

Financial Plan Overview

Overview

The Governor's Executive Budget proposal includes \$252 billion in All Funds disbursements, representing 3.6 percent growth or \$8.6 billion over State Fiscal Year (SFY) 2024-25 estimates. The Senate has put forth an All Funds spending plan that exceeds the Executive plan by \$6.9 billion or 2.7 percent, amounting to a \$15.5 billion or 6.4 percent increase over the current fiscal year estimate. The Senate's proposal allocates additional funds towards healthcare, higher and lower education, housing stability, and childcare.

The Senate projects total spending of \$259 billion for SFY 2025-26 on an All-Funds basis, representing a 2.7 percent or \$6.9 billion increase over the Executive proposal. This increase in spending is primarily due to an increase in funding for healthcare, as well as increases to Foundation Aid, human services and child care. In addition, the Senate Financial Plan realizes \$800 million in re-estimated State tax revenues. The Senate proposal anticipates All Funds receipts to total to \$256.6 billion, which is \$7 billion or 2.8 percent over the Executive proposal.

The Senate proposal estimates State Operating Fund spending at \$150.2 billion, representing an increase of 12.7 percent or \$16.9 billion over the current fiscal year. The Senate's State Operating Fund spending exceeds the Executive proposal of \$143.8 billion by \$6.4 billion or 4.5 percent.

According to the Senate plan, General Fund spending is projected to be \$122.9 billion, representing an increase of \$14.5 billion or 12.7 percent from the current fiscal year. Additionally, the Senate proposal exceeds the Executive proposal of \$116.3 billion by \$6.5 billion or 5.6 percent in terms of General Fund spending.

The Senate Financial Plan maintains the State's two statutory reserves, the Rainy Day Reserve and the Tax Stabilization Reserve, with a combined total balance of \$9.8 billion. The Senate proposal includes an informal set aside of General Fund resources amounting to \$11.3 billion for economic uncertainty. The Senate Financial Plan projects that the reserves for SFY 2025-26 will total \$21.1 billion, which is equivalent to 14.1 percent of State Operating spending. As a result of the various spending and revenue proposals within the Senate One House proposal, the Senate Financial Plan includes a surplus of \$213 million, which is carried-forward to offset expenses in SFY 2026-27.

The Senate One House supports additional funding for the following major spending proposals:

- \$1.5 billion for Financially Distressed Hospitals and Safety-Net Hospitals, \$500 million over the Executive proposal.
- \$788 million Targeted Inflationary Increase (TII), \$576 million over the Executive proposal.
- \$519 million in Education Aid.
- \$500 million for a Childcare Workforce Retention Grant program
- \$250 million for the Housing Access Voucher Program.
- \$145 million for Direct Service Provider Cost of Living Adjustments.

The Senate One House proposal includes the following new revenue proposals:

- Increase the Personal Income Tax Rate for the top two brackets to 10.8 percent and 11.4 percent (S.4437).
- Increase the Corporate Franchise Tax for companies with a net business income of \$5 million or above to 9 percent for Tax Years before 2027 (S.3943).
- Create the Working Families Tax Credit which would provide a \$550 credit per child to single taxpayers making under \$75,000 and married taxpayers filing jointly making \$130,000. This new credit would phase in over five years, increasing to \$1,600 per child. This credit would replace the existing Empire State Child Credit providing a more generous credit (S.2082).
- Provide senior citizens an Inflation Rebate for three years.
- Establish an Unemployment Insurance tax credit for small businesses with fifty or fewer employees to cover their additional per employee costs due to the unpaid UI debt.
- Fully De-Couple NY from Qualified Opportunity Zone Program and to tax capital gains from investments in these zones in the same manner as other capital gains are taxed (S.3340).
- Remove a number of tax breaks for the use of fossil fuels and dedicate revenues from the taxation of aviation fuel back to airport capital and operating expenses (S.3606-A).
- Impose a tax on single family homes owned by institutional investors (S.1572).
- Increase the Solar Energy System Equipment Credit (S.2626) and conform these changes to the Geothermal Energy System Credit (S.4882).
- Create a tax on non-essential helicopter rides in New York City (S.1140).
- Establish a \$1,000 deduction for educator expenses.

One House Financial Plan Overview
(millions of dollars)

	SFY 2023-24	SFY 2024-25	SFY 2025-26	
	Results	Current Estimate	Executive	One House
State Operating Funds Disbursements				
Size of Budget	\$128,473	\$133,336	\$143,804	\$150,237
Annual Growth	3.8%	3.8%	7.9%	12.7%
Other Disbursement Measures				
General Fund (Including Transfers) ¹	\$100,117	\$108,389	\$116,329	\$122,879
Annual Growth	7.9%	8.3%	7.3%	13.4%
Capital Budget (Federal and State)	\$14,708	\$17,032	\$21,184	\$21,700
Annual Growth	4.9%	15.8%	24.4%	27.4%
Federal Operating Aid	\$91,686	\$93,013	\$87,037	\$87,037
Annual Growth	10.9%	1.4%	-6.4%	-6.4%
All Funds	\$234,867	\$243,381	\$252,025	\$258,940
Annual Growth	6.5%	3.6%	3.6%	6.4%
Inflation (CPI) - Calendar Year	3.5%	2.7%	2.8%	2.7%
All Funds Receipts				
Taxes ²	\$106,668	\$113,151	\$117,809	\$122,813
Annual Growth	-6.2%	6.1%	4.1%	8.5%
Miscellaneous Receipts	\$33,755	\$32,755	\$38,740	\$38,740
Annual Growth	6.0%	-3.0%	18.3%	18.3%
Federal Receipts (Operating and Capital) ²	\$94,276	\$98,502	\$93,091	\$93,091
Annual Growth	5.3%	4.5%	-5.5%	-5.5%
Total All Funds Receipts ²	\$234,699	\$244,408	\$249,640	\$254,644
Annual Growth	-0.2%	4.1%	2.1%	4.2%
General Fund Cash Balance				
Rainy Day Reserve	\$6,256	\$8,756	\$9,756	\$9,756
Extraordinary Monetary Settlements	\$1,110	\$690	\$413	\$413
Economic Uncertainties	\$13,812	\$12,847	\$11,347	\$11,347
Timing of PTET/PIT Credit	\$14,137	\$16,405	\$13,774	\$16,819
Pandemic Assistance	\$0	\$0	\$0	\$0
All Other Reserves/Fund Balances	\$11,016	\$14,758	\$10,395	\$10,613
Debt Prepayment	\$0	\$0	\$0	\$0
Debt				
Debt Service as a % of All Funds Receipts ²	2.6%	2.6%	2.7%	2.6%
State-Related Debt Outstanding	\$54,319	\$56,552	\$65,090	\$65,606
Debt Outstanding as % of Personal Income	3.4%	3.6%	4.1%	4.1%
State Workforce FTEs - All Funds	176,585	189,700	192,361	192,361

¹ Includes planned transfer of Extraordinary Monetary Settlements from the General Fund to other funds for designated purposes

² Excludes the impact of the Pass Through Entity Tax program which is expected to have no net Financial Plan impact across fiscal years. In addition, All Funds tax receipts are adjusted to exclude the proposed payment of \$3 billion to New Yorkers through inflation tax refund payments

SFY 2025-26 Executive to One House Budget Reconciliation
(millions of dollars)

	All Funds	State Funds	State Operating Funds	General Fund (including transfers)
Executive Budget Receipts				
Taxes, Executive Budget	\$112,098	\$112,098	\$110,635	\$56,922
Adjusted for One House Budget	\$7,384	\$7,384	\$7,384	\$7,384
Taxes, One House Budget	\$119,482	\$119,482	\$118,019	\$64,306
Miscellaneous Receipts, Exec Budget	\$38,740	\$38,281	\$26,978	\$4,112
Adjusted for One House Budget	\$0	\$0	\$0	\$0
Misc. Receipts, One House Budget	\$38,740	\$38,281	\$26,978	\$4,112
Federal Receipts, Executive Budget	\$93,091	\$53	\$48	\$0
Adjusted for One House Budget	\$0	\$0	\$0	\$0
	\$93,091	\$53	\$48	\$0
<i>Transfers from Other Funds</i>	<i>\$57,533</i>	<i>\$57,510</i>	<i>\$52,629</i>	<i>\$46,908</i>
<i>Transfers to Other Funds</i>	<i>(\$58,554)</i>	<i>(\$55,716)</i>	<i>(\$54,935)</i>	<i>(\$8,780)</i>
<i>Use of Fund Balance</i>	<i>\$7,765</i>	<i>\$7,618</i>	<i>\$7,498</i>	<i>\$7,553</i>
<i>Bond and Note Proceeds</i>	<i>\$883</i>	<i>\$883</i>	<i>\$0</i>	<i>\$0</i>
One House Budget Receipts	\$258,940	\$168,111	\$150,237	\$122,879
Executive Budget Disbursements				
Local Assistance Grants	\$197,311	\$111,898	\$104,972	\$82,419
ATL Adjustments	\$6,003	\$6,003	\$6,003	\$6,071
Local Assistance, One House Budget	\$203,314	\$117,901	\$110,975	\$88,490
State Operations, Exec Budget	\$28,038	\$25,509	\$25,509	\$15,524
SO Adjustments	\$396	\$396	\$396	\$384
State Operations, One House Budget	\$28,434	\$25,905	\$25,905	\$15,908
General State Charges (GSC)	\$11,402	\$11,005	\$11,005	\$9,712
Offsetting Adjustments				(\$312)
GSC, One House Budget	\$11,402	\$11,005	\$11,005	\$9,400
Debt Service	\$2,318	\$2,318	\$2,318	\$300
Offsetting Adjustments			\$34	
Debt Service, One House Budget	\$2,318	\$2,318	\$2,352	\$300
Capital Projects	\$12,956	\$10,466	\$0	\$0
Net Capital Change	\$516	\$516		
Capital Projects, One House Budget	\$13,472	\$10,982	\$0	\$0
General Fund Transfer to Other Funds				\$8,674
Net Change				\$106
All Other, One House Budget	\$0	\$0	\$0	\$8,780
Total Disbursements	\$258,940	\$168,111	\$150,237	\$122,879

SFY 2025-26 Spending

(millions of dollars)

	SFY 2024-25	SFY 2025-26	Change	Percent
All Funds	\$243,381	\$258,940	\$15,559	6.39% _a
State Funds	\$147,050	\$168,111	\$21,061	14.32% _a
State Operating Funds	\$133,336	\$150,237	\$16,901	12.68% _a
General Fund*	\$99,203	\$107,655	\$8,452	8.52% _a

* General Fund excluding transfers

**Summary of State Operations Spending
Adjusted for One House Budget**

Function	General Fund (excluding transfers)	State Operating Funds	State Funds	All Funds
Economic Development	98	456	456	473
Education	110	219	219	372
Health	600	924	924	2,010
Higher Education	120	8,229	8,229	8,586
General Government	1,598	1,972	1,972	2,020
Local Government Assistance	0	0	0	0
Mental Hygiene	4,208	4,224	4,224	4,265
Parks and Environment	377	586	586	638
Public Protection	4,009	4,180	4,180	4,311
Social Welfare	661	819	819	1,380
Enacted Budget Receipts	385	452	452	486
Elected Officials	3,185	3,468	3,468	3,518
All Other*	553	374	374	374
Total Spending	15,908	25,904	25,904	28,432

*These amounts include offsetting transactions between funds

**Summary of Local Assistance Spending
Adjusted for One House Budget**

Function	General Fund (excluding transfers)	State Operating Funds	State Funds	All Funds
Economic Development	586	686	1,490	1,598
Education	35,610	42,297	42,671	46,850
Health	28,524	39,689	40,348	113,132
Higher Education	3,656	3,656	3,696	3,696
General Government	172	306	396	454
Local Government Assistance	868	868	868	868
Mental Hygiene	8,540	8,670	8,829	9,015
Parks and Environment	19	26	336	779
Public Protection	1,001	1,290	1,332	3,549
Social Welfare	7,517	7,523	9,635	14,805
Transportation	473	5,542	7,921	8,656
Elected Officials	200	328	328	328
All Other*	1,324	95	53	(115)
Total Spending	88,491	110,975	117,902	203,315

*These amounts include offsetting transactions between funds

Reserve Balances
 SFY 2025-26 Projected
 (millions of dollars)

	Executive	One House
Statutory Reserves		
Rainy Day Reserve Fund	\$8,138	\$8,138
Tax Stabilization Reserve Fund	\$1,618	\$1,618
Contingency Reserve Fund	\$21	\$21
Community Projects	\$25	\$25
Unofficial Reserves		
Economic Uncertainty	\$11,347	\$11,347
Timing of PTET/PIT Credits	\$13,774	\$16,819
Debt Management	\$1,000	\$1,000
Labor Settlements/Agency Operations	\$3,099	\$3,099
Undesignated Fund Balance	\$6,250	\$6,481
Extraordinary Monetary Settlements	\$413	\$413
One House Budget Reserves	\$45,685	\$48,961

**Estimate of Major Impacts to Local Governments and
School Districts**

(millions of dollars)

Education Aid (School Year Basis) - General Fund Support	\$758.1
Foundation Aid	\$519.4
Sojourner Truth and Franny Reese State Parks	\$0.4
Village of New Paltz (PD/FD services in ed. institutions)	\$0.3
S3269 Aid and Incentives Redesign Task Force	\$0.3
City of Auburn Equal Rights Heritage Center	\$0.2
Work Force	
All Funds Work Force, Fiscal Year 2024 Actuals (3/31/2024)	176,585
All Funds Work Force, Starting Estimate (3/31/25)	189,700
All Funds Work Force, Ending Estimate (3/31/26)	192,361
Net Change Year-over-Year - Executive Budget	2,661
Net Change Year-over-Year - Senate One House Budget	2,661