



OFFICE OF THE STATE COMPTROLLER

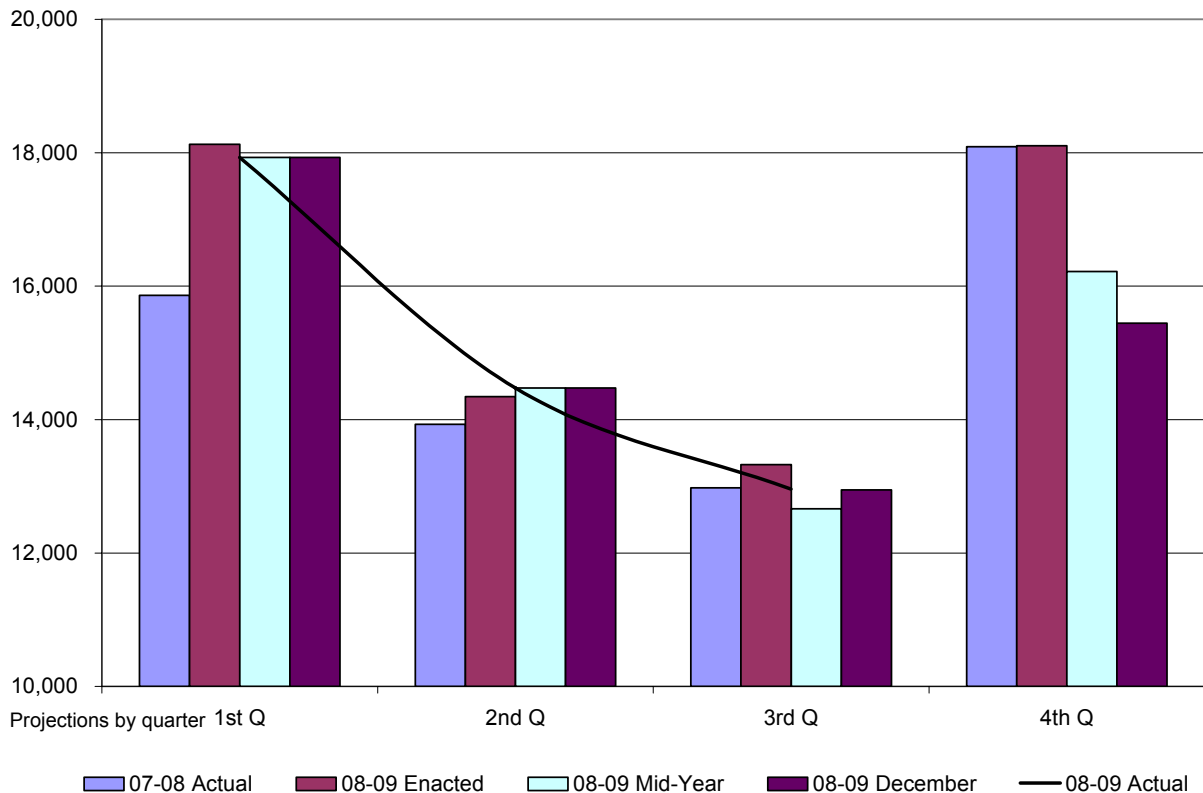
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Special Quarterly Report of Receipts and Disbursements

January 2009

The December 2008 Cash Report indicates that tax collections, while in line with current Financial Plan projections released with the Governor's proposed budget on December 16, again illustrate a slowing economy. The Division of the Budget has lowered revenue projections by a total of \$3.4 billion since the Enacted Budget Financial Plan was released in May, of which \$3.1 billion was from taxes (a nearly 5 percent decline from May projections). As illustrated in the chart below, the majority of change is expected in the fourth quarter.

**SFY 2008-09 Projected Tax Collections by Quarter
Compared to SFY 2007-08**
(in millions of dollars)



General Fund

In the General Fund, total receipts (including transfers from other funds) of \$38.2 billion, were \$72.6 million below Financial Plan estimates through December 31 but 7.5 percent or \$2.7 billion above last year for the same period. Although the growth in Personal Income Tax collections is slowing, \$16.2 billion in year to date collections is \$114.8 million over December Financial Plan projections and \$2.3 billion over the same period last year, primarily due to estimated taxes collected in April on 2007 liabilities. However, this is offset by lower collections for consumption/use tax (\$82.9 million below last year and \$95.1 million below Plan) and business tax collections (\$227.5 million below last year and \$12.9 million below Plan).

General Fund disbursements (including transfers to other funds) of \$39.2 billion are \$122.6 million over Financial Plan projections through December 31 and \$2.3 billion or 6.3 percent over last year. The growth is primarily attributable to school aid (up \$1.3 billion) and Medicaid (up \$786 million). The variance from Financial Plan is primarily due to State Operations and General State Charges (\$138.4 million over Plan) and support for Debt Service and State Capital Projects (\$75.2 million over Plan). This is offset by lower than anticipated local assistance grants. Note that General Fund spending for State Operations and General State Charges are down a combined \$1.9 billion from the same period last year primarily because that spending is occurring outside the General Fund as part of the Division of the Budget's Medicaid transparency initiative.

As a result of lower than anticipated receipt collections and higher than anticipated disbursements through December, the General Fund closing balance of \$1.7 billion is \$195.2 million below Financial Plan projections through December 31.

All Governmental Funds

All Funds spending of \$88.2 billion is approximately \$591 million below projections through December 31. The variance is primarily due to lower than anticipated spending for local assistance programs (\$489 million below plan) in addition to lower than anticipated spending for General State Charges (\$93.3 million) and capital projects (\$50.5 million). All Funds spending was \$5.1 billion, or 6.2 percent, higher than the same period from State Fiscal Year 2007-08, primarily due to growth in spending for education, Medicaid and health and environment programs.

All Funds revenues were \$85.0 billion through December 31 and \$394.7 million below projections. The variance is primarily from lower than anticipated federal receipts (\$228.4 million) and miscellaneous receipts (\$181.9 million). All Funds tax collections through December of \$45.4 billion were \$15.6 million higher than anticipated and \$2.7 billion over last year.