile Sports Wagering receipts ($517 million), increased disbursements supported by Lottery and VLT receipts ($630 million), and higher Teacher Retirement System payments ($141 million).

- Office of Children and Family Services ($1.1 billion higher) primarily attributable to higher spending for Child Welfare Services ($1.2 billion) and Day Care ($49 million), partially offset by reduced spending on Foster Care Block Grant payments ($55 million) and Adult Protective Services ($52 million).

Executive agency operations spending from State Operating Funds increased by $1.4 billion in FY 2023, largely because eligible State costs were offset by the Federal CRF in FY 2022. Debt Service decreased by $2.1 billion in FY 2023, due to prior prepayments of FY 2023 debt service.

Federal operating aid increased by $5.5 billion over the prior year due predominantly to the following:

- Medicaid ($5.1 billion higher) primarily attributable to significantly higher claims-based spending ($3.4 billion) caused by Federal MOE restrictions on disenrollment during the Public Health Emergency and increased rates ($1.3 billion), higher Fee-for-Service expenditures resulting from increased utilization and price increases ($1.2 billion) and increased Managed Long-Term Care spending ($879 million). Additional increased year-to-year spending is attributable to higher COVID eFMAP collections ($860 million), the claiming of Federal Community First Choice Option credits ($761 million), and Family Planning credits ($108 million) that were not claimed by the State in FY 2022.

- School Aid ($2.3 billion higher) primarily due to increased spending from COVID-19 related grants ($2.1 billion).

FY 2022

The FY 2022 All Funds closing balance totaled $53.5 billion, $34.6 billion above FY 2021. The growth was attributable to a larger opening balance ($4.5 billion) and higher receipts ($53.1 billion), including $16.4 billion of PTET collections, partly offset by higher spending ($22.8 billion). Receipts growth, excluding PTET, includes growth in tax receipts ($22.3 billion) and Federal aid ($17.2 billion) inclusive of pandemic-related aid.

Tax collections increased in every category compared to FY 2021. PIT collections were $15.8 billion (28.7 percent) higher than the previous year driven by substantial growth in total estimated payments, final returns and delinquencies coupled with a decrease in current year refunds and the state/city offset. Consumption/use tax collections grew by $3.5 billion due to a recovery in sales tax collections, which were depressed in 2020 by taxpayers' behavioral responses to COVID-19 closures and stay-at-home orders. Higher business taxes collections ($18.9 billion) were driven mainly by PTET collections ($16.4 billion) and strong CFT gross receipts.

Federal grants in FY 2022 were $17.2 billion higher than FY 2021. This increase includes the net increase in extraordinary Federal aid to the State ($12.75 billion in ARP aid received in May 2021 offset by $5.1 billion in CRF aid received in April 2020), and other pandemic related aid, including education aid and emergency rental assistance, as well as growth in ordinary Federal operating aid.

Through March 2022, State Operating Funds spending totaled $117.4 billion in FY 2022, an increase of $13.2 billion (12.7 percent) from FY 2021.

Local assistance spending through March 2022 was $9.9 billion higher than in the prior year. The largest areas of change include the following.

- Mental Hygiene ($2.7 billion) spending reflects changes in funding reported under the Medicaid Global Cap, a delay of non-Medicaid payments in FY 2021, and the timing of COVID-19 related payments.

- Medicaid ($2.6 billion) spending growth is due to higher claims spending ($1.7 billion) associated with the Federal PHE restriction on disenrolling members during the pandemic, Managed Care/Managed Long-Term Care (MC/MLTC) Encounter Withhold payments ($518 million) that were new in FY 2022, and lower COVID eFMAP collections ($491 million) due to the claiming of 14 months in FY 2021 (for the period of January 2020 to February 2021) and 11 months claimed in FY 2022 (for the period of March 2021 to January 2022).

- Department of Labor ($2.0 billion) spending increased due to the inception of the new Excluded Workers Program in FY 2022.

- School Aid spending growth ($1.5 billion) is primarily due to an increase in General Aid payments ($1.4 billion) related to the first year of the three-year phase-in of the Foundation Aid formula and the full restoration of the $1.1 billion Pandemic Adjustment State aid reduction that was implemented in SY 2021, as well as an increase in payments related to the Teacher Retirement System ($124 million).

Executive agency operations spending growth ($1.7 billion) is driven primarily by the purchase of COVID test kits ($905 million), a reduction in the amount of eligible payroll costs being offset through the CRF, and the payment of deferred FY 2021 General Salary Increases for CSEA, DC-37, NYSCOPBA, Police Investigators Association (PIA), Police Benevolent Association (PBA), Unified Court System (UCS), Management Confidential (MC), UUP and the new PEF settlement.

Increased fringe benefits spending ($2.1 billion) includes normal costs increases for employee benefits and repayments and advances executed in FY 2022. As provided for in the CARES Act, the State took advantage of the interest free deferral of Social Security payments in FY 2021 and repaid the deferred payments in two equal installments of $278 million in November 2021 and March 2022. In addition, the State advanced monies to the health insurance escrow fund for future Health Insurance costs ($724 million).

Lower debt service spending is largely due to the repayment of the FY 2021 liquidity financing ($4.5 billion) and the net impact of debt service prepayments executed in FY 2021 and FY 2022 ($9.7 billion).

Higher Capital Projects spending (State and Federal) was due to uncertainty surrounding the COVID-19 pandemic in April and May of 2020, resulting in lower than usual spending in FY 2021. DOT ($431 million), DEC ($306 million) and DOH ($245 million) had the highest levels of year-to-year spending growth. In addition, the State made $1.5 billion more in payments to the MTA in FY 2022 than in FY 2021, including a $931 million advance made to the MTA in March of 2022 to support the MTA's 2015-2019 capital plan.

Increased Federal operating spending growth ($7.2 billion) was due predominantly to the following:

- Social Services ($3.5 billion higher) due to a resumption of regular Social Services program payments relative to FY 2021 and the allocation of nearly $1.7 billion in emergency rental assistance in FY 2022.

- Medicaid ($3.1 billion higher) due largely to higher claim spending ($3.8 billion) associated with increased enrollment and HCBS Federal financial participation payments ($702 million); partially offset by the ending of the DSRIP program in FY 2021 ($727 million) and delays in timing of credits.

- School Aid ($2.9 billion higher) due primarily to spending from K-12 COVID-19 relief grants ($1.8 billion) and Elementary and Secondary Education Act grants ($444 million) as well as increased U.S. Department of Agriculture School Lunch Act claims ($670 million).

FY 2021

All Funds ended FY 2021 with a balance of $18.9 billion, $4.7 billion above FY 2020. The higher balance is attributable to higher receipts, which are partly offset by higher spending as summarized below.

Higher receipts reflect PIT collections that were higher than in FY 2020 by $1.3 billion (2.4 percent), primarily due to growth in withholding and final returns, augmented by a decline in advanced credit payments related to the expiration of the Property Tax Relief Credit. The growth in PIT collections was offset by a decrease in total estimated payments driven by a decline in the growth of nonwage income not related to unemployment insurance and by an increase in current year refunds. Consumption/use tax collections were significantly lower ($1.9 billion) than the prior year due to substantial declines in sales tax and motor fuel tax receipts due to the pandemic. Lower business taxes ($204 million) were attributable to reduced CFT and gross insurance taxes combined with lower PBT collections, partially offset by higher CFT audits and lower CFT refunds.

The receipt of $4.5 billion in note proceeds from the FY 2021 liquidity financing, along with increased income from SUNY, resulted in annual growth in miscellaneous receipts ($1.3 billion). Offsetting this growth, significant declines were observed in lottery receipts ($554 million), HCRA receipts ($425 million), other licenses/fees ($199 million), and investment income ($137 million), all of which were negatively impacted by the COVID-19 pandemic. In addition, receipts from extraordinary monetary settlements decreased ($187 million). Receipts also reflect a decrease in reimbursements of capital projects from bond proceeds ($900 million).

Federal grants were $13.1 billion higher in FY 2021 than in FY 2020, largely due to the receipt of Federal CARES Act funding, funding for the Lost Wages Assistance (LWA) program, eFMAP and emergency rental assistance.

State Operating Funds spending totaled $104.2 billion in FY 2021, an increase of $2 billion (2.0 percent) from FY 2020 due primarily to the prepayment of debt service obligations and pension amortizations, offset by reduced disbursements in local assistance and agency operations.

Local assistance spending was $3.6 billion lower than in the prior year, mainly due to a decline in Medicaid ($2.4 billion) attributable to COVID-19 Federal funding which had the effect of reducing State spending ($3.4 billion). State share costs associated with increased pandemic-related enrollment ($912 million) and timing of offline payments ($107 million) eroded the value of the eFMAP benefit.

Local assistance payments totaling $1.4 billion were delayed from FY 2020 to FY 2021 due to interruptions and uncertainty caused by the pandemic. These payments affected spending levels for higher education, social welfare, public health, transportation, and mental hygiene. The delay partly offset the overall reduction in local assistance spending.

Other significant variances in local assistance spending include:

- Timing delays attributable to the ongoing payment review and withholding process, as well as claiming and processing delays. Impacted areas include student financial aid ($148 million), Preschool Special Education and Summer School Special Education programs ($189 million), Non-Public School Aid ($137 million) and various other education programs ($162 million).

- General Aid payments for School Aid ($190 million) reflect lower expense-based aid claims and the offset of a portion of State support to school districts with Federal CARES Act funds. The portion of School Aid supported by Lottery revenues also declined ($186 million) due to lower receipt projections.

- TRS payments ($238 million) reflect a lower employer contribution rate consistent with the forecasted pension portfolio.

- STAR ($157 million lower) reflects the transition of beneficiaries from the STAR benefit program to the STAR PIT credit.

Lower spending in executive agency operations was driven by the reclassification of certain eligible FY 2021 expenses to the Federal CRF, one-time NYSCOPBA collective bargaining retroactive payments made in FY 2020, the withholding of general salary increases, execution of 10 percent State Operations reductions and general underspending. Fringe benefit spending declined due to the deferment of Social Security payments, as permitted under the CARES Act, and increased reimbursement of fringe costs from Federal funds due to the reclassification of eligible personal service expenses to the CRF. These declines were partially offset by the repayment of pension amortizations ($918 million) and higher health insurance payments ($111 million).

Higher debt service spending is largely due to the repayment of the FY 2021 liquidity financing ($4.5 billion) and the impact of debt service prepayments ($3.1 billion).

Higher capital projects spending ($333 million) reflects higher spending on capital projects for the MTA ($825 million), DHCR ($202 million) and other agencies. This growth is offset by underspending in SIA ($455 million), Environmental Conservation ($241 million), ESD ($154 million), and SUNY ($126 million).

Federal operating spending growth ($11.2 billion) mainly reflects the LWA payments, temporary eFMAP, and public health and safety costs charged to the Federal CRF.

GAAP-Basis Results for Prior Fiscal Years

The Comptroller prepares Basic Financial Statements and Other Supplementary Information, including a management discussion and analysis, on a GAAP basis for governments as promulgated by the GASB. The Basic Financial Statements and Other Supplementary Information are released in July each year. These statements are audited by independent certified public accountants. The State expects to issue the Basic Financial Statements for FY 2023 on July 28, 2023. The Comptroller also prepares and issues an Annual Comprehensive Financial Report, which, in addition to the components referred to above, also includes an introductory section and a statistical section. The Annual Comprehensive Financial Report for the fiscal year ended March 31, 2023 is expected to be issued later in the current calendar year.

The following tables summarize recent governmental funds results on a GAAP basis.

COMPARISON OF ACTUAL GAAP-BASIS OPERATING RESULTS
SURPLUS/(DEFICIT)
(in millions of dollars)

Fiscal Year Ended	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	All Governmental Funds	Accumulated General Fund Surplus/Deficit
March 31, 2022	11,339	1,792	4,352	1,173	18,656	31,651
March 31, 2021	8,600	467	2,596	4,186	15,849	20,338
March 31, 2020	355	(296)	(900)	(79)	(920)	3,736

SUMMARY OF NET POSITION
(millions of dollars)

Fiscal Year Ended	Governmental Activities	Business-Type Activities	Total Primary Government
March 31, 2022	25,354	(18,862)	6,492
March 31, 2021	7,303*	(20,969)**	(13,666)
March 31, 2020	(5,240)	(8,375)	(13,615)

* The restatement in governmental funds is due to the reclassification of the Tuition Savings account from a General Fund account to a Private Purpose Trust, included within the Fiduciary Funds financial statements.

** The restatement for the business-type activities is a result of a change in accounting policy related to the timing of recording certain asset and debt activity from March 31 to June 30.

The most recent Annual Comprehensive Financial Report and those related to prior fiscal years can be obtained from the Office of the State Comptroller, 110 State Street, Albany, NY 12236 or at the Office of the State Comptroller's website at www.osc.state.ny.us. The Basic Financial Statements can also be accessed through the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) system website at www.emma.msrb.org.

ECONOMICS AND DEMOGRAPHICS

The demographic and statistical data in this section, which have been obtained from the sources indicated, do not represent all factors that may have a bearing on the State's fiscal and economic affairs. Further, such information requires economic and demographic analysis to assess its significance and may be interpreted differently by individual experts. Note that the economic and demographic analyses in this section form the basis of the overall economic forecast and receipts projections incorporated into this AIS and are updated as of the time those projections were prepared.

The U.S. Economy

Financial turmoil following the collapse of Silicon Valley Bank and Signature Bank in March 2023 has triggered further credit tightening, restraining economic growth in the nation. However, a systemic crisis like the one in 2008 has, to date, been averted and equity markets are now trending broadly higher since their March lows. Recent data on the U.S. labor market and consumer spending indicate that overall economic conditions in the first half of 2023 held up better than previously anticipated. Moreover, Congress passed the Fiscal Responsibility Act that suspends the debt ceiling through January 1, 2025, averting a government default crisis. However, a mild downturn is still anticipated to take place toward the second half of this year and into 2024.

According to the second estimate released by the Bureau of Economic Analysis (BEA), U.S. real Gross Domestic Product (GDP) did not contract in the first quarter of 2023, contrary to the economic forecast consensus, but rather growth decelerated to an annual rate of 1.3 percent from the strong rebound of 3.2 percent in the third quarter and 2.6 percent in the fourth quarter of 2022. Meanwhile, the U.S. labor market maintained robust hiring momentum into the second quarter of 2023. Monthly payroll job gains averaged around 317,000 in April and May of 2023, slightly up from an average of 312,000 in the first three months of the year. Although job growth in some sectors is slowing, announced job cuts have yet to translate into persistent payroll employment declines. However, the unemployment rate went up to 3.7 percent in May 2023 after falling to a 53-year low of 3.4 percent in the prior month.

Consumer price inflation trended lower, albeit slowly, from its peak in mid-2022. The year-over-year change in the consumer price index (CPI) drifted down to 4.9 percent as of April 2023, significantly above the Federal Reserve's target of 2.0 percent. The Federal Open Market Committee (FOMC) settled on a 25-basis-point rate hike at its May 2023 meeting, pushing the federal funds rate target to 5.00 - 5.25 percent. However, the Federal Reserve has signaled that they might pause in June, as tightening in bank lending standards may substitute for additional rate hikes. Meanwhile, the World Health Organization (WHO) announced in May that COVID-19 no longer constitutes a public health emergency of international concern, confirming that global inflationary pressures generated by COVID-era supply chain disruptions have subsided.

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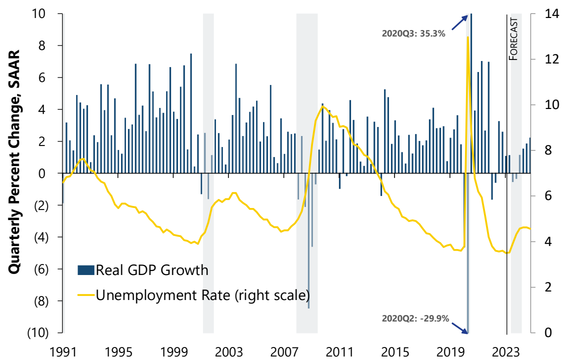
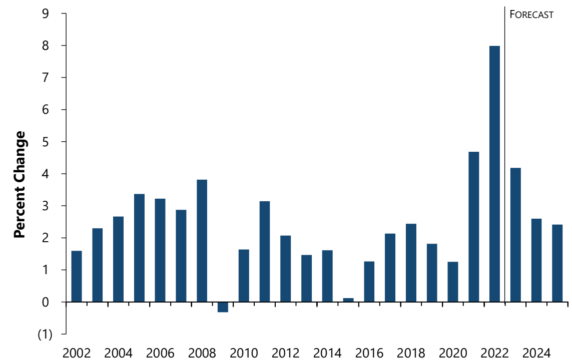
Real GDP Growth and Unemployment Rate



Note: Note: Shaded areas represent U.S. recessions.
Source: Haver Analytics/BEA, BLS; DOB staff estimates.

Consumer Price Index (CPI)



Source: Haver Analytics/BLS; DOB staff estimates.

U.S. Economic Forecast

DOB's U.S. economic forecast incorporates the advance estimate of 2023 first-quarter GDP, the April 2023 personal income and outlays estimates, the April 2023 CPI report, and the initial estimate of April 2023 employment.

Real GDP is projected to grow 1.2 percent in 2023, followed by a weaker growth of 0.9 percent in 2024. Total nonfarm employment is estimated to grow 1.9 percent in 2023. Mild declines in employment are expected between the third quarter of 2023 and the first quarter of 2024, resulting in an annual decline of 0.1 percent in 2024 employment. The unemployment rate is projected to peak at 4.6 percent by mid-2024. Accordingly, the outlook for U.S. wages and personal income is projected to be weaker in 2024 relative to 2023. DOB projects personal income growth of 3.9 percent in 2024, following 5.3 percent growth in 2023.

Although core CPI inflation is trending downward, recent volatility in energy prices added uncertainty to the headline price index. DOB's estimate for 2023 headline CPI inflation is 4.2 percent on an annual average basis. Deflationary pressures from credit tightening are expected to slow down headline CPI inflation to 2.6 percent in 2024. As a result, DOB predicts that the FOMC will pause its rate hike and hold off on reversing its rate policy until its March 2024 meeting, when inflation cools off and the unemployment rate rises above the Non-Accelerating Inflation Rate of Unemployment, or NAIRU.

Since financial markets showed resilience under the recent banking turmoil and debt ceiling battle, the Budget Division estimates that the S&P 500 stock price index will decline 1.0 percent on an annual average basis in 2023. Stock prices are expected to have bottomed out in the first quarter of this year and will display moderate growth going forward, providing modest support for household spending through the wealth effect.

ECONOMIC INDICATORS FOR THE UNITED STATES (Calendar Year)	2018	2019	2020	2021	2022	2023 [1]
Gross Domestic Product						
Nominal ($ billions)	$20,533.1	$21,381.0	$21,060.5	$23,315.1	$25,462.7	$26,787.0
Percent Change	5.4	4.1	(1.5)	10.7	9.2	5.2
Real ($ billions)	$18,609.1	$19,036.1	$18,509.1	$19,609.8	$20,014.1	$20,260.5
Percent Change	2.9	2.3	(2.8)	5.9	2.1	1.2
Personal Income						
($ billions)	$17,683.8	$18,587.0	$19,832.3	$21,294.8	$21,777.2	$22,967.5
Percent Change	5.0	5.1	6.7	7.4	2.4	5.3
Nonfarm Employment						
(millions)	148.9	150.9	142.2	146.3	152.6	155.5
Percent Change	1.6	1.3	(5.8)	2.9	4.3	1.9
Unemployment Rate (%)	3.9	3.7	8.1	5.4	3.6	3.8
Consumer Price Index						
(1982-84=100)	251.1	255.7	258.9	271.0	292.6	304.8
Percent Change	2.4	1.8	1.3	4.7	8.0	4.2

Sources: U.S. Bureau of Economic Analysis; U.S. Bureau of Labor Statistics. Table reflects revisions by source agencies to figures for prior years.

[1] As projected by DOB, based on National Income and Product Account, employment and CPI data released through March 2023.

DOB expects the national economy to enter a mild downturn, but there are many risks that could potentially deepen the recession in this forecast. If the ongoing stress in the regional banking sector were to spread to other financial institutions, more tightening in lending standards could further undermine the growth of GDP. Moreover, if inflation proves more persistent than expected, threatening a de-anchoring of inflation expectations, the Federal Reserve could continue tightening beyond DOB's forecast, pushing the economy into a deeper recession.

Conversely, if inflation turns out to be more responsive to monetary tightening than previously anticipated or if rate-sensitive sectors prove resilient to rate hikes and tighter financial conditions, the anticipated economic downturn may be shorter and less severe than originally projected or avoided altogether. Moreover, ending the war in Ukraine or faster recovery from the COVID outbreaks in China could help ease lingering supply chain pressures. If the recovery of supply chains translates into lower inflation than anticipated and allows for a quicker easing of monetary conditions, real GDP could show stronger growth than projected in this forecast.

The New York State Economy[16]

New York State has continued to recover from pandemic-related job losses through March 2023; however, job gains reversed in April. According to Current Employment Statistics (CES) data, the State lost 25,000 jobs in April 2023, with the number of jobs remaining 1.7 percent below its pre-pandemic level, whereas the nation had regained all of its job losses by June 2022. The State's job recovery has been hampered by labor shortages, the highest inflation in 40 years, rising interest rates leading to a bear market in equities, and slowing global growth. As of April 2023, only four major sectors posted net job gains relative to February 2020: transportation, warehousing and utilities, finance and insurance, professional and business services, and healthcare and social assistance. The State posted an unemployment rate of 4.0 percent in April 2023 compared to the U.S. unemployment rate of 3.4 percent for the same month. The statewide unemployment rate for April was pulled up by New York City, which posted a rate of 5.4 percent, compared to the rest of the State's rate of 2.9 percent.

Stricter lending standards and caution in hiring triggered by the banking system turmoil, coupled with a looming national recession later in 2023, are expected to slow down the State's labor market recovery significantly. Following growth of 5.0 percent in 2022, the State's total employment is projected to grow by 0.9 percent in 2023. State employment is projected to grow by only 0.1 percent in 2024, due to the projected slowdown of the national economy starting in the second half of 2023.

NYSE member firms' total revenues increased by 12.0 percent in 2022. However, the Federal Reserve's rapid rate hikes to combat inflation significantly eroded NYSE member firms' revenues net of interest expense, which saw a decline of 14.8 percent. Six major Wall Street investment banks enjoyed revenue growth of 12.6 percent in the first quarter of 2023; however, the banking system crisis, debt ceiling worries, and a likely U.S. economic recession have prompted banks to tighten lending standards and set aside more money to cover possible defaults. Debt underwriting declined by 42.0 percent, and IPOs experienced a severe contraction of 94.4 percent in 2022. This negative growth trend extended into the first quarter of 2023, which posted another 22.9 percent drop in debt underwriting and a 6.6 percent decline in IPOs. Therefore, following a decline of 22.3 percent in SFY 2023, finance and insurance sector bonuses are projected to experience another year of decline, but with a smaller magnitude of 5.3 percent in SFY 2024. State total wages for SFY 2024 are projected to grow by 2.4 percent, following 3.1 percent estimated growth for SFY 2023. State personal income is estimated to grow by 1.3 percent for SFY 2023, followed by a projected growth of 3.5 percent for SFY 2024.

As the national economy heads toward a downturn in 2023, there are many risks to the forecast for New York personal income and wages for the current fiscal year. Continued high inflation could lead to additional unanticipated monetary tightening by the Federal Reserve. The recent bank failures may trigger stricter regulations in the banking system. Deeper than expected national and global recessions in the upcoming fiscal year could put more downward pressure on both national and global demand for New York professional and business services, and result in greater layoffs, and lower personal income and wage growth. Continued outmigration could also result in

[16] DOB's New York State economic forecast incorporates the 2022 fourth quarter BEA State personal income report released on March 31, 2023.

employment and wage declines. Ongoing stress in the New York City commercial real estate market may create stronger economic headwinds and put more strains on the City and the State economies. The potential rise of geopolitical tensions poses significant risks to the global economy. On the positive side, if inflation continues to fall without much need for further Federal Reserve tightening, the banking system crisis is contained, and the global and national economic slowdown is milder, State personal income growth could be stronger than anticipated.

ECONOMIC INDICATORS FOR NEW YORK STATE
(Calendar Year)

	2019	2020	2021	2022	2023 [1]
Personal Income					
($ billions)	$1,362.3	$1,442.6	$1,524.1	$1,536.6	$1,581.9
Percent Change	3.9	5.9	5.6	0.8	3.0
Nonfarm Employment					
(thousands)	9,515.5	8,563.0	8,791.1	9,229.0	9,312.5
Percent Change	1.2	(10.0)	2.7	5.0	0.9
Unemployment Rate (NSA, %)	3.8	9.8	7.0	4.3	4.6

Sources: Personal income data are based on U.S. Bureau of Economic Analysis; employment data come from NYS Department of Labor; unemployment rate data come from U.S. Bureau of Labor Statistics. Table reflects revisions by source agencies to data for prior years.

[1] As projected by DOB, based on National Income and Product Account and employment data released through March 2023.

New York is the fourth most populous state in the nation, after California, Texas, and Florida, and has a relatively high level of personal wealth. The State's economy is diverse, with a comparatively large share of the nation's financial activities, information, education, and health services employment, and a small share of the nation's farming and mining activity. The State's location, air transport facilities, and natural harbors have made it an important hub for international commerce. Travel and tourism constitute an important part of the economy. Like the rest of the nation, New York has a declining proportion of its workforce engaged in manufacturing and an increasing proportion engaged in service industries.

Manufacturing: Manufacturing employment continues to stagnate as a share of total State nonfarm employment, as in most other states. As a result, New York's economy is less reliant on this sector than in the past. However, it remains an important sector of the State economy, particularly for the upstate region, which hosts higher concentrations of manufacturers.

Trade, Transportation, and Utilities: As defined under the North American Industry Classification System (NAICS), the trade, transportation, and utilities supersector accounts for the second largest component of State nonfarm employment but only the fifth largest when measured by wage share. This sector accounts for a smaller share of employment and wages for the State than for the nation.

Financial Activities: New York City is the nation's leading center for banking and finance. For this reason, this sector is far more important for the State than for the nation. Although this sector accounts for less than one-tenth of all nonfarm jobs in the State, it accounts for one-fifth of total wages.

Other Service Sectors: The remaining service-producing sectors include information, professional and business services, private education and healthcare, leisure and hospitality services, and other services. When combined, these industries account for over half of all nonfarm jobs in New York. Information, education and health, and other services account for a higher percentage of total State employment than for the nation.

Agriculture: Farming is an important part of the State's rural economy, although it constitutes only 0.2 percent of the total State GDP. According to the New York State Department of Agriculture and Markets, New York is the fifth largest dairy producer in the nation.

Government: Federal, State, and local governments comprise the third largest sector in terms of nonfarm jobs. Public education is the source of over 40 percent of total State and local government employment.

THE COMPOSITION OF NONFARM EMPLOYMENT AND WAGES (2022)
(Percent)

	Employment		Wages	
	New York	U.S.	New York	U.S.
Natural Resources and Mining	0.1	0.4	0.1	0.8
Construction	4.1	5.1	3.9	5.3
Manufacturing	4.5	8.4	3.8	9.3
Trade, Transportation, and Utilities	15.6	18.8	11.2	15.5
Information	3.1	2.0	6.0	4.2
Financial Activities	7.7	5.9	20.0	9.7
Professional and Business Services	14.3	14.8	18.8	19.6
Educational and Health Services	22.5	16.0	14.9	13.3
Leisure and Hospitality	9.1	10.4	4.9	5.0
Other Services	4.0	3.7	2.7	3.0
Government	15.1	14.5	13.7	14.2

Sources: U.S. Bureau of Labor Statistics; U.S. Bureau of Economic Analysis.

The importance of the various sectors of the State's economy relative to the national economy is shown in the above table, which compares nonfarm employment and wages by sector for the State and the nation. Construction accounts for a smaller share of employment for the State than for the nation, while the combined service industries account for a larger share. The share of total wages originating in the financial activities sector is particularly large for the State relative to the nation. Thus, the State is likely to be less affected than the nation during an economic recession concentrated in manufacturing and construction, but more affected by one concentrated in the services sector.

Economic and Demographic Trends

In the calendar years 1990 through 1998, the State's rate of economic growth was somewhat slower than that of the nation. During the 1990-91 recession, the State, like much of the Northeast, experienced a greater economic contraction than the nation as a whole and was slower to recover. However, the situation improved subsequently. In 1999, for the first time in 13 years, State employment growth surpassed that of the nation, and in 2000 their growth rates were nearly the same. In 2001, the September 11th attack resulted in a downturn in New York that was more severe than for the nation. In contrast, the State's labor market fared better than that of the nation during the 2008 recession, though New York experienced a historically large wage decline in 2009. The State's unemployment rate was higher than the national rate from 1991 to 2004. The State's rate fell below the nation's for much of the Great Recession in 2008 and 2009 and remained so until November 2011. The State's unemployment rate rose above the national rate in December 2011 but fell below yet again in May 2015, where it remained competitive with the nation's rate until the second half of 2016. As the early epicenter of the COVID-19 pandemic, New York was hit especially hard economically, with its unemployment rate soaring well above the nation's rate throughout the pandemic. Correspondingly, New York had a more severe employment decline than the nation in 2020, and its job recovery has lagged the nation since then.

The following table compares population changes in the State and the United States since 1980. Between April 2020 and July 2022, the nation's total population continued to increase by 0.5 percent, whereas the population of the State decreased by 2.1 percent.

COMPARATIVE POPULATION FIGURES

	New York			U.S.	
	Total Population (000s)	% Change from Preceding Period	Percentage of U.S. Population	Total Population (000s)	% Change from Preceding Period
1980	17,558	(3.7)	7.8	226,546	11.5
1990	17,990	2.5	7.2	248,710	9.8
2000	18,976	5.5	6.7	281,422	13.2
2010	19,378	2.1	6.3	308,746	9.7
2020	20,108	3.8	6.1	331,449	7.4
2022	19,677	(2.1)	5.9	333,288	0.5

Note: All population numbers are based on the Decennial Census, except for 2022.
Source: U.S. Census Bureau.

Total State nonfarm employment has declined as a share of national nonfarm employment compared with the 1980s and 1990s. The following historical table compares these levels and the rate of unemployment for the State and the nation.

NONFARM EMPLOYMENT AND UNEMPLOYMENT RATE FOR NEW YORK AND THE UNITED STATES					
	Employment (NSA, 000s)		New York as Percent of U.S. Employment	Unemployment Rate (NSA, %)	
	New York	U.S.		New York	U.S.
1980	7,207	90,533	8.0	7.4	7.1
1990	8,204	109,526	7.5	5.3	5.6
2000	8,619	132,011	6.5	4.5	4.0
2010	8,545	130,345	6.6	8.7	9.6
2020	8,814	142,186	6.2	9.8	8.1
2022	9,519	152,575	6.2	4.3	3.7

Note: Nonfarm employment and unemployment rates are generated from separate surveys.
Source: U.S. Bureau of Labor Statistics.

State per capita personal income has historically been significantly higher than the national average, although the ratio has varied substantially over time. Because New York City is an employment center for a multi-state region, State personal income measured on a residence basis understates the relative importance of the State to the national economy and the size of the base to which State taxation applies. The following table compares per capita personal incomes for the State and the nation.

PER CAPITA PERSONAL INCOME (Income in Dollars)			
	New York	U.S.	Ratio New York/U.S.
1980	$11,001	$10,180	1.08
1990	$23,990	$19,621	1.22
2000	$36,090	$30,672	1.18
2010	$48,768	$40,683	1.20
2020	$71,743	$59,763	1.20
2022	$78,089	$65,423	1.19

Source: U.S. Bureau of Economic Analysis.

CAPITAL PROGRAM AND FINANCING PLAN OVERVIEW

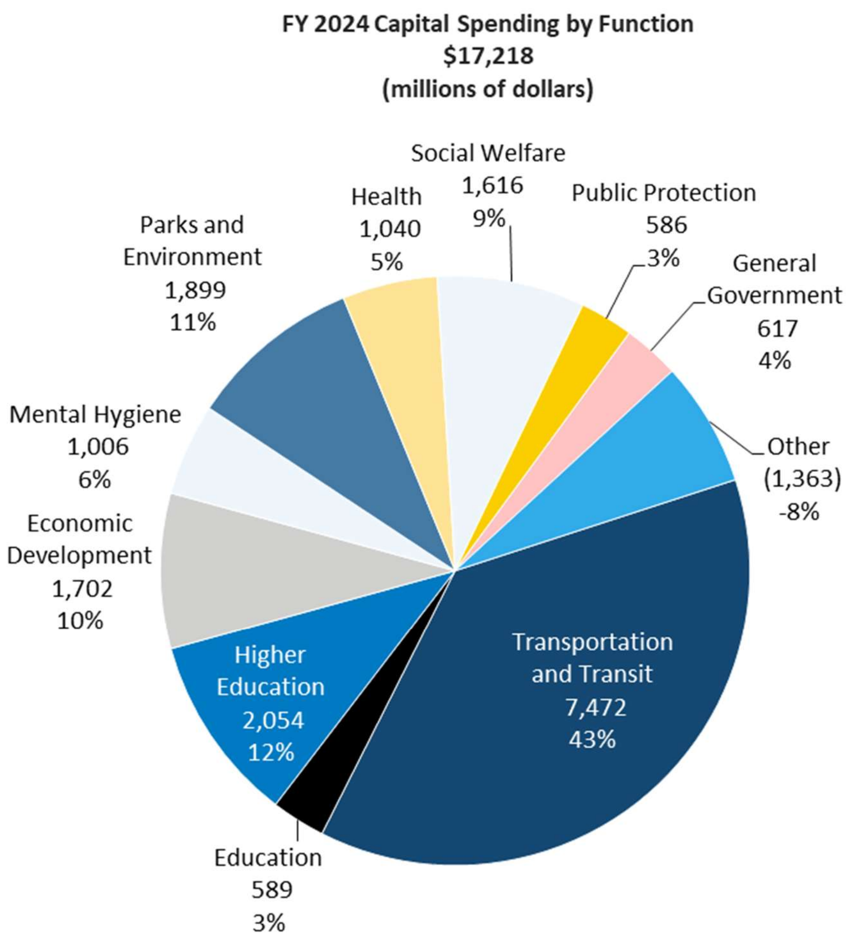
A copy of the Capital Plan can be obtained by contacting the Division of the Budget, State Capitol, Albany, NY 12224, (518) 474-8282, and it is also posted at www.budget.ny.gov.

Capital Plan

The total commitment and disbursement levels in the Capital Plan reflect, among other things, projected capacity under the State's statutory debt limit, anticipated levels of Federal aid, and the timing of capital activity based on known needs and historical patterns. The following capital projects information relates to FY 2024.

FY 2024 Capital Projects Spending

Spending on capital projects is projected to total $17.2 billion in FY 2024. Overall, capital spending in FY 2024 is projected to increase by $3.2 billion or 23 percent from FY 2023.



In FY 2024, transportation and transit spending is projected to total $7.5 billion, which represents 43 percent of total capital spending. Economic development spending accounts for 10 percent, higher education spending accounts for 12 percent, and spending related to parks and the environment represents 11 percent. The remaining 24 percent comprises spending for health care, mental hygiene, social welfare, public protection, education, general government, and the all other category, which includes Special Infrastructure Account spending.

Overall transportation and transit spending is projected to increase by $544 million (7.8 percent) from FY 2023 to FY 2024. The growth is attributable to $1.5 billion in projected increased spending by DOT for the continuation of major road and bridge projects and annual increases in local road and bridge support from the State; and offset by a decrease in spending for the MTA, which is attributable to a $1.1 billion acceleration of funding from the State -- from FY 2024 to FY 2023 -- for the MTA's 2015-19 and 2020-24 Capital Plans.

Parks and environment spending is estimated to increase by $557 million (42 percent) in FY 2024, primarily reflecting the continued phase-in of the $5 billion clean water drinking grants program, increased capital support for State parks, and spending from the $4.2 billion Clean Water, Clean Air, and Green Jobs Bond Act.

Economic development spending is projected to increase by $834 million (96 percent) in FY 2024. This reflects spending from the new EmPower Plus New York Funding program, continued investments such as the State’s offshore wind port infrastructure and supply chain, ConnectALL broadband expansion, and regional economic and community development programs. The plan also continues to invest in programs created to promote regional economic development, including spending from both phases of the Buffalo Billion program, the Upstate Revitalization Initiative (URI), the Downtown Revitalization Initiative (DRI) and NY Forward, Lake Ontario Resiliency and Economic Development Initiative (REDI), and Regional Economic Development Councils (REDCs).

Spending for health care is projected to increase by $515 million (98 percent) in FY 2024. The increase is due to spending from Health Care Restructuring Program grant awards; the continued phase-in of spending related to rounds one through four of the Health Care Facility Transformation Program; and initial spending from a $1 billion proposal to support the new, fifth round of the program.

Spending for social welfare is projected to increase by $861 million (114 percent) in FY 2024, primarily reflecting ongoing spending from the prior housing plan and the phase-in of funding from the $25 billion housing plan, of which the State is providing $5.7 billion in direct capital assistance.

Education spending is projected to increase by $318 million (117 percent) in FY 2024. The increase is due to continued spending from the Smart Schools Bond Act.

Higher education spending is projected to increase by $703 million (52 percent) in FY 2024, which is primarily related to the ongoing maintenance and preservation of SUNY and CUNY facilities and infrastructure. The growth includes spending for research labs at the University at Buffalo and Stony Brook University, and investments to upgrade system-wide information technology systems.

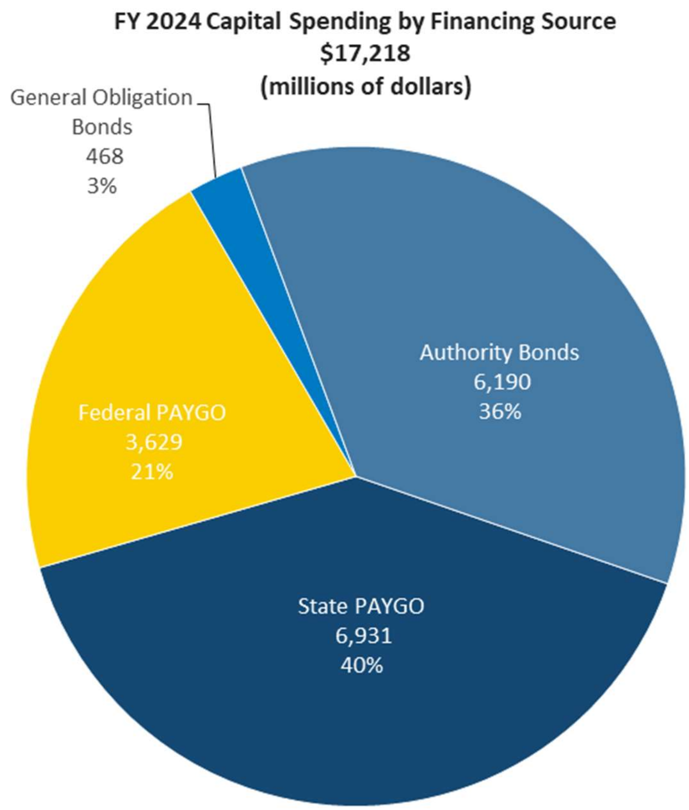
Spending for public protection is projected to decrease by $71 million (11 percent) in FY 2024. Public protection capital funding supports maintaining and operating DOCCS, DHSES, DMNA, and DSP infrastructure. In addition, FY 2024 includes spending for a new capital investment in communities with high gun violence, spending to support technology upgrades in NYC related to discovery reform legislation, and another round of the SCAHC grant program.

Mental hygiene capital spending is anticipated to increase by $508 million (102 percent) in FY 2024, reflecting continued investment in mental health facilities, a new $890 million investment to expand housing capacity, and nearly $80 million to expand inpatient and outpatient services.

General governmental capital spending is projected to increase by $184 million (42 percent) in FY 2024, which is mainly attributable to maintenance of State facilities and State information technology projects.

Spending in the All Other category is projected to decrease by $1.8 billion (444 percent). Total planned capital disbursements are reduced by $2 billion, or approximately 10 percent, in each year of the Capital Plan, consistent with spending trends for the past ten years.

Financing FY 2024 Capital Projects Spending



In FY 2024, the State plans to finance 39 percent of capital projects spending with long-term bonds and 61 percent with cash and Federal aid. Most of the long-term bonds (93 percent) will be issued on behalf of the State through public authorities. All authority debt issued on behalf of the State is approved by the State Legislature, acting on behalf of the people, and the issuing authority's board of directors, and in certain instances, is subject to approval by the Public Authorities Control Board (PACB). Authority Bonds, as defined in the Capital Plan, do not include debt issued by authorities that are backed by non-State resources. State cash resources, including monetary settlements, will finance 40 percent of capital spending. Federal aid is expected to fund 21 percent of the State's FY 2024 capital spending, primarily for transportation. Year-to-year, total PAYGO support is projected to increase from FY 2023 to FY 2024 by $4.0 billion, with State PAYGO increasing by $2.7 billion and Federal PAYGO support increasing by $1.3 billion. Bond-financed spending is projected to decrease by $791 million, with Authority Bond spending decreasing by $1.0 billion and General Obligation Bond spending increasing by $255 million.

Financing Plan

New York State, including its public authorities, is one of the largest issuers of municipal debt in the United States, ranking second among the states, behind California, in the aggregate amount of debt outstanding. As of March 31, 2023, State-related debt outstanding totaled $62.6 billion excluding capital leases and mortgage loan commitments, equal to approximately 4.0 percent of New York personal income. The State's debt levels are typically measured by DOB using two categories: *State-supported debt* and *State-related debt*.

State-supported debt represents obligations of the State that are paid from traditional State resources (i.e., tax revenue) and have a budgetary impact. It includes General Obligation debt, to which the full faith and credit of the State has been pledged, and lease purchase and contractual obligations of public authorities and municipalities, where the State's legal obligation to make payments to those public authorities and municipalities is subject to and paid from annual appropriations made by the Legislature. These include the State PIT Revenue Bond program and the State Sales Tax Revenue Bond program. The State's debt reform caps on debt outstanding and debt service apply to State-supported debt.

State-related debt is a broader measure of State debt which includes all debt that is reported in the State's GAAP-basis financial statements, except for unamortized premiums and accumulated accretion on capital appreciation bonds. These financial statements are audited by external independent auditors and published by OSC on an annual basis. The debt reported in the GAAP-basis financial statements includes General Obligation debt, other State-supported debt as defined in the State Finance Law, certain debt of the Municipal Bond Bank Agency (MBBA) issued to finance prior year school aid claims and capital leases and mortgage loan commitments. This category also includes inter-governmental loans, where no bonds are issued but the State has agreed to pay annual loan payments to another governmental entity. Inter-governmental loans include annual payments to the Gateway Development Commission (GDC) to fund the State's commitment for the Gateway Hudson Tunnel Project. In addition, State-related debt reported by DOB includes State-guaranteed debt, moral obligation financings and certain contingent-contractual obligation financings, where debt service is paid from non-State sources in the first instance, but State appropriations are available to make payments if necessary. These financings are not reported as debt in the State's GAAP-basis financial statements.

The State's debt does not encompass, and does not include, debt that is issued by, or on behalf of, local governments and secured (in whole or in part) by State local assistance aid payments. For example, certain State aid to public schools paid to school districts or New York City has been pledged by those local entities to help finance debt service for locally-sponsored and locally-determined financings. Additionally, certain of the State's public authorities issue debt supported by non-State resources (e.g., NYSTA revenue bonds, Triborough Bridge and Tunnel Authority (TBTA) revenue bonds, MTA revenue bonds and DASNY dormitory facilities revenue bonds) or issue debt on behalf of private clients (e.g., DASNY's bonds issued for not-for-profit colleges, universities, and hospitals). This debt, however, is not treated by DOB as either State-supported debt or State-related debt because it (i) is not issued by the State (nor on behalf of the State), and (ii) does not result in a State obligation to pay debt service. Instead, this debt is accounted for in the respective financial statements of the local governments or other entity responsible for the issuance of such debt and is similarly treated.

The issuance of General Obligation debt is undertaken by OSC. All other State-supported and State-related debt is issued by the State's financing authorities (known as "Authorized Issuers" in connection with the issuance of PIT and Sales Tax Revenue Bonds) acting under the direction of DOB, which coordinates the structuring of bonds, the timing of bond sales, and decides which programs are to be funded in each transaction. The Authorized Issuers for PIT Revenue Bonds are DASNY, ESD, NYSTA, the Environmental Facilities Corporation (EFC), and the New York State Housing Finance Agency (HFA) and the Authorized Issuers for Sales Tax Revenue Bonds are DASNY, ESD, and NYSTA. Prior to any issuance of new State-supported debt and State-related debt, approval is required by the State Legislature, DOB, the issuer's board, and in certain instances, PACB and the State Comptroller.

The State uses three primary bond programs, Personal Income Tax Revenue Bonds, Sales Tax Revenue Bonds, and to a lesser extent General Obligation Bonds to finance capital spending. These bonding programs, as well as older programs that are no longer being issued under but continue to have debt outstanding are described in more detail below.

OUTSTANDING STATE-SUPPORTED AND STATE-RELATED DEBT [1]
(millions of dollars)

	FY 2021	FY 2022	FY 2023
State-Supported Debt	**58,714**	**61,936**	**55,911**
Personal Income Tax Revenue Bonds	43,769	46,681	43,635
Sales Tax Revenue Bonds	10,716	12,444	10,101
General Obligation	2,170	1,996	1,836
Local Government Assistance Corporation	90	0	0
Service Contract & Lease Purchase	1,111	140	48
Other Revenue Bonds	858	675	291
Contingent-Contractual Obligation Financings	**100**	**0**	**0**
DASNY/MCFFA - Secured Hospital Program	100	0	0
Other State Financings	**587**	**621**	**237**
MBBA Prior Year School Aid Claims	68	30	0
Installation Commitments	458	530	178
Mortgage Loan Commitments	61	61	59
TOTAL STATE-RELATED DEBT [2]	59,401	62,557	56,148

Source: NYS DOB. Except Mortgage Loan Commitments which are taken from the ACFR for FY 2021 and FY 2022. Mortgage Loan Commitments and Installation Commitments are estimated by DOB for FY 2023.

[1] Reflects par amounts outstanding for bonds and financing arrangements or gross proceeds outstanding in the case of capital appreciation bonds. Amounts do not reflect accretion of capital appreciation bonds or premiums received.

[2] Installation commitments and mortgage loan commitments are included in all figures and references to State-related debt in this AIS unless otherwise specifically noted.

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State-Supported Debt Outstanding

State-supported debt includes General Obligation Bonds, State PIT Revenue Bonds, Sales Tax Revenue Bonds, and lease purchase and service contract obligations of public authorities and municipalities. Payment of all obligations, except for General Obligation Bonds, cannot be made without annual appropriation by the State Legislature, but the State's credits have different security features, as described in this section. The Debt Reform Act of 2000 limits the amount of new State-supported debt issued since April 1, 2000. Legislation included in the FY 2021 and FY 2022 Enacted Budgets authorized the exclusion of all State-supported debt issued in FY 2021 and FY 2022 from the calculation of the debt caps. See "Financial Plan Overview — Other Matters Affecting the Financial Plan — Debt Reform Act Limit" herein for more information.

Legislation included in the FY 2024 Enacted Budget authorized short-term financing for liquidity purposes during FY 2024. In doing so, it maintained a tool to help the State manage cashflow if unanticipated financial disruptions arise. Specifically, the authorization allows for the issuance of up to $3 billion of PIT revenue anticipation notes that mature no later than March 31, 2024. It also allows up to $1 billion in line of credit facilities, which are limited to a maximum of one year in duration and may be drawn through March 31, 2024 subject to available appropriation. Neither authorization allows borrowed amounts to be extended or refinanced beyond their initial maturity. The Financial Plan does not currently assume short-term liquidity financing during FY 2024. DOB evaluates cash results regularly and may adjust the use of notes and/or the line of credit based on liquidity needs, market considerations, and other factors.

State PIT Revenue Bond Program

Since 2002, the PIT Revenue Bond Program has been the primary financing vehicle used to fund the State's capital program. Legislation enacted in 2001 provided for the issuance of State PIT Revenue Bonds by the State's Authorized Issuers. The legislation originally required 25 percent of State PIT receipts (excluding refunds owed to taxpayers) to be deposited into the RBTF for purposes of making debt service payments on these bonds, with the excess amounts returned to the General Fund. Over time, additional State revenue sources have been dedicated to the RBTF in order to address the anticipated impact that certain legislative changes could have on the level of State PIT receipts, namely, the enactment of (i) the ECEP and the Charitable Gifts Trust Fund in 2018, and (ii) the PTET in 2021. The legislative changes were implemented to mitigate the effect of the TCJA that, among other things, limited the SALT deduction. In order to preserve coverage in the PIT Revenue Bond program, State legislation was enacted that dedicated 50 percent of ECEP receipts and 50 percent of PTET receipts for deposit to the RBTF for the payment of PIT bonds. In addition, in 2018 legislation was enacted that increased the percentage of PIT receipts dedicated to the payment of PIT bonds from 25 to 50 percent. As a result, 50 percent of PIT receipts, 50 percent of ECEP receipts and 50 percent of PTET receipts (collectively, the "RBTF Receipts") now secure the timely payment of debt service on all PIT bonds.

In the event that (a) the State Legislature fails to appropriate amounts required to make all debt service payments on the State PIT Revenue Bonds or (b) having been appropriated and set aside pursuant to a certificate of the Director of the Budget, financing agreement payments have not been made when due on the State PIT Revenue Bonds, the legislation requires that RBTF Receipts continue to be deposited to the RBTF until amounts on deposit in the Fund equal the greater of 40 percent of the aggregate of annual State PIT receipts, ECEP receipts, and PTET receipts or $12 billion. Debt service on State PIT Revenue Bonds is subject to legislative appropriation, as part of the annual debt service bill.

DOB expects that the ECEP and PTET will be revenue neutral on a multi-year basis for PIT bondholders, although PIT receipts would decrease and ECEP and PTET receipts would increase to the extent that employers elect to participate in the ECEP and qualifying entities elect to pay PTET. However, because the PTET credits are not necessarily realized by taxpayers within the same fiscal year that PTET revenue is received by the State, the PTET will not be revenue-neutral to the State within each fiscal year.

The Charitable Gifts Trust Fund, when created in 2018, had the potential to materially impact the PIT Revenue Bond Program, as deposits to the Charitable Gifts Trust Fund could reduce State PIT receipts by nearly one dollar for every dollar donated. In 2019, the IRS issued final regulations (Treasury Decision 9864) that effectively curtailed further donations to the Charitable Gifts Trust Fund. If Treasury Decision 9864 is upheld in Federal court, taxpayer participation in the Charitable Gifts Trust Fund and the impact on New York State PIT receipts is expected to remain negligible.

As of March 31, 2023, approximately $47.8 billion of State PIT Revenue Bonds were outstanding. The projected PIT Revenue Bond coverage ratios, noted below, are based upon estimates of RBTF Receipts and include projected debt issuances. PIT Revenue Bonds are expected to finance 75 percent of bond issuances annually, excluding GO Bonds, but can be used interchangeably with the Sales Tax Revenue Bond Program as needed.

While DOB routinely monitors the State's debt portfolio across all State-supported credits for refunding opportunities, no future refunding transactions are reflected in the following projected coverage ratios.

PROJECTED PIT REVENUE BOND COVERAGE RATIOS[1]
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
Projected RBTF Receipts	36,863	32,935	33,996	34,266	34,260	39,191
Projected New PIT Bonds Issuances	3,461	5,311	5,425	6,385	6,406	5,961
Projected Total PIT Bonds Outstanding	43,635	47,845	52,086	56,437	61,464	63,838
Projected Maximum Annual Debt Service	4,446	4,810	5,175	5,704	6,244	6,392
Projected PIT Coverage Ratio	8.3	6.8	6.6	6.0	5.5	6.1

[1] Reflects the timing of PTET receipts and subsequent decrease in PIT receipts, which are estimated to be revenue-neutral on a multi-year basis, but are not estimated to be revenue-neutral within each fiscal year.

Sales Tax Revenue Bond Program

Legislation enacted in 2013 created the Sales Tax Revenue Bond program. This bonding program replicates certain credit features of PIT and LGAC revenue bonds and is expected to continue to provide the State with increased efficiencies and a lower cost of borrowing.

The legislation created the Sales Tax Revenue Bond Tax Fund, a sub-fund within the General Debt Service Fund that will provide for the payment of these bonds. The Sales Tax Revenue Bonds are secured originally by dedicated revenues consisting of one cent of the State's four cent sales and use tax. The legislation also provided that upon the satisfaction of all the obligations and liabilities of LGAC, dedicated revenues would increase to 2 cents of the State's four-cent sales and use tax. This occurred when LGAC bonds were fully retired on April 1, 2021. Such sales tax receipts in excess of debt service requirements are transferred to the State's General Fund.

The Sales Tax Revenue Bond Fund has appropriation-incentive and General Fund "reach back" features comparable to PIT bonds. A "lock box" feature restricts transfers back to the General Fund in the event of non-appropriation or non-payment. In addition, in the event that sales tax revenues are insufficient to pay debt service, a "reach back" mechanism requires the State Comptroller to transfer moneys from the General Fund to meet debt service requirements.

The legislation also authorized the use of State Sales Tax Revenue Bonds and PIT Revenue Bonds to finance any capital purpose, including projects that were previously financed through the State's Mental Health Facilities Improvement Revenue Bond program and the DHBTF program. This allowed the State to transition to the use of three primary credits – PIT Revenue Bonds, Sales Tax Revenue Bonds and General Obligation Bonds to finance the State's capital needs. Sales Tax Revenue Bonds are used interchangeably with PIT Revenue Bonds to finance State capital needs. As of March 31, 2023, $12.3 billion of Sales Tax Revenue Bonds were outstanding.

Debt service coverage for the Sales Tax Revenue Bond program reflects estimates of sales and use tax receipts and includes projected debt issuances. Sales Tax Revenue Bonds are expected to finance 25 percent of bond issuances annually, excluding GO Bonds, but can be used interchangeably with the PIT Revenue Bond Program as needed. While DOB routinely monitors the State's debt portfolio across all State-supported credits for refunding opportunities, no future refunding transactions are reflected in the following projected coverage ratios.

PROJECTED SALES TAX REVENUE BOND COVERAGE RATIOS
FY 2023 THROUGH 2028
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
Projected Sales Tax Receipts	8,855	9,222	9,322	9,532	9,747	9,941
Projected New Sales Tax Bonds Issuances	0	2,382	2,488	2,196	2,135	1,987
Projected Total Sales Tax Bonds Outstanding	10,101	12,332	14,554	16,383	18,052	19,221
Projected Maximum Annual Debt Service	996	1,105	1,315	1,500	1,680	1,763
Projected Sales Tax Coverage Ratio	8.9	8.3	7.1	6.4	5.8	5.6

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General Obligation Financings

With limited exceptions for emergencies, the State Constitution prohibits the State from undertaking a long-term General Obligation borrowing (i.e., borrowing for more than one year) unless it is authorized in a specific amount for a single work or purpose by the Legislature and approved by voter referendum. There is no constitutional limitation on the amount of long-term General Obligation debt that may be so authorized and subsequently incurred by the State. The State Constitution provides that General Obligation Bonds, which can be paid without an appropriation, must be paid in equal annual principal installments or installments that result in substantially level or declining debt service payments, mature within 40 years after issuance, and begin to amortize not more than one year after the issuance of such bonds. However, general obligation housing bonds must mature within 50 years after issuance, with principal amortization commencing no more than three years after issuance.

General Obligation debt is currently authorized for transportation, environment, housing and education purposes. Transportation-related bonds are issued for State and local highway and bridge improvements, mass transportation, rail, aviation, canal, port and waterway programs and projects. Environmental bonds are issued to fund environmentally sensitive land acquisitions, air and water quality improvements, municipal non-hazardous waste landfill closures and hazardous waste site cleanup projects. Education-related bonds are issued to fund enhanced education technology in schools, with eligible projects including infrastructure improvements to bring high-speed broadband to schools and communities in their school districts and the purchase of classroom technology for use by students. Additionally, these bonds will enable long-term investments in full-day pre-kindergarten through the construction of new pre-kindergarten classroom space.

Most General Obligation debt-financed spending in the Capital Plan is authorized under eleven previously approved bond acts (five for transportation, five for environmental and recreational programs and one for education purposes). The majority of projected general obligation bond-financed spending supports authorizations for the 2005 Rebuild and Renew New York Bond Act and the $2 billion Smart Schools Bond Act, which was approved by voters in November 2014. In November 2022, voters approved the $4.2 billion Clean Water, Clean Air, and Green Jobs Bond Act to fund environmental restoration and climate mitigation projects across the State.

As of March 31, 2023, approximately $2.2 billion of General Obligation Bonds were outstanding. See “Exhibit B — State-Related Bond Authorizations” for information regarding the levels of authorized, authorized but unissued, and outstanding General Obligation debt by bond act.

The State Constitution permits the State to undertake short-term General Obligation borrowings without voter approval in anticipation of the receipt of (i) taxes and revenues, by issuing general obligation tax and revenue anticipation notes (TRANs), and (ii) proceeds from the sale of duly authorized but unissued General Obligation bonds, by issuing bond anticipation notes (BANs). General Obligation TRANs must mature within one year from their date of issuance and cannot be refunded or refinanced beyond such period. However, since 1990, the State's ability to issue general obligation TRANs that mature in the same State fiscal year in which they were issued has been limited due to the enactment of the fiscal reform program which created LGAC. LGAC bonds were fully retired on April 1, 2021.

General Obligation BANs may only be issued for the purposes and within the amounts for which bonds may be issued pursuant to General Obligation authorizations, and must be paid from the proceeds of the sale of bonds in anticipation of which they were issued or from other sources within two years of the date of issuance or, in the case of BANs for housing purposes, within five years of the date of issuance. In order to provide flexibility within these maximum term limits, the State has previously used the BANs authorization to conduct a commercial paper program to fund disbursements eligible for General Obligation bond financing.

State-Supported Lease-Purchase and Other Contractual-Obligation Financings

Prior to the 2002 commencement of the State's PIT Revenue Bond program, public authorities or municipalities issued other lease purchase and contractual-obligation debt. These types of debt, where debt service is payable from moneys received from the State and is subject to annual State appropriation, are not general obligations of the State.

Debt service payable to certain public authorities from State appropriations for such lease-purchase and contractual obligation financings are paid from general resources of the State. Although these financing arrangements involve a contractual agreement by the State to make payments to a public authority, municipality or other entity, the State's obligation to make such payments is expressly made subject to appropriation by the Legislature and the actual availability of money to the State for making the payments. In FY 2024, the State is authorized to enter into up to $1.0 billion of line of credit facilities supported by a State service contract. The FY 2024 Enacted Budget does not currently assume any use of the line of credit in FY 2024. As of March 31, 2023, approximately $48 million of State-supported lease-purchase and other contractual obligation financings were outstanding.

Legislation first enacted in FY 2011, and extended through June 30, 2026, authorizes the State to set aside moneys in reserve for debt service on general obligation, lease-purchase, and service contract bonds. Pursuant to a certificate filed by the Director of the Budget with the State Comptroller, the Comptroller is required to transfer from the General Fund such reserved amounts on a quarterly basis in advance of required debt service payment dates. The State currently has no plans to issue lease-purchase or other contractual-obligation financings, including the line of credit facility authorized in the FY 2024 Enacted Budget.

Dedicated Highway and Bridge Trust Fund Bonds

DHBTF bonds were issued for State transportation purposes and are backed by dedicated motor fuel, gas and other transportation-related taxes and fees, subject to appropriation. As of March 31, 2023, approximately $223 million of DHBTF bonds were outstanding. The State currently has no plans to issue additional DHBTF bonds but could in the future if market conditions warrant.

State-Related Obligations Outstanding

State-related debt is a broader measure of debt that includes State-supported debt, as discussed above, and contingent-contractual obligations, moral obligations, State-guaranteed debt and other debt.

Contingent-Contractual Obligation Financing

Contingent-contractual debt, included in State-related debt, is debt where the State enters into a statutorily authorized contingent-contractual obligation via a service contract to pay debt service in the event there are shortfalls in revenues from other non-State resources pledged or otherwise available to pay the debt service. As with State-supported debt, except for General Obligation bonds, all payments are subject to annual appropriation. There is no State contingent-contractual debt outstanding.

State-Guaranteed Financings

Pursuant to specific constitutional authorization, the State may also directly guarantee certain public authority obligations. Payments of debt service on State guaranteed bonds and notes are legally enforceable obligations of the State. The only current authorization provides for the State guarantee of the repayment of certain borrowings for designated projects of the New York State Job Development Authority (JDA). However, all JDA bonds guaranteed by the State have been paid off, and the State does not anticipate any future JDA indebtedness to be guaranteed by the State. The State has never been called upon to make any direct payments pursuant to any such guarantees.

Other State Financings

Other State financings relate to the issuance of debt by a public authority, including capital leases, mortgage loan commitments and MBBA prior year school aid claims. Regarding the MBBA prior year school aid claims, the municipality assigns specified State and local assistance payments it receives to the MBBA or the bond trustee to ensure that debt service payments are made. The State has no legal obligation to make any debt service payments or to continue to appropriate local assistance payments that are subject to the assignment. As of March 31, 2023, there are no MBBA prior year school aid claims bonds outstanding.

Intergovernmental Loans

Intergovernmental loans represent loans where no bonds are issued but the State has agreed to pay annual loan payments, subject to appropriation, to another governmental entity. Accordingly, intergovernmental loans are classified as State-related debt and are not subject to the State's debt cap. The FY 2023 Enacted Budget included legislation that authorizes the Budget Director to enter into a financing agreement with the GDC to make debt service payments on the RRIF loan, subject to annual appropriation by the State Legislature to support the $2.35 billion State capital commitment for the Gateway Hudson Tunnel Project. The FY 2024 Enacted Budget increases the authorization enacted last year to $2.85 billion to reflect increased project costs in line with the October 2022 financial plan. DOB expects to increase this authorization in the FY 2025 Executive Budget to align with the cost estimates in the April 2023 financial plan or subsequent financial plans. With legislative authorization, the State Budget Director is expected to enter into a contractual obligation with the GDC that obligates the State to seek appropriations annually in future budgets and, if appropriated, to provide to the GDC an amount each year sufficient to make all payments on the RRIF loan. Such payments are expected to be funded from the State's General Fund. The revised legislation also included the permanent authorization to set aside funds quarterly in advance of payments due to GDC for the Hudson Tunnel Project.

Borrowing Plan

STATE DEBT ISSUANCES BY FINANCING PROGRAM (millions of dollars)						
	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
Personal Income Tax Revenue Bonds	3,461	5,311	5,425	6,385	6,406	5,961
Sales Tax Revenue Bonds	0	2,382	2,488	2,196	2,135	1,987
General Obligation Bonds	0	468	604	534	444	428
Total Issuances	3,461	8,161	8,517	9,115	8,985	8,376

In FY 2024, debt issuances totaling $8.2 billion are planned to finance new capital spending, an increase of $4.7 billion (136 percent) from FY 2023. The increase is largely attributable to the decision to delay two bond sales in FY 2023 totaling over $4 billion due to market volatility, which significantly lowered debt issuances in FY 2023. Bond issuances in FY 2024 will finance capital commitments for economic development and housing ($1.8 billion), education ($1.4 billion), the environment ($729 million), health and mental hygiene ($1.0 billion), State facilities and equipment ($482 million), and transportation ($2.7 billion).

Over the five-year Capital Plan, new debt issuances are projected to total $43.2 billion. This reflects the continued application of $6 billion of PAYGO, included as part of the FY 2023 Enacted Budget, primarily for the reduction of taxable issuances over the Plan and the dedication of $3 billion in additional PAYGO funding as part of the FY 2024 Enacted Budget. New issuances are expected for economic development and housing ($9.7 billion), education facilities ($7.3 billion), the environment ($3.9 billion), mental hygiene and health care facilities ($5.5 billion), State facilities and equipment ($2.5 billion), and transportation infrastructure ($14.3 billion).

PROJECTED DEBT OUTSTANDING BY CREDIT (millions of dollars)						
	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
Personal Income Tax Revenue Bonds	43,635	47,845	52,086	56,437	61,464	63,838
Sales Tax Revenue Bonds	10,101	12,332	14,554	16,383	18,052	19,221
General Obligation Bonds	1,836	2,157	2,571	2,898	3,101	3,299
Other Revenue Bonds	291	271	221	170	168	130
Service Contract & Lease Purchase [1]	48	16	0	0	0	0
TOTAL STATE-SUPPORTED	55,911	62,621	69,432	75,888	82,785	86,488

[1] Does not include the RRIF Loan related to the State's contribution to the Gateway Hudson Tunnel Project. This loan will be reflected when the terms are finalized in 2024.

State-Related Debt Service Requirements

The following table presents the current and projected debt service (principal and interest) requirements on State-related debt. State-related debt service is projected at $2.9 billion in FY 2024, a decrease of $7.6 billion (72 percent) from FY 2023, which is due to the prepayment of $7.6 billion in FY 2022 of future debt service costs and an additional prepayment of $6.0 billion in FY 2023. The State is contractually required to make debt service payments prior to bondholder payment dates in most instances and may also elect to make payments earlier than contractually required. The State expects to use three principal bonding programs -- Personal Income Tax Revenue Bonds, Sales Tax Revenue Bonds, and General Obligation Bonds -- to fund all bond-financed capital spending.

ESTIMATED DEBT SERVICE REQUIREMENTS ON EXISTING STATE-RELATED DEBT BY CREDIT STRUCTURE [1]
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected	Total
Personal Income Tax Revenue Bonds	8,532	1,955	2,311	3,777	3,534	4,138	24,247
Sales Tax Revenue Bonds	1,564	647	865	1,062	1,245	1,675	7,058
General Obligation Bonds	221	201	223	210	215	195	1,265
Other State-Supported Bonds [2 3]	164	95	119	109	183	220	890
All Other State-Related Obligations [2]	31	0	0	0	0	0	31
Total Debt Service	10,512	2,898	3,518	5,158	5,177	6,228	33,491

[1] Reflects existing debt service on debt issued and projected debt service on assumed new debt issuances. Debt service requirements for variable rate bonds are calculated at an assumed rate of 1.76%. Debt service is not adjusted for prepayments.

[2] Excludes Mortgage Loan Commitments and Installation commitments

[3] Includes expected transaction costs associated with the Gateway Hudson Tunnel Project. The annual loan payments under the service contract will be captured as State-related obligations when finalized.

Adjusting debt service shown in the previous table for prepayments, State-related debt service is projected at $6.6 billion in FY 2024, an increase of $448 million (18 percent) from FY 2023. Adjusted State-related debt service is projected to increase from $5.6 billion in FY 2023 to $8.2 billion in FY 2028, an average rate of 8.0 percent annually.

AUTHORITIES AND LOCALITIES

Public Authorities

For the purposes of this section, "authorities" refer to public benefit corporations or public authorities, created pursuant to State law, which are reported in the State's Annual Comprehensive Financial Report. Authorities are not subject to the constitutional restrictions on the incurrence of debt that apply to the State itself and they may issue bonds and notes within the amounts and restrictions set forth in legislative authorization. Certain of these authorities issue bonds under two of the three primary State credits – PIT Revenue Bonds and Sales Tax Revenue Bonds. The State's access to the public credit markets through bond issuances constituting State-supported or State-related debt issuances by certain of its authorities could be impaired and the market price of the outstanding debt issued on its behalf may be materially and adversely affected if any of these authorities were to default on their respective State-supported or State-related debt issuances.

The State has numerous public authorities with various responsibilities, including those which finance, construct and/or operate revenue-producing public facilities. These entities generally pay their own operating expenses and debt service costs on their notes, bonds or other legislatively authorized financing structures from revenues generated by the projects they finance or operate, such as tolls charged for the use of highways, bridges or tunnels; charges for public power, electric and gas utility services; tuition and fees; rentals charged for housing units; and charges for occupancy at medical care facilities. Since the State has no actual or contingent liability for the payment of this type of public authority indebtedness, it is not classified as either State-supported debt or State-related debt. Some public authorities, however, receive monies from State appropriations to pay for the operating costs of certain programs.

There are statutory arrangements that, under certain circumstances, authorize State local assistance payments that have been appropriated in a given year and are otherwise payable to localities to be made instead to the issuing public authorities in order to secure the payment of debt service on their revenue bonds and notes. However, in honoring such statutory arrangements for the redirection of local assistance payments, the State has no constitutional or statutory obligation to provide assistance to localities beyond amounts that have been appropriated therefor in any given year.

As of December 31, 2022 (with respect to JDA as of March 31, 2022), each of the 16 authorities listed in the following table had outstanding debt of $100 million or more, and the aggregate outstanding debt, including refunding bonds, was approximately $217 billion, only a portion of which constitutes State-supported or State-related debt. Note that the outstanding debt information contained in the following table is the most current information provided by OSC from data submitted by the 16 authorities as of the date of this AIS.

OUTSTANDING DEBT OF CERTAIN AUTHORITIES[1]
AS OF DECEMBER 31, 2022[2]
(millions of dollars)

Authority	State-Related Debt	Authority and Conduit	Total
Dormitory Authority	32,280	23,184	55,464
Metropolitan Transportation Authority	0	30,429	30,429
Port Authority of NY & NJ	0	27,813	27,813
UDC/ESD	18,840	968	19,808
Triborough Bridge and Tunnel Authority	0	17,974	17,974
Housing Finance Agency	0	17,851	17,851
Job Development Authority[2]	0	14,390	14,390
Thruway Authority	5,237	6,093	11,330
Long Island Power Authority[3]	0	8,705	8,705
Environmental Facilities Corporation	0	5,593	5,593
State of New York Mortgage Agency	0	2,833	2,833
Power Authority	0	2,387	2,387
Energy Research and Development Authority	0	1,608	1,608
Battery Park City Authority	0	811	811
Bridge Authority	0	114	114
Niagara Frontier Transportation Authority	0	112	112
TOTAL OUTSTANDING	56,357	160,865	217,222

Source: Compiled by the Office of the State Comptroller from data submitted by the Public Authorities. Debt classifications by DOB.

(1) Includes only authorities with $100 million or more in outstanding debt which are reported as component units or joint ventures of the State in the Annual Comprehensive Financial Report (ACFR). Includes short-term and long-term debt. Reflects par amounts outstanding for bonds and financing arrangements or gross proceeds outstanding in the case of capital appreciation bonds. Amounts outstanding do not reflect accretion of capital appreciation bonds or premiums received.

(2) All Job Development Authority (JDA) debt outstanding reported as of March 31, 2022. This includes $14.4 billion in conduit debt issued by JDA's blended component units consisting of $6.1 billion issued by New York Liberty Development Corporation ($1.2 billion of which is also included in the amount reported for Port Authority of NY and NJ), $490 million issued by the Brooklyn Arena Local Development Corporation, and $7.8 billion issued by the New York Transportation Development Corporation.

(3) Includes $3.80 billion of Utility Debt Securitization Authority (UDSA) bonds. Chapter 173 of the Laws of 2013, as amended, authorized UDSA to restructure certain outstanding indebtedness of the Long Island Power Authority (LIPA) and UDSA, as well as to finance system resiliency costs. UDSA is reported as a blended component unit of LIPA in LIPA's audited financial statements.

Localities

There have been severe financial and other adverse impacts on localities throughout the State, but particularly on New York City and the surrounding counties as the initial epicenter of the COVID-19 pandemic. No attempt is made in this AIS to assess, at this time, the financial and healthcare impacts on the State's localities.

While the fiscal condition of New York City and other local governments in the State is reliant, in part, on State aid to balance their annual budgets and meet their cash requirements, the State is not legally responsible for their financial condition and viability. Indeed, the provision of State aid to localities, while one of the largest disbursement categories in the State budget, is not constitutionally obligated to be maintained at current levels or to be continued in future fiscal years and the State Legislature may amend or repeal statutes relating to the formulas for and the apportionment of State aid to localities.

The City of New York

The fiscal demands on the State may be affected by the fiscal condition of New York City, which relies in part on State aid to balance its budget and meet its cash requirements. It is also possible that the State's finances may be affected by the ability of New York City, and its related issuers, to market securities successfully in the public credit markets. The official financial disclosure of the City of New York and its related issuers is available by contacting Investor Relations, (212) 788-5864, or contacting the City Office of Management and Budget, 255 Greenwich Street, 8th Floor, New York, NY 10007. The official financial disclosures of the City of New York and its related issuers can also be accessed through the EMMA system website at www.emma.msrb.org. The State assumes no liability or responsibility for any financial information reported by the City of New York. The following table summarizes the debt of New York City and its related issuers.

DEBT OF NEW YORK CITY AND RELATED ENTITIES [1]
AS OF JUNE 30 OF EACH YEAR
(millions of dollars)

Year	General Obligation Bonds	Obligations of TFA [1]	Obligations of STARC Corp. [2]	Obligations of TSASC, Inc.	Hudson Yards Infrastructure Corporation	Other Obligations [3]	Total
2013	41,592	29,202	1,985	1,245	3,000	2,394	79,418
2014	41,665	31,038	1,975	1,228	3,000	2,334	81,240
2015	40,460	33,850	2,035	1,222	3,000	2,222	82,789
2016	38,073	37,358	1,961	1,145	3,000	2,102	83,639
2017	37,891	40,696	1,884	1,089	2,751	2,034	86,345
2018	38,628	43,355	1,805	1,071	2,724	2,085	89,668
2019	37,519	46,624	1,721	1,053	2,724	1,901	91,542
2020	38,784	48,978	1,634	1,023	2,724	1,882	95,025
2021	38,574	49,957	0	993	2,677	1,983	94,184
2022	38,845	51,820	0	966	2,557	15,043	109,231

Source: Office of the State Comptroller; The City of New York Annual Comprehensive Financial Report.

[1] Includes amounts for Building Aid Revenue Bonds (BARBs), the debt service on which will be funded solely from future State Building Aid payments that are subject to appropriation by the State and have been assigned by the City of New York to the Transitional Finance Authority (TFA).

[2] A portion of the proceeds of the Sales Tax Asset Receivable Corporation (STARC) bonds were used to retire outstanding Municipal Assistance Corporation bonds. The debt service on STARC bonds was funded from annual revenues provided by the State, subject to annual appropriation. These revenues were assigned to the STARC by the Mayor of the City of New York.

[3] Includes bonds issued by the Fiscal Year 2005 Securitization Corporation, the New York City Educational Construction Fund, the Industrial Development Agency and, beginning in 2010, the New York City Tax Lien Collateralized Bonds. Also included are bonds issued by the Dormitory Authority of the State of New York for education, health and court capital projects, and other long-term leases which will be repaid from revenues of the City or revenues that would otherwise be available to the City if not needed for debt service. Starting in 2022, the City has implemented GASB Statement No. 87 with respect to general lease obligations, and found restatement of prior periods not practical.

The staffs of the Financial Control Board for the City of New York (FCB), the Office of the State Deputy Comptroller (OSDC), the City Comptroller and the Independent Budget Office issue periodic reports on the City's financial plans. Copies of the most recent reports are available by contacting: FCB, 80 Maiden Lane, Suite 402, New York, NY 10038, Attention: Executive Director, http:// fcb.ny.gov/; OSDC, 59 Maiden Lane, 29th Floor, New York, NY 10038, Attention: Deputy Comptroller, http://www.osc.state.ny.us/osdc/; City Comptroller, Municipal Building, 6th Floor, One Centre Street, New York, NY 10007-2341, Attention: Deputy Comptroller for Budget, https://comptroller.nyc.gov/; and IBO, 110 William Street, 14th Floor, New York, NY 10038, Attention: Director, http://www.ibo.nyc.ny.us/.

Other Localities

Certain localities other than New York City have experienced financial problems and have requested and received additional State assistance during the last several State fiscal years. While a relatively infrequent practice, deficit financing by local governments has become more common in recent years. State legislation enacted from 2004 to date includes 29 special acts authorizing bond issuances to finance local government operating deficits. Included in this figure are special acts that extended the period of time related to prior authorizations and modifications to issuance amounts previously authorized. When a local government is authorized to issue bonds to finance operating deficits, the local government is subject to certain additional fiscal oversight during the time the bonds are outstanding as required by the State's Local Finance Law, including an annual budget review by OSC.

In addition to deficit financing authorizations, the State has periodically enacted legislation to create oversight boards in order to address deteriorating fiscal conditions within particular localities. The Cities of Buffalo and Troy, and the Counties of Erie and Nassau are subject to varying levels of review and oversight by entities created by such legislation. The City of Newburgh operates under special State legislation that provides for fiscal oversight by the State Comptroller and the City of Yonkers must adhere to a Special Local Finance and Budget Act. The impact on the State of any possible requests in the future for additional oversight or financial assistance cannot be determined at this time and therefore is not included in the Financial Plan projections.

Legislation enacted in 2013 created the Financial Restructuring Board for Local Governments (the "Restructuring Board"). The Restructuring Board consists of ten members, including the State Director of the Budget, who is the Chair, the Attorney General, the State Comptroller, the Secretary of State and six members appointed by the Governor. The Restructuring Board, upon the request of a "fiscally eligible municipality", is authorized to perform a number of functions including reviewing the municipality's operations and finances, making recommendations on reforming and restructuring the municipality's operations, proposing that the municipality agree to fiscal accountability measures, and making available certain grants and loans. To date, the Restructuring Board is currently reviewing or has completed reviews for twenty-six municipalities. The Restructuring Board is also authorized, upon the joint request of a fiscally eligible municipality and a public employee organization, to resolve labor impasses between municipal employers and employee organizations for police, fire and certain other employees in lieu of binding arbitration before a public arbitration panel.

OSC implemented its Fiscal Stress Monitoring System (the "Monitoring System") in 2013. The Monitoring System utilizes a number of fiscal and environmental indicators with the goal of providing an early warning to local communities about stress conditions in New York's local governments and school districts. Fiscal indicators consider measures of budgetary solvency while environmental indicators consider measures such as population, poverty, and tax base trends. Individual entities are then scored according to their performance on these indicators. An entity's score on the fiscal components will determine whether or not it is classified in one of three levels of stress: significant, moderate or susceptible. Entities that do not meet established scoring thresholds are classified as "No Designation".

Based on financial data filed with OSC for the local fiscal years ending in 2022, a total of 5 non-calendar fiscal year end local governments (all villages) and 14 school districts have been placed in a stress category by OSC. Additionally, of the local governments with a December 31, 2021 fiscal year end, 8 — 6 cities and 2 towns — were placed in a fiscal stress category by OSC. The vast majority of local governments (99.0 percent) and school districts (97.9 percent) are not classified in a fiscal stress category.

Like the State, local governments must respond to changing political, economic and financial influences over which they have little or no control, but which can adversely affect their financial condition. For example, the State or Federal government may reduce (or, in some cases, eliminate) funding of local programs, thus requiring local governments to pay these expenditures using their own resources. Similarly, past cash flow problems for the State have resulted in delays in State aid payments to localities. In some cases, these delays have necessitated short-term borrowing at the local level.

Other factors that have had, or could have, an impact on the fiscal condition of local governments and school districts include: the loss of temporary Federal stimulus funding; recent State aid trends; constitutional and statutory limitations on the imposition by local governments and school districts of property, sales and other taxes; the economic ramifications of a pandemic; and for some communities, the significant upfront costs for rebuilding and clean-up in the wake of a natural disaster. Localities may also face unanticipated problems resulting from certain pending litigation, judicial decisions and long-range economic trends. Other large-scale potential problems, such as declining urban populations, declines in the real property tax base, increasing pension, health care and other fixed costs, or the loss of skilled manufacturing jobs, may also adversely affect localities and necessitate requests for State assistance.

Ultimately, localities as well as local public authorities may suffer serious financial difficulties that could jeopardize local access to public credit markets, which may adversely affect the marketability of notes and bonds issued by localities within the State.

The following table summarizes the debt of New York City and its related issuers, and other New York State localities, from 1980 to 2022.

DEBT OF NEW YORK LOCALITIES [1]
(millions of dollars)

Locality Fiscal Year Ending	Combined New York City Debt [2]		Other Localities Debt [3]		Total Locality Debt [3]	
	Bonds	Notes	Bonds [4]	Notes [4]	Bonds [3] [4]	Notes [4]
1980	12,995	0	6,835	1,793	19,830	1,793
1990	20,027	0	10,253	3,082	30,280	3,082
2000	39,244	515	19,093	4,470	58,337	4,985
2010	69,536	0	36,110	7,369	105,646	7,369
2018	89,668	0	35,855	5,737	125,523	5,737
2019	91,542	0	36,661	7,632	128,203	7,632
2020	95,025	0	36,375	8,741	131,400	8,741
2021	94,184	0	36,799	8,144	130,983	8,144
2022	109,231	0	31,275	6,849	140,506	6,849

Source: Office of the State Comptroller; The City of New York Annual Comprehensive Financial Report.

NOTE: For localities other than New York City, the amounts shown for fiscal years ending 1990 may include debt that has been defeased through the issuance of refunding bonds.

(1) Because the State calculates locality debt differently for certain localities (including New York City), the figures above may vary from those reported by such localities. In addition, this table excludes indebtedness of certain local authorities and obligations issued in relation to State lease-purchase arrangements.

(2) Includes bonds issued by New York City and its related issuers, the Transitional Finance Authority, STAR Corporation, TSASC, Inc., the Hudson Yards Infrastructure Corporation, and Treasury obligations (as shown in the table "Debt of New York City and Related Entities" in the section of this document entitled "Authorities and Localities - The City of New York"). Also included are the bonds of the Fiscal Year 2005 Securitization Corporation, the Industrial Development Agency, the Municipal Assistance Corporation, the Samurai Funding Corporation, the New York City Educational Construction Fund, and the Dormitory Authority of the State of New York for education, health and court capital projects, and other long-term leases which will be repaid from revenues of the City or revenues which would otherwise be available to the City if not needed for debt service and, beginning in 2010, the New York City Tax Lien Collateralized Bonds.

(3) Includes bonds issued by localities and certain debt guaranteed by the localities and excludes capital lease obligations (for localities other than New York City), assets held in sinking funds and certain amounts available at the start of a fiscal year for redemption of debt. Starting in 2001, debt for other localities includes installment purchase contracts.

(4) Amounts reflect those set forth on Annual Update Documents provided to OSC by New York State localities. Does not include indebtedness of certain localities that did not file Annual Update Documents (financial reports) with the State Comptroller.

STATE GOVERNMENT EMPLOYMENT

As of March 31, 2023, the State had approximately 171,422 annual salaried FTE employees within agencies subject to direct Executive control (108,080 FTEs), the University Systems (59,023 FTEs) and the Independently Elected Agencies (4,319 FTEs). These figures do not include non-annual salaried employees or employees of the Legislature and Judiciary. The State workforce is projected to total 185,010 FTEs at the end of FY 2024, following significant investments included in the FY 2024 Enacted Budget which are intended to regrow the workforce to pre-pandemic levels.

HISTORICAL SUMMARY OF EXECUTIVE BRANCH WORKFORCE
ANNUAL SALARIED FTEs
ALL FUNDS

Date	Subject to Direct Executive Control	Grand Total
3/31/2013	119,756	180,802
3/31/2014	118,492	180,041
3/31/2015	117,807	179,620
3/31/2016	117,862	180,220
3/31/2017	117,907	181,436
3/31/2018	117,397	181,599
3/31/2019	117,967	182,799
3/31/2020	118,193	183,715
3/31/2021	111,230	175,559
3/31/2022	106,690	169,340
3/31/2023	108,080	171,422

WORKFORCE SUMMARY ALL FUNDS FY 2022 THROUGH FY 2024	FY 2022 Actuals (03/31/22)	FY 2023 Actuals (03/31/23)	FY 2024 Estimate (03/31/24)
Major Agencies			
Children and Family Services, Office of	2,542	2,746	2,886
Corrections and Community Supervision, Department of	24,950	23,694	26,493
Education Department, State	2,534	2,541	2,876
Environmental Conservation, Department of	2,815	2,885	3,313
Financial Services, Department of	1,224	1,265	1,391
General Services, Office of	1,685	1,679	1,845
Health, Department of	4,438	4,539	6,057
Information Technology Services, Office of	2,967	3,096	3,608
Labor, Department of	2,744	2,705	2,817
Mental Health, Office of	12,834	13,507	14,055
Motor Vehicles, Department of	2,942	2,923	3,228
Parks, Recreation and Historic Preservation, Office of	2,095	2,099	2,374
People with Developmental Disabilities, Office for	16,178	16,686	18,960
State Police, Division of	5,390	5,543	6,420
Taxation and Finance, Department of	3,413	3,450	3,785
Temporary and Disability Assistance, Office of	1,781	1,855	1,922
Transportation, Department of	7,883	8,150	8,495
Workers' Compensation Board	943	946	1,081
Subtotal - Major Agencies	**99,358**	**100,309**	**111,606**
Minor Agencies	**7,332**	**7,771**	**9,078**
Subtotal - Subject to Direct Executive Control	**106,690**	**108,080**	**120,684**
University Systems			
City University of New York	13,243	13,267	13,511
State University Construction Fund	136	133	145
State University of New York	44,877	45,623	45,880
Subtotal - University Systems	**58,256**	**59,023**	**59,536**
Independently Elected Agencies			
Audit and Control, Department of	2,614	2,528	2,887
Law, Department of	1,780	1,791	1,903
Subtotal - Independently Elected Agencies	**4,394**	**4,319**	**4,790**
Grand Total	**169,340**	**171,422**	**185,010**

Source: NYS DOB, as provided with the FY 2024 Enacted Budget Report published in June 2023.

STATE RETIREMENT SYSTEM

THE INFORMATION THAT FOLLOWS UNDER THIS HEADING HAS BEEN PREPARED SOLELY BY THE OFFICE OF THE STATE COMPTROLLER, AND DOB HAS NOT UNDERTAKEN ANY INDEPENDENT VERIFICATION OF SUCH INFORMATION.

As used in this section, the abbreviation CRF refers to the Common Retirement Fund. Elsewhere in this AIS, the abbreviation CRF refers to the Coronavirus Relief Fund.

General

This section summarizes key information regarding the New York State and Local Retirement System ("NYSLRS" or the "System") and the Common Retirement Fund ("CRF"). The System was established as a means to pay benefits to the System's participants. The CRF comprises a pooled investment vehicle designed to protect and enhance the long-term value of the System's assets. Greater detail, including the independent auditor's report for the fiscal year ending March 31, 2022, is included in NYSLRS' Annual Comprehensive Financial Report ("NYSLRS' Financial Report") for the fiscal year ended March 31, 2022 and is available on the OSC website at the following address: https://www.osc.state.ny.us/files/retirement/resources/pdf/annual-comprehensive-financial-report-2022.pdf.

Additionally, available at the OSC website is the System's asset listing for the fiscal year ended March 31, 2022. The audited financial statements with the independent auditor's report for the fiscal year ended March 31, 2022 is available on the OSC website at the following address: https://www.osc.state.ny.us/files/retirement/resources/pdf/asset-listing-2022.pdf.

The Annual Reports to the Comptroller on Actuarial Assumptions from the Retirement System's Actuary - the contents of which explain the methodology used to determine employer contribution rates to the System - issued from 2007 through 2022 are available at the OSC website at: https://www.osc.state.ny.us/retirement/resources/financial-statements-and-supplementary-information.

Benefit plan booklets describing how each of the System's tiers works can be accessed at https://www.osc.state.ny.us/retire/publications/.

The State Comptroller is the administrative head of NYSLRS, which has the powers and privileges of a corporation and comprises the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS"). The State Comptroller promulgates rules and regulations for the administration and transaction of the business of the System. Pursuant to the State's Retirement and Social Security Law and Insurance Law, NYSLRS is subject to the supervision of the Superintendent of DFS.

The State Comptroller is also the trustee and custodian of the CRF, a trust created pursuant to the Retirement and Social Security Law to hold the System's assets, and, as such, is responsible for investing the assets of the System. Consistent with statutory limitations affecting categories of investment, the State Comptroller, as trustee of the CRF, establishes a target asset allocation and approves policies and procedures to guide and direct the investment activities of the Division of Pension Investment and Cash Management of the Office of the State Comptroller ("Division"). Division employees, outside advisors, consultants and legal counsel provide the State Comptroller with advice and oversight of investment decisions. Outside advisors and internal investment staff are part of the chain of approval that must recommend all investment decisions before final action by the State Comptroller. The Investment Advisory Committee and the Real Estate Advisory Committee, both made up of outside advisors, assist the State Comptroller in his investment duties. The Investment Advisory Committee advises the State Comptroller on investment policies relating to the CRF, reviews the portfolio of the CRF and makes such recommendations as the Committee deems necessary. The Real Estate Advisory Committee reviews and must approve mortgage and real estate investments for consideration by the State Comptroller.

The System engages an independent auditor to conduct an audit of the System's annual financial statements. Furthermore, an Actuarial Advisory Committee meets annually to review the actuarial assumptions and the results of the actuarial valuation of the System. The Actuarial Advisory Committee is composed of current or retired senior actuaries from major insurance companies or pension plans. The System also engages the services of an outside actuarial consultant to perform a statutorily required quinquennial review. At least once every five years, NYSLRS is also examined by DFS; an examination is currently underway. The Comptroller has established within the Retirement System, the Pension Integrity Bureau, the purpose of which is to identify and prevent errors, fraud and abuse. The State Comptroller has also established an Office of Internal Audit to provide the Comptroller with independent and objective assurance and consulting services for the programs and operations of the Office of the State Comptroller, including programs and operations of NYSLRS. The Comptroller's Advisory Audit Committee, established in compliance with DFS regulations, meets three times per year to review the System's audited financial statements and the NYSLRS' Financial Report, and to discuss a variety of financial and investment-related activities. Pursuant to DFS regulations, a fiduciary review of the System for the three-year period ended March 31, 2021 was issued on February 7, 2022.

The System

The System provides pension benefits to public employees of the State and its localities (except employees of New York City, and public school teachers and administrators, who are covered by separate public retirement systems). State employees made up about 31 percent of the System's membership as of March 31, 2022. There were 2,972 public employers participating in the System, including the State, all cities and counties (except New York City), most towns, villages and school districts (with respect to non-teaching employees), and many public authorities.

As of March 31, 2022, 685,450 persons were members of the System, and 507,923 retirees and beneficiaries were receiving pension benefits. Article 5, section 7 of the State Constitution considers membership in any State pension or retirement system to be "a contractual relationship, the benefits of which shall not be diminished or impaired."

Comparison of Benefits by Tier

The System's members are categorized into six tiers depending on date of membership. As of March 31, 2022, approximately 41 percent of ERS members were in Tiers 3 and 4 and approximately 48 percent of PFRS members were in Tier 2. Tier 5 was enacted in 2009 and included significant changes to the benefit structure for ERS members who joined on or after January 1, 2010 and PFRS members who joined on or after January 9, 2010. Tier 6 was enacted in 2012 and included further changes to the benefit structure for ERS and PFRS members who joined on or after April 1, 2012. Approximately 54 percent of ERS members and 46 percent of PFRS members are in Tier 6.

Benefits paid to members vary depending on tier. Tiers vary with respect to employee contributions, retirement age, reductions for early retirement, and calculation and limitation of "final average salary" – generally the average of an employee's three consecutive highest years' salary (for Tier 6 members, final average salary is determined by taking the average of an employee's five consecutive highest years' salary). New legislation enacted on April 9, 2022 means all retirement system members become vested after five years of service credit; prior to this legislation, Tier 5 and 6 members needed ten years of service to be vested. ERS members in Tiers 3, 4 and 5 can begin receiving full retirement benefits at age 62; Tier 3 and 4 members and certain Tier 5 members can retire as early as age 55 with full benefits if they have at least 30 years of service; the full retirement age for Tier 6 is 63 years. The amount of the benefit is based on years of service, age at retirement and the final average salary earned. The majority of PFRS members are in special plans that permit them to retire after 20 or 25 years of service regardless of age. Charts comparing the key benefits provided to members of ERS and PFRS in most of the tiers of the System can be accessed at:

ERS Chart: http://www.osc.state.ny.us/retire/employers/tier-6/ers_comparison.php
PFRS Chart: http://www.osc.state.ny.us/retire/employers/tier-6/pfrs_comparison.php

Contributions and Funding

Contributions to the System are provided by employers and employees. Employers contribute on the basis of the plan or plans they provide for members. All ERS members joining from mid-1976 through 2009 were required to contribute 3 percent of their salaries. A statutory change in 2000, however, limited the contributions to the first 10 years of membership, but did not authorize refunds where contributions had already exceeded 10 years. All ERS members joining after 2009 and prior to April 1, 2012, and all PFRS members joining after January 9, 2010 and prior to April 1, 2012, are members of Tier 5. All Tier 5 ERS members and 79 percent of the Tier 5 PFRS members are required to contribute 3 percent of their salaries for their career. Members joining on or after April 1, 2012 are in Tier 6, and are required to pay contributions throughout their career on a stepped basis relative to each respective member's wages.[17] Members in Tier 6 of both ERS and PFRS earning $45,000 or less are required to contribute 3 percent of their gross annual wages; members earning between $45,001 and $55,000 are required to contribute 3.5 percent; members earning between $55,001 and $75,000 are required to contribute 4.5 percent; members earning between $75,001 and $100,000 are required to contribute 5.75 percent; and, those earning in excess of $100,000 are required to contribute 6 percent of their gross annual salary. Legislation enacted in April 2022 temporarily removed overtime earned from April 1, 2020 through March 31, 2022 from the calculation of contribution rates that Tier 6 members pay during FY 2022-23 and FY 2023-24.

In order to protect employers from potentially volatile contributions tied directly to the value of the System's assets held by the CRF, the System utilizes a multi-year smoothing procedure. One of the factors used by the System's Actuary to calculate employer contribution requirements is the assumed investment rate of return, which is currently 5.9 percent.[18]

The current actuarial smoothing method recognizes unexpected annual gains and losses (returns above or below the assumed investment rate of return) over an 8-year period.

The amount of future annual employer contribution rates will depend, in part, on the value of the assets held by the CRF as of each April 1, as well as on the present value of the anticipated benefits to be paid by the System as of each April 1. Contribution rates for FY 2024 were released on September 1, 2022. The average ERS rate will increase by 1.5 percent from 11.6 percent of salary in FY 2023 to 13.1 percent of salary in FY 2024, while the average PFRS rate will increase by 0.8 percent from 27.0 percent of salary in FY 2023 to 27.8 percent of salary in FY 2024. Information regarding average rates for FY 2024 may be found in the 2022 Annual Report to the Comptroller on Actuarial Assumptions which is accessible at:
https://www.osc.state.ny.us/files/retirement/resources/pdf/actuarial-assumptions-2022.pdf.

[17] Less than 0.5 percent of the 16,027 PFRS Tier 6 members are non-contributory.

[18] During 2020, the Retirement System's Actuary conducted the statutorily required quinquennial actuarial experience study of economic and demographic assumptions. The assumed investment rate of return is an influential factor in calculating employer contribution rates. In September 2020, the Comptroller announced the assumed rate of return for NYSLRS would remain at 6.8 percent. In August 2021, the Comptroller announced the assumed rate of return for NYSLRS would be lowered from 6.8 percent to 5.9 percent. The 6.8 percent rate of return has been used to determine employer contribution rates in FY 2021 and FY 2022. The 5.9 percent rate of return has been used to determine employer contribution rates in FY 2023 and FY 2024.

Legislation enacted in 2010 authorized the State and participating employers to amortize a portion of their annual pension costs during periods when actuarial contribution rates exceed thresholds established by the statute. The legislation provided employers with an optional mechanism intended to reduce the budgetary volatility of employer contributions. Amortized amounts must be paid by the State and participating employers in equal annual installments over a ten-year period, and employers may prepay these amounts at any time without penalty. Employers are required to pay interest on the amortized amounts at a rate determined annually by the State Comptroller that is comparable to taxable fixed income investments of a comparable duration. The interest rate on the amount an employer chooses to amortize in a particular rate year is fixed for the duration of the ten-year repayment period. Should the employer choose to amortize in the next rate year, the interest rate on that amortization will be the rate set for that year. The first payment is due in the fiscal year following the decision to amortize pension costs. When contribution rates fall below legally specified levels and all outstanding amortizations have been paid, employers that elected to amortize will be required to pay additional monies into reserve funds, specific to each employer, which will be used to offset their contributions in the future. These reserve funds will be invested separately from pension assets. Over time, OSC expects that this will reduce the budgetary volatility of employer contributions.

The following represents the amortized receivable balance from local participating employers as of March 31, 2022, including the statutory amortization threshold and interest rate, for each respective fiscal year:

CHAPTER 57, LAWS OF 2010

	% of Payroll			
Year	ERS	PFRS	Interest %	Local
				(dollars in millions)
2011	9.5	17.5	5.00	$ —
2012	10.5	18.5	3.75	—
2013	11.5	19.5	3.00	27.9
2014	12.5	2.5	3.67	35.1
2015	13.5	21.5	3.15	40.4
2016	14.5	22.5	3.21	26.0
2017	15.1	23.5	2.33	3.2
2018	14.9	24.3	2.84	2.7
2019	14.4	23.5	3.64	3.1
2020	14.2	23.5	2.55	—
2021	14.1	24.4	1.33	—
2022	15.1	25.4	1.76	1.1
				$ 139.5

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The FY 2014 Enacted Budget included an alternate contribution program (the "Alternate Contribution Stabilization Program") that provides certain participating employers with a one-time election to amortize slightly more of their required contributions than would have been available for amortization under the 2010 legislation. In addition, the maximum payment period was increased from ten years to twelve years. The election is available to counties, cities, towns, villages, BOCES, school districts and the four public health care centers operated in the counties of Nassau, Westchester and Erie. The State is not eligible to participate in the Alternate Contribution Stabilization Program.

The following represents the amortized receivable balance from local participating employers as of March 31, 2022, including the statutory amortization threshold and interest rate, for each respective fiscal year:

CHAPTER 57, LAWS OF 2013

	% of Payroll			
Year	ERS	PFRS	Interest %	Local
				(dollars in millions)
2014	12.0	20.0	3.76	$ 31.9
2015	12.0	20.0	3.50	59.5
2016	12.5	20.5	3.31	47.7
2017	13.0	21.0	2.63	38.6
2018	13.5	21.5	3.31	40.0
2019	14.0	22.0	3.99	10.3
2020	14.2	22.5	2.87	7.9
2021	14.1	23.0	1.60	31.1
2022	14.6	23.5	2.24	19.6
				$ 286.6

The State paid off all outstanding amortizations under the Contribution Stabilization Program on March 29, 2021 for non-Judiciary and on October 1, 2021 for Judiciary. The total State payment (including Judiciary) due to NYSLRS for FY 2022 was approximately $2.247 billion. The State opted not to amortize under the Contribution Stabilization Program and paid the March 1, 2022 invoice in full.

Chapter 55 of the Laws of 2023 amended the Contribution Stabilization Program (Program) to provide employers more flexible use of reserve funds while preserving the intent of the Program to smooth out pension contributions when rates increase. The Program also limits the size of the reserve fund assets that employers are required to maintain and allows NYSLRS participating employers to withdraw from the Contribution Stabilization Program, subject to approval by the Comptroller, provided all prior year amortizations are paid in full, including interest.

The total State payment (including Judiciary) for FY 2023 is approximately $1.947 billion. Multiple prepayments (including interest credit) reduced the total due on March 1, 2023 to approximately $27.5 million. The State made the $27.5 million payment on February 22, 2023.

The estimated total State payment (including Judiciary) for FY 2024 is approximately $1.932 billion. Several prepayments (including interest credit) have reduced the estimated total to approximately $22.5 million.

Pension Assets and Liabilities

The System's assets are held by the CRF for the exclusive benefit of members, retirees and beneficiaries. Investments for the System are made by the State Comptroller as trustee of the CRF.

The System reports that the net position restricted for pension benefits as of March 31, 2022 was $273.7 billion (including $2.4 billion in receivables, which consist of employer contributions, amortized amounts, member contributions, member loans, accrued interest and dividends, investment sales and other miscellaneous receivables), an increase of $13.6 billion or 5.2 percent from the FY 2021 level of $260.1 billion. The increase in net position restricted for pension benefits from FY 2021 to FY 2022 is primarily the result of the net appreciation of the fair value of the investment portfolio.[19] The System's audited Financial Statement reports a time-weighted investment rate of return of 9.5 percent (gross rate of return before the deduction of certain fees) for FY 2022.

Consistent with statutory limitations affecting categories of investment, the State Comptroller, as trustee of the CRF, establishes a target asset allocation and approves policies and procedures to guide and direct the investment activities of the Division of Pension Investment and Cash Management. The purpose of this asset allocation strategy is to identify the optimal diversified mix of assets to meet the requirements of pension payment obligations to members. In the fiscal year ended March 31, 2020, an asset liability analysis was completed, and a long-term policy allocation was adopted as of April 1, 2021. The current long-term policy allocation seeks a mix that includes 47 percent public equities (32 percent domestic and 15 percent international); 24 percent fixed income and cash; and 29 percent alternative investments (10 percent private equity, 9 percent real estate, 4 percent credit, 3 percent opportunistic/absolute return or hedge funds, and 3 percent real assets). Since the implementation of the long-term policy allocation will take several years, transition targets have been established to aid in the asset rebalancing process. [20]

The System reports that the present value of anticipated benefits for current members, retirees, and beneficiaries increased to $320.1 billion (including $166.6 billion for retirees and beneficiaries) as of April 1, 2022, up from $308.8 billion as of April 1, 2021. The funding method used by the System anticipates that the plan net position, plus future actuarially determined contributions, will be sufficient to pay for the anticipated benefits of current members, retirees and beneficiaries. The valuation used by the Retirement Systems Actuary was based on audited net position restricted for pension benefits as of March 31, 2022. Actuarially determined contributions are calculated using actuarial assets and the present value of anticipated benefits. Actuarial assets differed from plan net position on April 1, 2022 in that the determination of actuarial assets restarted a smoothing method, with an eight-year smoothing period, that recognized 12.5 percent of the unexpected gain for FY 2022. Actuarial assets increased from $260.1 billion on April 1, 2021 to $267.3 billion on April 1, 2022.

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[19] On February 10, 2023, the State Comptroller announced that the New York State Common Retirement Fund's ("Fund") time-weighted estimated return (gross of certain investment fees) for the three-month period ended December 31, 2022 was 4.51 percent. The Fund ended the quarter with an estimated value of $242.3 billion in invested assets. The value of the invested assets changes daily.

[20] More detail on the CRF's asset allocation as of March 31, 2022 and long-term policy allocation can be found on page 110 of the NYSLRS' Financial Report for the fiscal year ending March 31, 2022.

The ratio of fiduciary net position to the total pension liability for ERS, as of March 31, 2022, calculated by the System's Actuary, was 103.65 percent. The ratio of the fiduciary net position to the total pension liability for PFRS, as of March 31, 2022, calculated by the System's Actuary, was 98.66 percent.

Detailed "Schedules of Employer Allocation" and "Schedules of Pension Amounts by Employer" can be found on the OSC website at the following link: https://www.osc.state.ny.us/retirement/resources/financial-statements-and-supplementary-information?redirect=legacy.

The tables that follow show net assets, benefits paid and the actuarially determined contributions that have been made over the last ten years. See also "State Retirement System — Contributions and Funding" above.

CONTRIBUTIONS AND BENEFITS
NEW YORK STATE AND LOCAL RETIREMENT SYSTEM [(1)]
(millions of dollars)

Fiscal Year Ended March 31	Contributions Recorded: All Participating Employers [(1) (2)]	Local Employers [(1) (2)]	State [(1) (2)]	Employees	Total Benefits Paid [(3)]
2013	5,336	3,386	1,950	269	9,521
2014	6,064	3,691	2,373	281	9,978
2015	5,797	3,534	2,263	285	10,514
2016	5,140	3,182	1,958	307	11,060
2017	4,787	2,973	1,814	329	11,508
2018	4,823	3,021	1,802	349	12,129
2019	4,744	2,973	1,771	387	12,834
2020	4,783	3,023	1,760	454	13,311
2021	5,030	3,160	1,870	492	14,122
2022	5,628	3,578	2,050	578	14,905

Sources: State and Local Retirement System.

(1) Contributions recorded include the full amount of unpaid amortized contributions.

(2) The actuarially determined contribution (ADC) include the employers' normal costs, the Group Life Insurance Plan amounts, and other supplemental amounts.

(3) Includes payments from the Group Life Insurance Plan, which funds the first $50,000 of any death benefit paid.

NET POSITION RESTRICTED FOR PENSION BENEFITS OF THE
NEW YORK STATE AND LOCAL RETIREMENT SYSTEM [(1)]
(millions of dollars)

Fiscal Year Ended March 31	Net Assets	Percent Increase / (Decrease) From Prior Year
2013	164,222	7.1%
2014	181,275	10.4%
2015	189,412	4.5%
2016	183,640	-3.0%
2017	197,602	7.6%
2018	212,077	7.3%
2019	215,169	1.5%
2020	198,080	-7.9%
2021	260,081	31.3%
2022	273,719	5.2%

Sources: State and Local Retirement System.

(1) Includes relatively small amounts held under the Group Life Insurance Plan. Includes some employer contribution receivables. Fiscal year ending March 31, 2022 includes approximately $2.4 billion of receivables.

Additional Information Regarding the System

The NYSLRS' Financial Report contains in-depth and audited information about the System. Among other things, the NYSLRS' Financial Report contains information about the number of members and retirees, salaries of members, valuation of assets, changes in fiduciary net position and information related to contributions to the System. The 2022 NYSLRS' Financial Report is available on the OSC website at the following web address:

https://www.osc.state.ny.us/files/retirement/resources/pdf/annual-comprehensive-financial-report-2022.pdf.

1) Information on the number of members and retirees, including the change in the number of members and retirees and beneficiaries since 2012 can be found on page 30 of the NYSLRS' Financial Report at the link noted above. More information on this topic is available in the "Statistical" section of the NYSLRS' Financial Report.

2) A combined basic statement of changes in fiduciary net position can be found on page 47 of the NYSLRS' Financial Report at the link noted above.

3) Schedule of Changes in the Employers' Net Pension Liability and Related Ratios (unaudited) can be found on pages 76-79 at the link noted above.

4) Information on contributions can be found on pages 155-163 of the NYSLRS' Financial Report at the link noted above.

5) A table with the market value of assets, actuarial value of assets and actuarial accrued liability of the CRF since 2012 can be found on page 164 of the NYSLRS' Financial Report at the link noted above.

Information related to the salaries of members can be found on pages 197-201 of the NYSLRS' Financial Report at the link noted above.

LITIGATION

General

The legal proceedings listed below involve State finances and programs and other claims in which the State is a defendant and the potential monetary claims against the State are deemed to be material, meaning in excess of $300 million[21] or involving significant challenges to or impacts on the State's financial policies or practices. As explained below, these proceedings could adversely affect the State's finances in FY 2023 or thereafter. The State intends to describe newly initiated proceedings that the State deems to be material and existing proceedings that the State has subsequently deemed to be material, as well as any material and adverse developments in the listed proceedings, in quarterly updates and/or supplements to this AIS.

For the purpose of the Litigation section of this AIS, the State defines "material and adverse developments" as rulings or decisions on or directly affecting the merits of a proceeding that have a significant adverse impact upon the State's ultimate legal position, and reversals of rulings or decisions on or directly affecting the merits of a proceeding in a significant manner, whether in favor of or adverse to the State's ultimate legal position, all of which are above the $300 million materiality threshold described above. The State intends to discontinue disclosure with respect to any individual case after a final determination on the merits or upon a determination by the State that the case does not meet the materiality threshold described above.

The State is party to other claims and litigation, with respect to which its legal counsel has advised that it is not probable that the State will suffer adverse court decisions, or which the State has determined do not, considered on a case-by-case basis, meet the materiality threshold described in the first paragraph of this section. Although the amounts of potential losses, if any, resulting from these litigation matters are not presently determinable, it is the State's position that any potential liability in these litigation matters is not expected to have a material and adverse effect on the State's financial position in FY 2023 or thereafter. The Basic Financial Statements for FY 2022, which OSC issued on July 27, 2022, reported possible and probable awards and anticipated unfavorable judgments against the State.

Adverse developments in the proceedings described below; other proceedings for which there are unanticipated, unfavorable and material judgments; or the initiation of new proceedings could affect the ability of the State to maintain a balanced FY 2024 Financial Plan. The State believes that the Financial Plan includes sufficient reserves to offset the costs associated with the payment of judgments that may be required during FY 2024. These reserves include (but are not limited to) amounts appropriated for Court of Claims payments and projected fund balances in the General Fund. In addition, any amounts ultimately required to be paid by the State may be subject to settlement or may be paid over a multi-year period. There can be no assurance, however, that adverse decisions in legal proceedings against the State would not exceed the amount of all potential Enacted Budget resources available for the payment of judgments, and could therefore adversely affect the ability of the State to maintain a balanced Financial Plan.

[21] The $300 million litigation materiality threshold was newly established by the State at the start of FY 2024. Previously, the litigation materiality threshold established by the State for this section of the AIS and updates thereto was $100 million.

THE INFORMATION THAT FOLLOWS UNDER THIS HEADING HAS BEEN FURNISHED BY THE STATE OFFICE OF THE ATTORNEY GENERAL AND DOB HAS NOT UNDERTAKEN ANY INDEPENDENT VERIFICATION OF SUCH INFORMATION.

Real Property Claims

Over the years, there have been a number of cases in which Native American tribes have asserted possessory interests in real property or sought monetary damages as a result of claims that certain transfers of property from the tribes or their predecessors-in-interest in the 18th and 19th centuries were illegal. Of these cases, only one remains active.

In *Canadian St. Regis Band of Mohawk Indians, et al. v. State of New York, et al.* (NDNY), a consolidated action first instituted in 1982 under the federal Non-Intercourse Act, the tribe plaintiffs seek ejectment and monetary damages for their claim that approximately 15,000 acres in Franklin and St. Lawrence Counties were illegally transferred from their predecessors-in-interest. The United States is an intervenor plaintiff due to the underlying claim that New York violated the Non-Intercourse Act when acquiring Mohawk lands.

The defendants' 2006 motion for judgment on the pleadings, relying on prior decisions in other cases rejecting such land claims, was granted in great part through decisions on July 8, 2013, and July 23, 2013, holding that all claims are dismissed except for claims over the area known as the Hogansburg Triangle and a right of way claim against Niagara Mohawk Power Corporation.

In 2021, the plaintiffs filed motions for partial summary judgment, which defendants opposed.

On March 14, 2022, the Court issued a Memorandum-Decision and Order granting in part, and denying in part, plaintiffs' partial motions for summary judgment. The Court concluded that plaintiffs had established a *prima facie* case under the Non-Intercourse Act and rejected several of the counterclaims and defenses asserted by the State and County defendants. The issue of whether the Hogansburg Triangle claim is barred by the doctrine of laches, however, remains in the case to be resolved after completion of discovery. As such, the Court has not yet rendered a full decision on the merits.

At the Court's direction, the parties have retained a mediator. The mediator held several joint and individual mediation sessions with the parties through the summer and fall of 2022. The case has not yet settled, but the parties have made substantial progress in their negotiations since retaining the mediator.

On May 31, 2023, the parties filed status reports indicating that they are still in the process of negotiating certain aspects of the settlement. The Court has directed that additional status reports be submitted on or before June 30, 2023.

School Aid

In *Maisto v. State of New York* (formerly identified as *Hussein v. State of New York*), plaintiffs seek a judgment declaring that the State's system of financing public education violates § 1 of article 11 of the State Constitution, on the ground that it fails to provide a sound basic education. In a decision and order dated July 21, 2009, Supreme Court, Albany County, denied the State's motion to dismiss the action. On January 13, 2011, the Appellate Division, Third Department, affirmed the denial of the motion to dismiss. On May 6, 2011, the Third Department granted the defendant leave to appeal to the Court of Appeals. On June 26, 2012, the Court of Appeals affirmed the denial of the State's motion to dismiss.

The trial commenced on January 21, 2015 and was completed on March 12, 2015. On September 19, 2016, the trial court ruled in favor of the State and dismissed the action. On appeal, by decision and order dated October 26, 2017, the Appellate Division reversed the judgment of the trial court and remanded the case for the trial court to make specific findings as to the adequacy of inputs and causation. In a decision and order dated January 10, 2019, Supreme Court, Albany County, found that the State's system of financing public education is adequate to provide the opportunity for a sound basic education. On appeal, by opinion and order dated May 27, 2021, the Appellate Division, Third Department, reversed, and granted a declaration that plaintiffs demonstrated a violation of § 1 of Article 11 of the State Constitution in each of the subject school districts as relates to the at-risk student population. The Appellate Division remitted the matter to the Supreme Court for the State to determine the appropriate remedy. The defendant moved in the Appellate Division for leave to appeal to the Court of Appeals, which the court denied.

Plaintiffs submitted a proposed order addressing an appropriate remedy to the State. The State rejected plaintiffs' proposed order because it sought to provide the subject school districts with State funding in excess of the aid to be received under the fully phased-in Foundation Aid formula. Subsequently, the Court permitted the parties to brief how it should proceed in addressing an appropriate remedy. By Letter Order dated April 6, 2022, the Court permitted the State to brief the historical increases in education aid and the current levels of education funding (state and federal) and whether this funding has sufficiently addressed the constitutional violations found by the Appellate Division, Third Department, in its May 27, 2021, Decision. Justice O'Connor found that the Court's standard of review of the State's proposed remedy is "reasonableness," and that the scope of the remedy should be limited to addressing the "at risk students" in the Plaintiffs-Districts in accordance with the Appellate Division, Third Department's Decision. By Notice of Appeal dated April 27, 2022, the plaintiffs appealed Justice O'Connor's Letter Order. Upon the request of the plaintiffs and consent by the State, Justice O'Connor stayed the lower court proceedings pending the plaintiffs' appeal of the Court's April 6, 2022, Letter Order. The appeal will be argued in September 2023.

Compensation of Assigned Counsel

New York County Lawyers Ass'n, et al. v. State of New York, et al., 156916/2021 (Sup Ct. N.Y. Cty.) is a plenary action in which plaintiffs challenge the compensation rates paid pursuant to County Law Article 18-B, Section 245 of the Family Court Act, and Section 35 of the Judiciary Law for private counsel assigned to represent children and indigent adults. Plaintiffs assert that the low rates prevent children and indigent adults from receiving their constitutional right to effective and meaningful legal representation and sought declaratory and injunctive relief preventing the continued violation and setting new rates. The summons and complaint were filed on July 26, 2021. The State's answer was filed on November 17, 2021. On February 2, 2022, plaintiffs filed an order to show cause and a motion for a preliminary injunction. On April 21, 2022, Justice Headley held a hearing on the preliminary injunction motion and reserved decision. On July 25, 2022, the Court granted the plaintiffs' requested preliminary injunction and ordered payment of an increased rate by the State and the City of $158 per hour, retroactive to February 2, 2022. The preliminary injunction was silent on the funding structure for payment of the increased rates, as such, the structure shall remain as it is under current law and the State will be responsible for increased costs to the Judiciary as applicable to the representation of children pursuant to Judiciary Law Section 35, while the City will be responsible for the increased costs to represent indigent adults in Family Court, Criminal Court, and other court proceedings in New York City as required by County Law Article 18-B. The notice of entry was filed July 26, 2022. On August 25, 2022, the City Defendants filed an original and amended notice of appeal of the Court's decision and order. On or about August 25, 2022, the City also filed a notice of claim to compel the State to assume the costs of the rate increase. As perfected, the City's appeal was limited to whether Supreme Court erred in ordering the pay increase to be retroactive to February 2, 2022.

New York State Bar Association v. State of New York, 16091/2022 (Sup. Ct. N.Y. Cty.): This is a plenary action against the State as sole defendant, seeking the same relief as in the New York County Lawyers Association (NYCLA) litigation, but applicable to all 57 non-New York City counties. The Complaint was filed on November 30, 2022. On the same date, Plaintiff filed a Request for Judicial Intervention and a letter to the Court requesting a conference to determine whether briefing on an anticipated preliminary injunction was necessary in light of the injunction issued in NYCLA and, if so, to set a briefing schedule. On December 20, 2022, the State filed a stipulation signed by both parties extending the State's time to answer until January 31, 2023. On January 25, 2023, Plaintiffs filed an order to show cause and motion for a preliminary injunction seeking a rate increase to $164 per hour, consistent with the current federal rate. The State's answer was filed on January 31, 2023, and its opposition to the preliminary injunction motion was filed on March 6, 2023.

On May 3, 2023, the Governor signed a new budget bill that increased the hourly rate of compensation paid to all assigned counsel statewide to $158 per hour, with a cap of $10,000 per case. The changes are retroactive to April 1, 2023. *See* Part GG, FY 2024 Budget, Article VII, Education, Labor and Family Assistance. On May 12, 2023, Plaintiffs withdrew the preliminary injunction motion without prejudice.

Hurrell-Harring v. State of New York, 909435-2022 (Sup. Ct. Albany Cty.): On December 15, 2022, a new suit was filed on behalf of a plaintiff class certified in Hurrell-Harring v. State of New York, contending, among other things, that the State's failure to raise rates for assigned counsel violated a settlement agreement entered in Hurrell-Harring in 2015.

On January 25, 2023, the Plaintiff class moved for a preliminary injunction seeking the doubling of assigned counsel program rates. On February 16, 2023, Defendants opposed the preliminary injunction motion and moved to dismiss, arguing that the 2015 settlement agreement did not require any particular funding directed to the assigned counsel program. On April 7, 2023, Justice Connolly denied Plaintiffs' motion for a preliminary injunction and Defendants' motion to dismiss. Defendants answered the complaint on April 21, 2023, and the parties are seeking court guidance on a discovery schedule.

FINANCIAL PLAN TABLES

Financial Plan Tables

The cash financial plan tables listed below appear on the following pages and summarize actual General Fund receipts and disbursements for fiscal year 2023 and projected receipts and disbursements for fiscal years 2024 through 2027 on a General Fund, State Operating Funds and All Governmental Funds basis.[22]

General Fund - Total Budget

Financial Plan, Annual Change from FY 2023 to FY 2024
Financial Plan Projections FY 2024 through FY 2027

State Operating Funds Budget

FY 2024
FY 2025
FY 2026
FY 2027

All Governmental Funds – Receipts Detail

Financial Plan Projections FY 2024 – FY 2027

All Governmental Funds - Total Budget

FY 2024
FY 2025
FY 2026
FY 2027

Cashflow - FY 2024 Monthly Projections

General Fund

[22] Differences may occur from time to time between the State's Financial Plan and OSC's financial reports in the presentation and reporting of receipts and disbursements. For example, the Financial Plan may reflect a net expenditure amount while OSC may report the gross amount of the expenditure. Any such differences in reporting between DOB and OSC could result in differences in the presentation and reporting of receipts and disbursements for discrete funds, as well as differences in the presentation and reporting for total receipts and disbursements under different fund perspectives (e.g., State Operating Funds, All Governmental funds).

CASH FINANCIAL PLAN
GENERAL FUND
(millions of dollars)

	FY 2023 Actuals	FY 2024 Projected	Annual $ Change	Annual % Change
Opening Fund Balance	**33,053**	**43,451**	**10,398**	**31.5%**
Receipts:				
Taxes:				
Personal Income Tax	27,607	24,693	(2,914)	-10.6%
Consumption/Use Taxes	7,239	9,797	2,558	35.3%
Business Taxes	17,856	15,836	(2,020)	-11.3%
Other Taxes	2,204	1,617	(587)	-26.6%
Miscellaneous Receipts	3,609	3,801	192	5.3%
Federal Receipts	2,351	2,250	(101)	-4.3%
Transfers from Other Funds:				
PIT in Excess of Revenue Bond Debt Service	20,899	24,496	3,597	17.2%
PTET in Excess of Revenue Bond Debt Service	7,472	6,520	(952)	-12.7%
ECEP in Excess of Revenue Bond Debt Service	0	5	5	0.0%
Sales Tax in Excess of LGAC Bond Debt Service	2,198	0	(2,198)	-100.0%
Sales Tax in Excess of Revenue Bond Debt Service	7,291	8,575	1,284	17.6%
Real Estate Taxes in Excess of CW/CA Debt Service	1,180	970	(210)	-17.8%
All Other	3,291	1,938	(1,353)	-41.1%
Total Receipts	**103,197**	**100,498**	**(2,699)**	**-2.6%**
Disbursements:				
Assistance and Grants	62,852	75,055	12,203	19.4%
State Operations:				
Personal Service	9,464	10,619	1,155	12.2%
Non-Personal Service	3,043	2,759	(284)	-9.3%
General State Charges	9,115	7,587	(1,528)	-16.8%
Transfers to Other Funds:				
Debt Service	298	217	(81)	-27.2%
Capital Projects	4,649	4,877	228	4.9%
SUNY Operations	1,491	1,677	186	12.5%
Other Purposes	1,887	1,621	(266)	-14.1%
Total Disbursements	**92,799**	**104,412**	**11,613**	**12.5%**
Excess (Deficiency) of Receipts Over Disbursements	**10,398**	**(3,914)**	**(14,312)**	**-137.6%**
Closing Fund Balance	**43,451**	**39,537**	**(3,914)**	**-9.0%**
Statutory Reserves				
Community Projects	25	23	(2)	
Contingency Reserve	21	21	0	
Rainy Day Reserve	4,638	4,638	0	
Tax Stabilization Reserve	1,618	1,618	0	
Reserved For				
Consensus Revenue	0	0	0	
Debt Management	2,355	2,436	81	
Economic Uncertainties	13,282	13,282	0	
Extraordinary Monetary Settlements	1,570	1,142	(428)	
Labor Settlements/Agency Operations	765	1,765	1,000	
Pandemic Assistance	245	0	(245)	
Timing of PTET/PIT Credits	14,358	12,462	(1,896)	
Undesignated Fund Balance	4,574	2,150	(2,424)	

Source: NYS DOB.

CASH FINANCIAL PLAN GENERAL FUND (millions of dollars)	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
Receipts:				
Taxes:				
Personal Income Tax	24,693	26,060	28,041	33,309
Consumption/Use Taxes	9,797	9,895	10,100	10,312
Business Taxes	15,836	15,257	13,833	8,692
Other Taxes	1,617	1,305	1,365	1,422
Miscellaneous Receipts	3,801	2,772	2,261	1,996
Federal Receipts	2,250	3,645	0	0
Transfers from Other Funds:				
PIT in Excess of Revenue Bond Debt Service	24,496	25,396	25,858	31,338
PTET in Excess of Revenue Bond Debt Service	6,520	6,320	4,658	(584)
ECEP in Excess of Revenue Bond Debt Service	5	5	5	0
Sales Tax in Excess of LGAC Bond Debt Service	0	0	0	0
Sales Tax in Excess of Revenue Bond Debt Service	8,575	8,456	8,469	8,502
Real Estate Taxes in Excess of CW/CA Debt Service	970	1,009	1,091	1,175
All Other	1,938	1,632	1,555	1,417
Total Receipts	**100,498**	**101,752**	**97,236**	**97,579**
Disbursements:				
Assistance and Grants	75,055	78,717	82,303	86,085
State Operations:				
Personal Service	10,619	10,811	10,887	10,988
Non-Personal Service	2,759	3,826	3,814	3,826
General State Charges	7,587	9,319	10,569	12,010
Transfers to Other Funds:				
Debt Service	217	264	287	337
Capital Projects	4,877	5,410	3,049	2,676
SUNY Operations	1,677	1,718	1,752	1,766
Other Purposes	1,621	1,727	1,713	1,727
Total Disbursements	**104,412**	**111,792**	**114,374**	**119,415**
Use (Reservation) of Fund Balance:				
Community Projects	2	0	0	0
Consensus Revenue	0	0	0	0
Debt Management	(81)	576	860	0
Economic Uncertainties	0	0	0	0
Extraordinary Monetary Settlements	428	516	286	290
Labor Settlements/Agency Operations	(1,000)	(1,450)	(1,450)	(1,450)
Pandemic Assistance	245	0	0	0
Rainy Day Reserve	0	0	0	0
Tax Stabilization Reserve	0	0	0	0
Timing of PTET/PIT Credits	1,896	424	3,023	9,013
Undesignated Fund Balance	2,424	919	546	545
Total Use (Reservation) of Fund Balance	**3,914**	**985**	**3,265**	**8,398**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**0**	**(9,055)**	**(13,873)**	**(13,438)**

Source: NYS DOB.

CASH FINANCIAL PLAN
STATE OPERATING FUNDS
FY 2024
(millions of dollars)

	General Fund	State Special Revenue Funds	Debt Service Funds	State Operating Funds Total
Opening Fund Balance	**43,451**	**9,113**	**159**	**52,723**
Receipts:				
Taxes	51,943	6,342	43,157	101,442
Miscellaneous Receipts	3,801	14,662	378	18,841
Federal Receipts	2,250	(17)	67	2,300
Total Receipts	**57,994**	**20,987**	**43,602**	**122,583**
Disbursements:				
Assistance and Grants	75,055	16,503	0	91,558
State Operations:				
Personal Service	10,619	5,404	0	16,023
Non-Personal Service	2,759	3,242	47	6,048
General State Charges	7,587	1,217	0	8,804
Debt Service	0	0	2,898	2,898
Capital Projects	0	0	0	0
Total Disbursements	**96,020**	**26,366**	**2,945**	**125,331**
Other Financing Sources (Uses):				
Transfers from Other Funds	42,504	3,233	1,929	47,666
Transfers to Other Funds	(8,392)	1,076	(42,573)	(49,889)
Bond and Note Proceeds	0	0	0	0
Net Other Financing Sources (Uses)	**34,112**	**4,309**	**(40,644)**	**(2,223)**
Excess (Deficiency) of Receipts and Other Financing Sources (Uses) Over Disbursements	**(3,914)**	**(1,070)**	**13**	**(4,971)**
Closing Fund Balance	**39,537**	**8,043**	**172**	**47,752**

Source: NYS DOB.

CASH FINANCIAL PLAN
STATE OPERATING FUNDS
FY 2025
(millions of dollars)

	General Fund	State Special Revenue Funds	Debt Service Funds	State Operating Funds Total
Receipts:				
Taxes	52,517	6,316	44,360	103,193
Miscellaneous Receipts	2,772	13,695	385	16,852
Federal Receipts	3,645	(17)	62	3,690
Total Receipts	**58,934**	**19,994**	**44,807**	**123,735**
Disbursements:				
Assistance and Grants	78,717	16,073	0	94,790
State Operations:				
Personal Service	10,811	5,300	0	16,111
Non-Personal Service	3,826	3,082	49	6,957
General State Charges	9,319	1,236	0	10,555
Debt Service	0	0	3,518	3,518
Capital Projects	0	0	0	0
Total Disbursements	**102,673**	**25,691**	**3,567**	**131,931**
Other Financing Sources (Uses):				
Transfers from Other Funds	42,818	3,389	1,654	47,861
Transfers to Other Funds	(9,119)	1,126	(42,884)	(50,877)
Bond and Note Proceeds	0	0	0	0
Net Other Financing Sources (Uses)	**33,699**	**4,515**	**(41,230)**	**(3,016)**
Use (Reservation) of Fund Balance:				
Debt Management	576	0	0	576
Extraordinary Monetary Settlements	516	0	0	516
Labor Settlements/Agency Operations	(1,450)	0	0	(1,450)
Timing of PTET/PIT Credits	424	0	0	424
Undesignated Fund Balance	919	0	0	919
Total Use (Reservation) of Fund Balance	**985**	**0**	**0**	**985**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(9,055)**	**(1,182)**	**10**	**(10,227)**

Source: NYS DOB.

CASH FINANCIAL PLAN
STATE OPERATING FUNDS
FY 2026
(millions of dollars)

	General Fund	State Special Revenue Funds	Debt Service Funds	State Operating Funds Total
Receipts:				
Taxes	53,339	6,423	44,921	104,683
Miscellaneous Receipts	2,261	15,019	395	17,675
Federal Receipts	0	(17)	58	41
Total Receipts	**55,600**	**21,425**	**45,374**	**122,399**
Disbursements:				
Assistance and Grants	82,303	16,032	0	98,335
State Operations:				
Personal Service	10,887	5,471	0	16,358
Non-Personal Service	3,814	4,229	49	8,092
General State Charges	10,569	1,256	0	11,825
Debt Service	0	0	5,158	5,158
Capital Projects	0	0	0	0
Total Disbursements	**107,573**	**26,988**	**5,207**	**139,768**
Other Financing Sources (Uses):				
Transfers from Other Funds	41,636	3,408	1,615	46,659
Transfers to Other Funds	(6,801)	1,306	(41,755)	(47,250)
Bond and Note Proceeds	0	0	0	0
Net Other Financing Sources (Uses)	**34,835**	**4,714**	**(40,140)**	**(591)**
Use (Reservation) of Fund Balance:				
Debt Management	860	0	0	860
Extraordinary Monetary Settlements	286	0	0	286
Labor Settlements/Agency Operations	(1,450)	0	0	(1,450)
Timing of PTET/PIT Credits	3,023	0	0	3,023
Undesignated Fund Balance	546	0	0	546
Total Use (Reservation) of Fund Balance	**3,265**	**0**	**0**	**3,265**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(13,873)**	**(849)**	**27**	**(14,695)**

Source: NYS DOB.

DRAFTv3

CASH FINANCIAL PLAN
STATE OPERATING FUNDS
FY 2027
(millions of dollars)

	General Fund	State Special Revenue Funds	Debt Service Funds	State Operating Funds Total
Receipts:				
Taxes	53,735	6,594	45,215	105,544
Miscellaneous Receipts	1,996	15,489	410	17,895
Federal Receipts	0	(17)	53	36
Total Receipts	**55,731**	**22,066**	**45,678**	**123,475**
Disbursements:				
Assistance and Grants	86,085	16,384	0	102,469
State Operations:				
Personal Service	10,988	5,614	0	16,602
Non-Personal Service	3,826	4,321	49	8,196
General State Charges	12,010	1,280	0	13,290
Debt Service	0	0	5,177	5,177
Capital Projects	0	0	0	0
Total Disbursements	**112,909**	**27,599**	**5,226**	**145,734**
Other Financing Sources (Uses):				
Transfers from Other Funds	41,848	3,458	1,706	47,012
Transfers to Other Funds	(6,506)	1,301	(42,124)	(47,329)
Bond and Note Proceeds	0	0	0	0
Net Other Financing Sources (Uses)	**35,342**	**4,759**	**(40,418)**	**(317)**
Use (Reservation) of Fund Balance:				
Extraordinary Monetary Settlements	290	0	0	290
Labor Settlements/Agency Operations	(1,450)	0	0	(1,450)
Timing of PTET/PIT Credits	9,013	0	0	9,013
Undesignated Fund Balance	545	0	0	545
Total Use (Reservation) of Fund Balance	**8,398**	**0**	**0**	**8,398**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(13,438)**	**(774)**	**34**	**(14,178)**

Source: NYS DOB.

CASH RECEIPTS ALL GOVERNMENTAL FUNDS FY 2024 THROUGH FY 2027 (millions of dollars)	FY 2024	FY 2025	FY 2026	FY 2027
Taxes:				
Withholdings	53,108	55,686	58,582	61,638
Estimated Payments	12,464	12,010	13,266	21,196
Final Payments	3,280	3,181	3,371	3,567
Other Payments	1,609	1,664	1,719	1,772
Gross Collections	**70,461**	**72,541**	**76,938**	**88,173**
State/City Offset	(1,703)	(1,732)	(1,831)	(1,969)
Refunds	(15,939)	(15,468)	(15,901)	(16,516)
Reported Tax Collections	**52,819**	**55,341**	**59,206**	**69,688**
STAR (Dedicated Deposits)	0	0	0	0
RBTF (Dedicated Transfers)	0	0	0	0
Personal Income Tax	**52,819**	**55,341**	**59,206**	**69,688**
Sales and Use Tax	19,724	19,931	20,380	20,841
Cigarette and Tobacco Taxes	823	784	751	720
Vapor Excise Tax	25	25	25	25
Motor Fuel Tax	490	491	486	482
Alcoholic Beverage Taxes	284	287	289	293
Opioid Excise Tax	25	25	25	25
Medical Cannabis Excise Tax	12	12	12	12
Adult Use Cannabis Tax	70	158	245	339
Highway Use Tax	141	143	143	144
Auto Rental Tax	119	115	116	119
Peer to Peer Car Sharing Tax	2	4	5	6
Gross Consumption/Use Taxes	**21,715**	**21,975**	**22,477**	**23,006**
LGAC/STBF (Dedicated Transfers)	0	0	0	0
Consumption/Use Taxes	**21,715**	**21,975**	**22,477**	**23,006**
Corporation Franchise Tax	7,945	7,631	7,915	7,981
Corporation and Utilities Tax	431	535	518	523
Insurance Taxes	2,775	2,858	2,899	3,030
Bank Tax	236	0	0	0
Pass Through Entity Tax	13,040	12,640	9,316	(1,168)
Petroleum Business Tax	1,106	1,107	1,097	1,087
Gross Business Taxes	**25,533**	**24,771**	**21,745**	**11,453**
RBTF (Dedicated Transfers)	0	0	0	0
Business Taxes	**25,533**	**24,771**	**21,745**	**11,453**
Estate Tax	1,597	1,285	1,345	1,407
Real Estate Transfer Tax	1,258	1,299	1,380	1,465
Employer Compensation Expense Program	10	10	10	0
Gift Tax	0	0	0	0
Real Property Gains Tax	0	0	0	0
Pari-Mutuel Taxes	13	13	13	13
Other Taxes	2	2	2	2
Gross Other Taxes	**2,880**	**2,609**	**2,750**	**2,887**
Real Estate Transfer Tax (Dedicated)	0	0	0	0
RBTF (Dedicated Transfers)	0	0	0	0
Other Taxes	**2,880**	**2,609**	**2,750**	**2,887**
Payroll Tax	**0**	**0**	**0**	**0**
Total Taxes	**102,947**	**104,696**	**106,178**	**107,034**
Licenses, Fees, Etc.	580	631	631	629
Abandoned Property	450	450	450	450
Motor Vehicle Fees	1,136	1,220	1,258	1,297
ABC License Fee	71	72	72	70
Reimbursements	66	66	66	66
Investment Income	2,000	950	400	100
Extraordinary Settlements	33	0	0	0
Other Transactions	22,501	24,553	26,357	26,837
Miscellaneous Receipts	**26,837**	**27,942**	**29,234**	**29,449**
Federal Receipts	**92,654**	**84,477**	**82,578**	**84,148**
Total	**222,438**	**217,115**	**217,990**	**220,631**

Source: NYS DOB.

CASH FINANCIAL PLAN ALL GOVERNMENTAL FUNDS FY 2024 (millions of dollars)	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	All Funds Total
Opening Fund Balance	**43,451**	**23,939**	**(1,594)**	**159**	**65,955**
Receipts:					
Taxes	51,943	6,342	1,505	43,157	102,947
Miscellaneous Receipts	3,801	15,029	7,629	378	26,837
Federal Receipts	2,250	87,040	3,297	67	92,654
Total Receipts	**57,994**	**108,411**	**12,431**	**43,602**	**222,438**
Disbursements:					
Assistance and Grants	75,055	98,988	5,329	0	179,372
State Operations:					
Personal Service	10,619	6,100	0	0	16,719
Non-Personal Service	2,759	6,141	0	47	8,947
General State Charges	7,587	1,608	0	0	9,195
Debt Service	0	0	0	2,898	2,898
Capital Projects	0	0	11,882	0	11,882
Total Disbursements	**96,020**	**112,837**	**17,211**	**2,945**	**229,013**
Other Financing Sources (Uses):					
Transfers from Other Funds	42,504	3,233	5,260	1,929	52,926
Transfers to Other Funds	(8,392)	(1,305)	(907)	(42,573)	(53,177)
Bond and Note Proceeds	0	0	368	0	368
Net Other Financing Sources (Uses)	**34,112**	**1,928**	**4,721**	**(40,644)**	**117**
Excess (Deficiency) of Receipts and Other Financing Sources (Uses) Over Disbursements	**(3,914)**	**(2,498)**	**(59)**	**13**	**(6,458)**
Closing Fund Balance	**39,537**	**21,441**	**(1,653)**	**172**	**59,497**

Source: NYS DOB.

DRAFTv3

CASH FINANCIAL PLAN ALL GOVERNMENTAL FUNDS FY 2025 (millions of dollars)	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	All Funds Total
Receipts:					
Taxes	52,517	6,316	1,503	44,360	104,696
Miscellaneous Receipts	2,772	14,033	10,752	385	27,942
Federal Receipts	3,645	77,230	3,540	62	84,477
Total Receipts	**58,934**	**97,579**	**15,795**	**44,807**	**217,115**
Disbursements:					
Assistance and Grants	78,717	91,330	7,420	0	177,467
State Operations:					
Personal Service	10,811	5,999	0	0	16,810
Non-Personal Service	3,826	5,004	0	49	8,879
General State Charges	9,319	1,628	0	0	10,947
Debt Service	0	0	0	3,518	3,518
Capital Projects	0	0	13,997	0	13,997
Total Disbursements	**102,673**	**103,961**	**21,417**	**3,567**	**231,618**
Other Financing Sources (Uses):					
Transfers from Other Funds	42,818	3,389	5,806	1,654	53,667
Transfers to Other Funds	(9,119)	(919)	(996)	(42,884)	(53,918)
Bond and Note Proceeds	0	0	505	0	505
Net Other Financing Sources (Uses)	**33,699**	**2,470**	**5,315**	**(41,230)**	**254**
Use (Reservation) of Fund Balance:					
Debt Management	576	0	0	0	576
Extraordinary Monetary Settlements	516	0	0	0	516
Labor Settlements/Agency Operations	(1,450)	0	0	0	(1,450)
Timing of PTET/PIT Credits	424	0	0	0	424
Undesignated Fund Balance	919	0	0	0	919
Total Use (Reservation) of Fund Balance	**985**	**0**	**0**	**0**	**985**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(9,055)**	**(3,912)**	**(307)**	**10**	**(13,264)**

Source: NYS DOB.

CASH FINANCIAL PLAN
ALL GOVERNMENTAL FUNDS
FY 2026
(millions of dollars)

	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	All Funds Total
Receipts:					
Taxes	53,339	6,423	1,495	44,921	106,178
Miscellaneous Receipts	2,261	15,316	11,262	395	29,234
Federal Receipts	0	78,911	3,609	58	82,578
Total Receipts	**55,600**	**100,650**	**16,366**	**45,374**	**217,990**
Disbursements:					
Assistance and Grants	82,303	89,758	7,870	0	179,931
State Operations:					
Personal Service	10,887	6,172	0	0	17,059
Non-Personal Service	3,814	5,920	0	49	9,783
General State Charges	10,569	1,650	0	0	12,219
Debt Service	0	0	0	5,158	5,158
Capital Projects	0	0	11,587	0	11,587
Total Disbursements	**107,573**	**103,500**	**19,457**	**5,207**	**235,737**
Other Financing Sources (Uses):					
Transfers from Other Funds	41,636	3,408	3,412	1,615	50,071
Transfers to Other Funds	(6,801)	(712)	(1,057)	(41,755)	(50,325)
Bond and Note Proceeds	0	0	498	0	498
Net Other Financing Sources (Uses)	**34,835**	**2,696**	**2,853**	**(40,140)**	**244**
Use (Reservation) of Fund Balance:					
Debt Management	860	0	0	0	860
Extraordinary Monetary Settlements	286	0	0	0	286
Labor Settlements/Agency Operations	(1,450)	0	0	0	(1,450)
Timing of PTET/PIT Credits	3,023	0	0	0	3,023
Undesignated Fund Balance	546	0	0	0	546
Total Use (Reservation) of Fund Balance	**3,265**	**0**	**0**	**0**	**3,265**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(13,873)**	**(154)**	**(238)**	**27**	**(14,238)**

Source: NYS DOB.

CASH FINANCIAL PLAN ALL GOVERNMENTAL FUNDS FY 2027 (millions of dollars)	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	All Funds Total
Receipts:					
Taxes	53,735	6,594	1,490	45,215	107,034
Miscellaneous Receipts	1,996	15,778	11,265	410	29,449
Federal Receipts	0	80,621	3,474	53	84,148
Total Receipts	**55,731**	**102,993**	**16,229**	**45,678**	**220,631**
Disbursements:					
Assistance and Grants	86,085	92,205	7,893	0	186,183
State Operations:					
Personal Service	10,988	6,318	0	0	17,306
Non-Personal Service	3,826	6,050	0	49	9,925
General State Charges	12,010	1,675	0	0	13,685
Debt Service	0	0	0	5,177	5,177
Capital Projects	0	0	10,879	0	10,879
Total Disbursements	**112,909**	**106,248**	**18,772**	**5,226**	**243,155**
Other Financing Sources (Uses):					
Transfers from Other Funds	41,848	3,458	3,034	1,706	50,046
Transfers to Other Funds	(6,506)	(723)	(941)	(42,124)	(50,294)
Bond and Note Proceeds	0	0	408	0	408
Net Other Financing Sources (Uses)	**35,342**	**2,735**	**2,501**	**(40,418)**	**160**
Use (Reservation) of Fund Balance:					
Extraordinary Monetary Settlements	290	0	0	0	290
Labor Settlements/Agency Operations	(1,450)	0	0	0	(1,450)
Timing of PTET/PIT Credits	9,013	0	0	0	9,013
Undesignated Fund Balance	545	0	0	0	545
Total Use (Reservation) of Fund Balance	**8,398**	**0**	**0**	**0**	**8,398**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(13,438)**	**(520)**	**(42)**	**34**	**(13,966)**

Source: NYS DOB.

DRAFTv3

CASHFLOW
GENERAL FUND
FY 2024
(millions of dollars)

	2023 April Actuals	May Projected	June Projected	July Projected	August Projected	September Projected	October Projected	November Projected	December Projected	2024 January Projected	February Projected	March Projected	Total
OPENING BALANCE	43,451	46,939	40,411	42,860	42,403	42,214	44,993	42,264	39,225	43,131	44,528	42,491	43,451
RECEIPTS:													
Personal Income Tax	3,727	1,059	2,547	1,540	1,850	2,292	1,087	1,446	2,264	2,713	2,196	1,972	24,693
Consumption/Use Taxes	730	735	961	791	759	924	795	770	990	840	686	816	9,797
Business Taxes	1,116	157	2,685	102	124	2,902	(273)	90	3,276	399	128	5,130	15,836
Other Taxes	170	413	103	104	104	104	104	104	104	103	102	102	1,617
Total Taxes	5,743	2,364	6,296	2,537	2,837	6,222	1,713	2,410	6,634	4,055	3,112	8,020	51,943
Abandoned Property	1	0	0	0	10	100	30	130	0	30	10	139	450
ABC License Fee	6	7	6	5	6	7	7	5	6	6	5	5	71
Investment Income	204	176	162	162	162	162	162	162	162	162	162	162	2,000
Licenses, Fees, etc.	72	101	20	20	70	50	35	40	50	30	40	52	580
Motor Vehicle Fees	13	45	32	12	34	11	14	13	15	12	14	10	225
Reimbursements	39	(66)	72	(40)	(48)	61	(40)	35	7	15	1	30	66
Extraordinary Settlements	0	0	0	0	0	0	0	33	0	0	0	0	33
Other Transactions	(4)	2	53	19	18	79	19	18	65	19	18	70	376
Total Miscellaneous Receipts	331	265	345	178	252	470	227	436	305	274	250	468	3,801
Federal Receipts	0	0	0	0	0	0	0	0	0	0	0	2,250	2,250
PIT in Excess of Revenue Bond Debt Service	3,731	1,059	2,547	1,387	1,237	2,292	1,087	1,446	2,324	4,105	1,238	2,043	24,496
PTET in Excess of Revenue Bond Debt Service	49	61	1,123	(28)	32	1,280	(408)	7	1,616	282	146	2,360	6,520
ECEP in Excess of Revenue Bond Debt Service	0	0	0	0	0	0	0	0	1	1	0	3	5
Sales Tax in Excess of LGAC Bond Debt Service	0	0	0	0	0	0	0	0	0	0	0	0	0
Sales Tax in Excess of Revenue Bond Debt Service	614	628	848	670	649	853	678	659	882	717	592	785	8,575
Real Estate Taxes in Excess of CW/CA Debt Service	77	60	89	90	98	89	73	80	77	79	78	80	970
All Other	168	190	219	134	145	360	130	143	273	227	289	(340)	1,938
Total Transfers from Other Funds	4,639	1,998	4,826	2,253	2,161	4,874	1,560	2,335	5,173	5,411	2,343	4,931	42,504
TOTAL RECEIPTS	10,713	4,627	11,467	4,968	5,250	11,566	3,500	5,181	12,112	9,740	5,705	15,669	100,498
DISBURSEMENTS:													
School Aid	1,391	4,485	1,977	407	794	1,957	1,046	1,975	2,713	1,431	1,126	9,635	28,937
Higher Education	29	24	675	34	46	170	549	42	151	37	557	827	3,141
All Other Education	16	39	275	357	63	453	153	44	296	69	94	688	2,547
Medicaid - DOH	3,477	3,073	1,333	2,375	2,414	1,182	1,788	2,648	840	1,816	821	(680)	21,087
Public Health	37	61	84	67	70	61	59	92	105	72	97	39	844
Mental Hygiene	34	94	1,474	174	77	1,462	210	114	1,541	154	882	1,006	7,222
Children and Families	39	77	18	143	143	321	143	143	321	143	143	324	1,958
Temporary & Disability Assistance	154	126	364	219	219	278	199	204	235	296	300	335	2,929
Transportation	0	40	28	2	45	2	2	45	172	2	30	162	530
Unrestricted Aid	0	13	390	1	1	118	8	1	185	1	3	74	795
All Other	48	(178)	119	110	132	142	366	126	124	1,135	1,153	1,788	5,065
Total Assistance and Grants	5,225	7,854	6,737	3,889	4,004	6,146	4,523	5,434	6,683	5,156	5,206	14,198	75,055
Personal Service	785	789	969	775	948	769	766	943	760	1,035	865	1,215	10,619
Non-Personal Service	121	213	(456)	233	20	312	251	227	152	413	386	887	2,759
Total State Operations	906	1,002	513	1,008	968	1,081	1,017	1,170	912	1,448	1,251	2,102	13,378
General State Charges	657	1,832	591	439	521	494	513	444	502	604	582	408	7,587
Debt Service	38	0	0	27	(2)	(3)	1	0	0	178	(10)	(12)	217
Capital Projects	106	(72)	730	(259)	(182)	956	88	777	(16)	860	668	1,221	4,877
SUNY Operations	228	235	306	299	41	70	2	296	27	61	22	90	1,677
Other Purposes	65	304	141	22	89	43	85	99	98	36	23	616	1,621
Total Transfers to Other Funds	437	467	1,177	89	(54)	1,066	176	1,172	109	1,135	703	1,915	8,392
TOTAL DISBURSEMENTS	7,225	11,155	9,018	5,425	5,439	8,787	6,229	8,220	8,206	8,343	7,742	18,623	104,412
Excess/(Deficiency) of Receipts over Disbursements	3,488	(6,528)	2,449	(457)	(189)	2,779	(2,729)	(3,039)	3,906	1,397	(2,037)	(2,954)	(3,914)
CLOSING BALANCE	46,939	40,411	42,860	42,403	42,214	44,993	42,264	39,225	43,131	44,528	42,491	39,537	39,537

Source: NYS DOB.

EXHIBIT A TO AIS – SELECTED STATE GOVERNMENT SUMMARY

State Government Organization

The State has a centralized administrative system with most executive powers vested in the Governor. The State has four officials elected in statewide elections, the Governor, Lieutenant Governor, Comptroller and Attorney General. These officials serve four-year terms that next expire on December 31, 2026.

Name	Office	Party Affiliation	First Elected
Kathy Hochul	Governor	Democrat	2022
Antonio Delgado	Lieutenant Governor	Democrat	2022
Thomas P. DiNapoli	Comptroller	Democrat	2007
Letitia James	Attorney General	Democrat	2018

The Governor and Lieutenant Governor are elected jointly. The Comptroller and Attorney General are chosen separately by the voters during the election of the Governor. The Governor appoints the heads of most State departments, including the Director of the Budget. DOB is responsible for preparing the Governor's Executive Budget, negotiating that budget with the State Legislature, and implementing the budget once it is adopted, which includes updating the State's fiscal projections quarterly. DOB is also responsible for coordinating the State's capital program and debt financing activities. The Comptroller is responsible for auditing the disbursements, receipts and accounts of the State, as well as for auditing State departments, agencies, public authorities and municipalities. The Comptroller is also charged with managing the State's General Obligation debt and most of its investments (see "Appropriations and Fiscal Controls" and "Investment of State Moneys" below). The Attorney General is the legal advisor to State departments, represents the State and certain public authorities in legal proceedings and opines upon the validity of all State General Obligation bonds and notes.

The State Legislature is presently composed of a 63-member Senate and a 150-member Assembly, all elected from geographical districts for two-year terms, expiring December 31, 2024. The Legislature meets annually, generally for about six months, and remains formally in session the entire year.

Appropriations and Fiscal Controls

The State Constitution requires the Comptroller to audit the accrual and collection of State revenues and receipts and to audit vouchers before payment as well as all official accounts. Generally, no State payment may be made unless the Comptroller has audited it. Additionally, the State Constitution requires the Comptroller to prescribe such methods of accounting as are necessary for the performance of the foregoing duties.

Disbursements from State and Federal funds are limited to the level of authorized appropriations. In most cases, State agency contracts depend upon the existence of an appropriation and the availability of that appropriation as certified by the Director of the Budget. Generally, most State contracts for disbursements in excess of $50,000 require prior approval by the Comptroller. The threshold is higher for certain contracts, including SUNY and CUNY ($75,000), State University Healthcare Facilities ($150,000), the OGS Business Services Center ($85,000) and OGS centralized contracts ($125,000). In addition, the Comptroller has the discretion to identify and review certain public authority contracts valued at $1.0 million or greater that are either awarded without competition or which are paid using State-appropriated funds.

The Governor has traditionally exercised substantial authority in administering the State Financial Plan by limiting certain disbursements after the Legislature has enacted appropriation bills and revenue measures. The Governor may, primarily through DOB, limit certain spending by State departments, and delay construction projects to control disbursements through (i) reserves on the level of appropriation segregation and (ii) quarterly spending controls, both of which are established within the Statewide Financial System. The State Court of Appeals has held that, even in an effort to maintain a balanced Financial Plan, neither the Governor nor the Director of the Budget has the authority to refuse to make a local assistance disbursement mandated by law.

Investment of State Moneys

The Comptroller is responsible for the investment of substantially all State moneys. By law, such moneys may be invested only in obligations issued or guaranteed by the Federal government or the State, obligations of certain Federal agencies that are not guaranteed by the Federal government, certain general obligations of other states, direct obligations of the State's municipalities and obligations of certain public authorities, certain short-term corporate obligations, certain bankers' acceptances, and certificates of deposit secured by legally qualified governmental securities. All securities in which the State invests moneys held by funds administered within the State Treasury must mature within twelve years of the date they are purchased.

The Comptroller invests General Fund moneys, bond proceeds, and other funds not immediately required to make payments through STIP, which is comprised of joint custody funds (Governmental Funds, Internal Service Funds, Enterprise Funds and Private Purpose Trust Funds), as well as several sole custody funds including the Tobacco Settlement Fund.

The Comptroller is authorized to make temporary loans from STIP to cover temporary cash shortfalls in certain funds and accounts resulting from the timing of receipts and disbursements. The Legislature authorizes the funds and accounts that may receive loans each year, based on legislation submitted with the Executive Budget. Loans may be granted only for amounts that the Director of the Budget certifies are "receivable on account" or can be repaid from the current operating receipts of the fund (i.e., loans cannot be granted in expectation of future revenue enhancements). The General Fund is authorized to receive temporary loans from STIP for a period not to exceed four months or the end of the fiscal year, whichever is shorter.

The State Comptroller repays loans from the first cash receipts into the borrowing fund or account. The total outstanding balance of loans from STIP at March 31, 2023 was $5.711 billion, a decrease of $225 million from the outstanding loan balance of $5.936 billion at March 31, 2022.

Accounting Practices, Financial Reporting and Budgeting

Historically, the State has accounted for, reported and budgeted its operations on a cash basis. Under this form of accounting, receipts are recorded at the time money or checks are deposited in the State Treasury, and disbursements are recorded at the time a check or electronic payment is released. As a result, actions and circumstances, including discretionary decisions by certain governmental officials, can affect the timing of payments and deposits and therefore can significantly affect the cash amounts reported in a fiscal year.

The State also has an accounting and financial reporting system based on GAAP and currently formulates a GAAP financial plan. GAAP for governmental entities requires use of the accrual basis of accounting for the government-wide financial statements which includes governmental and business-type activities and component units. Revenues are recorded when they are estimated to have been earned and expenses are recorded when a liability is estimated to have been incurred, regardless of the timing of related cash flows. Governmental fund financial statements are prepared using the modified accrual basis of accounting. Under modified accrual procedures, revenues are recorded when they become both measurable and available within 12 months of the end of the current fiscal period to finance expenditures; expenditures are recorded in the accounting period for which the liability is incurred to the extent it is expected to be paid within the next 12 months with the exception of expenditures such as debt service, compensated absences, and claims and judgments. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Non-exchange grants and subsidies such as local assistance grants and public benefit corporation subsidies are recognized as expenditures when all requirements of the grant and or subsidy have been satisfied.

EXHIBIT B TO AIS – STATE-RELATED BOND AUTHORIZATIONS

EXHIBIT B – STATE-RELATED BOND AUTHORIZATIONS

Bond authorizations reflected in the following tables represent authorizations where there are remaining amounts authorized, but unissued, or where there is debt outstanding.

STATE-RELATED DEBT FY 2024 BOND CAPS AND DEBT OUTSTANDING (millions of dollars) (1)				
Type of Cap (Gross or Net)*	Program (2)	FY 2024 Bond Caps	Authorized But Unissued (3)	Debt Outstanding (4) As of 3/31/23
Education:				
Gross	SUNY Educational Facilities (5)	18,111	3,719	8,886
Net	SUNY Upstate Community Colleges (6)	1,227	259	663
Gross	CUNY Educational Facilities (7)	11,314	2,925	4,596
Net	School District Capital Outlay Grants	140	40	0
Net	Transportation Transition Grants	80	12	0
Net	Higher Education Capital Matching Grants	385	205	28
Net	EXCEL	2,600	27	962
Net	Library Facilities	367	121	76
Net	Cultural Education Storage Facilities	79	69	0
Net	State Longitudinal Data System	20	10	0
Net	SUNY 2020 Challenge Grants	660	448	121
Net	Private Special Education	322	305	12
Environment:				
Net	Environmental Infrastructure Projects (8)	9,336	6,188	1,885
Net	Hazardous Waste Remediation	2,200	933	551
Net	Riverbank State Park	78	18	0
Net	Water Pollution Control (SRF)	1,170	283	0
State Facilities:				
Net	Empire State Plaza	133	13	0
Net	Division of State Police Facilities	538	376	96
Net	Division of Military & Naval Affairs	247	156	71
Net	Alfred E. Smith Building	89	0	0
Net	Sheridan Ave. (Elk St.) Parking Garage	25	0	0
Net	State Office Buildings and Other Facilities	1,713	886	562
Net	Judiciary Improvements	38	1	1
Net	OSC State Buildings	52	0	9
Net	Albany Parking Garage (East)	41	0	0
Net	OGS State Buildings and Other Facilities (9)	165	51	32
Net	Equipment Acquisition (COPs) (10)	784	106	0
Net	Food Laboratory	41	1	21
Net	OFT Facilities	21	18	0
Net	Courthouse Improvements	76	0	22
Gross	Prison Facilities	9,866	1,670	3,403
Net	Homeland Security	502	240	93
Gross	Youth Facilities	1,015	480	164
Net	Storm Recovery Capital	538	538	0
Net	Information Technology	1,354	666	395
Net	Nonprofit Infrastructure Capital Investment Program	170	93	52
Net	Statewide Equipment	493	471	15
Health/Mental Hygiene:				
Net	Department of Health Facilities (inc. Axelrod)	495	3	68
Gross	Mental Health Facilities	12,418	4,126	2,834
Net	HEAL NY Capital Program	750	95	91
Net	Capital Restructuring Program	5,153	3,881	1,057
Transportation:				
Gross	Consolidated Highway Improvement Program (CHIPS)	13,949	2,938	3,895
Net	Dedicated Highway & Bridge Trust	20,649	3,945	4,324
Net	High Speed Rail	22	14	4
Net	Transportation Initiatives	12,308	7,408	4,092
Net	MTA Transportation Facilities	12,516	5,430	6,093
N/A	MTA Service Contract	2,005	0	550
Net	Transportation (TIFIA)	750	750	0

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EXHIBIT B – STATE-RELATED BOND AUTHORIZATIONS

STATE-RELATED DEBT
FY 2024 BOND CAPS AND DEBT OUTSTANDING
(millions of dollars) [1]

Type of Cap (Gross or Net)*	Program	FY 2024 Bond Caps	Authorized But Unissued [2]	Debt Outstanding [3] As of 3/31/23
Economic Development:				
Gross	Housing Capital Programs	13,635	9,027	1,771
Net	Community Enhancement Facilities (CEFAP)	424	37	7
Net	University Technology Centers (incl. HEAT) [11]	248	13	0
Net	Sports Facilities	145	0	0
Net	Bio-Tech Facilities	10	10	0
Net	Strategic Investment Program	216	13	5
Net	Regional Economic Development (Fund 002) [12]	1,190	36	40
Net	NYS Economic Development (2004) [13]	346	0	12
Net	Regional Economic Development (2004) [14]	243	198	6
Net	High Technology and Development	249	55	25
Net	Regional Economic Development/SPUR	90	12	6
Net	Buffalo Inner Harbor	50	0	2
Net	Economic Development 2006 (Various) [15]	2,310	256	658
Net	Javits Convention Center	1,350	350	813
Net	Queens Stadium (Mets)	75	0	0
Net	Bronx Stadium (Yankees)	75	0	14
Net	NYS Ec Dev Stadium Parking ('06)	75	69	2
Net	State Modernization Projects (RIOC Tram, etc.)	50	15	0
Net	2008 and 2009 Economic Development Initiatives	1,269	80	173
Net	H.H. Richardson Complex/Darwin Martin House	84	0	18
Net	Economic Development Initiatives	17,656	11,998	3,005
Net	State and Municipal Facilities	3,184	2,209	505
Net	Empire Station Complex	1,300	1,300	0
LGAC:				
Net	Local Government Assistance Corporation	4,700	0	0
GO:				
Gross	General Obligation	23,635	6,508	1,836
Other State-Supported:				
N/A	Secured Hospitals [16]	N/A	N/A	24
N/A	STARC [16]	N/A	N/A	1,094
N/A	NYPA [17]	N/A	N/A	170
Total State-Supported Debt		**219,612**	**82,104**	**55,911**
Other State Financings:				
MBBA Special Purpose School Aid Bonds				0
Installation Commitments and Mortgage Loan Commitments [18]				237
Total State-Related Debt [19]				**56,148**

Totals may not add due to rounding.
** Gross caps include cost of issuance fees. Net caps do not.*
Source: NYS DOB

[1] Includes only authorized programs that are active at March 31, 2022 or have outstanding program balances or both.

[2] Excludes programs that have repaid all oustanding debt and have program balances of $2 million or less, and SUNY Dormitory Facilities that are no longer financed with State-supported bonds

[3] Amounts issued may exceed the stated amount authorized by premiums, by providing for the cost of issuance, reserve fund requirements and, in certain circumstances, refunding bonds. In some cases, Authorized but Unissued bond cap amounts have been reduced by the higher of (i) net bond proceeds available to fund program, or (ii) par amount of bonds issued.

[4] Reflects par amounts outstanding for bonds and financing arrangements or gross proceeds outstanding in the case of capital appreciation bonds. Amounts do not reflect accretion of capital appreciation bonds or premiums received.

[5] Authorization also includes any amount necessary to refund outstanding Housing Finance Agency State University Construction Bonds, all of which have been refunded.

[6] Authorization applies to bonds issued after March 31, 2002, prior to that date there was no limit.

[7] The amount outstanding includes CUNY Community Colleges bonds for which the State pays debt service. The total amount authorized for CUNY Senior Colleges was unlimited for resolutions adopted prior to 7/1/85 and limited to $8.315 billion for both CUNY Senior and CUNY Community Colleges for resolutions adopted after 7/1/85.

[8] Includes bonds issued for West Valley, DEC Environmental Infrastructure Projects, Environmental Protection Fund, Onondaga Lake, and the Office of Parks and Recreation and Historic Preservation.

[9] Includes debt outstanding for OGS Buildings: 44 Holland Ave., 50 Wolf Rd., 625 Broadway Ave., Hampton Plaza, and DOT Region 1.

[10] Authorized amounts includes Certificates of Participation, which have been issued as bonds after March 31, 2003.

[11] Includes authorizations for Science and Technology Center (Syracuse), Super Computer Center (Cornell), Center for Telecommunications (Columbia), HEAT, Center for Industrial Innovation (City of Troy), Center for Advanced materials (Clarkson), Center for Electro-Optic (Rochester), Center for Neural Sciences (NYU) and Center for Incubator Facilities.

[12] Includes bonds issued for Community Capital Assistance Program (CCAP), Rebuilding the Empire State Through Opportunities in Regional Economies Program (RESTORE), Empire Opportunity Fund (EOF), Generating Employment Through New York Science Program (Gen*NY*sis), Multi-Modal Transportation Program, and Center of Excellence Program (Laws of 2002).

[13] Includes bonds to be issued for economic development projects outside cities of 1 million or more in population.

[14] Includes bonds issued for the EOF, RESTORE and CCAP.

[15] Includes bonds to be issued for economic development and environmental projects.

[16] Legislation included as part of the FY 2022 Enacted Budget authorized the refunding of all outstanding NYC STARC debt and DASNY Secured Hospital debt in FY 2022.

[17] Legislation included as part of the FY 2023 Enacted Budget and amended in the FY 2024 Enacted Budget authorized $475 million of debt to be issued for the refunding of NYPA capital leases with State agencies.

[18] Estimated.

[19] Installation commitments and mortgage loan commitments are included in all figures and references to State-related debt in this AIS unless otherwise specifically noted.

EXHIBIT B – STATE-RELATED BOND AUTHORIZATIONS

STATE GENERAL OBLIGATION DEBT [1]
as of March 31, 2023
(In Millions)

Purpose/Year Authorized	Total Authorized	Authorized but Unissued	Total Debt Outstanding [2]
Transportation Bonds:			
Rebuild and Renew New York Transportation Bonds (2005)			
Highway Facilities/Other Transportation (Excluding MTA)			
Highway Facilities	Note 3	Note 3	$ 468
Mass Transit - DOT	Note 3	Note 3	11
Rail & Port	Note 3	Note 3	79
Canals & Waterways	Note 3	Note 3	4
Aviation	Note 3	Note 3	37
Subtotal Highway Facilities/Other Transportation (Excluding MTA)	$ 1,450	$ 42	599
Mass Transit - Metropolitan Transportation Authority	1,450	386	643
Accelerated Capacity and Transportation Improvements of the Nineties (1988)	3,000	20	7
Rebuild New York Through Transportation Infrastructure Renewal (1983)			
Highway Related Projects [4]	1,064	21	Note 5
Ports, Canals, and Waterways [4]	49	-	-
Rapid Transit, Rail and Aviation Projects [4]	137	-	1
Energy Conservation Through Improved Transportation (1979)			
Local Streets and Highways	100	-	-
Rapid Transit and Rail Freight	400	-	1
Transportation Capital Facilities (1967)			
Highways	1,250	-	-
Mass Transportation	1,000	-	-
Aviation	250	-	Note 6
Total Transportation Bonds	**10,150**	**469**	**1,251**
Environmental Bonds:			
Clean Water/Clean Air (1996)			
Air Quality	230	28	1
Safe Drinking Water	355	-	-
Clean Water	790	54	230
Solid Waste	175	-	6
Environmental Restoration	200	21	30
Clean Water, Clean Air and Green Jobs Environmental Bonds (2022)			
Flood Restoration and Risk Reduction	Note 7	Note 7	-
Open Space Land Conservation and Recreation	Note 7	Note 7	-
Climate Change Mitigation	Note 7	Note 7	-
Water Quality Improvement and Resilient Infrastructure	Note 7	Note 7	-
NY Natural Resources	Note 7	Note 7	-
Subtotal Clean Water, Clean Air and Green Jobs Environmental Bonds	4,200	4,200	-
Environmental Quality (1986)			
Land and Forests	250	1	2
Solid Waste Management	1,200	33	54
Environmental Quality (1972)			
Air	150	12	-
Land and Wetlands	350	3	3
Water	650	2	3
Outdoor Recreation Development (1966)	200	Note 8	-
Pure Waters (1965)	1,000	20	11
Park and Recreation Land Acquisition (1960 and 1962)	100	1	-
Total Environmental Bonds	**9,850**	**4,375**	**340**
Education Bonds:			
SMART Schools Bond Act (2014)	2,000	1,597	244
Total Education	**2,000**	**1,597**	**244**
Housing Bonds:			
Low-Income Housing (through 1958)	960	8	-
Middle-Income Housing (through 1958)	150	1	-
Urban Renewal (1958)	25	1	-
Total Housing Bonds	**1,135**	**10**	**-**
TOTAL GENERAL OBLIGATION DEBT	**$ 23,135**	**$ 6,451**	**$ 1,835**

Source: Office of the State Comptroller

(1) This table reflects General Obligation Bond Acts where there is a remaining authorized but unissued amount and/or a remaining debt outstanding balance.
(2) Reflects unaudited amounts.
(3) The Legislature did not provide any limitation on bonds to be issued for specific project categories or programs authorized within the Highway Facilities/Other Transportation (excluding MTA) Purpose.
(4) Authorizations have been adjusted to reflect reallocations made by Chapter 54 of the Laws of 1990.
(5) This amount rounds to zero, but there was a debt outstanding balance of $6,221.00 at March 31, 2023.
(6) This amount rounds to zero, but there was a debt outstanding balance of $498,510.00 at March 31, 2023.
(7) The Legislature provided the following limitations on bonds to be issued for specific project categories or programs authorized within the Clean Water, Clean Air and Green Jobs Environmental Bond Act: Flood Restoration and Risk Reduction (not less than $1.1 billion), Open Space Land Conservation and Recreation Projects (Up to $650 million), Climate Change Mitigation (Up to $1.5 billion), and Water Quality Improvement and Resilient Infrastructure (Not less than $650 million).
(8) This amount rounds to zero, but there was an authorized but unissued balance of $230,000 at March 31, 2023.

EXHIBIT C TO AIS – PRINCIPAL STATE TAXES AND FEES

EXHIBIT C – PRINCIPAL STATE TAXES AND FEES

Personal income taxes are imposed on the New York source income of individuals, estates and trusts. Personal income taxes accounted for nearly 53 percent of All Government Funds tax receipts during FY 2023. The State tax adheres closely to the definitions of adjusted gross income and itemized deductions used for Federal personal income tax purposes, with certain modifications. Receipts from this tax are sensitive to changes in economic conditions in the State and to taxpayers' responses to Federal and State law changes. New York allows a standard deduction of $16,050 for married couples filing jointly, with lower deductions for the other types of filers. New York also allows a $1,000 exemption for dependents. The current top three brackets, which apply marginal tax rates between 9.65 percent and 10.9 percent, are scheduled to expire after the 2027 tax year. Beginning in tax year 2028, these brackets are replaced by a single bracket with an 8.82 percent marginal tax rate.

Taxpayers with incomes above $1 million are limited to deducting 50 percent of their Federal charitable contributions as their only New York itemized deduction. For tax years 2010 through 2024, taxpayers with incomes above $10 million may deduct only 25 percent of their Federal charitable contributions deductions as their only itemized deduction.

New York also allows several credits against the tax. Significant credits include the: Empire State Child Credit, household credit, credit for taxes paid to other states, investment tax credit, child and dependent care credit, real property tax circuit breaker credit, earned income tax credit, long-term care insurance credit, college tuition credit, STAR credit for new homeowners, New York City STAR PIT credit, and the pass-through entity tax credit.

Legislation enacted in 2021 established a temporary high-income PIT surcharge which replaced the previous 8.82 percent marginal tax rate with a 9.65 percent marginal tax rate. Furthermore, this legislation established new brackets starting at $5 million and $25 million in taxable income with marginal tax rates of 10.3 percent and 10.9 percent, respectively. Other significant 2021 legislation established an optional pass-through entity tax; decoupled from the Federal Opportunity Zones program; established a new real property tax relief credit; extended the farm workforce retention credit for three years; scheduled the conversion of existing mobile home STAR exemptions to PIT STAR credits; and exempted MTA COVID-19 death benefits from taxation.

Legislation enacted in 2022 accelerated the phase-in of the Middle-Class Tax Cut; established one-time supplemental earned income tax credit and Empire State Child Credit payments; enhanced the investment tax credit for farm employers; enhanced and extended the farm workforce retention credit; created a farm employer overtime credit; established a credit for geothermal energy systems; enhanced and expanded the small business subtraction modification; expanded the financial institution data management program; and established a homeowner tax rebate credit.

Legislation enacted in 2023 expanded the Empire State Child Credit to include children under four years of age as eligible children and modified the investment tax credit to make it refundable for eligible farmers for five years.

User taxes and fees consist of several taxes on consumption, the largest of which is the State sales and compensating use tax. The discussion below describes each tax and summarizes recent significant enacted legislation.

The *sales and use tax* is imposed, in general, on the receipts from the sale of all tangible personal property unless specifically exempted, and all services are exempt unless specifically enumerated. The current State sales tax rate is 4 percent . Pursuant to statute, 25 percent of State sales tax receipts were deposited into the Local Government Assistance Tax Fund until the termination of the Fund on October 1, 2022. In FY 2022, the portion deposited into the Sales Tax Revenue Bond Fund was increased to 50 percent (previously 25 percent). Additionally, the portion deposited to the General Fund was temporarily reduced from 50 to 25 percent through October 1, 2022 (i.e., through the first half of FY 2023). These funds are intended to support debt service payments on bonds issued under the State's sales tax revenue bond programs. Excess receipts above the debt service requirements are subsequently transferred to the General Fund.

Although there are numerous exemptions, the most significant are: food; clothing and footwear items costing less than $110 (also see discussion below); drugs; medicine and medical supplies; residential energy; capital improvements and installation charges; machinery and equipment used in manufacturing; trade in allowances; and goods sold to Federal, State or local governments.

Legislation enacted in 2021 eliminated the racing admissions tax and replaced it with the State sales tax; extended certain sales tax exemptions related to the Dodd-Frank Protection Act for three years; made technical corrections to the sales tax remote vendor registration; extended the sales tax exemption for alternative fuels for an additional five years; codified into law the existing sales tax exemption for breast pumps and certain replacement parts; extended the existing sales tax exemption for certain vending machine purchases for an additional year; clarified when sales tax is due on the full (not discounted) retail price of a purchase if a rebate, discount, or similar price reduction is used, and the vendor is fully reimbursed by a third party; and modified the sales tax treatment of vehicle leases with terminal rental adjustment clauses (TRACs) to authorize lessees or lessors, depending on the circumstance, to claim a SUT refund/credit for tax paid in the event the lessor refunds the lessee at the end of the lease term.

Legislation enacted in 2022 extended the existing sales tax exemption for certain vending machine purchases for an additional year; and suspended the State and MCTD sales taxes on gasoline and diesel fuel from June 1, 2022 through December 31, 2022.

Legislation enacted in 2023 extended the existing sales tax exemption for certain vending machine purchases for an additional year; and extended the existing sales and use tax exemption for businesses to locate or relocate in the Murray Street area and lower Manhattan for an additional four years.

The State imposes a *tax on cigarettes* at the rate of $4.35 per package of 20 cigarettes and imposes a *tax on other tobacco products* equal to 75 percent of the wholesale price. The tax on cigarettes was raised from $2.75 to $4.35 per pack on July 1, 2010. Legislation enacted in 2023 raises this rate up to $5.35 per pack effective September 1, 2023. The revenue derived from the tax is split, with 24 percent of receipts deposited in the General Fund and the balance deposited in the Tobacco Control and Insurance Initiatives Pool established by the Health Care Reform Act of 2000. Legislation enacted in 2019 imposed a vapor products tax at a rate of 20 percent of retail sales and required purchasers of tobacco and vapor products to be 21 years of age or older. Legislation enacted in 2020 prohibited the sale or distribution of e-cigarettes or vapor products that have a characterizing flavor. Legislation enacted in 2021 bolstered the 2020 enacted changes to aid in enforcement of the sale of untaxed cigarette or tobacco products by requiring retailer dealers with a revoked license to dispose of their cigarette and tobacco inventory. Legislation enacted in 2023 provided penalties for retail dealers who refused inspections by the State.

The State imposes *motor fuel* and *diesel motor fuel taxes* at 8 cents per gallon upon the sale, generally for highway use, of gasoline and diesel fuel. All motor fuel taxes have been deposited in the dedicated transportation funds since April 1, 2001. Legislation enacted in 2021 extended the existing tax exemption for alternative fuels for an additional five years. Legislation enacted in 2022 suspended the motor fuel excise tax on gasoline and diesel fuel from June 1, 2022 through December 31, 2022. Legislation enacted in 2023 required distributors of motor fuel and diesel motor fuel to collect, report, and remit taxes on every gallon of fuel sold, including the additional gallons realized from temperature fluctuations.

The State imposes *alcoholic beverage excise taxes* at various rates on liquor, beer, wine and specialty beverages. The tax rate on beer is 14 cents per gallon and the tax rate on wine is 30 cents per gallon. The tax rate on liquor at or above 24 percent alcohol content is $1.70 per liter, and the tax rate on liquor between 2 and 24 percent alcohol content is 67 cents per liter. Legislation enacted in 2012 removed an unconstitutional exemption provided to certain small beer brewers and replaced the benefit with personal and business tax credits that yield similar tax relief to small brewers that produce in New York State. Legislation enacted in 2020 standardized the tax exemption on inter-distributor sales by extending the exemption to every registered distributor; and repealed the one cent per liter tax levied on liquor containing less than two percent of alcohol by volume, simplifying the ABT return process and move towards web-based filing. Legislation enacted in 2021 further simplified the ABT return process for certain filers by allowing for annual, instead of quarterly, returns. Legislation enacted in 2023 increased the production credit for wine and both liquor types to equal the tax rate per volume.

The State imposes the *highway use tax* (HUT) which consists of three revenue sources: the truck mileage tax, related highway use permit fees and the fuel use tax. The truck mileage tax is levied on commercial vehicles, at rates graduated by vehicle weight, based on miles traveled on State highways. Prior to April 13, 2016, highway use registration certificates (original or renewed) were $15 and decals were $4. Legislation enacted in 2016 reduced the registration and decal fees from $19 to $1.50 per vehicle and directed the revenue from these fees to a newly created HUT Administration Account. The fuel use tax is an equitable complement to the State's motor fuel tax and sales tax paid by those who purchase fuel outside but consume it in New York. It is levied on commercial vehicles having three or more axles or a gross vehicle weight of more than 26,000 pounds. Currently, all collections from the highway use tax, aside from HUT registration fees, are deposited in the DHBTF. Legislation enacted in 2021 reduced the filing frequency and reporting requirements for certain monthly and quarterly filers.

The State imposes an *auto rental tax* on charges for the rental or use in this State of a passenger car with a gross vehicle weight of 9,000 pounds or less. Receipts are deposited in the DHBTF. Legislation enacted in 2009 increased this tax rate from 5 percent to 6 percent and also imposed a supplemental tax of 5 percent in the MCTD. Monies from this supplemental tax are deposited in the MTA Aid Trust Account of the MTA Financial Assistance Fund. Legislation enacted in 2019 increased the supplemental tax rate within the MCTD to 6 percent and changed the process for remitting MCTD tax revenue to the MTA; receipts are directly remitted to the MTA without appropriation. Additionally, legislation enacted in 2019 raised new revenues for the upstate transit systems by expanding the supplemental tax to counties outside of the MCTD.

The State imposes a *medical cannabis tax* on registered organizations that dispense medical marihuana. This excise tax of 7 percent is levied on gross receipts from medical marihuana and is entirely deposited into the Medical Marihuana Trust Fund. This tax became effective in January 2016. Legislation enacted in 2021 authorized the transfer of the previously undistributed portion of tax revenues to the newly established New York State Cannabis Revenue Fund. Legislation enacted in 2022 replaced the aforementioned transfer of the previously undistributed portion of tax revenues to the New York State Cannabis Revenue Fund with a direct deposit into the Fund.

The State imposes a 4 percent assessment on transportation network companies (TNCs) that operate outside of New York City. Municipalities have the option to license TNCs. All revenues are deposited in the General Fund. This tax became effective in June 2017.

The State imposes an *opioid excise tax* on the first sale of opioids within the State by registered organizations that dispense opioids. The excise tax varies based on the per unit wholesale cost of an opioid; a quarter of a cent per morphine milligram equivalent if the wholesale cost is less than fifty cents and one and one-half cents per morphine milligram equivalent if the wholesale cost is fifty cents or more. This tax became effective in July 2019.

The State imposes both a wholesale THC-based tax and a retail excise tax on adult-use cannabis. The THC-based tax is paid on the sale of a product from a distributor to a retailer and varies based on the product type. Cannabis flower is taxed at five-tenths of one cent per milligram of total THC; concentrated cannabis is taxed at a rate of eight-tenths of one cent per milligram of total THC; and cannabis edible product is taxed at a rate of three cents per milligram of total THC. The retail excise tax is imposed at a rate of 9 percent of the retail price charged to the consumer. All adult-use cannabis revenues are to be deposited in the New York State Cannabis Revenue Fund. After covering reasonable costs to administer the program and implement the law, the remaining fund balance is then distributed in the following manner: 40 percent to the State Lottery Fund for education, 40 percent to the Community Grants Reinvestment Fund, and 20 percent to the Drug Treatment and Public Education Fund.

The State imposes an excise tax for the use of a shared vehicle under the peer-to-peer car sharing program. A three percent tax is imposed on all peer-to-peer car sharing trips within the State, with receipts to be deposited in the General Fund. An additional three percent tax is imposed on peer-to-peer car sharing trips within the MCTD, with receipts to be deposited in the MTA's Special Assistance Fund – Corporate Account. Lastly, an additional three percent tax is imposed on peer-to-peer car sharing trips outside the MCTD, with receipts to be deposited in the Public Transportation Systems Operating Assistance Fund. This tax is to be administered and collected jointly with the State sales tax.

Business taxes include a general business corporation franchise tax as well as specialized franchise taxes on insurance companies, certain transportation and transmission companies, a recently enacted pass-through entity tax that applies to partnerships and S corporations, and a cents per gallon based levy on businesses engaged in the sale or importation for sale of various petroleum products. The discussion below describes each tax and summarizes recent significant enacted legislation.

The *corporation franchise tax* is the largest of the business taxes, and the State's third largest source of revenue. It is imposed on all domestic general business corporations and foreign general business corporations which do business or conduct certain other activities in the State. The tax is imposed, generally, at a rate of 6.5 percent of taxable income allocated to New York. Taxable income is defined as Federal taxable income with certain modifications. The tax includes two other bases: the capital and fixed dollar minimum. The taxpayer must pay under the base which produces the highest tax.

Legislation enacted in 2021 included a temporary tax increase for tax years 2021 through 2023 and new credits for restaurants, NYC musical and theatrical productions, and employer childcare. The Rehabilitation of Historic Properties tax credit was enhanced for small projects while the Musical and Theatrical Production credit was extended and enhanced. The Hire a Vet credit and Empire State film production and post-production credits were extended for one year while the Low Income Housing credit and Economic Transformation and Facility Redevelopment Program tax credits were extended for five years. The CFT was decoupled from the Federal Opportunity Zone Program benefits that previously flowed through to the CFT.

Legislation enacted in 2022 included new credits for COVID-19 expenses for small businesses, the phase out of no. 6 heating oil, and digital gaming media productions. The NYC musical and theatrical production credit, credit for companies who provide transportation to individuals with disabilities, workers with disabilities credit, brownfield cleanup program tax credits, New York youth jobs program tax credits, and Empire State apprenticeship tax credit, and Empire State film production and post-production credits were all extended. The Hire a Vet credit was extended and enhanced while an additional credit for the recipients of the Restaurant Return to Work credit was created to ensure the original allocation was fully utilized. Additionally, the Low Income Housing credit aggregate caps were increased.

Legislation enacted in 2023 included the extension of the following tax credits: commercial production tax credit, credit for the rehabilitation of historic properties, and the NYC musical and theatrical production credit, and the grade no. 6 heating oil conversion credit. The Empire State film production and post-production tax credits were extended and enhanced in several ways, the most significant being an increase in the annual cap from $420 million to $700 million. A tax credit for the creation and expansion of childcare was included and the temporary tax rates originally enacted in 2022 were extended an additional three years through 2026.

Receipts from the *corporation and utilities taxes* are primarily attributable to taxes imposed on transportation and transmission companies, utility services and telecommunication services. Legislation enacted in 2021 created a new credit to provide debt relief for utilities in arrears as a result of the COVID-19 pandemic.

Insurance taxes are imposed on insurance corporations, insurance brokers and certain insurers that operate in New York State. Non-life insurers are subject to a premiums tax. Accident and health premiums are taxed at the rate of 1.75 percent and all other premiums are taxed at the rate of 2 percent. The insurance tax on life insurers ranges from 1.5 percent to 2 percent of premiums after taking into account the tax on income allocated to New York State. Other taxes are imposed on certain brokers and independently procured insurance.

The State imposed a *franchise tax on banking corporations* at a basic tax rate of 7.1 percent of entire net income with certain exclusions, and subject to special rates for institutions with three other tax bases similar to the *corporate franchise tax* until December 31, 2014. Beginning with tax years on and after January 1, 2015, all former bank taxpayers are now subject to tax under the corporate franchise tax.

As part of the State's continuing response to Federal tax law changes, in 2021 the State enacted an optional *pass-through-entity tax (PTET)* on the New York sourced income of partnerships and S corporations. Qualifying entities that elect to pay PTET pay a tax of up to 10.9 percent on their taxable income at the partnership or corporation level, and their individual partners, members, and shareholders will receive a refundable tax credit equal to the proportionate or pro rata share of taxes paid by the electing entity. Additionally, the program includes a resident tax credit that allows for reciprocity with other states that have implemented substantially similar taxes, which currently includes Connecticut and New Jersey.

The State imposes a *petroleum business tax* on the privilege of operating a petroleum business in the State. This tax is measured by the quantity of various petroleum products imported into the State for sale or use. The tax is imposed at various cents per gallon rates depending on the type of petroleum product. The cents per gallon tax rates are indexed to reflect petroleum price changes but are limited to changes of no more than 5 percent of the tax rate in any one year. Legislation enacted in 2021 extended the existing tax exemption for alternative fuels for an additional five years. Legislation enacted in 2022 exempted tugboats and towboats from the petroleum business tax. Legislation enacted in 2023 required distributors of motor fuel and diesel motor fuel to collect, report, and remit taxes on *every* gallon of fuel sold, including the additional gallons realized from temperature fluctuations.

Other tax revenues include taxes on pari-mutuel wagering, the estate tax, taxes on real estate transfers, certain other minor taxes, and residual receipts following the repeal of the real property gains tax and the gift tax.

The State imposes an *estate tax* on the estates of deceased New York residents, and on that part of a nonresident's net estate made up of real and tangible personal property located within New York State. Legislation enacted in 2014 comprehensively reformed the estate tax to decouple from Federal law. The unified threshold of $1 million (associated with the State's prior "pick-up tax" methodology) was replaced with an applicable credit equal to the tax on a basic threshold amount. The basic threshold amount equals the Federal basic threshold amount pursuant to Federal law as it existed on December 1, 2017, with annual inflation indexing for those dying on or after January 1, 2019. The credit, similar to the pick-up tax, phases out from the threshold amount to 5 percent above that threshold amount. If a taxable estate is more than 105 percent of the threshold, then the entire taxable estate is taxed, not just the portion of the estate above the threshold. Gifts taxable under Section 2053 of the Internal Revenue Code that were not otherwise included in Federal Gross Estate and that were made during the three years ending on the date of death must be added to the New York Gross Estate. However, gifts made while the decedent was a nonresident of New York State and gifts made prior to April 1, 2014, or after January 1, 2019, are not included. Legislation enacted in 2019 extended this three-year gift addback rule effective January 16, 2019, until January 1, 2026, as well as required a binding New York State QTIP election be made on State estate tax returns. Reflecting the composition of many decedents' estates in New York, collections of this tax are influenced at least in part by fluctuations in the equity markets.

The *real estate transfer tax* applies to each real property conveyance, subject to certain exceptions, at a rate of $2 for each $500 of consideration or fraction thereof. There is an additional real estate transfer tax of 1 percent of the sales price applicable to residences where consideration is $1 million or more. Legislation enacted in 2010 reduced the statutorily fixed deposit to the EPF from $199.3 million to $119.1 million. Legislation enacted in 2022 increased the statutorily fixed deposit to the EPF from $119.1 million to $257.35 million. The remaining receipts are deposited in the Clean Water/Clean Air (CW/CA) Debt Service Fund.

Legislation enacted in 2019 imposed an additional real estate transfer tax in New York City on each commercial real property conveyance of at least $2 million and each residential real property conveyance of at least $3 million at a rate of $1.25 for each $500 of consideration or fraction thereof. It also imposed an additional progressive real estate transfer tax in New York City on each residential real property conveyance of at least $2 million using a graduated tax rate schedule starting at 0.25 percent for residential property conveyances of at least $2 million but less than $3 million and topping out at 2.9 percent on residential property conveyances $25 million and above. All revenues from these taxes are directed to the MTA's Central Business District tolling capital lockbox.

The State levies *pari-mutuel taxes* on wagering activity conducted at horse racetracks, simulcast theaters and Off-Track Betting (OTB) parlors throughout the State. Legislation enacted in 2008, and extended annually since, reinstated lower 2005 pari-mutuel tax rates.

Other taxes include a 3 percent tax on both gross receipts and broadcasting rights from boxing and wrestling exhibitions, limited to $50,000 in tax due for both pieces per event. Effective September 2016, for all other authorized combative sports, a tax of 8.5 percent of the admissions charge and 3 percent on broadcasting rights and digital streaming, with the broadcasting and streaming portion limited to $50,000 in tax due per event.

Legislation enacted in 2021 repealed the 4 percent tax on the charge for admissions to racetracks and simulcast theaters, which was replaced with the State sales tax.

Miscellaneous receipts and other revenues include various fees, fines, tuition, license revenues, lottery revenues, investment income, assessments on various businesses (including healthcare providers), and abandoned property. Miscellaneous receipts also include minor amounts received from the Federal government and deposited directly in the General Fund.

Gaming miscellaneous receipts includes traditional lottery, Video Lottery Terminal (VLT) games, commercial gaming, interactive fantasy sports, mobile sports wagering, and Tribal State Compact.

Legislation enacted in 2020 amended sports wagering lounge restrictions and allowed for the building of a new equine drug testing lab.

Legislation enacted in 2021 allowed certain draw games to be offered twice daily (instead of only once daily) and authorized a competitive bidding process for mobile sports wagering licenses. Mobile sports wagering tax revenue is directed to education, except for $6 million to problem gambling and $5 million for a statewide youth sports grant and education program. However, in FY 2022, problem gambling and the youth sports program each received 1 percent of non-license fee revenue. Revenues from the $25 million license fee per platform provider, totaling $200 million, were directed entirely to education. Additionally, legislation was included that allowed commercial gaming facilities to petition the Gaming Commission for a temporary reduction in the slot tax rate to assist facilities in hiring and retaining employees.

Legislation enacted in 2022 authorized the process for awarding the three remaining commercial gaming facility licenses.

Legislation enacted in 2023 changed the revenue distribution for the three additional commercial gaming facility licenses depending on where they are awarded, and if they are awarded to specific current facilities. Additionally, legislation was enacted which would allow for the redevelopment of Belmont by loaning the franchised corporation pursuant to section 206 of PML an amount to be paid back per a repayment agreement with the State.

Alcohol license fees are imposed on those who sell alcoholic beverages in New York. The fees vary depending on the type and location of the establishment or premises operated by the licensee, as well as the class of beverage for which the license is issued.

Motor vehicle fees are derived from a variety of sources, including motor vehicle registration fees and driver licensing fees, which together account for most motor vehicle fee revenue. Legislation enacted in 2019 expanded access to standard (not for federal purposes), non-commercial driver licenses or learner permits for all undocumented immigrants, age 16 or older, who reside in New York State.

The Public Safety Communications Surcharge is collected by wireless communications service suppliers from their customers. The surcharge is $1.20 per month per device used to access this service. Legislation enacted in 2017 expanded the surcharge to prepaid purchases of mobile communication services, with purchases subject to a 90-cent surcharge. Local governments, including those that do not currently impose the surcharge on mobile plan contracts, can also opt in for a 30-cent surcharge on prepaid purchases. This surcharge supports the State’s public safety activities and funds the Statewide Interoperable Communications Grant program.

EXHIBIT D TO AIS – GLOSSARY OF FINANCIAL TERMS

EXHIBIT D – GLOSSARY OF FINANCIAL TERMS

The following glossary, which is an integral part of this AIS, includes certain terms that are used herein.

Appropriation: An appropriation is a statutory authorization against which liabilities may be incurred during a specific year, and from which disbursements may be made, up to a stated amount, for the purposes designated. Appropriations generally are authorizations, rather than mandates, to spend, and disbursements from an appropriation need not, and generally do not, equal the amount of the appropriation. An appropriation represents maximum spending authority. Appropriations may be adopted at any time during the fiscal year.

Bond Anticipation Note or *BANs:* A bond anticipation note is a short-term obligation, the principal of which is paid from the proceeds of the bonds in anticipation of which such note is issued.

Business-type Activities: As defined under GAAP, “business-type activities” describe those operations that are financed in whole or in part by fees charged to external parties for goods or services. These activities are usually reported in enterprise funds and include the Lottery, Unemployment Insurance Benefit, SUNY, and CUNY senior colleges.

Capital Projects Funds: Capital Projects Funds, one of the four GAAP-defined governmental fund types, account for financial resources of the State to be used for the acquisition or construction of major capital facilities (other than those financed by Special Revenue Funds (SRFs), Proprietary Funds and Fiduciary Funds).

Cash Basis Accounting: Accounting, budgeting and reporting of financial activity on a cash basis results in the recording of receipts at the time money or checks are deposited in the State Treasury and the recording of disbursements at the time a check is drawn, regardless of the fiscal period to which the receipts or disbursements relate.

Community Projects Fund: The State created this fund within the General Fund in 1996 to finance certain community projects for the Legislature and the Governor. The State transfers moneys from other General Fund accounts into the Community Projects Fund, as provided by law. Spending out of the Community Projects Fund is governed by specific appropriations for each account in the Fund but cannot exceed the cash balance for that account.

Contingency Reserve Fund: This fund was established in 1993 to assist the State in financing the costs of any extraordinary known or anticipated litigation. Deposits to this fund are made from the General Fund.

Contractual-Obligation Financing: Contractual-obligation financing is an arrangement pursuant to which the State makes periodic payments to a public benefit corporation under a contract having a term not less than the amortization period of debt obligations issued by the public benefit corporation in connection with such contract. Payments made by the State are used to pay debt service on such obligations and are subject to annual appropriation by the Legislature and the availability of moneys to the State for the purposes of making contractual payments.

Debt Reduction Reserve Fund or *DRRF:* The State created the DRRF in 1998 to accumulate surplus revenues to pay debt service costs on State-supported bonds, retire or defease such bonds, and to finance capital projects. Use of DRRF funds requires an appropriation.

Debt Service: Debt service refers to the payment of principal and interest on bonds, notes, or other evidences of indebtedness, including interest on BANs and TRANs, in accordance with the respective terms thereof.

Debt Service Funds: DSFs, one of the four GAAP-defined governmental fund types, account for the accumulation of resources (including receipts from certain taxes, transfers from other funds and miscellaneous revenues, such as dormitory room rental fees, which are dedicated by statute for payment of lease-purchase rentals) for the payment of general long-term debt service and related costs and payments under lease-purchase and contractual-obligation financing arrangements.

Disbursement: A disbursement is a cash outlay and in the General Fund includes transfers to other funds.

Executive Budget: The Executive Budget is the Governor's constitutionally mandated annual submission to the Legislature which contains a recommended program for the forthcoming fiscal year. The Executive Budget is an overall plan of recommended appropriations. It projects disbursements and expenditures needed to carry out the Governor's recommended program and receipts and revenues expected to be available for such purpose. The recommendations contained in the Executive Budget serve as the basis for the State Financial Plan (defined below) which is adjusted after the Legislature acts on the Governor's submission. Under the State Constitution, the Governor is required each year to propose an Executive Budget that is balanced on a cash basis.

Expenditure: An expenditure, in GAAP terminology, is a decrease in net financial resources as measured under the modified accrual basis of accounting. In contexts other than GAAP, the State uses the term expenditure to refer to a cash outlay or disbursement.

Expenses: Expenses, in GAAP terminology, are a decrease in net financial resources as measured in the government-wide financial statements under the accrual basis of accounting.

Fiduciary Funds: Fiduciary Funds refers to a GAAP-defined fund type which accounts for assets held by the State in a trustee capacity or as agent for individuals, private organizations and other governmental units and/or other funds. These funds are custodial in nature and do not involve the measurement of operations. Although the Executive Budget for a fiscal year generally contains operating plans for Fiduciary Funds, and their results are included in the Comptroller's GAAP-based financial statements. They are not included in the State Financial Plan.

Financial Plan: See State Financial Plan.

Fiscal Year: The State's fiscal year commences on April 1 and ends on March 31. The term fiscal year refers to the fiscal year of the State unless the context clearly indicates otherwise.

Fund Accounting: The system of accounting used to track the amount of money allocated to various operations on the basis of GAAP funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise the fund's assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

GAAP: GAAP refers to generally accepted accounting principles for state and local governments, which are the uniform minimum standards of and guidelines for financial accounting and reporting prescribed by GASB. GAAP requires that the government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as are the enterprise funds, component units and the fiduciary funds financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. The modified accrual basis of accounting recognizes revenues when they become both measurable and available to finance expenditures. Expenditures and related liabilities are recognized in the accounting period they are incurred to the extent they are expected to be paid within the next 12 months, under the modified accrual basis of accounting.

General Fund: The General Fund, one of the four GAAP-defined governmental fund types, is the major operating fund of the State and receives all receipts that are not required by law to be deposited in another fund, including most State tax receipts and certain fees, transfers from other funds and miscellaneous receipts from other sources.

General Obligation bonds: Long-term obligations of the State, used to finance capital projects. These obligations must be authorized by the voters in a general election, are issued by the Comptroller, and are backed by the full faith and credit of the State. Under current provisions of the Constitution, only one bond issue may be put before the voters at each general election, and it must be for a single work or purpose. Debt service must be paid from the first available taxes whether or not the Legislature has enacted the required appropriations for such payments.

General State Charges: Costs mandated by statute or court decree or by agreements negotiated with employee unions for which the State is liable, including: pensions; health, dental and optical benefits; payments on behalf of State employees for Social Security; unemployment insurance benefits; employee benefit programs; court judgments and settlements; assessments for local improvements; and taxes on public lands.

Governmental Activities: Governmental activities, defined under GAAP, describes those operations that are generally financed through taxes, intergovernmental revenues, and other nonexchange revenues and are reported in the governmental funds.

Governmental Funds: Governmental funds refers to a category of GAAP-defined funds which account for most governmental functions and which, for the State, include: the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds. The State's projections of receipts and disbursements in Governmental Funds comprise the State Financial Plan.

Interfund Transfers: Under GAAP fund accounting principles, each fund is treated as a separate fiscal and accounting unit with limitations on the kinds of disbursements to be made. Movement of monies between funds are accounted for as "interfund transfers".

Lease-Purchase Financing: Lease-purchase financing is an arrangement pursuant to which the State leases facilities from a public benefit corporation or municipality for a term not less than the amortization period of the debt obligations issued by the public benefit corporation or municipality to finance acquisition and construction, and pays rent which is used to pay debt service on the obligations. At the expiration of the lease, title to the facility vests in the State in most cases. Generally, the State's rental payments are expressly subject to annual appropriation by the Legislature and availability of moneys to the State for the purposes thereof.

Local Assistance/Assistance and Grants: Disbursements of State grants to counties, cities, towns, villages, school districts and other local entities, certain contractual payments to localities, and financial assistance to, or on behalf of, individuals and not-for-profit organizations.

Moral obligation debt: Long-term bonds issued by certain State public benefit corporations which are essentially supported by their own revenues. Moral obligation debt is not incurred pursuant to a referendum, is not State-supported debt, and is not backed by the full faith and credit of the State. However, the authorities selling such obligations have been allowed to establish procedures where, under certain conditions, the State may be requested to meet deficiencies in debt service reserve funds supporting such bonds. An appropriation must be enacted by the Legislature to meet any such request.

Official Statement: A disclosure document prepared to accompany an issuance of bonds, notes and certificates of participation offered for sale by the State or its public authorities. Its primary purpose is to provide prospective bond or note purchasers sufficient information to make informed investment decisions. It describes, among other things, the issuer, the project or program being financed and the security behind the bond issue.

PAYGO financing: The use of current State resources (as opposed to bonds or other borrowing) to finance capital projects. Also referred to as "hard dollar" financing.

Rainy Day Reserve Fund: This fund was created in 2007 pursuant to law to account for funds set aside for use during economic downturns or in response to a catastrophic event, as defined in the law. The economic downturn clause is triggered after five consecutive months of decline in the State's composite index of business cycle indicators. The reserve may have a maximum balance equal to 25 percent of projected General Fund spending during the then-current fiscal year.

Receipts: Receipts consist of cash actually received during the fiscal year and in the General Fund include transfers from other funds.

Revenue Accumulation Fund: This fund holds certain tax receipts temporarily before their deposit into other funds.

Revenues: Revenues, in GAAP terminology, are an increase in net financial resources, as measured for the government-wide financial statements under the accrual basis of accounting and for the governmental funds under the modified accrual basis of accounting. In contexts other than GAAP, the State uses the term revenues to refer to income or receipts.

Short-Term Investment Pool or *STIP:* The combination of available cash balances in funds within the State's General Checking Account for investment purposes.

Special Revenue Funds: SRFs, one of the four GAAP-defined governmental fund types, account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects), such as Federal grants, that are legally restricted to specified purposes.

State Financial Plan: The State Financial Plan sets forth projections of State receipts and disbursements in the governmental fund types for each fiscal year and is prepared by the Division of the Budget, based initially upon the recommendations contained in the Executive Budget. After the budget is enacted, the State Financial Plan is adjusted to reflect revenue measures, appropriation bills and certain related bills enacted by the Legislature. It serves as the basis for the administration of the State's finances by the Director of the Budget, and is updated quarterly, or more frequently as necessary, during the fiscal year.

State Funds: "State funds" refer to a category of funds which includes the General Fund and all other State-controlled moneys, excluding Federal grants. This category captures all governmental disbursements except spending financed with Federal grants.

State-guaranteed debt: Debt authorized by the voters to be sold by three public authorities: the Job Development Authority, the New York State Thruway Authority, and the Port Authority of New York and New Jersey. State-guaranteed bonds issued for the Thruway Authority and the Port Authority were fully retired on July 1, 1995 and December 31, 1996, respectively. Such debt is backed by the full faith and credit of the State.

State Operations: Operating costs of State departments and agencies, the Legislature and the Judiciary, including salaries and other compensation for most State employees.

State-related debt: In this broad category, DOB combines all forms of debt for which the State is liable, either directly or on a contingent basis, including all State-supported debt and State-guaranteed and moral obligation debt.

State-supported debt: This category includes all obligations for which the State appropriates money that is used to pay debt service, including General Obligation debt, lease-purchase and contractual-obligation debt, including PIT Revenue Bonds, Sales Tax Revenue Bonds, LGAC and certificates of participation. While tax supported debt (obligations supported by State taxes) represents the majority of obligations in this category, obligations supported by other State revenues (such as dormitory fees or patient revenues) are also included.

Tax and Revenue Anticipation Notes or *TRANs:* Notes issued in anticipation of the receipt of taxes and revenues, direct or indirect, for the purposes and within the amounts of appropriations theretofore made.

Refund Reserve Account: The refund reserve account is used to account for General Fund resources set aside at fiscal year-end to guard against economic downturns and revenue shortfalls and pay for tax refunds. There is no requirement that moneys withdrawn from this account be replaced.

Tax Stabilization Reserve Fund: Created to provide a reserve to finance a cash-basis operating deficit in the General Fund at the end of the fiscal year, and to make temporary loans to the General Fund during the year. Annual deposits may not exceed 0.2 percent of General Fund spending, and the balance may not exceed 2 percent of General Fund spending. These amounts may be borrowed by the General Fund temporarily and repaid within the same fiscal year. They may also be borrowed to cover an operating deficit at year end, but these loans must be repaid within six years in no fewer than three annual installments.

EXHIBIT E TO AIS – GLOSSARY OF ACRONYMS

EXHIBIT E – GLOSSARY OF ACRONYMS

AAA	Area Agencies on Aging
ACA	Affordable Care Act
AG	Attorney General
AIM	Aid and Incentives for Municipalities
AMTAP	Additional Mass Transportation Assistance Program
APCD	All-Payer Claims Database
ARP	American Rescue Plan Act of 2021
ATB	Across-the-Board
ATI	Alternative to Incarceration
AXA	AXA Equitable Life Insurance Company
AY	Academic Year (July 1 through June 30) – SUNY/CUNY
BANs	Bond Anticipation Notes
BEA	Bureau of Economic Analysis
BLS	Bureau of Labor Statistics
BNPP	BNP Paribas, S.A., New York Branch
BOCES	Boards of Cooperative Educational Services
CAC	Climate Action Council
CANS	Child and Adolescent Needs and Strengths
CARES Act	Coronavirus Aid, Relief, and Economic Security Act
CEP	Community Eligibility Provision
CES	Current Employment Statistics
CFT	Corporate Franchise Tax
CFY	City Fiscal Year
CHP	Child Health Plus
CHUBB	Chubb Group Holdings Inc. and Illinois Union Insurance Company
CIGNA	Cigna Health and Life Insurance Company
CISO	Chief Information Security Office
CLCPA	Climate Leadership and Community Protection Act of 2019
CMS	Centers for Medicare & Medicaid Services
COLA	Cost-of-Living Adjustment
COVID-19	Coronavirus Disease 2019
CPI	Consumer Price Index
CPRSA	Coronavirus Preparedness and Response Supplemental Appropriations Act
CRF	Coronavirus Relief Fund
CRRSA	Coronavirus Response and Relief Supplemental Appropriations Act
CR-SRO	Community Residence-Single Room Occupancy
CSE	Committees on Special Education
CSEA	Civil Service Employees Association
CSX	CSX Transportation, Inc.
CTI	Critical Time Intervention
CUNY	City University of New York
CUT	Corporation and Utilities Tax
CW/CA	Clean Water/Clean Air
DANY	New York County District Attorney
DASNY	Dormitory Authority of the State of New York
DDPC	Developmental Disabilities Planning Council
DEC	Department of Environmental Conservation
DFS	Department of Financial Services
DHBTF	Dedicated Highway and Bridge Trust Fund
DHCR	Division of Housing and Community Renewal
DHSES	Division of Homeland Security & Emergency Services
DIIF	Dedicated Infrastructure Investment Fund
DMNA	Division of Military and Naval Affairs
DMV	Department of Motor Vehicles
DOB	Division of the Budget

DOCCS	Department of Corrections and Community Supervision
DOH	Department of Health
DOS	Department of State
DOT	Department of Transportation
DRI	Downtown Revitalization Initiative
DS	Debt Service
DSH	Disproportionate Share Hospital
DSHP	Designated State Healthcare Programs
DTF	Department of Taxation and Finance
EANS	Emergency Assistance for Nonpublic Schools
ECEP	Employer Compensation Expense Program
eFMAP	Enhanced Federal Medical Assistance Percentage
EI	Early Intervention
EP	Essential Plan
EPF	Environmental Protection Fund
EPIC	Elderly Pharmaceutical Insurance Coverage
ERAP	Emergency Rental Assistance Program
ERS	Employees' Retirement System
ESEA	Elementary and Secondary Education Act
ESD	Empire State Development
ESG	Environmental, Social and Governance
ESSER	Elementary and Secondary School Emergency Relief Fund
ESSHI	Empire State Supportive Housing Initiative
FEMA	Federal Emergency Management Agency
FFCRA	Families First Coronavirus Response Act
FFP	Federal Financial Participation
FFY	Federal Fiscal Year (October 1 Through September 30)
FHWA	Federal Highway Administration
FMAP	Federal Medical Assistance Percentage
FOMC	Federal Open Market Committee's
FPG	Fortis Property Group
FRB	Financial Restructuring Board
FTE	Full-Time Equivalent
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GASBS	Governmental Accounting Standards Board Statement
GDP	Gross Domestic Product
GEER	Governor's Emergency Education Relief
GFOA	Government Finance Officers Association
GIVE	Gun Involved Violence Elimination
GLIP	Group Life Insurance Plan
GPHW	General Public Health Work
GSCs	General State Charges
GSEU	Graduate Student Employees Union
GSI	General Salary Increases
HAF	Homeownership Assistance Fund
HCBS	Home and Community-Based Services
HCRA	Health Care Reform Act
HCTF	Health Care Transformation Fund
HEAP	Home Energy Assistance Program
HESC	Higher Education Services Corporation
HFNY	Healthy Families New York
HHS	Health and Human Services
HMO	Health Maintenance Organization
HPNAP	Hunger Prevention and Nutrition Assistance and Homeowner Protection Program
HUT	Highway Use Tax

EXHIBIT E – GLOSSARY OF ACRONYMS

ICP	Indigent Care Payments
ICR	Institutional Cost Reports
IDEA	Individuals with Disabilities Education Act
IGT	Intergovernmental Transfers
IIJA	Infrastructure Investment and Jobs Act
IMD	Institutions for Mengal Disease
IPCC	Intergovernmental Panel on Climate Change of the United Nations
IRA	Inflation Reduction Act
IRS	Internal Revenue Service
IT	Information Technology
ITS	Information Technology Services
JOLTS	Job Openings and Labor Turnover Survey
JSOC	Joint Security Operations Center
LFY	Local Fiscal Year
LGAC	Local Government Assistance Corporation
LICH	Long Island College Hospital
LLC	Limited Liability Company
LRAP	Landlord Rental Assistance Program
LSA	Local Share Adjustment
LTSS	Long Term Service and Support
LWA	Lost Wages Assistance
M/C	Management Confidential
MCTD	Metropolitan Commuter Transportation District
MCTMT	Metropolitan Commuter Transportation Mobility Tax
MHSF	Mental Hygiene Stabilization Fund
MIF	Mortgage Insurance Fund
MLF	Municipal Liquidity Facility
MC/MLTC	Managed Care/Managed Long-Term Care
MOE	Maintenance of Effort
MRT	Medicaid Redesign Team
MRT II	Medicaid Redesign Team II
MSA	Master Settlement Agreement
MTA	Metropolitan Transportation Authority
MTOAF	Mass Transportation Operating Assistance Fund
NAIRU	Non-Accelerating Inflation Rate of Unemployment
NANY	Nurses Across New York
NIPAs	National Income and Product Accounts
NMS	New Medical Site
NPS	Non-Personal Service
NYC	New York City
NYHER	New York Health Equity Reform
NYPA	New York Power Authority
NYS	New York State
NYSCA	New York State Council on the Arts
NYSCOPBA	New York State Correctional Officers and Police Benevolent Association
NYSE	New York Stock Exchange
NYSHIP	New York State Health Insurance Program
NYSLRS	New York State and Local Retirement System
NYSOH	New York State of Health
NYSPIA	New York State Police Investigators Association
NYSTA	New York State Thruway Authority
NYSTPBA	Police Benevolent Association of the New York State Troopers
NYU	New York University
OAG	Office of the Attorney General
OASAS	Office of Addiction Services and Supports
OCFS	Office of Children and Family Services
OFAC	Office of Foreign Assets Control

EXHIBIT E – GLOSSARY OF ACRONYMS

OMH	Office of Mental Health
OPEB	Other Post-Employment Benefits
OPWDD	Office for People with Developmental Disabilities
ORP	Optional Retirement Program
OSC	Office of the State Comptroller
OTDA	Office of Temporary and Disability Assistance
PAYGO	Pay-As-You-Go
PBA	Police Benevolent Association
PBANYS	Police Benevolent Association of New York State
PBT	Petroleum Business Tax
PEF	Public Employees Federation
PFRS	Police and Fire Retirement System
PHE	Public Health Emergency
PIA	Police Investigators Association
PIGI	Personal Income Growth Index
PILOT	Payments in Lieu of Taxes
PIT	Personal Income Tax
PMT	Payroll Mobility Tax
PPE	Personal Protective Equipment
PPO	Preferred Provider Organization
PRUCOL	Permanently Residing Under Color of Law
PS	Personal Service
PSC	Public Service Commission
P-TECH	Pathways in Technology Early College High School
PTET	Pass-Through Entity Tax
QCEW	Quarterly Census of Employment and Wages
RBS	RBS Financial Products Inc. (formally Greenwich Capital Financial Products, Inc.)
RBTF	Revenue Bond Tax Fund
REDC	Regional Economic Development Councils
REDI	Resiliency and Economic Development Initiative
RFP	Request for Proposals
RGGI	Regional Greenhouse Gas Initiative
RHBTF	Retiree Health Benefit Trust Fund
RHY	Runaway Homeless Youth
RSSL	Retirement and Social Security Law
SALT	State and Local Tax
SED	State Education Department
SFE	State Funds Equivalent
SNA	Safety Net Assistance
SFY	State Fiscal Year (April 1 Through March 31)
SHIN-NY	Statewide Health Information Network for New York
SNAP	Supplemental Nutrition Assistance Program
SOFA	State Office for the Aging
SSI	Supplemental Security Income
STAR	School Tax Relief
STCs	Special Terms and Conditions
STEM	Science, Technology, Engineering, and Math
STIP	Short-Term Investment Pool
SUNY	State University of New York
SY	School Year (July 1 through June 30)
TANF	Temporary Assistance for Needy Families
TAP	Tuition Assistance Program
TCJA	Tax Cuts and Jobs Act of 2017
TRS	Teachers' Retirement System
TY	Tax Year (January 1 Through December 31)
UBS	UBS Securities LLC and UBS Real Estate Securities Inc.
UCS	Unified Court System

EXHIBIT E – GLOSSARY OF ACRONYMS

UI	Unemployment Insurance
URI	Upstate Revitalization Initiative
U.S.	United States
UUP	United University Professions
VDC	Voluntary Defined Contribution
VLT	Video Lottery Terminal
WHO	World Health Organization

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APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION

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APPENDIX B-I

SUMMARY OF CERTAIN PROVISIONS OF
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
STATE SALES TAX REVENUE BONDS
GENERAL RESOLUTION

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APPENDIX B-I

SUMMARY OF CERTAIN PROVISIONS OF DORMITORY AUTHORITY OF THE STATE OF NEW YORK STATE SALES TAX REVENUE BONDS GENERAL RESOLUTION

The following sections contain definitions of certain terms used in this general summary ("Summary") of certain provisions of the Dormitory Authority of the State of New York State Sales Tax Revenue Bonds General Bond Resolution (the "Resolution"). The definitions and Summary are not to be considered a full statement of all terms used in the Resolution and, accordingly, are qualified by reference to and are subject to the full text of the Resolution. A copy of the General Resolution may be obtained upon request from the Dormitory Authority of the State of New York.

Definitions

Acts shall mean the Issuer Act and the Enabling Act.

Administrative Fund shall mean the Fund designated as the Administrative Fund established in the Resolution.

Authorized Officer shall mean (i) in the case of the Issuer, the Chair, the Vice Chair, the Treasurer, an Assistant Treasurer, the Secretary, an Assistant Secretary, the Executive Director or President, the Deputy Executive Director or Vice President, the Chief Financial Officer, any Managing Director, the General Counsel, or any other person authorized by a Resolution or bylaws of the Issuer, from time to time, to perform any specific act or execute any specific document, and when used with reference to any act or document also means any other person authorized by resolution or by laws of the Issuer to perform such act or execute such document; and when used with reference to any act or document, any other person authorized by resolution of the Issuer to perform such act or sign such document, (ii) in the case of the State, the Director of the Budget and when used with reference to any act or document, any other person authorized by law or by the Director of the Budget to perform such act or sign such document, (iii) in the case of the Trustee, the President, any Vice President, any Assistant Vice President, any Senior Trust Officer, any Trust Officer or any Assistant Trust Officer, or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also, with respect to a particular matter, any other officer to whom such matter is referred because of such officer's knowledge and familiarity with the particular subject matter, and (iv) any other officer or employee so designated on its behalf by resolution of the Issuer or the Trustee, respectively.

Bond Proceeds Fund shall mean the Fund designated as the Bond Proceeds Fund established in the Resolution.

Cost of Issuance Account shall mean the account within the Bond Proceeds Fund so designated, created and established pursuant to the Resolution.

Debt Service Fund shall mean the Fund designated as the Debt Service Fund established in the Resolution.

Financing Agreement shall mean the State Sales Tax Revenue Bonds Financing Agreement between the Issuer and the State, acting through the Director of the Budget.

Issuer shall mean the Dormitory Authority of the State of New York, a body corporate and politic constituting a public benefit corporation of the State created by the Issuer Act, and its successors and permitted assigns.

Issuer Act shall mean the Dormitory Authority Act (being Chapter 524 of the Laws of 1944 of the State, as the same may be amended from time to time, and constituting Title 4 of Article 8 of the Public Authorities Law), together with any other provision of State law relating to the authorization or financing of Costs of a Project.

Rebate Fund shall mean the Fund designated as the Rebate Fund established in the Resolution.

Resolution shall mean the Dormitory Authority of the State of New York State Sales Tax Revenue Bonds General Bond Resolution (including the Standard Resolution Provisions set forth in Annex A) as from time to time amended or supplemented by Supplemental Resolutions in accordance with the terms and provisions of the Resolution.

Subordinated Payment Fund shall mean the Fund designated as the Subordinated Payment Fund established in the Resolution.

(Section 101)

Standard Resolution Provisions

Except as otherwise specifically provided in the Resolution or by Supplemental Resolution, the Standard Resolution Provisions appended to the Resolution as Annex A constitute an integral part of the Resolution and have the same force and effect as if set forth in the forepart of the Resolution.

(Section 102)

Authority for the Resolution

The Resolution is adopted pursuant to the provisions of the Acts.

(Section 103)

Resolution to Constitute Contract

In consideration of the purchase and acceptance of any and all of the Bonds and Parity Reimbursement Obligations authorized to be issued under the Resolution by those who shall hold the same from time to time, the Resolution shall be deemed to be and shall constitute a contract between the Issuer and the Holders from time to time of the Bonds and Parity Reimbursement Obligations; and the pledge made in the Resolution and the covenants and agreements therein set forth to be performed on behalf of the Issuer shall be for the equal benefit, protection and security of the Holders of any and all of the Bonds and Parity Reimbursement Obligations, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds or Parity Reimbursement Obligations, over any other thereof except as expressly provided in or permitted by the Resolution.

(Section 104)

Authorization of Bonds

The Resolution authorizes one or more Series of Bonds of the Issuer for an Authorized Purpose to be designated as “State Sales Tax Revenue Bonds” and creates a continuing pledge and lien to secure the full and final payment of the principal and Redemption Price of, interest on, and Sinking Fund Installments for, all the Bonds. The Bonds shall be special obligations of the Issuer secured by the pledge effected pursuant to the Standard Resolution Provisions and are payable solely out of the Pledged Property, without recourse against any other assets, revenues or funds of or other payments due to the Issuer. The aggregate principal amount of the Bonds which may be executed, authenticated and delivered under the Resolution is not limited except as provided in the Resolution or as limited by law.

The Bonds shall not be a debt of the State, and the State shall not be liable thereon, nor shall they be payable out of any funds other than those pledged therefor pursuant to the Resolution.

The Bonds may, if and when authorized by the Issuer pursuant to one or more Supplemental Resolutions, be issued in one or more Series, and the designation thereof, in addition to the name "State Sales Tax Revenue Bonds", shall include such further appropriate particular designations added to or incorporated in such title for the Bonds of any particular Series, as the Issuer may determine; provided that with respect to any Bond denominated as a note, capital lease or other form of obligation, the Issuer may denominate such obligation as other than a "Bond". Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

Nothing contained in the Resolution shall be deemed to preclude or restrict the consolidation pursuant to a Supplemental Resolution of any Bonds of any two or more separate Series authorized pursuant thereto and to any such Supplemental Resolution to be issued pursuant to any of the provisions of the Standard Resolution Provisions into a single Series of Bonds for purposes of sale and issuance; provided, however, that each of the tests, conditions and other requirements contained in the Standard Resolution Provisions as applicable to each such separate Series shall be met and complied with. Except as otherwise provided in the Resolution or in such Supplemental Resolution, such a consolidated Series shall be treated as a single Series of Bonds for all purposes of the Resolution.

(Section 201)

Redemption

Bonds of a Series subject to redemption prior to maturity pursuant to the Resolution or to a Supplemental Resolution or Certificate of Determination shall be redeemable in accordance with the Standard Resolution Provisions, at such times, at such Redemption Prices and upon such terms as may otherwise be specified in the Resolution, in the Bonds or in the Supplemental Resolution authorizing such Series or the related Certificate of Determination.

(Section 401)

The Pledge Effected by the Resolution

The Bonds are special obligations of the Issuer payable solely from the sources set forth in the Resolution.

(Section 501)

Establishment of Funds

The Resolution establishes the following Funds, which shall be held and administered by the Trustee, except for the Bond Proceeds Fund which at the discretion of the Issuer may be held and administered by the Issuer. Each of such Funds and accounts shall have as a prefix "Dormitory Authority of the State of New York State Sales Tax Revenue Bonds"

1. Debt Service Fund,
2. Rebate Fund,
3. Bond Proceeds Fund,
4. Administrative Fund,
5. Subordinated Payment Fund.

Additional Funds, or accounts and subaccounts within each of the foregoing Funds may from time to time be established in accordance with a Supplemental Resolution, Certificate of Determination or upon the direction of the Issuer evidenced by a certificate of an Authorized Officer of the Issuer. Except as otherwise provided in a Supplemental Resolution, all moneys at any time deposited in any Fund and account created by the Resolution (other than the Rebate Fund), including in any fund or account established to effect an economic defeasance of any Bonds under the Resolution, shall be held in trust separate and apart from all other funds by the Issuer or Trustee, as appropriate, for the benefit of the Holders of each Series of Bonds.

(Section 502)

Debt Service Fund

There shall be deposited promptly upon receipt by the Trustee to the credit of the Debt Service Fund all Revenues.

Financing Agreement Payments together with any other Pledged Property deposited in the Debt Service Fund, shall be applied to the Funds and accounts established under the Resolution consistent with the requirements set forth in the Financing Agreement; provided, however, that if the amount of any such payment, together with other Pledged Property deposited in the Debt Service Fund, is less than the amount certified, the payment shall be applied in the amounts certified, first, as set forth and in the amounts needed for the purposes set forth in the following paragraph, second, to the Rebate Fund, third, to the Subordinated Payment Fund and, fourth, to the Administrative Fund. The Trustee shall deposit into the Debt Service Fund such portion of the proceeds of the sale of Bonds of any Series, if any, as shall be prescribed in the Supplemental Resolution or related Certificate of Determination.

The Trustee shall on or before each Interest Payment Date, Redemption Date or other payment date, as the case may be, withdraw and pay from the Debt Service Fund:

(a) The interest due on all Outstanding Bonds on such Interest Payment Date;

(b) The Principal Installments due on all Outstanding Bonds on such Interest Payment Date;

(c) The Sinking Fund Installments, if any, due on all Outstanding Bonds on such Interest Payment Date;

(d) The Redemption Price due on all Outstanding Bonds on any Redemption Date in accordance with the Resolution; and

(e) Amounts due with respect to Parity Reimbursement Obligations.

Except as otherwise provided in a Supplemental Resolution, the amounts paid out to any Paying Agent pursuant to the Resolution remain irrevocably pledged until, and shall be, applied to such payments.

In the event of the refunding of any Bonds, the Trustee shall, upon the direction of the Issuer, withdraw from the Debt Service Fund all or any portion of the amounts accumulated therein with respect to Debt Service on the Bonds being refunded and deposit such amounts with itself as Trustee or any other fiduciary selected by the Issuer to be held for the payment of the principal or Redemption Price, if applicable, of and interest on the Bonds being refunded; provided that such withdrawal shall not be made unless (i) upon such refunding, the Bonds being refunded shall be deemed to have been paid within the meaning and with the effect provided in the Resolution, and (ii) the amount remaining in the Debt Service Fund shall be not less than the amount needed to pay the Debt Service on all Outstanding Bonds accrued through such date.

Investment income on amounts in the Debt Service Fund shall be retained in such Fund or, upon direction of an Authorized Officer of the Issuer, shall be transferred to the Rebate Fund or, with the concurrence of the Director of the Budget, to the Bond Proceeds Fund.

(Section 503)

Rebate Fund

The Trustee shall deposit to the Rebate Fund any moneys delivered to it by the State for deposit therein and, notwithstanding any other provisions of the Resolution, shall transfer to the Rebate Fund in accordance with the directions of an Authorized Officer of the Issuer, moneys on deposit in any other Funds held by the Trustee under the Resolution at such times and in such amounts as shall be set forth in such directions. Moneys on deposit in the Rebate Fund shall be applied by the Trustee, in accordance with the direction of the Issuer, to make payments to the Department of the Treasury of the United States of America at such times and in such amounts as the Issuer shall determine to be required by the Code to be rebated to the Department of the Treasury of the United States of America in accordance with the provisions of the Arbitrage and Use of Proceeds Certificate, if any, delivered in connection with each Series of Bonds. Moneys which the Issuer determines to be in excess of the amount required to be so rebated shall be deposited to the Debt Service Fund.

If and to the extent required by the Code or an Arbitrage and Use of Proceeds Certificate, the Issuer shall periodically, at such times as may be required to comply with the Code, determine the Rebate Amount with respect to each Series of Bonds and transfer from any other Fund or account held under the Resolution and deposit to the Rebate Fund all or a portion of the Rebate Amount with respect to such Series of Bonds and pay out of the Rebate Fund to the Department of the Treasury of the United States of America the amount, if any, required by the Code to be rebated thereto.

(Section 504)

Bond Proceeds Fund

Except as otherwise provided in a Supplemental Resolution or related Certificate of Determination, the Issuer, or the Trustee at the direction of the Issuer, shall deposit into the Bond Proceeds Fund the proceeds of the sale of each Series of Bonds, unless otherwise required to be deposited into and held in the Debt Service Fund, to enable the Issuer to comply with the conditions precedent to the issuance of any Bonds.

Except as may be otherwise provided in the Supplemental Resolution or related Certificate of Determination, amounts in the Bond Proceeds Fund shall be applied by the Issuer from time to time for any of the purposes for which revenue bonds may be issued pursuant to paragraphs (a) and (b) of subdivision one of Section 69-n through the payment of Costs of a Project consistent with terms of any Requisition.

Whenever the Issuer shall determine and the Director of the Budget shall agree that the amount on deposit to the credit of the Bond Proceeds Fund is in excess of its requirements for the purposes for which amounts in such Fund may be used as permitted by law, such excess amount shall be withdrawn therefrom and deposited into the Debt Service Fund. Notwithstanding the foregoing, to the extent that other moneys are not available therefor, amounts in the Bond Proceeds Fund may be applied to the payment of Principal Installments and interest on the applicable Series of Bonds and of Parity Reimbursement Obligations when due.

Except as otherwise provided in the Resolution or a Supplemental Resolution, investment income on amounts in the Bond Proceeds Fund from proceeds of a Series of Bonds shall be transferred to the Debt Service Fund, or, upon the direction of an Authorized Officer of the Issuer, shall be transferred to the Rebate Fund, or with the concurrence of the Director of the Budget, shall be retained in the Bond Proceeds Fund.

(Section 505)

Application of Moneys in the Debt Service Fund for Redemption of Bonds and Satisfaction of Sinking Fund Installments

Moneys delivered to the Trustee, which by the provisions of the Resolution are to be applied for redemption of Bonds, shall upon receipt by the Trustee be deposited to the credit of the Debt Service Fund for such purpose to the extent not otherwise provided pursuant to a Supplemental Resolution.

Moneys in the Debt Service Fund to be used for redemption of Bonds of a Series may be applied by the Issuer to the purchase of Outstanding Bonds of such Series at purchase prices not exceeding the Redemption Price applicable on the next Interest Payment Date on which such Bonds are redeemable, plus accrued interest to such date, at such times, at such purchase prices and in such manner as the Issuer shall direct.

In satisfaction, in whole or in part, of any Sinking Fund Installment, the Issuer may deliver to the Trustee at least 45 days prior to the date of such Sinking Fund Installment, for cancellation, Bonds acquired by purchase or redemption, except Bonds acquired by purchase or redemption pursuant to the preceding paragraph, of the maturity and interest rate entitled to such Sinking Fund Installment. All Bonds so delivered to the Trustee in satisfaction of a Sinking Fund Installment shall reduce the amount thereof by the amount of the aggregate principal amount of such Bonds. Concurrently with such delivery of such Bonds the Issuer shall deliver to the Trustee a certificate of an Authorized Officer of the Issuer specifying (i) the principal amount, Series, maturity, interest rate and numbers of the Bonds so delivered, (ii) the date and Series of the Sinking Fund Installment in satisfaction of which such Bonds are so delivered, (iii) the aggregate principal amount of the Bonds so delivered, and (iv) the unsatisfied balance of each such Sinking Fund Installment after giving effect to the delivery of such Bonds.

The Trustee shall, in the manner provided in the Standard Resolution Provisions, call for redemption, on the date of each Sinking Fund Installment falling due prior to maturity, such principal amount of Bonds of the Series and maturity entitled to such Sinking Fund Installment as is required to exhaust the unsatisfied balance of such Sinking Fund Installment.

Notwithstanding the provisions of the second paragraph of this section, if the amount in the Debt Service Fund at any time (other than moneys required to pay the Redemption Price of any Outstanding Bonds of a Series theretofore called for redemption or to pay the purchase price of such Outstanding Bonds theretofore contracted to be purchased, including in both cases accrued interest on such Bonds to the Redemption Date or purchase date) is sufficient to make provision pursuant to the Standard Resolution Provisions for the payment of such Outstanding Bonds at the maturity or Redemption Date thereof, the Issuer may request the Trustee to take such action consistent with the Standard Resolution Provisions as is required thereby to deem such Bonds to have been paid within the meaning of the Standard Resolution Provisions. The Trustee, upon receipt of such request and irrevocable instructions of the Issuer to purchase Government Obligations sufficient to make any deposit required thereby, shall comply with such request.

(Section 506)

Administrative Fund

Amounts in the Administrative Fund shall be paid out from time to time by the Trustee at the request of the Issuer for reasonable and necessary Issuer Expenses, free and clear of the lien and pledge created by the Resolution.

Amounts in the Administrative Fund being held for Issuer Expenses, the payment of which is not immediately required may in the discretion of the Issuer be invested in Investment Obligations. The Issuer may by written instruction to the Trustee sell any such investments at any time and the proceeds of such sale and of all payments at maturity or upon redemption of such investments shall be held in the Administrative Fund. Whenever the Administrative Fund, plus investment income thereon, exceeds the amount reasonable and necessary for Issuer Expenses, the Issuer shall promptly direct the Trustee to pay the excess to the Debt Service Fund.

(Section 507)

Subordinated Payment Fund

The Issuer may, at any time, or from time to time, issue Subordinated Indebtedness payable out of, and which may be secured by a pledge of and lien on, such amounts as may from time to time be available for transfer to the Subordinated Payment Fund pursuant to the Resolution; *provided*, *however*, that (a) such pledge shall be, and shall be expressed to be, subordinate in all respects to the pledge created by the Resolution as security for the Bonds and Parity Reimbursement Obligations and (b) to the extent provided by Supplemental Resolution, any amounts so transferred shall thereafter be free and clear of any lien, pledge or claim of the Resolution. The Issuer may establish such priorities of payment and security among Subordinated Indebtedness as it deems appropriate; *provided*, *however*, that the Supplemental Resolution or indenture or other agreement providing for the issuance of such Subordinated Indebtedness shall not permit the holders of such Subordinated Indebtedness to declare the same, nor to instruct such holders' trustee to declare the same, to be immediately due and payable any time that any Bonds and Parity Reimbursement Obligations remain Outstanding.

Subject to the other provisions of the Resolution, the Trustee shall deposit into the Subordinated Payment Fund all Revenues for (i) payments on any Subordinated Indebtedness, or (ii) Qualified Swap Payments or payments on other financial instruments entered into by the Issuer.

The Trustee shall pay out of the Subordinated Payment Fund all amounts required for the payments described in this section pursuant to any resolution adopted by, or otherwise at the written direction of, the Issuer.

Except as otherwise provided in the Resolution or a Supplemental Resolution, investment income on amounts in the Subordinated Payment Fund shall be transferred to the Debt Service Fund, or, upon the direction of an Authorized Officer of the Issuer, shall be transferred to the Rebate Fund, or with the concurrence of the Director of the Budget, shall be retained in the Subordinated Payment Fund.

(Section 508)

Transfer of Investments

Whenever moneys in any Fund or account established under the Resolution or under any Supplemental Resolution are to be paid in accordance with the Resolution to another such Fund or account, such payment may be made, in whole or in part, by transferring to such other Fund or account investments held as part of the Fund or account from which such payment is to be made, whose value, together with the moneys, if any, to be transferred, is at least equal to the amount of the payment then to be made, *provided* that no such transfer of investments would result in a violation of any investment standard or guideline applicable to such Fund or account.

(Section 509)

Power to Issue Bonds and Effect Pledge

The Issuer is duly authorized under all applicable laws to create and issue the Bonds, adopt the Resolution and pledge the Pledged Property in the manner and to the extent provided in the Resolution. The Pledged Property is and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created by the Resolution, and all corporate action on the part of the Issuer to that end has been duly and validly taken. The Bonds and the provisions of the Resolution are and will be the legally valid and binding special obligations of the Issuer enforceable in accordance with their terms and the terms of the Resolution. The Issuer shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Pledged Property and all the rights of the Holders of Bonds and other obligations under the Resolution against all claims and demands of all Persons whomsoever.

(Section 601)

APPENDIX B-II

SUMMARY OF CERTAIN PROVISIONS OF THE STATE SALES TAX REVENUE BONDS STANDARD RESOLUTION PROVISIONS

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APPENDIX B-II

SUMMARY OF CERTAIN PROVISIONS OF THE STATE SALES TAX REVENUE BONDS STANDARD RESOLUTION PROVISIONS

The following sections contain definitions of certain terms used in this general summary ("Summary") of certain provisions of the Standard Resolution Provisions. The definitions and Summary are not to be considered a full statement of all terms used in the Standard Resolution Provisions or the Resolution to which the Standard Resolution Provisions is appended and, accordingly, are qualified by reference to and are subject to the full text of the Standard Resolution Provisions and the Resolution. Copies of the Standard Resolution Provisions and the Resolution may be obtained upon request from the Dormitory Authority of the State of New York.

Definitions

Capitalized terms used but not otherwise defined in this Summary shall have the meanings set forth in the Resolution to which the Standard Resolution Provisions are appended. The following terms shall, for all purposes therein and (except as the context may otherwise require) in the Resolution to which these Standard Resolution Provisions are appended, have the following meanings:

Accreted Value shall mean, with respect to any Capital Appreciation Bonds (i) as of any Valuation Date, the amount set forth for such date in the Supplemental Resolution authorizing such Capital Appreciation Bonds and (ii) as of any date other than a Valuation Date, the sum of (a) the Accreted Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date and (2) the difference between the Accreted Values for such Valuation Dates. For purposes of this definition, the number of days having elapsed from the preceding Valuation Date and the number of days from the preceding Valuation Date to the next succeeding Valuation Date shall be calculated on the basis of a 360-day year of 12 30-day months, unless otherwise provided pursuant to a Supplemental Resolution.

Additional Bonds shall mean Bonds authenticated and delivered on original issuance pursuant to the Standard Resolution Provisions as described under "Special Provisions for Additional Bonds" below.

Amortized Value when used with respect to Investment Obligations purchased at a premium above or a discount below par, shall mean the value of such Investment Obligations computed by using an industry standard constant yield method selected by an Authorized Officer of the Issuer.

Appreciated Value shall mean with respect to any Deferred Income Bonds (i) as of any Valuation Date, the amount set forth for such date in the Supplemental Resolution authorizing such Deferred Income Bonds, (ii) as of any date prior to the Interest Commencement Date other than a Valuation Date, the sum of (a) the Appreciated Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date and (2) the difference between the Appreciated Values for such Valuation Dates, and (iii) as of any date on and after the Interest Commencement Date, the Appreciated Value on the Interest Commencement Date. For purposes of this definition, the number of days having elapsed from the preceding Valuation Date and the number of days from the preceding Valuation Date to the next succeeding Valuation Date shall be calculated on the basis of a 360-day year of 12 30-day months, unless otherwise provided pursuant to a Supplemental Resolution.

Arbitrage and Use of Proceeds Certificate shall mean, with respect to any Series of Bonds, the interest on which is intended by the Issuer to be excluded from gross income for federal income tax purposes, a certificate or certificates executed by an Authorized Officer of the Issuer in connection with the initial issuance and delivery of the Bonds of such Series and containing representations, warranties and covenants of the Issuer relating to the federal tax status of such Series of Bonds, as such certificate or certificates may be amended and supplemented from time to time.

Authorized Issuer shall mean any public authority or public benefit corporation enumerated by subdivision 1 of Section 69-m.

Authorized Newspaper shall mean The Bond Buyer or any other newspaper customarily published at least once a day for at least five days (other than legal holidays) in each calendar week, printed in the English language and of general circulation in the Borough of Manhattan, City and State of New York, designated by the Issuer.

Authorized Purpose shall mean a purpose as provided by the Enabling Act for the Issuer.

Balloon Indebtedness shall mean any Bonds of a Series described in clause (2)(ii) of the definition of Calculated Debt Service.

Bank shall mean any (i) bank or trust company organized under the laws of any state of the United States of America, (ii) national banking association, (iii) savings bank or savings and loan association chartered or organized under the laws of any state of the United States of America, or (iv) federal branch or agency pursuant to the International Banking Act of 1978 or any successor provisions of law, or domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America.

Bond or **Bonds** shall mean any of the bonds or notes of the Issuer authorized and issued pursuant to the Resolution and to a Supplemental Resolution; provided, however, that such terms shall not include any Bond Anticipation Notes, or bonds, notes or other obligations, including Qualified Swaps, payable from the Subordinated Payment Fund.

Bond Anticipation Notes shall mean notes issued pursuant to the Standard Resolution Provisions as described under “Bond Anticipation Notes” below.

Bond Counsel shall mean an attorney or law firm, appointed by the Issuer, having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds.

Bondholder, **Holder** or **Holder of Bonds**, or any similar term, shall mean any person who shall be the registered owner of any Outstanding Bond or Bonds.

Business Day shall mean a day of the year which is not a Saturday, Sunday, or a day on which the Trustee or banking institutions chartered by the State or the United States of America are required or authorized by law to close in The City of New York, or any day on which the New York Stock Exchange is closed.

Calculated Debt Service shall mean for any period, as of any date of calculation and with respect to any Series of Bonds or any Parity Reimbursement Obligations, the sum of Debt Service for such period determined by the Issuer based on the following adjustments:

(1) Interest on Variable Interest Rate Bonds shall be based on the Estimated Average Interest Rate applicable thereto.

(2) With respect to (i) Put Bonds and (ii) any Bonds of a Series the interest on which is payable periodically and at least twenty-five per centum (25%) of the original principal amount of which is stated to mature at one time and for which maturing principal amount amortization requirements have not been designated, (x) Principal Installments shall be deemed to amortize over a 30-year period from their date of issuance (or any shorter period provided by Supplemental Resolution) based on substantially level debt service as estimated by the Issuer, and (y) interest shall be based on the actual interest rate or the Estimated Average Interest Rate, as applicable.

(3) If the Issuer has irrevocably deposited Investment Obligations or money with the Trustee (or otherwise in trust) for the payment of any portion of Debt Service, the expected future cash flow from such Investment Obligations and money shall be deducted from Debt Service.

(4) If the Issuer has, at any time, irrevocably called for redemption of one or more Series of Bonds, including pursuant to a covenant to apply any portion of the Pledged Property to redeem Bonds or Parity Reimbursement Obligations (which particular Bonds or Parity Reimbursement Obligations need not be specifically identified in advance, except as to interest rate and maturity), the Issuer shall take into account such redemption for purposes of determining Calculated Debt Service.

(5) With respect to Parity Reimbursement Obligations, an interest rate calculated at a higher interest rate on the related Bonds shall only be taken into account if, at the time of calculation, such higher rates are then payable thereon.

Capital Appreciation Bonds shall mean Bonds of a Series denominated as such and issued as to which interest is payable only at the maturity or prior redemption of such Bonds. Except as otherwise provided by Supplemental Resolution, for the purposes of (i) receiving payment of the Redemption Price if a Capital Appreciation Bond is redeemed prior to maturity, (ii) computing the principal amount of Bonds held by the registered owner of a Capital Appreciation Bond in giving to the Issuer or the Trustee any notice, consent, request, or demand pursuant to the Resolution for any purpose whatsoever or (iii) computing Debt Service, the principal amount of a Capital Appreciation Bond shall be deemed to be its Accreted Value (which in the case of clause (ii) may be the Accreted Value as of the immediately preceding Valuation Date).

Certificate of Determination shall mean a certificate of an Authorized Officer of the Issuer fixing terms, conditions and other details of Bonds, Parity Reimbursement Obligations, Credit Facilities, Subordinated Indebtedness, or other matters in accordance with the delegation of power to do so under the Resolution or a Supplemental Resolution.

Code shall mean the Internal Revenue Code of 1986, as amended. Each reference to a section of the Code shall be deemed to include the Regulations, including temporary and proposed Regulations, relating to such section which are applicable to the Resolution, including the Bonds or the use of Bond proceeds.

Comptroller shall mean the Comptroller of the State and, to the extent permitted by law in connection with the exercise of any specific right or duty, any other official of the State authorized to act on behalf of the Comptroller in connection therewith.

Cost or Costs of a Project shall mean costs and expenses or the refinancing of costs and expenses incurred or to be incurred in connection with a Project, including, (i) costs and expenses of the acquisition of the title to or other interest in real property, including easements, rights-of-way and licenses, (ii) costs and expenses for labor and materials and payments to consultants, contractors, builders and materialmen, for the acquisition, design, construction, reconstruction, rehabilitation, preservation, development, improvement or modernization of the Project, (iii) the cost of surety bonds and insurance of all kinds, including premiums and other charges in connection with obtaining title insurance, that may be required or necessary prior to completion of the Project, which is not paid by a contractor or otherwise provided for, (iv) the costs and expenses for design, test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, and for supervising the construction of the Project, (v) costs and expenses required for the acquisition and installation of equipment or machinery, (vi) all other costs necessarily and appropriately incurred in connection with the acquisition, construction, reconstruction, rehabilitation, repair, improvement and equipping of the Project, (vii) any sums required to reimburse the State or the Issuer for advances made by either party for any of the above items or for other costs incurred and for work done by the State or Issuer in connection with the Project, and (viii) grants or loans by or on behalf of the State for any of the foregoing.

Cost or Costs of Issuance shall mean the items of expense incurred in connection with the authorization, sale and issuance of a Series of Bonds or Bond Anticipation Notes, which items of expense shall include Issuer Expenses, State bond issuance charges, document printing and reproduction costs, filing and recording fees, costs of credit ratings, initial fees and charges of the Trustee or a Securities Depository, legal fees and charges, professional consultants' fees, underwriting fees, fees and charges for execution, transportation and safekeeping of Bonds, premiums, fees and charges for Credit Facilities, Qualified Swaps and other similar financial arrangements, costs and expenses of refunding of Bonds or Prior Obligations and other costs, charges and fees, including those of the Issuer, in connection with the foregoing.

Counsel's Opinion shall mean an opinion signed by an attorney or firm of attorneys of nationally recognized standing in the practice of law relating to municipal, state and public agency financing selected by the Issuer.

Credit Facility shall mean any letter of credit, standby bond purchase agreement, line of credit, policy of bond insurance, surety bond, guarantee or similar instrument, or any agreement relating to the reimbursement of any payment thereunder (or any combination of the foregoing), which is obtained by the Issuer and is issued or entered into by a financial institution, insurance provider or other Person and which provides security or liquidity in respect of any Outstanding Bonds or Parity Reimbursement Obligations.

Debt Service for any period shall mean, as of any date of calculation and with respect to any Series of Bonds or any Parity Reimbursement Obligation Outstanding, the sum of: (i) interest on the Bonds of such Series and the interest components of Parity Reimbursement Obligations accruing during such period and (ii) that portion of each Principal Installment for such Bonds and Parity Reimbursement Obligations that would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the preceding Principal Installment payment date on Outstanding Bonds and Parity Reimbursement Obligations; *provided, however, that,* unless otherwise set forth in a Supplemental Resolution, no Principal Installment shall be deemed to begin accruing until *the later* of one year prior to such Principal Installment's due date and the date of issuance or incurrence of the related Bond or Parity Reimbursement Obligation.

Defeased Municipal Obligations shall mean pre-refunded municipal obligations rated in the highest Rating Category by each Rating Agency and meeting the following requirements:

(a) The municipal obligations (i) are not subject to redemption prior to maturity or (ii) the trustee or the paying agent has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions; and

(b) The municipal obligations are fully secured by cash or Government Obligations which may be applied only to payment of the principal of and interest and premium, if any, on such municipal obligations.

Deferred Income Bond shall mean any Bond (A) as to which interest accruing thereon prior to the Interest Commencement Date of such Bond is (i) compounded on each Valuation Date for such Deferred Income Bond and (ii) payable only at the maturity or prior redemption of such Bonds and (B) as to which interest accruing after the Interest Commencement Date is payable on the first interest payment date succeeding the Interest Commencement Date and periodically thereafter on the dates specified in or determined by Supplemental Resolution. Except as otherwise provided by Supplemental Resolution, for the purposes of (i) receiving payment of the Redemption Price if a Deferred Income Bond is redeemed prior to maturity, (ii) computing the principal amount of Bonds held by the registered owner of a Deferred Income Bond in giving to the Issuer or the Trustee any notice, consent, request, or demand pursuant to the Resolution for any purpose whatsoever or (iii) computing Debt Service, the principal amount of a Deferred Income Bond shall be deemed to be its Appreciated Value (which in the case of clause (ii) may be the Appreciated Value as of the immediately preceding Valuation Date).

Director of the Budget shall mean the Director of the Division of the Budget of the State and, to the extent permitted by law in connection with the exercise of any specific right or duty, any official of the State authorized to act on behalf of the Director of the Budget in connection therewith.

Enabling Act shall mean Article 5-F of the State Finance Law, Chapter 56 of the Consolidated Laws of the State of New York, as may be hereafter amended from time to time.

Estimated Average Interest Rate shall mean, as to any Variable Interest Rate Bonds or Qualified Swap and as of any date of calculation, the average interest rate or rates anticipated to be borne by such Bonds or Qualified Swap, or by the combination of such arrangements, over the period or periods for which such rate or rates are anticipated to be in effect, all as estimated by an Authorized Officer of the Issuer in consultation with the Director of the Budget.

Event of Default shall mean any Event of Default set forth in the Standard Resolution Provisions.

Fiduciary shall mean the Trustee, any Paying Agent, or any or all of them, as may be appropriate.

Fiduciary Capital Funds when used with respect to any Fiduciary shall mean the total of (i) paid in capital, (ii) surplus, (iii) undivided profits and (iv) the par value of outstanding capital notes issued and subordinated to the claims of creditors of such Fiduciary other than the holders of such capital notes.

Financing Agreement shall mean the applicable financing agreement authorized by subdivision 1 of Section 69-o, as amended and supplemented in accordance with the terms thereof and the Resolution and referred to in the Resolution.

Financing Agreement Payment shall refer to any payment obligation of the State incurred pursuant to a Financing Agreement and denominated therein as a "Financing Agreement Payment," to pay to the Issuer or the Trustee from amounts available therefor in the Sales Tax Revenue Bond Tax Fund.

Fund shall mean any one of the funds created and established pursuant to the Resolution.

Government Obligations shall mean (a) direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by, the United States of America and entitled to the full faith and credit thereof; (b) certificates, depositary receipts or other instruments which evidence a direct ownership interest in obligations described in clause (a) above or in any specific interest or principal payments due in respect thereof; provided, however, that the custodian of such obligations or specific interest or principal payments shall be a bank or trust company organized under the laws of the United States of America or of any state or territory thereof or of the District of Columbia, with a combined capital stock, surplus and undivided profits of at least $50,000,000 or the custodian is appointed by or on behalf of the United States of America; and provided, further, that except as may be otherwise required by law, such custodian shall be obligated to pay to the holders of such certificates, depositary receipts or other instruments the full amount received by such custodian in respect of such obligations or specific payments and shall not be permitted to make any deduction therefrom; (c) notes, bonds, debentures, mortgages, and other evidences of indebtedness, issued or guaranteed at the time of the investment by any United States government sponsored agency, corporation or entity approved by the Issuer; (d) a share or interest in a mutual fund, partnership or other fund wholly comprised of obligations described in clauses (a), (b) and (c) above; (e) Defeased Municipal Obligations; or (f) any other Investment Obligation designated in a Supplemental Resolution as a Government Obligation for purposes of defeasing Bonds, which is not redeemable at the option of the issuer thereof and which shall be rated at the time of the investment in the highest long-term Rating Category by each Rating Agency, or the same rating as the United States of America.

Interest Commencement Date shall mean, with respect to any particular Deferred Income Bond, the date determined by Supplemental Resolution after which interest accruing on such Bond shall be payable on the first interest payment date succeeding such Interest Commencement Date and periodically thereafter on the dates determined pursuant to such Supplemental Resolution.

Interest Payment Date shall mean, with respect to a Series of Bonds, each date on which interest, if any, is payable pursuant to the Supplemental Resolution authorizing such Bonds.

Investment Obligations shall mean any of the following that are lawful investments at the time of the investment:

(a) Government Obligations,

(b) certificates of deposit issued by, and time deposits in, and bankers' acceptances of, any bank (including any Paying Agent or Trustee), any branch of any bank, national banking association or federally chartered savings and loan association; provided that, with respect to any of the foregoing institutions, whose long-term unsecured indebtedness is rated less than "A" by each Rating Agency, such certificates of deposit or time deposits or bankers' acceptances are (i) insured by the Federal Deposit Insurance Corporation for the full face amount thereof or (ii) to the extent not so insured, collateralized by direct obligations of the United States of America having a market value of not less than the face amount of such certificates and deposits,

(c) evidences of ownership of a proportionate interest in specified direct obligations of the United States of America, which obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian, or when "stripped" by the Department of the Treasury of the United States of America, then by the custodian designated by the Department of the Treasury of the United States of America,

(d) obligations of state or local government municipal bond issuers which are rated in one of the two highest Rating Categories by each Rating Agency,

(e) obligations of state or local government municipal bond issuers, the principal of and interest on which, when due and payable, have been insured by an insurance policy or guaranteed by a letter of credit and which are rated in one of the two highest Rating Categories by each Rating Agency,

(f) interests in a money market mutual fund registered under the Investment Company Act of 1940, 15 U.S.C. §§80-1, et seq., as from time to time amended, the portfolio of which is limited to obligations described in clause (a), (d), or (e) above and repurchase agreements fully collateralized thereby provided that such fund has total assets of at least $100,000,000 and is rated in the highest Rating Category by each Rating Agency,

(g) evidences of ownership of a proportionate interest in specified Defeased Municipal Obligations which Defeased Municipal Obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian,

(h) any repurchase agreement for Government Obligations by the Issuer or any Trustee that is with a bank, trust company (including any Trustee) or securities dealer which is a member of the Securities Investors Protection Corporation, each of which is a primary reporting dealer in government securities as determined by the Federal Reserve Bank, or if "primary reporting dealers" cease to be determined by the Federal Reserve Bank, such other comparable standard as the Issuer shall implement pursuant to a Supplemental Resolution; provided, however, that the Government Obligations must be transferred to the Issuer or any Trustee or a third party agent by physical delivery or by an entry made on the records of the issuer or registrar of such obligations or clearing agent or depository, and the collateral security must continually have a market value at least equal to 102% of the investment value based upon daily valuations of the amount so invested and the collateral must be free of third party claims. Any investment in a repurchase agreement shall be considered to mature on the date the bank, trust company or recognized securities dealer providing the repurchase agreement is obligated to repurchase the Government Obligations,

(i) commercial paper rated in the highest Rating Category for commercial paper (including refinement or gradation of such rating by a numerical modifier or otherwise) by each Rating Agency,

(j) investment agreements, secured or unsecured, with any institutions whose debt securities are rated in one of the two highest Rating Categories (or rated in the highest Rating

Category for short-term obligations if the investment is for a period not exceeding one year) by each Rating Agency,

(k) forward purchase agreements effecting the periodic delivery of securities listed in (a), (c), (d), (e), (g) and (i) above,

(l) shares or an interest in a mutual fund, partnership or other fund registered under the Securities Act of 1933, as amended, and operated in accordance with Rule 2a-7 of the Investment Company Act of 1940, as from time to time amended, whose objective is to maintain a constant share value of $1.00 per share and that is rated in the highest Rating Category by at least one Rating Agency; and

(m) any other obligations from time to time permitted pursuant to the Issuer Act or other applicable law; provided, however, that if the funds invested in any such obligation are pledged for the payment of Bonds under the Resolution and the Bonds are then rated by a Rating Agency, such obligation shall be rated in one of the two highest Rating Categories of each such Rating Agency.

Any investment in any of the foregoing obligations may be made in the form of an entry made on the records of the issuer of the particular obligations or of a recognized Securities Depository.

Issuer Board shall mean the board or members of the Issuer duly appointed and acting pursuant to the Issuer Act, or their designees duly appointed and acting.

Issuer Expenses shall mean all proper items of cost or expenditure incurred or anticipated to be incurred by the Issuer in connection with the financing of any Project pursuant to the Resolution, or direct and indirect administrative costs, fees and expenses and allocable portions of direct and indirect costs of the Issuer incurred in connection with financing such Project, including Costs of Issuance, initial fees and periodic fees to be paid in connection with Credit Facilities, legal fees, fees and expenses of trustees, remarketing agents, market agents, tender agents, auction agents, Depositories and Paying Agents, and financing charges and fees and expenses of financial advisors and consultants, costs of audits, and such other expenses not specified in the Resolution as may be necessary or incident to the financing of such Project, including through the issuance of Bonds or Bond Anticipation Notes and all other expenses of the Issuer relating to the financing of Projects set forth in the Enabling Act; provided, however, that Issuer Expenses shall not include any termination or other payments to be made in connection with Qualified Swaps or other similar arrangements or, except to the extent expressly provided above, Credit Facilities.

Outstanding, when used with reference to Bonds, shall mean, as of any date, all Bonds theretofore or thereupon being authenticated or otherwise validly executed and delivered under the Resolution except:

1. Any Bond canceled or delivered for cancellation at or prior to such date;

2. Any Bond (or portion of a Bond) deemed to have been paid in accordance with the Standard Resolution Provisions unless a Supplemental Resolution provides that Bonds of a Series having the benefit of a Credit Facility shall not thereby be deemed paid if payment is provided by the Credit Facility;

3. Any Bond in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to the Standard Resolution Provisions; and

4. Put Bonds tendered or deemed tendered in accordance with the provisions of the Supplemental Resolution authorizing such Bonds on the applicable tender date, if the purchase price thereof and interest thereon shall have been paid or amounts are available and set aside for such payment as provided in such Supplemental Resolution, except to the extent such tendered Put Bonds thereafter may be resold pursuant to the terms thereof and of such Supplemental Resolution.

The principal component of any Parity Reimbursement Obligation shall be deemed to be Outstanding in a principal amount equal to the principal amount of the obligation then owed by the Issuer thereunder in lieu of the related Bond, regardless of the authorized amount of the principal component of such Parity Reimbursement Obligation or the related Bond and provided that, unless otherwise required pursuant to the related Supplemental Resolution, the principal component of such Parity Reimbursement Obligation shall not by itself increase the Outstanding principal amount of Bonds.

Parity Reimbursement Obligation has the meaning provided in the Standard Resolution Provisions.

Paying Agent or **Paying Agents** shall mean any paying agent for the Bonds of any Series appointed pursuant to the Standard Resolution Provisions, and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to the Resolution, and in the event that for any reason there shall be a vacancy in the office of Paying Agent, the Trustee, if a different entity, or the Issuer shall act as such Paying Agent.

Person shall mean any individual, corporation, firm, partnership, joint venture, association, joint-stock company, trust, unincorporated association, limited liability company or other legal entity or group of entities, including any public benefit corporation, public instrumentality, quasi-governmental or governmental entity or any agency or subdivision thereof.

Pledged Property shall mean all of the Issuer's right, title and interest in and to (i) the Financing Agreements (other than (A) the Issuer's right to receive the payment of Issuer Expenses, (B) the right of the Issuer to enforce the obligation of the State to make Financing Agreement Payments, (C) the right of the Issuer to agree to the amendment of a Financing Agreement in accordance with the Standard Resolution Provisions, and (D) the right of the Issuer to enforce the provisions of any Financing Agreement independently of the Trustee, without limiting the right of the Trustee to enforce the payment of amounts (other than Financing Agreement Payments) under the Financing Agreements for the benefit of Bondholders or Fiduciaries), and (ii) the Revenues and Funds (other than the Rebate Fund and other Funds, and any accounts and subaccounts therein, established pursuant to a Supplemental Resolution in connection with Variable Interest Rate Bonds, Put Bonds, Parity Reimbursement Obligations, Reimbursement Obligations or Subordinated Indebtedness; *provided, however, that* such Funds, accounts and subaccounts are specifically excepted from Pledged Property by the Supplemental Resolution authorizing such Variable Interest Rate Bonds, Put Bonds, Parity Reimbursement Obligations, Reimbursement Obligations or Subordinated Indebtedness), including Investment Obligations held in such Funds under the Resolution, together with all proceeds and revenues of the foregoing and all other moneys, securities or funds pledged for the payment of the principal or Redemption Price of and interest on the Bonds in accordance with the terms and provisions of the Resolution; provided, however, that in no event shall any Project or any interest therein be deemed to be "Pledged Property".

Principal Installment shall mean, as of any date of calculation and with respect to any Series of Bonds or any Parity Reimbursement Obligation, as applicable, (a) the principal amount of Outstanding Bonds of such Series, due on the dates and in the amounts specified by Supplemental Resolution, reduced by the principal amount of such Bonds which would be retired by reason of the payment when due and application in accordance with the Resolution of Sinking Fund Installments payable before such dates, plus the unsatisfied balance of any Sinking Fund Installments due on any certain future date for Bonds of such Series, together with such redemption premiums, if any, applicable on any such future date, and (b) with respect to any Parity Reimbursement Obligation, the amount due thereunder on the dates and in the amounts established in accordance with the Standard Resolution Provisions as a principal component of such Parity Reimbursement Obligation payable on a parity with the Bonds.

Prior Obligations shall mean bonds, notes or other obligations constituting State-Supported Debt and previously issued or incurred by a public corporation in the State, and not under this Resolution to finance Costs of a Project.

Project shall mean the land, buildings, improvements, betterments, equipment, furnishings, and other property, real or personal, and all appurtenances thereto and interests therein, comprising each of the projects to be acquired, constructed, reconstructed, renovated, or developed to effectuate an Authorized Purpose, but for purposes of refunding Prior Obligations under the Resolution, means any purposes for which State-Supported Debt is or has been issued.

Put Bonds shall mean Bonds which by their terms may be tendered at the option of the Holder thereof, or are subject to a mandatory tender other than at the election of the Issuer for payment or purchase prior to the stated maturity or redemption date thereof.

Qualified Swap shall mean, to the extent from time to time permitted by law, with respect to Bonds, any financial arrangement (i) which is entered into by the Issuer with an entity that is a Qualified Swap Provider at the time the arrangement is entered into, (ii) which is a cap, floor or collar; forward rate; future rate; swap (such swap may be based on an amount equal either to the principal amount of such Bonds of the Issuer as may be designated or a notional principal amount relating to all or a portion of the principal amount of such Bonds); asset, index, price or market-linked transaction or agreement; other exchange or rate protection transaction agreement; other similar transaction (however designated); or any combination thereof; or any option with respect thereto, in each case executed by the Issuer for the purpose of moderating interest rate fluctuations, reducing debt service costs or creating either fixed interest rate Bonds or variable interest rate Bonds on a synthetic basis or otherwise, or other similar financial transaction, and (iii) which has been designated in writing to the Trustee by an Authorized Officer of the Issuer as a Qualified Swap with respect to such Bonds.

Qualified Swap Payment shall mean any payment required to be made by the Issuer under a Qualified Swap, such payment to be made only from the Subordinated Indebtedness Fund.

Qualified Swap Provider shall mean an entity whose senior long term obligations, other senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, or whose payment obligations under an interest rate exchange agreement are guaranteed by an entity whose senior long term debt obligations, other senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, are rated at least as high as the third highest Rating Category of each Rating Agency then maintaining a rating for the Qualified Swap Provider.

Rating Agency shall mean each nationally recognized statistical rating organization then maintaining a rating on the Bonds at the request of the Issuer.

Rating Category shall mean one of the generic rating categories of any Rating Agency without regard to any refinement or gradation of such rating by a numerical modifier or otherwise.

Rating Confirmation shall mean evidence that no rating then in effect from a Rating Agency will be withdrawn or reduced solely as the result of an action to be taken under the Resolution; provided, however, that no action requiring Rating Confirmation shall be undertaken unless at least one Rating Agency at that time maintains a rating on Bonds.

Rebate Amount shall mean, with respect to each Series of Bonds, the amount equal to the rebatable arbitrage and any income attributable to the rebatable arbitrage as required by the Code.

Record Date shall mean, unless the applicable Supplemental Resolution authorizing a particular Series of Bonds provides otherwise with respect to Bonds of such Series, (i) with respect to any Interest Payment Date that falls on the fifteenth (15th) day of the month, the last day of the calendar month preceding such Interest Payment Date, and (ii) with respect to any Interest Payment Date that falls on any other day of the month, the fifteenth (15th) day of the calendar month preceding such Interest Payment Date.

Redemption Date shall mean the date upon which Bonds are to be called for redemption pursuant to the Resolution.

Redemption Price shall mean, with respect to any Bonds, the principal amount thereof plus the applicable premium, if any, payable upon the redemption thereof.

Refunding Bonds shall mean all Bonds, whether issued in one or more Series of Bonds, authenticated and delivered pursuant to the Standard Resolution Provisions, on original issuance pursuant to the Standard Resolution Provisions as described under "Refunding Bonds" below, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the Standard Resolution Provisions.

Regulations shall mean the Income Tax Regulations promulgated by the Department of the Treasury of the United States of America from time to time.

Reimbursement Obligation has the meaning provided in the Standard Resolution Provisions.

Requisition shall mean any instructions as deemed necessary and delivered by the Director of the Budget to the Issuer, providing for the payment of Bond proceeds to the State or any other entity.

Revenues shall mean (i) all amounts appropriated and paid to the Issuer or the Trustee from the Sales Tax Revenue Bond Tax Fund pursuant to Section 92-h and the Financing Agreement, constituting Financing Agreement Payments, (ii) any other amounts appropriated and paid by the State to the Issuer or received from any other source by the Issuer and pledged by the Issuer as security for the payment of Bonds, (iii) any payments received by the Issuer from the federal government, as a credit or debt service subsidy relating to, or measured by, payments of principal or interest on Bonds, as may be determined, and solely to the extent so provided, by the Issuer pursuant to a Supplemental Resolution to constitute "revenues," and (iv) interest received or to be received on any moneys or securities held pursuant to the Resolution.

Sales Tax Revenue Bond Tax Fund shall mean the fund established by Section 92-h of the State Finance Law.

Section 92-h shall mean section 92-h of the State Finance Law, as it may be hereafter amended or supplemented from time to time.

Section 69-m shall mean section 69-m of the State Finance Law, as it may be hereafter amended or supplemented from time to time.

Section 69-n shall mean section 69-n of the State Finance Law, as it may be hereafter amended or supplemented from time to time.

Section 69-o shall mean section 69-o of the State Finance Law, as it may be hereafter amended or supplemented from time to time.

Securities Depository shall mean a recognized securities depository selected by the Issuer to maintain a book-entry system in respect to all or any portion of a Series of Bonds (including, as appropriate, any nominee thereof), and shall include any substitute for or successor to the Securities Depository initially acting as Securities Depository.

Series shall mean all of the Bonds authenticated and delivered on original issuance and denominated as part of the same series, and thereafter delivered in lieu of or in substitution of such Bonds pursuant to the Standard Resolution Provisions regardless of variations in maturity, interest rate, Sinking Fund Installments or other provisions.

Sinking Fund Installment shall mean, with respect to any Series of Bonds, as of any date of calculation and with respect to any Bonds of such Series, the amount of money required by the applicable Supplemental Resolution pursuant to which such Bonds were issued, to be paid in all events by the Issuer on a single future date for the retirement of any Outstanding Bonds of said Series which mature after said future date, but does not include any amount payable by the Issuer by reason only of the maturity of such Bond.

State shall mean the State of New York.

State Fiscal Year shall mean the fiscal year of the State as set forth in the State Finance Law.

State Legislature shall mean the Legislature of the State of New York.

State Revenue Bonds shall mean any notes, bonds or other obligations to be issued or incurred by the State or by a public corporation of the State on behalf of the State in accordance with a hereafter enacted amendment to the State Constitution, payments with respect to which (i) are payable from specified, dedicated revenues and (ii) do not require an appropriation by the State Legislature in order to be made.

State Sales Tax Revenue Bonds shall mean any notes, bonds or other obligations issued by an Authorized Issuer pursuant to the Enabling Act.

State-Supported Debt shall mean state-supported debt as defined in Section 67-a of the State Finance Law, as it may be hereafter amended or supplemented from time to time, other than debt for which the full faith and credit of the State is pledged to pay debt service.

Subordinated Indebtedness shall mean any bond, note or other indebtedness authorized by Supplemental Resolution or other resolution of the Issuer and designated as constituting "Subordinated Indebtedness" in a certificate of an Authorized Officer of the Issuer delivered to the Trustee, which shall be payable and secured in a manner permitted by the Resolution, and any lien on and pledge of any portion of the Pledged Property securing Subordinated Indebtedness shall be junior and inferior to the lien on and pledge of the Pledged Property created in the Resolution for the payment of the Bonds and Parity Reimbursement Obligations.

Supplemental Resolution shall mean any resolution supplemental to or amendatory of the Resolution adopted by the Issuer in accordance with the Resolution and, except as the context may otherwise require, including any related Certificate of Determination.

Tax Law shall mean the tax law constituting Chapter 60 of the consolidated laws of the State.

Taxable Bonds shall mean any Bonds which are not Tax-Exempt Bonds.

Tax-Exempt Bonds shall mean any Bonds the interest on which is intended by the Issuer to be generally excluded from gross income for federal income tax purposes and which are designated as Tax-Exempt Bonds in the Supplemental Resolution authorizing such obligations.

Trustee shall mean a trustee appointed by the Issuer or as otherwise provided in the Resolution, its successor and assigns, and any other corporation or association which may at any time be substituted in its place as provided in the Resolution.

Valuation Date shall mean (i) with respect to any Capital Appreciation Bonds, the date or dates set forth in the Supplemental Resolution authorizing such Bond on which specific Accreted Values are assigned to such Capital Appreciation Bonds, and (ii) with respect to any Deferred Income Bonds, the date or dates on or prior to the Interest Commencement Date set forth in the Supplemental Resolution authorizing such Bonds on which specific Appreciated Values are assigned to the Deferred Income Bonds.

Variable Interest Rate Bonds shall mean Bonds which bear a variable interest rate but does not include any Bond which, during the remainder of the term thereof to maturity, bears interest at a fixed rate. The method of computing such variable interest rate shall be specified in the Supplemental Resolution authorizing such Series of Bonds.

(Section A-101)

The Resolution to Constitute Contract

In consideration of the purchase and acceptance of any and all of the Bonds and Parity Reimbursement Obligations authorized to be issued or incurred under the Resolution by those who shall hold the same from time to time, the Resolution shall be deemed to be and shall constitute a contract between the Issuer and the Holders from time to time of the Bonds and Parity Reimbursement Obligations; and the pledge made in the Resolution and the covenants and agreements therein set forth to be performed on behalf of the Issuer shall be for the equal benefit, protection and security of the Holders of any and all of the Bonds and Parity Reimbursement Obligations, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds or Parity Reimbursement Obligations over any other thereof except as expressly provided in or permitted by the Resolution.

(Section A-104)

General Provisions for Issuance of Bonds

The issuance of Bonds of a Series or subseries shall be authorized by the Resolution and a Supplemental Resolution or Resolutions adopted at the time of or subsequent to the adoption of the Resolution and which shall be subject to the express limitations of the Resolution. The Bonds of a Series or subseries authorized to be issued shall be executed in accordance with the Standard Resolution Provisions and delivered to the Trustee. Such Series of Bonds or subseries shall be authenticated or otherwise delivered by the Trustee from time to time in such amounts as directed by the Issuer and by it delivered to or upon the order of the Issuer upon receipt of the consideration therefor and upon delivery to the Trustee of:

(A) a copy of the Resolution and the Supplemental Resolution authorizing such Series which, among other things, shall specify the following items (or the manner of determining such items prior to the delivery of the Bonds):

1. The authorized principal amount, designation and Series of such Bonds;

2. The purposes for which such Series of Bonds are being issued, which shall be one or more of the following (a) one or more of the Authorized Purposes permitted by the Enabling Act, or (b) the refunding of Bonds, or Prior Obligations, as provided in the Standard Resolution Provisions;

3. The date or dates, and the maturity date or dates and principal amounts of each maturity of the Bonds of such Series;

4. The amount, or the method for determining such amount, and due date of each Sinking Fund Installment, if any, for Bonds of such Series;

5. The Record Date or Record Dates of Bonds of such Series for which the Record Date or Record Dates is a date other than as provided in the definition thereof;

6. If the Bonds of such Series are interest bearing Bonds, the interest rates of the Bonds of such Series and the Interest Payment Dates therefor;

7. If Bonds of such Series are Capital Appreciation Bonds, the Valuation Dates for such Bonds and the Accreted Value on each such Valuation Date;

8. If Bonds of such Series are Deferred Income Bonds, the Interest Commencement Date for such Obligations, the Valuation Dates prior to the Interest Commencement Date for such Bonds and the Appreciated Value on each such Valuation Date;

9. If Bonds of such Series are Capital Appreciation Bonds or Deferred Income Bonds, the manner in which and the period during which principal and interest shall be deemed to accrue on such Bonds;

10. If Bonds of such Series are Variable Interest Rate Bonds, the maximum interest rate, if any, or the method of calculating such maximum rate for such Bonds, and the provisions, if any, as to the calculation or change of variable interest rates;

11. If Bonds of such Series are Put Bonds, provisions regarding tender for purchase or redemption thereof and payment of the purchase or Redemption Price thereof;

12. The denomination or denominations of, and the manner of dating, numbering and lettering, the Bonds of such Series;

13. The Paying Agent or Paying Agents, if any, and the place or places of payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if any, of and interest on the Bonds of such Series;

14. The redemption provisions, if any, applicable to the Bonds of such Series;

15. Provisions for time, place and manner of sale or exchange of the Bonds of such Series;

16. Any material change to the form of the Bonds of such Series and the form of the Trustee's certificate of authentication thereon from the forms set forth in Exhibit One to the Resolution. Except as otherwise provided pursuant to a Supplemental Resolution, all of the Bonds of each Series shall be in fully registered form without coupons;

17. Directions for the application of the proceeds of the Bonds of such Series;

18. To the extent applicable, direction to deliver such Series of Bonds in book-entry form to the extent materially different from the provisions of the Standard Resolution Provisions;

19. To the extent applicable, the provisions relating to (a) any Credit Facility, Qualified Swap or other similar financial arrangement entered into in connection with the issuance of the Bonds of such Series and (b) the obligations payable thereunder; and

20. Any other provision deemed advisable by an Authorized Officer of the Issuer, not in conflict with the provisions of the Resolution or of the applicable Supplemental Resolution.

An Authorized Officer of the Issuer to whom a Supplemental Resolution has delegated the power to determine any of the foregoing shall execute a Certificate of Determination evidencing such determinations or other actions taken pursuant to such delegation, and such Certificate of Determination shall be conclusive evidence of the determinations or actions of such Authorized Officer as to the matters stated therein. The matters set forth in any such Certificate of Determination shall have the same effect as if set forth in the related Supplemental Resolution;

(B) Counsel's Opinion in customary form to the effect that (i) the Issuer has the right and power under the Acts to adopt the Resolution, and the Resolution has been duly and lawfully adopted by the Issuer, is in full force and effect and is valid and binding upon the Issuer and enforceable in accordance with its terms, and no other authorization for the Resolution is required, (ii) the Resolution creates the valid pledge to the payment of the Bonds of the Pledged Property which it purports to create pursuant to the Standard Resolution Provisions, subject to the provisions of the Resolution permitting the withdrawal, payment, setting apart or appropriation thereof for the purposes and on the terms and conditions set forth in the Resolution, and (iii) upon the execution and delivery thereof and upon authentication by the Trustee, the Bonds of such Series will be valid and binding, special obligations of the Issuer payable as provided in, and enforceable in accordance with their terms and the terms of, the Resolution and entitled to the benefits of the Acts and the Resolution, and such Bonds have been duly and validly authorized and issued in accordance with law, including the Acts, as amended to the date of such Counsel's Opinion, and in accordance with the Resolution;

(C) A certificate of an Authorized Officer of the Issuer stating that upon the delivery of the Bonds of such Series, the Issuer will not be in default in the performance of any of the terms, provisions or covenants of the Resolution or of any of the Bonds; provided, however, that solely with respect to Refunding Bonds being delivered on original issuance pursuant to the Standard Resolution Provisions, such certificate shall not be a condition to the authentication and delivery of such Refunding Bonds if and to the extent that a certificate of an Authorized Officer of the Issuer is delivered stating that upon the delivery of such Refunding Bonds the Issuer will no longer be in default in the performance of the terms, provisions or covenants of the Resolution or of any of the Bonds as specified in such certificate;

(D) A certificate of an Authorized Officer of the State stating that (i) to the best of such Authorized Officer's knowledge, no event of default under any Financing Agreements has occurred and is continuing nor will an event of default under any Financing Agreements occur as a result of the issuance of such Bonds, and (ii) the approval of the Director of the Budget for such financing;

(E) A copy of the Certificate of Determination, if any, executed in connection with such Series of Bonds;

(F) To the extent authorized by the Issuer pursuant to a Supplemental Resolution, one or more Credit Facilities with respect to any Series of Bonds and any agreements deemed necessary in connection therewith;

(G) A written order of an Authorized Officer of the Issuer as to the delivery of such Series of Bonds, describing such Bonds to be delivered, designating the purchaser or purchasers to whom such Bonds are to be delivered and stating the consideration for such Bonds;

(H) A certificate of an Authorized Officer of the Issuer setting forth the amount of money, if any, to be deposited into the Debt Service Fund, equal to the sum of (a) the amount of capitalized interest funded with the proceeds of the Bonds of such Series, if any, and (b) the interest on the Bonds of such Series from the date of the Bonds of such Series to the date of delivery thereof;

(I) Any amounts (in the form of cash or Investment Obligations) required to be deposited with the Trustee at the time of issuance and delivery of the Bonds of such Series;

(J) Copies of the Financing Agreement applicable to such Series of Bonds; and

(K) Such further documents and moneys as are required by the provisions of the Standard Resolution Provisions or any Supplemental Resolution adopted pursuant to the Standard Resolution Provisions.

The Issuer may authorize by Supplemental Resolution the issuance of Capital Appreciation Bonds, Deferred Income Bonds, Variable Interest Rate Bonds, Put Bonds or any other form of Bond not in conflict with the provisions of the Resolution or of the applicable Supplemental Resolution.

The Issuer may authorize by Supplemental Resolution such other provisions relating to a Series of Bonds as are permitted by the Resolution.

The Bonds shall not be a debt of the State and the State shall not be liable thereon, nor shall they be payable out of any funds other than those of the Issuer pledged therefor pursuant to the Resolution.

(Section A-201)

Special Provisions for Additional Bonds

After the issuance of the initial Series of Bonds, one or more Series of Additional Bonds may be authorized and delivered upon original issuance for any Authorized Purpose, including payment of Costs of a Project and the refunding of Prior Obligations or Bonds or Parity Reimbursement Obligations or other indebtedness, upon receipt by the Trustee, in addition to any applicable requirements of the Standard Resolution Provisions, of the following:

1. A certificate by the Director of the Budget setting forth the most recent collections for any 12 consecutive calendar months ended not more than six months prior to the date of such certificate, of the taxes, fees, fines, penalties, or other monies which, as of the date of issuance of any such Series of Bonds, are levied, collected or imposed by or on behalf of the State and are required to be deposited into the Sales Tax Revenue Bond Tax Fund; provided, however, that if any taxes, fees, fines, penalties or other monies that are required to be deposited into such fund (a) were not so required to be deposited for all of such 12 calendar months, or (b) were required to be deposited into such fund pursuant to Section 92-h, subdivision 2 but at a lower rate of taxation than in effect on or after the date of issuance of such Series of Additional Bonds pursuant to such Section 92-h, such certificate may nevertheless include the full amount of all such taxes, fees, fines, penalties, or other monies as if those amounts were actually collected for such 12 calendar months;

2. (I) A certificate by an Authorized Officer of the Issuer setting forth the Calculated Debt Service on all Outstanding Bonds, including such Series of Additional Bonds to be issued and any additional amounts payable with respect to Parity Reimbursement Obligations for each State Fiscal Year for which such Bonds or Parity Reimbursement Obligations are Outstanding and (II) a certificate of the Director of the Budget, including the amount of Calculated Debt Service set forth in the certificate required by clause (2)(I) of this paragraph (based upon information furnished by each applicable Authorized Issuer pursuant to the related financing agreement), setting forth the calculated debt service (calculated in the same manner as Calculated Debt Service for Bonds and Parity Reimbursement Obligations) on outstanding State Sales Tax Revenue Bonds or related parity reimbursement obligations issued by all Authorized Issuers pursuant to the Enabling Act, which State Sales Tax Revenue Bonds or parity reimbursement obligations are secured by payments to be made from the Sales Tax Revenue Bond Tax Fund for each State Fiscal Year for which such State Sales Tax Revenue Bonds or parity reimbursement obligations are outstanding; and

3. A certificate by the Director of the Budget stating that the amounts set forth pursuant to paragraph 1 above will be at least 2.0 times the maximum calculated debt service (calculated in the same manner as Calculated Debt Service for Bonds and Parity Reimbursement Obligations) for all Authorized Issuers set forth in paragraph 2(II) above for any State Fiscal Year set forth pursuant to paragraph (2)(II) above.

(Section A-202)

Refunding Bonds

One or more Series of Refunding Bonds may be authenticated and delivered to refund all Outstanding Bonds of one or more Series of Bonds or Parity Reimbursement Obligations or any portion of a Series of Outstanding Bonds or Parity Reimbursement Obligations, or any outstanding Prior Obligations, in each case including all or any portion of a maturity. The Issuer may issue Refunding Bonds of a Series in an aggregate principal amount sufficient, together with other moneys available therefor, to accomplish such refunding (including by redemption, payment at maturity or in connection with exchanges or tenders) and to make such deposits required by the provisions of this section and of the Supplemental Resolution authorizing such Series of Refunding Bonds.

(A) In addition to the applicable requirements of the Standard Resolution Provisions, Refunding Bonds of any Series issued to refund (i) Outstanding Bonds or Parity Reimbursement Obligations and/or (ii) outstanding State Sales Tax Revenue Bonds or related parity reimbursement obligations issued by an Authorized Issuer pursuant to the Enabling Act ((i) and (ii) being collectively referred to herein, as the "Prior State Sales Tax Revenue Obligations") shall be authenticated by the Trustee or otherwise delivered by the Trustee upon the receipt by the Trustee of:

(1) If the Prior State Sales Tax Revenue Obligations to be refunded are to be redeemed, irrevocable instructions from the applicable Authorized Issuer to the trustee for such Prior State Sales Tax Revenue Obligations, satisfactory to it, to give due notice of redemption of all the Prior State Sales Tax Revenue Obligations to be refunded on a redemption date specified in such instructions;

(2) If Prior State Sales Tax Revenue Obligations to be refunded are to be deemed paid, evidence of due publication of the notice provided for in the Standard Resolution Provisions or in the general resolution pursuant to which such Prior State Sales Tax Revenue Obligations were issued to the holders of the Prior State Sales Tax Revenue Obligations being refunded;

(3) If Prior State Sales Tax Revenue Obligations to be refunded are to be deemed paid, either or both of

(i) moneys in an amount sufficient to effect payment of the principal at the maturity date therefor (or on exchange or tender) or the redemption price on the applicable redemption date of the Prior State Sales Tax Revenue Obligations to be refunded, together with accrued interest on such Prior State Sales Tax Revenue Obligations to the maturity or redemption date, which money shall be held by the trustee for such Prior State Sales Tax Revenue Obligations or any one or more of the applicable paying agents for such Prior State Sales Tax Revenue Obligations in a separate account irrevocably in trust for and assigned to the respective holders of such Prior State Sales Tax Revenue Obligations to be refunded, and

(ii) Government Obligations in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications, as shall be necessary to comply with the provisions of the Standard Resolution Provisions or the corresponding section or sections of the general resolution pursuant to which such Prior State Sales Tax Revenue Obligations were issued, which Government Obligations and moneys shall be held in trust and used only as provided in the Standard Resolution Provisions; and

(4) Either

(i) a certificate of the Director of the Budget (a) setting forth (I) the greatest amount of calculated debt service on all outstanding State Sales Tax Revenue Bonds and parity reimbursement obligations for any future State Fiscal Year (calculated in the same manner as Calculated Debt Service for Bonds and Parity Reimbursement Obligations) during the term of the Bonds (including the Refunding Bonds then proposed to be issued but excluding the Prior State Sales Tax Revenue Obligations to be refunded or purchased) and (II) the greatest amount of calculated debt service on all outstanding State Sales Tax Revenue Bonds and parity reimbursement obligations for any future State Fiscal Year during the term of the Bonds as calculated immediately prior to the issuance of the Refunding Bonds (including the Prior State Sales Tax Revenue Obligations to be refunded but excluding the Refunding Bonds), and (b) stating that the greatest amount of calculated debt service on all outstanding State Sales Tax Revenue Bonds and parity reimbursement obligations for any future State Fiscal Year during the term of the Bonds set forth pursuant to (a)(I) above is not greater than the greatest amount of calculated debt service on all outstanding State Sales Tax Revenue Bonds and parity reimbursement obligations for any future State Fiscal Year during the term of the Bonds set forth pursuant to (a)(II) above; or

(ii) the certificates required by the Standard Resolution Provisions as described under "Special Provisions for Additional Bonds" above with respect to such Series of Refunding Bonds, considering for all purposes of such certificate that the Refunding Bonds then proposed to be issued will be Outstanding but the Prior State Sales Tax Revenue Obligations to be refunded will no longer be outstanding under the general resolution pursuant to which such Prior State Sales Tax Revenue Obligations were issued.

(B) In addition to the applicable requirements of the Standard Resolution Provisions, Refunding Bonds of any Series issued to refund in whole or in part any Prior Obligations that are not Prior State Sales Tax Revenue Obligations shall be authenticated or otherwise delivered by the Trustee upon the receipt by the Trustee of the certificates required to be delivered in connection with the issuance of Additional Bonds in the Standard Resolution Provisions as described under "Special Provisions for Additional Bonds" above; and shall otherwise comply with any applicable requirements in connection with a refunding set forth in the resolutions which authorized the issuance of such Prior Obligations.

(C) The proceeds, including accrued interest, of such Refunding Bonds shall be applied simultaneously with the delivery of such Refunding Bonds in the manner provided in or determined in accordance with the Supplemental Resolution authorizing such Refunding Bonds or the related Certificate of Determination.

(Section A-203)

Credit Facilities; Qualified Swaps and other similar arrangements; Parity Reimbursement Obligations

The Issuer may include such provisions in a Supplemental Resolution or related Certificate of Determination authorizing the issuance of a Series of Bonds secured by a Credit Facility as the Issuer deems appropriate, including:

So long as the Credit Facility is in full force and effect, and payment on the Credit Facility is not in default and the provider of the Credit Facility is qualified to do business in the State, and (a) no proceeding shall have been instituted in a court having jurisdiction in the premises seeking a decree or order for relief in respect of the provider of the Credit Facility in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or for the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) for the provider of the Credit Facility or for any substantial part of its property or for the winding up or liquidation of the affairs of the provider of the Credit Facility and such proceeding shall remain undismissed or unstayed and in effect for a period of sixty (60) days or such court shall enter a decree or order granting the relief sought in such proceeding, or (b) the provider of the Credit Facility shall not have commenced a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, shall not have consented to the entry of an order for relief in an involuntary case under any such law, or shall not have consented to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) for the provider of the Credit Facility or for any substantial part of its property, or shall not have made a general assignment for the benefit of creditors, or shall not have failed generally to pay its debts as they become due, or shall not have taken any corporate action with respect to any of the foregoing, then, in all such events, the provider of the Credit Facility shall be deemed to be the sole Holder of the Outstanding Bonds the payment of which such Credit Facility secures when the approval, consent or action of the Bondholders for such Bonds is required or may be exercised under the Resolution, including, without limitation, as described under "Powers of Amendment" and "Modifications by Unanimous Consent" below, and following a default as described under "Events of Default" and "Remedies" below, except where the Credit Facilities provide only liquidity support and not credit support.

In the event that the principal, Sinking Fund Installments, if any, and Redemption Price, if applicable, and interest due on any Bonds Outstanding, or the purchase price of puts in connection with such Bonds, shall be paid under the provisions of a Credit Facility, all covenants, agreements and other obligations of the Issuer to the Bondholders of such Bonds shall continue to exist and such provider of the Credit Facility shall be subrogated to the rights of such Bondholders in accordance with the terms of such Credit Facility.

In addition, such Supplemental Resolution or related Certificate of Determination may establish such provisions as are necessary (i) to comply with the provisions of each such Credit Facility, (ii) to provide relevant information to the provider of the Credit Facility, (iii) to provide a mechanism for paying Principal Installments and interest on such Series of Bonds under the Credit Facility, and (iv) to make provision for any events of default or for additional or improved security required by the provider of a Credit Facility.

In connection therewith the Issuer may enter into such agreements with the issuer of such Credit Facility providing for, inter alia: (i) the payment of fees and expenses to such provider for the issuance of such Credit Facility; (ii) the terms and conditions of such Credit Facility and the Series of Bonds affected thereby; and (iii) the security, if any, to be provided for the issuance of such Credit Facility.

The Issuer may secure such Credit Facility by an agreement providing for the purchase of the Series of Bonds secured thereby with such adjustments to the rate of interest, method of determining interest, maturity, or redemption provisions as specified by the Issuer in the applicable Supplemental Resolution. The Issuer may also in an agreement with the provider of such Credit Facility agree to directly reimburse such issuer for amounts paid under the terms of such Credit Facility, together with interest thereon (the "Reimbursement Obligation") solely from Pledged Property; provided, however, that no Reimbursement Obligation shall be created, for purposes of the Resolution, until amounts are paid under such Credit Facility. Any such Reimbursement Obligation, which may include interest calculated at a rate higher than the interest rate on the related Bond, may be secured by a pledge of, and a lien on, Pledged Property on a parity with the lien created by the Resolution, but only to the extent principal amortization requirements with respect to such reimbursement are equal to the amortization requirements for such related Bonds, without acceleration. Any Reimbursement Obligation conforming with the provisions of the previous sentence shall be deemed a "Parity Reimbursement Obligation". Parity Reimbursement Obligations shall not include any payments of any fees, expenses, indemnification, or other obligations to any such provider, or any payments pursuant to term-loan or other principal amortization requirements in reimbursement of any such advance that are more accelerated than the amortization requirements on such related Bonds. Parity Reimbursement Obligations may be evidenced by Bonds designated as "Bank Bonds." Any such Parity Reimbursement Obligation shall be deemed to be a part of the Series of Bonds to which the Credit Facility which gave rise to such Parity Reimbursement Obligation relates.

Any such Credit Facility shall be for the benefit of and secure such Series of Bonds or portion thereof as specified in the applicable Supplemental Resolution.

In connection with the issuance of a Series of Bonds or at any time thereafter so long as a Series of Bonds remains Outstanding, the Issuer also may enter into Qualified Swaps or, to the extent from time to time permitted pursuant to law, other similar arrangements if the Issuer determines that such Qualified Swaps or other similar arrangements will assist the Issuer in more effectively managing its interest costs. To the extent provided in a Supplemental Resolution or related Certificate of Determination, the Issuer's obligation to pay Qualified Swap Payments under any Qualified Swap may be secured by a pledge of, and a lien on, the Subordinated Payment Fund. Qualified Swap Payments may include any payments of any termination or other fees, expenses, indemnification or other obligations to a Qualified Swap Provider, or any payments that represent payment of interest thereunder in advance of the payment of interest on the Bonds to which such Qualified Swap relates.

Parity Reimbursement Obligations shall not be a debt of the State and the State shall not be liable thereon, nor shall Parity Reimbursement Obligations be payable out of any funds other than those of the Issuer pledged therefor pursuant to the Resolution.

(Section A-204)

Bond Anticipation Notes

Whenever the Issuer shall have, by Supplemental Resolution, authorized the issuance of a Series of Bonds, the Issuer may by adoption of a Supplemental Resolution authorize the issuance of Bond Anticipation Notes in anticipation of the issuance of such authorized Series of Bonds, in a principal amount not exceeding the principal amount of the Bonds of such Series so authorized. The principal of and premium, if any, and interest on such Bond Anticipation Notes and any renewals of such Bond Anticipation Notes shall be payable only from (i) the proceeds of any renewals of such Bond Anticipation Notes issued to repay such Bond Anticipation Notes, (ii) the proceeds of the sale of the Series of Bonds in anticipation of which such Bond Anticipation Notes are issued, (iii) any amounts provided by the State and/or the federal government expressly for payment of such Bond Anticipation Notes, or (iv) the proceeds of such Bond Anticipation Notes deposited in any Fund or account under the Resolution. Such proceeds and other amounts set forth in clauses (i), (ii), (iii) and (iv) may be pledged for the payment of the principal of and premium, if any, and interest on such Bond Anticipation Notes and any such pledge shall have priority over any other pledge created by the Resolution. In any case, such Bond Anticipation Notes shall be retired or provision shall be made for their retirement not later than the date of authentication and delivery of the Series of Bonds in anticipation of which they are issued. The proceeds of the sale of Bond Anticipation Notes, other than renewals thereof, shall be applied to the purposes for which the Bonds in anticipation of which such Bond Anticipation Notes are authorized and shall be deposited in the appropriate Fund or account established by the Resolution for such purposes and, if so provided in the resolution authorizing renewals of Bond Anticipation Notes issued to pay outstanding Bond Anticipation Notes, applied directly to such payment. Interest earned on any amounts on deposit in any Fund or account under the Resolution representing the proceeds of any Bond Anticipation Notes shall be applied in the manner set forth in the Supplemental Resolution authorizing such Bond Anticipation Notes or the related Certificate of Determination.

(Section A-205)

Additional Obligations

The Issuer reserves the right to issue bonds, notes or any other obligations or otherwise incur indebtedness pursuant to other and separate resolutions or agreements of the Issuer, so long as such bonds, notes or other obligations are not, or such indebtedness is not, except as provided in the Resolution, entitled to a charge, lien or right prior or equal to the charge or lien on the Pledged Property created by the Resolution, or prior or equal to the rights of the Issuer and Holders of Bonds.

(Section A-206)

Redemption at the Election of the Issuer; Redemption other than at Issuer's Election; Selection of Bonds to be Redeemed

Except as otherwise provided by Supplemental Resolution:

1. In the case of any redemption of Bonds of a Series at the election of the Issuer, such Bonds may be redeemed at the option of the Issuer as provided in the Supplemental Resolution authorizing such Bonds. In exercising such option, the Issuer shall give written notice to the Trustee and any Paying Agent of its election to redeem, including the Series designation, the principal amounts and the maturities of such Bonds so elected, and, if any maturity shall include Bonds bearing different interest rates and all Bonds of such maturity are not being redeemed, the interest rate of the Bonds so elected. The Series designation, maturities, interest rates and principal amounts thereof to be redeemed shall be determined by the Issuer in its sole discretion, subject to any limitations with respect thereto contained in the Resolution. Such notice shall be given to the Trustee at least forty-five (45) days prior to the date on which the Bonds of such Series are to be redeemed, or such fewer number of days as shall be acceptable to the Trustee.

2. Whenever by the terms of the Resolution, Bonds are required to be redeemed otherwise than at the election of the Issuer, the Trustee shall select the Bonds to be redeemed, give the notice of redemption and pay out of money available therefor the Redemption Price to the appropriate Paying Agents in accordance with the terms of the Standard Resolution Provisions. The Trustee shall have no liability in making such selection.

3. In the event of redemption of less than all of the Outstanding Bonds of a Series and maturity, the Trustee shall assign to each such Outstanding Bond of such Series and maturity or portion of a maturity to be redeemed a distinctive number for each unit of the principal amount of such Bond equal to the lowest denomination in which the Bonds of such Series are authorized to be issued and shall select

by lot, using such method of selection as it shall deem proper in its discretion, from the numbers assigned to such Bonds as many numbers as, at such unit amount equal to the lowest denomination in which the Bonds of such Series are authorized to be issued for each number, shall equal the principal amount of such Bonds to be redeemed. In making such selections the Trustee may draw such Bonds by lot (i) individually or (ii) by one or more groups, the grouping for the purpose of such drawing to be by serial numbers (or, in the case of Bonds of a denomination of more than the lowest denomination in which the Bonds of such Series are authorized to be issued, by the numbers assigned thereto as provided in this paragraph) which end in the same digit or in the same two digits. In case, upon any drawing by groups, the total principal amount of Bonds of such Series drawn shall exceed the amount to be redeemed, the excess may be deducted from any group or groups so drawn in such manner as the Trustee may determine. The Trustee may in its discretion assign numbers to aliquot portions of such Bonds and select part of any such Bonds for redemption.

(Sections A-402, A-403, and A-404)

The Pledge Effected by the Resolution

The Bonds are special obligations of the Issuer payable solely from the sources set forth in this section. There is pledged for the payment of the principal and Redemption Price of, interest on, and Sinking Fund Installments for, the Bonds and of Parity Reimbursement Obligations, in accordance with their terms and the provisions of the Resolution, subject only to the provisions of the Resolution permitting the application thereof (and to the provisions authorizing Subordinated Indebtedness in the Resolution) for the purposes and on the terms and conditions set forth in the Resolution, all right, title and interest of the Issuer in the Pledged Property. Such pledge is for the equal and proportionate benefit and security of all and singular the present and future Holders of Bonds and obligees of Parity Reimbursement Obligations issued and to be issued under the Resolution, without preference, priority or distinction, except as otherwise provided in the Resolution, of any one Bond or Parity Reimbursement Obligation over any other Bond or Parity Reimbursement Obligations, by reason of priority in the issue, sale or negotiation thereof or otherwise. The pledge and lien created by the Resolution for the Bonds and Parity Reimbursement Obligations shall be superior in all respects to any pledge or lien now or hereafter created for indebtedness or other obligations secured by the Subordinated Payment Fund.

The Issuer represents and warrants that under the Enabling Act (i) the pledge set forth in the first paragraph of this section is and shall be valid and binding from and after the date of issuance and delivery of the first Series of Bonds, and the items set forth in such pledge are and shall be immediately subject to the lien of such pledge without any physical delivery thereof or further act and the lien of such pledge is and shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Issuer irrespective of whether such parties have notice thereof; and (ii) neither the Resolution nor any other instrument need be recorded or filed to protect the pledge set forth in the aforementioned section.

The revenues, facilities, properties and any and all other assets of the Issuer, or of any subsidiary thereof, other than the Pledged Property, shall not be used for, or as a result of any court proceeding or otherwise, applied to the payment of the principal, Sinking Fund Installments, if any, and Redemption Price, of and interest on the Bonds, and under no circumstances shall the aforementioned be available for such purpose, nor shall there be any recourse against any other assets, revenues or funds of or other payments due to the Issuer, other than the Pledged Property.

The State has no obligation to continue the imposition of the taxes or the sources of any other funds deposited in the Sales Tax Revenue Bond Tax Fund pursuant to Section 92-h, nor to maintain such taxes or the sources of any other funds at any minimum level, nor to refrain from amending, repealing, modifying or otherwise altering statutes imposing or relating to such taxes, and moneys in the Sales Tax

Revenue Bond Tax Fund are not pledged to the payment of the Bonds or Parity Reimbursement Obligations prior to appropriation and transfer to the Issuer or the Trustee.

The obligation of the Comptroller under Section 92-h with respect to moneys on deposit in the Sales Tax Revenue Bond Tax Fund are subject to the rights of holders of debt of the State.

Nothing contained in this section shall be deemed a limitation upon the authority of the Issuer to issue bonds, notes or other obligations under the Issuer Act secured by other income and funds other than the Pledged Property.

(Section A-501)

Payment of Bonds

The Issuer shall duly and punctually pay or cause to be paid the principal, Sinking Fund Installments, if any, Redemption Price of, and interest on every Bond, at the dates and places and in the manner set forth in the Bonds according to the true intent and meaning thereof.

(Section A-601)

Extension of Payment of Bonds

The Issuer shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement and, in case the maturity of any of the Bonds or the time for payment of any claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default under the Resolution, to the benefit of the Resolution or to any payment out of any assets of the Issuer or the Funds and accounts (except Funds and accounts held in trust for the payment of particular Bonds or claims for interest pursuant to the Resolution) held by the Trustee, except subject to the prior payment of the principal of all Bonds issued and Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such claims for interest. Nothing in the Resolution shall be deemed to limit the right of the Issuer to issue Refunding Bonds as permitted by the Resolution and by the Issuer Act and such issuance shall not be deemed to constitute an extension of the maturity of the Bonds refunded.

(Section A-602)

Offices for Servicing Bonds

The Issuer shall at all times maintain an office or agency in the State, where Bonds may be presented for payment, registration, transfer or exchange and where notices, presentations and demands upon the Issuer in respect of the Bonds or of the Resolution may be served. The Issuer appoints the Trustee as its agent to maintain such office or agency in the State for the registration, transfer or exchange of Bonds, for the authentication of Bonds, and for the payment of Bonds.

(Section A-603)

Further Assurance

At any time and all times the Issuer shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the Pledged Property pledged or assigned by the Resolution, or intended so to be, or which the Issuer may hereafter become bound to pledge or assign.

The Issuer further covenants that it shall use its best efforts, to the extent authorized by law, to cause the Director of the Budget to make and deliver the certificates referred to in the Standard Resolution Provisions as described under "Certificate of the Director of the Budget" below at the times required therein and shall cause the amounts so received to be deposited in the appropriate Funds.

(Section A-604)

Power to Issue Bonds and Pledge Revenues and Other Funds

The Issuer is duly authorized under the Acts, and all applicable laws to create and issue the Bonds, to adopt the Resolution and to pledge the Pledged Property purported to be pledged by the Resolution in the manner and to the extent provided in the Resolution. Except to the extent otherwise provided in the Standard Resolution Provisions, the Pledged Property is and shall be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created by the Resolution, and all corporate action on the part of the Issuer to that end has been duly and validly taken. The Bonds and the provisions of the Resolution are and will be the valid and legally enforceable special obligations of the Issuer in accordance with their terms and the terms of the Resolution. The Issuer further covenants that it shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Pledged Property and all of the rights of the Bondholders under the Resolution against all claims and demands of all persons whomsoever.

(Section A-605)

Creation of Liens

Except in accordance with the provisions of the Standard Resolution Provisions, the Issuer shall not hereafter issue any bonds or other evidences of indebtedness, other than the Bonds, Parity Reimbursement Obligations and Bond Anticipation Notes, secured by an equal or prior pledge of all or any part of the Pledged Property, and shall not create or cause to be created any equal or prior lien or charge on the Pledged Property except as provided in the Resolution; provided, however, that nothing contained in the Resolution shall prevent the Issuer from issuing (i) evidences of indebtedness payable out of, or secured by a pledge of, Revenues to be derived on and after such date as the pledge of the Revenues provided in the Resolution shall be discharged and satisfied as provided in the Standard Resolution Provisions or (ii) evidences of indebtedness secured by the Subordinated Payment Fund.

(Section A-606)

Certificate of the Director of the Budget

In order to assure the maintenance of the Funds and accounts held under the Resolution, not later than thirty days after the submission of the executive budget for the ensuing State Fiscal Year in accordance with the State Constitution, the Issuer shall to the extent authorized by law use its best efforts to enforce the obligation set forth in the Financing Agreement of the Director of the Budget to certify to the Comptroller in accordance with subdivision 5(b) of Section 92-h and the Standard Resolution Provisions a schedule setting forth the following:

(a) The amount of receipts certified and estimated to be deposited on a monthly basis to the Sales Tax Revenue Bond Tax Fund; and

(b) The amount of monthly cash requirements so certified by the Director of the Budget for such State Fiscal Year which shall be at least equal to:

1. all payments of principal, Sinking Fund Installments, if any, and Redemption Price, of Outstanding Bonds due in such State Fiscal Year;

2. the amounts required to pay all interest on Outstanding Bonds (including interest at the Estimated Average Interest Rate for Variable Interest Rate Bonds or under the related Reimbursement Obligation) and any additional amounts due with respect to related Parity Reimbursement Obligations due in such State Fiscal Year;

3. all Issuer Expenses for such State Fiscal Year;

4. all principal of and interest or other amounts payable from the Subordinated Payment Fund and due in such State Fiscal Year;

5. any amounts required to rebate to the Department of the Treasury of the United States of America and not otherwise held in the Funds and accounts under the Resolution; and

6. all other payment requirements referred to in the Enabling Act for such State Fiscal Year.

The schedule accompanying the certificate of the Director of the Budget shall also provide for payments as the Director of the Budget deems appropriate to ensure that sufficient funds will be available from the sources, including without limitation revenues derived from the taxes and fees deposited in the Sales Tax Revenue Bond Tax Fund in accordance with Section 92-h, to enable the Issuer to meet its obligations under the Resolution as they become due; provided, however, that such schedule shall require the Comptroller to set aside, on a monthly basis, amounts in the Sales Tax Revenue Bond Tax Fund such that the combined total of (i) the amounts previously set aside and on deposit in the Sales Tax Revenue Bond Tax Fund and (ii) the monthly amounts provided for in paragraph (a) above required to be deposited to the Sales Tax Revenue Bond Tax Fund in such month is equal to one fifth of the interest due on such obligations on the next succeeding Interest Payment Date multiplied by the number of months from the last such payment and one eleventh of the next Principal Installment due on such obligations multiplied by the number of months from the last such Principal Installment where principal is due on an annual basis or one fifth of the next Principal Installment due on such obligations multiplied by the number of months from the last such Principal Installment where principal is due on a semiannual basis. For the purpose of meeting the Issuer's cash requirements that are due on a monthly basis or more frequently, the Comptroller shall set aside all amounts in the Sales Tax Revenue Bond Tax Fund until the amount so set aside is, in the reasonable judgment of the Director of the Budget as set forth in such certificate, sufficient to make the required payment on or before such payment date. The foregoing set asides are intended to satisfy the monthly cash requirements, as required by paragraph (b) above, to be paid by the Comptroller to the Trustee, on behalf of the Issuer, in the following month. Financing Agreement Payments shall be paid to the Trustee on or before the fifth Business Day preceding the date on which such payment is due; and provided, further, that to ensure sufficient funds will be available from the sources just described to meet the Issuer's obligations when due, such schedule shall require the Comptroller to pay (x) all moneys set aside pursuant to subdivision 5 of Section 92-h less (y) the Issuer's estimate of investment earnings available therefor on Funds and accounts established under the Resolution and other amounts available under the Resolution, which such estimate shall be made at least once each calendar month prior to the making of any transfer pursuant to subdivision 5 of Section 92-h.

The Financing Agreement shall require the Director of the Budget to promptly revise or amend such certification and the schedule required to accompany such certification, from time to time, to assure that such certification, together with the accompanying schedule, accurately sets forth any and all amounts required or projected by the Issuer for the purposes and at the times prescribed by subdivision 5 of Section 92-h. The Financing Agreement shall require the Director of the Budget to promptly revise or amend such certification and the accompanying schedule if additional amounts are required to make any payment of principal, Sinking Fund Installments, if any, and Redemption Price of or interest on Bonds or with respect to Parity Reimbursement Obligations.

In any event, whether or not there has been any intervening requirement to revise such certificate under this section, promptly but in no event later than 30 days after the date of the issuance of any Series of Bonds under the Resolution or the issuance of any Parity Reimbursement Obligations, or other evidence of indebtedness payable from the Subordinated Payment Fund or otherwise, the Director of the Budget shall submit a revised certification, together with the accompanying schedule, which accurately sets forth any and all amounts required or projected to be required by the Issuer as of such date for the purposes and at the times prescribed by the terms of this section.

The agreement of the State under Section 69-o shall be deemed executory only to the extent of appropriations available for payments under Section 69-o and no liability on account of any such payment shall be incurred by the State beyond such appropriations.

(Section A-607)

Agreement With the Director of the Budget

The Issuer shall only issue or incur Bonds (including Refunding Bonds), Parity Reimbursement Obligations or other obligations under the Resolution (including obligations incurred pursuant to the Standard Resolution Provisions as described under "Credit Facilities; Qualified Swaps and other similar arrangements; Parity Reimbursement Obligations" above) with the written approval of the Director of the Budget. The Issuer shall enter into one or more Financing Agreements with the State, acting through the Director of the Budget, as provided in subdivision 1 of Section 69-o providing for the specific manner, timing and amount of payments to be made under Section 69-o and the Resolution. The Issuer shall approve the form and substance of such Financing Agreement with respect to any Series of Bonds prior to or concurrently with the adoption of the applicable Supplemental Resolution and shall use its best efforts, to the extent permitted by law, to take all steps necessary or appropriate to enforce such Financing Agreement and to assure compliance by the State therewith. The Issuer shall not enter into any such Financing Agreement that is not in conformity with the Acts and the Resolution.

(Section A-608)

Agreement With the State

In accordance with the provisions of the Enabling Act and to the extent applicable, the Issuer Act, the Issuer includes in the Resolution, to the fullest extent enforceable under applicable federal and State law, the pledge to and agreement with the Holders of the Bonds, Bond Anticipation Notes, Parity Reimbursement Obligations or other obligations issued or incurred under the Resolution made by the State and set forth in the Acts that the State will not in any way impair the rights and remedies of such Holders until such Bonds, Bond Anticipation Notes, Parity Reimbursement Obligations and other obligations issued or incurred under the Resolution, together with interest thereon, with interest, if any, on any unpaid installments of interest and all costs and expenses in connection with any action or proceedings by or on behalf of such Holders, are fully met and discharged.

Notwithstanding any other provision of the Resolution, nothing contained in the Acts or the Resolution shall be deemed to restrict the right of the State to amend, repeal, modify or otherwise alter statutes imposing or relating to taxes imposed pursuant to Section 1105 and Section 1110 of the Tax Law. The Issuer and the Holders of the Bonds, Bond Anticipation Notes, Parity Reimbursement Obligations and other obligations issued under the Resolution expressly agree that it shall be an integral part of the contract arising under the Resolution that no default thereunder occur as a result of the State exercising its right to amend, repeal, modify or otherwise alter any such tax.

(Section A-609)

Amendment of Financing Agreements

The Issuer shall not amend, change, modify, alter or terminate any Financing Agreement so as to materially adversely affect the right, security and interest of the Holders of the Outstanding Bonds without the prior written consent of the provider of a Credit Facility, if any, affected thereby, or, in the event that there is no Credit Facility in place with respect to the Series of Bonds affected thereby, without the prior written consent of at least a majority in aggregate principal amount of the Holders of the Bonds then Outstanding and affected thereby; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds remain Outstanding, the consent of the providers of the Credit Facility, if any, or the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this section. Any Financing Agreement may be amended, supplemented, changed, modified or altered without the consent of the provider of the Credit Facility, if any, or the Holders of Outstanding Bonds to provide changes in connection with the acquisition, construction, reconstruction, rehabilitation, renovation and improvement or otherwise, or the providing, furnishing and equipping of a Project or which may be added to such Project, or to provide for additional Financing Agreement Payments; and any Financing Agreement may be amended, supplemented, changed, modified or altered without such consent to cure any ambiguity, or to correct or supplement any provisions contained in any Financing Agreement, which may be defective or inconsistent with any other provisions contained in the Resolution or in such Financing Agreement and which the Issuer determines will not materially adversely affect the right, security and interest of the Holders of Outstanding Bonds or the provider of a Credit Facility, as the case may be. In no event shall changes relating solely to Projects, including schedules related thereto, be deemed to materially adversely affect such Holders or providers of Credit Facilities. Upon execution by the Issuer of any amendment, a copy thereof certified by the Issuer shall be filed with the Trustee and each provider of the Credit Facility affected thereby.

For the purposes of this section, Bonds shall be deemed to be materially adversely affected by an amendment, change, modification or alteration of any Financing Agreement if the same materially adversely affects or diminishes the rights, security and interest of the Holders of the Bonds or the provider of a Credit Facility, as the case may be. The Issuer may in its discretion determine whether or not, in accordance with the foregoing provisions, Bonds or the right, security and interest of the Holders of Outstanding Bonds or the provider of a Credit Facility, as the case may be, would be materially adversely affected by any amendment, change, modification or alteration, and any such determination shall be binding and conclusive on the provider of a Credit Facility, the Trustee and all Holders of Bonds; and, provided further, however, any such amendments deemed necessary by the Issuer to effect any assumption, extinguishment and substitution authorized by the Standard Resolution Provisions shall not be deemed to materially adversely affect the Bonds.

For all purposes of this section, the Issuer shall be entitled to rely upon a Counsel's Opinion (a copy of which shall be provided by the Issuer to any provider of a Credit Facility thereby affected), with respect to whether any amendment, change, modification or alteration materially adversely affects the right, security and interest of any Holders of Bonds and any provider of a Credit Facility of a Series then Outstanding.

(Section A-610)

Enforcement of Duties and Obligations of the State

The Issuer shall use its best efforts, to the extent permitted by law, to cause the State to perform fully all duties and acts and comply fully with the covenants of the State required by any Financing Agreement in the manner and at the times provided in such Financing Agreement provided, however, that the Issuer may delay, defer or waive enforcement of one or more provisions of said Financing Agreement (other than provisions requiring the payment of moneys to any Fund or account established under the Resolution), if the Issuer determines such delay, deferment or waiver will not materially adversely affect the right, security and interest of the Holders of the Bonds of the applicable Series or the issuer of any Credit Facility.

(Section A-611)

Reservation of State Rights of Assumption, Extinguishment and Substitution

It is expressly understood and agreed by the Issuer and the Holders or other obligees of Bonds, Bond Anticipation Notes, Parity Reimbursement Obligations, and other obligations issued or incurred under the Resolution to be an integral part of the contract arising under the Resolution that, in accordance with subdivision 6 of Section 69-o, the State reserves the right, upon amendment of the State Constitution to permit the issuance of State Revenue Bonds, which may be payable from or secured by revenues that include the Revenues pledged under the Resolution, (i) to assume, in whole or in part, the Bonds, Bond Anticipation Notes, Parity Reimbursement Obligations, and other obligations of the Issuer issued or incurred under the Resolution, (ii) to extinguish the existing lien on Pledged Property created under the Resolution, and (iii) to substitute security or source of payment for such Bonds, Bond Anticipation Notes, Parity Reimbursement Obligations, and other obligations issued or incurred under the Resolution, in each case only so long as such assumption, extinguishment and substitution is accomplished in accordance with either of paragraphs (a) or (b) below. (Any Bonds paid or deemed to have been paid in accordance with the Standard Resolution Provisions on or before the date of any assumption, extinguishment and substitution shall not be taken into account in determining compliance with the provisions of this section.)

(a) Any such assumption, extinguishment and substitution may be effected if the following provisions are complied with and each such provision shall be a condition precedent to such assumption, extinguishment and substitution:

1. the State shall either (x) fully authorize the assumption and designation of such Bonds, Bond Anticipation Notes, Parity Reimbursement Obligations, or other obligations issued or incurred under the Resolution as State Revenue Bonds or (y) issue or cause to be issued State Revenue Bonds of like principal amounts, maturities, interest rates, terms of redemption and tenor (except as to the substitution of security) in substitution for such Bonds, Bond Anticipation Notes, Parity Reimbursement Obligations, or other obligations; and

2. any State Revenue Bonds resulting from such assumption, extinguishment and substitution shall be secured by revenues that may include all the Revenues securing the Bonds, Bond Anticipation Notes, Parity Reimbursement Obligations, or other obligations issued or incurred under the Resolution as of the day immediately preceding such assumption, extinguishment and substitution, and the provisions of the Enabling Act relating to security for or payment of the Bonds and Parity Reimbursement Obligations shall remain in full force and effect in substantially the form they existed immediately prior to such assumption, extinguishment and substitution and shall not have been amended in connection therewith except to the extent necessary or convenient to permit the Revenues and the Sales Tax Revenue Bond Tax Fund to be sources of payment or

security for the State Revenue Bonds or other obligations resulting from such assumption, extinguishment and substitution; provided, however, that in connection with any such assumption, extinguishment and substitution, it is expressly understood and agreed by all Bondholders and all providers of Credit Facilities that the Enabling Act may be amended to delete the transfer from the general fund as set forth in paragraph (b) of subdivision 5 of Section 92-h and paragraph (a) of subdivision 5 of Section 92-h may be amended to delete the requirement that Financing Agreement Payments be appropriated before any moneys held pursuant to such Section 92-h are transferred to the general fund; and

3. any resolution or trust agreement securing the State Revenue Bonds or other obligations resulting from such assumption, extinguishment and substitution shall contain limitations on amendment powers no less restrictive than those set forth in the Standard Resolution Provisions described under “Adoption and Filing” through “Notation on Bonds” below, and shall include events of default to the effect of those contained in the Standard Resolution described in paragraphs (a), (f) and (g) under “Events of Default” below Provisions and shall grant the remedies contained in the Standard Resolution Provisions described under “Remedies” below, provided that the Comptroller or the Attorney General of the State may serve in the capacity of the Trustee for such purposes and the State or other issuer of State Revenue Bonds may be substituted for the Issuer, and shall include defeasance provisions no less restrictive than those set forth in the Standard Resolution Provisions described under “Defeasance” below; and

4. the State Revenue Bonds or other obligations resulting from such assumption, extinguishment and substitution of Bonds, Bond Anticipation Notes, Parity Reimbursement Obligations, and other obligations issued or incurred under the Resolution shall have the same or superior priority of claim on the revenues securing such obligations as that provided by the Resolution; and

5. any resolution or trust agreement securing the State Revenue Bonds resulting from such assumption, extinguishment and substitution of Bonds, Bond Anticipation Notes, Parity Reimbursement Obligations, and other obligations secured under the Resolution shall contain a covenant of the State substantially to the effect of the covenant contained in the Standard Resolution Provisions described in the first paragraph under “Agreement with the State” above; and

6. the Issuer shall furnish the Trustee and any provider of a Credit Facility with a Counsel’s Opinion, addressed to each of them, to the effect that the assumption, extinguishment and substitution (A) complies with the provisions of this section and the Enabling Act and (B) will have no adverse effect on the federal or State tax status of interest on the Bonds.

A copy of the provisions of law and documentation effecting any such assumption, extinguishment and substitution pursuant to this paragraph (a) (or brief summary thereof or reference thereto) shall be mailed by the Issuer to such Bondholders and providers of Credit Facilities to the extent affected thereby (but failure to mail such copy and request shall not affect the validity of such assumption, extinguishment and substitution when effected as provided in this paragraph).

(b) Any such assumption, extinguishment and substitution may be effected if the following provisions are complied with and each such provision shall be a condition precedent to such assumption, extinguishment and substitution:

1. the State shall either (x) fully authorize the assumption and designation of such Bonds, Bond Anticipation Notes, Parity Reimbursement Obligations, or other obligations issued or incurred under the Resolution as State Revenue Bonds or (y) issue or cause to be issued State Revenue Bonds of like principal amounts, maturities, interest rates, terms of redemption and tenor (except as to the substitution of security) in substitution for such Bonds, Bond Anticipation Notes, Parity Reimbursement Obligations, or other obligations; and

2. with respect to all Bonds Outstanding, written consent to such assumption, extinguishment and substitution shall be given as provided below by the Holders of at least a majority in principal amount of such Bonds Outstanding at the time such consent is given; and

3. the Issuer shall furnish the Trustee and any provider of a Credit Facility with a Counsel's Opinion, addressed to each of them, to the effect that the assumption, extinguishment and substitution complies with the provisions of this section and the Enabling Act.

A copy of the provisions of law and documentation effecting any such assumption, extinguishment and substitution pursuant to this paragraph (b) (or brief summary thereof or reference thereto) together with a request to the Bondholders indicated above for their consent thereto, shall be mailed by the Issuer to such Bondholders (but failure to mail such copy and request shall not affect the validity of such assumption, extinguishment and substitution when consented to as provided in this paragraph). No such assumption, extinguishment and substitution pursuant to this paragraph shall be effective unless and until there shall have been filed with the Issuer (i) the written consents of Holders of the percentages of Outstanding Bonds specified in this subdivision, and (ii) the aforementioned Counsel's Opinion. Each such consent of a Bondholder shall be effective only if accompanied by proof of the holding or owning, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by the Standard Resolution Provisions. A certificate or certificates by an Authorized Officer of the Issuer filed with the Issuer that such Authorized Officer has examined such proof and that such proof is sufficient in accordance with the Standard Resolution Provisions shall be conclusive that the consents have been given by the Holders of the Bonds described in such certificate or certificates of such Authorized Officer. Any such consent given by such Holder shall be binding upon such Holder of the Bonds giving such consent and, anything in the Standard Resolution Provisions to the contrary notwithstanding, upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by such Holder of such Bonds giving such consent or a subsequent Holder thereof by filing with the Issuer prior to the time when the written statement of the Issuer provided for in this paragraph is filed. The fact that a consent has not been revoked may likewise be proved by a certificate of an Authorized Officer of the Issuer filed with the Issuer to the effect that no revocation thereof is on file. At any time after such Holders of the required percentages of Bonds shall have filed their consents, the Issuer shall make and file with its records relating to the Bonds a written statement that the Holders of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter notice, stating in substance that such assumption, extinguishment and substitution have been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this paragraph, may be given to such Bondholders by the Issuer by mailing or causing the mailing of such notice to such Bondholders (but failure to mail such notice shall not prevent such assumption, extinguishment and substitution from becoming effective and binding as provided in this paragraph) and, in the sole discretion of the Issuer, by publishing the same at least once not more than ninety (90) days after such Holders of the required percentages of Bonds shall have filed their consents and the written statement of the Issuer above provided for is filed (but failure to publish such notice shall not prevent such assumption, extinguishment and substitution from becoming binding as provided in this paragraph). If such notice is published, the Issuer shall file with its records relating to the Bonds proof of the publication of such notice and, if the same shall have been mailed to such Bondholders, of the mailing thereof. A transcript consisting of the papers required or permitted by this paragraph to be filed with the Issuer records relating to the Bonds, shall be proof of the matters therein stated. Such assumption, extinguishment and substitution shall be deemed conclusively binding upon the State, the Issuer, the Trustee, and the Holders of all Bonds upon filing with the Issuer records of proof of mailing of such notice or at the expiration of forty (40) days after such filing of the proof of the first publication of such last mentioned notice, if such notice is published, except in the event of a final decree of a court of competent jurisdiction setting aside such assumption, extinguishment and substitution in a legal action or equitable proceeding for such purpose commenced within such forty (40) day period; provided, however, that the Trustee and the Issuer during such forty (40) day period and any such further period during which any such action or proceeding may be pending shall be entitled in its absolute discretion to take such action, or to refrain from taking such action, with respect to such assumption, extinguishment and substitution as it may deem expedient.

(c) Upon the effective date of any such assumption, extinguishment and substitution, then, at the option of the Issuer, the covenants, agreements and other obligations of the Issuer to the Bondholders shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Issuer shall execute and file with its records relating to the Bonds all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee and any Paying Agents shall pay over or deliver to the Issuer all moneys, securities and funds held by them pursuant to the Resolution which are not required for the payment, or redemption, of Bonds not theretofore surrendered for such payment or redemption.

(Section A-612)

Accounts and Reports

The Issuer shall keep or cause to be kept proper books of record and account in which complete and correct entries shall be made of all its transactions relating to all Funds and accounts established by the Resolution which shall at all reasonable times be subject to the inspection of the Holders of an aggregate of not less than twenty-five per cent (25%) in the principal amount of the Bonds then Outstanding or their representatives duly authorized in writing. The Issuer may authorize or permit the Trustee or its duly authorized agents to keep any or all of such books on behalf of the Issuer.

(Section A-613)

Tax Covenants

The Issuer shall at all times do and perform all acts and things necessary or desirable in order to assure that interest paid on the Bonds issued as Tax-Exempt Bonds shall be not included in the gross income of the owners thereof for purposes of federal income taxation.

Notwithstanding the foregoing, the Issuer reserves the right, in a Supplemental Resolution authorizing the issuance of obligations, to elect to issue Taxable Bonds.

(Section A-614)

General

The Issuer shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Issuer under the provisions of the Acts and the Resolution in accordance with the terms of such provisions.

Upon the date of issuance of any of the Bonds, all conditions, acts and things required by the Constitution and statutes of the State, including the Acts and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of such Bonds, shall exist, have happened and have been performed and the issue of such Bonds, together with all other indebtedness of the Issuer, shall be within every debt and other limit prescribed by the laws of the State.

(Section A-615)

Notice as to Event of Default

The Issuer shall notify the Director of the Budget, the Comptroller, each issuer of a Credit Facility and the Trustee in writing that an "Event of Default", as such term is defined in the Standard Resolution Provisions, has occurred and is continuing, which notice shall be given within thirty (30) days after the Issuer has obtained actual knowledge thereof; provided, however, that the Issuer shall provide each of the foregoing with immediate notice of any payment default after the Issuer has obtained actual knowledge thereof.

(Section A-616)

Other Bonds Authorized by the Enabling Act

The Bonds authorized by the Resolution are authorized by the Enabling Act. All bonds issued pursuant to the Enabling Act, whenever issued and by whichever Authorized Issuer, have equal claim to all moneys available subject to appropriation from the Sales Tax Revenue Bond Tax Fund pursuant to the Enabling Act, and further subject to provisions in the Resolution or other such resolutions authorizing such bonds relating to subordination.

(Section A-617)

Investment of Funds

Amounts in the Funds and accounts established by Section 502 of the Resolution may be invested only in Investment Obligations. The Trustee shall make such investments in any Funds or accounts held by the Trustee in accordance with any instructions received from an Authorized Officer of the Issuer. Except as otherwise provided in the resolution authorizing any series of Bond Anticipation Notes, interest earned by the investment of moneys in each Fund or account under the Resolution shall be held, deposited or transferred in accordance with the Resolution. The Trustee shall have no obligation to invest or reinvest amounts as contemplated by the Resolution except upon the direction of an Authorized Officer of the Issuer as to specific investments. Any such direction, if not in writing, shall be promptly confirmed in writing.

Investment Obligations on deposit in the Funds and accounts held under the Resolution shall have maturity dates, or shall be subject to redemption or tender at the option of the Issuer or the Trustee on the respective dates specified by an Authorized Officer of the Issuer, as appropriate, which dates shall be on or prior to the respective dates on which the moneys invested therein are expected to be paid for the purposes of such Funds and accounts. The Issuer, or the Trustee, upon the instructions of an Authorized Officer of the Issuer, shall sell any Investment Obligations held in any Fund or account to the extent required for payments from such Fund or account. The proceeds of such sales, and of all payments at maturity or upon redemption of such investments, shall be held in the applicable Fund or account to the extent required to meet the requirements of such Fund or account. Losses, if any, realized on Investment Obligations held in any Fund or account shall be debited to such Fund or account. In computing the amount of such Funds and accounts, investments shall be valued at par, or if purchased at other than par, shall be valued at Amortized Value, plus accrued interest. Accrued interest received upon the sale of any

Investment Obligation to the extent such amount exceeds any accrued interest paid on the purchase of such Investment Obligation shall be treated as interest earned on such Investment Obligation for purposes of this section.

Nothing in the Resolution shall prevent any Investment Obligations acquired as investments of or security for any Fund, account or subaccount held under the Resolution from being held in book-entry form.

(Section A-701)

Trustee; Appointment and Acceptance of Duties

The Trustee shall be appointed in the Supplemental Resolution authorizing the issuance of the first Series of Bonds under the Resolution. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the Resolution by written instrument of acceptance delivered to the Issuer.

(Section A-801)

Paying Agents; Appointment and Acceptance of Duties

The Issuer may, in its discretion, appoint one or more Paying Agents for the Bonds of any Series in the Supplemental Resolution authorizing such Bonds at least one of which shall have an office for the transaction of business in the State, and may at any time or from time to time appoint one or more other Paying Agents in the manner and subject to the conditions set forth in the Standard Resolution Provisions for the appointment of a successor Paying Agent.

Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the Resolution by executing and delivering to the Issuer a written acceptance thereof.

The principal offices of the Paying Agents are designated as the respective offices or agencies of the Issuer for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price of and interest on the Bonds.

(Section A-802)

Responsibilities of Fiduciaries

The recitals of fact in the Standard Resolution Provisions and in the Bonds shall be taken as the statements of the Issuer and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of the Resolution or of any Bonds issued thereunder or in respect of the security afforded by the Resolution, and no Fiduciary shall incur any responsibility in respect thereof. No Fiduciary shall be under any responsibility or duty with respect to (i) the issuance of the Bonds for value, (ii) the application of the proceeds thereof except to the extent the proceeds are received by it in its capacity as Fiduciary, or (iii) the application of any moneys paid to the Issuer or others in accordance with the Resolution except as to the application of any moneys paid to it in its capacity as Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect of the Resolution, or to advance any of its own moneys, unless properly indemnified. No Fiduciary shall be liable in connection with the performance of its duties under the Resolution except for its own negligence or willful misconduct. Subject to the foregoing, the Issuer may designate any Fiduciary to undertake any duty in the Resolution of the Issuer with respect to collection, accounting, review of and notice for any consents required thereunder.

(Section A-803)

Evidence on Which Fiduciaries May Act

Each Fiduciary shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document believed by it in good faith to be genuine, and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel, who may or may not be of counsel to the Issuer, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under the Resolution in good faith and in accordance therewith.

Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Resolution, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of the Issuer. Such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of the Resolution upon the faith thereof, but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable.

Except as otherwise expressly provided in the Resolution, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision thereof by the Issuer to any Fiduciary shall be sufficiently executed if executed in the name of the Issuer by an Authorized Officer.

(Section A-804)

Compensation

The Issuer shall pay to each Fiduciary from time to time reasonable compensation for all services rendered under the Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under the Resolution. The Issuer further agrees to the extent permitted by law to indemnify and save each such Fiduciary harmless against any liabilities which it may incur in the exercise and performance of its powers and duties under the Resolution, and which are not due to its negligence or willful misconduct. The Issuer's obligation to make any payment pursuant to this section shall be limited to payment from amounts made available therefor pursuant to the Financing Agreements.

(Section A-805)

Certain Permitted Acts

Any Fiduciary may become the owner of or deal in any Bonds as fully with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as Securities Depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or the Resolution, whether or not any such committee shall represent the Holders of a majority in aggregate principal amount of the Bonds then Outstanding in respect of which any such action is taken.

(Section A-806)

Resignation of Trustee

The Trustee may at any time resign and be discharged of its duties and obligations created by the Resolution by giving not less than sixty (60) days' written notice to the Issuer, specifying the date when such resignation shall take effect, and mailing notice thereof, to the Holders of all Bonds then

Outstanding, and such resignation shall take effect on the day specified in such notice unless previously a successor shall have been appointed as provided in the Resolution, in which event such resignation shall take effect immediately upon the appointment of such successor; provided, however, that any resignation or removal of the Trustee shall in no event take effect until a successor shall have been appointed and accepted the duties of Trustee.

(Section A-807)

Removal of Trustee

The Issuer may at any time remove the Trustee initially appointed or any successor thereto by written notice of such removal mailed by first class mail to the Trustee except that the Trustee may not be removed by the Issuer during the pendency of an Event of Default; provided, however, that any resignation or removal of the Trustee shall in no event take effect until a successor shall have been appointed and accepted the duties of Trustee. Notice of the removal of the Trustee shall be mailed by first class mail to the registered Holders of all Bonds then Outstanding at least 30 days prior to such removal.

(Section A-808)

Appointment of Successor Trustee

In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, the Issuer shall appoint a successor Trustee. The Issuer shall cause notice of any such appointment to be mailed to all Holders of Bonds then Outstanding.

If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this section within 30 days after the Trustee shall have given to the Issuer written notice as provided in the Standard Resolution Provisions or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, the Trustee or the Holder of any Bond may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

Any Trustee appointed under the provisions of this section in succession to the Trustee shall be a bank or trust company organized under the laws of the State of New York or a national banking association and having Fiduciary Capital Funds of at least $100,000,000, if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Resolution.

(Section A-809)

Transfer of Rights and Property to Successor Trustee

Any successor Trustee appointed under the Resolution shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Issuer, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the written request of the Issuer, or of the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under the Resolution, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions set forth in the Resolution. Should any deed, conveyance or instrument in writing from the Issuer be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers, and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Issuer. Any such successor Trustee shall promptly notify the Paying Agents, if any, of its appointment as Trustee.

(Section A-810)

Merger or Consolidation

Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which such Fiduciary may sell or transfer all or substantially all of its business, or all of its non-private trust administration business, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act; provided such company shall be a bank having trust powers or a trust company organized under the laws of the State or a national banking association and shall, if it previously had not had such an office, have an office for the transaction of its business in the State, and shall be authorized by law to perform all the duties imposed upon it by the Resolution.

(Section A-811)

Resignation or Removal of Paying Agent and Appointment of Successor

Any Paying Agent may at any time resign and be discharged of the duties and obligations created by the Resolution by giving at least sixty (60) days' written notice to the Issuer and the other Paying Agents. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and signed by the Issuer. Any successor Paying Agent may be appointed by the Issuer and (subject to the requirements of the Standard Resolution Provisions) shall be a bank having trust powers or trust company in good standing organized under the laws of any state of the United States of America or a national banking association, duly authorized to exercise trust powers and subject to examination by federal or state Corporation, having Fiduciary Capital Funds of at least $100,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Resolution.

In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor or if there shall be no successor, to the Issuer. In the event that for any reason there shall be a vacancy in the office of Paying Agent, the Issuer shall act as such Paying Agent.

(Section A-812)

Adoption and Filing

The Issuer may adopt at any time or from time to time a Supplemental Resolution to authorize the issue of the initial Series of Bonds and of additional Series of Bonds and the incurrence of Parity Reimbursement Obligations as provided in the Standard Resolution Provisions and to prescribe the terms and conditions thereof and any additional terms and conditions upon which such Bonds may be issued and Parity Reimbursement Obligations may be incurred.

(Section A-901)

Supplemental Resolutions Effective Upon Adoption

Notwithstanding any other provisions of the Standard Resolution Provisions, the Issuer may adopt, for any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution which, upon adoption thereof and filing with the Trustee shall be fully effective in accordance with its terms:

1. To close the Resolution against, or provide limitations and restrictions contained in the Resolution on, the authentication or execution and delivery on original issuance of Bonds or the issuance of other evidences of indebtedness;

2. To add to the covenants and agreements of the Issuer contained in the Resolution other covenants and agreements to be observed by the Issuer which are not contrary to or inconsistent with the Resolution as theretofore in effect;

3. To add to the limitations or restrictions in the Resolution other limitations or restrictions to be observed by the Issuer which are not contrary to or inconsistent with the Resolution as theretofore in effect;

4. To surrender any right, power or privilege reserved to or conferred upon the Issuer by the Resolution, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Issuer contained in the Resolution;

5. To confirm, as further assurance, any pledge under, and the subjection to any lien, claim or pledge created or to be created by, the Resolution, or any Supplemental Resolution of the Pledged Property, including the Revenues or the Funds, and other moneys and securities;

6. To modify any of the provisions of the Resolution in any respect whatever, provided that (i) such modification shall be, and be expressed to be, effective only after all Bonds of any Series Outstanding at the date of the adoption of such Supplemental Resolution shall cease to be Outstanding and (ii) such Supplemental Resolution shall be specifically referred to in the text of all Bonds of any Series authenticated and delivered on original issuance after the date of the adoption of such Supplemental Resolution and of Bonds issued in exchange therefor or in place thereof;

7. To add to the Resolution any provisions required by law to preserve the exclusion from gross income for federal income tax purposes of interest received on Tax-Exempt Bonds then Outstanding or to be issued or the exemption of interest received on any Bonds from State income taxation;

8. To modify, amend or supplement the Resolution in any manner in order to provide for a Credit Facility, Qualified Swap or other similar arrangement with respect to any Series of Bonds, under the Resolution, so long as the Issuer determines that such Supplemental Resolution does not materially adversely affect the right, security and interest of the Holders of Outstanding Bonds;

9. To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Resolution, so long as the Issuer determines that such Supplemental Resolution does not materially adversely affect the right, security and interest of the Holders of Outstanding Bonds;

10. To insert such provisions clarifying matters or questions arising under the Resolution as are necessary or desirable and are not contrary to or inconsistent with the Resolution as theretofore in effect;

11. To authorize Bonds of a Series and, in connection therewith, specify and determine the matters and things referred to in the Standard Resolution Provisions and also any other matters and things relative to such Bonds which are not contrary to or inconsistent with the Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such Bonds;

12. To authorize Subordinated Indebtedness and, in connection therewith, specify and determine (or provide procedures for an Authorized Officer of the Issuer to specify or determine) the matters and things required or permitted by Article V of the Resolution in connection therewith, and also any other matters and things relative to such Subordinated Indebtedness which are not contrary to or inconsistent with the Resolution as then in effect, or at any time to amend, rescind or limit any authorization for any such Subordinated Indebtedness theretofore authorized but not issued or entered into; and in connection with the authorization of Subordinated Indebtedness, any such Supplemental Resolution may include provisions for the availability, transferability, use or application of amounts available to pay Subordinated Indebtedness in the Subordinated Payment Fund and any other funds, accounts or subaccounts created for the benefit of such Subordinated Indebtedness;

13. To provide, with prior written notice to each Rating Agency, for additional Investment Obligations that may be designated as Government Obligations consistent with clause (f) of the definition of Government Obligations;

14. Notwithstanding the Resolution, to the extent authorized by law and to the extent the Issuer shall have received a Counsel's Opinion that it will not adversely affect the exclusion of interest from the income of Holders of Bonds for federal income tax purposes for any Tax-Exempt Bonds, to provide for the delivery of Bonds that are not in registered form;

15. To modify the pledge effected by Section 501 of the Resolution and such other provisions of the Resolution solely to give effect to an assumption, extinguishment and substitution consistent with the Resolution;

16. Notwithstanding the terms and provisions of the Standard Resolution Provisions, to the extent authorized by law and to the extent that it will not adversely affect the exclusion of interest from the income of Holders of Bonds for federal income tax purposes for any Tax-Exempt Bonds, to provide for the delivery of a Series of Bonds or a portion of a Series of Bonds incorporating detachable call options;

17. To modify, with prior written notice to each Rating Agency, the definition of Qualified Swap Provider; or

18. To make any other modification or amendment of the Resolution which the Issuer shall in its sole discretion determine will not have a material adverse effect on the interests of the Holders of Outstanding Bonds or Parity Reimbursement Obligations.

In making any determination under clause (18) above, the Issuer may consult with and rely upon an Opinion of Counsel or opinions of other experts or professionals.

(Section A-902)

Supplemental Resolutions Effective with Consent of Trustee

Notwithstanding any other provision of the Standard Resolution Provisions, the Issuer may adopt a Supplemental Resolution amending any provision of the Resolution, effective upon filing with the

Issuer of a written determination of the Trustee and a Counsel's Opinion that such amendment will not materially adversely affect the rights of any Holder of Bonds.

(Section A-903)

Supplemental Resolutions Effective with Consent of Bondholders

Except as permitted in the Standard Resolution Provisions, at any time or from time to time, a Supplemental Resolution may be adopted subject to consent by Bondholders, and in accordance with the Standard Resolution Provisions, which Supplemental Resolution, upon adoption and upon compliance with the Standard Resolution Provisions shall become fully effective in accordance with its terms as provided in the Standard Resolution Provisions.

(Section A-904)

General Provisions

Nothing contained in the Standard Resolution Provisions shall affect or limit the right or obligation of the Issuer to adopt, make, do, execute, acknowledge or deliver any resolution, act or other instrument pursuant to the Standard Resolution Provisions as described under "Further Assurances" above or the right or obligation of the Issuer to execute and deliver to the Trustee any instrument which elsewhere in the Resolution it is provided shall be so delivered.

Any Supplemental Resolution referred to and permitted or authorized by the Standard Resolution Provisions described under "Adoption and Filing," "Supplemental Resolutions Effective Upon Adoption" and "Supplemental Resolutions Effective with Consent of Trustee" above may be adopted by the Issuer without the consent of any of the Bondholders, but shall become effective only on the conditions, to the extent and at the time provided in such Standard Resolution Provisions. Every Supplemental Resolution adopted by the Issuer shall be (i) subject to the written approval of the Director of the Budget, and (ii) the subject of a Counsel's Opinion stating that such Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of the Resolution, is authorized or permitted by the Resolution, and is valid and binding upon the Issuer and enforceable in accordance with its terms. The Trustee shall be entitled to rely upon such opinion, which shall be conclusive evidence that such Supplemental Resolution is authorized or permitted by the Resolution.

The Trustee is authorized to accept delivery of a certified copy of any Supplemental Resolution permitted or authorized pursuant to the Resolution and to make all further agreements and stipulations which may be contained in the Resolution, and, in taking such action, the Trustee shall be fully protected in relying on the opinion of Bond Counsel that such Supplemental Resolution is authorized or permitted by the provisions of the Resolution.

No Supplemental Resolution changing, amending or modifying any of the rights or obligations of the Trustee or of any Paying Agent shall become effective without the written consent of the Trustee or Paying Agent affected thereby.

(Section A-905)

Mailing and Publication

Any provision in the Resolution or the Standard Resolution Provisions relating to the mailing of a notice or other paper to Bondholders shall be fully complied with if it is mailed postage prepaid to each Bondholder of any affected Bonds then Outstanding at such Bondholder's address, if any, appearing upon the registry books of the Issuer and to the Trustee; or, in each case, to such parties by facsimile or other means to the extent permitted by applicable law and arrangements.

Any provision in the Standard Resolution Provisions for publication of a notice or other matter shall require the publication thereof only in an Authorized Newspaper.

(Section A-1001)

Powers of Amendment

Any modification or amendment of the Resolution and of the rights and obligations of the Issuer and of the Holders of the Bonds thereunder, in any particular, may be made by a Supplemental Resolution, with the written consent given as provided in the Standard Resolution Provisions described under "Consent of Bondholders" below, (a) by the Holders of at least a majority in principal amount of the Bonds Outstanding at the time such consent is given, and (b) in case less than all of the Bonds then Outstanding are affected by the modification or amendment, by the Holders of at least a majority in principal amount of the Bonds so affected and Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this section. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holders of such Bonds, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of the Trustee without its written assent thereto. For the purposes of this section, a Series shall be deemed to be affected by a modification or amendment of the Resolution if the same materially adversely affects or diminishes the right, security and interest of the Holders of Bonds of such Series. The Issuer may in its discretion determine whether or not in accordance with the foregoing, Bonds of any particular Series or maturity would be affected by any modification or amendment of the Resolution and any such determination shall be binding and conclusive on all Holders of Bonds. The Issuer shall, prior to making any such determination, receive a Counsel's Opinion as conclusive evidence as to whether the Bonds of a Series or maturity would be so affected by any such modification or amendment thereof. Notwithstanding anything in this section or the Resolution to the contrary, the consent of Holders of any Series of Additional Bonds to be issued under the Resolution shall be deemed given if the underwriters or initial purchasers for resale thereof consent in writing to any modification or amendment effected thereby, and such modification or amendment, as well as such consent, is disclosed in the official statement or other offering document pursuant to which such Series of additional Bonds is offered and sold.

(Section A-1002)

Consent of Bondholders

The Issuer may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the Standard Resolution Provisions described under "Powers of Amendment" above, to take effect when and as provided in this section. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto in form approved by the Trustee) together with a request to the Bondholders for their consent thereto, shall be mailed by the Issuer to such Bondholders (but failure to mail such copy and request shall not affect the validity of the Supplemental Resolution when consented to as provided in this section). Such Supplemental Resolution shall not be effective unless and until there shall have been filed with the Issuer (i) the written consent of Holders of the percentages of Outstanding

Bonds specified in the Standard Resolution Provisions described under "Powers of Amendment" above, and (ii) a Counsel's Opinion stating that such Supplemental Resolution has been duly and lawfully adopted by the Issuer in accordance with the provisions of the Resolution, is authorized or permitted by the Resolution, and is valid and binding upon the Issuer and enforceable in accordance with its terms. Each such consent shall be effective only if accompanied by proof of the holding or owning, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by the Standard Resolution Provisions. A certificate or certificates by an Authorized Officer of the Issuer filed with the Issuer that he or she has examined such proof and that such proof is sufficient in accordance with the Standard Resolution Provisions shall be conclusive that the consents have been given by the Holders of the Bonds described in such certificate or certificates of such Authorized Officer of the Issuer. Any such consent given by such Holder shall be binding upon such Holder of the Bonds giving such consent and, anything in the Standard Resolution Provisions to the contrary notwithstanding, upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by such Holder of such Bonds giving such consent or a subsequent Holder thereof by filing with the Issuer prior to the time when the written statement of the Issuer provided for in this section is filed. The fact that a consent has not been revoked may likewise be proved by a certificate of an Authorized Officer of the Issuer filed with the Issuer to the effect that no revocation thereof is on file. At any time after such Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution, the Issuer shall make and file with its records relating to the Bonds a written statement that the Holders of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter notice, stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Issuer on a stated date, a copy of which is on file with the Issuer) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this section, may be given to such Bondholders by the Issuer by mailing or causing the mailing of such notice to such Bondholders (but failure to mail such notice shall not prevent such Supplemental Resolution from becoming effective and binding as provided in this section) and, in the sole discretion of the Issuer, by publishing the same at least once not more than ninety (90) days after such Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution and the written statement of the Issuer provided for in this section is filed (but failure to publish such notice shall not prevent such Supplemental Resolution from becoming binding as provided in this section). If such notice is published, the Issuer shall file with its records relating to the Bonds proof of the publication of such notice and, if the same shall have been mailed to such Bondholders, of the mailing thereof. A transcript consisting of the papers required or permitted by this section to be filed with the Issuer records relating to the Bonds, shall be proof of the matters therein stated. Such Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon the Issuer, the Trustee, or the Holders of all Bonds upon filing with the Issuer records of proof of mailing of such notice or at the expiration of forty (40) days after such filing of the proof of the first publication of such last mentioned notice, if such notice is published, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Resolution in a legal action or equitable proceeding for such purpose commenced within such forty (40) day period; provided, however, that the Trustee and the Issuer during such forty (40) day period and any such further period during which any such action or proceeding may be pending shall be entitled in its absolute discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Resolution as it may deem expedient.

For the purpose of the Standard Resolution Provisions, the Holders of the Bonds of a Series, shall be deemed to have irrevocably consented to a modification or amendment permitted by the Standard Resolution Provisions described under "Powers of Amendment" above and under "Modifications by Unanimous Consent" below; where the Supplemental Resolution authorizing such Bonds of a Series sets forth the terms of such modification or amendment; and where the terms of the modification or amendment shall be described in the official statement, prospectus, offering memorandum or other offering document prepared in connection with the primary offering of the Bonds of such Series by the Issuer or with the remarketing of the Bonds.

(Section A-1003)

Modifications by Unanimous Consent

The terms and provisions of the Resolution and the rights and obligations of the Issuer and of the Holders of the Bonds thereunder may be modified or amended in any respect upon the adoption and filing by the Issuer of a Supplemental Resolution and the consent of the Holders of all of the Bonds then Outstanding, such consent to be given as provided in the Standard Resolution Provisions except that no notice to Bondholders either by mailing or publication shall be required; provided, however, that no such modification or amendment shall change or modify any of the rights or obligations of the Trustee without the filing with the Issuer of the written assent thereto of the Trustee in addition to the consent of the Bondholders.

(Section A-1004)

Exclusion of Bonds

Bonds owned or held by or for the account of the Issuer shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in the Standard Resolution Provisions described under "Powers of Amendment," "Consent of Bondholders" and "Modifications by Unanimous Consent" above, and the Issuer shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in the Resolution. At the time of any consent or other action taken under such Standard Resolution Provisions, the Issuer shall file with its records relating to the Bonds a certificate of an Authorized Officer of the Issuer describing all Bonds so to be excluded.

(Section A-1005)

Notation on Bonds

Bonds delivered after the effective date of any action taken as provided in the Standard Resolution Provisions described under "Adoption and Filing" through "Exclusion of Bonds" above may, and, if the Issuer so determines, shall, bear a notation by endorsement or otherwise in form approved by the Issuer and Trustee as to such action, and in that event upon demand of the Holder of any Bond Outstanding at such effective date and presentation to the Issuer of his or her Bond for such purpose, suitable notation shall be made on such Bond by the Issuer as to any such action. If the Issuer and Trustee shall so determine, new Bonds so modified as, in the opinion of the Issuer and Trustee conform to such action shall be prepared and delivered, and upon demand of the Holder of any Bond then Outstanding, shall be exchanged, without cost to such Bondholder, for Bonds of the same Series and maturity then Outstanding, upon surrender of such Bonds.

(Section A-1006)

Events of Default

The occurrence of one or more of the following events shall constitute an "Event of Default":

(a) payment of principal, Sinking Fund Installments, interest or premium on any Bond shall not be made when the same shall have become due, whether at maturity or upon call for redemption or otherwise, which default shall continue for a period of ten (10) Business Days; or

(b) in connection with financings for any Authorized Purpose authorized by Section 69-n, the Director of the Budget shall fail or refuse to comply with the provisions of subdivision 5(b) of Section 92-h and such failure or refusal shall continue for a period of thirty (30) days; or

(c) the Comptroller shall fail to pay to any Authorized Issuer from an appropriation, as and when provided by subdivision 3 of Section 69-o in accordance with a Financing Agreement, any amount as shall be certified by the Director of the Budget pursuant to subdivision 5(b) of Section 92-h, which default shall continue for a period of ten (10) Business Days; or

(d) the Governor shall fail or refuse to include in the appropriation bills required to be submitted by the Governor pursuant to Section 24 of the State Finance Law appropriations sufficient to pay any and all amounts as shall be certified by the Director of the Budget pursuant to subdivision 5(b) of Section 92-h, in connection with financings for any Authorized Purpose authorized by Section 69-n, and such failure or refusal shall continue for thirty (30) days from and after the date on which such bills are required to be submitted; or

(e) the State shall have enacted a moratorium or other similar law affecting payment of bonds, including the Bonds, in connection with financings for any Authorized Purpose authorized by Section 69-n; or

(f) the State or any officer of the State shall fail or refuse to comply with any of the provisions of Section 69-o or Section 92-h, either case relating to security for or payment of bonds, including the Bonds, in connection with financings for any Authorized Purpose authorized by Section 69-n; or

(g) failure by the Issuer to observe any of the covenants, agreements or conditions on its part contained in the Resolution or in the Bonds, and failure to remedy the same for a period of thirty (30) days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the Issuer by the Trustee or to the Issuer and the Trustee by the Holders of not less than a majority in aggregate principal amount of Bonds at the time Outstanding; provided that, if such default cannot be corrected within such thirty (30)-day period, it shall not constitute an Event of Default if corrective action is instituted by the Issuer within such period and is diligently pursued until the default is corrected.

Except as provided above or, to the extent permitted by the Standard Resolution Provisions, in a Supplemental Resolution, no default under the Acts or any resolution, agreement, or other instrument shall constitute or give rise to an Event of Default under the Resolution.

It is expressly understood that nothing in this section or elsewhere in the Resolution may be construed to restrict the right of the State under subdivision 5 of Section 69-o to amend, repeal, modify or otherwise alter statutes imposing or relating to any taxes or the sources of any other funds, including the taxes or the sources of any other funds to be deposited into the Sales Tax Revenue Bond Tax Fund without giving rise to an Event of Default under the Resolution.

(Section A-1101)

Remedies

Upon the occurrence and continuance of any Event of Default specified in paragraph (a) under "Events of Default" above, the Trustee shall, and upon the occurrence and continuance of any other Event of Default specified in the Standard Resolution Provisions, the Trustee may, and upon written request of the Holders of not less than a majority in aggregate principal amount of such Bonds then Outstanding, shall:

(a) by mandamus or other suit, action or proceeding at law or in equity enforce all rights of the Holders of Bonds under the Resolution;

(b) bring suit upon such Bonds;

(c) by action or suit in equity, require the Issuer to account as if it were the trustee of an express trust for the Holders of such Bonds; or

(d) by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of such Bonds.

The Trustee shall in addition to the foregoing have and possess all of the powers necessary or appropriate for the exercise of any functions specifically set forth herein or incident to the general representation of the Holders of the Bonds in the enforcement and protection of their rights.

The Supreme Court of the State shall have jurisdiction of any suit, action or proceeding by the Trustee on behalf of the Holders of Bonds, and venue of any such suit, action or proceeding shall be laid in the County of Albany.

No remedy by the terms of the Resolution conferred upon or reserved to the Trustee or the Holders of the Bonds is intended to be exclusive of any other remedy but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Resolution or existing at law or in equity or by statute on or after the date of adoption of the Resolution, except that the rights of Bondholders pursuant to subdivision 2(g) of Section 69-n as in effect on the date of adoption of the Resolution are abrogated. It is further expressly understood that the Resolution does not permit the Trustee or the Holders of the Bonds to declare the Bonds to be immediately due and payable.

No Holder of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of any trust under the Resolution, or any other remedy under the Resolution or under the Bonds, unless such Holder previously shall have given to the Trustee written notice of an Event of Default as provided in the Resolution and unless also the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have made written request of the Trustee so to do, after the right to exercise such powers or rights of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the above-described powers granted in the Resolution, or to institute such action, suit or proceeding in its or their name; nor unless there also shall have been offered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall not have complied with such request within a reasonable time; and such notification, request and offer of indemnity are declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the trusts of the Resolution, or to enforce any right under the Resolution or under the Bonds, except in the manner provided in the Resolution, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the Resolution and for the equal benefit of all Holders of Outstanding Bonds, subject, however, to the Standard Resolution Provisions described under "Extension of Payment of Bonds" above. Nothing in the Resolution or in the Bonds contained shall affect or impair the right of action, which is also absolute and unconditional, of any Holder of any Bond to enforce payment of the principal of and premium, if any, and interest on such Bond at the respective dates of maturity of each of the foregoing and at the places therein expressed.

All rights of action under the Resolution or under any of the Bonds which are enforceable by the Trustee may be enforced by it without the possession of any of the Bonds, or the production thereof on the trial or other proceedings relative thereto, and any such suit, action or proceeding instituted by the

Trustee shall be brought in its name, as trustee, for the equal and ratable benefit of the Holders of the Bonds, subject to the provisions of the Resolution.

No delay or omission of the Trustee or of any Holder of the Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by the Standard Resolution Provisions to the Trustee and to the Holders of the Bonds, respectively, may be exercised from time to time as often as may be deemed expedient.

(Section A-1102)

Priority of Payments After Default

In the event that the funds held by the Issuer, the Trustee or by the Paying Agents shall be insufficient for the payment of principal, Sinking Fund Installments, if any, or Redemption Price of and interest then due on the Bonds and for payments then due with respect to Parity Reimbursement Obligations, such funds (other than funds held for the payment of particular Bonds which have theretofore become due at maturity or by call for redemption and funds which at the time of their deposit into any Fund or account under the Resolution have been designated to be applied solely to the payment of the principal of and premium, if any, and interest on any series of Bond Anticipation Notes) and any other moneys received or collected by the Trustee or any Paying Agents, after making provision for the payment of any expenses necessary in the opinion of the Trustee to preserve the continuity of the Revenues, or otherwise protect the interests of the Holders of the Bonds, and after making provision for the payment of the reasonable charges and expenses and liabilities incurred and advances made by the Trustee or any Paying Agents in the performance of their duties under the Resolution, shall be applied as follows:

FIRST: To the payment to the Persons entitled thereto of all installments of interest then due with respect to Bonds or Parity Reimbursement Obligations in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or preference, except as to the difference in the respective rates of interest specified in such Bonds and Parity Reimbursement Obligations; and

SECOND: To the payment to the Persons entitled thereto of the unpaid principal, Sinking Fund Installments or Redemption Price of any Bonds or Parity Reimbursement Obligations which shall have become due whether at maturity or by call for redemption in the order of their due dates and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amount of principal, Sinking Fund Installments or Redemption Price due on such date, to the Persons entitled thereto, without any discrimination or preference.

The provisions of this section are in all respects subject to the Standard Resolution Provisions described under "Extension of Payment of Bonds" above.

If and when all overdue installments of interest on all Bonds and Parity Reimbursement Obligations, together with the reasonable and proper charges and expenses of the Trustee, and all other sums payable by the Issuer under the Resolution, including the principal and Redemption Price of and accrued unpaid interest on all Bonds and Parity Reimbursement Obligations which shall then be payable, shall either be paid by or for the account of the Issuer, or provision satisfactory to the Trustee shall be made for such payment, and all defaults under the Resolution or the Bonds or Parity Reimbursement

Obligations shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the Trustee shall pay over to the Issuer all such Pledged Property then remaining unexpended in the hands of the Trustee (except Pledged Property deposited or pledged, or required by the terms of the Resolution to be deposited or pledged, with the Trustee), and thereupon the Issuer and the Trustee shall be restored, respectively, to their former positions and rights. No such payment over to the Issuer by the Trustee or resumption of the application of Pledged Property as provided in Article V of the Resolution shall extend to or affect any subsequent default under the Resolution or impair any right consequent thereon.

(Section A-1103)

Defeasance

If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Bonds then Outstanding, the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, thereof and interest to become due thereon, at the times and in the manner stipulated therein and in the Resolution, then, at the option of the Issuer, the covenants, agreements and other obligations of the Issuer to the Bondholders shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Issuer shall execute and file with its records relating to the Bonds all such instruments as may be desirable to evidence such discharge and satisfaction and the Trustee and any Paying Agents, if any, shall pay over or deliver to the Issuer all moneys, securities and funds held by them pursuant to the Resolution which are not required for the payment, or redemption, of Bonds not theretofore surrendered for such payment or redemption or required for payments to Fiduciaries pursuant to the Standard Resolution Provisions.

Bonds, or portions of Bonds, for the payment or redemption of which moneys shall have been set aside and shall be held by the Trustee (through deposit by the Issuer of funds for such payment or otherwise) at the maturity date or Redemption Date of such Bonds shall be deemed to have been paid within the meaning of the Standard Resolution Provisions. Any Bonds, or portions of Bonds, of any Series shall, prior to the maturity or Redemption Date thereof, be deemed to have been paid within the meaning and with the effect expressed in the Standard Resolution Provisions if (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Issuer shall have given to the Trustee in form satisfactory to it irrevocable instructions to provide to Holders in accordance with the Standard Resolution Provisions notice of redemption on said date or dates of such Bonds, (b) there shall have been irrevocably deposited by the Issuer with the Trustee either moneys in an amount which shall be sufficient, or Government Obligations the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited by the Issuer with the Trustee at the same time, shall be sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the Redemption Date or maturity date as the case may be, and (c) in the event such Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Issuer shall (i) publish, as soon as practicable, at least twice, at an interval of not less than seven (7) days between publications, in an Authorized Newspaper a notice to the Holders of such Bonds, and (ii) mail by registered or certified mail, postage prepaid, a notice to the Holders of such Bonds, in each case that the deposit required by (b) above has been made and that said Bonds are deemed to have been paid in accordance with this section and stating such maturity date or Redemption Date upon which moneys are to be available for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, on said Bonds. The Trustee shall, at the discretion of the Issuer, select the Bonds of a Series and the maturity or portion of a maturity thereof shall be paid in accordance with this section in the manner provided in the Standard Resolution Provisions. Neither Government Obligations nor moneys deposited pursuant to this section nor principal or interest payments on any such Government Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest on said Bonds; *provided, however, that* any money on deposit with the Trustee, (i) to the extent such money will not be required at any time for such purpose, shall be paid over to the Issuer as received by the Trustee, free and clear of any trust, lien or pledge securing said Bonds or otherwise existing under the Resolution, and (ii) to the extent such money will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Government Obligations maturing at times and in amounts sufficient, together with any money available to the Trustee for such purpose, to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be. Notwithstanding any other provision hereof, the Issuer may at the time of defeasance elect to retain the right to redeem or require the tender of any obligations deemed paid pursuant to this paragraph. The Trustee shall, at the direction of the Issuer, select the Bonds or portions thereof that are deemed to have been paid in advance of the redemption of such Bonds. Prior to applying any such excess amounts pursuant to this paragraph or the following paragraph, the Issuer shall obtain written confirmation from an independent certified public accountant that the amounts remaining on deposit and held in trust are sufficient to pay the obligations set forth above.

For purposes of determining whether Variable Interest Rate Bonds shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, by the deposit of moneys, or Government Obligations and moneys, if any, in accordance with the second sentence of the preceding paragraph, the interest to come due on such Bonds on or prior to the maturity date or redemption date thereof, as the case may be, shall be calculated at the maximum rate permitted by the terms thereof; provided, however, that if on any date, as a result of such Bonds having borne interest at less than such maximum rate for any period, the total amount of moneys and Government Obligations on deposit with the Trustee for the payment of interest on such Bonds is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of such Bonds in order to satisfy the second sentence of the preceding paragraph, the Trustee shall, if requested, by the Issuer, pay the amount of such excess to the Issuer free and clear of any trust, pledge, lien, encumbrance or security interest securing the Bonds or otherwise existing under the Resolution.

Anything in the Resolution to the contrary notwithstanding, any moneys held by the Trustee in trust for the payment and discharge of any of the Bonds which remain unclaimed for two (2) years after the date when such Bonds have become due and payable either at their stated maturity dates or earlier Redemption Dates or for two (2) years after the date of deposit of such moneys if deposited with the Trustee after the said date when such Bonds became due and payable, shall, at the written request of the Issuer, be repaid by the Trustee to the Issuer, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the Issuer for the payment of such Bonds. Before being required to make any such payment to the Issuer, the Trustee shall, at the expense of the Issuer, (i) cause to be published at least twice, at an interval of not less than seven (7) days between publications, in an Authorized Newspaper, and (ii) cause to be mailed postage prepaid to each registered owner of Bonds then Outstanding at his or her address, if any, appearing upon the registry books of the Issuer, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than thirty (30) days after the date of the first publication or mailing of such notice, the balance of such moneys then unclaimed will be returned to the Issuer.

(Section A-1104)

Certain Provisions Relating to Economic Defeasance

Any Bonds of any Series for which prior to the maturity or Redemption Date thereof, the Issuer shall have given to the Trustee or other fiduciary selected by the Issuer in form satisfactory to it irrevocable instructions to maintain on deposit in a Fund or account held by the Trustee or other fiduciary selected by the Issuer established for such purpose for the benefit of the Holders of such Bonds, Investment Obligations, other than Government Obligations, the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee or other fiduciary selected by the Issuer at the same time, as verified in the report of a firm of certified public accountants, shall be sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the Redemption Date or maturity date as the case may be, shall not be counted as Outstanding under the Resolution solely for the purpose of the calculation of Calculated Debt Service required under the Standard Resolution Provisions.

(Section A-1105)

Evidence of Signatures of Bondholders and Ownership of Bonds

Any request, consent, revocation of consent or other instrument which the Resolution may require or permit to be signed and executed by the Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys appointed in writing. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the holding by any person of the Bonds, shall be sufficient for any purpose of the Resolution (except as otherwise therein expressly provided) if made in the following manner, or in any other manner satisfactory to the Issuer, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

1. The fact and date of the execution by any Bondholder or his attorney of such instrument may be proved by certificate, which need not be acknowledged or verified, of an officer of a bank or trust company satisfactory to the Issuer or any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. The authority of the person or persons executing any such instrument on behalf of a corporate Bondholder may be established without further proof if such instrument is signed by a person purporting to be the president or a vice-president of such corporation with a corporate seal affixed and attested by a person purporting to be its secretary or an assistant secretary.

2. The ownership of Bonds and the amount, numbers and other identification, and date of holding the same shall be proved by the registry books. Any request or consent by the owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by the Issuer, the Trustee or any Paying Agent in accordance therewith except as otherwise provided in the Standard Resolution Provisions.

(Section A-1201)

Moneys Held for Particular Bonds

The amounts held by the Trustee or any Paying Agent for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price of and interest due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Bonds entitled thereto and for the purposes of the Resolution such principal, Sinking Fund Installments, if any, or Redemption Price of and interest on such Bonds, due after such date thereof, consistent with the provisions of the Standard Resolution Provisions, shall no longer be deemed to be Outstanding.

(Section A-1301)

General Regulations as to Moneys and Funds

Each of the Funds and Accounts established by the Resolution shall be a trust fund for the purposes thereof.

All amounts of the Issuer held or set aside under the Resolution shall, until paid over to the Fiduciaries or otherwise invested or applied as provided in the Resolution, be deposited by the Issuer in its name, on demand or time deposit, in such Banks as shall be selected by the Issuer. Any amounts held by any Fiduciary under the Resolution shall be deposited in such Banks as the Issuer may select. Any such deposit may be made in the commercial banking department of any Fiduciary which may honor checks on such deposit with the same force and effect as if it were not such Fiduciary, and without any duty to inquire into whether any withdrawals of such funds are in accordance with or might violate any of the provisions of the Resolution. Such deposits shall be continuously secured by the obligations of the United States of America or of the State, which obligations shall have a market value (exclusive of accrued interest) at all times at least equal to the amount of such deposits, which obligations shall be segregated in trust for the account of the Issuer, or shall be otherwise held as the Issuer and the depository may agree. Securities deposited with the Federal Reserve Bank to secure all trust accounts of a depository shall be deemed to comply with the foregoing requirement.

Unless otherwise specified in a Supplemental Resolution authorizing the issuance of Bonds, all money held by any Fiduciary, as such, may be deposited by such Fiduciary in its banking department on demand or, if and to the extent directed by the Issuer and acceptable to such Fiduciary, on time deposit, and all such deposits shall be continuously secured by the obligations of the United States of America or of the State which obligations shall have a market value (exclusive of accrued interest) at all times at least equal to the amount of such deposits. Securities deposited with the Federal Reserve Bank to secure all trust accounts of the Fiduciary shall be deemed to comply with the foregoing requirement. Such Fiduciary shall allow and credit on such money such interest, if any, as it customarily allows upon similar funds of similar size and under similar conditions or as required by law.

(Section A-1302)

Preservation and Inspection of Documents

All documents received by the Trustee or any Paying Agent under the provisions of the Resolution or any Supplemental Resolution shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Issuer, the Trustee or any other Paying Agent, as applicable, and any Bondholder and their agents and their representatives; provided, however, that with respect to inspection by a Holder of a Bond of any Series a written request of such Bondholder must have been made and received by the Trustee at least five (5) Business Days prior to the date of inspection. The Issuer or its representatives may make copies of any such documents.

(Section A-1303)

Parties of Interest

Nothing in the Resolution or in any Supplemental Resolution, expressed or implied, is intended or shall be construed to confer upon, or give to, any person or party, other than the Issuer, the Trustee, any Paying Agent, the Holders of the Bonds, the Holders of Parity Reimbursement Obligations and the providers of Credit Facilities any right, remedy or claim under or by reason of the Resolution or any Supplemental Resolution or any covenant, condition or stipulation thereof; and all of the covenants, stipulations, promises and agreements in the Resolution or any Supplemental Resolution contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Trustee, the Paying Agents, the Holders of the Bonds, the Holders of Parity Reimbursement Obligations and the providers of Credit Facilities.

(Section A-1304)

No Recourse Under Resolution or on the Bonds

All covenants, stipulations, promises, agreements and obligations of the Issuer contained in the Resolution shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Issuer and not of any member, officer or employee of the Issuer in his or her individual capacity, and no recourse shall be had for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price or interest on the Bonds or for any claim based thereon or on the Resolution against any member, officer or employee of the Issuer or any person executing the Bonds, all such liability, if any, being expressly waived and released by every Holder of a Bond by the acceptance of such Bonds.

(Section A-1305)

Publication of Notices

Any publication to be made under the provisions of the Resolution in successive weeks or on successive dates may be made in each instance upon any Business Day of the week and need not be made in the same Authorized Newspaper for any or all of the successive publications but may be made in different Authorized Newspapers.

(Section A-1306)

Successors and Assigns

Whenever in the Resolution the Issuer is named or referred to, it shall be deemed to include its successors and assigns and all the covenants and agreements in the Resolution contained by or on behalf of the Issuer shall bind and inure to the benefit of its successors and assigns whether so expressed or not.

(Section A-1307)

Severability of Invalid Provisions

If any one or more of the covenants, stipulations, promises, agreements or obligations provided in the Resolution on the part of the Issuer, the Trustee or any Paying Agent to be performed should be determined by a court of final jurisdiction to be contrary to law, then such covenant or covenants, stipulation or stipulations, agreement or agreements or obligation or obligations shall be deemed and construed to be severable from the remaining covenants, stipulations, promises, agreements and obligations contained in the Resolution and shall in no way affect the validity of the other provisions of the Resolution.

(Section A-1308)

Other Resolutions

The Issuer expressly reserves the right to adopt one or more other bond resolutions and to issue bonds, bond anticipation notes, notes and other obligations thereunder without compliance with and not subject to the provisions of the Resolution.

(Section A-1309)

Survival of Particular Covenants

Notwithstanding that Bonds may no longer be Outstanding, the obligations of the Issuer (i) to pay amounts to any Fiduciary pursuant to the Standard Resolution Provisions shall remain in full force and effect until all such amounts are paid and (ii) to comply with the provisions of Section 505 of the Resolution in connection with any Tax-Exempt Bonds, with respect to the rebate to the Department of the Treasury of the United States of America of any Rebate Amount relating to the Bonds of a Series shall remain in full force and effect so long as the Issuer shall be required by the Code to rebate any such Rebate Amount.

(Section A-1310)

Actions by the Issuer

Any time the Issuer is permitted or directed to act pursuant to the Resolution or a Supplemental Resolution, such action may be taken by an Authorized Officer of the Issuer except that the following actions may only be taken by resolution of the members of the Issuer: authorization and issuance of Bonds; adoption of resolutions; and modifications and amendments pursuant to the Standard Resolution Provisions described under “Adoption and Filing” through “Notation on Bonds” above. Any certificates of the Issuer to be delivered under the Resolution shall be executed by an Authorized Officer of the Issuer.

(Section A-1311)

Governing Laws

The Resolution, including the Standard Resolution Provisions, shall be governed by and interpreted in accordance with internal laws of the State, without regard to conflict of law principles thereof.

(Section A-1312)

Payments due on Other Than a Business Day

In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption of any Bonds shall be on a day that is not a Business Day, then payment of interest or principal and premium, if any, need not be made on such date but may be made (unless otherwise provided in a Supplemental Resolution without additional interest) on the next succeeding Business Day, with the same force and effect as if made on the date of maturity or the date fixed for redemption, as the case may be.

(Section A-1313)

APPENDIX C

FORM OF FINANCING AGREEMENT

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APPENDIX C

FORM OF
FINANCING AGREEMENT

STATE SALES TAX REVENUE BONDS FINANCING AGREEMENT (the "Financing Agreement"), dated as of October 1, 2013, by and between the Dormitory Authority of the State of New York, a corporate governmental agency of the State of New York (the "Issuer"), and the State of New York (the "State"), acting by and through the Director of the Budget of the State (the "Director of the Budget").

WHEREAS, the Issuer has, pursuant to the Dormitory Authority of the State of New York Act, constituting Title 4 of Article 8 of the Public Authorities Law, as amended, together with any other provisions of State law relating to the authorization or financing of Costs of a Project, (the "Issuer Act") and Article 5-F of the State Finance Law, as may be hereafter amended from time to time (the "Enabling Act", which together with the Issuer Act is referred to herein as the "Acts"), adopted its State Sales Tax Revenue Bonds General Bond Resolution on September 11, 2013 (including Annex A thereto), and one or more Supplemental Resolutions (collectively, the "Resolution") for the purpose of issuing from time to time one or more series of bonds (the "Bonds"), notes or other obligations to be secured by this Financing Agreement, as may be amended or supplemented from time to time, with the State; and

WHEREAS, in order to assist the Issuer in the financing of one or more authorized purposes as provided in the Enabling Act ("Authorized Purposes") pursuant to applicable law and in consideration of the benefits to be derived therefrom by the people of the State, the Director of the Budget, acting on behalf of the State, is authorized to enter into one or more Financing Agreements with the Issuer whereunder the State agrees, subject to the making of annual appropriations therefor by the State Legislature, to make annual payments to the Issuer, and authorize the Issuer to pledge and assign the State payments to be made as security for Bonds or other obligations which the Issuer may issue or incur in order to finance Authorized Purposes; and

WHEREAS, the State and the Issuer agree that their mutual public purposes and their best interests will be promoted by the execution of this Financing Agreement, as the same may be modified, supplemented or amended from time to time; and

WHEREAS, the Issuer Board authorized its Authorized Officer to enter into, execute and amend this Financing Agreement;

NOW, THEREFORE, the parties mutually agree as follows:

I. ISSUANCE OF BONDS BY THE ISSUER

1.1 The State agrees that the Issuer may, subject to the provisions of this Financing Agreement and the Acts, issue one or more Series of its State Sales Tax Revenue Bonds, secured by this Financing Agreement and the payments to be made by the State as herein provided. The Bonds shall be issued in such principal amounts and at such times so that the Issuer may realize from the sale thereof net proceeds sufficient to fund Authorized Purposes having a cost not in excess of the amount specified by applicable law. The State recognizes that in order to realize net proceeds in the aforesaid amounts from the sale of Bonds, the Issuer may also issue Bonds in amounts sufficient to pay Costs of Issuance, and the amount of capitalized interest, if any, included in the issuance and sale of the Bonds.

1.2 The Bonds issued by the Issuer pursuant to the provisions of Section 1.1 hereof shall be subject to the following conditions and limitations:

(a) The Resolution shall have been approved by the Issuer Board in accordance with the Acts.

(b) Unless the Issuer and the State shall otherwise agree (and any such agreement may include, among other things, the agreement of the State to pay or to reimburse the Issuer in the manner set forth in the Resolution for any additional fees, costs and expenses incurred in connection with the issuance and administration of Variable Interest Rate Bonds or costs and expenses relating to a Qualified Swap, including without limitation, the fees, costs and expenses of any provider of a Credit Facility, except to the extent any such fees, costs or expenses are deemed costs and expenses incurred in connection with the issuance and sale of such Variable Interest Rate Bonds for purposes of Section 1.1 of this Financing Agreement and are paid from Bond proceeds), each Bond shall bear a fixed rate of interest determined at the time of its issuance, which rate of interest shall not be subject to change or adjustment prior to the scheduled maturity of such Bond.

(c) Unless the Issuer and the State shall otherwise agree, other than with respect to Balloon Indebtedness or Variable Interest Rate Bonds, the aggregate amount of principal, Principal Installments and interest payable in each State Fiscal Year during which principal payments or installments are made or provided for shall be as nearly equal as practicable taking into account the probable life of projects being financed.

1.3 The Issuer agrees that prior to its issuance of any Bonds it will inform the Director of the Budget of the approximate date on which it anticipates entering into a bond purchase agreement or other binding commitment with the prospective underwriters or purchasers of such Bonds and of the estimated interest rate or rates thereof. If the Director of the Budget shall request the Issuer to postpone the sale of such Bonds, or if the Issuer shall for any reason determine to defer the issuance and sale of any Bonds, the Issuer may, in accordance with the provisions of the Resolution, issue and sell State Sales Tax Revenue Bond Anticipation Notes (“BANs”) in such principal amount so that the Issuer may realize from the sale thereof an amount not exceeding the aggregate of (i) an amount equal to the net proceeds available for Costs of a Project which the Issuer would have realized from the sale of the Bonds in anticipation of which the BANs are issued (or, in the case of renewal BANs, an amount necessary to pay the outstanding BANs in full), (ii) an amount sufficient to pay interest on the BANs until their scheduled maturity and (iii) an amount equal to Issuer Expenses incurred and to be incurred in connection with the issuance and sale of the BANs. Unless the State shall pay to the Issuer an amount sufficient to pay the BANs at their maturity or upon an earlier redemption date in accordance with their terms, the State shall, in accordance with Section 5.1 hereof, timely furnish such information to the Issuer as shall be deemed necessary by the Issuer in order to enable it to disseminate an official statement, or other applicable disclosure, and issue the Bonds in anticipation of which the BANs had been issued on or prior to the scheduled maturity or redemption date of the BANs. Notwithstanding the provisions of Section 1.1 hereof, in the event the Issuer shall issue BANs as herein provided, the Issuer (i) may issue Bonds in such principal amounts and at such times so that the Issuer may realize from the sale thereof net proceeds sufficient to pay or redeem such BANs in accordance with their terms, and (ii) may use and pledge the proceeds from the sale of the Bonds in anticipation of which the BANs had been issued for and to the payment of such BANs and related Issuer Expenses in accordance with the Resolution.

1.4 The Issuer and the State agree that this Financing Agreement is executed in part in order to induce persons to purchase the Bonds to be issued to finance Authorized Purposes and for the purposes of securing such Bonds and, accordingly, all of the covenants and agreements on the part of the Issuer and the State set forth in this Financing Agreement are hereby declared to be for the benefit of the Holders from time to time of the Bonds. Accordingly:

(a) The Issuer may pledge, assign, or transfer the right to receive and collect Financing Agreement Payments from moneys on deposit and paid from the Sales Tax Revenue Bond Tax Fund and other sources authorized under Section 69-n, together with the Issuer's rights to enforce this Financing Agreement, and from and after such pledge, assignment, or transfer, such assignee shall have the Issuer's rights and privileges hereunder to the extent, and as conferred, in such pledge, assignment, and transfer and as further provided in the Resolution.

(b) In connection with the State's exercise of its right under Section 69-o and under the Resolution, upon the amendment of the State Constitution allowing the issuance or assumption of bonds, notes or other obligations secured by revenues, which may include the Revenues securing the Bonds, (i) to assume, in whole or part, the Bonds, (ii) to extinguish the existing lien of such Resolution, and (iii) to substitute security for the Bonds, in each case only so long as such assumption, extinguishment or substitution is completed in accordance with such Resolution, the Issuer may make such pledge, assignment and transfer set forth in paragraph (a) above to such successor entity, as provided by law. Upon completion of such assumption, extinguishment or substitution, the Issuer shall no longer be obligated under this Financing Agreement or under the Resolution.

1.5 Each Series of Bonds or other obligations issued pursuant to the Acts and the Resolution shall be enumerated in a schedule appended to this Agreement. It shall be sufficient, with the approval of the parties hereto, in connection with the issuance by the Issuer of Bonds or other obligations to cause a supplemental schedule to be certified by the Director of the Budget with the same force and effect as if incorporated herein. The foregoing provisions shall be applicable, subject to the Resolution, to the issuance of Subordinated Indebtedness or other obligations under the Resolution and the Acts.

II. DUTIES OF AND PAYMENTS BY THE STATE

2.1 No later than thirty (30) days after the submission of the executive budget in accordance with Article VII of the State Constitution, the Director of the Budget shall prepare a certificate setting forth the amount of monthly receipts anticipated to be deposited in the Sales Tax Revenue Bond Tax Fund during the fiscal year beginning April first of that year together with the monthly amounts necessary to be set aside from the receipts of such Fund, as shall be sufficient to meet the total cash requirements of the Issuer during such fiscal year, based on information that shall be provided by the Issuer and in the manner required by Section A-607 of the Resolution.

The Director of the Budget may revise such certification at such times as necessary, provided, however, that the Director of the Budget shall (i) promptly revise such certification if additional amounts are necessary to meet the cash requirements of the Issuer and (ii) as necessary, revise such certification not later than thirty (30) days after the issuance of any Bonds, including Refunding Bonds, and after the adoption of any Parity Reimbursement Obligation, Reimbursement Obligation, Qualified Swap, Subordinated Indebtedness or other financial arrangement affecting the cash requirements of the Issuer and as authorized by the Resolution.

2.2 (a) Subject to the provisions of Section 2.7 hereof, the State agrees to pay to the Trustee, on behalf of the Issuer, no later than five Business Days prior to the time payment is required to be made to Holders of the Bonds or holders of Parity Reimbursement Obligations or other obligations in any year for which the Issuer shall have Bonds Outstanding or Parity Reimbursement Obligations or other obligations outstanding, a sum of money constituting Financing Agreement Payments equal to the amount necessary to provide for the payment of the principal of (including Sinking Fund Installments) and interest on the Bonds or amounts due on any Parity Reimbursement Obligations or other obligations coming due on the next succeeding Bond payment date, as certified in writing by an Authorized Officer of the Issuer to the Director of the Budget. Such Financing Agreement Payments shall include Issuer Expenses, as certified by such Authorized Officer, with the concurrence of the Director of the Budget, and amounts due on any Subordinated Indebtedness or other obligations incurred under the Resolution, to the Director of the Budget.

(b) In the event any Bonds, Parity Reimbursement Obligations or other obligations shall bear interest at other than a fixed interest rate, the State shall pay interest as follows: (i) the amount accrued at the actual rate or rates borne, to the extent such rate or rates are known in advance of the Bond payment date, plus; (ii) if necessary, an amount accrued at the Estimated Average Interest Rate through the next scheduled Bond payment date, less; (iii) any amount paid pursuant to (ii) relating to the preceding Bond payment date in excess of the amount paid to Bondholders and holders of Parity Reimbursement Obligations or other obligations through such preceding Bond payment date.

2.3 (a) The State may, at any time in its sole discretion, choose to prepay all or any part of the payments payable under Section 2.2 hereof. Any amounts so prepaid shall be credited to the payments to be made by the State under Section 2.2 hereof.

(b) The State may, at any time in its sole discretion, make payments to the Issuer for the purpose of (i) directly funding Authorized Purposes which will not be funded with the proceeds of Bonds; (ii) paying BANs at their maturity or earlier redemption date, as provided in Section 1.3 hereof; (iii) redeeming Bonds pursuant to the exercise by the Issuer of any option it may have under the Resolution; and (iv) defeasing Bonds or BANs prior to their maturity or redemption date as permitted by and in accordance with the procedures for defeasance set forth in the Resolution or otherwise. Any payments made by the State to the Issuer for the purposes set forth in this subsection shall, subject to the provisions of the Resolution, be applied by the Issuer to such purpose, and, if so directed herein or in the Resolution, shall be deposited in a Fund or account established under the Resolution or set aside with the Trustee, if any, or the Paying Agent as provided herein or in the Resolution.

2.4 The State further agrees upon request of the Issuer to pay all amounts constituting Financing Agreement Payments (i) which may become due to any provider of a Credit Facility in connection with a Credit Facility which may have been obtained if and to the extent such obligation arises as a result of the State's failure to make any payment pursuant to Section 2.1 hereof and (ii) which may become due pursuant to any agreement relating to a Parity Reimbursement Obligation, Reimbursement Obligation, Qualified Swap or the issuance of Variable Interest Rate Bonds as contemplated by Section 1.2(b) of this Financing Agreement.

2.5 The State agrees to pay to the Issuer such amounts (constituting Financing Agreement Payments) as may be necessary in order for the Issuer to maintain the exclusion from gross income of interest on Bonds issued as Tax-Exempt Bonds under the Code, including without limitation, amounts required to be paid by the Issuer to the United States as rebate of investment earnings and amounts required to be deposited by the Issuer in a yield restricted sinking fund, at such times as the Issuer deems necessary to maintain such exclusion.

2.6 The State agrees that, subject to the provisions of Section 2.7 hereof, its obligation to make the payments provided for in this Financing Agreement shall be absolute and unconditional, without any rights of set-off, recoupment or counterclaim the State may have against the Issuer or any other person or entity having an interest in this Financing Agreement or the payments made hereunder.

2.7 Notwithstanding anything in this Financing Agreement to the contrary (i) the obligation of the State acting by and through the Director of the Budget to make any Financing Agreement Payments required to be paid under this Financing Agreement is subject to annual appropriation by the State Legislature; and (ii) the obligation of the State acting by and through the Director of the Budget to pay any Financing Agreement Payments hereunder shall not constitute a debt of the State within the meaning of any constitutional or statutory provisions and shall be deemed executory only to the extent of monies available and no liability shall be incurred by the State beyond the moneys available for that purpose. Furthermore, this Financing Agreement does not constitute a debt of the State or a contractual obligation in excess of the amounts appropriated therefore and the State has no continuing legal or moral obligation to appropriate moneys for any Financing Agreement Payment due hereunder.

2.8 The term of this Financing Agreement shall continue until all Bonds or other obligations incurred under the Resolution have been paid at maturity or the Debt Service on such Bonds or other obligations has been provided for and the Bonds are no longer Outstanding under the Resolution and the State has fulfilled all its obligations under this Agreement.

III. DUTIES OF THE ISSUER

3.1 The Issuer agrees to issue the Bonds for the purpose of carrying out the provisions of the Resolution and the Acts.

3.2 The Issuer agrees to apply the proceeds derived from the sale of the Bonds and from Financing Agreement Payments in accordance with the applicable provisions of the Resolution and the Acts.

3.3 Upon the issuance of the Bonds, the provisions of the Resolution relating to all Funds and accounts and the application and investment thereof shall apply.

3.4 No later than ten (10) Business Days after the issuance of Bonds or any other obligation under the Resolution, the Issuer shall furnish to the Director of the Budget a schedule of the Financing Agreement Payments, including Debt Service to be made on each date with respect to such Bonds or other obligations and related Issuer Expenses. Interest on Bonds or other obligations bearing interest at other than a fixed rate shall be calculated using the Estimated Average Interest Rate.

3.5 Upon payment to the Issuer of the amount required therefor and the State's direction to the Issuer to do so, the Issuer shall exercise any option it may have under the Resolution to redeem all or any portion of the Bonds, and the Issuer shall deposit into the Debt Service Fund all payments received from the State and designated for such purpose.

3.6 In addition to the duties of the Issuer with respect to the constitutional and statutory audit powers granted the State or any officer thereof, the Issuer agrees to keep or cause to be kept accounts and records which clearly identify the purposes for which moneys received by the Issuer (including Bond proceeds) pursuant to this Financing Agreement have been expended. The Issuer agrees to submit annual financial reports to the State within ninety (90) days after the end of each Issuer fiscal year during which this Financing Agreement is in force. The Issuer agrees to make available for inspection by the State its accounts and records as may be determined necessary or desirable by the State.

3.7 During each year the Issuer shall have Outstanding Bonds or other obligations outstanding under the Resolution, the Issuer shall, no later than October first, certify in writing to the Director of the Budget the schedule of anticipated cash requirements due from the State pursuant to Sections 2.1, 2.2, 2.4 and 2.5 of this Financing Agreement for the next State Fiscal Year, and for the four

State Fiscal Years following such Fiscal Year, in such detail as the Director of the Budget may require. Any such schedule of anticipated cash requirements shall set forth any amounts held in Funds or accounts under the Resolution and available for a credit against such Financing Agreement Payment requirements as provided in this Financing Agreement. In calculating the amount of anticipated cash requirements with respect to Qualified Swaps, the Issuer shall include an amount not less than eighteen percent (18%) of the aggregate notional amount of all Qualified Swaps then in effect (or such other percentage as may be agreed by the Issuer and the State from time to time).

3.8 Any moneys received by the Issuer from a Qualified Swap Provider shall be deposited in the Debt Service Fund.

3.9 In order to allow the Director of the Budget to comply with his or her obligations under the Enabling Act or the Resolution, the Issuer, upon the request of the Director of the Budget, shall provide to the Director current cash requirements relating to Finance Agreement Payments due to the Issuer.

3.10 The Issuer agrees, upon request of the State, to use its best efforts to issue Bonds to refund or otherwise repay, in accordance with the terms of the Resolution, all or any portion of Outstanding Bonds or Prior Obligations. Such Refunding Bonds shall be deemed Bonds for all purposes of this Financing Agreement, except that, notwithstanding the provisions of Section 3.1 hereof, the net proceeds derived from the sale of such Refunding Bonds shall be used by the Issuer to pay or provide for the payment of the Bonds or Prior Obligations to be refunded or repaid and Issuer Expenses.

3.11 When all Bonds issued under the Resolution and all other obligations incurred under the Resolution have been paid or deemed paid within the meaning of the Resolution, the Issuer shall promptly remit or cause to be remitted to the State any moneys remaining in any of the Funds and accounts not required for the payment or redemption of Bonds or other obligations not theretofore surrendered for such payment or redemption (all after transfer of any necessary moneys to the Rebate Fund). Any moneys or investments paid by the State to the Issuer or the Trustee or other fiduciary for the purposes of economically defeasing Bonds, shall be held for such purpose for the benefit of the Holders of such Bonds in accordance with the instructions of the Director of the Budget, consistent with the terms of the Resolution.

IV. PLEDGE AND ASSIGNMENT

4.1 The State hereby consents to the pledge and assignment by the Issuer to the Holders of any of its Bonds, or to any trustee acting on their behalf, of all or any part of the benefits or rights of the Issuer herein, and to the holders or trustees of other obligations issued under the Resolution, of the payments by the State as provided herein and of the Funds and accounts established under the Resolution (except for the Rebate Fund and other Funds as provided in the Resolution).

V. SPECIAL COVENANTS

5.1 The State agrees that whenever requested by the Issuer, with reasonable advance notification, it shall provide and certify information concerning the State and various other related entities (i) for publication in an official statement, placement memorandum or other similar disclosure document relating to the sale or issuance of the Bonds or other obligations under the Resolution, and (ii) necessary to allow the Issuer to make undertakings or contractual commitments which would permit underwriters or dealers to comply with federal securities law including, without limitation, the provisions of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. Such information shall be in the standard format utilized for State issuances. The State also agrees to make available any information necessary to enable the Issuer to make any reports required by law or government regulations in connection with the Bonds or other obligations under the Resolution.

5.2 Neither the Issuer nor the State will terminate this Financing Agreement for any cause including, without limiting the generality of the foregoing, an Event of Default by either party, any acts or circumstances which may constitute failure of consideration or frustration of purpose or the failure of either party to perform and observe any duty, liability or obligation arising out of or connected with this Financing Agreement.

5.3 Subject to the limitations contained in the Resolution, the State and the Issuer reserve the right to amend, modify or rescind this Financing Agreement or any supplemental agreement entered into pursuant to this Section 5.3 in any manner; provided that no such amendment, modification or rescission shall materially adversely affect the interests of the Holders of Bonds or holders of Parity Reimbursement Obligations or other obligations. Specifically, and without limiting the generality of the foregoing, this Financing Agreement may be amended or modified (i) to provide for additional payments to the Issuer, (ii) to provide for modified payment provisions, including timing thereof, consistent with the provisions of the Resolution in connection with the issuance of Bonds, Parity Reimbursement Obligations or other obligations, (iii) to cure any ambiguity or (iv) to correct or supplement any provisions contained in this Financing Agreement which may be defective or inconsistent with any other provisions contained herein. For the purposes of this Section, Bonds, Parity Reimbursement Obligations or other obligations shall be deemed to be materially adversely affected by an amendment, modification or rescission of this Financing Agreement, if the same materially adversely affects or diminishes the rights of the Holders of the Bonds, holders of Parity Reimbursement Obligations or other obligations or any provider of a Credit Facility. The Issuer may in its discretion determine whether or not, in accordance with the foregoing provision, the interests of the Holders of Bonds or holders of Parity Reimbursement Obligations or other obligations would be materially adversely affected by any amendment, modification or rescission, and such determination shall be binding and conclusive on the State, Bondholders, holders of Parity Reimbursement Obligations or other obligations, the Trustee and the provider of a Credit Facility.

5.4 The State acknowledges and agrees that, in the event of any conflict between any of the provisions of this Financing Agreement and any of the provisions of the Resolution, the provisions of the Resolution shall be controlling; provided, however, that neither the Resolution nor any supplement or amendment thereto shall purport to limit or supersede the provisions set forth in Section 2.7 hereof.

5.5 The State, acknowledges and agrees that moneys in the Funds and accounts established under the Resolution may be invested in Investment Obligations authorized by the Resolution and that the Issuer may restrict such investments, or the yield to be realized therefrom, as it may deem necessary or appropriate in order to maintain the exclusion from gross income of interest on the Bonds issued as Tax-Exempt Bonds under the Code. Investment earnings shall be applied as permitted by the Resolution.

5.6 The State, to the extent authorized by law, shall indemnify and save harmless the Issuer from and against any and all liability, loss, damage, interest, judgments and liens growing out of, and any and all costs and expenses (including, but not limited to, counsel fees and disbursements) arising out of or incurred in connection with any and all claims, demands, suits, actions or proceedings which may be made or brought against the Issuer arising out of any determinations made or actions taken or omitted to be taken or compliance with any obligations under or pursuant to the Enabling Act, including the issuance, incurrence and delivery of Bonds, BANs, Parity Reimbursement Obligations, Subordinated Indebtedness or other obligations under the Resolution.

5.7 The State agrees to request appropriations during the term of this Financing Agreement in an amount at least equal to the amounts certified to by the Issuer pursuant to Section 3.7 of this Financing

Agreement. The State also agrees to request appropriations during the term of all financing agreements entered into with all Authorized Issuers pursuant to the Enabling Act in amounts at least equal to the amounts certified by each Authorized Issuer pursuant to such financing agreements and to meet its other obligations under such financing agreements.

VI. EVENTS OF DEFAULT BY THE STATE AND REMEDIES

6.1 If for any reason, other than a failure by the State Legislature to appropriate moneys for such purpose, the State shall fail to pay when due any Financing Agreement Payments, or shall fail to observe or perform any other covenant, condition or agreement on its part to be observed or performed, the Issuer shall, if such default has not been cured, have the right to institute any action in the nature of mandamus or take whatever action at law or in equity may appear necessary or desirable to collect the payments then due or thereafter to become due or to enforce performance and observance of any obligation, agreement or covenant of the State hereunder.

6.2 The remedies conferred upon or reserved to the Issuer under Section 6.1 hereof in respect of any default described therein are not intended to be exclusive of any other available remedy or remedies and shall be in addition to every other remedy now or hereafter existing at law or in equity; provided, however, that such remedy or remedies may in no event include a termination of this Financing Agreement, nor may they include any amendment, change, modification or alteration of this Financing Agreement that is prohibited by Section 5.2 or 5.3 hereof.

6.3 The State shall promptly notify the Issuer in writing that an Event of Default has occurred under the Resolution, including any events of default under resolutions or financing agreements of any Authorized Issuer related to obligations authorized by the Enabling Act. The State also agrees that upon the occurrence of an Event of Default, or event of default described in the preceding sentence, funds available through appropriation from the Sales Tax Revenue Bond Tax Fund will be available on an equitable basis among Authorized Issuers under the Enabling Act.

VII. EVENTS OF DEFAULT BY THE ISSUER AND REMEDIES

7.1 If the Issuer shall fail to observe or perform any covenant, condition or agreement contained in this Financing Agreement or the Resolution on its part to be observed or performed and such failure to observe or perform shall have continued for sixty (60) days after written notice, specifying such failure and requesting that it be remedied, is given to the Issuer by the State, the State shall, if the default has not been cured, have the right to institute an action in the nature of mandamus or take whatever action at law or in equity may appear necessary or desirable to enforce performance and observance of any obligation, agreement or covenant of the Issuer hereunder.

7.2 The remedies conferred upon or reserved to the State under Section 7.1 hereof in respect of any default described therein are not intended to be exclusive of any other available remedy or remedies and shall be in addition to every other remedy now or hereafter existing at law or in equity; provided, however, that such remedy or remedies may in no event include a termination of the Financing Agreement or of the obligations of the State to make the payments provided for in Article II hereof, nor may they include any amendment, change, modification or alteration of this Financing Agreement that is prohibited by Section 5.2 or 5.3 hereof.

VIII. MISCELLANEOUS

8.1 The revenues, facilities, properties and any and all other assets of the Issuer of any name and nature, other than the Pledged Property, may not be used for, or as a result of any court proceedings or otherwise applied to, the payment of Bonds, any redemption premium therefor or the interest thereon or any other obligations under the Resolution, and under no circumstances shall these be available for such purposes.

8.2 The waiver by either party of a breach by the other shall not be deemed to waive any other breach hereunder nor shall any delay or omission to exercise any right or power upon any default impair any such right or power or be construed as a waiver thereof.

8.3 In the event any provision of this Financing Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

8.4 All notices provided for in this Financing Agreement shall be in writing and shall be delivered personally to or sent by certified or registered mail to the respective offices of the State and the Issuer as follows:

If to the State:	Director of the Budget State of New York Executive Department Division of the Budget State Capitol, Room 113 Albany, New York 12224
If to the Issuer:	General Counsel Dormitory Authority of the State of New York 515 Broadway Albany, New York 12207

The Issuer or the State may from time to time designate in writing other representatives with respect to receipt of notices.

8.5 This Financing Agreement, including any schedules referred to in Section 1.5, represents the entire agreement between the parties. It may not be amended or modified otherwise than by a written instrument executed by both parties. Such amendments shall not be contrary to the provisions of Section 5.2 or 5.3 hereof.

8.6 Nothing in this Financing Agreement shall be construed to confer upon or to give to any person or corporation other than the State, the Issuer, a Holder of any Bonds, a holder of other obligations under the Resolution, or any trustee acting under the Resolution, any right, remedy or claim under or by reason of this Financing Agreement or any provision thereof.

8.7 This Financing Agreement shall be construed and interpreted in accordance with the laws of the State of New York and any suits or actions arising out of this Financing Agreement shall be instituted in a court of competent jurisdiction in the State.

8.8 This Financing Agreement may be executed in several counterparts, each of which shall be deemed to be an original but such counterparts together shall constitute one and the same instrument.

8.9 Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Resolution.

IN WITNESS WHEREOF, the State has caused this Financing Agreement to be executed in its name by the Director of the Budget and the Issuer has caused this instrument to be signed by its Authorized Officer all as of the date and year first above written.

State of New York

____
Director of the Budget

Dormitory Authority of the State of New York

____
Authorized Officer

Approval as to form:
Attorney General

By: ____________________________________

Date:_____________________

Approved:

By:_____________________________________
State Comptroller

Date: ________________________

Supplemental Schedule ___ to
Dormitory Authority of the State of New York
State Sales Tax Revenue Bonds Financing Agreement
dated October 1, 2013 (the "Financing Agreement")

Pursuant to Section 1.5 of the Financing Agreement, the following Bonds are hereby made subject to the Financing Agreement for all purposes, including, but not limited to, debt service and related payments on the Bonds.

$_______________
Dormitory Authority of the State of New York
State Sales Tax Revenue Bonds
Series ____

Dated: ___________________

Approved:	Certified:
Dormitory Authority of the State of New York	State of New York
By: ___________________________________ Authorized Officer	By: ___________________________________ Director of the Budget, State of New York

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APPENDIX D

PROPOSED FORMS OF CO-BOND COUNSEL OPINIONS

FORM OF APPROVING OPINION OF NIXON PEABODY LLP,
CO-BOND COUNSEL TO DASNY FOR THE SERIES 2023 BONDS

Upon delivery of the Series 2023 Bonds, Nixon Peabody LLP, Co-Bond Counsel to DASNY, proposes to issue its legal opinion in substantially the following form:

August__, 2023

Dormitory Authority of the
State of New York
515 Broadway
Albany, New York 12207

Ladies and Gentlemen:

We, as Co-Bond Counsel to the Dormitory Authority of the State of New York (the "Authority"), a body corporate and politic of the State of New York (the "State"), constituting a public benefit corporation created and existing under the Dormitory Authority Act, being Chapter 524 of the Laws of 1944 of the State, as the same may be amended from time to time, and constituting Title 4 of Article 8 of the Public Authorities Law (the "Dormitory Authority Act"), have examined a record of proceedings relating to the issuance of the Authority's $1,400,935,000 aggregate principal amount of State Sales Tax Revenue Bonds, Series 2023A-1 (Tax-Exempt) (the "Series 2023A-1 Bonds"), $282,315,000 aggregate principal amount of State Sales Tax Revenue Bonds, Series 2023A-2 (Tax-Exempt) (the "Series 2023A-2 Bonds" and, together with the Series 2023A-1 Bonds, the "Series 2023A Bonds") and $61,290,000 aggregate principal amount of State Sales Tax Revenue Bonds, Series 2023B (Federally Taxable) (the "Series 2023B Bonds" and, together with the Series 2023A Bonds, the "Series 2023 Bonds").

The Series 2023 Bonds are issued under and pursuant to the Dormitory Authority Act, Article 5-F and Article 6 (Section 92-h) of the New York State Finance Law, as may be hereinafter amended from time to time (the "Enabling Act"), the State Sales Tax Revenue Bonds General Bond Resolution adopted by the Authority on September 11, 2013 (the "Bond Resolution"), as supplemented by the Authority's Supplemental Resolution 2023-1 Authorizing State Sales Tax Revenue Bonds, adopted on May 10, 2023 (the "2023 Supplemental Resolution") and the Certificates of Determination relating to the Series 2023 Bonds (the "Certificates of Determination" and, together with the 2023 Supplemental Resolution, the "Supplemental Resolution"). The General Resolution and the Supplemental Resolution are herein collectively referred to as the "Resolutions". Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Resolutions.

The Authority has reserved the right to issue additional Bonds on the terms and conditions and for the purposes stated in the Bond Resolution. Under and subject to the terms of the Bond Resolution, the Series 2023 Bonds and all Bonds heretofore and hereafter issued under the Bond Resolution rank and will rank equally as to security and payment. In addition, all State Sales Tax Revenue Bonds issued pursuant to the Enabling Act by Authorized Issuers for Authorized Purposes are on a parity with each other as to payments from the Sales Tax Revenue Bond Tax Fund established by Section 92-h of the New York State Finance Law (the "Sales Tax Bond Fund"), subject to annual appropriation by the New York State Legislature.

The Authority and the State, acting by and through the Director of the Budget, have entered into a Financing Agreement, dated as of October 1, 2013, as supplemented (the "Financing Agreement"), which provides for the payment, subject to annual appropriation by the State Legislature, of Financing Agreement Payments by the State Comptroller to The Bank of New York Mellon, as trustee (the "Trustee") on behalf of the Authority in amounts sufficient to pay the principal of, redemption premium, if any, and interest on the Series 2023 Bonds.

Pursuant to the Enabling Act, neither the Authority nor the owners of the Series 2023 Bonds have or will have a lien on the monies on deposit in the Sales Tax Bond Fund. In addition, pursuant to the Enabling Act, nothing contained therein shall be deemed to restrict the right of the State to amend, repeal, modify or otherwise alter statutes imposing or relating to the taxes imposed pursuant to Sections 1105 and 1110 of the New York Tax Law.

The Series 2023 Bonds are dated, mature, are payable, are subject to redemption and bear interest all as provided in the Resolutions.

Based upon and subject to the foregoing, and in reliance thereon, and subject to the limitations set forth below, we are of the opinion that:

1. The Authority has been duly created and is validly existing under the Dormitory Authority Act and has the right, power and authority under the Dormitory Authority Act and the Enabling Act to adopt the Resolutions.

2. The Resolutions have been duly and lawfully adopted by the Authority, are in full force and effect and constitute valid and binding obligations of the Authority enforceable in accordance with their terms. The Resolutions create the valid pledge which they purport to create of the Pledged Property, subject to the application thereof to the purposes and on the conditions permitted by the Resolutions.

3. The Series 2023 Bonds have been duly and validly authorized and issued by the Authority and are valid and binding special obligations of the Authority, payable solely from the sources provided therefor in the Resolutions.

4. The Series 2023 Bonds are not a debt of the State, and the State is not liable thereon, nor shall the Series 2023 Bonds be payable out of funds of the Authority other than those pledged for the payment of the Series 2023 Bonds.

5. The Financing Agreement has been duly authorized, executed and delivered by the Authority and, assuming the due and valid authorization, execution and delivery thereof by the Director of the Budget of the State, constitutes a legal, valid and binding agreement of the Authority, enforceable against the Authority in accordance with its terms.

6. The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met subsequent to the issuance and delivery of the Series 2023A Bonds for interest thereon to be and remain excluded from gross income for Federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 2023A Bonds to be included in gross income for Federal income tax purposes retroactive to the date of issue of the Series 2023A Bonds. Pursuant to the Resolutions and the Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986 (the "Tax Certificate"), the Authority and certain departments, agencies and authorities of the State of New York (the "Departments") have covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series 2023A Bonds from gross income for federal income tax purposes pursuant to Section 103 of the

Code. In addition, the Authority and the Departments have made certain representations and certifications in the Resolutions, the Financing Agreement, and the Tax Certificate. We have not independently verified the accuracy of those representations and certifications.

Under existing law, assuming compliance with certain covenants described herein, and the accuracy of the aforementioned representations and certifications, interest on the Series 2023A Bonds (including any original issue discount properly allocable thereto) is excluded from gross income for federal income tax purposes under Section 103 of the Code. We are also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. For taxable years beginning after December 31, 2022, interest on the Series 2023A Bonds will be taken into account in computing the alternative minimum tax imposed on certain corporations under the Code to the extent that such interest is included in the "adjusted financial statement income" of such corporations.

7. Interest on the Series 2023B Bonds is not excluded from gross income for federal income tax purposes pursuant to the Code.

8. Under existing law, interest on the Series 2023 Bonds is, by virtue of the Dormitory Authority Act, exempt from personal income taxes imposed by the State or any political subdivision thereof (including The City of New York).

The opinions contained in paragraphs 2, 3 and 5 above are qualified only to the extent that the enforceability of the Resolutions, the Financing Agreement and the Series 2023 Bonds may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or other laws heretofore or hereafter enacted and judicial decisions relating to or affecting the enforcement of creditors' rights or remedies or contractual obligations generally and is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Except as stated in paragraphs 6, 7 and 8 above, we express no opinion as to any other federal, state or local tax consequences of the ownership or disposition of, or the accrual or receipt of interest on, the Series 2023 Bonds. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the Series 2023 Bonds, or the interest thereon, if any action is taken with respect to the Series 2023 Bonds or the proceeds thereof upon the advice or approval of any other counsel.

We have not undertaken to determine, or to inform any person, whether any actions taken, or not taken, or events occurring, or not occurring, after the date of issuance of the Series 2023A Bonds may affect the tax status of interest on the Series 2023A Bonds. Further, although interest on the Series 2023A Bonds is not included in gross income for purposes of federal income taxation, receipt or accrual of the interest may otherwise affect the tax liability of a holder of a Series 2023A Bond depending upon the tax status of such holder and such holder's other items of income and deduction.

In rendering the foregoing opinions, we have made a review of such legal proceedings as we have deemed necessary to approve the legality and validity of the Series 2023 Bonds. In rendering the foregoing opinions we have not been requested to examine any document or financial or other information concerning the Authority or the State other than the record of proceedings referred to above, and we express no opinion as to the adequacy or sufficiency of any financial or other information which has been or will be supplied to purchasers of the Series 2023 Bonds.

This opinion is rendered solely with regard to the matters expressly opined on above and no other opinions are intended nor should they be inferred. This opinion is issued as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law, or in interpretations thereof, that may hereafter occur, or for any other reason whatsoever.

We have examined an executed Series 2023A-1 Bond, an executed Series 2023A-2 Bond, and an executed Series 2023B Bond and, in our opinion, the forms of said Series 2023 Bonds and their execution are regular and proper.

Very truly yours,

FORM OF APPROVING OPINION OF BRYANT RABBINO LLP,
CO-BOND COUNSEL TO DASNY FOR THE SERIES 2023 BONDS

Upon delivery of the Series 2023 Bonds, Bryant Rabbino LLP, Co-Bond Counsel to DASNY, proposes to issue its legal opinion in substantially the following form:

August__, 2023

Dormitory Authority of the
State of New York
515 Broadway
Albany, New York 12207

Ladies and Gentlemen:

We, as Co-Bond Counsel to the Dormitory Authority of the State of New York (the "Authority"), a body corporate and politic of the State of New York (the "State"), constituting a public benefit corporation created and existing under the Dormitory Authority Act, being Chapter 524 of the Laws of 1944 of the State, as the same may be amended from time to time, and constituting Title 4 of Article 8 of the Public Authorities Law (the "Dormitory Authority Act"), have examined a record of proceedings relating to the issuance of the Authority's $1,400,935,000 aggregate principal amount of State Sales Tax Revenue Bonds, Series 2023A-1 (Tax-Exempt) (the "Series 2023A-1 Bonds"), $282,315,000 aggregate principal amount of State Sales Tax Revenue Bonds, Series 2023A-2 (Tax-Exempt) (the "Series 2023A-2 Bonds" and, together with the Series 2023A-1 Bonds, the "Series 2023A Bonds") and $61,290,000 aggregate principal amount of State Sales Tax Revenue Bonds, Series 2023B (Federally Taxable) (the "Series 2023B Bonds" and, together with the Series 2023A Bonds, the "Series 2023 Bonds").

The Series 2023 Bonds are issued under and pursuant to the Dormitory Authority Act, Article 5-F and Article 6 (Section 92-h) of the New York State Finance Law, as may be hereinafter amended from time to time (the "Enabling Act"), the State Sales Tax Revenue Bonds General Bond Resolution adopted by the Authority on September 11, 2013 (the "Bond Resolution"), as supplemented by the Authority's Supplemental Resolution 2023-1 Authorizing State Sales Tax Revenue Bonds, adopted on May 10, 2023 (the "2023 Supplemental Resolution") and the Certificates of Determination relating to the Series 2023 Bonds (the "Certificates of Determination" and, together with the 2023 Supplemental Resolution, the "Supplemental Resolution"). The General Resolution and the Supplemental Resolution are herein collectively referred to as the "Resolutions". Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Resolutions.

The Authority has reserved the right to issue additional Bonds on the terms and conditions and for the purposes stated in the Bond Resolution. Under and subject to the terms of the Bond Resolution, the Series 2023 Bonds and all Bonds heretofore and hereafter issued under the Bond Resolution rank and will rank equally as to security and payment. In addition, all State Sales Tax Revenue Bonds issued pursuant to the Enabling Act by Authorized Issuers for Authorized Purposes are on a parity with each other as to payments from the Sales Tax Revenue Bond Tax Fund established by Section 92-h of the New York State Finance Law (the "Sales Tax Bond Fund"), subject to annual appropriation by the New York State Legislature.

The Authority and the State, acting by and through the Director of the Budget, have entered into a Financing Agreement, dated as of October 1, 2013, as supplemented (the "Financing Agreement"), which provides for the payment, subject to annual appropriation by the State Legislature, of Financing Agreement

Payments by the State Comptroller to The Bank of New York Mellon, as trustee (the "Trustee") on behalf of the Authority in amounts sufficient to pay the principal of, redemption premium, if any, and interest on the Series 2023 Bonds.

Pursuant to the Enabling Act, neither the Authority nor the owners of the Series 2023 Bonds have or will have a lien on the monies on deposit in the Sales Tax Bond Fund. In addition, pursuant to the Enabling Act, nothing contained therein shall be deemed to restrict the right of the State to amend, repeal, modify or otherwise alter statutes imposing or relating to the taxes imposed pursuant to Sections 1105 and 1110 of the New York Tax Law.

The Series 2023 Bonds are dated, mature, are payable, are subject to redemption and bear interest all as provided in the Resolutions.

Based upon and subject to the foregoing, and in reliance thereon, and subject to the limitations set forth below, we are of the opinion that:

1. The Authority has been duly created and is validly existing under the Dormitory Authority Act and has the right, power and authority under the Dormitory Authority Act and the Enabling Act to adopt the Resolutions.

2. The Resolutions have been duly and lawfully adopted by the Authority, are in full force and effect and constitute valid and binding obligations of the Authority enforceable in accordance with their terms. The Resolutions create the valid pledge which they purport to create of the Pledged Property, subject to the application thereof to the purposes and on the conditions permitted by the Resolutions.

3. The Series 2023 Bonds have been duly and validly authorized and issued by the Authority and are valid and binding special obligations of the Authority, payable solely from the sources provided therefor in the Resolutions.

4. The Series 2023 Bonds are not a debt of the State, and the State is not liable thereon, nor shall the Series 2023 Bonds be payable out of funds of the Authority other than those pledged for the payment of the Series 2023 Bonds.

5. The Financing Agreement has been duly authorized, executed and delivered by the Authority and, assuming the due and valid authorization, execution and delivery thereof by the Director of the Budget of the State, constitutes a legal, valid and binding agreement of the Authority, enforceable against the Authority in accordance with its terms.

6. Under existing law, interest on the Series 2023 Bonds is, by virtue of the Dormitory Authority Act, exempt from personal income taxes imposed by the State or any political subdivision thereof (including The City of New York).

The opinions contained in paragraphs 2, 3 and 5 above are qualified only to the extent that the enforceability of the Resolutions, the Financing Agreement and the Series 2023 Bonds may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or other laws heretofore or hereafter enacted and judicial decisions relating to or affecting the enforcement of creditors' rights or remedies or contractual obligations generally and is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Except as stated in paragraph 6 above, we express no opinion as to any other federal, state or local tax consequences of the ownership or disposition of, or the accrual or receipt of interest on, the Series 2023 Bonds.

In rendering the foregoing opinions, we have made a review of such legal proceedings as we have deemed necessary to approve the legality and validity of the Series 2023 Bonds. In rendering the foregoing opinions we have not been requested to examine any document or financial or other information concerning the Authority or the State other than the record of proceedings referred to above, and we express no opinion as to the adequacy or sufficiency of any financial or other information which has been or will be supplied to purchasers of the Series 2023 Bonds.

This opinion is rendered solely with regard to the matters expressly opined on above and no other opinions are intended nor should they be inferred. This opinion is issued as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law, or in interpretations thereof, that may hereafter occur, or for any other reason whatsoever.

We have examined an executed Series 2023A-1 Bond, an executed Series 2023A-2 Bond, and an executed Series 2023B Bond and, in our opinion, the forms of said Series 2023 Bonds and their execution are regular and proper.

Very truly yours,

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APPENDIX E

FORM OF MASTER CONTINUING DISCLOSURE AGREEMENT

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APPENDIX E

FORM OF MASTER CONTINUING DISCLOSURE AGREEMENT

THIS MASTER CONTINUING DISCLOSURE AGREEMENT dated as of October 1, 2013, as amended and restated as of June 10, 2019 (the "Agreement"), is made by and among each Authorized Issuer, the State, and the respective Trustees, each as defined below in Section 1.

In order to permit the Underwriters of each series of Bonds issued from and after the date hereof to comply with the provisions of Rule 15c2-12, each of the parties hereto (as applicable), in consideration of the mutual covenants herein contained and other good and lawful consideration, hereby agree, for the sole and exclusive benefit of the Holders and, for the purposes of Section 5, the beneficial owners of Bonds, as follows:

SECTION 1. Definitions; Rules of Construction. (i) Capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the Authorizing Document.

"Annual Information" shall mean the information specified in Section 3.

"Authorized Issuer" shall mean, individually, the Dormitory Authority of the State of New York, the New York State Thruway Authority and the New York State Urban Development Corporation, each a public corporation or a public benefit corporation of the State of New York that is designated as an Authorized Issuer under the Enabling Act, and any successors thereto or any other public benefit corporation of the State of New York which may be authorized from time to time by the Enabling Act to issue Bonds.

"Authorizing Document" shall mean the applicable Authorized Issuer's State Sales Tax Revenue Bond General Resolution, including Annex A thereto, as supplemented and amended from time to time.

"Bonds" shall mean all of the State Sales Tax Revenue Bonds issued from time to time by Authorized Issuers and outstanding pursuant to the applicable Authorizing Document.

"Comptroller" shall mean the Comptroller of the State of New York.

"Director" shall mean the Director of the Budget of the State of New York.

"DOB" shall mean the Division of the Budget of the State of New York.

"EMMA" shall mean the Electronic Municipal Market Access system described in Securities Exchange Act Release No. 34-59062 (or any successor electronic information system) and maintained by the MSRB as the sole repository for the central filing of electronic disclosure pursuant to Rule 15c2-12.

"Enabling Act" shall mean Article 5-F of the New York State Finance Law, Chapter 56 of the Consolidated Laws of the State of New York, as supplemented and amended from time to time.

"GAAP" shall mean generally accepted accounting principles as prescribed from time to time for governmental units in the United States by the Governmental Accounting Standards Board.

"GAAS" shall mean generally accepted auditing standards as in effect from time to time in the United States.

"Holder" or *"Bondholder"* shall mean a registered owner of any Bond or Bonds.

"MSRB" shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934.

"Rule 15c2-12" shall mean Rule 15c2-12 under the Securities Exchange Act of 1934, as amended through the date of this Agreement, including any official interpretations thereof promulgated on or prior to the effective date of this Agreement.

"State" shall mean the State of New York, acting by and through the Director or the Comptroller.

"Trustee" shall mean the applicable trustee appointed by the applicable Authorized Issuer pursuant to an Authorizing Document, and their respective successors and assigns.

"Underwriters" shall mean the underwriter or underwriters that have contracted to purchase one or more series of Bonds from an Authorized Issuer at initial issuance.

(ii) Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this Agreement:

(a) Words importing the singular number shall include the plural number and vice versa.

(b) Any reference herein to a particular Section or subsection without further reference to a particular document or provision of law or regulation is a reference to a Section or subsection of this Agreement.

(c) The captions and headings herein are solely for convenience of reference and shall not constitute a part of this Agreement nor shall they affect its meaning, construction or effect.

SECTION 2. Obligations to Provide Continuing Disclosure.

(i) Obligations of the State and the Trustees.

(a) The State, acting by and through the Director, hereby undertakes, for the benefit of Holders of the Bonds, to electronically file with the MSRB, no later than 120 days after the end of each of its fiscal years, commencing with the fiscal year ending March 31, 2014, the Annual Information relating to such fiscal year.

(b) The State, acting by and through the Comptroller, hereby undertakes, for the benefit of the Holders of the Bonds, to electronically file with the MSRB, no later than 120 days after the end of each of its fiscal years, commencing with the fiscal year ending March 31, 2014, audited financial statements of the State for such fiscal year; provided, however, that if audited financial statements are not then available, unaudited financial statements shall be so provided and such audited financial statements shall be electronically filed with the MSRB if and when they become available.

(c) The Director and each Trustee shall notify the applicable Authorized Issuer upon the occurrence of any of the events listed in Section 2(ii)(a) promptly upon becoming aware of the occurrence of any such event. With respect to the foregoing, no Trustee shall be deemed to have become aware of the occurrence of any such event unless an officer in its corporate trust department becomes aware of the occurrence of any such event.

(ii) Obligations of each Authorized Issuer. Each Authorized Issuer hereby undertakes, for the benefit of Holders of the Bonds issued by it, to provide the following:

(a) to the MSRB in a timely manner not in excess of ten business days after the occurrence of any of the events listed below, notice of any of such events with respect to the Bonds issued by it:

(1) principal and interest payment delinquencies;

(2) non-payment related defaults, if material;

(3) unscheduled draws on debt service reserves reflecting financial difficulties;

(4) unscheduled draws on credit enhancements reflecting financial difficulties;

(5) substitution of credit or liquidity providers, or their failure to perform;

(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

(7) modifications to rights of security holders, if material;

(8) bond calls, if material, and tender offers;

(9) defeasances;

(10) release, substitution, or sale of property securing repayment of the securities, if material;

(11) rating changes;

(12) bankruptcy, insolvency, receivership or similar event of the obligated person;

(13) the consummation of a merger, consolidation or acquisition involving an obligated person, or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) appointment of a successor or additional trustee, or the change of name of a trustee, if material;

(15) incurrence of a financial obligation* of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation' of the obligated person, any of which reflect financial difficulties.

(b) to the MSRB, in a timely manner, notice of a failure by the State to comply with Section 2(i)(a) or (b).

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*In accordance with Rule 15c2-12, for purposes of the events identified in clauses (15) and (16) above, the term "financial obligation" means (i) debt obligation; (ii) derivative instrument entered into by the obligated person in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

(iii)(a) Termination or Modification of Disclosure Obligation. The obligations of the State hereunder may be terminated if the State is no longer an "obligated person" as defined in Rule 15c2-12; provided, however, that if the State has hereby obligated itself to provide information relating to any entity that thereafter continues to constitute such an "obligated person", obligations of the State to provide such information shall not be so terminated. Upon any such termination, the State shall so advise each Authorized Issuer and each such Authorized Issuer shall electronically file notice thereof with the MSRB.

(b) Other Information. Nothing herein shall be deemed to prevent the Authorized Issuers or the State from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Authorized Issuers or the State should disseminate any such additional information, neither the Authorized Issuers nor the State shall have any obligation hereunder to update such information or to include it in any future materials disseminated hereunder.

(c) Credit Enhancement. Each agreement governing the provision of a Credit Facility, if any, shall require the provider thereof to provide the applicable Authorized Issuer with prompt written notice of any change in the name, address, and telephone number of a place where then current information regarding such provider may be obtained. In addition, such agreement shall require each provider of a Credit Facility promptly to notify the applicable Authorized Issuer of a change in any rating relating to such provider that would affect the rating of the Bonds by any rating agency then rating the Bonds. The applicable Authorized Issuer shall promptly provide the Comptroller, the Director and the applicable Trustee with copies of all notices received by it under this Section 2(c). The provisions of this Section 2(c) shall also apply to each provider of a substitute Credit Facility.

(d) Disclaimer. Each of the Director, the Comptroller, the Authorized Issuers and the Trustees shall be obligated to perform only those duties expressly provided for such entity in this Agreement, and none of the foregoing shall be under any obligation to the Holders or other parties hereto to perform, or monitor the performance of, any duties of such other parties. Without limiting the general application of the foregoing, the Authorized Issuers shall be under no obligation to the Holders or any other party hereto to review or otherwise pass upon the Annual Information or the financial statements provided pursuant to Section 2(i), and its obligations hereunder shall be limited solely to the undertaking set forth in Section 2(ii) and to the requirements of Section 2(iii)(c) and Section 8.

(iv) MSRB Prescribed Identifying Information. All documents provided to the MSRB pursuant to this Agreement shall be accompanied by identifying information as prescribed from time to time by the MSRB.

SECTION 3. Annual Information.

(i) Specified Information. The Annual Information shall consist of the following:

(a) *financial information and operating data of the type included in the Official Statement for each series of Bonds, under the headings "PART 3 — "SECURITY AND SOURCES OF PAYMENT FOR STATE SALES TAX REVENUE BONDS", and "PART 4 — SOURCES OF NEW YORK STATE SALES TAX RECEIPTS FOR THE SALES TAX REVENUE BOND TAX FUND"* which shall include information relating to the following:

(1) a description of the sales tax imposed by Section 1105 and Section 1110 of the New York State Tax Law, which shall include a description of the tax rates, the tax base and the components of the State sales tax (unless the sales tax has been materially changed or modified, in which case similar information about the changed or modified tax will be provided);

(2) a historical summary of the New York State Sales Tax Receipts, and deposits to the Sales Tax Revenue Bond Tax Fund, or the historical equivalent, for a period of at

least the five most recent completed State fiscal years then available, together with an explanation of the factors affecting collection levels; and

(b) *financial information and operating data of the type included in the Annual Information Statement of the State set forth as an Appendix to, or incorporated by cross reference in, the Official Statement for the Bonds, under the headings or sub-headings "Prior Fiscal Years", "Debt and Other Financing Activities", "State Government Employment", "State Retirement Systems", and "Authorities and Localities"*, including, more specifically, information consisting of:

(1) *for prior fiscal years,* an analysis of cash-basis results for the State's three most recent fiscal years, and a presentation of the State's results in accordance with GAAP for at least the two most recent fiscal years for which that information is then currently available;

(2) *for debt and other financing activities,* a description of the types of financings the State is authorized to undertake, a presentation of the outstanding debt issued by the State and certain public authorities, as well as information concerning debt service requirements on that debt;

(3) *for authorities and localities,* information on certain public authorities and local entities whose financial status may have a material impact on the financial status of the State; and

(4) material information regarding State government employment and retirement systems; together with

(c) *such narrative explanation* as may be necessary to avoid misunderstanding and to assist the reader in understanding the presentation of financial information and operating data and in judging the financial condition of the State.

(ii) Cross Reference. All or any portion of the Annual Information may be incorporated in the Annual Information by cross reference to any other documents which have been electronically filed with the MSRB or filed with the Securities and Exchange Commission; provided, however, that if the document is an official statement, it shall have been electronically filed with the MSRB and need not have been filed elsewhere. The audited or unaudited financial statements of the State may be provided in the same manner.

(iii) Informational Categories. The requirements contained in this Agreement under Section 3(i) are intended to set forth a general description of the type of financial information and operating data to be provided; such descriptions are not intended to state more than general categories of financial information and operating data; and where the provisions of Section 3(i) call for information that no longer can be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be provided.

(iv) Providers of Credit Support. If known to the applicable Authorized Issuer, such Authorized Issuer shall inform the State, and the required Annual Information shall include the name, address and telephone number of a place where current information regarding each issuer of a Credit Facility may be obtained.

(v) Omnibus Annual Information Undertaking. The parties to this Agreement recognize, understand and agree that the information described in this Section 3 shall be set forth in the same manner in the respective Official Statements of each of the Authorized Issuers. Accordingly, a single electronic filing of the Annual Information with EMMA shall be deemed to satisfy the Annual Information filing obligation created by this Agreement.

SECTION 4. Financial Statements.

The State's annual financial statements for each fiscal year shall be prepared in accordance with GAAP (unless applicable accounting principles are otherwise disclosed) and audited by an independent accounting firm in accordance with GAAS (but only if audited financial statements are otherwise available for such fiscal year).

SECTION 5. Remedies.

If any party hereto should fail to comply with any provision of this Agreement, then each of the other parties and, as a direct or third-party beneficiary, as the case may be, any Holder of Bonds may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Agreement against such party and any of its officers, agents and employees, and may compel such party or any such officers, agents or employees to perform and carry out their duties under this Agreement; provided, however, that the sole and exclusive remedy for breach of this Agreement shall be an action to compel specific performance of the obligations of such party hereunder and no person or entity shall be entitled to recover monetary damages hereunder, under any circumstances; and provided further, that the rights of any Holder to challenge the adequacy of the information provided in accordance with Section 2 hereunder are conditioned upon the provisions of the Authorizing Document with respect to the enforcement of remedies of Holders upon the occurrence of an Event of Default described in Section A-1101(g) of the Authorizing Document as though such provisions applied hereunder. Each of the Director, the Comptroller, the applicable Authorized Issuer and the applicable Trustee reserves the right, but shall not be obligated, to enforce the obligations of the others. Failure by any party to perform its obligations hereunder shall not constitute an Event of Default under the Authorizing Document or any other agreement executed and delivered in connection with the issuance of the Bonds. In consideration of the third-party beneficiary status of beneficial owners of Bonds pursuant to Section 6, beneficial owners shall be deemed to be Holders of Bonds for purposes of this Section 5.

SECTION 6. Parties in Interest.

This Agreement is executed and delivered solely for the benefit of the Holders of the Bonds and, for the purposes of Section 5, beneficial owners of Bonds. For the purposes of such Section 5, beneficial owners of Bonds shall be third-party beneficiaries of this Agreement. No person other than those described in Section 5 shall have any right to enforce the provisions hereof or any other rights hereunder.

SECTION 7 Amendments.

(i) Without the consent of any Holders (except to the extent required under clause (c)(II) of this sentence) or provider of any Credit Facility, the Authorized Issuers, the State, and the Trustees at any time and from time to time may enter into amendments or changes to this Agreement for any purpose, if (a) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of one or more of the Authorized Issuers or the State or any type of business or affairs conducted by either; (b) the undertakings set forth herein, as amended, would have complied with the requirements of Rule 15c2-12 at the time of the primary offering of the Bonds, after taking into account any amendments to, or interpretation by the staff of the Securities and Exchange Commission of, Rule 15c2-12, as well as any change in circumstances; and (c) either (I) the amendment does not materially impair the interests of the Holders, as determined either by each of the Trustees or by a nationally recognized bond counsel approved by the State or (II) the Holders consent to the amendment to this Agreement pursuant to the same procedures as are required for amendments to the Authorizing Documents with the consent of Holders pursuant to Section A-1003 of the Authorizing Documents. In determining whether there is such a material impairment, the Trustees may rely upon an opinion of a nationally recognized bond counsel approved by the State. The interests of Holders shall be deemed not to have been materially impaired by an amendment (1) to add a dissemination agent for the information to be provided hereunder and to make any necessary or desirable provisions with respect thereto, (2) to evidence the succession of another entity to the State, an Authorized Issuer or a Trustee and the assumption by any such successor to the obligations of such party hereunder, or (3) to add to the obligations of the State or any Authorized Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the State or any Authorized Issuer.

(ii) Annual Information for any fiscal year containing any amended operating data or financial information for such fiscal year shall explain, in narrative form, the reasons for such amendment and the impact of the change on the type of operating data or financial information in the Annual Information being provided for such fiscal year. If a change in accounting principles is included in any such amendment, such Annual Information shall present a comparison between the financial statements or information prepared on the basis of the amended accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information. To the extent reasonably feasible such comparison shall also be quantitative. A notice of any such change in accounting principles shall be electronically filed with the MSRB.

SECTION 8. Termination.

This Agreement shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on all Bonds (in each case in this Section 8, “Bonds” shall refer to each series of Bonds, respectively) shall have been paid in full or all Bonds shall have otherwise been paid or defeased in accordance with the applicable Authorizing Documents (a “Legal Defeasance”); provided, however, that if Rule 15c2-12 (or any successor provision) shall be amended, modified or changed so that all or any part of the information currently required to be provided thereunder shall no longer be required to be provided thereunder, then such information shall no longer be required to be provided hereunder; and provided further, that if and to the extent Rule 15c2-12 (or successor provision), or any provision thereof, shall be declared by a court of competent and final jurisdiction to be, in whole or in part, invalid, unconstitutional, null and void, or otherwise inapplicable to the Bonds, then the information required to be provided hereunder, insofar as it was required to be provided by a provision of Rule 15c2-12 so declared, shall no longer be required to be provided hereunder. Upon any Legal Defeasance of a series of Bonds, the applicable Authorized Issuer shall electronically file with the MSRB notice of such defeasance, and such notice shall state whether the applicable series of Bonds have been defeased to maturity or to redemption and the timing of such maturity or redemption. Upon any other termination pursuant to this Section 8, the applicable Authorized Issuer shall electronically file with the MSRB notice of such termination.

SECTION 9. The Trustees.

(i) Except as specifically provided herein, this Agreement shall not create any obligation or duty on the part of any Trustee and no Trustee shall be subject to any liability hereunder for acting or failing to act as the case may be.

(ii) Each Trustee shall be indemnified and held harmless in connection with this Agreement, to the same extent provided in the applicable Authorizing Document for matters arising thereunder.

SECTION 10. Governing Law.

This Agreement shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

SECTION 11. Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all shall together constitute one and the same instrument.

SECTION 12. Effective Date.

This Agreement, as amended and restated as of June 10, 2019 (primarily to incorporate the listed events described in clauses (15) and (16) of Section 2(ii)(a)), shall become effective with respect to the State, an Authorized Issuer and a trustee under an Authorizing Document, only as of the amended effective date of such party's execution of this Agreement by its duly authorized officer, as set forth on the following signature pages.

IN WITNESS WHEREOF, the undersigned have duly authorized, executed and delivered this Master Continuing Disclosure Agreement as of the respective dates set forth below.

AUTHORIZED ISSUERS:

DORMITORY AUTHORITY OF THE STATE OF NEW YORK

By: ____________________________
Name:
Title:
Date:

NEW YORK STATE THRUWAY AUTHORITY

By: ____________________________________
Name:
Title:
Date:

NEW YORK STATE URBAN DEVELOPMENT CORPORATION
d/b/a Empire State Development Corporation

By: _____________________________________
Name:
Title:
Date:

[Signature Page of Authorized Issuers to New York State Sales Tax Revenue Bonds Master Continuing Disclosure Agreement]

THE STATE OF NEW YORK
Obligated Person

By Thomas P. DiNapoli, Comptroller

By: _______________________________
Name:
Title:
Date:

By Robert F. Mujica Jr., Director of the Budget

By: ________________________________
Name:
Title:
Date:

[Signature Page of State to New York State Sales Tax Revenue Bonds
Master Continuing Disclosure Agreement]

TRUSTEES:

THE BANK OF NEW YORK MELLON,
as Trustee for the benefit of Dormitory Authority of the State of New York Bondholders

By: ________________________________
Authorized Signatory

Date: _________________

[Signature Page to New York State Sales Tax Revenue Bonds
Master Continuing Disclosure Agreement]

____
as Trustee for the benefit of New York State Thruway Authority Bondholders

By: ______________________________
Authorized Signatory

Date: ________________

[Signature Page of Trustee to New York State Sales Tax Revenue Bonds Master Continuing Disclosure Agreement]

____
as Trustee for the benefit of New York State Urban Development Corporation Bondholders

By: ___________________________________
Authorized Signatory

Date: __________________

[Signature Page of Trustee to New York State Sales Tax Revenue Bonds Master Continuing Disclosure Agreement]

APPENDIX F

BONDS TO BE REDEEMED OR PURCHASED

The Refunded Bonds

DASNY is proposing to currently refund certain State-supported debt previously issued by it or another Authorized Issuer with a portion of the proceeds of the Series 2023 Bonds. The following list of bonds is not final and is subject to change prior to issuance of the Series 2023 Bonds. DASNY reserves the right to refund all, none or only a portion of the bonds listed below and also reserves the right to refund bonds in addition to those listed below. In the event that any of the bonds and principal amounts listed below are not refunded with proceeds of the Series 2023 Bonds, DASNY reserves the right to issue refunding bonds in the future to refund any of the bonds listed below or portions thereof. All of the bonds listed below are the Refunded Bonds as described in "PART 7—THE REFUNDING PLAN."

Series	Maturity or Sinking Fund Date	Interest Rate	Amount Outstanding	Amount Refunded	Redemption Date	Redemption Price	CUSIP*
DASNY State Sales Tax Revenue Bonds, Series 2013A	03/15/2029	4.000%	$14,215,000	$14,215,000	11/10/2023	100%	64990AAQ8
	03/15/2030	4.000	38,590,000	38,590,000	11/10/2023	100	64990AAR6
Thruway Authority State Personal Income Tax Revenue Bonds (Transportation), Series 2013A	03/15/2024	5.000%	$11,630,000	$11,630,000	11/10/2023	100%	650028VG5
	03/15/2025	5.000	12,210,000	12,210,000	11/10/2023	100	650028VH3
	03/15/2026	5.000	12,820,000	12,820,000	11/10/2023	100	650028VJ9
	03/15/2027	5.000	13,465,000	13,465,000	11/10/2023	100	650028VX8
	03/15/2028	4.000	5,000,000	5,000,000	11/10/2023	100	650028VK6
	03/15/2028	5.000	9,135,000	9,135,000	11/10/2023	100	650028VY6
	03/15/2029	5.000	14,795,000	14,795,000	11/10/2023	100	650028VL4
	03/15/2030	5.000	15,530,000	15,530,000	11/10/2023	100	650028VM2
	03/15/2031	5.000	16,310,000	16,310,000	11/10/2023	100	650028VN0
	03/15/2032	5.000	17,125,000	17,125,000	11/10/2023	100	650028VP5
	03/15/2033	5.000	17,980,000	17,980,000	11/10/2023	100	650028VQ3

* CUSIP numbers have been assigned by an organization not affiliated with the Authority and are included solely for the convenience of the holders of the Refunded Bonds. The Authority is not responsible for the selection or uses of these CUSIP numbers, nor is any representation made as to the correctness of the CUSIP numbers on the Refunded Bonds or as indicated above.

Purchased Invited Bonds

DASNY expects to purchase the portions of the Invited Bonds listed below by applying the proceeds of the Series 2023 Bonds, and certain other legally available moneys of DASNY, to pay the purchase price of such Invited Bonds, as set forth in the Invitation, on the Settlement Date. This purchase is contingent upon the delivery of the Series 2023 Bonds. All of the bonds listed below are the Invited Bonds as described in "PART 7—THE REFUNDING PLAN."

Dormitory Authority of the State of New York
State Personal Income Tax Revenue Bonds (General Purpose),
Series 2019F (Federally Taxable)

Maturity Date (February 15)	Interest Rate	Amount Outstanding	Amount Accepted for Purchase	CUSIP*
2028	2.657%	$67,425,000	$31,675,000	64990FS96
2029	2.727	54,985,000	23,010,000	64990FT20
2030	2.777	32,675,000	3,395,000	64990FT38
2031	2.877	33,475,000	910,000	64990FQX5
2032	2.957	34,420,000	13,195,000	64990FQY3
2033	3.027	79,780,000	40,155,000	64990FQZ0
2034	3.057	66,375,000	31,960,000	64990FRA4
2039	3.110	363,940,000	237,565,000	64990FRB2
2043	3.190	333,850,000	169,665,000	64990FXE9

* CUSIP numbers have been assigned by an organization not affiliated with the Authority and are included solely for the convenience of the holders of the Invited Bonds. The Authority is not responsible for the selection or uses of these CUSIP numbers, nor is any representation made as to the correctness of the CUSIP numbers on the Refunded Bonds or as indicated above.

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DORMITORY AUTHORITY OF THE STATE OF NEW YORK
State Sales Tax Revenue Bonds, Series 2023A-1 (Tax-Exempt), Series 2023A-2 (Tax-Exempt) and Series 2023B (Federally Taxable)

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